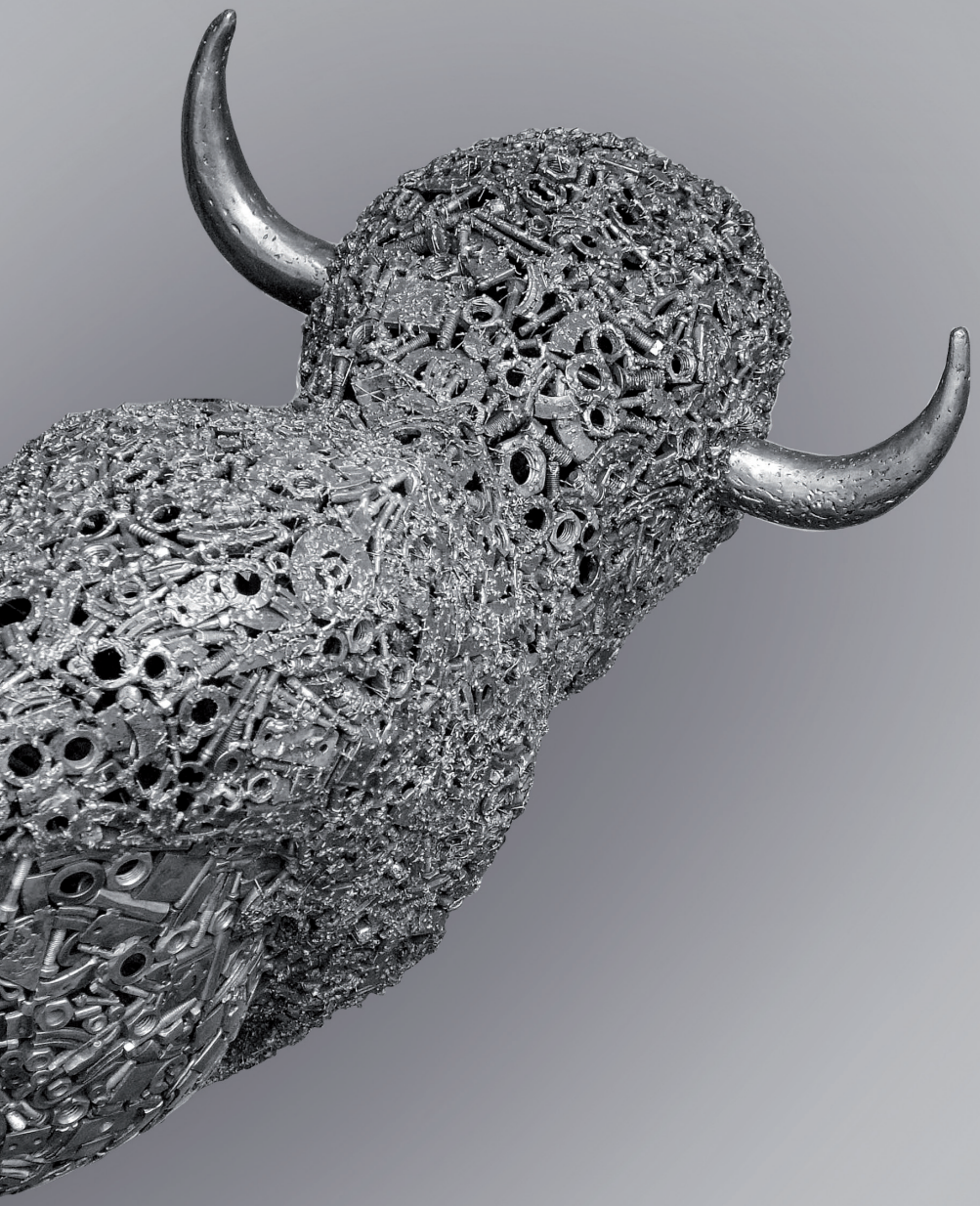


REGISTRATION DOCUMENT

including the annual financial report
and the annual information document

2015 • 2016

DERICHEBOURG

Contents

Group profile 2

1 General information on the Derichebourg Group 5

1.1 Person responsible for the registration document 6
1.2 Name of the person responsible for financial information 6
1.3 Statutory Auditors 6
1.4 General information about Derichebourg 7
1.5 History of the Group 8

2 The Derichebourg Group in 2016 9

3 Presentation of the Derichebourg Group 11

3.1 Group organization chart 12
3.2 Presentation of businesses and their portfolios 18

4 Management report 33

4.1 Significant events 35
4.2 Earnings from businesses and financial position 37
4.3 Risk factors and uncertainties 43
4.4 Corporate governance 49
4.5 Legal information related to share capital, securities granting access to share capital, voting rights 57
4.6 Social, environmental and societal information 67
4.7 Independent third party organization report on the consolidated social, environmental and societal information appearing in the management report 85
4.8 Financial results for the last five fiscal years 87
4.9 Agenda and draft resolutions submitted to the combined general meeting of January 30, 2017 88

5 Financial statements 95

5.1 Consolidated financial statements for the year ended September 30, 2016, in compliance with IFRS 96
5.2 Parent company financial statements for the year ended September 30, 2016 150
5.3 Statutory auditors' fees and fees paid to their network by the Group 175

6 Chairman's report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code 177

6.1 Composition of the Board of Directors, preparation and organization of its work 178
6.2 The Board's restrictions on the Chairman and CEO's powers 181
6.3 Participation of shareholders in the annual general meeting 182
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 182
6.5 Internal control and risk management procedures put in place by the Company 183
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 186

7 Other legal and financial information 187

7.1 Assessment of the 2015-2016 share buyback program 189
7.2 Presentation of the 2016-2017 share buyback program 190
7.3 Related party transactions 192
7.4 Communication with institutional investors and individual shareholders 194
7.5 Information provided by third parties, statements made by experts and declarations of interests 196
7.6 Significant contracts 196
7.7 Concordance table between the Derichebourg registration document and the annual financial report 196
7.8 Concordance table between the Derichebourg registration document and annex I of European regulation 809/2004 197

REGISTRATION DOCUMENT
2015•2016

including the annual financial report and the annual information document

This is a free translation of the Registration document which was submitted to Autorité des marchés financiers on December 12, 2016. Only French version is legally binding.

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, 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 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, 2014, as presented respectively on pages 29 to 78, 87 to 135 and 136 of the registration document filed with the French securities regulator on December 12, 2014 under number D.14-1122;
- the statutory auditors' report on regulated agreements for the fiscal years ended September 30, 2015 and September 30, 2014, which are included in the Company's registration documents filed respectively with the French securities regulator on December 11, 2015 under number D.15-1091 on pages 175 to 176, and on December 12, 2014 under number D.14-1122 on pages 179 to 180.

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**.

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 industry, 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 clean up the urban 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.

Group profile

Economic performance

THE DERICHEBOURG **GROUP**

revenue
2.1
€ billion

recurring Ebitda
121.5
€ million

listed on
Euronext Paris
(Eurolist B)

countries
14

family shareholding
+50%

ferrous metals processed
3
million tonnes

employees
33,921

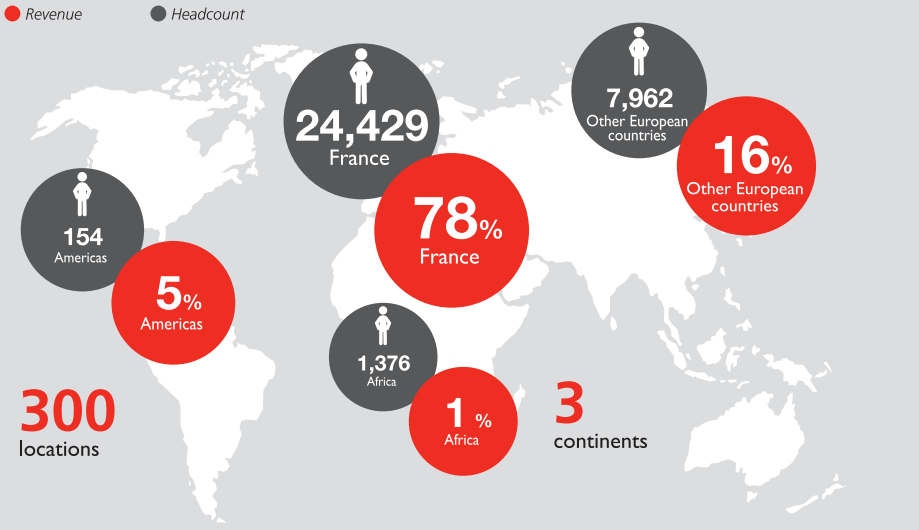
employee breakdown
18,801 **15,120**

nationalities
107

disabled employees
6.24%

non-ferrous metals processed
459,000
tonnes

BREAKDOWN OF REVENUE AND HEADCOUNT BY GEOGRAPHIC AREA



With operations in **14 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
1.4
€ billion

collaborateurs
4,868

countries
9

DERICHEBOURG **MULTISERVICES**

revenue
757
€ million

employees
29,053

countries
9

General information on the Derichebourg Group

1

1.1 Person responsible for the registration document 6

1.1.1 Name and position of the person responsible for the registration document 6
1.1.2 Certification of the person responsible for the registration document 6

1.2 Name of the person responsible for financial information 6

1.3 Statutory Auditors 6

1.3.1 Principal statutory auditors 6
1.3.2 Alternate statutory auditors 7

1.4 General information about Derichebourg 7

1.4.1 Legal name and trading name 7
1.4.2 Issuer's registration number 7
1.4.3 Date of incorporation and term of the issuer 7
1.4.4 Details of the registered office and legal form 7
1.4.5 Corporate purpose of the issuer 7

1.5 History of the Group 8

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 84 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 149 and 174 of said document.

Issued in Paris, on December 12, 2016

Daniel DERICHEBOURG

Chairman and Chief Executive Officer

1.2 Name of the person responsible for financial information

Person responsible: Pierre CANDELIER
Position: Chief Financial Officer

Address: 119, avenue du Général Michel Bizot – 75579 Paris Cedex 12
Tel: +33 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.

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.

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 EURONEXT NYSE stock exchange in compartment B, under 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.

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

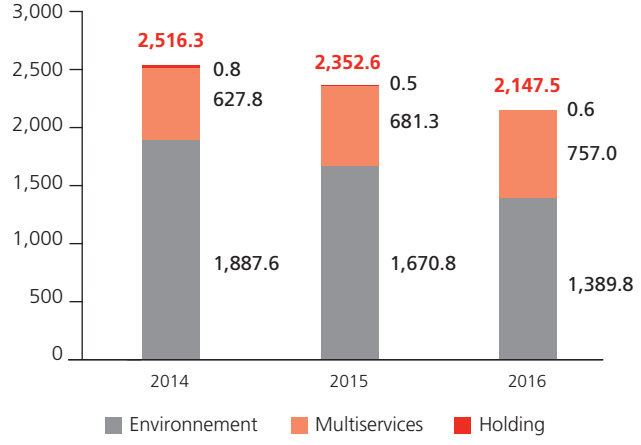
Creation of Compagnie Française des Ferrailles.

The Derichebourg Group in 2016

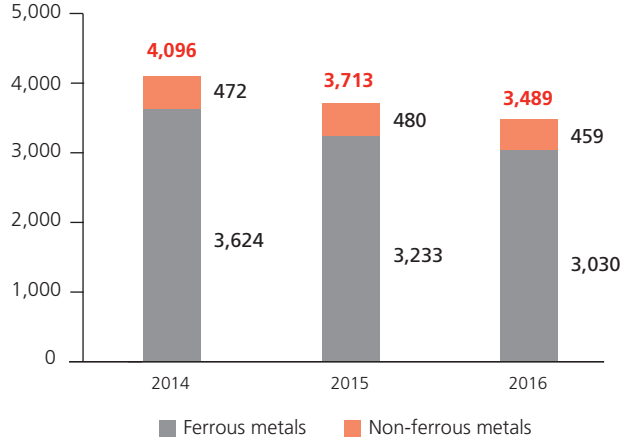
2

Key figures

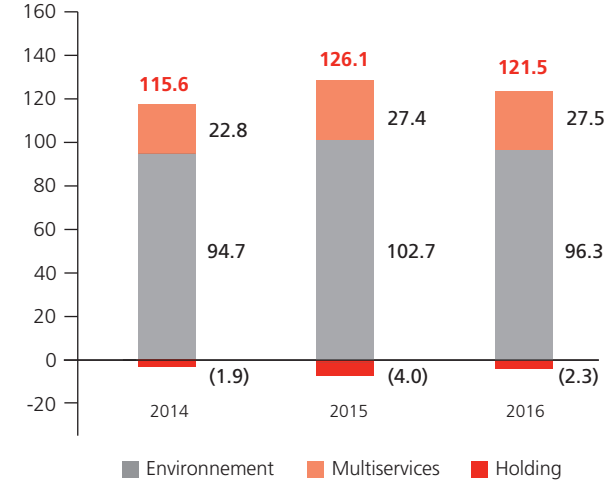
Revenue *(in €m)*



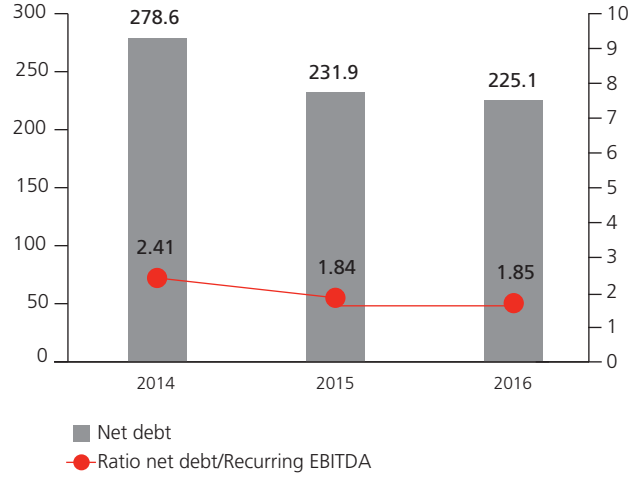
Volumes *(in thousand tonnes)*



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



Change in net debt *(in €m)*



Presentation of the Derichebourg Group

3

3.1 Group organization chart 12

3.1.1 Group organization and issuer's position in the Group 12
3.1.2 Organization chart 12
3.1.3 Non-controlling interests in Group companies 18
3.1.4 List of Group subsidiaries 18

3.2 Presentation of businesses and their portfolios 18

3.2.1 Derichebourg Environnement 19
3.2.2 Derichebourg Multiservices Holding (formerly Derichebourg Multiservices) 25

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 (formerly Derichebourg Multiservices), 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, initially totaling €232.5 million.

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

3.1.2 Organization chart

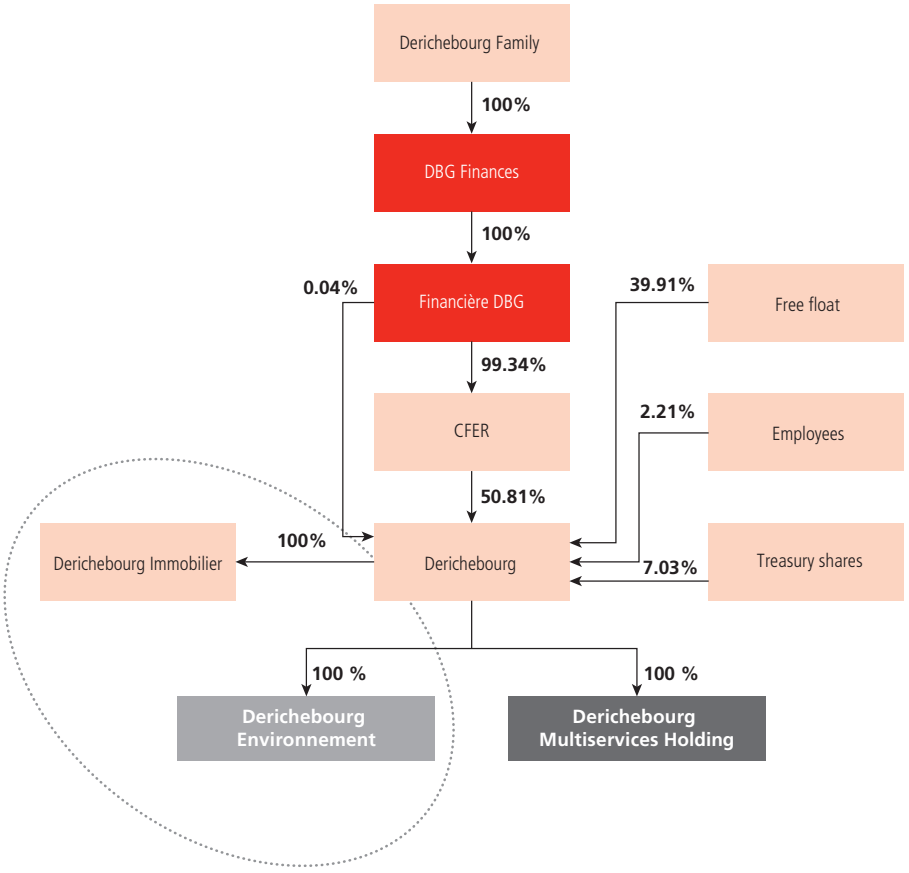
To make it easier to read, the organization chart is presented in three parts:

- 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).

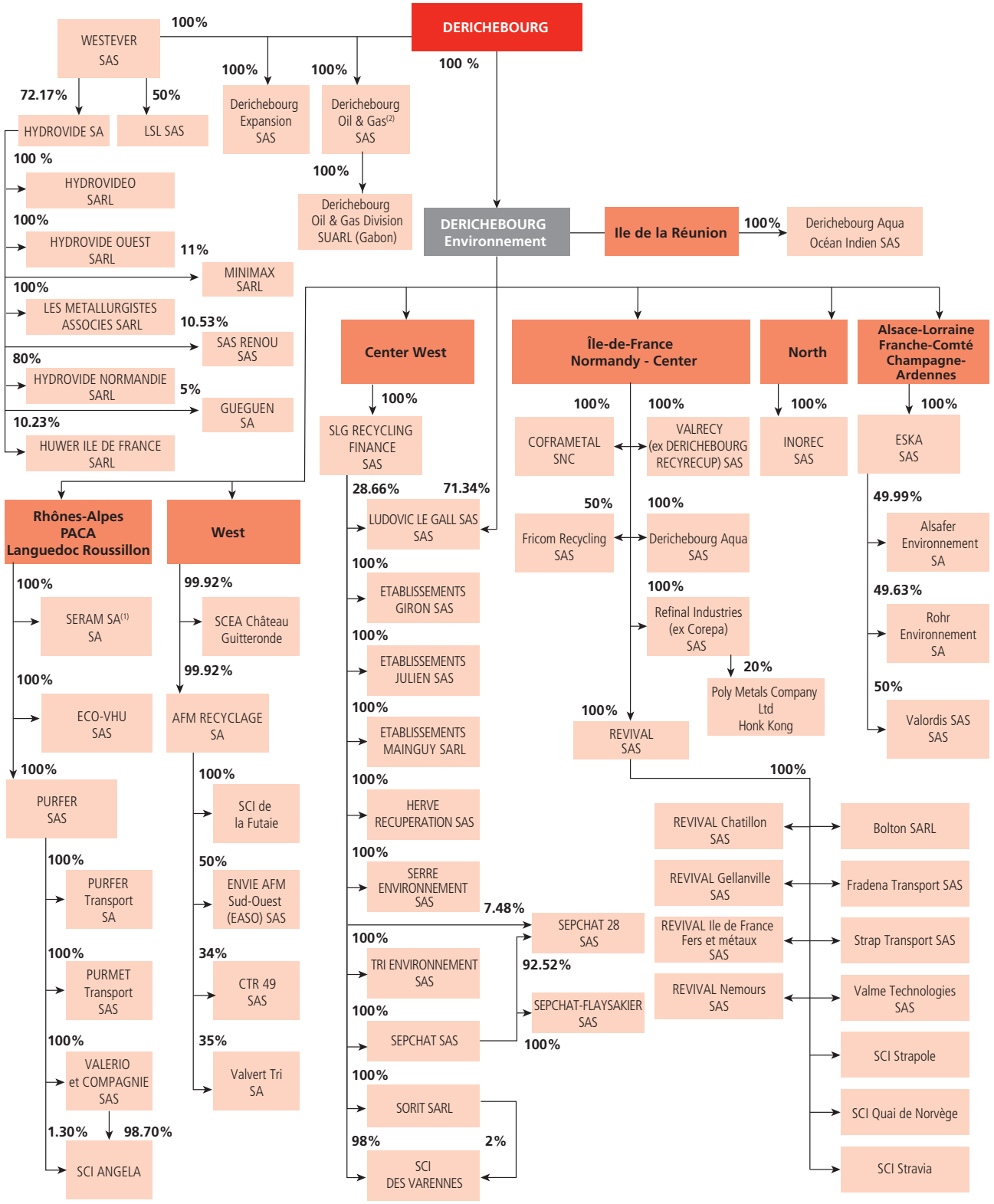
3.1.2.1 Summary organization chart of the Group and its shareholders

The Derichebourg Group as of September 30, 2016 (figures given as a percentage of capital held).

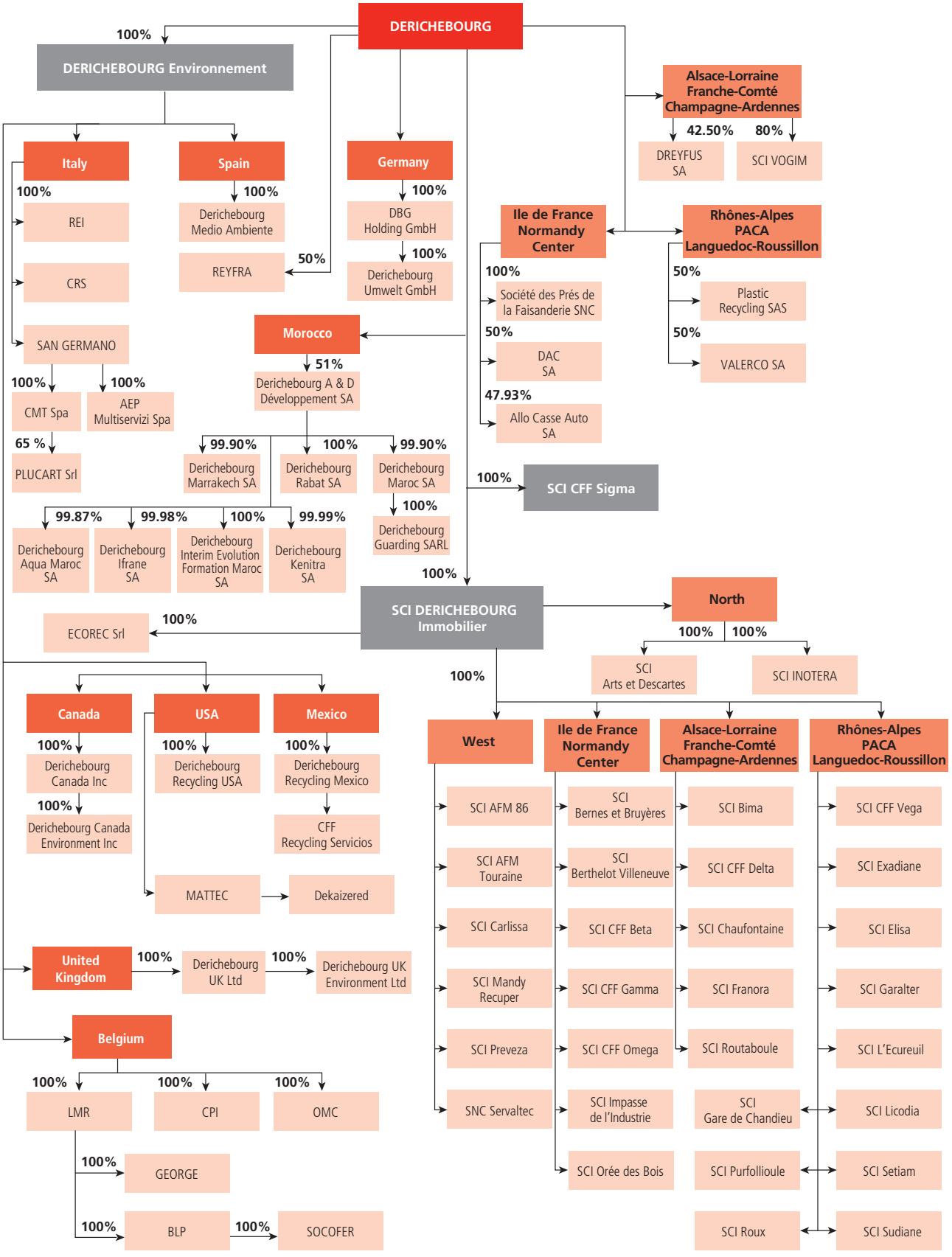
Section 4.5 presents an update of the information at the date of filing the registration document.



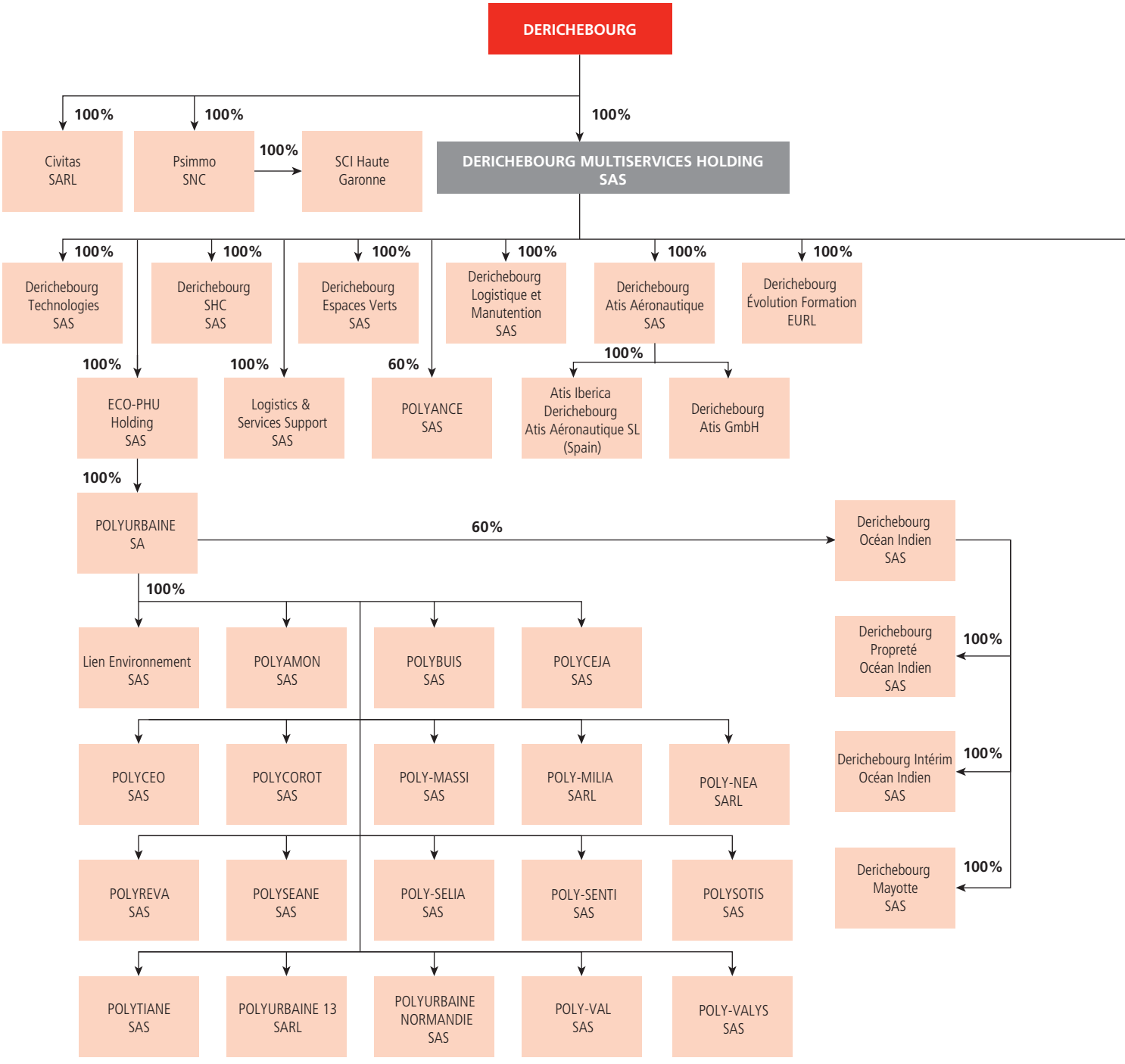
3.1.2.2 Detailed organization chart of Environment Services (as of September 30, 2016)

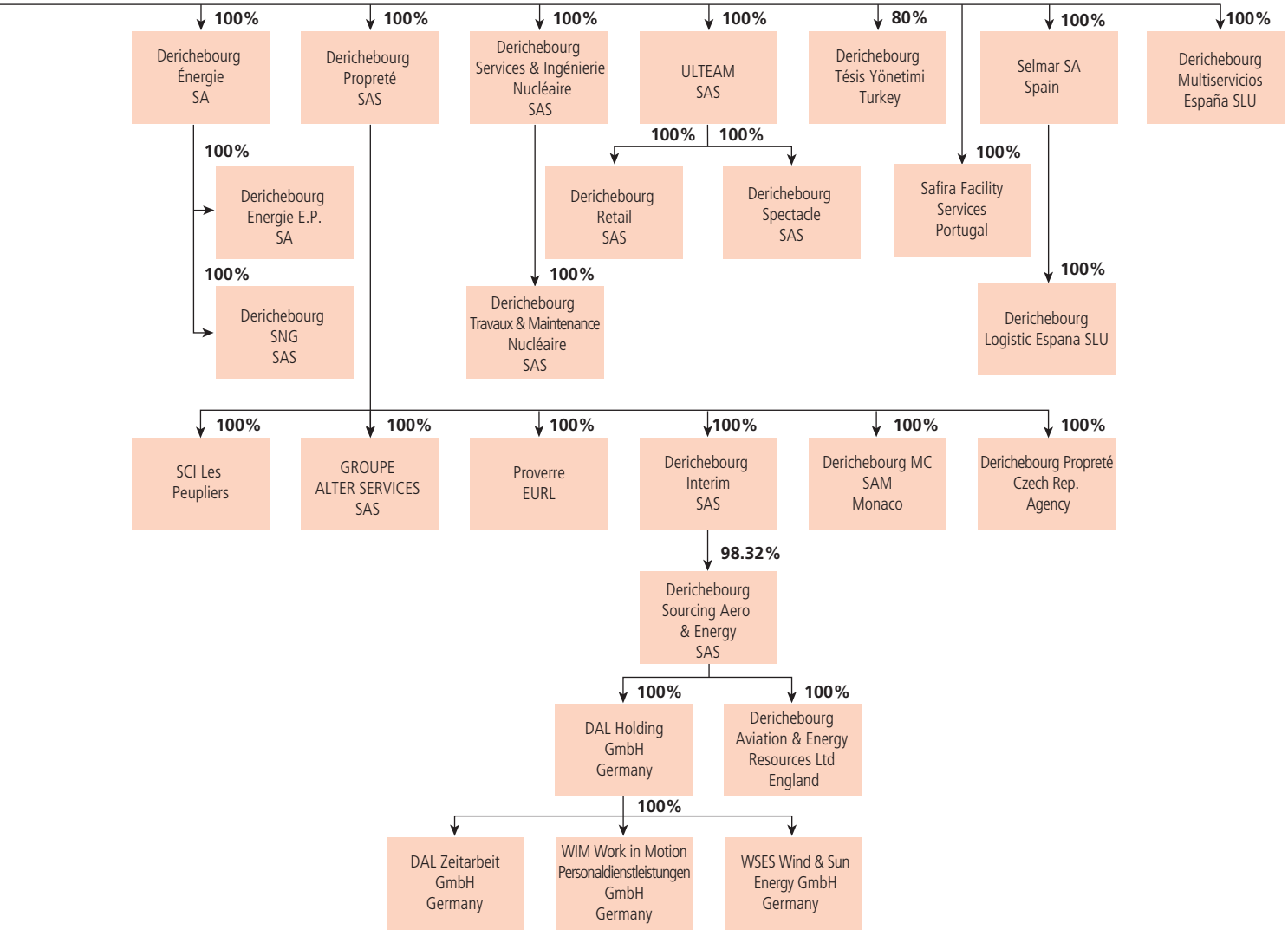


The Dohmen and Prosimétal subsidiaries are in liquidation and do not appear on the organization chart.
(1) Company sold on 10/7/2016


DERICHEBOURG
100%
DERICHEBOURG Environnement
Italy
100%
REI
CRS
SAN GERMANO
100%
CMT Spa
65 %
PLUCART Srl
100%
AEP Multiservizi Spa
Spain
100%
Derichebourg Medio Ambiente
REYFRA
50%
Germany
100%
DBG Holding GmbH
100%
Derichebourg Umwelt GmbH
Morocco
51%
Derichebourg A & D Développement SA
99.90%
Derichebourg Marrakech SA
100%
Derichebourg Rabat SA
99.90%
Derichebourg Maroc SA
100%
Derichebourg Guarding SARL
99.87%
Derichebourg Aqua Maroc SA
99.98%
Derichebourg Ifrane SA
100%
Derichebourg Interim Evolution Formation Maroc SA
99.99%
Derichebourg Kenitra SA
Alsace-Lorraine Franche-Comté Champagne-Ardennes
42.50%
DREYFUS SA
80%
SCI VOGIM
Ile de France Normandy Center
100%
Société des Prés de la Faisanderie SNC
50%
DAC SA
47.93%
Allo Casse Auto SA
Rhônes-Alpes PACA Languedoc-Roussillon
50%
Plastic Recycling SAS
50%
VALERCO SA
100%
SCI CFF Sigma
100%
SCI DERICHEBOURG Immobilier
100%
ECOREC Srl
Canada
100%
Derichebourg Canada Inc
100%
Derichebourg Canada Environment Inc
USA
100%
Derichebourg Recycling USA
MATTEC
Dekaizered
Mexico
100%
Derichebourg Recycling Mexico
CFF Recycling Servicios
United Kingdom
100%
Derichebourg UK Ltd
100%
Derichebourg UK Environment Ltd
Belgium
100%
LMR
100%
CPI
100%
OMC
100%
GEORGE
100%
BLP
100%
SOCOFER
North
100%
100%
SCI Arts et Descartes
SCI INOTERA
100%
West
SCI AFM 86
SCI AFM Touraine
SCI Carlissa
SCI Mandy Recuper
SCI Preveza
SNC Servaltec
Ile de France Normandy Center
SCI Bernes et Bruyères
SCI Berthelot Villeneuve
SCI CFF Beta
SCI CFF Gamma
SCI CFF Omega
SCI Impasse de l'Industrie
SCI Orée des Bois
Alsace-Lorraine Franche-Comté Champagne-Ardennes
SCI Bima
SCI CFF Delta
SCI Chaufontaine
SCI Franora
SCI Routaboule
SCI Gare de Chandieu
SCI Purfollioule
SCI Roux
Rhônes-Alpes PACA Languedoc-Roussillon
SCI CFF Vega
SCI Exadiane
SCI Elisa
SCI Garalter
SCI L'Ecureuil
SCI Licodia
SCI Setiam
SCI Sudiane

3.1.2.3 Detailed organization chart of Business Services (as of September 30, 2016)





The following company is in liquidation: Derichebourg Atis Maintenance Services.

3.1.3 Non-controlling interests in Group companies

Non-controlling interests on the balance sheet as at September 30, 2016 amounted to €3.8 million. The share of income attributable to non-controlling interests was €0.7 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.

