DERICHEBOURG



REGISTRATION DOCUMENT

including the annual financial report and the annual information document

2016 • 2017

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DERICHEBOURG

REGISTRATION DOCUMENT 2016•2017

including the annual financial report and the annual information document

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This is a free translation of the registration document which was submitted to the French securities regulator on December 12, 2017 in accordance with Article 212-13 of its general regulation. Only French version is legally binding.

It may be used in support of a financial transaction if it is accompanied by a transaction note approved by the French securities regulator. This document was prepared by the issuer and its signatories are responsible for its content.

In application of Article 28 of EC regulation No. 809/2004, this document incorporates the following information by reference, which the reader is invited to consult:

- the presentation of the entire Group's business activities, the Group's consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended September 30, 2016, as presented respectively on pages 33 to 84, 95 to 148 and 149 of the registration document filed with the French securities regulator on December 12, 2016 under number D.16-1030;
- the presentation of the entire Group's business activities, the Group's consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended September 30, 2015, as presented respectively on pages 29 to 80, 88 to 136 and 137 of the registration document filed with the French securities regulator on December 11, 2015 under number D.15-1091;
- the Statutory Auditors' report on regulated agreements and commitments for the fiscal years ended September 30, 2016 and September 30, 2015, which are included in the Company's registration documents filed respectively with the French securities regulator on December 12, 2016 under number D.16-1030 on page 193, and on December 11, 2015 under number D.15-1091 on pages 175 to 176.

Other information contained in the two registration documents referred to above has been, if necessary, replaced and/or updated by information provided in this registration document and is not incorporated by reference in this registration document.

Both registration documents referred to above are available on the Company's website at **www.derichebourg.com**, or on that of the French securities regulator at **www.amf-france.org**.

The Derichebourg Group is an **international benchmark** operator in **environmental** services to **businesses** and **local authorities**.

Group profile

Its activities break down into two separate branches: **the Environmental division** and **the Multiservices division**.

They are both based on the same set of core values and share a common ambition: **To serve people whilst protecting their environment.**

OUR ACTION

To protect the environment and its resources

We preserve and optimize the planet's resources through our business of recycling waste produced by industries, local authorities and individuals.

To clean up the urban environment

We contribute to the cleanliness and the smooth running of the local environment for every person through our services to local and municipal authorities.

To optimize the professional environment

We offer a wide range of services to businesses and to local authorities enabling them to outsource all transferable services and thus to focus fully on their core business.

Economic performance

THE DERICHEBOURG **GROUP**

revenue
2.7
€ billion

recurring EBITDA
202.7
€ million

listed on
Euronext Paris
(Eurolist B)

countries
13

family shareholding
+50%

ferrous metals processed
3.7
million tonnes

employees
36,449

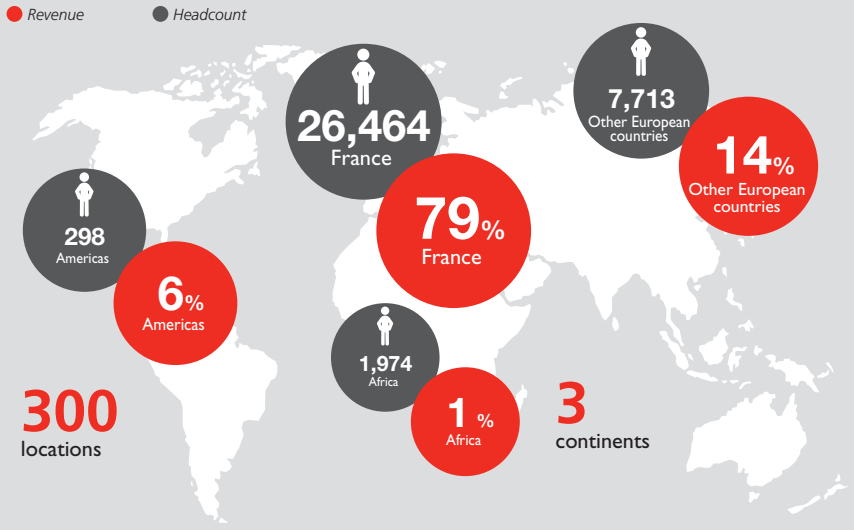
employee breakdown
20,644 **15,805**

nationalities
112

disabled employees
5.99%

non-ferrous metals processed
544,000
tonnes

BREAKDOWN OF REVENUE AND HEADCOUNT BY GEOGRAPHIC AREA



With operations in **13 countries** and over **300 locations** worldwide, Derichebourg designs its international sites to serve its customers locally and effectively, an essential approach both in France and throughout the world.

DERICHEBOURG **ENVIRONNEMENT**

revenue
1.9
€ billion

collaborateurs
7,111

countries
9

DERICHEBOURG **MULTISERVICES**

revenue
781
€ million

employees
29,338

countries
7

General information on the Derichebourg Group

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1.1 Person responsible for the registration document

1.1.1 Name and position of the person responsible for the registration document

Mr. Daniel Derichebourg

Chairman and Chief Executive Officer of Derichebourg

1.1.2 Certification of the person responsible for the registration document

I hereby certify, after having taken all reasonable measures to this effect, that the information contained in this registration document is, to my knowledge, in accordance with the facts and makes no omission likely to affect its scope. I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities, financial position, and results of the Company and all undertakings included in the consolidation, and that the management report on pages 35 to 83 presents a fair review of the development and performance of the business and financial position of the Company and all undertakings included in the consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the Statutory Auditors stating that they have checked the information contained in this registration document concerning the financial position and financial statements and that they have read the registration document in its entirety. The Statutory Auditors have prepared a report on the historical financial information presented in the registration document, which is set forth on pages 141 to 143 and 166 to 168 of said document.

Issued in Paris, on December 12, 2017

Daniel DERICHEBOURG

Chairman and Chief Executive Officer

1.2 Name of the person responsible for financial information

Person responsible: Pierre Candelier
Capacity: Chief Financial Officer

Address: 119, avenue du Général Michel Bizot – 75579 Paris Cedex 12
Tel.: +33 (0)1 44 75 40 40
E-mail: communication@derichebourg.com

1.3 Statutory Auditors

1.3.1 Principal Statutory Auditors

DENJEAN & ASSOCIÉS AUDIT

19, rue de Presbourg – 75016 Paris
Registered with the Paris Trade and Companies Registry under number 539,769,729.
Represented by Mr. Thierry Denjean.
Date of appointment: February 19, 2014.
Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ending September 30, 2019.

ERNST & YOUNG AUDIT SAS

Tour First
1, place des Saisons – TSA 14444 – 92037 Paris-La Défense Cedex
Registered with the Nanterre Trade and Companies Registry under number 344,366,315.
Represented by Mr. Gilles Rabier.
Date of appointment: March 15, 2007.
Date of reappointment: February 18, 2013.
Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ending September 30, 2018.

The Board of Directors meeting of December 5, 2017 proposed to the shareholders' meeting of February 7, 2018 the appointment of BM&A as third principal independent auditor for a term of six fiscal years.

1.3.2 Alternate Statutory Auditors

Mr. Mark Bathgate

19, rue de Presbourg – 75016 Paris
Date of appointment: February 19, 2014.
Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ending September 30, 2019.

SOCIÉTÉ AUDITEX SAS

Tour First
1, place des Saisons – TSA 14444 – 92037 Paris-La Défense Cedex
Registered with the Nanterre Trade and Companies Registry under number 377,652,938.
Represented by Mr. Gérard Delprat.
Date of appointment: March 15, 2007.
Date of reappointment: February 18, 2013.
Date appointment expires: shareholders' meeting called to approve the financial statements for the fiscal year ending September 30, 2018.

The Board of Directors meeting of December 5, 2017 proposed to the shareholders' meeting of February 7, 2018 the appointment of Mr. Pascal DE ROCQUIGNY DU FAYEL as third alternate independent auditor for a term of six fiscal years.

1.4 General information about Derichebourg

1.4.1 Legal name and trading name

The Company's legal name and trading name is Derichebourg. In this document, Derichebourg is referred to as "the Company" or "the Issuer", and the Group made up of Derichebourg and its subsidiaries is referred to as "the Group."

1.4.2 Issuer's registration number

The Company is registered in the Paris Trade and Companies Registry under the number 352,980,601.

Derichebourg shares are listed on Compartment B of the EURONEXT exchange (ISIN code: FR0000053381).

The Company is listed on: CAC-ALL TRADABLE, NEXT 150, CAC ALL SHARES, CAC MID&SMALL, CAC SMALL, CAC INDUSTRIALS, CAC SUP. SERVICES, EN FAMILY BUSINESS.

1.4.3 Date of incorporation and term of the issuer

The Company was incorporated on December 11, 1989 for a term of 50 years with effect from its registration at the Trade and Companies Registry on January 9, 1990, which will expire on January 8, 2040.

1.4.4 Details of the registered office and legal form

Details of the registered office

119, avenue du Général Michel Bizot – 75012 Paris France
Tel: +33 (0)1 44 75 40 40
Website: www.derichebourg.com

Legal form

Derichebourg is a French public limited liability company (*société anonyme*) with a Board of Directors incorporated in accordance with French legislation.

Its fiscal year begins on October 1 and ends 12 months later on September 30.

1.4.5 Corporate purpose of the issuer

(Article 3)

"The Company's purposes, in France and in all countries, are:

- to acquire, subscribe, and manage all securities;
- to acquire investments or interests in all commercial, industrial, financial, or real estate companies and enterprises;
- to provide all administrative, financial, accounting, or management services to the Company's subsidiaries or to all other companies in which the Company may hold an interest;
- to acquire, operate, manage, and administer, pursuant to a lease, rental or otherwise, all developed or undeveloped real property;
- and, in general, all real or personal property, commercial, industrial or financial transactions that may directly or indirectly relate to such purposes or to all similar or related purposes that may promote the operation or development thereof;
- all of the foregoing both on its own behalf and on behalf of all third parties or by acquiring ownership interests, in any form whatsoever, by creating companies, by subscriptions, by limited partnerships, by mergers, by absorptions, by advances, by the purchase or sale of securities and corporate rights, by the purchase, sale or rental of its personal and real property or its rights therein, or by any other method.

It may carry out any transactions that are compatible with these purposes, that are related thereto or that contribute to the accomplishment thereof."

1.5 History of the Group

2016

Stakeholder on the recycling market's concentration in France through the acquisitions of Valerio, Galloo IDF, SLG Recycling and Bartin Recycling.

2013

Sale of Servisair to Swissport, to allow for a significant reduction in the Group's debt and to refocus its future development.

2007

Merger by absorption of CFF Recycling into Penauille, which changes name to Derichebourg. Creation of a major player in Environmental Services, Business Services and Airport Services.

Signature of a €700 million syndicated loan agreement to refinance existing borrowings.

2006

CFF Recycling acquires the entire share capital of JCP Participations, which holds 49% of DJC. In turn, DJC holds 67.31% of Penauille.

2006

D. Derichebourg becomes Chairman and CEO of Penauille.

2005

Control acquired of Penauille Group (64.68% held by DJC, itself 51%-held by CFF Recycling), to create a major player in the Business Services Sector.

2005

Friendly takeover by CFF Recycling of the Penauille Polyservices Group, made following the partnership agreement between the two companies. Financial restructuring.

1999-2002

Acquisition of Servisair PLC and Globeground GmbH, companies specializing in airport services.

1996

D. Derichebourg launches a simplified takeover bid and becomes Chairman of CFF.

1994

Penauille listed on the second marché of the Paris stock exchange.

1987

CEGAP contributes various property assets used in the recycling business.

Metalinor, a French subsidiary of Usinor, contributes all of its scrap metal collection and processing activities.

1977

Merger by absorption of Novafer, specialized in the collection and processing of scrap and other metals.

1970

Creation of Penauille.

1963

IPO on the Paris stock exchange.

1956

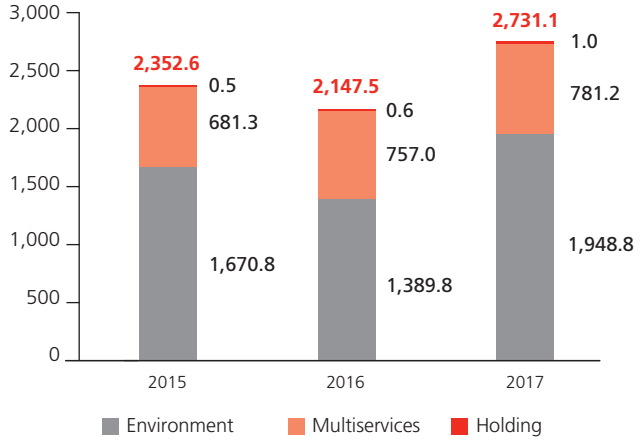
Creation of Compagnie Française des Ferrailles.

The Derichebourg Group in 2017

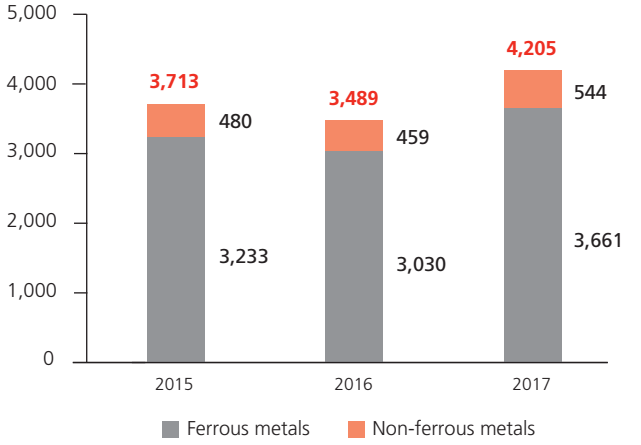
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Key figures

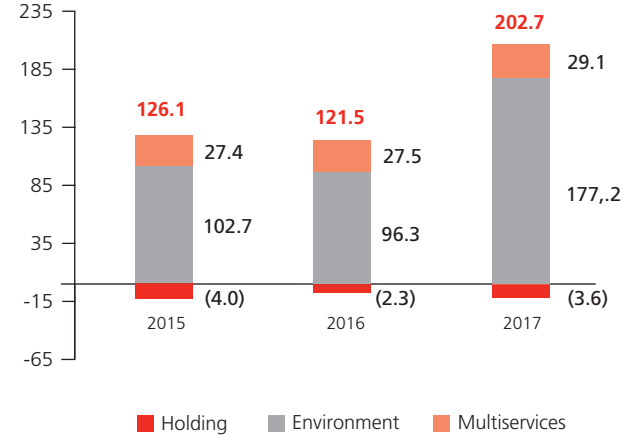
Revenue *(in €m)*



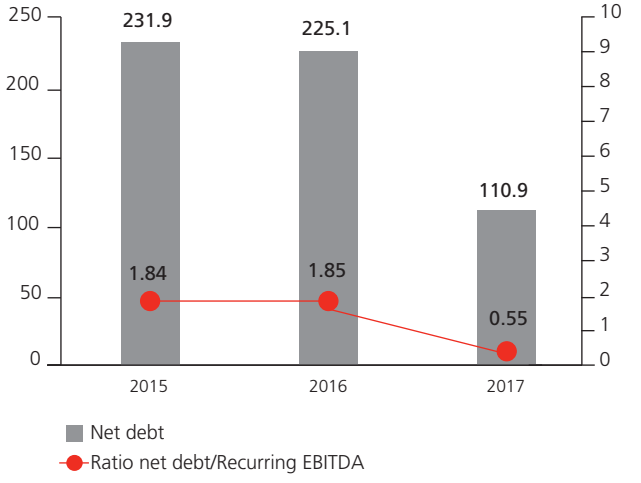
Volumes *(in thousand tonnes)*



Recurring Ebitda for the financial period *(in €m)*



Change in net debt *(in €m)*



Presentation of the Derichebourg Group

3

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3.1 Group organization chart

3.1.1 Group organization and Issuer's position in the Group

Derichebourg's assets mainly comprise:

- equity interests in two parent-holding companies, Derichebourg Environnement and Derichebourg Multiservices Holding, which each control the operating companies in the appropriate division;
- shares in DBG Holding GmbH, which owns the Recycling business in Germany;
- and shares in Derichebourg Immobilier, which owns most of the property assets of Environmental Services.

For the most part, the Group's subsidiaries are financed centrally by Derichebourg, through the syndicated loan set up on March 31, 2014 (and amended on May 5, 2017) with a residual amount of €153 million.

Derichebourg has signed cash agreements with its subsidiaries or sub-subsidiaries to enable current account advances or loans.

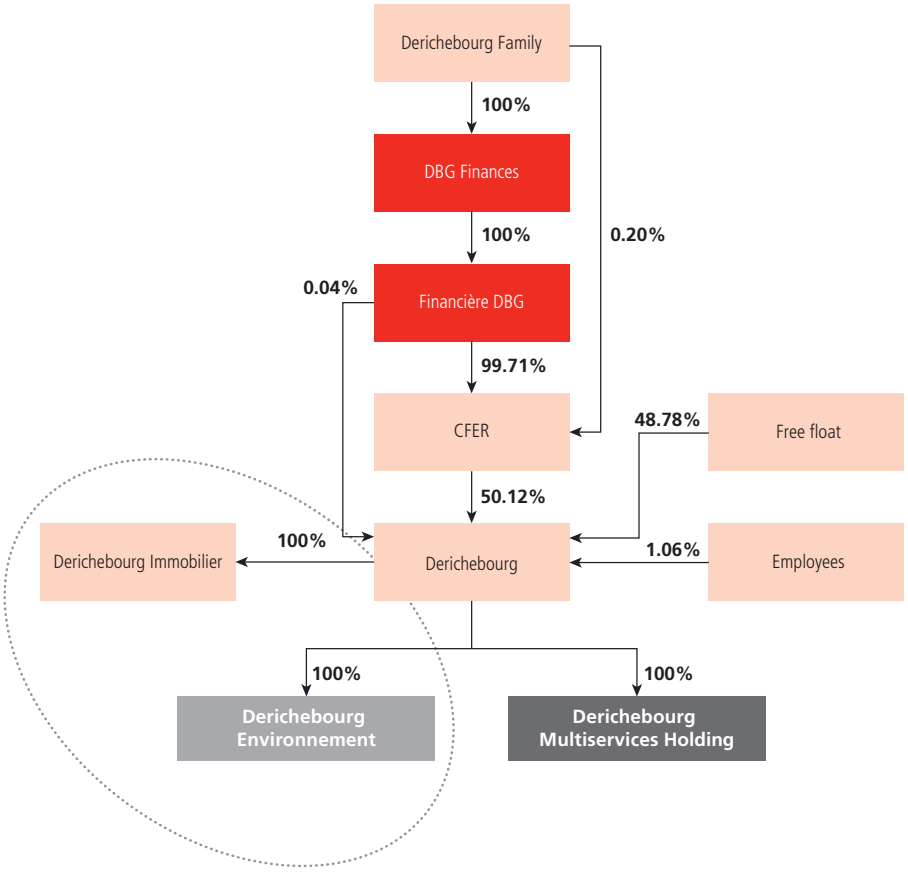
3.1.2 Organization chart

To make it easier to read, the organization chart is presented in three parts:

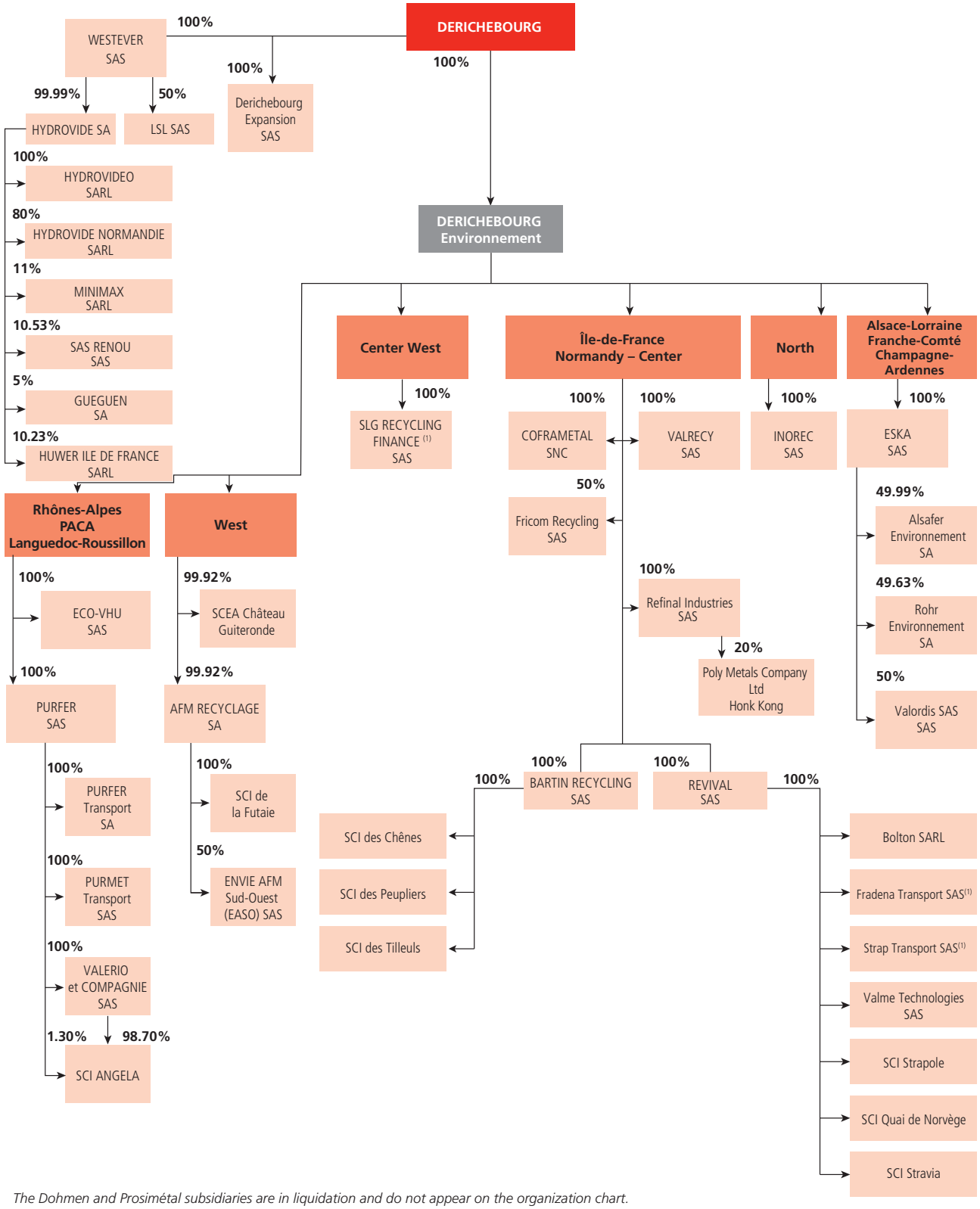
- summary organization chart of the Group and its shareholders (3.1.2.1);
- detailed organization chart of Environmental Services (3.1.2.2);
- detailed organization chart of Business Services (3.1.2.3).

3.1.2.1 Summary organization chart of the Group and its shareholders

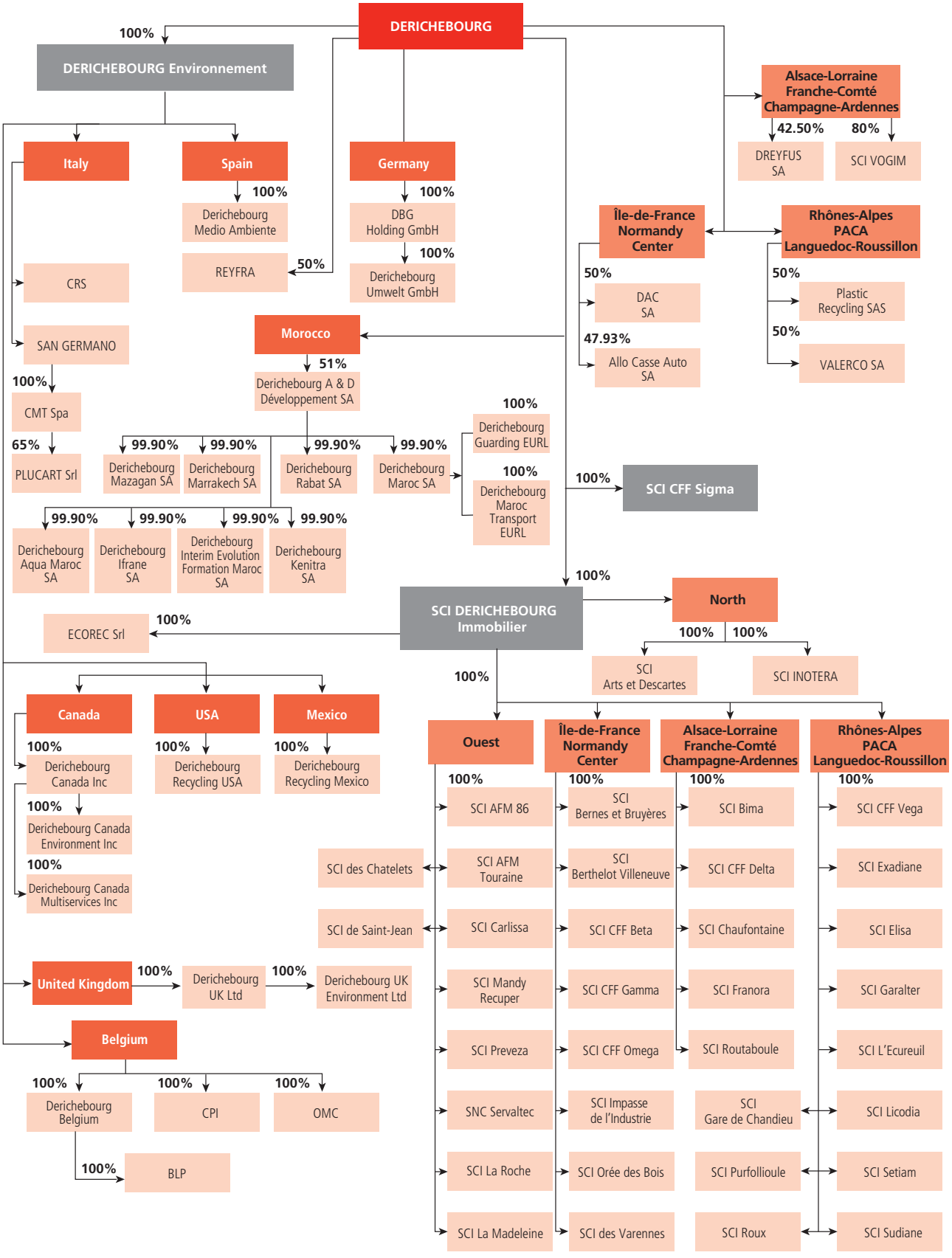
The Derichebourg Group as of September 30, 2017 (figures given as a percentage of capital held).



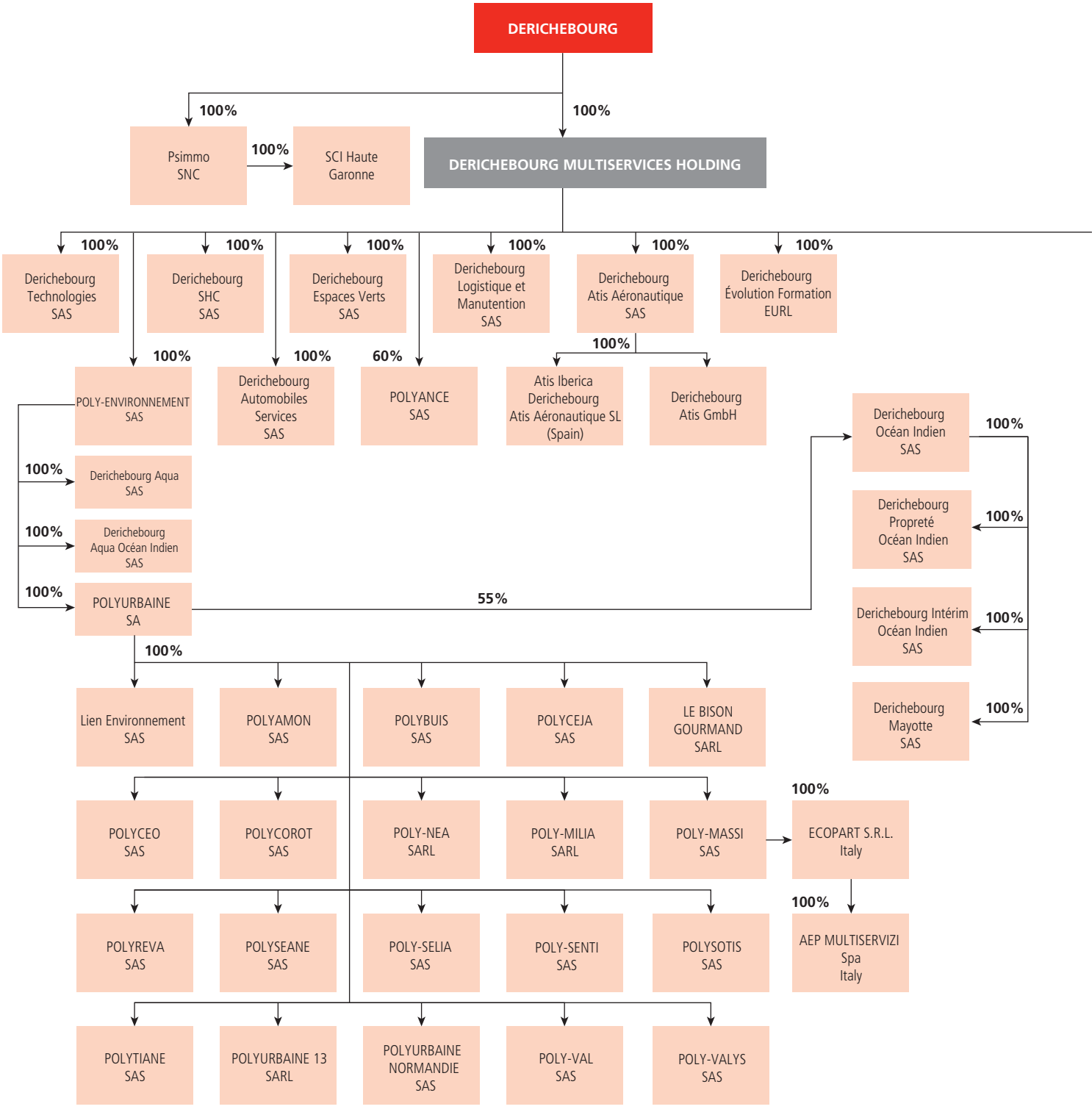
3.1.2.2 Detailed organization chart of Environmental Services (as of September 30, 2017)

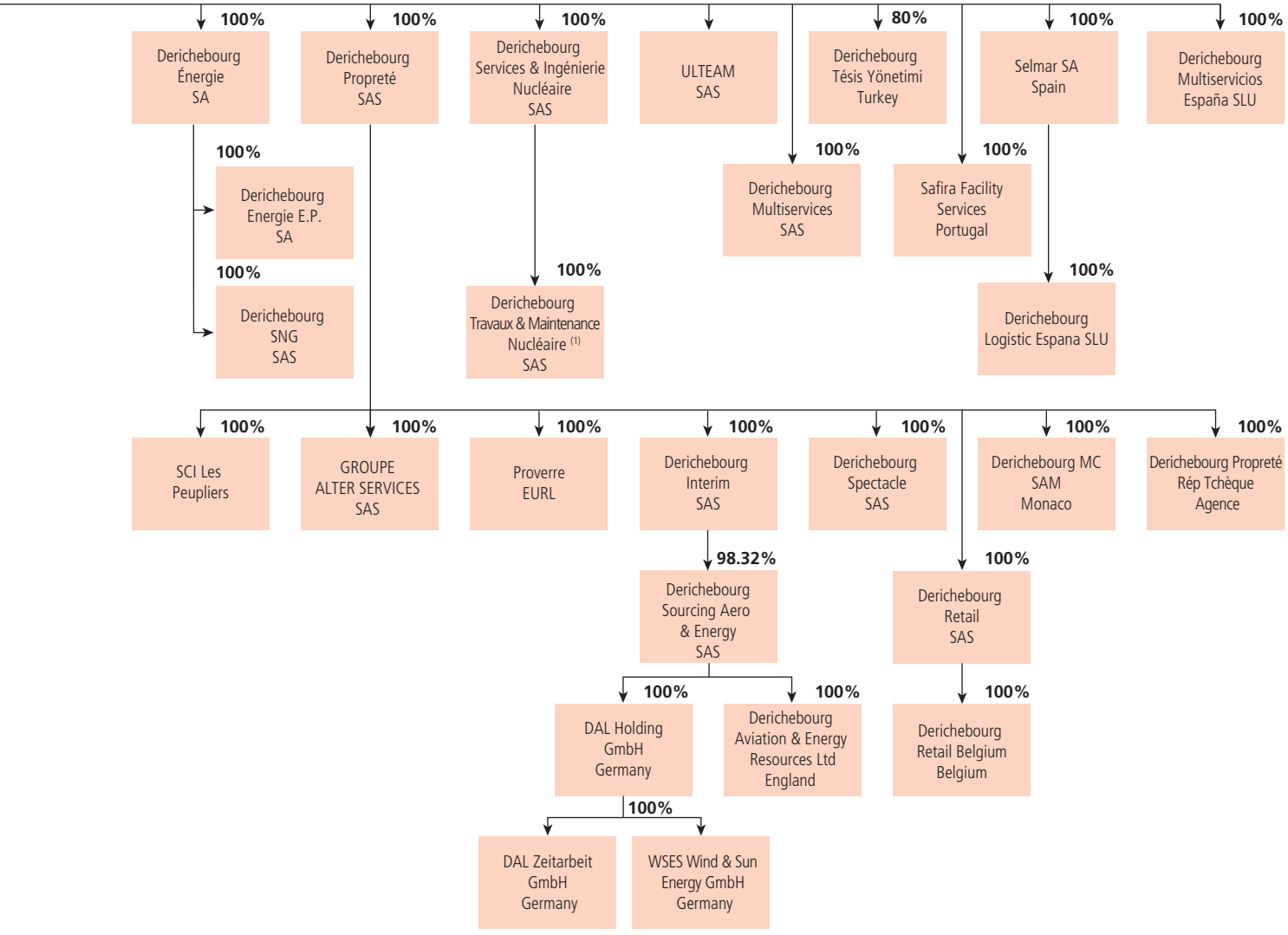


The Dohmen and Prosimétal subsidiaries are in liquidation and do not appear on the organization chart.
(1) Companies all of whose assets and liabilities are transferred to the Sole Shareholder with effect from October 1, 2017.


DERICHEBOURG
100%
DERICHEBOURG Environnement
Alsace-Lorraine Franche-Comté Champagne-Ardennes
42.50%
80%
DREYFUS SA
SCI VOGIM
Italy
Spain
Germany
100%
Derichebourg Medio Ambiente
100%
DBG Holding GmbH
100%
Derichebourg Umwelt GmbH
REYFRA
50%
Île-de-France Normandy Center
Rhônes-Alpes PACA Languedoc-Roussillon
50%
DAC SA
47.93%
Allo Casse Auto SA
50%
Plastic Recycling SAS
50%
VALERCO SA
CRS
SAN GERMANO
Morocco
51%
Derichebourg A & D Développement SA
100%
CMT Spa
65%
PLUCART Srl
99.90%
Derichebourg Mazagan SA
99.90%
Derichebourg Marrakech SA
99.90%
Derichebourg Rabat SA
99.90%
Derichebourg Maroc SA
100%
Derichebourg Guarding EURL
100%
Derichebourg Maroc Transport EURL
100%
SCI CFF Sigma
99.90%
Derichebourg Aqua Maroc SA
99.90%
Derichebourg Ifrane SA
99.90%
Derichebourg Interim Evolution Formation Maroc SA
99.90%
Derichebourg Kenitra SA
100%
SCI DERICHEBOURG Immobilier
North
100%
100%
SCI Arts et Descartes
SCI INOTERA
ECOREC Srl
100%
Canada
USA
Mexico
100%
Derichebourg Canada Inc
100%
Derichebourg Canada Environment Inc
100%
Derichebourg Canada Multiservices Inc
100%
Derichebourg Recycling USA
100%
Derichebourg Recycling Mexico
Ouest
Île-de-France Normandy Center
Alsace-Lorraine Franche-Comté Champagne-Ardennes
Rhônes-Alpes PACA Languedoc-Roussillon
SCI AFM 86
SCI Bernes et Bruyères
SCI Bima
SCI CFF Vega
SCI des Chatelets
SCI AFM Touraine
SCI Berthelot Villeneuve
SCI CFF Delta
SCI Exadiane
SCI de Saint-Jean
SCI Carlissa
SCI CFF Beta
SCI Chaufontaine
SCI Elisa
SCI Mandy Recuper
SCI CFF Gamma
SCI Franora
SCI Garalter
SCI Preveza
SCI CFF Omega
SCI Routaboule
SCI L'Ecureuil
SNC Servaltec
SCI Impasse de l'Industrie
SCI Gare de Chandieu
SCI Licodia
SCI La Roche
SCI Orée des Bois
SCI Purfollioule
SCI Setiam
SCI La Madeleine
SCI des Varennes
SCI Roux
SCI Sudiane
United Kingdom
100%
Derichebourg UK Ltd
100%
Derichebourg UK Environment Ltd
Belgium
100%
Derichebourg Belgium
100%
CPI
100%
OMC
100%
BLP

3.1.2.3 Detailed organization chart of Business Services (as of September 30, 2017)





The following company is in liquidation: Derichebourg Atis Maintenance Services.
(1) Companiy whose assets and liabilities are transferred to the Sole Shareholder with effect from October 1, 2017.

3.1.3 Non-controlling interests in Group companies

Non-controlling interests on the balance sheet as at September 30, 2017 amounted to €2.9 million. The share of income attributable to non-controlling interests was €0.3 million.

3.1.4 List of Group subsidiaries

The list of Group subsidiaries is shown in note 4.31 of the notes to the consolidated financial statements.

3.2 Presentation of businesses and their portfolios

The Derichebourg Group is a key player at the international level in the provision of services to businesses and to local and municipal authorities.

It offers a comprehensive and integrated range of services, enabling its customers to focus on their core activities, improve their organization and control their costs. The Group covers the entire waste recycling chain, from collection through to recuperation, as well as a full range of services to businesses and to local and municipal authorities. These include cleaning, temporary work, energy, aeronautic support and logistics, and sensitive sector services.

The Environmental Services' core business is the processing and disposal of waste – mainly metal waste – and of end-of-life products, with recovery of secondary raw materials by using appropriate processing methods.

The Group has added to the capabilities of its various waste processing centers by extending its collection fleet, thus improving its overall services and enhancing control of its sources of supply. Continual improvements to Environmental Services make a direct contribution to the industry's efforts to reduce the fraction of non-recuperated waste.

Environmental Services have become a cornerstone in the international environmental protection policy.

The Environmental Services and Multiservices divisions are subject to different economic cycles.

Main markets

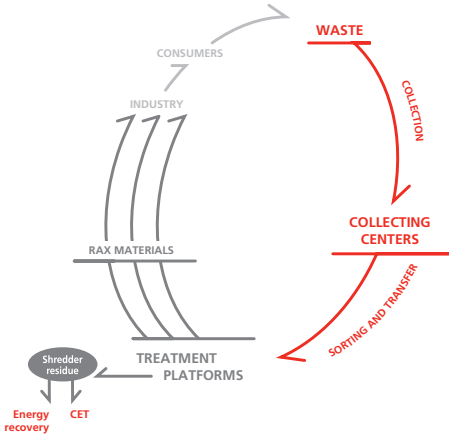
	2017		2016		
Revenue by business segment	in € million	as %	in € million	as %	Change
	1,949	71%	1,406	65%	+39%
Business Services	781	29%	741	35%	+5%
Holding companies	1	0%	1	0%	
Total	**2,731**	**100%**	**2,148**	**100%**	**+27%**

	2017		2016		
Revenue by geographical area	in € million	as %	in € million	as %	Change
	2,148	79%	1,688	78%	+27%
Other European countries	388	14%	340	16%	+14%
North and South America	167	6%	101	5%	+65%
Africa	28	1%	18	1%	+55%
Total	**2,731**	**100%**	**2,148**	**100%**	**+27%**

Published data are for the countries where the subsidiaries are located.

3.2.1 Derichebourg Environnement

Since 1956, the business of Derichebourg Environnement has been the collection, sorting, recycling and recuperation of ferrous and non-ferrous metals, end-of-life consumer goods (automobiles, electrical and electronic waste, etc.), as well as recuperation material (industrial demolitions, for example) and non-recycled industrial waste (manufacturing waste). These activities are integrated in an overall waste management service offered to both industry and local authorities. Environmental Services is characterized by integrated flows, from waste collection to the sale of recuperated products.



3.2.1.1 The ferrous and non-ferrous metals recycling market

The ferrous and non-ferrous metals recycling market is a global market with specific regional characteristics. It incorporates primary collection at source, preparation, recuperation and logistics downstream.

There are a few international operators. The groups SIMS Metal Management, ChiHo Environmental Group (Scholz), EMR, Schnitzer and the Derichebourg Group have a significant international presence. All of the operators are active to various extents in both ferrous metals and non-ferrous metals recycling.

Environmental Services is faced with competition across France from the various regional operators, many of which are family owned. National companies also operate such as Ecore (formerly GDE Environnement).

This competition extends to all activities, including the shearing or shredding of end-of-life consumer goods and products, in which Derichebourg Environnement holds a strong position via its operating subsidiaries.

Derichebourg Environnement is seen as a key player in the non-ferrous metals market, particularly for the sale of these metals through its Coframétal affiliate.

Derichebourg is an integrated player in aluminum recycling with its spectrum of activities ranging from waste collection to the marketing of secondary aluminum ingots.

The Group estimates that Derichebourg Environnement has approximately 25% of the French ferrous and non-ferrous metals collection and treatment market. The market share in the end-of-life vehicles sub-market is estimated to be around 30%. There are, however, no reliable statistics in existence.

3.2.1.1.1 The ferrous scrap metal recycling market

Production and consumption of steel

The main factor impacting on the ferrous scrap metal market is the level of global steel production. The table below shows the changes in the apparent consumption of steel worldwide (finished products).

Apparent steel consumption (finished products) *In millions of tonnes*	2009	2010	2011	2012	2013	2014	2015	2016*	2017*	2018
Total	**1,152**	**1,311**	**1,415**	**1,444**	**1,534**	**1,547**	**1,501**	**1,515**	**1,622**	**1,648**
Annual variation	*(6.3%)*	*13.8%*	*8.0%*	*2.0%*	*6.3%*	*0.8%*	*(2.9%)*	*(2.0%)*	*7.1%*	*1.6%*
Of which Asia	770	844	913	939	1,021	1,011	976	999		
Annual variation	*9.3%*	*9.6%*	*8.2%*	*2.9%*	*8.7%*	*(1.0%)*	*(3.3%)*	*+2.4%*		
Share of Asia in the total apparent use	67%	64%	64%	65%	67%	65%	65%	66%		
Of which rest of the world	381	467	503	504	514	536	525	516		
Annual variation	*(27.2%)*	*22.3%*	*7.7%*	*0.4%*	*1.8%*	*4.4%*	*(2.6%)*	*(1.6%)*		

* *World Steel Association forecast, October 2016.*

Although total global production and consumption have grown over the last few years, it should be noted that Asia now accounts for 65% of global steel consumption, while China alone accounts for close to 50%. Steel consumption continues to increase significantly in China.

Global steel production can be broken down into two separate sectors:

- blast furnaces: ferrous scrap metals (with more stringent purity requirements) cannot account for more than 20% of the blast tonnage;
- electric steel mills: ferrous scrap metals constitute some 90% of supplies, with pre-reduced metals accounting for the remainder.

Electric steel mill production is the main outlet for recycling of ferrous metals.

The table below shows the changes in the share of electric steel mills, in terms of both % and tonnage:

Crude steel production

Year	*In millions of tonnes*	Of which China *(in millions of tonnes)*	Share of China in global production	Share of the electric steel mills in global production	Share of the electric steel mills in China	Steel production by electric steel mills in China *(in millions of tonnes)*	Annual variation	Steel production by electric steel mills in Rest of world *(in millions of tonnes)*	Annual variation
2005	1,148	356	31.0%	31.9%	11.7%	42	0	325	11
2006	1,250	41	33.7%	31.7%	10.5%	44	3	352	27
2007	1,348	490	36.3%	32.0%	11.9%	58	14	373	21
2008	1,343	512	38.1%	32.0%	12.4%	64	5	366	(7)
2009	1,239	577	46.6%	28.8%	9.7%	56	(8)	301	(66)
2010	1,433	639	44.6%	29.4%	10.4%	66	10	354	54
2011	1,538	702	45.6%	29.5%	10.1%	71	4	383	228
2012	1,560	731	46.9%	28.7%	8.9%	65	(6)	383	0
2013	1,650	822	49.8%	26%	7%	58	(8)	372	(11)
2014	1,670	823	49.3%	25.8%	6.1%	50	(7)	381	9
2015	1,620	804	49.6%	25.2%	6.1%	49	(1)	359	(21)
2016	1630	808	49.6%	25.3%	5.2%	42	(7)	370	11

Source: World Steel Association (Derichebourg calculations).

The percentage of electric steel mill production varies greatly from one region to another: from a mere 5% of production in China, to 63% in the United States and 39% in Europe. As previously mentioned, the blast furnace sector also consumes ferrous scrap metal, although to a lesser degree. However, these data expressed as a percentage do not take into account the significance, in absolute terms, of the consumption of ferrous scrap metal and its growth. The price of iron ore slumped during the previous fiscal year, driven down as new mining production came on stream. This is an adverse development for steel production from electric steel mills as certain products can be produced by both types of mills.

The ferrous scrap metals market

The annual global ferrous scrap metal market is estimated at 555 million tonnes (source: BIR), 355 million tonnes of which are accessible to recycling companies with the balance comprising steel waste that is recycled internally. Following several years of stability, this global market had declined by 5% in 2015, and by 6% for the share accessible to recycling companies. In 2016, the global ferrous metals market began to rise again, both in volume (+3%) and price terms. From the beginning of 2016, China began cutting its semi-finished product exports to Europe and Turkey, leaving more room for local steel production, and to ferrous metals consumption. This improvement in the market can be explained by several factors:

- the closure of excess production capacity in China to reduce surpluses and pollution;

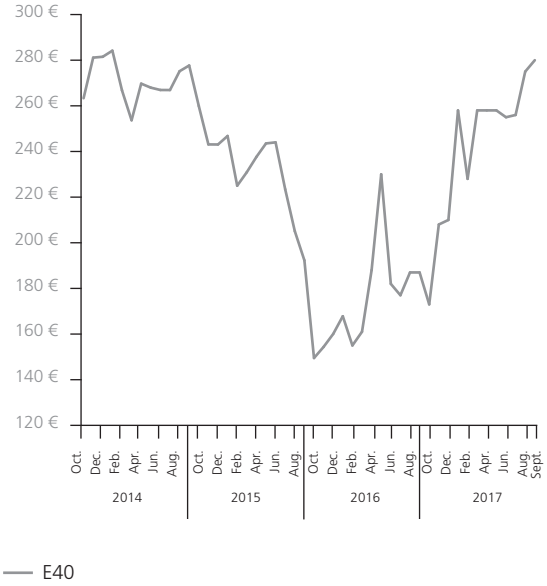
- the effect of customs barriers;

- rising blast furnace production costs in 2016: increased iron ore and coke prices.

It should be noted that Turkey is the main player influencing ferrous metal prices in the global market: its steel production is mainly electric (70%), its local resources are inadequate, and it is therefore the leading global importer of ferrous metals (20% of international trade), in the form of high tonnage vessel spot purchases. Turkey's main supplier is the United States (the leading global exporter) and European countries. Although the Group only exports a small amount of its ferrous scrap metals to Turkey (around 5%), the change in prices in this country impacts prices in other markets.

In Europe, marketing arrangements for ferrous metals are most often of a monthly nature. The Group attempts to replicate changes in sales prices in its purchases, whether increases or decreases, in order to keep its unit margins per tonne stable.

Monthly average ferrous metals



Derichebourg sources.

Ferrous scrap metal is obtained in part from flat steel waste (waste from the automobile industry, household appliances, and packaging, etc.) and used to produce long carbon steel (mainly for construction, transportation, etc.).

In terms of technical qualities, there is practically no difference between primary metal, manufactured from iron ore and secondary metal (recycled), manufactured from the products collected. In the French market (the Group's main country of operations, where it collects 70% of its volumes); the breakdown of ferrous scrap metals is as follows:

- ferrous metals for shredding: 34%;
- new waste (arising from the steel transformation process): 22%;
- transaction ledger (retail purchases from individuals): 14%;
- end-of-life vehicles: 10%;
- industrial demolition scrap: 9%;
- other (including WEEE): 11%.

Source: Federec, Key recycling figures 2016.

The total market is estimated at 12.1 million tonnes collected in France in 2016 (source: Federec). Revenue from ferrous metals collected in France was €2.1 billion for the same year.

The recycling market is characterized by different types of strong entry barriers:

- financial: its capital-intensive nature, and the high initial investments required may dissuade new entrants, although this industry offers a high return on capital employed, which is an attractive factor;
- regulatory: many EU directives on waste are still perceived as being too complex by industry players, and obtaining operating licenses is a long and arduous process;
- technological: adapting production equipment to different market segments (ferrous metals, non-ferrous metals) remains a long and costly process.

3.2.1.1.2 The non-ferrous metals recycling market

The main non-ferrous metals (NFM) the Group deals in are aluminum, copper, stainless steel, lead and some rare metals. As for ferrous metals, the recoverable resource has three main sources: the production waste, industrial demolition scrap and end-of-life products collected.

For the French market, (82% of tonnage collected by the Group), the breakdown of non-ferrous metals collected is as follows:

- aluminium: 27%;
- lead and batteries: 13%;
- stainless and alloys: 11%;
- copper alloys excluding cables and motors: 9%;
- copper cables: 7%;
- brass alloys: 5%;
- zinc: 5%;
- other: 23%.

Source: Federec, key recycling figures 2016.

The tonnage collected in France by the NFM operators is 1.79 million tonnes with an exchange value of €2.91 billion.

NFM are found primarily in buildings, packaging, automobiles and industrial equipment. User industries are essentially foundries, refineries and other heavy industries. Recuperation covers approximately 40% of demand for NFM worldwide.

Recycling of end-of-life products will be increasingly unavoidable since it is the only source of secondary non-ferrous metals at the same time as the primary resource is dwindling, at least temporarily, as a result of the low number of new mines opened over the past few years. Several other factors also favor the development of non-ferrous metal recycling. First, the production of primary ore is nonexistent in many areas of the world. Recycled products are thus the only "surface mine" available and are also a renewable source; in all cases, the reutilization of recuperated products leads to savings in raw materials.

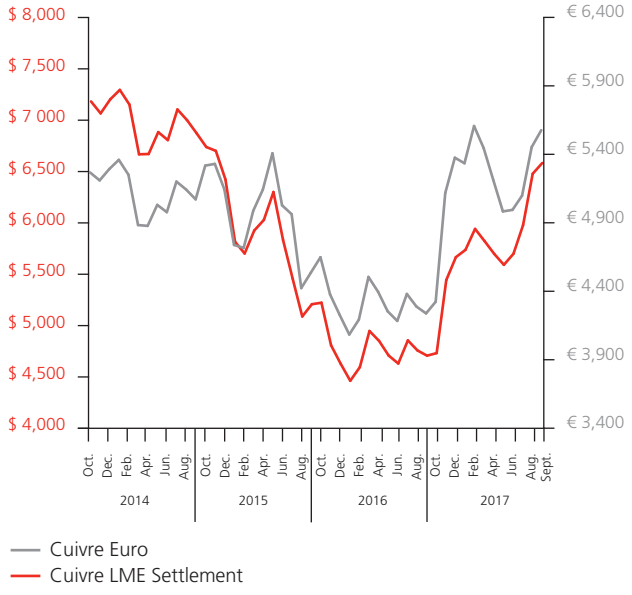
In addition, the production of secondary, recycled products is much cheaper than manufacturing primary products from ore. Investments required are, on average, three to four times lower than for refining ore. Energy savings compared to the production of primary metal are about 60 to 80% for copper and 90 to 98% for aluminum – a clear-cut competitive advantage in a context of soaring energy costs and increasingly severe restrictions on CO_2 emissions in Europe.

Even so, production cost savings are partially offset by the costs of collection and by environmental restrictions in industrialized nations. These limitations are less restrictive in emerging countries, which increasingly use this type of production and import recuperated products.

The recuperation of end-of-life products alone accounts for approximately 35% of global NFM production (source: Bureau of International Recycling). The global demand for non-ferrous metals correlates strongly with changes in the global industrial production index.

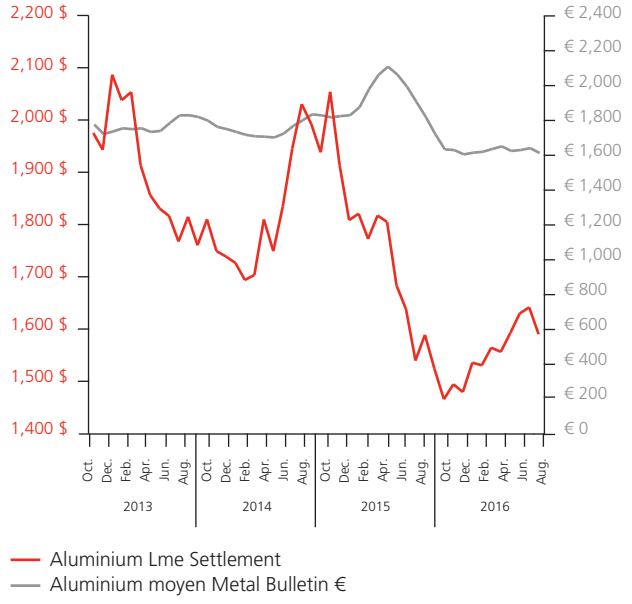
Demand from emerging countries, starting with China, is expected to continue to grow in the medium term, leading them to increase waste imports from industrialized nations, which have themselves been processing waste metals for many years. Non-ferrous metals have been treated as a type of financial asset in recent years, leading to increased price volatility.

Copper LME Settlement



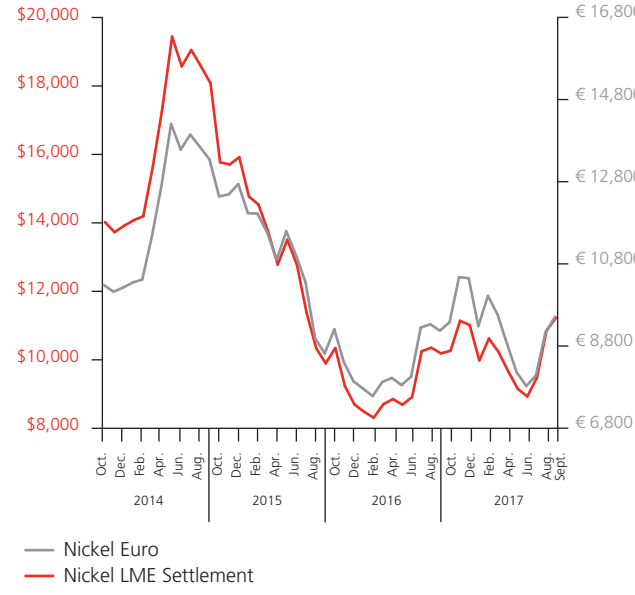
Derichebourg sources.

Aluminum – Price of ingots



Derichebourg sources.

Nickel LME Settlement



Derichebourg sources.

Demand for non-ferrous metals is influenced by:

- the growth rate in emerging countries and led by China, which has invested heavily in these infrastructures, as well as the global economy;
- dollar exchange rates against other currencies. The price of metals on the LME changes automatically in line with fluctuations in the dollar;
- demand regularly exceeds supply because the supply is limited or finite and is dependent on the waste growth rate. New sources put on the market are often extensions of existing mines.

3.2.1.1.3 The public sector and eco-organizations services market

Derichebourg Environnement is also an environmental services provider offering household waste collection, cleaning, collection and recuperation of Waste Electrical and Electronic Equipment (WEEE).

The specifics of this market are totally different from those of the ferrous scrap metal and non-ferrous metal recycling markets. The markets are national, or even regional. More often than not, the contractual framework is that of public sector procurement or multi-year tenders issued by eco-organizations.

3.2.1.2 The Derichebourg Environnement business portfolio

3.2.1.2.1 Collection, sorting, and recuperation

Derichebourg Environnement collects the following ferrous and non-ferrous waste:

- End-of-Life Vehicles (ELVs);
- Waste Electrical and Electronic Equipment (WEEE);
- production waste;
- demolition scrap metal.

It also collects:

- common industrial waste;
- plastics;
- tires;
- paper/cardboard.

Depending on the type of product to be treated, Derichebourg Environnement has a wide range of industrial equipment (shredders, shear baler, and balers) for the extraction of high-quality secondary raw materials. The Company has a range of techniques for sorting complex fractions: induction, colorimetry, density differences, aeraulic sorting and particle sizing, amongst others.

Depending on tonnage and the materials to recuperate, Derichebourg Environnement can offer on-site processing of industrial waste to customers in their factories in the framework of multi-annual service contracts, or customized regular collection of bins and dumpsters installed on-site. Derichebourg Environnement has solid experience with *in situ* platforms, including steel plants and automobile builders.

Derichebourg Environnement has operations in France, Belgium, Germany, Spain, Italy, the United States, Mexico, Morocco and Canada.

Scrap metals

Derichebourg Environnement prepares ferrous scrap metal with shredders and shear balers to produce materials that comply with high-quality standards: elimination of impurities, compliance with specifications and calibration of batches. The recuperated products are destined primarily for electric steel mills, foundries and converters in the long steel industry.

The blast furnace sector also uses ferrous scrap metal, but to a lesser degree, in order to lower the temperature of the melt in the converter so that the alloying elements integrate under good conditions.

In 2016-2017, the Group processed nearly 3.7 million tonnes of ferrous scrap metal, a 20.8% increase compared to the previous fiscal year.

