

REGISTRATION DOCUMENT 2017

INCLUDING THE ANNUAL FINANCIAL REPORT

The structure of this Registration Document follows the order of the schedule referred to in Annex 1 of European Regulation (EC) N°809/2004 implementing Directive 2003/71/EC.

REGISTRATION DOCUMENT 2017

including the annual financial report

As the **independent European leader** in multi-technical services in the areas of **energy and communications**, SPIE supports its customers to design, build, operate and maintain energy-efficient and environmentally-friendly facilities.

€6.1B revenue

30 countries

46,500 employees

SPIE SA
Joint stock company *(société anonyme)* with a share capital of €72,415,793.32
Registered office: 10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France
Registered with the Pontoise Trade and Companies Registry under company number 532 172 825

In accordance with its general regulation, in particular article 212–13, the Autorité des marchés financiers (French financial markets regulator – AMF) registered the French language version of this Registration Document on 26 April 2017 under number R.18 - 023. This document may only be used for the purposes of a financial transaction if it is supplemented by a prospectus in respect of which the AMF has granted a visa. It was prepared by the issuer and all its signatories are liable for its contents.

In accordance with Article L.621-8-1-I of the French Monetary and Financial Code, the document was registered once the AMF verified that it was clear and complete and that the information contained herein was coherent. The AMF has not, and cannot be construed as having, verified any of the accounting and financial information contained herein.

Copies of this Registration Document are available free of charge at SPIE, 10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France, and on the websites of SPIE (www.spie.com) and the AMF (www.amf-france.org).

GENERAL COMMENTS

*SPIE SA, a "société anonyme" (joint stock company) incorporated under French law with a share capital of €72,415,793.32, registered at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France under company no. 532 712 825 (Pontoise Trade and Company Registry), is referred to as the "**Company**" in this Registration Document. Unless otherwise stated, the "**Group**" and the "**SPIE group**" refer to the Company and its subsidiaries and holdings.*

This Registration Document contains forward-looking statements regarding the growth, prospects and strategies of the Group. These forward-looking statements are sometimes identified by the use of the future and conditional tenses and by terms such as "consider", "envisage", "think", "aim", "expect", "intend", "should", "anticipate", "estimate", "believe", "wish" and "might" or, if applicable, their negative forms and other similar words, terminology and phrases. Such information has no historically factual basis and should not be interpreted as a guarantee of future performance. It is based on data, assumptions and estimates from which the Group deems it reasonable to draw inferences. Such information may change or be modified due to uncertainties in the economic, financial, competitive or regulatory environments. In addition, the occurrence of one or more of the risks described in Chapter 4 "Risk factors" of this Registration Document may affect the Group's businesses, position and financial results as well as its ability to reach its objectives.

Investors should carefully consider the risk factors described in Chapter 4 "Risk factors" of this Registration Document. The occurrence of all or any of these risks could have a negative effect on the Group's businesses, position or financial results. Moreover, other risks as yet unidentified or deemed insignificant by the Group could have the same negative effect.

This Registration Document contains information about the Group's markets and competitive positions, including information about the size of such markets. The facts on which the Group bases its statements mostly come from estimates made by the Group, studies and statistics from independent third parties and professional organisations, and figures published by the Group's competitors, suppliers and customers (in particular, the Group's rankings in relation to its main competitors are based on revenues disclosed by them during the year ended 31 December, 2017). Certain information contained in this Registration Document is publicly available information which the Company considers reliable but which has not been verified by an independent expert. The Company cannot guarantee that a third party using different methods to collect, analyse or calculate data on business segments would obtain the same results. The Company makes no undertaking and provides no warranty as to the accuracy of this information. It is possible that such information proves to be incorrect or out of date. The Group makes no undertaking to publish updates to such information, except in connection with any applicable legal or regulatory obligations.

Certain figures (including figures expressed in thousands or millions) and percentages in this Registration Document have been rounded. The totals presented in this Registration Document may differ slightly from those obtained by adding together the exact (decimal) values of those figures.

01

RESPONSIBLE PERSONS

1.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr. Gauthier Louette, Chairman and CEO of SPIE SA.

1.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I declare, having taken all reasonable care to ensure that such is the case, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify that, to my knowledge, the financial statements have been drawn up in accordance with the applicable accounting standards and provide a true and fair view of the assets, financial position and profit or loss of the Company and all its consolidated entities, and that information included in the present Registration Document pertaining to the Board of Directors management report, whose cross-reference table is on pages 306 to 309 of this Registration Document, presents a true and fair view of the business development, profit or loss and financial position of the Company and all its consolidated entities as well as a description of the main risks and uncertainties facing them.

I have obtained from the Statutory Auditors an audit completion letter stating that they have completed their assignment and in which they indicate that they have checked the information on the financial position and the financial statements given in this Registration Document and that they have read the entire Registration Document."

26 April 2018
Mr. Gauthier Louette
Chairman and CEO of SPIE SA

02

AUDITORS

2.1 STATUTORY AUDITORS

ERNST & YOUNG ET AUTRES

Tour First – 1, place des Saisons, TSA 14444

92037 Paris – La Défense Cedex, France

Represented by Henri-Pierre Navas

Appointment date: ERNST & YOUNG et Autres was appointed by the Company's Articles of Association on 27 May, 2011.

Last reappointed: at the Combined Shareholders' General meeting of 25 May, 2016 for a duration of six financial years, namely until the end of the Ordinary Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2021.

ERNST & YOUNG et Autres is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles.*

PRICEWATERHOUSECOOPERS AUDIT

63, rue de Villiers

92208 Neuilly-sur-Seine Cedex

Represented by Yan Ricaud

Appointment date: PricewaterhouseCoopers Audit was appointed by the Shareholders' General Meeting of 15 November, 2011.

Last reappointed: at the Combined Shareholders' General meeting of 16 May, 2017 for a duration of six financial years, namely until the end of the Ordinary Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2022.

PricewaterhouseCoopers Audit is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles.*

2.2 ALTERNATE AUDITOR

AUDITEX

1-2, place des Saisons

Paris La Défense 1

92400 Courbevoie

Represented by Christian Scholer

Appointment date: Auditex was appointed by the Company's Articles of Association on 27 May, 2011.

Last reappointed: at the Combined Shareholders' General meeting of 25 May, 2016 for a duration of six financial years, namely until the end of the Ordinary Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2021.

Auditex is a member of *the Compagnie Régionale des Commissaires aux Comptes de Versailles.*

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SELECTED FINANCIAL INFORMATION

The selected financial information presented below comes from the Company's audited consolidated financial statements for the year ended 31 December, 2017 prepared in accordance with IFRS as adopted by the European Union and including restated comparative data for the year ended 31 December, 2016 in accordance with IFRS 5.

The Group's consolidated financial statements for the year ended 31 December, 2017 were the subject of a report by the Company's Statutory Auditors which is included in Section 20.1.2 of this Registration Document. This selected accounting and operating information should be read in conjunction with the information contained in Chapter 9 "Group financial position and results" and Chapter 20 "Financial information on the Group's assets, financial position and results" of this Registration Document.

In accordance with Article 28–1 of Commission regulation (EC) no. 809/2004, the Group's selected financial information for the year ended 31 December, 2015 presented in Chapter 3 "Selected financial information" of the Registration Document for the year ended 31 December, 2016 registered by the AMF on 18 April, 2017 under number R.17-017 (the "**2016 Registration Document**") is included by reference in this Registration Document.

SELECTED FINANCIAL INFORMATION FROM THE CONSOLIDATED INCOME STATEMENT

In millions of euros	**2017**	**2016 Restated (1)**
Revenue	6,128.0	4,952.3
Group operating income	263.0	294.0
Consolidated operating income after the share of net income of entities accounted for using the equity method	263.6	294.4
Pre-tax income	187.8	242.6
Net income from continuing operations	115.5	195.7
NET INCOME	**111.5**	**184.0**

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 4 to the Appendix to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

SELECTED FINANCIAL INFORMATION FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of euros	**2017**	**2016**
ASSETS		
Intangible assets	1,075.6	777.4
Goodwills	3,016.0	2,207.3
Total non-current assets	**4,634.0**	**3,386.0**
Trade receivables	1,850.4	1,370.9
Other current assets	246.6	226.4
Cash management financial assets	4.8	5.5
Cash and cash equivalent as per balance sheet	538.5	560.2
Total current assets from continuing operations	**2,727.1**	**2,222.0**
Total current assets	**3,123.2**	**2,237.3**
TOTAL ASSETS	**7,757.2**	**5,623.2**
LIABILITIES		
Equity attributable to owners of the parent	**1,439.4**	**1,415.1**
Total equity	**1,442.3**	**1,417.2**
Interest-bearing loans and borrowings	1,729.9	1,127.0
Non-current liabilities	**2,897.3**	**1,742.1**
Loans and bank facilities (less than one year)	990.5	780.0
Trade payables	337.6	332.3
Other current operating liabilities	1,580.0	1,211.1
Total current liabilities from continuing operations	**3,081.9**	**2,447.0**
Total current liabilities	**3,417.6**	**2,463.9**
TOTAL EQUITY AND LIABILITIES	**7,757.2**	**5,623.2**