Derichebourg Multiservices, the Group's Business Services arm, provides reception, cleaning, energy, property maintenance, and temporary staffing services separately or in tandem with the Derichebourg Group's waste-management services. These services are subject to different business cycles.

Main markets

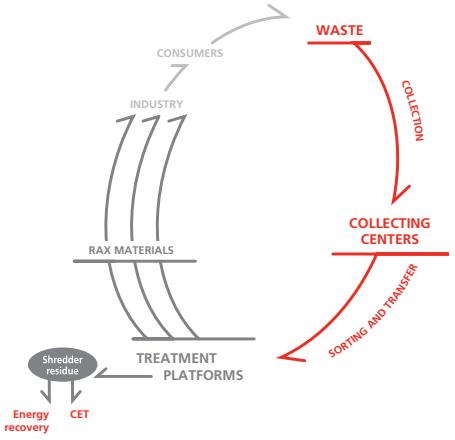
	2016		2015		
Revenue by business segment	*In millions of euros*	*as %*	*In millions of euros*	*as %*	Variation
Environmental Services	1,390	65%	1,671	71%	(17%)
Business Services	757	35%	681	29%	11%
Holding Companies	1	0%	1	0%	ns%
Total	**2,148**	**100%**	**2,353**	**100%**	**(9%)**

	2016		2015		
Revenue by geographical area	*In millions of euros*	*as %*	*In millions of euros*	*as %*	Variation
France	1,688	78%	1,830	78%	(8%)
Other European countries	340	16%	359	15%	(5%)
North and South America	101	5%	153	7%	(34%)
Africa	18	1%	11	0%	+61%
Total	**2,148**	**100%**	**2,353**	**100%**	**(9%)**

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.

Of the few international operators, SIMS Metal Management, Scholz, EMR, Schnitzler and the Derichebourg Group have a significant international presence.

Environmental Services is faced with competition across France from the various regional operators, many of which are family owned, and additionally from national companies.

Veolia Environnement, Suez Environnement and Guy Dauphin Environnement (the Ecore group) have acquired some of these family-owned companies over the past few years to establish a foothold in the market. 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 33%. 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*	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017*
Total	**1,229**	**1,152**	**1,311**	**1,415**	**1,444**	**1,534**	**1,547**	**1,500**	**1,501**	**1,510**
Annual variation	-	*(6.3%)*	*13.8%*	*8.0%*	*2.0%*	*6.3%*	*0.8%*	*(3.0%)*	*(2.9%)*	*0.6%*
Of which Asia	705	770	844	913	939	1,021	1,011	978	-	
Annual variation	-	*9.3%*	*9.6%*	*8.2%*	*2.9%*	*8.7%*	*(1.0%)*	*(3.3%)*	-	
Share of Asia in the total apparent use	57%	67%	64%	64%	65%	67%	65%	65%	-	
Of which rest of the world	524	381	467	503	504	514	536	523	-	
Annual variation	-	*(27.2%)*	*22.3%*	*7.7%*	*0.4%*	*1.8%*	*4.4%*	*(2.6%)*	-	

* *World Steel Association forecast, October 2016.*

Although total global production and consumption have grown over the last few years, despite stalling in 2008 and 2009, it should be noted that Asia now accounts for 65% of global steel consumption, while China alone accounts for close to 50%.

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

- blast furnaces: within this sector, 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:

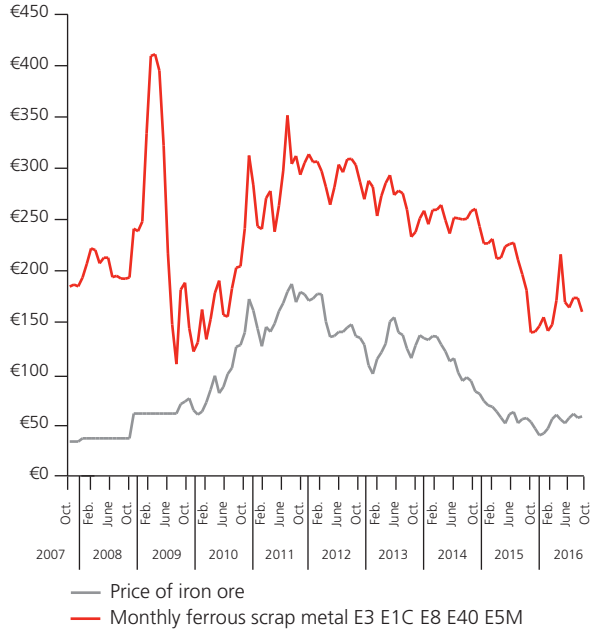
Crude steel production

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
2001	852	152	17.8%	33.5%	15.8%	24	-	261	-
2002	905	182	20.2%	33.7%	16.7%	30	7	275	13
2003	971	222	22.9%	33.4%	17.6%	39	9	285	11
2004	1,063	273	25.7%	33.4%	15.3%	42	3	313	28
2005	1,148	356	31.0%	31.9%	11.7%	42	0	325	11
2006	1,250	421	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	28
2012	1,560	731	46.9%	28.7%	8.9%	65	(6)	383	0
2013	1,650	822	49.8%	26.0%	7.0%	58	(8)	372	(11)
2014	1,670	823	49.3%	25.8%	6.1%	50	(7)	381	9
2015	1,621	804	49.6%	25.1%	6.1%	49	(1)	358	(23)

Source: World Steel Association (Derichebourg calculations).

The percentage of electric steel mill production varies greatly from one region to another: from a mere 6% 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 graph below shows comparative price trends in ore and scrap metal in recent years:



Sources: Iron ore = French national statistics office (INSEE) – Price of iron ore imported raw materials – Iron ore – Chinese imports, Tianjin port – Spot price – CIF, 62% Fe. Ferrous scrap metals = Derichebourg.

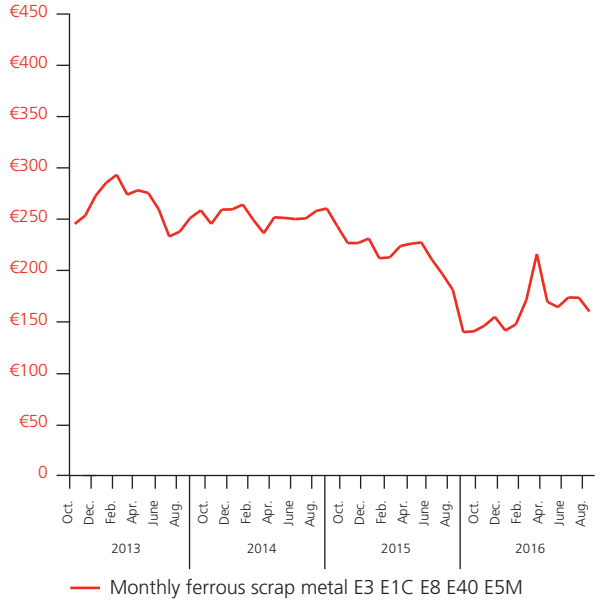
Note: There is no price scale common to both. The graph is supplied solely for the purpose of reading and comparing trends.

The ferrous scrap metals market

The annual global ferrous scrap metal market is estimated at 555 million tonnes, 355 million tonnes of which are accessible to recycling companies (source: Bureau of International Recycling (BIR)). Following several years of stability, this market declined by 5% in 2015, and by 6% for the share accessible to recycling companies. The United States is the main exporter while Turkey is the main importer.

The graph below details price trends in shredded ferrous scrap metal in recent years (in euros/tonne).

Monthly ferrous scrap metal



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. The major users of ferrous scrap metal are the steel, construction, and automobile sectors; they are also the primary suppliers of scrap. Scrap metal is mainly obtained from industrial demolitions, waste production or end-of-life products. The French market for scrap metal collection is fragmented. Derichebourg Environnement's main competitors are mostly regional operators, with the exception of GDE, SITA (Suez Environnement) and Veolia Environnement, who cover a number of French regions. In the particular case of Derichebourg Environnement, its name combines a notion of quality of collection services (especially for on-site plant removals) with the image of guaranteed payment.

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 with steel, there are three main sources of recuperation: production waste, industrial demolition and collected end-of-life products.

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.

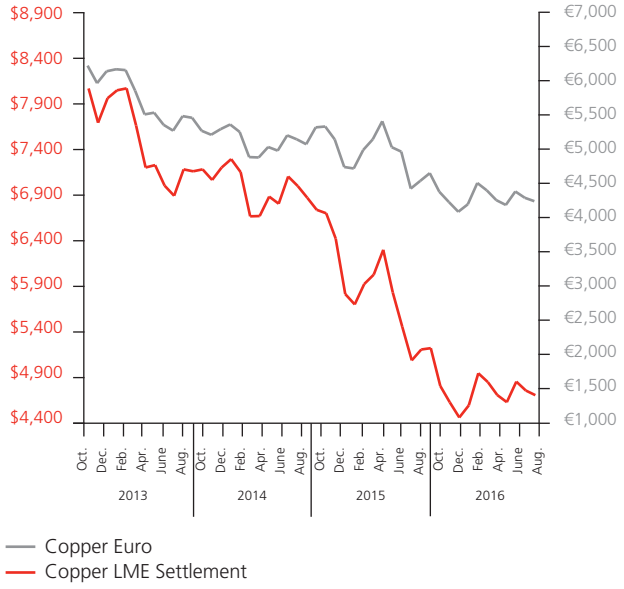
In addition, the production of secondary, recycled products is much cheaper than manufacturing primary products from ore. Investments required are, on average, three to four times lower than for refining ore. Energy savings compared to the production of primary metal are about 60 to 80% for copper and 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.

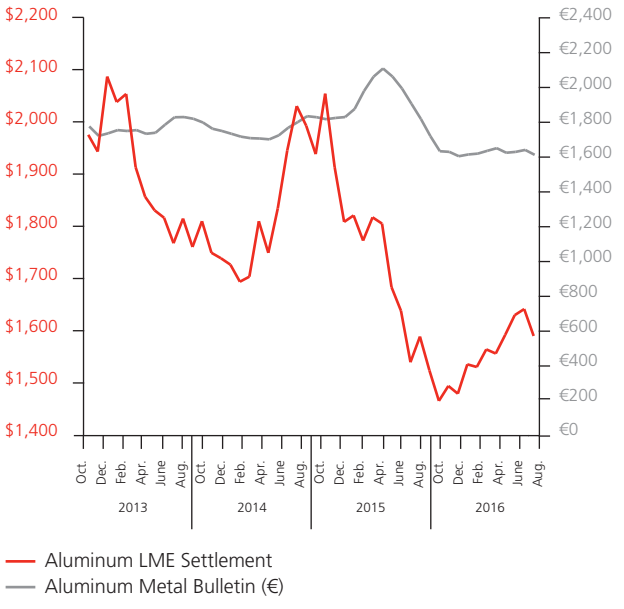
Demand from emerging countries, starting with China, is expected to continue to grow in the medium term, leading them to increase waste imports from industrialized nations, which have themselves been processing waste metals for many years. Non-ferrous metals have been treated as a type of financial asset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

Copper LME Settlement



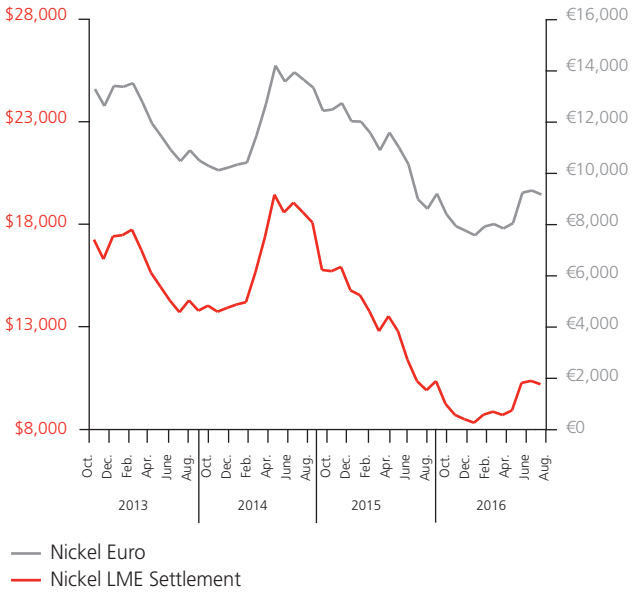
Derichebourg sources.

Aluminium – 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 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 uses a number of techniques to sort complex fragments: 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 2015-2016, the Group processed more than 3 million tonnes of ferrous scrap metal, a 6.3% reduction 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 53,700 tonnes of secondary aluminum ingots that are sold to automobile industry subcontractors, an increase of more than 31% which is due, in particular, to the commissioning of a third furnace during the fiscal year.

In fiscal year 2015-2016, the Group processed 459,300 tonnes of non-ferrous metal, a slight reduction of 4.3% compared to the previous fiscal year.

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, such as glass, plastics, foam, tires, etc. 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 into a unit to separate light shredding residue (<20 mm) into uniform recoverable categories and thus reduce the tonnage sent to the landfill.

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. It has a stake in the Plastic Omnium project to manufacture bumpers from recycled plastics via a joint venture, Plastic Recycling, for which it is partially responsible for procurement.

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. Polyurbaine (France), San Germano (Italy), Derichebourg Marrakech and Derichebourg Rabat (Morocco) handle all types of household waste and their collection processes: traditional and selective (glass, newspapers and magazines, household packaging, green waste, paper/cardboard), 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. Polyurbaine 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.).

Polyurbaine'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 has been operated privately and in two districts since September 2010 in Marseille (the 3rd 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 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 50-50 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 policy aimed at meeting and beating the recycling goals set out in the European directives.

Derichebourg Environnement has invested heavily 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 31,200 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 the recuperation and recycling of the 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	09-30-2016	09-30-2015
Gross values	1,350	1,232
Accumulated depreciation	(948)	(846)
Net value	**402**	**386**

NB: The above figures also include the value of assets belonging to Holding companies, who own the land used by the 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 one site from the Derichebourg family:

- SCI des Demuyes, 12 rue Bonaparte, 59560 Comines: land developed for use as a waste collection center, leased for €34k per year.

3.2.2 Derichebourg Multiservices Holding (formerly 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, which 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 and 0.9% in 2013. (Source: FEP, Key Figures Edition 2016.)

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 176,900 companies in the European cleaning market in 2016 (source: FEP, Key Figures Edition 2016).

In France alone, around 36,000 companies (2014) operate in this market, including self-employed contractors. 11,400 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 46% of revenue (source FEP, Key figures Edition 2016).

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 14.8% and then 7.9%. Between 2012 and 2014, stagnant GDP led to a reduction in the number of temporary placements of 11.6% in 2012, 8.8% in 2013 and 1.2% in 2014. In 2015, a slight increase in activity led temporary staffing to increase again (+4.4%). (Sources Prism'Emploi).

Temporary employment in the Group is organized into two separate divisions: general temporary staffing and specialist staffing for the aeronautical, wind power and nuclear 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 and Utility services	**Temporary staffing solutions** • General temporary staffing • Specialized temporary staffing • Temporary aeronautics staffing • Temporary wind farm staffing • Temporary nuclear energy staffing **Sourcing & HR solutions** • Recruitment • Training center • Outsourcing

The division operates in nine countries and has more than 29,000 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 2016:

8 facilities across 3 countries: France, Spain and Germany;

1,900 employees.

3.2.2.2.2 Derichebourg Services & Ingénierie Nucléaire and its subsidiary Derichebourg Travaux & Maintenance 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 2016:

- 7 facilities in France;
- 300 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 2016:

- 16,000 cleaning specialists;
- 50 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 2016:

- 30 years of expertise in air conditioning engineering and electrical engineering;
- 200 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 2016:

- 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 reception services, and special event hostesses:

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 2016:

- 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 specialization area 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 2016:

- 5,000 customers in France;
- 96,500 temporary assignments;
- 60,000 temporary employees registered;
- 25 facilities in France.

3.2.2.2.10 Derichebourg Sourcing Aero & Energy (formerly Derichebourg Intérim Aéronautique)

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 Aérosearch.

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

Key figures 2016:

- 50,000 temporary assignments;
- 200 temporary and permanent placements;
- 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 Evolution 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 2016:

- more than 6,000 people trained;
- over 400,000 training hours;
- return to employment rate in excess of 80% 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:

Business Services *In millions of euros*	**09-30-16**	09-30-15
Gross values	99	94
Accumulated depreciation	(69)	(65)
Net value	**30**	**29**

Management report

4

4.1 Significant events 35

4.1.1. Consolidation of the metal waste recycling sector in France 35
4.1.2 Weakness in iron ore prices 35
4.1.3 Group business development in new countries 36
4.1.4 Acquisition of the Alter Services Group 36
4.1.5 Explosion at the Bayonne recycling plant 36

4.2 Earnings from businesses and financial position 37

4.2.1 Group profit (loss) 37
4.2.2 Environmental Services 38
4.2.3 Business Services 39
4.2.4 The holding business 40
4.2.5 Outlook 41
4.2.6 The Group's net financial debt 41
4.2.7 Investments 42

4.3 Risk factors and uncertainties 43

4.3.1 Specific Environmental Services risks 43
4.3.2 Specific Business Services risks 45
4.3.3 Risks linked to the sale of Servisair 45
4.3.4 Information technology risks 45
4.3.5 Credit and counterparty risks 45
4.3.6 Presentation of the liquidity risk 46
4.3.7 Market risks (interest rates, exchange rates, equities, metals) 46
4.3.8 Presentation of risks arising from legal proceedings 47
4.3.9 Insurance and coverage of risk 47
4.3.10 Legal proceedings and arbitration 48

4.4 Corporate governance 49

4.4.1 Composition of administrative, management, supervisory and general management bodies 49
4.4.2 Compensation and benefits 55

. . . / . . .

4.5 Legal information related to share capital, securities granting access to share capital, voting rights 57

4.5.1 Share capital: amount of subscribed capital 57
4.5.2 Authorized capital not issued 57
4.5.3 Non-equity securities 57
4.5.4 Securities giving access to the Company's share capital 57
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 58
4.5.6 Table showing changes in share capital during the last three fiscal years 58
4.5.7 Shares held by the issuer or by its subsidiaries 59
4.5.8 Company's shareholding structure and thresholds exceeded 59
4.5.9 Voting rights 60
4.5.10 2% threshold set in bylaws 61
4.5.11 Restrictions on voting rights and share transfers provided for in the Company bylaws 61
4.5.12 List of owners of any securities containing any special rights of control 61
4.5.13 Employee shareholdings 61
4.5.14 Shareholder agreements 61
4.5.15 Rules on appointing and replacing members of the Board of Directors as well as amending Company bylaws 61
4.5.16 Rules on convening shareholders' meetings 62
4.5.17 Powers of the Board of Directors, in particular, for the issue or redemption of shares 64
4.5.18 Agreements entered into by the Company which are amended or ended due to a change of control 64
4.5.19 Dividends 65
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 65
4.5.21 Change in the Derichebourg share price (FR0000053381) 66

4.6 Social, environmental and societal information 67

Introduction 67
4.6.1 Scorecard showing principal social, environmental and societal information 67
4.6.2 A responsible player in the circular economy 67
4.6.3 A committed employer 76

4.7 Independent third party organization report on the consolidated social, environmental and societal information appearing in the management report 85

4.8 Financial results for the last five fiscal years 87

4.9 Agenda and draft resolutions submitted to the combined general meeting of January 30, 2017 88

4.1 Significant events

4.1.1. Consolidation of the metal waste recycling sector in France

The sharp drop in ferrous metal prices which began in July 2015, a trend which continued until February 2016, put many sector participants in a difficult financial position.

At the same time, the Group remained confident in its fundamental business and in the long-term advantages of steel production from electric steel mills: lower initial investment, greater production flexibility and substantially lower environmental impact compared to blast furnaces.

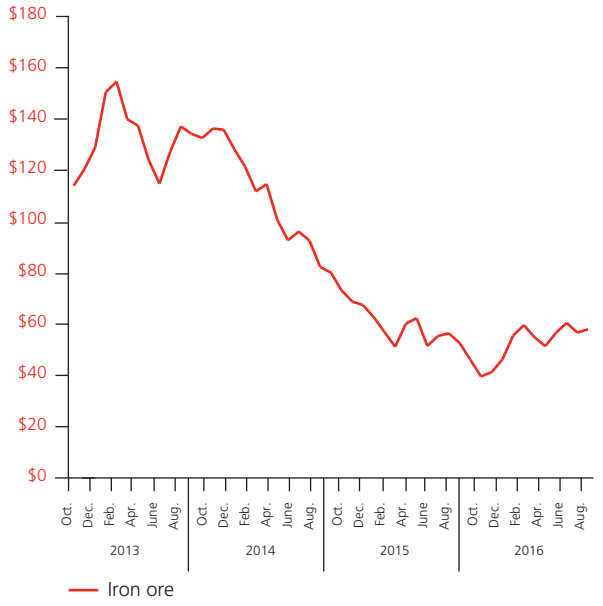
This is why the Group has sought to make acquisitions to consolidate its position as a supplier of electric steel mills and other metallurgy services, by seeking operations that offer synergies creating long-term value, with valuations consistent with the prevailing economic cycle at the time of their acquisition.

Four acquisitions were negotiated during the fiscal year. Three of them were completed during fiscal year 2015-2016, and the fourth during fiscal year 2016-2017.

- The Valério Group, a ferrous and non-ferrous waste metal collection and treatment operator in Alpes-Maritimes (three sites in Vallauris, Mougins and Contes) and the Var (one site in Pignans). This acquisition will expand the local coverage of the subsidiary, Purfer, in southeastern France and provide additional supplies for its shredder in Carros. This acquisition took place in October 2015.
- Six ferrous and non-ferrous metal recycling centers in Greater Paris (Bonneuil sur Marne, Ivry, Châtillon, Nanterre, Saint-Pierre-lès-Nemours), and in Eure-et-Loir (Gellainville) from the Galloo group. In particular, this acquisition will improve the Group's industrial tool utilization rate in the Île-de-France area. This acquisition took effect from the start of January 2016. Galloo had generated revenue of €80 million in 2015.
- The SLG Recycling group, specializing in the recycling of ferrous and non-ferrous metals and the processing of commercial and industrial waste. It operates 22 recycling centers, mainly in the Centre region and Brittany, where the Group does not have a strong presence. This acquisition took place on January 11, 2016.
- Bartin Recycling, a subsidiary of Veolia specializing in the collection and recycling of ferrous and non-ferrous metals. The Company generated €158 million in revenue in 2015, and has about 300 employees. The decommissioning and dismantling of end-of-life equipment (air, sea, rail, industrial facilities) are not affected by this disposal, which concerns 19 worksites across the country. This acquisition was made on November 30, 2016, i.e. at the beginning of fiscal year 2016-2017. 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.

4.1.2 Weakness in iron ore prices

The graphic below depicts trends in iron ore prices, the principal raw material (followed by coke) going into blast furnaces (in US dollars/tonne).



This drop in the price of iron ore is explained notably by the increase in iron ore mining capacities to supply the Chinese market in particular (China produces over 50% of all steel manufactured worldwide, with 90% of Chinese production being from blast furnaces).

Certain steel products can be produced both by blast furnaces and electric steel mills. The low level of iron ore prices has placed ferrous metal consumers at a competitive disadvantage compared with ore consumers within the steelmaking industry. Moreover, China has controlled its overproduction by increasing exports, so much so that semi-finished products have been exported to Turkey and Europe and rolled locally. The majority of Group clients have therefore had lower requirements for ferrous metals this year. This reduction in demand also affected the sales price of ferrous metals.

Some periods of temporary pressure nevertheless occurred, particularly between March and May 2016 related to developments in China: a unilateral increase in the price of semi-finished products and an increase in coke prices at the beginning of fiscal year 2016-2017.

4.1.3 Group business development in new countries

On December 1, 2015, Derichebourg Canada began its contract to collect household waste from two districts in Montreal. It also won a tender process to collect household waste in the town of Gatineau (Ottawa) which will start on June 1, 2017.

New tenders to collect household waste were won in Morocco. Derichebourg is now providing services to the inhabitants of Marrakesh, Rabat, Kenitra and Ifrane.

Derichebourg Multiservices Holding (formerly Derichebourg Multiservices) has integrated the Portuguese businesses of its Safira subsidiary which was acquired at the end of the previous fiscal year. Safira reported €36 million in revenue.

4.1.4 Acquisition of the Alter Services Group

On June 1, 2016, Derichebourg Propreté acquired 100% of the share capital of the company Groupe Alter Services, whose registered office is in Montpellier. The company generated €17 million in revenue in 2015, and has about 1,000 employees. It specializes in cleaning services with a client base in shopping malls, mainly in the southern half of France.

4.1.5 Explosion at the Bayonne recycling plant

On May 12, 2016, a violent explosion occurred at the Bayonne recycling plant when ferrous metals delivered by a supplier were being cut. This explosion blasted part of the site causing the death of two subcontracting welders and injuring several people, as well as causing a great deal of damage in the surrounding area. A judicial investigation is underway to shed light on the circumstances and causes of this unprecedented accident. The different insurance policies of the group cover the insurable financial consequences of this incident.

4.2 Earnings from businesses and financial position

4.2.1 Group profit (loss)

In millions of euros	2016	2015 restated[1]	Change %
Revenue	**2,147.5**	**2,352.6**	**(8.7%)**
Recurring Ebitda	**121.5**	**126.1**	**(3.6%)**
in % of revenue	*5.7%*	*5.4%*	
Recurring operating profit (loss)	**46.0**	**55.3**	**(16.8%)**
in % of revenue	*2.1%*	*2.4%*	
France - Restructuring costs of entities acquired	(2.2)	(0.5)	
Belgium – Ongoing environmental disputes	1.9		
Italy - Discontinuation of the Multiservices subsidiary	(4.0)		
Italy - Restructuring and development of legal disputes		(1.0)	
France - Restructuring of the Multiservices business		(0.7)	
Other	(0.0)	0.2	
Operating profit (loss)	**41.8**	**53.3**	**(21.6%)**
Net financial expenses	(17.7)	(16.8)	
Foreign exchange and other gains and losses	2.5	1.3	
Profit (loss) before tax	**26.6**	**37.8**	**N/A**
Income tax authorities	(8.2)	(5.4)	
Income from associates	0.2	(1.0)	
Net profit (loss)	**18.6**	**31.4**	**N/A**
Income net of tax from discontinued activities	(5.0)	(2.3)	
Consolidated net income	**13.6**	**29.1**	**(53.2%)**
Attributable to shareholders	12.9	28.2	
Attributable to non-controlling interests	0.7	1.0	

(1) Amounts changed following the reclassification of crane construction and maintenance operations into held-for-sale operations.

Consolidated revenue

Group revenue stood at €2.1 billion, down by 8.7% year-on-year. 11% growth in revenue for the Business Services division failed to offset the 17% decline in revenue in the Environmental Services division.

Recurring Ebitda

Recurring Ebitda stood at €121.5 million, 3.6% lower than previous year. The difference compared to the previous fiscal year was €12.9 million at the end of March 2016, whereas it was only €4.6 million at the end of September.

Continuing the efforts made during previous fiscal years, the Group managed to limit the effects of market fluctuations on the profitability of its Environmental Services division.

Ebitda from the Multiservices division increased for the fifth consecutive year.

Operating profit (loss)

After taking into account €4.2 million of non-current expenses, and depreciation of €76 million (an increase of €4 million year-on-year), operating profit was €41.8 million, or 2% of revenue.

Profit (loss) before tax

After deducting €17.7 million of financial expenses, pre-tax profit was €26.6 million, of which €24.9 million was earned during the second half year.

Consolidated net profit

After taking into account income tax of €8.2 million, and profit (loss) from discontinued activities (-€5 million from crane construction and maintenance activities), restated consolidated net income was €13.6 million.

4.2.2 Environmental Services

In millions of euros	2016	2015	Change %
Revenue	**1,389.8**	**1,670.8**	**(16.8%)**
Recurring Ebitda	**96.3**	**102.7**	**(6.2%)**
in % of revenue	*6.9%*	*6.1%*	
Recurring operating profit (loss)	**33.0**	**41.7**	**(20.9%)**
in % of revenue	*2.4%*	*2.5%*	
France - Restructuring costs of new acquisitions	(2.2)	(0.5)	
Belgium – Ongoing environmental disputes	1.9		
Italy - Restructuring and development of legal disputes		(1.0)	
Other	0.0	0.0	
Operating profit (loss)	**32.7**	**40.2**	**(18.7%)**

Revenue from the Environmental Services division stood at €1.4 billion, down by 17% year-on-year.

Tonnages sold changed as follows:

In thousand of tonnes	2016	2015	Change
Ferrous metals	3,029.6	3,232.9	(6.3%)
Non-ferrous metals	459.3	480.1	(4.3%)
Total volumes	**3,489.0**	**3,713.0**	**(6.0%)**

In millions of euros	2016	2015	Change
Ferrous metals	577.2	763.8	(24.4%)
Non-ferrous metals	532.3	658.0	(19.1%)
Services	280.4	249.0	12.6%
Total revenue	**1,389.8**	**1,670.8**	**(16.8%)**

Ferrous metals

The 6.3% drop in the tonnage of ferrous metals processed over the period was mainly due to lower demand from steelmakers, faced with the tough economic climate detailed in section 4.1.2. Furthermore, the Group continued its policy of prioritizing unit margins over processed volumes. Without acquisitions during the fiscal year, which contributed additional volumes, this decline would be greater, albeit difficult to quantify bearing in mind the multiplicity of the flows involved.

Volumes processed in the first half year were down by 11.9% year-on-year. Volumes processed in the second half year increased by 1% year-on-year, owing both to the impact of acquisitions and also the stabilization of market conditions.

During the fiscal year, the decline in tonnages sold to the United States (-36%) was significantly more pronounced than in the remainder of the Group (-1%).

Given a lower average unit price than in the previous fiscal year (-19%), revenue generated from sales of ferrous metals was down by 24.4% at €577.2 million.

Non-ferrous metals

Volumes of non-ferrous metals (aluminum, copper and copper alloys, lead, waste stainless steel, etc.) processed were down 4%. This reduction comes principally from waste stainless steel (-21%), as purchase conditions did not allow satisfactory margins to be achieved for a large part of the fiscal year, despite the existence of downstream demand.

In January 2016, the Refinal Industries subsidiary launched a third refining furnace which will enable it to increase its production of aluminum ingots by around 50%, having already achieved 31% in the last fiscal year.

Given that prices fell year-on-year, revenue from non-ferrous metals stood at €532.3 million, down 19.1%.

Services

Services revenue grew by 13% owing to:

- new WEEE recycling contracts with eco-organizations;
- new household waste collection contracts in Canada and Morocco;
- and collection services for common industrial waste at SLG Recycling.

Recurring Ebitda was €96.3 million, or 6.9% of revenue. There was a negative difference of €6.4 million year-on-year, although at the end of March 2016 it was €12.5 million.

The resilience in earnings compared to the previous years is explained by:

- a slight improvement in unit margins for ferrous metals processed by the Group, consistent with the strategy implemented;
- a significant reduction in unit margins for non-ferrous metals, principally related to an inventory evaluation effect in a period of price reductions, even though the Group has the lowest stocks in the business sector (in proportion to its size);
- a reduction in equipment-related costs (maintenance, energy etc.) against a background of low volumes.

Non-current elements in the fiscal year include:

- provisions for restructuring costs incurred in respect of workforce reductions at acquired companies in the amount of €2.2 million;
- the reversal of a provision in the amount of €1.9 million following a favorable appeal court decision in Belgium: the George subsidiary does not have to repay the costs demanded by the SNCB in relation to the Verviers site.

4.2.3 Business Services

In millions of euros	2016	2015	Change %
Revenue	**757.0**	**681.3**	**11.1%**
Recurring Ebitda	**27.5**	**27.4**	**0.4%**
in % of revenue	*3.6%*	*4.0%*	
Recurring operating profit (loss)	**17.6**	**19.8**	**(11.5%)**
in % of revenue	*2.3%*	*2.9%*	
France - Restructuring of the Multiservices business		(0.7)	
Italy - Discontinuation of the Multiservices subsidiary	(4.0)		
Operating profit (loss)	**13.6**	**19.1**	**(29.0%)**

Revenue grew 11% year-on-year, standing at €757 million. The impact of the consolidation of revenue from the subsidiary, Safira (Portugal) was €36.5 million and that of Groupe Alter Services from June 1, 2016, was €4.9 million.

The change in revenue by business is as follows:

- Cleaning and associated services (France and abroad): +14%

  In addition to the impact of acquisitions mentioned above, organic growth has been higher than that of the sector.

- Aeronautical: +15%

  Major commercial developments have occurred in France during the fiscal year which have required the recruitment of several dozen people, generating significant training costs.

- Energy and related subsidiaries: +14%

  Revenue grew organically, thanks in particular to the award of public lighting contracts.

- Temporary work: stable

  Revenue was down by 0.3% because of a reduction in services to the largest customer in this business area. This should continue during the next fiscal year.

Recurring Ebitda stood at €27.5 million, or 3.6% of revenue. This is a slight improvement year-on-year, despite several problems encountered during the fiscal year in aeronautical services and sensitive environments.

With the exception of the temporary work business, slightly down over the fiscal year, the Ebitda of all businesses improved.

Recurring operating profit (loss) declined by €2.2 million compared to last year, affected principally by an increase in depreciation.

Non-current costs take into account the financial consequences of the discontinuation of the Multiservices business in Italy. This loss should not lead to additional payments for the Group.

As a consequence, operating profit (loss) is down by €5.5 million at + €13.6 million.

4.2.4 The holding business

In millions of euros	2016	2015	Change %
Revenue	**0.6**	**0.5**	**12.9%**
Recurring Ebitda	**(2.3)**	**(4.0)**	**N/A**
in % of revenue	N/A	N/A	
Recurring operating profit (loss)	**(4.5)**	**(6.2)**	**N/A**
in % of revenue	*N/A*	*N/A*	
Other	(0.0)	0.2	
Operating profit (loss)	**(4.5)**	**(6.0)**	**N/A**

The progression of the recurring Ebitda of the Holding business is explained principally by a slight change in the re-billing of headquarters costs between the businesses.

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	2016	2015
Revenue	3.2	3.2
Operating income (loss)	(2.7)	(2.2)
Net financial income (loss)	(15.3)	(3.2)
Recurring profit (loss) before tax	(18.0)	(5.4)
Non-recurring gain (loss)	6.3	6
Corporate income tax	10.1	4.7
Net profit (loss)	**(1.6)**	**5.4**

Revenue was stable compared to the previous fiscal year.

Operating income (loss) was €(2.7) million. Higher amounts of fees were used in defending a legal dispute.

The negative net financial income is explained mainly by a depreciation provision for investment securities.

The non-recurring gain (loss) is explained by capital gains from asset reclassification within the group.

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) was a slight loss at €(1.6) 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
Intra-Group suppliers	N/A	N/A	0.3
Total suppliers			0.3
Outstanding invoices	N/A	N/A	1.4
Total suppliers and related accounts Derichebourg SA			**1.7**

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: Galloo Sallaumines: 34.04%.

4.2.5 Outlook

4.2.5.1 Events occurring after year-end

Acquisition of Bartin Recycling

By way of a contract signed on July 20, 2016, Derichebourg (with the possibility of substitution by Derichebourg Environnement) and Veolia Déconstruction France have respectively committed to the acquisition and disposal of shares of Bartin Recycling SAS, with acquisition expected to be finalized after the compliance with the conditions precedent, the main one of which is the authorization of the operation by the Competition Authority, responsible for business concentrations. This authorization was obtained on October 28, 2016. Bartin Recycling was acquired by Derichebourg Environnement on November 30, 2016.