The non-ferrous metal industry

Derichebourg Environnement has equipped each shredder with an induction separator and has three flotation units in Europe for the separation of aluminum from other heavy metals (copper, bronze, etc.). Once sorted and conditioned, metals are sent to zinc and copper refineries for refining. With the exception of aluminum, which is processed into ingots for sale to automotive parts foundries by the Refinal refinery, a Group subsidiary, the recuperated products are destined for metallurgy companies. The Group's refinery produced 66,100 tonnes of secondary aluminum ingots that are sold to automobile industry subcontractors, an increase of more than 23% which is due, in particular, to the full-year impact of the commissioning of a third furnace in January 2016.

In fiscal year 2016-2017, the Group processed 544,300 tonnes of non-ferrous metals, an increase of 18.45% compared to the previous fiscal year. This was the highest level (passing through Group sites) of NFM processed.

Shredder residues

Since a considerable proportion of waste collection includes end-of-life consumer goods, which are subject to stringent recuperation targets, Derichebourg Environnement has expanded its know-how to include the recuperation of non-metallic products: glass, plastics, foam and tires among other things. The recuperation of these materials and components may lead Derichebourg Environnement to create other partnerships.

Throughout the year, the Group pursued its research into methods to recuperate the metal scraps present in shredder residues (heavy ends, i.e. induction waste), and to separate light shredding residue (<20 mm) into uniform recoverable categories and thus reduce the tonnage sent to the landfill. At this stage the problem is finding commercial outlets for the different categories of products (rubber, fibers, glass and plastics).

Plastics

The Group is gradually extending its expertise to the recuperation of plastics and is investing in plastics separation equipment. The challenge is to sort the plastics into uniform categories to optimize recuperation of the products being sorted.

3.2.1.2.2 Public sector services

The efficient management of household waste and urban cleaning is a major challenge for local authorities. It determines the quality of life of citizens and the fulfillment of economic, social and environmental obligations that are an increasing burden on local authorities. Poly-Environnement (France), San Germano (Italy), Derichebourg Maroc (and its sister companies) and Derichebourg Canada handle all types of household waste and their collection processes: traditional and selective (glass, newspapers and magazines, household packaging, green waste, paper/cardboard, etc.), both door-to-door and by voluntary drop-off. These subsidiaries also collect roadside waste and large items, manage several household waste materials recovery facilities and transport waste to treatment and recycling facilities. Poly-Environnement offers to manage all aspects of local authorities' urban operations and cleaning (street sweeping, cleaning contaminated soil, public waste bins and containers, graffiti removal, etc.).

Poly-Environnement's subsidiaries also provide a door-to-door collection service for household and similar waste in four of the 10 Paris districts where waste collection is operated privately and collection of household waste in three districts in Marseille (the 2nd, 15th and 16th).

3.2.1.2.3 Service provisions

The Group also offers the following services:

- treatment of by-products from **steel mills** and other industries;
- **common industrial** waste collection and management, which is then sent to appropriate recuperation businesses;
- management-distribution of **end-of-life vehicles** (collection, treatment and monitoring of materials) through its ECO-VHU subsidiary for car-makers. The Derichebourg Group has a network of over 500 approved dismantling plants in France (internal or third-party) enabling it to fulfill territorial network requirements, thereby putting the Group in a favorable position to sign framework contracts with car-makers and importers;
- **Waste Electrical and Electronic Equipment (WEEE):** Decree no. 2005-829 of July 20, 2005 and its related statutory instruments establish the framework for the implementation of Waste Electrical and Electronic Equipment recycling. The key points of this new regulation are the following:
  - the creation of four "eco-organizations" tasked with collecting a levy on the sale of new equipment sold on the market, which is intended to cover the costs of the process,
  - implementation of very strict procedures for the extraction of polluting component parts (PCB condensers, mercury switches, batteries, etc.) in order to significantly reduce the volumes of dangerous substances disposed of in landfill sites,
  - strong encouragement to prioritize economic solidarity and employment of the underprivileged in this new business,
  - strong emphasis on putting recycled material (plastic, mineral fragments, metals, etc.) back on the market in order to save on raw materials,
  - very clear creation of five different types of business: other non-cooling large household appliances (washing machines, dishwashers, stove tops); large cooling household appliances (refrigerators and freezers); small household appliances, screens (computer and TV); lighting (fluorescent tubes and low-energy bulbs).

Derichebourg Environnement is systematically positioning itself to work with all the eco-organizations on a national level on logistics and on four classes of waste electrical and electronic equipment.

Derichebourg Environnement has also positioned itself in the market for the treatment of small household appliances. Derichebourg Environnement makes extensive use of its partnership with the Fédération Envie, which has a national network of businesses involved in finding work for the underprivileged.

Lastly, for the processing of large cooling household appliances, Derichebourg Environnement has teamed up with one of the international leaders in the ecological processing of refrigeration products containing CFCs or HFCs in their refrigeration circuits or insulation. A 50%-owned subsidiary called Fricom Recycling has been created with this partner, Oeko-Service AG (better known under the name of SEG).

3.2.1.3 Innovation, research, and development

Environmental Services is continuing its efforts to increase its returns on the processing of end-of-life consumer goods. One of its objectives is to use all or part of its shredding residues, either in the form of energy or as secondary raw material, by improving the separation and extraction of metal, plastic and glass parts, etc.

Durable businesses have been developed to deal with used tires, certain types of plastic and part of the shredding residues, which are turned into alternative fuels.

In association with the manufacturers (car-makers, manufacturers of electrical and electronic equipment, component suppliers, and the plastic, chemical and cement industries), Derichebourg Environnement is developing a research and development (R&D) policy aimed at meeting and beating the recycling goals set out in the European directives.

Derichebourg Environnement has invested in R&D, notably through the implementation of two shredding residue processing platforms on its Refinal Industries sites at Bruyères-sur-Oise and Pagny-sur-Meuse in France. These sites are involved after the shredding process in order to optimize the recovery of material from the mix (non-ferrous metals and non-metal lie parts).

Derichebourg Environnement already produces 35,000 tonnes per year of alternative fuels for cement producers and is turning concentrated plastic into a mixture to enable additional sorting by type of plastic.

Lastly, Derichebourg Environnement is achieving optimal recovery rates of the metals found in the various shredding sub-products.

A number of pieces of equipment were specified and developed for extracting metals and plastics contained in the heavy ends from induction waste.

3.2.1.4 Property, plant, and equipment: significant non-current assets

The Group's Environmental Services is a heavy consumer of equipment: shredders, shears, inductors, collection and sorting machines, as well as their related infrastructures, namely land, concrete slabs, and electricity supplies.

The table below provides details of the gross and net value of the tangible assets used:

In millions of euros	**09-30-17**	09-30-16
Gross values	1,471	1,350
Accumulated depreciation	(1,048)	(948)
Net value	**424**	**402**

NB: The above figures also include the value of assets belonging to Holding companies, who own the land used by Environmental Services.

Wherever possible, the Derichebourg Group prefers to purchase the land on which it operates its Environmental Services provision. In view of its long-standing ownership of certain land, there are unrealized capital gains between their value and their historical cost. During the transition to IFRS standards, the market value of land at January 1, 2004 was considered to be the cost in certain cases. A variance (net of deferred taxes) of €41 million was recognized in shareholders' equity and in non-current assets.

The Group is the owner of part of the land used for the operation of its business. It also rents land from external lessors, including two sites from the Derichebourg family:

- SCI des Demueyes, 12 rue Bonaparte, 59560 Comines: land developed for use as a waste collection center, leased for €34k per year.
- Mrs. Ida Derichebourg: 106 rue du Moulin de Cage, 92230 Gennevilliers: a site developed for truck storage, locker rooms and offices, leased for €44k per year.

3.2.2 Derichebourg Multiservices

3.2.2.1 The Multiservices market and the competitive environment

Demand on these markets is characterized by:

- its fragmentation: all business sectors are potential users of the types of services offered, and so the customer profile is representative of the French economy;
- the significant presence of the public sector: except for temporary workers, public services are a significant part of the market since administrations are increasingly outsourcing these services;
- an increase in the multiservices offering: although wide-ranging integrated services have not yet become a purchasing standard in France, this trend nevertheless remains pronounced and is a source of growth for services groups. This trend is more marked in countries such as the United States and the United Kingdom;
- a highly competitive environment between players offering very similar services.

The European business services market is heterogeneous, resulting from both the variety of services offered and the players involved, which are often small companies.

Cleaning services have been outsourced for a long time. Their history in France dates back to the middle of the 19th century. French companies subcontract this business activity for several reasons, including their industrial strategy (focus on the core business) and cost reductions.

3.2.2.1.1 Cleaning

A market which is growing, but is tied to the overall economic situation

The rate of outsourcing of this service varies from country to country, but the average is only 60% in Europe. This illustrates the significant growth potential remaining for this activity. Close to 52% is outsourced in France. In the 1990s and up to 2008, cleaning sector companies constantly increased their revenue at an annual rate of approximately 6% on average. Following a decline of 2.5% in 2009, the sector returned to growth, in accordance with the Group's forecasts, with almost 3.6% growth in revenue in 2012, 0.9% in 2013 and 4.4% in 2014. (Source: FEP, Key Figures Edition 2017.)

The Derichebourg Group remains optimistic on the outlook for growth in the sector. Indeed, it expects an upturn produced by outsourcing by companies that still carry out cleaning in-house. These companies will increasingly look to subcontract the service in order to reduce costs and concentrate on their core business.

A fragmented market on the road to consolidation

There were approximately 170,000 companies in the European cleaning market in 2017 (source: FEP, Key Figures Edition 2017).

In France alone, around 43,500 companies (2017) operate in this market, including self-employed contractors. Almost 12,000 companies have at least one employee; 66% of these employ fewer than ten people and only 0.9% employ more than 500 people. The 50 leading players account for 47% of revenue. (Source: FEP, Key Figures Edition 2017.)

In addition to higher demand generated by outsourcing, customers are increasingly interested in service providers with the ability to simultaneously provide more extensive geographical coverage and a comprehensive range of services. This trend favors the emergence of Europe-wide operators with a presence in several countries offering a broad range of services, which is out of the range of small and medium enterprises.

Margins under pressure

The market has demanding customers and experiences competitive pressure on service prices, which makes it difficult for companies to pass all of the costs from salary increases onto their sales prices (minimum standard increases, increases in employer contributions).

In order to maintain margins in these conditions, efforts are being made to optimize operational productivity. The introduction of the Employment Competitiveness Tax Credit in 2013 may improve this situation, as long as it survives and is not included in the calculation of the cost of labor indexes on which the majority of price revision formulas are based.

3.2.2.1.2 The temporary staff market

The temporary staff market often provides the means of adjusting the workforce to customer demand, and as a result, tends to follow trends in the employment market, but with greater variations. The temporary staffing market grew steadily from 2000 to 2007 and then contracted rapidly in 2008 and 2009, with revenues plunging 23% in one year overall in the profession. During the 2010-2011 period, moderate growth of 1.5% then 1.7% was accompanied by a recovery in temporary staff of 16% and then 11%. Between 2012 and 2014, stagnant GDP led to a reduction in the number of temporary placements of 8.5% in 2012, 6% in 2013 and 0.3% in 2014. Since 2015, an increase in business activity has allowed an increase in temporary staff (+4.4% in 2015 and +6.8% in 2016). (Source: Prism'Emploi – 2016 Economic and social report.)

Temporary employment in the Group is organized into two separate divisions: general temporary staffing and specialist staffing for the aeronautical and wind power sectors.

The Group's Temporary Staff division has grown strongly in recent years.

3.2.2.1.3 The aeronautical services market

Derichebourg Atis Aéronautique (German subsidiary, "Atis GmbH" and Spanish subsidiary, "Atis Ibérica") is a leading subcontractor in the aeronautical industry, providing support to industrial processes, both production and after-sales. Its international expansion closely follows its customers' geographical and business development, granting it a position as an acknowledged specialist with a local presence.

3.2.2.2 Derichebourg Multiservices business portfolio

Business Services operates under the name Derichebourg Multiservices. Derichebourg Multiservices is a key player in **outsourcing services for industrial and service sector companies**, as well as for public services and local authorities. A world leader in local services, Derichebourg Multiservices offers **four complementary high value added solutions**.

Solutions Industry	Solutions Service sector	Solutions Urban Area	Solutions HR& Temporary sourcing
Solutions for industry (the automotive, agrifoods, health and pharmaceutical industries) • Industrial cleaning • Industrial maintenance • Handling/logistics • Remote surveillance **Aeronautical solutions** • Aeronautical industry support • Aerial operations support **Solutions for nuclear companies & other sensitive environments** • Project engineering • Construction and maintenance • Operation and services • Waste management	**Services for buildings & facilities** • Cleaning and related services • Industrial cleaning (health, pharmaceutical, agrifood, etc.) • Electrical engineering and air conditioning engineering • Multi-technical maintenance • Handling/logistics • Remote surveillance **Occupant services** • Concierge services • Reception desk and corporate event planning • Mail • Factotum	**City and exteriors services** • Public lighting • Urban billboards • Installation and maintenance of urban furnishings • Green spaces • Roads & Utility Services	**Temporary staffing solutions** • General temporary staffing • Specialized temporary staffing • Temporary aeronautics staffing • Temporary wind farm staffing **Sourcing & HR solutions** • Recruitment • Training center • Outsourcing

The division operates in seven countries and has 29,328 employees in controlled companies. Its goal is to enable businesses and local authorities to concentrate on their core activity by outsourcing transferable services, improving their organization and controlling costs.

3.2.2.2.1 Derichebourg Atis Aéronautique

Derichebourg Atis Aéronautique is a major service provider in the aeronautical sector, at all stages of the aircraft life cycle: industrial processes, assembly and manufacturing, delivery assistance, ground support services, supply chain and logistics consolidation, navigability management.

Aeronautical industry support	Aerial operations support
Industrial processes • Industrialization • Production support • Product quality management and surveillance • Industry partner coordination and representation	**Supply chain and logistics consolidation** • Supply chain monitoring • Industry partner coordination • Flow management, circuit repair • Management, renewal of parts
Assembly/Manufacturing • Mechanical and electric systems integration • Cabin layout • Finishing/redevelopment and special projects • Static test and test flight assistance • Maintenance, paint finish, stripping	**After-sales support** • Navigability management • Renewal of certificate of airworthiness • Transaction technical support • Asset maintenance technical support • Onsite worksite representation, assistance/supervision • Information systems and navigability management (Amasis, Amos, etc.) training • Quality (audit supervision part M and 145) • Design organization approval (DOA) integration capability • CAMO training
Delivery assistance • Customer support, coordination and representation • Delivery and customer acceptance technical support	
Ground support services • Technical cleaning, stripping temporary paint • Cleaning, towing and repositioning	

Key figures 2017:

- 9 facilities across 4 countries: France, Spain, Germany and the UK;
- 2,100 employees.

3.2.2.2.2 Derichebourg Services & Ingénierie Nucléaire

Derichebourg Services & Ingénierie Nucléaire works with nuclear operators and industrial operators in sensitive environments (pharmaceutical industry, petrochemical industry, laboratories, etc.).

It offers three types of services:

- nuclear waste treatment process operator;
- nuclear engineering, construction and maintenance;
- support to nuclear operators and other sensitive environments.

Nuclear waste treatment process operator	Nuclear engineering, construction and maintenance	Support to nuclear operators & other sensitive environments
Waste management • Management of radioactive waste management projects • Design of waste treatment processes • Sanitation, decontamination and dismantling of equipment and facilities • Facility operations (industrial operator)	**Engineering** • Design, general installation • Design and calculations, digital simulation • Process engineering • Remote operated systems • Safety and security research and analysis, radiation protection and O&HF (organizational and human factors) **Construction and maintenance** • Electrical engineering • Command automation and control • Nuclear ventilation • Industrial computing • Facility safety and security	**BNI maintenance and services** • Sanitation and decontamination (S&D) • Technical assistance in fieldwork logistics • Radiation protection • Radiological and industrial cleaning **Laundry (industrial operators)** • Collection and transportation logistics • Changing room management • Facility management • Production tools maintenance • Laundromat renovation and design

Key figures 2017:

- 5 facilities in France;
- 100 employees.

3.2.2.2.3 Derichebourg Propreté and related services

Derichebourg Propreté focuses on all activities related to cleaning and hygiene. It is a benchmark player in France, supported by an effective commercial network.

Derichebourg Propreté thus offers a full range of services intended for all economic players in highly varied sectors, whether major accounts or small businesses, on sites requiring very different technical skills. The wide range of sites and sectors managed by Derichebourg Propreté is proof of its broad spectrum of competence, to the benefit of the public and private sector.

Derichebourg Propreté is active in the following sectors:

- cleaning in the service/traditional sectors;
- cleaning hospitals;
- cleaning hotels;
- cleaning public premises;
- cleaning workshops/industrial plants;
- cleaning transportation equipment;
- cleaning in the agribusiness sector;
- cleaning in the nuclear industry;
- cleaning of ultra-clean premises/clean rooms;
- cleaning retail stores and salesrooms;
- cleaning of urban infrastructures: roads, car parks, exteriors, urban furnishings, bus shelters, toll booths;
- collection and selective sorting of waste.

Key figures 2017:

- 17,000 cleaning specialists;
- 55 facilities across France;
- 10,000 customers.

3.2.2.2.4 Derichebourg Énergie

Derichebourg Énergie follows an ongoing policy of reinforcing its skills in order to respond to the desire of customers who want to outsource the entire operating management of their site or building. The Company bases its broad range of services on this aim of assisting customers in their needs.

Electrical engineering – Air conditioning engineering

Derichebourg Énergie is active in electrical engineering and air conditioning engineering, providing installations of every size and every technical level. The Group's determination to be a quality service provider is shown by its presence from the project design phase onward through to its commitment to provide preventive maintenance in order to ensure the durability of installations.

Air conditioning engineering	Electrical engineering	Maintenance
• Heating, air-conditioning, ventilation • Processing of fluids, plumbing	• High voltage and low voltage intense current • Low-power current (safety, security, VDI) • Technical building control and management • Electricity back-up	• Multi-technical • High-voltage, low-voltage systems • Plumbing/HVAC • Back-up power, new energies • Finishing works, building

Public lighting

Derichebourg Énergie also provides public lighting via its subsidiary Derichebourg Énergie E.P.

Urban lighting	Traffic lights	Stadium lighting	Festive lighting/decorations
• Facility audit • Maintenance of the public lighting grid • New construction and renovation	• Facility audit • Traffic light network maintenance • New construction and renovation • Rapid transit bus (BHNS), tramway	• Research, design and building facilities • Ensuring compliance with federal requirements • Work at height (helicopter transport, cranes)	• Building lighting • Installation of event lighting/projections on buildings • Set up, take-down and maintenance of holiday lights

Key figures 2017:

- 30 years of expertise in air conditioning engineering and electrical engineering;
- 300 engineers and technicians;
- 1,000 customers.

3.2.2.2.5 Derichebourg Technologies

Derichebourg Technologies offers a broad range of safety and security services covering all of its customers' needs and regulatory requirements.

Remote surveillance	Comprehensive security management	Remote services
• APSAD P3 remote surveillance • Video-surveillance • Cyber defense • Interventions/precautionary measures	• Risk analysis, audit, consultancy • Human security • Electronic security • Mechanical security	• On-call management • Continuity plan (crisis management, emergency number, etc.) • Backup, protection • Hotline

Key figures 2017:

- 20 years of experience;
- 1,700 connections;
- 220,000 alarms handled/year;
- 1.5 million data points processed/year.

3.2.2.2.6 Ulteam

Ulteam offers public and private events, sales outlets and auditorium reception services.

Public and private reception services	Corporate event planning	Services
• In-person and telephone reception • Switchboard/helpdesk • Meeting room management • General administrative services	• Access control • Changing room management • Set-up, flow management • Cocktail receptions • Sales management	• Mail management, deliveries and shipments • Handling • Factotum • Photocopying • Intra and inter-site shuttle and transportation

3.2.2.2.7 Derichebourg SNG

Derichebourg SNG offers a comprehensive array of services that range from display to installation and maintenance of urban furnishings.

Urban maintenance	Construction	Urban billboards
• Repair • Renovation • Preventative maintenance • Accompanying regulatory inspections	• Technical installation of urban furnishings (civil engineering, size calculations, etc.) • Project management • Take down and site restoration	• Signage • Reception control/quality control • Preparation (assembly, barcoding, folding), packing up, shipping • Visibility management (trimming, cleaning, light maintenance and emergency intervention)

Key figures 2017:

- 40 facilities across France;
- 43,000 mechanisms managed per year;
- 443,000 service and maintenance operations per year on urban furnishings.

3.2.2.2.8 Derichebourg Espaces Verts

Derichebourg Espaces Verts offers a comprehensive array of services ranging from design and creation of exterior green spaces to maintenance.

Creation & construction of green spaces and Roads & Utility Services	Maintenance
Green spaces • Grass seeding/planting/floral design • Land terracing and landscape masonry **Roads & Utility Services** • Network creation: sewer systems, dry networks, etc. • Creation of reservoirs • Installing surfaces, fences, paving/tiling	• Mowing/Clipping • Pruning, cutting, grubbing, etc. • Phytosanitary treatment and eco-friendly weed control • Automatic watering systems management/reservoir management • Road de-icing

3.2.2.2.9 Derichebourg Intérim et Recrutement

Derichebourg Intérim et Recrutement offers services by area of specialization and recruits applicants for temporary and permanent contracts in the following fields:

- Services: Insurance, Banking & Finance, Accounting, IT, HR & Payroll, Secretarial and office support functions;
- Industry: Civil engineering, Finishing, Automotive, Agrifoods, Pharmaceutical, Chemicals, and Production;
- Logistics: Distribution, Deliveries, Transport, Customs, Import-Export, Freight, Sales Administration and Disputes;
- Sales and marketing: Retail, Sales, Cash, Inventory, Store – Profit Center Manager.

Key figures 2017:

- 5,000 customers in France;
- More than 100,000 temporary assignments;
- 25 facilities in France.

3.2.2.2.10 Derichebourg Sourcing Aero & Energy

Derichebourg Sourcing Aero & Energy, an employment agency, recruits staff for large aeronautical companies, commercial and business airlines, as well as the military and transport sectors.

The network of Derichebourg Sourcing Aero & Energy agencies assigns temporary personnel for long- or short-duration projects, and also recruits staff on permanent or temporary contracts through its recruitment consulting firm, Derichebourg Aerosearch.

Skills recruited	Types of contracts
• Design • Production, assembly, maintenance • Production support • Administrative staff • Marketing • Airport services	• Temporary assignments • Temporary and permanent placement

Key figures 2017:

- More than 20,000 temporary assignments;
- 15,000 temporary employees registered;
- 20 locations in Europe, 13 of which in France.

3.2.2.2.11 Derichebourg Evolution Formation

In 2008, the Group set up its own aeronautical services training school.

Derichebourg Évolution Formation, a training center in Toulouse, offers a wide range of training sessions:

- aeronautical certification: fitter assembler (CQPM), fitter cabler (CQPM), aircraft cabin integrator (CQPM), systems mechanic, Catia V5 (expert based); controller;
- aeronautical safety and security: human factors, fuel safety (CDCCL);
- human resources: management, stress management, employment law etc.;
- prevention: electric installations; first aid; gestures and postures; causal tree, fire, ATEX;
- driver safety certificates: lifts, airplane nacelles, machinery, cranes, overhead cranes;
- cleaning: cleaning techniques, product use, service attitudes.

Open to the public: jobseekers, employees (study leave, training entitlement, training plan, professional contract), retraining, disabled worker.

Key figures 2017:

- more than 8,000 people trained since the center was created;
- return to employment rate in excess of 91% for jobseekers who received training with qualification.

3.2.2.3 Assets used

Multiservices mainly provides services and, because of this, uses very few tangible assets invested by the Group. Being supplied mainly on-site at customers' premises, the service also uses customers' means of production.

The table below provides details of the gross and net value of the tangible assets used:

Multiservices *In millions of euros*	09-30-17	09-30-16
Gross values	104	99
Accumulated depreciation	(76)	(69)
Net value	**29**	**30**

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4.1 Significant events

4.1.1 Improvement in the steel and non-ferrous metals sectors

In keeping with the developments noted during the second half of the prior fiscal year, the economic climate has continued to improve during the course of the fiscal year ended on September 30, 2017, both in the European steel sector and the non-ferrous metals sector. This improvement resulted in an increase in customer needs, an uptick in the price of the materials marketed and an increase in the volumes processed by the Group (in both ferrous and non-ferrous metals). Steel production rose by approximately 5% over the previous fiscal year in the countries where the Group delivers its ferrous metals. This increase proved more profitable for steel from electric steel mills, which consume the greatest amounts of ferrous metals, than for those from blast furnaces, which experienced a price increase in inputs during the year ended. The improvement in the building sector in France particularly boosted demand for long steel products.

Non-ferrous metals saw a significant price increase following the US presidential elections. Thereafter, prices remained high, although the forecasts of infrastructure investment plans have not yet materialized in the US. This price increase is not necessarily correlated to a change in physical demand. This situation of increasing prices (particularly for copper) may have given rise to problems in selling products to customers.

4.1.2 Completion of the Bartin Recycling acquisition

The Group remains confident regarding the long-term fundamentals for steel from electric steel mills, which provide the following advantages: lower investments, greater production flexibility and lower environmental impact. This is why the Group sought to make acquisitions to consolidate its position as an electric steel mill supplier, seeking operations that offer synergies and have valuations that are consistent with the prevalent economic cycle at the time of the negotiations.

Following the completion of the acquisitions of Valério & Cie, six sites from the Galloo group and SLG Recycling group, Derichebourg Environnement acquired Bartin Recycling from Veolia Déconstruction France on November 30, 2016, once the conditions precedent had been met. The Company generated revenue of €150 million in 2016 and had 300 employees. The decommissioning and dismantling of end-of-life equipment (air, sea, rail and industrial facilities) are not affected by this disposal, which concerns 19 worksites across the country. This acquisition further enhances the Group's national presence, is as close as possible to the waste production site and improves its presence in plants producing new industrial waste. Following this acquisition, the geographical coverage of the different subsidiaries in France was redrawn.

4.2 Earnings from businesses and financial position

4.2.1 Group profit (loss)

In millions of euros	2017	2016 restated	Change %
Revenue	**2,731.1**	**2,147.5**	**+27.2%**
Recurring Ebitda	**202.7**	**121.5**	**+66.9%**
in % of revenue	*7.4%*	*5.7%*	
Recurring operating profit (loss)	**122.4**	**46.0**	**+165.7%**
in % of revenue	*4.5%*	*2.1%*	
France - Restructuring costs of entities acquired		(2.2)	
Belgium – Ongoing environmental disputes		1.9	
Italy - Discontinuation of the Multiservices subsidiary		(4.0)	
Impairment of intangible assets in Environmental Services to Italian authorities and others	(4.5)		
Badwill Bartin Recycling	2.4		
Capital gains on subsidiary disposals	2.2		
Operating profit (loss)	**122.5**	**41.8**	**+193.1%**
Net financial expenses	(16.6)	(17.7)	
Foreign exchange and other gains and losses	(2.3)	2.5	
Pre-tax profit (loss)	**103.5**	**26.6**	**+289.2%**
Income tax	(27.5)	(8.2)	
Income from associates	0.7	0.2	
Net profit (loss)	**76.6**	**18.6**	**+310.7%**
Income net of tax from discontinued activities	(0.2)	(5.0)	
Restated consolidated net income	**76.4**	**13.6**	**+460.2%**
Attributable to shareholders	76.0	12.9	
Attributable to non-controlling interests	0.4	0.7	

Consolidated revenue

Group revenue stood at €2.7 billion, up by 27.2% year-on-year. Revenue of the two divisions increased: 38.6% for Environmental Services, and 5.4% for Multiservices.

Recurring Ebitda

Recurring Ebitda totaled €202.7 million, amounting to an €81.2 million increase, i.e. 66.9% over the previous fiscal year. Recurring Ebitda increased in the two divisions of the Group. It accounts for 7.4% of revenue. This improvement is mainly due to the improvement in the performance of the recycling business.

The non-current elements detailed above had a low net impact on the fiscal year.

Operating profit (loss)

After taking into account €80.6 million of depreciation (an increase of €4 million year-on-year), operating profit was €122.5 million, or 4.5% of revenue.

Pre-tax profit (loss)

After deducting €16.6 million of financial expenses (including €4.5 million of expenses due to hedging and settlement of historical interest rate hedges), pre-tax profit was €103.5 million

Consolidated net profit

After taking into account an income tax expense of €27.5 million (including a tax adjustment expense of €6 million in Belgium), consolidated net income was €76.4 million, of which €76.0 million attributable to shareholders of the consolidating entity.

4.2.2 Environmental Services

In millions of euros	2017	2016	Change
Revenue	**1,948.8**	**1,405.7**	**+38.6%**
Recurring Ebitda	**177.2**	**96.7**	**+83.3%**
in % of revenue	*9.1%*	*6.9%*	
Recurring operating profit (loss)	**110.2**	**33.0**	**+233.6%**
in % of revenue	*5.7%*	*2.3%*	
France - Restructuring costs of new acquisitions		(2.2)	
Belgium – Ongoing environmental disputes		1.9	
Italy - Discontinuation of the AEP Multiservizi subsidiary		(4.0)	
Impairment of intangible assets in Environmental Services to Italian authorities and others	(4.5)		
Badwill Bartin Recycling	2.4		
Gain/loss on disposal of subsidiaries	(0.3)		
Operating profit (loss)	**107.8**	**28.8**	**+274.1%**

Revenue from the Environmental Services division stood at €1.9 billion, up by 38.6% year-on-year.

Tonnages sold changed as follows:

In thousands of tonnes	2017	2016	Change
Ferrous metals	3,660.9	3,029.6	+20.8%
Non-ferrous metals	544.3	459.3	+18.5%
Total volumes	**4,205.2**	**3,489.0**	**+20.5%**

In millions of euros	2017	2016	Change
Ferrous metals	887.2	577.2	+53.7%
Non-ferrous metals	738.9	532.3	+38.8%
Services	322.7	296.2	+8.9%
Total revenue	**1,948.8**	**1,405.7**	**+38.6%**

Ferrous metals

The 20.8% increase in the tonnage of ferrous metals processed (+22.9% excluding trading) in comparison to the previous fiscal year is distributed as follows:

- France: +22.1%;
- Other European countries: +5.9% (+11% excluding trading);
- Americas: +46%.

The 22.1% increase in processed volumes in France (70% of total ferrous metals volumes) was impacted, to an extent difficult to express as a precise number given the number of modifications made to logistical flows and internal legal reorganizations that took place, by several scope impacts, the most noteworthy being the consolidation, since December 2016, of the tonnages resulting from the acquisition of Bartin Recycling. The Group estimates that this scope effect explains roughly 50% of the increase in processed volumes. This increase in processed volumes is higher than the increase in steel production in the countries where the Group delivers, since electric steel mills experienced a greater increase in production than the average. In contrast to the previous fiscal year, ferrous metals sold for an additional €50 to €60 on average during this fiscal year. The 27.3% price effect combines with a volume effect of 20.8% that explains the 53.7% increase in revenue achieved for ferrous metals sold, which totaled €887.2 million.

Non-ferrous metals

The volumes of non-ferrous metals (aluminum, copper and copper alloys, lead, waste stainless steel, etc.) processed were up 18.5% (+17.4% in France, which handled 91% of the volumes, +13.1% in other European countries, +38.5% in the United States). The aluminum refinery experienced a 23% increase in production volume (start-up of the third furnace in January 2016). Taking into account the price increase that occurred since the US elections, the price effect is +17.1%. Revenue from NFM sales rose by 38.8% to €738.9 million. During the fiscal year, the Group also sought to increase its vertical integration with a view to keeping value added within the Group:

- commissioning of a processing line for aluminum from demolition (AGS) to prepare a product that can be used by extruders;
- commissioning of a line for separating heavy metals after flotation between "red" and "gray". This line provides the Group with more commercial outlets, and enables it to make choices based on the best options available at the time.

Services

Revenue from Services primarily grew as a result of the full-year consolidation of the SLG Recycling services (acquired in January 2016), as well as the increase in the volume of business in Morocco and Canada.

Recurring Ebitda for the Environmental Services Division totaled €177.2 million, i.e. 9.1% of revenue (+2.2 points in comparison to last year).

This improvement is primarily due to the growth in the Group's sales margin (+110 million, i.e. +44% in comparison to last year), itself benefiting from the increase in processed volumes (+20.5%), and to an improvement in the unit margins in comparison to last year, which can be partially explained by the increase in the prices of processed products over the fiscal year. Although the Group is among industry players with the lowest inventory in comparison to its business volume, the value of its "tool inventory" is subject to price fluctuations. Production costs are also increasing (+€29.5 million excluding amortization), in line with business growth, scope effects and the growth in the household waste collection business.

After taking into account €67.3 million of depreciation (an increase of €3.4 million year-on-year), operating profit was €110.2 million, or 5.7% of revenue.

After taking into account the net impact (€2.4 million) of non-recurring expenses, detailed above, operating profit (loss) for Environmental Services totaled €107.8 million.

4.2.3 Business Services

In millions of euros	2017	2016	Change
Revenue	**781.2**	**741.3**	**+5.4%**
Recurring Ebitda	**29.1**	**26.7**	**+9.0%**
in % of revenue	*3.7%*	*3.6%*	
Recurring operating profit (loss)	**18.7**	**17.2**	**+8.8%**
in % of revenue	*2.4%*	*2.3%*	
Operating profit (loss)	**18.7**	**17.2**	**+8.8%**

Revenue grew 5.4% year-on-year, standing at €781 million.

By business lines, the change in revenue is as follows:

- Services (56.7% of total, Cleaning, Energy, other): +10.9%;
- Industry (19.1% of total, Aeronautical, Sensitive environments): +4.2%;
- HR & Temporary sourcing: (19.3% of total): (5.3)%;
- Urban Areas (4.8% of total, billboards, green spaces): (2.7)%.

The Services sector recorded the consolidation of the inherited business Groupe Alter Services (roughly 1/3 of the segment growth, and 2/3 of organic growth). Within the Service sector, Energy business increased by 21%.

The Industry sector reaped the benefits of the training investment made at Derichebourg Atis Aéronautique during the previous fiscal year (+300 people).

HR & Temporary sourcing was down (-5.3%), as previously stated, following the reduction in services provided to one customer for this activity. General temporary staffing increased substantially (+18%).

Revenue from Urban Area activities decreased due to a drop in the price of the services provided to the main customer and a decline in volumes.

Recurring Ebitda for the Multiservices business totaled €29.1 million, i.e., a 9.0% increase over the previous fiscal year. The scale of the increase was affected by the recognition of a provision for URSSAF adjustment of €3.7 million in the Cleaning business following an inspection covering the last three fiscal years. In spite of that, Ebitda of businesses of the Service sector increased by €0.3 million.

Recurring Ebitda for Industry activities was up (+€3.5 million), due to increased business and thanks to the non-recurrence this year of the type of difficulties experienced last year in Germany, caused by an aeronautical program that had a €2 million impact on the results of the first half of last year.

The progress of these two segments is partially offset by a reduction in the recurring Ebitda for the Temporary sector €(1.6) million, and the Urban Area activity.

Recurring operating profit (loss) increased by €1.5 million compared to last year. With no expenses classified as non-recurring, Operating profit (loss) also totaled €18.7 million.

4.2.4 The Holding business

In millions of euros	2017	2016	Change %
Revenue	**1.0**	**0.4**	**134.7%**
Recurring Ebitda	**(3.6)**	**(1.9)**	**N/A**
in % of revenue	*N/A*	*N/A*	
Recurring operating profit (loss)	**(6.5)**	**(4.2)**	**N/A**
in % of revenue	*N/A*	*N/A*	
Capital gains on subsidiary disposals	2.5	(0.0)	
Operating profit (loss)	**(4.0)**	**(4.2)**	**N/A**

The recurring Ebitda for Holding business was impacted by additional personnel expenses and a one-off increase in external charges.

Capital gains on disposal concerns a landfill site in Italy.

Derichebourg SA

With regard to the corporate financial statements of Derichebourg, the parent company, it mainly acts as a holding company for the Group's parent-holding companies and provides financing for the businesses insofar as it bears the risk of the syndicated loan, and cash and financing agreements with the majority of its subsidiaries. It also owns the Group's real estate assets, in particular, via its holding in the Derichebourg Immobilier subsidiary. Derichebourg is also the parent company of the French tax consolidation Group.

Main Company data

In millions of euros	2017	2016
Revenue	3.2	3.2
Operating income (loss)	(3.6)	(2.7)
Net financial income (loss)	29.6	(15.3)
Recurring profit (loss) before tax	26.0	(18.0)
Non-recurring gain (loss)	35.7	6.3
Corporate income tax	11.9	10.1
Net profit (loss)	**73.5**	**(1.6)**

Revenue was stable compared to the previous fiscal year.

Operating income (loss) was €(3.6) million. The growth compared to the previous year is due in particular to additional fees relating to the sale of treasury shares.

Net financial income (loss) became positive again, thanks to higher dividends received compared to last year, in particular from Derichebourg Environnement and Derichebourg Multiservices Holding.

The non-recurring gain (loss) is primarily explained by capital gains of €27.5 million reported in the Company's annual financial statements on the disposal of treasury shares and disposal of investment securities.

Corporate income tax constitutes income for the parent company because of the tax consolidation mechanism. It is higher than last year because of the better taxable results of the French subsidiaries.

Net profit (loss) is significantly positive at €73.5 million.

In accordance with Article L. 441-6-1 of the French Commercial Code, the payment schedule for Derichebourg's trade payables is shown below:

In millions of euros	Due	Not yet due	Total
Non-Group suppliers		0.0	0.0
Intra-Group suppliers		0.3	0.3
Total suppliers		0.3	0.3
Outstanding invoices		0.7	0.7
Total suppliers and related accounts Derichebourg SA		**1.0**	**1.0**

The holding company does not have significant receivables relating to third-parties outside the Group.

Furthermore:

- none of the expenses referred to in Article 39-4 of the GTC were incurred over the fiscal year;
- the Company did not incur any research and development costs. The Group's research and development activities are detailed in 3.2.1.3;
- with respect to ownership thresholds, the following changes were recorded during the course of the fiscal year:
  - thresholds exceeded: none;
  - drops below thresholds: Civitas (Universal Transfer of Assets) and Derichebourg Oil&Gas (disposal): thresholds of 66.7%, 50%, 33.33%.

4.2.5 Outlook

4.2.5.1 Events occurring after year-end

Appeal judgment in a dispute between the Belgian tax authority and the Derichebourg Belgium subsidiary.

On November 2, 2017, the Derichebourg Belgium subsidiary was informed that the Court of Appeal of Mons had overturned the first instance ruling in its dispute with the Belgium tax authority, and it had been ordered to pay corporate income taxes, penalties for late payment and other amounts totaling €6.0 million. A provision for this amount is recognized in the financial statements for the fiscal year ending September 30, 2017. The Company intends to appeal.

4.2.5.2 Significant changes in the financial or trading position, information on trends

In the Environmental Services business area, the Group notes that the steel market is robust and considers that its outlook for the coming months is good, both for ferrous and non-ferrous metals. It believes that in the long-term, the competitive advantages of steel from electric steel mills will win out (less pollution, lower investments), which should lead to an additional requirement for ferrous metals. With its solid presence, efficiency and low debt levels, the Derichebourg Group is positioned to act as a consolidator on its market, and it will study the external growth opportunities that could arise in 2018 so that it can continue to grow in line with its economic model. In addition, the Group will continue to invest in its niche businesses (installing new sorting tables, aluminum, WEEE). The Group will remain attentive to improving the return on capital employed in the various Environmental Services businesses.

In the Multiservices business, growth in revenue and recurring EBITDA are expected at a divisional level. Derichebourg Multiservices is also well placed to participate in the consolidation of various business lines where it already has critical mass.

4.2.5.3 Profit forecasts or estimates

It is not Group practice to supply a detailed profit forecast.

4.2.6 The Group's net financial debt

2016 net financial debt	**225.1**
Recurring Ebitda	(202.7)
Net financial expenses	16.6
Corporate income taxes	26.5
Change in working capital requirement	(2.1)
Tangible and intangible capital investments	106.0
Disposals of assets	(35.1)
Dividends	2.6
Own shares	(46.6)
Changes in scope	20.5
Other	0.1
2017 net financial debt	**110.9**

The generation of significant EBITDA and asset disposals (the Group's own shares, a landfill site in Italy and property assets) have allowed debt to be reduced by half, despite a higher level of investments than in past years and an external acquisition.

4.2.6.1 Cash flow

The cash flow table is included in 5.1.3. Further information on the conditions of the Group's lines of financing can be found in note 4.11 of the notes to the consolidated financial statements.

4.2.6.2 Financing structure and borrowing conditions

The borrowing conditions and financing structure are shown in detail in note 4.11 of the notes to the consolidated financial statements and in paragraph 4.3 "Risk factors and uncertainties".

At September 30, 2017, the Group was compliant with its financial covenants and had €345 million in undrawn credit lines (excluding factoring lines, and including non-confirmed lines).

4.2.6.3 Restrictions on the use of capital

Restrictions on the use of capital are shown in detail in note 4.11 of the notes to the consolidated financial statements.

4.2.7 Investments

4.2.7.1 Objectives

For many years, the Group has had a policy of regular investment, the objectives of which, by sector, are as follows:

Environmental Services division:

- continued expansion of regional coverage;
- better control of sourcing (material flow) by developing a fleet of collection vehicles and reception centers;
- maintaining the high quality of the production equipment;
- development of plants in urban areas and, in a wider sense, compliance with environmental requirements;
- control, where possible, of the land assets of the sites at which the Group operates;
- vertical integration through the setting up of specific sorting lines in order to keep value added within the Group with a higher level of sorting.

Business Services:

- development and rationalization of the branch network;
- purchase of the materials required for the start-up of contracts won.

4.2.7.2 Main investments

The table below shows the main investments made (recognized in asset accounts, independent of the financing mode, use of own shares or leasing):

In millions of euros	2017	2016	2015
Investments in land or infrastructures	19	16	7
Production equipment	37	20	18
Handling and transportation equipment	38	22	24
Other	0	0	0
Environmental Services subtotal	**94**	**58**	**49**
Cleaning	7	6	9
Other Multiservices investments	4	5	4
Multiservices subtotal	**11**	**11**	**13**
Holding companies subtotal	**2**	**2**	**2**
Total property, plant and equipment and intangible investments	**107**	**71**	**64**

In the Environmental Services, the principal investments involved increasing the household waste collection fleet (following contract awards), renewal of the clam-shell grab fleet, additional investments in non-ferrous metals sorting and shredder and shear repairs.

In Multiservices, the investments principally involved the introduction of equipment following contract awards and vehicle renewals.

4.2.7.3 Investments in progress

Engaged investment orders for which invoices have not yet been received, totaled €28.7 million.

4.3 Risk factors and uncertainties

The issuer has reviewed the risks that could have a material adverse effect on its business, financial position or results and considers that to its knowledge there are no other material risks than those described herein.

4.3.1 Specific Environmental Services risks

4.3.1.1 Commercial risks related to Environmental Services

4.3.1.1.1 Risks linked to changes in the economic climate

Historically, the Group's recycling business has consisted essentially in collecting and purchasing ferrous and non-ferrous scrap and end-of-life consumer goods and products, and processing these into ferrous and non-ferrous metals for industrial use. This business now incorporates, through the application of European directives, the requirement that manufacturers and importers recycle end-of-life products. The Group serves these customers directly, generally through competitive tenders, and also indirectly through "eco-organizations" formed by the manufacturers and importers of a given industry, in which case there are specific resource recovery obligations. The Group's business is thus evolving toward a greater share of services, with increasing obligations to extend recycling/recovery to other materials, such as plastics.

The volume of material processed therefore depends mostly on waste sources, i.e., domestic consumption upstream and ferrous and non-ferrous metal production downstream.

Scrap metal is collected from three sources:

- production waste;
- demolition scrap mainly from industrial facilities;
- end-of-life consumer goods and products.

These "resources" are recycled and mostly processed to make new ferrous, non-ferrous and plastic raw materials. This recycling determines the supply of these materials while their price depends on demand, which in turn depends to a large extent on the requirements of the emerging countries.

A slowdown in growth, an economic crisis, the gap between the price of shredded or ferrous scrap and the price of iron ore, or an event that affects a national or the global economy may affect the volumes and prices, resulting in a fall in the profitability of this business.

Furthermore, a severe deterioration in economic conditions may be likely to create in some players behaviors aimed at retaining business volume, at any cost, to the detriment of margins and any kind of rational behavior, thereby resulting in a deterioration in purchasing and sale terms for other competitors, including the Group.

4.3.1.1.2 Risks pertaining to changes in raw material prices

In general, the Group tries to limit its inventory volumes. By the same token, it is usually able to take the purchase price into account in the sales price because the Group enters into few forward contracts to buy or sell ferrous or non-ferrous metals at firm prices. As for the ferrous metals market, these contracts generally do not require a firm price commitment beyond one month. Depending on whether metal prices rise or fall, the Group may have to purchase or sell at a price less favorable than when the contract was entered into to honor a contract. However, the Group's practice is to only enter into a contract to purchase when a sale has been made.

Three specialist companies, aluminum refiner Refinal, and ferrous metals traders Inorec and Coframétal, may make buy or sell commitments before finding a counterparty for the transaction. They may hedge these transactions on the London Metal Exchange. (Other Group companies may also hedge transactions on the LME, but this is exceptional.)

The Group may therefore have to sell its inventories of processed metal goods to its customers for less than the initial purchase price if the market price for these goods declines between the time of purchase and the time of sale.

Please note that Environmental Services' working capital requirements can vary greatly according to changes in tonnage and metal prices. In general, the more the Environmental Services' working capital requirement increases (before any factoring), the better operating profit is, since there is usually a correlation between pricing changes and volumes delivered by suppliers (especially scrap dealers).

The table below shows the estimated impact on the Company's working capital requirements of different events.

In millions of euros	Impact on working capital requirement
10% increase in monthly tonnage	~ €10 million
10% increase in unit price per tonne	~ €10 million

The positions shown are the estimated monthly variations. Intra monthly variations may be greater. The two effects may be cumulative.

The data are presented prior to recourse to the factoring which enables this requirement to be funded, possibly with a time lag of up to one month.

4.3.1.1.3 Risks distinguishing waste and non-waste goods

Waste is subject to special value-added tax treatment. In 2008, a reverse-charge scheme was set up in France for VAT owed on new industrial waste and recovered materials. The purchaser of these products, which are invoiced net of VAT, "reverse charges" the VAT and deducts it from the price. This new scheme reduces the risk that a "rogue" seller of new industrial waste will not repay VAT owed to tax authorities. When making purchases, the Group is careful to observe the distinction between waste and non-waste goods but cannot verify

that the vendors of these items are processing these transactions as they should.

European regulation 333/2011, which came into force on October 9, 2011, defines a certain number of criteria (maximum impurity level, internal quality management procedures, issue of compliance certificates) which, when combined, mean that some iron, steel and aluminum scrap that was previously considered waste can now be considered products. This change has no effect on the VAT regime applicable at this stage.

4.3.1.1.4 Risks linked to the attractiveness of processed products

Ferrous and non-ferrous metal price fluctuations over the last few years have made products processed by the Group more attractive, particularly when prices are high. The Group is exposed to metal theft via its presence in these markets, and unintentionally faces the risk of receiving stolen metals. The Group has a policy of certifying suppliers and their products. Ferrous and non-ferrous scrap metal, like all other waste the Group processes, is carefully examined in each operating entity to ensure that it meets quality criteria and is traceable, to the extent this is feasible given the inherent limitations in the recycling industry.

Although the Group has taken steps to protect its assets it cannot assure that they will be sufficient. In view of the effort made to limit inventories on the different sites (principally because of the risk of price fluctuations) and of the dispersion of inventories between plants, the Group considers that the occurrence of an isolated event would not have a significant impact on its results and financial position taken as a whole.

4.3.1.1.5 Risks linked to retail metal purchases

Until August 2011, payment in cash for retail purchases of ferrous or non-ferrous metals of up to €500 per transaction was permitted by French law.

Since the publication of the 2011 amending finance law in the Journal Officiel on July 30, 2011, payments in cash for any transaction relating to the retail purchase of ferrous or non-ferrous metals have been prohibited.

Metal purchases must be paid for by crossed check or bank or post office transfer.

The Derichebourg Group supported this provision which involves the practice of using a "police book" to register the sale of scrap and reduces the risk of attacks on employees holding cash or the difficulty of distinguishing individuals from professionals in terms of suppliers, as well as the risk of receiving stolen goods.

Furthermore, as of January 1, 2012, retail purchases of ferrous and non-ferrous metals must be declared on an annual basis, prior to January 31 every year, showing the name and address of the vendors, as well as the total annual purchases made from said vendors.

The Group's strict application of voluntary procedures is likely to protect it from the risk of collusion and fraud, which, nevertheless, cannot be entirely eliminated.

Laws vary from country to country, and are sometimes more favorable for payments made in cash, which can lead to loss of volumes in border regions. When possible, and taking into account that it does not have police powers, the Group verifies the identity of suppliers.

4.3.1.1.6 Business concentration risks

One major client accounts for approximately 15% of revenue achieved by the Environmental Services business (14% in 2015-2016), the top five clients account for around 32% (31% in 2015-2016), and the top ten for 40% (40% in 2015-2016). The financial failure of one or more of these clients would be likely to have a severe negative impact on the Group's profits and business.

4.3.1.2 Industrial and environmental risks

Service, production, treatment and recycling facilities have mandatory operating licenses issued by the competent authorities.

Nevertheless, recycling could be a source of pollution if it is not carried out in processing plants that have the equipment necessary to protect the environment.

The Group has grown through investment, by acquiring existing sites and by creating new ones. Effort is focused on:

- cleaning up past pollution;
- ensuring that existing sites and new facilities, in particular, are up to standards.

To the Group's knowledge, no pollution hazards have been revealed for which a provision has not been made or for which a solution is not in the process of being implemented. However, it does not have a complete history of all of its sites. As cities expand they may want to acquire land that the Group uses, either through an amicable purchase or through legal means. In such a case the Group will do its best to obtain compensation to cover the moving and reinstallation costs this entails. It also negotiates the terms by which it must terminate site operation, since cities often want land rehabilitated to enable its use for residential purposes, even though this land was initially for industrial use.

Over the past few years, the Group has made large investments in the yards it has acquired, so that they will ensure a high level of environmental protection. Numerous actions have been undertaken to reduce noise at industrial sites, closely monitor emissions and waste-water discharge, and protect soil. Various analyses are conducted each year to measure compliance with the standards specified in operating licenses. The Group is also pursuing its efforts to convert an increasing share of shredding residue into useful materials or energy. 75 yards have received "ELV" certification, enabling them to recycle and process End-of-Life Vehicles in an environmentally-friendly manner. Environmental issues that concern Environmental Services are monitored and managed by the division's regional departments, each of which has its own "environment manager".

A change in regulations is expected in the forthcoming years as regards other forms of pollution (atmospheric emissions, noise emissions, etc.) which is expected to lead to significant investments to ensure that existing facilities comply with the new standards, where necessary. This change would affect all operators. At this stage, it is not possible for the Group to cost the impact of this change, or determine the date of these investments.

4.3.2 Specific Business Services risks

4.3.2.1 Risks related to achieving forecast profit and cash flow

The net amount of goodwill appearing in the financial statements for Business Services as of September 30, 2017 was €167 million.

The goodwill appearing in the Derichebourg Group's consolidated financial statements is subject to periodic impairment tests. These tests are based on discounted future cash flows.

A change in one or more parameters could result in a value for the Business Services activity that is below that of the assets appearing in the financial statements: if, in the future, inadequate Business Services business performance or changes in discount rates have a negative impact on the values obtained and thus necessitate recognition of a value in use lower than the carrying amount for such assets, the Group would be required to recognize impairment for the amount of the shortfall, which could have a significant impact on the balance sheet and the Group's results. Also, changes in French employment regulations, which would affect reductions in tax expenses or credits related to lower salaries without reducing social charges, would adversely impact the Group's financial performance and could lead to the value of goodwill on the balance sheet being scrutinized. The different calculation parameters are explained in note 4.1 of the notes to the consolidated financial statements.

4.3.2.2 Risks linked to concentration on certain customers

In Business Services, the Group works with around 10,000 customers. The largest customer (a group of legal entities controlled by a single company) accounts for about 20% of annual revenue (23% in 2015-2016).

4.3.2.3 Risks of a labor dispute and its consequences, or of changes in employment regulations

The Group's Business Services are labor-intensive activities that are often subject to collective bargaining agreements that oblige employers to take on or take back staff when a contract is entered into or terminated. This may adversely affect the nature of the relationship between an employer and its personnel and complicate the resolution of industrial disputes.

Operating and human resource managers both in France and abroad pay particular attention to labor relations.

Developments in labor relations and the applicable regulations are closely monitored to ensure that future impacts can be anticipated wherever possible. Particular attention is paid to developments and possible future changes in French employment law, given their importance for Business Services.

In particular, the introduction of the Employment Competitiveness tax credit (CICE) in 2013 had a significant impact in terms of lowering labor costs for companies employing a high proportion of workers earning less than 2.5 times the French minimum wage (SMIC). Its abolition without giving rise to lower charges, or a change to the eligibility criteria, would have a significant impact on the Business Services financial statements.

4.3.3 Risks linked to the sale of Servisair

Derichebourg sold Servisair to Swissport France Holding on December 23, 2013. The share purchase agreement includes representations and warranties that might give the buyer the right to a partial repayment of the selling price in the event of inaccurate representations by the seller. The Group considers that PAI's disposal of Swissport to HNA, which took place in February 2016, made Swissport lose the right to request partial repayment of the disposal price of Servisair. Swissport does not share this interpretation and believes that it is still entitled to ask for a partial reimbursement of the sale price for claims notified in due time until February 2016. In September 2016, the Group summoned Swissport before the District Court of Paris in order to establish the termination of the representations and warranties, and declare that Swissport is no longer entitled to the partial reimbursement of the sale price of Servisair. If the proceedings brought against it by the Group before the Regional Court do not turn out well, or if the claims sent in by the buyer are held up in court without appeal (no proceedings have been brought to the courts by Swissport at this stage), the Group may be obliged to repay Swissport a portion of the disposal price for a maximum amount of €30 million. This dispute was resolved the day before the Board of Directors meeting to approve the Group's accounts on December 5, 2017 by a payment of €2.7 million. The €6.2 million liability to cover this risk will be reversed in the 2017-2018 fiscal year.

4.3.4 Information technology risks

The Group is careful to ensure the security of its various IT networks. However, it cannot guarantee that a computer attack will not disrupt the operation of its IT networks and adversely affects its business. However, the Group does believe that Environmental Services and Business Services would be able to continue to operate on a partial basis.

4.3.5 Credit and counterparty risks

Financial transactions (i.e., loans, hedges on currencies, interest rates and raw materials) are carried out with leading financial institutions for the purpose of reducing risk.

To reduce counterparty risk on domestic, export and foreign accounts receivable, Environmental Services and Business Services systematically apply for credit insurance to cover 95% of this risk on these receivables, excluding taxes. The credit insurer may however sometimes

refuse coverage based on its assessment of a customer's solvency. Exposure to customer risk is regularly compared to the credit insurer's authorized limits.

For several years now, the Group has implemented a very strict policy of monitoring customer outstandings and systematically issuing routine reminders for overdue outstandings.

The Business Services business has a very large portfolio of customers that represents all sectors of the French economy. Its credit risk is therefore proportionate to the risk that the French economy itself will fail and without the risk that the default of any single customer could threaten the Group's survival.

The Group has not yet observed any significant increase in payment delays, with non-recoverable losses totaling €2.4 million. The Group considers that its other loans, taken as a whole, do not constitute a substantial risk, except for certain receivables more than four months overdue (see note 4.12.5 in the notes to the consolidated financial statements).

4.3.6 Presentation of the liquidity risk

The Group uses a cash-flow management tool to ensure that it maintains sufficient cash at all times. This tool keeps track of the maturity of financial investments and financial assets (e.g., accounts receivable) and the estimated future cash flow from operations.

At September 30, 2017, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement signed in March 2014, with an authorized outstanding amount of €153 million at September 30, 2017. It includes a five-year loan for €53 million, repayable in equal annual installments (outstanding amount authorized and drawn of €53 million at September 30, 2017), and a five-year revolving loan for the sum of €100 million. The next installment for the repayment loan is due on March 31, 2018 and amounts to €10.6 million. At September 30, 2017, there was no drawing being made under the revolving loan;
- a non-recourse factoring agreement of a €270 million credit line (depending on the receivables available), renewed in April 2016 extending the maturity to the end of December 2018. The *factoring* purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse beyond that amount. The total receivables that may be derecognized by the Group is thus dependent on the total receivables available and the credit insurers' authorized limits. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by the Group;
- €94.6 million in medium-term borrowings, entirely drawn down (including the CICE 2017 pre-financing);
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding as at September 30, 2017 was €80 million;
- bilateral credit lines, whether confirmed or not, totaling €102.7 million, which are not used since the Group's net cash position is €141.8 million at September 30, 2017.

The main payment maturity dates up to 2022 are shown in the table below.

Main maturity dates

In millions of euros	< 1 year	< 2 years	< 3 years	< 4 years	< 5 years	Total
Syndicated credit	10.6	10.6	10.6	10.6	10.6	53.0
Finance leases	24.9	19.7	14.2	10.4	5.9	75.1
Other medium- and long-term lines[(1)]	39.7	10.9	12.1	11.7	9.7	84.1
Total	**75.2**	**41.2**	**36.9**	**32.7**	**26.2**	**212.2**

(1) Of which factoring accounts for €19.9 million due in less than one year.

Financial ratios

The loan agreement requires the Group to maintain the following financial ratios:

- the leverage ratio, being the ratio of (a) consolidated net financial debt to (b) consolidated recurring Ebitda, on each calculation date and over a rolling 12-month period ending on each calculation date considered. This ratio must be less than 3.00.

At September 30, 2017, the leverage ratio was 0.55;

- the debt service coverage ratio, calculated by taking consolidated recurring Ebitda over a rolling 12-month calendar divided by consolidated net financial expenses over a rolling 12-month period. This ratio must be less than 5.

On September 30, 2017, the debt service coverage ratio was 12.18.

The Group was in compliance with its financial covenants on September 30, 2017. Failure to comply with these ratios would be considered a default event and a majority of the lenders could elect to enforce covenants.