SELECTED FINANCIAL INFORMATION FROM THE CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of euros	2017	2016
Cash at beginning of the period	**518.5**	**551.8**
Net cash flow from (used in) operating activities	297.4	358.3
Net cash flow from (used in) investing activities	(219.3)	(197.5)
Net cash from financing activities	(60.1)	(176.3)
Net change in cash and cash equivalents	1.6	(33.3)
CLOSING CASH	**520.1**	**518.5**

PERFORMANCE INDICATORS

In millions of euros	2017	2016 Restated (1)
Production (2)	6,126.9	4,941.4
EBITA (3)	388.0	341.9
Cash conversion ratio (4)	102%	122%

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 4 to the Appendix to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

(2) Production as presented in the internal reporting, represents the operating activities pursued by the Group's companies, notably including, proportional, the subsidiaries which include minority Shareholders or which are consolidated using the equity method (see Note 7.1 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

(3) EBITA is the adjusted operating income before amortisation of goodwill, tax and financial income. It is calculated before amortisation of allocated goodwill (brands, backlogs and customers). EBITA is not a standard accounting measure with a single generally accepted definition. It is not a substitute for operating income, net income, cash flow from operating activities or even a measure of liquidity. Other issuers may calculate EBITA in a different manner from the Group.

(4) The cash conversion ratio for a financial year is the ratio of cash flow from operations in the year to EBITA in the same year. Cash flow from operations in a financial year is the sum of EBITA, amortisation expenses, change in working capital requirement, and provisions related to income and expenses included in EBITA, minus investment flows (excluding acquisitions) for the year (see Section 9.1.4 of this Registration Document). The cash conversion ratio is not a standard accounting measure with a single generally accepted definition.

RECONCILIATION OF PRODUCTION AND REVENUE FROM ORDINARY ACTIVITIES

In millions of euros	2017	2016 Restated (1)
Production	**6,126.9**	**4,941.4**
SONAID (2)	(7.8)	(14.3)
Holding activities (3)	17.8	23.0
Others (4)	(8.9)	2.2
REVENUE FROM OPERATING ACTIVITIES	**6,128.0**	**4,952.3**

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 4 to the Appendix to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

(2) SONAID is accounted for using the equity method in the consolidated accounts and proportionally (55%) in the Production.

(3) Non-Group revenue from SPIE Operations and other non-operating entities.

(4) Reinvoicing for services performed by Group entities to nonmanaged joint ventures; reinvoicing outside the Group not included in operating activities (essentially reinvoicing of expenses for account); reprocessing of revenue from entities accounted for using the equity method or recently acquired and not yet consolidated.

RECONCILIATION OF EBITA AND GROUP OPERATING INCOME AFTER THE SHARE OF NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In millions of euros	2017	2016 Restated [(1)]
EBITA	**388.0**	**341.9**
Amortisation of allocated goodwill [(2)]	(59.8)	(30.9)
Restructurings [(3)]	(44.5)	(17.2)
Financial commissions	(1.6)	(1.8)
SONAID	(1.6)	0.1
Others non-recurring items [(4)]	(16.9)	2.3
GROUP OPERATING INCOME AFTER THE SHARE OF NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**263.6**	**294.4**

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note nonmanaged joint ventures 4 to the Appendix to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

(2) In 2017, the amount of the amortisation of allocated goodwill includes €41.1 million relating to SAG.

(3) Costs related to restructurings include the following:

For the financial year ended 31 December, 2016:

a. restructuring costs in France for €8.5 million;
b. restructuring costs in the United Kingdom for €5.5 million;
c. restructuring costs in Switzerland for €2.4 million.

For the financial year ended 31 December, 2017:

a. restructuring costs for France for €13.3 million;
b. integration costs for SAG for €16.2 million;
c. restructuring costs for Oil & Gas for €13.5 million.

(4) Other non-recurring items correspond mostly to:

For the financial year ended 31 December, 2016:

a. the technical capital gain recorded subsequent to the change of consolidation of SONAID pursuant to IFRS 11 (€5.3 million);
b. the release of an unused provision relating to an earn out (€2.5 million);
c. costs related to external growth projects (€2.4 million);
d. expense relating to the free performance shares plan pursuant to IFRS 2 (€2.0 million).

For the financial year ended 31 December, 2017:

a. expenses relating to external growth project (in particular in relation to SAG) for €8.9 million;
b. expense relating to the free performance shares plan pursuant to IFRS 2 (€5.1 million).

04

RISK FACTORS

04

RISK FACTORS
(AFTER)

Investors should carefully consider all the information set out in this Registration Document, including the risk factors detailed below. At the date of this Registration Document, these risks are those whose occurrence the Company deems likely to have a material adverse effect on the Group and its business, financial position, results or prospects. Investors should Note that the risks described in Chapter 4 of this Registration Document are not exhaustive and that other risks, whether unknown or whose occurrence, at the date of this Registration Document, was not deemed likely to have a material adverse effect on the Group and its business, financial position, results or prospects, can or could exist or occur.

4.1 RISKS RELATING TO THE GROUP'S INDUSTRIES

4.1.1 RISKS RELATING TO AND CHANGES IN ECONOMIC CONDITIONS

Changes in demand for services are generally related to changes in macroeconomic conditions, including fluctuations in GDP in the countries where the Group operates and the level of private and public spending on new and existing facilities and equipment. In general, periods of recession or deflation are likely to have a negative impact on demand for services (see Sections 6.4.1 and 9.2.2 of this Registration Document). During the year ended 31 December 2017, 95.6% of the Group's production was in Europe, 44.9% of which was in France. At the date of this Registration Document, growth remains limited in the European Union (EU) and France more specifically, even if it shows a clear improvement on the recent period. The IMF forecasts for 2018 are 2.2% in the EU and 1.9% in France (source: IMF, World Economic Outlook, January 2018).

Generally, during periods of recession, customers significantly reduce spending on equipment which affects the Group's ability to sell services relating to construction projects or projects to extend the life of new equipment or infrastructure. In particular, certain sectors such as construction and heavy industry have significantly reduced their level of activity in recent years. Moreover, the Group has seen a drop in demand for installation services, in particular from steel producers, car manufacturers and their supply chains. In addition, some of the Group's customers may experience financial difficulties that can lead to payment delays or even default. If current economic conditions continue or worsen, it could have a material adverse effect on the Group and its business, financial position, results and prospects.

In addition, although oil prices have progressively improved during the financial years ended 31 December, 2016 and 2017, they remain at a low level. This situation negatively affects, by reductions in operating expenditure and low investment, particularly in the drilling and geosciences field, the Group's activities in the Oil & Gas sector: maintenance of operations, technical assistance and provision of tubular for drilling and oil installations called OCTG activities (Oil Country Tubular Goods) operated by SONAID in Angola. Although this situation has already has an impact on the Group's results in 2016 and 2017, oil prices could, if they were to remain at current levels or decrease further, continue to negatively impact the Oil & Gas sector, and as such significantly impact the activities, financial situation, results and outlook of the Group.

Finally, following the United Kingdom's decision to leave the European Union (*Brexit*), the Group was negatively impacted in 2017 by the drop of the United Kingdom's activity in a context of political and economic uncertainty. The Group cannot exclude the fact that this decision may have other negative impacts on its activity and its results should the economic conditions of the United Kingdom further degrade.

4.1.2 RISKS RELATING TO PUBLIC SPENDING

The public sector accounts for a significant share of the Group's customers, in particular in France. It accounted for approximately 13% of the Group's consolidated production for the year ended 31 December, 2017 and 15% for the year ended 31 December, 2016. Public procurement is affected by political and administrative policies and decisions with respect to levels of public spending. In recent years, the economic situation has significantly affected the resources of governments and other public bodies and has led to strict public spending reduction policies. These policies could threaten the continuation of certain investments in which the Group is involved and prevent the implementation of significant new investment projects by public authorities. In a context of economic crisis and high levels of debt, some of these authorities might be unable to make payments in a timely fashion or, more generally, honour their commitments.

If the difficulties facing certain public authorities were to intensify and the trend of significant public spending cuts were to continue, it could have a material adverse effect on the Group and its business, financial position, results and prospects.