Appeal ruling in the Rotamfer/Derichebourg Environnement case

On October 27, 2016, an appeal ruling was delivered in the first limb of the Rotamfer/Derichebourg Environnement case. This appeal ruling confirmed the first instance ruling, which had dismissed Derichebourg Environnement's claim for repayment of the advance of €15 million paid in 2007 in connection with an acquisition plan of two recycling worksites equipped with shredders in the north of Italy. The project was finally abandoned since the group considered that the conditions precedent had not been met at the deadline for compliance and that crucial information had been withheld from it. Counterclaims by the opposing party, aimed at getting the performance of the initial protocol have not yet been considered at first instance level. If the claims of the opposing party are 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 worksites, for a consideration of €43 million (plus interests for late payment). The group has financing lines to carry out this acquisition.

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

In 15 months, the Group has reinforced its local coverage in France of around 50 recycling centers with little increase in its debt. It believes that it has emerged strengthened from the last financial year and as a leading partner of the major steel-making and metallurgy players.

In Environmental Services, the Group will benefit from the full impact of the synergies stemming from the acquisitions made. Since the beginning of the fiscal year, the favorable trend in the division's results compared to those of the previous year continued, boosted in particular by tensions on certain indicators (iron ore, coking coal, ocean freight rates, euro-dollar exchange rate, and prices of non-ferrous metals) which can have a positive influence on the price and volume of the products marketed. The persistence of these tensions will have a favorable impact on profits.

In Business Services, the group anticipates that its revenue will continue to grow and that its profitability measured in terms of operating profit (loss) will increase.

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

Net financial debt, 2015	**231,9**
Recurring EBITDA	(121.5)
Non-cash items	9.4
Net financial expenses	17.7
Corporate income taxes	5.1
Change in working capital requirement	(27.5)
Tangible and intangible capital investments net of disposals	67.5
Dividends	8.9
Changes in scope	35.2
Other	(1.5)
Net financial debt, 2016	**225.1**

Recurring Ebitda generated in the fiscal year, control of investments and working capital requirements have meant that net financial debt has not increased despite the acquisitions made.

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, 2016, the Group was compliant with its financial covenants and had €189 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.

Business Services division

- 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 financing mode, use of own shares or leasing):

In millions of euros	09-30-2016	09-30-2015	09-30-2014
Investments in land or infrastructures	16	7	13
Production equipment	20	18	18
Handling and transportation equipment	22	24	15
Other	2	0	7
Environmental Services subtotal	**58**	**49**	**53**
Cleaning	6	9	6
Other Multiservices investments	5	4	3
Multiservices subtotal	**11**	**13**	**9**
Holding companies subtotal	**2**	**2**	**1**
Total property, plant and equipment and intangible investments	**71**	**64**	**63**

In Environmental Services, the principal investments are in the infrastructure of the Bassens site, the third furnace at the aluminum refinery in Lomme, various land investments, the development of the household waste collection fleet in the context of contract renewals or awards.

4.2.7.3 Investments in progress

Firm investment orders totaled €16.9 million for which invoices have not yet been received.

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 recycle/recover more 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 Coframetal, 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, 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	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 in cash

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, or 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. 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 14% of revenue achieved by the Environmental Services business (15% in 2014-2015), the top five clients account for around 31% (38% in 2014-2015), and the top ten for 40% (45% in 2014-2015). 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 has not been found. 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. Seventy-five 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".

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, 2016 was €168 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, 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 23% of annual revenue (21% in 2014-2015).

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, 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 declarations and guarantees that can entitle the buyer to a partial repayment of the disposal 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.

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.

Despite the turbulent environment, the Group has not yet observed any significant increase in payment delays, with non-recoverable losses totaling €0.6 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, 2016, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement set up in March 2014, €26.5 million of which was repaid on March 31, 2015 and on March 31, 2016. Its authorized outstanding amount is €179.5 million. It includes a five-year loan for €132.5 million repayable in equal annual installments (€79.5 million authorized outstanding amount and drawn as of September 30, 2016), and a five-year revolving loan for the sum of €100 million. The next installment for the repayment loan is due on March 31, 2016 and amounts to €26.5 million. At September 30, 2016, €80 million of the revolving loan had not been drawn;
- a syndicated non-recourse factoring agreement, which went into effect on January 1, 2015, with €240 million drawdown capacity (according to available receivables), for an initial two-year period renewed in April 2016 and maturing at the end of December 2018. The factor purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, 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;
- €45 million in medium-term borrowings, entirely drawn down (including the CICE 2016 pre-financing);
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding at September 30, 2016 was €76.5 million;
- bilateral credit lines, whether confirmed or not, totaling €92 million, which are not used since the group's net cash position is €17 million at September 30, 2016.

The main payment maturity dates up to 2021 are shown in the table below.

Main maturity dates

In millions of euros	less than one year	more than one year	more than 2 years	more than 3 years	more than 4 years	Total
Syndicated credit	25.9	25.9	45.9	0.0	0.0	97.7
Finance leases	22.8	20.1	14.6	8.9	5.7	72.1
Other medium and long-term lines[(1)]	21.5	2.9	2.6	2.7	2.3	31.9
Total	**70.2**	**48.9**	**63.1**	**11.6**	**8.0**	**201.7**

(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, must be less than 2.75.

On September 30, 2016, the leverage ratio was 1.85;

- 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, must be more than 5.

On September 30, 2016, the debt service coverage ratio was 6.85.

The Group is compliant with its financial covenants at September 30, 2016. 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 €189 million at September 30, 2016, 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, 2016.

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 recycling market conditions from 2007. 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; 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 Milan Court of Appeals issued a second partial decision which only pertained to the Group's claims and not those of the opposing party. This second decision confirmed the first and dismissed all of Derichebourg Environnement's claims (repayment of the €15 million deposit and cancellation of the initial protocol due to breaches on the opposing party's side). Derichebourg Environnement to appeal.

To this date, no judgment has been handed down on the claims of the opposing party, which is asking for the initial protocol to be fulfilled in kind. If the opposing party's demands are held up in court after all appeals have been exhausted, the justice system could order the transaction to be fulfilled, which would result in said recycling sites being purchased in exchange for a €43 million payment (plus any interest). The Group has financing to make this purchase.

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 was later released and subsequent restraining measures have been 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 record a long-term provision of €4 million.

4.3.8.2 Belgium

A tax audit was conducted on the Belgian subsidiary George relating to the identification of metal and ferrous scrap suppliers 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 effect at that time did not invest the Company with any legal authority to identify these metals resellers;
- an audit had been performed on these fiscal years in 2008 in which these questions had been addressed without eliciting any particular 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 another first instance decision in its favor. The tax authorities lodged an appeal. No provision has been recorded for this in the financial statements as of September 30, 2016.

- A lawsuit was filed against George by SNCB for the pollution of the Verviers site in Belgium. The company George contests its liability for historical pollution, and moreover, has accused the former directors and shareholders. George was ordered to pay €1.3 million, plus legal costs, as a result of the first instance ruling handed down on April 1, 2014. On September 30, 2015, the Company recognized a €2 million provision which takes into account guarantees received. It has appealed this decision. A decision regarding the appeal was handed down on March 22, 2016. The Court of Appeals felt that George was not responsible for paying back de-pollution costs. The provisions made previously were written back during the fiscal year. SNCB did not lodge an appeal, so the matter is thus closed.

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 €100k 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 are 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 on September 30, 2016 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, 2016

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 on June 29, 2006 Board meeting on June 29, 2006	Shareholders' meeting of February 10, 2016 Board meeting on 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	CEO (non director)	Board meeting of January 8, 2014	Board meeting on 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	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	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. Sophie MOREAU-FOLLENFANT* 15 rue Messidor, 75012 Paris Paris Register of Trade and Companies no. 339,638,306 Shares held: 85,411,102	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	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

* *Replaced by Mrs. Ida DERICHEBOURG, as from December 7, 2016.*

The appointment of Mrs. Catherine CLAVERIE as director will be proposed at the next shareholders' meeting.

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, 2016

Chairman and Chief Executive Officer	CFER	
Chairman	DERICHEBOURG ENVIRONNEMENT	FINANCIÈRE DBG
Director	CFER	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 SCI DES DEMUEYES SCI BERNES & BRUYÈRES SCEA DU CHÂTEAU GUITERONDE
Legal representative	SCI HEBSON (SCI LES BUIS DE CHÂTEAUVIEUX, SCI LES ARRAYANES, SCI LES LAURIERS, SCI LES ARBOUSIERS, SCI LES NOISETIERS, SCI LES MÛRIERS)	STÉ DES DEMUEYES (SCI LES COQUETIERS)
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 RABAT DERICHEBOURG RECYCLING MEXICO DERICHEBOURG RECYCLING USA, Inc.
General partner in Belgium	DBG FINANCES	

Other offices held during the last five years

Chairman of the Board of Directors	AFM RECYCLAGE	
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 managing director 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, 2016

Chairman	DERICHEBOURG EXPANSION INOREC REFINAL INDUSTRIES	VALME TECHNOLOGIES VALRECY (ex DERICHEBOURG RECYRECUP)
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, 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, 2016

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, an independent director within the meaning of the Bouton report, 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, 2016

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	SOCIETE 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, 2016

Chairman and Chief Executive Officer	DERICHEBOURG ÉNERGIE	DERICHEBOURG ÉNERGIE E.P.
Chairman	DERICHEBOURG ESPACES VERTS DERICHEBOURG INTÉRIM DERICHEBOURG LOGISTIQUE ET MANUTENTION (ex DERICHEBOURG SERVICES SOLUTIONS) DERICHEBOURG MULTISERVICES HOLDING (ex DERICHEBOURG MULTISERVICES) DERICHEBOURG PROPRETÉ DERICHEBOURG RETAIL DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE DERICHEBOURG SHC	DERICHEBOURG SNG DERICHEBOURG SPECTACLE DERICHEBOURG TRAVAUX & MAINTENANCE NUCLÉAIRE DERICHEBOURG TECHNOLOGIES GROUPE ALTER SERVICES LOGISTICS & SERVICES SUPPORT 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
CEO abroad	DERICHEBOURG MAROC	
Chairman abroad	AEP MULTISERVIZI SPA (ex DERICHEBOURG 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 (ex DERICHEBOURG MULTISERVIZI SPA) AGYR LUXEMBOURG	DERICHEBOURG MAROC KNIGHTS CLEANING SERVICES Ltd
Permanent representative	DERICHEBOURG ÉNERGIE E.P. (DERICHEBOURG MULTISERVICES)	

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, 2016

Chairman and Chief Executive Officer	POLYURBAINE	
Chairman	DERICHEBOURG AQUA DERICHEBOURG AQUA OCEAN INDIEN DERICHEBOURG INTERIM OCEAN INDIEN DERICHEBOURG MAYOTTE DERICHEBOURG PROPRETÉ OCEAN INDIEN 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 ILE-DE-FRANCE REVIVAL NEMOURS
Director	DERICHEBOURG ÉNERGIE E.P. POLYURBAINE	SERAM SA
Manager	POLYURBAINE 13 POLY-MILIA POLY-NEA	SCI LES CYPRÈS DE MONTMORENCY SCI LES CHARMES
Permanent representative	ALLO CASSE AUTO (REVIVAL) DERICHEBOURG OCÉAN INDIEN (POLYURBAINE)	AFM RECYCLAGE (REVIVAL) PARIS SUD HYDRAULIQUE (TBD FINANCES)
Chairman and Chief Executive Officer abroad	DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG IFRANE DERICHEBOURG INTERIM FORMATION EVOLUTION MAROC	DERICHEBOURG KENITRA DERICHEBOURG MAROC DERICHEBOURG MARRAKECH DERICHEBOURG RABAT
Chairman abroad	AEP MULTISERVIZI SPA (ex DERICHEBOURG MULTISERVIZI SPA) CMT SPA DERICHEBOURG CANADA ENVIRONNEMENT INC	DERICHEBOURG CANADA INC SAN GERMANO
Director abroad	AEP MULTISERVIZI SPA (ex DERICHEBOURG MULTISERVIZI SPA) CMT SPA CRS DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG INTERIM FORMATION EVOLUTION MAROC DERICHEBOURG MARRAKECH	DERICHEBOURG IFRANE DERICHEBOURG KENITRA DERICHEBOURG MAROC DERICHEBOURG MEDIO AMBIENTE DERICHEBOURG RABAT ECOREC SRL SAN GERMANO
Co-manager abroad	DERICHEBOURG UK ENVIRONNEMENT LTD	DERICHEBOURG UK LTD
Permanent representative abroad	BAS LONGS PRES (DERICHEBOURG ENVIRONNEMENT) CPI (DERICHEBOURG ENVIRONNEMENT)	LMR (DERICHEBOURG ENVIRONNEMENT) SOCOFER (DERICHEBOURG ENVIRONNEMENT)

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	

Mrs. Sophie MOREAU-FOLLENFANT, permanent representative of CFER, director

Mrs. Sophie MOREAU-FOLLENFANT has tendered her resignation as the permanent representative of CFER with effect on December 7, 2016.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended on September 30, 2016

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

Mrs. Françoise MAHIOU, independent director

Mrs. Françoise MAHIOU, an independent director within the meaning of the Bouton report, 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, 2016

Chairman	ASCIUS

Other offices held during the last five years

Assistant managing director	AREP
Director	L'INSTITUT DE L'INGÉNIERIE

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 Demuyes, which is owned by the Derichebourg family and managed by Mr. Daniel Derichebourg;
- the service agreement concluded between Derichebourg SA and DBG Finances, aiming to define the terms and conditions of DBG Finances' input into the definition and oversight of Group strategy;
- 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.

Two 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	2015-2016	2014-2015
Mr. Daniel DERICHEBOURG, Chairman and Chief Executive Officer		
Salaries	228,000	228,000
Attendance fees	15,000	15,000
Total	**243,000**	**243,000**

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

Attendance fees were paid by Derichebourg SA.

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	2015-2016	2014-2015
Mr. Abderrahmane EL AOUFIR, Deputy CEO		
Fixed compensation	286,996	238,974
Variable compensation	120,000	100,000
Total	**406,996**	**338,974**

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

In euros	2015-2016	2014-2015
Mr. Boris DERICHEBOURG, Director		
Fixed compensation	136,500	136,500
Variable compensation	80,000	30,000
Attendance fees	15,000	15,000
Total	**231,500**	**181,500**

Compensation was paid by Derichebourg Environnement under an employment contract.

Attendance fees were paid by Derichebourg SA.

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 equivalent type vehicle, by the Group.

In euros	2015-2016	2014-2015
Mr. Thomas DERICHEBOURG, Director		
Fixed compensation	200,200	145,500
Variable compensation	120,000	100,000
Attendance fees	15,000	15,000
Total	**335,200**	**260,500**

Compensation was paid by Derichebourg Environnement, under an employment contract.

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 equivalent vehicle, by the Group.

In euros	2015-2016	2014-2015
Mr. Matthieu PIGASSE, Independent director		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	0	0
Total	**0**	**0**

In euros	2015-2016	2014-2015
Mr. Bernard VAL, Director		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	15,000	15,000
Total	**15,000**	**15,000**

In euros	2015-2016	2014-2015
Mrs. Françoise MAHIOU, Independent director		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	0	0
Total	**0**	**0**

Mrs. Françoise Mahiou's appointment as director was approved by the shareholders' meeting of February 10, 2016. Attendance fees in respect of fiscal year 2015-2016 were paid in November 2016.

In euros	2015-2016	2014-2015
CFER, Director Represented by Mrs. Sophie MOREAU-FOLLENFANT		
Attendance fees	15,000	15,000
Total	**15,000**	**15,000**

Attendance fees were paid by Derichebourg SA.

Attendance fee data relate to fees paid during fiscal year 2015-2016. At its meeting on May 24, 2016, the Board of Directors decided on an unequal distribution of attendance fees for fiscal year 2015-2016.

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

None for fiscal year 2015-2016.

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, 2016, the share capital is set at €42,020,507.50 (forty-two million and twenty thousand five hundred and seven euros and fifty cents). It is divided into 168,082,030 shares with a par value of €0.25 each, all fully subscribed and paid up.

At the date of filing of this registration document, the Company's share capital is set at €40,969,695. It is divided into 163,878,780 shares with a par value of €0.25 each, all fully subscribed and paid up. This change follows from the cancellation of 4,203,250 treasury shares decided by the Board of Directors at its meeting of December 6, 2016, pursuant to the authorization granted by the shareholders' combined general meeting of February 10, 2016.

4.5.2 Authorized capital not issued

The shareholders' combined general meeting held on February 12, 2015 approved three 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 in respect of the incorporation of reserves is €50 million.

Resolutions aimed at renewing the present authorizations will be presented at the next shareholders' meeting.

Furthermore, in addition to these authorizations, a delegation of powers will also be proposed at the next shareholders' meeting for the purposes of increasing the share capital through the issue of ordinary shares or any securities convertible into equity with elimination of shareholders' preemptive subscription rights 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.

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)

On May 13, 2005, pursuant to a delegation of powers granted by the shareholders' combined general meeting held on February 28, 2005, the Board of Directors issued 12,738,854 common shares of the Company with share subscription warrants "BSA" (hereinafter jointly referred to as "ABSAs"), which were fully subscribed, by a set-off against receivables, by the class of persons to which the subscription was entirely reserved, i.e. the class of persons made up of lenders (and their successors in interest) under two credit agreements concluded by Penauille Polyservices, which were repaid in July 2007.

The shareholders' combined general meeting held on February 28, 2005 decided that the BSAs would be subject to *inter alia* the following principal terms and conditions:

- the BSAs cannot be exercised during the first two years following the issue thereof, but can be exercised thereafter for a period of three years and six months. However, if the BSAs have not been exercised at the end of this period of five years and six months, the BSAs will become void automatically;
- 455 BSAs confer the right to subscribe for 128 new ordinary shares at a price of €6.70 each (including the issue premium);
- the BSAs shall be detachable from the shares at the time the ABSAs are issued and can be kept or transferred separately from the ABSAs;
- BSA holders shall be organized into an entity of holders in accordance with the provisions of the French Commercial Code and shall be responsible for acquiring the number of BSAs necessary to subscribe for a whole number of shares. The Company shall not compensate the holders of BSAs that result in fractional shares;
- an application to admit the BSAs for transactions on Euroclear France shall be filed, as well as an application requesting the admission to trading thereof on a regulated French market so that the BSAs can be admitted to trade on such a market at the end of the two-year period following the issue date of the ABSAs;
- the total number of BSAs shall allow the subscription of a maximum of 3,583,616 of the Company's shares, to which shall be added, if necessary, an additional number of shares to be issued in order to maintain the rights of BSA holders, in accordance with provisions to be approved by the Board of Directors. The decision to issue the ABSAs shall be deemed a waiver, in favor of the BSA holders, by the shareholders of their preemptive right to subscribe for those of the Company's shares that may be subscribed by exercising the BSAs.

At its meeting of March 22, 2005, the Board of Directors decided additional terms and conditions applicable to the issue of ABSAs, in particular terms and conditions governing transfers of BSAs, measures to protect the rights of BSA holders, as well as the circumstances in which the exercise of the subscription rights attached to the BSAs could be suspended and the rights of BSA holders protected in the event of transactions involving the Company's capital.

Following the announcement made to the public about the planned merger between CFF Recycling, Penauille Polyservices, JCP Participations and DJC, contact was made with the lending banks of Penauille Polyservices to obtain from them all the necessary approvals for the planned merger transactions. The lending banks of Penauille Polyservices wished to make their authorization of this merger conditional upon:

- extending the period for exercising the BSAs until March 13, 2017;
- CFER, CFF Recycling's leading shareholder, and now Derichebourg's leading shareholder, assuming the obligations of the promises to buy these BSAs, which had been made exclusively in favor of the banks.

CFER also agreed to extend the promise to buy, made to the banks and exercisable in the event of market illiquidity, until March 13, 2017.

The shareholders' meeting held on July 18, 2007 extended the date for exercising the BSAs until March 13, 2017.

BSAs should, ordinarily, have been admitted to trading on Eurolist by NYSE-Euronext Paris on May 14, 2007. In order to avoid unequal treatment of successive holders who may have acquired these BSAs before the exercise date thereof was extended until March 13, 2017, in agreement with the BSA holders, it was requested that their admission to trade be postponed sine die.

At September 30, 2016, these BSAs were not "in the money".

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

	Shares issued	Total number of shares	Number of shares held	%
Share capital on September 30, 2016	**168,082,030**	**168,082,030**	**1,680,820**	**1.00%**
After exercise of warrants attached to shares	3,583,616	171,665,646	1,680,820	0.98%

	Shares issued	Total number of shares	Number of shares held	%
Capital at the date of filing of this registration document	**163,878,780**	**163,878,780**	**1,638,788**	**1.00%**
After exercise of warrants attached to shares	3,583,616	167,462,396	1,638,788	0.98%

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 developments to share capital:

		Number of shares		Number of shares comprising of the share capital	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, 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**	**40,969,695.00**	(11,018,637.72)	16,546,194.28

4.5.7 Shares held by the issuer or by its subsidiaries

At September 30, 2016, Derichebourg held 11,809,103 own shares, accounting for 7.03% of the capital. These securities were purchased at a cost of €31,925,695. Their reported net book value was €31,925,695.

4.53% of these shares were held "for subsequent use in exchange or as payment for acquisitions", and 2.50% for "share cancellations".

The shareholders' combined general meeting of February 10, 2016 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:

- 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 conditions and 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 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.

After the year-end, on October 24, 2016, the Company acquired 1,370,966 shares in Derichebourg, representing 0.82% of the 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.

The Board of Directors at its meeting of December 6, 2016, pursuant to the authorization granted by the shareholders' combined general meeting of February 10, 2016, reduced the share capital by €1,050,812.50 by canceling 4,203,250 treasury shares. At the date of filing of this registration document, the Company held 8,976,819 of its own shares, representing 5.48% of the share capital.

These securities were purchased at a cost of €23,692,208. Their reported net book value is €23,692,208.

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, 2016, the closing date of its most recent fiscal year.

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.*

As of September 30, 2014, 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	66.47
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	3,892,753	2.32	3,892,753	1.59
Treasury shares	3,173,057	1.89	0	0
Free float	75,539,224	44.94	77,918,928	31.91
Total	**168,082,030**	**100.00**	**244,151,925**	**100.00**

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

As of September 30, 2013, 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	66.45
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	4,059,003	2.41	4,059,003	1.66
Treasury shares	3,146,747	1.87	0	0
Free float	75,399,284	44.86	77,787,151	31.86
Total	**168,082,030**	**100.00**	**244,186,398**	**100.00**

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

Based on the latest information known to the issuer, the breakdown of share capital and voting rights at the date of filing of this registration document is as follows:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	85,411,102	52.12	162,274,350	69.30
Financière DBG*	65,894	0.04	65,894	0.03
Employees	2,287,953	1.39	2,287,953	0.98
Treasury shares	8,976,819	5.48	0	0
Free float	67,137,012	40.97	69,514,349	29.69
Total	**163,878,780**	**100.00**	**234,142,546**	**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. At September 30, 2016, the share capital comprised 168,082,030 shares with a nominal value of €0.25 each, including 79,240,231 shares with double voting rights. The number of voting rights at September 30, 2016 amounted to 235,513,158.

At September 30, 2016, Mr. Daniel DERICHEBOURG's family held, through CFER and Financière DBG, 50.85% of the share capital of Derichebourg and 68.93% of the voting rights.

At the date of filing of this registration document the share capital comprised 163,878,780 shares with a nominal value of €0.25 each, including 79,240,585 shares with double voting rights. The number of voting rights is 234,142,546.

At the date of filing of this registration document, Mr. Daniel DERICHEBOURG's family held, through CFER and Financière DBG, 52.16% of the share capital of Derichebourg SA and 69.33 % 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, 2016, beyond the 2% threshold.

After the year-end, the Company was informed on October 25, 2016 by the manager of FCPE "Actionnariat Derichebourg" that the latter had crossed the 2% share capital threshold downward, holding a 1.38% equity interest.

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. At September 30, 2016, the share capital comprised 168,082,030 shares with a nominal value of €0.25 each, including 79,240,231 shares with double voting rights. The number of voting rights at September 30, 2016 amounted to 235,513,158.

At the date of filing the present registration document, the share capital comprises 163,878,780 shares with a nominal value of €0.25 each, including 79,240,584 shares with double voting rights. The number of voting rights is 234,142,546.

4.5.13 Employee shareholdings

At September 30, 2016, Derichebourg employees held 2.21% of the share capital and 1.57% of the voting rights.

At the date of filing of this registration document, Derichebourg employees held 1.39% of the share capital and 0.98 % 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. 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."

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.

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:

	2012-2013	2013-2014	2014-2015
Dividend per share	0.06	0.00	0.05
Total dividends *(in millions of euros)*	9.9	0.0	8.4

The Board of Directors has proposed a €0.02/share dividend distribution to the shareholders' meeting called to approve the financial statements for the fiscal year ended September 30, 2016.

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, 2016.

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
February 12, 2015	50,000,000 (either maintaining or eliminating preemptive subscription rights)	26 months from the date of the shareholders' meeting, *i.e.* until April 11, 2017	None
February 12, 2015	500,000,000* (either maintaining or eliminating preemptive subscription rights)	26 months from the date of the shareholders' meeting, *i.e.* until April 11, 2017	None
February 12, 2015	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 April 11, 2017	None

* *By issuing debt securities.*

The renewal of the existing delegations of authority and the granting of additional delegations (see section 4.9) will be presented at the next shareholders' meeting on January 30, 2017.

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 2013	2.54	2.79	2,461	2.58	6,048,482
November 2013	2,589	2,589	2.30	2,386	4,221,777
December 2013	2.40	2,417	2.05	2.42	5,515,857
January 2014	2,425	2,896	2,315	2,559	7,765,931
February 2014	2,568	2.75	2,385	2.57	5,470,918
March 2014	2,519	2.59	2,325	2.45	5,771,113
April 2014	2,465	2,941	2,465	2.80	9,789,355
May 2014	2.79	2.80	2.40	2,419	5,443,388
June 2014	2,444	2.67	2.3	2,328	6,577,292
July 2014	2,329	2.37	2,125	2.21	3,192,234
August 2014	2.21	2.29	1.95	2.24	3,890,728
September 2014	2.24	2.35	2,098	2,098	2,315,333
October 2014	2.10	2,119	1.68	2,000	4,106,626
November 2014	2,000	2,275	1,991	2,227	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

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 "combatting 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, SLG Recycling and Alter Services.

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:

	2016	2015
ELV recovery rate	Between 89% and 100%(1)	92%(2)
WEEE recovery rate	between 90% and 96%	between 78% and 90%
Proportion of fluff sent to sectors other than landfill	29%	27%
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	around 3
Electricity consumption *(in GWh)*	106.1	109
Fuel consumption *(in millions of liters)*	25.1	27.1
Total headcount	34,000	28,000
Work accident frequency rate	34	32
Work accident severity rate	~ 2	~ 2

(1) Based on ADEME's (French Environment and Energy Management Agency) 2014 campaigns.
(2) Internal calculations based on 2013 campaigns.

4.6.2 A responsible player in the circular economy

By limiting their consumption, Derichebourg Environnement, with its recycling business, and Derichebourg Multiservices Holding (formerly 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 92% for aluminum and 58% for steel (source: Report on the environmental benefit of recycling, Bureau of International Recycling).

During this fiscal year, Derichebourg Environnement has processed 3 million tonnes of ferrous scrap metal and around 460,000 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 53,733 tonnes of aluminum ingots (an increase of 31%).

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. The volume of emissions avoided thanks to the Group's activity is estimated to be 3 million tonnes CO_2e, representing almost a million round the world airplane flights.

volume of emissions avoided

3 million tonnes of CO_2e = **1** million round the world airplane flights

4.6.2.1.2 Continuous progress in waste recovery

The Group operates 28 shredding lines worldwide, including 20 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 higher and higher 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 **85%** and **92%*** ** 2014 data*

ELV recycling and recovery rates between **89%** and **100%*** ** 2014 data*

	Rate achieved by the Group		Legislative target	
	2016	2015	**2016**	2015
ELVs				
ELV recycling rates	between 85% and 92% according to shredder(1)	83%(2)	85%(1)	80%(2)
ELV recycling and recovery rates	between 89% and 100%(1)	92%(2)	95%(1)	85%(2)

(1) Calculated on the basis of ADEME's 2014 declarations i.e. 20 shredding lines and 75 ELV centers.
(2) Internal calculations based on ADEME's 2013 declarations.

recycling and recovery of large cooling household appliances

96%

+6% compared to 2015

recycling and recovery of large household appliances (excluding cooling)

90%

+12% compared to 2015

recycling and recovery of small mixed household appliances

92%

+9% compared to 2015

	Rate achieved by the Group		Legislative target	
	2016	2015	**2016**	2015
WEEE				
Recycling and recovery rates, large household appliances - cold	96%(1)	90%	85%	80%
Recycling and recovery rates, large household appliances - excluding cold	90%(1)	78%	80%	75%
Recycling and recovery rates, small mixed household appliances	92%(1)	83%	75%	70%

(1) 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 2016 figures published are for vehicles declared as destroyed in 2014, taking into account the time period for certifying declarations. Bearing in mind the results achieved in 2014, 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 2016 fiscal year, the Group received 85,445 tonnes of ELV at its 75 ELV centers, and its shredders processed 496,105 tonnes of ELV, mainly in France.

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 276,273 tonnes of residual parts, representing 17.5% of inputs.

Measures implemented to address this include:

- Separating plastic parts that can be recycled;
- Identifying the last metallic parts;
- 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	**2016**	2015	Comments
Fluff (all residues) released by operating sites	276.3	306.9	2015 data refer to light shredding residue
Fluff sent for recycling	80.3	83.2	
Proportion of fluff sent for recycling	29%	27%	

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 Holding (formerly 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%
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.

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 for customers' HEQ-certified sites have an "energy savings" chapter proposing innovative solutions to them. 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.

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 our 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.

In the Derichebourg Multiservices division, energy audits have been carried out within Derichebourg Sourcing Aero & Energy, Derichebourg Propreté, Derichebourg Intérim et Recrutement and Derichebourg Atis Aéronautique. These audits have enabled us to identify several mechanisms that will allow the energy consumption of these subsidiaries' vehicle fleets and buildings to be reduced.

electricity consumption
106.1 GWh
-2.6% compared to 2015

Electricity consumption *(in GWh)*

	2016	2015
Environmental Services	102.0	103.7
Business Services	4.0	4.8
Holding Companies	0.1	0.5
Total	**106.1**	**109.0**

fuel consumption **25.1** million liters
-7.3% compared to 2015

gas consumption **9.4** million cubic meters
+16% compared to 2015

	Fuel consumption *(in millions of liters)*		Gas consumption *(in millions of cubic meters)*	
	2016	2015	**2016**	2015
Environmental Services	22.2	24.6	9.2	7.9
Business Services	2.9	2.5	0.2	0.1
Holding Companies	0.0	0.0	0.0	0.0
Total	**25.1**	**27.1**	**9.4**	**8.1**

In Environmental Services, the 2% reduction in electricity consumption is due to a drop in shredder and shear consumption, partially offset by the rise in other activities.

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

The 16% increase in the consumption of gas is explained by the start-up of the third aluminum refining furnace in January 2016. The increased consumption is lower than the increased production (+31%) thanks to the use of a latest generation gas regulation unit.

The Group uses the Izypeo software to calculate CO_2 emissions. 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
83,236
CO_2e in France

The breakdown of the Group's CO_2 emissions in France is:

- Energy 1 (fossil fuels, fixed sources and electricity purchased): 31,480 tonnes CO_2e;
- Work-related car journeys: 51,756 tonnes CO_2e;

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 (62% of emissions in France).

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.

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 **20.5%**

secondary raw materials transported by rail **5.9%**

In % of transported tonnes	2016	2015
Secondary raw materials transported by waterway	20.5%	16.7%
Secondary raw materials transported by rail	5.5%	7.7%

In line with a desire to favor using water-based transportation, the percentage of tonnages transported by waterways or sea is up by 3.8 points compared to fiscal year 2015-2016.

Tonnages transported by railway have been decreasing significantly for many years. This is due to a reduction in services (withdrawal of single wagon loads) which reduces the number of sites able to make railway shipments, and the difficulty of finding wagons available for orders linked to social movements this year (in April and May).

Business Services

The Purchasing unit at Derichebourg Multiservices has listed three automotive suppliers who incorporate environmental factors. The vehicle fleet has 1,670 vehicles of which 96% are light vehicles. As a group, the vehicles emit less than 105g of CO_2 per km and benefit from being regularly maintained and continuously renewed. 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 are 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 245 sites.

Investments of €3 million (compared to €4 million in py), added to environmental-related expenses of €2.9 million (compared to €1.8 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		Percentage of revenue		Comments
	2016	2015	2016	2015	
ISO 9001	70%	64%	55%	57%	206 active centers
ISO 14001	21%	20%	8%	8%	
ISO 50001			5%		involving REFINAL and Derichebourg Umwelt
OHSAS 18001	100%		100%		involving AFM Recyclage and REVIVAL
Approved ELV centers (1)	60%	60%			75 centers
Approved ELV shredders (1)	100%	100%			20 shredders

(1) Only in France.

	Percentage of site/branch		Percentage of revenue		
Business Services	2016	2015	2016	2015	Comments
ISO 9001	67%		60%	57%	
ISO 14001	14%		12%	4%	
OHAS 18001	45%		37%	28%	
MASE	100%	25%	100%		MASE (Companies' Safety Improvement Manual). 6 Derichebourg Propreté branches
CEFRI-E	100%		100%	100%	1 Derichebourg Propreté branch, Derichebourg Service Ingénierie Nucléaire and 1 Derichebourg Travaux & Maintenance Nucléaire branch
CEFRI-I	100%		100%		5 Derichebourg Sourcing Aero & Energy branches
EN 9100	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	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), SA 8000 (social responsibility standard) and certiphyto (phytopharmaceutical products certificate) is performed on the basis of the sites affected by this requirement.

Provisions for environmental risks changed as follows:

In millions of euros	2016	2015
Environmental Services	7.9	11.1
Holding Companies	0.0	0.0
Total	**7.9**	**11.1**

Environmental risk provisions are decreasing due, in particular, to the positive outcome of a dispute in Belgium.

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, 2016 stood at €3.6 million (€0.7 million as at September 30, 2015).