Given the liquidity margin of €344.5 million at September 30, 2017, and based on business and investment forecasts, the Group estimates that it has sufficient financial lines to meet its payments over the 12 months from September 30, 2017.

4.3.7 Market risks (interest rates, exchange rates, equities, metals)

Market risks are shown in note 4.12 of the notes to the consolidated financial statements.

4.3.8 Presentation of risks arising from legal proceedings

4.3.8.1 Italy

- In August 2007, the Derichebourg Environnement subsidiary had signed a confidential agreement, which was reaffirmed in December 2007, to acquire a company operating two recycling centers in Italy, each equipped with a powerful shredder. This acquisition would have given the Group a leadership position in Italy and enabled synergies with existing operations. The value negotiated for these assets was based on the market conditions prevailing in 2007 in recycling. Since the conditions precedent to this agreement were not observed by the December 28, 2008 deadline, and since subsequent negotiations failed, this acquisition was abandoned by Derichebourg Environnement. In response to the seller's demands to go through with the acquisition, Derichebourg Environnement undertook legal action to have the acquisition agreement canceled, its initial payment of €15 million returned and compensation paid in consideration of the many anomalies observed.

  On March 4, 2014, the Court issued a preliminary partial decision, which was unfavorable to the Group; however, the Court did not rule on the opposing party's claims. A provision was made for the entire amount of the initial payment as a precaution. Derichebourg Environnement has appealed this decision which it considered to be ill-founded in fact and law.

  On October 27, 2016, the Court of Appeal of Milan issued a second decision, also partial, in the sense that it concerned only the Group's requests and not those of the opposing party. This second decision confirmed the first one and dismissed all of Derichebourg Environnement's requests (reimbursement of the advance of €15 million and cancellation of the initial protocol for failure by the opposing party). Derichebourg Environnement appealed this decision.

  On February 20, 2017, a first instance decision was rendered by the Court of Milan regarding the claims made by the opposing party regarding the execution of the sale, and the granting of compensation for damages. The court dismissed the entirety of the opposing party's claims, reasoning that the conditions required for completing the sale were not present, and dismissed the opposing party's claims for damages. The opposing party has appealed this judgment. Derichebourg Environnement also intends to appeal the provisions of this judgment, which declares it in default in the execution of the contract.

  If the claims of the opposing party were to be successful after exhaustion of legal remedies, the court may order the conduct of the transaction which would result in the acquisition of the said recycling sites, for a consideration of €43 million (plus interests for late payment estimated at approximately €10 million). The Group has financing lines to carry out this acquisition.

- In November 2013, the director (managing director) of the Italian subsidiary of the Multiservices business (AEP Multiservizi) was remanded in custody, as part of an investigation into procedures for awarding public contracts in Campania. Given the block on the company's operations likely to be caused by his incapacity, his appointment as managing director was revoked. He has since been freed and the post-judgment measures of constraint lifted. Although the Company itself was not the subject of legal action, the Group decided to anticipate the consequences of this company's situation and recorded a long-term provision of €4 million in its financial statements for the fiscal year ended September 30, 2016. The company is in the process of reducing its activity.

4.3.8.2 Belgium

- A tax audit was conducted on the Belgian subsidiary Derichebourg Belgium (formerly George & Cie), relating to the identification of suppliers of metals and ferrous scraps for the years 2006 to 2010. The tax authority believes that the Company did not adhere to the law concerning identification of the VAT of suppliers and rejected the deduction of purchase invoices deemed non-compliant. This would result in an increase in corporate income tax of €5 million, plus legal interests.

The Company contests this sanction claiming, in particular, that:

- Belgian legislation in force at that time did not give the subsidiary any legal power to identify said suppliers of metals;
- an audit covering these fiscal years had been conducted in 2008 during which these issues were raised but did not give rise to any specific comments.

The Company holds a copy of the identification card of most of its suppliers, a procedure that exceeds legal requirements.

On November 26, 2015, the company received a first instance decision in its favor. The tax authority has appealed. The appeal judgment was delivered after the year-end, on November 2, 2017, and overturned the first instance ruling. Except for one fiscal year which could not be assessed, it supported all the claims of the tax authority. The Company intends to appeal. In the light of this unfavorable decision, a provision of €6 million has been recognized in the financial statements as at September 30, 2017.

4.3.9 Insurance and coverage of risk

The Group's insurance policy seeks to define and implement, based on the identification and rigorous analysis of the risk exposures of its business lines, the best possible balance between, on the one hand, the level and scope of insurance required to cover the identified insurable risks and, on the other hand, a level of costs that will enable each operating entity to remain competitive in its sector.

With this in mind, the Group has set in place common international insurance programs. These programs are managed centrally by the Group Insurance Department.

This department is responsible for the identification of needs and the negotiation of insurance policies. Daily prevention management and the monitoring of risks and claims of less than €100 thousand are carried out by local units in each Group entity. The largest entities have a Risk Manager, where appropriate, who reports to the Group Insurance Department. Claims management presents some major

challenges. Claims are managed by the Group Insurance Department. As part of the prevention policy, premiums, or a share of premiums in relation to claims experience, are re-billed to subsidiaries, which also bear the applicable deductibles. The Group Insurance Department is also charged with managing and coordinating the network of insurance companies used worldwide.

Overall policy

All entities are covered by international master policies. Local insurance policies are drafted based on the master policy, with a view to adapting the master policy to locally-identified risks and to local regulations, which may differ from one country to another. The Group is also conscious of the need to prevent risks, and allocates resources to training, site security, and a range of programs covering, for example, health, safety and the environment, etc. Insurance policies have been taken out with financially sound international insurance companies. This enables the Derichebourg Group to ensure the local management of identical policies throughout the world.

Main programs

The Group's main insurance programs are as follows:

- General Public Liability Insurance: covering third-party criminal and contractual liability incurred by the Group in the event of personal injury or material and intangible damage likely to arise in the course of business operations or after delivery;
- Specific Public Liability Insurance for pollution risks;
- Airport Public Liability Insurance;
- Accident insurance: covering direct material damage and consequential operating losses arising from accidents to the insured equipment;
- Vehicle Fleet Insurance: working from a common base, these are essentially policies adapted to the needs of local regulations;
- Transport Insurance: covering claims arising from maritime, rail and ground transportation between the Group's plants and its customers;
- Charterer Insurance;
- Ten-Year Insurance for all building-related activities;
- Directors' Liability Insurance;
- Workers' Compensation insurance, to cover work-related accidents and illness; this system is specific to the United States.

The Group's US subsidiaries also carry a number of insurance policies to cover claims that are not specifically included in the Group policies or which have to be covered by an insurance policy issued in the US. This applies, in particular, to damage to assets, environmental liability and public liability.

The characteristics of insurance policies (amounts insured, excesses, etc.) are reviewed regularly to ensure they are appropriate to the needs of the Group.

The Group considers that it has put in place adequate coverage, both in terms of its scope and the insured amounts, for the risks inherent in this business.

Policies recognized in the Group's financial statements at September 30, 2017 amounted to €11 million.

4.3.10 Legal proceedings and arbitration

With the exception of those proceedings described in 4.3.8 and in note 4.26 of the notes to the consolidated financial statements, there are no governmental, legal or arbitration proceedings, including any proceedings known to the Company and which are in abeyance or with which it is threatened, likely to have, or having had over the course of the last 12 months, significant effects on the Company's and Group's financial position or profitability.

4.4 Corporate governance

4.4.1 Composition of administrative, management, supervisory and general management bodies

To the best of the Company's knowledge, none of the members of the Board of Directors has been convicted of fraud during the last five years. No member has been involved as a director in a bankruptcy, administration or liquidation during the last five years and no member has been subject to any criminal penalty or official public reprimand issued by a statutory or regulatory authority. To the Issuer's knowledge, none of the members of its Board of Directors has been forbidden by a court from holding a position as a member of an administrative, management or supervisory body of a publicly held company or from participating in the management or operation of a publicly held company during the last five years.

4.4.1.1 List of members of the Board of Directors and managing directors at September 30, 2017

Name and address for professional purposes	Position	Date of first appointment	Date of last reappointment	Date appointment expires
Daniel DERICHEBOURG at the Company's registered office: 119, avenue du Général Michel Bizot 75012 Paris Father of Thomas and Boris DERICHEBOURG Shares held directly: 117	Director Chairman of the Board of Directors and CEO	Board meeting of June 29, 2006 Board meeting of June 29, 2006	Shareholders' meeting of February 10, 2016 Board meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Abderrahmane EL AOUFIR at the Company's registered office: 119, avenue du Général Michel Bizot 75012 Paris Shares held: 0	Deputy CEO (non-director)	Board meeting of January 8, 2014	Board meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Bernard VAL at the Company's registered office: 119, avenue du Général Michel Bizot 75012 Paris Shares held: 1	Independent director	Shareholders' meeting of June 24, 2004	Shareholders' meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Matthieu PIGASSE at the Company's registered office: 119, avenue du Général Michel Bizot 75012 Paris Shares held: 1	Independent director	Board meeting of October 25, 2005	Shareholders' meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Boris DERICHEBOURG at the Company's registered office: 119, avenue du Général Michel Bizot 75012 Paris Son of Daniel DERICHEBOURG Shares held: 56	Director	Shareholders' meeting of July 18, 2007	Shareholders' meeting of February 18, 2013	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2018
Thomas DERICHEBOURG at the Company's registered office: 119, avenue du Général Michel Bizot 75012 Paris Son of Daniel DERICHEBOURG Shares held: 56	Director	Shareholders' meeting of July 18, 2007	Shareholders' meeting of February 18, 2013	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2018
CFER Represented by Mrs. Ida DERICHEBOURG 15 rue Messidor, 75012 Paris Paris Trade and Companies Registry under number 339,638,306 Shares held: 82,133,526	Director	Shareholders' meeting of February 18, 2013		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2018
Françoise MAHIOU at the Company's registered office: 119, avenue du Général Michel Bizot 75012 Paris Shares held: 0	Independent director	Shareholders' meeting of February 10, 2016		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021

Name and address for professional purposes	Position	Date of first appointment	Date of last reappointment	Date appointment expires
Catherine CLAVERIE at the Company's registered office: 119, avenue du Général Michel Bizot 75012 Paris Shares held: 0	Independent director	Shareholders' meeting of January 30, 2017		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2022

4.4.1.2 Information and list of offices and positions held by acting corporate officers and related information

Mr. Daniel DERICHEBOURG, Chairman of the Board of Directors and CEO

Mr. Daniel DERICHEBOURG is the Group's Chairman and CEO and has held the offices appearing in the tables below.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017

Chairman and Chief Executive Officer	CFER	
Chairman	DERICHEBOURG ENVIRONNEMENT	FINANCIÈRE DBG
Director	CFER SEM RESIDENCE VILLENEUVE	PARIS SUD HYDRAULIQUE
Manager	DBG SCI LES CHÊNES SCI LE POIRIER DE PISCOP SCI HEBSON SCI DERO IMMO SCI DU PARC DES CHANTERAINES SCI DE FONDEYRE	SCI FINANCIÈRE DES EAUX SCI LES MYRTES DU DETROIT SCI FINANCIÈRE DES SOURCES STÉ DES DEMUEYES SCI BERNES & BRUYÈRES SCEA DU CHÂTEAU GUITERONDE
Legal representative	LES ARRAYANES (SCI HEBSON) LES BUIS DE CHÂTEAUVIEUX (SCI HEBSON) SCI LES LAURIERS (SCI HEBSON) SCI Les ARBOUSIERS (SCI HEBSON) SCI LES NOISETIERS (SCI HEBSON) SCI LES MÛRIERS (SCI HEBSON)	STÉ DES DEMUEYES (SCI LES COQUETIERS) SCI DU BOUGAINVILLIER ROSE (SCI HEBSON) SCI DU MERISIER ROUGE (SCI HEBSON) SCI DE L'ORME ARGENT (SCI HEBSON) SCI L'ÉCUREUIL (SCI HEBSON)
Chairman abroad	DERICHEBOURG RECYCLING USA, Inc.	
Managing director in Belgium	TBD FINANCES	
Director abroad	CFF RECYCLING UK Ltd DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG IFRANE DERICHEBOURG INTERIM FORMATION EVOLUTION MAROC	DERICHEBOURG KENITRA DERICHEBOURG MAZAGAN DERICHEBOURG RABAT DERICHEBOURG RECYCLING MEXICO DERICHEBOURG RECYCLING USA, Inc.
General partner in Belgium	DBG FINANCES	

Other offices held during the last five years

Chairman	SERVISAIR SAS	
Director	AFM RECYCLAGE	
Permanent representative	SERAM SA (DERICHEBOURG)	
Director abroad	SERVISAIR GROUP Ltd SERVISAIR UK Ltd	SERVISAIR USA Inc.
Managing director in Belgium	DBG FINANCES	

Mr. Abderrahmane EL AOUFIR, Deputy CEO

Mr. Abderrahmane EL AOUFIR is the Group's Deputy CEO and holds and has held the offices appearing in the tables below.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017

Chairman	BARTIN Recycling DERICHEBOURG EXPANSION INOREC REFINAL INDUSTRIES	VALME TECHNOLOGIES VALRECY
CEO	DERICHEBOURG ENVIRONNEMENT	FRICOM RECYCLING
Director	AFM RECYCLAGE FRICOM RECYCLING	HYDROVIDE SERAM SA
Co-manager	SCI DERICHEBOURG IMMOBILIER	
Chairman abroad	GEORGE & COMPAGNIE	REYFRA
Manager abroad	DERICHEBOURG UMWELT GmbH	
Director abroad	CRS DERICHEBOURG MAROC DERICHEBOURG MEDIO AMBIENTE SA DERICHEBOURG RECYCLING USA Inc. DERICHEBOURG RECYCLING MEXICO	REYFRA SAN GERMANO SELMAR SA

Other offices held during the last five years

Chairman and Chief Executive Officer	SERVISAIR FRANCE	SERVISAIR CARGO FRANCE
CEO	SERVISAIR SAS	
Director	SERVISAIR FRANCE	SERVISAIR CARGO FRANCE
Co-manager	COFRAMETAL REFINAL INDUSTRIES	SCI CARSOA
Permanent representative	DERICHEBOURG MULTISERVICES (SERVISAIR FRANCE)	
Chairman abroad	HEATHROW CARGO HANDLING SERVISAIR ALERICAS Inc.	SERVISAIR AMSTERDAM
CEO abroad	SERVISAIR HOLDING CANADA Inc. SERVISAIR GROUP Ltd SERVISAIR LLC	SERVISAIR Inc. TRINIDAD AND TOBAGO Ltd
Manager abroad	DBG HOLDING GmbH	
Director abroad	HEATHROW CARGO HANDLING INTERNATIONAL AIRLINE HANDLING (CORK) Ltd INTERNATIONAL AIRLINE HANDLING (SHANNON) Ltd INTERNATIONAL AIRLINE HANDLING (DUBLIN) Ltd REI SAFIRA FACILITY SERVICES SERVISAIR ALERICAS Inc. SERVISAIR CHILE SERVISAIR CONTRACT HANDLING Ltd SERVISAIR DANMARK SERVISAIR FINLAND SERVISAIR HOLDINGS Ltd SERVISAIR IBERICA SA SERVISAIR IRELAND	SERVISAIR LLC SERVISAIR NOMINEES SERVICES Ltd SERVISAIR PERU SERVISAIR Portugal UNIPESSOAL LDA SERVISAIR SVERIGE AB SERVISAIR TCI Ltd SERVISAIR UK Ltd SERVISAIR USA Inc. SERVISAIR VENEZUELA CA SHAMROCK LOGISTICS Ltd TRADING SPACES Ltd

Mr. Bernard VAL, independent director

Mr. Bernard VAL holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017

Director	SOCIÉTÉ DES AUTOROUTES ESTÉREL, CÔTE D'AZUR, PROVENCE, ALPES (ESCOTA)	AUTOROUTES DU SUD DE LA FRANCE (ASF)

Other offices held during the last five years
None.

Mr. Matthieu PIGASSE, independent director

Mr. Matthieu PIGASSE holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017

Managing partner and deputy managing director	LAZARD FRANCE	
Vice-Chairman	LAZARD EUROPE	
Chairman of the Board of Directors	LES ÉDITIONS INDÉPENDANTES	
Chairman	LES NOUVELLES ÉDITIONS NUMÉRIQUES LES NOUVELLES ÉDITIONS INDÉPENDANTES	YSATIS
Director	GROUPE LUCIEN BARRIÈRE	THÉÂTRE DU CHÂTELET BSKYB GROUP
Member of the Supervisory Board	SOCIÉTÉ ÉDITRICE DU MONDE	LE NOUVEL OBSERVATEUR

Other offices held during the last five years

Director	RELAXNEWS	

Mr. Boris DERICHEBOURG, director

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017

Chairman and Chief Executive Officer	DERICHEBOURG ÉNERGIE	DERICHEBOURG ÉNERGIE E.P.
Chairman	DERICHEBOURG AUTOMOBILES SERVICES (ex LOGISTICS & SERVICES SUPPORT) DERICHEBOURG ESPACES VERTS DERICHEBOURG INTERIM DERICHEBOURG LOGISTIQUE ET MANUTENTION DERICHEBOURG MULTISERVICES DERICHEBOURG MULTISERVICES HOLDING DERICHEBOURG PROPRETÉ DERICHEBOURG RETAIL DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	DERICHEBOURG SHC DERICHEBOURG SNG DERICHEBOURG SOURCING AERO & ENERGY DERICHEBOURG SPECTACLE DERICHEBOURG TECHNOLOGIES DERICHEBOURG TRAVAUX & MAINTENANCE NUCLÉAIRE GROUPE ALTER SERVICES ULTEAM
Director	CFER DERICHEBOURG ÉNERGIE	DERICHEBOURG ÉNERGIE E.P.
Managing partner	BORIS COURSE ORGANISATION	
Manager	CIVITAS PSIMMO SCI CFF BETA SCI LES CYPRÈS DE MONTMORENCY	SCI HAUTE-GARONNE SCI LES CHÂTAIGNIERS SCI LES PEUPLIERS SCI LES SOPHORAS
Chairman abroad	DERICHEBOURG MC DERICHEBOURG TESIS YÖNETIMI	SAFIRA FACILITY SERVICES SELMAR SA
Director abroad	DERICHEBOURG MARRAKECH DERICHEBOURG TESIS YÖNETIMI	SAFIRA FACILITY SERVICES SELMAR SA

Other offices held during the last five years

Chairman and Chief Executive Officer	SERVISAIR FRANCE	
Chairman	ASSOCIATION DERICHEBOURG MISSION HANDICAP DERICHEBOURG ATIS MAINTENANCE SERVICES	DERICHEBOURG ENTREPRISE ADAPTÉE HERACLÈS
Director	ASSOCIATION DERICHEBOURG MISSION HANDICAP DBG MULTI RESTO SERVICES	SERAM SA SERVISAIR FRANCE
Managing partner	BORIS COURSE ORGANISATION	
Manager	DERICHEBOURG ATIS MAINTENANCE SERVICES	MIROIR 2000
Liquidator	DERICHEBOURG ENTREPRISE ADAPTÉE	DBG MULTI RESTO SERVICES
Chairman and Chief Executive Officer abroad	DERICHEBOURG MAROC	

Chairman abroad	AEP MULTISERVIZI SPA DERICHEBOURG MULTISERVICES Ltd (UK) DERICHEBOURG MULTISERVICES Ltd (Ireland) INFLIGHT CATERING SERVICES (Guernsey) Ltd INFLIGHT CUSTOMER SERVICES Ltd INFLIGHT CATERING SERVICES Ltd	INFLIGHT CATERING SERVICES (Guernsey) Ltd INFLIGHT CLEANING SERVICES Ltd INFLIGHT COMMERCIAL SERVICES Ltd INTER COMPANY SERVICES Ltd DERICHEBOURG MULTISERVICES Ltd (Manx) DERICHEBOURG MAROC
Director abroad	AEP MULTISERVIZI SPA AGYR LUXEMBOURG	DERICHEBOURG MAROC KNIGHTS CLEANING SERVICES Ltd
Permanent representative	DERICHEBOURG ENERGIE E.P. (DERICHEBOURG MULTISERVICES HOLDING)	

Mr. Thomas DERICHEBOURG, director

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017

Chairman and Chief Executive Officer	POLYURBAINE	
Chairman	DERICHEBOURG AQUA DERICHEBOURG AQUA OCEAN INDIEN DERICHEBOURG INTÉRIM OCEAN INDIEN DERICHEBOURG MAYOTTE DERICHEBOURG PROPRETÉ OCEAN INDIEN POLY-ENVIRONNEMENT (ex ECO-PHU HOLDING) LIEN ENVIRONNEMENT POLYAMON POLYANCE POLYBUIS POLYCEJA POLYCEO POLYCOROT POLY-MASSI	POLYREVA POLYSEANE POLY-SELIA POLY-SENTI POLYSOTIS POLYTIANE POLYURBAINE NORMANDIE POLY-VAL POLY-VALYS REVIVAL REVIVAL CHATILLON REVIVAL GELAINVILLE REVIVAL ÎLE-DE-FRANCE REVIVAL NEMOURS
Director	DERICHEBOURG ÉNERGIE E.P. POLYURBAINE	SERAM SA
Manager	LE BISON GOURMAND POLYURBAINE 13 POLY-MILIA	POLY-NEA SCI LES CYPRES DE MONTMORENCY SCI LES CHARMES
Permanent representative	AFM RECYCLAGE (REVIVAL) ALLO CASSE AUTO (REVIVAL) DERICHEBOURG OCEAN INDIEN (POLYURBAINE)	HYDROVIDE (WESTEVER) PARIS SUD HYDRAULIQUE (TBD FINANCES)
Chairman and Chief Executive Officer abroad	DERICHEBOURG A&D DEVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG IFRANE DERICHEBOURG INTERIM FORMATION EVOLUTION MAROC DERICHEBOURG KENITRA	DERICHEBOURG MAROC DERICHEBOURG MARRAKECH DERICHEBOURG MAZAGAN DERICHEBOURG RABAT
Chairman abroad	AEP MULTISERVIZI SPA CMT SPA DERICHEBOURG CANADA ENVIRONNEMENT Inc. DERICHEBOURG CANADA MULTISERVICES Inc.	DERICHEBOURG CANADA Inc. SAN GERMANO SRL
Director abroad	AEP MULTISERVI SPA CMT SPA CRS DERICHEBOURG A&D DEVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG IFRANE DERICHEBOURG INTERIM FORMATION EVOLUTION MAROC DERICHEBOURG KENITRA	DERICHEBOURG MAROC DERICHEBOURG MARRAKECH DERICHEBOURG MAZAGAN DERICHEBOURG MEDIO AMBIENTE DERICHEBOURG RABAT ECOREC RSL SAN GERMANO SRL
Permanent representative abroad	BAS LONGS PRES (DERICHEBOURG ENVIRONNEMENT) CPI (DERICHEBOURG ENVIRONNEMENT) DERICHEBOURG BELGIUM (ex LMR) (DERICHEBOURG ENVIRONNEMENT)	DERICHEBOURG RETAIL BELGIUM (ex SOCOFER) (DERICHEBOURG ENVIRONNEMENT)
Co-manager abroad	DERICHEBOURG UK ENVIRONMENT LTD	DERICHEBOURG UK LTD

Other offices held during the last five years

Chairman and Chief Executive Officer	SERAM SA	
Chairman	ECO-PHU	
Chairman abroad	REI	
Permanent representative abroad	AIRPORT MOSCOW AG (SERVISAIR SAS)	ZAO CARGO TERMINAL PULKOVO (SERVISAIR SAS)
Director abroad	SELMAR SA	REI

Mrs. Sophie MOREAU-FOLLENFANT, permanent representative up to December 7, 2016 of CFER, director

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017

Permanent representative	DERICHEBOURG ÉNERGIE (DERICHEBOURG MULTISERVICES HOLDING) DERICHEBOURG ÉNERGIE E.P. (DERICHEBOURG PROPRETÉ)	HYDROVIDE (WESTEVER) POLYURBAINE (DERICHEBOURG ENVIRONNEMENT)
Director abroad	AEP MULTISERVIZI SPA	

Other offices held during the last five years

Director	ASSOCIATION DERICHEBOURG MISSION HANDICAP
Permanent representative	SERAM SA (DERICHEBOURG MULTISERVICES HOLDING)
Permanent representative abroad	SELMAR SA (DERICHEBOURG MULTISERVICES HOLDING)

Mrs. Françoise MAHIOU, independent director

Mrs. Françoise MAHIOU holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017

Chairman	ASCIUS

Other offices held during the last five years

Director	L'INSTITUT DE L'INGÉNIERIE

Mrs. Catherine CLAVERIE, independent director

Mrs. Catherine CLAVERIE holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017
None

Other offices held during the last five years
None

Mrs. Ida DERICHEBOURG, permanent representative since December 7, 2016 of CFER, director

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2017
None.

Other offices held during the last five years
None.

4.4.1.3 Director elected by the employees and non-voting Board member

None.

4.4.1.4 Conflicts of interest at the level of the Board of Directors, management and supervisory bodies and the executive management

With the exception of:

- the lease described in section 3.2.1.4, between SCI des Demueyes, which is owned by the Derichebourg family and managed by Mr. Daniel DERICHEBOURG;
- the service agreement concluded between Derichebourg and DBG Finances, aiming to define the terms and conditions of DBG Finances' input into the definition and oversight of Group strategy; or
- the agreement to use the Derichebourg trademark in exchange for royalties concluded with TBD Finances, both companies being controlled by the Derichebourg family,

There are no other potential conflicts of interest between the duties of any member of the Board of Directors and their private interests or other duties. Sections 7.3.3 and 7.3.4 and the Statutory Auditors' report appearing in section 7.3.5 show the details of these agreements.

In addition to the applicable provisions of the French Commercial Code concerning regulated agreements, all directors are required to inform the Board of all conflict of interest situations, even if such conflict is only potential, and must abstain from voting on any decision of the Board of Directors for which the existence of a conflict of interest situation would be presumed. There have been no arrangements or agreements made with the principal shareholders, or with customers or suppliers, pursuant to which a member of the Board has been appointed a director of the Company.

Four independent directors sit on the Company's Board of Directors. The Company feels there is no risk of the control referred to in section 4.5.9 being abused.

4.4.2 Compensation and benefits

4.4.2.1 Compensation and benefits in kind

Below we present the total compensation and benefits of all kinds paid by your Company, as well as the amounts declared by subsidiaries and the controlling company, during the fiscal year to each corporate officer in office at the end of the fiscal year.

In euros	2016-2017	2015-2016
Mr. Daniel DERICHEBOURG Chairman and Chief Executive Officer		
Salaries	228,000	228,000
Attendance fees	12,857	15,000
Total	**240,857**	**243,000**

Information has been provided by DBG Finances, which paid Mr. Daniel DERICHEBOURG's compensation.

Attendance fees were paid by Derichebourg.

Mr. Daniel DERICHEBOURG does not have an employment contract with Derichebourg or any other company controlled by Derichebourg SA.

Additionally, Mr. Daniel DERICHEBOURG is provided with a Citroen C2 by the Group.

In euros	2016-2017	2015-2016
Mr. Abderrahmane EL AOUFIR Deputy CEO		
Fixed compensation	286,639	286,996
Variable compensation	200,000	120,000
Total	**486,639**	**406,996**

Compensation was paid by Coframétal.

The variable compensation referred to is that paid over the year. Mr. Abderrahmane EL AOUFIR may receive a variable portion of compensation. This depends, in particular, on the appraisal of operational performance or qualitative criteria appertaining to each senior executive, but is also dependent on the Group's results. There were no outstanding claims in this regard at fiscal year-end.

Mr. Abderrahmane EL AOUFIR is also provided with a Peugeot 407 or an equivalent type vehicle by the Group.

In euros	2016-2017	2015-2016
Mr. Boris DERICHEBOURG Director		
Fixed compensation	149,500	149,500
Variable compensation	50,000	80,000
Attendance fees	12,857	15,000
Total	**212,357**	**244,500**

The compensation was paid by Derichebourg Environnement, under an employment contract, and by DBG Finances in the amount of €13,000.

Attendance fees were paid by Derichebourg.

The variable compensation referred to is that paid over the year. Mr. Boris DERICHEBOURG may receive a variable portion of compensation. This depends, in particular, on the appraisal of operational performance or qualitative criteria appertaining to each senior executive, but is also dependent on the Group's results. There were no outstanding claims in this regard at fiscal year-end.

Mr. Boris DERICHEBOURG is also provided with a Peugeot 508 or an equivalent type vehicle, by the Group.

In euros	2016-2017	2015-2016
Mr. Thomas DERICHEBOURG Director		
Fixed compensation	213,200	213,200
Variable compensation	200,000	120,000
Attendance fees	12,857	15,000
Total	**426,057**	**348,200**

The compensation was paid by Derichebourg Environnement, under an employment contract, and by DBG Finances in the amount of €13,000.

Attendance fees were paid by Derichebourg SA.

The variable compensation referred to is that paid over the year. Mr. Thomas DERICHEBOURG may receive a variable portion of compensation. This depends, in particular, on the appraisal of operational performance or qualitative criteria appertaining to each senior executive, but is also dependent on the Group's results. There were no outstanding claims in this regard at fiscal year-end.

Mr. Thomas DERICHEBOURG is provided with a Renault Talisman-type or an equivalent type vehicle, by the Group.

In euros	2016-2017	2015-2016
Mr. Matthieu PIGASSE Independent director		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	**0**	**0**
Total	0	0

In euros	2016-2017	2015-2016
Mr. Bernard VAL Director		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	12,857	15,000
Total	**12,857**	**15,000**

In euros	2016-2017	2015-2016
Mrs. Françoise MAHIOU Independent director		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	12,857	0
Total	**12,857**	**0**

In euros	2016-2017	2015-2016
Mrs. Catherine CLAVERIE, Independent director		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	0	0
Total	**0**	**0**

Mrs. Catherine CLAVERIE's appointment as director was approved by the shareholders' meeting of January 30, 2017.

In euros	2016-2017	2015-2016
CFER Director Represented by Mrs. Sophie MOREAU-FOLLENFANT (up to December 7, 2016 then by Mrs. Ida DERICHEBOURG)		
Attendance fees	12,857	15,000
Total	**12,857**	**15,000**

Attendance fees were paid by Derichebourg. These attendance fees were paid in November 2016 for the fiscal year 2015-2016 to Mrs. Sophie MOREAU-FOLLENFANT.

Attendance fee data related to fees paid during fiscal year 2016-2017, for work done in the previous fiscal year.

The Shareholders' Combined General Meeting of January 30, 2017 increased the total amount of attendance fees to €120,000. At its meeting on May 22, 2017, the Board of Directors decided on an unequal distribution of attendance fees for fiscal year 2016-2017. Attendance fees in respect of fiscal year 2016-2017 were paid in November 2017.

4.4.2.2 Amounts provisioned or recorded elsewhere

None.

4.4.2.3 Share subscription or purchase options

The Derichebourg Group has no current stock option plan.

4.4.2.4 Performance shares

No performance shares were granted in the Derichebourg Group.

4.4.2.5 Bonus shares

None.

4.4.2.6 Supplementary pension schemes

There are no supplementary pension schemes for directors.

4.4.2.7 Allowances or benefits due, or likely to be due, as a result of termination or change of position

None.

4.4.2.8 Transactions in the Company's securities reported by the directors and corporate officers

CFER, a director of Derichebourg, and whose Chairman is Mr. Daniel DERICHEBOURG, also the Chairman and Chief Executive Officer of the issuer, declared on July 5, 2017 (declaration amended on July 17) that it had sold 2% of the Company's share capital in connection with a private placement via accelerated book-building. The selling price was €6.80/share. Following this disposal, CFER owns, directly and indirectly, 50.12% of the issuer's share capital.

4.5 Legal information related to share capital, securities granting access to share capital, voting rights

4.5.1 Share capital: amount of subscribed capital

As of September 30, 2017, the share capital is set at €40,969,695 (forty million, nine hundred and sixty-nine thousand, six hundred and ninety-five euros). It is divided into 163,878,780 shares with a par value of €0.25 each, all fully subscribed and paid up.

As a reminder, the Board of Directors on December 6, 2016, making use of the tenth resolution of the shareholders' combined general meeting of February 10, 2016, decided to cancel 4,203,250 of its own shares.

The share capital was thus reduced by €1,050,812.50 from €42,020,507.50 to €40,969,695.

4.5.2 Authorized capital not issued

The shareholders' combined general meeting held on January 30, 2017 approved four resolutions delegating authority to the Board of Directors for a period of 26 months to issue all securities that give access to a share of the Company's capital immediately or in the future, either maintaining or eliminating preemptive subscription rights:

- the nominal amount of capital increases that may be carried out is €50 million;
- the nominal amount of debt securities likely to be issued is €500 million;
- the nominal amount of capital increases that may be carried out is €50 million as part of an offer to qualified investors or to a limited circle of investors set out in Article L. 411-2 (II) of the French Monetary and Financial Code within the limit of 20% of the share capital per year;
- the nominal amount of capital increases in respect of the incorporation of reserves is €50 million.

4.5.3 Non-equity securities

None.

4.5.4 Securities giving access to the Company's share capital

4.5.4.1 Share subscription options

There are no share subscription options outstanding.

4.5.4.2 BSARs (Redeemable share subscription warrants)

There are no more BSARs outstanding.

4.5.4.3 BSAs (Share subscription warrants)

There are no more BSAs in circulation since March 13, 2017. No BSA had been exercised at that date.

4.5.5 Potential capital: impact of issues on the equity interest in Derichebourg of a shareholder with a 1% capital interest and who does not subscribe said issues

There is no instrument giving access in the future to the Issuer's capital.

4.5.6 Table showing changes in share capital during the last three fiscal years

As a reminder, below is a recap of the latest share capital developments:

		Number of shares		Number of shares comprising the share capital	Capital movements	Balance share capital	Changes in merger, issue and capital contribution premiums	Merger, issue, capital contribution premium balance
Date	Transaction	created	cancelled		€	€	€	€
September 30,2014				168,082,030		42,020,507.50		27,564,832.00
September 30, 2015				168,082,030		42,020,507.50		27,564,832.00
September 30, 2016				168,082,030		42,020,507.50		27,564,832.00
December 6, 2016	Cancellation of treasury shares		4,203,250	163,878,780	(1,050,812.50)	40,969,695.00	(11,018,637.72)	16,546,194.28

4.5.7 Shares held by the issuer or by its subsidiaries

During the fiscal year, the Company acquired, on October 24, 2016, 1,370,966 Derichebourg shares, representing 0.82% of the share capital. 0.35% of these shares were purchased "for subsequent use in exchange or as payment for acquisitions", and 0.47% for "delivery of shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means". At October 24, 2016, the Company held 13,180,069 of its own shares, representing 7.84% of the share capital.

As of September 30, 2017, the Company no longer owned any of its own shares due to:

- the cancellation by the Board of Directors of December 6, 2016, of 4,203,250 of its own shares using the authorization granted by the shareholders' combined general meeting of February 10, 2016;
- the disposal on May 31, 2017 of 8,976,819 of its own shares representing some 5.48% of the capital for a total €51.2 million. This disposal was made in connection with a private placement via accelerated book-building and was largely subscribed.

As a reminder, the shareholders' combined general meeting of January 30, 2017 authorized the Company, for an 18-month period, to trade in own shares up to a maximum of 10% of its share capital, for the purposes of:

- stimulating the market or market liquidity of Derichebourg stock through a liquidity contract entered into with an investment service provider, in compliance with the ethical charter approved by the AMF, the French securities regulator;
- granting shares to employees, in accordance with legal requirements and generally within the framework of a profit sharing or company savings plan;
- purchasing shares for subsequent use in exchange or as payment for acquisitions;
- delivering shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means;
- canceling the shares thus purchased, as part of the Company's financial policy.

The same shareholders' meeting authorized the Board of Directors to reduce the share capital, in one or more transactions, by canceling the shares thus purchased, subject to a maximum of 10% of the share capital per 24-month period.

4.5.8 Company's shareholding structure and thresholds exceeded

The following table summarizes information about the known shareholders of the Company as at September 30, 2017, the closing date of its most recent fiscal year.

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	82,133,526	50.12	155,719,198	64.93
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	1,739,983	1.06	1,739,983	0.72
Treasury shares	0	0	0	0
Free float	79,939,377	48.78	82,308,387	34.32
Total	**163,878,780**	**100.00**	**239,833,462**	**100.00**

* *Mr. Daniel DERICHEBOURG's family has ultimate control of CFER and FINANCIÈRE DBG.*

As of September 30, 2016, the capital ownership structure was as follows:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	85,411,102	50.81	162,274,350	68.90
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	3,707,417	2.21	3,707,417	1.57
Treasury shares	11,809,103	7.03	0	0
Free float	67,088,514	39.91	69,465,497	29.50
Total	**168,082,030**	**100.00**	**235,513,158**	**100.00**

* *Mr. Daniel DERICHEBOURG's family has ultimate control of CFER and FINANCIÈRE DBG.*

As of September 30, 2015, the capital ownership structure was as follows:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	85,411,102	50.82	162,274,350	69.09
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	3,786,308	2.25	3,786,308	1.61
Treasury shares	12,423,980	7.39	0	0
Free float	66,394,746	39.50	68,758,803	29.27
Total	**168,082,030**	**100.00**	**234,885,355**	**100.00**

* *Mr. Daniel DERICHEBOURG's family has ultimate control of CFER and FINANCIÈRE DBG.*

4.5.9 Voting rights

The voting rights attached to shares are proportional to the amount of capital that they represent. For an equal amount of the nominal value, each share of the capital carries the right to one vote. Nevertheless, a double voting right is attributed to all fully paid shares held in registered form for five years or more in the name of the same shareholder. As of September 30, 2017, the share capital comprised 163,878,780 shares with a nominal value of €0.25 each, including 75,954,682 shares with double voting rights. The number of voting rights at September 30, 2017 amounted to 239,833,462.

At September 30, 2017. Mr. Daniel DERICHEBOURG's family held, through CFER and Financière DBG, 50.16% of the share capital of Derichebourg and 64.96% of the voting rights.

4.5.10 2% threshold set in bylaws

Any physical person or legal entity acting alone or in concert who comes to own the number of shares or voting rights that exceeds the thresholds set forth in the regulations in effect must provide the information specified in the latter. The same information is required whenever the holder's share of the capital or voting rights falls below the thresholds set forth in the regulations in effect.

Article 10 of the bylaws stipulates that any physical person or legal entity acting alone or in concert that comes to possess a number of shares representing 2% or more of the Company's share capital must inform the Company of the number of shares held within 15 days whenever this percentage is exceeded. If the number or percentage of the voting rights held is not the same as the number or percentage of the shares held, the percentage referred to above is calculated in terms of voting rights. Failure to observe the provisions of the bylaws results in the following sanction: shareholders in breach of said provisions may be deprived of voting rights for shares in excess of the fraction not declared.

Article 10 of the bylaws stipulates that the Company may at any time request from the organization responsible for the registration of securities the information provided for by law relating to the identity of the owners of securities which give an immediate or deferred right to vote at shareholders' meetings. The Company also has the right to request, under the conditions laid down by the French Commercial Code, the identity of the beneficial owners of shares if it considers that certain shareholders, whose identities have been disclosed to it, hold the shares concerned for the account of third parties.

The Company may request any legal entity holding more than 2.5% of the share capital or voting rights to inform it of the identity of any persons holding directly or indirectly more than one third of the share capital or voting rights of said legal entity.

Through a notification dated August 18, 2015, the issuer has been informed that the 2% share capital threshold has been crossed by Norges Bank, which held a 2.01% equity interest on this date. To the issuer's knowledge, Norges Bank was still a shareholder on September 30, 2017, beyond the 2% threshold.

By way of a notification dated October 25, 2016, the Company was informed by the manager of FCPE "Actionnariat Derichebourg" that the latter had gone below the 2% share capital threshold, holding a 1.38% equity interest at that date.

CFER, a director of Derichebourg, and whose Chairman is Mr. Daniel Derichebourg, also the Chairman and Chief Executive Officer of the Issuer, declared on July 5, 2017 (declaration amended on July 17) that it had sold 2% of the Company's share capital in connection with a private placement via accelerated book-building. The selling price was €6.80/share. Following this disposal, CFER owns, directly and indirectly, 50.12% of the Issuer's share capital.

Through a notification dated July 27, 2017, the Issuer has been informed that the 2% share capital threshold has been crossed by Numeric Investors LLC, which held a 2.06% equity interest on this date.

4.5.11 Restrictions on voting rights and share transfers provided for in the Company bylaws

None.

4.5.12 List of owners of any securities containing any special rights of control

The voting rights attached to shares are proportional to the amount of capital that they represent. For an equal amount of the nominal value, each share carries the right to one vote. Nevertheless, a double voting right is attributed to all fully paid shares held in registered form for five years or more in the name of the same shareholder. As of September 30, 2017, the share capital comprised 163,878,780 shares with a nominal value of €0.25 each, including 75,954,682 shares with double voting rights. The number of voting rights at September 30, 2017 amounted to 239,833,462.

4.5.13 Employee shareholdings

At September 30, 2017, Derichebourg employees held 1.06% of the share capital and 0.72% of the voting rights.

4.5.14 Shareholder agreements

To the Issuer's knowledge, there are no shareholder agreements or agreements whose implementation could lead to a change in control.

4.5.15 Rules on appointing and replacing members of the Board of Directors as well as amending Company bylaws

4.5.15.1 Appointment and replacement of members of the Board of Directors

Composition of the Board of Directors (Article 14)

"The Company shall be managed by a Board of Directors made up of at least three and no more than 18 members. However, in the event of a merger, this threshold of 18 persons may be exceeded in accordance with the requirements and limits established by the French Commercial Code.

Directors are appointed by a shareholders' ordinary general meeting, which may dismiss them at any time. In the event of a merger or demerger, they may be appointed by a shareholders' extraordinary general meeting. Legal entities that are appointed directors shall designate a permanent representative, who shall be subject to the same requirements and obligations as if he/she were a director in his/her own name.

An employee of the Company may be appointed as a director only if his/her employment contract is for an actual position.

The number of directors bound to the Company by an employment contract shall not exceed one third of the directors in office."

Term of office – age limit (Article 15)

"The term of office of directors shall be six (6) years, which shall expire at the conclusion of the shareholders' ordinary general meeting that votes on the financial statements for the previous fiscal year and that is held during the year in which the term of office expires. All directors whose term of office expires shall be eligible for reappointment. The number of directors having reached the age of seventy-five (75) years shall not exceed one third of the number of members of the Board of Directors. If this limit is reached, the oldest director shall be deemed to have resigned automatically."

Chairmanship of the Board (Article 16)

"From among its members, the Board shall elect a Chairman, who shall be required to be an individual. The Chairman's term of office shall not exceed his/her term of office as director. The Board shall establish the Chairman's compensation. The Board of Directors may dismiss the Chairman at any time. The Chairman of the Board must be less than seventy-five (75) years of age.

When the Chairman reaches this age, he/she shall be deemed to have resigned automatically.

The Chairman of the Board of Directors shall organize and manage the work of the Board of Directors, and report thereon to the shareholders' meetings. The Chairman shall ensure the proper operation of the Company's governing bodies and, in particular, shall ensure that the directors are capable of performing their duties. If it deems necessary, the Board may appoint one or more Vice-Chairmen, whose duties shall consist exclusively of chairing Board meetings and shareholders' meetings in the absence of the Chairman.

In the absence of the Chairman and of the Vice-Chairmen, the Board shall designate a director present to chair its meeting. At each meeting, the Board may appoint a secretary, who shall not be required to be a shareholder."

4.5.15.2 Amendment of Company bylaws

(Article 35)

"A shareholders' extraordinary general meeting alone shall have the power to amend any provision of the bylaws. However, such meeting may not increase the obligations of shareholders, except in the event of a consolidation of shares that has been properly carried out or for the negotiation of securities granting rights to fractional shares in the case of transactions such as capital increases or decreases.

Furthermore, it may not change the Company's nationality except if the host country has concluded a special convention with France allowing the Company to acquire its nationality and transfer its registered office to its territory, and retain its legal personality. As an exception to the exclusive power of a shareholders' extraordinary general meeting to make all amendments to the bylaws, the Board of Directors may amend the provisions concerning the amount of capital and the number of shares that represent the capital, provided such amendments actually correspond to the results of a capital increase, decrease or redemption."

(Article 37)

"Shareholders' special meetings can be validly conducted pursuant to a first notice only if the shareholders present, voting by mail or represented, hold at least one half, and pursuant to a second notice, one quarter of the shares having the right to vote and whose rights are subject to modification at such meeting. If the latter quorum is not attained, the second meeting may be deferred to a subsequent date no later than two months after the date on which it was convened. The decisions of these meetings shall be made by a two-thirds vote of the shareholders present, voting by mail or represented."

4.5.16 Rules on convening shareholders' meetings

Convening shareholders' meetings (Article 25)

"Shareholders' meetings shall be convened by the Board of Directors. Failing this, they may be convened by the persons designated by the French Commercial Code, in particular, by the Statutory Auditors, a trustee appointed by the Presiding Judge of the Commercial Court ruling in summary proceedings on a petition filed by shareholders representing at least 5% of the Company's capital or, in the case of a shareholders' special meeting, one tenth of the shares of the relevant class.

Shareholders' meetings shall be held at the registered office or at any other place indicated in the notice of meeting."

(Article 26)

"At least 30 days before the date of the meeting, the Company shall publish a notice of meeting in the *Bulletin des annonces légales obligatoires* (Mandatory Legal Announcements Bulletin), specifying the meeting's agenda and containing the text of the draft resolutions presented to the shareholders' meeting by the Board of Directors, as well as the procedures for proving to the Company that bearer shares have been recorded in a securities account and that they are unavailable until the date of the meeting. It shall also state the time period for sending requests to include on the agenda draft resolutions proposed by shareholders.

Notices of meetings shall be given by a notice published in a newspaper authorized to publish legal notices in the department where the registered office is located, as well as in the *Bulletin des annonces légales obligatoires*, in accordance with the law.

Holders of registered shares for at least one month prior to the date of publication of the notice of meeting shall also be given notice in accordance with the requirements prescribed by the statutes and regulations in force.

All co-owners of jointly owned shares registered in such capacity during the period specified in the preceding paragraph shall hold these same rights. In the event of a division of the ownership rights in a share, the foregoing rights shall be held by the shareholder that holds the right to vote.

In the event that a meeting is unable to deliberate validly because the required quorum is not present, a second meeting shall be convened in the same manner as the first meeting and the notice of meeting shall restate the date of the first meeting. The same requirement shall apply to the notice of a meeting deferred in accordance with the provisions of the French Commercial Code.

The time period between the date of publication of the notice of meeting and the mailing of letters and the date of the meeting shall be at least 15 days in the case of the first notice and six days in the case of a notice thereafter."

Agenda (Article 27)

"The agenda for a meeting shall be drawn up by the party convening the meeting or by the court order appointing the trustee responsible for convening the meeting. One or more shareholders representing the share of capital set in the statutory and regulatory provisions shall have the right to require that draft resolutions be added to the meeting's agenda. The works council (*comité d'entreprise*) shall have the same right. A shareholders' meeting shall not deliberate on a matter of business that is not included in the agenda, and such agenda may not be amended in the event that a meeting is convened a second time. However, the meeting can in all circumstances dismiss one or more directors and appoint their replacements."

Admission to meetings – Voting by mail (Article 28)

"Every shareholder is entitled to attend shareholders' meetings or to be represented thereat, regardless of the number of shares held, provided that all amounts payable on shares are fully paid up.

All shareholders may be represented by another shareholder or by their spouse. A proxy can be granted for a single meeting only: it can be granted for two meetings, one ordinary and one extraordinary, if they are both held on the same day or within a period of fifteen days of each other. The proxy shall be valid for all successive meetings convened with the same agenda. All shareholders shall be entitled to vote by mail, in accordance with the requirements set by the legislation and regulations currently in effect. The Company shall include the information required by the laws currently in effect with all proxy forms and mail ballots that it sends to shareholders.

The owners of shares that are not domiciled in France may be represented by an intermediary registered in accordance with the requirements prescribed by the legislation and regulations currently in effect.

In the event of a division of the ownership rights in a share, the holder of the right to vote may attend or be represented at the meeting without prejudice to the right of the beneficial owner to participate at all shareholders' meetings. Joint shareholders may be represented as specified in Article 12.

However, the right to participate in shareholders' meetings shall be conditioned on the registration of the shareholder or of the registered intermediary described hereinabove in the registered share accounts maintained by the Company or its agent, or on forwarding to the place indicated in the notice of meeting a certificate certifying that bearer shares held in a securities account are unavailable until the date of the meeting. These formalities shall be carried out in accordance with the requirements prescribed by the laws and regulations in force at least three days prior to the shareholders' meeting.

Every shareholder who owns shares of a particular class shall be entitled to participate in the shareholders' special meetings for such class, in accordance with the requirements specified hereinabove.

For the purposes of calculating the quorum and the majority, shareholders who participate in the shareholders' meeting by videoconference or by means of telecommunications allowing them to be identified and in accordance with the applicable laws and regulations shall be considered present, provided the Board of Directors has decided on the use of such means of participation before the shareholders' meeting was convened."

Selection of officers (Article 29)

"The meeting shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by a Vice-Chairman or by the director temporarily appointed to act as Chairman. Failing all of the above, the shareholders' meeting shall elect its Chairman. In the event the meeting is convened by the Statutory Auditors, a court-appointed trustee or by the liquidators, the meeting shall be chaired by the person or one of the persons who convened the meeting.

The duties of scrutineer shall be performed by the two shareholders who are present and hold the highest number of votes, and who agree to perform such duties. The officers thus selected shall appoint a secretary for the meeting, who need not be a shareholder.

An attendance sheet containing the information required by the laws in force shall be kept for each meeting. It shall be signed by the shareholders present and by the proxies, and shall be certified as accurate by the officers of the meeting. It shall be filed at the registered office and must be provided to any shareholder who makes a request therefore.

The officers ensure the proper functioning of the meeting but, at the request of any shareholder present, their decisions may be submitted to a vote of the meeting, which shall be decisive."

Voting (Article 30)

"The voting rights attached to equity or dividend shares shall be proportional to the share of capital they represent and each share entitles the holder thereof to at least one vote.

The Company may not validly vote shares that it has purchased itself. In particular, the following have no voting rights: shares which are not fully paid up, shares held by subscribers who may be called upon to rule, in shareholders' meetings, on the elimination of preemptive subscription rights and shares held by the interested party in the proceedings provided for in Article 21.

Double voting rights to those granted to other shares, in terms of the share of capital they represent, shall be attributed to all fully paid-up shares that have been held in registered form for at least five (5) years in the name of the same shareholder.

In the event of a capital increase by capitalization of reserves, profits or issue premiums, such rights shall also be conferred, from issuance, on registered shares allotted free of charge to shareholders in respect of existing shares that benefit from such rights.

Registered shares with double voting rights that are converted to bearer shares for any reason whatsoever shall lose their double voting rights."

Shareholders' ordinary general meetings (Article 33)

"A shareholders' ordinary general meeting is entitled to make all decisions that exceed the powers of the Board of Directors and that are not within the jurisdiction of a shareholders' extraordinary general meeting. Such meetings shall be held at least once a year, within six months of the end of the fiscal year, to vote on all matters regarding the financial statements for the fiscal year. This time period may be extended at the request of the Board of Directors by an order of the Presiding Judge of the Commercial Court ruling ex parte."

Quorum and majority vote at shareholders' ordinary general meetings (Article 34)

"A shareholders' ordinary general meeting can be validly conducted pursuant to a first notice only if the shareholders present, voting by mail or represented hold at least one quarter of the shares having the right to vote. No quorum is required for a meeting convened pursuant to a second notice. Decisions shall be made by a majority of the votes held by the shareholders present, voting by mail or represented."

Shareholders' extraordinary general meetings (Article 35)

"A shareholders' extraordinary general meeting alone shall have the power to amend any provision of the bylaws. However, such meeting may not increase the obligations of shareholders, except in the event of a consolidation of shares that has been properly carried out or for the negotiation of securities granting rights to fractional shares in the case of transactions such as capital increases or decreases.

Furthermore, it may not change the Company's nationality except if the host country has concluded a special convention with France allowing the Company to acquire its nationality and transfer its registered office to its territory, and retain its legal personality.

As an exception to the exclusive power of a shareholders' extraordinary general meeting to make all amendments to the bylaws, the Board of Directors may amend the provisions concerning the amount of capital and the number of shares that represent the capital, provided such amendments actually correspond to the results of a capital increase, decrease or redemption."

Quorum and majority vote at shareholders' extraordinary general meetings (Article 36)

"Subject to the exceptions specified in the case of certain capital increases and of conversions into another type of company, a shareholders' extraordinary general meeting can be validly conducted pursuant to a first notice only if the shareholders present, voting by mail or represented hold at least one third of the shares having the

right to vote, and pursuant to a second notice, one quarter of the shares having the right to vote. If the latter quorum is not attained, the second meeting may be deferred to a subsequent date no later than two months after the date on which it was convened. To the same exceptions as above, the decisions of a shareholders' extraordinary general meeting shall be made by a two-thirds vote of the shareholders present, voting by mail or represented.

If the meeting has been convened to deliberate on the approval of a contribution in kind or the granting of a specific benefit, the contributor or beneficiary, whose shares shall not be counted in calculating the quorum or the majority, may not participate in the vote, either on his/her own behalf or as a proxy."

4.5.17 Powers of the Board of Directors, in particular, for the issue or redemption of shares

The table in section 4.5.20 lists the powers delegated to employees in terms of share issues.

Sections 7.1 and 7.2 describe the powers of the Board of Directors to redeem shares.

4.5.18 Agreements entered into by the Company which are amended or ended due to a change of control

Significant agreements that would be likely to come to an end in the event of a change of control at the Company are as follows:

- the 2014 syndicated loan agreement (amended on May 5. 2017).

4.5.19 Dividends

4.5.19.1 Dividend distribution policy

Without being interpreted as an ongoing commitment, it is Group practice to distribute around 30% of consolidated net income in the form of dividends. This figure is performance-related and subject to assessment of self-financing requirements.

4.5.19.2 Dividends paid over the last three fiscal years

The dividends distributed by Derichebourg in respect of the last three fiscal years are as follows:

	2013-2014	2014-2015	2015-2016
Dividend per share	0.00	0.05	0.02
Total dividends *(in millions of euros)*	0.0	8.4	3.3

The Board of Directors has proposed a €0.14/share dividend distribution to the shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2017.

4.5.20 Summary table of delegations of authority and powers granted by the shareholders' meeting to the Board of Directors with regard to increasing share capital

Table summarizing delegations of authority granted by the shareholders' meeting to the Board of Directors in connection with capital increases (Article L. 225-100 of the French Commercial Code) and debt security issues, that were valid during the fiscal year ended September 30, 2017.

Date of meeting at which authority was delegated	Amount authorized *(in euros)*	Period of validity of delegations of authority	Use made of such delegations of authority over the fiscal year
January 30, 2017	50,000,000 (with maintenance and/or elimination of preemptive subscription rights) within the limit of 20% of share capital per year as part of an offer referred to in Article L. 411-2 (II) of the French Monetary and Financial Code	26 months from the date of the shareholders' meeting, i.e., until March 29, 2019	None
January 30, 2017	500,000,000* (either maintaining or eliminating preemptive subscription rights)	26 months from the date of the shareholders' meeting, i.e., until March 29, 2019	None
January 30, 2017	50,000,000 (through the incorporation of reserves, profits, premiums and any other sums that require capitalization)	26 months from the date of the shareholders' meeting, i.e., until March 29, 2019	None

* *By issuing debt securities.*

4.5.21 Change in the Derichebourg share price (FR0000053381)

Month *In euros*	Opening price for the month	Highest	Lowest	Closing price for the month	Volume
October 2014	2.10	2.119	1.68	2.00	4,106,626
November 2014	2.00	2.27	1.99	2.23	3,159,707
December 2014	2.21	2.55	2.15	2.55	6,093,113
January 2015	2.55	3.50	2.53	3.46	11,914,305
February 2015	3.40	3.70	2.91	3.05	7,979,227
March 2015	3.06	3.09	2.71	2.85	4,860,150
April 2015	2.86	3.14	2.76	2.79	4,744,690
May 2015	2.79	3.61	2.74	3.11	7,330,839
June 2015	3.19	3.24	2.83	2.88	5,987,307
July 2015	2.92	3.23	2.77	3.23	3,181,218
August 2015	3.30	3.35	2.51	2.93	6,260,468
September 2015	2.93	3.04	2.37	2.56	5,536,090
October 2015	2.56	2.91	2.56	2.80	2,414,670
November 2015	2.75	2.87	2.33	2.38	3,243,640
December 2015	2.38	3.35	2.30	3.32	6,306,624
January 2016	3.22	3.33	2.47	2.91	4,682,576
February 2016	2.92	2.94	2.25	2.64	3,847,574
March 2016	2.64	2.94	2.61	2.72	2,218,218
April 2016	2.69	2.86	2.33	2.78	2,183,639
May 2016	2.87	2.92	2.50	2.58	1,506,736
June 2016	2.58	2.62	2.10	2.30	2,984,116
July 2016	2.39	2.98	2.22	2.91	4,176,823
August 2016	2.86	2.91	2.60	2.70	2,852,245
September 2016	2.70	2.95	2.67	2.83	2,510,083
October 2016	2.85	2.93	2.68	2.85	1,506,685
November 2016	2.87	3.12	2.63	2.99	3,361,694
December 2016	2.99	4.31	2.87	4.20	11,134,595
January 2017	4.14	4.67	4.09	4.26	4,961,953
February 2017	4.21	4.52	4.08	4.30	3,691,319
March 2017	4.30	5.07	4.17	4.67	4,347,977
April 2017	4.67	4.83	4.22	4.40	4,152,366
May 2017	4.34	6.55	4.32	6.06	9,445,094
June 2017	5.96	7.62	5.75	7.40	13,247,092
July 2017	7.49	7.57	6.85	7.40	7,281,452
August 2017	7.44	8.30	7.27	7.98	5,644,222
September 2017	8.10	9.00	7.70	8.87	4,196,991
October 2017	8.87	9.85	8.53	9.16	4,766,595
November 2017	9.16	9.24	8.16	9.15	3,706,213

The data on volumes represent trading on Euronext.