4.1.3 RISKS RELATING TO THE COMPETITIVE ENVIRONMENT

The Group faces intense competition from various players. The Group's competitors include large multinational corporations with greater resources whose other businesses provide them with an accessible customer base for their technical services. Furthermore, certain services requiring less technical skill may encounter strong local competition by smaller firms with strong local ties and an established local presence. Moreover, the technical services industry is highly fragmented, especially outside France, and the Group's ability to rely upon and retain a dense local network is essential to its development. Any moves towards some form of consolidation among the Group's competitors, be they multinational, national, regional or local, could increase competition in the Group's industries, change the competitive landscape of the technical services industry, and, especially if the Group were unable to take part in such consolidation, lead to a loss of market share, a decrease in the Group's revenue and/or a decline in its profitability.

Such strong competition requires the Group to make continuous efforts to remain competitive and convince its customers of the quality and value added of its services. The Group must also regularly develop new services in order to maintain or improve its competitive position. If despite these efforts the Group's customers do not find quality and value added in its products and services, particularly in relation to its competitors, or if the Group's products and services do not meet customer expectations, it could have a material effect on its business and financial results.

Lastly, customers increasingly focus on limiting the overall cost of their facilities. As a result, proposed pricing is an important factor in renewing contracts, in particular multiyear contracts, and in winning calls for tenders for new contracts. The Group can thus be subject to pressure on the prices it charges for its services.

This competitive pressure could lead to reduced demand for the Group's services and force it to lower its prices or incur significant investment costs to maintain the level of service quality that its customers expect which in turn could have a material adverse effect on its business, financial position, results and prospects.

4.1.4 RISKS RELATING TO BID TENDERS

The contracts entered into by the Group's entities are often awarded following a competitive bidding process, most notably with respect to government contracts. Winning a contract largely depends on customer perceptions with regard to the price and quality of the services offered by the various bidders: the Group could thus lose tenders if it were unable to demonstrate its strengths, which could significantly affect the growth of its business. Moreover, calls for tenders and related decisions can be subject to proceedings such as litigation aimed at overturning them or obtaining compensation which could affect the corresponding contract's application or viability. Lastly, nonrenewed government contracts generally must be resubmitted for bids through new calls for tenders.

Furthermore, the Group may commit significant financial and human resources to prepare for and participate in these calls for tenders, with no assurance that it will obtain the contract. Even in cases where the contract is awarded to the Group, the profits realised may be lower than initial projections, or sales could prove insufficient to make the project profitable. More generally, the performance conditions may prove different from those set out when the bid was prepared because they depend on many variables that are sometimes difficult to foresee, such as the accessibility of work sites, availability of qualified workers, bad weather, and increases in the price of oil and raw materials used in the materials purchased by the Group for installation at customer premises (*e.g.* copper for cables) that it may not be able to pass on to its customers. The difficulty of foreseeing final costs and performance conditions can have a significant effect on project profit margins and thus have a material adverse effect on the Group's business, financial position, results and prospects.

4.1.5 RISKS RELATING TO PUBLIC-PRIVATE PARTNERSHIPS

Due to the nature of its business, the Group may enter into public-private partnerships ("**PPP**"). PPPs (such as Private Finance Initiatives in the UK) consist in awarding contracts for the construction or transformation, maintenance, operation or management of sites, equipment or intangible assets necessary for government services, as well as all or part of the financing of such contracts, to private firms. Following significant growth in recent years, financial crises, cuts in public spending and efforts to limit government debt have led to a slowdown in the number of new PPPs. Some of the Group's contracts can nevertheless be entered into or renewed in the form of PPPs. In certain cases, these contracts require the private partner to undertake various activities, some in areas in which the Group is not present, such as those relating to construction and public works (*e.g.* hospitals and buildings). The Group can thus risk losing or not obtaining certain contracts if the public authorities prefer to use multidisciplinary contractors, in particular construction groups with their own technical service departments which could give them an advantage in obtaining PPP projects.

Were the Group unable to adapt to customer requirements with regard to PPPs or, more generally, were it unable to break into the PPP market, it could have a material adverse effect on its business, financial position, results and prospects.

4.1.6 RISKS RELATING TO CHANGES IN TECHNOLOGIES AND INDUSTRIAL STANDARDS

The Group's activities require a high level of technological expertise for a wide variety of technical services. As a result, the Group must continually adapt its expertise to identify and integrate technological innovations, new industrial standards, new products and new customer expectations. New technologies or changes in standards, as well as changes in the demand for services, could render the Group's services obsolete or unviable. In order to remain at the forefront of the industry and anticipate its customers' expectations, the Group must continually improve its know-how as well as the efficiency and profitability of its products and services which may lead to higher operating expenses or significant capital expenditures with no assurance that this will be profitable in the manner expected.

Were the Group unable to anticipate and integrate changes in technologies and industrial standards in time, it could affect its customer relationships and competitive position which could have a material adverse effect on its business, financial position, results and prospects.

4.1.7 RISKS RELATING TO OUTSOURCING TRENDS

Besides economic conditions, higher demand for technical services is influenced by certain general market trends such as the growth of outsourcing, particularly in some of the Group's markets in which the outsourcing rate is low compared with more mature markets such as the United States, the UK and Germany.

The increased outsourcing of technical services is, however, vulnerable to political decisions such as new regulations which could affect public and private demand in this area and thus slow down its development or even affect existing contracts. Moreover, the Group cannot guarantee that the outsourcing trend will continue; in particular, certain stakeholders, whether public or private, could return to using in-house technical services in order to take control of them. If the trend towards more outsourcing slows or stops, this could have a material adverse effect on the Group's business, financial position, results and prospects.

4.1.8 RISKS RELATING TO THE "GREEN ECONOMY"

The Group intends to assist the development of the green economy by offering energy-efficient technical solutions and services dedicated to renewable energy. The development of the green economy depends in large part on national and international policies supporting energy savings and renewable energy (*e.g.* regulations on the energy efficiency of buildings and quotas and tax incentives for renewable energy sources) as well as corporate awareness of environmental issues. Although recent years have seen a growing sensitivity to these problems on the part of stakeholders, the Group cannot guarantee, in light of the cost-reduction policies of public and private actors, that this support will not slow down or even, to a certain extent, come to an end. This could have a material adverse effect on the Group's business, financial position, results and prospects.

4.2 RISKS RELATING TO THE GROUP'S BUSINESSES

4.2.1 RISKS RELATING TO THE GROUP'S REPUTATION

The Group's reputation is essential in presenting its services, creating customer loyalty and winning new customers. This is all the more true as the Group operates in sectors that are subject to heavy media exposure (*e.g.* Oil & Gas and Nuclear).

The Group's success in recent years is largely due to its reputation for reliability and market leadership across a wide range of services, in particular those requiring a high level of expertise. This reputation has consolidated the position of the Group and strongly contributed to its development. Although the Group tightly controls the quality of its services, it cannot guarantee that it will not encounter difficulties relating to the quality or reliability of its services, or more generally its ability to provide the level of service promised to its customers, in certain industries and/or regions. The occurrence of such events, in particular in the event of significant media coverage, could strongly affect the Group's reputation, in particular with its customers, and could thus have a material adverse effect on its business, financial position, results and prospects.

4.2.2 RISKS RELATING TO PROJECT MANAGEMENT

The Group offers a wide range of technical services relating to its projects. In order to ensure that its projects are conducted efficiently, the Group relies on significant project-management and site-management expertise, particularly with respect to cost-assessment and optimising performance during the term of the contract. What determines the performance and profitability of a project is the Group's ability to accurately predict its costs, correctly assess the various resources (especially human resources) needed to carry it out, effectively manage the services provided by subcontractors, and control technical events that could affect and delay its progress. In practice, poor project management can generate significant additional performance costs and delays, leading to delays in payment or damaging the Group's reputation. Moreover, in order to carry out certain projects, in particular large-scale ones, the Group sometimes participates in groups or consortia whose smooth functioning requires coordination among the different members. Differences may arise among the members of such groups, and breaches by certain members may occur, which may make it difficult to manage or even complete the project. Such events could have a material adverse effect on the Group's business, financial position, results and prospects.

4.2.3 RISKS RELATING TO WORKPLACE HEALTH AND SAFETY

Because the Group's business is based on human resources, labour law and workplace health and safety regulations have a particular impact on its business. Although the Group makes significant efforts to ensure compliance with such regulations, it cannot guarantee that there will be no breaches. Failure by the Group, its employees or its subcontractors to comply with these obligations could lead to significant fines and claims against the Group and the employer entity linked to the violation of these provisions or to the loss of authorisations or qualifications. Moreover, such regulations are regularly updated with a view to being reinforced; the Group's efforts to adapt to and comply with revised rules may generate significant additional costs.