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 of 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 (2015 value). For Derichebourg Multiservices, this figure stands at 96%. 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 21

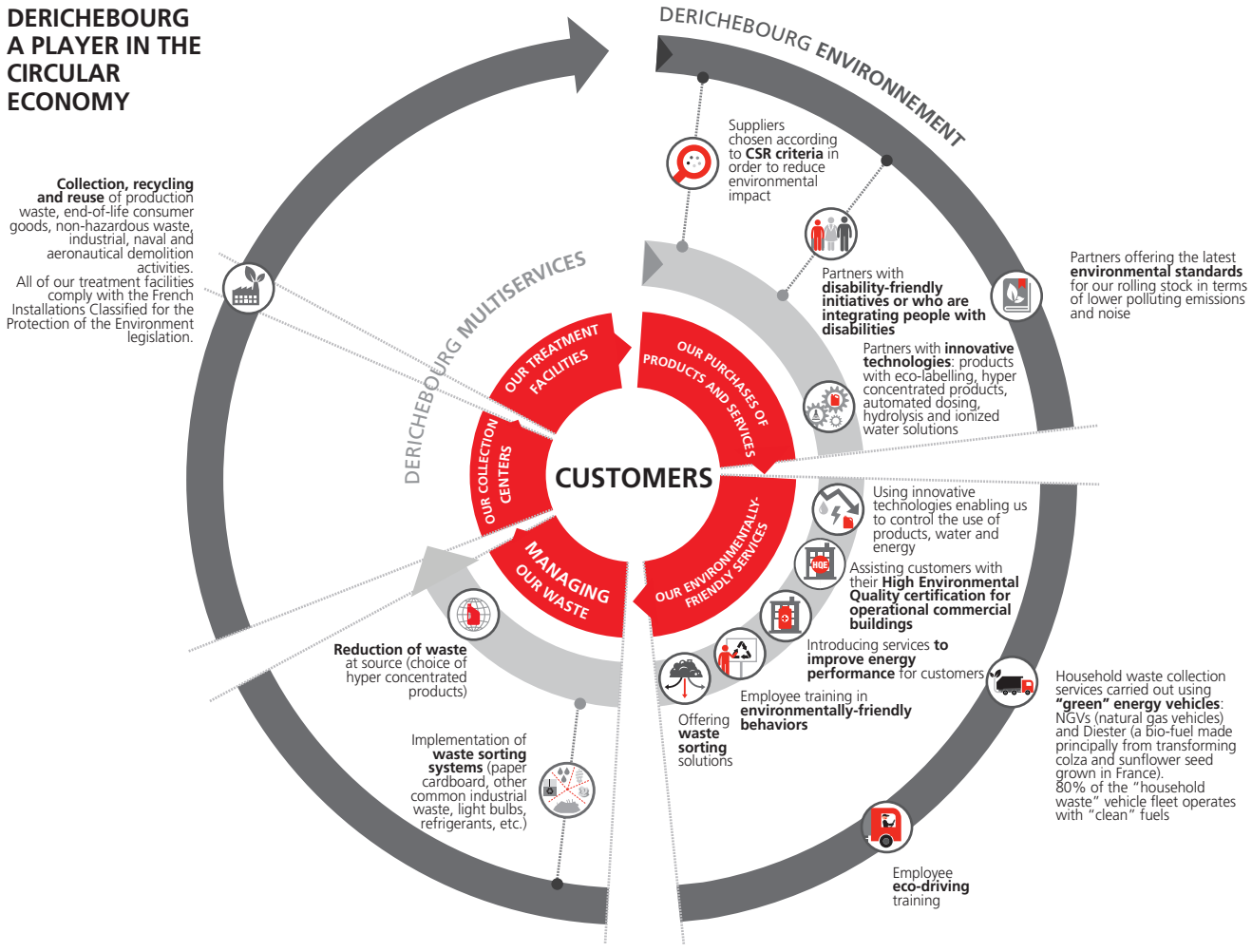
After signing a sponsorship agreement in April 2015, the Derichebourg Group sought to make COP 21 a major and decisive historical event for future generations, through the implementation of concrete actions to reduce global warming.

Engaged directly by the French government, the Derichebourg Group provided cleaning services as well as waste management services for waste generated at the Le Bourget site. Placing its core business at the heart of a global cause, the Derichebourg Group has sought to demonstrate French know-how and excellence in cleaning and waste management.

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
~34,000

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:

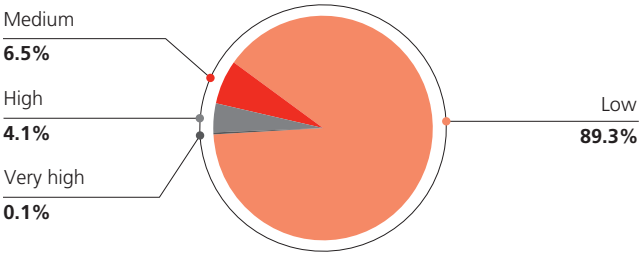
	Environmental Services		Business Services		Holding Companies		Total	
Employees [1]	2016	2015	2016	2015	2016	2015	2016	2015
France	2,792	2,715	21,514	21,687	123	120	24,429	24,522
Other European countries	1,232	1,268	6,730	1,322	0	0	7,962	2,590
Europe	**4,024**	**3,983**	**28,244**	**23,009**	**123**	**120**	**32,391**	**27,112**
Americas	**154**	**173**	**0**	**0**	**0**	**0**	**154**	**173**
Africa	**523**	**273**	**809**	**414**	**44**	**0**	**1,376**	**687**
Total	**4,701**	**4,429**	**29,053**	**23,423**	**167**	**120**	**33,921**	**27,972**

(1) Trainees are recorded within the employee headcount.

The workforce of Multiservices (Business Services) represents 85.6% of group employees. This is a service provision business with a strong requirement for labor while, although the recycling business of Environmental Services represents 65% 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, 2016, there are 3,448 temporary workers or 11.9% of the employees of Business Services companies.

According to the Human Rights Risk Index (2014 data) which lists and maps risks by country, 95.8% 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		Business Services		Holding Companies		Total	
Employees	2016	2015	2016	2015	2016	2015	2016	2015
Open-ended contracts	443	227	4,724	3,805	25	26	5,192	4,058
Fixed-term contracts (1)	411	365	31,140	27,988	18	8	31,569	28,361
Work-study contracts	19	24	1,933	1,332	12	0	1,964	1,356
Temporary employment contracts	0	0	14,866	20,503	0	0	14,866	20,503
Total headcount	**873**	**616**	**52,663**	**53,628**	**55**	**34**	**53,591**	**54,278**

(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 almost doubled in Environmental Services, owing to several company acquisitions.
- for Business Services activities, recruitment on permanent contracts has increased by 24.2%, 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		Business Services		Holding Companies		Total	
Employees	2016	2015	2016	2015	2016	2015	2016	2015
Standard end of contract (1)	347	306	30,674	27,330	12	9	31,033	27,645
Resignation	74	86	2,866	1,287	7	3	2,947	1,376
Redundancy	38	52	58	26	0	0	96	78
Other types of redundancy	87	126	1,291	1,223	4	4	1,382	2,648
Other reasons	22	169	654	713	6	10	682	892
Contractual termination	56	34	179	191	5	3	240	228
Retirement	56	47	309	196	0	2	365	245
Contractual transfers	21	57	1,814	1,238	1	0	1,836	1,295
End of temporary placement	137	0	15,524	22,193	0	0	15,661	22,193
Total	**838**	**877**	**53,369**	**54,397**	**35**	**31**	**54,242**	**56,600**

(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

In thousands of hours	Environmental Services		Business Services		Holding Companies		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Total hours worked by employees over the fiscal year	7,607	7,397	30,992	25,309	221	186	38,821	32,892
Of which overtime	674	435	1,207	385	0	1	1,881	820
Number of part-time employees	204	181	17,183	13,108	5	6	17,392	13,295

At September 30, 2016, the Group employs 51.3% of employees on a part-time basis. It should be noted all the same that 78.9% of workers at Derichebourg Propreté are part-time.

Average monthly working hours for part-time employees at Derichebourg Propreté as of September 30, 2016, were 0.52 full time equivalent posts (FTE) (0.45 FTE for women and 0.71 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 broadly stable compared with 2015.

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.

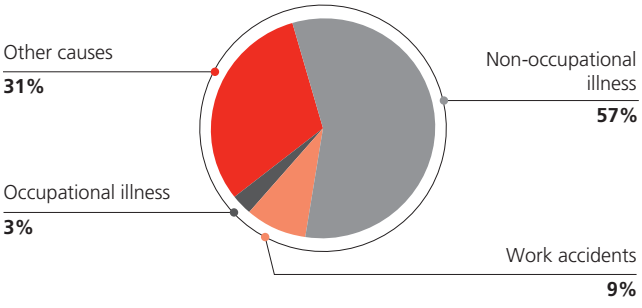
Cleaning services are also often provided outside customers' employees' normal working hours. The proportion of night workers[1] is 2.2%.

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.

The big increase in overtime is explained by a new configuration of the Group's payroll software from June 2016 onwards.

4.6.3.2.2 Absenteeism

For the Derichebourg Group as a whole, the number of days of absence is estimated at between 800 and 900 thousand per year. Nearly 87.6% of these days of absence are recorded in Business Services, which account for an average of 24 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.

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 11.7% 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 between 2015 and 2016, partly due to an increase in Business Services staff (excluding employees under temporary work contracts).

(1) According to hardship criteria: a night worker is considered to be any employee who has worked at least one hour between midnight and 5 am.

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. 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, a working group composed of the Quality, Safety and Environment managers and the Human Resources managers of all French businesses defined an analysis and mapping methodology to determine the exposure of each role to onerous working conditions.

employees trained in safety

11,052

+41.3% compared to 2015

	Environmental Services		Business Services		Holding Companies		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
Lost-time accident frequency rate	47	53	31	26	5	11	34	32
Lost-time accident severity rate	~ 3	~ 3	~ 2	~ 2	~0	~0	~ 2	~ 2
Number of safety-trained employees	3,494	2,453	7,520	5,367	38	0	11,052	7,820

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.

The number of employees trained in safety is up by 41.3% compared to 2015. In effect, subsidiaries are training more and more employees in this area with the aim of preventing risks and reducing accidents.

The frequency[1] and severity rates for business lines[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, 2015 to September 30, 2016 across consolidated Derichebourg Group companies was 52. The number of days lost due to all occupational illnesses, including those recorded in previous fiscal years, was 20,668 days.

Explosion at Bayonne

Despite all the care taken in receiving, sorting and preparing materials delivered by suppliers, risks cannot be reduced to zero. The dramatic accident that took place on May 12, 2016 at Bayonne reflects this. A violent explosion, which occurred when ferrous metals delivered by a supplier were being cut, blasted part of the site causing the death of two subcontracting welders and injuring several people, as well as causing a great deal of damage in the surrounding area. A judicial investigation is underway to shed light on the circumstances and causes of this unprecedented accident.

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: 30;
- social dialogue: 4;
- work organization: 17;
- health and safety: 8;
- diversity: 9.

There were two strikes during the fiscal year whose total duration for participating employees represented 80 working days.

(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 56% of Group employees compared to 49.4% in 2015. Furthermore, 31% of managers in the Group are women.

Environmental Services

	France		Europe (excluding France)		Americas		Africa		Total	
In thousands of euros	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Average total annual earnings	30.6	30.6	33.0	30.7	35.4	35.7	3.9	3.7	28.4	29.2
Average annual earnings men	30.4	30.5	33.3	31.1	34.0	34.6	3.8	3.7	28.1	29.1
Average annual earnings women	31.5	31.4	29.3	25.9	43.7	42.0	4.9	3.8	30.9	30.2

Services Business Services

	France		Europe (excluding France)		Africa		Total	
In thousands of euros	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Average total annual earnings	24.1	25.1	9.3	19.0	1.8	3.7	18.5	24.1
Average annual earnings men	27.3	27.3	19.3	25.8	1.9	3.7	24.6	26.6
Average annual earnings women	20.3	22.3	6.7	13.7	1.7	3.7	13.8	21.1

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, 2016, Derichebourg Propreté had 15,546 employees, i.e. over 45.8% 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 December 30, 2015, out of 15,510 employees, 78.27% (a stable percentage compared to the previous year) 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.

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.

At the Business Services subsidiaries in Europe, the change is explained by the inclusion in 2016 of data for the Portuguese subsidiary, Safira, which employees almost 5,000 people.

4.6.3.5.2 Breakdown of workforce, employment of young and older people

	2016					2015
Employees	<25	26-45	46-54	55 and over	Total	Total
Managers	**70**	**696**	**242**	**152**	**1,160**	**1,343**
Men	49	463	178	114	804	944
Women	21	233	64	38	356	399
Non-Managers	**2,641**	**14,292**	**8,940**	**6,888**	**32,761**	**26,629**
Men	1,462	7,446	3,222	2,186	14,316	12,793
Women	1,179	6,846	5,718	4,702	18,445	13,836
Total	**2,711**	**14,988**	**9,182**	**7,040**	**33,921**	**27,972**

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 2015 and 2016, the percentage of those aged 55 and over rose slightly, from 18.8% to 20.8% of the workforce.

As part of its older workers policy, Derichebourg Propreté offers its workers the option of a retirement meeting with Humanis, should they so wish. 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.

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.

The Group is also acting to integrate young people with 586 employees on apprenticeship contracts (professional training contract, professional training and study contract) within the Group on September 30, 2016.

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, 2016, the Group's percentage of employment of disabled workers stood at 6.24%. Furthermore, Derichebourg Propreté set itself a target above the statutory target of 7% and achieved 7.74%.

During the fiscal year, the Group recruited 108 disabled employees. They were recruited on temporary and permanent or professional development contracts. In addition, 33 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 organisations 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
107

The Group's managers lead teams composed of employees from 107 nationalities. In this way, Derichebourg is a major player in the area of integration.

The Group offers its 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 correct their children's homework.

number of inclusion hours
64,246
close to 500 full time equivalent posts corresponding to inclusion hours

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. There were 64,246 inclusion hours (or 424 FTE) during the fiscal year in Group subsidiaries as a whole. Furthermore, subsidiaries implement inclusion-related measures:

WEEE recycling contract

In the context of WEEE recycling contracts, many recycling activity organizations entrust the disassembling and dismantling of large or small mixed household appliances to the ENVIE federation of inclusion companies, as part of a partnership of several years.

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.

Simplon.co

Simplon.co offers an intensive training program, free of charge for six months, to train disadvantaged young people. Those completing the course achieve a qualification in website and mobile apps development. This training constitutes a social inclusion tool for people with problems in finding work. Three months after completing the training, 80% of the "Simplonians" find a job, work as freelancers, continue their training or start their own business. The Digital Division at Derichebourg Multiservices works with young people trained by Simplon.co on their main innovative projects.

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 training hours

185,542

+3.9% compared to 2015

	2016	2015
Number of training hours	185,542	178,513
Average number of training hours per year per person	5.5	6.4

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.

This procedure allows the Group to organize more individualized training plans and optimize training expenditure, thus promoting the development of cross-sector career paths by reinforcing the acquisition of the relevant skills for the post.

Training of temporary candidates is a key factor in social mobility, particularly as it allows unemployed people to return to work. Effectively, training enables us:

- firstly, to offer an assignment to job seekers without the necessary skills to promote themselves in the job market in their geographic area.
- secondly, to offer them a broader range of interim jobs, or even to apply for temporary and permanent placements, as whatever the initial skills level of a temporary employee, training increases their employability.

This can basically be seen in individuals with little experience or low levels of qualifications who are encouraged to undertake training by the availability of specific funding in the temporary employment industry. For example, after undergoing training, Derichebourg Intérim was able to propose a very junior temporary employee as a candidate to a customer for a one month assignment, whereas their initial skills were more in line with those of daily assignments.

In terms of economic and social development, training in the interim area enables action to be targeted at business sectors who are seeking a workforce. Beyond skills development, from an HR perspective, it is of great interest in the temporary employment sector for training to fit into a very specific economic and social context which has immediate consequences for employment. This leads to the principle of "assignment-training", in other words, temporary employment contracts devoted to training measures.

Derichebourg Intérim's stance is both social and commercial: as a result, their commitment is anchored in the real economic situation in the geographical areas where they operate. They decide to allocate their training budgets according to the actual situation and thus according to employment prospects.

The commitment of the Group's companies consists in evaluating the skills of temporary employees by offering business customers a career and training monitoring service, which also meets operational requirements. Every time that they use their training budgets to enable a candidate to secure a job, this is a real commitment to improving the socio-professional situation of this temporary worker.

Derichebourg Évolution 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 580,000 hours of training to more than 8,000 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%.

4.6.3.7 Quality of life in the workplace

As part of its commitment to improve quality of life in the workplace, the Group launched an assessment process for the second time in February 2016, within the scope of its French companies, based on a quality of life in the workplace questionnaire.

The **participation** rate was 11%.

Principal results of the questionnaire

Employees happy in their work: 86%.

Employees proud of belonging to the Group: more than 88%.

Employees feeling safe in their work environment: more than 89%.

Employees considering that they have the equipment needed at their workstations: more than 78%.

Employees considering that team integration is successful: more than 80%.

Employees judging that the work/life balance is positive: more than 91.2%.

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

To the Shareholders,

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, 2016, 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, composed of HR reporting instructions and environmental data guides, as updated in August 2016 (the "Standards"), available 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 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 Standards (Reasoned opinion on the fairness of CSR Information).

Our work was conducted by a skilled team of four people between September and December 2016, 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 six 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.

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.

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

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

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 26% of electricity consumption and 11% of the workforce.

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 internal control of data from foreign subsidiaries, which represent 28% of the workforce, still needs to be strengthened.

Paris-La Défense, December 6, 2016

Independent Third Party Organization
ERNST & YOUNG et Associés

Éric Duvaud	Bruno Perrin
Sustainable Development Partner	Associé

(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 Revival and the subsidiary Derichebourg Recycling USA (United States). For the Multiservices business, the subsidiaries Atis Aéronautique and Derichebourg Sourcing Aero & Energy.*

4.8 Financial results for the last five fiscal years

(in euros)	09/30/12	09/30/13	09/30/14	09/30/15	09/30/16
SHARE CAPITAL AT YEAR-END					
Share capital	42,020,508	42,020,508	42,020,508	42,020,508	42,020,508
Total number of ordinary shares outstanding	168,082,030	168,082,030	168,082,030	168,082,030	168,082,030
OPERATIONS AND NET PROFIT OR LOSS FOR THE YEAR					
Gross revenue before sales tax	5,742,211	3,411,344	3,240,637	3,245,564	3,236,195
Earnings before tax, employee profit-sharing and provisions and depreciation [1]	133,197,860	24,527,115	(79,821,651)	6,736,673	1,065,415
Income tax	(21,121,340)	(12,087,562)	(12,433,251)	(4,733,957)	(10,064,953)
Earnings after tax, employee profit-sharing and provisions and depreciation	156,574,106	(67,763,648)	10,381,714	5,355,844	(1,619,845)
Earnings distributed	0	9,897,909	0	8,404,102	3,361,641[3]
EARNINGS PER SHARE *(IN EUROS)*					
Earnings after tax, employee profit-sharing but before provisions and depreciation [1]	0,92	0,22	(0,40)	0,07	0,07
Earnings after tax, employee profit-sharing and provisions and depreciation	0,93	(0,40)	0,06	0,03	(0,01)
Net dividend per eligible share	0,0	0,06	0,0	0,05	0,02[2]
PERSONNEL					
Average number of salaried employees during the year	3	3	3	2	2
Total salaries and wages for the year	326,766	327,704	346,164	438,219	322,692
Amounts paid for social benefits for the fiscal year (social security contributions, other employee benefits, etc.)	133,489	156,405	156,677	183,302	163,840

(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 January 30, 2017.
(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 combined general meeting of January 30, 2017

Agenda

Ordinary:

- Approval of the parent company financial statements for the fiscal year ended September 30, 2016 and discharge to the directors;
- Approval of the consolidated financial statements for the fiscal year ended September 30, 2016;
- Allocation of income for the fiscal year ended September 30, 2016;
- Approval of the agreements and commitments referred to in Article L. 225-38 *et seq.* of the French Commercial Code;
- Advisory 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, 2016;
- Advisory opinion on the elements of remuneration owed or granted to Mr. Abderrahmane EL AOUFIR, Deputy CEO, for the fiscal year ended September 30, 2016;
- Appointment of Mrs. Catherine CLAVERIE as director;
- Setting of the amount of the attendance fees;
- Authorization to be granted to the Board of Directors to trade in Company shares;

Extraordinary:

- 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, 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, while maintaining preferential subscription rights;
- Delegation of 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, while eliminating preferential subscription rights;
- Delegation of authority to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or other items that may be capitalized;
- 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 carry out a capital increase reserved for the members of a Company saving plan;
- Powers for formalities.

Draft resolutions

Ordinary

First resolution

Approval of the parent company financial statements for the fiscal year ended September 30, 2016

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 financial statements for the fiscal year ended September 30, 2016, as presented, which show a net loss of €1,619,844.86.

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, 2016.

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, 2016

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, 2016, as presented, which show a profit of €12.9 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 loss for the fiscal year ended September 30, 2016 in the amount of €1,619,844.86 as follows:

Origin

- Net profit/(loss) for the year €(1,619,844.86)
- Retained surplus €192,198,600.70
- **Distributable amount** **€190,578,755.84**

Allocation

- Total dividend distribution €3,277,575.60
- Retained earnings €187,301,180.24
- **Total** **€190,578,755.84**

Consequently, the dividend is set at €0.02 per share composing the share capital with dividend rights. The ex-dividend date is scheduled for February 6, 2017 and the dividend will be paid on or after February 8, 2017.

The shareholders' meeting resolves that the dividend amount corresponding to treasury shares held as of the payment date will be allocated to "Retained earnings".

If the beneficiaries are individuals resident for tax purposes in France, 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
2012/2013	€10,084,921.80	€0.06
2013/2014	€0	€0
2014/2015	€8,404,101.50	€0.05

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 2012/2013 and 2014/2015.

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, 2016.

Fifth resolution

Advisory 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, 2016

The shareholders' meeting, consulted pursuant to the recommendation in Article 24.3 of the AFEP-MEDEF Corporate Governance Code, which constitutes the Company's code of reference in accordance with Article L. 225-37 of the French Commercial Code, 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, 2016, as presented in section 4.4.2 of the 2015-2016 registration document.

Sixth resolution

Advisory opinion on the elements of remuneration owed or granted to Mr. Abderrahmane EL AOUFIR, Deputy CEO, for the fiscal year ended September 30, 2016

The shareholders' meeting, consulted pursuant to the recommendation in Article 24.3 of the AFEP-MEDEF Corporate Governance Code, which constitutes the Company's code of reference in accordance with Article L. 225-37 of the French Commercial Code, 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, 2016, as presented in section 4.4.2 of the 2015-2016 registration document.

Seventh resolution

Appointment of Mrs. Catherine CLAVERIE as director

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 appoint Mrs. Catherine CLAVERIE, as director for a six-year term, to expire at the close of the ordinary general meeting called to approve the financial statements for the fiscal year ended September 30, 2022.

Eighth resolution

Setting of the amount of the attendance fees

The shareholders' meeting, acting in accordance with the quorum and majority requirements for shareholders' ordinary general meetings, having reviewed the Board of Directors' report, resolves to set the attendance fees for the current and coming fiscal years, until a new decision is taken, to the amount of €120,000.

Ninth resolution

Authorization to be granted to the Board of Directors to trade in Company 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 the DERICHEBOURG share 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 tenth resolution proposed to the shareholders' meeting for approval.

3. Resolves that the maximum purchase price for each share is set at €10, 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 €10 would total €163,878,780, based on the share capital at December 6, 2016.

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 February 10, 2016.

Extraordinary

Tenth 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-month period, by canceling shares that the Company holds or may hold following purchases made as part of the share purchase program authorized under the ninth 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 February 10, 2016.

Eleventh resolution

Delegation of 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, while maintaining preferential subscription rights

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, prepared in accordance with the law, exercising the option referred to in Article L. 225-129 of the French Commercial Code:

1. Delegates to the Board of Directors its competence to issue, on one or more occasions, in the proportions and at the times it sees fit, both in France and abroad, in euros or in foreign currency, or in accounting units defined with reference to multiple currencies, Company shares as well as securities of any kind giving access, immediately and/or in the future, to Company shares or shares in a company of which it owns, directly or indirectly, over half the capital, or conferring entitlement to debt securities, via subscription, conversion, exchange, reimbursement, presentation of a warrant or via any other means, said shares conferring the same rights as those attached to existing shares, subject to their possession date.

2. Decides that the nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation may not exceed €50 million, to which amount may be added the nominal amount of the additional shares to be issued to maintain, in accordance with the law, the rights of holders of securities conferring entitlement to Company shares.

3. Decides moreover that the nominal amount of the debt securities that may be issued pursuant to this delegation may not exceed €500 million, or the equivalent value of this amount in the event of issue in other currencies, on the issue date.

4. Decides that the shareholders may exercise, in the conditions provided by law, their preferential subscription rights on an irreducible basis. In addition, the Board of Directors may grant shareholders the right to subscribe to a number of securities on a reducible basis above that to which they may irreducibly subscribe, in proportion to their subscription rights and, in any case, within the limit of their requests. If the irreducible and reducible subscriptions, if any, have not absorbed the entire securities issue, the Board of Directors may use, in the order it sees fit, one or more of the following options:

- limit, where appropriate, the issue to the amount of the subscriptions, provided that this amount reaches at least three-quarters of the issue decided;
- freely allot all or part of the unsubscribed securities;
- offer all or part of the unsubscribed securities to the public.

5. Notes and decides, where appropriate, that any issue of subscription warrants for Company shares that may be carried out, may take place either by a subscription offer, in the conditions presented above, or by a free allocation to holders of existing shares.

6. Notes and decides, where appropriate, that the aforementioned delegation unconditionally and expressly waives, in favor of the holders of securities providing future entitlement to Company shares, as may be issued, the shareholders' preferential subscription right to the shares to which these securities entitle.

7. Decides, in the event detachable share subscription warrants are issued, to expressly cancel the shareholders' preferential subscription right to the shares to which these warrants entitle.

8. Decides to grant the Board of Directors full powers, including the option to sub-delegate to its Chairman and/or one of its members, with the Chairman's approval, to implement this delegation of authority in the conditions set by law and in particular to determine the dates and conditions of the issues as well as the form and characteristics of the securities to be created, to set the prices and issue conditions, to set the amounts to be issued, to determine the dividend entitlement date, even retroactive, of the securities to be issued, to determine the procedure for paying up the issued securities and, if appropriate, foresee the terms applicable to their buyback on the stock market, to suspend, if appropriate and for a period not exceeding three months, the exercise of the share allotment rights attached to the securities to be issued, to determine, as required, the conditions for protecting the rights of holders of securities granting future access to the Company's capital, and this in accordance with legal and regulatory provisions, to make any accounting entries against the issue premium(s), in particular regarding the expenses arising from the security issues, in general, to take all useful measures and conclude all agreements with a view to ensuring the successful completion of the planned issues and to formally record the capital increase(s) carried out pursuant to this delegation and to amend the bylaws accordingly.

9. In the case of issue of debt securities, the Board of Directors will have full powers particularly to decide on whether they are to be subordinated or not, to set their interest rate, maturity, redemption price, whether fixed or variable, with or without premium, and to determine the terms of amortization depending on the market conditions and the conditions under which these securities give entitlement to Company shares.

10. Takes note of the fact that in case the Board of Directors uses the delegation of authority granted to it under the present resolution, the Board will report to the next ordinary general meeting, in accordance with applicable laws and regulations, on the use made of the authority conferred in the present resolution.

The delegation thus granted to the Board of Directors is valid for a term of 26 months from this meeting, in accordance with Article L. 225-129-2 of the French Commercial Code.

Twelfth resolution

Delegation of 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, while eliminating preferential subscription rights

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, prepared in accordance with the law, exercising the option referred to in Article L. 225-129 of the French Commercial Code:

1. Delegates to the Board of Directors its competence to issue by way of public offering, on one or more occasions, in the proportions and at the times it sees fit, both in France and abroad, in euros or in foreign currency, or in accounting units defined with reference to multiple currencies, Company shares as well as securities of any kind giving access, immediately and/or in the future, to Company shares or shares in a company of which it owns, directly or indirectly, over half the capital, or conferring entitlement to debt securities, via subscription, conversion, exchange, reimbursement, presentation of a warrant or via any other means. These securities may notably be issued for the remuneration of securities tendered to the Company in response to a public offer including an exchange component (on a principal or subsidiary basis), carried out in France or abroad according to local rules, relating to securities meeting the conditions laid down in Article L. 225-148 of the French Commercial Code.

2. Decides that the nominal amount of the share capital increases that may be carried out immediately or in the future, pursuant to the aforementioned delegation, may not exceed €50 million, to which amount may be added, if relevant, the nominal amount of the additional shares to be issued to maintain, in accordance with the law, the rights of holders of securities conferring entitlement to shares, it being specified that this amount will be counted towards the nominal value of the shares issued, directly or not, pursuant to the eleventh resolution of this meeting.

3. Also decides that the nominal amount of the debt securities that may be issued pursuant to this delegation may not exceed €500 million, or the equivalent value of this amount in the event of issue in other currencies, on the issue date, it being specified that this amount will be counted towards the nominal value of the debt securities issued pursuant to the eleventh resolution of this meeting.

4. Decides to cancel the shareholders' preferential subscription right to the securities to be issued, it being understood that the Board of Directors may confer on shareholders a priority right to subscribe to all or part of the issue during a period and under conditions determined by the Board in accordance with Article L. 225-135 of the French Commercial Code. These priority subscription rights will not give rise to the creation of negotiable rights but may, if the Board of Directors considers it appropriate, be exercised either on an irreducible or a reducible basis, it being specified that following the priority period, the unsubscribed securities will be the subject of a public offering in France and/or abroad.

5. Decides that if the subscriptions from the shareholders and the public have not absorbed all the shares or securities of an issue, as defined above, the Board of Directors may use, in the order it sees fit, one or more of the following options:

- limit, where appropriate, the issue to the amount of the subscriptions, provided that this amount reaches at least three-quarters of the issue decided;
- freely allot all or part of the unsubscribed securities.

6. Notes and decides, where appropriate, that the aforementioned delegation unconditionally and expressly waives, in favor of the holders of securities providing future entitlement to Company shares, as may be issued, the shareholders' preferential subscription right to the shares to which these securities entitle.

7. Decides, in the event detachable share subscription warrants are issued, to expressly cancel the shareholders' preferential subscription right to the shares to which these warrants entitle.

8. Decides that the sum coming to or due to come to the Company for each of the shares issued pursuant to the aforementioned delegation will be at least equal to the weighted average stock market price over the last three stock market sessions prior to its setting, possibly decreased by a maximum discount of 5%.

9. Decides to grant the Board of Directors full powers, including the option to sub-delegate to its Chairman and/or one of its members, with the Chairman's approval, to implement this delegation of authority in the conditions set by law and in particular to determine the form and characteristics of the securities to be created as well as the dates and conditions of the issues, to set the prices and issue conditions (including the exchange ratio within the framework of a public offer including an exchange component, on a principal or subsidiary basis, initiated by the Company), to set the amounts to be issued, to determine the dividend entitlement date, even retroactive, of the securities to be issued, to determine the procedure for paying up the issued securities and, if appropriate, foresee the terms applicable to their buyback on the stock market, to suspend, if appropriate and for a period not exceeding three months, the exercise of the share allotment rights attached to the securities to be issued, to determine, as required, the conditions for protecting the rights of holders of securities granting future access to the Company's capital, and this in accordance with legal and regulatory provisions, to make any accounting entries against the issue premium(s), in particular regarding the expenses arising from the security issues, in general, to take all useful measures and conclude all agreements with a view to ensuring the successful completion of the planned issues and to formally record the capital increase(s) carried out pursuant to this delegation and to amend the bylaws accordingly.

10. In the case of issue of debt securities, the Board of Directors will have full powers particularly to decide on whether they are to be subordinated or not, to set their interest rate, maturity, redemption price, whether fixed or variable, with or without premium, and to determine the terms of amortization depending on the market conditions and the conditions under which these securities give entitlement to Company shares.

11. Takes note of the fact that in case the Board of Directors uses the delegation of authority granted to it under the present resolution, the Board will report to the next ordinary general meeting, in accordance with applicable laws and regulations, on the use made of the authority conferred in the present resolution.

The delegation thus granted to the Board of Directors is valid for a term of 26 months from this meeting, in accordance with Article L. 225-129-2 of the French Commercial Code.

Thirteenth resolution

Delegation of authority to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or other items that may be capitalized

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, and in accordance with Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

1. Delegates to the Board of Directors, with the possibility of sub-delegation in accordance with legal and regulatory provisions, its competence to decide a share capital increase, on one or more occasions, in the proportions and at the times it sees fit, by incorporation of reserves, profits, premiums or other items that may be capitalized, by awarding bonus shares or increasing the nominal value of existing shares, or by combining the two methods.

2. Decides that the nominal amount of the share capital increases that may be carried out pursuant to this delegation may not exceed €50 million, it being specified that this amount is set independently and separately from the global nominal ceiling of all the capital increases that may be carried out pursuant to the eleventh and twelfth resolutions submitted to this meeting.

3. Decides to grant the Board of Directors full powers, including the option to sub-delegate in the conditions set by law and regulatory conditions, to implement this delegation of authority and in particular to:

- determine all the terms and conditions of the authorized operations and, in particular, to set the amount and nature of the reserves and premiums to be incorporated into the capital, to set the number of new shares to be issued in euros or the amount by which the nominal value of existing shares is to be increased, to determine the dividend entitlement date, which may be retroactive, or the effective date of the increase in the nominal value of the shares, and to make, where appropriate, any accounting entries against the issue premium(s), in particular regarding the expenses arising from the issues;
- decide that rights forming odd lots will be neither traded nor transferred and that the corresponding equity securities will be sold, with the proceeds of the sale being allocated to the holders of the rights within 30 days after the date of entry in their account of the whole number of shares allocated;
- take all measures to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable laws, regulations and contractual provisions; and
- take all measures necessary to complete the issues or, where appropriate, suspend them, to enter into any agreements to ensure the successful execution of the contemplated transactions, and, generally, to take all necessary steps and perform all acts and formalities required to finalize capital increases made pursuant to this delegation and to modify the bylaws accordingly.

The delegation thus granted to the Board of Directors is valid for a term of 26 months from this meeting, in accordance with Article L. 225-129-2 of the French Commercial Code.

Fourteenth resolution

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

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, and in accordance with the provisions of the French Commercial Code, in particular its Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 et seq:

1. Delegates to the Board of Directors its competence to issue, on one or more occasions, in the proportions and at the times it sees fit, both in France and abroad, by way of an offer within the meaning of Article L. 411-2 II of the French Monetary and Financial Code, in euros or in foreign currency, or in an accounting unit defined with reference to multiple currencies:

- ordinary shares,
- and/or securities conferring entitlement to other ordinary shares,
- and/or securities conferring entitlement to debt securities.

2. Decides that the nominal amount of the capital increases that may be carried out, immediately and/or in the future, pursuant to this delegation may not exceed €50 million, it being specified that it will be limited to 20% of the Company's share capital per year.

To this amount will be added, where appropriate, the nominal amount of the additional shares to be issued to maintain, in accordance with the law and any applicable contractual provisions, the rights of holders of securities conferring entitlement to the Company's capital.

This amount will count towards the €50 million ceiling set for capital increases set in the eleventh and twelfth resolutions.

The total maximum nominal amount of the debt securities issues representing claims that give access to the Company's capital may not exceed €500 million, or the equivalent value of this amount in the event of issue in other currencies or units of account. This amount will count towards the €500 million ceiling set for debt securities issues set in the eleventh and twelfth resolutions.

3. Decides to cancel the shareholders' preferential subscription right to the ordinary shares and securities giving access to the share capital and/or debt securities covered by this resolution.

4. Decides that, in accordance with the provisions of the second paragraph of Article L. 225-136-1 of the French Commercial Code, the Board of Directors may decide that the issue price of the shares that may be issued pursuant to this delegation will be at least equal to the weighted average stock market price over the last three stock market sessions prior to its setting, possibly decreased by a maximum discount of 5%.

5. Decides that if the subscriptions, including from the shareholders, if relevant, have not absorbed all of the issue, the Board of Directors may use, in accordance with Article L. 225-134 of the French Commercial Code, one or more of the following options:

- limit, where appropriate, the issue to the amount of the subscriptions, provided that this amount reaches at least three-quarters of the issue initially decided;
- freely allot all or part of the unsubscribed securities;
- offer all or part of the unsubscribed securities to the public.