4.6 Social, environmental and societal information

Introduction

This report has been prepared in application of Decree No. 2012-557 of April 24, 2012 on companies' social and environmental transparency obligations, pursuant to Law 2010-788 of July 12, 2010 on the national environmental commitment (known as Grenelle 2). It is subject to an independent third party audit whose purpose is to ensure that this report contains all the information required by the decree, or that there is a valid reason why certain information has not been provided, and that the information supplied is reliable.

In this regard, the Group considers the topics "measures taken to preserve or develop biodiversity" and "combating food waste" do not apply to its businesses.

The scope of social and environmental reporting is identical to the financial scope, except for companies acquired during the fiscal year, which are not included until the following year, such as Bartin Recycling.

4.6.1 Scorecard showing principal social, environmental and societal information

The purpose of this section is to highlight those indicators that best illustrate the impact of the Group's business and actions on the environmental, social and societal criteria. The figures presented in this section are covered in more detail in the rest of the report.

	2017	2016
ELV recovery rate	Between 94% and 100%(1)	Between 89% and 100%(2)
WEEE recovery rate	Between 78% and 96%	Between 90% and 96%
Proportion of fluff sent to sectors other than landfill	30%	29%
Emissions of CO_2 avoided by sectors using the tonnages sold by the Group compared with primary metal production *(in millions of tonnes CO_2)*	Around 3.7	Around 3
Electricity consumption *(in GWh)*	121.1	106.1
Fuel consumption *(in millions of liters)*	29.5	25.1
Total headcount	36,000	34,000
Work accident frequency rate	34	34
Work accident severity rate	~ 2	~ 2

(1) Based on ADEME's (French Environment and Energy Management Agency) 2015 campaigns.
(2) Based on ADEME's (French Environment and Energy Management Agency) 2014 campaigns.

4.6.2 A responsible player in the circular economy

By limiting their consumption, Derichebourg Environnement, with its recycling business, and Derichebourg Multiservices contribute to a virtuous economic cycle and make respect for the environment a major differentiating factor.

4.6.2.1 A business serving the circular economy

4.6.2.1.1 The recycling business has personified the circular economy for 60 years

Due to the nature of its business, which is the recycling of metals, Derichebourg Environnement is helping to preserve the planet's natural resources (iron ore, copper, bauxite, etc.).

By returning quality secondary raw materials to the marketplace, it reduces overall energy consumption. Recycling metals effectively saves a significant amount of energy compared with the primary production of such metals: up to 94.8% for aluminum and 16.5% for steel (source: Report on the environmental benefit of recycling, Bureau of International Recycling – 2016 edition).

During this fiscal year, Derichebourg Environnement has processed 3.66 million tonnes of ferrous scrap metal and around 544,300 tonnes of non-ferrous metals, which are resold once they have been sorted for quality.

Ferrous metals are sorted first. Pieces not requiring any processing are grouped directly by quality then resold. Ferrous metals that need to undergo an industrial preparation process before being processed in steel mills are either sheared (thick ferrous metals) or shredded (light ferrous metals or those mixed with other materials).

As part of this scrap metal processing activity, Derichebourg also has an aluminum refinery. This facility has produced 66,100 tonnes of aluminum ingots (an increase of 23% due to the full-year effect of the third aluminum refining furnace opened in January 2016).

Using secondary raw materials to produce new steel or non-ferrous metals enables a significant reduction in greenhouse gas emissions compared to producing them using raw materials. Effectively, the production of one tonne of steel from recycled materials enables a reduction of 58% of CO_2 emissions and as much as 93% for the production of a tonne of secondary aluminum ingots (source Federec, Environmental assessment of recycling in France according to the life cycle assessment method – May 2017).

The volume of emissions avoided thanks to the Group's activity is estimated to be 3.7 million tonnes CO_2, representing almost 1.1 million round the world airplane flights for one person (source: French Directorate-General for Civil Aviation (DGAC).



volume of emissions avoided

3.7 million tonnes of CO_2 eq. = **1.1** million round the world airplane flights

4.6.2.1.2 Continuous progress in waste recovery

The Group operates 29 shredding lines worldwide, including 19 in France. Their advantage is that they allow ferrous metal parts to be separated from non-ferrous metal parts, a mixture containing some metals, plastics and shredding residues.

Improving recycling and recovery rates

The "surface mines" which Derichebourg Environnement exploits are becoming more complex with technological advances in retail products. In parallel, legislative changes in Europe, and particularly in France, are imposing increasingly stricter recycling and recovery rates (Waste Electrical and Electronic Equipment or WEEE, end of Life Vehicles etc.) which require constant Group investment in R&D. Its R&D efforts enable it to optimize sorting and separation technologies which are benchmarks in the recycling industry.

The table below presents recycling rates, or recycling and recovery rates, achieved during the latest designation campaigns at the Group's French sites:

ELV recycling rates between **87%** and **95%*** ** 2015 data*



ELV recycling and recovery rates between **94%** and **100%*** ** 2015 data*

	Rate achieved by the Group		Legislative target	
	2017	2016	**2017**	2016
ELVs				
ELV recycling rates	Between 87% and 95% according to shredder(1)	Between 85% and 92% according to shredder(2)	83%(1)	85%(2)
ELV recycling and recovery rates	Between 94% and 100%(1)	Between 89% and 100%(2)	92%(1)	95%(2)

(1) Calculated on the basis of ADEME's 2015 declarations i.e. 19 shredding lines and 75 ELV centers.

(2) Calculated on the basis of ADEME's 2014 declarations i.e. 20 shredding lines and 75 ELV centers.

recycling and recovery of large cooling household appliances
93%

recycling and recovery of large household appliances(excluding cooling)
89%

recycling and recovery of small mixed household appliances
82%

	Rate achieved by the Group		Legislative target	
	2017	2016	2017	2016
WEEE				
Recycling and recovery rates, large household appliances - cold	93%(1)	96%(2)	85%	85%
Recycling and recovery rates, large household appliances - excluding cold	89%(1)	90%(2)	85%	80%
Recycling and recovery rates, small mixed household appliances	82%(1)	92%(2)	78%	75%

(1) Results from 2017 designation campaigns.
(2) Results from 2016 designation campaigns.

ELV segment: French legislation transfers responsibility for achieving recycling and recovery rates onto the combination of ELV center + ELV shredder. Each shredder deals with several ELV centers, which are responsible for vehicle decontamination before shredding. The rates of recycling and recycling + recovery calculated for each shredder were determined on the basis of the ELV center delivering the best recycling rate, irrespective of whether it belongs to the Group.

It should be noted that the 2017 figures published are for vehicles declared as destroyed in 2015, taking into account the time period for certifying declarations. The Group is confident of the fact that the new recycling (85%) and recovery (95%) rates required from 2015 will be achieved thanks to the overall improvement of the sector (combination of ELV center + ELV shredder).

During the 2017 fiscal year, the Group received over 96,000 tonnes of ELV at its 107 ELV centers, and its shredders processed close to 610,000 tonnes of ELV, of which almost 75% in France.

The Group has undertaken, for all of the approved ELV shredders in France, an assessment of the performance of the industrial processes for separating processed ferrous metals and other materials, together with the processing of shredding wastes arising from ELV, in accordance with the requirements published by ADEME (French Environment and Energy Management Agency). These campaigns will be completed in June 2018.

In France, WEEE are processed separately. For this waste stream, the recycling rates for flows received comply as a minimum with the specifications of the eco-organizations.

Improving the processing of residual parts

For a long time, shredding residues, plastic and even some undetected metallic residues were sent to landfill facilities. Around 20-25% of the amounts received at a shredder were put into these facilities. For many years, and particularly since the improvement in optical detection equipment, the Group has been endeavoring to reduce the proportion consigned to landfill facilities. During the fiscal year, the Group's shredding lines produced 312,475 tonnes of residual parts.

Measures implemented to address this include:

- separating plastic parts that can be recycled;
- identifying the last metallic parts;
- extracting the fine particles that can be used as a sub-base in road construction;
- preparing waste mixtures that are sufficiently standardized and compliant with specifications, allowing them to be accepted as a fuel source for cement works or incinerators.

The table below sets out the distribution of shredding residues according to their destination.

In thousands of tonnes	2017	2016	Comments
Fluff (all residues) released by operating sites	312.5	276.3	2016 data refer to light shredding residue
Fluff sent for recycling	93.1	80.3	
Proportion of fluff sent for recycling	29.8%	29%	

The amounts sent into the recovery stream include both the tonnages sent for energy recovery and the tonnages sent for material recovery, according to their gross tonnage.

4.6.2.1.3 The Multiservices business: services with limited, and decreasing, environmental impact

The nature of its business means that Derichebourg Multiservices consumes few raw materials. Nevertheless, the services that it offers incorporate the implementation of solutions that enable their environmental impacts to be reduced.

Derichebourg Propreté incorporates into its business processes equipment featuring water and energy saving technologies. The use of hyper concentrated products and correct dosing systems enables waste to be reduced at source. Finally, Derichebourg Propreté ensures that it encourages the use of chemical products with eco-labelling: enzyme products, with eco-labelling or the result of hydrolysis and ionized water solutions. 34% of products purchased during the period have an environmental label.



34%
of the amount of products purchased have an environmental label
(Business Services division)

Derichebourg Propreté has increased its services by supporting its customers in implementing sorting solutions for different waste types.

The CSR performance of Derichebourg Propreté has been recognized with the award of the advanced "Gold" level following the 2017 ECOVADIS assessment and is an increase of 12% compared with 2016. Derichebourg Propreté is therefore among the top 5% companies in its industry assessed using this method. According to this assessment, the social aspect remains the main strength of the Company's CSR commitment with a score of 80%. ECOVADIS is the first collaborative platform allowing companies to monitor the sustainable development performance of their suppliers in 150 industries and in 110 countries.

Derichebourg Énergie is acting as a partner for its customers in the area of energy performance. This subsidiary supports its customers in implementing their high environmental quality (HEQ) program, offering them energy performance contracts. The multi-technical maintenance reports include the monitoring of "energy savings".

The Derichebourg Énergie subsidiary develops incentive-based all-inclusive services with an energy commitment to be achieved thanks to the installation of thermal collectors. The subsidiary also helps its customers to reduce greenhouse gas emissions by advising them on phasing out high global warming potential gases (in particular, R22, banned from use since January 1, 2015) and replacing the refrigeration units that use this type of gas.

Derichebourg Énergie Éclairage Public is one of the market leaders in Île-de-France for the renovation of municipal public lighting using LED technology. This generates savings of 60 to 70% compared with standard lighting. This solution allows rapid reductions in energy bills and in the cost of contracts with energy suppliers and also a substantial reduction in maintenance cost.

The service offered by Derichebourg Énergie E.P. addresses the vital need for Local authorities to reduce their operating budget.

The LSL subsidiary has developed innovative LEDs, that are designed specifically for the use of final customers thanks to the upstream assessment of their environment and their economic and CSR objectives. LSL selects components to attain the levels of standard LM90-B10, which proposes standards in terms of lighting duration and performance.

4.6.2.2 Managing our environmental and social impacts

4.6.2.2.1 Managing our greenhouse gas emissions and atmospheric emissions

The Group uses an environmental approach based upon evaluating its greenhouse gas emissions. Measures focus both on reducing impacts related to its activities and on improving recycling performance.

Improving energy efficiency at our sites

Derichebourg Environnement principally uses electricity as an energy source for its recycling units (except for the aluminum refinery which uses gas). The Group's greenhouse gas emissions are relatively low. In fact, electricity consumed by the shredders is the principal source of emissions and thanks to the share of electricity generated using nuclear power in France; this electricity is associated with low emissions.

Derichebourg Environnement is committed to a voluntary program of managing energy consumption through carrying out regulatory energy audits (our AFM, ESKA, PURFER and REVIVAL subsidiaries) or ISO 50001 certification at two subsidiaries, Refinal Industries and Derichebourg Umwelt GmbH. These energy audits include introducing indicators which will allow progress in the area of energy efficiency to be monitored during future fiscal years and action plans to be put in place.

electric consumption
121.1 GWh
+14.2% compared to 2016

	Electricity consumption *(in GWh)*	
	2017	2016
Environmental Services	116.2	102.0
Business Services	4.5	4.0
Holding companies	0.4	0.1
Total	**121.1**	**106.1**

fuel consumption **29.5** million liters
+17.5 % compared to 2016

gaz consumption **11.8** million cubic meters
+25.2 % compared to 2016

	Fuel consumption *(in millions of liters)*		Gas consumption *(in millions of cubic meters)*	
	2017	2016	**2017**	2016
Environmental Services	26.7	22.2	11.6	9.2
Business Services	2.8	2.9	0.2	0.2
Holding companies	0.0	0.0	0.0	0.0
Total	**29.5**	**25.1**	**11.8**	**9.4**

In Environmental Services, the 13.9% increase in electricity consumption is in line with the increase in tonnes shredded by the Group in Europe, shredding being the main source of electricity consumption.

For each main business area, trends in fuel consumption are broadly consistent with the progression of the volume of activity.

The 25.2% increase in the consumption of gas is explained by the operation over one year of the third aluminum refining furnace started up in January 2016.

The Group calculates its CO_2 emissions using the Izypeo software. This allows us to fully comply with the obligation to carry out an assessment of greenhouse gases at some Group subsidiaries and to improve the monitoring of our greenhouse gas emission-related indicators.

direct greenhouse gas emissions
145,838
CO_2e in France

The breakdown of the Group's CO_2 emissions:

- electricity purchased: 21,231 tonnes CO_2;
- fossil fuels, fixed sources: 28,433 tonnes CO_2
- company car journeys: 96,174 tonnes CO_2.

Limiting atmospheric emissions

The different Group subsidiaries concerned comply with their monitoring obligations regarding atmospheric emissions.

The BREF (Best Available Techniques) documents prepared under directive 2010/75/EU on industrial emissions are currently being revised. It is likely that the future version of the BREF documents will contain more onerous requirements in the area of atmospheric emissions from industrial equipment. If this is the case, the Group will argue for a gradual implementation of these measures at its existing plants. The Group anticipates that shredders commissioned during the last five to seven years already comply with the requirements arising from these forthcoming regulations.

Limiting emissions to water

The Group complies with its obligations regarding monitoring water quality.

4.6.2.2.2. Reducing transportation-related emissions

The Group is focusing on reducing its road transportation-related fuel consumption, which is the Group's main source of greenhouse gas emissions (66% of emissions).

Environmental Services

Regarding transportation, the Group has, for some years, favored transport by sea or waterway, which is cost-effective and helps to protect the environment. In recent times, new sites have been positioned near waterways: Houston (New Terminal), Nantes Cheviré, Gennevilliers, etc.

In 2017, the Group also began operating a dock in Marseille, opening up access to the Mediterranean.

Transportation via waterways is an important development priority. The Group is particularly proud of its relations with the French Waterways Agency (VNF), with whom it works to transport WEEE from French overseas territories as well as shredded ferrous scrap.

Rail transport remains a preferred means of transport in Europe. It mainly replaces road transport, thus reducing the number of trucks on the roads (one wagon for every two trucks), but tonnage continues to decline due to structural reasons.

Derichebourg Environnement uses "Green" energy for collecting household wastes. Part of the fleet operates using "clean" fuels, whether natural gas vehicles, or Diester, a bio-fuel made principally from transforming colza and sunflower seed grown in France.

The share of tonnages transported by waterway and railway is as follows:

secondary raw materials transported by boat **21.2%**



secondary raw materials transported by rail **6.5%**



In % of transported tonnes	2017	2016
Secondary raw materials transported by waterway	21.2%	20.5%
Secondary raw materials transported by rail	6.5%	5.9%

In line with a desire to favor using water-based transportation, the percentage of tonnages transported by waterways or sea is up by 0.7 point compared to fiscal year 2016-2017.

Following many years of decreases, the tonnages transported by railway remained stable (+0.6 point).

Business Services

The Purchasing unit at Derichebourg Multiservices has listed three automotive suppliers who incorporate environmental factors. The vehicle fleet has 1,620 vehicles of which 96% are light vehicles. Within Derichebourg Propreté, electric vehicles are used for some specific services such as transporting waste and short term operations, or are made available to employees for short journeys. 5% of Derichebourg Propreté's fleet is electric vehicles.

Employees themselves are trained in eco-driving techniques and to monitor their fuel consumption on a regular basis. A geolocation and planning tool for employee shifts has been introduced. It enables a reduction of around 20% in distances traveled. This tool also allows the quality of service and service monitoring to be improved and the working conditions and safety of the workforce to be improved.

The introduction of teleconference systems within all Group businesses also enables the number of journeys to be reduced where possible.

4.6.2.2.3 Managing our environmental risks

Derichebourg Environnement ensures, through the rigorous management of incoming waste, the prevention of environmental risks and pollution across its 205 sites.

Investments of €5 million (compared to €3 million in py), added to environmental-related expenses of €2 million (compared to €2.9 million in py) (analysis of waste, analysis of environmental emissions and maintenance etc.), mean that Derichebourg's industrial plants comply with their regulatory requirements. Among the investments during the fiscal year are part of the infrastructure for the new site at Bassens.

Work on impermeable areas (concreted areas) is an important factor in reducing soil pollution. Every year, the Group repairs and restores the concrete areas used to transport machinery.

This is reflected in the efforts made by the Group's subsidiaries and companies in pursuing the certifications relevant to their business.

Our certifications

Derichebourg Environnement business	Percentage of site/branch 2017	Percentage of site/branch 2016	Percentage of revenue 2017	Percentage of revenue 2016	Comments
ISO 9001	62%	70%	50%	55%	206 active centers
ISO 14001	20%	21%	7%	8%	
ISO 50001			10%	5%	Involving REFINAL and Derichebourg Umwelt
OHSAS 18001	100%	100%	100%	100%	Involving AFM Recyclage and REVIVAL
Approved ELV centers[1]	60%	60%			75 centers
Approved ELV shredders[1]	100%	100%			19 shredders

(1) Only in France.

Business Services	Percentage of site/branch 2017	Percentage of site/branch 2016	Percentage of revenue 2017	Percentage of revenue 2016	Comments
ISO 9001	75%	67%	67.4%	60%	
ISO 14001	13%	14%	15.4%	12%	
OHSAS 18001	41%	45%	41.2%	37%	
MASE	100%	100%	100%	100%	MASE (Corporate Safety, Health and Environment Improvement Manual). 5 Derichebourg Propreté branches
CEFRI-E/Qualianor	100%	100%	100%	100%	1 Derichebourg Propreté branch, Derichebourg Service Ingénierie Nucléaire and Derichebourg Travaux & Maintenance Nucléaire
EN 9100	100%	100%	100%	100%	Certification of quality management systems in the aerospace and defense industries: Derichebourg Atis Aéronautique, atis GmbH and Atis Iberica
Approval for a company whose activity involves providing phytopharmaceutical products (Certiphyto)	100%	100%	100%	100%	11 Derichebourg Propreté and Derichebourg Espaces Verts branches

The percentage of certifications under MASE (Companies' Safety Improvement Manual), CEFRI (French Committee for the certification of businesses involved in training and monitoring employees working with ionizing radiation), EN 9100 (certification of quality management systems in the aerospace and defense industries) and Certiphyto (phytopharmaceutical products certificate) is performed on the basis of the sites affected by this requirement.

Provisions for environmental risks changed as follows:

En millions of euros	2017	2016
Environmental Services	7.4	7.9
Holding companies	0.0	0.0
Total	**7.4**	**7.9**

The effects of Decree No. 2012-633 of May 3. 2012 on the requirement to set up financial guarantees to cover upgrading safety levels at certain classified environmentally-sensitive facilities were apparent as of July 1, 2012. On this date, classified facilities (under the French legislation on Installations Classified for the Protection of the Environment) that are required to produce a theoretical guarantee in excess of €100,000, calculated according to the method set out in the Order of May 31, 2012, as amended by Decree No. 2015-1250 of October 7, 2015 raising the threshold from €75,000 to €100,000, had to deliver a guarantee by a financial establishment to the State. The amount of guarantees issued as at September 30, 2017 stood at €5.6 million (€3.6 million as at September 30, 2016).

Relations with neighbors

Derichebourg Environnement generates significant transport flows in connection with collection and reception of materials, as well as for bulk product sales.

Furthermore, the noise, visual and sound factors and safety of the operating sites are all issues which concern local communities. The sites strive to be good neighbors and to foster constructive dialogue with local associations.

4.6.2.2.4 Consideration of social and environmental issues in the purchasing policy

At Derichebourg Multiservices, the subsidiary Derichebourg Propreté's Purchasing unit drafted a CSR questionnaire to be completed by companies applying to be listed as suppliers and subcontractors. CSR criteria represent 20% of the overall mark attributed to tender bid documentation. The questionnaire covers a range of CSR issues: certification, use of CSR indicators, publication of a CSR report, measures to reduce environmental impacts, use of green or eco-friendly products, waste recycling procedures, innovation, etc. Suppliers and subcontractors are asked to update their questionnaire responses every year. This approach allows us to offer environmentally responsible services incorporating the most innovative solutions.

The Derichebourg Services & Ingénierie Nucléaire and Derichebourg Travaux & Maintenance Nucléaire subsidiaries are ISO 14001 certified and require all suppliers and subcontractors to complete an evaluation questionnaire in advance, including the environmental section.

The Derichebourg Environnement division has not put any formal criteria in place to take social and environmental issues into consideration in its purchasing policy, but checks the technical, economic and environmental performances of the different equipment and technologies that it acquires.

4.6.2.2.5 Fair trading practices

Under risk factors and uncertainties, the Group provides details of the risks associated with the purchase of metals and the register of goods purchased (retail purchases): in particular, the risk of receiving stolen property.

The Group took action, via its professional federation, to lobby government authorities to ban cash payments for such purchases in France. Since August 1, 2011, retail metal purchases must be paid for by crossed check, bank or post office transfer. This has enabled the risk of cash float theft to be reduced and made money flows from retail metal purchases traceable.

92% of Group revenue is from legal entities located in countries where Transparency International's corruption perception index is higher than 60 (2016 value). For Derichebourg Multiservices, this figure stands at 97%. This index evaluates the perception of corruption in the public sector. It allows countries to be classed according to a scale from 0 (perceived as highly corrupt) to 100 (perceived as very clean).

In addition, the Group is in the process of assessing the new provisions of the Sapin 2 law on transparency, fighting corruption and economic modernization.

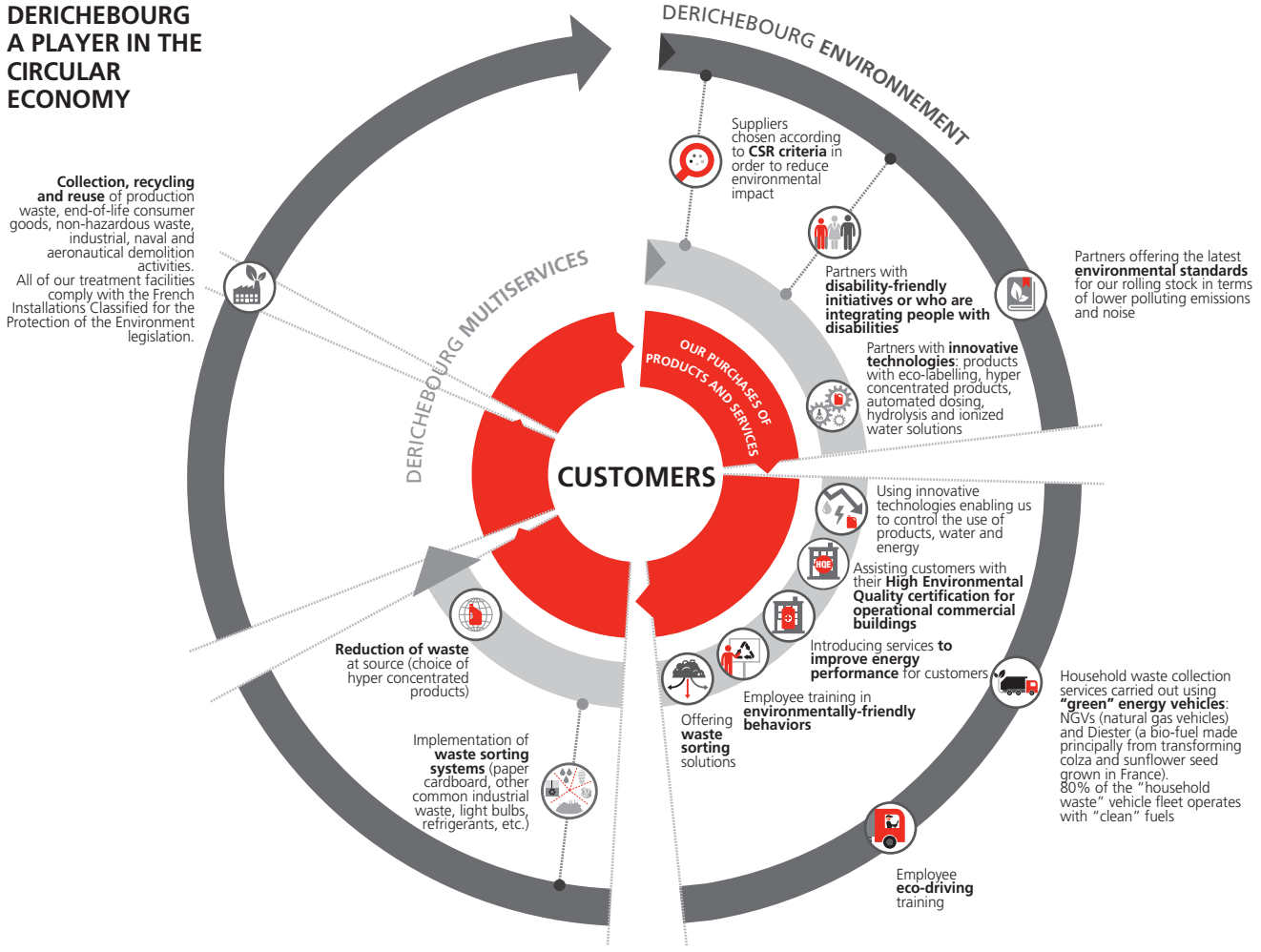
4.6.2.2.6 Societal impact

A player in the circular economy committed to limiting the effects of climate change

COP 22

Derichebourg renewed its commitment to contribute, by doing what it can and in a manner consistent with the services it offers, to limiting the effects of climate change, by taking part in COP 22 which was held in Marrakesh from November 7-18, 2016.

The graphic below illustrates the range of the group's interventions in the area of the circular economy.



4.6.3 A committed employer

The nature of its businesses means that Derichebourg is a significant provider of local and sustainable employment.

Derichebourg Environnement's activities require that its recycling facilities are located as close as possible to the sources to be processed. As a result, these local activities generate employment that cannot be off-shored;

Derichebourg Multiservices' activities promote local employment in order to provide services as close as possible to its customers.

employees
~36,000

4.6.3.1 Employment

4.6.3.1.1 Breakdown by country and by business

Breakdown by business and by country is as follows:

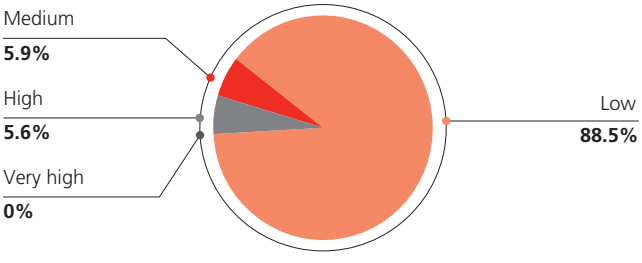
	Environmental Services		Services Business Services		Holding companies		Total	
Employees[1]	2017	2016	2017	2016	2017	2016	2017	2016
	3,218	2,792	23,119	21,514	127	123	26,464	24,429
Other European countries	1,504	1,232	6,209	6,730	0	0	7,713	7,962
Europe	**4,772**	**4,024**	**29,328**	**28,244**	**127**	**123**	**34,177**	**32,391**
Americas	**298**	**154**	**0**	**0**	**0**	**0**	**298**	**154**
Africa	**1,974**	**523**	**0**	**809**	**0**	**44**	**1,974**	**1,376**
Total	**6,994**	**4,701**	**29,328**	**29,053**	**127**	**167**	**36,449**	**33,921**

(1) Trainees are recorded within the employee headcount.

The workforce of Multiservices (Business Services) represents 80.4% of Group employees. These are service provision businesses with a strong requirement for labor while, although the recycling business of Environmental Services represents 71% of revenue, it makes greater use of sorting and processing equipment than personnel.

The Multiservices headcount includes temporary employees placed with the customers of the temporary employment subsidiaries. As at September 30, 2017, there are 2,577 temporary workers, or 8.8% of the employees of Business Services companies.

According to the Human Rights Risk Index (2016 data) which lists and maps risks by country, 94.4% of the Group's employees are based in countries where risks are "medium" or "low". As a consequence, the topics of child labor, forced labor, freedom of association and the right to collective bargaining have no impact on the Group.



4.6.3.1.2 Recruitment and departures

It should be noted that Household Waste Collection/Cleaning (Environmental Services) and Cleaning (Business Services) are subject, both in France and abroad, to regulations which may require the transfer to successor companies of employees working on a given contract, in line with specific detailed procedures. These employees typically have permanent contracts. Changes in headcount are therefore directly related to business trends.

Recruitment

	Environmental Services		Services Business Services		Holding companies		Total	
Employees	2017	2016	2017	2016	2017	2016	2017	2016
Open-ended contracts	1,307	443	7,514	4,724	22	25	8,843	5,192
Fixed-term contracts[1]	1,146	411	36,141	31,140	13	18	37,300	31,569
Work-study contracts	348	19	1,553	1,933	2	12	1,903	1,964
Temporary employment contracts	0	0	15,878	14,866	0	0	15,878	14,866
Total headcount	**2,801**	**873**	**61,086**	**52,663**	**37**	**55**	**63,924**	**53,591**

(1) Fixed-term contracts are recorded each time they are renewed.

The increase in the number of permanent contracts in the two divisions reflects the growth of the business:

- recruitment on permanent contracts has practically tripled in Environmental Services, owing to several company acquisitions over the fiscal year;
- for Business Services activities, recruitment on permanent contracts has increased by 59%, particularly under Annex 7 of the national collective bargaining agreement for Derichebourg Propreté.

Departures

The table below details departures according to their reason.

	Environmental Services		Services Business Services		Holding companies		Total	
Employees	2017	2016	2017	2016	2017	2016	2017	2016
Standard end of contract[1]	1,006	347	35,592	30,674	12	12	36,610	31,033
Resignation	130	74	3,099	2,866	2	7	3,231	2,947
Redundancy	30	38	18	58	0	0	48	96
Other types of redundancy	117	87	1,443	1,291	8	4	1,568	1,382
Other reasons	53	22	845	654	3	6	901	682
Contractual termination								
Retirement	51	56	341	309	0	0	392	365
Contractual transfers	1	21	17,384	1,814	0	1	17,385	1,836
End of temporary placement	399	137	1,482	15,524	0	0	1,881	15,661
Total	**1,853**	**838**	**60,422**	**53,369**	**31**	**35**	**62,306**	**54,242**

(1) End of fixed-term and apprenticeship contracts.

4.6.3.2 Organization of working hours

4.6.3.2.1 Organization of working hours

	Environmental Services		Services Business Services		Holding companies		Total	
In thousands of hours	2017	2016	2017	2016	2017	2016	2017	2016
Total hours worked by employees over the fiscal year	11,772	7,607	33,078	30,992	192	221	45,042	38,821
Of which overtime	595	674	1,305	1,207	86	0	1,900	1,881
Number of part-time employees	569	204	18,693	17,183	4	5	19,266	17,392

At September 30, 2017, the Group employs 53% of employees on a part-time basis. It should be noted all the same that 79% of workers at Derichebourg Propreté are part-time.

Average monthly working hours for part-time employees at Derichebourg Propreté as of September 30, 2017, were 0.4 full time equivalent posts (FTE) (0.38 FTE for women and 0.48 FTE for men); these figures are linked to a significant volume of very low monthly contractual hours, in line with the nature of commercial contracts. These working hours are down compared with 2016.

The high level of part-timers in the cleaning business is due to the fact that employees in the business often have several employers. Insofar as possible, Derichebourg Propreté aims to enable its employees to increase their working hours as opportunities arise in the market. Customers who are aware of this issue have already been approached with a view to developing services on a daytime basis.

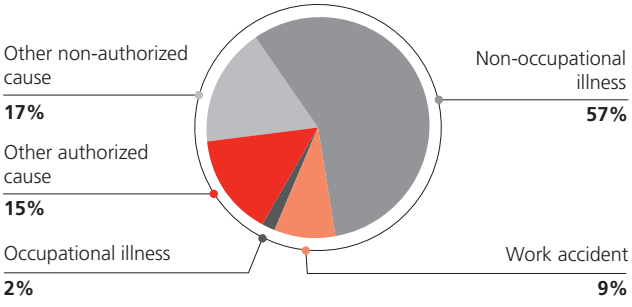
Cleaning services are also often provided outside customers' employees' normal working hours.

As of the last day of the fiscal year, the average monthly working hours of temporary employees of the Group's temporary employment companies was higher than 0.9 FTE. Although the employees are temporary, their working hours are close to full time. Our temporary employment companies, particularly Derichebourg Sourcing Aero & Energy, offer most of their employees long assignments varying between 12 and 18 months full time. Derichebourg Intérim also offers long assignments (of 9 to 12 months) but, depending on the market, the length of assignments varies.

4.6.3.2.2 Absenteeism

For the Derichebourg Group as a whole, the number of days of absence is estimated at between 900 and 1000 thousand per year, nearly 87% of these days of absence are recorded in Business Services subsidiaries, which account for around 27 days of absence per employee per year

The main causes of the absences recorded are the following:



Note: "Other causes": authorized absences, unjustified absences, unauthorized absences, unpaid leave, various personal days for family reasons and parental leave due to a sick child.

This year, it has been possible to separate "other causes" into two categories in order to achieve a more precise idea about the absences:

- other authorized causes;
- other non-authorized causes.

The categories of absences have been defined in a more precise way in the Social Reporting Protocol, but the number of absences remains approximate owing to a number of problems:

- firstly, procedure implementation difficulties;
- secondly, the limitations of the definitions.

For example, part-time employees' periods of absence from work are listed without taking their pro rata attendance into account. With regards to the employees of the temporary employment subsidiaries, which account for 7.1% of the workforce, the reasons associated with the absences may lead people to refuse temporary placement contracts.

The monitoring of the number of days of absence has shown a significant increase in absences between 2016 and 2017. This increase is partly due to the increase in staff over the fiscal year. In effect, staff for the Recycling and Collection businesses have increased by 18.7% and 21.3% respectively compared to the previous fiscal year.

4.6.3.3 Health and Safety, priorities for the Company

In France, Group subsidiaries are equipped with safety management systems. Safety coordinators are responsible for rolling out prevention and monitoring procedures. Risk prevention initiatives focus on safety at work and their principal objective is to reduce the number of workplace accidents and prevent occupational illness. These initiatives are also supported by the Health, Safety and Working Conditions Committee (CHSCT) and the safety committees. Safety issues are a major concern for the Group.

Under the law of January 20, 2014 guaranteeing a fair pension system for the future and establishing a scheme for the prevention of onerous working conditions, working units exposed to onerous working conditions have been identified and reported.

In 2016, the Derichebourg Group launched an onerous working conditions assessment at all Group subsidies with the company DEKRA.

The Environmental Division has taken measures on the following risk factors:

- Awkward posture;
- Manual load handling;
- Repetitive work;
- Mechanical vibration;
- Hazardous chemical agents;
- Noise.

For the Business Services division, the risk factors are as follows:

- Awkward posture;
- Manual load handling;
- Repetitive work;
- Mechanical vibration;
- Noise.

These audits have allowed the employees exposed to onerous working conditions to be identified. The data was then compared with HR data at each of the sites to arrive at a list of employees to be recorded.

In 2016, 1,360 employees were declared as been exposed to onerous working conditions for a total of 2,740 risk factors.

employees trained in safety

14,000

+ 26.7% compared to 2016



Onerous working conditions	Risk factors
Activities carried out in hyperbaric environments	55
Hazardous chemical agents - dusts	10
Noise	249
Handling	249
Awkward posture	409
Night working	769
Working successive shifts	164
Repetitive work	254
Mechanical vibration	505
Total	**2,740**

	Environmental Services		Services Business Services		Holding companies		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Lost-time accident frequency rate	39	47	32	31	16	5	34	34
Lost-time accident severity rate	~ 2	~ 3	~ 2	~ 2	~ 0	~ 0	~ 2	~ 2
Number of safety-trained employees	4,211	3,494	10,357	7,520	1	38	14,569	11,052

The data on work accidents are impacted by the uncertainties regarding monitoring absenteeism (see absenteeism).

The work-related accidents accounted for in the frequency rate are those that were notified by the competent administration during the period.

Several Group subsidiaries have initiated actions in order to reduce the number of work accidents. In fact, on-site "safety discussions" are held in order to remind employees of the safety instructions and rules to follow. The ESKA subsidiary held a safety awareness-raising day for all of its operating managers which facilitated a significant reduction in the number of work accidents at sites.

Furthermore, the number of employees trained in safety is up by 32% compared to 2016. In effect, subsidiaries are training more and more employees in this area with the aim of preventing risks and reducing accidents.

Despite all the precautions taken in order to ensure employee safety, there is no such thing as zero risk. The workplace death of an employee in a Portuguese subsidiary during the fiscal year bears witness to this. The organization in question is making every effort to avoid such a situation re-occurring and is raising the awareness of its employees regarding workplace safety issues.

The frequency rates[1] and severity rates for business lines[2] (2) (2016 statistics) are presented in the table below:

APE (principal company activity) code	Frequency rate	Severity rate
8121Z Routine building cleaning	34.4	2.9
371ZB Recovery and recycling of ferrous metals	47.3	3.2

The number of occupational illnesses recognized by the sickness insurance fund, CPAM, over the period from October 1, 2016 to September 30, 2017 across consolidated Derichebourg Group companies was 82. The number of days lost due to all occupational illnesses, including those recorded in previous fiscal years, was 19,149 days.

4.6.3.4 Labor relations

The Derichebourg Group seeks to maintain a high quality of social dialogue between management and labor since this is an essential factor in the smooth operation of the business.

Data on the social dialogue are provided by Human Resources managers as this issue is monitored centrally.

68 agreements were reached on the following issues compared to 56 last year:

- remuneration: 31;
- social dialogue: 12;
- work organization: 38;
- health and safety: 11;
- diversity: 15.

The city of Marseille has reorganized household waste collection within the municipal area. Following a call for tenders, the Derichebourg Group, through its company Polyceo, won several lots and from September 1, 2017 re-employed the employees of the NICOLLIN and VEOLIA groups in a tense labor relations context.

On October 11, 2017, 200 household waste collection operatives went on strike in Marseille (70 employees recommenced work on the second day of the action). They blocked the waste transfer centers which process more than 900 tonnes each day. The employees' claims concerned retaining the benefits they enjoyed with their former employers, even though the arrangements made for them by the Derichebourg Group were more favorable in terms of purchasing power. An agreement ending the dispute was signed on Monday October 23, 2017 by management representatives and the employees. This put an end to the longest labor relations dispute (13 days) that the Group has experienced. Through this agreement, the Company's management has reconfirmed its wish to make every effort in order to guarantee the best terms for re-employing personnel from competitor companies.

(1) The frequency rate is the number of accidents with lost-time in excess of one day, divided by the number of hours worked, multiplied by 1,000,000.

(2) The severity rate represents the number of days lost, divided by the number of hours worked, multiplied by 1,000.

4.6.3.5 Equal opportunity

The Group is strongly committed to maintaining a close relationship with employees and specific measures are implemented in five areas of action: gender equality, the employment of older and younger workers, disability, multiculturalism and inclusion.

4.6.3.5.1 Working towards gender equality between men and women

Gender equality measures are based on four priorities: career promotion, pay, vocational training and work-life balance.

Women represent close to 57% of Group employees compared to 56% in 2016. Derichebourg Propreté's, which accounts for 49% of Group employees, employs 72% women. This thus increases in relative terms the proportion of women in the total workforce. On the other hand, we note that in the Environmental Services businesses, men represent 82% of employees.

Environmental Services

	France		Europe (excluding France)		Americas		Africa		Total	
In thousands of euros	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Average total annual earning	34.0	30.6	36.6	33.0	31.7	35.4	5.2	3.9	30.7	28.4
Average annual earnings men	38.8	30.4	36.9	33.3	31.8	34.0	5.2	3.8	34.4	28.1
Average annual earnings women	31.8	31.5	37.5	29.3	27.9	43.7	6.4	4.9	29.4	30.9

Services Business Services

	France		Europe (excluding France)		Africa		Total	
In thousands of euros	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Average total annual earning	30.1	24.1	27.6	9.3	0	1.8	29.5	18.5
Average annual earnings men	31.7	27.3	31.9	19.3	0	1.9	31.7	24.6
Average annual earnings women	36.7	20.3	23.8	6.7	0	1.7	33.5	13.8

The average wage is the ratio between the annual remuneration and the annual average headcount over the twelve calendar months.

Please note the characteristics specific to the Cleaning business in France. At September 30, 2017. Derichebourg Propreté had 17,862 employees, i.e. over 49% of the Group's workforce. In fact, the significance of this business in terms of workforce is such that it tends to conceal the diversity of other Group business sectors.

Thus, at the end of the fiscal year, out of the 17,862 employees present, 79% were working part-time. Women totaled nearly 72% of the workforce, mainly working part-time. In the least qualified jobs, women working part-time accounted for 63% of the total workforce of Derichebourg Propreté.

The impact of this type of workforce structure does, of course, tend to bring down the average wage for women across Group companies in France.

Beyond the structural nature of the part-time organization of the Cleaning business, all French companies have taken the stance of promoting the reduction of inequality between men and women by negotiating collective agreements or plans of action between Management and labor.

The main focus tends to be to promote changed attitudes and challenge stereotypes, a necessary precursor to the success of such an initiative. One of the focuses of the gender equality policy is the issue of remuneration and there is, in particular, a commitment to limit salary gaps and to get rid of them altogether when recruitment takes place.

Initiatives in French subsidiaries include individual supervision thereby making it possible to detect those employees with potential so as to foster promotion to full-time jobs, greater consideration of individual lifestyle constraints by scheduling work meetings at more suitable times, and consideration of the work/life balance during annual interviews.

4.6.3.5.2 Breakdown of workforce, employment of young and older people

	2017					2016
Employees	<25	26-45	46-54	≥55	Total	Total
Managers	**41**	**562**	**300**	**181**	**1,084**	**1,160**
Men	29	375	236	140	780	804
Women	12	187	64	41	304	356
Non-Managers	**2,831**	**14,184**	**10,449**	**7,901**	**35,365**	**32,761**
Men	1,603	6,782	4,203	2,437	15,025	14,316
Women	1,228	7,402	6,246	5,464	20,340	18,445
Total	**2,872**	**14,746**	**10,749**	**8,082**	**36,449**	**33,921**



The Group has relaunched the process of negotiating generation contracts in order to increase the employment rate of older and young people, particularly by:

- carrying out "second half of career" interviews (from 45 years of age);
- giving priority access to training aimed at continuing the development of professional skills throughout an employee's entire career and improving the employability of Group employees;
- commitments to keeping the over-55s in employment.

Between 2016 and 2017, the percentage of those aged 55 and over rose slightly, from 20.8% to 21.7% of the workforce.

As part of its older workers policy, Derichebourg Propreté offers its workers the option for the third year running of a retirement meeting with Humanis. The purpose of this meeting is to review the workers' careers, support them in their different initiatives or simply to provide them with information. These meetings are offered to all employees aged 60 and over and have been very successful.

The Group is also acting to integrate young people with 529 employees on apprenticeship contracts (professional training contract, professional training and study contract) within the Group on September 30, 2017.

In addition, Derichebourg SNG has contacted the "Aides et actions" association so as to recruit young people seeking to enter employment in order to train them to become "billposters". These are only initial contacts at the moment but the subsidiary wants to develop this partnership.

Within the Group, a knowledge transfer system has been introduced: every apprentice joining the Group has a mentor. The latter is their adviser within the Company and will guide them throughout their training. Several mentorship training sessions are provided during the year in order to guarantee that mentors have all of the tools they need to support the young workers.

4.6.3.5.3 Disability

Through its Mission Handicap disability program created in 2008, Derichebourg has drawn up a practical and ambitious plan of action aiming to commit the Company wholeheartedly to a contractual labor policy supporting the professional integration of disabled employees.

Measures focus on five priority areas - recruiting, retention in employment, collaboration with the sheltered employment sector, personalized support, and training/awareness - with the objective of:

- increasing the percentage of employment of disabled workers;
- developing an active and proactive policy of integrating disabled employees;
- introducing measures aimed at fostering the retention of disabled employees as well as supporting employees who become disabled during their working life to remain in their post;
- allowing disabled employees to enjoy the same career opportunities as other employees;
- strengthening relationships with, and outsourcing more services to, the sheltered employment sector; relations with disability-friendly companies;
- pursuing an active training policy.

The Mission Handicap program uses local liaison workers in the Group's different subsidiaries. They are all volunteers for the role and have received training on this issue. The local liaison workers are responsible for orienting, integrating and helping retain disabled workers in the Company.



At September 30, 2017, the Group's percentage of employment of disabled workers stood at 5.99%. Furthermore, Derichebourg Propreté set itself a target above the statutory target of 7% and achieved 7.32%.

During the fiscal year, the Group recruited over 150 disabled employees. They were recruited on temporary and permanent or professional development contracts. In addition, more than 20 jobs were adapted. The employees in question fill both office positions and practical roles.

Specific measures in this respect have been introduced at subsidiaries:

Association Castel-Mauboussin

A partnership to encourage people with disabilities to qualify in and join the aeronautical industry.

Derichebourg Évolution Formation enables people seeking jobs or retraining to gain qualifications in the various trades in the aeronautical industry and promotes access to employment for people with disabilities. The purpose of the Castel Mauboussin Association is to train people with disabilities in flight assistant roles. The two groups have been working together for several years and share a common desire to encourage people with disabilities to work in the aeronautical industry.

Partnerships with organizations providing assistance through work (ESAT) and sheltered employment companies (EA)

- Derichebourg Milieux Sensibles has established partnerships to subcontract part of the work to associations for the inclusion of disabled workers as part of a joint program with the French national sheltered employment sector union, the UNEA (Union Nationale des Entreprises Adaptées).
- Our Ulteam subsidiary, a reception and special event agency, has signed a co-contracting mail management contract with a sheltered employment company.
- Since January 2016, Refinal Industries has been sub-contracting to an ESAT the manufacturing of suction cups for three robots that extract aluminum ingots. Almost 200 suction cups are manufactured every month.
- Derichebourg Environnement regularly makes use of the sheltered employment company Handiprint to print its publications.

4.6.3.5.4 Multiculturalism and inclusion

By signing the EU's Diversity Charter on October 23, 2014, the Derichebourg Group reaffirmed its commitment to diversity. In this way, the Group demonstrated its intention of continuing and boosting measures at all levels of the Company to promote diversity, from hiring through to career management.



nationalities
112

The Group's managers lead teams composed of employees from 112 nationalities. In this way, Derichebourg is a major player in the area of integration.

Certain subsidiaries offer their employees the opportunity to take training courses in core skills and in French. These courses have positive impacts both in professional and personal terms. In fact, it increases our staff's employability and facilitates their work because following the training they have a better understanding of instructions. Employees express themselves and communicate much more easily and can perform their jobs with greater independence. In personal terms, the training makes our workers' everyday lives easier. Administrative tasks become easier and they can help their children do their homework.

The Group supports economic development in the regions in which it operates and makes commitments to its customers both by implementing specific inclusion via economic activity (IAE) and return to work measures. Subsidiaries implement inclusion-related measures:

WEEE recycling contract

Under the WEEE recycling contracts, several Recycling businesses entrust the dis-assembly and dismantling of large household appliances or small household appliances to ENVIE, the federation of inclusion companies. On June 1, 2017, the Derichebourg Group and ENVIE celebrated 10 years of partnership. The Derichebourg Group has 11 WEEE recycling platforms in France. The Group is in partnership with ENVIE at six of them. Every day 80 ENVIE employees work with the Group. The Derichebourg Group and ENVIE want to continue working together and developing new projects.

Business and neighborhoods charter

Derichebourg Propreté signed the "Business and Neighborhoods" charter on April 1, 2015. In so doing, the subsidiary demonstrated its commitment to be part of an economic and social partnership to benefit disadvantaged communities. Business and Neighborhoods allows young people with difficulties in finding work, some of whom dropped out of school very early, to take part in training, immersion periods in businesses and, consequently, gradually find a new life in society.

Salary rounding scheme, micro-donation

Since September 15, 2017, Derichebourg Multiservices' salary rounding scheme has been established.

Every month, employees have the option to support an organization through a micro-donation from their salary, ranging between €0.5 and €5. Derichebourg Multiservices doubles the amount of each donation. It is a joint employee-employer solidarity scheme.

This pro-active and innovative scheme proposes to support three organizations, selected on the grounds of their responsible approach and the quality of their projects in support of young people:

- **Simplon,** which offers free training in coding to young people with difficulties in finding work;
- **Le Rire Médecin,** which offers entertainment to children in hospital in France;
- **Sport dans la Ville,** which is the main organization for integration through sport in France; it supports young sportspeople to find work.

These organizations have been selected for their serious management and the quality of their project through the Epic foundation (for Sport dans la Ville and Simplon). The aim of this foundation is to include in its portfolio, through a stringent selection process, organizations having the most significant social and societal impact on young people.

In return, Derichebourg Multiservices helps the children of some of its employees through organizations:

- Simplon offers to include the children of employees, who want to follow the free training to become web developers, among the people that it selects;
- Sport dans la Ville opens its programs to the children of employees to facilitate their occupational integration.

4.6.3.6 Training: acquiring the right skills to prepare for the future

The Derichebourg Group is developing a training policy based on enhancing internal resources through skills development, improving the professionalism of its teams so as to contribute to developing its businesses and related techniques, optimizing autonomy and employee loyalty.

number of inclusion hours

200,000

+ 7.8% compared to 2016

	2017	2016
Number of training hours	203,910	185,542
Average number of training hours per year per person	5.6	5.5

Instead of a reactive response, the Group's policy is to focus on forward-looking workforce and skills management to:

- match employees' skills with the needs of the Company;
- enhance the efficiency of organizations;
- plan ahead to meet future needs;
- guide training policy;
- and identify potential employee development.

To do this, key competencies have been targeted that will allow the technical and behavioral skills of each employee to be assessed.

The Group's training policy consists of:

- continuing to develop the skills of all employees on site by encouraging business-orientated skills;
- developing individual and collective performance, and professionalizing, accrediting and seeking to retain high potential employees;
- strengthening preventative resources in order to ensure the health and safety of our employees;
- increasing access to training for priority audiences.

The challenge of a training policy such as this is to ingrain employee loyalty as the Group trains them in areas that are specific to its businesses. Another challenge is to guarantee employee safety by offering them training focused on this area.

The Business Services subsidiaries and, in particular, Derichebourg Propreté, are particularly committed to this approach of professionalizing and accrediting employees. Indeed, for several years Derichebourg Propreté has been offering its employees the opportunity to pursue Certificates of Professional Qualifications (CPQ) that are specific to the cleaning businesses and to management with a view to obtaining an accreditation. Since this initiative was launched, more than 300 employees have obtained their CPQs. During the fiscal year, more than 40 employees have studied for a CPQ.

The Environmental subsidiaries are also involved in a recycling businesses qualification process.

For example, in December 2015, the Refinal Industries subsidiary, with the recycling department and Federec, started an experimental Certificate of Inter-Industry Professional Qualifications (CQPI) for team leadership (equivalent to the French baccalaureate plus two years of higher education).

In effect, the subsidiary wanted to train all of its managers with the objective of improving their vocational skills.

The initiative was therefore as follows:

- positioning: a consultant comes to assess employees in order to determine an appropriate training scheme (between 35 and 70 hours of training approximately);
- training: at the end of each module, an assessment is carried out in order to substantiate whether a skill has been acquired or not;
- evaluation: employees undergo a two-hour oral exam before a jury where they make a presentation about a predominantly managerial project;
- approval: the projects are presented to a Federec committee and, where appropriate, approved.

The positioning took place in December, training from January to October and the evaluation will take place in December 2017.

13 managers took part in this experimental group and a second group of 15 employees will be launched by January 2018.

The Secretary of State responsible for Vocational Training and Learning, Clotilde VALTER, came to visit the Refinal Industries site at Lomme in October 2016 in order to hear employees' accounts and to "encourage this company-led approach to training".

Derichebourg Evolution Formation

In 2008, the Group set up its own services training school specializing in the aeronautical sector. The school is based in Toulouse, a center for aeronautical industry employment. Training is open to all kinds of audiences (job seekers, employees, people retraining, disabled workers) and is also available to be delivered at our customers' sites throughout France and abroad. The training center provides vocational training leading to qualifications as well as specific modules adapted to our customers' needs.

Since it was established, the training center has provided more than 700,000 hours of training to more than 9,000 course attendees.

rate of return to permanent employment after 3 months

85%



rate of return to permanent employment for students with disabilities

100%



The school achieves a rate of return to permanent employment of 85% after three months for people seeking employment and 100% for people with disabilities.

The school also helps disadvantaged people in partnership with local employment bodies and neighborhood enterprises. The percentage of these groups of people obtaining a professional certification is 85%.

4.7 Independent third party organization report on the consolidated social, environmental and societal information appearing in the management report

To the Shareholder.

As an independent third party organization accredited by COFRAC[1] under number 3-1050 and member of the network of one of the Statutory Auditors of Derichebourg, we hereby report to you on the consolidated social, environmental and societal information for the year ended September 30, 2017, as presented in the management report (the "CSR Information") under the provisions of Article L. 225-102-1 of the French Commercial Code.

Company Responsibility

The Board of Directors is responsible for preparing a management report that contains all CSR Information in accordance with Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the standards used by the Company, (the "Standards"), a summary of which is presented in the management report which is available on request at the Company's headquarters.

Independence and Quality Control

Our independence is defined by regulatory texts, the profession's code of ethics, as well as the conditions defined in Article L. 822-11-3 of the French Commercial Code. Furthermore, we have implemented a quality control system that includes documented policies and procedures that aim to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

Responsibility of the third party independent organization

Based on our work, our role is to:

- confirm that the required CSR Information is contained in the management report, or if this information is omitted, that an explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Certification of Presence of CSR Information);
- conclude with moderate assurance that the CSR Information, as a whole, is fairly presented in all major aspects in accordance with the Standard(s) (Reasoned opinion on the fairness of CSR Information).

However, it is not our responsibility to decide on compliance with any other applicable legal provisions, in particular those stated in Article L. 225-102-4 of the French Commercial Code (vigilance plan) and Law No. 2016-1691 of December 9, 2016, the so-called Sapin II Law (fight against corruption).

Our work was conducted by a skilled team of five people between September and December 2017, and lasted for approximately seven weeks.

We carried out the work described below in accordance with the professional standards applicable in France and the decree of May 13, 2013 laying down the procedures for the performance of audit engagements by independent third party organizations, the reasoned fairness opinion was produced in accordance with international standard ISAE 3000[2].

1. Certification of the Presence of CSR Information

Nature and scope of the work

Based on interviews with the heads of the departments involved, we reviewed the guidance on sustainable development according to the social and environmental consequences of the Company's activity and its societal commitments, as well as any resulting initiatives or programs.

We compared the CSR Information presented in the management report with the list provided by Article R. 225-105-1 of the French Commercial Code.

If any consolidated information was missing, we verified that explanations were provided in accordance with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covered the scope of consolidation; that is, the Company as well as its subsidiaries, within the meaning of Article L. 233-1 and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code.

Conclusion

Based on this work, we certify that the management report contains the required CSR Information.

2. Reasoned opinion on the fairness of CSR Information

Nature and scope of the work

We conducted four interviews with the people responsible for preparing CSR Information in the departments in charge of collecting the information as well as responsible for any internal control and risk management procedures. This served to:

- evaluate the appropriateness of the Standards in terms of their relevance, completeness, reliability, neutrality and comprehensibility, taking into account sector best practice;
- verify the implementation of a process for collecting, compiling, processing and checking the completeness and consistency of the CSR Information, in addition to reviewing the internal control and risk management procedures for the preparation of the CSR Information.

(1) Scope of accreditation available on www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

We determined the nature and extent of our tests and audits based on the nature and importance of the CSR Information, given the Company's characteristics, the social and environmental challenges of its business, its sustainable development strategy and sector best practice.

For the CSR Information that we considered the most important[1]:

- for corporate headquarters, we consulted documentation and held interviews to corroborate the qualitative information (organization, policies, actions, etc.). We also introduced analytical procedures for the quantitative information and used sampling techniques to verify calculations and data consolidation. Finally, we examined the consistency and agreement with other information contained in the management report;
- at the level of the representative sample of entities that we selected[2] based on their business, their contribution to the consolidated indicators, their sites and a risk analysis, we held interviews to verify that the procedures were correctly applied. We also used sampling techniques to perform detailed tests verifying the calculations made and reconciling data from supporting documents. The sample thus selected represents on average 19% of the workforce and 5% of electricity consumption.

For other consolidated CSR Information, we assessed its consistency based on our knowledge of the Company.

Finally, we assessed the relevance of the explanations given for any missing information, taking into account best practice as set out in the European BREF (Best Available Techniques REFerence Document) on waste treatment.

We believe that the sampling methods and sample sizes we used in exercising our professional judgment allow us to provide moderate assurance; a higher level of assurance would have required more extensive verification. Due to the use of sampling techniques as well as other inherent limitations of any information and internal control system, the risk of not detecting a significant anomaly in the CSR Information cannot be eliminated entirely.

Conclusion

Based on this work, we have not detected a material misstatement that could call into question the fact that the CSR Information, as a whole, is fairly presented in accordance with the Standards.

Observations

Without calling into question the conclusion above, we would like to draw your attention to the fact that the reporting process for social and environmental information from the subsidiaries, still needs to be strengthened.

