

ANNUAL REPORT (Abstract)

2017



Commit, grow, share, **together>**



www.groupe-crit.com

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2017: AN EXCELLENT YEAR WITH RECORD EARNINGS

To our Shareholders,

2017 was a record year for the Group in terms of business and earnings growth.

Both business divisions posted double-digit growth resulting in sales of over €2.4 billion, up nearly 13%.

Group EBITDA¹ rose over 20% to nearly €150 million, while our operating margin increased to a record 6.2% of sales.

We set three targets for the temporary employment in 2017: consolidate our performance trajectory in France, strengthen our international market positioning and support the transformation of our professions. Meanwhile, in the airport services sector our goals were to outperform the market in France and successfully integrate our new UK subsidiary.

And we succeeded in meeting all of these challenges.

We broke three sales barriers in the temporary employment division: global divisional sales of over €2 billion, sales of over €1.5 billion in France and over €500 million in the international segment.

2017 was an exceptional year for France: strong organic growth of nearly 10% and a sharp rise in EBITDA¹, up nearly 20% i.e. double the rate of sales growth. This was a particularly noteworthy performance.

The international segment also recorded a very successful year. We largely exceeded the €300 million sales forecast announced for the United States. This was a great success for an operation that started just 6 years ago, which today places us among the top 50 operators in the world's largest staffing market.

In airport services, we can also celebrate exceptional performances in terms of both growth and profitability.

Our France operations posted an exceptional annual performance with organic growth of over 11%.

Meanwhile, our upsizing on the international market has been a resounding success with the integration of our new subsidiary, Cobalt Ground Solutions, a major operator at London Heathrow, in 2017 and our first operation in the United States at Boston airport.

Airport services posted a record operating margin in 2017, up 100 basis points from 2016.

With net income Group share of €84.8 million and equity of €512 million, our financial structure is extremely robust and enables us to pursue the Group's development with supreme confidence.

Double-digit
organic growth
EBITDA up
20.4%

We enter 2018 with optimism, determined to stay on the offensive in France and abroad.

Our Group will be able to capitalise on favourable economic conditions on its markets.

In France, business should remain sustained in the temporary employment sector. Temporary employee numbers over the first two months confirm our optimistic outlook. We have set ourselves ambitious targets for 2018 covering all our HR solutions and we intend to step up our digitisation drive by marketing two new solutions designed for our temporary workers and SME customers.

Our confidence spills over into the international segment as well. We shall remain on the lookout for potential acquisitions to expand our footprint, with a focus on Europe.

Airport services also harbour bright prospects, not only in France, which has made an unparalleled start to the year, but also on the international market, where we will continue to leverage strong sales momentum among our new UK and US operations.

We can therefore look forward to the new year with confidence and enthusiasm, backed by a strong, aggressive Group driven by the commitment and energy of its 7,600 permanent employees and 54,000² temporary workers in Europe, America and Africa serving 33,000 businesses and 125 airlines worldwide every year.

At the Annual Shareholders' Meeting to be held on 8 June 2018, your Board of Directors will propose a dividend payment of €4.40 per share.



Claude Guedj

Chairman and Chief Executive Officer

¹ Current operating income before net amortisation and depreciation

² Full-time equivalent (FTE)



Management and supervisory bodies



BOARD OF DIRECTORS

- Claude GUEDJ
Chairman
- Yvonne GUEDJ
Director
- Karine GUEDJ
Director
- Nathalie JAOUI
Director

EXECUTIVE MANAGEMENT

- Claude GUEDJ
Chairman and Chief
Executive Officer
- Nathalie JAOUI
Executive Vice
President, President
of the Temporary
Employment and
Recruitment Division
- Karine GUEDJ
Executive Vice
President
- Renaud LEJEUNE
Chief Financial Officer
- Jean-Pierre
LEMONNIER
Director of Human
Resources

REGULAR STATUTORY AUDITORS

PricewaterhouseCoopers Audit

Represented by **Dominique Ménard**, member of the Versailles Institute of Statutory Auditors
63 rue de Villiers, 92200 Neuilly-sur-Seine

EXCO Paris Ace

Represented by **Arnaud DIEUMEGARD**, member of the Paris Institute of Statutory Auditors
5 avenue Franklin Roosevelt, 75008 Paris

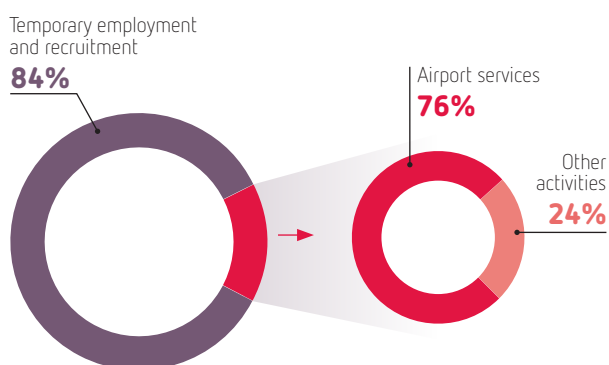
ALTERNATE STATUTORY AUDITORS

Mr Emmanuel CHARRIER

Member of the Paris Institute of Statutory Auditors
5 avenue Franklin Roosevelt, 75008 Paris



Key figures

SALES
(€m)**EBITDA**
(€m)**NET INCOME GROUP SHARE**
(€m)**BREAKDOWN OF 2017 SALES BY SEGMENT***(before inter-segment eliminations)***BREAKDOWN OF 2017 SALES BY GEOGRAPHICAL REGION***(before inter-segment eliminations)*

(€000)

2017

2016

CONSOLIDATED SALES	2,418,225	2,145,269
Of which:		
Temporary employment & recruitment	2,026,308	1,829,748
Airport services	314,621	244,860
Other activities	98,113	89,686
Inter-segment eliminations	(20,817)	(19,026)
EBITDA ⁽¹⁾	149,614	124,311
Current operating income	126,593	105,115
Operating income	126,771	105,115
Net income	83,364	75,271
Net income Group share	84,787	75,404
Shareholders' equity (Group share)	511,928	435,619
Net financial debt before deduction of CICE tax credit	9,163	46,341
Net financial debt ⁽²⁾	(189,604)	(108,932)
Earnings per share (€)	7.64	6.79
Permanent workforce	7,623	6,851 ⁽³⁾
Number of agencies	568	542

(1) Current operating income before net amortisation and depreciation

(2) As defined in Note 4.4.1 to the consolidated financial statements

(3) Including the employees of Cobalt Ground Solutions acquired on 31 December 2016

A BUSINESS SERVICES GROUP

HISTORICAL MILESTONES

1962

FOUNDING OF GROUPE CRIT

Claude Guedj founded the Centre de Recherches Industrielles et Techniques (CRIT), a design and research agency serving the mechanical, electrical and information technology industries.

1972 - 1998

FIRST LAW ON TEMPORARY EMPLOYMENT

FOUNDING OF CRIT INTÉRIM

The Group developed its temporary employment network through internal and external growth, established its human resources training centre and obtained ISO classification and CEFRI certification in the nuclear industry.

1999 - 2000

INITIAL PUBLIC OFFERING

In 1999, Groupe CRIT was listed for trading on the Euronext Paris Second Marché. In 2000, the Group acquired Groupe Europe Handling and City Jet Handling, which specialise in airport services.

2001

NO. 4 IN TEMPORARY EMPLOYMENT

Groupe CRIT was selected by Forbes as one of the top 200 small caps in the world. Europe Handling was chosen as the airport service provider at Roissy CDG2 airport (Paris). Groupe CRIT expanded its temporary employment network in Switzerland. At the end of 2001, Groupe CRIT acquired the Euristt group. This strategic acquisition enabled the Group to become No. 4 in the temporary employment industry in France and gave it a foothold in Germany and Spain.

2002

40 YEARS OF GROWTH

Groupe CRIT celebrated 40 years of growth and crossed the €1 billion sales mark. Thanks to the acquisition of Euristt, CRIT Intérim emerged as the largest independent group for temporary employment in France.

2003 - 2005

CRIT EXPANDED ITS SERVICES TO INCLUDE THE RECRUITMENT OF PERMANENT AND FIXED-TERM EMPLOYEES

CRIT became the first QSE-certified temporary employment company in France and expanded its services to include recruitment of permanent and fixed-term contract employees; it created a temporary employment subsidiary in Morocco and founded Congo Handling, an airport service subsidiary in Congo.

2006 - 2010

LAUNCH OF OPERATIONS IN SPAIN AND GABON

The Group stepped up its growth rate and reinforced its European temporary employment division with the acquisition of two networks in Spain. The airport services division signed an exclusive licence to provide airport services in Gabon and extended its positions in France at Roissy CDG and Orly airports.

2011 - 2012

A NEW INTERNATIONAL DIMENSION

Groupe CRIT exceeded €1.5 billion in sales and established operations in the United States, the world's largest temporary employment and recruitment market. The airport services division launched operations at London City Airport.

2013 - 2016

THE GROUP STRENGTHENED ITS FOOTPRINT IN THE UK AND USA

Groupe CRIT posted record earnings and exceeded the €2 billion sales mark. The Group strengthened its footprint on the US staffing market via five new acquisitions. It extended the scope of its airport services operations in France at the Roissy CDG3 and Nice Côte d'Azur hubs and acquired Cobalt Ground Solutions, third largest airport services provider at London Heathrow. The Group joined the top 10 global airport services providers (source: Company).

2017

A YEAR OF RECORDS

The Group achieved an excellent year in terms of business and earnings growth. Groupe CRIT posted double-digit sales growth for the third year in a row. In the temporary employment sector, sales exceeded €1.5 billion in France and €500 million in the international segment. The multi-services division posted strong growth of over 23% driven by airport services. Group EBITDA for 2017 increased by 20%, double the rate of its sales growth.

Overview

CRIT, A MAJOR PLAYER IN HUMAN RESOURCES AND BUSINESS SERVICES

Ranked 18th worldwide¹ and top independent group in France in temporary employment and recruitment², leading airport services provider in France, Groupe CRIT provides its clients with the human resources and professional skills they require – from major clients to small and medium-sized businesses and industries.

¹ source: Staffing Industry Analysts

² source: Company

TEMPORARY EMPLOYMENT AND RECRUITMENT: GROUP RANKED 18TH IN THE WORLD

With an international network spanning 568 employment agencies in Europe, Africa and the United States, the Group is the human resources partner of 30,000 companies for their permanent and temporary employee recruitment needs and supports 250,000 employees in their career paths.

AIRPORT SERVICES: A GLOBAL TOP 10 OPERATOR

Groupe CRIT has earned the trust of 125 international airlines, which it serves in France, Ireland, England, Africa and the United States.

ENGINEERING AND MAINTENANCE: PARTNER TO LARGE INDUSTRIES FOR THEIR PROJECTS

The Group is involved in a number of major industrial and technological projects relating to engineering, advanced technology consulting, installations and industrial maintenance.

€2.42 billion sales in 2017

7,600 permanent
employees

Operations in
12 countries

54,000
temporary
employees (FTE)

TEMPORARY EMPLOYMENT AND RECRUITMENT 84%*

FRANCE 75%

- CRIT
- AB Intérim
- Les Compagnons
- Les Volants

INTERNATIONAL 25%

- PeopleLink Group (United States)
- CRIT Intérim (Switzerland)
- CRIT España (Spain)
- CRIT Empresa de Trabalho Temporário (Portugal)
- Propartner (Germany)
- CRIT Morocco
- CRIT Tunisia

AIRPORT SERVICES 13%*

FRANCE 72%

- Groupe Europe Handling (Roissy, Orly, Nice Côte d'Azur)

INTERNATIONAL 28%

- Sky Handling Partner (Ireland)
- Cobalt Ground Solutions (England - London Heathrow)
- Sky Handling Partner UK (England - London City Airport)
- Sky Handling Partner USA (United States - Boston)
- Congo Handling (Brazzaville, Pointe Noire, Ollombo - Congo)
- Sky Handling Partner Sierra Leone (Freetown)
- ASAM** (Mali)

OTHER BUSINESS SERVICES 4%*

ENGINEERING AND INDUSTRIAL MAINTENANCE 76%

- MASER Engineering
- ECM

OTHER SERVICES 24%

- RHFormation
- Peopulse (HR digitisation)
- Otessa (hospitality services)
- CRIT Center (industry & construction)

*as a percentage of sales before inter-segment eliminations

** technical assistance services

The full list of the Group's subsidiaries and equity investments is given in Note 6.4 to the consolidated financial statements (consolidation scope)





1

PRESENTATION OF THE GROUP AND ITS BUSINESS

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1.1 TEMPORARY EMPLOYMENT AND RECRUITMENT, THE GROUP'S CORE BUSINESS



As a pioneer in the field of human resource services for corporate clients, Groupe CRIT holds a very strong position in this business segment. Leading independent group in France¹ for temporary employment and recruitment and 18th group worldwide², Groupe CRIT is a major player in human resources given its extensive service offering, providing increasingly specialised services in recruitment, job placements, training, consulting and employability support.

The Group also benefits from the strong positions it holds in the airport services sector in France and overseas, and from an engineering and maintenance service offering dedicated to major industry and technology projects.

Temporary employment and recruitment is the Group's core business, its very foundation and driver of growth, and is conducted under the CRIT brand in France and the PeopleLink brand in the United States. This division accounted for over 84% of the Group's operations in 2017 (before inter-segment eliminations).

The airport services division is the second largest source of growth for the Group, accounting for 13% of business in 2017.

The "other services" division mainly provides engineering and maintenance services.

Thanks to its development policy, which focuses on internal and external growth, the Group has acquired considerable reach in its core business. Leading independent group in temporary employment in France¹, 18th group worldwide², with 568 agencies including 380 agencies under the CRIT banner in France, Groupe CRIT has a well-established regional network throughout France and key positions overseas, enabling it to meet the human resources needs of 30,000 companies in France and abroad.

THE GLOBAL TEMPORARY EMPLOYMENT MARKET

In a constantly changing global economy marked by rising demand for responsiveness and productivity to improve competitiveness, the constraints of traditional forms of employment no longer meet businesses' needs for flexibility. As a result, thanks to the flexibility it provides, and coupled with the significant investments made by sector players to provide better training for temporary workers and increase their employability, temporary employment has become a genuine human resources management tool that is an integral part of companies' HR strategies. At the same time, it has become a major channel providing access to employment. The global temporary employment and recruitment market thus generated a total turnover of €388 billion in 2016, up 5% (source: SIA Global Staffing Industry Market estimates and October 2017 Forecast). The Americas (North and South America) and Europe regions account for over 35% and 40% of the global market respectively.

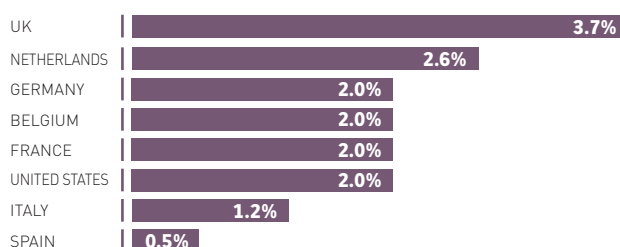
GLOBAL SALES IN THE TEMPORARY EMPLOYMENT AND RECRUITMENT MARKET €388 BILLION IN 2016⁽¹⁾

Ranking of the top 15 markets worldwide in 2016⁽¹⁾
(€bn)

1 United States	123.7	9 Italy	9.0
2 Japan	52.3	10 Switzerland	7.5
3 United Kingdom	39.9	11 Canada	5.9
4 Germany	25.1	12 Belgium	5.8
5 France ⁽²⁾	21.0	13 India	4.1
6 Netherlands	18.2	14 South Africa	3.4
7 Australia	13.2	15 Sweden	3.3
8 China	9.1		

⁽¹⁾ source: Global Staffing Industry Market estimates and October 2017 Forecast update
⁽²⁾ Prism'emploi and 2017 estimate

Proportion of temporary employment among the working population in the United States and Europe (in 2016)*



* Source: Prism'emploi and staffing industry analysts

In 2009, the temporary employment segment, among the first to be hit by the global economic crisis, suffered a decline of 16% in global sales, one of the sharpest falls in its history. Closely linked to the state of the economy and used as an adjustment variable by companies in times of crisis or recovery, the temporary employment market has for a number of years reflected the impacts of an improving economic

situation in Europe and the buoyancy witnessed in Asia-Pacific and the Americas, particularly in the United States, a market in which Groupe CRIT acquired a foothold in 2011. Besides the economic factor, the temporary employment industry operates in a favourable structural environment given the increasing needs of businesses for more flexibility, demographic factors and numerous retirements, shortages of workers in skilled trades and laws recognising the positive role that it now plays in the employment market.

THE UNITED STATES, LEADING TEMPORARY EMPLOYMENT MARKET WORLDWIDE

With a market estimated at over \$140 billion in 2017 and an average of over 3.2 million full-time equivalent temporary employees per week, i.e. over 2% of the working population (source: Staffing Industry Analysts September 2017 Forecast and ASA Quarterly Staffing employment and sales survey), the United States is the leading temporary employment market worldwide and is more than 6.5 times the size of the French market. Up by 3% in 2017, the US temporary employment and recruitment market is expected to grow again by 3% in 2018 (source: Global Staffing Industry Market estimates and October 2017 Forecast). Apart from size, the US temporary employment market differs from the French market in that it is highly fragmented, with 10,000 staffing companies operating throughout the country and the three leading companies in the sector accounting for less than 15% of the market share, compared to over 65% in France. This situation offers significant expansion opportunities to players operating in the United States.

FRENCH TEMPORARY EMPLOYMENT MARKET: A MODEL IN EUROPE

With business volumes of €21 billion in 2017, the French market, Groupe CRIT's main market, is the fifth largest temporary employment market worldwide and the third in Europe.

Temporary employment has become a mature industry. However, its development has been based on relatively different foundations and principles in each country. Thus, the legal environment for the industry was free-market in English-speaking countries and regulated in Latin countries. These significant disparities are converging towards a harmonised European model to establish a genuine legal and social status protecting the temporary employee while expanding and relaxing the conditions under which businesses can use temporary workers. In this sense, the European Directive on temporary employment, adopted in 2008 and applicable by Member States since December 2011, has been phased in by the EU Member States. It establishes a protective framework based on the principle of equal treatment (already implemented in France for many years) and on the lifting of unjustified restrictions in some countries, as in France. The outlook in March 2018 includes a number of significant steps forward in terms of harmonising European employment law: agreement by the EU institutions on the revision of the 1996 posting of workers directive, the new EU Labour Authority to be set up in 2019 and the European "pillar of social rights".

¹ Source: Company

² Source: Global Staffing Industry Market estimates and October 2017 Forecast update

FRANCE IS ACKNOWLEDGED AS ONE OF THE MOST SOCIALLY ADVANCED COUNTRIES IN THE AREA OF TEMPORARY EMPLOYMENT. THE MARKET HAS DEVELOPED WITHIN A STRICT REGULATORY AND LEGISLATIVE FRAMEWORK.

This legislation has been supported for over twenty years by proactive steps taken by the profession at large, giving temporary workers a genuine status within companies. The French legislative model sets a temporary employee's pay at the same level that an employee with the same qualifications would receive if hired for the position after a trial period, plus other salary items (bonuses). Temporary employees also benefit from an end-of-job indemnity (IFM) equal to 10% of the total gross pay due over the term of the contract, and a paid leave indemnity (ICCP) equal to 10% of the total remuneration plus the end-of-job indemnity. These two allowances are paid at the end of each job if the temporary employee does not immediately receive a permanent contract with the company using their skills. Temporary employees are entitled to overtime pay and compensatory time-off in accordance with labour laws.

The temporary employee's salary is paid by the temporary employment company, which is considered as the employer and which therefore bears the related social security obligations. Each job gives rise to two contracts: an employment contract called a "job" contract between the temporary worker and the temporary employment company, and a commercial contract called a "placement" contract ("*contrat de mise à disposition*") signed between the temporary employment company and the company using the temporary worker. This contract sets out all the specifications of the job assignment: purpose, duration, qualifications, job description, work location, risks associated with the job position, protective gear to be used, compensation, supplemental pension fund, welfare organisation, as well as the documents supporting the reason for the job, given that the company making use of the employee may only use a temporary worker in the specific case of replacement of an employee, a temporary increase in business activity or employment that is seasonal or temporary in nature.

The French Act of 18 January 2005 on social cohesion authorised temporary employment companies to participate in the job placement market.

In August 2009, the French Act on professional mobility and careers within the civil service made it possible for three public service sectors, namely central government, local government and hospital authorities, to use temporary employment.

The Cherpion Act and its enactment decree of 11 April 2012 allowed employment agencies to enter into apprenticeship contracts and thus support companies in recruiting young apprentices and young people looking for host companies.

The French National Interbranch Agreement (ANI) of 11 January 2013 and the sector agreement of 10 July 2013 set the stage for open-ended temporary employment contracts (*CDI Intérimaire*) and the creation of the FSPI fund to support temporary workers' rights. This represents a decisive stage in safeguarding the career paths of temporary employees, making temporary employment more attractive to qualified workers, and helping to increase and adapt skills to market requirements. The French Act of 17 August 2015 on social dialogue and employment (the Rebsamen Act) incorporated open-ended temporary employment contracts in the French Labour Code and increased the renewal allowance for job contracts from one to two.

The introduction of a supplementary health insurance scheme for temporary workers as of 1 January 2016 represented a new social breakthrough in temporary employment in France.

Under the 2017 French Labour Code reform orders (order no. 2017-1387), industry sectors resorting to temporary employment can negotiate the maximum term of temporary employment contracts, the number of renewals and the applicable waiting period.



TEMPORARY EMPLOYMENT MARKET IN FRANCE: A HIGHLY CONCENTRATED MARKET

Groupe CRIT operates in a highly concentrated market in France: out of some 1,500 temporary employment companies operating a total of 8,150 agencies in 2016, up 13.3% from 7,257 agencies in 2015 (source: Prism'emploi), three international groups account for over 65% of the temporary employment business. With a market share of over 7%, Groupe CRIT ranks fourth, and is the leading independent group for temporary employment in the French market (source: Company).

Ranking in France	Group	2017 global sales (€bn)	2017 France sales (€bn)
No. 1	ADECCO	23.7	5.3
No. 2	MANPOWER*	18.5	4.8
No. 3	RANDSTAD	23.3	3.6
No. 4	GROUPE CRIT	2.0	1.5

*Manpower global sales: \$21.0bn of which \$5.5bn France
Average exchange rate €: \$1.13065

DEMAND ON THE RISE

The temporary employment sector has evolved significantly, and has gained recognition from businesses and employees alike.

Having long been a one-off and cyclical response to staff adjustment needs during peak work periods or replacements for absent workers, temporary employment has become a structural tool of human resource management for companies. Faced with an unstable economic environment and a lack of company visibility, the adaptability and flexibility it provides makes it possible for a company to meet the demand for productivity, competitiveness and responsiveness that have become indispensable in the global marketplace. Due to the investments made in training temporary employees and in developing recruitment expertise, temporary employment gives companies "the right skills at the right time".

At the same time, temporary employment has become a powerful means of access to employment and integration for candidates. Previously synonymous with junior positions, temporary employment has become a preferred means of entering or returning to employment thanks to initiatives to improve the employability of temporary workers.

Temporary employment has clear advantages: lifestyle choice or career strategy for some, means of entering or returning to employment for others, its position as a gateway for young people to enter the job market is demonstrated by a survey carried out by Prism'emploi/Opinion Way in December 2017: 72% of respondents aged 18-29 said that temping made it easier to find a first job, while



81% regarded it as a means of acquiring new skills. Among the young temporary workers who received training during their placement, 80% believed that it promoted their long-term employment and helped them to develop in their current jobs, while 74% said that it had helped them to change job. The training aspect is very important. In 2016, some 250,000 temporary employees received operational training to which temporary employment companies allocated a budget of €380 million (source: Prism'emploi).

CONFIRMED GROWTH IN TEMPORARY EMPLOYMENT IN 2017

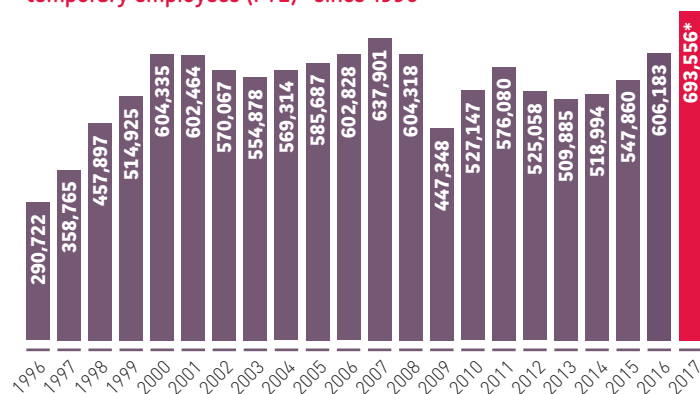
Temporary employment is closely linked to the state of the economy and is an early indicator of employment. It anticipates, 6 to 12 months ahead, the general labour market trend, since businesses have recourse to temporary workers before recruiting on a permanent basis. In December 2017, the upswing in the temporary employment market recorded its 36th consecutive month of growth since early 2015. In 2017, the French economy posted its 10-year record performance in terms of private sector employment, with 277,700 new private sector jobs resulting in a year-end record 25.07 million employees including 19.28 million in the private sector. As in the previous year, the services industry and, to a lesser extent, temporary employment were the main drivers of private sector employment.

Since January 2015, and following a downward trend over three consecutive years, temporary employment has seen a turnaround. After recording a gain of 6.8% in 2016, temporary employment underlined its state of good health in 2017. In a buoyant economic environment and with GDP growth at 2.0% (Insee), its highest point in 6 years, the year 2017 saw 8.5% growth in temporary employment and the creation of 56,200 new positions bringing the total number of temporary workers to 734,400 at year-end (source: Insee). Since the 2005 recovery, some 150,000 full-time equivalent (FTE) posts have been created in the sector.

2017 was also marked by strong quarterly growth in temporary employment: the first two quarters recorded respective growth rates of 8.3% and 7.7% in the number of temporary workers (FTE) compared to 2016, while Q3 and Q4 grew 9.6% and 8.5% respectively, including a 12% spike in September 2017. These developments presage a robust economic recovery.

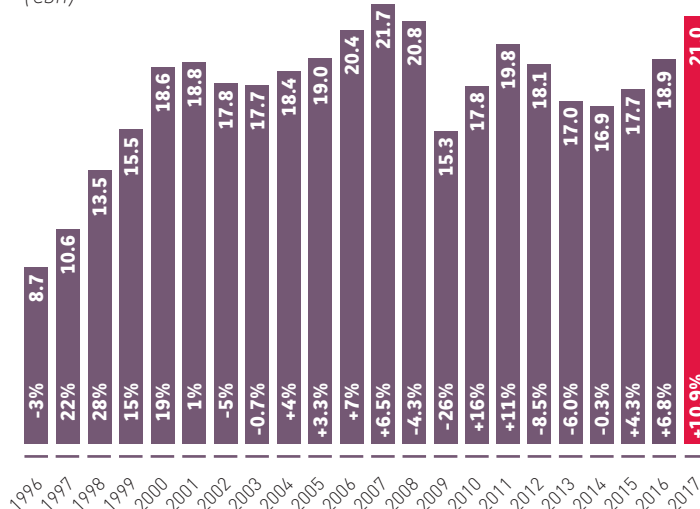
All business sectors contributed to the positive change in temporary employment in 2017. As in the previous year, the transport and logistics sector posted the strongest year-on-year growth (16.2%), maintaining double-digit growth throughout the year.