6. Decides to grant the Board of Directors, within the limits set above, the powers necessary in particular to fix the terms and conditions of the issue(s), to record the ensuing capital increases, to modify the bylaws accordingly, to deduct, at its own initiative, the expenses for the capital increases from the amount of the relevant premiums, to deduct from such amount the necessary amounts to bring the legal reserve to a tenth of the new capital following each increase, and more generally to do whatever may be necessary in such matters.

7. Decides to grant the Board of Directors full powers, including the option to sub-delegate to its Chairman and/or one of its members, with the Chairman's approval, to implement this delegation of authority in the conditions set by law and in particular to determine the dates and conditions of the issues as well as the form and characteristics of the securities to be created, to set the prices and issue conditions, to set the amounts to be issued, to determine the dividend entitlement date, even retroactive, of the securities to be issued, to determine the procedure for paying up the issued securities and, if appropriate, foresee the terms applicable to their buyback on the stock market, to suspend, if appropriate and for a period not exceeding three months, the exercise of the share allotment rights attached to the securities to be issued, to determine, as required, the conditions for protecting the rights of holders of securities granting future access to the Company's capital, and this in accordance with legal and regulatory provisions, to make any accounting entries against the issue premium(s), in particular regarding the expenses arising from the security issues, in general, to take all useful measures and conclude all agreements with a view to ensuring the successful completion of the planned issues and to formally record the capital increase(s) carried out pursuant to this delegation and to amend the bylaws accordingly.
8. In the case of issue of debt securities, the Board of Directors will have full powers particularly to decide on whether they are to be subordinated or not, to set their interest rate, maturity, redemption price, whether fixed or variable, with or without premium, and to determine the terms of amortization depending on the market conditions and the conditions under which these securities give entitlement to Company shares.
9. Takes note of the fact that in case the Board of Directors uses the delegation of authority granted to it under the present resolution, the Board will report to the next ordinary general meeting, in accordance with applicable laws and regulations, on the use made of the authority conferred in the present resolution.

The delegation thus granted to the Board of Directors is valid for a term of 26 months from this meeting, in accordance with Article L. 225-129-2 of the French Commercial Code.

Fifteenth resolution

Delegation of authority to the Board of Directors to carry out a capital increase reserved for the members of a Company saving plan

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 Articles L. 225-129-6 and L. 225-138 of the French Commercial Code and Article L. 3332-18 *et seq.* of the French Labor Code:

1. Authorizes the Board of Directors, if it deems it appropriate and on its sole decision, to increase the share capital, on one or more occasions, by issuing shares for cash or other securities granting access to the capital, reserved for the employees of the Company (and companies linked to it within the meaning of Article L. 225-180 of the French Commercial Code) who are members of a Company saving plan or a voluntary Company savings scheme.
2. Cancels in favor of these individuals the preferential subscription right to the shares and/or securities granting access to the capital that may be issued pursuant to this delegation.
3. Decides that this delegation expressly waives the shareholders' preferential subscription right to the shares to which these securities may entitle.
4. Sets at 26 months, as of this meeting, the validity period of this authorization.
5. Limits the maximum nominal amount of the increases that may be carried out by using this authorization to 3% of the share capital amount reached at the time of the Board of Directors' decision to carry out the increase, it being specified that this ceiling is set independently. Consequently, the nominal amount of the shares or securities that may be issued pursuant to this authorization will not be counted towards the maximum ceiling of the issues that the Board of Directors is authorized to carry out pursuant to the delegation referred to in the eighth resolution above.
6. Decides that the price of the shares to be subscribed may neither exceed the average stock market price over the last 20 stock market sessions preceding the day when the Board of Directors's sets the subscription period opening date, nor be more than 20% below this average. The Board has all powers to carry out the evaluations above in order to determine, for each fiscal year, under the supervision of the statutory auditors, the subscription price.
7. Grants full powers to the Board of Directors to implement this delegation of authority, to take all measures and to carry out all necessary formalities.

Sixteenth resolution

Powers for formalities

The shareholders' meeting 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.

Financial statements

5

5.1 Consolidated financial statements for the year ended September 30, 2016, in compliance with IFRS 96

5.1.1 Group consolidated balance sheet as at September 30, 2016 96
5.1.2 Derichebourg Group consolidated income at September 30, 2016 98
5.1.3 Derichebourg Group consolidated statement of cash flows at September 30, 2016 100
5.1.4 Change in Derichebourg Group consolidated shareholders' equity at September 30, 2016 101
5.1.5 Notes to the consolidated financial statements 102
5.1.6 Statutory Auditors' report on the consolidated financial statements at September 30, 2016 149

5.2 Parent company financial statements for the year ended September 30, 2016 150

5.2.1 Balance sheet 150
5.2.2 Income statement 152
5.2.3 Notes to the parent company financial statements 154
5.2.4 Statutory Auditors' report on the annual financial statements Fiscal year ended September 30, 2016 174

5.3 Statutory auditors' fees and fees paid to their network by the Group 175

5.1 Consolidated financial statements for the year ended September 30, 2016, in compliance with IFRS

5.1.1 Group consolidated balance sheet as at September 30, 2016

Assets *In millions of euros*	Note	09-30-16	09-30-15
Goodwill	4.1	226.0	214.3
Intangible assets	4.1	3.9	4.0
Property, plant and equipment	4.2	436.1	424.2
Financial assets	4.3	11.1	8.9
Investments in associates and joint ventures	4.4	15.5	16.3
Deferred taxes	4.22	45.8	45.4
Other assets	4.5	0.0	0.0
Total non-current assets		**738.5**	**713.1**
Inventories	4.6	83.3	80.1
Trade receivables	4.7	226.4	232.1
Tax receivables	4.7	5.3	4.7
Other assets	4.7	88.8	79.0
Financial assets	4.7	13.8	13.1
Cash and cash equivalents	4.8	41.9	43.7
Financial instruments	4.12	0.0	0.4
Total current assets		**459.5**	**453.0**
Total non-current assets and groups of assets held for sale		**2.9**	
Total assets		**1,200.9**	**1,166.2**

Liabilities *In millions of euros*	Note	09-30-16	09-30-15
Share capital	4.9	42.0	42.0
Share premiums		27.6	27.6
Own shares		(31.8)	(33.8)
Reserves		293.1	278.8
Net profit/(loss) for the year		12.9	28.2
Group shareholders' equity		**343.8**	**342.7**
Non-controlling interests	4.10	3.8	5.5
Total shareholders' equity		**347.7**	**348.2**
Loans and financial debts	4.11	143.5	172.3
Provision for pensions and similar benefits	4.13	45.5	33.6
Other provisions	4.13	22.8	22.8
Deferred taxes	4.22	18.8	24.0
Other liabilities	4.16	1.1	1.6
Total non-current liabilities		**231.7**	**254.3**
Loans and financial debts	4.11	123.5	103.3
Provisions	4.14	7.8	8.5
Trade payables	4.15	216.9	197.8
Tax payables	4.15	7.9	5.5
Other liabilities	4.15	250.9	235.7
Financial instruments	4.12	6.4	6.6
Total current liabilities		**613.5**	**557.5**
Discontinued and liabilities held for sale		**8.0**	**6.2**
Total liabilities		**1,200.9**	**1,166.2**

5.1.2 Derichebourg Group consolidated income at September 30, 2016

In millions of euros	Note	2016	2015 Restated[1]
Revenue	4.17	2,147.5	2,352.6
Other revenues from operations		5.0	2.0
Cost of raw materials		(905.7)	(1,188.3)
External charges		(306.6)	(287.7)
Personnel expenses	4.28	(773.6)	(707.0)
Taxes and duties		(46.7)	(44.9)
Depreciation		(75.7)	(71.5)
Change in provisions	4.18	(6.9)	(7.6)
Change in inventory: work-in-progress and finished products		2.7	(0.5)
Other operating expenses	4.19	(15.8)	(16.0)
Other operating income	4.19	21.9	24.0
Recurring operating profit (loss)		**46.0**	**55.3**
Other non-recurring expenses	4.20	(6.2)	(2.2)
Other non-recurring income	4.20	1.9	
Gain/loss on disposal of consolidated companies		(0.0)	0.2
Operating profit (loss)		**41.8**	**53.3**
Net financial expenses	4.21	(17.7)	(16.8)
Foreign exchange and other gains and losses	4.21	2.5	1.3
Profit (loss) before tax		**26.6**	**37.8**
Income tax	4.22	(8.2)	(5.4)
Group share of income from associates and joint ventures	4.4	0.2	(1.0)
Net profit (loss)		**18.6**	**31.4**
Income net of tax from discontinued activities	4.23	(5.0)	(2.3)
Restated consolidated net income		**13.6**	**29.1**
Net profit (loss):			
• attributable to shareholders		12.9	28.2
• attributable to non-controlling interests		0.7	1.0
Earnings per share: earnings attributable to company shareholders *(in euros/share)*	4.24		
• basic		0.1	0.2
• diluted		0.1	0.2
Earnings per share: attributable to shareholders after net income from discontinued or held-for-sale operations *(in euros/share)*			
• basic		0.1	0.2
• diluted		0.1	0.2

(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	2016	2015
Consolidated net income	**13.6**	**29.1**
Exchange rate changes	(1.5)	3.4
Cash flow hedging	0.6	0.9
Restatement of liabilities linked to commitments from defined benefit plans	(9.3)	2.5
Taxes on other comprehensive income	5.3	(3.0)
Income and expenses for the period recognized directly in shareholders' equity	(6.1)	3.9
Comprehensive income for the period	**7.5**	**33.0**
Of which		
• attributable to company shareholders	6.8	32.0
• attributable to non-controlling interests	0.7	1.0

5.1.3 Derichebourg Group consolidated statement of cash flows at September 30, 2016

In millions of euros	Note	2016	2015 restated[1]
Total consolidated net profit (loss)		13.6	29.1
Consolidated net profit (loss) from held for sale or discontinued operations		(5.0)	(2.3)
Consolidated net income from continuing operations		18.7	31.4
Adjustments for:			
Elimination of profit (loss) from associates and joint ventures		(0.2)	(0.2)
Amortization, depreciation and provisions		70.7	71.2
Fair value gains (losses)		(0.2)	1.1
Elimination of gains (loss) on asset disposals		0.7	0.3
Elimination of profit (loss) from dividends		(0.4)	(0.4)
Other non-cash income and expenses			
Operating cash flow after financing costs and income tax		**89.2**	**103.3**
Net interest expense		18.2	17.3
Income tax		8.2	5.4
Operating cash flow before financing costs and income tax		**115.6**	**125.9**
Changes in working capital requirement related to operations		23.3	29.3
Income tax paid		(5.1)	(5.8)
Cash flows from operations generated by discontinued activities		(3.9)	(3.1)
Net cash flow from operating activities		**129.9**	**146.4**
Impact of changes in scope		(17.7)	(7.5)
Acquisition of property, plant and equipment and intangible assets		(54.4)	(35.9)
Acquisition of financial assets		(1.7)	(0.6)
Change in loans and advances granted		1.5	9.8
Disposal of property, plant and equipment and intangible assets		3.7	9.4
Disposal of financial assets		0.2	0.0
Dividends received		0.5	1.1
Cash flow related to investment activities for discontinued operations		0.6	(0.3)
Net cash flow from investment activities		**(67.3)**	**(24.1)**
Capital increase		0.1	0.1
Proceeds from borrowings		36.3	20.2
Repayment of borrowings		(87.8)	(79.2)
Net financial interests paid		(17.0)	(18.5)
Dividends paid to Group shareholders		(7.7)	0.0
Dividends paid to non-controlling interests		(1.6)	(0.3)
Own shares		1.9	(25.3)
Factoring		(3.6)	0.5
Cash flow related to finance activities for discontinued operations		(0.3)	(0.4)
Net cash flow from finance activities		**(79.8)**	**(102.9)**
Impact of foreign exchange rate fluctuations		(0.2)	2.3
Change in cash and cash equivalents		**(17.3)**	**21.7**
Cash and cash equivalents at beginning of the period	4.8	34.6	12.1
Cash and cash equivalents at close of the period	4.8	17.2	34.6
Change in cash and cash equivalents for discontinued activities		0.0	(0.7)
Change in cash and cash equivalents		**(17.3)**	**21.7**

(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, 2016

In millions of euros	Capital	Share premiums	Own shares	Reserves	Currency translation reserves	Net profit/(loss) for the year	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Position at September 30, 2014	**42.0**	**27.6**	**(8.6)**	**279.6**	**3.7**	**(8.3)**	**336.0**	**2.8**	**338.8**
Appropriation of prior-year profit				(8.3)		8.3	0.0		0.0
Dividends payments							0.0	(0.3)	(0.3)
Own shares			(25.3)				(25.3)		(25.3)
Net profit for the year attributable to the Group						28.2	28.2	1.0	29.1
Income and expenses recognized directly through equity				0.4	3.4		3.9	(0.0)	3.9
Other changes				(0.0)			(0.0)	2.0	1.9
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		
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**

5.1.5 Notes to the consolidated financial statements

Contents

1. Presentation of the Group 103

1.1 Identity of the issuer 103
1.2 Material events occurring over the fiscal year 103
1.3 Events occurring after year-end 103

2. Accounting policies, rules and methods 104

2.1 General policies 104
2.2 Accounting policies 104
2.3 Valuation rules and methods 105

3. Changes in consolidation scope 110

3.1 New companies included in the consolidation scope 110
3.2 Companies excluded from the consolidation scope 113
3.3 Internal restructuring 113
3.4 Change in percentage of control 113
3.5 Discontinued and held-for-sale operations 113

4. Notes 114

4.1 Intangible assets and goodwill 114
4.2 Property, plant and equipment (including leasing) 116
4.3 Financial assets 116
4.4 Investments in associates and joint ventures 117
4.5 Other non-current assets 118
4.6 Inventories 119
4.7 Trade receivables, other receivables and current financial assets 119
4.8 Cash and cash equivalents 120
4.9 Consolidated shareholders' equity 120
4.10 Non-controlling interests 122
4.11 Indebtedness 122
4.12 Financial instruments 126
4.13 Non-current provisions and provisions for commitments to employees 130
4.14 Current provisions 133
4.15 Other current liabilities 133
4.16 Other non-current liabilities 133
4.17 Segment reporting 134
4.18 Change in provisions 136
4.19 Other operating expenses and income 136
4.20 Other non-recurring expenses and income 136
4.21 Net financial expenses 137
4.22 Income tax 137
4.23 Discontinued or held-for-sale operations 140
4.24 Earnings per share 141
4.25 Commitments 141
4.26 Significant litigation 142
4.27 Related party transactions 143
4.28 Employee information 144
4.29 Executive compensation 145
4.30 Accounting options used for the first-time adoption of IFRS 145
4.31 Consolidation scope 146

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, 2015 to September 30, 2016 were approved by the Group's Board of Directors on December 6, 2016.

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 CTR49, Dreyfus, Valvert Tri, SCEA du Château Guiteronde, SCI La Futaie, CFF Recycling Servicios, Derichebourg Recycling Mexico, Mattec, Plastic Recycling, Reyfra and Safira Facility Services, which close their accounts on December 31.

1.2 Material events occurring over the fiscal year

Derichebourg continued this selective acquisition policy during the fiscal year, focusing on assets with the potential to create synergies with its existing business lines. Several acquisitions were made during the fiscal year, including:

Environmental

- On October 21, 2015, Purfer acquired the Valerio Group, a ferrous and non-ferrous metal waste collection and processing operator in Alpes-Maritimes (three worksites in Vallauris, Mougins and east of Nice) and in the Var (one worksite in Pignans).
- Acquisition by Revival from Galloo on January 1, 2016 of equity investments relating to six recycling centers (Bonneuil Sur Marne, Ivry, Châtillon, Nanterre, Saint-Pierre-lès-Nemours), and in Eure-et-Loir (Gellainville), and of the goodwill of Almetal Paris.
- Acquisition by Derichebourg Environnement on January 11, 2016 of the Slg group. The Slg group specializes in the recycling of ferrous and non-ferrous metals and the processing of commercial and industrial waste. It operates 22 recycling centers, mainly in the Centre region and Brittany.

Business Services

Acquisition by Derichebourg Propreté on June 1, 2016 of the cleaning and related services company, Groupe Alter Services. Groupe Alter Services' customer base is located in the regions of Occitanie, Nouvelle Aquitaine, Auvergne-Rhône-Alpes, Provence-Alpes-Côte d'Azur.

On May 12, 2016, a violent explosion occurred at the Bayonne recycling center when ferrous metals delivered by a supplier were being cut. This explosion blasted part of the site causing the death of two subcontracting welders and injuring several people, as well as causing a great deal of damage in the surrounding area. A judicial investigation is underway to shed light on the circumstances and causes of this unprecedented accident. The different insurance policies of the Group cover the insurable financial consequences of this incident.

1.3 Events occurring after year-end

Acquisition of Bartin Recycling

By way of a contract signed on July 20, 2016, Derichebourg (with the possibility of substitution by Derichebourg Environnement) and Veolia Déconstruction France have respectively committed to the acquisition and disposal of shares of Bartin Recycling SAS, with acquisition expected to be finalized after the compliance with the conditions precedent, the main one of which is the authorization of the operation by the Competition Authority, responsible for business concentrations. This authorization was obtained on October 28, 2016. Bartin Recycling was acquired by Derichebourg Environnement on November 30, 2016.

Appeal ruling in the Derichebourg Environnement/Rotamfer case

On October 27, 2016, an appeal ruling was delivered in the first limb of the Derichebourg Environnement/Rotamfer case. This appeal ruling confirmed the first instance ruling, which had dismissed Derichebourg Environnement's claim for repayment of the advance of €15 million paid in 2007 in connection with an acquisition plan of two recycling worksites equipped with shredders in the north of Italy. The project was finally abandoned since the group considered that the conditions precedent had not been met at the deadline for compliance and that crucial information had been withheld from it. Counterclaims by the opposing party, aimed at getting the performance of the initial protocol have not yet been considered at first instance level. If the claims of the opposing party are 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 worksites, for a consideration of €43 million (plus interests for late payment). The group has financing lines to carry out this acquisition.

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, 2016 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, 2016 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, 2015

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, 2015 are as follows:

- Annual improvements cycle 2010-2012, applicable to fiscal years beginning on or after February 1, 2015.
- Annual improvement cycle 2011-2013, applicable to fiscal years beginning on or after January 1, 2015.

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, 2015 (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;
- annual improvement cycle 2012-2014, applicable to fiscal years beginning on or after January 1, 2016;
- amendments to IAS 1 "Presentation of Financial Statements – Disclosure initiative" applicable to fiscal years beginning on or after January 1, 2016;
- amendments to IFRS 11 "Accounting for acquisitions of interests in joint ventures" applicable to fiscal years beginning on, or after, January 1, 2016;
- amendments to IAS 16 and IAS 38 "Clarification of acceptable methods of depreciation and amortization" applicable to fiscal years beginning on, or after, January 1, 2016;
- amendments to IAS 27 "Equity method in separate financial statements" applicable to fiscal years beginning on, or after, January 1, 2016;
- amendments to IFRS 10, IFRS 12 and IAS 28 "Investment entities: Exception to consolidation" applicable to fiscal years beginning on or after January 1, 2016;
- amendments to IFRS 5 "Revenue recognition" 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, 2016, management exercised its judgment in particular regarding the following:

Action to obtain reimbursement of an initial payment for an acquisition that was abandoned (see notes 4.26 and 1.3).

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 notes 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 92% for aluminum and 58% 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 two riders;
- 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 et Derichebourg Oil & Gas were classified as held for sale.

3. Changes in consolidation scope

3.1 New companies included in the consolidation scope

Business Services

- Groupe Alter Services: this company was acquired on June 1, 2016. Located in Montpellier and with a business based on providing cleaning services, mainly to shopping malls, it generated revenue of €17 million in 2015 and employs 800 people. Its contribution to consolidated revenue is €4.9 million. The provisional goodwill recorded for this acquisition is €3.3 million;
- Derichebourg LSL;
- Derichebourg Logistique et Manutention;
- Derichebourg SHC;
- Derichebourg Propreté Océan Indien.

Environmental Services

SLG Group

On January 11, 2016, the Group finalized the acquisition of the SLG group, specializing in recycling ferrous and non-ferrous metals and processing commercial and industrial waste. It operates 22 recycling centers, mainly in the Centre region and Brittany.

This acquisition will expand the Group's local coverage in these two regions where it does not have a strong presence. Being in a position to collect recyclable products and waste from as close to source as possible is key to success.

The following companies are newly-consolidated: Slg Recycling Finance, Le Gall Ludovic, Hervé Récupération, Sepchat Flaysakier, Ets Julien, Ets Mainguy, Ets Giron, Sepchat 28, Sepchat 41, Sorit, Tri Environnement, Sci des Varennes, Serre Environnement, Slg Newco and SLG Logistique.

Goodwill recognized in the financial statements stands at €3.7 million.

Fair value of net assets acquired breaks down as follows:

SLG Group entering in scope of consolidation

In millions of euros	
Non-current assets	13.1
Current assets	21.6
Total assets	**34.7**
Non-current liabilities	20.1
Current liabilities	18.2
Total liabilities	**38.3**

Contribution to Group profit (loss) at September 30, 2016 was as follows (nine months), it being specified that only external revenue is presented, the revenue generated with other group entities (the majority) being eliminated.

SLG group

In millions of euros	
Revenue	18.6
Recurring Ebitda	3.0
Operating profit (loss)	0.4
Net profit (loss)	(1.3)

Recycling sites (previously Galloo in Île-de-France)

On January 4, 2016, the Group finalized the acquisition by its subsidiary, REVIVAL, from the GALLOO group, of goodwill or equity investments relating to six ferrous and non-ferrous metal recycling centers (collection and preparation) in Île-de-France (Bonneuil-sur-Marne, Ivry, Châtillon, Nanterre, Saint-Pierre-lès-Nemours), and in Eure et Loir (Gellainville). These acquisitions will increase the Group's presence in Île-de-France and improve the utilization rate of this industrial recycling equipment, in particular, the use of its shredders.

These companies are newly-consolidated: Galloo Nemours, now known as Révival Nemours, Galloo Chatillon, now known as Revival Chatillon, Galloo Gellainville, now known as Revival Gellainville, Galloo Île-de-France Fers et Métaux, now known as Revival Île-de-France Fers et Métaux.

Goodwill recognized in the financial statements stands at €3.2 million.

Fair value of net assets acquired breaks down as follows:

Recycling sites (previously GALLOO in Île-de-France) entering in scope of consolidation

In millions of euros	
Non-current assets	5.4
Current assets	2.0
Total assets	**7.4**
Non-current liabilities	2.3
Current liabilities	4.0
Total liabilities	**6.3**

Contribution to Group profit (loss) at September 30, 2016 was as follows (nine months), it being specified that only external revenue is presented, the revenue generated with other group entities (the majority) being eliminated.

Recycling sites (previously GALLOO in Île-de-France)

In millions of euros	
Revenue	0.1
Recurring Ebitda	0.5
Operating profit (loss)	0.1
Net profit (loss)	(0.1)

VALERIO Group

On October 21, 2015, PURFER finalized the acquisition of the VALERIO Group, a ferrous and non-ferrous metal waste collection and processing operator in Alpes-Maritimes (three worksites in Vallauris, Mougins and east of Nice) and in the Var (one worksite in Pignans). This acquisition will strengthen its positioning and provide additional supplies for its shredder in Carros.

These companies are newly-consolidated: Valério et Compagnie, Compactage Varois, Compactage Antibois, Compactage Niçois, Compactage Cannois, SCI Angela and SCI Elisa.

Goodwill recognized in the financial statements stands at €0.5 million.

Fair value of net assets acquired breaks down as follows:

VALERIO entering in scope of consolidation

In millions of euros	
Non-current assets	2.6
Current assets	3.3
Total assets	**5.9**
Non-current liabilities	0.7
Current liabilities	2.0
Total liabilities	**2.7**
Net valuation differences	0.5

Contribution to Group profit (loss) at September 30, 2016 was as follows (eleven months), it being specified that only external revenue is presented, the revenue generated with other group entities (the majority) being eliminated.

VALERIO Group

In millions of euros	
Revenue	0.5
Recurring Ebitda	0.3
Operating profit (loss)	(0.2)
Net profit (loss)	(0.2)

These goodwills take into account the fair value of the assets and liabilities acquired.

- Valordis SAS.
- Derichebourg Canada Inc and Derichebourg Canada Environment Inc.
- Derichebourg Oil & Gas.
- Derichebourg Kenitra.
- Derichebourg Ifrane.

Holding Companies

- Société des Prés de La Faisanderie.

3.2 Companies excluded from the consolidation scope

Business Services

None.

Environmental Services

Sale by Derichebourg, in December 2015, of its entire holding in Galloo Sallaumines, to the Galloo group. The Company was consolidated according to the equity method.

Holding Companies

None.

3.3 Internal restructuring

Business Services

- With effect from June 30, 2016, transfer of all assets and liabilities of:
- MIROIR 2000 to Derichebourg Propreté.

Environmental Services

- Merger by absorption of APD by Derichebourg Recycling USA on October 1, 2015
- With effect from December 31, 2015, transfer of all assets and liabilities of:
- Bienstock to Revival.
- With effect from March 31, 2016, transfer of all assets and liabilities of:
- Russo to Purfer.
- With effect from July 31, 2016, transfer of all assets and liabilities of:
- SLG Newco to SLG Recycling Finance;
- SLG Logistique to SLG Recycling Finance.
- With effect from August 31, 2016, transfer of all assets and liabilities of:
- Compactage Antibois to Valério et Compagnie;
- Compactage Cannois to Valério et Compagnie;
- Compactage Niçois to Valério et Compagnie;
- Compactage Varois to Valério et Compagnie.

Holding Companies

None.

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 interest to 60%.

Business Services division

- Acquisition of 20% equity interest in Miroir 2000 on January 5, 2016 by Derichebourg Propreté, increasing the Group's interest to 100%.
- Acquisition of 5% of the shares of SELMAR SA on June 30, 2016, increasing the Group's interest to 100%.

3.5 Discontinued and held-for-sale operations

Income in respect of fiscal year 2015-2016 from the activities of SERAM SA and Derichebourg OIL & GAS was recognized in the line "Income net of tax from discontinued or held-for-sale operations" in the income statement. These companies are specialized in crane construction and maintenance operations.

4. Notes

4.1 Intangible assets and goodwill

In millions of euros	Value on 09-30-15	Increases	Decreases	Changes in scope (1)	Impact of IFRS 5	Other changes	Foreign exchange differences	Value on 09-30-16
Goodwill	315.7	0.9		10.9		0.0	(0.0)	327.5
Concessions, patents, licenses	11.9	1.4	(0.2)	0.4	(0.0)	0.1	0.0	13.6
Other intangible assets	7.9	0.8	(0.1)	0.1		(0.2)	(0.0)	7.9
Intangible assets under construction		0.0						0.0
Total gross value	**335.5**	**3.1**	**(0.3)**	**11.4**	**(0.0)**	**(0.1)**	**(0.0)**	**349.0**
Goodwill	(101.5)							(101.5)
Concessions, patents, licenses	(10.1)	(1.1)	0.2	(0.4)	0.0	(0.0)	(0.0)	(11.5)
Other intangible assets	(5.6)	(0.6)	0.0	(0.0)		0.0	(0.0)	(6.1)
Total amortization & depreciation	**(117.2)**	**(1.7)**	**0.2**	**(0.4)**	**0.0**	**0.0**	**(0.0)**	**(119.1)**
Total net value	**218.3**	**1.4**	**(0.1)**	**11.0**	**(0.0)**	**(0.1)**	**(0.0)**	**229.9**

(1) See note 3.1 New companies included in the consolidation scope.

4.1.1 Change in goodwill by type

In millions of euros	09-30-16
Recycling sites (previously Galloo in Île-de-France)	3.3
Groupe Alter Services	3.3
SLG	3.7
Groupe VALERIO	0.5
Miroir 2000	0.1
LSL	0.1
Total change	**10.9**

Seenote 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, 2016 and did not show any need to record impairment losses on goodwill.

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	09-30-2016	09-30-2015
CGU – Business Services	168	164
CGU – Environmental Services	58	50
Total	**226**	**214**

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 2015/2016 (1)	Growth rate to infinity 2015/2016	Discount rate 2014/2015 (1)	Growth rate to infinity 2014/2015	Valuation method
CGU – Environmental Services	10.00%	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 10% 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 4.74% 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			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	(30)	33	+/-5.6%	(14)	16	+/-5.4%

	Environmental Services		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	23	(21)	12	(10)

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	Value on 09-30-15	Increases	Decreases	Changes in scope [1]	Impact of IFRS 5	Other changes	Foreign exchange differences	Value on 09-30-16
Land (including leasing)	154.1	7.6	(1.9)	8.8		0.5	(0.1)	169.0
Buildings (including leasing)	245.3	8.9	(1.1)	10.2	(0.1)	2.8	(0.3)	265.7
Machinery & equipment (including leasing)	643.1	25.1	(11.6)	40.9	(0.3)	3.1	(1.1)	699.2
Other tangible assets (including leasing)	262.7	19.1	(9.4)	15.4	(0.1)	0.2	0.1	288.1
Tangible assets under construction	20.6	7.9	(0.2)			(6.0)	(0.0)	22.2
Advances and deposits	0.1	0.0	(0.0)	0.2		(0.2)	0.0	0.0
Total gross value	**1,325.9**	**68.7**	**(24.2)**	**75.5**	**(0.5)**	**0.4**	**(1.6)**	**1,444.3**
Land (including leasing)	(27.4)	(2.5)	0.0	(4.4)		1.9	(0.0)	(32.4)
Buildings (including leasing)	(128.9)	(13.4)	1.1	(6.1)	0.1	(2.1)	0.1	(149.1)
Machinery & equipment (including leasing)	(534.2)	(37.7)	10.6	(30.6)	0.2	(0.4)	1.0	(591.0)
Other tangible assets (including leasing)	(211.2)	(20.7)	9.2	(13.4)	0.1	0.5	(0.0)	(235.6)
Total amortization & depreciation	**(901.7)**	**(74.3)**	**20.9**	**(54.5)**	**0.4**	**(0.1)**	**1.1**	**(1,008.1)**
Total net value	**424.2**	**(5.6)**	**(3.2)**	**21.1**	**(0.1)**	**0.3**	**(0.5)**	**436.1**

(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	Value on 09-30-15	Increases	Decrease	Changes in scope	Impact of IFRS 5	Other changes	Foreign exchange differences	Value on 09-30-16
Land and buildings	22.2							22.2
Machinery & equipment	197.8	6.6		20.5		1.4	(0.0)	226.4
Other tangible assets	102.3	10.5		7.8	(0.0)	(0.8)	0.0	119.7
Total gross value	**322.3**	**17.1**		**28.3**	**(0.0)**	**0.6**	**0.0**	**368.3**
Total amortization & depreciation	**(236.9)**	**(24.5)**	**0.0**	**(23.0)**	**0.0**		**(0.0)**	**(284.4)**
Total net value	**85.4**	**(7.4)**	**0.0**	**5.3**	**(0.0)**	**0.6**	**0.0**	**83.9**

4.3 Financial assets

4.3.1 Change during the fiscal year

In millions of euros	09/30/15	Increases	Decreases	Changes in scope	Impact of IFRS 5	Other changes	Foreign exchange differences	09/30/16
Investment securities	4.5	1.7	(0.5)	(0.2)		0.1	(0.0)	5.6
Receivables related to equity participations	0.0		(0.3)	0.3				
Long-term investments	0.2		(0.2)	0.0				0.0
Loans, securities and other long-term financial assets [1]	23.4	1.7	(3.3)	0.4	(0.0)	(0.0)	(0.0)	22.2
Total gross value	**28.1**	**3.4**	**(4.2)**	**0.5**	**(0.0)**	**0.1**	**(0.0)**	**27.8**
Impairment loss on investments	(1.8)	(0.0)	0.8	(0.3)			(0.0)	(1.4)
Impairment loss on receivables related to equity participations			0.3	(0.3)				
Impairment loss on loans, securities and other receivables [1]	(17.4)		2.1	(0.0)				(15.3)
Total impairment	**(19.2)**	**(0.0)**	**3.2**	**(0.7)**			**(0.0)**	**(16.7)**
Total net value	**8.9**	**3.4**	**(1.0)**	**(0.2)**	**(0.0)**	**0.1**	**(0.0)**	**11.1**

(1) The Group has a €15 million receivable for a planned acquisition which was abandoned, because, according to the group, the conditions precedent had not been met. The Group 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 the Group. This negative decision was confirmed by an appeal ruling delivered in October 2016.

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%	0.8		0.8	
PROSIMETAL	France	50%	0.2	(0.2)	0.0	Under liquidation
POLYURBAINE SUBSIDIARIES	France	100%	0.3		0.3	
Other Companies (less than €0.1 million)	France		0.8	(0.3)	0.5	
BUSINESS SERVICES						
SCI GARALTER	France	100%	1.0		1.0	
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			**5.6**	**(1.4)**	**4.2**	

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 09-30-16	09-30-15
ASSOCIATES					
ALLO CASSE AUTO	France	48%	(0.1)	2.2	2.3
CTR49	France	34%	0.2	0.0	(0.2)
DAC	France	50%	0.1	0.6	0.5
DREYFUS	France	43%	0.3	4.9	4.7
ROHR ENVIRONNEMENT	France	50%	0.2	1.5	1.5
GALLOO SALLAUMINES SA	France	0%	0.0	0.0	0.7
VALVERT TRI	France	35%	0.0	0.0	0.0
JOINT VENTURES					
ALSAFER ENVIRONNEMENT	France	50%	0.1	0.3	0.2
ENVIE AFM SUD OUEST	France	50%	0.1	0.6	0.4
PLASTIC RECYCLING	France	50%	(0.2)	0.6	0.7
REYFRA	Spain	50%	(0.6)	4.8	5.4
VALERCO	France	50%	0.0	0.1	0.1
Total			**0.2**	**15.5**	**16.3**

Condensed financial information for Environmental Services' joint ventures

		ALSAFER	ENVIE AFM SUD OUEST	PLASTIC RECYCLING	REYFRA	VALERCO
	Balance sheet date	09/30/16	09/30/16	09/30/16	09/30/16	09/30/16
In millions of euros	Country	France	France	France	Spain	France
Financial position						
Non-current assets		0.0	0.4	1.4	12.4	0.1
Current assets		0.7	1.8	3.3	4.3	0.2
Total assets		**0.7**	**2.2**	**4.7**	**16.7**	**0.3**
Non-current liabilities		0.0	0.1	0.0	0.0	0.0
Current liabilities		0.2	1.1	5.3	7.2	0.1
Total liabilities		**0.2**	**1.2**	**5.3**	**7.2**	**0.1**
Net assets		**0.5**	**1.1**	**(0.6)**	**9.6**	**0.1**
Income statement						
Revenue		1.3	3.9	7.2	24.9	0.5
Net profit (loss)		**0.2**	**0.2**	**(0.3)**	**0.4**	**0.0**
Statement of cash flow						
Net cash flow from operating activities		0.1	0.3	(0.1)	1.7	(0.0)
Net cash flow from investment activities		(0.0)	(0.0)	(0.2)	(2.2)	0.0
Net cash flow from finance activities		(0.2)	0.0	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		0.5	0.3	0.7	(3.0)	0.1
Cash and cash equivalents at close of the period		0.4	0.6	0.5	(2.5)	0.1
Change in cash and cash equivalents		**(0.1)**	**0.3**	**(0.2)**	**0.5**	**(0.0)**

4.4.2 Change during the fiscal year

In millions of euros	09/30/15	Share of profit	Dividends	Changes in scope	Other changes	Foreign exchange differences	09/30/16
Equity interests in associated companies	16.3	0.2	(0.4)	(0.7)	(0.0)		15.5

4.5 Other non-current assets

In millions of euros	Gross values on 09-30-16	Provisions	Net values on 09-30-16
Other receivables	4.5	(4.5)	0.0
Total	**4.5**	**(4.5)**	**0.0**

4.5.1 Financial assets and other non-current assets by maturity date (excluding investment securities)

In millions of euros	09/30/16	More than 1 year	More than 5 years
Loans, securities and other long-term financial assets	6.9	6.3	0.6
Total	**6.9**	**6.3**	**0.6**

4.6 Inventories

4.6.1 By type

In millions of euros	Gross values on 09-30-16	Gross values on 09-30-15
Raw materials	9.6	10.2
Other consumables	9.7	9.5
Work in progress	3.3	2.6
Finished and semi-finished goods	2.2	1.7
Goods for resale	59.6	58.3
Total	**84.4**	**82.3**

4.6.2 Change during the fiscal year

In millions of euros	Net value on 09-30-15	Variation	Changes in scope	Impact of IFRS 5	Other changes	Foreign exchange differences	Change in impairment of inventory[1]	Net values on 09-30-16
Raw materials	10.0	0.6		(0.9)	(0.3)	(0.0)	0.2	9.6
Other consumables	9.1	0.0	0.0		0.2	(0.0)	(0.3)	9.0
Work in progress	2.6	1.2		(0.6)				3.3
Finished and semi-finished goods	1.7	0.5					(0.0)	2.1
Goods for resale	56.7	(5.4)	6.9	(0.0)	(0.1)	0.0	1.2	59.3
Total	**80.1**	**(3.0)**	**6.9**	**(1.5)**	**(0.2)**	**(0.0)**	**1.1**	**83.3**

(1) Change in impairment of inventory.