Paris-La Défense, December 5, 2017

Independent third party organization ERNST & YOUNG et Associés

Eric Duvaud	Bruno Perrin
Partner Sustainable Development	Partner

(1) ***Employee information:***
- Indicators (quantitative information): employees at year-end, number of days absent, frequency rate and lost-time accident severity rate, number of occupational illnesses recognized;
- Qualitative information: workplace health and safety policy, organization of working hours, labor relations, training policies implemented.
Environmental and social information:
- Indicators (quantitative information): electricity, natural gas and fuel consumption (solely for Environmental Services subsidiaries), recovery rate for ELVs, WEEE and light shredding residue, greenhouse gas emissions generated (scope 1 and 2) and avoided.
- Qualitative information: certification processes (ISO 14001), environmental protection measures (atmospheric, water and soil emissions that impact the environment), relations with local communities, fair trading practices.

(2) *For the Environmental business, the regional subsidiary Valrecy (France). For the Multiservices business, the subsidiaries Intérim et Recrutement (France) and Safira (Portugal).*

4.8 Financial results for the last five fiscal years

In euros	09-30-13	09-30-14	09-30-15	09-30-16	09-30-17
SHARE CAPITAL AT YEAR-END					
Share capital	42,020,508	42,020,508	42,020,508	42,020,508	40,969,695
Total number of ordinary shares outstanding	168,082,030	168,082,030	168,082,030	168,082,030	163,878,780
OPERATIONS AND NET PROFIT OR LOSS FOR THE YEAR					
Gross revenue before sales tax	3,411,344	3,240,637	3,245,564	3,236,195	3,241,419
Earnings before tax, employee profit-sharing and provisions and depreciation[1]	24,527,115	(79,821,651)	6,736,673	1,065,415	39,352,849
Income tax	(12,087,562)	(12,433,251)	(4,733,957)	(10,064,953)	(11,857,430)
Earnings after tax, employee profit-sharing and provisions and depreciation	(67,763,648)	10,381,714	5,355,844	(1,619,845)	73,475,580
Earnings distributed	9,897,909	0	8,404,102	3,361,641 [3]	22,943,029 [2]
EARNINGS PER SHARE *(IN EUROS)*					
Earnings after tax, employee profit-sharing but before provisions and depreciation[1]	0.22	(0.40)	0.07	0.07	0.31
Earnings after tax, employee profit-sharing and provisions and depreciation	(0.40)	0.06	0.03	(0.01)	0.45
Net dividend per eligible share	0.06	0.00	0.05	0.02 [2]	0.14 [2]
PERSONNEL					
Average number of salaried employees during the year	3	3	2	2	2
Total salaries and wages for the year	327,704	346,164	438,219	322,692	391,589
Amounts paid for social benefits for the fiscal year (social security contributions, other employee benefits, etc.)	156,405	156,677	183,302	163,840	198,585

(1) This calculation is made using the total number of outstanding shares.
(2) Subject to approval of the allocation of income by the shareholders' combined general meeting of February 7, 2018.
(3) Before taking into account the capital reduction decided by the Board of Directors' meeting of December 6, 2016.

4.9 Agenda and draft resolutions submitted to the shareholders' combined general meeting of February 7, 2018

Agenda

Ordinary

- Approval of the parent company annual financial statements for the fiscal year ended September 30, 2017 and discharge to the directors;
- Approval of the consolidated financial statements for the fiscal year ended September 30, 2017;
- Allocation of income for the fiscal year ended September 30, 2017;
- Approval of the agreements and commitments referred to in Article L. 225-38 *et seq.* of the French Commercial Code;
- Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits in kind attributable to Mr. Daniel DERICHEBOURG, Chairman and Chief Executive Officer;
- Opinion on the elements of remuneration owed or granted to Mr. Daniel DERICHEBOURG, Chairman and Chief Executive Officer, for the fiscal year ended September 30, 2017;
- Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits in kind attributable to Mr. Abderrahmane EL AOUFIR, Deputy CEO;
- Opinion on the elements of remuneration owed or granted to Mr. Abderrahmane EL AOUFIR, Deputy CEO, for the fiscal year ended September 30, 2017;
- Appointment of BM&A as a joint principal independent auditor;
- Appointment of Mr. Pascal DE ROCQUIGNY DU FAYEL as a joint alternate independent auditor;
- Authorization to be granted to the Board of Directors to trade in Company shares;
- Powers for formalities.

Extraordinary

- Authorization to be given to the Board of Directors to reduce the share capital by canceling shares.

Draft resolutions

Ordinary

First resolution

Approval of the parent company annual financial statements for the fiscal year ended September 30, 2017

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' report, approves the parent company annual financial statements for the fiscal year ended September 30, 2017, as presented, which show a net profit of €73,475,579.65.

It also approves the transactions reflected in these financial statements or summarized in these reports.

Finally, it notes that none of the expenses and charges referred to in Article 39-4 of the French General Tax Code arose during the fiscal year ended September 30, 2017.

Therefore, it grants discharge to the directors for the performance of their mandates during said fiscal year.

Second resolution

Approval of the consolidated financial statements for the fiscal year ended September 30, 2017

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the group management report (included in the Board of Directors' management report) and the Statutory Auditors' report, approves the consolidated financial statements for the fiscal year ended September 30, 2017, as presented, which show a profit of €76 million (Group share) as well as the transactions reflected in these financial statements and summarized in these reports.

Third resolution

Allocation of income

The shareholders' meeting, acting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, upon a proposal from the Board of Directors, resolves to allocate the net profit for the fiscal year ended September 30, 2017 in the amount of €73,475,579.65 as follows:

Origin

• Net profit for the year	€73,475,579.65
• Retained surplus	€187,480,716.62
• **Distributable amount**	**€260,956,296.27**

Allocation

• Total dividend distribution	€22,943,029.20
• Retained earnings	€238,013,267.07
• **Total**	**€260,956,296.27**

Consequently, the dividend is set at €0.14 per share composing the share capital with dividend rights. The ex-dividend date is scheduled for February 13, 2018 and the dividend will be paid on or after February 15, 2018.

If the beneficiaries are individuals resident for tax purposes in France, subject to changes in tax legislation, the dividend will be eligible for the 40% allowance under Article 158-3-2 of the French General Tax Code.

In accordance with the provisions of Article 243 bis of the French General Tax Code, it is noted that the following dividends were distributed for the three previous fiscal years:

Fiscal year	Total dividend	Dividend per share
2013/2014	€0	€0
2014/2015	€8,404,101.50	€0.05
2015/2016	€3,277,575.60	€0.02

In accordance with Article 158-3-2 of the French General Tax Code, individuals resident for tax purposes in France were entitled to a 40% allowance on dividends paid against fiscal years 2014/2015 and 2015/2016.

Fourth resolution

Approval of the agreements and commitments referred to in Article L. 225-38 *et seq.* of the French Commercial Code

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Statutory Auditors' special report on the agreements and commitments referred to in Article L. 225-38 *et seq.* of the French Commercial Code, approves said report, notes the information on the agreements concluded and commitments made during the previous fiscal years covered by this report, and notes that no new agreements have been concluded or commitments made during the fiscal year ended September 30, 2017.

Fifth resolution

Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits in kind attributable to Mr. Daniel DERICHEBOURG, Chairman and Chief Executive Officer

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report, and in accordance with Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits in kind attributable to Mr. Daniel DERICHEBOURG, Chairman and Chief Executive Officer.

Sixth resolution

Opinion on the elements of remuneration owed or granted to Mr. Daniel DERICHEBOURG, Chairman and Chief Executive Officer, for the fiscal year ended September 30, 2017

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, upon a proposal from the Board of Directors, issues a favorable opinion on the elements of remuneration owed or granted to Mr. Daniel DERICHEBOURG, Chairman and Chief Executive Officer, for the fiscal year ended September 30, 2017, as presented in section 4.4.2 of the 2016/2017 registration document.

Seventh resolution

Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits in kind attributable to Mr. Abderrahmane EL AOUFIR, Deputy CEO

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report, and in accordance with Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits in kind attributable to Mr. Abderrahmane EL AOUFIR, Deputy CEO.

Eighth resolution

Opinion on the elements of remuneration owed or granted to Mr. Abderrahmane EL AOUFIR, Deputy CEO, for the fiscal year ended September 30, 2017

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, upon a proposal from the Board of Directors, issues a favorable opinion on the elements of remuneration owed or granted to Mr. Abderrahmane EL AOUFIR, deputy CEO, for the fiscal year ended September 30, 2017, as presented in section 4.4.2 of the 2016/2017 registration document.

Ninth resolution

Appointment of BM&A as a joint principal independent auditor

The shareholders' general meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report, appoints BM&A, a simplified joint-stock company with share capital of €1,200,000 and its registered office at 11 Rue de Laborde - 75008 Paris,

registration number 348 461 443 RCS Paris, and represented by Mr. Eric SEYVOS, as a joint principal independent auditor for a period of six years ending at the close of the shareholders' ordinary general meeting called to approve the financial statements for the financial year ending on September 30, 2023.

Tenth resolution

Appointment of Mr. Pascal DE ROCQUIGNY DU FAYEL as a joint alternate independent auditor

The shareholders' general meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report, appoints Mr. Pascal DE ROCQUIGNY DU FAYEL, residing at 11 Rue de Laborde – 75008 Paris, as a joint alternate independent auditor for a period of six years ending at the close of the shareholders' ordinary general meeting called to approve the financial statements for the financial year ending on September 30, 2023.

Eleventh resolution

Authorization to be granted to the Board of Directors to trade inCompany shares

The shareholders' general meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report:

1. Authorizes the Board of Directors, in accordance with the provisions of Article L. 225-209 *et seq.* of the French Commercial Code, to acquire Company shares up to a limit of 10% of the number of shares comprising the share capital; this limit applies to the date on which the purchases are made.

   Shares may be acquired, sold or transferred at any time, including during public offer periods, on one or several occasions and by any means, on the market or by private contract, including blocks of shares (with no limit on volume), in accordance with the regulations in force.

   These transactions may be made at any time, subject to the abstention periods provided for in the legal and regulatory provisions.

2. Resolves that the Company shares, within the limits fixed above, can be purchased:
   - to stimulate the market or the market liquidity of Derichebourg shares through a liquidity contract entered into with an investment service provider, in compliance with the AMAFI (French financial markets association) ethical charter approved by the AMF (French securities regulator);
   - the French securities regulator, to grant shares to employees, in accordance with legal requirements and generally within the framework of a profit sharing or company savings plan;
   - to purchase shares for subsequent use in exchange or as payment for acquisitions;
   - to deliver shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means;
   - to cancel, as part of the Company's financial policy, the securities bought back, subject to the adoption of the thirteenth resolution proposed to the shareholders' meeting for approval.

3. Resolves that the maximum purchase price for each share is set at €20, excluding acquisition expenses. Therefore, the maximum amount that the Company is likely to pay in the event of a purchase at the maximum price of €20 would total €327,757,560, based on the share capital at September 30, 2017.

4. Resolves that the share purchase price will be adjusted by the Board of Directors in the event of financial transactions involving the Company under the conditions provided for in the regulations in force.

5. Resolves that this authorization is granted for a term of 18 months counting from the date of the present shareholders' meeting. It supersedes the authorization granted under the ninth resolution of the shareholders' combined general meeting of January 30, 2017.

Twelfth resolution

Powers for formalities

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, grants full powers to the bearer of an original, copy or excerpt of these minutes to carry out all filing, publication and other formalities required by law.

Extraordinary

Thirteenth resolution

Authorization to be given to the Board of Directors to reduce the share capital by canceling shares

The shareholders' meeting, voting in accordance with the quorum and majority requirements for shareholders' extraordinary general meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, authorizes the Board of Directors to, on its own decision, on one or several occasions, reduce the share capital within a limit of 10% of the Company's share capital per 24-months period, by canceling shares that the Company holds or may hold following purchases made as part of the share purchase program authorized under the eleventh resolution submitted to the present meeting or share purchase programs authorized before or after the date of the present meeting.

The shareholders' meeting grants full powers to the Board of Directors, with the possibility to delegate under the conditions provided for by law, to perform these transactions within the limits and at the times it determines, to fix the terms and conditions for said transactions and perform all necessary deductions from reserves, earnings or premiums, to record said transactions and to modify the bylaws accordingly and in general make all decisions and perform all formalities.

This authorization is granted for a period of 18 months from the date of this meeting. It supersedes the authorization granted under the tenth resolution of the shareholders' combined general meeting of January 30, 2017.

Financial statements

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5.1 Consolidated financial statements for the year ended September 30, 2017, in compliance with IFRS

5.1.1 Group consolidated balance sheet as at September 30, 2017

Assets *In millions of euros*	Note	09-30-17	09-30-16
Goodwill	4.1	219.1	226.0
Intangible assets	4.1	4.9	3.9
Property, plant and equipment	4.2	451.5	436.1
Financial assets	4.3	15.2	11.1
Investments in associates and joint ventures	4.4	16.0	15.5
Deferred taxes	4.22	27.7	45.8
Other assets	4.5	0.0	0.0
Total non-current assets		**734.3**	**738.5**
Inventories	4.6	93.9	83.3
Trade receivables	4.7	295.7	226.4
Tax receivables	4.7	6.4	5.3
Other assets	4.7	101.6	88.8
Financial assets	4.7	15.1	13.8
Cash and cash equivalents	4.8	146.6	41.9
Financial instruments	4.12	0.0	0.0
Total current assets		**659.3**	**459.5**
Total non-current assets and groups of assets held for sale		**0.0**	**2.9**
Total assets		**1,393.7**	**1,200.9**

Liabilities *In millions of euros*	Note	09-30-17	09-30-16
Share capital	4.9	41.0	42.0
Share premiums		16.5	27.6
Own shares		0.0	(31.8)
Reserves		326.1	293.1
Net loss for the year		76.0	12.9
Group shareholders' equity		**459.7**	**343.8**
Non-controlling interests	4.10	2.9	3.8
Total shareholders' equity		**462.6**	**347.7**
Loans and financial debts	4.11	153.9	143.5
Provision for pensions and similar benefits	4.13	43.2	45.5
Other provisions	4.13	28.1	22.8
Deferred taxes	4.22	17.9	18.8
Other liabilities	4.16	1.1	1.1
Total non-current liabilities		**244.3**	**231.7**
Loans and financial debts	4.11	103.6	123.5
Provisions	4.14	3.5	7.8
Trade payables	4.15	294.5	216.9
Tax payables	4.15	7.9	7.9
Other liabilities	4.15	269.2	250.9
Financial instruments	4.12	1.9	6.4
Total current liabilities		**680.6**	**613.5**
Discontinued and liabilities held for sale		**6.2**	**8.0**
Total liabilities		**1,393.7**	**1,200.9**

5.1.2 Derichebourg Group consolidated income at September 30, 2017

In millions of euros	Note	2017	2016 restated [1]
Revenue	4.17	2,731.1	2,147.5
Other revenues from operations		4.3	5.0
Cost of raw materials		(1,288.9)	(905.7)
External charges		(357.6)	(306.6)
Personnel expenses	4.28	(830.1)	(773.6)
Taxes and duties		(51.5)	(46.7)
Depreciation		(80.6)	(75.7)
Change in provisions	4.18	(11.5)	(6.9)
Change in inventory: work-in-progress and finished products		0.7	2.7
Other operating expenses	4.19	(31.0)	(15.8)
Other operating income	4.19	37.4	21.9
Recurring operating profit (loss)		**122.4**	**46.0**
Other non-recurring expenses	4.20	(4.5)	(6.2)
Other non-recurring income	4.20	2.4	1.9
Gain/loss on disposal of consolidated companies		2.2	(0.0)
Operating profit (loss)		**122.5**	**41.8**
Net financial expenses	4.21	(16.6)	(17.7)
Foreign exchange and other gains and losses	4.21	(2.3)	2.5
Profit (loss) before tax		**103.5**	**26.6**
Income tax	4.22	(27.5)	(8.2)
Group share of income from associates and joint ventures	4.4	0.7	0.2
Net profit (loss)		**76.6**	**18.6**
Income net of tax from discontinued activities	4.23	(0.2)	(5.0)
Restated consolidated net income		**76.4**	**13.6**
Net profit (loss):			
• attributable to shareholders		76.0	12.9
• attributable to non-controlling interests		0.4	0.7
Earnings per share: earnings attributable to Company shareholders *(in euros/share)*	4.24		
• basic		0.5	0.1
• diluted		0.5	0.1
Earnings per share: attributable to shareholders after net income from discontinued or held-for-sale operations *(in euros/share)*			
• basic		0.5	0.1
• diluted		0.5	0.1

(1) Amounts changed following the reclassification of crane construction and maintenance operations into held-for-sale operations.

Derichebourg Group statement of consolidated comprehensive income

In millions of euros	2017	2016
Restated consolidated net income	**76.4**	**13.6**
Exchange rate changes	(2.3)	(1.5)
Cash flow hedging	5.2	(0.6)
Restatement of liabilities linked to commitments from defined benefit plans	6.9	(9.3)
Taxes on other comprehensive income	(4.1)	5.3
Income and expenses for the period recognized directly in shareholders' equity	**5.7**	**(6.1)**
Comprehensive income for the period	**82.1**	**7.5**
Of which		
• attributable to Company shareholders	81.7	6.8
• attributable to non-controlling interests	0.4	0.7

5.1.3 Derichebourg Group consolidated statement of cash flows at September 30, 2017

In millions of euros	Note	2017	2016 restated [1]
Total consolidated net profit (loss)		76.4	13.6
Consolidated net profit (loss) from held for sale or discontinued operations		(0.2)	(5.0)
Consolidated net income from continuing operations		76.6	18.7
Adjustments for:			
Elimination of profit (loss) from associates and joint ventures		(0.7)	(0.2)
Depreciation and amortization and provisions		83.5	70.7
Fair value gains (losses)		0.6	(0.2)
Elimination of gains (loss) on asset disposals		(3.7)	0.7
Elimination of profit (loss) from dividends		(0.1)	(0.4)
Other non-cash income and expenses		2.4	
Operating cash flow after financing costs and income tax		**154.0**	**89.2**
Net interest expense		16.7	18.2
Income tax		27.5	8.2
Operating cash flow before financing costs and income tax		**198.2**	**115.6**
Changes in working capital requirement related to operations		9.3	23.3
Income tax paid		(26.5)	(5.1)
Cash flows from operations generated by discontinued activities		(0.2)	(3.9)
Net cash flow from operating activities		**180.9**	**129.9**
Impact of changes in scope		(1.7)	(17.7)
Acquisition of property, plant and equipment and intangible assets		(71.8)	(54.4)
Acquisition of financial assets		(4.0)	(1.7)
Change in loans and advances granted		(3.1)	1.5
Disposal of property, plant and equipment and intangible assets		15.2	3.7
Disposal of financial assets		0.0	0.2
Dividends received		1.4	0.5
Cash flow related to investment activities for discontinued operations		0.0	0.6
Net cash flow from investment activities		**(60.6)**	**(67.3)**
Capital increase		0.0	0.1
Proceeds from borrowings		79.7	36.3
Repayment of borrowings		(105.1)	(87.8)
Net financial interests paid		(16.7)	(17.0)
Dividends paid to Group shareholders		(3.0)	(7.7)
Dividends paid to non-controlling interests		(1.1)	(1.6)
Own shares		46.6	1.9
Factoring		4.8	(3.6)
Cash flow related to finance activities for discontinued operations		0.0	(0.3)
Net cash flow from finance activities		**5.2**	**(79.8)**
Impact of foreign exchange rate fluctuations		(0.9)	(0.2)
Change in cash and cash equivalents		**124.6**	**(17.3)**
Cash and cash equivalents at beginning of the period	4.8	17.2	34.6
Cash and cash equivalents at close of the period	4.8	141.8	17.2
Change in cash and cash equivalents for discontinued activities		0.0	0.0
Change in cash and cash equivalents		**124.6**	**(17.3)**

(1) Amounts changed following the reclassification of crane construction and maintenance operations into held-for-sale operations.

5.1.4 Change in Derichebourg Group consolidated shareholders' equity at September 30, 2017

In millions of euros	Capital	Share premiums	Own shares	Reserves	Currency translation reserves	Net loss for the year	Group share-holders' equity	Non-controlling interests	Total share-holders' equity
Position at September 30, 2015	**42.0**	**27.6**	**(33.8)**	**271.7**	**7.2**	**28.2**	**342.7**	**5.5**	**348.2**
Appropriation of prior-year profit				28.2		(28.2)	0.0		0.0
Dividends payments				(7.7)			(7.7)	(1.6)	(9.3)
Own shares			2.1				2.1		2.1
Net profit for the year attributable to the Group						12.9	12.9	0.7	13.6
Income and expenses recognized directly through equity				(4.6)	(1.5)		(6.1)	(0.1)	(6.2)
Other changes							0.0	(0.8)	(0.8)
Position at September 30, 2016	**42.0**	**27.6**	**(31.8)**	**287.5**	**5.7**	**12.9**	**343.8**	**3.8**	**347.7**
Appropriation of prior-year profit				12.9		(12.9)	0.0		
Dividends payments				(3.0)			(3.0)	(1.1)	(4.1)
Own shares	(1.1)	(11.0)	31.8	17.5			37.2		37.2
Net profit for the year attributable to the Group						76.0	76.0	0.4	76.4
Income and expenses recognized directly through equity				7.9	(2.3)		5.6	0.0	5.6
Other changes								(0.2)	(0.2)
Position at September 30, 2017	**41.0**	**16.5**	**0.0**	**322.8**	**3.4**	**76.0**	**459.7**	**2.9**	**462.6**

5.1.5 Notes to the consolidated financial statements

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1. Presentation of the Group

1.1 Identity of the issuer

Derichebourg is a public limited company created and domiciled in France with its registered headquarters at 119, avenue du Général Michel Bizot, 75012 PARIS. Derichebourg is listed in compartment B of the Euronext market. The Group's business activities are as follows:

- Environmental Services;
- Business Services;
- holding companies.

Many of Derichebourg's Environmental Services' operating properties are owned through a real estate investment company.

The consolidated financial statements for the period from October 1, 2016 to September 30, 2017 were approved by the Group's Board of Directors on December 5, 2017.

They reflect the financial position of the Company and its subsidiaries, and the Group's interests in joint ventures and associated companies.

The financial statements are presented in millions of euros, unless otherwise stated. The amounts are rounded to the nearest hundred thousand euros.

All companies close their accounts on September 30, except for Dreyfus, SCEA du Château Guiteronde, SCI La Futaie, Derichebourg Recycling Mexico, Plastic Recycling, Reyfra, SCI des Chênes, SCI Garalter, SCI des Peupliers and SCI des Tilleuls, which close their accounts on December 31.

1.2 Material events occurring over the fiscal year

Environmental Services

- Acquisition of Bartin Recycling

On November 30, 2016, the Group acquired Bartin Recycling, previously a subsidiary of the Veolia group. Bartin Recycling specializes in the collection and recycling of ferrous and non-ferrous metals. It manages some twenty sites in France that recycle ferrous metals, new production waste, demolitions, as well as their on-site recovery or dismantling and their sale as secondary raw materials to the consumer manufacturing plants.

As a leader in recycling in France, the Company re-uses and recycles up to 450,000 tons of metal per year.

- Disposal of Rei Srl

Derichebourg Environnement sold its subsidiary Rei Srl to Iren Ambiente, a subsidiary of IREN S.p.A. REI Srl owns a landfill facility with a surface area of 59,000 m² near Turin, which is ready to begin operations. This landfill facility, which is not intended for household waste, is specifically authorized to receive certain types of dangerous waste.

Business Services

None.

1.3 Events occurring after year-end

Appeal judgment in a dispute between the Belgian tax authority and the Derichebourg Belgium subsidiary

On November 2, 2017, the Derichebourg Belgium subsidiary was informed that the Court of Appeal of Mons has overturned the first instance ruling in its dispute with the Belgium tax authority, and has been ordered to pay Corporate income taxes, penalties for late payment and other amounts totaling €6.0 million. A provision for this amount is recognized in the financial statements for the fiscal year ending September 30, 2017. The Company intends to appeal.

2. Accounting policies, rules and methods

2.1 General policies

In accordance with European regulation 1606/2002 of July 19, 2002 on international standards, the Derichebourg Group's financial statements on September 30, 2017 were prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The above standards and interpretations are available on the European Commission's website (http://ec.europa.eu/internal_market/ accounting/ias_fr) and include International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and Interpretations issued by the Standing Interpretations Committee (SIC) and by the International Financial Reporting Interpretations Committee (IFRIC).

The accounting policies used are identical to the previous year.

Segment data for the preceding fiscal year is presented in accordance with the segment breakdown adopted since the merger of CFF Recycling and Penauille Polyservices in 2007.

The financial statements were drawn up in accordance with the going concern principle.

The consolidated financial statements of the Derichebourg Group for the year ended September 30, 2017 are available upon request from the Company's registered office located at 119, avenue du Général Michel Bizot, Paris, or on its website, www.derichebourg.com.

2.1.1 Standards and interpretations applicable to the fiscal year beginning October 1, 2016

The standards and interpretations adopted by the European Union and which are required to be applied to the Derichebourg Group consolidated financial statements starting on or after October 1, 2016 are as follows:

- amendment to IAS 1: "Disclosure initiative", applicable to fiscal years beginning on or after January 1, 2016;
- annual improvement cycle 2012-2014, applicable to fiscal years beginning on or after January 1, 2016;
- amendment to IAS 16 and IAS 38: "Acceptable methods of depreciation and amortization" applicable to fiscal years beginning on or after January 1, 2016;
- amendment to IFRS 11: "Accounting for acquisitions of interests in joint ventures" applicable to fiscal years beginning on or after January 1, 2016;
- amendment to IAS 27: "Equity method in separate financial statements" applicable to fiscal years beginning on or after January 1, 2016.

First-time application of these standards has no impact on the Group's consolidated financial statements.

2.1.2 Standards and interpretations published but not yet effective

The Group has undertaken no early application of standards or interpretations that were not mandatory as of October 1, 2016 (the application dates are those recognized by EFRAG):

- IFRS 15: "Revenue from contracts with customers", applicable to fiscal years beginning on or after January 1, 2018;
- IFRS 9: "Financial Instruments", applicable to fiscal years beginning on or after January 1, 2018;
- amendment to IFRS 15: "Revenue from contracts with customers", applicable to fiscal years beginning on or after January 1, 2018;
- IFRS 16: "Operating leases", applicable to fiscal years beginning on or after January 1, 2019;
- amendment to IAS 7: "Disclosure initiative", applicable to fiscal years beginning on or after January 1, 2017;
- amendment to IAS 12: "Deferred taxes: recovery of underlying assets", applicable to fiscal years beginning on or after January 1, 2017;
- amendment to IFRS 4: "Insurance policies: applying IFRS 9 'Financial instruments' with IFRS 4", applicable to fiscal years beginning on or after January 1, 2018.

Their possible impact will be measured during the course of the year.

2.2 Accounting policies

2.2.1 Consolidation methods

In accordance with the provisions of IFRS 10, companies over which the Group directly or indirectly exercises control are fully consolidated. The Group exercises control when it controls the entity and has an exposure or right to this entity's variable returns, while also having the capacity to act on these returns.

In accordance with IFRS 11, joint arrangements are classified into two categories, joint ventures and joint operations, according to the type of rights and obligations held by each of the parties.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control involves the contractually agreed sharing of control of the entity, which only exists in cases where decisions concerning the relevant activities require the unanimous consent of the parties sharing control.

An associate is a company over which the Group exercises significant influence. Significant influence exists when the Group has the power to participate in decisions regarding the entity's financial and operational policies, but does not control or jointly control these policies.

The results, assets and liabilities of equity interests in associated companies or joint ventures are included in the Group's consolidated financial statements, according to the equity method.

2.2.2 Use of estimates

To prepare the Group's consolidated financial statements, its management must make judgments and estimates that could have a significant effect on some of the assets, liabilities, income and expense items presented in these statements and in the notes thereto. The Group regularly revises its judgments and estimates on the basis of past experience and other factors it deems relevant based on economic conditions. Given the uncertainty that underlies these judgments and estimates, actual business activity could require a significant adjustment to the amounts recognized for a given period.

Judgments

In preparing the financial statements for the period ending September 30, 2017, management exercised its judgment in particular regarding the following:

- action to obtain reimbursement of an initial payment for an acquisition that was abandoned (see note 4.26).

Estimates

Key estimates regarding future events and other major sources of uncertainty at the reporting date are:

- assessment of the recoverability of trade receivables (see note 4.7 – Trade receivables, other receivables and current financial assets), exposure to credit risk, as well as the risk profile;

- provisions for risks and for employee benefits (see note 4.13 – Non-current provisions and provisions for commitments to employees, and note 4.14 – Current provisions);
- income tax and assessment of deferred tax assets (see note 4.22 – Income tax);
- potential impairment of goodwill and intangible assets (see note 4.1 – Intangible assets and goodwill).

2.2.3 Non-controlling interests

Non-controlling interests are presented separately from the Group's shareholder equity on the balance sheet.

When the share of the non-controlling interests in the losses of a fully consolidated Group company is more than their share in equity, the excess, and any further losses applicable to the non-controlling interests, are allocated against the majority interests, unless the minority shareholders have a binding obligation to cover these losses.

2.2.4 Translation of the financial statements of foreign companies and firms

In most cases, the functional currency of the Group's foreign companies and firms is the same as their local currency. The financial statements of foreign companies prepared in a currency different from that of the Group consolidated financial statements are translated in accordance with the "closing rate" method. Their balance sheets are translated at the exchange rates applicable on the closing date and their income statements are translated at the average rate for the period. The resulting translation differences are recognized as translation differences in consolidated reserves. Goodwill relating to foreign companies is considered as being part of the acquired assets and liabilities and, as such, is translated at the rate of exchange in effect on the closing date.

A loan to a foreign subsidiary, the settlement of which is neither planned nor probable in the foreseeable future, constitutes part of the Group's net investment in this foreign subsidiary. Translation adjustments arising from a monetary item that forms part of a net investment are recorded directly in other comprehensive income under currency translation reserves, and recognized in income on disposal of the net investment.

2.2.5 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are converted into euros at the exchange rate in effect on the transaction date. At year-end, trade receivable and payable accounts denominated in a foreign currency are converted into euros at the year-end exchange rate. The resulting gains and losses are recognized in the income statement for the year.

2.3 Valuation rules and methods

2.3.1 Income from ordinary activities (revenue)

Consolidated revenue represents, for Business Services, the amount of services invoiced to customers outside the Group when the services are supplied.

For Environmental Services, revenue is recognized when the risks and rewards inherent to ownership of the products manufactured are transferred, usually upon shipping.

It includes, after elimination of intra-Group transactions, the revenue of fully consolidated companies.

2.3.2 Deferred taxes

In accordance with IAS 12, deferred taxes are recognized on the temporary differences between the carrying amounts of assets and liabilities and their tax base. In accordance with the liability method, they are calculated based on the expected tax rate for the period when the carrying amount of the asset or liability is recovered or settled. The effects of changes in tax rates from one period to another are recognized in the income statement or in equity, according to the symmetry principle, for the period during which the change occurred.

Deferred taxes relating to items recognized directly in shareholders' equity are also recognized in shareholders' equity.

Deferred tax assets resulting from temporary differences, tax losses and tax credits carried forward are limited to the estimated amount of tax recoverable.

This is evaluated at year-end, based on the profit forecasts of the tax entities concerned. Deferred tax assets and liabilities are not discounted.

2.3.3 Earnings per share

Basic earnings per share are defined as the Group share of net income, divided by the weighted average number of shares outstanding during the year, after deduction of shares bought back.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted to take into account the dilutive effect of equity capital instruments issued by the Group that are likely to increase the number of shares outstanding, such as options to subscribe for or purchase shares.

2.3.4 Intangible assets

Intangible assets that are identifiable or separately controlled by the Group are recognized as assets on the balance sheet. They mainly include computer software and are amortized on a straight line basis over their useful life, which is generally between twelve months and five years, depending on their significance. Intangible assets acquired are recognized on the balance sheet at their acquisition cost.

2.3.5 Goodwill

Goodwill represents the difference recognized, on the date a company enters into the consolidation scope, between the acquisition cost of its shares, and the Group's share of the fair value on the acquisition date of the assets, liabilities and contingent liabilities attributable to the Company acquired on the date of purchase of the shares.

Positive goodwill is recognized as assets on the balance sheet under the heading "Goodwill". Negative goodwill is recognized directly in the income statement in the year of acquisition under the item "Other non-recurring expenses".

Goodwill is not amortized.

2.3.6 Impairment of non-current assets other than financial non-current assets

Goodwill, intangible assets and property, plant and equipment are subjected to impairment testing in certain circumstances:

- for non-current assets whose useful life is indefinite (as in the case of goodwill), impairment testing is carried out at least once per year, and any time there is an indicator of impairment;
- for other non-current assets, testing is only carried out when there is an indicator of impairment.

Assets subjected to impairment tests are grouped into cash generating units (CGUs) which are groupings of similar assets whose utilization generates identifiable cash flows. When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU is the higher of the fair value less the costs to sell and the value in use. The value in use is determined by discounting the future cash flows likely to arise from an asset or a CGU. These future cash flows are estimated over a period of five years. Beyond that period, cash flows are extrapolated by applying a growth rate to infinity. The CGUs defined by the Group relate to the following businesses:

- Environmental Services;
- Business Services.

These impairment tests are conducted annually on September 30.

2.3.7 Property, plant and equipment

Property, plant and equipment are recognized at their acquisition or production cost, reduced by the cumulative depreciation and any potential impairment provisions.

Depreciation charges are normally applied on a straight line basis over the useful life of the asset; nevertheless, accelerated depreciation may be used where it appears more appropriate for the conditions in which the equipment is used.

The useful lives generally applied are as follows:

Buildings	10 to 30 years
Equipment and technical installation	3 to 10 years
Airport equipment	5 to 10 years
Other tangible assets	4 to 10 years

Maintenance and repair costs are charged to income, with the exception of those incurred to increase productivity or prolong the useful life of an asset.

2.3.8 Investment grants

Investment grants are treated as deferred income. They are brought into income over the estimated useful life of the asset concerned.

2.3.9 Finance leases

Assets acquired under finance leases are recognized as property, plant and equipment when the lease agreements effectively transfer to the Group almost all the risks and benefits of ownership of these assets. They are recognized as assets at cost price at the date of acquisition and depreciated over their useful lives, with the corresponding debt being recognized as a liability.

The rental payments under the lease are divided between financial expenses and reduction of the debt related to the lease in such a way as to obtain a constant rate of interest on the balance of the debt remaining due.

Rental agreements which do not have the characteristics of finance leases are treated as simple operating leases and only the rental payments are charged to income throughout the entire term of the agreement.

2.3.10 Investments in associates and joint ventures

The Group's equity investments accounted for using the equity method are initially recognized at acquisition cost including any goodwill arising, where applicable. Subsequently, their carrying amount is increased or decreased to take into account the Group's share of profits or losses made after the acquisition date. When the losses are greater than the value of the Group's net investment in the entity, they are recognized only if the Group has a contractual commitment to recapitalize the entity or has made payments on its behalf. If there is any indication of impairment, the recoverable amount of the investments consolidated using the equity method is tested in accordance with the methods described in the note on impairment of non-current assets, other than financial assets.

2.3.11 Other non-current financial assets

This category includes receivables related to equity investments, loans and receivables and assets available for sale (mainly investment securities).

In accordance with IAS 39 "Financial Instruments: Recognition and Measurement", equity interests in non-consolidated companies are considered by their nature to be assets available for sale and as such are recognized at their fair value.

Where the shares are listed, the fair value is the price quoted on the stock market. If the fair value cannot be determined reliably, the shares are recognized at cost price. Changes in fair value are recognized directly in shareholders' equity in an account created for this purpose.

Where there is an objective indication of impairment, an irreversible provision for impairment is recognized in the income statement. This provision may be reversed only when the relevant shares are sold.

Loans are recognized at amortized cost. An impairment provision may be recognized if there is an objective indication of such impairment. The amount corresponding to the difference between the net carrying amount and the recoverable amount is recognized in the income statement. It may be reversed if the recoverable amount increases subsequently.

2.3.12 Inventory and work in progress

Inventories of raw materials and goods purchased for resale are recognized using the weighted average cost method. The work in progress and finished goods of Environmental Services are valued at cost price, including the cost of materials and labor and other costs directly related to production.

At each closing date, inventories are valued at the lower of cost or net realizable value.

2.3.13 Trade and other operating receivables

Trade and other operating receivables are recognized at nominal value, discounted when necessary, and adjusted for any impairment considering any potential risk of non-payment. Provisions for impairment are determined on a case-by-case basis.

A specific impairment provision is made for doubtful receivables.

2.3.14 Cash and cash equivalents

Cash includes demand deposits and current accounts, but excludes bank overdrafts which are included in financial liabilities. Cash equivalents include investments held with a view to meeting short term cash commitments. Securities include cash deposits, money-market mutual funds and negotiable debt securities which can be realized or sold at any time. They are valued at their market value. Any change in the fair value of these assets is recognized in the income statement.

To be considered as a cash equivalent, they must be easily convertible and subject to only negligible risk of loss in capital.

2.3.15 Treasury shares

Company shares held by the Group are recognized as a deduction from shareholders' equity at their acquisition cost. Any profits or losses related to the purchase, sale, issue or cancellation of treasury shares are recognized directly in shareholders' equity without impacting the income statement.

2.3.16 Pension commitments and other employee benefits

Pension commitment

The Group applies revised IAS 19.

Commitments arising from defined benefit pension plans for both active and retired employees are indicated on the balance sheet. They are determined according to the projected unit credit method based on annual evaluations. The actuarial assumptions used to determine these commitments vary in accordance with the economic conditions of the country in which the plan is in effect.

For externally managed and funded defined benefit plans (pension funds or insurance contracts), the fair value surplus or deficit in relation to the present value of the obligations is recognized as a balance sheet asset or liability. Surplus assets are only recognized on the balance sheet if they represent a future economic benefit for the Group.

The past service cost represents benefits granted either when the business adopts a new defined benefit plan or when it modifies the level of benefits from an existing plan. Once new benefit rights are vested following the adoption of a new plan, the past service cost is immediately recognized in the income statement. Conversely, when the adoption of a new plan gives rise to the vesting of rights subsequent to its implementation date, the past service cost is recognized as an expense, on a straight line basis, over the average period left to run until the corresponding rights are fully vested.

Actuarial gains and losses result mainly from the effects of changes to the actuarial assumptions and adjustments related to experience (differences between the actuarial assumptions used and the reality observed). They are recognized in other comprehensive income.

Expenses recognized over the fiscal year include additional rights vested for an additional year of service, changes to existing rights at opening due to financial discounting, the expected return on plan assets, past service costs and the effect of any curtailments or settlements. The portion relating to additional rights is recognized under personnel expenses and the financial cost of net liabilities is recognized in the income statement.

2.3.17 Provisions

Provisions are liabilities whose due date or amount cannot be precisely determined. They are calculated based on the discounted amount corresponding to the best estimate of the resources required to meet the obligation.

Provisions for business disputes concern, for the most part, employment disputes. They are calculated on a case-by-case basis in Environmental Services and, considering the number, on a statistical but nominal basis in Business Services.

Provisions for restructuring include the cost of the plans and measures decided on, where these have been announced before the year-end date.

2.3.17.1 Provisions for service awards

In Environmental Services, a bonus linked to service awards is given to employees after a certain number of years of service. The service awards are determined based on a discounted calculation taking into account assumptions about the probability of employees remaining with the Company, as well as a 1% discount rate.

The bonuses are paid according to the service period required for the service awards:

- silver 20 years: €500;
- vermeil 30 years: €800;
- gold 35 years: €1,100;
- grand gold 40 years: €1,500.

2.3.17.2 Current provisions

Current provisions represent provisions directly related to the operating cycle of each business line, whatever the term required for their reversal.

The provisions for other current risks are mainly provisions for late-delivery penalties, provisions for individual redundancies and other risks arising from business operations.

2.3.17.3 Non-current provisions

Non-current provisions represent provisions not directly related to the operating cycle and whose term is generally greater than one year. They are mostly provisions for litigation.

Non-current provisions for a term of less than one year are recognized on the balance sheet under current provisions.

2.3.17.4 Provisions for environmental risks

Provisions for environmental risks are established whenever there is a legal or contractual requirement to restore an operating site, or whenever the Company is deemed liable for a quantifiable environmental risk. These provisions are measured on a site-by-site basis by estimating the cost of the work.

Business Services

By its very nature, Business Services has a very low environmental impact. Environmental issues are managed by the Quality, Safety and Environment (QSE) Department and form an integral part of each entity's general policies. QSE contacts within the various entities are responsible for implementing environmental initiatives and have the role of:

- ensuring compliance with regulations;
- responding to client demands such as external evaluation questionnaires required by some of our major clients (such as ECOVADIS and Carbon Disclosure Project assessments). External audits are also conducted by clients;
- drawing up CSR diagnostics and implementing action plans. These impacts are taken into consideration within the context of the global Corporate Social Responsibility initiative defined as a result of a diagnosis conducted using the approach described by the French Federation of Cleaning Companies (FEP).

Environmental Services division

Due to the very nature of its Environmental Services operations, which involve recycling metals, the Derichebourg Group is helping to preserve the planet's natural resources (iron ore, copper, bauxite, etc.). Recycling metals saves a significant amount of energy compared with the primary production of such metals, with up to 94.8% for aluminum and 16.5% for steel (source: Report on the economical benefit of recycling, Bureau of International Recycling). In this way, the Group is helping to reduce greenhouse gas emissions, as detailed in paragraph 4.6.2.1.1 of this registration document.

For almost ten years, each regional subsidiary has had an Environmental Officer (reporting to the Environmental Services director), who liaises with the relevant authorities (DREAL, prefectures, water agencies, local councils, waterways, associations, etc.) in order to:

- check that the Group's business activities are conducted in accordance with current legislation and regulations (operating licenses), as poorly managed recycling activities can cause pollution;
- learn about regulatory changes;
- ensure that facilities are supervised and releases to the environment are monitored and controlled;
- train and inform colleagues about best practice.

Likewise, operations are often conducted on land with an industrial past, whose history is not always available. Where necessary, soil surveys are conducted in application of regulatory changes.

To the Group's knowledge, no pollution hazards have been revealed for which a provision has not been made or for which a solution has not been found.

2.3.18 Financial debt (current and non-current)

Financial debts include:

- the syndicated loan agreement signed on March 31, 2014 and its three riders (the third rider extending the contract until March 31, 2022);
- the non-recourse factoring agreement signed on January 1, 2015, and its rider of April 2016;
- finance leases;
- other borrowings and bilateral lines.

These debts are valued and recognized at amortized cost using the effective interest rate method. According to this method, the cost of the debt includes issuance costs, originally deducted from the nominal value of the debt as a liability. Also in this method, interest expenses are recognized on an actuarial basis.

In the event that the terms of a loan agreement are modified, if the cash flows discounted at the initial effective interest rate under the new terms, including any fees paid and negotiation costs, exceed the discounted value of the flows anticipated under the agreement by more than 10%, the issuance costs and negotiation fees are recognized as expenses.

Financial debt with a term of less than one year is recorded under Current financial debt.

2.3.19 Fair value of derivative assets and liabilities (IAS 32-39)

The Group uses derivatives to hedge its exposure to market risks (interest rates, exchange rates and raw material prices).

According to IAS 39, all derivatives must be recognized on the balance sheet at their "fair value". If derivatives do not meet the criteria for hedge accounting, fluctuations in their fair value are recognized in the income statement.

Derivatives may be considered hedging instruments in three situations:

- hedging of fair value;
- hedging of future cash flows;
- hedging of a net investment in a foreign operation.

A fair value hedge covers exposure to the risk of changes in the fair value of an asset, liability or non-recognized firm commitment arising from changes in financial variables (interest rates, exchange rates, share prices, raw material costs, etc.).

A future cash flow hedge covers changes in the value of future cash flows related to existing assets or liabilities or to a highly probable forecasted transaction.

A hedge of a net investment in foreign currency covers the foreign exchange risk related to a net investment in a consolidated foreign subsidiary.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses, to hedge the foreign exchange risk related to loans in foreign currencies and to manage the fixed/variable rate split of its debt.

Interest rate swap agreements enable the Group to borrow long-term at variable rates and to exchange the interest rate on the debt incurred, either at the outset or during the term of the loan, against a fixed or variable rate. The Group may purchase interest-rate options, caps and floors as part of its strategy to hedge its debt and financial instruments.

Interest rate and foreign exchange derivatives used by the Group to hedge changes in its debt denominated in foreign currencies qualify as hedges in accordance with IAS 39 because:

- the hedging relationship is clearly defined and documented from the date of implementation;
- the efficiency of the hedging relationship is clearly demonstrated in the beginning and on a regular basis for as long as it lasts.

The application of hedge accounting has the following consequences, the derivative always being measured on the balance sheet at its fair value:

- for fair value hedges of existing assets or liabilities, the change in fair value of the derivative is recognized in the income statement. This change is offset in the income statement by re-measuring the hedged item on the balance sheet. Any difference between the two changes in value represents the inefficiency of the hedging relationship;
- for hedges of future cash flows, the "efficient" portion of the change in fair value of the hedging instrument is recognized directly in shareholders' equity in a specific reserve account, and the portion of the change in fair value considered "inefficient" is recognized in the income statement. The amounts recognized in the reserve account are entered in the income statement once the hedged cash flows are recognized;
- for hedges covering net investments in a foreign country, the "efficient" portion of the changes in fair value of the derivative instrument is recognized in shareholders' equity under the heading "translation reserve" and the portion considered "inefficient" is recognized in the income statement. The profit or loss on the derivative that was recognized in the translation reserve must be transferred to the income statement in the event of the sale of the foreign entity that was the subject of the initial investment.

As part of its trading business in non-ferrous metals, the Group uses forward purchase and sale agreements concluded on the London Metal Exchange (LME) in order to reduce its exposure to the risk of fluctuations in non-ferrous metal prices (copper, aluminum, nickel). Changes in the fair value of the derivative instruments (forward purchases and sales of metals on the LME) are recognized in the income statement.

Financial instrument	Subsequent valuation method	Recognition of the change in value
Investment securities	Fair value	In shareholders' equity, unless the impairment observed is long-term, in which case it would be recognized in the income statement via an impairment
Marketable securities	Fair value	On the income statement
Loans and receivables	Amortized cost	On the income statement
Financial debt	Amortized cost	
Other liabilities	Amortized cost	

2.3.20 Held-for-sale and discontinued operations

Assets and liabilities classified as held for sale are measured at the lower of their carrying value or their fair value less selling costs.

The profit (loss) from discontinued operations is recorded on a separate line of the income statement.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;
- or is a subsidiary acquired exclusively to be sold.

At September 30, 2016, assets and liabilities relating to Seram SA and Derichebourg Oil & Gas were classified as held for sale. They were sold at the beginning of the year 2016-2017.

3. Changes in consolidation scope

3.1 New companies included in the consolidation scope

Business Services

- Inclusion of Derichebourg Spectacle;
- Inclusion of Derichebourg Retail;
- Inclusion of Derichebourg Automobiles Services;
- Inclusion of SCI Garalter.

Environmental Services

Bartin Recycling

On November 30, 2016, Derichebourg Environnement finalized the acquisition of Bartin Recycling, a subsidiary of the Veolia group specializing in the recycling of ferrous and non-ferrous metals (excluding ship dismantling activities). This company operates 19 recycling centers. This acquisition will expand the Group's local coverage.

Badwill recognized in the financial statements stands at €2.4 million.

- Inclusion of Poly-Massi;
- Inclusion of Poly-Senti;
- Inclusion of Poly-Valys;
- Inclusion of Derichebourg Guarding (Morocco);
- Inclusion of Ecopart (Italy);
- Inclusion of Valrecy;
- Inclusion of Derichebourg Aqua Océan Indien;
- Inclusion of Derichebourg Mazagan (Morocco);
- Inclusion of Derichebourg Maroc Transport;
- Inclusion of Hydrovide Ouest;
- Inclusion of Les Métallurgistes Associés;
- Inclusion of SCI des Chênes;
- Inclusion of SCI des Peupliers;
- Inclusion of SCI des Tilleuls.

Fair value of net assets acquired breaks down as follows:

Bartin Recycling entering in scope of consolidation

In millions of euros	
Non-current assets	18.1
Current assets	36.7
Total assets	**54.8**
Non-current liabilities	2.7
Current liabilities	28.4
Total liabilities	**31.1**

Contribution to Group profit (loss) at September 30, 2017 was as follows (three months of profit (loss) prior to the implementation of the lease management of various businesses on March 1, 2017).

Bartin Recycling

In millions of euros	
Revenue	14.5
Recurring Ebitda	3.8
Operating profit (loss)	2.6
Net profit (loss)	**2.6**

Holding Companies

None.

3.2 Companies excluded from the consolidation scope

Business Services

None.

Environmental Services

- Disposal of Seram on October 7, 2016;
- Disposal of Derichebourg Oil & Gas (France) on October 28, 2016;
- Liquidation of Nuova Primaria on October 17, 2016;
- Disposal of REI on December 21, 2016;
- Liquidation of Mattec on March 31, 2017;
- Disposal of CTR49, consolidated using the equity method, on March 31, 2017;
- Disposal of Valvert Tri, consolidated using the equity method, on September 30, 2017.

Holding Companies

- Disposal of SNC des Prés de la Faisanderie on February 28, 2017.

3.3 Internal restructuring

Business Services

None.

Environmental Services

- Merger by absorption of George & Cie into Les Matériaux Recyclés on October 1, 2016, subsequently renamed Derichebourg Belgium;
- Universal Transfer of Assets (French TUP) of Revival Chatillon, Revival Gellainville, Revival Île-de-France Fers & Métaux and Revival Nemours to Revival on October 1, 2016;
- Merger by absorption of CFF Recycling Servicios by Derichebourg Recycling Mexico effective October 1, 2016;
- Universal Transfer of Assets of Sepchat 28, Sepchat, Établissements Mainguy, Établissements Julien, Serre Environnement and Sepchat Flaysakier to Valrecy on December 31, 2016;
- Universal Transfer of Assets of Hervé Récupération and Ludovic Le Gall to AFM Recyclage on December 31, 2016;
- Merger by absorption of De-Kaizered Inc. by Derichebourg Recycling USA Inc. on October 1, 2016;
- Universal Transfer of Assets of Établissements Giron to Revival on June 30, 2017;
- Universal Transfer of Assets of Tri Environnement and Sorit to SLG Recycling Finance on June 30, 2017;
- Universal Transfer of Assets of Hydrovide Ouest and LMA to Hydrovide on August 1, 2017.

Holding Companies

- Universal Transfer of Assets of Civitas to Derichebourg SA on January 31, 2017.

3.4 Change in percentage of control

Environmental Services

- Disposal by Polyurbaine of 2,500 shares in Derichebourg Océan Indien, or 5% of the share capital, bringing the Group's equity interest to 55%;
- Acquisition of the non-controlling interests of Hydrovide and Hydrovidéo bringing the Group's equity interest to 100%.

Business Services

None.

4. Notes

4.1 Intangible assets and goodwill

In millions of euros	09-30-16	Increases	Decreases	Changes in scope [1]	Other changes	Foreign exchange differences	09-30-17
Goodwill	327.5			(2.3)		(0.2)	325.1
Concessions, patents, licenses	13.6	1.3	(0.3)		0.9		15.5
Other intangible assets	7.9	1.4		0.0	(0.7)	0.0	8.7
Total gross value	**349.0**	**2.7**	**(0.3)**	**(2.2)**	**0.2**	**(0.1)**	**349.2**
Goodwill	(101.5)	(4.5)					(106.0)
Concessions, patents, licenses	(11.5)	(1.6)	0.3		(0.1)		(12.9)
Other intangible assets	(6.1)	(0.4)			0.1		(6.4)
Total amortization & depreciation	**(119.1)**	**(6.5)**	**0.3**				**(125.3)**
Total net value	**229.9**	**(3.8)**		**(2.2)**	**0.2**	**(0.1)**	**224.0**

(1) See note 3.1 New companies included in the consolidation scope.

4.1.1 Change in goodwill by type

In millions of euros	09-30-17
Nuova Primaria	(0.4)
REI	(1.8)
Derichebourg Marrakech	(0.1)
Total change	**(2.3)**

See note 3 - Changes in consolidation scope.

4.1.2 Impairment tests

Impairment tests were carried out on the Environmental Services and Business Services activities on September 30, 2017. Indicators of impairment were identified on three entities constituting a distinct CGU. An impairment of €4.5 million was recognized.

The information concerning the cash generating units, to which significant amounts of goodwill have been attributed as part of the impairment tests, is as follows:

Net carrying amounts of goodwill impacted

In millions of euros	09-30-17	09-30-16
CGU – Business Services	167	168
CGU – Environmental Services	52	58
Total	**219**	**226**

The valuation method used to determine the recoverable amount of these cash-generating units is the value in use. The data and the assumptions used for the impairment tests of the assets included in the cash generating units (CGUs) are as follows:

In millions of euros	Discount rate 2016/2017 (1)	Growth rate to infinity 2016/2017	Discount rate 2015/2016 (1)	Growth rate to infinity 2015/2016	Valuation method
CGU – Environmental Services	9.50%	1.00%	10.00%	1.00%	Discounted cash flow and terminal value
CGU – Business Services	8.50%	1.00%	8.50%	1.00%	Discounted cash flow and terminal value

(1) The discount rate used is the weighted average cost of capital (WACC).

The value in use of the cash generating units (CGUs) determined by business segment is calculated by discounting the forecast operating cash flows at the rates mentioned above. These cash flows are after tax (operating profit + amortization and depreciation - tax - change in working capital requirement - operating investments), and are based on a five-year business plan.

These impairment tests are conducted annually on September 30.

The key assumptions to which the impairment tests of Environmental Services and Business Services are sensitive are the following:

- the discount rate, calculated by breaking down the Weighted Average Cost of Capital: this rate is 9.5% for Environmental Services and 8.5% for Business Services;
- Ebitda for the final year of the explicit forecast. This Ebitda has been determined on the basis of business plans;
- impact on enterprise value the long-term growth rate of the businesses. This was estimated at 1% for all businesses. This was calculated based on the following factors:
  - Environmental Services: demand for recycling in developed countries and growth in demand in emerging countries,
  - Business Services: increased outsourcing and use of temporary workers. The business plan for Business Services anticipates 2% growth in revenue per year, driven by the Group's cleaning services. Modest growth in the ratio of Ebitda to revenue is also anticipated over the period, reaching 4.8% during the final year. This growth will stem primarily from projected business developments, without any major modifications to the division's structure. The Ebitda margin during the final year is close to that of other major players in the industry.

The enterprise values thus determined for the CGUs of the two segments are close to their book value.

Impact on enterprise value

	Environmental Services			Business Services		
In millions of euros	Discount rate +0.5%	Discount rate -0.5%	Ebitda +/-5% (in absolute terms) for the final year	Discount rate +0.5%	Discount rate -0.5%	Ebitda +/-5% (in absolute terms) for the final year
Impact on enterprise value	(50)	56	+/-5.8%	(18)	21	+/-5.6%

	Environmental Services		Business Services	
In millions of euros	Growth rate +0.5%	Growth rate -0.5%	Growth rate +0.5%	Growth rate -0.5%
Impact on enterprise value	40	(36)	16	(14)

These stress tests did not result in the recognition of any impairment losses on goodwill.

4.2 Property, plant and equipment (including leasing)

In millions of euros	09-30-16	Increases	Decreases	Changes in scope [1]	Other changes	Foreign exchange differences	09-30-17
Land (including leasing)	169.0	9.8	(15.3)	12.5	0.2	(1.6)	174.6
Buildings (including leasing)	265.7	10.3	(2.9)	16.2	1.4	(0.4)	290.4
Machinery & equipment (including leasing)	699.2	40.4	(7.2)	16.7	15.8	(5.3)	759.6
Other tangible assets (including leasing)	288.1	27.7	(7.7)	25.4	(0.4)	(1.3)	331.8
Tangible assets under construction	22.2	15.0	(2.1)		(17.8)	(0.1)	17.3
Advances and deposits	0.0	1.0					1.0
Total gross value	**1,444.3**	**104.2**	**(35.2)**	**70.8**	**(0.8)**	**(8.6)**	**1,574.7**
Land (including leasing)	(32.4)	(3.5)	4.1			0.5	(36.0)
Buildings (including leasing)	(149.1)	(13.0)	1.8	(14.3)	(0.5)	0.2	(175.0)
Machinery & equipment (including leasing)	(591.0)	(37.9)	8.2	(23.6)	(0.1)	4.7	(639.9)
Other tangible assets (including leasing)	(235.6)	(24.1)	8.0	(22.1)	0.7	0.9	(272.3)
Total amortization & depreciation	**(1,008.1)**	**(78.5)**	**22.0**			**6.2**	**(1,123.2)**
Total net value	**436.1**	**25.8**	**(13.2)**	**6.0**	**(0.8)**	**(2.4)**	**451.5**

(1) See note 3.1 New companies included in the consolidation scope.

Property, plant and equipment financed by lease-financing contracts

In millions of euros	09-30-16	Increases	Decreases	Changes in scope	Other changes	Foreign exchange differences	09-30-17
Land and buildings	22.2						22.2
Machinery & equipment	226.4	17.7				(0.2)	243.8
Other tangible assets	119.7	13.1				(0.2)	132.6
Total gross value	**368.3**	**30.8**				**(0.4)**	**398.6**
Total amortization & depreciation	**(284.4)**	**(26.8)**				**0.2**	**(311.0)**
Total net value	**83.9**	**4.0**				**(0.3)**	**87.6**

4.3 Financial assets

4.3.1 Change during the fiscal year

In millions of euros	09-30-16	Increases	Decreases	Changes in scope	Other changes	Foreign exchange differences	09-30-17
Investment securities	5.6	4.0	(1.3)		(0.4)		7.8
Loans, securities and other long-term financial assets [1]	22.2	2.2	(0.9)	0.3	(0.1)		23.7
Total gross value	**27.8**	**6.1**	**(2.1)**		**(0.5)**		**31.5**
Impairment loss on investments	(1.4)		0.2				(1.2)
Impairment loss on loans, securities and other receivables [1]	(15.3)		0.0	(0.0)	0.1		(15.1)
Total impairment	**(16.7)**		**0.2**	**(0.0)**	**0.1**		**(16.3)**
Total net value	**11.1**	**6.1**	**(2.0)**	**0.3**	**(0.4)**		**15.2**

(1) Derichebourg Environnement has a €15 million receivable for a planned acquisition which was abandoned, because, according to the Group, the conditions precedent had not been met. Derichebourg Environnement took the necessary actions to recover this amount in accordance with contractual terms (see 4.26 – Significant litigation). On March 4, 2014, the Court handed down a first instance decision against Derichebourg Environnement. Based on this decision, this receivable has been fully provisioned. This decision was confirmed on appeal on October 27, 2016. Derichebourg Environnement appealed this decision.