The Group is exposed to the risk of accident befalling its employees at their work sites or on their commutes. Group employees working in the Oil & Gas and Nuclear sectors are particularly exposed to risks relating to their work sites and conditions which are dangerous by nature. Some Group employees work in or near nuclear, oil or gas facilities and are therefore potentially subject to risks relating to incidents or accidents affecting such facilities. Despite the attention paid to safety and working conditions, the Group cannot exclude the possibility of increased frequency and size of work accidents and illnesses.

New technologies as well as new procedures, services, tools and machines could have unanticipated effects on the working conditions of the Group's employees. Moreover, Group employees may be exposed to materials that are not currently considered harmful but could in the future prove to be dangerous to human health, as was the case with asbestos in the past. Dangerous working conditions can also lead to heavy staff turnover, increase customers' project costs and significantly increase the Group's operating expenses.

The occurrence of such events could have a material adverse effect on the Group's business, financial position, results and prospects.

4.2.4 RISKS RELATING TO HIRING AND RETENTION OF KEY TECHNICAL EMPLOYEES

Success in technical services depends on the ability to spot, attract, train, retain and motivate highly skilled technical personnel. As a result, the Group faces strong competition in its industries. The Group may be unable to successfully attract, integrate or retain a sufficient number of qualified employees, which could impair its business and growth.

Moreover, the Group's business development requires the acquisition, maintenance and renewal of a very diverse range of skills in order to respond to changes and market expectations. The Group may be unable to find qualified candidates, train its staff in new technologies, or recruit and train the necessary managers in the regions or industries in which it operates. Moreover, during periods of rapid economic growth, the Group could encounter difficulties in recruiting and retaining qualified employees with the resulting risk of increased salary costs and lowered service quality.

Were the Group unable to meet its requirements in terms of human resources – which are crucial to its development – it could have a material adverse effect on its business, financial position, results and prospects.

4.2.5 RISKS RELATING TO EMPLOYEES AND TEMPORARY WORKERS

In general, the Group's employees provide services at premises and locations belonging to or operated by its customers. As a result, the Group could be subject to claims relating to damages incurred by its customers with respect to their assets or businesses, or unauthorised use or wrongful behaviour or any illegal act on the part of Group employees or any other person entering customer premises in an unauthorised manner in connection with the performance of the Group's services. Such claims could be significant and could affect the Group's reputation, which could have a material adverse effect on its business, financial position, results and prospects.

Furthermore, for certain of its activities the Group hires a large number of temporary workers. It cannot guarantee that such temporary workers will always have the same level of training, qualifications and reliability as its permanent employees, which could lead to a lower quality of service or a higher rate of work accidents, which could, in turn, negatively affect the Group's reputation and business.

4.2.6 RISKS RELATING TO ACQUISITIONS

In recent years the Group has grown not only organically but also by successively acquiring several regional service providers such as, in 2017, Lück Verwaltungs GmbH in Germany, a specialist in multi-technical services for the tertiary sector, and Ziut BV in the Netherlands, which specialises in the installation, management and maintenance of public lighting networks, and numerous small entities which have enabled it to consolidate its products and services and its presence in these regions. In 2017, the Group also acquired the German Group SAG, a provider of services and systems for electricity, gas and telecommunications networks, which generated consolidated revenue of €1.3 billion in 2016. The Group intends to continue developing and expanding its business by acquiring primarily small and medium-sized companies that meet its strategic and financial criteria. Under its growth strategy, the Group may encounter the following difficulties:

- identifying appropriate targets in line with its external growth strategy could prove difficult;
- integrating new entities could lead to substantial costs as well as delays or other financial and operating difficulties;
- achieving expected financial and operating synergies could take longer than expected or fail to occur in whole or in part;
- increased attention from Group executives could come at the expense of other activities;
- acquisitions may trigger change of control clauses in the contracts to which the target Company is a party;
- assumptions made in the business plans of the acquired entities could turn out to be incorrect, especially regarding synergies and performance;
- acquisitions could lead the Group to bear higher liabilities than those calculated during the due diligence phase of the acquisition;
- the Group could be forced to sell or limit the external growth of certain entities so as to obtain regulatory approval for acquisitions, notably with respect to competition law;
- acquiring a new company could lead to the loss of certain key employees and contracts; and
- acquiring new entities could create unexpected legal constraints.

In general, the expected profits from future or completed acquisitions could fail to materialise within the time periods and to the levels expected, which could have a material adverse effect on the Group's business, financial position, results and prospects.

4.2.7 RISKS RELATING TO CORRUPTION AND ETHICS

In the course of its business, the Group may encounter corruption-related risks, in particular through its Oil & Gas business in which the Group is present in some countries that have high levels of corruption. The Group has implemented employee policies, procedures and training with respect to ethics and anticorruption regulations. However, it cannot guarantee that its employees, suppliers, subcontractors or other business partners will comply with its code of conduct, its ethics or applicable regulations and legal requirements. Were the Group unable to enforce compliance with its anticorruption policies and procedures, it could face civil actions and penalties, in particular large fines, or even exclusion from certain markets. The occurrence of such events could have a material adverse effect on the Group's reputation, business, financial position, results and prospects.

4.2.8 RISKS RELATING TO SUBCONTRACTORS

The Group provides certain services to its customers through subcontractors acting in its name and on its behalf and retains responsibility for the work performed by them. As a result, it is exposed to risks relating to managing subcontractors and the risk that they may fail to perform their work satisfactorily or on time. Such a situation could cast doubt on the Group's ability to keep its commitments, comply with applicable regulations or meet customers' expectations. In extreme cases, shoddy work on the part of subcontractors could result in a customer terminating their contract with the Group. Such a situation could damage the Group's reputation, impair its ability to obtain new contracts and call its responsibility into question. Moreover, should subcontractors fail to fulfil their obligations, the Group might have to carry out unplanned work or provide additional services to ensure the performance and delivery of the contracted services.

The Group is also exposed to its subcontractors' operational control risk with respect to the qualifications of their workers and their compliance with labour law and immigration law. Lastly, some subcontractors may turn out to be uninsured or lack sufficient resources to cover customer claims resulting from damages and losses relating to their services.

The failure of the Group's subcontractors to meet their contractual or legal obligations could thus harm its reputation and have a material adverse effect on its business, financial position, results and prospects.

4.2.9 RISKS RELATING TO EARLY TERMINATION OR NONRENEWAL OF MAJOR CONTRACTS

A significant portion of the Group's maintenance and services businesses comprises fixed-term contracts that include an early termination clause at the customer's discretion. The Group cannot guarantee that its customers will not exercise their right to early termination or that they will renew their contracts. Early termination or nonrenewal of the Group's major contracts could negatively affect its reputation which could have a material adverse effect on its business, financial position, results and prospects.

4.2.10 RISKS RELATING TO PUBLIC SECTOR CONTRACTS

A significant portion of the Group's business is carried out with public sector entities, notably in the UK and France and to a lesser extent in Belgium, Germany and the Netherlands. The public sector represented approximately 13% of the Group's consolidated production in the year ended 31 December, 2017.

Due to public procurement rules, such as EU rules on calls for tenders, and to the nature of contracts entered into with public sector entities, certain terms of public sector contracts, such as pricing, duration and subcontractors' ability to transfer receivables under contract, provide less flexibility than private sector contracts. Some of these contracts also contain ouster clauses which in certain cases and subject to certain limits (in particular on condition of compensation) allow the counterparty to unilaterally modify or even terminate the contracts in question. Lastly, for a limited number of contracts, due to the principle of continuity of public services, the Group may be unable to unilaterally terminate a contract it deems unprofitable.

4.2.11 RISKS RELATING TO THE OIL & GAS INDUSTRY

The Oil & Gas business is mainly conducted in emerging markets, specifically in Africa, the Middle East and SE Asia. In recent years, a number of countries in these regions have experienced varying degrees of economic and political instability, civil wars, violent conflicts and social unrest. Political instability includes significant changes in tax laws or regulations, monetary restrictions, and the renegotiation or termination of ongoing contracts, permits, leases and other authorisations. The Oil and Gas business is also at risk of nationalisation or expropriation in some of the countries in which the Group operates.

In addition, the Group's facilities and employees face numerous safety risks in these regions such as acts of violence and terrorism, damage to property, and violations of bodily integrity. Although the Group has put in place the measures it deems necessary to prevent this type of event, it cannot ensure that these measures will be fully effective.

In the context of its Oil & Gas activities, the Group is exposed to fluctuations in oil prices, which affect the level of its activities with its clients. In particular, Oil & Gas players, as a result of low oil prices and changes in the economic conditions, tend to reduce their investments, which negatively impacts certain projects in which the Group is involved and, more generally, the Group's activities, in particular its tubular supply activities for drilling and oil installations, called OCTG activities *(Oil Country Tubular Goods)*, operated in Angola through SONAID.