Annual change in the number of temporary employees (FTE)* since 1996



* Source: Prism'emploi / Dares - statistical break in 2017 due to the inclusion of the single social security statement (DSN) and open-ended temporary employment contracts

Change in annual sales of temporary employment in France (€bn)



* Source: (Prism'emploi/I+C, raw data)



Meanwhile industry, which accounts for almost half of the temporary worker headcount, posted 8.7% year-on-year growth. Growth stepped up in Q2, with a 10% high in Q3 2017.

This is followed by the services sector, up 6.2%, and commerce, up 5.6%, which also recorded a high of 8% in Q3. In the construction sector, growth fell from 10% in Q1 2017 to a low point of 3.2% in Q3, resulting in year-on-year growth of 5.4% in 2017 (source: Baromètre Prism'emploi).

While the construction sector did return to growth two years ago, the fall in temporary employment numbers in 2014 and 2015 (down 15.3% and 6.4% respectively) (source: Prism'emploi barometer) resulted in a substantial decrease in its relative share of temporary employment from 21.3% in 2012 to 18.1% in 2017 (source: Dares). While this downturn in temporary employment numbers can be partly attributed to the number of public works and new projects in the construction sector, it was also a result of strong competition from posted workers. The increase in controls and sanctions, the national partnership agreement with professional organisations signed in February 2016 and the introduction of the mandatory professional identity card for construction workers in October 2017 should substantially reduce these effects. In January 2017, the French government called for a swift review of the 1996 European directive in order to combat abuse in the posting of workers. In March 2018, European institutions reached a preliminary agreement which should lead to a revision of this directive (effective in two years' time) whereby the term of postings would be reduced (to 18 months from two years extendible) and wage regulations tightened.

In 2017, temporary employment increased in all regions, with two regions standing out strongly with growth significantly above the national average: at 14.6%, La Bourgogne Franche Comté posted the highest growth rate, driven by a surge in the transport and logistics sector (up 35.9%) and strong growth in services (up 17.1%). The second strongest region was Brittany, which posted growth of 13.5% mainly driven by a recovery in industry (up 17.5%). At the other end of the spectrum, Ile-de-France (Paris region) posted the lowest year-on-year growth rate (2.8%), while three other regions recorded growth below the national average, namely PACA (Provence-Alpes-Côte d'Azur) (5.2%), Hauts de France (5.5%) and Normandy (6.9%). The other regions registered increases of between 4.3% and 5.7% over the year.

In terms of qualifications, like 2016, 2017 was marked by the growth of temporary employment in skilled jobs; growth in temporary employment was particularly strong for managerial and intermediate professions, which accounted for over 12% of temporary employment and posted double-digit year-on-year growth (12%). Other skilled jobs posted similar rates of growth ranging from 7.5% for employees, accounting for 13.1% of temporary worker numbers, 7.8% for qualified workers (34.7% of total numbers) and 8.3% for unskilled workers (40.1%) (source: Baromètre Prism'emploi).

By its very nature, temporary employment affords flexibility; it is therefore the adjustment variable used by companies in times of uncertainty. While downward cycles show the sector to be the first hit by the effects of a slowdown in economic activity, it is also the first to benefit from an upturn in the economic situation and take advantage of growth periods. Temporary employment is an early indicator of job creation, since economic recovery relies firstly on temporary employment before spreading across the entire economic fabric. An analysis of economic cycles over the last 30 years shows that GDP growth of between 0.6% and 0.8% is necessary for temporary employment to pick up, while sustainable job creation requires GDP growth of around 1.5%. If the European Commission estimate of 1.9% GDP growth for France in 2018 is confirmed, or 2.2% according to OECD estimates, temporary employment should therefore continue to benefit fully from this growth phase and act as a springboard into employment.

As companies' structural need for flexibility has become unavoidable, the ever-increasing role temporary employment plays in managing unemployment, demographic factors, skills shortages, the various growth drivers available to this sector both in the Group's core business with increasing numbers of temporary employees who are specialists, managers, workers over 50, and in the Group's job placement, recruitment, redeployment, consulting, training and human resource management activities, all represent new markets and skills which give the temporary employment sector significant growth potential.



GROUPE CRIT'S TEMPORARY EMPLOYMENT AND RECRUITMENT DIVISION

A RANGE OF HUMAN RESOURCE SERVICES

CRIT is a pioneer in temporary employment. It has become a major player in human resources with an extensive service offering.

CRIT is the leading independent group in France for temporary employment and recruitment and is ranked 18th in the world², with networks in the United States, Germany, Spain, Switzerland, Morocco and Tunisia. Each year, CRIT meets the needs of around 33,000 corporate clients and supports close to 250,000 employees in their career paths.

Thanks to its expertise, the Group is able to provide a recruitment and human resource management solution, covering temporary, fixed-term and permanent contract employment, training, assessments, first-time employment support and consulting.

With over 2,600 permanent employees dedicated to the Group's temporary employment and recruitment division, services offered for recruitment, job placement, consulting, HR management digitisation, first-time employment support (support and advice to job seekers, redeployment and retraining for workers made redundant, engineering consulting for finding employment for recent graduates, employment support and advice for disabled workers, audits and advice for companies in their efforts to establish cohesion in the workplace, skills reviews, etc.), the Group has become a major player in human resources in order to meet the needs of private and public companies.

THE STRENGTH OF A NATIONAL NETWORK ON A HUMAN SCALE

With 380 agencies in France at the end of 2017, CRIT has a dense network and nationwide coverage that nonetheless remains on a human scale. This allows for agility, flexibility, rapid decision-making and action, commercial and personal convenience, and a privileged interaction and relationship between headquarters, agencies, corporate clients and job applicants.

This proximity is at the heart of the division's organisational structure and enhances the human relationships that the Group's managers have always been able to foster at all levels of the company and with their clients.

This stability also promotes a close-knit relationship and proximity with corporate clients and job applicants. This personal and geographic proximity, which is important to Groupe CRIT and its employees, guarantees effectiveness and ensures a more personalised, targeted, human and efficient service.

Autonomous, interactive and united, CRIT agencies are managed by regional operations departments, which are genuine centres of expertise in human resources.

CRIT agencies are "firms" organised as profit centres, with managers who share an entrepreneurial culture. Their directors are hands-on specialists in their respective business sectors.

Recruited locally and chosen for their involvement in the social, economic and community life in their area, CRIT employees are entirely familiar with the economic fabric and companies in their regions. This form of recruitment, specific to the Group, is one of its major assets, and the resulting stable and specialised expertise is reflected in a low employee turnover rate.

¹ source: Company

² Staffing Industry Analysts ranking – largest global staffing & recruitment firms 2017

FRANCE

CRIT, A MAJOR PLAYER IN FRANCE

Its key geographical and segment positioning, its position amongst clients, its fundamental values of entrepreneurship, proximity, agility and responsiveness, as well as its ongoing efforts to meet its clients' needs all help make CRIT a preferred partner for major clients and small and medium-sized enterprises alike, in all business sectors and regions.

A balanced geographic distribution

The CRIT network has a well-balanced geographic configuration. It is therefore present in the largest towns and cities in France and in the large employment catchment areas. With a very strong presence in Hauts de France, Grand Est and Normandy where it is the regional leader, the network is also well-established in the Paris region and holds strong positions in the South-East and South-West of France.

Coverage of all business sectors

The CRIT network has particularly strong presence in the industrial sector, in which it boasts a highly diversified client base. This sector accounted for over 47% of its business in 2017.

The network is also highly developed in the services sector, in which the Group substantially increased its penetration and whose share in total business has increased from 25% in 2004 to around 37% in 2017. The network also has strong positions in the construction sector, which accounted for around 16% of its business in 2017.

With the backing of its development and corporate culture, for several years now CRIT has based its growth on two dimensions:

- its extensive knowledge and involvement in the industrial and services sectors (automotive, agro-food, distribution, transport/logistics, chemicals, pharmaceuticals, customer services);
- the development of expert divisions offering high value-added (aeronautics, event management/catering, graphics/Web design, nuclear).

A strategic client mix

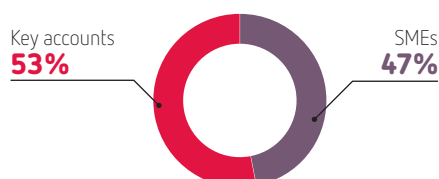
The Group has a firm foothold in the SME/SMI sector, which accounts for 47% of the division's sales, as well as strong positions with key accounts that were bolstered in 2017 by the network's performance, particularly in the transport and logistics, commerce, industry and construction sectors and, to a lesser extent, in the automotive sector where the Group has achieved exceptional growth over the last three years. Key accounts accounted for 53% of the division's business over the year.

The Group's diversification of its client base provided it with the necessary sectoral mix and balance to limit its exposure to any particular sector and its dependence on particular clients; the Group's largest client in its temporary employment division accounted for only 7.1% of total sales. The Group also provides expertise to public-sector companies, thus enabling it to expand its client mix. With its well-ramified national network, combined with the complementarity of its client base, the Group can serve all types of clients all over the territory.

A balanced client mix

Breakdown of CRIT network sales by client segment

(% of 2017 sales)



INTERNATIONAL OPERATIONS

42ND STAFFING GROUP IN THE UNITED STATES¹
AND KEY POSITIONS IN EUROPE AND NORTH AFRICA

The Group has developed its international network extensively and has operations in Europe, North Africa and the United States.

The United States has been a focal point of the Group's international development strategy for a number of years. This strategic decision to penetrate the world's largest temporary employment market stems from the Group's determination to diversify its geographical positions in order to develop new growth drivers.

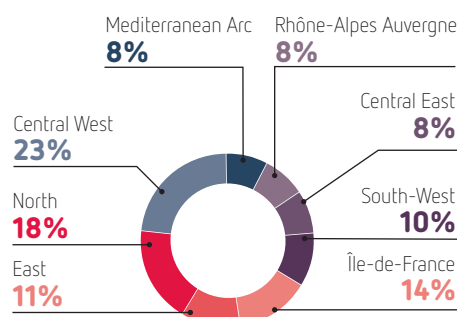
In six years, the Group significantly extended its penetration in the American continent through an aggressive external growth strategy. Since the acquisition of PeopleLink in 2011, ranked 85th among American staffing companies, the Group has carried out 12 acquisitions that have made it one of the major players in the American market today. Ranked 42nd among staffing groups in the United States¹ and 20th among industrial staffing companies in 2017², the Group currently operates 118 agencies located in 23 states. It has strong expertise in quality control and IT, sectors that were strengthened in 2016 and 2017 via two acquisitions. The United States has become the Group's largest international market accounting for over 65% of the temporary employment and recruitment division's international business.

Spain, the Group's second biggest market in Europe, accounted for a quarter of the temporary employment and recruitment division's international business. Having borne the full brunt of the global economic crisis, Spain is now enjoying an increasingly favourable economic climate with a high GDP growth rate estimated at 3.1% in 2017, almost the same as in 2015 and 2016³. The measures taken by the Group to adapt the network, update the business model and revitalise the marketing of its agency network, combined with the improvement in the economic climate, have enabled the Group to post double-digit organic growth in Spain for five years now. Today, the Group has a network of 46 agencies that are on track to take full advantage of the current favourable conditions on the Iberian market. The Group has also established positions in Germany, Switzerland, Morocco and Tunisia, taking the Group's international network to 188 agencies in 2017. By diversifying its network in terms of both business expertise and geographical presence, and given the brighter economic outlook in the regions in which it operates, the Group will continue to expand abroad in 2018 by prioritising organic growth and keeping an eye out for potential acquisitions, particularly in Europe.

1 Source: Staffing Industry Analysts: Largest Staffing Firms in the United States 2017, July 2017 update

2 Source: Staffing Industry Analysts: 2017 Largest Industrial Staffing Firms in the United States, Dec 2017 update

3 INE National Institute of Statistics (Spain)

Breakdown of CRIT France temporary workers (FTE)
by region in 2017

BUSINESS ACTIVITY OF THE TEMPORARY EMPLOYMENT AND RECRUITMENT DIVISION IN 2017

RECORD-BREAKING YEAR

SALES OF OVER €2 BILLION
EBITDA UP 17%

After two excellent years, the temporary employment and recruitment division maintained its solid growth momentum in 2017. Ranked 18th among staffing companies globally¹, the Group has once again confirmed its position as a major player in France and abroad.

In 2017, the temporary employment and recruitment division crossed the two billion euro sales mark for the first time ever, posting a new full-year sales record of €2,026.3 million, up 10.7%. This excellent performance was achieved primarily through organic growth (8.3%).

On the crest of this wave, France crossed a new milestone, thus consolidating its fourth position behind the Big Three players in the sector. On the international market, the Group also crossed a major milestone that proved the merits of its aggressive expansion strategy.

FRANCE: EXCELLENT ORGANIC GROWTH

In France, where the Group generated over 75% of its temporary employment and recruitment business in 2017, CRIT once again confirmed its ability to post strong growth, crossing the €1.5 billion sales mark for the first time ever. Sales came to €1,526.2 million, up 9.6% in terms of organic growth on a market posting growth of 10.9% (Prism'emploi raw data). This was a remarkable performance considering that growth in 2016 was over 14%.

It follows on from four exceptional years in a row when the Group outperformed its benchmark market and main competitors by 2-5 times. The Group posted an average annual growth rate of over 10% over this period, compared to 5% for the market and no more than 8% among its peers.

This excellent organic growth is driven by the Group's ability to maintain market share, focus on the quality of its client mix and diversify in terms of sector.

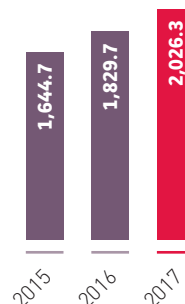
The sector-specific change testifies to the quality of the Group's commercial development in all sectors in which it operates. Accordingly, in industry, the Group's primary sector that accounts for over 47% of its business, year-on-year sales growth is over 6%. This is a highly satisfactory performance given that 2016 was an exceptional year for the automotive industry, which raised Group growth in the industry sector to 24% over the previous year. As expected, in 2017 the automotive industry made a lesser contribution to growth, which was mainly driven by the commerce, transport, logistics and construction sectors whose contributions, largely superior to those of the market, played a strong role in the division's excellent performance. Excluding the automotive sector, the number of Group temporary employees* grew by 9.9% in 2017 compared to a market average increase of 7.7% (*full-time equivalent).

Having registered double-digit growth in the services sector in 2016, the Group yet again posted strong sales growth of over 14% year-on-year, thus increasing its share of total business to over 36%.

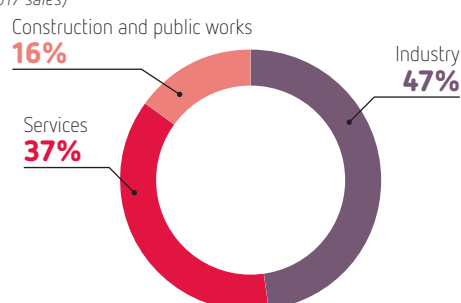
The Group took full advantage of the upswing in the construction sector and posted strong sales growth of 9.8% in 2017.



Breakdown of temporary employment and recruitment division sales (€m)



Breakdown of CRIT network sales by business segment (% of 2017 sales)



CRIT's growth on the French market is the result of its unrelenting commitment to maintain and adhere to the Group's culture and core values:

- presence and involvement of each and every employee in the local economic and social fabric,
- flexibility of its organisations to be able to adapt quickly to local business conditions, as reflected in the launch of 12 agencies in 2017,
- top-quality client mix demonstrated by a highly diversified portfolio of around 26,000 clients in France,
- a firm foothold in the SME sector, which accounted for 47% of business in 2017 and posted 8% year-on-year sales growth,
- a determination to balance its client mix with a strong strategy of supporting key accounts, which generated sales of over €800 million, up over 11%. The contribution of key accounts to Group business, which amounted to 53% in 2017, is increasing in line with the Group's strong growth in the industry, agro-food, commerce, logistics and transport sectors, and to a lesser extent the automotive sector. The exceptional growth levels achieved by these sectors over the last three years have enabled the Group to quadruple its sales in this segment.
- a determination to offer innovative solutions in order to meet its clients' needs in a constantly evolving market.

Accordingly, in 2017 the Group saw the sustained roll-out of its new "CRIT Inside" HR management solution, currently deployed via some 30 agencies located in high-potential client companies in order to provide customised management of their temporary workforce. The 50% increase in sales recorded over the year proves the merits of this solution, an effective response to key clients' demand for a hands-on service.

In a market where competition is growing for placement of skilled jobs, open-ended temporary employment contracts are a major potential area of growth for the Group, which has signed 1,000 such contracts to date.

In 2017, the Group also stepped up the development of its recruitment services, via a 10% increase in the number of appointments over the year.

INTERNATIONAL: €500 MILLION SALES MARK REACHED

In 2017, the Group once again strengthened its international positioning and recorded a strong performance over the year. International sales totalled €500.1 million, up 14.5% including 4.5% like-for-like growth at constant consolidation scope and exchange rates. The international share of the division's total business rose to 25%. The United States and Spain were the main contributors, accounting for over 90% of the division's international business. These countries achieved annual sales of €328.6 million and €122.6 million respectively.

THE UNITED STATES, THE GROUP'S LEADING OVERSEAS MARKET: A NEW ACQUISITION

The Group has been implementing an aggressive growth strategy in the United States, the world's largest temporary employment market, for a number of years. In six years, the Group has completed 12 acquisitions, thus raising its US network to 42nd position¹ among staffing companies in the United States, with 118 agencies located in 23 states and over 70,000 job assignments completed during the year.

In 2017, the temporary employment and recruitment division posted sales of €329 million in the United States, up 15.3%. This increase was driven by a €52.7 million contribution from the Group's last two acquisitions made in the United States. Like for like, sales in the region remained flat, as the normally buoyant North American employment market was hit by a temporary shortage of labour. This factor temporarily checked organic growth, which will be a focus for the Group in 2018.

Having acquired the businesses of TeamSoft, a staffing company specialising in digital technologies based in Madison, Wisconsin, and EHD Technologies, based in Tennessee and specialising in inspection and quality assurance services, in November 2016 and February 2017 respectively, in 2017 the Group focused on integrating these new US subsidiaries into its areas of expertise. TeamSoft has extensive experience in outsourcing and recruiting for highly skilled IT work (project managers, developers and web developers, system administrators and engineers, infrastructure engineers, etc.) It also has a solid portfolio of medium- and long-term contracts with major public bodies and private sector companies in Wisconsin, Indiana, Texas and New Jersey. This strategic acquisition thus allows the Group to strengthen its specialised division in the IT staffing

market. Similarly, EHD Technologies, consolidated as of February 2017, strengthens the Group's "Quality" vertical in the United States, bringing expertise in inspection and quality assurance services for the automotive, industry and electronics sectors and in outsourcing skilled work.

The Group is therefore on track to make 2018 a year of growth, driven by a favourable economic outlook in the US with GDP expected to rise by 2.9%² over the year.

STRONG GROWTH IN SPAIN

In 2017, Spain consolidated its growth momentum and posted double-digit organic growth for the fifth consecutive year. The temporary employment and recruitment division's 2nd largest international market generated sales of over €122.6 million, up 16.5% year-on-year.

This excellent growth was significant in many respects, including the fact that it was achieved at constant consolidation scope without any further acquisitions. For the fifth year in a row, Spanish operations outperformed the benchmark market, up 15% in 2017 (source: ASEMPELO and Company estimates). This strong growth was boosted by the continuous improvement in the country's economic climate, with a GDP growth rate of 3.1% in 2017, the second highest level in nine years.

In 2018, Spain is expected to continue to benefit from a favourable economic climate, with Spanish GDP expected to grow by 2.7%³ and the Spanish temporary employment market expected to grow by between 12% and 14% over the year (source: ASEMPELO).

(1) Source: Staffing Industry Analysts: Largest Staffing Firms in the United States 2017, July 2017 update

(2) OECD March 2018

(3) Bank of Spain, March 2018

FURTHER EARNINGS GROWTH

After robust earnings in 2016, the Group's temporary employment and recruitment division posted excellent results in 2017. EBITDA¹ rose by 17% to €115.4 million. The division's EBITDA margin represented 5.7% of sales, up 30bp from 2016.

In France, the division posted EBITDA of €93.5 million, up sharply by nearly 20%. This result is particularly impressive given sales growth of 9.6%. The EBITDA margin amounted to 6.1% of sales, up 50bp over the previous year.

With more modest sales growth, international business grew 4.5% organically over the year, the division's EBITDA reaching €21.9 million and the margin representing 4.4% of sales, compared to 4.7% in 2016. This slowdown was mainly due to the situation in the United States, where the market was hit by a temporary shortage of labour against a backdrop of full employment.

(1) EBITDA is defined as current operating income before net amortisation and depreciation.

DEVELOPMENT STRATEGY

SUPPORT PROFESSIONAL TRANSFORMATION

While temporary employment remains the cornerstone of the Group's development, it is constantly expanding its service offering in order to deliver a set of HR solutions, meet its clients' requirements and support the transformation of the client's professions.

Accordingly, the Group will continue to develop the following areas: the "CRIT Inside" customised HR management solution installed on client premises, open-ended temporary employment contracts, recruitment services, CSR commitments in terms of training, health, safety and equal opportunities, all central issues in the changing job environment, and the development of innovative digital software and solutions for its clients and temporary workers.

In accordance with its long-standing commitment to digital transformation to enhance its own productivity and that of its clients, the Group is focusing its digital strategy on three key areas. The first area involves digitising the relationship with temporary workers, for whom the Group has designed a personal, secure digital portal entitled MyCRIT. MyCRIT provides access to complete information on a temporary worker's job assignments. It incorporates extended features such as digital contracts, electronic signature, digital safe archiving and more.

The second area aims at improving the Group's operating performances via the introduction of productivity tools such as process automation, digitisation of administrative documents, job planning and automated dataflow management.

The third key area is the digitisation of the client relationship in order to drive the performance of corporate clients, for which the Group has developed CRIT Online, a management portal for SMEs. The portal, which is designed to meet the need for administrative streamlining and process security, provides corporate clients with an effective, global solution for managing temporary employment (online orders, e-signature, e-contracts, job tracking, staff files, pre-invoicing, reporting).

In 2018, the Group plans to step up its digitisation drive.

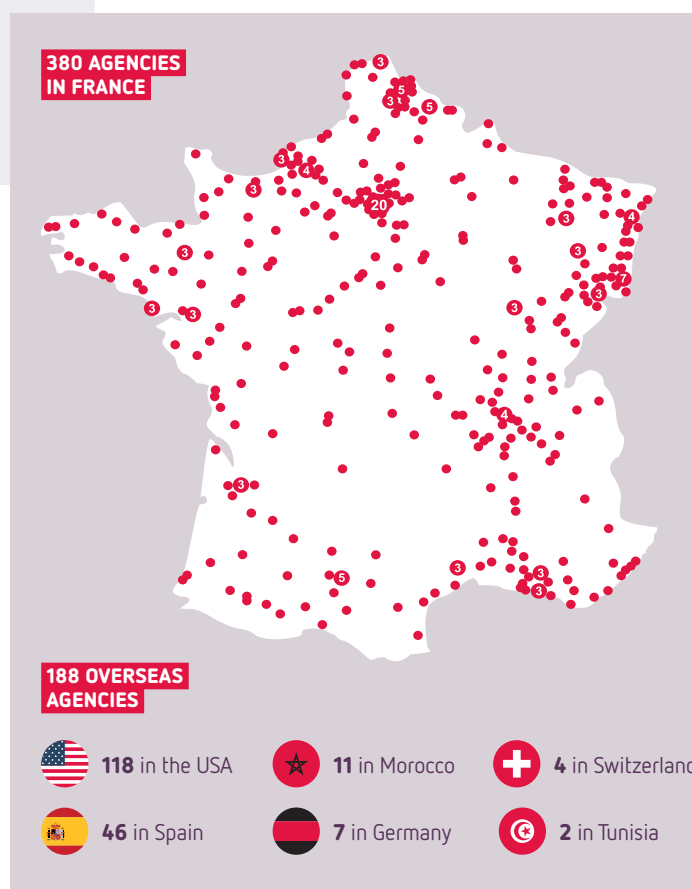
STRENGTHEN ITS POSITIONS

The expansion of CRIT agencies constitutes a virtuous growth circle. Thanks to the quality of its services, in terms of responsiveness, internal and external human resources, training of temporary workers and HR tools and solutions tailored to clients' needs, the Group is constantly enhancing the value-added of its services and increasing the productivity of its agencies.

For its temporary employment division, the Group has always opted for prudent and safe expansion, focused on value. This commitment is based on an ongoing selective sales policy to maintain the value of its contracts with SMEs and key accounts.

To accomplish this, the Group is pursuing a strategy of business development based on the growth of its "key account" clients by targeting those with the highest profitability and, secondly, on expanding its small and medium-sized client base.

The Group intends to continue to consolidate and strengthen its positions in countries where it is present. The growth strategy implemented by the Group in its different markets is based on the continuous effort to streamline its networks, which have a substantial capacity to adapt to changes in the environment and in the needs



of local, regional and national markets, as well as the increased specialisation and/or verticalisation of their services.

While France remains the Group's main market, the international business has for some years been a strategic priority in order to diversify its geographical positions and develop new growth drivers. This strategy has been swiftly rolled out on the US market. Indeed, since 2011 the United States, the world's largest temporary employment market, has been one of the main targets of the Group's growth strategy, with 12 acquisitions completed. The Group's expansion on this continent, where it now ranks among the top 50 staffing companies in the United States, is the result of a growth strategy geared, firstly, towards the development of "business vertical" services in areas requiring significant expertise such as IT, quality control and construction and, secondly, towards the expansion of its networks in B and C markets which are less competitive and are favourable to closer client proximity. With operations in 23 states, the Group is confident in its ability to pursue its development on this high-potential market.

The Group will continue its international development. In 2018, priority will be placed on driving organic growth in the United States. Besides this, the Group will remain on the lookout for potential acquisitions, focusing on Europe. Excluding France, the Group posted European sales of €142.2 million in 2017 and aims to reach the €300 million mark by 2020.

THE DEVELOPMENT OF HUMAN RESOURCE SERVICES: PROFESSIONAL INTEGRATION, SUPPORT, ETC.

A major player in the employment sector, CRIT is fully committed to its role as a springboard towards employment.