4.3.2 Investment securities and receivables related to equity investments by type

In millions of euros	Country	% holding	Gross values	Provisions	Net values	
Investment securities						
ENVIRONMENTAL SERVICES						
DOHMEN	Belgium	100%	1.4		1.4	Under liquidation
HYDROVIDE SUBSIDIARIES	France	100%	0.4		0.4	
PROSIMÉTAL	France	50%	0.2	(0.2)	0.0	Under liquidation
POLYURBAINE SUBSIDIARIES	France	100%	0.4	(0.1)	0.3	
SCI LES CHÂTELETS	France	100%	2.1		2.1	
SCI LA MADELEINE	France	100%	0.7		0.7	
SCI LA ROCHE	France	100%	0.4		0.4	
SCI SAINT JEAN	France	100%	0.3		0.3	
Other companies (less than €0.1 million)	France		0.4		0.4	
BUSINESS SERVICES						
DERICHEBOURG MULTISERVICES	France	100%	0.5		0.5	
DERICHEBOURG ATIS MAINTENANCE SERVICES	France	100%	0.9	(0.9)	0.0	Under liquidation
Other companies (less than €0.1 million)	France		0.2	(0.0)	0.1	
Total			**7.8**	**(1.2)**	**6.6**	

4.4 Investments in associates and joint ventures

4.4.1 By type

In millions of euros	Country	% holding	Share of income	Share of shareholders' equity 09-30-17	09-30-16
ASSOCIATES					
ALLO CASSE AUTO	France	48%	(0.2)	1.9	2.2
DAC	France	50%	0.1	0.7	0.6
DREYFUS	France	43%	0.6	5.2	4.9
ROHR ENVIRONNEMENT	France	50%	0.3	1.7	1.5
JOINT VENTURES					
ALSAFER ENVIRONNEMENT	France	50%	0.1	0.3	0.3
ENVIE AFM SUD OUEST	France	50%	0.2	0.7	0.6
PLASTIC RECYCLING	France	50%	(0.9)	0.2	0.6
REYFRA	Spain	50%	0.5	5.3	4.8
VALERCO	France	50%	0.0	0.1	0.1
Total			**0.7**	**16.0**	**15.5**

Condensed financial information for Environmental Services' joint ventures

		ALSAFER	ENVIE AFM SUD OUEST	PLASTIC RECYCLING	REYFRA	VALERCO
	Balance sheet date	09-30-17	09-30-17	09-30-17	09-30-17	09-30-17
In millions of euros	Country	France	France	France	Spain	France
Financial position						
Non-current assets		0.0	0.4	1.3	11.0	0.1
Current assets		0.7	2.1	2.9	9.1	0.3
Total assets		**0.7**	**2.6**	**4.2**	**20.1**	**0.4**
Non-current liabilities		0.0	0.1	0.0	0.0	0.0
Current liabilities		0.2	1.2	3.9	9.6	0.2
Total liabilities		**0.2**	**1.3**	**3.9**	**9.6**	**0.2**
Net assets		**0.5**	**1.3**	**0.3**	**10.5**	**0.2**
Income statement						
Revenue		1.7	4.5	6.5	34.9	0.5
Net profit (loss)		**0.2**	**0.5**	**(0.1)**	**0.9**	**0.0**
Statement of cash flow						
Net cash flow from operating activities		0.2	0.3	(0.1)	(0.8)	0.1
Net cash flow from investment activities		(0.0)	(0.0)	(0.2)	(0.0)	0.0
Net cash flow from finance activities		(0.2)	(0.2)	0.0	(0.9)	0.0
of which, dividends received by the subsidiary		0.0	0.0	0.0	0.0	0.0
Impact of exchange rate fluctuations		0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at beginning of the period		0.4	0.6	0.5	(2.5)	0.1
Cash and cash equivalents at close of the period		0.4	0.7	0.2	(4.2)	0.1
Change in cash and cash equivalents		**(0.0)**	**0.1**	**(0.3)**	**(1.7)**	**0.1**

4.4.2 Change during the fiscal year

In millions of euros	09-30-16	Share of profit	Dividends	Changes in scope	Other changes	Foreign exchange differences	09-30-17
Equity interests in associated companies	15.5	0.7	(0.7)		0.6		16.0

4.5 Other non-current assets

In millions of euros	Gross values on 09-30-17	Provisions	Net values on 09-30-17
Other receivables	4.6	(4.6)	0.0
Total	**4.6**	**(4.6)**	**0.0**

4.5.1 Financial assets and other non-current assets by maturity date (excluding investment securities)

In millions of euros	09-30-17	More than 1 year	More than 5 years
Loans, securities and other long-term financial assets	8.6	6.7	1.9
Total	**8.6**	**6.7**	**1.9**

4.6 Inventories

4.6.1 By type

In millions of euros	Gross values on 09-30-17	Gross values on 09-30-16
Raw materials	6.0	9.6
Other consumables	9.3	9.7
Work in progress	1.6	3.3
Finished and semi-finished goods	3.2	2.2
Goods for resale	75.5	59.6
Total	**95.6**	**84.4**

4.6.2 Change during the fiscal year

In millions of euros	Net value on 09-30-16	Variation	Changes in scope	Other changes	Foreign exchange differences	Change in impairment [1]	Net value on 09-30-17
Raw materials	9.6	(3.6)	0.1			(0.1)	5.9
Other consumables	9.0	(0.4)				(0.4)	8.2
Work in progress	3.3	(0.2)	(1.5)			(0.1)	1.5
Finished and semi-finished goods	2.1	1.0				(0.1)	3.0
Goods for resale	59.3	8.8	7.3		(0.3)	0.1	75.2
Total	**83.3**	**5.6**	**6.0**		**(0.3)**	**(0.5)**	**93.9**

(1) Change in impairment of inventory.

In millions of euros	09-30-16	Provisions	Write backs	Changes in scope	Foreign exchange differences	09-30-17
Impairment of inventory	(1.1)	(0.8)	0.3	(0.0)		(1.7)

4.7 Trade receivables, other receivables and current financial assets

	09-30-17			09-30-16		
In millions of euros	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Trade receivables	**307.6**	**(11.8)**	**295.7**	**240.2**	**(13.8)**	**226.4**
Tax receivables	**6.4**		**6.4**	**5.3**		**5.3**
Advances and deposits	9.3		9.3	7.6		7.6
Other receivables	86.9	(3.7)	83.2	76.0	(4.5)	71.5
Prepaid expenses	9.1		9.1	9.8		9.8
Other current assets	**105.3**	**(3.7)**	**101.6**	**93.4**	**(4.5)**	**88.8**
Dividends due	0.2		0.2	0.9		0.9
Receivables related to equity investments						
Loans, deposits and securities	15.0	(0.1)	14.8	12.9		12.9
Current financial assets	**15.2**	**(0.1)**	**15.1**	**13.8**		**13.8**

Change in impairment of trade receivables

In millions of euros	09-30-16	Provisions	Write backs	Changes in scope	Foreign exchange differences	09-30-17
Impairment of trade receivables[1]	(13.8)	(1.9)	4.2	(0.3)		(11.8)

(1) Of which €2.9 million in reversals of provisions for trade receivables of the subsidiary AEP Multiservizi Spa (see note 4.20 Other non-recurring expenses and income).

4.8 Cash and cash equivalents

By type

Cash and cash equivalents include investment securities, current account balances due by banks and cash.

In millions of euros	Gross value on 09-30-17	Provisions	Net value on 09-30-17	Net value on 09-30-16
Marketable securities	0.4	(0.1)	0.4	0.3
Cash	146.2		146.2	41.6
Total	**146.7**	**(0.1)**	**146.6**	**41.9**

In millions of euros	09-30-17	09-30-16
Cash and cash equivalents	146.6	41.9
Bank overdrafts	4.8	24.8
Net cash	**141.8**	**17.0**

The cash pooling system, which the Group has implemented mainly in France, centralizes all subsidiary cash flows on a daily basis to reduce finance costs.

The Group reports cash and cash equivalents according to the accounting balance of each bank account, whereas these accounts can be aggregated with other accounts that could have a different balance in the context of the merger of interests and overall overdraft authorizations granted to the Group.

4.9 Consolidated shareholders' equity

As of September 30, 2017, the Company's share capital consisted of 163,878,780 shares with a nominal value of €0.25 each, corresponding to a total nominal value of €40,969,695.00.

Analysis of the share capital and voting rights

	Shares		Voting rights	
Shareholders	Number	%	Number	%
CFER	82,133,526	50.12%	155,719,198	64.92%
Financière DBG	65,894	0.04%	65,894	0.03%
Employees	1,739,983	1.06%	1,739,983	0.72%
Free float	79,939,377	48.78%	82,308,387	34.32%
Total	**163,878,780**	**100%**	**239,833,462**	**100%**

The Board of Directors' meeting of December 6, 2016 decided to cancel 4,203,250 treasury shares. After this Board meeting, the number of shares that make up the share capital is 163,878,780.

Dividends

In millions of euros	For the fiscal year 2016/2017 (1)	For the fiscal year 2015/2016	For the fiscal year 2014/2015
Net dividends in euros	0.14	0.02	0.05
Total net distribution	22.9	3.3	8.4

(1) Subject to approval by the shareholders' meeting.

The Board of Directors has proposed a €0.14/share dividend distribution to the shareholders' meeting.

4.9.1 SHARES WITH ATTACHED SHARE SUBSCRIPTION WARRANTS (ABSA)

3,583,616 share subscription warrants were in circulation as of September 30, 2016. These were exercisable until March 13, 2017, at a price of €6.70 per share subscribed. No warrants were exercised during the period. There are no longer any share subscription warrants in circulation.

4.10 Non-controlling interests

In millions of euros	09-30-17	09-30-16
Non-controlling interests at the beginning of the year	3.8	5.5
Changes in consolidation scope		(0.7)
Consolidated company earnings attributable to non-controlling interests	0.4	0.7
Share of dividends from consolidated companies	(1.1)	(1.6)
Impact of foreign exchange rate fluctuations on non-controlling interests		0.0
Other changes	(0.2)	(0.2)
Non-controlling interests at year-end	**2.9**	**3.8**

4.11 Indebtedness

4.11.1 Loans and financial debts

4.11.1.1 Changes in financial indebtedness

In millions of euros	09-30-16	Increase	Decrease	Foreign exchange difference	Changes in scope [1]	Other changes	09-30-17
Loans from financial institutions	87.4	48.4	(20.8)	(0.1)	0.4	(18.4)	96.9
Miscellaneous financial debt	2.3		(0.1)			(0.6)	1.6
Debts linked to finance leases	53.8	30.7		(0.2)		(29.0)	55.3
Non-current financial debt	**143.5**	**79.2**	**(20.9)**	**(0.3)**	**0.4**	**(48.0)**	**153.9**
Loans from financial institutions	75.7	36.2	(57.0)		0.0	18.3	73.2
Miscellaneous financial debt	0.2		(0.4)		0.2	0.6	0.6
Debts linked to finance leases	22.8	0.1	(26.8)	(0.1)		29.0	24.9
Bank overdrafts	24.8		(19.9)	(0.1)			4.8
Current financial debt	**123.5**	**36.2**	**(104.2)**	**(0.2)**	**0.3**	**47.9**	**103.6**
Total financial debt	**267.0**	**115.4**	**(125.1)**	**(0.4)**	**0.7**	**0.0**	**257.5**

(1) See note 3.1 New companies included in the consolidation scope.

The revolving loan of €100 million, with the same due date as the repayment loan, had not been drawn as of September 30, 2017.

4.11.1.2 Maturity profile of loans and non-current financial debt

In millions of euros	09-30-17	From 1 to 5 years	More than 5 years
Loans from financial institutions	96.9	85.1	11.8
Miscellaneous financial debt	1.6	1.6	0.0
Debts linked to finance leases	55.3	48.8	6.5
Non-current financial debt	**153.9**	**135.5**	**18.4**

4.11.1.3 Financial debt by main currencies

In millions of euros	09-30-17	Euro	American dollar	Canadian dollar	Other
Loans from financial institutions	96.9	88.9		7.8	0.2
Miscellaneous financial debt	1.6	1.6			
Debts linked to finance leases	55.3	49.8	0.4		5.0
Non-current financial debt	**153.9**	**140.4**	**0.4**	**7.8**	**5.2**
Loans from financial institutions	72.9	69.2		2.5	1.1
Miscellaneous financial debt	0.6	0.6			
Debts linked to finance leases	24.9	22.7	0.7		1.5
Bank overdrafts	4.8	2.7	0.6		1.6
Interest accrued	0.3	0.3			
Current financial debt	**103.6**	**95.5**	**1.3**	**2.5**	**4.2**
Total financial debt	**257.5**	**235.9**	**1.7**	**10.4**	**9.4**

4.11.1.4 Characteristics of main credit lines

Denomination	Currency	Nominal value authorized at 09-30-17 *In millions of currency units*	Nominal value used at 09-30-17 *In millions of currency units*	Maturity date	Index
Loans from financial institutions [1]	EUR	53.0	53.0	03-29-19	Euribor
Loans from financial institutions [1]	EUR	100.0	0.0	03-29-19	Euribor
Loans from financial institutions	EUR	22.6	22.6	02-26-18	Euribor
Syndicated factoring [2]	EUR	270.0	252.4	12-31-18	Euribor
Loans from financial institutions [3]	EUR	69.0	69.0		
Confirmed and unconfirmed bilateral line	EUR	102.7	4.8		

(1) The Derichebourg Group has contracted a syndicated loan agreement, which, along with its factoring agreements, constitutes its main sources of funding.
(2) Including €254 million from non-recourse factoring of receivables.
(3) Of which CAD 15.2 million, MXN 18 million and MAD 5 million.

4.11.1.5 2014 loan agreement

On March 31, 2014, the Group entered into a loan agreement with ten financial institutions, for the sum of €232.5 million and comprising a €100 million revolving loan and a €132.5 million repayment loan.

Regarding the repayment loan, €79.5 million had already been repaid by the three due dates of March 31, 2015, March 31, 2016 and March 31, 2017. The next installment will be due in March 2018 and will amount to €10.6 million. The outstanding balance under this loan is €53 million.

The revolving loan of €100 million had not been drawn as of September 30, 2017.

Three riders were signed on March 31, 2015, January 22, 2016 and May 5, 2017, on the Group's request, to amend a number of provisions, notably the margin scale in rider No. 1, the ratios to be respected in rider No. 2 and the repayment schedule in rider No. 3.

Interest rate

The amounts drawn on these credit lines carry interest at the Euribor rate, plus a margin which is adjusted periodically based on the ratio of consolidated net financial indebtedness to consolidated Ebitda.

Early repayment obligations – Event of default

The loan agreement allows the lenders to require early repayment of the entire amount due, should a majority of the lenders request it, following the occurrence of certain common default events, particularly where an event has a significant adverse effect on the business or the financial situation of the Derichebourg Group, or on the ability of Derichebourg to service its debt.

A change of control or delisting of Derichebourg shares would constitute an event warranting mandatory early repayment.

In addition, the loan agreement provides for an obligation to make early partial repayment of the sums owing in the event of a capital increase, the issuance of shares giving access to capital or debt securities (if its maturity precedes that of the syndicated loan).

Covenants

The loan agreement also includes covenants limiting the ability of Group companies to do the following without the lenders' consent:

- to take out additional debts;
- to grant sureties and guarantees;
- to undertake mergers, demergers or restructurings;
- to undertake certain acquisitions, beyond a certain threshold;
- to make investments over the course of a given company fiscal year that exceed the amounts set by the Agreement;
- to sell assets or equity interests, except for those specified in the loan agreements;
- to redeem and/or reduce their share capital, with certain exceptions.

The loan agreement also contains commitments requiring the purchase and maintenance of insurance policies in line with practices generally accepted in the businesses of the Derichebourg Group.

On May 5, 2017, Derichebourg SA (the Borrower) signed an amendment no. 3 with the Lenders, with the following main features:

- a three-year extension to the maturity of the credits, i.e. until March 31, 2022 (amortization in five annual installments of €10.6 million of the balance of €53 million of the refinancing loan, and availability of the €100 million revolving credit facility until March 31, 2022);
- relaxation of a number of the contractual clauses, specifically intended to facilitate the Group's development.

The Group also set up bilateral lines with financial institutions in the amount of €102.7 million.

4.11.1.6 Factoring agreement

With effect from January 1, 2015, the Derichebourg Group entered into a non-recourse factoring agreement (€240 million approved credit line, increased to €270 million in March 2017). The agreement covers the French, German, Belgian and one Italian Environmental Services and Business Services entities. The term of this agreement is confirmed at two years. In April 2016, it was renewed for another two years from January 2017.

The receivables covered by this agreement correspond to deliveries made or services rendered to private customers or to French public sector customers.

Each time receivables are sold, the receivables approved by the credit insurer (after deduction of any outstanding receivables previously sold without recourse) are sold without recourse. The other receivables are sold with recourse. The receivables retain their status (factored with or without initial recourse) until payment takes place.

The factor is co-insured with the Group by two different credit insurers. They are responsible for paying out any compensation under the credit insurance policy.

Interest is deducted when the receivable is sold based on the average contractual payment terms. The risk of late payment is transferred to the factors.

The dilution rate (credits, cancellation of receivables) is low.

The total receivables derecognized under factoring agreements amounted to €242.2 million as at September 30, 2017.

The Group derecognizes 95% of receivables without recourse because of the 5% uninsured residual amount.

An amendment was signed in April 2016 extending the maturity of this contract to December 2018.

4.11.2 Net financial position

In millions of euros	09-30-17	09-30-16
Financial debt	257.5	267.0
Cash and cash equivalents	146.6	41.9
Total net debt	**110.9**	**225.1**

4.11.3 Liquidity risk

The Group uses a cash-flow management tool to ensure that it maintains sufficient cash at all times. This tool keeps track of the maturity of financial investments and financial assets (e.g., accounts receivable) and the estimated future cash flow from operations.

At September 30, 2017, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement signed in March 2014, with an authorized outstanding amount of €153 million. It includes a five-year loan for €53 million, repayable in equal annual installments (outstanding amount authorized and drawn of €53 million as at September 30, 2017), and a five-year revolving loan for the sum of €100 million, repayable at maturity. The next installment for the repayment loan is due on March 31, 2018 and amounts to €10.6 million. At September 30, 2017, there was no drawing being made under the revolving loan;
- a two-year non-recourse factoring agreement went into effect on January 1, 2015. It has a €270 million credit line (depending on the receivables available), and from an initial two-year term, it was renewed in April 2016 extending the maturity to the end of December 2018. The factoring purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse beyond that amount. The total receivables that may be derecognized by the Group is thus dependent on the total receivables available and the credit insurers' authorized limits. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by the Group;
- €94.6 million in medium-term borrowings, entirely drawn down (including the CICE 2017 pre-financing);
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding as at September 30, 2017 was €80 million;
- bilateral credit lines, whether confirmed or not, totaling €102.7 million, which are not used since the Group's net cash position is €141.8 million at September 30, 2017.

The main payment maturity dates up to 2021 are shown in the table below.

Main maturity dates

In millions of euros	< 1 year	< 2 years	< 3 years	< 4 years	< 5 years	Total
Syndicated credit	10.6	10.6	10.6	10.6	10.6	53.0
Finance leases	24.9	19.7	14.2	10.4	5.9	75.1
Other medium- and long-term lines[(1)]	39.7	10.9	12.1	11.7	9.7	84.1
Total	**75.2**	**41.2**	**36.9**	**32.7**	**26.2**	**212.2**

(1) Of which factoring accounts for €24.7 million due in less than one year.

Financial ratios

The loan agreement requires the Group to maintain the following financial ratios:

- the annual leverage ratio, being the ratio of (a) consolidated net financial debt to (b) consolidated Ebitda, on each calculation date and over a rolling 12-month period ending on each calculation date, must be less than 3.00.

At September 30, 2017, the leverage ratio was 0.55:

- the debt service coverage ratio, i.e. the ratio of (a) consolidated cash flow before debt service to (b) net financial expenses on each calculation date and over a rolling 12-month period ending on each calculation date considered, must be greater than 5.

At September 30, 2017, the coverage ratio stood at 12.18.

The Group was in compliance with its financial covenants on September 30, 2017. Failure to comply with these ratios would be considered a default event and a majority of the lenders could elect to enforce covenants.

Given the liquidity margin of €344.5 million at September 30, 2017, and based on business and investment forecasts, the Group estimates that it has sufficient financial lines to meet its payments over the 12 months from September 30, 2017.

4.12 Financial instruments

The Group uses certain financial instruments to reduce risks related to interest rates, exchange rates affecting its commercial activities and raw material prices.

4.12.1 Market value of financial instruments

To determine the fair value of financial instruments, the Group uses the following fair value hierarchy, according to the valuation methods used:

- level 1: the prices listed for identical assets or liabilities in active markets (not adjusted);
- level 2: directly or indirectly observable inputs concerning the asset or liability other than the quoted prices used at level 1;
- level 3: methods that use inputs that have a significant impact on the recognized fair value and are not based on observable market data.

On September 30, 2017, all of the Group's assets and liabilities measured at fair value are classified as level 2.

During the 2017 fiscal year, there was no change in fair-value valuations between level 1 and level 2 and no transfer to, or from, level 3.

In millions of euros	09-30-17	09-30-16
Assets at fair value through profit or loss		
• Derivative instruments – assets	0.0	0.0
Assets at fair value through equity		
• Derivative instruments – assets	0.0	0.0
Loans and receivables		
• Non-current loans	0.0	0.0
• Non-current deposits and securities	8.6	6.9
• Other non-current financial assets	0.0	0.0
• Current trade receivables	295.7	226.4
• Current loans	0.2	0.9
• Current deposits and securities	14.8	12.9
• Cash and cash equivalents	146.6	41.9
Held-to-maturity investments		
• None		
Available-for-sale assets		
• Investment securities	6.6	4.1
Liabilities at fair value through profit or loss		
• Derivative instruments – liabilities	0.4	2.8
Liabilities at fair value through equity		
• Derivative instruments – liabilities	1.5	3.5
Other liabilities		
• Syndicated credit	53.0	97.7
• Other non-current financial debt	128.3	72.3
• Trade payables	294.5	216.4
• Other current financial liabilities	0.4	0.5
• Short-term loans and bank overdrafts	75.8	96.5

4.12.2 Market value of derivative instruments

In millions of euros		09-30-17 Assets	09-30-17 Liabilities	09-30-16 Assets	09-30-16 Liabilities
Derivatives for interest-rate risks	Cash flow hedge		1.9		6.4
Derivatives for exchange-rate risk	Cash flow hedge	0.0	0.0	0.0	0.0
Amount of derivatives in the consolidated balance sheet		**0.0**	**1.9**	**0.0**	**6.4**

4.12.3 Interest rate risks

The Group determines the desired split of debt between fixed and variable rates based on forecast trends for interest rates and the hedging requirement set forth in the syndicated loan agreement. At September 30, 2017, 40% of the debt was under a floating rate.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses and manage the fixed/variable rate split of its debt.

The Group's variable-rate debt is fully hedged. A 1% change in the three month Euribor would have no impact on the Group's financial statements.

Breakdown of debt between fixed and variable rates

In millions of euros	09-30-17 Fixed rate	09-30-17 Variable rate	09-30-17 Total	09-30-16 Fixed rate	09-30-16 Variable rate	09-30-16 Total
Financial liabilities	153.3	99.3	252.6	94.2	148.0	242.2
Cash and cash equivalents		4.8	4.8		24.8	24.8
Total financial liabilities	**153.3**	**104.2**	**257.5**	**94.2**	**172.8**	**267.0**
%	60%	40%	100%	35%	65%	100%

Net financial position after hedging

In millions of euros	09-30-17 Less than 1 year	09-30-17 From 1 to 5 years	09-30-17 Beyond that period	09-30-16 Less than 1 year	09-30-16 From 1 to 5 years	09-30-16 Beyond that period
Financial liabilities	103.6	135.5	18.4	123.5	136.2	7.3
Financial assets	(161.7)	(6.7)	(1.9)	(55.7)	(6.9)	
Net position before hedging	(58.1)	128.8	16.5	67.8	129.3	7.3
Swaps		(95.0)			(270.0)	
Net position after hedging	(58.1)	33.8	16.5	67.8	(140.7)	7.3

Derivative interest rate instruments by maturity

In millions of euros	Initial rate	Less than 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Swap variable rate -> fixed rate:					
SWAP EUR	0.66%		20.0		
SWAP EUR	0.97%		25.0		
SWAP EUR	0.56%				50.0
Total nominal value EUR			**45.0**		**50.0**

4.12.4 Foreign exchange risk

Exchange rates used

In euros	Foreign currencies	2017 Year-end	2017 Average	2016 Year-end	2016 Average
Canada	CAD	1.4687	1.4499	1.4690	1.4719
United States	USD	1.1806	1.1046	1.1161	1.1106
Morocco	MAD	11.1421	10.8569	10.8526	10.8563
Mexico	MXN	21.4614	21.0926	21.7389	19.8965
United Kingdom	GBP	0.8818	0.8716	0.8610	0.7428

Generally, the Group's revenue is generated in the same currency as the related costs. Accordingly, the Group has little exposure to foreign exchange risk, and business transactions made in a non-local currency (mostly dollar-denominated exports from France) are generally hedged with forward contracts. Euro movements against the US dollar do, however, have a significant impact on the translation of Environmental Services division revenue and operating income into euros.

The Group uses foreign exchange forward contracts to hedge its foreign exchange risk.

In millions currency units	USD	CAD
Forward purchases	1.2	
Forward sales	36.4	3.1

Accounts receivable, tax receivables and other current assets by currency

In millions currency units	Receivables at 09-30-17 Local currency	Euro	%	Receivables at 09-30-16 Local currency	Euro	%
CAD	5.9	4.0	1%	1.9	1.3	0%
EUR	350.9	350.9	87%	288.9	288.9	90%
GBP	0.0	0.1	0%	0.1	0.1	0%
MAD	171.1	15.4	4%	113.3	10.4	3%
MXN	103.5	4.8	1%	74.8	3.4	1%
USD	33.8	28.6	7%	18.3	16.4	5%
Total		**403.7**	**100%**		**320.6**	**100%**

Trade payables, tax liabilities and other current liabilities

	Payables at 09-30-17			Payables at 09-30-16		
In millions currency units	**Local currency**	**Euro**	**%**	Local currency	Euro	%
CAD	2.2	1.5	0%	0.8	0.6	0%
EUR	551.3	551.3	96%	459.1	459.1	97%
GBP	0.0	0.0	0%	0.0	0.0	0%
MAD	95.9	8.6	2%	82.5	7.6	2%
MXN	62.9	2.9	1%	36.8	1.7	0%
USD	8.6	7.3	1%	7.5	6.7	1%
Total		**571.7**	**100%**		**475.7**	**100%**

The following table shows the sensitivity of profit before tax, before and after hedging, to a reasonable change in the US dollar exchange rate, all other variables being constant.

		09-30-17		09-30-16	
In millions of euros		**Before hedging**	**After hedging**	Before hedging	After hedging
CAD	+5%	(0.2)	(0.1)	(0.0)	0.0
	-5%	0.2	0.1	0.0	0.0
USD	+5%	(1.2)	0.2	(0.7)	0.0
	-5%	1.3	(0.2)	0.7	(0.0)
Total	**+5%**	**(1.4)**	**0.1**	**(0.7)**	**(0.0)**
	-5%	**1.5**	**(0.2)**	**0.8**	**0.0**

4.12.5 Credit or counterparty risk

Financial transactions (i.e. loans, hedges on currencies, interest rates and raw materials) are carried out with leading financial institutions for the purpose of reducing risk.

To reduce counterparty risk on domestic, export and foreign accounts receivable, Environmental Services and Business Services systematically apply for credit insurance to cover 95% of this risk on these receivables, excluding taxes. The credit insurer may however sometimes refuse coverage based on its assessment of a customer's solvency. Exposure to customer risk is regularly compared to the credit insurer's authorized limits.

For several years now, the Group has implemented a very strict policy of monitoring customer outstandings and systematically issuing routine reminders for overdue outstandings.

The Business Services business has a very large portfolio of customers that represents all sectors of the French economy. Its credit risk is therefore proportionate to the risk that the French economy itself will fail, and without the risk that the default of any single customer could threaten the Group's survival.

Aging of accounts receivable (gross values excluding doubtful receivables)

In millions of euros	Total outstanding 09-30-17	Not due	<1 month	<4 months	>4 months
Environmental Services	191.5	128.0	32.7	13.4	17.3
Business Services	105.4	43.1	34.4	22.8	5.0
Holding companies	0.7	0.6	(0.1)	0.2	0.1
Total	**297.6**	**171.7**	**67.0**	**36.4**	**22.5**

Despite the turbulent environment, the Group has not yet observed any significant increase in payment delays and customer credit risk is €2.4 million (including €1 million for the AEP Multiservizi subsidiary). The Group considers that its other loans do not constitute a substantial risk, except for certain receivables more than four months overdue.

4.12.6 Raw materials risk

In the normal course of its business, the Group enters into few forward contracts to buy or sell ferrous or non-ferrous metals, and these contracts generally do not require a firm price commitment beyond one month. Depending on whether metal prices rise or fall, the Group may have to purchase or sell at a price less favorable than when the contract was entered into to honor a contract. However, the Group's practice is to only enter into a contract to sell when a purchase has been made. Three specialist companies, aluminum refiner Refinal, and ferrous metals traders Inorec and Coframétal, may make buy or sell commitments before finding a counterparty for the transaction. They may hedge these transactions on the London Metal Exchange. (Other Group companies may also hedge transactions on the LME, but this is exceptional).

The Group may therefore have to sell its inventories of processed metal goods to its customers for less than the initial purchase price if the market price for these goods declines between the time of purchase and the time of sale. The volatility of the prices of different metals may create exceptional "price effects" which the Group endeavors to limit by holding low levels of stock.

4.13 Non-current provisions and provisions for commitments to employees

4.13.1 Change in non-current provisions

In millions of euros	09-30-16	Provisions	Reversals used	Write backs not used	Foreign exchange difference	Changes in scope[1]	Other changes	09-30-17
Provisions for labor disputes	5.0	3.4	(1.7)	(0.4)			(0.5)	5.7
Provisions for other disputes	3.5	2.6	(0.4)	(2.0)			0.2	4.0
Provisions for URSSAF disputes	3.1						3.4	6.5
Provisions for guarantees	0.1	0.1						0.3
Provisions for service awards	1.7	0.7	(0.2)	(0.2)		0.1		2.0
Provisions for restructuring	0.3	0.5	(0.3)					0.5
Environmental provisions	7.8	0.5			(0.1)	0.1	(0.1)	8.3
Other non-current provisions	1.2	0.5	(0.0)	(0.7)				0.9
Total	**22.8**	**8.3**	**(2.7)**	**(3.3)**	**(0.1)**	**0.2**	**2.9**	**28.1**

(1) See note 3.1 New companies included in the consolidation scope.

4.13.2 Provisions for commitments to employees

In France, Group employees benefit from State pension plans and from retirement benefits paid by the employer in accordance with the collective agreements in force at each subsidiary.

In other countries, the plans depend on local legislation, the type of business and the past practices of the subsidiary concerned.

The projected costs and obligations recognized in the consolidated financial statements have been determined based on the following actuarial assumptions:

Actuarial assumptions Business Services	Euro zone 2016-2017	Euro zone 2015-2016
Discount rate	1.50%	1.00%
Rate of inflation	2.00%	2.00%
Long-term forecast salary growth rate	2.00%	2.00%
Expected return on assets		
• shares		
• fixed assets		
• liquidity		
• bonds		
• hedge funds		
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	Internal to the Company, applied to each employee	Internal to the Company, applied to each employee
Retirement age	Voluntary departure at 62 years for non-executives	Voluntary departure at 65 years for non-executives
	Voluntary departure at 62 years for executives	Voluntary departure at 65 years for executives

Actuarial assumptions Environmental Services and Holding Companies	Euro zone 2016-2017	Euro zone 2015-2016
Discount rate	1.50% to 2.05%	1.00% to 2.50%
Long-term forecast salary growth rate	0% to 2%	0% to 2%
Expected return on assets		N/A
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	Insee tables adapted to the Group's turnover	Insee tables adapted to the Group's turnover
Retirement age	Voluntary departure at 62 years of age for non-executives - Voluntary departure at 62 for executives	Voluntary departure at 65 years of age for non-executives - Voluntary departure at 65 for executives

For Environmental Services and Business Services in France, the discount rate used in this measurement is 1.50%.

IAS 19 specifies that the discount rate must be equal to the yield paid on high-quality corporate bonds having the same maturity as the commitment.

In the euro zone, the yield on high-quality corporate bonds (AA) at the measurement date was between 2% and 2.25% according to the benchmark used (IBOXX, Bloomberg).

The discount rate actually used in this valuation complies with IAS 19.

In millions of euros	09-30-16	Provisions	Reversals used	Write backs not used	Foreign exchange difference	Changes in scope[1]	Comprehensive income	09-30-17
Employee benefits	45.5	4.0	(1.9)			2.5	(6.9)	43.2

(1) See note 3.1 New companies included in the consolidation scope.

In millions of euros	2017	2016	2015
Actuarial value of commitments at opening	**45.3**	**33.6**	**35.4**
Current service cost	3.4	2.6	2.1
Interest expense	0.5	0.6	0.6
Actuarial gains and losses related to experience	(6.9)	4.9	(2.4)
Actuarial gains and losses related to changes to the actuarial assumptions	(0.0)	4.9	(0.1)
Employee contributions	0.0	0.0	0.0
Benefits paid	(1.8)	(1.4)	(2.0)
Acquisitions, disposals, liquidations	0.0	0.0	0.0
Changes in scope	2.6	0.0	0.0
Changes in exchange rates	0.0	0.0	0.0
Actuarial value of commitments at closing	**43.2**	**45.3**	**33.6**
Fair value of plan assets at opening	**0.0**	**0.0**	**0.0**
Interest income	0.0	0.0	0.0
Expected return on assets other than interest	0.0	0.0	0.0
Administrative costs	0.0	0.0	0.0
Contributions by employer	1.8	1.4	2.0
Employee contributions	0.0	0.0	0.0
Benefits paid	(1.8)	(1.4)	(2.0)
Assets distributed on settlement	0.0	0.0	0.0
Changes in scope	0.0	0.0	0.0
Changes in exchange rates	0.0	0.0	0.0
Fair value of plan assets at closing	**0.0**	**0.0**	**(0.0)**
Provisions recognized on the balance sheet	**0.0**	**0.0**	**0.0**
Actuarial value of commitments	43.2	45.3	33.6
Fair value of assets	0.0	0.0	0.0
Net value of commitments	**43.2**	**45.3**	**33.6**
Amounts recognized in profit or loss			
Current service cost	3.4	2.6	2.1
Financial cost	0.5	0.6	0.6
Administrative costs	0.0	0.0	0.0
Gains/Losses on settlements	0.0	0.0	0.0
Total	**3.9**	**3.2**	**2.7**
Analysis of amount recognized in other comprehensive income			
Expected return on assets other than interest	0.0	0.0	0.0
Actuarial gains and losses related to experience	6.9	(4.9)	2.4
Actuarial gains and losses related to changes to the actuarial assumptions	0.0	(4.9)	0.1
Total gains/(losses) recognized in other comprehensive income	**6.8**	**(9.9)**	**2.5**
Provisions at the beginning of the year	**45.3**	**33.6**	**35.4**
Net expense for the year	3.9	3.2	2.7
Impact on comprehensive income	(6.8)	9.9	(2.5)
Benefits paid	(1.8)	(1.4)	(2.0)
Other	2.6	(0.0)	(0.0)
Changes in exchange rates	0.0	0.0	0.0
Provisions at year-end	**43.2**	**45.3**	**33.6**

4.14 Current provisions

In millions of euros	09-30-16	Provisions	Reversals used	Write backs not used	Foreign exchange difference	Changes in scope	Other changes	09-30-17
Provisions for disputes	6.0	2.2	(1.8)	(0.9)			(3.0)	2.6
Provisions for restructuring	1.6		(1.0)				(0.0)	0.5
Provisions for losses at completion on contracts	0.0							
Provisions for taxes	0.0							
Environmental provisions	0.1							0.1
Other provisions	0.1	0.1		(0.3)		0.3	0.1	0.2
Total	**7.8**	**2.3**	**(2.9)**	**(1.2)**		**0.3**	**(2.9)**	**3.5**

4.15 Other current liabilities

In millions of euros	09-30-17	09-30-16
Trade payables	**294.5**	**216.4**
Tax payables	**7.9**	**7.9**
State and payroll taxes	232.9	210.4
Advances and payments on account received on orders	10.5	21.2
Current account credit balances	1.4	2.1
Miscellaneous liabilities	10.5	8.2
Deferred income	13.9	9.0
Other current liabilities	**269.2**	**250.9**

4.16 Other non-current liabilities

In millions of euros	09-30-17	09-30-16
Trade payables	0.3	
Deferred income	0.8	1.1
Other non-current liabilities	**1.1**	**1.1**

4.17 Segment reporting

The segments shown correspond to the two branches of Derichebourg's business: Environmental Services and Business Services.

Each of these segments produces and provides goods and services and represents a group of Cash Generating Units monitored each month by General Management through its management report.

The Group has made the following intersegment reclassifications:

- AEP MULTISERVIZI SPA from Business Services to Environmental Services;
- CFF SIGMA SCI from Environmental Services to the Holding segment;
- DERICHEBOURG A&D DÉVELOPPEMENT from the Holding segment to Environmental Services;
- DERICHEBOURG MAROC from Business Services to Environmental Services;
- DERICHEBOURG PROPRETÉ OCÉAN INDIEN from Business Services to Environmental Services.

4.17.1 By business segment

4.17.1.1 Revenue

In millions of euros	2017	2016 (1)	Change in %
Environmental Services	1,948.8	1,405.7	38.6%
Business Services	781.2	741.3	5.4%
Holding companies	1.0	0.4	134.7%
Total	**2,731.1**	**2,147.5**	**27.2%**

(1) Data restated following the intersegment reclassifications detailed in note 4.17.

4.17.1.2 Consolidated income statement items

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at September 30
2017					
External revenue	1,952.3	793.9	29.1	(44.3)	2,731.1
Inter-segment revenue	(3.5)	(12.7)	(28.1)	44.3	
Revenue	**1,948.8**	**781.2**	**1.0**	**0.0**	**2,731.1**
Recurring operating profit (loss)	110.1	19.3	(6.5)	0.0	122.9
Operating profit (loss)	108.6	19.3	(4.0)	0.0	123.9
Net income from associates	0.7	0.0	0.0	0.0	0.7
2016 restated (1)					
External revenue	1,409.5	752.9	27.9	(42.9)	2,147.5
Inter-segment revenue	(3.8)	(11.7)	(27.4)	42.9	0.0
Revenue	**1,405.7**	**741.3**	**0.5**	**0.0**	**2,147.5**
Recurring operating profit (loss)	33.0	17.2	(4.2)	0.0	46.0
Operating profit (loss)	28.8	17.2	(4.2)	0.0	41.8
Net income from associates	0.2	0.0	0.0	0.0	0.2

(1) Data restated following the intersegment reclassifications detailed in note 4.17.

In millions of euros	Environmental Services	Business Services	Holding companies	Total at September 30
2016 Revenue published in 2016	1,389.8	757.0	0.6	2,147.5
Intersegment reclassifications	15.8	(15.7)	(0.1)	0.0
2016 Revenue published in 2017	**1,405.7**	**741.3**	**0.5**	**2,147.5**
2016 Revenues from operations published in 2016	33.0	17.6	(4.5)	46.0
Intersegment reclassifications	0.1	(0.4)	0.3	0.0
2016 Revenues from operations published in 2017	**33.0**	**17.2**	**(4.2)**	**46.0**
2016 Operating profit (loss) published in 2016	32.7	13.6	(4.5)	41.8
Intersegment reclassifications	(3.9)	3.6	0.3	0.0
2016 Operating profit (loss) published in 2017	**28.8**	**17.2**	**(4.2)**	**41.8**

4.17.1.3 Other segment reporting

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at September 30
2017					
Total assets (current and non-current)	923.4	451.1	148.7	(133.5)	1,389.7
Assets associated with held-for-sale assets	0.0	0.0	0.0	0.0	0.0
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	610.9	285.2	158.3	(133.5)	920.9
Liabilities associated with held-for-sale assets	0.0	0.0	6.2	0.0	6.2
Total liabilities (current and non-current excluding shareholders' equity)	**610.9**	**285.2**	**164.5**	**(133.5)**	**927.1**
Flows on September 30, 2017					
Tangible and intangible capital investments	93.7	11.2	1.9	0.0	106.9
Tangible and intangible amortization	(67.5)	(10.4)	(2.9)	0.0	(80.8)
Impairment	0.0	0.0	0.0	0.0	0.0
2016					
Total assets (current and non-current)	855.0	450.2	306.7	(411.1)	1,200.9
Assets associated with held-for-sale assets	2.9	0.0	0.0	0.0	2.9
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	618.7	285.7	351.9	(411.1)	845.2
Liabilities associated with held-for-sale assets	1.8	0.0	6.2	0.0	8.0
Total liabilities (current and non-current excluding shareholders' equity)	**620.5**	**285.7**	**358.1**	**(411.1)**	**853.2**
Flows on September 30, 2016					
Tangible and intangible capital investments	57.8	11.0	1.5	0.0	70.3
Tangible and intangible amortization	(63.9)	(9.9)	(2.1)	0.0	(76.0)
Impairment	0.0	0.0	0.0	0.0	0.0

4.17.2 Information by geographic zone

In millions of euros	Continental Europe	France	North and South America	Africa	Total at September 30
2017					
Revenues (origin of sales)	388.3	2,147.8	166.7	28.3	2,731.1
Tangible and intangible capital investments	7.4	74.0	19.4	6.1	106.9
Tangible and intangible amortization	(12.7)	(56.4)	(8.1)	(3.6)	(80.7)
Total net tangible assets	65.0	325.2	52.9	8.4	451.5
2016					
Revenues (origin of sales)	340.1	1,688.1	101.6	17.7	2,147.5
Tangible and intangible capital investments	10.2	52.0	6.7	1.4	70.3
Tangible and intangible amortization	(14.4)	(50.2)	(9.1)	(2.3)	(76.0)
Total net tangible assets	86.6	298.4	45.1	6.0	436.1

4.18 Change in provisions

In millions of euros	2017	2016
Provisions on current assets	2.9	1.6
Provisions for liabilities and charges	8.6	5.3
Total	**11.5**	**6.9**

4.19 Other operating expenses and income

In millions of euros	2017	2016
Proceeds from sale of property, plant and equipment [1]	15.2	3.6
Production of assets for own use	1.8	0.3
Write backs of provisions on property, plant and equipment	0.2	0.3
Write backs of provisions on current assets [2]	4.5	2.6
Write backs of provisions for liabilities and charges	8.1	8.1
Transfers of operating expenses	4.3	3.5
Operating and investment subsidies	1.5	2.2
Others	1.8	1.3
Total other operating income	**37.4**	**21.9**
Carrying amount of non-current assets sold [1]	(13.3)	(2.7)
Losses from irrecoverable and written-off receivables [3]	(4.7)	(0.7)
Duties and licenses	(5.2)	(4.9)
Board members/attendance fees paid	(0.1)	(0.1)
Others	(7.7)	(7.5)
Total other operating expenses	**(31.0)**	**(15.8)**

(1) The proceeds from sale of property, plant and equipment and the carrying amount of non-current assets sold are primarily related to the disposal of a property asset.
(2) Of which €3.5 million in payment losses on the subsidiary AEP Multiservizi Spa (see Note 4.7).
(3) Of which €2.9 million in write backs for provisions of trade receivables of the subsidiary AEP Multiservizi Spa (see Note 4.7).

4.20 Other non-recurring expenses and income

	2017	2016	
Goodwill impairment in Environmental Services to Italian authorities and others	(4.5)	(2.2)	France - Cost of restructuring acquired entities
		(4.0)	Italy - Discontinuation of the Multiservices subsidiary[1]
Total other non-recurring expenses	**(4.5)**	**(6.2)**	
Belgium – Ongoing environmental disputes		1.9	
Other non-recurring income		**1.9**	

(1) See note 4.7 Trade receivables, other receivables and current financial assets.

4.21 Net financial expenses

To provide a better assessment of the debt service cost, net financial expenses have been calculated between financial expenses and financial income from investments made, and after taking into account the effect of interest-rate hedges.

Any amounts not falling within the above definition are, where applicable, shown on a separate line.

In millions of euros	2017	2016
Interest on loans, bank overdrafts and factoring	(9.1)	(9.0)
Interest on current accounts	(0.0)	0.1
Leasing interests	(2.1)	(2.2)
Dividends	0.1	0.4
Income from investment securities and cash equivalents	0.0	(0.3)
Interest-rate hedges and other financial income and expenses	(5.5)	(6.8)
Net financial expenses	**(16.6)**	**(17.7)**
Foreign exchange gains and losses	(1.6)	0.7
Interest expense on retirement and pension plans	(0.7)	(0.6)
Other	(0.0)	2.4
Foreign exchange and other gains and losses	**(2.3)**	**2.5**

4.22 Income tax

4.22.1 By type

In millions of euros	2017	2016
Income before tax from consolidated companies	103.5	26.6
Current income tax	(15.8)	(8.7)
Deferred tax	(11.7)	0.6
Total income tax expense	**(27.5)**	**(8.1)**
Effective tax rate	**(26.6%)**	**(30.4%)**

The French Finance Law for 2017 provides for a progressive reduction in the usual corporate income tax rate from 34.43% to 28.92% in 2020, including the additional contribution.

The Group's net income tax amount incorporates this reduction through the application of a tax rate of 28.92% for items that will become taxable in 2020 and beyond.

4.22.2 Actual income tax expense

	2017	2016
Theoretical tax income or expense	(29.9)	(9.2)
Impact of tax rate changes	(2.2)	(1.9)
Recognition/Limitation of deferred tax assets	(0.7)	2.8
Permanent tax differences	(7.8)	1.8
Permanent differences linked to consolidation adjustments	13.2	(1.5)
Differences in tax rates applicable to foreign companies	(0.1)	(0.2)
Actual tax income	**(27.5)**	**(8.2)**

The Group's actual Income tax expense was calculated on the basis of income from continuing operations before tax, restated for the Group's share of income from associated companies.

For fiscal year 2017, the Group's actual income tax expense was reconciled on the basis of a tax rate of 28.92%.

4.22.3 Tax consolidation

The Derichebourg Group has opted in France for the tax consolidation regime which allows it to offset the taxable results of its French subsidiaries where the direct or indirect holding is greater than 95%. The consolidated companies affected by this regime have signed an agreement setting out the methods for applying the tax consolidation, in accordance with the rules established by the tax administration.

The consolidated tax Group is made up of the following companies:

DERICHEBOURG SA	DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	POLY-SELIA
AFM 86 SCI	DERICHEBOURG SHC	POLY-SENTI
AFM RECYCLAGE	DERICHEBOURG SNG	POLYSOTIS
AFM TOURAINE SCI	DERICHEBOURG TECHNOLOGIES	POLYTIANE
ARTS ET DESCARTES SCI	DERICHEBOURG TRAVAUX & MAINTENANCE NUCLÉAIRE	POLYURBAINE
BERNES ET BRUYÈRES SCI	ÉCUREUIL SCI	POLYURBAINE 13
BERTHELOT VILLENEUVE SCI	ECO-VHU SAS	POLYURBAINE NORMANDIE
BIMA SCI	ESKA	POLY-VAL
BOLTON	EXADIANE SCI	POLY-VALYS
CARLISSA SCI	FRADENA TRANSPORT	PREVEZA SCI
CFF BETA SCI	FRANORA SCI	PROVERRE
CFF DELTA SCI	GROUPE ALTER SERVICES	PSIMMO
CFF GAMMA SCI	GARE DE CHANDIEU SCI	PURFER
DERICHEBOURG IMMOBILIER SCI	HAUTE GARONNE SCI	PURFER TRANSPORT
CFF OMEGA SCI	IMPASSE INDUSTRIE SCI	PURFOLLIOULE SCI
CFF SIGMA SCI	INOREC	PURMET TRANSPORT
CFF VEGA SCI	INOTERA SCI	QUAI DE NORVÈGE SCI
CHAUFONTAINE SCI	LICODIA SCI	REFINAL INDUSTRIES
COFRAMETAL	LIEN ENVIRONNEMENT	REVIVAL
DERICHEBOURG EXPANSION	MANDY RECUPERATION SCI	ROUTABOULE SCI
DERICHEBOURG AQUA	ORÉE DES BOIS SCI	ROUX SCI
DERICHEBOURG ATIS AÉRONAUTIQUE	PEUPLIERS SCI	SETIAM SCI
DERICHEBOURG AUTOMOBILE SERVICES	POLY-ENVIRONNEMENT EX ECO-PHU HOLDING	STRAP TRANSPORT
DERICHEBOURG ÉNERGIE	POLYAMON	STRAPOLE SCI
DERICHEBOURG ÉNERGIE E.P.	POLYBUIS	STRAVIA SCI
DERICHEBOURG ENVIRONNEMENT	POLYCEJA	SUDIANE SCI
DERICHEBOURG ESPACES VERTS	POLYCEO	ULTEAM
DERICHEBOURG ÉVOLUTION FORMATION	POLYCOROT	VALME TECHNOLOGIES
DERICHEBOURG INTERIM	POLY-MASSI	VALRECY
DERICHEBOURG LOGISTIQUE ET MANUTENTION	POLY-MILIA	WESTEVER
DERICHEBOURG SOURCING AERO & ENERGY	POLY-NEA	
DERICHEBOURG MULTISERVICES HOLDING	POLYREVA	
DERICHEBOURG PROPRETÉ	POLYSEANE	

The Derichebourg Group's tax savings amount to €18.1 million.

4.22.4 Analysis of deferred tax assets and liabilities

In millions of euros	09-30-17	09-30-16
Tax carry forwards	6.7	23.2
Temporary differences	4.7	3.1
Restatement of regulated provisions	(6.3)	(6.4)
Social benefits	10.5	12.4
Finance leases	(1.2)	(1.5)
Elimination of intra-Group profits	2.2	3.4
Valuation differences	(7.7)	(11.8)
IFRS restatements	(0.2)	1.3
Other types	1.0	3.2
Net deferred taxes	**9.7**	**27.0**
Of which		
Deferred tax assets	27.7	45.8
Deferred tax liabilities	17.9	18.8
Net deferred taxes	**9.7**	**27.0**

The Group has accumulated €20 million of tax losses, mainly generated in France. These losses can be carried forward indefinitely and applied against the future taxable earnings of the companies that generate them, although the 2011 amending finance law altered the conditions for allocating such losses. Losses over €1 million may now only be offset against 50% of taxable income. The Group has recognized €6.9 million of deferred tax assets corresponding to these tax losses, since it believes that within one year it will have taxable profits to which it will be able to apply these unused tax losses.

4.23 Discontinued or held-for-sale operations

In millions of euros	2017	2016
Crane construction and maintenance operations		
Revenue		2.6
Recurring operating profit (loss)	(1.3)	(2.9)
Operating profit (loss)	1.9	(4.5)
Pre-tax profit (loss)	0.0	(4.3)
Profit (loss) after tax	0.0	(4.4)
Airport Services		
Recurring operating profit (loss)	(0.2)	(0.6)
Operating profit (loss)	(0.2)	(0.6)
Pre-tax profit (loss)	(0.2)	(0.6)
Profit (loss) after tax	(0.2)	(0.6)
Total Profit (loss) after tax	**(0.2)**	**(5.0)**

4.24 Earnings per share

		2017	2016 Restated
Net profit (loss) attributable to Company shareholders *(in millions of euros)*	(A)	76.0	12.9
Income net of tax from discontinued or held-for-sale operations *(in millions of euros)*	(B)	(0.2)	(5.0)
Net Group profit (loss) after elimination of discontinued or held-for-sale operations *(in millions of euros)*	(C)	76.2	17.9
Impact of dilution on net income [1]	(D)	76.2	0.8
Profit after dilution	(E)	76.2	18.7
Number of ordinary shares at year-end		163,878,780	168,082,030
Own shares			11,809,103
Number of ordinary shares at year-end, excluding own shares		163,878,780	156,272,927
Weighted average number of ordinary shares at year-end, excluding own shares	(F)	157,929,705	156,272,927
ABSA[2]			3,583,616
Number of ordinary shares at year-end after dilution, excluding own shares	(G)	163,878,780	159,856,543
Basic earnings per share *(in euros)* **(excluding discontinued operations)**	**(C)/(F)**	**0.5**	**0.1**
Basic earnings per share after dilution *(in euros)*	**(E)/(G)**	**0.5**	**0.1**
Earnings per share after net income from discontinued or held-for-sale operations	**(A)/(F)**	**0.5**	**0.1**
Earnings per share after net income from discontinued or held-for-sale operations after dilution	**(A+D)/(G)**	**0.5**	**0.1**

(1) Rate used 5%.
(2) The assumption is made that all share subscription warrants will be exercised.

4.25 Commitments

4.25.1 Details of commitments given

Breakdown of off-balance sheet commitments

In millions of euros	Bonds	Guarantees	09-30-17	09-30-16
Rent	0.4		0.4	0.6
Financial institutions - Loans		0.7	0.7	1.3
Financial institutions - Short-term borrowing				2.2
Financial institutions - Market [1]	11.7	42.4	54.1	49.8
Environmental commitments	1.6	0.5	2.1	0.1
Temporary work [2]	14.1		14.1	14.5
Tax commitments	0.6		0.6	0.6
Others	0.1		0.1	1.7
Total	**28.5**	**43.6**	**72.1**	**70.8**

(1) Bonds given in accordance with the requirements of certain markets.
(2) Bonds given by the parent company to the financial institution issuing the guarantee required by law for the temporary work business.

Summary of pledges

As part of the guarantee requirements for the bank debt, Derichebourg has granted the following pledges to the banks participating in the 2014 loan:

- a pledge covering 67% of Derichebourg Environnement shares;
- a pledge covering 67% of Derichebourg Multiservices Holding shares.

4.25.2 Details of commitments received

- confirmed lines of credit not used as of September 30, 2017:
  - bilateral line - Germany: €17.2 million;
  - bilateral line - Belgium: €9.5 million;
  - bilateral line - Portugal: €2.1 million;
  - revolving loan (syndicated loan): €100 million;
- retention bonds: €0.6 million;
- advance payment guarantee issued by the company Cordofin for €15 million pertaining to the Rotamfer project which was not completed.
- symmetrical put and call options have been put in place, with an exercise period in 2018, in relation to the acquisition of a €3.5 million property asset in the Paris region.

4.25.3 Risks linked to the sale of Servisair SAS

Derichebourg sold Servisair to Swissport France Holding on December 23, 2013. The share purchase agreement includes representations and warranties that might give the buyer the right to a partial repayment of the selling price in the event of inaccurate representations by the seller. The Group believes that the disposal by PAI of Swissport to HNA in February 2016 implies that Swissport has lost the right to ask for a partial reimbursement of the sale price of Servisair. Swissport does not share this interpretation and believes that it is still entitled to ask for a partial reimbursement of the sale price for claims notified in due time until February 2016. In September 2016, the Group summoned Swissport before the District Court of Paris in order to establish the termination of the representations and warranties, and declare that Swissport is no longer entitled to the partial reimbursement of the sale price of Servisair. If the action brought by the Group before the District Court is not successful, and the claims notified by the buyer are successful before the courts of last resort (Swissport has not brought any case before the courts as of now), the Group could be compelled to pay back to Swissport a share of the sale price, of a maximum amount of €30 million. This dispute was resolved the day before the Board of Directors meeting to approve the Group's financial statements on December 5, 2017 by a payment of €2.7 million. The €6.2 million liability to cover this risk will be reversed in the 2017-2018 fiscal year.

4.25.4 Leasing agreements

The Group has entered into operating leases for certain items of equipment. The leases are for periods averaging three to five years.

4.25.4.1 Operating leases

The minimum future lease payments under non-cancellable lease agreements were as follows at September 30, 2017:

Future minimum payments - Operating leases

In millions of euros	09-30-17	09-30-16
< 1 year	(23.3)	(18.9)
>1 year and <5 years	(29.8)	(26.0)
>5 years	(12.3)	(11.2)
Total	**(65.5)**	**(56.1)**

In millions of euros	09-30-17	09-30-16
Rental expenses for the period	(34.9)	(31.0)
Total	**(34.9)**	**(31.0)**

4.25.4.2 Finance leases

The minimum future lease payments that will be made on finance leases were as follows at September 30, 2017:

Future minimum payments - Finance leases

In millions of euros	09-30-17	09-30-16
< 1 year	(26.5)	(24.5)
>1 year and <5 years	(52.9)	(50.8)
>5 years	(6.4)	(5.4)
Total	**(85.9)**	**(80.7)**

In millions of euros	09-30-17	09-30-16
Lease payments expensed in the period	(32.0)	(26.1)
Total	**(32.0)**	**(26.1)**

4.26 Significant litigation

4.26.1 Italy

- In August 2007, the Derichebourg Environnement subsidiary had signed a confidential agreement, which was reaffirmed in December 2007, to acquire a company operating two recycling centers in Italy, each equipped with a powerful shredder. This acquisition would have given the Group a leadership position in Italy and enabled synergies with existing operations. The value negotiated for these assets was based on the market conditions prevailing in 2007 in recycling. Since the conditions precedent to this agreement were not observed by the December 28, 2008 deadline, and since subsequent negotiations failed, this acquisition was abandoned by Derichebourg Environnement. In response to the seller's demands to go through with the acquisition, Derichebourg Environnement undertook legal action to have the acquisition agreement canceled, its initial payment of €15 million returned and compensation paid in consideration of the many anomalies observed.