The occurrence of such events could have a material adverse effect on the Group's business, financial situation, operations and future profitability.

4.2.12 RISKS RELATING TO THE NUCLEAR INDUSTRY

The Group provides services to nuclear industry operators, for the most part in France. Like its customers in the nuclear industry, the Group is subject to many restrictive standards imposed by France, the EU and other national and international authorities regarding the operation and safety of nuclear facilities. Moreover, in general, and increasingly since the accident at Fukushima in Japan, regulations imposed on the nuclear industry are becoming stricter and harder to implement, which increases the financial resources set aside to comply with them. More stringent regulations could negatively impact the long-term growth of the nuclear industry, which in turn would have negative consequences for the development of the Group's business in this sector. Moreover, any prolonged suspension of its customers' activities for regulatory reasons, such as the temporary closing of facilities for periodic safety inspections, could lead to significant delays in the Group's work whose costs may not be passed on to the customer under the terms of the contract.

Lastly, the use of subcontractors being strictly limited in the nuclear industry, the Group mostly relies on its own staff to provide its services because of its customers' requirement that workers with access to their facilities have suitable qualifications, which requires the Group to maintain highly qualified employees in this activity.

4.2.13 RISKS RELATING TO EMERGING MARKETS

Although a significant portion of the Group's consolidated production is realised in Western Europe, the Group also operates in other markets, in particular Eastern Europe, Africa and Southeast Asia.

In general, the Group's business in these countries involves higher risks than in Western Europe and includes: volatile GDP, relative economic instability (inflation is frequently higher and more unstable), informal and unregulated trade, sometimes significant changes in regulations or imperfect application thereof, nationalisation or expropriation of private property (without sufficient compensation to rebuild what was seized), difficulties in collecting payments, difficulties in retaining employees, social disturbances, sharp interest and exchange rate fluctuations, threat of war, public disturbances or acts of terrorism, claims by local authorities challenging the initial tax framework or the application of contractual provisions, foreign exchange controls, and unfavourable government interventions or restrictions (*e.g.* limits on dividend payments or any other payments made by foreign subsidiaries, tax withheld at source or any other tax based on payments or investments made by foreign subsidiaries, and any other restrictions imposed by foreign governments).

Although the Group's business in emerging markets is not concentrated in a single country, the occurrence of these events or circumstances in one of the emerging markets in which the Group is present could have a material adverse effect on its business, financial position, results and prospects.

4.2.14 RISKS RELATING TO DEPENDENCE ON CERTAIN CUSTOMERS

A significant share of the Group's consolidated production in its Oil & Gas and Nuclear businesses comes from a small number of customers. In the Oil & Gas sector the Group's top three customers accounted for nearly 42% of its consolidated production for the year ended 31 December, 2017 while in the Nuclear sector three customers accounted for nearly all of the Group's consolidated production.

More generally, the Group's ten largest customers accounted for around 17% of its consolidated production for the year ended 31 December, 2017. Although the Group generally enjoys long-term commercial relations with its main customers (as with its other customers and business partners), it cannot guarantee that these relations will be renewed and, more generally, that they will not be broken off.

The loss of one or more of the Group's main customers or contracts (*e.g.* nonrenewal or early termination), especially in the sectors mentioned above, or a significant reduction in its services to these customers, or a substantial change in the terms governing commercial relations with its customers, or bankruptcy on the part of one of its customers could have a material adverse effect on the Group's business, financial position, results and prospects.

4.2.15 RISKS RELATING TO RELATIONSHIPS WITH CERTAIN SUPPLIERS

For some very specific services, the Group may rely on a limited number of suppliers. This is the case with the Group's communications business due to the concentrated nature of the market. As a result, any shortcomings or significant price increases on the part of these suppliers, as well as any deterioration or changes in relations with them or any breach of contract on their part, could have a material adverse effect on the Group's business, financial position, results or prospects.

4.2.16 RISKS RELATING TO EMPLOYEE RELATIONSHIPS

As the Group's activities primarily rely on human resources, maintaining good relations with employees and employee-representative bodies is a key issue. Although the Group takes great care to maintain good relations with its workers and has not experienced any significant labour unrest in the past, it cannot guarantee that no strike, claim or other labour unrest will interfere with its activities in the future. Such events could lead to interruptions in business and harm the Group's reputation; more generally, their occurrence could have a material adverse effect on the Group's business, financial position, results and prospects.

4.2.17 RISKS RELATING TO THE ABSENCE OF FORMAL CONTRACTS

In accordance with best practices in the markets in which the Group operates, a large number of agreements the Group enters into with its customers, in particular small enterprises, are often informal and generally consist of pricing agreements that are periodically renegotiated between the parties or of purchase orders.

As a result, the renewal terms of these contracts are not formal and depend to a large extent on commercial relations with the customers concerned. This flexibility can result in an imprecise definition of the parties' rights and, in the case of a disagreement between the parties as to the content of their agreement, lead to challenges, disputes or conflicts which could have a material adverse effect on the Group's business, financial position, results and prospects.

4.2.18 RISKS RELATING TO PERFORMANCE UNDERTAKINGS IN CERTAIN CONTRACTS

In the course of its business, the Group enters into certain contracts under which it has a performance obligation towards its co-contractors. This is the case with energy efficiency contracts offered by the Group under which it undertakes to reduce a customer's energy costs by a defined amount, or with certain technical services contracts under which it undertakes to provide a level of service quality measured by means of performance indicators.

Any failure by the Group to fulfil its performance obligation could result in a reduction or even loss of payment or to the early termination of the contract.

Were the Group unable to fulfil it performance undertakings in several contracts, it could have a material adverse effect on its business, financial position, results and prospects.

4.2.19 RISKS RELATING TO THE GROUP'S DECENTRALISED STRUCTURE

The Group is organised around a decentralised management structure. The Group's strategy favours decision-making and responsibility at the local level in order to better adapt to the local needs of its customers. Historically the Group has grown through acquisitions which have required the integration of firms and teams with very different practices and policies. The Group cannot guarantee that it will be able to standardise and apply the best practices it has developed for its activities in France. Given the extent of the Group's business in Europe, Africa, Asia and the Middle East, and the autonomy it gives its local entities, it cannot exclude the possibility that difficulties such as internal reporting problems may occur in the future. Were the Group unable to effectively manage its decentralised structure, it could have a material adverse effect on its business, financial position, results and prospects and affect its reputation.

4.2.20 RISKS RELATING TO POTENTIAL FAILURES IN THE GROUP'S INFORMATION SYSTEMS

The Group relies on information systems to conduct its businesses (in particular to monitor and invoice for its services, communicate with its customers, manage its staff, and transmit the necessary information to the various operational managers for decision-making). The Group is thus increasingly dependent on information systems to manage its business. Despite the Group's policy of continuously strengthening the resilience and security of its information systems and IT infrastructure, any breakdown or significant interruption resulting from an incident, a computer virus, a computer attack or any other cause could have a negative effect on the Group's ability to conduct its business. Furthermore, the Group outsources some of its information systems in order to better manage its resources and improve the efficiency of its IT infrastructure. It therefore relies on the quality of the work performed by its service providers and is thus, despite the care it takes in selecting its partners, exposed to the risk that they may fail to fulfil their obligations. The occurrence of such events could have a material adverse effect on the Group's business.

4.3 RISKS RELATING TO THE COMPANY

4.3.1 RISKS RELATING TO THE STRUCTURE OF THE HOLDING COMPANY

The Company is a holding company and the Group's parent company; as such, its principal assets consist of direct or indirect interests in the various subsidiaries which generate the Group's cash flow. The Company's revenue essentially comes from dividends received from its subsidiaries, payments for services carried out on behalf of subsidiaries, intragroup interest and loan repayments by subsidiaries, and tax consolidation income as the head of a tax consolidation Group and its French direct and indirect subsidiaries of which it owns 95% or more. As a result, the parent company financial statements and year-on-year changes therein only partially reflect the Group's performance and do not necessarily reflect the same trends as the consolidated financial statements.

Moreover, the Company's subsidiaries may be unable to make these payments to the Company depending on changes in their activities or regulatory limits. Dividend payments or other financial flows may also be limited due to various undertakings, such as credit agreements entered into by the Group's subsidiaries (see Section 4.3.3 of this Registration Document), or to tax constraints making financial transfers more difficult or expensive.

Any decrease in dividends paid by the Group's subsidiaries to the Company, whether due to lower profits or to regulatory or contractual constraints, could thus have a material adverse effect on the Group's financial position, results and prospects.