Apart from its recruitment and HR solutions, the Group develops integration programmes designed to help job-seekers, focusing on young and disabled people. These programmes include training, skills assessment, redeployment and retraining, etc.

CRIT has established a number of partnerships with government agencies designed to promote access, retention or return to employment. These include: Pôle Emploi employment centres, the Missions Locales network, AGEFIPH for disabled job-seekers, local councils, associations, schools and training centres.

The partnership initiatives launched every year by the group have a single objective: promoting equal opportunities in order to help people find a job.

In 2017, CRIT stepped up its youth initiatives by increasing the number of its agencies working with the Missions Locales network (46% more agencies compared to 2016).

AN ACTIVE POLICY TO ASSIST DISABLED WORKERS

For many years now CRIT has pursued a proactive policy to promote employment and integration for disabled workers.

For this purpose, 10 years ago the Group set up a nationwide handicap mission deployed by regional officers and aimed at promoting the integration of disabled workers by providing support and advice to companies for their social cohesion initiatives.

Daily initiatives are also conducted with permanent staff and temporary workers in order to foster the integration, hiring and retention of disabled persons.

Accordingly, the number of hours of outsourced work for disabled persons has grown constantly since 2015 and has risen by around 19% in two years.

In 2017, the temporary employment division entrusted around 9,000 job assignments to officially recognised disabled workers with over 1,500 clients.

AN EXEMPLARY CORPORATE CITIZEN

For years now the Group has pursued a proactive CSR policy geared to driving its development.

CSR initiatives, of which a description may be found in the CSR section of the Registration Document, are geared towards the following objectives:

- Business ethics: in keeping with its commitments, the Group is strengthening its anti-bribery policy with a focus on prevention and control.
- Developing employability and safeguarding career paths: the Group is pursuing its nationwide training programmes and integration programmes for persons in difficulty. The Group is promoting the use of open-ended temporary contracts and further diversifying employment solutions in order to safeguard career paths.
- Fostering employee awareness of health and safety issues: this key feature of the Group's social policy is materialised via a certified management system backed up by training and awareness programmes.
- Stepping up pro-diversity and anti-discrimination campaigns.
- Environmental policy: the Group is pursuing its environmental policy with a view to continuous improvement.



Recognition of the Group's CSR policy was confirmed in 2017 by its inclusion in the Gaia Index, a socially responsible investment (SRI) mid-cap index comprising French stocks demonstrating a strong commitment to corporate social responsibility.



1.2 THE AIRPORT SERVICES DIVISION: GROWTH DYNAMICS

True to its policy of providing companies with the services and human resources they need, Groupe CRIT has developed an airport services division, a segment with increasing outsourcing needs.

Although temporary employment is Groupe CRIT's core business, airport services, its second largest source of growth, makes a significant contribution to the Group's business and skills. Airport services is a sector offering excellent opportunities for long-term growth driven by the increase in global air traffic linked to growing populations and the spread of low-cost air travel. The airport services division will therefore remain a key growth driver for Groupe CRIT over the coming years.

A PRIME POSITION

FRANCE

- Roissy CDG1, CDG2, CDG3
- Orly West, Orly South
- Nice Côte d'Azur

EUROPE

- Ireland (Dublin, Shannon)
- England (London Heathrow, London City Airport)

* technical assistance services

AFRICA

- Congo (Brazzaville, Pointe-Noire, Ollombo)
- Sierra Leone (Freetown)
- Mali*

USA

- Boston

AIRPORT SERVICES: AN EXTENDED RANGE OF SERVICES

The airport services provided by the Group include all essential services required by airlines for their ground operations. The main services are:

- **Passenger assistance:**
check-in, boarding, ticketing,
- **Aircraft assistance:**
towing, parking, chocking, electrical connections, baggage and cargo handling, checking tanks, aircraft pushout, cleaning;
- **Traffic:**
monitoring flight plans, drawing up weight and balance forms, weather tracking, etc.
- **Cargo services:**
transfer of cargo and mail from runway, storage (cargo warehousing) in Africa.



ROISSY CDG, THE WORLD'S 10th BUSIEST AIRPORT¹

- **No. 1 in France**
- **No. 2 in Europe²**
69.5 million passengers en 2017
- **CDG2:**
57.2 million passengers in 2017
- **CDG1:**
8.9 million passengers in 2017
- **CDG3:**
3.4 million passengers in 2017

ORLY, 12th BUSIEST EUROPEAN AIRPORT²

- **32 million passengers in 2017**
- **ONLY WEST:**
19.7 million passengers
- **ONLY SOUTH:**
12.3 million passengers

1 Source: ACI World 2016
2 Source: ACI Europe

THE AIRPORT SERVICES MARKET

Apart from the increasing trend towards outsourcing and the opening up of airport services to external competition, market growth is expected to benefit from the endemic increase in air traffic. Indeed, air traffic has been growing constantly for over 30 years and has grown by 60% over the last ten years. The Airbus Global Market Forecast on air traffic growth for 2017 to 2036 forecasts annual global growth of 4.4% over the next 20 years, with the volume doubling in the next 15 years. The Middle East (6.7%), Asia-Pacific (5.6%), Africa (5.3%), Latin America (4.1%) and CIS (3.9%) regions will record the highest annual growth rates over the next 20 years, while European (3.4%) and US (2.4%) airlines will record the lowest rates.

In 2017, in a positive economic environment, the growth curve for global passenger air traffic steepened compared to 2016 with a record 7.1% growth and a record number of passengers (4.1 billion). Over 1,300 new air routes were opened in 2017, mainly in Europe and China (IATA). Annual growth over the last three years has exceeded the 5.5% average annual growth rate recorded over the last ten years. With traffic* up 7.6% in 2017, including an 8%

increase in international traffic, growth exceeded 2016 levels in all regions worldwide except for the Middle East (6.9% in 2017 versus 11.8% in 2016). Latin American and Caribbean airlines saw the most significant increase in traffic, up 10% year-on-year. Asia-Pacific air traffic rose 9.6%. Europe, the largest international market accounting for 37% of traffic (measured in RPK) increased 8.1% in 2017, followed by Africa with 7.6%, slightly up on 2016, and North America, up 4.9%.

In France, the Roissy Charles de Gaulle and Orly airports registered traffic of 101.5 million passengers in 2017, up 4.5% compared to 2016. Traffic measured as the number of aircraft movements followed diverging trends at the two Paris airports, 0.6% at Paris CDG and down 2.3% at Paris-Orly (source: ADP). Nice Côte d'Azur airport registered a record level of traffic in 2017 with 13.3 million passengers carried, up 7.1% compared to the previous year (source: Nice Côte d'Azur airport).

* source: ICAO traffic measured in RPK (revenue passenger kilometres)

GROUPE CRIT, LEADING AIRPORT SERVICES PROVIDER IN FRANCE¹

With almost 69.5 million passengers carried in 2017, up 4.5% from 2016, Roissy CDG is the 2nd largest airport in Europe and the 10th largest worldwide. Paris-Orly, the 2nd largest French airport and the 12th largest European airport, carried over 32 million passengers in 2017. Nice Côte d'Azur airport, the 3rd largest in France, recorded 13.3 million passengers in 2017. These three airports account for over 60% of air traffic in France.

The French market for airport services differs from other markets in that there is a service provider status. Only authorised service providers have direct access to airlines, with other market operators allowed only to operate as subcontractors to the service providers. The status is granted by ministerial order and the number is limited to three at any given airport hub.

Since 2009, Groupe Europe Handling, airport services subsidiary of Groupe CRIT, has substantially extended its areas of operation and is now present in the three largest French airports, Roissy Charles de Gaulle, Orly and Nice Côte d'Azur, which catered to a total of almost 115 million passengers in 2017.

Having been appointed in 2001 as airport service provider at terminal CDG2 of Roissy Charles de Gaulle airport, then in 2009 at terminals CDG1 and CDG2 and Orly South and West, in 2014 the Group was again appointed as airport service provider at the two largest French airports with an extension of its areas of operation to terminal 3 of Charles de Gaulle airport. In March 2015, the Group was also appointed as airport service provider at the Nice Côte-d'Azur airport. In March 2017, the minister for civil aviation again appointed and confirmed Groupe Europe Handling as airport service provider at Roissy and Orly airports. This decision follows the judgement of the Paris Administrative Court which, having heard a case brought before it by a competitor, had annulled the 2014 ministerial decision appointing the three ground handling service providers at Paris airports.

These airport services licences, initially awarded in 2014, are granted for a period of seven years and enable the Group to operate at the terminals CDG1, CDG2, CDG3, Orly South and Orly West until 2021.

Backed by its positioning, the Group combines the qualities of subcontractor and direct service provider and works with over 60 airlines (Air France, Alitalia, Air Caraïbes, Air Canada, British Airways, Cathay Pacific, Emirates, EasyJet, Iberia, Lufthansa, Norwegian, OpenSkies, Saudi Arabian, LATAM, Vueling, etc.).

Groupe Europe Handling thus provided services for more than 255,000 aircraft movements² and over 36.5 million passengers in 2017.

With over 30% market share in the three largest national airports, Groupe Europe Handling is the leading airport services provider in France¹.

¹ source: Company

² Airport services air traffic is expressed in terms of aircraft movements or turnarounds (1 turnaround = 1 departure and 1 arrival), indicators used to measure services provided.

GROUPE CRIT TAKES A POSITION AT THE BUSIEST EUROPEAN AIRPORT, ESTABLISHES OPERATIONS IN THE USA AND JOINS THE GLOBAL TOP 10 AIRPORT SERVICES PROVIDERS

The Group, which occupies key positions internationally with subsidiaries in Ireland, England and Africa, added a new dimension to its airport services business by taking a position at London Heathrow, Europe's busiest airport, in late 2016 and establishing its first US operation at Boston airport in 2017.

In the UK, the integration of Cobalt Ground Solutions, no. 3 airport services provider at **London Heathrow**, expanded the airport services division's European footprint, at the world's 6th busiest airport². London Heathrow once again confirmed its status as Europe's leading airport with 2017 traffic approaching 78 million passengers, up 3.1% from 2016. This operation also allowed the Group to break into the global top 10⁽¹⁾ airport services providers and represents an important strengthening of its positions in England, where it has provided airport services at London City Airport since 2011.

In Ireland, its subsidiary Sky Handling Partner operates at Ireland's biggest airport in Dublin, which recorded passenger traffic of 29 million in 2017, up 6%. Sky Handling Partner also operates at Shannon airport. Faced with the surge in low-cost national airlines at the expense of charter airlines, Sky Handling Partner adopted the strategy of increasing its penetration among scheduled airlines to strengthen its position on the Irish market. As a result, in 2017 Sky Handling Partner was selected by Qatar Airlines to provide airport services for its new operations in Ireland.

In Africa, in 2003 the Group won an exclusive 10-year licence, renewed in 2013 for a further 10 years, to operate at the Brazzaville and Pointe Noire airports in Congo. In 2013, it opened a third station at the Ollombo airport. In 2013, the Group acquired a 25% equity stake in Aéroports du Congo (AERCO), the company that manages Congo's airports.

Since 2007, the Group has provided technical and operational assistance in Mali to the service provider, which operates at five international airports.

In 2010, the Group obtained an exclusive 25-year licence in Sierra Leone to provide ground handling services and cargo terminal operations at Freetown International Airport.

These licences are granted following calls for tender and are subject to compliance with the specifications documents and applicable local regulations.

In May 2017, the Group set up its first operation in the United States at Boston airport.

In 2017, the Group's international business included airport services to over 60 airlines that operated 195,000 flights during the year, representing a 22% increase in the number of aircraft movements.

¹ source: Company

² source: ACI

³ source: London City Airport.

GRUPE CRIT, A CHOICE POSITION IN A HIGH-GROWTH MARKET

Thanks to its status as a service provider and its niche strategy of prioritising service quality at any given location, Groupe CRIT enjoys a prime position that enables it to take advantage of the strong growth in its airport markets, increase its market share and win new clients.

To take full advantage of market forces, the Group continuously works to improve the quality of its services in order to meet its clients' needs. Indeed, the responsiveness and speed of the teams that make it possible to meet the flight schedule or make up for delays are key elements in this strategy. The Group therefore attaches the utmost importance to selecting and training its staff and ensuring their commitment to the company manifesto.

Therefore, in order to have human resources with recognised expertise at hand, Groupe Europe Handling created an in-house training school, IFMA (aviation industry training institute), guaranteeing the expertise of its ground staff. IFMA provides general training, alongside specific job-based (traffic, runway and transport agent, etc.) "in-the-field" training. IFMA trains more than 15,000 internal and external interns each year.

This training leads to certification that is recognised and accredited by IATA and the airlines. Finally, the quality of its human resources management and the favourable employment climate are additional factors that make Groupe CRIT a service provider of choice.

These are major assets that increase the confidence and satisfaction of companies, by offering them the assurance of guaranteed optimal service with a high level of quality and security in the application of procedures.

Thanks to its strong reputation and the improvements in quality of service made by its employees, the Group's airport services division has successfully secured numerous business deals, with new contracts concluded every year in its various markets, and confirmed the trust shown by clients through the renewal of existing contracts.

THE AIRPORT SERVICES DIVISION, GROWTH POTENTIAL

France, Ireland, UK, USA and Africa, the markets served by Groupe CRIT's airport services division, show major potential for growth driven by the natural development of air traffic, which is expected to reach 4.3 billion passengers carried worldwide in 2018, up 6% year-on-year. In 2018, Africa and Latin America are expected to record air traffic growth of 8%, followed by the Middle East and Asia-Pacific with growth forecasts of 7%. Europe is expected to register 6% growth (with increases of between 2.5% and 3.5% at Roissy and Orly according to ADP) and North America 3.5% (source: IATA). Air traffic is expected to continue to grow over the long term and to double in volume by 2036 with over 8 billion passengers carried. Over this 20-year period, global annual growth is estimated at 4.4% (source: IATA and Airbus Global Market Forecast).

There will be even more growth opportunities with lines opening up to new companies, the strong growth strategies of companies already present and the increase in capacity at airports where the Group currently operates. The Paris airports provide the Group with a multitude of opportunities for expanding its operations: the new transatlantic flight introduced by low-cost operator Norwegian in July 2016 and the new destinations announced from Paris in 2018, including Newark (February), Oakland, California (April) and Boston (May), the addition of 4 new destinations by EasyJet, increasing its

THE AIRPORT DIVISION OF GROUPE CRIT

- Over 418,000 aircraft movements and 125 companies served in 2017 throughout the world.
- ISAGO, ISO 9001, OHSAS 18001 and ISO 14001 certifications.
- 25 airport service subsidiaries at 2017 year-end.
- A training institute for aviation occupations (IFMA).
- 3 locations in France (Roissy Charles de Gaulle, Orly, Nice Côte d'Azur).
- 2 locations in Ireland (Dublin and Shannon).
- 2 locations in England (London Heathrow, London City).
- 3 locations in Congo (Brazzaville, Pointe Noire and Ollombo), 1 in Sierra Leone (Freetown), and technical and operational assistance services at airports in Mali.
- 1 location in the United States (Boston).
- Nearly 4,200 employees at 2017 year-end: runway, traffic and station agents, supervisors, trainers and managers.
- A wide range of ground handling service equipment: a fleet of more than 1,000 airport machines and vehicles (pushbacks, loaders, cabin crew shuttles, etc.).
- A subsidiary in charge of the servicing and maintenance of its ground vehicles to guarantee the reliability of its airport machines. This subsidiary also services certain items of airport equipment belonging to external companies.



capacity by 9%, the summer 2018 inauguration of a new Vueling route between Rome and Paris at CDG in addition to the Orly flight, the introduction of flights along this route in March 2018 by Joon, which will also take over the Paris CDG-Mumbai route in June 2018, the introduction of connecting flights at Roissy Charles de Gaulle by XL Airways from 1 May 2018, and the arrival of low-cost long haul operator Level, a subsidiary of IAG, at Orly airport in 2018, to name but a few.

In France, the ADP group aims to make Roissy Charles de Gaulle the number one international airport in Europe (ahead of London Heathrow and Frankfurt) and to continue to develop Orly airport to reach a total handling capacity of 107.5 million passengers in 2020. It therefore intends to increase the passenger handling capacity of Roissy CDG from 69 million in 2017 to 78.5 million in 2020.

A project to expand terminal 1 of Roissy Charles de Gaulle, in order to increase its capacity to 11.5 million passengers from the current 9 million, is under consideration. In 2018 ADP will commence detailed studies for the building of a major new terminal T4 at Roissy Charles de Gaulle, which could ultimately handle 30-40 million passengers per year with an initial part scheduled for 2024 with capacity for 7-10 million passengers. Terminal 4 will increase the capacity of Roissy's terminals to 120 millions passengers. In the short term, the reopening of terminal 2B and its connection with terminal 2D in 2019 will increase handling capacity to 11 million passengers compared to 5 million for the current terminal 2D, a move which will encourage new airlines to use this airport.

Nice Côte d'Azur airport, which saw the arrival of the Emirates A380 and the return of Qatar Airways with the opening of its Doha-Nice route in summer 2017, will receive a further boost in 2018 with the introduction of four new EasyJet destinations.

In England, London City Airport was given the go-ahead in 2015 to launch a huge expansion programme to increase its air traffic from the current 70,000 flights per year to 111,000 flights by 2023.

The Group, which has recently taken a position at London Heathrow airport via its new subsidiary Cobalt Ground Solutions, should also benefit from the significant growth potential of this airport. In October 2016, the UK government gave the go-ahead for the construction of a third runway, 3,500 metres long, scheduled to enter into service in 2025. This new runway will also increase the number of aircraft movements by over 50%, taking the airport's handling capacity to 740,000 aircraft movements per year (compared to 474,000 in 2015).

The Group should also benefit from the opportunities presented by its new US operation at Boston airport, where low-cost long haul operators Norwegian and Primera Air will be running flights from 2018.

To keep in step with changes in its markets, the Group intends to pursue its strategy focusing on the quality of its teams and services in order to ensure new business successes.

Consolidated sales of the airport services division (€m)





**Groupe CRIT,
leading airport
services
provider in
France**



2017: AN EXCEPTIONAL YEAR FOR AIRPORT SERVICES Outstanding organic growth and leadership consolidated in France

The start of 2017 was marked by the Group's renewed ministerial appointment to provide services at the two busiest French airports and by the expansion of its positions abroad at Europe's busiest airport.

After growth of around 7% in 2016, the Group's airport services business achieved an excellent performance in 2017. The division posted exceptional growth of 28.5% with sales nearing the €315 million mark. Like-for-like growth of 9.3% was also a very impressive achievement driven by an exceptional performance in France, where the Group once again confirmed its leadership by increasing its sales to €226.4 million purely through organic growth (11.3%). This sharp increase was achieved in spite of a 0.4% decline in air traffic at Roissy and Orly in 2017 (aircraft movements - source: ADP).

The strategy pursued by the Group in 2016 of focusing on consolidating operating performances has borne fruit. 2017 EBITDA⁽¹⁾ for the airport services business was €29.2 million, up more than 43% over the previous year. The EBITDA margin accordingly improved by 100 basis points, and represents 9.3% of sales.

In 2017, the Group confirmed its position as the leader in airport services⁽²⁾ in France. With services provided to more than 60 airlines during the year, the development of the Group's airport services business is backed by a solid and rolling portfolio. This was further strengthened during the year with the signing of seven new contracts representing full handling assistance for over 20,000 flights per year, and the renewal of six long-term service contracts with airlines operating at Roissy Charles de Gaulle and Orly (including Air Caraïbes, Air France/HOP, Austrian Airlines, Norwegian, Saudi Arabian, Swiss and Wizz Air). The Group has been airport services provider at Nice Côte d'Azur airport, the 3rd largest in France, since 2015 and added two new multi-year contracts for this airport in 2017.

INTERNATIONAL SALES DOUBLED:

Consolidation of Cobalt Ground Solutions in the UK and first operation in the USA

The Group airport services division more than doubled its international sales to €88.2 million from €41.4 million in 2016. This growth surge was driven by the consolidation of Cobalt Ground Solutions, a subsidiary acquired in 2016 which handled over 40,000 flights during the year and posted sales of €46.5 million, up 11.5% like-for-like. The year 2017 thus successfully consolidated a major turning point for the Group's airport services business in England with the integration of the third largest airport services provider at London Heathrow airport. Established after the restructuring of Air France and KLM's airport services subsidiaries, Cobalt Ground Solutions provides assistance to prestigious international airlines such as Air France-KLM, KLM-City Hopper, Aeromexico, China Southern, Delta Airlines, Etihad Airways, Japan Airlines, Jet Airways, Kenya Airways, Korean Airlines and Virgin Atlantic.

The Group has operated at London City Airport since 2011. This operation, an important strengthening of its UK presence, has also enabled it to break into the global top 10² airport services providers.

Ten new contracts were signed during the year for the Group's other international stations. Driven by high levels of air traffic, business in Ireland posted strong performance over the year. In Africa, while business in Congo continues to be hit by the country's economic crisis, the return of international carriers to Sierra Leone following the 2014-2015 Ebola epidemic continued, leading to a 19.3% increase in the number of flights in 2017.

The inauguration of the new station at Boston airport in May 2017 gave the airport services division a foothold in the USA, where its first client will be the Group's long-standing partner Air France. This initial operation in America and the promising outlook for local development augurs major growth for the Group's airport services business.

(1) EBITDA is defined as current operating income before net amortisation and depreciation.

(2) source: Company

1.3 OTHER SERVICES: INDUSTRIAL SERVICES

The “other services” division mainly provides engineering and industrial maintenance services. It also includes miscellaneous activities (training, HR management digitisation and passenger services, etc.) that will not be addressed here as their relative weight is immaterial for the Group.

In 2017, other services posted €98.1 million in sales (before inter-segment eliminations), up 9.4% from 2016, and generated EBITDA⁽¹⁾ of €5.0 million.

**Change in sales
Other services**
(€m)



Industrial engineering and maintenance, the main activities under other services, accounted for over 76% of the division's sales in 2017.

These activities involve the execution of industrial projects by two Group subsidiaries: ECM, a high-tech engineering and consulting firm, and MASER Engineering, specialised in engineering, installation and new works, industrial maintenance and industrial training.

ECM, the technology arm of Groupe CRIT, is responsible for high-tech consulting and engineering services. Its approach based on cutting-edge technical skills and its highly flexible organisational structure give it a unique positioning among its major professional engineering peers. ECM constantly adapts its offering in step with technical upgrades and market changes, to place itself at the topmost rung in the design sector, in today's international context.

ECM participates in major industrial projects in the aeronautics, automotive, railway and defence sectors.

Its business activities span the entire life cycle of products from research and project definition phases through to development. ECM is also involved in the industrialisation and continued existence of product series.

WITH APPLIED RESEARCH AND DEVELOPMENT ENGINEERING, THE DIVISION'S DIVERSE PORTFOLIO GIVES IT A FORWARD-LOOKING POSITION

Research and technology: The Group's subsidiary ECM has many years of experience in mechanical engineering and structural materials applied to the aeronautics and automotive industries. Often at the forefront of technological breakthroughs, it carries out numerous research projects into reducing vehicle weight and enhancing the performance of on-board equipment, both on its own behalf and for its clients. During the exploratory phases, ECM participates in defining structural concepts in composite materials and develops experimental demonstrations.

BUSINESS GEARED TOWARDS FAST-GROWING MARKETS

The Group confirmed the merits of its strategy of positioning its engineering subsidiary ECM in R&D derivative markets and high value-added operations. In particular, this strategy calls for ramp-up and increased specialisation in order to develop applications for high-performance composite materials for the aeronautics or automotive sector (LIGHTWEIGHT DESIGN).

In 2016, as part of its ongoing activity in R&D derivative markets, ECM won an important contract with Renault Trucks Défense alongside a number of its peers to create an independent satellite office dedicated to the adaptation and modification of military vehicles. This involves conducting complex and confidential research for the defence sector and is an acknowledgement of the seriousness and commitment of CRIT's engineering subsidiary.



In 2017, in order to prepare for the automotive industry's growth forecasts and changes including vehicle electrification and the introduction of driver assistance technology, ECM acquired new systems engineering expertise by setting up a cutting-edge mechatronics department. By this move ECM plans to establish itself as a preferred designer of electric and hybrid vehicles and developer of driver assistance systems.

Given that the energy sector is enjoying a major upswing, particularly through the acceleration of the ITER project and recovery in oil and gas business, ECM strengthened its footprint in the PACA region in 2017.

In view of the announced sales contracts for Rafale aircraft and the compensation demanded by India, ECM decided to support Dassault Aviation by setting up a subsidiary in Bangalore to take charge of all preparations for the industrialisation of the aircraft Dassault Aviation plans to assemble in India.

ECM intends to capitalise on its specialist status to take on the space sector, a market with strong growth potential and for which ECM's lightweight and mechanical integration know-how is fully transferable.

The company's sales for 2017 amounted to €22.3 million, up 10.8% like-for-like. In 2018, ECM plans to capitalize on all measures implemented and continue with sustained growth while remaining on the lookout for any opportunities on the international market.

Lastly, this growth is underpinned by numerous R&D projects undertaken by ECM prior to sale. R&D expenditure in 2017 amounted to €1.9 million or 8.4% of sales. The company envisages an R&D budget largely equivalent in terms of proportion of sales for 2018.

MASER ENGINEERING: OVER 40 YEARS' EXPERIENCE AND 4 AREAS OF EXPERTISE:

ENGINEERING: Group subsidiary MASER Engineering specialises mainly in tooling and test benches, both during the preparatory phases (studies and calculations) and during manufacture.

NEW WORKS: Drawing on its in-depth knowledge of technologies and processes and the skills and methods applied by its engineers and technical staff, MASER Engineering provides support to manufacturers for their global projects for installing, transferring, upgrading, modernising and optimising their automated production and/or operational units.

INDUSTRIAL MAINTENANCE: Maintenance production, operational and ancillary technology is one of MASER Engineering's long-standing core areas of expertise.

Thanks to its multi-sector and multi-technology approach, solid feedback in the engineering professions and maintenance and operational maintenance methodology, combined with Total Fluid Management services, MASER Engineering is able to make a full contribution towards optimising the management and performance of industrial processes and achieving productivity gains.

INDUSTRIAL TRAINING: Backed by a team of experts from a wide range of industrial sectors, MASER Engineering's training division provides support to businesses in developing the skills of their workforce, notably in order to meet the challenges of the fourth industrial revolution.

A special educational engineering and innovation unit focused on digital training ensures a perfect match between customer requirements, training courses and resources.

In keeping with its policy of client proximity, the Group enjoys national coverage for its Engineering and Maintenance business, with 12 plants across France.

The Group's engineering and maintenance activities are carried out in all industrial sectors. While the Group has a long-standing position in the automotive and aeronautics sectors, in recent years it has broadened its offering to include the energy, environment, services, transport and defence sectors.

Maser Engineering posted 2017 sales of €49.1 million, up 5.5% from 2016.

MASER Engineering's sales operations are mainly focused on developing niche markets whilst ensuring that market share is preserved.