In millions of euros	Value on 09-30-15	Provisions	Write backs	Impact of IFRS 5	Changes in scope	Foreign exchange differences	Value on 09-30-16
Inventory obsolescence	(2.2)	(0.1)	1.7	0.4		(0.0)	(1.1)

4.7 Trade receivables, other receivables and current financial assets

	09-30-16			09-30-15		
In millions of euros	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Trade receivables	**240.2**	**(13.8)**	**226.4**	**241.3**	**(9.2)**	**232.1**
Tax receivables	**5.3**		**5.3**	**4.7**		**4.7**
Advances and deposits	7.6		7.6	5.5		5.5
Other receivables	76.0	(4.5)	71.5	68.2	(3.9)	64.3
Prepaid expenses	9.8		9.8	9.1		9.1
Other current assets	**93.4**	**(4.5)**	**88.8**	**82.9**	**(3.9)**	**79.0**
Dividends due	0.9		0.9	0.6		0.6
Receivables related to equity participations				0.2		0.2
Loans, deposits and securities	12.9		12.9	12.3		12.3
Current financial assets	**13.8**		**13.8**	**13.1**		**13.1**

Change in impairment of trade receivables

In millions of euros	Value on 09-30-15	Provisions	Write backs	Changes in scope	Impact of IFRS 5	Foreign exchange differences	Value on 09-30-16
Impairment of trade receivables[1]	(9.2)	(5.3)	0.7	(0.4)	0.4		(13.8)

(1) Of which €4 million in provisions for trade receivables of the subsidiary AEP Multiservzi 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 at 09-30-16	Provisions	Net value on 09-30-16	Net value on 09-30-15
Marketable securities	0.4	(0.2)	0.3	0.4
Cash	41.6		41.6	43.3
Total	**42.0**	**(0.2)**	**41.9**	**43.7**

In millions of euros	09-30-16	09-30-15
Cash and cash equivalents	41.9	43.7
Bank overdrafts	24.8	9.3
Net cash	**17.0**	**34.4**

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, 2016, the Company's share capital consisted of 168,082,030 shares with a nominal value of €0.25 each, corresponding to a total nominal value of €42,020,507.50.

Analysis of the share capital and voting rights

	Shares		Voting rights		Share subscription warrants @ €6.70
Shareholders	Number	%	Number	%	Number
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%	
Banks					3,583,616
Total	**168,082,030**	**100.00%**	**235,513,158**	**100.00%**	**3,583,616**

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 2015/2016[1]	For the fiscal year 2014/2015	For the fiscal year 2013/2014
Net dividends in euros	0.02	0.05	0
Total net distribution	**3.3**	**8.4**	**0.0**

(1) Subject to approval by the shareholders' meeting.

The Board of Directors has proposed a €0.02/share dividend distribution to the shareholders' meeting.

4.9.1 Shares with attached share subscription warrants (ABSAs)

4.9.1.1 Characteristics of the share subscription warrants arising from the ABSAs

Number of share subscription warrants attached to each share

Each share has one (1) share subscription warrant attached.

Number of ABSAs

12,738,854 ordinary shares with attached share subscription warrants issued in 2005.

Exercise parity and exercise price

455 share subscription warrants are required to subscribe for 128 new ordinary shares in the Company (the Exercise Parity) (subject to the adjustments described in paragraph 2.4.11 "Maintenance of the rights of warrant-holders" of the transaction memorandum authorized by the French securities regulator, AMF, under reference No. 05-198 dated March 31, 2005) at the price of €6.70 per new ordinary share (issue premium included) payable in cash or by offset of receivables. The holders of share subscription warrants are responsible for acquiring the number of warrants necessary to subscribe for a whole number of shares.

The maximum number of new ordinary shares of the Company that may be subscribed for by exercising warrants is 3,583,616 shares, plus, where applicable, any additional shares to be issued to maintain the rights of the warrant holders.

Exercise period

Subject to the stipulations of paragraph 2.4.10 "Suspension of the exercise of share subscription warrants" of the transaction memorandum approved by the French securities regulator, AMF, under reference No. 05-198 dated March 31, 2005, the share subscription warrants are not exercisable during the first two years following their issue, but become so during the following three years and six months, on the understanding that if these share subscription warrants are not exercised by the end of this period of five years and six months, the warrants will be automatically void and will lose all value, with no possibility of compensation from the Company.

Extension of the term of the share subscription warrants

Following the announcement made to the public about the planned merger between CFF Recycling, Penauille Polyservices, DJC and JCP Participations, contact was made with the lending banks of Penauille Polyservices to obtain from them all the necessary approvals for the planned merger transactions. The lending banks of Penauille Polyservices wished to make their authorization of these transactions and of the merger in particular conditional upon an extension of the exercise period of the share subscription warrants to March 13, 2017 and on the maintenance of the promises to purchase the share subscription warrants set out in the initial agreement on December 24 and 31, 2004. Under the terms of this agreement, the lending banks of Penauille Polyservices had agreed to make a financial gesture by incorporating in the capital of Penauille Polyservices part of their receivables by subscribing for shares with attached share subscription warrants in Penauille Polyservices.

In these conditions, it was planned (i) to submit to the shareholders' meeting of Penauille Polyservices called to vote on the merger plan on July 18, 2007, a resolution to extend the period during which these share subscription warrants may be exercised until March 13, 2017 and (ii) that CFER, the majority shareholder of Derichebourg, would alone assume responsibility for the promises to purchase the share subscription warrants solely in favor of the banks, a detailed description of which appears in the transaction memorandum, which received authorization No. 05-198 from the French securities regulator, AMF, on March 31, 2005 (in this regard, CFER accepted that the purchase promise exercisable in the event of market illiquidity should be extended to March 13, 2017 where the exercise period of these share subscription warrants had been extended and that the promises to purchase on phased dates should also be deferred by five months, to be henceforth open in December 2008, 2009 and 2010).

Adjustment of the exercise parity

In the event that any financial transactions are carried out by the Company, the maintenance of the rights of share subscription warrant holders will be ensured by adjusting the exercise parity in accordance with the conditions set out in paragraph 2.4.11 "Maintenance of the rights of share subscription warrant holders" of the transaction memorandum authorized by the French securities regulator, AMF, under reference No. 05-198 dated March 31, 2005.

Listing of share subscription warrants (BSA)

Since it involves the admission of the share subscription warrants to stock exchange listing on the Eurolist by Euronext Paris, this would normally have taken place on May 14, 2007 in accordance with the agreement on December 24 and 31, 2004 (Euronext note reference PAR_20070510_7353_EU). In order to avoid unequal treatment between successive holders, who may have acquired these share subscription warrants on the market before their exercise period was extended to March 13, 2017, the deferral sine die of their admission to listing has been requested by Penauille Polyservices, with the agreement of the share subscription warrant holders, from Euronext Paris *(Euronext note reference PAR_20070511_7372_EUR)*.

4.9.1.2 Characteristics of the shares issued following the exercise of the share subscription warrants

Nominal amount of shares issued as a result of the exercise of share subscription warrants

Issue of a maximum of 3,583,616 new ordinary shares as a result of the exercise of these share subscription warrants (the "exercised shares"), subject to any adjustments required to preserve the rights of the warrant holders, each with a nominal value of €0.25, corresponding to a capital increase of a maximum nominal amount of €895,904, plus any additional nominal amount required to preserve the rights of the warrant holders.

Subscription price and gross proceeds from the issuance

€6.70 per exercised share, issue premium included, €0.25 of which is the nominal value and €6.45 is the issue premium, to be fully paid upon subscription. In the event that all the warrants are exercised, the gross amount raised by the issue will be €24,010,227.20, issue premium included, subject to any potential adjustments.

Preferential subscription rights

In accordance with the provisions of Article L. 225-132 of the French Commercial Code, the decision of the extraordinary general meeting to authorize the issue of the shares with attached share subscription warrants (ABSA) benefits the warrant holders by the renunciation by the shareholders of their preferential subscription rights to the exercised shares.

Rights attached to the exercised shares

The exercised shares which may be issued upon exercise of the share subscription warrants (BSAs) will enjoy full and equal rights from the date of their creation.

Listing of the exercised shares

The exercised shares will be the subject of regular requests for admission to listing to Euronext Paris SA, on the same market as the existing shares, as and when they are issued.

DERICHEBOURG stock options

The Group no longer has a stock option plan.

4.10 Non-controlling interests

In millions of euros	09/30/16	09/30/15
Non-controlling interests at the beginning of the year	5.5	2.9
Changes in consolidation scope	(0.7)	2.1
Consolidated company earnings attributable to non-controlling interests	0.7	1.0
Share of dividends from consolidated companies	(1.6)	(0.3)
Impact of foreign exchange rate fluctuations on non-controlling interests	0.0	0.0
Other changes	(0.2)	(0.1)
Non-controlling interests at year-end	**3.8**	**5.5**

4.11 Indebtedness

4.11.1 Loans and financial debts

4.11.1.1 Changes in financial indebtedness

In millions of euros	Value on 09-30-15	Increase	Decrease	Changes in scope[1]	Impact of IFRS 5	Other changes	Value on 09-30-16
Bond issues			(9.9)	9.9			
Loans from financial institutions	113.2	11.1	(37.8)	29.3		(28.5)	87.4
Miscellaneous financial debt	2.1	0.1	(0.5)	0.8		(0.1)	2.3
Debts linked to finance leases	57.1	17.7		3.0	(0.0)	(24.0)	53.8
Non-current financial debt	**172.3**	**28.9**	**(48.1)**	**42.9**	**(0.0)**	**(52.6)**	**143.5**
Loans from financial institutions	72.6	26.2	(59.0)	7.3		28.5	75.7
Miscellaneous financial debt	0.2	0.0	(0.1)	0.0		0.1	0.2
Debts linked to finance leases	21.1		(24.1)	1.7	(0.0)	24.0	22.8
Bank overdrafts	9.3	15.0		0.5	(0.0)	(0.0)	24.8
Current financial debt	**103.3**	**41.2**	**(83.8)**	**9.6**	**(0.0)**	**52.6**	**123.5**
Total financial debt	**275.6**	**70.2**	**(131.3)**	**52.6**	**(0.1)**	**(0.0)**	**267.0**

(1) See note 3.1 New companies included in the consolidation scope.

The €100 million revolving loan, with the same maturity as the repayment loan, is recognized in non-current financial debt for the €20 million portion drawn down at September 30, 2016.

4.11.1.2 Maturity profile of loans and non-current financial debt

In millions of euros	Value on 09-30-16	From 1 to 5 years	More than 5 years
Loans from financial institutions	87.4	85.1	2.3
Miscellaneous financial debt	2.3	2.3	0.0
Debts linked to finance leases	53.8	48.9	4.9
Non-current financial debt	**143.5**	**136.2**	**7.3**

4.11.1.3 Financial debt by main currencies

In millions of euros	Value on 09-30-16	EUR	American dollar	Canadian dollar	Other
Loans from financial institutions	87.4	85.1		1.9	0.4
Miscellaneous financial debt	2.3	2.3			
Debts linked to finance leases	53.8	49.9	0.8		3.1
Non-current financial debt	**143.5**	**137.3**	**0.8**	**1.9**	**3.5**
Loans from financial institutions	75.2	69.8	4.5	0.4	0.6
Miscellaneous financial debt	0.2	0.2			
Debts linked to finance leases	22.8	21.6	0.4		0.7
Bank overdrafts	24.8	24.1	0.4		0.4
Interest accrued	0.5	0.5		0.0	
Current financial debt	**123.5**	**116.2**	**5.3**	**0.4**	**1.6**
Total financial debt	**267.0**	**253.5**	**6.1**	**2.3**	**5.1**

4.11.1.4 Characteristics of main credit lines

Denomination	Currency	Nominal value authorized on 09-30-16 *in millions of currency units*	Nominal value used on 09-30-16 *in millions of currency units*	Maturity date	Index
Loans from financial institutions[1]	EUR	79.5	79.5	03/29/19	Euribor
Loans from financial institutions[1]	EUR	100.0	20.0	03/29/19	Euribor
Loans from financial institutions	EUR	18.5	18.5	02/26/17	Euribor
Syndicated factoring[2]	EUR	240.0	206.4	12/31/18	Euribor
Loans from financial institutions[3]	EUR	26.5	26.5		
Confirmed and unconfirmed bilateral line	EUR	92.2	24.8		

(1) The Derichebourg Group has contracted a syndicated loan agreement, which, along with its factoring agreements, constitutes its main sources of funding.
(2) Including €198 million from non-recourse factoring of receivables.
(3) Of which USD 5 million and CAD 3.2 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 redeemable loan, €53 million had already been repaid by the due dates of March 31, 2015 and March 31, 2016. The next installment will be due in March 2017 and will amount to €26.5 million.

Two riders were signed on March 31, 2015 and January 22, 2016, on the Group's request, to amend a number of provisions, notably the margin scale in rider No. 1 and ratios to be respected in rider No. 2.

The Group also set up bilateral lines with financial institutions in the amount of €92 million.

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 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. The early repayment of the amounts due must be equal to 50% of the proceeds from the capital increase paid up in cash after capital increase costs or, where applicable, the proceeds from the issuance of equity or debt securities or the amount of the disintermediated loan, if the issue maturity date is after the loan repayment date. In all other cases the percentage is 100%.

If assets are disposed of, partial early repayment of the amounts due equivalent to the net proceeds from these disposals must also be made.

Finally, the partial early repayment of the amounts due must take place in the event of an insurance settlement, for the amount of the settlement excluding the deductible of €5 million, less any amounts reinvested.

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 enter into any kind of joint venture or business combination agreement, in the widest sense, with third parties outside the Group;
- to undertake certain 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 agreement;
- 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. The loan agreement includes a commitment to hedge at least 50% of the amount drawn down on the repayment loan with interest-rate hedging instruments.

4.11.1.6 Factoring agreement

On January 1, 2015, the Derichebourg group entered into a non-recourse factoring agreement (€240 million approved credit line). The agreement covers the French, Belgian and German Environmental Services and Business Services entities. The term of this agreement is confirmed at two years.

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. It is 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 €188.7 million as at September 30, 2016.

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 agreement to December 2018.

4.11.2 Net financial position

In millions of euros	09-30-2016	09-30-2015
Financial debt	267.0	275.6
Cash and cash equivalents	41.9	43.7
Total net debt	**225.1**	**231.9**

Risks related to the level of debt

The Group's level of debt could affect its capacity to changes in the economic environment.

The Group's net debt at September 30, 2016 totaled €225.1 million.

The requirement to allocate part of its cash flows to service its debt reduces its funds available for investment.

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, 2016, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement set up in March 2014, €26.5 million of which was repaid on March 31, 2015, and on March 31, 2016. Its authorized outstanding amount is therefore €179.5 million. It includes a five-year loan for €132.5 million, repayable in equal annual installments (outstanding amount authorized and drawn of €79.5 million as at September 30, 2016), and a five-year revolving loan for the sum of €100 million. The next installment for the repayment loan is due on March 31, 2017 and amounts to €26.5 million. At September 30, 2016, €80 million of the revolving loan had not been drawn;
- a 2-year non-recourse factoring agreement went into effect on January 1, 2015. It has a €240 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 those amounts. 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;
- €45 million in medium-term borrowings, €45 million of which has been drawn down (including the CICE 2016 pre-financing);
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding as at September 30, 2016 was €77 million;
- bilateral credit lines, whether confirmed or not, totaling €92 million, which are not used since the group's net cash position is €17 million at September 30, 2016.

The main payment maturity dates up to 2021 are shown in the table below.

Main maturity dates

In millions of euros	At -1 year	At +1 year	At +2 years	At +3 years	At +4 years	Total
Syndicated credit	25.9	25.9	45.9	0.0	0.0	97.7
Finance leases	22.8	20.1	14.6	8.9	5.7	72.1
Other medium- and long-term lines[1]	21.5	2.9	2.6	2.7	2.3	31.9
Total	**70.2**	**48.9**	**63.1**	**11.6**	**8.0**	**201.7**

(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 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 2.75.

At September 30, 2016, the leverage ratio stood at 1.85;

- 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, 2016, the coverage ratio stood at 6.85.

The Group was in compliance with its financial covenants on September 30, 2016. 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 €189 million at September 30, 2016, 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, 2016.

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 is not based on observable market data.

On September 30, 2016, all of the Group's assets and liabilities measured at fair value are classified as Level 2.

During the 2016 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	09-30-16	09-30-15
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	0.4
Loans and receivables		
Non-current loans	0.0	0.0
Non-current deposits and securities	6.9	6.0
Other non-current financial assets	0.0	0.2
Current trade receivables	226.4	232.1
Current loans	0.9	0.7
Current deposits and securities	12.9	12.3
Cash and cash equivalents	41.9	43.7
Held-to-maturity investments		
None		
Available-for-sale assets		
Investment securities	4.1	2.7
Liabilities at fair value through profit or loss		
Derivative instruments – liabilities	2.8	0.1
Liabilities at fair value through equity		
Derivative instruments – liabilities	3.5	6.4
Other liabilities		
Syndicated credit	97.7	133.0
Other non-current financial debt	72.3	65.8
Trade payables	216.4	198.3
Other current financial liabilities	0.5	0.4
Short-term loans and bank overdrafts	96.5	76.4

4.12.2 Market value of derivative instruments

		09-30-16		09-30-15	
In millions of euros		Assets	Liabilities	Assets	Liabilities
Derivatives for interest-rate risks	Cash flow hedge		6.4		6.6
Derivatives for exchange-rate risk	Cash flow hedge	0.0	0.0	0.4	0.0
Amount of derivatives in the consolidated balance sheet		**0.0**	**6.4**	**0.4**	**6.6**

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, 2016, 65% 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

	09-30-16			09-30-15		
In millions of euros	**Fixed rate**	**Variable rate**	**Total**	Fixed rate	Variable rate	Total
Financial liabilities	94.2	148.0	242.2	80.3	186.0	266.3
Cash and cash equivalents		24.8	24.8		9.3	9.3
Total financial liabilities	**94.2**	**172.8**	**267.0**	**80.3**	**195.3**	**275.6**
%	35%	65%	100%	29%	71%	100%

Net financial position after hedging

	09-30-16			09-30-15		
In millions of euros	**Less than 1 year**	**From 1 to 5 years**	**Beyond that period**	Less than 1 year	From 1 to 5 years	Beyond that period
Financial liabilities	123.5	136.2	7.3	103.3	162.8	9.6
Financial assets	(55.7)	(6.9)		(56.8)	(6.0)	
Net position before hedging	67.8	129.3	7.3	46.5	156.7	9.6
Swaps		(270.0)		(140.0)	(270.0)	
Net position after hedging	67.8	(140.7)	7.3	(93.5)	(113.3)	9.6

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	0.95%			34.0	
SWAP EUR	0.96%			66.0	
SWAP EUR	0.97%			25.0	
SWAP EUR	0.98%			25.0	
COLLAR	0.47-1.25%			100.0	
Total nominal value EUR		**0.0**	**0.0**	**270.0**	**0.0**

4.12.4 Foreign exchange risk

Exchange rates used

In euros	Foreign currencies	2015 Year-end	2015 Average	2014 Year-end	2014 Average
Canada	CAD	1,4690	1,4719	1,5034	1,4070
United States	USD	1,1161	1,1106	1,1203	1,1482
Morocco	MAD	10,8526	10,8563	10,8783	10,8774
Mexico	MXN	21,7389	19,8965	18,9768	17,3406
United Kingdom	GBP	0,8610	0,7428	0,7385	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 of currency units	USD	CAD
Forward purchases	3.0	
Forward sales	18.4	0.9

Accounts receivable, tax receivables and other current assets by currency

In millions currency units	Receivables at 09-30-16 Local currency	Euro	%	Receivables at 09-30-15 Local currency	Euro	%
CAD	1.9	1.3	0%			
EUR	288.9	288.9	90%	287.8	287.8	91%
GBP	0.1	0.1	0%	0.0	0.0	0%
MAD	113.3	10.4	3%	60.2	5.5	2%
MXN	74.8	3.4	1%	82.9	4.4	1%
USD	18.3	16.4	5%	20.2	18.1	6%
Total		**320.6**	**100%**		**315.7**	**100%**

Trade payables, tax liabilities and other current liabilities

In millions currency units	Payables at 09-30-16 Local currency	Euro	%	Payables at 09-30-15 Local currency	Euro	%
CAD	0.8	0.6	0%			
EUR	459.1	459.1	97%	426.2	426.2	97%
GBP	0.0	0.0	0%	0.5	0.6	0%
MAD	82.5	7.6	2%	51.8	4.8	1%
MXN	36.8	1.7	0%	48.2	2.5	1%
USD	7.5	6.7	1%	5.6	5.0	1%
Total		**475.7**	**101%**		**439.1**	**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.

		09/30/16		09/30/15	
In millions of euros		Before hedging	After hedging	Before hedging	After hedging
USD	+5%	(0.7)	0.0	(0.9)	(0.2)
	-5%	0.7	(0.0)	1.0	0.2
Total	**+5%**	**(0.7)**	**(0.0)**	**(0.9)**	**(0.2)**
	-5%	**0.8**	**0.0**	**1.0**	**0.2**

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 09-30-16	Not due	<1 month	<4 months	>4 months
Environmental Services	121.4	94.7	11.8	12.2	2.7
Business Services	107.2	66.8	14.0	12.4	13.9
Holding companies	0.9	0.6	0.0	0.1	0.2
Total	**229.5**	**162.1**	**25.8**	**24.7**	**16.9**

Despite the turbulent environment, the Group has not yet observed any significant increase in payment delays, with non-recoverable losses totaling €0.9 million. 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 Coframetal, 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	Value on 09-30-15	Provisions	Write backs used	Write backs not used	Foreign exchange difference	Changes in scope[1]	Other changes	Value on 09-30-16
Provisions for labor disputes	4.6	2.0	(1.4)	(0.3)		0.1	(0.0)	5.0
Provisions for other disputes	1.1	0.2	(0.1)	(0.0)		2.3	(0.0)	3.5
Provisions for URSSAF disputes	4.5		(1.2)				(0.2)	3.1
Provisions for guarantees	0.1	0.1	(0.0)					0.1
Provisions for service awards	2.4	0.3	(0.5)	(0.6)				1.7
Provisions for restructuring						0.3		0.3
Provisions for losses at completion on contracts	0.3		(0.3)					
Environmental provisions	9.9	0.1	0.0	(2.1)	0.0			7.8
Other non-current provisions		1.3		(0.0)	0.0			1.2
Total	**22.8**	**3.9**	**(3.4)**	**(3.0)**	**0.0**	**2.7**	**(0.2)**	**22.8**

(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 2015-2016	Euro zone 2014-2015
Discount rate	1.00%	2.00%
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 62 years for non-executives
	Voluntary departure at 65 years for executives	Voluntary departure at 65 years for executives

Actuarial assumptions Environment Services and Holding Companies	Euro zone 2015-2016	Euro zone 2014-2015
Discount rate	1.00% to 2.50%	2.00% to 2.40%
Long-term forecast salary growth rate	0% to 2%	0% to 2%
Expected return on assets	N/A	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 65 for executives	Voluntary departure at 62 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%.

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	09/30/15	Provisions	Write backs used	Write backs not used	Foreign exchange difference	Changes in scope [1]	Impact of IFRS 5	Comprehensive income	09/30/16
Employee benefits	33.6	3.2	(1.6)	(0.0)		1.3	(0.3)	9.3	45.5

(1) See note 3.1 New companies included in the consolidation scope.

In millions of euros	2016	2015	2014
Actuarial value of commitments at opening	**33.6**	**35.4**	**31.9**
Current service cost	2.6	2.1	1.9
Interest expense	0.6	0.6	0.9
Actuarial losses (gains) arising from changes in demographic assumptions	4.9	(2.4)	(1.5)
Actuarial losses (gains) arising from changes in financial assumptions	4.9	(0.1)	4.2
Employee contributions	0.0	0.0	0.0
Benefits paid	(1.4)	(2.0)	(1.7)
Acquisitions, disposals, liquidations	0.0	0.0	0.0
Changes in scope	0.0	0.0	(0.3)
Changes in exchange rates	0.0	0.0	0.0
Impact of IFRS 5	0.0	0.0	0.0
Actuarial value of commitments at closing	**45.3**	**33.6**	**35.4**
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	1.4	2.0	1.7
Employee contributions	0.0	0.0	0.0
Benefits paid	(1.4)	(2.0)	(1.7)
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
Impact of IFRS 5	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	45.3	33.6	35.4
Fair value of assets	0.0	(0.0)	(0.0)
Net value of commitments	**45.3**	**33.6**	**35.4**
Amounts recognized in profit or loss	**-**	**-**	**-**
Current service cost	2.6	2.1	1.9
Financial cost	0.6	0.6	0.9
Administrative costs	0.0	0.0	0.0
Gains/Losses on settlements	0.0	0.0	0.0
Total	**3.2**	**2.7**	**2.8**
Analysis of amount recognized in other comprehensive income			
Expected return on assets other than interest	0.0	0.0	0.0
Actuarial losses (gains) arising from changes in demographic assumptions	(4.9)	2.4	1.5
Actuarial losses (gains) arising from changes in financial assumptions	(4.9)	0.1	(4.2)
Total gains/(losses) recognized in other comprehensive income	**(9.9)**	**2.5**	**(2.6)**
Provisions at the beginning of the year	**33.6**	**35.4**	**31.9**
Net expense for the year	3.2	2.7	2.8
Impact on comprehensive income	9.9	(2.5)	2.6
Benefits paid	(1.4)	(2.0)	(1.7)
Other	(0.0)	(0.0)	(0.2)
Impact of IFRS 5	0.0	0.0	0.0
Changes in exchange rates	0.0	0.0	0.0
Provisions at year-end	**45.3**	**33.6**	**35.4**

4.14 Current provisions

In millions of euros	Value on 09-30-15	Provisions	Write backs used	Write backs not used	Foreign exchange difference	Changes in scope	Impact of IFRS 5	Other changes	Value on 09-30-16
Provisions for disputes[1]	5.8	1.0	(0.7)	(0.3)		0.0		0.2	6.0
Provisions for restructuring	1.2	1.5	(1.2)						1.6
Provisions for losses at completion on contracts	0.1		(0.1)						0.0
Provisions for taxes	0.1	0.1		(0.1)					0.0
Environmental provisions	1.2	0.1	(1.2)						0.1
Other provisions	0.1	0.0	(0.0)		0.0			0.0	0.1
Total	**8.5**	**2.8**	**(3.3)**	**(0.4)**	**0.0**	**0.0**	**(0.0)**	**0.2**	**7.8**

(1) Of which €4 million for URSSAF disputes as at 09/30/16.

4.15 Other current liabilities

In millions of euros	09/30/16	09/30/15
Trade payables	**216.4**	**197.8**
Tax payables	**7.9**	**5.5**
State and payroll taxes	210.4	202.1
Advances and payments on account received on orders	21.2	17.0
Current account credit balances	2.1	1.5
Miscellaneous liabilities	8.2	7.7
Deferred income	9.0	7.4
Other current liabilities	**250.9**	**235.7**

4.16 Other non-current liabilities

In millions of euros	09/30/16	09/30/15
Trade payables		0.5
Deferred income	1.1	1.1
Other non-current liabilities	**1.1**	**1.6**

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.

4.17.1 By business segment

4.17.1.1 Revenue

In millions of euros	2016	2015 restated	Change in %
Environmental Services	1,389.8	1,670.8	(16.8%)
Business Services	757.0	681.3	11.1%
Holding Companies	0.6	0.5	12.9%
Total	**2,147.5**	**2,352.6**	**(8.7%)**

4.17.1.2 Consolidated income statement items

In millions of euros	Environmental Services	Business Services	Holding Companies	Intersegment eliminations	Total at September 30
2016					
External revenue	1392.3	769.6	28.6	(42.9)	2147.5
Inter-segment revenue	(2.5)	(12.5)	(28.0)	42.9	0.0
Revenue	**1389.8**	**757.0**	**0.6**	**0.0**	**2,147.5**
Recurring operating profit (loss)	33.0	17.6	(4.5)	0.0	46.0
Operating profit (loss)	32.7	13.6	(4.5)	0.0	41.8
Net income from associates	0.2	0.0	0.0	0.0	0.2
2015 restated					
External revenue	1,673.1	693.2	25.0	(38.6)	2,352.6
Inter-segment revenue	(2.3)	(11.9)	(24.4)	38.6	0.0
Revenue	**1,670.8**	**681.3**	**0.5**	**0.0**	**2,352.6**
Recurring operating profit (loss)	41.7	19.8	(6.2)	0.0	55.3
Operating profit (loss)	40.2	19.1	(6.0)	0.0	53.3
Net income from associates	0.2	(1.2)	0.0	0.0	(1.0)

Crane construction and maintenance operations were classified as held for sale.

Impacts on the 2016 indicators are as follows:

In millions of euros	Environmental Services	Business Services	Holding Companies	Total
2015 Revenue published in 2015	1,674.1	681.3	0.5	2,355.9
Discontinuation of Crane construction and maintenance operations	(3.3)		0.0	(3.3)
2015 Revenue published in 2016	**1,670.8**	**681.3**	**0.5**	**2,352.6**
2015 Recurring operating profit (loss) published in 2015	39.8	19.8	(6.2)	53.5
Discontinuation of Crane construction and maintenance operations	1.9		0.0	1.9
2015 Revenues from operations published in 2016	**41.7**	**19.8**	**(6.2)**	**55.3**
2015 Operating profit (loss) published in 2015	38.3	19.1	(6.0)	51.4
Discontinuation of Crane construction and maintenance operations	1.9		0.0	1.9
2015 Operating profit (loss) published in 2016	**40.2**	**19.1**	**(6.0)**	**53.3**

4.17.1.3 Other segment reporting

In millions of euros	Environmental Services	Business Services	Holding Companies	Intersegment eliminations	Total at September 30
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
2015					
Total assets (current and non-current)	812.4	439.0	313.3	(398.5)	1,166.2
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	587.7	271.7	350.9	(398.6)	811.8
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)	**587.7**	**271.7**	**357.1**	**(398.6)**	**817.9**
Flows on September 30, 2015					
Tangible and intangible capital investments	49.4	12.5	1.7	0.0	63.6
Tangible and intangible amortization	(61.5)	(8.4)	(2.2)	0.0	(72.1)
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
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
2015 restated					
Revenues (origin of sales)	359,0	1,829,9	153,1	10,6	2,352,6
Tangible and intangible capital investments	13,1	38,6	4,6	7,4	63,6
Tangible and intangible amortization	(15,4)	(45,9)	(9,6)	(1,2)	(72,1)
Total net tangible assets	91,6	277.8	47,8	6,9	424.2

4.18 Change in provisions

In millions of euros	2016	2015 restated
Provisions on current assets	1.6	2.7
Provisions for liabilities and charges	5.3	4.8
Total	**6.9**	**7.6**

4.19 Other operating expenses and income

In millions of euros	2016	2015 restated
Proceeds from sale of property, plant and equipment	3.6	9.5
Production of assets for own use	0.3	0.7
Write backs of provisions on property, plant and equipment	0.3	0.6
Write backs of provisions on current assets	2.6	2.2
Write backs of provisions for liabilities and charges	8.1	5.4
Transfers of operating expenses	3.5	2.7
Operating and investment subsidies	2.2	1.9
Others	1.3	1.0
Total other operating income	**21.9**	**24.0**
Carrying amount of non-current assets sold	(2.7)	(8.5)
Losses from irrecoverable and written-off receivables	(0.7)	(0.9)
Duties and licenses	(4.9)	(4.5)
Board members/attendance fees paid	(0.1)	(0.1)
Others	(7.5)	(1.9)
Total other operating expenses	**(15.8)**	**(16.0)**

4.20 Other non-recurring expenses and income

	2016	2015 restated	
France - Restructuring costs of entities acquired	(2.2)	(0.7)	France – Restructuring of Multiservices
Italy - Discontinuation of the Multiservices subsidiary[1]	(4.0)	(0.5)	France - Costs of adapting to a new economic environment
Total other non-recurring expenses	**(6.2)**	**(2.2)**	
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	2016	2015 restated
Interest on loans, bank overdrafts and factoring	(9.0)	(10.9)
Interest on current accounts	0.1	0.1
Leasing interests	(2.2)	(2.3)
Dividends	0.4	0.4
Income from investment securities and cash equivalents	(0.3)	0.0
Interest-rate hedges and other financial income and expenses	(6.8)	(4.2)
Net financial expenses	**(17.7)**	**(16.8)**
Foreign exchange gains and losses	0.7	2.4
Interest expense on retirement and pension plans	(0.6)	(0.6)
Other	2.4	(0.4)
Foreign exchange and other gains and losses	**2.5**	**1.3**

4.22 Income tax

4.22.1 By type

In millions of euros	2016	2015 restated
Income before tax from consolidated companies	26.6	37.8
Current income tax	(8.7)	(11.2)
Deferred tax	0.6	5.8
Total income tax expense	**(8.1)**	**(5.4)**
Effective tax rate	**(30.45%)**	**(14.55%)**

4.22.2 Actual income tax expense

	2016	2015 restated
Theoretical tax income or expense	(9.2)	(13.6)
Impact of tax rate changes	(1.9)	3.9
Recognition of deferred tax assets	2.8	0.3
Permanent tax differences	(1.8)	3.9
Permanent differences linked to consolidation adjustments	(1.5)	(0.1)
Differences in tax rates applicable to foreign companies	(0.2)	0.2
Actual tax income	**(8.2)**	**(5.4)**

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 2016, the Group's actual income tax expense was reconciled on the basis of a tax rate of 34.43%.