4.3.2 RISKS RELATING TO EXECUTIVES AND KEY STAFF

The Group's success depends in large measure on the continuity and skills of its current team of executives, in particular Gauthier Louette, Chairman and CEO of the Company. Should one or more of these executives or other key staff suffer an accident or leave, the Group may be unable to replace them easily, which could affect its operational performance. Competition in executive recruitment is fierce and the number of qualified candidates is limited. The Group may be unable to retain its executives or key staff or attract and retain experienced executives and key staff in the future. Moreover, should its executives or other key staff join a competitor or start a competing business, the Group could lose customers, part of its know-how and key employees who might follow them. These circumstances could have a material adverse effect on the Group's business, financial position, results and prospects.

4.3.3 RISKS RELATING TO DEBT AND FINANCIAL COVENANTS

4.3.3.1 RISKS RELATED TO THE GROUP'S DEBT.

At 31 December, 2017, the Group's net debt amounted to €1,531.9 million (see Notes 20.3 and 20.4 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

The Group's debt can have negative consequences such as:

- requiring the Group to allocate a substantial portion of its cash flow from operating activities to debt repayment and financing, thus reducing its ability to use free cash flow to finance organic growth, make investments and meet other general needs;
- increasing the Group's vulnerability to a slowdown in economic activity or conditions;
- placing the Group in a less favourable position in relation to competitors that have a lower debt to cash flow ratio;
- limiting the Group's flexibility to plan or respond to changes in its businesses and industries;
- limiting the Group's ability to invest in its growth;
- limiting the Group's ability to act on its acquisition policy; and
- limiting the ability of the Group and its subsidiaries to borrow additional funds or raise capital in the future, and increasing the cost of such additional financing.

Moreover, the Group's ability to honour its obligations, pay the interest on its borrowings, or even refinance or repay its borrowings under the conditions stipulated will depend on its future operational performance and may be affected by a number of factors (*e.g.* economic context, conditions in the debt market, regulatory changes), some of which are independent of the Group.

Should the Group have insufficient liquid assets to service its debt, it could be forced to reduce or defer acquisitions or investments, sell assets, refinance its debt or seek additional financing, which could have a material adverse effect on its financial position or business. The Group might be unable to refinance its debt or obtain additional financing under satisfactory terms and conditions.

The Group is also exposed to risks of interest rate fluctuations insofar as a large part of its debt repayments are tied to floating rates equal to the Euribor plus a margin (see Section 4.4.2 of this Registration Document).

4.3.3.2 RISKS RELATING TO COVENANTS IN FINANCING AGREEMENTS

The Senior Credit Facilities Agreement requires the Group to meet certain (mostly financial) covenants and specific ratios (see Chapter 10 "Group liquidity and share capital" of this Registration Document). These covenants limit, among other things, the Group's ability to:

- make acquisitions or investments as part of joint ventures;
- make any type of loans;
- take on any debt or grant guarantees;
- create security interests;
- pay unauthorised dividends or other sums to Shareholders;
- sell, transfer or dispose of assets;
- merge or combine with other companies; or
- conclude transactions with related entities.

The restrictions contained in the Senior Credit Facilities Agreement and contracts relating to the Group's debt securitisation facility could impact its ability to conduct its business and limit its ability to respond to market conditions or seize business opportunities that may arise. For example, these restrictions could affect the Group's ability to finance investment in its businesses, make strategic acquisitions, investments or alliances, restructure itself or finance its capital requirements. Moreover, the ability of the Group to meet these covenants could be affected by events beyond its control such as economic, financial or industrial conditions. The Group's failure to meet its obligations or abide by these restrictions could lead to default under the terms of the financing agreements.

In the event of a default that is not remedied or waived, the relevant creditors could terminate their lines of credit and/or require that the outstanding amounts be repaid immediately. This could activate the cross-default clauses of other loan agreements the Group has entered into. This type of event could have a material adverse effect on the Group and even lead to its bankruptcy or liquidation.

4.3.4 RISKS RELATING TO MAINTAINING A NEGATIVE WORKING CAPITAL REQUIREMENT

In recent years, the Group's working capital requirement has been structurally negative, which has enabled it to finance its acquisitions internally. The Group cannot guarantee that it will be able to maintain a negative working capital requirement in the future.

In a situation of unfavourable economic conditions, the Group could be faced with longer terms of payment and consequent delays in collecting receivables from certain customers. Conversely, the Group's suppliers could demand shorter terms of payment from it. Moreover, the Group could find it difficult to invoice advances on orders, or to invoice under terms initially negotiated with its customers, notably due to difficulties it might encounter when performing its contractual obligations and completing its work. The occurrence of such events could undermine the Group's ability to maintain a negative working capital requirement and thus have a material adverse effect on its business, financial position, results and prospects.

4.3.5 RISKS RELATING TO GOODWILLS, OTHER INTANGIBLE ASSETS AND OTHER ASSETS

At 31 December, 2017, goodwills amounted to €3,016 million, of which €824.2 million resulted from acquisitions made in the year ended 31 December, 2017 (see Note 14 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document). The Group cannot exclude the possibility that future events may lead to the impairment of some intangible assets and/or goodwills. Due to the high value of intangible assets and goodwills on the Group's balance sheet, any significant impairment could have a material adverse effect on its financial position and results for the year in which such charges are recorded.

At 31 December, 2017, deferred tax assets on the Group's consolidated statement of financial position amounted to €289 million. Deferred tax assets are recorded on the Group's balance sheet for an amount the Group reckons it can recover within a reasonable period of time (estimated at five years) and in any event before the expiry of differences for the share of deferred tax assets relating to tax loss carryforwards. Nevertheless, the Group could prove unable to recover the expected amount of deferred tax if its future taxable income and related taxes are lower than initially expected. The Group also bases its projected use of deferred tax on its understanding of how tax regulations are applied which could be called into question by changes in tax and accounting regulations or by tax audits or litigation that could affect the amount of its deferred tax. Were the Group to reckon it was unable to recover its deferred tax in the coming years, it would have to remove these assets from its balance sheet, which could have a material adverse effect on its financial position and results.

4.4 MARKET RISKS

4.4.1 LIQUIDITY RISK

The table below shows the breakdown by maturity date of financial liabilities at 31 December, 2017:

In thousands of euros	< 1 year	2 to 5 years	> 5 years	Total at 31 Dec., 2017
Loans from credit institutions				
Bond	-	-	600,000	600,000
A Facility	-	1,125,000	-	1,125,000
Revolving	-	-	-	-
Others	297	406	-	703
Capitalisation of loans and borrowing costs	(4,143)	(8,499)	(1,226)	(13,868)
Securitisation	298,370	-	-	298,370
Bank overdrafts				
Bank overdrafts	18,768	-	-	18,768
Interests on bank overdrafts	136	-	-	136
Other borrowings and debt				
Financial Leases	8,271	12,910	-	21,181
Accrued interest on loans	14,897	-	-	14,897
Other borrowings and debt	868	622	662	2,152
Derivative financial instruments	87	53	-	140
INTEREST-BEARING LOANS AND BORROWINGS	**337,551**	**1,130,492**	**599,436**	**2,067,479**

In 2015, the Group entered into a senior facility agreement with a banking syndicate (see Section 10.2.2.1 of this Registration Document).

The Group also has revolving credit facilities which it can draw down for a total amount of €400 million. The availability of these revolving credit facilities is subject to covenants and other customary obligations.

Moreover, on 22 March, 2017, the Group issued a bond maturing in 2024, for the amount of €600 million in order to finance the SAG acquisition (see Section 10.2.2 of the present Registration Document). The bonds are admitted for trading on Euronext Paris regulated market.

For more information on the Group's liquidity sources, see Chapter 10 "Liquidity and share capital" of this Registration Document.

In addition, the Group renewed its programme for the securitisation of €300 million of commercial receivables, with the ability to raise this amount to €450 million, expiring on 11 July 2022, for a period of five years from 11 July, 2017 (except in the event of early termination or termination by agreement).

The main terms of this assignment of commercial receivables programme are as follows:

- thirteen of the Group's subsidiaries act as assignors in the securitisation program in which assets are transferred to a securitisation mutual fund named SPIE Titrisation;
- SPIE Operations acts as the centralising agent on behalf of the Group with regard to the custodian bank, Société Générale.

Under the securitisation of receivables programme, participating firms assign full ownership of their commercial receivables to SPIE Titrisation (the SPV) which enables them to obtain financing of up to €450 million in total (see Note 3.11 to the consolidated financial statements for the year ended 31 December, 2017).

The purpose of the programme, other than optimising the management and recovery of its receivables, is to make cash available to the Group to finance its operations and acquisitions.

The programme includes early repayment conditions for certain bank loans.

As at 31 December, 2017 transferred receivables represented a total amount of €542.4 million with financing obtained amounting to €298.4 million.

The Group manages its liquidity risk through specific reserves, bank credit facilities and reserve credit facilities, by preparing cash flow forecasts, by monitoring real cash flow compared with forecasts, and by trying to align the maturity dates of financial assets and liabilities to the extent possible.