On March 4, 2014, the Court issued a preliminary partial decision, which was unfavorable to the Group; however, the Court did not rule on the opposing party's claims. A provision was made for the entire amount of the initial payment as a precaution. Derichebourg Environnement has appealed this decision which it considers to be ill-founded in fact and law.

On October 27, 2016, the Court of Appeal of Milan issued a second decision, also partial, in the sense that it concerned only the Group's requests and not those of the opposing party. This second decision confirmed the first one and dismissed all of Derichebourg Environnement's requests (reimbursement of the advance of €15 million and cancellation of the initial protocol). Derichebourg Environnement appealed this decision.

On February 20, 2017, a first instance decision was rendered by the Court of Milan regarding the claims made by the opposing party regarding the execution of the sale, and the granting of compensation for damages. The court dismissed the entirety of the opposing party's claims, reasoning that the conditions required for completing the sale were not present, and dismissed the opposing party's claim for damages. The opposing party has appealed this judgment. Derichebourg Environnement has also appealed the provisions of this judgment, which declares it in default in the execution of the contract. If the claims of the opposing party were to be successful after exhaustion of legal remedies, the court may order the conduct of the transaction which would result in the acquisition of the said recycling sites, for a consideration of €43 million (plus interests for late payment estimated at approximately €10 million). The Group has financing lines to carry out this potential acquisition.

- In November 2013, the director (managing director) of the Italian subsidiary of the Multiservices business (AEP Multiservizi) was remanded in custody, as part of an investigation into procedures for awarding public contracts in Campania. Given the block on the Company's operations likely to be caused by his incapacity, his appointment as managing director was revoked. He has since been freed and the post-judgment measures of constraint lifted. Although the company itself was not the subject of legal action, the Group decided to anticipate the consequences of this company's situation and recorded a long-term provision of €4 million in its financial statements for the fiscal year ended September 30, 2016. The company is in the process of reducing its activity.

4.26.2 Belgium

A tax audit was conducted on the Belgian subsidiary George relating to the identification of suppliers of metals and ferrous scraps for the years 2006 to 2010. The tax authority believes that the Company did not adhere to the law concerning identification of the VAT of suppliers and rejected the deduction of purchase invoices deemed non-compliant. This would result in an increase in corporate income tax of €5 million, plus legal interests.

The Company protests this sanction claiming, in particular, that:

- Belgian legislation in force at that time did not give the subsidiary any legal power to identify said suppliers of metals;
- an audit covering these fiscal years had been conducted in 2008 during which these issues were raised but did not give rise to any specific comments.

The Company holds a copy of the identification card of most of its suppliers, a procedure that exceeds legal requirements.

On November 26, 2015, the Company received a first instance decision in its favor. The tax authority has appealed.

The appeal judgment was delivered after the year-end, on November 2, 2017 and overturned the first instance ruling. Except for one fiscal year which could not be assessed, it supports all the claims of the tax authority. The Company intends to appeal. In the light of this unfavorable decision, a provision of €6 million has been recognized in the financial statements as at September 30, 2017.

4.27 Related party transactions

4.27.1 Transactions with non-consolidated related parties

The Group is controlled by CFER, which holds 50.12% of the Company's share capital. The ultimate parent company is DBG FINANCES, incorporated in Belgium.

In millions of euros	09-30-17	09-30-16
DBG FINANCES	0.0	0.04
Related party receivables	**0.0**	**0.04**
TBD FINANCES	0.3	1.1
Related party payables	**0.3**	**1.1**
TBD FINANCES	(2.1)	(2.0)
Other operating expenses	**(2.1)**	**(2.0)**
DBG FINANCES	(1.7)	(1.7)
SCI FONDEYRE	NS	NS
SCI DEMUEYES	NS	NS
Operating expenses	**(1.7)**	**(1.7)**
DBG FINANCES	0.0	0.03
Revenue	**0.0**	**0.03**

4.27.2 Transactions between the Group and its partners in equity-accounted companies

09-30-17 *In millions of euros*	Trade receivables	Other current assets	Trade payables	Loans and financial debts	Revenue	Cost of raw materials	External charges
ALSAFER	0.0		0.2		0.0	(0.9)	
ALLO CASSE AUTO	0.1			0.1	0.2		
DREYFUS						(0.0)	
EASO	0.0		0.3		0.1	(1.3)	
PLASTIC RECYCLING	0.2	1.6			0.8		
VALERCO	0.0		0.1		0.1	(0.0)	(0.4)
Total	**0.3**	**1.6**	**0.6**	**0.1**	**1.1**	**(2.3)**	**(0.4)**

4.28 Employee information

4.28.1 Headcount by business segment

	09-30-17	09-30-16
Business Services	29,328	28,729
Environmental Services	6,994	5,723
Holding companies	127	167
Total headcount*	**36,449**	**34,619**

* *Headcount by number of employees at year-end.*

4.28.2 Personnel expenses by type

In millions of euros	09-30-17	09-30-16
Wages and salaries	633.0	591.6
Social charges	211.9	196.2
Employee profit sharing	7.3	5.2
Other personnel expenses	(22.2)	(19.3)
Total	**830.1**	**773.6**

4.29 Executive compensation

4.29.1 Compensation and benefits in kind

The corporate officers in office as of September 30, 2017 receive the following direct and indirect compensation:

In euros	2016-2017	2015-2016
Mr. Daniel DERICHEBOURG		
Salaries	228,000	228,000
Attendance fees	12,857	15,000
Total	**240,857**	**243,000**

In euros	2016-2017	2015-2016
Mr. Abderrahmane EL AOUFIR		
Fixed compensation	286,639	286,996
Variable compensation	200,000	120,000
Total	**486,639**	**406,996**

In euros	2016-2017	2015-2016
Mr. Boris DERICHEBOURG		
Fixed compensation	149,500	136,500
Variable compensation	50,000	80,000
Attendance fees	12,857	15,000
Total	**212,357**	**231,500**

In euros	2016-2017	2015-2016
Mr. Thomas DERICHEBOURG		
Fixed compensation	213,200	200,200
Variable compensation	200,000	120,000
Attendance fees	12,857	15,000
Total	**426,057**	**333,057**

In euros	2016-2017	2015-2016
Mr. Matthieu PIGASSE		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	0	0
Total	**0**	**0**

In euros	2016-2017	2015-2016
Mr. Bernard VAL		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	12,857	15,000
Total	**12,857**	**15,000**

In euros	2016-2017	2015-2016
Mrs. Françoise MAHIOU		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	12,857	0
Total	**12,857**	**0**

In euros	2016-2017	2015-2016
Mrs. Catherine CLAVERIE		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	0	0
Total	**0**	**0**

In euros	2016-2017	2015-2016
CFER Director represented by Mrs. Sophie MOREAU-FOLLENFANT (until December 7, 2016) then by Mrs. Ida DERICHEBOURG		
Attendance fees	12,857	15,000
Total	**12,857**	**15,000**

No member of the Board of Directors receives stock options, performance shares or bonus shares.

The Chairman and CEO does not have an employment contract with the Issuer, is not entitled to a supplementary pension plan, an indemnity or other form of compensation in the event his duties are terminated or changed, nor to any compensation under a no-competition clause.

4.29.2 Other compensation

No other compensation has been provisioned, recorded or declared.

4.30 Accounting options used for the first-time adoption of IFRS

4.30.1 Business combinations

The Group has decided not to retrospectively adjust business combinations prior to October 1, 2004.

4.30.2 Property, plant and equipment

IFRS 1 allows certain types of assets to be recognized at their fair value in the opening balance sheet and for this value to be used as the deemed cost. The Group decided to apply this option specifically to some assets, and in particular, to land and improvements and to structures on owned land as of the date of transition to IFRS.

The fair value of the various real estate assets was determined based on appraisals by an external party.

The application of this option had the following impacts on equity on October 1, 2004:

- €62.7 million before tax and €40.5 million after tax on the Group's share of equity;
- €0.2 million before tax and €0.1 million after tax on non-controlling interests.

4.30.3 Translation methods

The Group elected to apply unrealized exchange gains or losses as of October 1, 2004 to its consolidated reserves. Accordingly, such gains or losses will not be recognized in income when assets are disposed of in a foreign currency.

4.31 Consolidation scope

Holding companies

Legal name	% Interest	Consolidation method
Germany		
DBG HOLDING GmbH	100.00%	FC
France		
CFF SIGMA SCI	100.00%	FC
DERICHEBOURG ENVIRONNEMENT	100.00%	FC
DERICHEBOURG MULTISERVICES HOLDING	100.00%	FC
DERICHEBOURG	100.00%	PARENT
SCEA DU CHÂTEAU GUITERONDE	100.00%	FC
SCI DE LA FUTAIE	99.92%	FC
WESTEVER	100.00%	FC

Environmental Services

Legal name	% Interest	Consolidation method
Germany		
DERICHEBOURG UMWELT	100.00%	FC
Belgium		
BAS LONG PRÉS	100.00%	FC
CPI	100.00%	FC
DERICHEBOURG BELGIUM (ex LMR)	100.00%	FC
DERICHEBOURG RETAIL BELGIUM (ex SOCOFER)	100.00%	FC
Canada		
DERICHEBOURG CANADA ENVIRONNEMENT INC	100.00%	FC
DERICHEBOURG CANADA INC	100.00%	FC
Spain		
DERICHEBOURG MEDIO AMBIENTE	100.00%	FC
REYFRA	50.00%	EA
United States		
DERICHEBOURG RECYCLING USA	100.00%	FC
France		
AFM 86 SCI	100.00%	FC
AFM RECYCLAGE	99.92%	FC
AFM TOURAINE SCI	100.00%	FC
ALLO CASSE AUTO	48.00%	EA
ALSAFER ENVIRONNEMENT	49.99%	EA
ARTS ET DESCARTES SCI	100.00%	FC
BARTIN RECYCLING	100.00%	FC
BERNES ET BRUYÈRES SCI	100.00%	FC
BERTHELOT VILLENEUVE SCI	100.00%	FC
BIMA SCI	100.00%	FC
BOLTON	100.00%	FC
CARLISSA SCI	100.00%	FC
CFF DELTA SCI	100.00%	FC
DERICHEBOURG IMMOBILIER SCI	100.00%	FC
CFF VEGA SCI	100.00%	FC
CHAUFONTAINE SCI	100.00%	FC
COFRAMETAL	100.00%	FC
DAC	50.00%	EA
DERICHEBOURG AQUA	100.00%	FC
DERICHEBOURG AQUA OCÉAN INDIEN	100.00%	FC
DERICHEBOURG OCÉAN INDIEN	55.00%	FC
DERICHEBOURG PROPRETÉ OCÉAN INDIEN	55.00%	FC
DREYFUS	42.50%	EA
POLY-ENVIRONNEMENT (ex ECO-PHU HOLDING)	100.00%	FC
ECO-VHU	100.00%	FC
ÉCUREUIL SCI	100.00%	FC
ENVIE AFM SUD OUEST	49.96%	EA
ESKA	100.00%	FC
EXADIANE SCI	100.00%	FC
FRADENA TRANSPORT	100.00%	FC
FRANORA SCI	100.00%	FC
FRICOM	50.00%	FC
HYDROVIDE	100.00%	FC
HYDROVIDEO	100.00%	FC
INOREC	100.00%	FC
INOTERA SCI	100.00%	FC
LICODIA SCI	100.00%	FC
MANDY RECUPER SCI	100.00%	FC
ORÉE DES BOIS SCI	100.00%	FC
PLASTIC RECYCLING	50.00%	EA
POLYAMON	100.00%	FC
POLYBUIS	100.00%	FC
POLYCEJA	100.00%	FC
POLYCEO	100.00%	FC
POLYCOROT	100.00%	FC
POLY-MILIA	100.00%	FC
POLY-NEA	100.00%	FC
POLYREVA	100.00%	FC
POLYSEANE	100.00%	FC
POLYSOTIS	100.00%	FC
POLYTIANE	100.00%	FC
POLYURBAINE	100.00%	FC
POLYURBAINE 13	100.00%	FC
POLYURBAINE NORMANDIE	100.00%	FC
PREVEZA SCI	100.00%	FC
PURFER	100.00%	FC
PURFER TRANSPORT	100.00%	FC

Legal name	% Interest	Consolidation method
PURFOLLIOULES SCI	100.00%	FC
PURMET TRANSPORT	100.00%	FC
QUAI DE NORVÈGE SCI	100.00%	FC
REFINAL INDUSTRIES	100.00%	FC
REVIVAL	100.00%	FC
ROHR ENVIRONNEMENT	49.63%	EA
ROUTABOULE SCI	100.00%	FC
ROUX SCI	100.00%	FC
SCI ANGELA	100.00%	FC
SCI ELISA	100.00%	FC
SCI DE LA GARE	100.00%	FC
SCI DE L'IMPASSE DE L'INDUSTRIE	100.00%	FC
SCI DES CHENES	100.00%	FC
SCI DES VARENNES	100.00%	FC
SCI SETIAM	100.00%	FC
SERVALTEC SNC	100.00%	FC
SLG RECYCLING FINANCE	100.00%	FC
STRAP TRANSPORT	100.00%	FC
STRAPOLE SCI	100.00%	FC
STRAVIA SCI	100.00%	FC
SUDIANE SCI	100.00%	FC
VALERCO	50.00%	EA
VALERIO ET COMPAGNIE	100.00%	FC
VALME TECHNOLOGIE	100.00%	FC
VALORDIS	50.00%	FC
VOGIM SCI	80.00%	FC
VALRECY	100.00%	FC
Italy		
AEP MULTISERVIZI SPA	100.00%	FC
CMT	100.00%	FC
CRS	100.00%	FC
ECOREC	100.00%	FC
SAN GERMANO	100.00%	FC
Morocco		
DERICHEBOURG A&D DÉVELOPPEMENT	50.99%	FC
DERICHEBOURG GUARDING	50.99%	FC
DERICHEBOURG IFRANE	50.98%	FC
DERICHEBOURG KENITRA	50.99%	FC
DERICHEBOURG MAROC	50.99%	FC
DERICHEBOURG MAROC TRANSPORT	50.99%	FC
DERICHEBOURG MARRAKECH	50.99%	FC
DERICHEBOURG MAZAGAN	50.99%	FC
DERICHEBOURG RABAT	50.99%	FC
Mexico		
DERICHEBOURG RECYCLING MEXICO	99.99%	FC

Business Services

Legal name	% Interest	Consolidation method
Germany		
DAL HOLDING GmbH	100.00%	FC
DAL ZEITARBEIT	100.00%	FC
DERICHEBOURG ATIS GmbH	100.00%	FC
Spain		
DERICHEBOURG ATIS IBERICA	100.00%	FC
SELMAR SA	100.00%	FC
France		
CFF BETA SCI	100.00%	FC
DERICHEBOURG ATIS AÉRONAUTIQUE	100.00%	FC
DERICHEBOURG AUTOMOBILES SERVICES	100.00%	FC
DERICHEBOURG ÉNERGIE	100.00%	FC
DERICHEBOURG ÉNERGIE E.P.	99.96%	FC
DERICHEBOURG ESPACES VERTS	100.00%	FC
DERICHEBOURG ÉVOLUTION FORMATION	100.00%	FC
DERICHEBOURG SOURCING AERO & ENERGY	100.00%	FC
DERICHEBOURG INTERIM	100.00%	FC
DERICHEBOURG PROPRETÉ	100.00%	FC
DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	100.00%	FC
DERICHEBOURG LOGISTIQUE ET MANUTENTION	100.00%	FC
DERICHEBOURG SHC	100.00%	FC
DERICHEBOURG SNG	100.00%	FC
DERICHEBOURG TECHNOLOGIES	100.00%	FC
DERICHEBOURG TRAVAUX & MAINTENANCE NUCLÉAIRE	100.00%	FC
GARALTER SCI	100.00%	FC
GROUPE ALTER SERVICES	100.00%	FC
LSL	50.00%	FC
PROVERRE	100.00%	FC
PSIMMO	100.00%	FC
SAM DERICHEBOURG MC	99.90%	FC
SCI HAUTE GARONNE	100.00%	FC
SCI LES PEUPLIERS	100.00%	FC
ULTEAM	100.00%	FC
Portugal		
SAFIRA FACILITY SERVICES	100.00%	FC
United Kingdom		
DERICHEBOURG AVIATION ENERGY RESOURCES	100.00%	FC

5.1.6 Statutory Auditors' report on the consolidated financial statements at September 30, 2017

To the Derichebourg Shareholders' Meeting,

Opinion

In performance of the mission entrusted to us by your shareholders' meetings, we have conducted an audit of the Derichebourg consolidated financial statements for the fiscal year ended September 30, 2017, as attached to this report.

In our opinion, the consolidated financial statements for the fiscal year prepared in accordance with IFRS standards as adopted in the European Union give a true and fair view of the results of the profits, losses and transactions of the past fiscal year as well as the financial position and assets at year-end of the group consisting of the persons and entities included in the consolidation.

The opinion expressed above is consistent with the content of our report to the Board of Directors performing the functions of the Audit Committee.

Basis of the opinion

- Auditing framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Independent Auditors in the auditing of the consolidated financial statements" section of this report.

- Independence

We conducted our audit mission in accordance with the independence rules applicable to us, from October 1, 2016 to the date of our report, and we did not in particular provide any services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014 or the Code of Ethics for the Independent Auditor profession.

Justification of our assessments - Key points of the audit

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, please note the key points of the audit relating to the risks of material misstatement, which, in our professional judgment, were the largest for the audit of the consolidated financial statements for the fiscal year, as well as the responses we provided to those risks.

The assessments thus made fall within the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on items in these consolidated financial statements in isolation.

- Impairment tests of goodwill (see Notes 2.2.2, 2.3.6 and 4.1.2 to the consolidated financial statements)

Key point of the audit

As of September 30, 2017, the Group's goodwill totaled €219 million, compared with a consolidated balance sheet of €1,394 million. The Group performs impairment tests on those assets, the terms of which are described in Notes 2.3.6 and 4.1.2 to the consolidated financial statements. In particular, assets tested for impairment are grouped into cash-generating units ("CGUs"). When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU can itself be determined by applying the discounted future cash flow method, which is based on assumptions about changes in activity and the use of rates.

We therefore considered that the valuation of goodwill was a key point of the audit given the significant nature of the goodwill and the fact that it relies on estimates, as indicated in Note 2.2.2 to the consolidated financial statements.

Our response

We examined the procedures put in place by the Group relating to impairment tests on goodwill. We used in-house valuation specialists to help us assess the discount rates and the growth rates to infinity used for the various CGUs. We also analyzed the consistency of cash flow forecasts with past performance and market outlooks and conducted sensitivity analyses on the following assumptions: discount rate, growth rate to infinity and recurring operating profit (loss) of each CGU.

- Significant litigation - Italy (see Notes 4.3 and 4.26 to the consolidated financial statements)

Key point of the audit

The Group is engaged in litigation in Italy, as described in Note 4.26 to the consolidated financial statements. In August 2007, the Derichebourg Environnement subsidiary signed a confidential protocol for the acquisition of a company operating two recycling centers in Italy and paid an initial payment of €15 million pursuant to that protocol. Because negotiations between the parties failed, the case went to the courts. Two court decisions relating to Derichebourg Environnement's claims were issued, to its detriment, but the company appealed the decisions. At the same time, the Group fully provisioned the initial payment as indicated in Note 4.3 to the consolidated financial statements.

The other party's application for compulsory performance of the contract was dismissed in the court of first instance. In the event of an unfavorable outcome, the Group could be forced to proceed with the acquisition of said recycling sites in return for a disbursement of €43 million plus default interest.

The correct assessment of the risk and its expression in the Group's financial statements is an area of concern on our part.

Our response

Our procedures included the analysis of discussions with the Group's lawyers as well as the examination of the documents relating to the ongoing legal proceedings, as indicated in Note 4.26 to the consolidated financial statements.

Furthermore, we assessed the appropriateness of the information provided in the notes to the consolidated financial statements.

Verification of the Group information given in the management report

As required by law, and in accordance with professional standards applicable in France, we have also verified the information relating to the Group provided in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Information resulting from other legal and regulatory requirements

- Appointment of independent auditors

We were appointed independent auditors for Derichebourg by your shareholders' meeting of February 19, 2014 for DENJEAN & ASSOCIES AUDIT and the meeting of March 15, 2007 for ERNST & YOUNG Audit.

As of September 30, 2017, the firm DENJEAN & ASSOCIES AUDIT was in the fourth uninterrupted year of its mission and the firm ERNST & YOUNG Audit in the eleventh year.

Responsibilities of management and persons comprising the corporate governance with respect to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union and to implement the internal controls that it deems necessary for the preparation of consolidated financial statements with no material misstatements, whether due to fraud or error.

In the preparation of the consolidated financial statements, management is responsible for evaluating whether the company can continue to operate, for presenting in these financial statements, where appropriate, the necessary information relating to the continuity of operations and applying the going concern accounting convention unless there are plans to liquidate the company or cease operations.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the independent auditors related to the audit of the consolidated financial statements

- Purpose of audit and approach

As stated in Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of the company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, an independent auditor shall exercise his professional judgment throughout this audit. Moreover:

- it shall identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks and collect information it considers sufficient and appropriate to form its opinion. The risk that a significant anomaly due to fraud will not be detected is higher than for a significant anomaly due to an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumvention of internal controls;
- it shall review the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, not to express an opinion on the effectiveness of the internal controls;
- it shall assess the appropriateness of accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- it shall assess the appropriateness of management's application of the going concern accounting convention and, depending on the evidence gathered, the existence or non-existence of significant uncertainty related to events or circumstances that may call into question the company's ability to continue as a going concern. Such assessment shall be based on the information gathered up to the date of its report, but it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If it concludes that there is a significant uncertainty, it shall draw the attention of its report's readers to the information provided in the consolidated financial statements about this uncertainty or, if this information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;
- it shall assess the overall presentation of the consolidated financial statements and evaluate whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof;
- concerning the financial information of the persons or entities included in the scope of consolidation, it shall collect information that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It shall be responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on said financial statements.

- Report to the Board of Directors performing the functions of the Audit Committee

We are submitting a report to the Board of Directors performing the functions of the Audit Committee that outlines the scope of the audit and the working program put in place, as well as the conclusions resulting from our work. We also disclose, where appropriate, the significant weaknesses in the internal controls that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Board of Directors performing the functions of the Audit Committee are the risks of material misstatement, which we deem to have been most significant for the audit of the consolidated financial statements for the year and, as a result, constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Board of Directors performing the functions of the Audit Committee with the declaration described in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, as described in the rules applicable in France as set forth in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the Code of Ethics for the independent auditor profession. As needed, we discuss with the Board of Directors performing the functions of the Audit Committee the risks that may affect our independence and the safeguarding measures applied.

Paris and Paris-La Défense, December 8, 2017

The Statutory Auditors

DENJEAN ET ASSOCIÉS AUDIT

Thierry Denjean

ERNST & YOUNG Audit

Gilles Rabier

5.2 Parent company financial statements for the year ended September 30, 2017

5.2.1 Balance sheet

ASSETS *In thousands of euros*	09-30-17 Gross	09-30-17 Depreciation and amortization and provisions	09-30-17 Net	09-30-16 Net
Assets				
Intangible assets				
Concessions, patents and similar rights	38	38	0	0
Goodwill	46		46	46
Other intangible assets			0	0
Advances and deposits on intangible assets			0	0
Property, plant and equipment				
Land	1,508	90	1,418	1,418
Buildings	5,490	4,603	887	998
Industrial plants, machinery and equipment	320	320	0	0
Other tangible assets	152	152	0	0
Assets under construction			0	0
Advances and deposits			0	0
Financial assets[1]				
Equity interests	627,923	298,808	329,115	318,332
Receivables related to equity investments			0	0
Other long-term investments			0	0
Loans			0	0
Other financial assets	660		660	159
Total (I)	**636,137**	**304,011**	**332,126**	**320,953**
Current assets				
Inventory				
Raw materials and supplies			0	0
Work in progress for production of goods			0	0
Goods			0	0
Advances and payments on account on orders			**0**	**13**
Receivables				
Trade receivables and related accounts	3,637	56	3,581	2,628
Other receivables	322,733	23,001	299,732	251,680
Marketable securities			0	31,926
Cash	53,807		53,807	743
Accruals				
Prepaid expenses	79		79	80
Total (II)	**380,256**	**23,057**	**357,199**	**287,070**
Charges to be spread over several periods (III)			**0**	**0**
Premiums on the redemption of bonds (IV)				
Translation differences (V)	**46**		**46**	**9**
Grand total (I to V)	**1,016,439**	**327,068**	**689,371**	**608,032**
(1) Share of financial assets – less than one year			*161*	*159*

LIABILITIES *In thousands of euros*	09-30-17	09-30-16
Shareholders' equity		
Share capital or individual (of which 40,969,695 paid)	40,970	42,021
Issue, merger and capital contribution premiums	16,546	27,565
Reevaluation adjustments [1]	0	0
Legal reserve	4,260	4,260
Regulated reserves [2]	0	0
Other reserves	0	0
Retained earnings	187,481	192,198
Net loss for the year	73,476	(1,620)
Regulated provisions	8	8
Total (I)	**322,741**	**264,432**
Provisions for liabilities and charges		
Provisions for liabilities	6,181	6,175
Provisions for charges	2	3
Total (II)	**6,183**	**6,178**
Debts[3]		
Convertible bonds		
Other bonds		
Loans from financial institutions [4]	115,063	141,038
Loans and miscellaneous financial debt	94	94
Advances and payments on account received on orders	0	0
Trade payables and related accounts	1,049	1,781
Tax and social security liabilities	7,994	16,188
Liabilities on fixed assets and related accounts	0	0
Other liabilities	234,128	174,633
Accruals		
Deferred income		
Total (III)	**358,328**	**333,734**
Translation differences, liabilities (IV)	**2,119**	**3,688**
Grand total (I to IV)	**689,371**	**608,032**
(1) Revaluation reserve (1976)	*0*	*0*
(2) Of which long-time capital gains regulated reserves	*0*	*0*
(3) Payables and deferred income – less than one year	*282,123*	*253,594*
(4) Including bank overdrafts and bank credit accounts	*146*	*14,365*

5.2.2 Income statement

In thousands of euros	2017 France	2017 Export	2017 Total	2016
Operating income				
Sale of goods				
Production sold				
goods				
services	3,241		3,241	3,236
Net revenue	**3,241**	**0**	**3,241**	**3,236**
Production held in inventory				
Production of assets for own use				
Operating grants				
Write back of depreciation, provisions and transfers of charges			1	245
Other income			2,308	1,478
Total operating income (I)			**5,550**	**4,959**
Operating expenses				
Purchase of goods				
Change in inventory (goods)				
Purchase of raw materials and other supplies				
Change in inventory (raw materials and supplies)				
Other purchases and external charges [1]			5,841	4,688
Taxes, duties and similar payments			197	44
Salaries			392	323
Social charges			198	164
Operating allowances				
- on fixed assets: depreciation			111	117
- on fixed assets: provisions				
- on current assets: provisions				
- for liabilities and charges: provisions			180	
Other charges			2,269	2,357
Total operating expenses (II)			**9,188**	**7,693**
Operating income (I-II)			**(3,638)**	**(2,734)**
Profit allocated or loss transferred (III)				
Loss incurred or profit transferred (IV)				
Financial income				
Financial income from equity interests [2]			13,173	1,752
Income from other securities and receivables from non-current assets			63	151
Other interest income [2]			6,421	7,856
Releases of provisions and expense transfers			30,399	3,989
Foreign exchange gains			450	451
Net income on disposal of marketable securities			0	0
Total financial income (V)			**50,506**	**14,199**
Financial expenses				
Provisions and depreciation			7,843	16,867
Interest and similar expenses [3]			12,779	11,832
Foreign exchange losses			281	765
Total financial expenses (VI)			**20,903**	**29,464**
Net financial income (loss) (V-VI)			**29,603**	**(15,265)**
Recurring profit (loss) before tax (I-II+III-IV+V-VI)			**25,965**	**(17,999)**

In thousands of euros	2017	2016
Exceptional income		
Exceptional income on management operations		
Exceptional income on capital transactions	35,714	6,873
Releases of provisions and expense transfers		
Total exceptional income (VII)	**35,714**	**6,873**
Exceptional expenses		
Exceptional expenses on management operations		
Exceptional expenses on capital transactions	60	559
Exceptional provisions for amortization and depreciation		
Total exceptional expenses (VIII)	**60**	**559**
Non-recurring gain (loss) (VII - VIII)	**35,654**	**6,314**
Employee profit sharing (IX)		
Income tax (X)	(11,857)	(10,065)
Total income (I+III+V+VII)	**91,770**	**26,031**
Total expenses (II+IV+VI+VIII+IX+X)	**18,294**	**27,651**
Profit or loss (total income - total expenses)	**73,476**	**(1,620)**
(1) Equipment finance leases	*0*	*0*
(2) Financial income related to associated companies	*17,494*	*7,624*
(3) Interest related to associated companies	*553*	*764*

5.2.3 Notes to the parent company financial statements

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1. Highlights of the fiscal year

1.1 Material events occurring over the fiscal year

Business over the fiscal year was in line with the Group's strategy.

On November 30, 2016, the Group acquired Bartin Recycling, previously a subsidiary of the Veolia group. Bartin Recycling specializes in the collection and recycling of ferrous and non-ferrous metals. It manages some twenty sites in France that recycle ferrous metals, new production waste, demolitions, as well as their on-site recovery or dismantling and their sale as secondary raw materials to the consumer manufacturing plants.

1.2 Events between the closing date and approval of the financial statements

None.

2. Accounting policies and methods

2.1 Accounting rules and methods

The financial statements have been prepared in accordance with French accounting standards as defined in the:

- French Commercial Code;
- Accounting Regulation Committee regulation No. 2014-03 (French General Chart of Accounts of June 5, 2014) amended and completed;
- the financial statements were approved during the meeting of the Board of Directors on December 5, 2017;
- general accounting policies have been applied in accordance with the prudence principle, in line with certain basic assumptions:
- continuity of operations,
- consistency of accounting policies from one fiscal year to the next,
- independence of fiscal years,
- and in accordance with general rules for preparing and setting out annual financial statements.

The historical cost method has been used for measuring items recognized in the financial statements.

The accounting method was not changed during the fiscal year ended September 30, 2017.

2.2 Intangible assets

Goodwill is recognized at the acquisition cost.

It is subjected to an annual impairment test, where necessary, whether or not there is an indication of an impairment.

When the acquisition value is higher than the current value, the company records an impairment. The current value is the higher of the market value or the value in use. The value in use corresponds to the discounted value of cash flows expected from the use of assets.

Goodwill impairments are never reversed.

The transposition of the new European directive and the implementation of the new goodwill impairment rules, in accordance with the methods specified in regulations 2015-06 and 2015-07 of the ANC have had no impact on the annual financial statements.

Start-up costs are fully amortized over the fiscal year in which they are recognized.

Computer software is amortized over a period of 12 months to 5 years depending on how crucial the software is to the business.

2.3 Property, plant and equipment

The assets are recognized at their acquisition cost. Depreciation is calculated on a straight line basis, over the estimated useful life of the property.

However, in the case of companies absorbed throughout the fiscal year which did not apply these rules, no correction to the initial depreciation plans has been made.

The main depreciation periods used are:

- buildings and fittings: 10 to 30 years[1];
- technical installations: 4 to 10 years;
- transport equipment and operations: 3 to 5 years;
- other fixed assets: 4 to 10 years.

2.4 Financial assets

Investment securities and other long-term investments are recognized at acquisition cost, with any directly related costs recognized as expenses.

Investment securities are recorded in the balance sheet if their value in use is less than the net carrying amount.

(1) NB: this is increased to 50 years for investment properties.

Value in use is mainly determined based on estimated and discounted forecasted cash flows for the subsidiary, less net interest expense.

2.5 Inventory

N/A.

2.6 Receivables

Trade and other operating receivables are recognized at nominal value, discounted when necessary, and adjusted for any impairment considering any potential risk of non-payment. Provisions for impairment are determined on a case-by-case basis.

A specific impairment provision is made for doubtful receivables.

2.7 Receivables and payables denominated in foreign currencies

Receivables and payables denominated in foreign currencies are recognized at year-end according to the usual accounting policies; a provision is made for unhedged unrealized losses.

2.8 Marketable securities

These are recognized at acquisition cost. At year-end, a provision is made if the historical value is less than the carrying amount.

2.9 Provisions for liabilities and charges

Provisions are recognized for the best estimate of the amount of resources required to extinguish said obligation (legal or implicit). No provision is made for contingent liabilities for which a reliable estimate cannot be made. Where necessary, a description of the risks incurred is inserted in the notes relating to the provisions for liabilities and charges.

2.9.1 Service awards

A service award bonus is given to employees after 20, 30, 35 and 40 years of service. The provision for service awards is determined based on a discounted calculation taking into account assumptions about the probability of employees remaining with the Company, as well as a 1.5% discount rate (inflation included). The provision for service awards totals €2k.

2.9.2 Environmental aspects

N/A.

2.10 Regulated provisions

The regulated provisions included in the balance sheet are:

- the difference between depreciation for tax purposes and depreciation for impairment calculated using the straight line method;
- the consideration for regulated provisions is entered in the income statement under exceptional income and expenses.

2.11 Pension and other post-employment benefits

Retirement commitments are calculated using the projected unit credit method and service is pro-rated. The estimate is based on a calculation which takes into account compensation, years of service, life expectancy, employee turnover rate and actuarial assumptions. The calculation takes into account the following assumptions:

- departure procedure and age: voluntary departure at 62 years of age for non-executives and at 62 for executives;
- mortality table: TGM 05/TGF 05;
- employee turnover: based on Group data;
- discount rate (inflation included): 1.5%;
- career profile: 2%;
- social charge rates: 45%.

The estimated discounted commitment for retirement payments to Company employees totals €95k. No provision has been made for retirement payments; this is an off-balance sheet commitment.

2.12 Employee profit-sharing

N/A.

2.13 Tax consolidation

The Group has opted for the tax consolidation system.

The scope of application includes French companies in which Derichebourg SA's direct or indirect holding is at least 95% (head of the tax consolidation group). Each company calculates and pays its tax to the head of the tax consolidation group as if there was no tax consolidation. The Derichebourg group's tax savings amount to €18.1 million.

2.14 Financial instruments

Derichebourg uses financial instruments to manage its exposure to interest-rate risks, mainly swaps and caps.

The total amount of instruments intended to cover variable-rate debt is as follows:

- debt in thousands of euros: 95,000 (50,000 of which is deferred);
- debt in thousands of dollars: 0.

2.15 Identity of the parent company

CFER is the parent company. It holds 50.12% of Derichebourg SA as of September 30, 2017.

The ultimate parent company is DBG Finances based in Belgium.

3. Explanatory notes to the financial statements

3.1 Fixed assets

In thousands of euros		Gross value at the beginning of the year	Increases	Decreases	Gross value at year end
Start-up and development costs					
Other intangible assets (I)		**85**			**85**
Land		1,508			1,508
Buildings	On own land	3,270			3,270
	On third-party land	1,510			1,510
	General installations, fittings and fixtures in buildings	710			710
Industrial plants, machinery and equipment		320			320
Other tangible assets	General installations and miscellaneous fittings and fixtures	34			34
	Transport equipment				
	Office equipment and computer hardware	118			118
	Recoverable packaging and other				
Tangible assets under construction					
Advances and deposits					
Total II		**7,470**			**7,470**
Equity-accounted investments					
Other investments [(1)]		629,262	13,338	14,678	627,922
Other long-term investments					
Loans and other long-term financial assets		159	12,571	12,069	661
Total III		**629,421**	**25,909**	**26,747**	**628,583**
Grand total (I + II + III)		**636,976**	**25,909**	**26,747**	**636,138**

(1) In order to simplify organization and reduce costs, a decision was made to dissolve Civitas without liquidation (universal transfer of assets) on December 19, 2016.

3.2 Depreciation and amortization

Fixed assets subject to depreciation *In thousands of euros*		Status and amortization/depreciation movements over the fiscal year			Amount at the end of the fiscal year
		Amount at the beginning of the fiscal year	Increases	Decreases	
Start-up and development costs					
Other intangible assets		38			38
Total property, plant and equipment (I)		**38**			**38**
Land		90			90
Buildings	On own land	2,358	90		2,448
	On third-party land	1,510			1,510
	General installations, fixtures	625	21		646
Industrial plants, machinery and equipment		320			320
Other tangible assets	General installations, miscellaneous fittings	34			34
	Transport equipment				
	Office equipment and computer hardware	118			118
	Recoverable packaging and other				
Total property, plant and equipment (II)		**5,055**	**111**		**5,166**
Grand total (I + II)		**5,093**	**111**		**5,204**

3.3 Provisions recognized in the balance sheet

Type of provision *In thousands of euros*	Net amount at the beginning of the fiscal year	Increase provisions	Reversals used	Write backs not used	Net amount at year-end
Provisions for mining and oil resources					
Provisions for investments					
Provisions for price increases					
Accelerated depreciation					
• Of which exceptional additional charges of 30%					
Provisions for setting up operations abroad before January 1, 1992					
Provisions for setting up operations abroad after January 1, 1992					
Provisions for start-up loans					
Other regulated provisions	8				8
Total regulated provisions	**8**		**0**		**8**
Provisions for disputes	6,175				6,175
Development costs					
Provisions for losses on forward markets					
Provisions for fines and penalties					
Provisions for foreign exchange losses		6			6
Provisions for pensions					
Provisions for taxes					
Provisions for renewal of fixed assets					
Provisions for major maintenance work					
Provisions for social security and tax charges on paid leave					
Other provisions for liabilities and charges	3			1	2
Total provisions for liabilities and charges	**6,178**	**6**		**1**	**6,183**
Provisions on intangible assets					
Provisions on property, plant and equipment					
Provisions for investments in associates					
Provisions for investment securities [1]	309,100	687	50	10,929	298,808
Provisions for other financial assets					
Provisions for inventory					
Provisions for trade receivables	56				56
Other provisions for impairment [2]	35,091	7,330	2,887	16,533	23,001
Total provisions for impairment	**344,247**	**8,017**	**2,937**	**27,462**	**321,865**
Grand total	**350,433**	**8,023**	**2,937**	**27,463**	**328,056**

(1) The amount of provisions for investment securities at the start of the year was reduced by €1,829 thousand following the universal transfer of assets from Civitas to Derichebourg SA on January 31, 2017.

(2) Other provisions for impairment at the start of the year were reduced by €739 thousand following the universal transfer of assets from Civitas to Derichebourg SA, on January 31, 2017.

3.4 Maturity of receivables and payables

Receivables *In thousands of euros*		Gross amount	Including accrued income	Less than one year	More than one year
Receivables related to equity investments					
Loans		0		0	
Other financial assets		661		161	500
Total receivables linked to non-current assets		**661**		**161**	**500**
Doubtful accounts receivable		62			62
Other trade receivables		3,574		3,574	
Receivables linked to loaned securities					
Personnel and related accounts					
Social security and other social bodies					
State and other local authorities	Income tax	1,768		1,768	
	Value added tax	4		4	
	Other taxes				
	State – miscellaneous				
Groups and associated companies		316,074		316,074	
Miscellaneous debtors		4,888		353	4,535
Total receivables linked to current assets		**326,370**		**321,773**	**4,597**
Prepaid expenses		79		79	
Total receivables		**327,110**		**322,013**	**5,097**

Debts *In thousands of euros*		Gross amount	Of which accrued expenses	Less than one year	More than one year and less than five	More than 5 years
Convertible bonds						
Other bonds						
Loans from financial institutions repayable within a maximum of one year from date of advance		146		146		
Loans from financial institutions repayable within a minimum of one year from date of advance		114,916		38,804	69,544	6,568
Loans and miscellaneous financial debt		94			94	
Trade payables and related accounts		1,049		1,049		
Personnel and related accounts		143		143		
Social security and other social bodies		83		83		
State and other local authorities	Income tax					
	Value added tax	7,749		7,749		
	Guaranteed bonds					
	Other taxes	20		20		
Liabilities on fixed assets and related accounts						
Groups and associated companies		233,989		233,989		
Other liabilities		139		139		
Liabilities linked to loaned securities						
Deferred income						
Total debts		**358,328**		**282,122**	**69,638**	**6,568**

3.5 Marketable securities

In thousands of euros	**Amount** *(gross value)*
Own shares (number 0)	0
SICAV	0
Others	0
Total	**0**

3.6 Deferred expenses and income

In thousands of euros	Operating	Financial	Exceptional	Total
Deferred income				
Prepaid expenses	79			79
Total	**79**			**79**

3.7 Share capital

3.7.1 Composition of share capital

	Number of shares	Nominal value
Shares forming share capital at the beginning of the year	**168,082,030**	**0.25**
Change in capital	(4,203,250)	
Shares forming share capital at year-end	**163,878,780**	

	Shares at year-end	Potential end shares
Number of shares	**163,878,780**	**0**
Net profit (loss) *(in thousands of euros)*	73,476	
Earnings per share *(in euros)*	**0.45**	

On December 6, 2016, the Board of Directors, using the delegation granted by the shareholders' combined general meeting of February 10, 2016, reduced the share capital by €1,050,812.50 and the issue premium by €11,018,637.72 through the cancellation of 4,203,250 treasury shares. Following the transaction, the Company's share capital was composed of 163,878,780 shares.

On June 1, 2017, the Company sold 8,976,819 treasury shares representing 5.48% of share capital, for a total amount of €50,455,390, thus generating a capital gain of €27,475,661.

Following the transactions carried out over the fiscal year, the Company no longer holds any treasury shares and the market value of the portfolio on September 30, 2017 is zero.

3.7.2 Shares with attached share subscription warrants (ABSAs)

a) Characteristics of the share subscription warrants arising from the ABSAs

Number of share subscription warrants attached to each share

3,583,616 share subscription warrants were in circulation as of September 30, 2016. These were exercisable until March 13, 2017, at a price of €6.70 per share subscribed. No warrants were exercised during the period. There are no longer any share subscription warrants in irculation.

3.7.3 Stock options

There are no longer any stock options outstanding.

3.7.4 Change in shareholders' equity

Shareholders' equity *In thousands of euros*	Value at the beginning of the year	Net income for the year	Allocations	Value at year-end
Share capital or individual share	42,021		(1,051)	40,970
Issue, merger and capital contribution premiums, etc.	27,565		(11,019)	16,546
Reevaluation adjustments				
Legal reserve	4,260			4,260
Statutory or contractual reserves				
Regulated reserves				
Other reserves				
Retained earnings	192,199		(4,718)	187,481
Net profit for the year (profit or loss)	**(1,620)**	**73,476**	**1,620**	**73,476**
Investment grants				
Regulated provisions	8			8
Total shareholders' equity	**264,433**	**73,476**	**(15,168)**	**322,741**

3.8 Characteristics of main credit lines

The Derichebourg Group has contracted a syndicated loan agreement, which, along with its factoring agreements, constitutes its main sources of funding.

2014 loan agreement

On March 31, 2014, the Group entered into a loan agreement with ten financial institutions, for the sum of €232.5 million and comprising a €100 million revolving loan and a €132.5 million repayment loan.

Regarding the repayment loan, €79.5 million had already been repaid by the three due dates of March 31, 2015, March 31, 2016 and March 31, 2017. The next installment will be due in March 2018 and will amount to €10.6 million. The outstanding balance under this loan is €53 million.

The revolving loan had not been drawn as of September 30, 2017.

Three riders were signed on March 31, 2015, January 22, 2016 and May 5, 2017, on the Group's request, to amend a number of provisions, notably the margin scale in rider No. 1, the ratios to be respected in rider No. 2 and the repayment schedule in rider No. 3.

Interest rate

The amounts drawn on these credit lines carry interest at the Euribor rate, plus a margin which is adjusted periodically based on the ratio of consolidated net financial indebtedness to consolidated Ebitda.

Early repayment obligations – Event of default

The loan agreement allows the lenders to require early repayment of the entire amount due, should a majority of the lenders request it, following the occurrence of certain common default events, particularly where an event has a significant adverse effect on the business or the financial position of the Derichebourg Group, or on the ability of Derichebourg to service its debt.

A change in control or delisting of Derichebourg shares would constitute an automatic early repayment event.

In addition, the loan agreement provides for an obligation to make early partial repayment of the sums owing in the event of a capital increase, the issuance of shares giving access to capital or debt securities (if its maturity precedes that of the syndicated loan).

Covenants

The loan agreement also includes covenants limiting the ability of Group companies to do the following without the lenders' consent:

- to take out additional debts;
- to grant sureties and guarantees;
- to undertake mergers, demergers or restructurings;
- to undertake acquisitions;
- to make investments over the course of a given company fiscal year that exceed the amounts set by the Agreement;
- to sell assets or equity interests, except for those specified in the loan agreements;
- to redeem and/or reduce their share capital, with certain exceptions.

The loan agreement also contains commitments requiring the purchase and maintenance of insurance policies in line with practices generally accepted in the businesses of the Derichebourg Group.

On May 5, 2017, Derichebourg SA (the Borrower) signed an amendment no. 3 with the Lenders, with the following main features:

- a three-year extension to the maturity of the credits, i.e. until March 31, 2022 (amortization in five annual installments of €10.6 million of the balance of €53 million of the Refinancing loan, and availability of the €100 million revolving credit facility until March 31, 2022);
- relaxation of a number of the contractual clauses, specifically intended to facilitate the Group's development.

The Group also set up bilateral lines with financial institutions in the amount of €102.7 million.

Factoring agreement

On January 1, 2015, the Derichebourg Group entered into a non-recourse factoring agreement (€270 million approved credit line). The agreement covers the French, Belgian, German and one Italian Environmental Services and Business Services entities. The term of this agreement is confirmed at two years. In April 2016, it was renewed for another two years from January 2017.

The receivables covered by this agreement correspond to deliveries made or services rendered to private customers or to French public sector customers.

Each time receivables are sold, the receivables approved by the agent (after deduction of any outstanding receivables previously sold without recourse) are sold without recourse. The other receivables are sold with recourse. The receivables retain their status (factored with or without initial recourse) until payment takes place.

Factors are co-insured with the Group by two different credit insurers. They are responsible for paying out any compensation under the credit insurance policy.

Interest is deducted when the receivable is sold based on the average contractual payment terms. The risk of late payment is transferred to the factors.

The dilution rate (credits, cancellation of receivables) is low.

The total receivables derecognized under factoring agreements amounted to €242.2 million as at September 30, 2017.

The Group derecognizes 95% of receivables without recourse because of the 5% uninsured residual amount.

An amendment was signed in April 2016 extending the maturity of this contract to December 2018.

Liquidity risk

The Group uses a cash-flow management tool to ensure that it maintains sufficient cash at all times. This tool keeps track of the maturity of financial investments and financial assets (e.g., accounts receivable) and the estimated future cash flow from operations.

At September 30, 2017, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement signed in March 2014, with an authorized outstanding amount of €153 million. It includes a five-year loan for €53 million, repayable in equal annual installments (outstanding amount authorized and drawn of €53 million as at September 30, 2017), and a five-year revolving loan for the sum of €100 million. The next installment for the repayment loan is due on March 31, 2018 and amounts to €10.6 million. At September 30, 2017, there was no drawing being made under the revolving loan;
- a non-recourse factoring agreement went into effect on January 1, 2015. It has a €270 million credit line (depending on the receivables available), an initial two-year term, renewed in April 2016 extending the maturity to the end of December 2018. The factoring purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse beyond that amount. The total receivables that may be derecognized by the Group is thus dependent on the total receivables available and the credit insurers' authorized limits. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by the Group;
- €94.6 million in medium-term borrowings, entirely drawn down (including the CICE 2017 pre-financing);
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding as at September 30, 2017 was €80 million.

Bilateral credit lines, whether confirmed or not, totaling €102.7 million, which are not used since the Group's net cash position is €141.8 million at September 30, 2017.

The main payment maturity dates up to 2022 are shown in the table below.

In thousands of euros	< 1 year	< 2 years	< 3 years	< 4 years	< 5 years	Total
Syndicated credit	10.6	10.6	10.6	10.6	10.6	53.0
Finance leases	24.9	19.7	14.2	10.4	5.9	75.1
Other medium- and long-term lines[1]	39.7	10.9	12.1	11.7	9.7	84.1
Total	**75.2**	**41.2**	**36.9**	**32.7**	**26.2**	**212.2**

(1) Of which factoring accounts for €24.7 million due in less than one year.

Financial ratios

The loan agreements require the Group to maintain the following financial ratios:

- the annual leverage ratio, being the ratio of (a) consolidated net financial debt to (b) consolidated Ebitda, on each calculation date and over a rolling 12-month period ending on each calculation date, must be less than or equal to 3.00.

At September 30, 2017, the leverage ratio was 0.55;

- the debt service coverage ratio, i.e. the ratio of (a) consolidated cash flow before debt service to (b) net financial expenses on each calculation date and over a rolling 12-month period ending on each calculation date considered, must be greater than 5.

At September 30, 2017, the coverage ratio stood at 12.18.

The Group was in compliance with its financial covenants on September 30, 2017. Failure to comply with these ratios would be considered a default event and a majority of the lenders could elect to enforce covenants.

Given the liquidity margin of €344.5 million at September 30, 2017, and based on business and investment forecasts, the Group estimates that it has sufficient financial lines to meet its payments over the 12 months from September 30, 2017.

3.9 Breakdown of net revenue

Breakdown by business segment *In thousands of euros*	France	Export	Total
Duties and licenses	2,423		2,423
Leasing	564		564
Costs invoiced	254		254
Ferrous metals			
Metals			
Other operations			
Total	**3,241**		**3,241**

3.10 Non-recurring gain (loss)

Breakdown by type *In thousands of euros*	Amount
Income	
Exceptional income on management operations	
Exceptional income on capital transactions	35,714 [1]
Releases of provisions and expense transfers	
Expenses	
Exceptional expenses on management operations	
Exceptional expenses on capital transactions	60
Exceptional provisions for amortization and depreciation	
Total	**35,654**

(1) The non-recurring gain (loss) is primarily explained by capital gains on the disposal of the treasury shares (see Section 3.7.1 Composition of share capital) and a disposal of investment securities.

3.11 Breakdown of income tax

In thousands of euros	Pre-tax profit (loss)	Tax due	Net profit (loss)
Operating income (loss)	(3,638)	(1,226)	(2,412)
Net financial income (loss)	29,603	3,074	26,529
Non-recurring gain (loss)	35,654	4,378	31,276
Effect of tax consolidation		(18,083)	18,083
Total	**61,619**	**(11,857)**	**73,476**

3.12 Increases, decreases in future tax payables

Type of temporary differences *In thousands of euros*	Base	Income tax amount
Increases		
Regulated provisions	8	3
Releases of provision for investments		
Accelerated depreciation		
Translation differences, assets	46	16
Total increases		**19**
Decreases		
Social security contribution		
Tax loss carry forwards[1]	266,249	91,670
Investment		
Translation differences, liabilities	2,119	730
Total decreases		**92,400**

(1) Company deficits as if it was taxed separately. Tax consolidation deficits: €20 million.

Income tax rate is as follows: 33.33% + social contribution of 3.30%, i.e. 34.43%.

3.13 Financial commitments

3.13.1 Off-balance sheet commitments in the ordinary course of business

Commitments given *In thousands of euros*	Amount
Financial guarantees	65,599
Commitments in respect of the liability of partners in SCIs	0
Total	**65,599**

3.13.2 Off-balance sheet commitments given as part of indebtedness

As part of the 2014 syndicated loan taken out for a principal amount of €232.5 million by Derichebourg, a pledge on financial instruments was authorized as a guarantee of the payment of the sums due to the lending banks, affecting the following securities:

Securities pledged

Beneficiaries	Financial instruments pledged	Number of securities pledged	% of the share capital
Facility agent	Derichebourg Environnement registered shares	8,559,445	67%
Facility agent	Derichebourg Multiservices registered shares	20,100,000	67%

3.13.3 Off-balance sheet commitments in respect of subsidiaries

Derichebourg sold Servisair to Swissport France Holding on December 23, 2013. The share purchase agreement includes guarantees in the event of inaccurate representations by the seller. If any action brought by the purchaser is successful before the courts of last resort, the Group may be forced to repay the purchaser part of the sale price, up to a maximum amount of €30 million. This dispute was resolved the day before the Board of Directors meeting to approve the Group's financial statements on December 5, 2017 by a payment of €2.7 million. The €6.2 million liability to cover this risk will be reversed in the 2017-2018 fiscal year.

3.13.4 Off-balance sheet commitments in respect of subsidiaries

Commitments given *In thousands of euros*	Amount
Guarantees given for subsidiaries [1]	37,087
Other commitments given	
Total	**37,087**

(1) Companies for which guarantees have been given.

In thousands of euros

French subsidiaries	AFM RECYCLAGE	552
	BERNES ET BRUYÈRES	564
	CFF BETA SCI	3,445
	DERICHEBOURG IMMOBILIER SCI	2,300
	DERICHEBOURG AQUA	29
	DERICHEBOURG ÉNERGIE; DERICHEBOURG ÉNERGIE E.P.	8,294
	DERICHEBOURG ESPACES VERTS	199
	DERICHEBOURG INTERIM	5,616
	ECO PHU	62
	ESKA	4,474
	HYDROVIDE	37
	POLYURBAINE; POLY-NORMANDIE	709
	POLYCEJA; POLYBUIS; POLYSOTIS; POLYCEO	1,007
	REVIVAL	4,774
Italian subsidiaries	SAN GERMANO	4,730
Spanish subsidiaries	DERICHEBOURG MEDIO AMBIENTE	225
Canadian subsidiaries	DERICHEBOURG CANADA ENVT. INC.	70

3.14 Average headcount

	Salaried employees	
Headcount	At the beginning of the fiscal year	At fiscal year end
Managers	2	2
Skilled employees		
Employees and technicians		
Workers		
Other		
Total	**2**	**2**

3.15 Global compensation for directors

In thousands of euros	Amount
Compensation for the Board of Directors and other management bodies (attendance fees)	120

3.16 Subsidiaries and equity interests: legal thresholds exceeded

	Shareholders' equity			Carrying amount of securities held	
In thousands of euros	Capital	Reserves and regulated provisions	Share of capital in %	Gross	Net
1 - Detailed information on subsidiaries and equity interests of which the carrying amount exceeds 1% of Derichebourg's share capital					
A - Subsidiaries (more than 50% of share capital held by Derichebourg)					
DERICHEBOURG A & D DÉVELOPPEMENT	3,000	7,518	50.99	144	144
DERICHEBOURG IMMOBILIER SCI	52,663	36	100	52,663	52,663
CFF SIGMA SCI	6,510	7	99.85	6,500	6,500
DERICHEBOURG ENVIRONNEMENT	12,775	13,844	100	128,643	128,643
DERICHEBOURG MULTISERVICES HOLDING	30,000	9,085	100	83,010	83,010
DBG HOLDING GmbH	41,738	(6,212)	100	338,866	46,475
PS IMMO	2,027	50	100	5,627	4,066
VOGIM	139	670	80	194	194
WESTEVER	500	(69)	100	500	0
B - Equity interests (10% to 50% of share capital held by Derichebourg)					
ALLO CASSE AUTO	110	3,660	47.93	2,212	2,212
DAC	40	1,155	49.80	516	516
DREYFUS	40	10,791	42.50	816	816
PLASTIC RECYCLING	123	352	50.00	2,020	363
REYFRA	7,200	2,359	50.00	3,360	3,603
VALERCO	76	83	50.00	107	107
2 - Summary information on subsidiaries and equity interests not listed in paragraph 1					
A - a - French subsidiaries					
A - b - Foreign subsidiaries					
B - a - French equity interests				**2,701**	**1**
B - b - Foreign equity interests					

Outstanding loans and advances granted by the Company	Guarantees given by the Company	Revenue excluding tax for the last fiscal year	Profit or loss for the last fiscal year	Dividends paid in the last fiscal year
1,895		21,322	932	
40,319	2,300	8,331	3,307	1,633
		551	300	299
61,977		24,480	33,078	4,855
36,448		4,757	17,109	6,000
			7,359	
283		241	135	
		65	25	
6,444			(6,653)	
			201	96
			162	
			1,357	288
1,637		6,544	(131)	
		34,909	923	
		462	33	
419				

3.17 Litigation

Derichebourg sold Servisair to Swissport France Holding on December 23, 2013. The share purchase agreement includes representations and warranties that might give the buyer the right to a partial repayment of the selling price in the event of inaccurate representations by the seller. The Group considers that PAI's disposal of Swissport to HNA, which took place in February 2016, made Swissport lose the right to request partial repayment of the disposal price of Servisair. Swissport does not share this viewpoint and believes that it is still entitled to request partial repayment of the disposal price for claims sent in within the time frames set forth, up to February 2016. In September 2016, the Group summoned Swissport to the Paris Regional Court to establish that the declarations and guarantees have been resolved, and to declare that Swissport is no longer entitled to a partial repayment of Servisair's disposal price. If the proceedings brought against it by the Group before the Regional Court do not turn out well, or if the claims sent in by the buyer are held up in court without appeal (no proceedings have been brought to the courts by Swissport at this stage), the Group may be obliged to repay Swissport a portion of the disposal price for a maximum amount of €30 million. This dispute was resolved the day before the Board of Directors meeting to approve the Group's financial statements on December 5, 2017 by a payment of €2.7 million. The €6.2 million liability to cover this risk will be reversed in the 2017-2018 fiscal year.

3.17.1 Italy

In August 2007, the Derichebourg Environnement subsidiary had signed a confidential agreement, which was reaffirmed in December 2007, to acquire a company operating two recycling centers in Italy, each equipped with a powerful shredder. This acquisition would have given the Group a leadership position in Italy and enabled synergies with existing operations. The value negotiated for these assets was based on the market conditions prevailing in 2007 in recycling. Since the conditions precedent to this agreement were not observed by the December 28, 2008 deadline, and since subsequent negotiations failed, this acquisition was abandoned by Derichebourg Environnement. In response to the seller's demands to go through with the acquisition, Derichebourg Environnement undertook legal action to have the acquisition agreement canceled, its initial payment of €15 million returned and compensation paid in consideration of the many anomalies observed.

On March 4, 2014, the Court issued a preliminary partial decision, rejecting Derichebourg Environnement's requests but the Court did not rule on the opposing party's claims. A provision was made for the entire amount of the initial payment as a precaution. Derichebourg Environnement has appealed this decision which it considers to be ill-founded in fact and law.