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 VALRECY	POLYSEANE
AFM 86 SCI	DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	POLY-SELIA
AFM RECYCLAGE	DERICHEBOURG SNG	POLY-SENTI
AFM TOURAINE SCI	DERICHEBOURG TECHNOLOGIES	POLYSOTIS
ARTS ET DESCARTES SCI	DERICHEBOURG TRAVAUX & MAINTENANCE NUCLÉAIRE	POLYTIANE
BERNES BRUYÈRES SCI	ECO-PHU HOLDING	POLYURBAINE
BERTHELOT VILLENEUVE SCI	ECO-VHU SAS	POLYURBAINE 13
BIMA SCI	ÉCUREUIL SCI	POLYURBAINE NORMANDIE
BOLTON	ESKA	POLY-VAL
CARLISSA SCI	EXADIANE SCI	POLY-VALYS
CFF BETA SCI	FRADENA TRANSPORT	PREVEZA SCI
CFF DELTA SCI	FRANORA SCI	PROVERRE
CFF GAMMA SCI	GARE DE CHANDIEU SCI	PSIMMO
DERICHEBOURG IMMOBILIER SCI	HAUTE GARONNE SCI	PURFER
CFF OMEGA SCI	IMPASSE INDUSTRIE SCI	PURFER TRANSPORT
CFF SIGMA SCI	INOREC	PURFOLLIOULE SCI
CFF VEGA SCI	INOTERA SCI	PURMET TRANSPORT
CHAUFONTAINE SCI	LICODIA SCI	QUAI DE NORVÈGE SCI
COFRAMETAL	LIEN ENVIRONNEMENT	REFINAL INDUSTRIES
DERICHEBOURG EXPANSION	MANDY RECUPERATION SCI	REVIVAL
DERICHEBOURG AQUA	ORÉE DES BOIS SCI	ROUTABOULE SCI
DERICHEBOURG ATIS AÉRONAUTIQUE	PEUPLIERS SCI	ROUX SCI
DERICHEBOURG ÉNERGIE	POLYAMON	
DERICHEBOURG ÉNERGIE E.P.	POLYBUIS	SERAM SA
DERICHEBOURG ENVIRONNEMENT	POLYCEJA	SETIAM SCI
DERICHEBOURG ESPACES VERTS	POLYCEO	STRAP TRANSPORT
DERICHEBOURG ÉVOLUTION FORMATION	POLYCOROT	STRAPOLE SCI
DERICHEBOURG INTERIM	POLY-MASSI	STRAVIA SCI
DERICHEBOURG SOURCING AERO & ENERGY	POLY-MILIA	SUDIANE SCI
DERICHEBOURG MULTISERVICES HOLDING	POLY-NEA	ULTEAM
DERICHEBOURG PROPRETE	POLYREVA	VALME TECHNOLOGIES

The Derichebourg Group's tax savings amounts to €9.9 million.

The SLG group, acquired on December 31, 2015, 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 scope of this tax consolidation comprises the following companies: SLG Recycling Finance, Ets Giron, Ets Julien, Ets Mainguy, Hervé Récupération, SCI des Varennes, Sepchat Flaysakier, Sepchat 28, Sepchat 41, Serre Environnement, Sorit, Tri Environnement.

4.22.4 Analysis of deferred tax assets and liabilities

In millions of euros	09-30-16	09-30-15
Tax carry forwards	23.2	30.5
Temporary differences	3.1	2.9
Restatement of regulated provisions	(6.4)	(12.6)
Social benefits	12.4	9.7
Finance leases	(1.5)	(1.8)
Elimination of intra-Group profits	3.4	2.7
Valuation differences	(11.8)	(13.2)
IFRS restatements	1.3	1.3
Other types	3.2	1.9
Net deferred taxes	**27.0**	**21.4**
Of which		
Deferred tax assets	45.8	45.4
Deferred tax liabilities	18.8	24.0
Net deferred taxes	**27.0**	**21.4**

The Group has accumulated €69 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 €23.7 million of deferred tax assets corresponding to these tax losses, since it believes that within three and a half years it will have taxable profits to which it will be able to apply these unused tax losses.

A tax audit was conducted on the Derichebourg Environnement subsidiary in previous fiscal years focusing on fiscal year 2012. The tax authorities dispute the treatment of a grant to the Italian subsidiary CRS in June 2012 implementing a prior undertaking. The Company is appealing against the tax adjustment. The audit has no impact on the results for the financial year, in view of the fact that a portion of the losses carried forward in the French consolidated tax group were not capitalized in prior years.

4.23 Discontinued or held-for-sale operations

In millions of euros	2016	2015
Crane construction and maintenance operations		
Revenue	2.6	3.3
Recurring operating profit (loss)	(2.9)	(1.9)
Operating profit (loss)	(4.5)	(1.9)
Profit (loss) before tax	(4.3)	(2.0)
Profit (loss) after tax	(4.4)	(2.0)
Airport Services		
Recurring operating profit (loss)	(0.6)	(0.2)
Operating profit (loss)	(0.6)	(0.2)
Profit (loss) before tax	(0.6)	(0.2)
Profit (loss) after tax	(0.6)	(0.2)
Total Profit (loss) after tax amount	**(5.0)**	**(2.2)**

Crane construction and maintenance operations *(in millions of euros)*	2016
Intangible assets	(0.1)
Property, plant and equipment	1.4
Total non-current assets	**1.2**
Inventories	(1.5)
Trade receivables	(1.0)
Other current assets	(1.6)
Total current assets	**(4.1)**
Total non-current assets and groups of assets held for sale	**2.9**
Employee benefits	(0.3)
Total non-current liabilities	**(0.3)**
Trade payables	(0.6)
Other current liabilities	(0.9)
Total current liabilities	**(1.5)**
Discontinued and liabilities held for sale	**1.8**

4.24 Earnings per share

		2016	2015 restated
Net profit (loss) attributable to company shareholders *(in millions of euros)*	(A)	12,9	28,2
Income net of tax from discontinued or held-for-sale operations *(in millions of euros)*	(B)	(5,0)	(2,3)
Net Group profit (loss) after elimination of discontinued or held-for-sale operations *(in millions of euros)*	(C)	17,9	30,4
Impact of dilution on net income[1]	(D)	0,8	0,8
Profit after dilution	(E)	18,7	31,2
Number of ordinary shares at year-end		168,082,030	168,082,030
Own shares		11,809,103	12,423,980
Number of ordinary shares at year-end, excluding own shares		156,272,927	155,658,050
Weighted average number of ordinary shares at year-end, excluding own shares	(F)	156,272,927	155,658,050
ABSA[2]		3,583,616	3,583,616
Number of ordinary shares at year-end after dilution, excluding own shares	(G)	159,856,543	159,241,666
Basic earnings per share *(in euros)* **(excluding discontinued operations)**	**(C)/(F)**	**0,1**	**0,2**
Basic earnings per share after dilution *(in euros)*	**(E)/(G)**	**0,1**	**0,2**
Earnings per share after net income from discontinued or held-for-sale operations	**(A)/(F)**	**0,1**	**0,2**
Earnings per share after net income from discontinued or held-for-sale operations after dilution	**(A+D)/(G)**	**0,1**	**0,2**

(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	Total at 09-30-16	Total at 09-30-15
Rent	0.6		0.6	0.5
Financial institutions - Loans		1.3	1.3	0.5
Financial institutions - Short-term borrowing		2.2	2.2	0.7
Financial institutions - Market[1]	8.0	41.9	49.8	34.7
Environmental commitments	0.0	0.1	0.1	0.7
Temporary work[2]	14.5		14.5	13.8
Tax commitments	0.6		0.6	0.6
Others	1.7		1.7	3.0
Total	**25.4**	**45.5**	**70.8**	**54.4**

(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 SA 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 shares.

In connection with the acquisition of the investment securities and financial debt components of SLG Recycling, Derichebourg has given some holders 877,745 Derichebourg shares representing part of the price paid. These securities are backed, subject to certain conditions on the pace of disposals on the market, by a guarantee of no capital loss in the event of disposal over a period of 12 months starting on January 7, 2016 compared to the benchmark price of €3.14 (net of dividends received). 100,000 shares were acquired over the fiscal year at the price of €3.14. At 09/30/16, the number of shares likely to be entitled to compensation in the event of capital loss is 777,745 (i.e. 0.46% of the capital).

4.25.2 Details of commitments received

- Confirmed lines of credit not used as of September 30, 2016:
  - bilateral line – Germany: €14.0 million;
  - bilateral line - Belgium: €9.5 million;
  - bilateral line - Portugal: €1.0 million;
  - revolving loan (syndicated loan): €80 million.
- Retention bonds -€1.5 million.
- Advance payment guarantee issued by the company Cordofin for €15 million pertaining to the Rotamfer project which was not completed.

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.

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, 2016:

Future minimum payments - operating leases

In millions of euros	09/30/16	09/30/15
< 1 year	(18.9)	(15.4)
>1 year and <5 years	(26.0)	(40.5)
>5 years	(11.2)	(12.0)
Total	**(56.1)**	**(68.0)**

In millions of euros	09/30/16	09/30/15
Rental expenses for the period	(31.0)	(26.2)
Total	**(31.0)**	**(26.2)**

4.25.4.2 Finance leases

The minimum future lease payments that will be made on finance leases were as follows at September 30, 2016:

Future minimum payments - finance leases

In millions of euros	09/30/16	09/30/15
< 1 year	(24.5)	(23.3)
>1 year and <5 years	(50.8)	(52.3)
>5 years	(5.4)	(8.1)
Total	**(80.7)**	**(83.8)**

In millions of euros	09/30/16	09/30/15
Lease payments expensed in the period	(26.1)	(23.9)
Total	**(26.1)**	**(23.9)**

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 requests to go through with the acquisition, Derichebourg Environnement undertook legal action to have the acquisition agreement cancelled by the courts, its initial payment of €15 million returned and compensation paid in consideration of the numerous 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 was later released and subsequent restraining measures have been 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 record a long-term provision of €4 million.

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 another first instance decision in its favor. The tax authority has appealed. No provision has been recognized in this respect in the accounts at September 30, 2016.

- A lawsuit was filed against George by SNCB for the pollution of the Verviers site in Belgium. The company George contests its liability for historical pollution, and moreover, has accused the former directors and shareholders. As a result of the first instance ruling handed down on April 1, 2014, George has been ordered to pay €1.3 million, plus legal costs. On September 30, 2015 the Company recognized a provision of €2 million which takes into account guarantees received. It has appealed this decision. The appeal decision was issued on March 22, 2016. The Court of Appeals felt that George was not responsible for paying back de-pollution costs. The provision already recognized was reversed during the fiscal year. SNCB has not appealed, hence the matter is closed.

4.27 Related party transactions

4.27.1 Transactions with non-consolidated related parties

The Group is controlled by CFER, which holds 50.82% of the Company's share capital. The ultimate parent company is DBG FINANCES, incorporated in Belgium.

In millions of euros	09-30-16	09-30-15
DBG FINANCES	0.04	0.02
Related party receivables	**0.04**	**0.02**
TBD FINANCES	1.1	1.0
Related party payables	**1.1**	**1.0**
TBD FINANCES	(2.0)	(2.0)
Other operating expenses	**(2.0)**	**(2.0)**
DBG FINANCES	(1.7)	(1.7)
SCI FONDEYRE	NS	NS
SCI DEMUYES	NS	NS
Operating expenses	**(1.7)**	**(1.7)**
DBG FINANCES	0.03	0.03
Revenue	**0.03**	**0.03**

4.27.2 Transactions between the Group and its partners in equity-accounted companies

09-30-16 *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		0.1		0.0	(0.7)	
ALLO CASSE AUTO	0.1		0.5	0.1	0.3	(2.4)	
DREYFUS						(0.0)	
EASO	0.0		0.3		0.0	(1.5)	
PLASTIC RECYCLING	0.2	2.1			0.8		
VALERCO	0.0		0.1		0.1	(0.0)	(0.3)
Total	**0.3**	**2.1**	**1.0**	**0.1**	**1.2**	**(4.7)**	**(0.3)**

4.28 Employee information

4.28.1 Headcount by business segment

	09-30-16	09-30-15
Business Services	28,729	28,387
Environmental Services	5,723	4,821
Holding Companies	167	121
Total headcount*	**34,619**	**28,229**

* *Headcount by number of employees at year-end*

4.28.2 Personnel expenses by type

In millions of euros	2016	2015 restated
Wages and salaries	591,6	538,1
Social charges	196,2	184,2
Employee profit sharing	5,2	3,9
Other personnel expenses	(19,3)	(19,2)
Total	**773,6**	**707,0**

4.29 Executive compensation

4.29.1 Compensation and benefits in kind

The corporate officers in office as of September 30, 2016 receive the following direct and indirect compensation:

In euros	2015-2016	2014-2015
Mr. Daniel DERICHEBOURG		
Salaries	228,000	228,000
Attendance fees	15,000	15,000
Total	**243,000**	**243,000**

In euros	2015-2016	2014-2015
Mr. Abderrahmane EL AOUFIR		
Fixed compensation	286,996	238,974
Variable compensation	120,000	100,000
Total	**406,996**	**338,974**

In euros	2015-2016	2014-2015
Mr. Boris DERICHEBOURG		
Fixed compensation	136,500	136,500
Variable compensation	80,000	30,000
Attendance fees	15,000	15,000
Total	**231,500**	**181,500**

In euros	2015-2016	2014-2015
Mr. Thomas DERICHEBOURG		
Fixed compensation	200,200	145,500
Variable compensation	120,000	100,000
Attendance fees	15,000	15,000
Total	**333,057**	**260,500**

In euros	2015-2016	2014-2015
Mr. Matthieu PIGASSE		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	0	0
Total	**0**	**0**

In euros	2015-2016	2014-2015
Mr. Bernard VAL		
Fixed compensation		0
Variable compensation		0
Attendance fees	15,000	15,000
Total	**15,000**	**15,000**

In euros	2015	2014-2015
Mrs. Françoise MAHIOU		
Fixed compensation	0	0
Variable compensation	0	0
Attendance fees	0	0
Total	**0**	**0**

In euros	2015-2016	2014-2015
CFER **Director represented by** **Mrs. Sophie Moreau-Follenfant**		
Attendance fees	15,000	15,000
Total	**15,000**	**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[1]	Consolidation method
Germany		
DBG HOLDING GMBH	100.00%	FC
France		
DERICHEBOURG ENVIRONNEMENT	100.00%	FC
DERICHEBOURG MULTISERVICES HOLDING (FORMERLY DERICHEBOURG MULTISERVICES)	100.00%	FC
DERICHEBOURG SA	100.00%	PARENT
SCEA DU CHÂTEAU GUITTERONDE	100.00%	FC
SCI DE LA FUTAIE	99.92%	FC
SOCIETE DES PRES DE LA FAISANDERIE	100.00%	FC
WESTEVER	100.00%	FC
Morocco		
DERICHEBOURG A&D DÉVELOPPEMENT	50.99%	FC

(1) The percentage of interest is the same as the percentage of control.

Environmental Services

Legal name	% Interest[1]	Consolidation method
Germany		
DERICHEBOURG UMWELT	100.00%	FC
Belgium		
BAS LONG PRÉS	100.00%	FC
CPI	100.00%	FC
GEORGE	100.00%	FC
LMR	100.00%	FC
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		
DEKAIZERED	100.00%	FC
DERICHEBOURG RECYCLING USA	100.00%	FC
MATTEC	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
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 SIGMA SCI	100.00%	FC
CFF VEGA SCI	100.00%	FC
CHAUFONTAINE SCI	100.00%	FC
COFRAMETAL	100.00%	FC
CTR49	33.97%	EA
DAC	50.00%	EA
DERICHEBOURG AQUA	100.00%	FC
DERICHEBOURG OCÉAN INDIEN	60.00%	FC
DERICHEBOURG OIL & GAS	100.00%	FC
DREYFUS	42.50%	EA
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
ÉTABLISSEMENT JULIEN	100.00%	FC
ÉTABLISSEMENT GIRON	100.00%	FC
EXADIANE SCI	100.00%	FC
FRADENA TRANSPORT	100.00%	FC
FRANORA SCI	100.00%	FC
FRICOM	50.00%	FC
HERVE RECUPERATION	100.00%	FC
HYDROVIDE	72.17%	FC
HYDROVIDEO	55.33%	FC
INOREC	100.00%	FC
INOTERA SCI	100.00%	FC
LE GALL LUDOVIC	100.00%	FC
LICODIA SCI	100.00%	FC
MAINGUY	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

Legal name	% Interest[1]	Consolidation method
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
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
REVIVAL CHATILLON	100.00%	FC
REVIVAL GELLAINVILLE	100.00%	FC
REVIVAL ILE DE FRANCE FERS ET METAUX	100.00%	FC
REVIVAL NEMOURS	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 VARENNES	100.00%	FC
SCI SETIAM	100.00%	FC
SEPCHAT 28	100.00%	FC
SEPCHAT 41	100.00%	FC
SEPCHAT FLAYSAKIER	100.00%	FC
SERAM SA	99.99%	FC
SERRE ENVIRONNEMENT	100.00%	FC
SERVALTEC SNC	100.00%	FC
SLG RECYCLING FINANCE	100.00%	FC
SORIT	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
VALOROIS	50.00%	FC
VALVERT TRI	34.97%	EA
VOGIM SCI	80.00%	FC
TRI ENVIRONNEMENT	100.00%	FC
Italy		
CMT	100.00%	FC
CRS	100.00%	FC
ECOREC	100.00%	FC
NUOVA PRIMARIA	100.00%	FC
REI	100.00%	FC
SAN GERMANO	100.00%	FC
Morocco		
DERICHEBOURG IFRANE	50.98%	FC
DERICHEBOURG KENITRA	50.99%	FC
DERICHEBOURG MARRAKECH	50.99%	FC
DERICHEBOURG RABAT	50.99%	FC
Mexico		
CFF RECYCLING SERVICIOS	99.99%	FC
DERICHEBOURG RECYCLING MEXICO	99.99%	FC

(1) The percentage of interest is the same as the percentage of control.

Business Services

Legal name	% Interest[1]	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	95.00%	FC
France		
CFF BETA SCI	100.00%	FC
CIVITAS	100.00%	FC
DERICHEBOURG ATIS AÉRONAUTIQUE	100.00%	FC
DERICHEBOURG ÉNERGIE	100.00%	FC
DERICHEBOURG ÉNERGIE E.P.	99.89%	FC
DERICHEBOURG ESPACES VERTS	100.00%	FC
DERICHEBOURG ÉVOLUTION FORMATION	100.00%	FC
DERICHEBOURG SOURCING AERO & ENERGY (FORMERLY DERICHEBOURG INTERIM AERONAUTIQUE)	100.00%	FC
DERICHEBOURG INTERIM	100.00%	FC
DERICHEBOURG PROPRETÉ	100.00%	FC
DERICHEBOURG PROPRETE OCEAN INDIEN	60.00%	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
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
Italy		
AEP MULTISERVIZI SPA	100.00%	FC
Morocco		
DERICHEBOURG MAROC	50.99%	FC
Portugal		
SAFIRA FACILITY SERVICES	100.00%	FC
United Kingdom		
DERICHEBOURG AVIATION ENERGY RESOURCES	100.00%	FC

(1) The percentage of interest is the same as the percentage of control.

5.1.6 Statutory Auditors' report on the consolidated financial statements at September 30, 2016

To the Shareholder,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended September 30, 2016, on:

- the audit of the accompanying consolidated financial statements of Derichebourg;
- the justification of our assessments;
- the specific verification required by law.

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

I. Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements for the fiscal year give a true and fair view of the assets and liabilities, financial position and earnings of the consolidated group taken as a whole, in accordance with the International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, please note the following:

Accounting estimates

- As indicated in notes 2.3.6 and 4.1 to the consolidated financial statements, the book value of non-current assets, which includes goodwill, intangible and fixed assets, are subjected to annual impairment tests. Your group compares the book value of these shares to the recoverable value, by using the discounted future cash flow method. We have reviewed the method used to determine discounted future cash flows as well as the data and assumptions used to perform these impairment tests.
- Notes 2.3.2 and 4.22.4 to the consolidated financial statements disclose the accounting rules and methods used to recognize deferred tax assets. Our work consisted in examining the data used and evaluating the assumptions selected and their consistency.
- As explained in note 2.2.2 to the consolidated financial statements, the management of your Group may make material judgments and estimates that affect the amounts indicated in the financial statements. These judgments and estimates, including those mentioned in the aforementioned sections, are based on forecasts or assumptions which, due to the uncertainties inherent in any estimation process, could prove to be different than expected.

In the context of our assessments, we obtained assurance that these estimates are reasonable and that the information provided in these notes to the consolidated financial statements is appropriate.

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

III. Specific verification

As required by law, and in accordance with professional standards applicable in France, we have also verified the information relating to the Group provided in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris et Paris-La Défense, December 9, 2016

The Statutory Auditors

DENJEAN ET ASSOCIES AUDIT

Thierry Denjean

ERNST & YOUNG Audit

Gilles Rabier

5.2 Parent company financial statements for the year ended September 30, 2016

5.2.1 Balance sheet

ASSETS *In thousands of euros*	Fiscal year ended 09-30-16 Gross	Depreciation and amortization and provisions	net	Fiscal year ended on 09/30/15 net
Non-current 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	1,640
Buildings	5,490	4,492	998	1,115
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	629,262	310,930	318,332	331,605
Receivables related to equity participations			0	0
Other long-term investments			0	0
Loans			0	0
Other financial assets	159		159	109
Total (I)	**636,975**	**316,022**	**320,953**	**334,515**
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	**13**		**13**	**2**
Receivables				
Trade receivables and related accounts	2,684	56	2,628	3,105
Other receivables	287,509	35,829	251,680	243,718
Marketable securities	31,926		31,926	32,377
Cash	743		743	3,024
Accruals				
Prepaid expenses	80		80	120
Total (II)	**322,955**	**35,885**	**287,070**	**282,346**
Charges to be spread over several periods (III)			**0**	**0**
Premiums on the redemption of bonds (IV)				
Translation differences (V)	**9**		**9**	**6**
Grand total (I to V)	**959,939**	**351,907**	**608,032**	**616,867**
(1) Share of financial assets – less than one year			*159*	*109*

LIABILITIES *In thousands of euros*	Fiscal year ended on 09/30/16	Fiscal year ended on 09/30/15
Shareholders' equity		
Share capital or individual (of which 42,020,508 paid)	42,021	42,021
Issue, merger and capital contribution premiums	27,565	27,565
Reevaluation adjustments[1]	0	0
Legal reserve	4,260	4,260
Regulated reserves[2]	0	0
Other reserves	0	0
Retained earnings	192,198	194,661
Net profit/(loss) for the year	(1,620)	5,356
Regulated provisions	8	8
Total (I)	**264,432**	**273,871**
Provisions for liabilities and charges		
Provisions for liabilities	6,175	6,176
Provisions for charges	3	3
Total (II)	**6,178**	**6,179**
Debts[3]		
Convertible bonds		
Other bonds		
Loans from financial institutions[4]	141,038	154,538
Loans and miscellaneous financial debt	94	92
Advances and payments on account received on orders	0	0
Trade payables and related accounts	1,781	2,256
Tax and social security liabilities	16,188	13,120
Liabilities on fixed assets and related accounts	0	27
Other liabilities	174,633	163,365
Accruals		
Deferred income		
Total (III)	**333,734**	**333,398**
Translation differences, liabilities (IV)	**3,688**	**3,419**
Grand total (I to IV)	**608,032**	**616,867**
(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	*253,594*	*223,806*
(4) Including bank overdrafts and bank credit accounts	*14,365*	*299*

5.2.2 Income statement

In thousands of euros	Fiscal year ended 09-30-16			Fiscal year ended 09-30-15
	France	Export	Total	
Operating income				
Sale of goods				
Sales of				
finished goods				
services	3,236		3,236	3,246
Net revenue	**3,236**	**0**	**3,236**	**3,246**
Production held in inventory				
Production of assets for own use				
Operating grants				
Write back of depreciation, provisions and transfers of charges			245	500
Other income			1,478	1,842
Total operating income (I)			**4,959**	**5,588**
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]			4,688	4,902
Taxes, duties and similar payments			44	87
Salaries			323	438
Social charges			164	183
Operating allowances				
- on fixed assets: amortization			117	164
- on fixed assets: provisions				
- on current assets: provisions				
- for liabilities and charges: provisions				
Other charges			2,357	2,051
Total operating expenses (II)			**7,693**	**7,825**
Operating income (I-II)			**(2,734)**	**(2,237)**
Profit allocated or loss transferred (III)				
Loss incurred or profit transferred (IV)				
Financial income				
Financial income from equity participations[2]			1,752	2,685
Income from other securities and receivables from non-current assets			151	
Other interest income[2]			7,856	11,730
Releases of provisions and expense transfers			3,989	5,691
Foreign exchange gains			451	3,392
Net income on disposal of marketable securities			0	0
Total financial income (V)			**14,199**	**23,498**
Financial expenses				
Provisions and depreciation			16,867	12,236
Interest and similar expens[3]			11,832	12,979
Foreign exchange losses			765	1,470
Total financial expenses (VI)			**29,464**	**26,685**
Net financial income (loss) (V-VI)			**(15,265)**	**(3,187)**
Recurring profit (loss) before tax (I-II+III-IV+V-VI)			**(17,999)**	**(5,424)**

In thousands of euros	Fiscal year ended 09-30-16	Fiscal year ended 09-30-15
Exceptional income		
Exceptional income on management operations		
Exceptional income on capital transactions	6,873	6,564
Releases of provisions and expense transfers		94
Total exceptional income (VII)	**6,873**	**6,658**
Exceptional expenses		
Exceptional expenses on management operations		89
Exceptional expenses on capital transactions	559	523
Exceptional provisions for amortization and depreciation		
Total exceptional expenses (VIII)	**559**	**612**
Non-recurring gain (loss) (VII - VIII)	**6,314**	**6,046**
Employee profit sharing (IX)		
Income tax (X)	**(10,065)**	**(4,734)**
Total income (I+III+V+VII)	**26,031**	**35,744**
Total expenses (II+IV+VI+VIII+IX+X)	**27,651**	**30,388**
Profit or loss (total income - total expenses)	**(1,620)**	**5,356**
(1) Equipment finance leases	*0*	*0*
(2) Financial income related to associated companies	*7,624*	*9,600*
(3) Interest related to associated companies	*764*	*821*

5.2.3 Notes to the parent company financial statements

Contents

1. Highlights of the fiscal year 155

1.1 Material events occurring over the fiscal year 155
1.2 Events between the closing date and approval of the financial statements 155

2. Accounting policies and methods 155

2.1 Accounting rules and methods 155
2.2 Intangible assets 155
2.3 Property, plant and equipment 155
2.4 Financial assets 155
2.5 Inventory 156
2.6 Receivables 156
2.7 Receivables and payables denominated in foreign currencies 156
2.8 Marketable securities 156
2.9 Provisions for liabilities and charges 156
2.10 Regulated provisions 156
2.11 Pension and other post-employment benefits 156
2.12 Employee profit-sharing 156
2.13 Tax consolidation 156
2.14 Financial instruments 156
2.15 Identity of the consolidating company 156

3. Explanatory notes to the financial statements 157

3.1 Fixed assets 157
3.2 Depreciation and amortization 158
3.3 Provisions recognized in the balance sheet 159
3.4 Items on the balance sheet and income statement concerning associated companies (gross values) 160
3.5 Maturity of receivables and payables 161
3.6 Marketable securities 162
3.7 Deferred expenses and income 162
3.8 Share capital 162
3.9 Characteristics of main credit lines 164
3.10 Breakdown of net revenue 166
3.11 Non-recurring gain (loss) 166
3.12 Breakdown of income tax 167
3.13 Increases, decreases in future tax payables 167
3.14 Financial commitments 168
3.15 Average headcount 169
3.16 Global compensation for directors 169
3.17 Subsidiaries and equity participations: legal thresholds exceeded 170
3.18 Litigation 172
3.19 Related party transactions 173

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.

By way of a contract dated July 20, 2016, Derichebourg (with the possibility of substitution by Derichebourg Environnement) and Veolia Déconstruction France have respectively committed to the acquisition and disposal of shares of Bartin Recycling SAS.

This will take place in the month in which the last of the conditions precedent set out in the contract has been complied with. The main condition precedent relates to merger control.

1.2 Events between the closing date and approval of the financial statements

On October 28, 2016, Derichebourg SA obtained authorization from the Competition Authority to acquire Bartin Recycling SAS. Derichebourg used its possibility of substitution and Derichebourg Environnement acquired Bartin Recycling Sas on November 30, 2016.

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 N2014-03 (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 6, 2016.
- 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 09-30-2016.

2.2 Intangible assets

Goodwill is recognized at the acquisition cost and is not amortized. It is tested for impairment annually where necessary.

Funds acquired before October 1, 1997 were amortized over five years.

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.

Value in use is mainly determined based on estimated and discounted forecasted cash flows for the subsidiary, less net interest expense.

(1) NB: this is increased to 50 years for investment properties.

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% discount rate (inflation included). The provision for service awards totals €3k.

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:

- retirement age and type of departure: voluntary departure at 65 years of age for executives and 62 for non-executives;
- Mortality table: TGM 05/TGF 05;
- Employee turnover: based on Group data;
- Discount rate (inflation included): 1%;
- Career profile: 2%;
- Social charge rates: 45%.

The estimated discounted commitment for retirement payments to company employees totals €83k. 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'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.

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: 270,000 (none of which is deferred);
- debt in thousands of dollars: 0.

2.15 Identity of the consolidating company

CFER is the parent company. It holds 50.81% of Derichebourg as of September 30, 2016.

The ultimate parent company is DBG Finances based in Belgium.

3. Explanatory notes to the financial statements

3.1 Fixed assets

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		**85**	**-**	**-**	**85**
Land		1,730	-	222	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 I		**7,692**	**0**	**222**	**7,470**
Equity-accounted investments		-	-	-	-
Other investments		629,554	45	337	629,262
Other long-term investments		-	-	-	-
Loans and other long-term financial assets		1,886	50	1,777	159
Total II		**631,440**	**95**	**2,114**	**629,421**
Grand total (I+II)		**639,216**	**95**	**2,336**	**636,976**

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	Increase	Decreases	
Start-up and development costs (I)		-	-	-	-
Other intangible assets (II)		38	-	-	38
Total property, plant and equipment		**38**	**0**	**0**	**38**
Land		90	-	-	90
Buildings	On own land	2,267	91	-	2,358
	On third-party land	1,510	-	-	1,510
	General installations, fixtures	599	26	-	625
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		**4,938**	**117**	**-**	**5,055**
Grand total		**4,976**	**117**	**-**	**5,093**

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**	**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	1	-	1		-
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	0	0		3
Total provisions for liabilities and charges	**6,179**	**0**	**1**		**6,178**
Provisions on intangible assets	-	-	-		-
Provisions on property, plant and equipment	-	-	-		-
Provisions for investments in associates	-	-	-		-
Provisions for investment securities	297,949	13,318	-	337	310,930
Provisions for other financial assets	1,777	0	1,777		-
Provisions for inventory	-	-	-		-
Provisions for trade receivables	300	-	245		55
Other provisions for impairment	34,154	3,549	140	1,733	35,830
Total provisions for impairment	**334,180**	**16,867**	**2,162**	**2,070**	**346,815**
Grand total	**340,367**	**16,867**	**2,163**	**2,070**	**353,001**

3.4 Items on the balance sheet and income statement concerning associated companies (gross values)

Balance sheet item *In thousands of euros*	Total	Of which amount concerning companies: which are associates	Of which amount concerning companies: Which are equity associates
Assets			
Equity interests	629,262	618,076	11,186
Receivables related to equity participations (including interest accrued not yet due)	-		
Trade receivables and related accounts	2,684	848	1,366
Debtor current accounts (including interest accrued not yet due) (outside consolidation)	276,692	129,807	146,885
Liabilities			
Creditor current accounts (including interest accrued not yet due) (outside consolidation)	123,155	21,602	101,553
Miscellaneous financial debt	16,188		
Trade payables and related accounts	1,781	89	212
Liabilities on fixed assets and related accounts	-		
Other liabilities	76		
Items posted on the income statement			
Income on investments	1,752	1,577	
Other financial income	8,001	6,047	
Financial expenses	11,832	764	

3.5 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 participations		-		-	-
Loans		0		0	-
Other financial assets		159		159	-
Total receivables linked to non-current assets		**159**		**159**	**0**
Doubtful accounts receivable		62		0	62
Other trade receivables		2,622	845	2,622	-
Receivables linked to loaned securities		-		-	-
Personnel and related accounts		0		0	-
Social security and other social bodies		0		0	-
State and other local authorities	Income tax authorities	6		6	-
	Value added tax	4		4	-
	Other taxes	1		1	-
	State – miscellaneous	0		0	-
Groups and associated companies		278,819		278,819	-
Miscellaneous debtors		8,692	4	4,157	4,535
Total receivables linked to current assets		**290,207**	**849**	**285,609**	**4,597**
Prepaid expenses		80		80	-
Total receivables		**290,445**	**849**	**285,848**	**4,597**

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		14,365	250	14,365	-	-
Loans from financial institutions repayable within a minimum of one year from date of advance		126,673	58	46,626	79,697	350
Loans and miscellaneous financial debt		94		0	94	-
Trade payables and related accounts		1,781		1,781	-	-
Personnel and related accounts		101	101	101	-	-
Social security and other social bodies		87	47	87	-	-
State and other local	Income tax authorities	5,257		5,257	-	-
	Value added tax	10,726		10,726	-	-
	Guaranteed bonds	-		-	-	-
	Other taxes	17		17	-	-
Liabilities on fixed assets and related accounts		-		-	-	-
Groups and associated companies		174,557		174,557	-	-
Other liabilities		76		76	-	-
Liabilities linked to loaned securities		-		-	-	-
Deferred income		-		-	-	-
Total debts		**333,734**	**456**	**253,593**	**79,791**	**350**

3.6 Marketable securities

In thousands of euros	**Amount** *(gross value)*
Own shares (number 11,809,103)	31,926
SICAV	0
Others	0
Total	**31,926**

3.7 Deferred expenses and income

In thousands of euros	Operating	Financial	Exceptional	Total
Deferred income				-
Prepaid expenses	80			80
Total	**80**	**0**	**0**	**80**

3.8 Share capital

3.8.1 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	0	
Shares forming share capital at year-end	**168,082,030**	

	Shares at year-end	Potential end shares
Number of shares	**168,082,030**	**3,583,616**
Net profit (loss) *(in thousands of euros)*	(1,620)	(1,620)
Earnings per share *(in euros)*	**(0.01)**	**(0.01)**

The Board of Directors' meeting of December 6, 2016 decided to cancel 4,203,250 treasury shares. The share capital at the end of the Board meeting was thus 163,878,780 shares.

3.8.2 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

Each share has one (1) share subscription warrant attached.

Exercise parity and exercise price

455 share subscription warrants are required to subscribe for 128 new ordinary shares in the Company (the Exercise Parity) (subject to the adjustments described in paragraph 2.4.11 "Maintenance of the rights of warrant-holders" of the transaction memorandum authorized by the French securities regulator, AMF, under reference No. 05-198 dated March 31, 2005) at the price of €6.70 per new ordinary share (issue premium included) payable in cash or by offset of receivables. The holders of share subscription warrants are responsible for acquiring the number of warrants necessary to subscribe for a whole number of shares. The maximum number of new ordinary shares of the Company that may be subscribed for by exercising warrants is 3,583,616 shares, plus, where applicable, any additional shares to be issued to maintain the rights of the warrant holders.

Exercise period

Subject to the stipulations of paragraph 2.4.10 "Suspension of the exercise of share subscription warrants" of the transaction memorandum approved by the French securities regulator, AMF, under reference No. 05-198 dated March 31, 2005, the share subscription warrants are not exercisable during the first two years following their issue, but become so during the following three years and six months, on the understanding that if these share subscription warrants are not exercised by the end of this period of five years and six months, the warrants will be automatically void and will lose all value, with no possibility of compensation from the Company. The exercise period has been extended to March 13, 2017.