The company's two core sectors, automotive (34% of sales) and aeronautics (12% of sales) did not record any major variation this year in terms of their engineering, training or industrial maintenance activity.

Nonetheless, projects for installing automated production lines in Hamburg (Airbus) and Trnava (PSA) gave MASER Engineering an opportunity to exploit its expertise on the international market.

On the other hand, initiatives underway for several years in the energy, airport services, naval and agro-food sectors helped MASER Engineering to diversify its business and continue to grow.

The airport services sector generated growth of over 10% thanks to maintenance contracts for Nice airport's airport services facilities.

In the naval sector, under the partnership with STX, liner cabin assembly operations registered growth of over 15%, while agro-food operations, primarily for the Heineken and Häagen Dazs groups, posted year-on-year growth of over 39%.

Lastly, the ramp-up of pump assembly and maintenance operations for the Flowserve group based in Le Mans (up €1 million) largely made up for regional economic fluctuations.

(1) EBITDA is defined as current operating income before net amortisation and depreciation.

ENGINEERING AND INDUSTRIAL MAINTENANCE

Research, engineering, high-tech consulting, engineering and integration of production and testing methods, installations and new works, industrial training and maintenance

- ISO 9001, CEFRI (nuclear), EN 9100 qualifications
 - MASE certification
 - DOA PART 21J certification by EASA (European Aviation Safety Agency)
 - R&D Training and Laboratory accreditations
 - Approval by the French Ministry for Research and Higher Education as private research laboratory
 - Companies that are members of GIFAS, SYNTEC, CETIM, AFIM, GIM, POLEPHARMA, ALFA-ACI, Neopolia, Aerospace Valley, the ASTECH business cluster, the MOVEO business cluster, Aérocampus
- Aquitaine, AIF, France Energie Eolienne, France Hydro Electricité, Formation des Industries Technologiques, city of Le Mans, Sarthe Développement and Windustry
- Average workforce of over 700 persons in 2017, most of whom are engineers and technicians
 - CAD computer population, multiphysics calculation, and complete and secure PDM



1.4 GROUP ORGANISATION STRUCTURE



A PARENT COMPANY AT THE SERVICE OF ITS SUBSIDIARIES

Groupe CRIT is the active holding company that coordinates the group formed with its subsidiaries.

Its operations are at the service of the Group, focusing on the following main lines of action:

- Prepare and inspire the development strategy;
- Exercise control over the subsidiaries,
- Give direction to the Group;
- Facilitate the coordination of the various business lines and units;
- Determine and coordinate joint actions: commercial campaigns, purchases, quality and human resources management;
- Develop the shared tools and methods used by Group companies: IT system, management system, project management, etc.;
- Coordinate general subsidiary functions;
- Provide advice and assistance to subsidiaries in areas that require specific or ad hoc expertise;
- Manage and centralise cash for all Group companies.

The main cash flows between Groupe CRIT and its subsidiaries besides dividends relate to the fees paid by the companies in the temporary employment and recruitment division for services received, the billing back of the share of expenses borne on behalf of various legal entities (insurance policies and vehicle fleet contracts, etc.) and cash loan repayments.

The Group's subsidiaries are organised in the following business lines (data computed before inter-segment eliminations):

- **Temporary employment and recruitment:** this business line, which posted 2017 sales of €2,026.3 million, groups together four operative subsidiaries in France and a further 17 abroad (in

Germany, Spain, the United States, Morocco, Portugal, Switzerland and Tunisia). The volume of business generated by foreign subsidiaries represented 24.7% of the division's total sales.

- **Airport services:** this business line, which posted 2017 sales of €314.6 million, groups together 16 operative companies in France and 9 companies operating abroad (in Congo, USA, Ireland, UK and Sierra Leone). The volume of business abroad represented 28% of the total sales of airport services.
- **Other business services:** this business line groups together the other activities of the Group – HR management digitisation and transfer, engineering and industrial maintenance, industrial and construction supplies, hospitality services and training – carried out by 8 subsidiaries operating in France which generated total sales of €98.1 million.

A simplified Group organisation chart is presented on page 7. The complete list of subsidiaries and equity interests of the Group is itemised in the notes to the consolidated financial statements.

The positions held by the corporate officers of Groupe CRIT within Group subsidiaries are itemised in Chapter 4 Section 4.1 of this Registration Document.

The main changes to the organisation structure in the last three years were as follows:

2017

The Group pursued its expansion strategy in the North American temporary employment and recruitment market by acquiring the assets of **EHD Technologies** through its American subsidiary Sustained Quality in February 2017.



Based in Tennessee with locations in Alabama, South Carolina and Missouri, EHD Technologies specialises in inspection and quality assurance services for the automotive, industry and electronics sectors as well as in recruitment and outsourcing of skilled work.

On 26 June 2017, through its subsidiary Europe Handling, the Group sold an 11% stake in the share capital and voting rights of **Congo Handling**, a ground handling service provider at Brazzaville, Pointe-Noire and Ollombo airports, thus reducing its investment in this company from 61% to 50%.

The sale was carried out in order to comply with mandatory local regulations stipulating that ground handling services may only be provided by companies incorporated under Congolese law in which at least 50% of the share capital is held by the Congo government or Congolese nationals.

Following the transaction, Congo Handling's authorisation to provide ground handling services was extended by a further renewable 5-year term.

On 1 September 2017 the Group sold its entire stake in **Assist'Air**, a ground handling service provider at Las Américas International Airport, Santo Domingo (Dominican Republic).

Furthermore, in response to Air France's decision to engage Groupe Europe Handling to provide runway services at the Orly West hub from 1 April 2017, the Group set up a new subsidiary, Orly Ground Services.

2016

In the temporary employment and recruitment division, the Group pursued its expansion strategy in the North American market by acquiring the assets of **TeamSoft Inc.** through its **American subsidiary PeopleLink** in November 2016.

This company, founded in 1996 and based in Wisconsin, has extensive experience in outsourcing and recruiting for highly skilled IT work (project managers, developers and web developers, system administrators and engineers, infrastructure engineers, etc.).

This new IT staffing acquisition will allow the Group to strengthen the positions of its specialised division in this market in the United States.

Since 1 January 2016, the Group has also owned 100% of PeopleLink's capital, after the minority shareholders exercised the put option over their shares.

In the airport services division, the full acquisition of **Cobalt Ground Solutions**, announced by the Group in November 2016, was completed on 31 December 2016.

Established in 2009 following the merger between Air France and KLM's airport service subsidiaries (AFSL and KGS), this company supplies full handling services at T3 and T4 of London Heathrow airport.

This operation gave the Group a position at Europe's busiest and the world's 6th busiest airport (source: ACI) and enabled it to break into the global top 10 airport services providers (source: Company).

2015

On 27 March, the Group, via its subsidiary Groupe Europe Handling, disposed of its entire interest (34%) in Handling Partner Gabon, exclusive licensee for ground handling services at the Libreville airport in Gabon.

Following the appointment of Groupe Europe Handling as airport service provider at Nice Côte-d'Azur airport, whereby it obtained Category 3 (baggage handling services) and Category 5 (ramp handling operations) licences up to 31 December 2020, the Group created a new subsidiary in May, called Nice Handling.

Furthermore, to cater to the airport services subcontracting agreement between Groupe Europe Handling and Air France relating to cargo handling at arrival and departure in cargo warehouses, the Group created a new subsidiary in September, called Cargo Handling.

HUMAN RESOURCES, THE LIFE FORCE OF THE GROUP

Groupe CRIT has always considered human resources to be its primary asset. All of its staff, whether permanent or temporary, employees or managers, form the life force of the Group and are the primary sources of its strength and vitality.

Human capital is all the more precious in a services and human resources group – it is people who drive a company's success. Keenly aware of this fact, the Group has placed support to all employees, be they permanent or temporary, at the core of its human resources management policy.

The principal focus of our human resources policy is skills development to give all employees the opportunity to develop their career progression, matching their aspirations as much as our needs. They have annual performance reviews and receive training throughout their careers, enabling them to advance within their department or take up other career opportunities within the company. The Group integrates new employees fully by providing a personalised induction process and close support during their first few months with the company. This support promotes the Group's corporate culture, founded on shared values.

Every year the Human Resources Development Committees (HRDC) gather the results of one-to-one interviews and decide on measures to be taken in order to guarantee the continuous development of professional skills and performance of each individual. These committees conduct a comprehensive annual review of human resources in order to reduce the risk of gaps arising between staffing requirements and available skills. Their aim is to meet employees' aspirations in terms of career prospects and to identify employees who could be promoted to higher levels of responsibility.

In 2017 we invested in a specific HR IT system offering complete digital and interactive management of annual performance reviews, HR development committees and career management. This collaborative portal provides real-time consolidation of information for managers and HR and training departments. Each employee has an account giving access to all HR information and the employment market.

With over 200,000 temporary employees assigned each year, temporary human resources, key to the development of the Group's temporary employment and recruitment division, are also central to its HR policy. Participating in the career development of its temporary employees, enabling them to make full use of their skills, acquire new ones and increase their employability are among the priorities of the Group.

In France, this determination, shared by the entire profession, led to the creation of an open-ended temporary employment contract (CDII in French) for each sector agreement. The Group launched the CDII in 2015. As expected, this new contract became fully operational in 2017. We have signed 1,000 open-ended temporary contracts to date. All business sectors are involved, with two dominant sectors, automotive and logistics.

In the same agreement, the profession created a fund to stabilise the career paths of temporary employees (FSPI), whose objective is to increase the annual employment period of temporary workers in order to shorten times between jobs and optimise the company's investment in recruiting and training temporary workers. The Group therefore offers individual and personalised support plans to temporary workers having completed more than 800 hours over the last 12 months, to determine the actions to be conducted with each of its temporary employees to help them boost and grow their careers, assist them in view of other qualifications or other occupations, enhance their skills through degrees or professional qualifications, and undertake other actions to optimise their period of employment. In 2017, 4,686 temporary workers received training under this new plan.

Since 2016, with the same aim of developing its temporary workers' employability, temporary staff have been offered the option of having a performance review similar to that of the Group's permanent employees. Temporary employees that have worked a minimum of 2,000 hours over the previous 24 months, including at least 1,000 hours during the previous calendar year, are eligible for this new measure as are all CDII temporary workers. In 2017 performance reviews were offered to 11,000 temporary workers, giving them the chance to discuss their skills and future career possibilities (employment and qualifications) with their employers.

These support plans are managed and coordinated by the Temporary Human Resources Regional Managers appointed for that purpose in each of the regional offices. In 2016, the Group established a department dedicated to social policy for temporary workers in order to promote the interests of temporary employees with HR. This department is part of Human Resources and its mission is to coordinate and optimise the various services dedicated to the social and professional guidance of temporary employees; social development, workplace accidents/work-related illnesses, and Temporary Human Resources Regional Managers. This structural innovation is a reflection of the Group's commitment to measures that both increase temporary workers' employment period and safeguard their social position.

The Group also pursued the policy introduced in 2016 to promote use of the personal training account (*Compte Personnel de Formation* or CPF) among temporary workers.

Numbers of permanent employees in Groupe CRIT

(permanent contracts)





Finally, we would remind you that a time savings account (*Compte Epargne Temps* or CET) for temporary workers was created in 2015. The benefits of this agreement have been extended to people working under open-ended temporary contracts.

The Group has also committed to developing a policy of corporate social responsibility. As the first temporary employment company to be QSE certified (Quality, Safety, Environment), the Group has been committed for many years to helping society by promoting the employability of specific underemployed groups (such as low-skilled and unskilled workers, older workers, disabled people, recent graduates, etc.).

The Group's efforts are reflected in the increasing number of young employees within the Group on work-study contracts (apprenticeship and professionalisation contracts).

In addition, a number of measures have been put in place aimed at helping disabled people obtain and stay in employment within the Group, such as the provision of work placements, mentoring and the redeployment of permanent employees, thanks to workplace adaptations.

The Group is aware of the issues raised by its business in each employment area and has therefore set up partnerships with local stakeholders in employment, training and inclusion to help drive skills sharing in order to serve the employment market and job seekers alike.

National commitments are broken down by region or local area in order to adapt initiatives to the specific needs of companies and job seekers in each area.

For example, CRIT is a stakeholder in "Cercle Jeunes Destination Entreprises", a group of companies that discuss the range of issues relating to the employment of young people. This think tank meets monthly to address a theme put forward by researchers or professionals in inter-company round tables to spark constructive discussions on the measures to be implemented.

Since 1998, Groupe Europe Handling, Groupe CRIT's airport services subsidiary, has been the Vice-President of JEREMY, an association for young people in search of employment at Roissy and Orly. This association, which brings together partner companies, looks after the integration and training of severely underprivileged young people in Greater Paris, in airport services jobs. Since JEREMY was set up, more than 45,300 young people have been supported and trained and have found permanent jobs. The Group has taken on some 400 young people as interns in its entities, including 67 in 2017.

In Ireland, Sky Handling Partner, another Group subsidiary, has received a number of awards for its human resources management, training and staff well-being policies (Excellence Through People Award), and for its workplace health and safety policies (Irish Transport Industry Safety Award and National Irish Safety Award).

To promote diversity and combat discrimination, the Group has implemented a Diversity and Equal Opportunity Plan and has set up an internal steering programme with a national manager and regional agents.

The Diversity and Equal Opportunity Plan is rolled out over a number of areas and includes bringing procedures into compliance, developing networks, internal and external communication and substantial training and awareness-raising initiatives aimed at all employees. Training modules specifically devoted to recruiters are rolled out gradually in each region by the team in the Group's social development department which manages the diversity plan.

In 2017 and 2018, the Group is offering employees working in the recruitment departments at agencies and within support functions a one-day training course entitled "Recruitment and induction without discrimination".

The policy which the Group has implemented for several years to help disabled workers find employment is cemented through partnerships with organisations and associations dedicated to disabled workers, particularly Agefiph and Fagerh. Since 2006, the Group's commitment has been carried by the Mission Emploi et Handicap programme implemented via designated officers in each CRIT region. This mission serves both permanent staff, primarily through employment retention schemes, and temporary workers as well as providing advice to clients. Since 2015, the number of job assignments entrusted to temporary workers officially recognised as disabled has grown by 19%.

The health and safety of all employees, whether permanent or temporary, has been one of the Group's priorities for many years. This policy, which is largely reflected by the OHSAS 18001 certification first obtained in 2005, is implemented through prevention, awareness-raising and specific training measures and initiatives aimed at permanent employees, temporary employees and client companies. As noted above, the company has implemented a range of measures in this area and provides legal assistance related specifically to arduous work in an attempt to maximise the effectiveness of this measure.

In 2017, the temporary employment division strengthened its commitments regarding safety at work. It signed an agreement establishing specific monitoring of temporary worker victims of industrial accidents off work for more than 30 days as a result.

TRAINING, A GUARANTEE OF CONSTANT UPSKILLING

Vocational training is at the core of the Group's human resources policy and plays a key role in the Group's development. Whether aimed at permanent or temporary employees, training offers operational support to one and all. Training drives employability and performance and enables recipients to constantly adapt to legislative, technical and market requirements.

The professionalism of its permanent and temporary employees ensures Groupe CRIT's competitiveness and helps it meet its clients' demands for quality of service.

In 2017, the Group allocated a budget of more than €32 million dedicated to training more than 19,000 permanent and temporary workers.

To implement its internal training policy, the Group has two dedicated training centres for internal employees: RH FORMATION for all Groupe CRIT temporary employment and cross-disciplinary occupations and IFMA specifically for the airport services sector.

THE TRAINING OF PERMANENT EMPLOYEES: FROM "CATALOGUE" TRAINING TO "CUSTOMISED" TRAINING.

The 2015 occupational training reforms as supplemented by specific temporary employment sector agreements significantly changed the training landscape in France. Against this backdrop, Groupe CRIT reviewed its operating methods to maintain an ambitious and efficient training policy. In 2017, the Group allocated over €32 million, significantly higher than statutory and contractual obligations, to support its training policy. It implemented several schemes to promote the integration and employability of its employees and to precisely meet the needs of its clients.

This objective of revamping its training approach by making it part of an integrated managerial and economic initiative was driven by "pilot" regions.

By revising their processes for assessing needs and formalising requests, the training policy was directed towards more precise and demanding actions. Hence the change from a "catalogue" solution to a "customised" solution.

A training programme for permanent employees meets operational needs and has been revised and maintained since 2011. The first phase of the programme helps employees to learn about the industry and the specificities of the regulatory and professional environment of temporary employment and recruitment agencies.

Beyond these first modules, which give each individual a stronger professional base, training is treated in a "surgical" manner through targeted operational modules addressing concrete issues directly linked to changes taking place in the profession in a difficult economic and competitive environment. The training programmes cover the four main agency functions: recruitment, marketing, management and operational management.



Therefore, by addressing needs as closely as possible, through precise, concrete and practical topics, training becomes more functional and easier to transpose.

Since the performance review was brought into effect in March 2016, this capacity to customise the contents of training programmes has ensured that Groupe CRIT can address the following two requirements for employee professional development on a long-term basis:

- Offer training courses that will enhance technical and behavioural skills,
- Take part in the professional development of each individual by offering value-added training in order to develop the expertise of each and every one, promote career prospects for all and ensure that the company has the level of expertise necessary for its development.

This in-depth work has led Groupe CRIT to revamp its training strategy to ensure that all those involved in the day-to-day running of the agencies are equipped to face daily challenges and continue to improve in their professional practice.

The ultimate assurance is that the people who represent the company can guarantee the quality of services and support that Groupe CRIT offers its clients and temporary workers.

INCREASING TRAINING FOR TEMPORARY WORKERS

Supporting the professional development of its temporary workers, providing them with new skills, facilitating their acquisition of know-how and enhancing their employability are some of the main pillars of Groupe CRIT's HR policy and underpin the training plan. Over the year, the Group trained 16,350 temporary workers, an increase of 13.5% compared to the previous year. This increase also reflects the desire to ensure that the success of its temporary workers is at the heart of the performance of its corporate clients. It was achieved as a result of implementing several schemes to promote the integration and employability of its employees and to precisely meet the needs of its clients and the specific demands of each employment area.

The advice of the Group's training teams, experts in financial and educational engineering, supports agencies in the identification of skills requirements and development of the most suitable training paths.

CRIT's temporary employees enjoy individual support in the Group's agencies.

In each region, CRIT's training teams provide tailored training solutions in the areas of education, organisation and finance. With extensive knowledge of careers, the employment area and the available training programmes, these engineering specialists create tailored training paths to meet client needs whilst optimising training budgets.



In order to achieve this, the Group works closely with the sector's training fund collection agency (OPCA), the temporary work training insurance fund (FAF TT), as well as other partners that are able to contribute to the development of viable and appropriate training paths (employment centres, local entities, regional OPCA branches, etc.).

The training team's expertise has facilitated the assessment, design and implementation of appropriate training schemes, in accordance with the type and duration of the training and the target audience: temporary professionalisation contracts and periods (CPI and PPI), collective operational preparation for employment (POEC), contract of employability for temporary agency workers (CIPI) or contract of professional development for temporary agency workers (CDPI).

Accordingly, 2017 saw a major increase in all of these professionalisation schemes, with 2,568 programmes implemented, up 24.4% from 2,064 in 2016.

During 2017, the Group remained proactive in rolling out training programmes via the personal training account (CPF), a key element of the professional training reform.

The training teams led a significant number of regional meetings for both permanent and temporary workers. These meetings took a variety of forms: individual or group information sessions, meetings, talks, personal guidance, etc. In particular, they helped to:

- disseminate information about the various training schemes (training leave, skills assessment, validation of prior experience, personal training account),
- inform, via FAST-TT and FAF-TT advisers, about available welfare schemes (housing, mobility, childcare, etc.)
- raise awareness about the personal training account (how it works, account opening, inclusion of learning hours, eligible training programmes, up to the joint creation of a training plan).

CRIT's training teams helped provide information about the personal training account scheme, and supported temporary and permanent employees along their career paths, leading to the creation of 1,319 personal training account portfolios.

In connection with the fund to stabilise the career paths of temporary employees (FSPI), which aims to increase the duration of employment for temporary workers, the Group has given a commitment to workers eligible to participate in this scheme. Each eligible employee wishing to develop a personal plan thus goes through the initial assessment stage to examine the details of his or her plan and any advantages and constraints concerning its implementation. After this initial step, in which the feasibility of the employee's plan is validated, individual support is set up to carry out and monitor the actions needed to implement it.

This support phase covers two dimensions of development identified by social partners, namely:

- The professional dimension, through measures aimed at enhancing and developing employability, such as training measures and training paths for the acquisition of new skills, a new qualification or diploma, support towards the VAE (recognition of prior experience), to enable the employee to obtain a diploma in recognition of his or her professional experience (vocational diplomas such as CAP, Bac Pro or BTS), the conduct of a skills assessment or career assessment procedure in view of a career change, etc.
- The social dimension, which becomes a fully-fledged component of the thinking on employability, focusing in particular on mobility assistance, housing, administrative formalities (drafting of documents, etc.) and help with job search techniques (CV drafting, interview preparation, etc.)

CRIT conducts these concrete actions to strengthen its employees' career paths and stabilise their personal status so as to increase their rate of employment.

Thus, in order to continue the implementation that started in 2015, 4,686 temporary workers benefited from this scheme in 2017 in support of their upskilling.

As noted above, in 2016 the company made the performance review available to its most loyal temporary workers. As such, in 2017 around 12,000 eligible temporary workers will have the opportunity, if they so choose, to discuss with the company their career and development goals within their profession or towards another profession. The roll-out of performance reviews for the most loyal temporary employees aims to enhance their employability and inspire agency staff as well as training support services and regional human resources managers for temporary workers.

A SPECIALISED TRAINING CENTRE FOR AVIATION OCCUPATIONS

Groupe Europe Handling, an airport services subsidiary of Groupe CRIT, has its own training entity, the IFMA (Aviation Industry Training Institute) that enables it to fully cater to its needs and actively contribute to improving the skills of each employee. This institute is ISO 9001, ISO 14001 and OHSAS 18001 certified and approved by the International Air Transport Association (IATA) for training in regulated dangerous goods. It is also a member of the Security Charter of Roissy Charles de Gaulle airport and accredited by the DGAC (Directorate-General for Civil Aviation) for providing driver training in traffic and manoeuvring areas. IFMA runs learning programmes throughout the year aimed at employees of the different airport services branches. All training programmes include feedback from the Group. Whether runway, traffic or transport agents, each employee follows a training programme that leads to a recognised qualification.

Leveraging its technical expertise and skills, IFMA also offers its services to customers outside the Group and thus trains over 15,000 internal and external interns every year.

QUALITY, SAFETY, ENVIRONMENT – MANAGEMENT OF A SOCIALLY RESPONSIBLE COMPANY

In 2005, CRIT became the first temporary employment company to be QSE-certified for all its sites:

- ISO 9001: Quality management system
- ISO 14001 Environmental management system
- BS OHSAS 18001: Occupational health and safety management system

CRIT has been ISO 9002 certified since 1996. In 2002, following changes to the standard, the certification was renewed under ISO 9001.

Today, 25 CRIT agencies are CEFRI certified (nuclear sector) and 10 agencies are MASE certified (chemicals and petrochemicals).

These certifications are a testament to CRIT's determination in its commitment to a long-term approach to management and progress.

The company's global performance management system encompasses our policy with regard to quality management, health and safety at work and the environment.

CRIT'S QUALITY, HEALTH AND SAFETY AND ENVIRONMENT POLICY IS POSITIONED AT THE VERY HEART OF THE COMPANY'S OPERATION IN ORDER TO ENSURE THE DEVELOPMENT, SUSTAINABILITY AND SATISFACTION OF CLIENTS AND EMPLOYEES

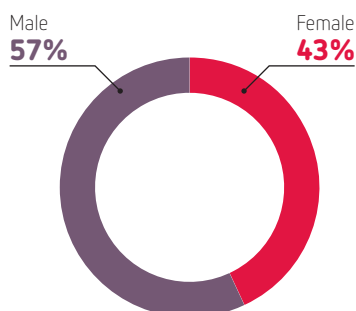
In an increasingly competitive market undergoing full-scale transformation, one of the major thrusts of CRIT's QSE policy is the long-term retention of clients and temporary workers by offering bespoke solutions and supporting its workers' career plans.

For CRIT, the occupational health and safety of its employees, both permanent and temporary, is a priority. The company's objective is to achieve an ongoing reduction in the frequency and severity of workplace accidents for all employees.

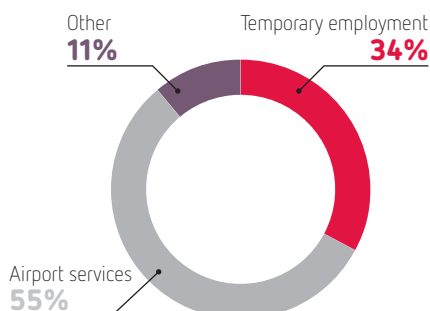
Protecting the environment is absolutely essential, and should be a common goal shared by all. This is why CRIT has been committed to a process of controlling, reducing and preventing pollution and the impacts of its operations on the environment.

CRIT is aware that, without the contribution of its employees, the QSE policy cannot be applied. This is why CRIT continuously raises awareness amongst all of its personnel regarding these issues, given that employees form the life force of the company and are the primary source of its strength and vitality.

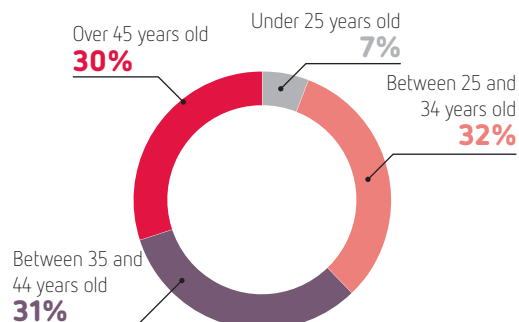
Breakdown of permanent workforce in 2017



Breakdown of permanent workforce by occupation



Breakdown of permanent workforce by age



1.5 INVESTMENT POLICY

CAPITAL EXPENDITURE

The temporary employment and recruitment business, for which capital expenditure totalled €2.4 million over the year, is not capital-intensive by nature, except for the external growth transactions described below.

As regards the Group's other activities, only airport services are likely to require significant investment in France and abroad, depending on the number of new contracts. In 2017 the division's capital expenditure therefore amounted to €13.1 million.

The Group believes that, excluding external growth and the construction project, the level of investment required to maintain its business is around €15 million. Most investment is concentrated in the airport services sector, as set out in the following table:

€000	31/12/2017	31/12/2016
Temporary employment	2,393	3,824
Airport services	13,145	10,745
Other, excluding real-estate project	680	1,127
TOTAL EXCLUDING REAL-ESTATE PROJECT	16,218	15,696
Other – Building refurbishment Paris 17 th district	1,844	5,602
TOTAL	18,062	21,298

EXTERNAL GROWTH

External growth transactions, which are natural business accelerators, are carried out with measurable profitability goals and control of the Group's financial balances in mind (cash flow, debt, leverage, etc.).