The main stipulations of the Group's existing financing agreements (especially covenants, default clauses and early repayment clauses) are described in Section 10.2.2 of this Registration Document.

On the date of the present Registration Document, and since its initial public offering in 2015, the Company has been rated by Moody's Investors Services and Standard & Poor's. At the time of the initial public offering, the Company was rated BB (outlook stable) by Standard & Poor's and Ba3 (outlook stable) by Moody's Investors Services. Due to the Company's indebtedness' level, on March 26, 2018, Moody's Investors Services changed its rating from Ba3 (outlook stable) to Ba3. The ratings below are regularly reviewed and the Group cannot assure that they will be maintained.

Agency	Notations
Moody's Investors Services	Ba3 (1)
Standard & Poor's	BB outlook stable (2)

(1) This rating was granted by Moody's Investors Services on 26 March, 2018.

(2) This rating was confirmed by Standard & Poor's on 4 January, 2017.

4.4.2 RISKS RELATING TO INTEREST RATES

The Group is exposed to the risk of interest rate fluctuations by virtue of some of its debts being tied to interest rates indexed to the Euro Interbank Offered Rate (**Euribor**) plus a margin. Euribor could increase considerably in the future, leading to additional interest rate expense for the Group, reducing available cash flow for investments, and limiting the Group's ability to service its debt. The Group's debt agreements generally do not contain clauses requiring it to hedge all or part of its exposure to interest rate risk. At 31 December, 2017, the Group's outstanding variable rate debt amounted to €1,449.4 million, and the Group's outstanding fixed-rate debt amounted to €618.1 million.

Financial assets or liabilities with a fixed rate are not subject to transactions intended to convert them into floating rates. The Group examines interest rate risks on underlying assets with variable rates on a case-by-case basis. When deemed necessary, these risks are hedged by SPIE Operations through an internal forward rate agreement at market conditions. The Group hedges its position on the market against internal guarantees. These swaps are entered into only from 1 January to 31 December of each year (and are therefore unwound on 31 December).

At 31 December, 2017, in view of changes in variable rates (negative Euribor), no interest rate swaps were entered into to hedge existing debt. The Group examined the possibility to establish new swaps during the first quarter of 2018.

The Group's exposure to interest rate risk is mainly related to its net debt. The Group's fixed-rate and variable-rate debt after hedging at 31 December, 2016 and 2017 breaks down as follows:

In thousands of euros	31 Dec., 2017	31 Dec., 2016
Summary of debts before hedging		
Fixed rates	618,085	46,977
Variable rates	1,449,394	1,412,263
TOTAL	**2,067,479**	**1,459,240**
Summary of debts after hedging		
Fixed rates	618,085	46,977
Variable rates	1,449,394	1,412,263
TOTAL (AFTER HEDGING)	**2,067,479**	**1,459,240**

4.4.3 RISKS RELATING TO EXCHANGE RATES

In the context of its international activities outside of the Euro zone, the Group is only exposed to an operating exchange rate risk.

At 31 December, 2017, 14.6% of the Group's revenue from ordinary activities was generated in currencies other than the euro, mainly in pound sterling and Swiss franc which accounted for 6.6% and 2.4%, respectively, of revenue from ordinary activities. The Group presents its consolidated financial statements in euros. As a result, when the Group prepares its consolidated financial statements, it must translate foreign currency-denominated assets, liabilities, income and expenses into euros at applicable exchange rates. Fluctuations in exchange rates can thus affect the value of these items in the Group's consolidated financial statements, even if their intrinsic value remains unchanged. The Group also makes purchases in currencies other than euro (mainly in american dollars). Unfavourable exchange rate fluctuations can affect the cost of such purchases.

Foreign exchange risks associated with French subsidiaries' transactions are managed centrally by the intermediate holding, SPIE Operations:

- *via* an internal forward exchange rate deficit agreement for 100% of intraGroup transactions in foreign currency;
- by intermediation for currency flows corresponding to equity operations.

In both cases SPIE Operations hedges itself through forward contracts. With regard to calls for tender, foreign currency risk is also hedged when possible through COFACE, a French credit insurer.

The Group's foreign exchange exposure to the US dollar, Swiss franc and pound sterling as at 31 December, 2017 is presented below:

Currencies *In millions of euros*	**31 Dec. 2017** **USD (US dollar)**	**CHF (Swiss Franc)**	**GBP (Pound Sterling)**
Closing rate	**1.1845**	**1.1686**	**0.8816**
Risks	*(1,700)*	*7,386*	*127,489*
Hedges	*1,605*	*(2,132)*	*204*
Net position excluding options	**(95)**	**5,253**	**127,693**
Currency shift of -10% in relation to the euro			
P&L Impact	*(190)*	*821*	*14,122*
Impact on equity	*(177)*	*237*	*n/a*
Currency shift of +10% in relation to the euro			
P&L Impact	*156*	*(671)*	*(11,554)*
Impact on equity	*145*	*(194)*	*n/a*
Impact on reserves of hedge accounting (cash flow hedge)	**134**	**n/a**	**n/a**

Although the Group monitors and assesses exchange rate fluctuations on a regular basis and hedges itself by means of derivative financial instruments, it cannot exclude the possibility that an unfavourable movement in the exchange rates mentioned above could have an unfavourable effect on the Group's consolidated financial position and results.

4.4.4 CREDIT AND/OR COUNTERPARTY RISK

Credit and/or counterparty risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The items that could expose the Group to concentrations of counterparty risk are mainly customer receivables, cash and cash equivalents, investments and derivative financial instruments. Overall, the book value of financial assets recorded in the Group's consolidated financial statements for the years ended 31 December, 2017 and 2016, net of amortisation, represents the Group's maximum exposure to credit risk.

The Group believes that it has very limited exposure to concentrations of credit risk relating to its customer receivables. The high number and wide distribution of its customers render the risk of customer concentration immaterial at the level of the Group's consolidated statement of financial position.

In addition, the Group hedges its position with leading financial institutions and currently believes that the risk they will fail to honour their obligations is very low since the financial exposure of each of these financial institutions is limited.

4.4.5 RISKS RELATING TO A DOWNGRADE OF CREDIT RATINGS

As of the date of the present Registration Document, and since its initial public offering in 2015, the Company has been rated by Moody's Investors Services and Standard & Poor's. At the time of the initial public offering, the Company was rated BB (outlook stable) by Standard & Poor's and Ba3 (outlook stable) by Moody's Investors Services. Due to the Company's indebtedness' level, March 26, 2018, Moody's Investors Services changed its rating from Ba3 (outlook stable) to Ba3. A rating may be revised or withdrawn by the rating agencies at any time. Any negative change in an applicable credit rating of the Company could negatively affect the Group, in particular its ability to obtain financing and/or its cost of financing.

(1) Such rating was confirmed by Standard & Poor's on 4 January, 2017.

4.5 LEGAL RISKS

4.5.1 RISKS RELATING TO (CHANGES IN) REGULATIONS

The Group's activities are subject to various regulations in France and abroad, in particular with respect to industrial, safety, health, hygiene and environmental standards. In particular, the Group's Oil & Gas and Nuclear businesses are subject to strict regulations whose proper application is closely monitored. These standards are complex and subject to change. Although the Group devotes particular attention to complying with regulations in force, it cannot exclude the risk of non-compliance. The Group could be led to incur significant costs in efforts to comply with regulatory changes and cannot guarantee that it will always be able to adapt its business and structure to these changes within the necessary time frame. Furthermore, the authorities and/or the courts may change how they apply and/or interpret existing standards at any time.

Were the Group unable to comply with and adapt its business to new regulations, recommendations or national, European or international standards, it could have a material adverse effect on its business, financial position, results and prospects.

4.5.2 RISKS RELATING TO COMPETITION LAW

The Group is subject to national and international competition law. In markets where the Group has a strong presence, such regulations can reduce its operational flexibility and limit its ability to make significant new acquisitions and implement its growth strategy.

The Group is involved in several competition law proceedings (see Section 20.5 of this Registration Document). Although the Group has put strict internal guidelines, an ethics policy and a compliance programme in place to ensure regulatory compliance, it cannot exclude the possibility that agreements or transactions may not follow the instructions given and infringe applicable regulations, either inadvertently or deliberately. Such practices could damage the Group's reputation and, if found liable, expose it to fines or other stiff penalties (*e.g.* exclusion from certain markets). The occurrence of such events could have a material adverse effect on the Group's business, financial position and results.