Adjustment of the exercise parity

In the event that any financial transactions are carried out by the Company, the maintenance of the rights of share subscription warrant holders will be ensured by adjusting the exercise parity in accordance with the conditions set out in paragraph 2.4.11. "Maintenance of the rights of share subscription warrant holders" of the transaction memorandum authorized by the French securities regulator, AMF, under reference No. 05-198 dated March 31, 2005.

Listing of share subscription warrants (BSA)

The BSAs shall be detachable from the shares at the time the ABSAs are issued. The BSAs will not be the subject of a request for admission to listing on Eurolist by Euronext or on any other French or foreign regulated market when they are issued. The BSAs will be the subject of a request to Euronext Paris SA for admission to listing on a French regulated market after two years have passed from the date on which the ABSAs were issued. In order to avoid unequal treatment of successive holders who may have acquired these BSAs before the exercise date thereof was extended until March 13, 2017, in agreement with the BSA holders, it was requested that their admission to trade be postponed sine die.

b) Characteristics of the shares issued following the exercise of the share subscription warrants

Nominal amount of shares issued as a result of the exercise of share subscription warrants

Issue of a maximum of 3,583,616 new ordinary shares as a result of the exercise of the share subscription warrants (the "exercised shares"), subject to any adjustments required to preserve the rights of the share subscription warrant holders, each with a nominal value of €2, reduced to €0.25 in 2007, as a result of a capital reduction due to a division of the nominal, or a capital increase of a maximum nominal amount of €895,904, to which will be added, if applicable, an additional nominal amount to preserve the rights of the warrant holders.

Subscription price and gross proceeds from the issuance

€6.70 per exercised share, issue premium included, €0.25 of which is the nominal value and €6.45 is the issue premium, to be fully paid upon subscription. In the event that all the warrants are exercised, the gross amount raised by the issue will be €24,010,227.20, issue premium included, subject to any potential adjustments.

Preferential subscription rights

In accordance with the provisions of Article L. 225-132 of the French Commercial Code, the decision of the extraordinary general meeting to authorize the issue of the shares with attached share subscription warrants (ABSA) benefits the warrant holders by the renunciation by the shareholders of their preferential subscription rights to the exercised shares.

Rights attached to the exercised shares

The Exercised Shares which may be issued upon exercise of the share subscription warrants (BSAs) will enjoy full and equal rights from the date of their creation.

Listing of the exercised shares

The exercised shares will be the subject of regular requests for admission to listing to Euronext Paris SA, on the same market as the existing shares, as and when they are issued.

3.8.3 Stock options

There are no longer any stock options outstanding.

3.8.4 Change in shareholders' equity

Shareholders' equity *In thousands of euros*	Value at the beginning of the year	Net loss for the year	Allocations	Value at year-end
Share capital or individual share	42,021			42,021
Issue, merger and capital contribution premiums, etc.	27,565			27,565
Reevaluation adjustments	-			-
Legal reserve	4,260		-	4,260
Statutory or contractual reserves	-			-
Regulated reserves	-			-
Other reserves	-		-	-
Retained earnings	194,661		(2,463)	192,198
Net profit for the year (profit or loss)	**5,356**	**(1,620)**	**(5,356)**	**(1,620)**
Investment grants	-			-
Regulated provisions	8		-	8
Total shareholders' equity	**273,871**	**(1,620)**	**(7,819)**	**264,432**

3.9 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, €53.0 million had already been repaid by the due dates of March 31, 2015 and March 31, 2016. The next installment will be due in March 2017 and will amount to €26.5 million.

Two riders were signed on March 31, 2015 and January 22, 2016, on the Group's request, to amend a number of provisions, notably the margin scale in rider No. 1 and ratios to be respected in rider No. 2.).

The Group also set up bilateral lines with financial institutions in the amount of €92 million.

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. The early repayment of the amounts due must be equal to 50% of the proceeds from the capital increase paid up in cash after capital increase costs or, where applicable, the proceeds from the issuance of equity or debt securities or the amount of the disintermediated loan, if the issue maturity date is after the loan repayment date. In all other cases the percentage is 100%.

If assets are disposed of, partial early repayment of the amounts due equivalent to the net proceeds from these disposals must also be made.

Finally, the partial early repayment of the amounts due must take place in the event of an insurance settlement, for the amount of the settlement excluding the deductible of €5 million, less any amounts reinvested.

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 enter into any kind of joint venture or business combination agreement, in the widest sense, with third parties outside the Group;
- 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. The Agreement includes a commitment to hedge at least 50% of the amount drawn down on the repayment loan with interest-rate hedging instruments.

Factoring agreement

On January 1, 2015, the Derichebourg group entered into a non-recourse factoring agreement (€240 million approved credit line). The agreement covers the French, Belgian and German Environmental Services and Business Services entities. The term of this agreement is confirmed at two years.

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 €188.7 million as at September 30, 2016.

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, 2016, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement set up in March 2014, €26.5 million of which was repaid on March 31, 2015, and on March 31, 2016. Its authorized outstanding amount is therefore €179.5 million. It includes a five-year loan for €132.5 million repayable in equal annual installments (€79.5 million authorized outstanding amount and drawn as of September 30, 2016), and a five-year revolving loan for the sum of €100 million. The next installment for the repayment loan is due on March 31, 2017 and amounts to €26.5 million. At September 30, 2016, €80 million of the revolving loan had not been drawn;
- a non-recourse factoring agreement went into effect on January 1, 2015. It has a €240 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;
- €45 million in medium-term borrowings, entirely drawn down (including the CICE 2016 pre-financing);
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding as at September 30, 2016 was €76.5 million.

Bilateral credit lines, whether confirmed or not, totaling €92 million, which are not used, since the group's net cash is €17 million as at September 30, 2016.

The main payment maturity dates up to 2021 are shown in the table below.

In thousands of euros	< 1 year	> 1 year	> 2 years	> 3 years	> 4 years	Total
Syndicated credit	25.9	25.9	45.9	0.0	0.0	97.7
Finance leases	22.8	20.1	14.6	8.9	5.7	72.1
Other medium- and long-term lines[1]	21.5	2.9	2.6	2.7	2.3	31.9
Total	**70.2**	**48.9**	**63.1**	**11.6**	**8.0**	**201.7**

(1) Of which factoring accounts for €19.9 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 2.75.

At September 30, 2016, the leverage ratio was 1.85;

- 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, 2016, the coverage ratio stood at 6.85.

The Group is compliant with its financial covenants at September 30, 2016. 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 €189 million at September 30, 2016, 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, 2016.

3.10 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	249		249
Ferrous metals			
Metals			
Other operations			
Total	**3,236**		**3,236**

3.11 Non-recurring gain (loss)

Breakdown by type *In thousands of euros*	Amount
Income	
Exceptional income on management operations	
Exceptional income on capital transactions	6,873
Releases of provisions and expense transfers	
Expenses	
Exceptional expenses on management operations	
Exceptional expenses on capital transactions	559
Exceptional provisions for amortization and depreciation	
Total	**6,314**

3.12 Breakdown of income tax

In thousands of euros	Pre-tax profit (loss)	Tax due	Net profit (loss)
Operating income (loss)	(2,734)		(2,734)
Net financial income (loss)	(15,265)		(15,265)
Non-recurring gain (loss)	6,314		6,314
Effect of tax consolidation		(10,065)	(10,065)
Total	**(11,685)**	**(10,065)**	**(1,620)**

3.13 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	8	3
Total increases		
Decreases		
Social security contribution		
Tax loss carry forwards[1]	285,402	108,453
Investment		
Translation differences, liabilities	3,688	1,408
Total decreases		**109,861**

*(1) Company deficits **as if it was taxed separately**. Tax consolidation deficits: €75 million.*

Income tax rate is as follows: 33.33% + social contribution of 3.30%, i.e. 34.43% or 38% with the exceptional contribution of 10.70%.

A tax audit was conducted on the Derichebourg Environnement subsidiary focusing on fiscal year 2012. The tax authorities dispute the treatment of a grant to the Italian CRS subsidiary in June 2012 implementing a prior undertaking. The Company is appealing against the tax adjustment. The audit has no impact on the results for the fiscal year, in view of the fact that a portion of the losses carried forward in the French consolidated tax group were not capitalized in prior years. €3.2 million in income tax expense was recognized, which is the sum the Company may have to pay out in the event of an unfavorable outcome. The amount of losses carried forward could be reduced from €75 million to €61 million as a result.

3.14 Financial commitments

3.14.1 Off-balance sheet commitments in the ordinary course of business

Commitments given *In thousands of euros*	Amount
Financial guarantees	33,544
Commitments in respect of the liability of partners in SCIs	
Total	**33,544**

3.14.2 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%

3.14.3 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 and representations in the event of inaccurate representations by the seller. Should any litigation be brought about by the vendor that appears before the courts as a last resort, the Group may be forced to repay the purchaser part of the sale price, up to a maximum amount of €30 million.

In connection with the acquisition of the investment securities and financial debt components of SLG Recycling, Derichebourg has given some holders 877,745 Derichebourg shares representing part of the price paid. These securities are backed, subject to certain conditions on the pace of disposals on the market, by a guarantee of no capital loss in the event of disposal over a period of 12 months starting on January 7, 2016 compared to the benchmark price of €3.14 (net of dividends received). 100,000 shares were acquired over the fiscal year at the price of €3.14. At 09/30/16, the number of shares likely to be entitled to compensation in the event of capital loss is 777,745 (i.e. 0.46% of the capital).

3.14.4 Off-balance sheet commitments in respect of subsidiaries

Commitments given *In thousands of euros*	Amount
Guarantees given for subsidiaries[1]	43,912
Other commitments given	
Total	**43,912**

(1) Companies for which guarantees have been given.

In thousands of euros

French subsidiaries	AFM RECYCLAGE	1,705
	BERNES ET BRUYÈRES	662
	CFF BETA SCI	3,873
	DERICHEBOURG IMMOBILIER SCI	2,700
	DERICHEBOURG AQUA	54
	ECO PHU	127
	HYDROVIDE	39
	POLYURBAINE; POLYURBAINE 13; POLY-NORMANDIE	1,016
	POLYCEJA; POLYBUIS; POLYSOTIS; POLYCEO	1,575
	SERAM SA	18
	SAN GERMANO; CMT	7,113
US subsidiaries	DERICHEBOURG RECYCLING USA	5,000
Belgian subsidiaries	GEORGE	5,000
Spanish subsidiaries	DERICHEBOURG MEDIO AMBIENTE REYFRA	2,762
Canada subsidiaries	DERICHEBOURG CANADA ENVT. INC	68
German subsidiaries	DERICHEBOURG UMWELT; DAL GMBH	12,200

3.15 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**

3.16 Global compensation for directors

In thousands of euros	Amount
Compensation for the Board of Directors and other management bodies (Attendance fees)	105

3.17 Subsidiaries and equity participations: 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 participations of which the carrying amount exceeds 1% of Derichebourg's share capital					
A - Subsidiaries (more than 50% of share capital held by Derichebourg)					
A & D DÉVELOPPEMENT	3,000		50.99	144	144
DERICHEBOURG IMMOBILIER SCI	52,663	(378)	100	52,663	52,663
CFF SIGMA SCI	6,510	2	99.85	6,500	6,500
CIVITAS	3,659	(4,667)	100	1,829	0
DERICHEBOURG ENVIRONNEMENT	127,753	11,361	100	128,643	128,643
DERICHEBOURG MULTISERVICES HOLDING	30,000	6,122	100	83,010	83,010
DBG HOLDING GMBH	41,738	(798)	100	338,866	35,546
PS IMMO	2,027	38	100	5,627	4,066
DERICHEBOURG OIL & GAS	50	(60)	100	50	0
SNC DES PRÉS DE LA FAISANDERIE	10		99.99	10	10
VOGIM	139	645	80	194	194
WESTEVER	500	(22)	100	500	500
B - Equity interests (10 to 50% of share capital held by Derichebourg)					
ALLO CASSE AUTO	110	4,045	47.93	2,212	2,212
DAC	40	1,014	49.80	516	516
DREYFUS	40	10,649	42.50	816	816
PLASTIC RECYCLING	123	(440)	50.00	1,470	0
REYFRA	7,200	1,959	50.00	3,360	3,360
VALERCO	76	55	50.00	107	107
2 - Summary information on subsidiaries and equity participations not listed in paragraph 1					
A - French subsidiaries					
A - Foreign subsidiaries					
B - French equity interests				**2,501**	**1**
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
1,292		7,726	7,518	
38,801	2,700	7,908	2,034	
		550	304	254
739			(21)	
58,016		24,122	7,343	
25,137		4,535	8,963	
			(5,414)	1,324
464		241	(1)	
877		627	(219)	
572			(206)	
		65	25	
3,613			(47)	
			(185)	
			141	
			820	174
2,141		7,212	(308)	
		24,886	400	
		450	34	
7,520				

3.18 Litigation

No significant legal proceedings that are currently known concern Derichebourg SA itself. The main legal proceedings concerning its subsidiaries are as follows:

3.18.1 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 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, this situation triggered a series of negative developments (customer disputes, repeated late payments, contracts challenged, etc.) hindering the Company's ability to operate under normal conditions. The group therefore accepted the managing director's proposal to extinguish the activities of the Multiservices subsidiary in Italy.

3.18.2 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. No provision has been recognized in this respect in the accounts at September 30, 2016.

- The SNCB has introduced proceedings against George for the pollution of the Verviers site in Belgium. The company George contests its liability for historical pollution, and moreover, has accused the former directors and shareholders. George was ordered to pay €1.3 million, plus legal costs, as a result of the first instance ruling handed down on April 1, 2014. On September 30, 2016 the Company had recognized a provision of €2 million which takes into account guarantees received. It has appealed this decision. The appeal decision was issued on March 22, 2016. The Court of Appeals felt that George was not responsible for paying back de-pollution costs. The provision already recognized was reversed during the fiscal year. SNCB has not appealed, hence the matter is closed.

3.19 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 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 group 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, 2015 to September 30, 2016, DBG Finances invoiced Derichebourg €1.7 million under this agreement.

5.2.4 Statutory Auditors' report on the annual financial statements Fiscal year ended September 30, 2016

To the Shareholder,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended September 30, 2016, on:

- the audit of the annual financial statements of Derichebourg, as they are attached to this report;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

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

I Opinion on the annual financial statements

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

In our opinion the 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.

II Justification of our assessments

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, please note the following:

- Note 2.4 to the annual financial statements shows how the impairment of investment securities is calculated. Our work consisted in examining the data and assumptions selected for determining the value in use of investment securities, and reviewing the calculations made by your Company.

Within the context of our assessments, we are satisfied that these estimates are reasonable.

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

III Specific verifications and disclosures

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 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.

As required by law, we are satisfied that the various disclosures relating to equity and controlling interests and to the identity of owners of share capital and voting rights are contained in the management report.

Paris and Paris-La Défense, December 9, 2016

The Statutory Auditors

DENJEAN & ASSOCIES 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			
	Amount		%		Amount		%	
In thousands of euros	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Audit								
Statutory auditors, certification, review of separate and consolidated financial statements								
• Issuer	220	220	27%	34%	147	147	54%	59%
• Fully consolidated subsidiaries	486	411	59%	49%	121	103	46%	41%
Other work and services directly related to the statutory auditor's mission								
• Issuer	39	33	5%	5%				
• Fully consolidated subsidiaries	74	73	9%	11%				
Subtotal	**819**	**739**	**100%**	**100%**	**268**	**250**	**100%**	**100%**
Other services rendered by member firms to fully consolidated subsidiaries worldwide								
• Legal, tax, social								
• Other								
Subtotal								
Total	**819**	**739**	**100%**	**100%**	**268**	**250**	**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 €431k in fiscal year 2016 and €481k in fiscal year 2015.

Chairman's report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code

6

6.1 Composition of the Board of Directors, preparation and organization of its work 178

6.1.1 Composition of the Board of Directors 178
6.1.2 Corporate governance 179
6.1.3 Conditions of preparation and organization of the work of the Board of Directors 180

6.2 The Board's restrictions on the Chairman and CEO's powers 181

6.3 Participation of shareholders in the annual general meeting 182

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 182

6.4.1 Corporate officers' compensation 182
6.4.2 Disclosures required under Article L. 225-100-3 183

6.5 Internal control and risk management procedures put in place by the Company 183

6.5.1 Internal control 183
6.5.2 Risk management 185

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 186

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 and application of the principle of balanced representation of men and women on the Board of Directors, on the preparation and organization of the Board's work, on the principles and rules the Board of Directors 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 6, 2016.

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 two independent directors within the meaning of the AFEP-MEDEF code.

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.

As of the date of this report, the Board consists of seven directors and a Deputy CEO:

	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	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 Mrs. Sophie MOREAU-FOLLENFANT[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

(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 application of 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, the proportion of directors of each gender appointed by the shareholders' general meeting may not be less than 40% as of January 1, 2017.

The Company's Board of Directors currently includes two female members, thus representing 28.57% of the Board.

In order to achieve the minimum proportion of 40%, the Board of Directors meeting of December 6, 2016 decided to continue its gender balance commitments by proposing that the shareholders' combined general meeting of January 30, 2017 appoint Mrs. Catherine Claverie as a new director. At the end of this meeting, the Board of Directors will have 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. 225-28 of the French Commercial Code.

6.1.2 Corporate governance

The Company reviewed the revised version 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 Company also identified other provisions which it does not apply:

- men-women equal representation: the Company's Board currently includes two women out of seven members, representing 28.58% female representation. The difference between men and women is three, whereas the code stipulates a difference of two. As discussed above, the Board has proposed that the next shareholders' meeting appoint Mrs. Catherine CLAVERIE as a director. As a result, following the shareholders' meeting, the difference will be two;
- the Board has two independent directors, Mrs. Françoise Mahiou and Mr. Matthieu Pigasse, representing a percentage of independent directors of 28.58%, whereas the code specifies a proportion of one third. This situation is explained by the shareholding structure. Moreover, the Company considered that, taking into account the duration of his appointment as a director of the Company of more than 12 years, Mr. Bernard VAL could not be considered as an independent director this year. It should be noted that following the next shareholders' combined general meeting, the Board will comprise three independent directors following the appointment of Mrs. Catherine Claverie. The Board believes that she will be considered an independent director as she fulfills the following criteria:
  - she has no significant financial, contractual or family relationship with the Company, a Group company or its management that could compromise the free exercise of her judgment,
  - she is not an employee, executive corporate officer of the Company or its Group,
  - she is not a customer, supplier or banker of the Company or its Group;
- 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;
- the Compensation Committee was suspended pending a new decision at the Board meeting on October 25, 2005: 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 85%. In addition to reviewing and approving the parent company and consolidated financial statements as of September 30, 2015 and preparing documents to submit to the shareholders' combined general meeting on February 10, 2016, the Board discussed and decided the following matters:

Meeting of December 4, 2015

- Review and approval of the consolidated and parent company financial statements for the year ended September 30, 2015;
- 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;
- Corporate governance (report by the Chairman of the Board of Directors on the Board's work and on internal control procedures);
- Proposal to reappoint directors;
- Proposal to appoint a new director;
- Assessment of the advisability of putting in place a liquidity agreement;
- Share buyback program;
- Authorization to be given to the Board of Directors to reduce the share capital by canceling shares;
- Meeting notice for the shareholders' combined general meeting on February 10, 2016.

Meeting of February 10, 2016

- Reappointment of the Chairman of the Board of Directors and of the CEO; Agreement of powers;
- Reappointment of the Deputy CEO; Agreement of powers.

Meeting of May 24, 2016

- 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.

Functioning of the Board

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. 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.

The Board of Directors' rules of procedure regarding its composition were amended at the Board meeting on December 12, 2006. The Board of Directors may now have as many as 18 members.

The Board of Directors' rules of procedure were also amended at the Board of Directors' meeting on May 27, 2010, to enable Board of Directors' meetings to be conducted through any means of telecommunication.

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 will fulfill 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 will 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 4, 2015 and on May 22, 2016, 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' ordinary meeting on February 19, 2014 decided to set attendance fees at €90,000. On May 24, 2016, the Board of Directors decided on an unequal distribution of attendance fees following Mr. Matthieu Pigasse's decision not to receive any.

A proposal to amend the amount of attendance fees in order to increase it to €120,000 will be made to the next shareholders' meeting.

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 activities of the Group's Legal Departments.

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 division

- 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, 2016.

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 9, 2016

The Statutory Auditors

DENJEAN & ASSOCIES AUDIT

Thierry Denjean

ERNST & YOUNG Audit

Gilles Rabier

Other legal and financial information

7

7.1 Assessment of the 2015-2016 share buyback program 189

7.2 Presentation of the 2016-2017 share buyback program 190

7.2.1 Legal framework 190
7.2.2 Number of shares and portion of share capital held by the Company 190
7.2.3 Breakdown of the Company's own shares, by purpose 190
7.2.4 Objectives of the new share buyback program 190
7.2.5 Maximum portion of share capital and maximum number and characteristics of capital shares 191
7.2.6 Trading terms 191
7.2.7 Duration of the buyback program 191
7.2.8 Results of the Company's previous share buyback program from February 11, 2016 to December 6, 2016 191
7.2.9 Transaction details of the program from February 11, 2016 to December 6, 2016 191

7.3 Related party transactions 192

7.3.1 Provisions concerning regulated agreements 192
7.3.2 Service agreement 192
7.3.3 Trademark licensing agreement 192
7.3.4 Independent Auditors' special report on related party agreements and commitments 193

7.4 Communication with institutional investors and individual shareholders 194

7.4.1 Communications methodology 194
7.4.2 Calendar: key dates 194
7.4.3 Periodic and occasional information: annual information document 194
7.4.4 Update on quarterly financial information 195

. . . / . . .

7.5 Information provided by third parties, statements made by experts and declarations of interests 196

7.5.1 Statements/reports of experts 196
7.5.2 Information provided by third parties 196

7.6 Significant contracts 196

7.7 Concordance table between the Derichebourg registration document and the annual financial report 196

7.8 Concordance table between the Derichebourg registration document and annex I of European regulation 809/2004 197

7.1 Assessment of the 2015-2016 share buyback program

The shareholders' combined general meeting of February 10, 2016 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 August 9, 2017, 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 conditions and 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, 2015 and September 30, 2016.

	Shares forming share capital	Stock market activity	Stock options granted	Acquisitions	Cancellation	Total
Position at September 30, 2015	168,082,030			8,383,598	4,040,382	12,423,980
As % of capital				4.99%	2.40%	7.39%
Allocation to stock-options						
• granted						
• other						
Stock options exercised						
Purchases				100,000	162,868	262,868
Sales				877,745		877,745
Cancellations						
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%

During the fiscal year, 262,686 shares were bought at an average cost of €2.79, totaling €732,818, and 877,745 shares were sold at an average cost of €3.19, totaling €2,800,007.

The book value of the portfolio of 11,809,103 shares with a par value of €0.25 held on September 30, 2016 was €31,925,695.

The market value of the portfolio at September 30, 2016 was €33,466,998.

7.2 Presentation of the 2016-2017 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 January 30, 2017.

7.2.2 Number of shares and portion of share capital held by the Company

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, or 7.84% of the share capital, 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.

On October 24, 2016, the Company owned 13,180,069 of its own shares, or 7.84% of the share capital, for the following purposes:

Purpose	Number of shares
Acquisitions	8,193,853 (4.87% of share capital)
Cancellation	4,203,250 (2.5% of share capital)
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 (0.47% of share capital)

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.

At the date of filing of this registration document, the Company's share capital comprises 163,878,780 shares.

At this date, the Company holds 8,976,819 of its own shares, representing 5.48% of the share capital.

7.2.3 Breakdown of the Company's own shares, by purpose

At the date of filing of this registration document, the 8,976,819 of its own shares held by the Company are used for the following purposes:

Purpose	Number of shares
Acquisitions	8,193,853 (5.00% of share capital)
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 (0.48% of share capital)

7.2.4 Objectives of the new share buyback program

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 conditions and 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 tenth 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 at the date of filing of this registration document, representing 16,387,878 shares. Considering the number of own shares held at the date of filing of this registration document, i.e. 8,976,819 shares, the maximum number of shares likely to be bought back is 7,411,059 shares, representing 4.52% of the share capital.

Derichebourg shares are listed on Compartment B of the Euronext Paris exchange (ISIN code: FR 0000053381).

The maximum purchase price is €10 per share.

The maximum expenditure for these purchases would be:

- €163,878,780, accounting for 10% of the Company's share capital;
- €74,110,590 accounting for 4.52% of the share capital, including the Company's own shares.

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, 2016, i.e. until July 29, 2018.

7.2.8 Results of the Company's previous share buyback program from February 11, 2016 to December 6, 2016

The details of this program on December 6, 2016 are as follows:

Percentage of own share capital owned directly and indirectly	5.48%
Number of shares cancelled during the last 24 months[1]	4,203,250
Number of shares held in portfolio	8,976,819
Book value of portfolio	23,692,208
Market value of portfolio[2]	28,995,125

(1) The 24 months prior to the public presentation of the buyback program.
(2) During closing on December 6, 2016.

7.2.9 Transaction details of the program from February 11, 2016 to December 6, 2016

	Total sales and purchases		Opening positions on 11-30-16			
	Purchases	Sales/Transfers	Open buy positions		Open sell positions	
Number of shares	1,470,966	None	Purchase options purchased	Forward purchases	Purchase options sold	Forward sales
Average transaction price *(in €)*	2.8213	None	None	None	None	None
Amounts *(in €)*	4,149,963	None	None	None	None	None

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."

It is specified that the guarantee for SOGEFIMUR mentioned in the previous fiscal year as a regulated agreement was downgraded on December 4, 2015 by the Board of Directors, which now considers it to be a common agreement made under normal terms and conditions.

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, 2015 to September 30, 2016, 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 €2,007 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

Agreements and commitments authorized during the year

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

Agreements and commitments approved in prior years which remained in effect during the year

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, 2016 is €2,006,836 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, 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, 2016, DBG Finances invoiced DERICHEBOURG for €1,700,000, excluding taxes, under this agreement.

Paris and Paris-La Défense, December 9, 2016

The Independent Auditors

DENJEAN & ASSOCIES 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 General 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 1, 2015	Derichebourg Multiservices partners with NewWind to install tree-shaped wind turbines (l'Arbre à Vent)
October 3, 2015	Weekly statements of transactions on own shares made from September 28 to October 2, 2015
October 7, 2015	Weekly statements of transactions on own shares made from September 28 to October 2, 2015
October 19, 2015	Derichebourg Environnement: Potential acquisitions in Île-de-France
October 21, 2015	Derichebourg Environnement: acquisition of the Valério group
October 22, 2015	Monthly information on total number of voting rights and shares comprising share capital as of September 30, 2015
November 2, 2015	The Derichebourg Group has crossed the North Atlantic and set up operations in Canada
November 12, 2015	Revenue for the 2014-2015 fiscal year
November 30, 2015	Monthly information on total number of voting rights and shares comprising share capital as of October 31, 2015
December 4, 2015	Board of Directors meeting of December 4, 2015: substantial net profit, dividend paid
December 11, 2015	Publication of the 2014-2015 registration document
January 4, 2016	Derichebourg Environnement: completion of previously announced acquisitions
January 5, 2016	Monthly information on total number of voting rights and shares comprising share capital as of November 30, 2015
January 7, 2016	Notice of shareholders' combined general meeting on February 10, 2016 appeared in the Legal Publications Bulletin (BALO) of January 4, 2016
January 11, 2016	Derichebourg Environnement: acquisition of the SLG Recycling group
January 13, 2016	Monthly information on total number of voting rights and shares comprising share capital as of December 31, 2015
January 18, 2016	Financial calendar for fiscal year 2015-2016
January 20, 2016	Brochure for the shareholders' combined general meeting on February 10, 2016
January 20, 2016	Single form for proxy vote and mail-in ballot
January 20, 2016	Independent auditors' report on the capital reduction (tenth resolution)

Date	Document
January 20, 2016	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 February 10, 2016 was published in the Legal Publications Bulletin, i.e. January 4, 2016
January 20, 2016	2014-2015 registration document
January 28, 2016	Information related to the shareholders' combined general meeting on February 10, 2016
January 28, 2016	Meeting notice in the BALO dated January 25, 2016
February 10, 2016	Approval of annual and consolidated financial statements, appropriation of earnings
February 17, 2016	Shareholders' combined general meeting of February 10, 2016 - Result of resolution votes
February 19, 2016	Monthly information on total number of voting rights and shares comprising share capital as of January 31, 2016
March 24, 2016	Monthly information on total number of voting rights and shares comprising share capital as of February 29, 2016
April 21, 2016	Monthly information on total number of voting rights and shares comprising share capital as of March 31, 2016
May 12, 2016	Derichebourg Environnement: explosion at the Bayonne recycling center
May 17, 2016	Monthly information on total number of voting rights and shares comprising share capital as of April 30, 2016
May 24, 2016	Half-year consolidated financial statements
May 25, 2016	Half-year financial report for the period from October 1, 2015 to March 31, 2016
May 25, 2016	Derichebourg Multiservices: partner to La Poste for the second edition of its "French IoT" competition
June 2, 2016	Acquisition of the Alter Services Group
June 21, 2016	Monthly information on total number of voting rights and shares comprising share capital as of May 31, 2016
July 20, 2016	Monthly information on total number of voting rights and shares comprising share capital as of June 30, 2016
July 21, 2016	Derichebourg takes over Bartin Recycling business
August 5, 2016	Weekly statements of transactions on own shares made from July 25 to 29, 2016
September 6, 2016	Monthly information on total number of voting rights and shares comprising share capital as of July 31, 2016
September 7, 2016	Derichebourg Canada Environnement awarded the waste management contract for the town of Gatineau
September 21, 2016	Monthly information on total number of voting rights and shares comprising share capital as of August 31, 2016
October 13, 2016	Following COP21, Derichebourg is retained for COP22 in Marrakesh
November 3, 2016	Weekly statements of transactions on own shares made from October 24 to 28, 2016
November 3, 2016	Monthly information on total number of voting rights and shares comprising share capital as of September 30, 2016
November 4, 2016	Derichebourg Environnement signs a preliminary agreement for the sale of its landfill center in Italy
November 18, 2016	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

Information published in the Legal Publications Bulletin ("BALO")

Date of publication	Document
January 4, 2016	Notice of the shareholders' combined general meeting on February 10, 2016
January 25, 2016	Notice of convening of shareholders' combined general meeting on February 10, 2016
February 3, 2016	Appointment of registered share account holders
February 24, 2016	Notice of approval of the consolidated and parent company financial statements for the year ended September 30, 2015

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;
- 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	150 à 173
Consolidated financial statements	5.1	96 à 148
Independent Auditors' report on the Company's financial statements	5.2.4	174
Independent Auditors' report on the consolidated financial statements	5.1.6	149
Management report	4	35 à 84
Declaration by persons responsible for the management report	1	6
Fees paid to the Independent Auditors	5.3	175
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	178 à 185
Independent Auditors' report on the Chairman's report	6.6	186
List of all of the information published by the Company or made public over the last 12 months	7.4.3	194 à 195

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 à 7**
3.	**Selected financial information**	**2**	**9**
4.	**Risk factors**	**4.3**	**43 à 48**
5.	**Information concerning the issuer**		
5.1	History and evolution of the Company		
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	1.4.3, 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	42
5.2.1	Investments made	4.2.7	42
5.2.2	Investments in progress	4.2.7	42
5.2.3	Investments being considered	4.2.7	42
6.	**Overview of activities**		
6.1	Main activities		
6.1.1	Type of transactions, categories of products sold	3.2	18 à 31
6.1.2	New products	3.2	18 à 31
6.2	Main markets, including competitive position	3.2	18 à 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 à 31
7.	**Organizational chart**		
7.1	Position of the issuer	3.1.1, 3.1.2	12
7.2	List of subsidiaries of the issuer	5.1 note 4.30	146 à 148
8.	**Property, plant, and equipment**		
8.1	Significant non-current assets	3.2.1.4, 3.2.2.3	24, 31
8.2	Environmental questions	4.3.1.2, 4.6.2.2	44, 72 à 74
9.	**Examination of financial position and earnings**		
9.1	Financial position	4.2	37 à 42
9.2	Operating income (loss)	4.2	37 à 42
10.	**Cash and capital**		
10.1	Capital of the issuer	5.1.5 note 4.9	120, 121
10.2	Cash flow	4.2.6 et 5.1.3	41-42, 100
10.3	Financing structure and borrowing conditions	5.1.5 note 4.11	122 à 125
10.4	Restrictions on the use of capital	5.1.5 note 4.11	122 à 125
10.5	Expected sources of financing	4.3.6, 5.1.5 note 4.11	46, 122 à 125

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**	**41**
13.	**Forecasts or estimates of profits**	**4.2.5.3**	**41**
14.	**Administrative and management bodies**		
14.1	Names, titles, other positions held by the directors	4.4.1, 6.1.1	49 à 54, 178-179
14.2	Possible conflicts of interest	4.4.1.4	55
15.	**Remunerations and benefits**		
15.1	Remuneration paid	4.4.2.1	55-56
15.2	Amounts provisioned elsewhere	4.4.2.2	56
16.	**Functioning of administrative and management bodies**		
16.1	Date of expiration of terms	4.4.1.1	49
16.2	Service contracts	N/A	
16.3	Audit Committee	6.1.2, 6.1.3	179, 180
16.4	Information on corporate governance	4.4, 6.1, 6.2	49 à 56, 178 à 181
17.	**Employees**		
17.1	Number of employees	4.6	76
17.2	Number of shares held by board members	4.4.1, 4.5.8	49, 59-60
17.3	Employee investment in the issuer's capital	4.5.13	61
18.	**Main shareholders**		
18.1	Information on the capital	4.5.8	59-60
18.2	Voting rights of the main shareholders	4.5.8	59-60
18.3	Information on audits	4.4.1.4, 4.5.8	55, 59-60
18.4	Agreements that could lead to a change of control	4.5.14	61
19.	**Related party transactions**	**7.3**	**192 à 193**
20.	**Financial information**		
20.1	Historical consolidated financial information	5.1	96 à 148
20.2	Pro forma financial information	N/A	
20.3	Individual financial information	5.2	150 à 173
20.4	Verification of historical financial information		
20.6	Intermediate financial information	N/A	
20.7	Dividend distribution policy	4.5.19.1	65
20.8	Legal proceedings and arbitration	4.3.8, 4.3.10, note 4.26	47-48, 142-143
20.9	Significant change in the financial or commercial situation	4.2.5	41
21.	**Additional financial information**		
21.1	Share capital (number and classes of shares, own shares, etc.)	4.5	57 à 66
21.2	Bylaws		
21.2.1	Corporate purpose of the issuer	1.4.5	7
21.2.2	Information on the management bodies	4.5.15.1	61-62
21.2.3	Rights attached to each class of shares	4.5.9	60
21.2.4	Actions needed to amend the rights of shareholders	4.5.15.2	62
21.2.5	Procedures for calling annual and extraordinary general meetings	4.5.16	62-64
21.2.6	Provisions in the bylaws that could delay a change of control	4.5.9, 6.4.2	60, 183
21.2.7	Provisions in the bylaws setting the threshold above which any investment must be disclosed	4.5.10	61
21.2.8	Provisions in the bylaws governing changes in the capital	4.5.16	62 à 64
22.	**Significant contracts**	**7.6**	**196**
23.	**Information from third parties, statements of experts**	**7.5**	**196**
24.	**Publicly available documents**	**7.4**	**194 à 195**
25.	**Information on investments**	**5.1.5 note 4.4**	**118**

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