In 2017 the Group continued its strategy of expansion in North America by acquiring the business of Tennessee-based EHD Technologies in February via its subsidiary PeopleLink. This acquisition strengthened the Group's quality control business line and staffing activity for skilled workers.

This transaction was completed for a price of €5.8 million.

1.6 RISK FACTORS



Groupe CRIT implements a risk management policy based on the following principles:

- Identification and periodic review of its risk portfolio,
- Implementation of a risk prevention policy,
- Financial hedging against the consequences of these risks if they were to occur.

Given the Group's business, the risks identified mainly relate to:

- operational risks (sensitivity of the business to the economic climate, relative importance of certain clients and suppliers),
- commercial credit risk and financial counterparty risk,
- legal risks associated in particular with work regulations,
- liquidity risks (risks of coverage by receivables and risks of accelerated repayment),
- market risks (mainly interest rate risks).

The company conducted a review of the risks that could have a significant adverse impact on its business, financial position, income or capacity to achieve its objectives, and believes that there are no material risks other than those presented.

OPERATING RISKS

RISK LINKED TO THE CORRELATION BETWEEN BUSINESS VOLUMES AND GDP

The temporary employment business is closely linked to the change in GDP in its business area; the correlation is more than proportional if this varies by more than +/- 1%.

Given the prevalence of its French temporary employment activity, the Group is highly dependent on the evolution of GDP in the Euro zone, and more particularly in France.

Naturally, this risk, inherent to the business, cannot be hedged financially. However, the Group works to reduce it using expense variability and macroeconomic rebalancing policies.

It is against this backdrop that, from 2011, the Group started to expand considerably in the dollar zone and particularly in the United States, the world's largest temporary employment market.

CONCENTRATION RISK

Given the diversification of its business and its geographical presence, the Group is not exposed to any material concentration risk in its client portfolio. The Group's biggest client accounted for 6.1% of sales and the top ten clients accounted for 18.1%.

RISK OF DEPENDENCY ON KEY SUPPLIERS

In temporary employment, nearly 95% of the current operating expenses are staff costs. The Group is therefore not dependent on any specific supplier.

In the airport services division, the leading supplier accounted for 30.6% of purchases in the sector and the top five suppliers accounted for 47.5%. However, it should be noted that this percentage is primarily distributed between two suppliers. This concentration is due to operational constraints within airport services: exclusivity of services supplied for ADP, the Paris airports management company, regulated access restricting the provision of subcontracting for aircraft.

RISK ASSOCIATED WITH MAJOR CONTRACTS

At the Registration Document date, the Group had signed no major contracts giving rise to a major obligation or commitment for the entire Group, other than those signed in the normal course of business and those whose effect is described in the sections on concentration and financing.

SPECIFIC RISK INHERENT TO THE AIRPORT SERVICES BUSINESS

As part of its airport services business, the Group needs to step in at different phases of the stopover of an aircraft. In the event of a claim relating to an aircraft handled by it, the intensity of the Group's liability is significant. The Group has set up an aeronautical civil liability programme to cover this rather significant risk.

CHANGE IN LABOUR MARKET REGULATIONS IN THE COUNTRIES WHERE THE GROUP OPERATES

Through its temporary employment business, the Group is exposed to the risk of change in labour market regulations in the countries where it operates. As any changes in social regulations directly affect salaries (laws on working hours in particular) or social security expenses (decrease and variation of contributions), they can alter staff costs which comprise the major portion of the operating expenses in this segment, and therefore impact the financial statements and profitability of the Group. Regulatory changes in respect of the CICE (competitiveness and employment tax credit) may therefore have a significant impact on its profit, depending on the options chosen by the government.

REPUTATIONAL RISK

The Group handles high volumes of temporary work contracts and the network of agencies handling these contracts are fragmented and highly decentralised. In the event of isolated occurrences of deviant behaviour by employees not detected early enough by the monitoring system, the resulting media attention could mar the Group's image. In the face of such risks, and having already been exposed to them in the past, the Group has set up monitoring systems for the early detection of such behaviour.

INFORMATION RISK

In the course of its business the Group utilises a certain number of software tools and information systems and constantly adapts this IT architecture in order to take account of regulatory changes in the market. The principal risks lie in the availability of IT infrastructure and data and in maintaining the confidentiality of these.

The Group maintains backup systems for its databases at secure centres and conducts data recovery protocols on a regular basis.

The Group also carries out external audits of its IT procedures in order to perform security checks on these and improve their quality if necessary.

RISK OF TECHNOLOGICAL BREAKTHROUGH

In the temporary employment market, the competitive advantage of technological solutions is of growing importance. To anticipate this progress, the Group keeps watch on technological and competitive developments and invests in technological and innovative solutions.

FRAUD AND CORRUPTION RISK

The Group strives to conduct its business in accordance with ethical principles and applicable regulations. To prevent risk of corruption or fraud having a material impact on its earnings and reputation, Groupe CRIT has defined and implemented a framework, tools and control measures tailored to its business activities and placed under the direct responsibility of the Board of Directors.

Group policy is explained in the chapter entitled "Social and Environmental Information".

HUMAN RESOURCES RISKS

The skill, motivation, quality and commitment of the Group's employees play a vital role in growing its business. If the Group was unable to identify, attract, retain and train skilled employees, particularly in its main markets, this could affect the growth of its business and earnings.

For this reason, the Group seeks to offer its employees a stimulating and inspiring work environment and to foster commitment to its values. The Group is also developing a number of initiatives designed to combat discrimination, promote diversity, encourage professional and social development, promote gender equality and improve health and safety at work.

The Group's HR policy in this regard is explained in the "Social and Environmental Information" chapter.

COMMERCIAL CREDIT RISK AND FINANCIAL COUNTERPARTY RISK

COMMERCIAL CREDIT RISK

In temporary employment, the Group works with a very large number of clients that generally represent the economy of their business areas. As a result, the risk of payment default is directly correlated to the malfunctioning of that economy. To handle this risk, the Group implements a two-part management policy for these risks:

- a. firstly, any placement commitment given to a client is conditional on the credit limit defined by the credit management department,
- b. secondly, a majority of the receivables in the temporary employment business, with the exception of the USA, are covered by a specific credit insurance policy.

Each temporary employment activity has its own centralised credit management department that monitors client credit for the Group. A claims department then handles any legal action.

The breakdown of client receivables by operating segment is as follows:

€000	31/12/2017	31/12/2016
Temporary employment and recruitment	400,077	367,790
Airport services	45,083	36,866
Other services	28,378	28,895
TOTAL	473,538	433,552

The impairment amount for trade receivables and the receivables aging balance are indicated in Note 4.2.1 to the consolidated financial statements.

FINANCIAL COUNTERPARTY RISK

Within the scope of transactions on financial markets, notably for cash-flow management, the Group is exposed to financial counterparty risk. Counterparties are chosen based on their rating by rating agencies, provided such ratings are available. This avoids over-concentration of market transactions with a limited number of financial institutions.

LEGAL RISKS ASSOCIATED IN PARTICULAR WITH WORK REGULATIONS

TYPES OF LEGAL RISKS

Most of the Group's business is in temporary employment, a highly regulated activity as detailed in pages 11 and 12 of this document. The primary factors which could impact the Group's business are as follows:

- first, bank guarantees or other forms of financial guarantee required for its temporary employment business; for example, the French Labour Code requires the Group to have at all times bank guarantees equal to 8% of its sales for the previous calendar year. Failure to renew the bank guarantees or other financial guarantees would automatically prohibit the Group from conducting its business,
- second, changes to labour regulations; any significant change in the regulations, particularly a change related to working hours or provisions regarding dismissal or the use of temporary employment contracts could have a material impact on the Group's business.

LEGAL PROCEEDINGS AND ARBITRATION

Ongoing disputes mainly relate to employee petitions brought before an industrial tribunal (Note 4.6. to the consolidated financial statements).

No other state or legal proceeding or arbitration, of which the company is aware to date, either pending or threatened, has had a material impact on the financial position or profitability of the company and/or Group in the past twelve months, or is likely to do so.

INDUSTRIAL AND ENVIRONMENTAL RISKS

Because of its activity, the Group has no significant exposure to environmental risks and has not identified any financial risks linked to the effects of climate change. The measures taken by the Group to control and reduce the effects of its activity on the environment are described in the corporate social responsibility report in section 3.2 of this Registration Document.

LIQUIDITY RISKS

LIQUIDITY POSITION

The company actively manages its liquidity risk so that it can settle its payments at any time. At 31 December 2017, excluding authorised overdrafts, the company had credit facilities of €229 million (of which €100 million was confirmed, with a maturity of over 12 months), from which it had drawn €36 million.

In addition, the Group has an as yet unclaimed €198.8 million CICE competitiveness and employment tax credit receivable which could be obtained at short notice if need be.

ASSET-BASED FINANCE, BORROWING BASE RISK

A level of receivables that is insufficient to draw financing from factors could negatively impact the Group's ability to finance its operations.

RISKS OF ACCELERATED REPAYMENT

Some of the Group's financing lines are governed by covenants. This mainly includes the €100 million medium-term credit facility. The detailed commitments are given in Note 4.4.2.2 to the consolidated financial statements on "Financial obligations".

At year-end, all covenants were in compliance. However, had the Group been unable to comply with them, said financing would have been lacking and the resulting obligation to repay would have directly affected the Group's liquidity.

MARKET RISKS

HEDGING POLICY

The Group uses financial instruments exclusively as part of its policy to hedge the interest rate risk or currency risk, if needed. It is noteworthy that the Group's operations in foreign currencies state income and expenses in the same currency and that cross-zone monetary flows are restricted to dividend payments and intra-group financing operations, which limits currency risk.

INTEREST RATE RISK

The Group's debt comprises fixed and floating interest rate debts. The Group's exposure to interest rate risks is set out below according to maturity:

€000		< 1 year	1-5 years	> 5 years	Total
Gross financial debt (a)	Fixed rate	30,626	11,060		41,686
	Floating rate	26,031	31,214	20,485	77,730
Overdrafts excluding cash pooling (b)	Fixed rate				0
	Floating rate	6,039			6,039
Borrowings (c=a+b)	Fixed rate	30,626	11,060		41,686
	Floating rate	32,070	31,214	20,485	83,769
Cash equivalents (d)	Fixed rate	20,000			20,000
	Floating rate	32			32
Net position before hedging (e=c-d)	Fixed rate	10,626	11,060		21,686
	Floating rate	32,038	31,214	20,485	83,737
Interest rate hedging instruments (f)	Fixed rate	3,833	15,333	11,734	30,900
	Floating rate	(3,833)	(15,333)	(11,734)	(30,900)
Net position after hedging (g=e+f)	Fixed rate	14,459	26,393	11,734	52,586
	Floating rate	28,205	15,881	8,751	52,837
Positive cash					(96,260)
TOTAL NET FINANCIAL DEBT					9,163

(b) Bank overdrafts excluding cash pooling portion (Note 4.4.3 to the consolidated financial statements), which is covered by cash pooling assets.

At 2017 year-end, only the liability relating to the lease for the building is hedged to a fixed rate, while all other liabilities (except the debt from subsidiaries) are hedged to floating rates. With its cash investments, the Group's exposure to interest-rate fluctuations is very low. A change of 100 basis points in interest rates would impact the Group's financial expense for the year by €1.3 million.

FOREIGN EXCHANGE RISK

In its international operations, the Group is exposed to the risk of fluctuating exchange rates, especially that of the US dollar. This risk arises in the transactions carried out by the Group's companies in currencies other than their functional currency (functional currency risk) as well as in the assets and liabilities denominated in foreign currencies (translation risk). The Group's entities generally operate in their local currency which is their functional currency; proceeds from sales are denominated in the same currency as operating expenses, making for natural hedging. Functional currency risk is therefore limited to intra-group financing transactions (mainly related to funding US acquisitions with equity and via loans denominated in USD). In light of this and in order to hedge this risk naturally, the Group has lines of credit at its disposal in EUR and USD.

The risk arising from translating the financial statements of the Group's foreign entities into the reporting currency in the Group's financial statements is not hedged. The net balance sheet positions in the main currencies and the sensitivity of the Group's earnings and shareholders' equity to currency risk are described in Note 4.4.2.2 to the consolidated financial statements on "Currency risk".

RISKS ASSOCIATED WITH SHARES AND OTHER FINANCIAL INSTRUMENTS

The Group has cash equivalents at its disposal, comprising investments in different money products, which are detailed in Notes 4.4.1 and 4.4.3 to the consolidated financial statements. It also has a portfolio of equity shares, the value of which depends on the share price. The year-end valuation is indicated in Note 8 to the company financial statements.

RISK PREVENTION AND HEDGING

Even though the Group's risks are typically highly diversified and, therefore, the probability that a single loss would have a material impact on the Group is very low, it implements a management policy that combines both insurance and internal management.

The Group covers the following risks through insurance:

- counterparty risk through credit insurance taken out with various firms (temporary employment business in France and Spain). As a result, in most cases, every commercial relationship is first covered by a guarantee given by the insurer on a case by case basis. These guarantees are monitored daily for changes and, in certain cases, the commercial relationship may be revalued.
- other risks are covered by appropriate insurance policies, primarily including:
 - Operating damage and losses (capped at €20 million per claim)
 - Third-party liability for operations (capped at €30 million per claim)
 - Third-party liability for airport services (capped at €130 million per claim)
 - Third-party liability for directors (capped at €20 million per claim)
 - Vehicle fleet: market value.

The total cost of these policies for all Group companies amounted to €4.9 million in 2017, which corresponds to the insurance premium payments.

In terms of internal prevention, the Group:

- has opted for a strict management policy in order to optimise its cash flow and reduce its debt while maintaining diversified financing sources;
- has developed a prevention policy designed to increase awareness and train clients and temporary employees in workplace safety.



1.7 TRENDS AND OUTLOOK



A PROMISING START TO THE YEAR

In 2018, Groupe CRIT plans to pursue an aggressive strategy both in France and overseas. The economic outlook is promising for the main countries in which the Group operates. There is an upward trend in all markets and the early part of the year bodes well for all business lines.

TEMPORARY EMPLOYMENT AND RECRUITMENT

GOOD PROSPECTS IN FRANCE AND OVERSEAS

In France, the Group is expected to benefit from a favourable economic climate, with annual GDP growth estimated at 1.9%¹. The temporary employment and recruitment business in France should keep up its momentum. This confidence is borne out by promising figures recorded over the first months of the year. The total number of temporary workers placed by the Group in France in January and February 2018 rose 7.4% versus the same period last year.

In 2018, the Group will continue to develop all of its HR solutions (client-side HR management, recruiting services, open-ended

temporary contracts, etc.) and will step up its digitisation initiatives in order to support the transformation of its professions. In accordance with these aims, the Group will deploy two new digital solutions: MyCRIT, a secure individual digital space for its temporary workers and CRIT Online, a global temporary employment management portal designed for SME clients. The Group will seek to leverage digitisation in order to boost its operating performances.

Business in Spain is also expected to keep up its momentum driven by GDP growth estimated at 2.7%² and a national temporary employment market expected to increase by between 12% and 14% over the year (source: Asempleo).

Having largely exceeded its sales target of €300 million for the US market, in 2018 the Group will focus on boosting organic growth. The Group also intends to remain on the lookout for acquisition opportunities, particularly in Europe, in order to expand its existing footprint or enter new high-potential markets. In Europe excluding France, the Group is aiming to increase its sales from €142 million recorded in 2017 to €300 million by 2020.

¹ Banque de France
² Bank of Spain



AIRPORT SERVICES

SURPASS MARKET GROWTH IN FRANCE - BRIGHT PROSPECTS OVERSEAS

In 2018, the Group also plans to continue to employ an aggressive strategy in airport services.

In France, business momentum is expected to remain strong, as illustrated by the division's excellent start to the year. For the first two months of the year, the airport services business posted outstanding like-for-like sales growth of 15.5% compared to the same period last year. Two major 5-year contracts were also renewed on 1 January 2018 at the two main French airports.

The outlook for the international market is also bright, with new long-term contracts totalling €13 million signed since the start of the year. Two new airport service contracts were signed in Sierra Leone, while a 5-year contract was renewed with Norwegian in Ireland. The Group expects to continue to leverage strong sales momentum among its new UK and US operations. At Heathrow airport, where the Group established a station in late 2016 via its subsidiary Cobalt Ground Solutions, a new contract was signed with Cobalt Air in early 2018. In the United States, where the Group acquired a foothold in 2017, two new contracts were signed in March 2018 at Boston airport with two major European low-cost long haul carriers, Norwegian and Primera Air. As a result, the Group will double the number of flights handled in the USA over the current year.

A SOUND AND EVEN STRONGER FINANCIAL POSITION

In 2017, the Group again strengthened its financial situation. With cash flow from operations of €118.8 million, a high level of equity of around €512 million, up €76.3 million over the year, and net cash of €189.6 million (including the CICE competitiveness and employment tax credit) at the end of December 2017, the Group has a robust balance sheet which will allow it to develop and continue its growth strategy.

1.8 STOCK MARKET AND SHAREHOLDERS

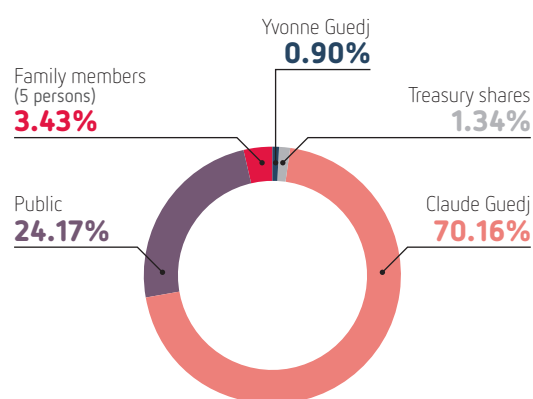
The GROUPE CRIT share is listed on Euronext Paris (Compartment B). It is listed on the CAC All-tradable, CAC All-shares, CAC Mid & Small indexes and, since February 2017, on the Euronext Family Business index, which tracks the performance of 90 family-run companies listed across the four Euronext exchanges.

In October 2017, the company share was included in the socially responsible investment (SRI) mid-cap Gaia Index.

The share capital is divided into 11,250,000 shares.

Market capitalisation at 28 February 2018 was €846.0 million.

Capital distribution
(at 28 February 2018)



Volumes traded, change in Groupe CRIT share price over the previous 18 months
(Source: Euronext)

	Number of shares traded	Share price (€)	
		high	low
September 2016	181,652	61.00	53.90
October 2016	119,439	60.50	53.90
November 2016	113,794	63.00	58.50
December 2016	59,501	68.00	60.05
January 2017	85,181	76.80	66.72
February 2017	70,507	79.19	72.10
March 2017	58,212	78.20	70.40
April 2017	52,426	77.82	71.35
May 2017	66,463	77.09	72.38
June 2017	85,481	86.25	73.06
July 2017	114,399	86.20	76.00
August 2017	43,694	84.90	80.01
September 2017	95,663	87.90	71.76
October 2017	88,900	83.40	79.00
November 2017	93,681	81.00	71.52
December 2017	116,130	80.91	72.21
January 2018	137,328	79.30	72.00
February 2018	84,092	77.40	72.00

■ Highest and lowest share price over the period



2

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2.1. Consolidated financial statements

for the year ended 31 December 2017

A. Consolidated income statement

€000	Notes	2017	2016
REVENUES	3.1.4 & 3.1.5	2,418,225	2,145,269
Cost of goods sold		(32,345)	(30,037)
Personnel and related expenses	3.2	(2,046,205)	(1,836,384)
Other purchases and external expenses		(180,283)	(147,572)
Net amortisation and depreciation	4.1.2	(23,022)	(19,196)
Net additions to provisions		(8,827)	(7,162)
Other operating income		1,059	2,098
Other operating expenses		(2,010)	(1,900)
CURRENT OPERATING INCOME	3.1.3 & 3.1.4	126,593	105,115
Non-recurring operating income	3.3	179	
OPERATING INCOME		126,771	105,115
Share of earnings of associates extending the Group's business	4.1.4	(3,452)	(208)
OPERATING INCOME INCLUDING SHARE OF EARNINGS OF ASSOCIATES		123,319	104,907
Income from cash and cash equivalents		663	996
Gross cost of financial debt		(3,231)	(2,383)
Net cost of financial debt		(2,569)	(1,387)
Other financial income and expenses		(5,658)	6,094
NET FINANCIAL INCOME/(EXPENSE)	3.4	(8,227)	4,707
INCOME BEFORE TAX		115,092	109,614
Income tax expense	3.5	(31,728)	(34,343)
NET INCOME		83,364	75,271
- Group share		84,787	75,404
- non-controlling interests		(1,423)	(133)
		83,364	75,271

Earnings per share held by company shareholders (€)

Basic and diluted	4.3.2	7.64	6.79
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B. Consolidated statement of comprehensive income

€000	2017	2016
NET INCOME	83,364	75,271
Other items reclassifiable to income	(2,799)	96
Translation adjustments	(3,239)	552
Fair value of financial instruments	670	(695)
Deferred tax on fair value of financial instruments	(231)	239
Other items not reclassifiable to income	342	(2,662)
Actuarial gains/losses on retirement commitments	454	(3,738)
Deferred tax on actuarial gains/losses	(112)	1,076
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)	(2,457)	(2,566)
TOTAL COMPREHENSIVE INCOME/(LOSS)	80,906	72,706
- Group share	84,041	72,494
- non-controlling interests	(3,134)	212
	80,906	72,706

The notes attached hereto are an integral part of the consolidated financial statements.

C. Consolidated balance sheet

ASSETS (€000)	Notes	31/12/2017	31/12/2016
<i>Goodwill</i>		155,266	166,774
<i>Other intangible assets</i>		44,582	47,907
Total intangible assets	4.1.1	199,848	214,680
Property, plant and equipment	4.1.2	100,594	97,365
Financial assets	4.1.3	203,723	160,055
Investments in associated companies	4.1.4	5,066	8,552
Deferred tax	3.5.3	8,779	6,975
NON-CURRENT ASSETS		518,010	487,626
Inventories		2,585	2,603
Trade receivables	4.2.1 & 4.6.1	473,538	433,552
Other receivables	4.2.2 & 4.6.1	37,761	31,071
Tax receivables	4.6.1	3,420	5,347
Cash and cash equivalents	4.4.3 & 4.6.1	137,608	107,051
CURRENT ASSETS		654,912	579,624
TOTAL ASSETS		1,172,922	1,067,250

EQUITY & LIABILITIES (€000)	Notes	31/12/2017	31/12/2016
<i>Capital</i>	4.3.1	4,050	4,050
<i>Additional paid-in capital and reserves</i>		502,748	423,174
Shareholders' equity (Group share)		506,798	427,224
Shareholders' equity (non-controlling interests)	4.3.4	5,130	8,395
SHAREHOLDERS' EQUITY		511,928	435,619
Retirement commitments	3.2.2	31,689	28,863
Non-current borrowings	4.4.1 & 4.6.2	62,830	96,107
NON-CURRENT LIABILITIES		94,519	124,970
Current borrowings	4.4.2 & 4.6.2	56,587	34,174
Bank overdrafts and related expenses	4.4.1 & 4.6.2	27,355	23,110
Provisions for other liabilities	4.5	11,766	10,136
Trade payables	4.6.2	39,295	39,569
Social security and tax liabilities	4.2.3 & 4.6.2	391,012	351,837
Current tax payables	4.6.2	6,509	7,715
Other payables	4.2.4 & 4.6.2	33,951	40,120
CURRENT LIABILITIES		566,476	506,661
TOTAL EQUITY & LIABILITIES		1,172,922	1,067,250

The notes attached hereto are an integral part of the consolidated financial statements.

D. Consolidated statement of changes in shareholders' equity

€000		Capital	Treasury shares	Other retained earnings	Other comprehensive income/(loss)	Shareholders' equity (Group share)	Shareholders' equity (non-controlling interests)	Total shareholders' equity
2016	SHAREHOLDERS' EQUITY AT 01/01/2016	4,050	(2,139)	356,821	(11,732)	347,000	20,204	367,204
	Net income for the year			75,404		75,404	(133)	75,271
	Other comprehensive income/(loss)				(2,912)	(2,912)	345	(2,567)
	TOTAL COMPREHENSIVE INCOME/(LOSS)			75,404	(2,912)	72,492	212	72,704
	Dividends distributed			(4,427)		(4,427)	(981)	(5,408)
	Treasury share transactions		5			5		5
	Other changes			12,160	(8)	12,153	(11,040)	1,113
	TRANSACTIONS WITH SHAREHOLDERS		5	7,733	(8)	7,730	(12,021)	(4,291)
	SHAREHOLDERS' EQUITY AT 31/12/2016	4,050	(2,134)	439,958	(14,650)	427,224	8,395	435,619
2017	SHAREHOLDERS' EQUITY AT 01/01/2017	4,050	(2,134)	439,958	(14,650)	427,224	8,395	435,619
	Net income for the year			84,787		84,787	(1,423)	83,364
	Other comprehensive income/(loss)				(746)	(746)	(1,711)	(2,457)
	TOTAL COMPREHENSIVE INCOME/(LOSS)	(0)		84,787	(746)	84,042	(3,134)	80,907
	Dividends distributed			(4,441)		(4,441)	(124)	(4,565)
	Treasury share transactions		(432)			(432)		(432)
	Other changes (1)	(0)		406	0	406	(6)	400
	TRANSACTIONS WITH SHAREHOLDERS	(0)	(432)	(4,035)	0	(4,468)	(130)	(4,598)
	SHAREHOLDERS' EQUITY AT 31/12/2017	4,050	(2,567)	520,710	(15,396)	506,798	5,130	511,928
Other changes	<i>(1) Details of other changes</i>							
	Remeasurement of put options on Actium non-controlling interests			330		330	(6)	324
	Other			76	0	76	(0)	76
	Total other changes			406	0	406	(6)	400

The notes attached hereto are an integral part of the consolidated financial statements.