On October 27, 2016, the Court of Appeal of Milan issued a second decision, also partial, in the sense that it concerned only the Group's requests and not those of the opposing party. This second decision confirmed the first one and dismissed all of Derichebourg Environnement's requests (reimbursement of the advance of €15 million and cancellation of the initial protocol for failure by the opposing party). Derichebourg Environnement intends to appeal.

To this date, no ruling has yet been delivered on the claims of the opposing party, which is requesting the specific performance of the initial protocol. If the claims of the opposing party were to be successful after exhaustion of legal remedies, the court may order the conduct of the transaction which would result in the acquisition of the said recycling sites, for a consideration of €43 million (plus interests for late payment). The Group has financing lines to carry out this acquisition.

- In November 2013, the director (managing director) of the Italian subsidiary of the Multiservices business (AEP Multiservizi) was remanded in custody, as part of an investigation into procedures for awarding public contracts in Campania. Given the block on the Company's operations likely to be caused by his incapacity, his appointment as managing director was revoked. He has since been freed and the post-judgment measures of constraint lifted. Although the Company per se is not concerned by any legal action, the Group decided to anticipate the consequences of this company's situation and recorded a long-term provision of €4 million in its financial statements for the fiscal year ended September 30, 2016. The company is in the process of reducing its activity.

3.17.2 Belgium

- A tax audit was conducted on the Belgian subsidiary Derichebourg Belgium (formerly Georges & Cie), relating to the identification of suppliers of metals and ferrous scraps for the years 2006 to 2010. The tax authority believes that the Company did not adhere to the law concerning identification of the VAT of suppliers and rejected the deduction of purchase invoices deemed non-compliant. This would result in an increase in corporate income tax of €5 million, plus legal interests.

The Company protests this sanction claiming, in particular, that:

- Belgian legislation in force at that time did not give the subsidiary any legal power to identify said suppliers of metals;
- an audit covering these fiscal years had been conducted in 2008 during which these issues were raised but did not give rise to any specific comments.

The Company holds a copy of the identification card of most of its suppliers, a procedure that exceeds legal requirements.

On November 26, 2015, the Company received a first instance decision in its favor. The tax authority has appealed.

The appeal judgment was delivered after the year-end date, on November 2, 2017 and overturned the first instance ruling. Except for one fiscal year which could not be assessed, it endorsed all the claims of the tax authority. The Company intends to appeal. In the light of this unfavorable decision, a provision of €6 million has been recognized in the financial statements as at September 30, 2017.

3.18 Related party transactions

A trademark licensing agreement effective March 1, 2009 for ten years was entered into between TBD Finances, which is controlled by the Derichebourg family, and Derichebourg. This agreement, which governs the use of the Derichebourg trademark, enables the Group to develop its own clientele and increase its loyalty.

The amount of royalty fees to be paid under this agreement was determined by an independent expert in intellectual property.

The royalty to be paid under this agreement is 0.07% of the Environmental division's consolidated revenue and 0.12% of the Multiservices division's consolidated revenue on the understanding that no royalties are due from Multiservices' revenue during the first three years. The fee under this contract for the fiscal year was €2.1 million.

An agreement was concluded, with effect from January 1, 2012, for an initial three-year term, with DBG Finances, a company controlled by the family of Mr. Daniel DERICHEBOURG, which aims to define the terms and conditions of DBG Finances' influence over the definition and oversight of the Group's strategy.

On December 5, 2014, the Board of Directors renewed this agreement for an additional three years.

The services covered by this agreement are:

- policymaking and definition of the Group's strategic guidelines;
- help with drafting a business plan;
- contacts with management boards of major national and international client groups;
- internal and external development of the Group's business;
- support for acquisitions;
- corporate events;
- assistance with recruiting senior managers;
- legal and tax consultancy services;
- financial, accounting and management support.

For the period from October 1, 2016 to September 30, 2017, DBG Finances invoiced Derichebourg SA €1.7 million under this agreement.

5.2.4 Statutory Auditors' report on the annual financial statements Fiscal year ended September 30, 2017

To the Derichebourg Shareholders' Meeting,

Opinion

In performance of the mission entrusted to us by your shareholders' meetings, we have conducted an audit of the Derichebourg SA annual financial statements for the fiscal year ended September 30, 2017, as attached to this report.

In our opinion the annual financial statements give a true and fair view of the earnings, assets and liabilities and financial position of the Company over the period as well as of the financial position and assets and liabilities of the Company at year-end, in accordance with French accounting rules and principles.

The opinion expressed above is consistent with the content of our report to the Board of Directors performing the functions of the Audit Committee.

Basis of the opinion

Auditing framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Independent Auditors in the auditing of the annual financial statements" section of this report.

Independence

We conducted our audit mission in accordance with the independence rules applicable to us, from October 1, 2016 to the date of our report, and we did not, in particular, provide any services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014 or the Code of Ethics for the Independent Auditor profession.

Justification of our assessments - Key points of the audit

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, please note the key points of the audit relating to the risks of material misstatement, which, in our professional judgment, were the largest for the audit of the annual financial statements for the fiscal year, as well as the responses we provided to those risks.

The assessments thus made fall within the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on items in these annual financial statements in isolation.

Impairment tests for investment securities

a) ***Audit risk***

As of September 30, 2017, investment securities totaled €329.1 million in net assets, compared with a total balance sheet of €689.4 million. The Group performs impairment tests on these financial assets, the terms of which are described in Note 2.4 to the financial statements. When the value in use is lower than the net book value, a provision for depreciation is recognized. Value in use is determined primarily by applying the discounted future cash flow method net of net financial debt. The implementation of this method requires the use of assumptions.

We therefore considered that the valuation of investment securities was a key point in the audit given their significant nature and the fact that it is based on estimates.

b) ***Audit procedures in response to this risk***

We examined the procedures put in place by the company for impairment tests. We included valuation specialists in our audit team to help us assess the discount rates, as well as the growth rates to infinity used. We also analyzed the consistency of cash flow forecasts with past performance and market outlooks.

Verification of the management report and other documents sent to shareholders

In accordance with the professional standards applicable in France, we also carried out the specific verification required by law.

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information given in the Board of Directors' management report and in the other documents addressed to shareholders giving details of the financial position and the annual financial statements.

With regard to the disclosures made in accordance with Article L. 225-102-1 of the French Commercial Code on compensation and benefits granted to corporate officers as well as on undertakings given to them, we have verified their consistency with the financial statements or with data used to prepare such financial statements and, where appropriate, with the items of information obtained by your Company from your Company's parent companies or companies which it controls. Based on this work, we can confirm the accuracy and fair presentation of this information.

In accordance with the law, we made sure that the various pieces of information relating to the identity of the owners of the share capital or voting rights was communicated to you in the management report.

Information resulting from other legal and regulatory requirements

Appointment of independent auditors

We were appointed independent auditors for Derichebourg by your shareholders' meeting of February 19, 2014 for DENJEAN & ASSOCIES AUDIT and the meeting of March 15, 2007 for ERNST & YOUNG Audit.

As of September 30, 2017, the firm DENJEAN & ASSOCIES AUDIT was in the fourth uninterrupted year of its mission and the firm ERNST & YOUNG Audit in the eleventh year.

Responsibilities of management and persons comprising the corporate governance with respect to the annual financial statements

It is the responsibility of management to prepare annual financial statements that present a true and fair view in accordance with French accounting policies and rules and to implement the internal controls that it deems necessary for the preparation of annual financial statements with no material misstatements, whether due to fraud or error.

In the preparation of the annual financial statements, management is responsible for evaluating whether the company can continue to operate, for presenting in these financial statements, where appropriate, the necessary information relating to the continuity of operations and applying the going concern accounting convention unless there are plans to liquidate the company or cease operations.

The Board of Directors performing the functions of the Audit Committee is responsible for monitoring the financial information preparation process and for monitoring the effectiveness of the internal control and risk management systems and, as needed, of the internal audit systems as regards to the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the independent auditors related to the audit of the annual financial statements

Purpose of audit and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatements. Misstatements may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or cumulatively, may influence the economic decisions that users of the financial statements make based on them.

As stated in Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of the company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, an independent auditor shall exercise his professional judgment throughout this audit. Moreover:

- it shall identify and assess the risks that the annual financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks and collect information it considers sufficient and appropriate to form its opinion. The risk that a significant anomaly due to fraud will not be detected is higher than for a significant anomaly due to an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumvention of internal controls;
- it shall review the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, not to express an opinion on the effectiveness of the internal controls;
- it shall assess the appropriateness of management's application of the going concern accounting convention and, depending on the evidence gathered, the existence or non-existence of significant uncertainty related to events or circumstances that may call into question the company's ability to continue as a going concern. Such assessment shall be based on the information gathered up to the date of its report, but it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If it concludes that there is a significant uncertainty, it shall draw the attention of its report's readers to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;
- it shall assess the overall presentation of the annual financial statements and evaluate whether the annual financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof.

Report to the Board of Directors performing the functions of the Audit Committee

We are submitting a report to the Board of Directors performing the functions of the Audit Committee that outlines the scope of the audit and the working program put in place, as well as the conclusions resulting from our work. We also disclose the significant weaknesses in the internal controls that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Board of Directors performing the functions of the Audit Committee are the risks of material misstatement, which we deem to have been most significant for the audit of the annual financial statements for the year and, as a result, constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Board of Directors performing the functions of the Audit Committee with the declaration described in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, as described in the rules applicable in France as set forth in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the Code of Ethics for the independent auditor profession. As needed, we discuss with the Board of Directors performing the functions of the Audit Committee the risks that may affect our independence and the safeguarding measures applied.

Paris and Paris-La Défense, December 8, 2017

The independent auditors

DENJEAN & ASSOCIÉS AUDIT

Thierry Denjean

ERNST & YOUNG Audit

Gilles Rabier

5.3 Statutory Auditors' fees and fees paid to their network by the Group

	EY				Denjean & Associés Audit			
	Amount		%		Amount		%	
In thousands of euros	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Audit								
Statutory auditors, certification, review of separate and consolidated financial statements								
• Issuer	224	220	26%	27%	149	147	44%	54%
• Fully consolidated subsidiaries	528	486	62%	59%	192	121	56%	46%
Other work and services directly related to the Statutory Auditor's mission								
• Issuer	39	39	5%	5%				
• Fully consolidated subsidiaries	65	74	8%	9%				
Subtotal	**856**	**819**	**100%**	**100%**	**341**	**268**	**100%**	**100%**
Other services rendered by member firms to fully consolidated subsidiaries worldwide								
• Legal, tax, social								
• Other								
Subtotal								
Total	**856**	**819**	**100%**	**100%**	**341**	**268**	**100%**	**100%**

Furthermore, the financial statements of certain Group subsidiaries are audited by firms which are not members of the networks of the two Statutory Auditors mentioned above, to whom these firms report where necessary. The sum of the fees incurred by the Group for services provided by these auditors amounted to €326 thousand in fiscal year 2017 and €431 thousand in fiscal year 2016.

Chairman's report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code

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This report has been prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code. Its purpose is to report on the composition of the Board of Directors and the application of the principle of balanced representation of men and women on the Board, on the preparation and organization of the Board of Directors' work, on the principles and rules the Board has adopted to determine the compensation and benefits paid to corporate officers, as well as on the Group's internal control and risk management procedures, and in particular, those relating to the preparation and processing of accounting and financial information for the annual and consolidated financial statements. This report seeks to describe the work the Company has completed, undertaken or planned and in no way attempts to show that the Company controls all of the risks to which it is exposed.

This report was prepared under the supervision of General Management and with the assistance of the Financial and Accounting Department and the Legal Department. It was reviewed by the Company's Board of Directors meeting as the Audit Committee and approved by the Board of Directors on December 5, 2017.

6.1 Composition of the Board of Directors, preparation and organization of its work

6.1.1 Composition of the Board of Directors

Article 14 of the bylaws stipulates that the Company is administered by a Board of Directors with at least three members and at most 18 members. Directors are appointed by a shareholders' ordinary general meeting, which may dismiss them at any time. In the event of a merger or demerger, they may be appointed by a shareholders' extraordinary general meeting.

Information concerning the composition of the Board of Directors and directors' terms of office is provided in section 4.4.1 of this document.

Article 18 of the bylaws defines the powers of the Board of Directors, which include determining the Company's business strategy and seeing that it is implemented. Subject to the powers expressly attributed to shareholders' meetings by law and in accordance with the corporate purpose, the Board handles any matter that may affect the Company's operations and meets to decide all matters within its remit. The Board of Directors shall perform any audits and verifications that it deems necessary. Directors are provided with all the information they need to perform their duties and may request any documents they deem necessary.

The Board of Directors is composed of the Chairman and Chief Executive Officer, a Deputy CEO and seven directors, including four independent directors.

In accordance with the definition provided in the Bouton report on improving the governance of listed companies, a director is considered to be independent when he or she has no relationship of any type with the Company, its Group or management that could compromise the free exercise of his or her judgment. The Board of Directors meets at least three times a year. It examines and approves strategic plans and significant transactions of the Company and its Group before they are undertaken. It deliberates on the Group's development operations, for both external and internal growth. As a result, it decides on points related to acquisitions and disposals of investments or assets, granting guarantees or making commitments and/or assistance to subsidiaries.

The Shareholders' combined general meeting of January 30, 2017 appointed Mrs. Catherine CLAVERIE as a director for a term of six years.

As of the date of this report, the Board consists of eight directors and a Deputy CEO (non-director):

	Office	Date of first appointment	Date of last reappointment	Date appointment expires
Mr. Daniel DERICHEBOURG	Chairman and Chief Executive Officer	Board meeting of June 29, 2006	Board meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
	Director	Board meeting of June 29, 2006	Shareholders' meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Mr. Abderrahmane EL AOUFIR	Deputy CEO (non-director)	Board meeting of January 8, 2014	Board meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Mr. Bernard VAL	Independent director	Shareholders' meeting of June 24, 2004	Shareholders' meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Mr. Matthieu PIGASSE	Independent director	Board meeting of October 25, 2005	Shareholders' meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Mr. Boris DERICHEBOURG	Director	Shareholders' meeting of July 18, 2007	Shareholders' meeting of February 18, 2013	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2018
Mr. Thomas DERICHEBOURG	Director	Shareholders' meeting of July 18, 2007	Shareholders' meeting of February 18, 2013	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2018
CFER represented by Ida DERICHEBOURG (1)	Director	Shareholders' meeting of February 18, 2013		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2018
Mrs. Françoise MAHIOU	Independent director	Shareholders' meeting of February 10, 2016		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Mrs. Catherine CLAVERIE	Independent director	Board meeting of January 30, 2017		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2022

(1) The Board of Directors on December 6, 2016 took note of the change in CFER's permanent representative to Mrs. Ida DERICHEBOURG from December 7, 2016

Balanced representation of men and women on Boards of Directors

In order to achieve the minimum proportion of 40% provided for by Law no. 2011-103 of January 27, 2011, on the balanced representation of men and women on Boards of Directors and Supervisory Boards and on equal opportunities at work, and to continue its gender balance commitments, the shareholders' combined general meeting of January 30, 2017 appointed Mrs. Catherine Claverie as a new director.

The Board of Directors comprises three female members out of eight members, representing a difference of two between the directors of each sex in accordance with the provisions of Article L. 225-18-1 of the French Commercial Code.

6.1.2 Corporate governance

The Company reviewed the revised version of November 2016 of the AFEP-MEDEF code of corporate governance for listed companies, which was updated in June 2013. It identified a certain number of provisions that it applies, besides the legal provisions relating to the powers of the Board of Directors:

- the Company clearly communicated its decision to combine the powers of the Chairman of the Board of Directors and the CEO;
- company communication with the market: the Board of Directors is informed of, and where necessary amends, press releases prepared by the Company following its meetings;
- the Board of Directors is consulted on matters of strategic importance, major acquisitions, significant changes in the Group's scope of consolidation, and the Group's indebtedness;
- information on the number of Board meetings, attendance rate and agenda is included in the annual report;

- the Company gives the directors free access to any information they require;
- the existence of an Audit Committee: as provided for under Article L. 820-23, paragraph 4 of the French Commercial Code, at its meeting on May 27, 2010, the Board decided to assume the duties of the Audit Committee, in accordance with the findings of the AMF's working group on the role of Audit Committees in small and medium capitalization companies;
- directors' compliance with the number of offices held in listed companies;
- the Board has four independent directors, Mrs. Françoise MAHIOU, Mrs. Catherine CLAVERIE, Mr. Bernard VAL and Mr. Matthieu PIGASSE, representing a percentage of independent directors of 50%.

It has also identified other provisions that it does not apply, namely:

- the Board of Directors meeting of December 5, 2017 considered that Mr. Matthieu PIGASSE and Mr. Bernard VAL could be considered independent directors in spite of a term of office exceeding 12 years, in particular due to the authority and experience that these directors demonstrate in management and business administration activities and in financial matters;
- assessment of the work carried out by the Board of Directors: this matter has not been brought before the Board;
- directors' terms of office are six years, whereas the code advises a maximum of four. This is a historical practice within the Company due to the importance given to families within its shareholding structure;
- the absence of an Appointments Committee, which is explained by its low turnover;
- on October 25, 2005 the Compensation Committee was suspended pending a new decision: the Group has a very simple compensation policy (salary, annual bonus if applicable) and therefore does not require a specialist committee.

6.1.3 Conditions of preparation and organization of the work of the Board of Directors

The Board of Directors met three times during the fiscal year, with an average attendance rate of 74%. In addition to reviewing and approving the parent company and consolidated financial statements as of September 30, 2016 and preparing documents to submit to the shareholders' combined general meeting on January 30, 2017, the Board discussed and decided the following matters:

Meeting of December 6, 2016

- Review and approval of the consolidated and parent company financial statements for the year ended September 30, 2016;
- Proposal for allocation of income;
- Review and approval of financial and forecast documents;
- Press release;
- Review of the agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code;
- CSR report;
- Corporate governance (report by the Chairman of the Board of Directors prepared in accordance with Article L. 225-37 of the French Commercial Code, Remuneration of corporate officers);
- Proposal to appoint a new director;
- Change of permanent representative of the company CFER;
- Capital reduction by cancellation of treasury shares;
- Corresponding amendment to Article 6 of the bylaws;
- Amendment to the amount of attendance fees;
- Share buyback program;
- Authorization to be given to the Board of Directors to reduce the share capital by canceling shares;
- Delegation of authority to the Board of Directors to issue all securities that give access to a share of the Company's capital, immediately or in the future, while maintaining or eliminating preferential subscription rights;
- Delegation of authority to the Board of Directors to decide to increase the share capital by incorporation of premiums, reserves, profits or other items;
- Delegation of authority to the Board of Directors to issue all securities that give access to a share of the Company's capital, immediately or in the future, while maintaining or eliminating preferential subscription rights;
- Delegation of authority to the Board of Directors to issue Company shares and/or securities that give access to the Company's capital and/or debt securities, by way of an offer within the meaning of Article L. 411-2 II of the French Monetary and Financial Code, while eliminating preferential subscription rights;
- Delegation of authority to the Board of Directors to decide to increase the share capital reserved for members of a company savings plan and/or a voluntary employee partnership savings plan established in

application of Articles L. 225-129-6 paragraph 1 of the French Commercial Code and L. 3332-18 et seq of the French Labor Code;

- Meeting notice for the shareholders' combined general meeting on January 30, 2017.

Meeting of April 20, 2017

- Approval and authorization of rider No. 3 to the loan agreement dated March 31, 2014.

Meeting of May 22, 2017

- Review of the half-year consolidated financial statements;
- Press release and business report relating to the half-year financial statements;
- Financial and forecast documents at the end of the first half of the fiscal year;
- Chairman's authorization to provide endorsements, security interests and guarantees;
- Distribution of attendance fees;
- Recognition of the non-exercise of BSAs at March 13, 2017;
- Review of the Group's treasury shares situation and disposal plan.

Functioning of the Board of Directors

The functioning of the Company's Board of Directors is governed by rules of procedure approved by the Board at its meeting on June 24, 2004 and modified on December 12, 2006 and May 27, 2010. These rules can be amended only by the Board of Directors in accordance with the procedures prescribed therein.

These rules of procedure cover the following points:

- the rules governing the composition of the Board;
- the Board of Directors' duties;
- the procedures for convening Board meetings;
- the procedures for participating in Board meetings by videoconference or teleconference;
- the requirements for the creation and functioning of specialized committees;
- the role of the Audit Committee;
- the role of the Compensation Committee;
- the directors' duty of confidentiality;
- the directors' duty of independence;
- the directors' duty of diligence;
- the scope of the rules of procedure.

Audit Committee

The Audit Committee, whose operation had been suspended since July 2006, was reactivated by resolution of the Board of Directors on May 27, 2010.

In accordance with Article L. 823-20, paragraph 4 of the French Commercial Code, it was decided that the Board of Directors would assume the duties of the Audit Committee.

The Audit Committee fulfills the duties assigned to it in Article L. 823-19 of the French Commercial Code, i.e.:

- the preparation and disclosure of financial information;
- the effectiveness of the internal control and risk management systems;
- the audit of annual financial statements and, if applicable, of consolidated financial statements by the Statutory Auditors;
- the independence of the auditors.

The Audit Committee will report on its work regularly and at each approval of annual and half-year financial statements.

Since the Board of Directors meets as the Audit Committee, to enable the Board to report on the committee's work, the Board meeting minutes contain the Audit Committee's findings and opinions based on its work and investigations.

During the recently-ended fiscal year, the Audit Committee met twice, on December 6, 2016 and on May 22, 2017, to:

- report on its work (review of the registration document);
- issue its opinions and recommendations to the Board on the Chairman's report on the preparation and organization of the Board's work and on the internal control procedures put in place by the Company, as well as on the management report;
- analyze the corporate social responsibility (CSR) report;
- examine the annual and half-year consolidated financial statements;
- identify risks;
- be briefed on the main terms and conditions of the syndicated loan and the covenants.

6.2 The Board's restrictions on the Chairman and CEO's powers

When renewing the CEO's term of office, at its meeting on February 10, 2016, the Board of Directors unanimously decided to combine the roles of Chairman of the Board of Directors and CEO. As a result, the General Management of the Company is performed by Mr. Daniel Derichebourg. According to the same Board meeting, Mr. Abderrahmane El Aoufir was reappointed to his position as Deputy CEO in order to assist Mr. Daniel Derichebourg in managing the Group.

At that time, no formal restriction was placed on the Chairman and CEO's powers, other than that provided for by law concerning the Company's granting of endorsements, guarantees and security interests.

However, the Chairman and CEO normally requires the prior consent of the Board of Directors for any decision whose implementation or consequences could have a material impact on the Group's business activities, assets or liabilities. This is the case for transactions listed as, but not limited to:

- planned acquisitions;
- intra-Group restructuring;
- the granting of specific guarantees that do not legally require the Board's prior approval;
- acquisition or disposal of significant assets.

6.3 Participation of shareholders in the annual general meeting

Article 28 of the bylaws explains how shareholders may participate in annual shareholders' meetings. "Every shareholder is entitled to attend shareholders' meetings or to be represented thereat, regardless of the number of shares held, provided that all amounts payable on shares are fully paid up. All shareholders may be represented by another shareholder or by their spouse. A proxy can be granted for a single meeting only. A proxy can be granted for two meetings, one ordinary and one extraordinary, if they are both held on the same day or within a period of fifteen days of each other. The proxy shall be valid for all successive meetings convened with the same agenda. All shareholders shall be entitled to vote by mail, in accordance with the requirements set by the legislation and regulations currently in effect.

The Company shall include the information required by the laws currently in effect with all proxy forms and mail ballots that it sends to shareholders.

The owners of shares that are not domiciled in France may be represented by an intermediary registered in accordance with the requirements prescribed by the legislation and regulations currently in effect. In the event of a division of the ownership rights in a share, the holder of the right to vote may attend or be represented at the meeting without prejudice to the right of the beneficial owner to participate at all shareholders' meetings. Joint shareholders may be represented as specified in Article 12. However, the right to participate in shareholders' meetings shall be conditioned on the registration of the shareholder or of the registered intermediary described hereinabove in the registered share accounts maintained by the Company or its agent, or on forwarding to the place indicated in the notice of meeting a certificate certifying that bearer shares held in a securities account are unavailable until the date of the meeting. These formalities shall be carried out in accordance with the requirements prescribed by the laws and regulations in force at least three days prior to the shareholders' meeting. Every shareholder who owns shares of a particular class shall be entitled to participate in the shareholders' special meetings for such class, in accordance with the requirements specified hereinabove. For the purposes of calculating the quorum and the majority, shareholders who participate in the shareholders' meeting by videoconference or by means of telecommunications allowing them to be identified and in accordance with the applicable laws and regulations shall be considered present, provided the Board of Directors has decided on the use of such means of participation before the shareholders' meeting was convened."

6.4 Board of Directors' principles and rules for determining compensation and benefits granted to corporate officers and information likely to have an impact in the event of a public offering

6.4.1 Corporate officers' compensation

At its meeting on December 12, 2008, the Board made various decisions regarding the compensation and benefits granted to corporate officers.

The directors' fees received by the Chairman and CEO were paid by DBG Finances. The Chairman and CEO also received attendance fees paid by Derichebourg.

The Deputy CEO non-director, reappointed by the Board of Directors on February 10, 2016, does not receive any compensation for his term of office.

Directors employed under an employment contract by a company controlled by the Company receive fixed compensation and may, in some cases, receive variable compensation under the terms of their employment contract, depending mainly on financial and operational performance criteria.

To the best of the Company's knowledge, there are no clauses that enable a director to benefit from deferred compensation, non-statutory severance pay or a specific pension commitment.

There are currently no plans to award shares to directors.

No director has been granted bonus shares to date.

On the basis of a proposal made by the Board of Directors, the shareholders' combined meeting on January 30, 2017 decided to set attendance fees at €120,000. On May 22, 2017, the Board of Directors decided on an unequal distribution of attendance fees following Mr. Matthieu Pigasse's decision not to receive any.

Details on the attendance fees paid to corporate officers are shown in section 4.4.2.1.

6.4.2 Disclosures required under Article L. 225-100-3

The following factors are likely to have an impact in the event of a public offering:

- the Company's shareholding structure (see section 4.5.8);
- the existence of double voting rights under certain conditions (see section 4.5.9);
- own shares and the ability to buy and sell the Company's securities (see sections 4.5.7, 7.1 and 7.2);
- the use of current authorizations to issue share equivalents (see section 4.5.20);
- clauses in syndicated loan agreements that require immediate repayment in the event of a change in control of the Company (see Note 4.11.1.5 to the consolidated financial statements in section 5.1).

6.5 Internal control and risk management procedures put in place by the Company

At the Board meeting on September 13, 2010 convened to form the Audit Committee, the Company decided to gradually work toward compliance with the French securities regulator's (AMF) internal control and risk management guidelines for small and medium capitalization companies.

6.5.1 Internal control

6.5.1.1 Internal control objectives

The internal control procedures have been put in place by the managing director, the managers and employees of Derichebourg and its subsidiaries. They are intended to provide reasonable assurance that the following objectives are met:

- the effectiveness and optimization of operations;
- the reliability of financial information;
- compliance with laws and regulations currently in effect.

The purpose of internal control is to prevent and control risks inherent in the Company's business and the risk of errors and fraud in the accounting and financial fields, in particular. As with any control system, it cannot provide assurance that risks will be totally controlled or eliminated. Control procedures mainly seek to ensure that managerial actions, transactions and staff behavior comply with the guidelines and rules the Company's governing bodies have set forth to govern the Company's business as well as those set forth in the applicable laws and regulations.

The purpose of these control procedures is also to ensure that the accounting, financial, legal and economic information provided to the Company's structures and that may be provided to third parties pursuant to regulatory requirements or as part of the Group's communication policy, is reliable and faithfully reflects the Company's business and position.

6.5.1.2 Description of the general organization of internal control

General control environment

The Group is comprised of a headquarters, the Derichebourg holding company, and two operating divisions:

- Environmental Services (which includes the real estate companies);
- Business Services.

The headquarters of the Group's Environmental Services business also contains the Group's General Management and the central operations departments.

Each of the Group's divisions has its specific business, internal-control and risk-management concerns.

The division heads are responsible for conducting business in accordance with the objectives set by the managing director of the Group and deputy managing director, which are under their control.

A delegation of powers system has been put in place to ensure operational efficiency. Each company delegates authority in compliance with common guidelines. Subsidiaries are responsible for the day-to-day management of operations, except for the following activities, which are managed centrally:

- investment decisions that are considered strategic due to their nature or amount;
- financing and cash-management policy;
- insurance;
- management of executives and wages;
- the common communications network.

Business systems are a significant factor in the general control environment. Procedures, most of which are written, describe recurrent business procedures in the information systems.

Control activities

Control activities are based on the implementation of a set of policies and procedures defined at the headquarters level, at the two divisions and at the companies that are a part thereof.

The goal of these actions is to provide proper control of the risks likely to affect the accomplishment of the Company's goals. Control procedures are set up and overseen primarily by the managers and employees of the subsidiaries, taking into account the Group's requirements and the specificities of each line of business.

When a control procedure is designed, the goal is that an identified internal control risk does not arise in the Company's business.

Other control activities monitor the activity after it occurs in order to verify that the designed controls were effective, particularly information requests.

Information and communications

The Company's goal is to allow operational and functional managers to have access to relevant information that is circulated quickly enough to enable them to perform their responsibilities efficiently.

Together with the relevant functional departments, the Information Systems Department ("DSI") defines the information systems necessary to properly manage operations and support the Group's strategic objectives.

DSI analyzes and manages the risks related to its systems in order to ensure the availability, integrity and confidentiality of information, in accordance with legal and contractual requirements.

The Group has intranet systems that rapidly inform all employees concerning matters of general interest, and provide more specific information related to the particularities of the various business lines.

Oversight of internal controls

Certain functional managers at headquarters use networks of experts, who can conduct control actions within each department and transfer know-how from one entity to another.

6.5.1.3 Description of internal control procedures put in place

Main organizational procedures and internal control

In order to meet its operational and financial objectives, the Group has structured its internal control utilizing the following organization.

The Group is composed of a listed holding company that controls parent-holding companies, which in turn oversee the Group's three operational businesses.

Some of the Group's corporate services and support functions have been delegated to Derichebourg Environnement. This centralized organization allows the Group's main guidelines and objectives to be applied in a uniform manner.

The Executive Committees

Each division has its own Executive Committee:

- an Environmental Committee chaired by the Deputy CEO and composed of the Chairmen of the European subsidiaries of Environmental Services businesses, the HR Director, the Chief Financial Officer and other attendees according to the subjects under discussion. This committee meets at least once a month;
- a Multiservices Committee, chaired by the Head of the Multiservices business and composed of the heads of businesses and heads of support functions. Other attendees may also be invited according to the subjects under discussion. This committee meets at least once a quarter.

The role of these committees is to analyze the commercial and financial performance of each Group division, to review market developments, implement Group guidelines and to set operational and financial objectives.

Monthly meetings are also organized for each division in order to review monthly performance.

The Finance Department:

- ensures that financial transactions are carried out (raising capital in banking markets, financing projects and investments);
- manages the Group's cash in cooperation with the divisions, (debt and liquidity) through a reporting system;
- analyzes major financial risks together with the divisions (interest rates, foreign currencies) and defines the hedging policies to cover these risks;
- analyzes differences between forecasts and actual figures;
- participates in the analysis of investment projects and proposed contracts;
- ensures the reliability of accounting and management information, in particular by determining at the Group level the type, scope, form and frequency of financial information to be provided by the divisions. It also establishes the financial reporting standards, accounting standards and procedures and the instruments and procedures for consolidating information.

The Legal Department:

- manages all of the Company's legal transactions;
- provides counsel for operational businesses in France;
- manages all legal activities in France;
- coordinates the Group's lawyers and legal advice activities.

6.5.1.4 Internal control procedures related to the preparation and processing of financial and accounting information

Internal control procedures related to the preparation and processing of financial and accounting information are mainly prepared under the supervision of General Management by the Financial and Accounting Department, which reports directly to General Management. The operating subsidiaries are responsible for implementation.

Most of these procedures are frequently modified to ensure that they meet the Group's requirements.

The Group's Financial and Accounting Department is responsible for preparing Derichebourg's corporate financial statements and the Group's consolidated financial statements.

For this task it is supported by the following organization:

The role of corporate governance bodies

The Board of Directors reviews and approves the annual financial statements of Derichebourg and the Group's consolidated financial statements. The main accounting options used are brought to the Board of Directors' attention when it meets as the Audit Committee.

The Group's earnings for the period, consolidated balance sheet and financial position are examined at this meeting.

The Statutory Auditors express their findings upon completion of their audit.

The accounting and financial organization

- Definition and communication of the Group's accounting policies: both for the corporate financial statements and the consolidated financial statements under IFRS;
- New legislation and regulations are monitored to assess their potential impact on the Group's accounts;
- Monthly closing: each subsidiary closes its accounts on a monthly basis. They are then subjected to an accounting analysis and a management analysis by the division's operational and financial staff;
- Definition and communication of instructions for closing the books. Prior to each stage of the consolidation process, the Accounting Department circulates consolidation packs, closing assumptions (table of rates), the scope of data to be provided and its schedule. This information is sent to the Group subsidiary administrative and financial managers;
- Development, installation and maintenance of the IT consolidation tools;
- Standardization of the IT tools (configuration, maintenance, communication and verification of data) secures and harmonizes data processing;
- Communicating accounting and financial information to the Group's administrative and management bodies, and verifying financial information prior to its circulation.

Information systems

The subsidiaries use the same accounting software in all French entities and in some European services subsidiaries.

There are also business-specific applications that record business flows and translate them into accounting flows. Controls are performed to check that transactions are correctly and exhaustively recorded.

To ensure that these applications operate correctly, they are maintained in-house or by a contractor.

6.5.2 Risk management

If internal control focuses on existing elements (quality control and/or compliance), the risk management process is more focused on anticipation of events that could arise and/or on the consequences that the event could have on the Group.

During the Audit Committee portion of the Board of Directors' meeting on September 13, 2010, the Board of Directors set forth the following guidelines to establish a framework for conducting the Company's business:

- describe the organizational structure for each business line;
- describe control rules for each business line;
- determine the specific risks of each business line and the most effective ways of controlling them.

This resulted in the identification of the following risks (in no specific order) by General Management:

Environmental Services

- Purchasing risks, most notably with the particularity of the transaction ledger, or livre de police (product quality and security);
- Waste material status and VAT compliance;
- Regulations applying to environmentally sensitive facilities;
- Pollution risks;
- Equipment compliance;
- On-site work and accidents;
- Transportation policy.

Business Services

- Human resources, a major and cross-functional risk;
- Other specific risks: airplane servicing (Aeronautics), new construction and maintenance (Energy).

A response is made to each of these risks, usually in the form of adapted procedures that must be followed.

6.6 Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report by the Chairman of the Board of Directors of Derichebourg

To the Shareholder,

In our capacity as Statutory Auditors of the financial statements of Derichebourg and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby report on the report prepared by the Chairman of your Company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the fiscal year ended on September 30, 2017.

The Chairman is responsible for preparing and submitting a report for the approval of the Board of Directors on the internal control and risk management procedures implemented within the Company and providing the other information required by Article L. 225-37 of the French Commercial Code relating, in particular, to corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and

certify that this report contains the other information required by Article L. 225-37 of the French Commercial Code, given that our role is not to verify the fair presentation of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the presentation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We hereby certify that the Chairman of the Board of Directors' report contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris and Paris-La Défense, December 8, 2017

The Statutory Auditors

DENJEAN & ASSOCIÉS AUDIT

Thierry Denjean

ERNST & YOUNG Audit

Gilles Rabier

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7.1 Assessment of the 2016/2017 share buyback program

The shareholders' combined general meeting of January 30, 2017 authorized the Board of Directors to buy back the Company's shares for up to a maximum of 10% of the share capital, i.e. 16,808,203 shares, at a maximum price of €10 per share. This authorization was granted for a period of 18 months, i.e. until July 29, 2018, and mainly for the following purposes:

- to stimulate the market or market liquidity of Derichebourg stock through a liquidity contract entered into with an investment service provider, in compliance with the ethical charter approved by the AMF, the French securities regulator;
- to grant shares to employees, in accordance with legal requirements and generally within the framework of a profit sharing or company savings plan;
- to purchase shares for subsequent use in exchange or as payment for acquisitions;
- to deliver shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means;
- to cancel the bought-back shares, as part of the Company's financial policy. The same shareholders' meeting authorized the Board of Directors to reduce the share capital, in one or more transactions, by canceling the shares thus purchased, subject to a maximum of 10% of the share capital per 24-month period.

Using these authorizations, the Company concluded various acquisition contracts with CM CIC Securities in order to make these purchases under pre-determined time frames, volumes and prices.

The table below summarizes the transactions on own shares that were carried out by the Company between October 1, 2016 and September 30, 2017.

	Shares forming share capital	Stock market activity	Stock options granted	Acquisitions	Delivery of shares upon the exercise of rights attaching to securities giving access to the share capital	Cancellation	Total
Position at September 30, 2016	168,082,030			7,605,853		4,203,250	11,809,103
As % of capital				4.53%		2.50%	7.03%
Allocation to stock-options							
• granted							
• other							
Stock options exercised							
Purchases				588,000	782,966		1,370,966
Sales				8,193,853	782,966		8,976,819
Cancellations						4,203,250	4,203,250
Position at September 30, 2017	163,878,780			0	0	0	0
As % of capital							0%

In the context of implementing the provisions of Law no. 2014-617 of June 13, 2014 known as the Eckert Law relating to inactive bank accounts and life insurance contracts left dormant, shares unclaimed by FCPE Derichebourg shareholders were bought back by the Company on October 24, 2016. The Company acquired in this way 1,370,966 shares, for an amount of €3,835,963 which were allocated as follows:

- acquisitions: 588,000;
- delivery of shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means: 782,966.

The Board of Directors on December 6, 2016, using the authority granted to it by the shareholders' combined general meeting of February 10, 2016, implemented a capital reduction of €1,050,812.50 through the cancellation of 4,203,250 of its own shares. Since that date, the Company's share capital comprises 163,878,780 shares.

On June 1, 2017, the Company sold 8,976,819 treasury shares representing 5.48% of the share capital, for a total amount of €51,167,868. This transaction has enabled Derichebourg to increase the financial resources available to it in order to seize any future acquisition opportunities. It has also increased the free float of Derichebourg shares to around 46.5%. This disposal was made in connection with a private placement via accelerated book-building and was largely oversubscribed. Société Générale Corporate & Investment

Banking and Gilbert Dupont acted as Joint Lead Managers and Joint Bookrunners of the placement.

As a result of the transactions carried out over the fiscal year, the Company no longer holds any treasury shares and the market value of the portfolio on September 30, 2017 is zero.

7.2 Presentation of the 2017/2018 share buyback program

7.2.1 Legal framework

In accordance with Article 241-2 of the AMF General Regulation and Commission regulation (EC) no. 2273/2003 of December 22, 2003, this section presents the purpose and terms of the Company's share buyback program. This program, which falls under the scope of Article L. 225-209 of the French Commercial Code, shall be subject to approval by the shareholders' combined general meeting on February 7, 2018.

7.2.2 Number of shares and portion of share capital held by the Company

The Company no longer owns any treasury shares following the transactions described in 7.1.

7.2.3 Breakdown of the Company's own shares, by purpose

None

7.2.4 Breakdown of the Company's own shares, by purpose

The program's objectives are:

- to stimulate the market or market liquidity of Derichebourg stock through a liquidity contract entered into with an investment service provider, in compliance with the ethical charter approved by the AMF, the French securities regulator;
- to grant shares to employees, in accordance with legal requirements and generally within the framework of a profit sharing or company savings plan;
- to purchase shares for subsequent use in exchange or as payment for acquisitions;
- to deliver shares when exercising rights attached to securities providing access to share capital via reimbursement, conversion, exchange, presentation of a warrant or via any other means;
- to cancel bought-back shares, as part of the Company's financial policy, subject to the adoption of the thirteenth resolution proposed to the shareholders' meeting for approval.

7.2.5 Maximum portion of share capital and maximum number and characteristics of capital shares

The maximum portion of share capital authorized to be bought back under the new share buyback program would be 10% of the share capital, i.e. 16,387,878.

Derichebourg shares are listed on Compartment B of the Euronext Paris exchange (ISIN code: FR 0000053381).

The maximum purchase price is €20 per share.

The maximum expenditure for these purchases would therefore be €327,757,560.

7.2.6 Trading terms

The shares may be purchased, sold, exchanged or transferred using any means available in a stock-exchange or over-the-counter transaction, including the use of derivative financial instruments. All of the shares that may be acquired under the buy-back program may be purchased or transferred in blocks.

These transactions may be made at any time, including during a tender offer.

7.2.7 Duration of the buyback program

The term of the program is limited to 18 months from the shareholders' meeting convened to approve the financial statements for the fiscal year ended September 30, 2017, i.e. until August 6, 2019.

7.2.8 Results of the Company's previous share buyback program from January 31, 2017 to December 5, 2017

The details of this program on December 5, 2017 are as follows:

Percentage of own share capital owned directly and indirectly	0%
Number of shares cancelled during the last 24 months[1]	4,203,250
Number of shares held in portfolio	0
Book value of portfolio	0
Market value of portfolio[2]	0

(1) The 24 months prior to the public presentation of the buyback program.

7.2.9 Transaction details of the program from January 31, 2017 to December 5, 2017

	Total sales and purchases		Opening positions on 11-30-17	
	Purchases	Sales/transfers	Open buy positions	Open sell positions
Number of shares	0	8,976,819		
Average transaction price *(in €)*	0	5.70		
Amounts *(in €)*	0	51,167,868		

The share purchases and sales shown in the above table were not made under a liquidity contract or an acquisition contract.

7.3 Related party transactions

7.3.1 Provisions concerning regulated agreements

(Article 21 of the bylaws)

"Any agreement which links, either directly or through an intermediate person, the Company and its managing director, one of its deputy managing directors, one of its directors, one of its shareholders holding a number of voting rights greater than the percentage set forth in Article L. 225-38 of the French Commercial Code or, where the latter is a company shareholder, the Company which controls it as defined in Article L. 233-3 of the French Commercial Code, must be submitted for prior approval by the Board of Directors.

The same applies to any agreements in which one of the people in the above list has an indirect interest.

Prior authorization is also required for agreements between the Company and any business if the managing director, one of the deputy managing directors or one of the directors of the Company is the owner, general partner, manager, director, member of the Supervisory Board or, in any other way, a manager of that business.

The above provisions are not applicable to any agreements relating to ordinary transactions concluded under normal terms and conditions. Nevertheless, such agreements, except where their purpose or their financial implications are not material for any of the parties, must be brought to the knowledge of the Chairman of the Board of Directors by the interested party.

The Chairman shall then inform the members of the Board and the independent auditors of the list of agreements and their purposes."

7.3.2 Service agreement

An agreement was concluded, with effect from January 1, 2012, for an initial three-year term then renewed with effect from January [1], 2015 for a three-year period, with DBG Finances, a company controlled by the family of Mr. Daniel Derichebourg, which aims to define the terms and conditions of DBG Finances' influence over the definition and oversight of Group strategy.

The services covered by this agreement are:

- policy making and definition of the Group's strategic guidelines;
- help with drafting a business plan;
- contacts with management boards of major national and international client groups;
- internal and external development of the Group's business;
- support for acquisitions;
- corporate events;
- assistance with recruiting senior managers;
- legal and tax consultancy services;
- financial, accounting and management support.

For the period from October 1, 2016 to September 30, 2017, DBG Finances invoiced Derichebourg SA €1.7 million under this agreement.

7.3.3 Trademark licensing agreement

A trademark licensing agreement effective March 1, 2009 for ten years was entered into between TBD Finances, which is controlled by the Derichebourg family, and Derichebourg. This agreement, which governs the use of the Derichebourg trademark, enables the Group to develop its own clientele and increase its loyalty.

The amount of royalty fees to be paid under this agreement was determined by an independent expert in intellectual property.

The royalty to be paid under this agreement is 0.07% of the Environmental division's consolidated revenue and 0.12% of the Multiservices division's consolidated revenue.

The fee under this contract for the fiscal year was €2.139 million.

7.3.4 Independent auditors' special report on related party agreements and commitments

To the Shareholder,

In our capacity as independent auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying the interest for the company. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the shareholders' meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the general meeting of shareholders

We inform you that we have not been notified of any agreement nor any commitment authorized during the past fiscal year to submit for the approval of the general meeting in application of the provisions of Article L. 225–38 of the French Commercial Code.

Agreements and commitments already approved by the general meeting of shareholders

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been advised that the implementation of the following agreements and commitments, which were approved by the general meeting of shareholders in prior years, continued during the year.

1. DERICHEBOURG Trademark licensing agreement
Director involved: Mr. Daniel Derichebourg, Chairman of the Board of Directors and Chief Executive Officer of DERICHEBOURG and Managing Director of TBD Finances.

At its meeting on July 2, 2007, the Board of Directors authorized the execution of a licensing agreement for the DERICHEBOURG trademark with TBD FINANCES, the owner of the trademark.

The amount of the royalty payment to be made was decided at the Board meeting of December 12, 2008. This payment is 0.07% of the consolidated revenue of the Environment division and 0.12% of the consolidated revenue of the Multiservices division.

This agreement took effect on March 1, 2009 for a ten-year term.

The royalty charge for the fiscal year ended on September 30, 2017 was €2,139,160 excluding taxes.

2. Service agreement with DBG Finances
Director involved: Mr. Daniel DERICHEBOURG, Chairman of the Board of Directors and CEO of DERICHEBOURG and general partner of DBG Finances.

The Board of Directors' meeting of December 5, 2014 authorized, for a period of three years starting from January 1, 2015, the renewal of the assistance agreement with DBG Finances by which this latter would take part in managing the Group's policy and in the supervision and control of its subsidiaries, in particular for the provision and centralization of management tools and services in managerial, administrative, financial and commercial areas.

During the fiscal year ended September 30, 2017, DBG Finances invoiced DERICHEBOURG for €1,700,000, excluding taxes, under this agreement.

Paris and Paris-La Défense, December 8, 2017

The Independent auditors

DENJEAN & ASSOCIÉS AUDIT
Thierry Denjean

ERNST & YOUNG Audit
Gilles Rabier

7.4 Communication with institutional investors and individual shareholders

During the validity period of the registration document, the following documents (or copies of these documents) can, if necessary, be consulted at the Company's registered office (119, avenue du Général Michel Bizot, 75012 Paris), on the Company's website (www.derichebourg.com), or on the French securities regulator's website (www.amf-france.org) for financial data and the registration document:

(a) the incorporation documents and bylaws of the issuer;

(b) all reports, mail and other documents, historical financial data, valuations and reports issued by external experts at the request of the issuer, any part of which is included or referenced in the registration document;

(c) the historical financial data of the issuer and its subsidiaries for each of the two fiscal years preceding the publication of this registration document.

7.4.1 Communications methodology

Frequency: in accordance with the applicable regulations, Derichebourg publishes its results semi-annually and annually, and publishes quarterly information on net revenues by division, a general description of its financial position and Group profit (loss), together with an explanation of major transactions and events which have taken place during the period concerned and their impact on the Group's financial position.

Communication of information: in addition to the legally required announcements in financial publications, the latest communications are made available to the public on the Company's website, www.derichebourg.com.

7.4.2 Calendar: key dates

The Group's financial calendar is available on its website: www.derichebourg.com

7.4.3 Periodic and occasional information: annual information document

Published on the websites www.derichebourg.com, http://inpublic.globenewswire.com or www.info-financiere.fr

Date	Document
October 13, 2016	Following COP21, Derichebourg is retained for COP22 in Marrakesh
November 3, 2016	Monthly information on total number of voting rights and shares comprising share capital as of September 30, 2016
November 3, 2016	Weekly statements of transactions on own shares made from October 24 to 28, 2016
November 4, 2016	Derichebourg Environnement signs a preliminary agreement for the sale of its landfill center in Italy
November 18, 2016	Monthly information on total number of voting rights and shares comprising share capital as of October 31, 2016
November 30, 2016	Completion of the Bartin Recycling acquisition
December 6, 2016	Results of the 2015-2016 fiscal year
December 13, 2016	Publication of the 2015-2016 registration document
December 23, 2016	Derichebourg Environnement completes the sale of its landfill center in Italy
December 27, 2016	Monthly information on total number of voting rights and shares comprising share capital as of November 30, 2016
December 27, 2016	Notice of shareholders' combined general meeting on January 30, 2017 appeared in the Legal Publications Bulletin (BALO) of December 26, 2016
January 5, 2017	Three new contracts for Derichebourg Canada Environnement
January 9, 2017	Derichebourg Environnement wins its first recycling center operating contract
January 9, 2017	Brochure for the shareholders' combined general meeting on January 30, 2017
January 9, 2017	Single form for proxy vote and mail-in ballot
January 9, 2017	Independent auditors' report on the capital reduction (10th resolution)
January 9, 2017	Independent auditors' report on the issue of shares and securities maintaining and/or eliminating preferential subscription rights (11th, 12th and 14th resolutions)
January 9, 2017	Independent auditors' report on the capital increase reserved for employees (15th resolution)
January 9, 2017	Information on the total number of voting rights and shares comprising the share capital as of the date that the notice of the shareholders' combined general meeting on January 30, 2017 was published in the Legal Publications Bulletin, i.e. December 26, 2016
January 12, 2017	The "Émeraude" joint association entrusts the Derichebourg Group with the collection of household waste

Date	Document
January 17, 2017	Provision of documents in preparation for the Shareholders' combined general meeting of January 30, 2017
January 17, 2017	Meeting notice in the BALO dated January 13, 2017
January 26, 2017	Monthly information on total number of voting rights and shares comprising share capital as of December 31, 2016
January 30, 2017	Shareholders' combined general meeting: approval of annual and consolidated financial statements, appropriation of earnings
January 31, 2017	Shareholders' combined general meeting of January 30, 2017 - Result of resolution votes
February 24, 2017	Monthly information on total number of voting rights and shares comprising share capital as of January 31, 2017
March 7, 2017	Delisting of share subscription warrants (BSAs)
March 13, 2017	Right of reply to the article published in *Le Parisien* on March 1
March 29, 2017	Monthly information on total number of voting rights and shares comprising share capital as of February 28, 2017
May 10, 2017	Monthly information on total number of voting rights and shares comprising share capital as of March 31, 2017
May 19, 2017	Financial calendar for fiscal year 2016-2017
May 22, 2017	First-half results for fiscal year 2016-2017
May 24, 2017	Monthly information on total number of voting rights and shares comprising share capital as of April 30, 2017
May 31, 2017	Derichebourg begins the process of selling its treasury shares
May 31, 2017	Success of the sale of treasury shares by Derichebourg
June 29, 2017	Derichebourg Aqua wins its first drinking water distribution contract
July 4, 2017	Sale of Derichebourg shares by Compagnie Financière pour l'Environnement et le Recyclage ("CFER")
July 6, 2017	Monthly information on total number of voting rights and shares comprising share capital as of May 31, 2017
July 21, 2017	Monthly information on total number of voting rights and shares comprising share capital as of June 30, 2017
September 19, 2017	Monthly information on total number of voting rights and shares comprising share capital as of July 31, 2017
September 25, 2017	Monthly information on total number of voting rights and shares comprising share capital as of August 31, 2017
October 16, 2017	Waste collection strike in Marseille
October 18, 2017	Continuation of the waste collection strike in Marseille
October 21, 2017	The waste collection strike in Marseille continues
October 24, 2017	End of the waste collection strike in Marseille
October 26, 2017	Monthly information on total number of voting rights and shares comprising share capital as of September 30, 2017
November 6, 2017	The Derichebourg Group on the most beautiful avenue in the world
November 7, 2017	Information on the date of the 2018 annual shareholders' meeting
December 5, 2017	Results of the 2016-2017 fiscal year
December 5, 2017	Presentation to financial analysts on December 6, 2017

Information published in the Legal Publications Bulletin ("BALO")

Date of publication	Document
December 26,, 2016	Notice of the shareholders' combined general meeting on January 30, 2017
January 13, 2017	Notice of convening of shareholders' combined general meeting on January 30, 2017
March 1, 2017	Notice of approval of the consolidated and parent company financial statements for the year ended September 30, 2016

7.4.4 Update on quarterly financial information

Following the publication on February 3, 2015 by the French securities regulator of a recommendation regarding the removal of the obligation to publish quarterly financial information, the Group has decided not to publish quarterly information, most notably because the volatility of the Environmental Services business requires a somewhat longer horizon to evaluate changes in figures.

7.5 Information provided by third parties, statements made by experts and declarations of interests

7.5.1 Statements/reports of experts

None.

7.5.2 Information provided by third parties

In preparing the financial statements in accordance with IFRS standards, the Group used information provided by third parties in the following areas:

- property assets: an expert appraisal of each operating site of Environmental Services that is owned outright was carried out by an independent and recognized firm in order to establish the market value of each real property asset as of October 1, 2004. This firm reappraised a sample of these assets during the 2009-2010 fiscal year to ensure that their value had not decreased;
- provisions for retirement payments: the Group has asked several independent firms of actuaries to calculate the provisions for retirement payments.

7.6 Significant contracts

The Group wishes to mention:

- the syndicated loan agreement signed on March 31, 2014 and its rider of May 5, 2017;
- the syndicated non-recourse factoring agreement which went into effect on January 1, 2015 and the amendment extending it until December 31, 2018;

which are the Group's main sources of funding. A detailed presentation of these agreements can be found in note 4.11 of the notes to the consolidated financial statements.

The following contracts are also significant contracts to the extent that there is significant litigation in relation to them:

- the share purchase agreement for the sale of Servisair to Swissport Holding France dated December 23, 2013;
- the 2007 framework agreement relating to the purchase of shredders from Rotamfer (Italy).

7.7 Concordance table between the Derichebourg registration document and the annual financial report

	Registration document	
Annual financial report	§	Page
Annual financial statements	5.2	144 to 165
Consolidated financial statements	5.1	94 to 142
Independent Auditors' report on the Company's financial statements	5.2.4	166 to 168
Independent Auditors' report on the consolidated financial statements	5.1.6	141 to 143
Management report	4	33 to 89
Declaration by persons responsible for the management report	1	5
Fees paid to the independent auditors	5.3	169
Chairman's report on the preparation and organization of the Board's work and the internal control procedures put in place by the Company	6	171 to 181
Independent auditors' report on the Chairman's report	6.6	182
List of all of the information published by the Company or made public over the last 12 months	7.4.3	190 to 191

7.8 Concordance table between the Derichebourg registration document and annex I of European regulation 809/2004

		Registration document	
Annex I regulation 809/2004		§	Page
1.	**Responsible persons**		
1.1	Responsible persons	1.1.1	6
1.2	Declaration of the responsible persons	1.1.2	6
2.	**Independent auditors**	**1.3**	**6 to 7**
3.	**Selected financial information**	**2**	**9**
4.	**Risk factors**	**4.3**	**42 to 47**
5.	**Information concerning the issuer**		
5.1	History and evolution of the Company	1.5	8
5.1.1	Legal name and trading name of the issuer	1.4.1	7
5.1.2	Issuer's place of registration and registration number	1.4.2	7
5.1.3	Date of incorporation and term of the issuer	1.4.3	7
5.1.4	Registered office and legal form, law, country of origin, address and telephone number of its registered office	1.4.4	7
5.1.5	Major events in the development of the activities of the issuer	1.5	8
5.2	Investments	4.2.7	41
5.2.1	Investments made	4.2.7	41
5.2.2	Investments in progress	4.2.7	41
5.2.3	Investments being considered	4.2.7	41
6.	**Overview of activities**		
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6.1.1	Type of transactions, categories of products sold	3.2	18 to 31
6.1.2	New products	3.2	18 to 31
6.2	Main markets, including competitive position	3.2	18 to 31
6.3	Exceptional events	N/A	N/A
6.4	Dependency	N/A	N/A
6.5	Sources of information on competitive position	3.2	18 to 31
7.	**Organizational chart**		
7.1	Position of the issuer	3.1.1, 3.1.2	12 to 17
7.2	List of subsidiaries of the issuer	5.1 note 4.31	139 to 140
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8.2	Environmental questions	4.3.1.2, 4.6.2.2	65 to 73
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10.	**Cash and capital**		
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10.2	Cash flow	4.2.6 and 5.1.3	40-41, 96
10.3	Financing structure and borrowing conditions	5.1.5 note 4.11	115 to 118
10.4	Restrictions on the use of capital	5.1.5 note 4.11	115 to 118
10.5	Expected sources of financing	4.3.6, 5.1.5 note 4.11	45, 115 to 118

Concordance table between the Derichebourg registration document and annex I of European regulation 809/2004

Annex I regulation 809/2004		Registration document §	Page
11.	**Research and development, patents, licenses**	**3.2.1.3**	**24**
12.	**Information on trends**	**4.2.5**	**40**
13.	**Forecasts or estimates of profits**	**4.2.5.3**	**40**
14.	**Administrative and management bodies**		
14.1	Names, titles, other positions held by the directors	4.4.1, 6.1.1	48 to 54, 173 to 174
14.2	Possible conflicts of interest	4.4.1.4	54
15.	**Remunerations and benefits**		
15.1	Remuneration paid	4.4.2.1	54 to 55
15.2	Amounts provisioned elsewhere	4.4.2.2	55
16.	**Functioning of administrative and management bodies**		
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16.2	Service contracts	N/A	N/A
16.3	Audit Committee	6.1.2, 6.1.3	174 to 176
16.4	Information on corporate governance	4.4, 6.1, 6.2	48 to 56, 174 to 175
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17.2	Number of shares held by Board members	4.4.1, 4.5.8	48, 58 to 59
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18.2	Voting rights of the main shareholders	4.5.8	58 to 59
18.3	Information on audits	4.4.1.4, 4.5.8	54, 58 to 59
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20.2	Pro forma financial information	N/A	N/A
20.3	Individual financial information	5.2	144 to 165
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21.	**Additional financial information**		
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21.2.4	Actions needed to amend the rights of shareholders	4.5.15.2	61
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21.2.8	Provisions in the bylaws governing changes in the capital	4.5.16	61 to 63
22.	**Significant contracts**	**7.6**	**192**
23.	**Information from third parties, statements of experts**	**7.5**	**192**
24.	**Publicly available documents**	**7.4**	**190 to 191**
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