E. Consolidated cash flow statement

€000	Notes	2017	2016
Net income for the year		83,364	75,271
Elimination of non-cash expenses			
Share of profits of associated companies		3,452	208
Amortisation and depreciation of intangible assets and property, plant and equipment	4.1.2	23,036	19,196
Change in provisions		4,022	3,912
Change in the competitiveness and employment tax credit (CICE)	4.1.3	(43,494)	(44,566)
Other non-cash items ⁽¹⁾		14,168	(4,526)
Elimination of profits or losses on asset disposals		(54)	(114)
Net cost of financial debt	3.4	2,553	1,384
Net income tax (including deferred taxes)	3.5	31,728	34,343
CASH FLOW BEFORE NET COST OF DEBT AND INCOME TAX (A)		118,776	85,107
Change in operating working capital (B)	4.2	(17,052)	(26,880)
Taxes paid (C)		(33,250)	(37,753)
CASH FLOW GENERATED FROM OPERATIONS (D=A+B+C)		68,474	20,474
Acquisitions of intangible assets		(459)	(2,068)
Acquisitions of property, plant and equipment		(11,686)	(8,765)
Business combinations net of cash and cash equivalents acquired and changes in consolidation		(5,298)	(19,511)
Proceeds from disposals of property, plant and equipment		113	1,518
Other flows from investing activities		(533)	711
CASH FLOW FROM INVESTING ACTIVITIES		(17,863)	(28,118)
Dividends paid		(4,650)	(6,213)
Purchase/sale of treasury shares		(432)	5
Loan repayments	4.4.1	(38,807)	(54,508)
Loan issues	4.4.1	23,120	36,442
Interest paid		(2,596)	(1,307)
CASH FLOW FROM FINANCIAL TRANSACTIONS		(23,365)	(25,582)
Impact of change in foreign exchange rates		(934)	276
CASH EQUIVALENTS		26,312	(32,950)
Cash, cash equivalents and bank overdrafts at the beginning of the period		83,941	116,890
Change in cash		26,312	(32,949)
Cash, cash equivalents and bank overdrafts at the end of the period		110,253	83,941
Balance sheet			
Cash and cash equivalents		137,608	107,051
Bank overdrafts		(27,355)	(23,110)
Net cash		110,253	83,941

(1) Unrealised exchange rate differences on long-term intra-group financing operations (Note 3.4)

The notes attached hereto are an integral part of the consolidated financial statements.

F. Notes to the consolidated financial statements

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Groupe CRIT (the “Company”) is a French *société anonyme* (public limited company) listed on Euronext Paris, Compartment C. Its registered office is located at 6 Rue Toulouse Lautrec, 75017 Paris.

The Group offers diversified services and its core business is temporary employment. It also offers an extended range of airport services in addition to engineering and industrial maintenance services.

Groupe CRIT is not owned by any parent company publishing IFRS statements for public consultation.

1. Accounting standards and methods

The consolidated financial statements are expressed in thousands of euros, as the euro is the functional currency of the parent company, Groupe CRIT, and the Group’s presentation currency.

The main accounting standards and methods applied to prepare the consolidated financial statements are described below and have been consistently applied across all financial years presented.

1.1. Basis of preparation of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 27 March 2018. Unless specified otherwise, amounts are stated in thousands of euros. These statements will not be definitive until approved by the Annual Shareholders’ Meeting.

In accordance with EC Regulation 1606/2002 of 19 July 2002 applicable to the consolidated financial statements of European companies listed on a regulated market, and due to the Group’s listing in a European Union country, the consolidated financial statements of Groupe CRIT and its subsidiaries (the “Group”) are drawn up in accordance with IFRS guidelines (International Financial Reporting Standards) published by IASB and as adopted by the European Union on 31 December 2017.

The guidelines applied can be consulted on the European Commission website at http://ec.europa.eu/finance/company-reporting/index_en.htm

1.2. Basis for valuation applied

The consolidated financial statements have been prepared using the historical cost method, with the exception of certain classes of financial assets and liabilities that are measured at fair value at the end of each reporting period.

The preparation of the consolidated financial statements in accordance with IFRS guidelines requires management to include a certain number of estimates and assumptions that may have an impact on the value of certain items on the balance sheet or income statement or on the information provided in the notes.

These assumptions, estimates and assessments are undertaken based on circumstances prevailing at the date of preparation of the financial statements and may subsequently turn out to be different from the actual state of affairs.

The most significant accounting estimates and judgements concern the following areas:

- Valuation of intangible assets and impairment of non-financial assets

- Valuation of social security commitments (Note 3.2.2)
- Valuation of provisions for other liabilities, which consists of estimating expenditure required to extinguish an obligation (Note 4.6)
- Calculation of deferred taxes and, in particular, the assessment of the recoverability of deferred tax assets
- Classification of the competitiveness and employment tax credit (CICE) as a deduction from personnel expenses (Note 3.2) and the recognition of CVAE (corporate value-added contribution) as an income tax charge within the meaning of IAS 12 (Note 3.5).

1.3. Amendments to standards and interpretations

1.3.1. Mandatory standards, amendments and interpretations at 1 January 2017

The accounting principles applied to prepare the consolidated financial statements for the year ended 31 December 2017 are identical to those applied for the year ended 31 December 2016, with the exception of new standards applicable in 2017:

- IAS 12 amendment - Recognition of deferred tax assets for unrealised losses: effective as of 1 January 2017,
- IAS 7 amendment - Disclosure initiative: effective as of 1 January 2017.

The change in gross financial debt as presented in Note 4.4.1 applies a distinction between cash and non-cash items, in accordance with the requirements of IAS 7 amendment – Statement of cash flows.

In the published statements for previous periods, non-cash transactions related to new finance leases were presented in the cash flow statement in a symmetrical manner under “Acquisitions of property, plant and equipment (finance lease agreements)” and “Borrowings (finance lease agreements)”. Data for the reference period ending 31 December 2016 was restated and excludes these non-cash transactions, i.e. €10.5 million for 2016, in order to record information comparable to 2017.

1.3.2. Standards, amendments and interpretations applicable for financial years after 2017

The new standards and amendments that have been published and are mandatory for accounting periods as of 2017 are presented below:

1.3.2.1. New standards and amendments adopted by the European Union

IFRS 9 – Financial instruments, effective 1 January 2018

IFRS 9 “Financial instruments” redefines the classification and measurement of financial assets and liabilities, the impairment of financial assets (based on an expected credit loss model) and hedge accounting. The Group has examined the implementation of this standard, particularly on the new model for the impairment of receivables. The Group foresees no material impact on its earnings and financial position following the application of IFRS 9.

IFRS 15 and its clarifications - Revenue from contracts with customers, effective 1 January 2018.

IFRS 15 establishes the principles for recognising revenue from contracts with customers.

Its basic principle lies in recognising the revenue to depict the transfer of goods and services to a customer in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. The new standard will also improve the disclosures to be made in the notes.

It will replace IAS 18 "Revenue", IAS 11 "Construction contracts" and the related IFRIC interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31 and should be applied retroactively from 1 January 2017.

The standard sets out a five-step procedure to be implemented to recognise revenue:

- identify the contract(s) with a customer;
- identify the different performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the different performance obligations;
- recognise revenue when performance obligations are satisfied.

The Group has examined the impact of the implementation of IFRS 15 on its consolidated financial statements and has identified no impact for the temporary employment and airport services segment and a non-material impact for engineering services. Sales in the temporary employment and airport services business segments is recorded continuously, since clients benefit immediately from these services.

IFRS 16 - Leases: effective 1 January 2019.

IFRS 16 "Leases" eliminates the distinction between operating and finance leases. It lays down a principle for recognition whereby all leases are recognised on the lessee's balance sheet via:

- an asset representing the right to the leased asset; and
- a liability representing the lease payment obligation.

The Group has a certain number of operating leases, including real estate leases. The impact of the application of IFRS 16 is currently under review.

1.3.2.2. New standards and amendments not yet adopted by the European Union

- IFRS 2 amendment - Share-based payment effective 1 January 2018.
- IFRIC 22 - Foreign currency transactions and advance consideration: effective 1 January 2018.
- IAS 40 amendment - Transfers of investment property: effective 1 January 2018.
- Annual improvements to IFRS (2014–2016): effective 1 January 2018.

- IFRS 9 amendment: Prepayment features with negative compensation : effective 1 January 2019.
- IAS 28 amendment: Long-term interests in associates and joint ventures: effective 1 January 2019.
- IFRIC 23 – Uncertainty over income tax treatments: effective 1 January 2019.
- Annual improvements to IFRS (2015–2017): effective 1 January 2019.
- IFRS 17- Insurance contracts: effective 1 January 2021.

2. Key events of the year

2.1. Business combinations

2.1.1. Business combinations carried out during the year

On 7 February 2017, the Group purchased the business assets of EHD Technologies via its US subsidiary PeopleLink. This new acquisition represents the continuation of its expansion in North America (Tennessee, Alabama, South Carolina and Missouri) and the strengthening of its quality control business line and staffing activity for skilled workers.

\$4.1 million of the \$6.1 million purchase price was paid in cash. The balance will be paid over two years on a quarterly basis and may vary according to the earnings of the businesses acquired.

The following table summarises the value of the assets acquired and liabilities assumed at the acquisition date:

€000	EHD
Intangible assets	5,727
Goodwill	1,647
Trade names	474
Customer relations	2,941
Non-competition agreements	664
Property, plant and equipment	84
Other receivables	6
FAIR VALUE OF ASSETS ACQUIRED AND LIABILITIES ASSUMED	5,817
FAIR VALUE OF NON-CONTROLLING INTERESTS	
BUSINESS COMBINATION ACQUISITION PRICE	5,817

The trade names of the companies acquired are considered to have finite useful lives and are amortised over their useful life estimated at 8 years.

Contractual and non-contractual customer relations, which are a key asset of the temporary employment market, are amortised over their useful life estimated at 8 years. Non-competition agreement clauses relate to key employees of the entities concerned and are amortised over the term covered, i.e. 5 years.

Goodwill and other intangible assets (trade names, customer relations and non-competition agreements) recognised in the US subsidiary's financial statements are amortised for tax purposes over a 15-year period.

The valuation of assets acquired and liabilities assumed and the components of the acquisition price may be reviewed within a 12-month period.

2.1.2. Final recognition of the Cobalt Ground Solutions acquisition

As indicated in Note 1.1 of the consolidated financial statements for the year ended 31 December 2016, the recognition of the Cobalt Ground Solutions business combination was provisional at 31 December 2016.

During the first half year of 2017 the Group reviewed the valuation of assets acquired and liabilities assumed and the components of the acquisition price.

The following table presents the final value of the assets acquired and liabilities assumed at the acquisition date:

€000	Cobalt Ground Solutions
Intangible assets	6,470
Customer relations	6,470
Property, plant and equipment	5,493
Trade receivables	4,091
Other receivables	711
Cash and cash equivalents	6,061
Liabilities assumed	(6,927)
FAIR VALUE OF ASSETS ACQUIRED AND LIABILITIES ASSUMED	15,900
FAIR VALUE OF NON-CONTROLLING INTERESTS	0
BUSINESS COMBINATION ACQUISITION PRICE	15,900

Identified customer relations are amortised over their useful life, i.e. 5 years.

2.2. Decision from the ministry for civil aviation on airport services licences issued in 2014

On 27 March 2017, the minister for civil aviation again appointed and confirmed Groupe Europe Handling, a subsidiary of Group CRIT, as approved ground handling service provider for Roissy Charles de Gaulle and Orly airports.

This decision follows the judgement of the Paris Administrative Court which, having had a case brought before it by a competitor, had annulled the 2014 ministerial decision appointing the three ground handling service providers at Roissy Charles de Gaulle airport and the Orly West terminal.

These airport services licences, initially awarded in 2014, are granted for a period of seven years and enable the Group to operate at the CDG1, CDG2, CDG3, Orly South and Orly West terminals until 2021.

2.3. Takeover of runway services at Orly West

Air France has enlisted Groupe Europe Handling as runway services provider at Orly West as of 1 April 2017. The employment contracts of the employees of GID 94, the company previously responsible for these services until 31 March 2017, were automatically transferred to Orly Ground Services, pursuant to Article L. 1224-1 of the French Labour Code.

Within this context and pursuant to IAS 38 - Intangible assets, the acquisition cost of the contract represented by retirement termination benefits and long-service medals likely to be paid out during the period of operation are recorded as intangible assets and amortised on a straight line basis for the length of the contract, i.e. 7 years (Note 3.2.2).

2.4. Sale of 11% stake in Congo Handling

On 26 June 2017, via its subsidiary Groupe Europe Handling, the Group disposed of its 11% stake in its subsidiary Congo Handling. Since the Group retains control of this subsidiary, the non-material impact of this transaction is recorded under shareholders' equity.

2.5. New United States credit facility

On 15 March 2017, the Group set up a new credit facility in the United States backed by a receivables portfolio with a \$35 million drawdown capacity for the short-term financing of its US subsidiaries' operations. This facility has a 12-month renewable term.

3. Earnings

3.1. Segment reporting

3.1.1. Definition of operating segments

Groupe CRIT has three business lines:

- Temporary employment and recruitment is its core business. Thanks to its extensive range of services, the Group is a versatile human resources player.
- Airport services include all services carried out for an aircraft between landing and take-off, which include passenger assistance and ground handling.
- Other services include engineering and industrial maintenance as well as other activities (digitised HR management, hospitality services, trading, etc.).

The activity of PRESTINTER, which is an internal services provider operating mainly in the temporary employment and recruitment division, falls under this business line. On the other hand, training activities are managed within the "Other services" division.

These different types of corporate services each have their own market, type of clientele, distribution method and regulatory environment. They form the basis of internal reporting.

The Chairman and CEO is the main operational decision-maker, assisted by the sector managers in the temporary employment and recruitment division and the airport services division. He assesses the performance of these operating sectors and allocates the necessary resources to them based on operational performance indicators (sales, EBITDA and current operating income).

The segments to report on are based on the following three operating segments tracked by management:

- Temporary employment and recruitment
- Airport services
- Other services

3.1.2. Revenue recognition

Income from ordinary operations is the fair value, excluding taxes, of the consideration received or receivable for services provided in the course of the Group's normal business activities, after elimination of intra-group transactions.

The Group has examined the impact of the implementation of IFRS 15 on its consolidated financial statements and has identified no material impact on the recognition of its sales (see Note 1.3.2.1).

3.1.3. Non-IFRS financial indicators

For its internal reporting and financial communication, the Group uses non-IFRS financial indicators:

- EBITDA, defined as current operating income before net amortisation and depreciation,

- Organic growth in sales, which represents growth at constant consolidation scope and exchange rates. The exchange rate impact is calculated by applying the previous year's exchange rates to current-year sales denominated in foreign currencies. Changes in consolidation scope are calculated by restating sales for (i) the contribution of entities acquired during the year and (ii) the contribution of entities acquired the previous year until the anniversary date of their acquisition,
- Net financial debt, the definition of which is provided in Note 4.4.1.

Alongside operating income, which includes all income and expenses not arising from financing activities, associates and income tax, the Group presents:

- current operating income, defined as operating income before non-recurring items
- after the operating income line, the share of net income of associates whose activities are regarded as an extension of the Group's business and a line for operating income after share of earnings of associates.

3.1.4. Operating segment reporting

€000	Temporary employment and recruitment	Airport services	Other services	Intersegment	Not allocated	Total
Sales						
2017	2,026,308	314,621	98,113	(20,817)		2,418,225
2016	1,829,748	244,860	89,686	(19,026)		2,145,269
EBITDA						
2017	115,386	29,237	4,991			149,614
2016	98,645	20,437	5,229			124,311
Net amortisation and depreciation						
2017	(9,191)	(10,994)	(2,837)			(23,022)
2016	(8,444)	(8,117)	(2,636)			(19,196)
Current operating income						
2017	106,195	18,244	2,154			126,593
2016	90,201	12,321	2,593			105,115
Balance sheet data						
Assets at 31/12/2017	533,476	117,032	372,607		149,807	1,172,922
Liabilities at 31/12/2017	282,820	81,685	143,208		153,281	660,994
Assets at 31/12/2016	511,484	106,612	329,781		119,373	1,067,250
Liabilities at 31/12/2016	326,786	76,646	67,093		161,107	631,632

The unallocated assets and liabilities are financing and income tax assets and liabilities.

3.1.5. Reporting by geographical region

€000	France	United States	United Kingdom	Spain/Portugal	Africa	Other	Total
Sales							
2017	1,829,989	329,650	51,459	123,900	44,716	38,512	2,418,225
2016	1,667,232	285,118	5,601	105,262	47,672	34,384	2,145,269
Non-current assets							
2017	383,561	100,829	10,677	2,517	12,499	7,927	518,010
2016	333,744	114,757	10,920	2,226	18,719	7,260	487,626

3.2. Personnel expenses

Personnel expenses consist of the following elements:

€000	2017	2016
Salaries and wages	(1,599,279)	(1,425,352)
Social security and tax expenses (excl. CICE)	(517,617)	(463,475)
CICE temporary and permanent employees	70,691	52,442
TOTAL	(2,046,205)	(1,836,384)

The Group recognises the tax credit for competitiveness and employment (CICE) as a deduction from personnel expenses on the income statement.

3.2.1. Average workforce

The breakdown of the Group's average workforce by business line for fully-consolidated companies at the closing date is as follows:

	31/12/2017	31/12/2016
Permanent employees		
Temporary employment	2,654	2,389
Airport services	4,466	3,731
Other	968	900
TOTAL	8,088	7,020
Temporary employees on Group assignments	53,967	49,719
TOTAL	62,055	56,739

The average permanent workforce (permanent and fixed-term contracts) is the arithmetic average of the workforce at the end of each month of the 2017 calendar year. The 2016 average is the arithmetic average of the workforce at 31/12/2015 and 31/12/2016.

Temporary employees are included under "full-time equivalent".

3.2.2. Employee benefits

Different defined contribution and defined benefit pension plans are granted to the Group's employees.

DEFINED CONTRIBUTION PLANS

Defined contribution plans comprise payments which release the employer from any future obligations towards independent organisations. These organisations then pay the employees the amounts due. They are calculated based on the contributions paid, plus the return on their investment. Payments made by the Group are recorded in the income statement as expenses for the period to which they apply. There are no other additional obligations and no liabilities are recorded in the Group financial statements.

The amount paid to defined contribution plans (employer's portion) for all employees (permanent and temporary employees) for 2017 totalled €179.2 million, compared to €155.1 million in 2016.

DEFINED BENEFIT PLANS

These relate exclusively to retirement indemnities and long-service medals stipulated under collective bargaining and company agreements in France and Africa for airport services employees. No other long-term employment benefits or post-employment benefits are granted to employees.

The commitment linked to these plans is assessed each year by an independent actuary using the projected unit credit method. Under this method, each employment period confers an additional unit of benefit rights, and each of these units is valued separately to obtain the final obligation. These estimates take particular account of assumptions concerning life expectancy, staff turnover, wage variations and the discounting of amounts payable.

The main actuarial assumptions used in 2017 to estimate the total value of the retirement indemnities commitment is as follows:

- voluntary retirement on the part of the employee
- age of retirement determined on an individual basis, based on the number of quarters required for a full social security pension, which is counted as of the start date of professional activity up to a maximum 70 years
- turnover rate for each business segment
- INSEE 2013-2015 male and female mortality tables for French companies and PM-PF 60-64 for African subsidiaries
- salary growth rate set out below
- The discount rate used is set with reference to the iBoxx Corporate AA 10+ rate on the closing date, the yield rate for blue-chip private-sector bonds with terms of 10 years and over. This maturity is close to the remaining service period of Group employees.

	2017	2016
Salary growth rate		
Temporary employment and recruitment	3.0%	3.0%
Airport services France	3.0%	3.0%
Airport services Congo	4.5%	4.5%
Airport services Africa other	3.0%	3.0%
Other services	3.0%	3.0%
Discount rate (iBoxx Corporate AA 10+)	1.35%	1.30%

The rules relating to statutory severance pay were amended by the labour law reform (ordinances published 23 September 2017 and implementing decrees published 26 September 2017). The severance package for dismissal has thus been revalued at 25% for up to ten years of service. The collective agreement for temporary employment and recruitment provides for retirement indemnities directly related to the statutory severance allowance. The new law increases the employee benefit commitment by €768,000, which has been recognised as a change in the benefit scheme, as defined by IAS 19, posted immediately to income.

Without any assets to cover the commitments, the provision recorded is equal to the present value of the commitment.

The provision recorded in the balance sheet changed as follows during the two financial years presented:

€000	2017	2016
Obligation at start of period	28,862	23,460
Service cost for the period	2,355	1,955
Interest expense	366	455
Employer contributions	(1,104)	(749)
Past service cost	768	
Takeover of Orly West runway operations (Note 2.3)	936	
Actuarial differences arising from changes in demographic assumptions	(156)	1,374
Actuarial differences arising from changes in financial assumptions	(297)	1,538
Actuarial differences arising from experience adjustments	(42)	830
OBLIGATION AT YEAR END	31,689	28,862
<i>Of which France</i>	<i>30,365</i>	<i>27,453</i>
<i>Of which Africa</i>	<i>1,323</i>	<i>1,409</i>

The main sensitivities of the calculation of this employee benefit commitment to the assumptions applied are as follows:

- with a discount rate of 0.85%, the commitment would be €34.3 million compared to €29.4 million at 1.85%
- were the turnover rate to decrease by 1%, the commitment would increase to €33.2 million
- with a 1% increase in the salary growth rate, the commitment would amount to €37 million.

The following contributions are expected over the coming years:

	2017	2016
N+1	615	740
N+2 to N+5	3,560	2,432
N+6 to N+10	7,787	7,321
TOTAL EXPECTED CONTRIBUTIONS FROM N+1 TO N+10	11,962	10,493

3.2.3. Other employee benefits

The other employee benefits are not material. The Group has not established any share-based compensation plan.

3.3. Non-recurring operating income

Non-recurring operating income consists of the transfer proceeds from the disposal of the subsidiary Assist'Air on 1 September 2017.

3.4. Net financial income/(expense)

€000	2017	2016
Interest income	136	351
Other financial income	527	644
INCOME FROM CASH AND CASH EQUIVALENTS	663	996
Interest expense on employee profit-sharing	(64)	(112)
Interest expense on borrowing and bank overdrafts	(1,346)	(1,154)
Other financial expenses	(1,821)	(1,117)
GROSS COST OF FINANCIAL DEBT	(3,231)	(2,383)
NET COST OF FINANCIAL DEBT	(2,569)	(1,387)
Foreign exchange gains	2,752	5,488
Foreign exchange losses	(13,659)	(2,784)
CICE accretion	5,249	3,390
OTHER FINANCIAL INCOME AND EXPENSES	(5,658)	6,094
NET FINANCIAL INCOME/(EXPENSE)	(8,227)	4,707

The foreign exchange gain or loss results from the impact of the EUR/USD exchange rate on US subsidiary CRIT Corp's financing repayable by Groupe CRIT in USD. The financial asset denominated in USD and converted into EUR in the Groupe CRIT financial statements is only partly financed by Group debts denominated in USD. Allowing for USD depreciation, the net exchange rate impact is a €11.4 million loss in 2017 compared to a €2.7 million gain in 2016.

3.5. Income tax charge

The Group regards CVAE calculated based on the value-added, the difference between income and expenses, as an income tax within the meaning of IAS 12. Having adopted this approach, the Group can present financial statements that are consistent with those of the key players in the temporary employment market that have also opted for this treatment.

3.5.1. Net income tax

€000	2017	2016
Current income tax	(34,023)	(33,289)
Deferred income tax	2,294	(1,054)
NET INCOME TAX	(31,728)	(34,343)

3.5.2. Tax reconciliation

The reconciliation between the theoretical tax resulting from the average tax rate and the actual amount of income tax is as follows:

€000	2017		2016	
	Amount	%	Amount	%
Income before tax	115,092		109,614	
Share of earnings of associates and goodwill impairment	3,452		517	
Income before tax and share of earnings of associates	118,544		110,132	
Tax rate in France	34.4%	34.4%	34.4%	34.4%
THEORETICAL TAX	40,815	34.4%	37,918	34.4%
Effects of:				
Non-taxation of competitiveness and employment tax credit (CICE)	(26,196)	(22.1%)	(19,263)	(17.5%)
CVAE	14,948	12.6%	14,351	13.0%
Use of unrecognised tax losses or exemption	(223)	(0.2%)	(735)	(0.7%)
Other permanent differences	2,045	1.7%	994	0.9%
Other tax credits	(389)	(0.3%)	(564)	(0.5%)
Withholding tax	94	0.1%	390	0.4%
Unrecognised tax losses	124	0.1%	78	0.1%
Tax rate differential for other countries	(638)	(0.5%)	(209)	(0.2%)
Other	1,147	1.0%	1,383	1.3%
TOTAL IMPACT	(9,087)	(7.7%)	(3,575)	(3.2%)
GROUP TAX EXPENSE	31,728	26.8%	34,343	31.2%
Effective tax rate	26.8%		31.2%	

The decrease in the effective tax rate is principally due to the one percentage point increase in the CICE rate in 2017, i.e. 7% of eligible remuneration.

3.5.3. Deferred taxes by type

Deferred taxes are determined using the tax rates adopted or substantially adopted on the closing date, which are expected to apply when the deferred tax asset in question is charged or the deferred tax liability is paid.

Deferred tax assets are recognised only if it is probable that the company will be able to recover them due to the existence of a taxable profit expected during the period in which the assets become or remain recoverable.

€000	Deferred tax assets on retirement indemnity	Deferred tax liabilities on finance leases	Deferred tax liabilities on swaps	Deferred tax on other temporary differences	Total
Gross value at 1 January 2016	7,742	(610)	567	(1,047)	6,652
Translation differences				63	63
Impact on income	(772)	(859)		575	(1,056)
Other comprehensive income/(loss)	1,076		240		1,316
VALUE AT 2016 YEAR-END	8,046	(1,469)	807	(409)	6,975
Gross value at 1 January 2017	8,046	(1,469)	807	(409)	6,975
Translation differences				(147)	(147)
Impact on income	(235)	(630)		3,159	2,294
Other comprehensive income/(loss)	(112)		(231)		(343)
Other changes	241			(241)	
VALUE AT 2017 YEAR-END	7,939	(2,099)	576	2,362	8,779

The primary measure of the United States tax reform of 22 December 2017 is a decrease in the federal corporate income tax rate from 35% to 21%. This led to a €0.5 million reduction in deferred tax assets, which is recorded under 2017 tax expenses.

In France, the 2018 Finance Act provides the corporate income tax rate to be reduced to 25% by 2022 in several steps. This measure has no material impact on deferred tax assets and liabilities.

Deferred tax assets include €0.6 million in tax receivables on Spanish tax losses that should be used in the medium term by charging to future profits of these entities. The amount of uncapitalised tax loss carryforwards came to €4 million at year-end compared to €3.3 million at 31 December 2016.

4. Balance sheet

4.1. Non-current assets

4.1.1. Intangible assets

Upon first-time consolidation of the Group's subsidiaries, the Group's share in all identifiable assets and liabilities acquired is measured within one year. The difference between this acquired interest and the acquisition cost constitutes goodwill.

Other intangible assets include:

- customer relations, trade names, non-competition agreements acquired through business combinations,
- software purchased or developed internally,
- lease rights.

Customer relationships, trademarks and non-competition agreements acquired through business combinations are recognised at their fair value determined at the acquisition date by independent experts. These items may be adjusted in the 12 months following the acquisition. Assets with an indefinite useful life are not amortised; they are subject to an impairment test each year. Amortisation is recorded for assets with a finite useful life. Trade names are amortised or not according to whether their useful life is finite or indefinite.

Amortisation is calculated using the straight line method, based on the estimated useful life of the various asset categories. The main estimated useful lives applied are as follows:

Type	Estimated useful life
Customer relations	5-10 years
Trade names with finite useful life	8-10 years
Non-competition agreements	3-5 years
Software	1-5 years
Lease rights	5-10 years

€000	Goodwill	Patents and similar rights	Other	Total
At 1 January 2016				
Gross book value	164,933	24,459	44,351	233,743
Amortisation and impairment	(5,911)	(7,549)	(21,632)	(35,092)
NET BOOK VALUE AT 1 JANUARY 2016	159,022	16,910	22,719	198,651
2016 change	7,752	2,095	6,182	16,029
Change in consolidation scope	6,064	1,929	10,471	18,465
Acquisitions		1,257	811	2,068
Disposals			(45)	(45)
Translation differences	1,997	569	797	3,363
Reclassification		12	(9)	3
Amortisation and impairment	(310)	(1,670)	(5,843)	(7,823)
Gross book value	172,994	28,436	57,073	258,503
Cumulative amortisation and impairment	(6,221)	(9,430)	(28,172)	(43,823)
NET BOOK VALUE AT 31 DECEMBER 2016	166,774	19,005	28,901	214,680
2017 change	(11,507)	(3,057)	(268)	(14,832)
Change in consolidation scope	1,571	474	5,941	7,986
Acquisitions		271	188	459
Disposals			(35)	(35)
Translation differences	(8,009)	(2,161)	(3,398)	(13,567)
Reclassification	(5,070)	360	4,759	50
Amortisation and impairment		(2,002)	(7,723)	(9,726)
Gross book value	161,487	26,742	61,409	249,638
Cumulative amortisation and impairment	(6,221)	(10,794)	(32,776)	(49,790)
NET BOOK VALUE AT 31 DECEMBER 2017	155,266	15,948	28,633	199,848
Of which:				
- PeopleLink trade name with indefinite useful life		8,922		8,922
- US trade names with finite useful life		5,333		5,333
- PeopleLink customer relations			19,998	19,998
- PeopleLink non-competition agreements			1,531	1,531
- Software purchased or internally developed		1,694		1,694

Group CGUs are determined on the basis of operating segments: Temporary employment and recruitment, Airport services and Other services. With the international expansion of the temporary employment and recruitment segments, the Group identified three distinct CGUs by region within this business line:

- Temporary employment and recruitment CGU (France and other countries);
- Temporary employment and recruitment CGU (United States);
- Temporary employment and recruitment CGU (Spain).

The value of goodwill by CGU is as follows:

€000	31/12/2017	31/12/2016
Temporary employment and recruitment	151,442	157,794
France and other countries	93,378	93,378
United States	58,064	64,416
Airport services	3,824	8,980
TOTAL	155,266	166,774

The decrease in goodwill compared with 31 December 2016 is due to:

- allocating the €5.1 million first-time consolidation goodwill of Cobalt Ground Solutions as at 31/12/2016 to customer relations,

- an €8 million currency loss on the goodwill of the US subsidiaries in the temporary employment and recruitment segment,
- the acquisition of EHD Technologies in the United States on 7 February 2017 (€1.6 million increase).

According to IAS 36 "Impairment of assets", the book value of intangible assets and property, plant and equipment is tested where there are internal or external indicators of impairment, and reviewed at the end of each reporting period. This test is conducted at least once a year for goodwill, intangible assets with an indefinite useful life and intangible assets not yet in service.

In order to test their value, assets to which independent cash flows cannot be linked directly are grouped within the cash generating unit (CGU) to which they belong.

The value in use of the CGU is determined using the discounted cash flow method based on the following principles:

- the cash flows result from the 5-year business plans developed by the management of the entity in question;
- the discount rate is determined based on the weighted average cost of capital used, which factors in a target debt ratio, the cost of Group debt, a risk-free interest rate, a share risk premium and a beta value based on historical data;

- the terminal value is calculated using the present value of all future cash flows, assuming normative cash flow and perpetual growth. This growth rate is in line with the growth potential of the markets in which the entity operates and its competitive position in those markets.

The recoverable amount calculated using the value in use of the CGU is then compared with the carrying amount of the CGU. Impairment is recorded if the carrying amount is greater than the recoverable amount of the CGU and is allocated to goodwill first.

Impairment may be reversed if the estimates change, except that for goodwill, which is irreversible.

The assumptions used for the discount rate and perpetual growth rate are as follows:

	31/12/2017	31/12/2016
Discount rate		
Temporary employment and recruitment France and other countries	7.5%	7.8%
Temporary employment and recruitment United States	8.5%	8.8%
Airport services	7.5%	7.8%
Perpetual growth rate	2.0%	2.0%

Goodwill for the temporary employment and recruitment CGU France and other countries

CALCULATION ASSUMPTIONS

For the Temporary Employment and Recruitment CGU France and other countries, the business plan drawn up by management is based on continuing growth in a context of heavy competition. The perpetual growth rate applied is 2%.

TEST RESULT

The tests did not indicate the need to impair goodwill for this CGU.

SENSITIVITY TEST

Using a growth rate to infinity of 1.5% instead of 2% or a 2 percentage point increase in the discount rate would not lead to impairment loss being recorded. There is no change that could be reasonably foreseen in the operational assumptions that would lead to the impairment of goodwill for the temporary employment and recruitment CGU France and other countries.

Goodwill for the temporary employment and recruitment CGU United States

CALCULATION ASSUMPTIONS

The business plan drawn up for the temporary employment and recruitment United States CGU provides for an increase in business in line with expected market growth.

TEST RESULT

The tests did not indicate a need to impair goodwill for the temporary employment and recruitment United States CGU.

SENSITIVITY TEST

Using a growth rate to infinity of 1.5% instead of 2% or a 2 percentage point increase in the discount rate would not lead to impairment loss being recorded. There is no change that could be reasonably foreseen in the operational assumptions that would lead to the impairment of goodwill for the temporary employment and recruitment CGU United States.

Goodwill for the airport services CGU

CALCULATION ASSUMPTIONS

The business plan developed for the airport services CGU is based on moderate growth of the business.

TEST RESULT

The tests did not highlight a need to impair goodwill for the airport services CGU.

SENSITIVITY TEST

Using a growth rate to infinity of 1.5% instead of 2% would not lead to any impairment. There is no change that could be reasonably foreseen in the operational assumptions that would lead to the impairment of goodwill for the airport services CGU.

4.1.2. Property, plant and equipment

In accordance with IAS 16 "Property, plant and equipment", the Group has opted for the principle of valuing property, plant and equipment according to the cost model, i.e. at cost less accumulated depreciation and impairment.

Depreciation is calculated using the straight line method, based on the estimated useful life of the various asset categories. The main estimated useful lives applied are as follows:

Type	Estimated useful life
Buildings	40 years
Fixtures and fittings	3-5 years
Plant, machinery and equipment	5-10 years
Computer and office equipment	3-5 years
Transportation equipment	4-5 years

Land is not depreciated.

Leases

As recommended by IAS 17, lease agreements are recorded by type. If they result in a substantial transfer of the risks and benefits to the lessee, these finance lease agreements are restated and the assets thereby acquired are capitalised and depreciated in accordance with the Group's accounting principles, while the corresponding liability is recorded under liabilities.

In contrast to finance leases, operating leases are recorded in the income statement using the straight line method in the form of rent over the term of the lease. The total rent paid in 2017 amounted to €31.9 million compared to €29.4 million in 2016.

€000	Land	Buildings	Plant, machinery & equipment	Other	Total
At 1 January 2016					
Gross book value	972	6,809	65,858	83,734	157,373
Depreciation and impairment		(3,042)	(42,407)	(26,678)	(72,127)
NET BOOK VALUE AT 1 JANUARY 2016	972	3,767	23,451	57,056	85,246
<i>of which assets under finance lease</i>					0
2016 change	0	52,085	7,631	(47,598)	12,119
Change in consolidation scope			5,397	96	5,493
Acquisitions		206	8,454	10,571	19,231
Disposals		(178)	(1,041)	(136)	(1,355)
Translation differences		107	(2)	28	133
Reclassification		53,466	2,109	(55,587)	(12)
Depreciation and impairment		(1,516)	(7,284)	(2,570)	(11,371)
Gross book value	972	61,015	88,384	30,894	181,264
Depreciation and impairment		(5,163)	(57,301)	(21,436)	(83,900)
NET BOOK VALUE AT 31 DECEMBER 2016	972	55,852	31,083	9,458	97,365
<i>of which assets under finance lease</i>		51,817	12,887		64,704
2017 change	0	(2,653)	4,474	1,409	3,229
Change in consolidation scope			(6)	86	80
Acquisitions		5	12,722	4,877	17,604
Disposals			(98)	(104)	(202)
Translation differences		(378)	(386)	(144)	(908)
Reclassification			522	(572)	(50)
Depreciation and impairment		(2,280)	(8,281)	(2,734)	(13,295)
Gross book value	972	60,526	99,299	32,889	193,686
Depreciation and impairment		(7,327)	(63,743)	(22,022)	(93,092)
NET BOOK VALUE AT 31 DECEMBER 2017	972	53,199	35,556	10,867	100,594
<i>of which assets under finance lease</i>		49,770	15,712		65,482
<i>of which mortgage assets</i>	406	546			952

In 2016, the "Buildings" item included the building under finance lease in Paris located at 6 Rue Toulouse Lautrec, 75017, for €49.8 million.

2017 acquisitions totalling €17.4 million consist of operational investments for €15.8 million, primarily in the airport services division (€13 million including €5.9 million finance lease investments) and €1.8 million for fixtures in the building in Paris 17th district.

Amortisation and depreciation of intangible assets and property, plant and equipment

€000	2017	2016
- on intangible assets	9,705	7,501
- on property, plant and equipment	13,317	11,386
- on goodwill		310
TOTAL AMORTISATION/DEPRECIATION AND IMPAIRMENT	23,022	19,196

4.1.3. Non-current financial assets

Financial assets essentially comprise CICE amounting to €198.8 million at 31 December 2017 (€155.3 million at 31 December 2016) out of total non-current financial assets of €203.7 million at 31 December 2017 (€160.1 million at 31 December 2016).

The CICE tax credit is a receivable that can be claimed from the government and used for the settlement of income tax payable in respect of the three years following the year for which it is recognised. The fraction unused at the end of the period is refunded.

Given its liquidity, the Group presents CICE as a deduction from net financial debt in its financial communications.

€000	Competitiveness and employment tax credit (CICE)	Loans and receivables maturing in more than one year	Other	Total
At 1 January 2016				
Gross value	110,707	5,434	10	116,151
Cumulative impairment				(0)
NET BOOK VALUE AT 1 JANUARY 2016	110,707	5,433	10	116,150
2016 change	44,566	(660)	(2)	43,904
Acquisitions		411		411
Disposals		(1,146)		(1,146)
Translation differences		76	(2)	74
Change in consolidation scope		(1)		(1)
CICE tax credit net of discounting	52,442			52,442
Settlement of income tax	(11,267)			(11,267)
Accretion for the period	3,390			3,390
Gross value	155,273	4,773	8	160,055
Cumulative impairment	0	0	0	0
NET BOOK VALUE AT 31 DECEMBER 2016	155,273	4,773	8	160,055
2017 change	43,494	170	5	43,669
Acquisitions		1,166	(1)	1,164
Disposals		(633)		(633)
Translation differences		(342)	6	(335)
Change in consolidation scope		(7)		(7)
CICE tax credit net of discounting	70,707			70,707
Settlement of income tax	(5,612)			(5,612)
2013 CICE refund	(26,850)			(26,850)
Accretion for the period	5,249			5,249
Impairment in the period		(14)		(14)
Gross value	198,767	4,958	13	203,738
Cumulative impairment		(14)		(14)
NET BOOK VALUE AT 31 DECEMBER 2017	198,767	4,943	13	203,723
Government refund schedule for CICE if unused for tax settlement				
2014 CICE refundable in 2018	41,455			
2015 CICE refundable in 2019	40,878			
2016 CICE refundable in 2020	46,492			
2017 CICE refundable in 2021	69,942			
TOTAL	198,767			

4.1.4. Investments in associates

The associates over which the Group has significant influence over financial and operating policies but which it does not control are consolidated using the equity method.

€000	2017	2016
Investments in associates at beginning of year	8,552	9,100
Earnings for the period	(3,452)	(208)
Dividends	0	(275)
Other changes	(33)	(65)
INVESTMENTS IN ASSOCIATES AT YEAR-END	5,066	8,552
Associates:		
AERCO	4,535	8,315
Global SQ	262	177
OVID	262	59

The financial statements of these equity-consolidated companies for the year ended 31 December 2017 are presented below:

€000	Global SQ	AERCO	OVID	SHP RS DOO Serbia	SCCV Les Charmes	SCCV 50 av. Porte de Villiers
Operating segment	Temp.	Airport	Airport	Airport	Other	Other
Sales	14,819	0	8,052	1,631	0	0
Net income/(loss)	233	(15,118)	608	101	(1)	0
Non-current assets	0	44,447	83	501	0	0
Current assets	4,071	17,570	3,826	597	302	50
Equity	558	18,140	786	15	(0)	1
Non-current liabilities	2,940	26,387	0	12	0	0
Current liabilities	573	17,489	3,122	1,071	303	49
Net cash/(debt)	299	(10,183)	488	212	0	50
Controlling interest	49%	25%	33%	48%	50%	50%

The reconciliation between these disclosures and the carrying amount of the Group's interests in these associates is as follows:

€000	Global SQ	AERCO	OVID	SHP RS DOO Serbia	SCCV Les Charmes	SCCV 50 av. Porte de Villiers	Total
Equity	558	18,140	786	15	(0)	1	
Controlling interest	49%	25%	33%	48%	50%	50%	
Carrying amount of the interest held	273	4,535	262	0	(0)	1	5,071

4.2. Working capital

€000	31/12/2017	31/12/2016	Gross change	Change in cash	Translation differences	Other flows
Inventories and work in progress	2,585	2,603	(18)	(18)		
Trade receivables	473,538	433,552	39,986	46,295	(6,238)	(71)
Other receivables	37,761	31,071	6,690	7,067	(368)	(9)
Trade payables	(39,295)	(39,569)	274	(274)	519	29
Social security and tax liabilities	(391,012)	(351,837)	(39,175)	(40,886)	1,684	27
Other payables	(33,951)	(40,120)	6,169	4,953	854	363
WORKING CAPITAL	49,625	35,700	13,925	17,137	(3,550)	339
DIVIDENDS AND INTEREST PAYABLE	(152)	(53)	(99)	(85)	(14)	
WORKING CAPITAL NET OF DIVIDENDS PAYABLE	49,473	35,646	13,826	17,052	(3,564)	339

In 2017, the increase in working capital was limited to €17.1 million in view of strong sales growth of 12.7%. Thanks to tight management of the Group's debt collection procedures, trade receivables were reduced to 10.7%.

€000	31/12/2016	31/12/2015	Gross change	Change in cash	Translation differences	Other flows
Inventories and work in progress	2,603	2,667	(63)	(63)		
Trade receivables	433,552	362,476	71,075	65,903	1,081	4,091
Other receivables	31,071	26,137	4,934	4,515	6	413
Trade payables	(39,569)	(32,024)	(7,545)	(6,350)	(62)	(1,133)
Social security and tax liabilities	(351,837)	(317,748)	(34,089)	(31,851)	(269)	(1,970)
Other payables	(40,120)	(34,812)	(5,308)	(4,468)	(42)	(798)
WORKING CAPITAL	35,700	6,695	29,005	27,686	714	605
DIVIDENDS AND INTEREST PAYABLE	(53)	749	(802)	(806)	4	
WORKING CAPITAL NET OF DIVIDENDS PAYABLE	35,646	7,444	28,202	26,880	718	605

In 2016, the significant change in working capital was due to the strong sales growth (impact on working capital: €18.5 million) and changes to the pension contribution payment rate in France (impact on working capital: €13.5 million).

4.2.1. Trade receivables

€000	31/12/2017	31/12/2016	Change
Trade and related receivables (1)	486,711	444,282	42,429
Impairment	(13,173)	(10,730)	(2,443)
TOTAL	473,538	433,552	39,986
(1) of which:			
Bills remitted for collection at 31 December but with subsequent maturity dates	3,953	5,895	(1,942)
Receivables financed under factoring agreements	143,349	112,111	31,238
Receivables assigned as security for the United States credit facility	45,073		45,073

Trade receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

Impairment of trade receivables is recognised when there is an objective indicator of the Group's inability to recover all amounts owed under the conditions initially stipulated at the time of the transaction (after deducting amounts covered by credit insurance). Major financial difficulties encountered by the debtor, the likelihood of their bankruptcy or financial restructuring, or a payment default are the indicators for impairment of a receivable.

The Group finances trade receivables via factoring organisations while continuing to collect them in dedicated bank accounts and incur the credit risk. These factoring agreements do not fall under the derecognition requirements of IAS 39 and trade receivables therefore remain on the assets side of the balance sheet. The upper funding limit is €100 million after the establishment of a reserve fund.

The Group's position vis-à-vis the factoring organisations consists of the factored receivables less amounts collected that are to be paid back to these organisations. It is recorded under bank overdrafts or, on occasions where the amounts to be paid to the factoring organisations exceed the funds obtained from factored receivables, under cash.

The financing obtained from the factoring organisations has a redemption maturity of less than twelve months.

When undrawn, the factoring amount corresponds to the asset position with respect to the factor, as detailed below:

€000	31/12/2017	31/12/2016
Trade receivables balance financed under the factoring agreement	(143,349)	(112,112)
Reserve fund set up by the factors	30,293	33,613
Undrawn amount at closing	157,851	94,795
Payments from clients collected in dedicated bank accounts and to be transferred to the factors	22,461	18,159
NET ASSET POSITION WITH RESPECT TO THE FACTORS	67,256	34,455

As stated in Note 2.5, the Group holds a new credit facility in the United States backed by a trade receivables portfolio with a \$35 million drawdown capacity for financing its operations. This credit facility is secured by trade receivables from US business activity.

Concentration and credit risk

Given the diversification of its activities and its geographical presence, the Group is not exposed to any material concentration risk in its client portfolio. The Group's biggest client accounted for 6.1% of sales, the top five clients accounted for 13.1%, and the next ten clients accounted for 8.9%. The Group is therefore not dependent on any specific client.

In addition, the majority of trade receivables in the temporary employment segment (61%) are covered by credit insurance.

The aging balance of non-impaired trade receivables due is as follows:

€000	Non-impaired assets past due on the closing date (net value)				Impaired assets	Non-impaired non-due assets	Total (net value)
	0-2 months	2-4 months	over 4 months	Total			
31/12/2017	129,290	8,508	5,379	143,177	13,173	330,360	473,538
31/12/2016	128,735	6,575	8,997	144,308	10,730	289,244	433,552

4.2.2. Other receivables

€000	31/12/2017	31/12/2016	Change
VAT	13,810	10,959	2,850
Prepaid expenses	6,878	5,269	1,609
Other tax receivables	4,193	2,862	1,331
Employee and social security receivables	987	552	435
Other third-party receivables	11,929	11,459	470
GROSS VALUE	37,797	31,102	6,695
Impairment	(37)	(32)	(5)
NET TOTAL	37,760	31,071	6,690

Other third-party receivables are mainly outstanding refunds from training organisations

4.2.3. Social security and tax liabilities

€000	31/12/2017	31/12/2016	Change
Social security organisations	116,110	104,700	11,410
Employees	130,149	118,011	12,137
Value-added tax	94,252	85,915	8,337
State, public authorities and other liabilities	50,501	43,211	7,290
TOTAL	391,012	351,837	39,175

4.2.4. Other payables

€000	31/12/2017	31/12/2016	Change
Miscellaneous payables	30,447	35,187	(4,740)
Prepaid income	3,505	4,933	(1,428)
TOTAL	33,951	40,120	(6,169)

Miscellaneous payables primarily represent expenses to be paid and credit notes to be issued. All of these payables have a due date of less than one year.

4.3. Shareholder's equity and scope of consolidation

The consolidated financial statements comprise the financial statements of the parent company and those of the entities over which it has control ("subsidiaries") within the meaning of IFRS 10.

The company has control if it has:

- power over the issuing entity;
- exposure or rights to variable returns arising from its involvement with the issuing entity;
- the ability to use its power to affect the amount of the returns it obtains.

The consolidated companies are listed in Note 6.3. below.

4.3.1. Capital and treasury shares

	31/12/2017	31/12/2016
Capital (€000)	4,050	4,050
Par value per share (€)	0.36	0.36
Total number of shares (in thousands)	11,250	11,250
Number of shares authorised, issued and outstanding (in thousands)	11,098	11,104
Treasury shares (in thousands)	152	146

There are a total 11,250,000 shares with a par value of €0.36 per share. All shares are fully paid up. None of the shares have a preferential right to dividend payments.

The number of shares outstanding at 31 December 2017 was 11,098,231. The company has no stock option or bonus share plan.

4.3.2. Earnings per share

	2017	2016
Profits to be distributed to Company shareholders (€000)	84,787	75,404
Weighted average number of outstanding ordinary shares (in thousands)	11,101	11,103
Basic and diluted earnings per share (€)	7.64	6.79

Given that there are no dilutive instruments, diluted earnings per share is equal to basic earnings per share.

4.3.3. Dividends per share

	2017	2016
Dividends to be distributed to Company shareholders (€000)	4,500	4,500
Weighted average number of outstanding ordinary shares (in thousands)	11,101	11,103
Dividend per share (€)	0.41	0.41

A dividend of €4.40 per share for the year ended 31 December 2017, representing a total distribution of €49.5 million, will be submitted to the Annual Shareholders' Meeting scheduled for 8 June 2018.

4.3.4. Disclosures on the interest held by owners of non-controlling interests

Non-controlling interests (NCI)							
Name of subsidiary or associate	Country	Sector	% holding	% voting rights	Net income for the year from NCI	Aggregate NCI at year-end	Dividends paid to NCI during the year
Interim US - Actium	US	Temp.	25.00%	25.00%	(168)	2,802	0
Congo Handling	Congo	Airport	39.10%	39.00%	(356)	(10)	1,510
CPTS	Congo	Airport	39.08%	39.00%	(368)	2,707	215
Other					759	2,895	62
TOTAL AT 31 DECEMBER 2016					(133)	8,395	1,787
Interim US - Actium	US	Temp.	25.00%	25.00%	(179)	916	0
Congo Handling	Congo	Airport	50.08%	50.00%	(574)	(542)	0
CPTS	Congo	Airport	39.08%	39.00%	(1,569)	1,141	0
Other					898	3,615	209
TOTAL AT 31 DECEMBER 2017					(1,423)	5,130	209

4.4. Financial debt

4.4.1. Net financial debt

In its financial communications the Group uses net financial debt, a non-IFRS indicator equal to gross financial debt less liquid financial assets.

Gross financial debt comprises:

- long-term financial liabilities: loans from banks or financial institutions (medium- or long-term, finance leases, etc.);
- short-term financial liabilities of the same type;
- employee profit-sharing;
- debts related to business combinations (additional consideration and put options on minority interests)
- interest accrued on balance sheet items constituting gross financial debt.

Net financial debt equals gross financial debt less:

- net cash, equal to gross cash (cash in hand and demand deposits) less bank overdrafts. Interest accrued on net cash but not yet payable is included in cash.
- and liquid financial assets such as CICE. CICE is considered as a liquid receivable since it can easily be obtained.

The "Cash and cash equivalents" item in balance sheet assets comprises cash, cash in hand consisting of bank loans and receivables, and cash equivalents, which include:

- money-market UCITS and highly liquid short-term investments, which can be converted into a known cash amount and which carry a negligible risk of change in value. They are measured at fair value through profit or loss by direct reference to the prices quoted on an active market for an identical instrument (Level 1 of IFRS 13-76).
- short-term deposit accounts which can be converted into cash at any time without any risk of change in value.
- any debit positions with respect to factoring organisations (see Note 4.2.1).

€000	31/12/2017	31/12/2016	Change
Non-current portion of borrowings	62,830	96,107	(33,277)
Current portion of borrowings	56,587	34,174	22,412
A - GROSS FINANCIAL DEBT	119,416	130,281	(10,865)
Cash and cash equivalents	(137,608)	(107,051)	(30,557)
Overdrafts	27,355	23,110	4,245
B - NET CASH	(110,253)	(83,941)	(26,312)
C - NET FINANCIAL DEBT BEFORE DEDUCTION OF CICE (A+B)	9,163	46,341	(37,177)
D - CICE TOTAL	(198,767)	(155,273)	(43,494)
E - NET FINANCIAL DEBT (C+D)	(189,604)	(108,932)	(80,671)

Change in gross financial debt

€000	2017	2016
NET FINANCIAL DEBT AT START OF PERIOD	(108,932)	(93,242)
Change during period:		
Cash items	(15,686)	(18,066)
Loan issues	23,120	36,442
Repayments	(38,807)	(54,508)
Non-cash items	4,821	13,991
Translation impact on gross debt	(1,972)	(451)
Finance lease investments	5,918	10,465
Put option over non-controlling interests	(330)	(1,113)
Newly-consolidated entities	1,919	4,318
Fair value of swaps	(670)	695
Accrued interest	(43)	77
Change in gross financial debt	(10,865)	(4,075)
Change in cash incl. currency impact	(26,312)	32,950
CICE tax credit net of discounting	(70,707)	(52,442)
Accretion for past financial years	(5,249)	(3,390)
Use of CICE for corporate income tax payment	5,612	11,267
CICE refund at expiry	26,850	
CICE impact	(43,494)	(44,566)
CHANGE IN NET FINANCIAL DEBT	(80,671)	(15,691)
NET FINANCIAL DEBT AT END OF PERIOD	(189,603)	(108,933)

The loan issues of €23.1 million mainly relate to the drawdown on the new US credit facility.

The loan repayments of €38.8 million relate to:

- the €26.7 million USD medium-term credit facility (RCF) following the establishment of the new line of funding in the United States,
- the real estate finance lease agreement (€3.8 million) and airport services lease agreements (€4.3 million).

4.4.2. Gross financial debt

4.4.2.1. Type and maturity

€000	Financing	Real estate finance lease	Equipment leases	Employee profit-sharing	Other borrowings	Total
Values at 31/12/2016						
> 1 year		3,833	3,138	26,315	887	34,174
1-5 years	41,207	15,333	7,605		3,092	67,237
> 5 years		25,062			3,809	28,871
TOTAL 31/12/2016	41,207	44,228	10,743	26,315	7,787	130,281
Values at 31/12/2017						
Less than one year	21,298	3,833	4,181	26,445	900	56,657
From one to five years	15,009	14,945	8,145		3,787	41,886
Over five years		20,654			220	20,874
TOTAL 31/12/2017	36,307	39,432	12,326	26,445	4,906	119,416

4.4.2.2. Main debt facilities

Principle borrowings	Start date	Maturity	Item total	Debt/ Amount drawn	Undrawn amount	Repayment method	Covenants	Notes
Financing								
Factoring	NA	Annual	100,000		100,000	Revolving / bullet	No	(1)
Medium-term credit lines - France	05/11/2015	05/11/2022	100,000	15,009	84,991	Revolving / bullet	Yes	(2)
Short-term credit lines - United States	15/03/2017	15/03/2018	29,184	21,298	7,886	Revolving / bullet	No	(3)
Total financing			229,184	36,307	192,877			
Finance leases								
Real estate finance lease	27/03/2014	27/03/2028		39,432		Quarterly	No	(4)
Equipment finance lease				12,326		Quarterly	No	(5)
Total finance leases				51,758				
Employee profit-sharing				26,445			No	
Acquisition debt - Promissory notes		2018 to 2019		2,915		Periodic	No	(6)
Other				1,991			NA	
A- GROSS FINANCIAL DEBT				119,416	192,877			
B1 - CASH AND CASH EQUIVALENTS				(137,608)				(7)
Authorised overdrafts France		Annual	38,000	5,015	32,985		No	
Foreign authorised overdrafts		Annual	4,245	1,023	3,221		No	
Total authorised overdrafts			42,245	6,038	36,207			
Cash pooling - liability position				21,316				
B2 - OVERDRAFTS				27,355	36,207			
B - NET CASH				(110,254)				
C - NET FINANCIAL DEBT BEFORE DEDUCTION OF CICE (A+B)				(70,821)	0			
D - COMPETITIVENESS AND EMPLOYMENT TAX CREDIT (CICE)				(198,767)				
E - NET FINANCIAL DEBT (C+D)					9,163			

(1) Relates to two ongoing programmes in France representing a total capacity of €100 million managed through confidential financing with a collection order

(2) €100 million RCF with drawdown capacity in euros and US dollars

(3) Credit facility backed by a receivables portfolio with a \$35 million drawdown capacity and a 12-month renewable term.

(4) Relates to the financing of the Paris 17th district building, for which the finance lease debt amounts to €39.4 million, net of the down-payment paid to the lessor

(5) Mainly relates to the financing of equipment for the airport services operating segment

(6) Debt for the payment of the acquisition price balance for business combinations made in the United States

(7) Includes the asset position of cash pooling agreements.

INTEREST RATE RISK

The interest rate risk is only slight. A 100 basis point change would have a €1.3 million impact on the Group's €2.6 million net cost of financial debt.

HEDGING

As the real estate finance lease agreement for the construction of office premises in Paris, 6 Rue Toulouse Lautrec 75017 Paris was arranged at floating rates, SCI L'Arche de Saint Ouen set up an interest rate swap with BNP Paribas and Société Générale to exchange the floating rate against a fixed rate for a notional amount of €30.9 million. These swaps are used to hedge the floating rate of the underlying finance lease agreement for each lease payment date. The weighted average rate of the swaps is 1.6060%.

The hedge proved to be effective and the value of the swap at 31 December 2017 was recorded in financial debt, offset through other comprehensive income for €0.7 million.

BREAKDOWN BY RATE TYPE AND BY CURRENCY

€000	31/12/2017	31/12/2016
Fixed rate	72,586	72,193
Floating rate	46,830	58,088
GROSS FINANCIAL DEBT	119,416	130,281
EUR	78,405	81,095
USD	39,271	46,424
XAF	762	976
Other currencies	979	1,787
GROSS FINANCIAL DEBT	119,416	130,281

FINANCIAL COVENANTS

The €100 million medium-term credit facility in France requires compliance with a financial leverage ratio (consolidated net debt / consolidated EBITDA):

- below 2.5 on 31 December of each year,
- 2.75 on 30 June of each year.

Consolidated net debt is defined as consolidated net financial debt before deduction of CICE and excluding debt related to employee profit-sharing and put options over non-controlling interests. Consolidated EBITDA is defined as consolidated operating income plus net appropriations to provisions for operating liabilities and charges in respect of assets and provisions for contingencies and charges, less reversals.

This covenant was met at 31 December 2017.

LIQUIDITY RISK

In the course of its business, the Group needs to finance a sizeable working capital requirement (Note 4.2) as well as its external growth transactions. Working capital is generally financed through short-term credit facilities (overdraft, factoring, etc.), while external growth transactions are financed with equity or via medium-term financing. At 31 December 2017, the company had credit facilities of €229 million (€100 million of which was confirmed, with a maturity of over 12 months), on which it had drawn €36 million.

The liquidity risk is directly correlated to the Group's cash flow generating capacity and/or its ability to raise funds to meet its loan repayment instalments and derivative payments.

To anticipate and handle this risk, the Group has taken the following measures:

- Centralise and diversify its sources of funding among the various financial institutions;
- Centralise cash management;
- Permanently maintain a significant number of undrawn facilities.

It is worth noting that the Group did not draw on its CICE competitiveness and employment tax credit, which amounted to €198.8 million at 31/12/2017.

FINANCIAL COUNTERPARTY RISK

The Group is exposed to counterparty risk when it trades on financial markets, particularly for cash flow management purposes. It limits this risk by engaging solely, where possible, with commercial banks with high credit ratings and by avoiding an over-concentration of market transactions with a limited number of financial institutions. Accordingly, Group net cash of €110.3 million is distributed across all of these financial institutions.

FOREIGN EXCHANGE RISK

In its international operations, the Group is exposed to the risk of fluctuating exchange rates, especially that of the US dollar.

This risk arises in the transactions carried out by the Group's companies in currencies other than their functional currency (functional currency risk) as well as in the assets and liabilities denominated in foreign currencies (translation risk).

The Group's entities generally operate in their local currency which is their functional currency; proceeds from sales are denominated in the same currency as operating expenses, making for natural hedging. Functional currency risk is thus limited to intra-group financing transactions which are not refinanced in the currency in which the intra-group financing is effected.

The risk arising from translating the financial statements of the Group's foreign entities into the reporting currency in the Group's financial statements is not hedged.

NET BALANCE SHEET POSITIONS IN THE MAIN CURRENCIES

All assets and liabilities, including non-monetary, are categorised below by functional currency.

€000	Current and non-current assets	Current and non-current liabilities	Foreign currency liabilities	Net position before hedging	Hedging instruments	Net position after hedging
2017						
EUR	965,507	571,225		394,282		394,282
USD	154,920	61,577		93,343		93,343
XAF	16,648	14,811		1,837		1,837
Other currencies	35,848	13,382		22,467		22,467
TOTAL	1,172,922	660,994	0	511,928	0	511,928
2016						
EUR	838,072	536,859		301,213		301,213
USD	166,992	61,484		105,508		105,508
XAF	24,161	17,260		6,901		6,901
Other currencies	38,025	16,029		21,996		21,996
TOTAL	1,067,250	631,632	0	435,619	0	435,619

Table of Group income and equity sensitivity to currency risk

€000	Income before tax	Group equity	Impact on income before tax		Impact on equity before tax	
			5% increase	5% decrease	5% increase	5% decrease
2017						
EUR	110,767	494,367	0	0	0	0
USD	5,445	13,881	272	(272)	694	(694)
XAF	(4,946)	1,523	0	0	0	0
Other currencies	3,826	2,157	191	(191)	108	(108)
TOTAL	115,092	511,928	464	(464)	802	(802)
2016						
EUR	103,299	414,747	0	0	0	0
USD	6,388	12,985	319	(319)	649	(649)
XAF	(1,414)	6,520	0	0	0	0
Other currencies	1,341	1,367	67	(67)	68	(68)
TOTAL	109,614	435,619	386	(386)	718	(718)

4.4.3. Cash and cash equivalents

The net cash position, the changes for which are shown in the consolidated statement of cash flows, comprises cash and cash equivalents less bank overdrafts.

€000	31/12/2017	31/12/2016
CASH	117,576	80,958
Cash equivalents		
Money market UCITS	32	6,094
Short-term deposits	20,000	20,000
TOTAL CASH EQUIVALENTS	20,032	26,094
TOTAL CASH AND CASH EQUIVALENTS	137,608	107,051

The Group's cash is managed through different cash-pooling agreements, the figures for which are listed either under cash and cash equivalents on the asset side of the balance sheet or in bank overdrafts on the liabilities side of the balance sheet.

€000	31/12/2017	31/12/2016	Change
Cash pooling – asset position	26,602	15,007	11,595
Cash pooling – liability position	(21,316)	(14,982)	(6,335)
NET CASH-POOLING BALANCE	5,286	26	5,260

The average all-in (including directly assignable commission and expenses) interest rate paid under Group financing during the financial period amounts to 1.9%.

The €26.3 million positive change in net cash can be analysed as follows:

- €68.5 million in cash flow from operations, with cash flow up €33.6 million compared to 2016 and a significant change in working capital due to strong sales growth,

- €17.8 million in cash flows used by investing activities, related to business combinations (€5.3 million) and operational investments (€12.1 million),
- €23.4 million in cash outflows related to financial transactions, including loan repayments of €15.7 million and dividend payments.

4.5. Additional information on financial instruments

The following tables present the book values, classification and fair value of financial instruments according to IFRS 9 financial instrument categories as at the balance sheet date.

4.5.1. Categories of financial assets

€000	Net book value at 31/12/2017			Fair value at 31/12/2017	Net book value at 31/12/2016	Fair value at 31/12/2016
	Non-current	Current	Total			
LOANS AND RECEIVABLES AT AMORTISED COST	203,723	632,295	836,018	836,018	710,981	710,981
Loans and receivables and other long-term investments	203,723		203,723	203,723	160,055	160,055
Trade receivables		473,538	473,538	473,538	433,552	433,552
Other receivables		37,761	37,761	37,761	31,071	31,071
Tax receivables		3,420	3,420	3,420	5,347	5,347
Bank current accounts		117,576	117,576	117,576	80,958	80,958
FINANCIAL ASSETS STATED AT FAIR VALUE THROUGH PROFIT OR LOSS	0	20,032	20,032	20,032	26,094	26,094
Money market UCITS		32	32	32	6,094	6,094
Short-term deposits		20,000	20,000	20,000	20,000	20,000
TOTAL	203,723	652,327	856,050	856,050	737,075	737,075

The amortised cost of loans and receivables is equal to their fair value.

4.5.2. Categories of financial liabilities

€000	Net book value at 31/12/2017			Fair value at 31/12/2017	Net book value at 31/12/2016	Fair value at 31/12/2016
	Non-current	Current	Total			
FAIR VALUE THROUGH EQUITY	1,673	0	1,673	1,673	2,344	2,344
Borrowings	1,673	0	1,673	1,673	2,344	2,344
OTHER LIABILITIES AT AMORTISED COST	61,157	554,709	615,866	615,866	590,289	590,289
Borrowings	61,157	56,587	117,743	117,743	127,938	127,938
Bank overdrafts and related expenses		27,355	27,355	27,355	23,110	23,110
Trade payables		39,295	39,295	39,295	39,569	39,569
Social security and tax liabilities		391,012	391,012	391,012	351,837	351,837
Tax payables		6,509	6,509	6,509	7,715	7,715
Other payables		33,951	33,951	33,951	40,120	40,120
TOTAL	62,830	554,709	617,539	617,539	592,633	592,633

4.6. Provisions for other liabilities

A provision is recognised when the Group has a current legal or constructive obligation to a third party resulting from a past event, the settlement of this obligation is likely to cause an outflow of resources representing economic benefits, and the amount of the obligation can be reliably estimated.

Provisions are valued at the amount equal to the best estimate of the expenditure required to discharge the obligation that the Group's management can make at the closing date.

Provisions for disputes mainly relate to industrial tribunal risks. The other provisions relate to the various business, legal, employee-related and tax risks arising from disputes or legal procedures in the Group's normal course of business.

These risks are measured according to the nature of the dispute, information on previous dispute settlements and applicable case law.

€000	31/12/2016	Contributions	Reversals (provisions used)	Reversals (unused provisions)	Reclassification and change	31/12/2017
Provisions for disputes	4,981	1,885	(612)	(742)	(2)	5,510
Other provisions	5,154	1,949	(337)	(507)	(3)	6,256
TOTAL	10,136	3,834	(949)	(1,249)	(5)	11,766

€000	31/12/2015	Contributions	Reversals (provisions used)	Reversals (unused provisions)	Reclassification and change	31/12/2016
Provisions for disputes	4,210	1,327	(299)	(257)	0	4,981
Other provisions	4,040	2,338	(525)	(326)	(374)	5,154
TOTAL	8,250	3,665	(823)	(583)	(373)	10,136

5. Off balance-sheet commitments

5.1. Off balance-sheet commitments related to company financing

5.1.1. Commitments given

€000	Main features	Maturity	31/12/2017	31/12/2016
Pledge of AERCO shares by CPTS as security for the AERCO bank loan	Financial guarantee for bank loan granted to subsidiary	Unlimited	4,535	8,979

5.1.2. Commitments received

€000	Main features	Maturity	31/12/2017	31/12/2016
Commitments related to financing				
Crédit Agricole factoring agreement	Unused portion of €80 million line of credit commitment	Unlimited	80,000	80,000
GE Factofrance factoring agreement	Unused portion of €20 million line of credit commitment	Unlimited	20,000	20,000
France medium-term credit facility	Unused portion of €100 million credit facility	05/11/2022	84,991	58,258
Short-term credit facility - United States	Unused portion of US\$35 million credit facility		7,886	
Overdraft facility	Unused portion of credit facilities totalling €42 million		36,207	34,349

5.2. Off balance-sheet commitments related to company operating activities

5.2.1. Commitments given

€000	Main features	Maturity	31/12/2017	31/12/2016
Financial guarantee				
Counter-guarantee given by Groupe CRIT to BNP Paribas	Guarantee of workplace accident insurance contract deductibles	2018	9,732	11,063
Financial guarantee for amounts due within the terms of the finance lease agreement for the Paris 17 th district building by SCI Saint Ouen to Natiocredibail ⁽¹⁾	Assignment of subleasing rental income for the building	31/05/2026	9,272	
Financial instruments concluded for the delivery of a non-financial item				
Purchase commitment given by GEH to various suppliers	Firm commitment to purchase uniforms	Unlimited	687	509
Operating lease commitments				
Real estate operating lease commitments	Commitments for future payments		27,707	29,896
		< 1 year	13,294	13,286
		2-5 years	13,152	15,122
		> 5 years	1,260	1,488
Equipment operating lease commitments	Commitments for future payments		4,395	5,842
		< 1 year	2,419	2,860
		2-5 years	1,976	2,927
		> 5 years		54

(1) Assignment of subleasing rental income under the Dailly Act

Under the real estate finance lease agreement for the construction of the building in Paris, 6 rue Toulouse Lautrec 75017, SCI L'Arche of Saint Ouen undertook to assign full ownership of its receivables from the future subleasing of the building to Natiocredibail and Genefim (finance lessors) by way of guarantee.

5.2.2. Commitments received

€000	Main features	Maturity	31/12/2017	31/12/2016
Financial guarantee				
Financial guarantee given by BNP Paribas	Guarantee of workplace accident insurance contract deductibles	2018	9,732	11,063
First demand guarantees				
First demand guarantee given by Credit Lyonnais to Aéroports de Paris for the France airport services subsidiaries	Civil lease guarantees	2018 to 2021	900	883
Other property guarantees	Civil lease guarantees	2018 to 2020	984	882
Seller's warranties				
Seller's warranties for the Edom acquisition	Acquisition interest EDOM	07/03/2017		61
Guarantees received				
Bank guarantee in favour of CRIT SAS (1)	Financial guarantee for temporary employment business in France (Articles L 1251-49 and R 1251-11 to R 1251-31 of the French Labour Code)	30/06/2018	95,000	81,800
Bank guarantee in favour of Les Compagnons, Les Volants, AB Intérim (1)	Financial guarantee for temporary employment business in France (Articles L 1251-49 and R 1251-11 to R 1251-31 of the French Labour Code)	30/06/2018	16,030	15,540
Guarantee from Crédit Agricole and Santander in favour of CRIT Espana	Financial guarantee for temporary employment business in Spain	Unlimited	4,917	4,244
Guarantee from Crédit Suisse in favour of CRIT Suisse	Financial guarantee for temporary employment business in Switzerland	Unlimited	470	1,024
Other guarantees	Customer and supplier guarantees		1,606	1,029

(1) The financial guarantees given by the banks in favour of CRIT SAS, AB INTERIM, LES COMPAGNONS and LES VOLANTS in respect of their temporary employment activities pursuant to Articles L. 1251-49 and R. 1251-11 to R. 1251-31 of the French Labour Code have a one-year limited duration and may be renewed each year.

6. Other information

6.1. Related party disclosures

IAS 24 defines a related party as a person or entity that is related to the entity that is preparing its financial statements.

All commercial transactions with unconsolidated entities are concluded under normal market conditions.

6.1.1. Remuneration of corporate officers

The remuneration paid by the Group to the main corporate officers - the Chairman and Chief Executive Officer and Deputy Managing Directors - amounted to €726,000 in 2017 compared to €926,000 in 2016. No post-employment benefits or loans have been granted to corporate officers. Similarly, no allocation of shares or options has been made by the Group.

6.1.2. Other related parties

Transactions with other related parties mainly comprise the following:

- leases granted on market terms by the SCIs (*sociétés civiles immobilières* - property investment companies), which are managed by the directors Claude GUEDJ or Nathalie JAQUI, and in which all Groupe CRIT directors are partners,
- sales invoiced by the Group to equity-consolidated companies (associates).

€000	2017	2016
Leases invoiced to the Group by the SCIs		
SCI LES ARCHES DE CLICHY	160	206
SCI LA PIERRE DE CLICHY	141	145
SCI HUGO MOREL	71	71
SCI LA PIERRE LUTTERBACH	13	18
SCI LA PIERRE DE SAINT DENIS	18	18
SCI LA PIERRE DE SENS	15	15
SCI LA PIERRE DE ROUEN	16	16
SCI LA PIERRE DE MELUN	16	16
SCI LA PIERRE DE TOULON	13	13
SCI LA PIERRE D'AUBAGNE	13	13
SCI LA PIERRE CHATEAUX	10	10
SCI LA PIERRE D'AUXERRE	10	10
SCI LA PIERRE DE QUIMPER	9	9
	505	560
Real estate operating lease commitments (future rent payments)	718	857
< 1 year	239	857
2-5 years	479	
Sales invoiced by the Group		
Global SQ	504	758
Trade receivables and other current account receivables		
OVID	213	214
Global SQ	1,271	729
SCCV 50 AV DE LA PORTE DE VILLIERS	25	25
SCCV LES CHARMES	155	155
SHP RS DOO Serbia	443	491
	2,107	1,614

The summarised financial disclosures on equity-consolidated companies are given in Note 4.1.4.

6.2. Statutory auditors' fees

€000	PricewaterhouseCoopers				EXCO Paris Ace			
	Amount excl. VAT		%		Amount excl. VAT		%	
	2017	2016	2017	2016	2017	2016	2017	2016
Audit								
Statutory audit, certification, review of individual and consolidated financial statements								
- Issuer	87	59	21%	16%	44	40	26%	22%
- Fully-consolidated subsidiaries	306	274	76%	77%	122	141	73%	78%
Non-audit services								
- Issuer	12	23	3%	6%				
- Fully-consolidated subsidiaries					2		1%	
TOTAL	405	355	100%	100%	168	181	100%	100%

Non-audit services concern various statements prepared for Group subsidiaries.

6.3. Post-balance sheet events

No post-balance sheet events likely to affect the 2017 financial statements were identified between the closing date and the Group reporting date.

6.4. Scope of consolidation

Company	Siren (business registration number)	% interest		Consolidation method
		31/12/2017	31/12/2016	
GROUPE CRIT (Paris)	622,045,383	Parent company		Full consolidation
Temporary employment and recruitment				
CRIT INTERIM (Saint-Ouen)	303,409,247	99.10	99.10	Full consolidation
LES VOLANTS (Paris)	301,938,817	98.89	98.89	Full consolidation
LES COMPAGNONS (Paris)	309,979,631	95.00	95.00	Full consolidation
AB INTERIM (Paris)	642,009,583	95.00	95.00	Full consolidation
CRIT (Paris)	451,329,908	99.71	99.71	Full consolidation
PRESTINTER (Paris)	334,077,138	95.00	95.00	Full consolidation
PROPARTNER (Germany)	NA	100.00	100.00	Full consolidation
CRIT INTERIM (Switzerland)	NA	99.71	99.71	Full consolidation
CRIT ESPANA (Spain)	NA	100.00	100.00	Full consolidation
CRIT CARTERA (Spain)	NA	100.00	100.00	Full consolidation
ADAPTALIA OUTSOURCING SL (Spain)	NA	100.00	100.00	Full consolidation
CRIT PROCESOS AUXILIARES SL (Spain)	NA	100.00	100.00	Full consolidation
CRIT CONSULTORIA (Spain)	NA	100.00	100.00	Full consolidation
CRIT EMPRESA DE TRABALHO TEMPORÁRIO (Portugal)	NA	100.00	100.00	Full consolidation
CRIT HR (Ireland)	NA	95.00	95.00	Full consolidation
CRIT MAROC (Morocco)	NA	98.67	98.67	Full consolidation
C-SERVICES (Morocco)	NA	99.87	99.87	Full consolidation
CRIT RH (Tunisia)	NA	94.67	94.67	Full consolidation
CRIT TUNISIE (Tunisia)	NA	94.67	94.67	Full consolidation
CRIT CORP (United States)	NA	100.00	100.00	Full consolidation
PEOPLELINK (United States)	NA	100.00	100.00	Full consolidation
SUSTAINED QUALITY (United States)	NA	100.00	100.00	Full consolidation
2AM GROUP (United States)	NA	100.00	100.00	Full consolidation
2AM GROUP ONTARIO (United States)	NA	100.00	100.00	Full consolidation
ACTIUM (United States)	NA	75.00	75.00	Full consolidation
GLOBAL SQ (United States)	NA	49.00	49.00	Equity method
Airport services				
PARIS CUSTOMERS ASSISTANCE (Tremblay-en-France)	502,637,960	99.84	99.84	Full consolidation
AERO HANDLING (Tremblay-en-France)	792,040,289	99.84	99.84	Full consolidation

Company	Siren (business registration number)	% interest		Consolidation method
		31/12/2017	31/12/2016	
CARGO GROUP (Tremblay-en-France)	789,719,887	99.84	99.84	Full consolidation
ORLY CUSTOMER ASSISTANCE (Tremblay-en-France)	515,212,801	99.84	99.84	Full consolidation
ORLY RAMP ASSISTANCE (Tremblay-en-France)	515,212,769	99.84	99.84	Full consolidation
GEH SERVICES (Tremblay-en-France)	515,212,785	99.84	99.84	Full consolidation
RAMP TERMINAL ONE (Tremblay-en-France)	515,192,763	99.84	99.84	Full consolidation
EUROPE HANDLING ROISSY (Tremblay-en-France) ⁽¹⁾	827,803,339	99.84	-	Full consolidation
CARGO HANDLING (Tremblay-en-France)	814,167,599	99.84	99.84	Full consolidation
AIRLINES GROUND SERVICES (Tremblay-en-France)	411,545,080	99.64	99.64	Full consolidation
ASSISTANCE MATERIEL AVION (Tremblay-en-France)	410,080,600	99.68	99.68	Full consolidation
EUROPE HANDLING MAINTENANCE (Tremblay-en-France)	404,398,281	99.68	99.68	Full consolidation
GROUPE EUROPE HANDLING (Tremblay-en-France)	401,144,274	99.84	99.84	Full consolidation
INSTITUT DE FORMATION AUX METIERS DE L'AERIEN (Tremblay-en-France)	409,514,791	99.68	99.68	Full consolidation
EUROPE HANDLING (Tremblay-en-France)	395,294,358	99.77	99.77	Full consolidation
NICE HANDLING (Nice)	811,870,328	99.84	99.84	Full consolidation
AWAC TECHNICS (Tremblay-en-France)	412,783,045	99.60	99.60	Full consolidation
OVID (Tremblay-en-France)	534,234,661	33.33	33.33	Equity method
CONGOLAISE DE PRESTATIONS DE SERVICES - CPTS (Congo)	NA	60.90	60.90	Full consolidation
REPUBLIC OF CONGO AIRPORTS - AERCO (Congo)	NA	15.23	15.23	Equity method
SKY PARTNER R.S. DOO. (Serbia)	NA	47.92	47.92	Equity method
CONGO HANDLING (Congo) ⁽²⁾	NA	49.92	60.90	Full consolidation
SKY HANDLING PARTNER SIERRA LEONE (Sierra Leone)	NA	79.87	79.87	Full consolidation
SKY HANDLING PARTNER (Ireland)	NA	100.00	100.00	Full consolidation
SKY HANDLING PARTNER SHANNON (Ireland)	NA	100.00	100.00	Full consolidation
ARIA LOGISTICS (United Kingdom)	NA	89.86	89.86	Full consolidation
SKY HANDLING PARTNER UK (United Kingdom)	NA	89.86	89.86	Full consolidation
COBALT GROUND SOLUTIONS (United Kingdom)	NA	99.84	99.84	Full consolidation
SHIP NORTH AMERICA (United States)	NA	99.84	99.84	Full consolidation
SKY HANDLING PARTNER USA (United States)	NA	99.84	99.84	Full consolidation
ASSIST'AIR (Dominican Republic) ⁽³⁾	NA	-	95.00	Full consolidation
Other services				
OTESSA (Paris)	552,118,101	99.00	99.00	Full consolidation
CRIT CENTER (Paris)	652,016,270	99.86	99.86	Full consolidation
E.C.M. (Paris)	732,050,034	99.00	99.00	Full consolidation
ECM TECHNOLOGIE (Romania)	NA	99.00	99.00	Full consolidation
MASER (Paris)	732,050,026	99.94	99.94	Full consolidation
EDOM (Paris)	352,636,211	99.94	99.94	Full consolidation
CRIT IMMOBILIER (Paris)	572,181,097	95.00	95.00	Full consolidation
SCI L'ARCHE DE SAINT OUEN (Paris)	799,904,487	100.00	100.00	Full consolidation
R.H.F. (Clichy)	343,168,399	99.99	99.99	Full consolidation
PEOPULSE (Colombes)	489,466,474	100.00	100.00	Full consolidation
SCI SARRE COLOMBES (Paris)	381,038,496	99.66	99.66	Full consolidation
SCI RIGAUD PREMILHAT (Paris)	312,086,390	90.00	90.00	Full consolidation
SCI MARCHE A MEAUX (Paris)	384,360,962	99.00	99.00	Full consolidation
SCI DE LA RUE DE CAMBRAI (Paris)	403,899,818	99.66	99.66	Full consolidation
SCI ALLEES MARINES (Paris)	381,161,595	99.00	99.00	Full consolidation
SCCV LES CHARMES (Paris)	491,437,018	47.50	47.50	Equity method
SCCV 50 AV PORTE DE VILLIERS (Paris)	492,855,648	50.00	50.00	Equity method

(1) Incorporated on 17 February 2017

(2) Sale of 11% of capital on 26 June 2017

(3) Sale on 1 September 2017