4.5.3 RISKS RELATING TO (CHANGES IN) TAXATION

The Group is subject to complex and changing tax laws in the countries where it operates. Changes in tax laws could have material adverse consequences on the Group's tax position, its effective tax rate or the amount of taxes it must pay. Moreover, tax regulations in the various countries where the Group is present can be interpreted in very different ways. The Group is therefore unable to guarantee that the relevant tax authorities will agree with its interpretation of applicable regulations. Should the Group's tax position be disputed by the relevant authorities, it may have to pay additional taxes, incur potentially large tax adjustments and fines, or raise the prices of its products or services in order to collect these taxes, which could have a material adverse effect on the Group's business, financial position, results and prospects.

4.5.4 RISKS RELATING TO THE GROUP'S ABILITY TO DEDUCT INTEREST PAYMENTS FROM TAX

Articles 212-a and 223-B-a of the French General Tax Code limit the amount of net interest expenses deductible from the taxable income for the purpose of the corporate income tax, subject to certain conditions and exceptions, at 75%.

The Group reckons this limit is likely to deprive it of a possible deduction of approximately €7.2 million in 2018 (based on current rules and available information at the date of this Registration Document).

Moreover, under French rules relating to undercapitalisation, interest paid on loans from related parties and, with some exceptions, on loans from third parties but guaranteed by a related party, may be deducted under certain conditions, subject to limits, in accordance with Article 212 of the French General Tax Code.

In addition, the rules mentioned above that limit the deductibility of interest under French tax law will be amended or supplemented in future. On 17 June, 2016, the Ecofin Council approved the draft proposal for a Council Directive that established rules against tax evasion practices that directly affect the functioning of the internal market (the "**ATAD Directive**"), with the formal adoption of the directive on 12 July, 2016.

The ATAD Directive includes a mechanism to limit additional intragroup borrowing costs. Accordingly, the deductible amount of additional borrowing costs incurred by a European Union company during the tax year will be deductible from its taxable income for only 30% of the earnings before interest, taxes, depreciation and amortisation (EBITDA), or an amount of €3.0 million for a given year. The implementation of this new rule in France remains largely unknown, including its possible application at Group level and its combination with the existing rules mentioned above.

The ATAD Directive is expected to enter into force on 1 January, 2019, but this remains uncertain at this stage. However, the ATAD Directive contains an exception for those Member States that, on 8 August, 2016, have implemented targeted national rules to prevent tax base erosion and profit transfer risks, which are just as effective as the rules established by the ATAD Directive. These Member States may choose to apply these targeted rules until the end of the tax year following the date of publication on the official website of the agreement between OECD members of a minimum standard relating to the BEPS Action 4 report, but no later than 1 January, 2024. In order to benefit from this exception, Member States had to provide the European Commission with the information needed to assess the effectiveness of the targeted national rules before 1 July, 2017. France benefits from this exception.

In addition, on 27 May, 2017, the Council of the European Union adopted a draft directive supplementing the provisions of the ATAD Directive whose main objective is to promulgate anti-abuse rules against processing discrepancies for instruments considered to be hybrids ("**ATAD 2**"). ATAD 2 would be applicable from 1 January, 2020. These new rules could have an impact on the French rules mentioned above.

The effect of these rules on the Group's ability to deduct interest expenses from corporate income tax may increase its tax burden and have a material adverse impact on its financial position and results.

4.5.5 RISKS RELATING TO THE GROUP'S ABILITY TO USE ITS TAX LOSSES

The Group has significant tax losses. The ability to effectively use these losses will depend on a combination of factors, including (i) the ability to earn a taxable profit to which the deficits carried forward can be applied, (ii) under Article 209 of the French General Tax Code, the general limitation of the amount of deficits carried forward for tax purposes that may be used to offset taxable profits in a given year to €1 million plus an amount equal to 50% of the share of such taxable profits in excess of that threshold of €1 million, and some more specific restrictions relating to the use of certain categories of deficits, and (iii) the consequences of current or future tax audits or litigation that may call into question the use or existence of such tax deficits.

The impact of these factors may increase the Group's tax burden and have a negative impact on the Group's cash flow, effective tax rate, financial position and results.

4.5.6 RISKS RELATING TO LITIGATION AND ONGOING INVESTIGATIONS

In the course of their business, the Group's entities may be involved in some legal, administrative, criminal or arbitration proceedings relating in particular to civil liability, competition, intellectual and industrial property, taxation, environmental matters and discrimination. The most significant ongoing disputes for which the Group has received notice are detailed in Section 20.7 of this Registration Document. In some of these proceedings, significant monetary claims have been or could be made against one or more of the Group's entities. The corresponding provisions that the Group may be required to set aside could prove insufficient. Moreover, the possibility cannot be excluded that in the future, new proceedings, whether or not related to current proceedings, relating to the risks identified by the Group or to new risks, could be brought against one of the Group's entities. Lastly, although the Group considers many of these ongoing proceedings to be covered by existing liability guarantees, it cannot assure that they will not be contested or that any resulting compensation made thereunder, either in their timing or amount, will be sufficient to avoid a negative impact on the Group.

Should the outcome of these proceedings be unfavourable, it could have a material adverse impact on the Group's business, financial position, results and prospects.

4.5.7 RISKS RELATING TO CLAIMS

The Group may encounter difficulties in performing its contractual obligations. It relies on partners, suppliers and subcontractors to carry out its projects. It may be subject to claims from customers, suppliers or subcontractors or be led to initiate claims against them. Such claims may be subject to counterclaims for breach of contractual terms or any other material consequence, incomplete work or defect, breach of warranties and/or delay, and claims for project cancellations. Claims and counterclaims may result in damages or contractually agreed upon payments (*e.g.* penalties). Claims that are not settled through commercial agreements or payments may result in judicial or arbitration proceedings which can be long and onerous. The financial costs of such claims, or the failure to recover sufficient damages or amounts in relation to them, could have a material adverse impact on the Group's business, financial position, results and prospects.

4.5.8 RISKS RELATING TO INSURANCE

The Group has taken out insurance policies covering a wide range of risks and endeavours to maintain a level of insurance coverage appropriate to the nature of its business. However, insurance policies are usually subject to limitations such as deductibles and caps. Moreover, not all claims are covered, and the Group cannot exclude the possibility that it will be faced with a major incident not covered by any of its insurance policies. The occurrence of several events resulting in substantial claims for damages within a calendar year may have a material adverse effect on the Group's business and financial position. Furthermore, the premiums paid on these policies may rise in view of the Group's claims history or as a result of a general price increase on the insurance market. The Group cannot thus guarantee that it will be able to maintain its current insurance coverage or do so at a reasonable cost.

4.6 RISK RELATING TO THE CHANGE OF ACCOUNTING STANDARDS

The consolidated financial statements of the Group are prepared and presented accounting to the IFRS accounting standards. Any amendment to said accounting standards may have a significant impact on the presentation of the results and financial situation of the Group. Certain IRFS standards were recently amended by the *International Accounting Standards Board*. In particular, the implementation of the IFRS 9 standard (Financial Instruments) and 16 (Leases) could have an impact on the way the Group presents its financial statements.

The IFRS 9 standard deeply changes the current rules relating to the recording and evaluation of financial assets, as well as the financial assets amortization model. The IFRS 9 standard applies to fiscal year starting on January 1st, 2018. On the registration date of the present Registration Document, the Group has adopted the IFRS 9 standard in its consolidated financial statements for the fiscal year starting on January 1st, 2018. However, the actual impact of this IFRS standard on the Group's results for the year ended December 31, 2018 is not entirely known and cannot be evaluated as it will depend on the financial instruments that the Group detains and the economic conditions at the time the standard is applied by the Group, as well as the accounting decisions the Group will decide upon in the future.

The IFRS 16 standard implements a unique accounting regime which applies to the tenant and which requires the recording of the lease in the accounts, unless said lease is for a period inferior to twelve (12) months or relates to an asset of a low value. The IFRS 16 standard replaces the IAS 17 standard which treats financial leases and simple leases separately. The Group began working on the impact of the implementation of the IFRS 16 standard on its financial statements but is not yet in a position to provide quantitative information on said impacts. At this stage, the main impacts expected by the Company concern the increase of financial debt and user rights of the assets, an increase of operational result and an increase of financial expenses in the P&L. The amendments to the accounting strandards resulting from the adoption of IFRS 16 standard will be applied retroactively. The Group intends on adopting the IFRS 16 standard for the preparation of its financial statements for the fiscal year starting on January 1st, 2019.

Other than those new standards, the *International Accounting Standards Board* may in the future adopt new amendments or additions to the IFRS standards, which the Group will have to adopt and wchi impact will be uncertain.

4.7 INSURANCE AND RISK MANAGEMENT

4.7.1 INSURANCE COVER FOR RISKS LIKELY TO BE INCURRED BY THE GROUP

The Group's insurance cover is coordinated by its Legal and Insurance Department.

Each of the Group's entities is responsible for providing the necessary information to the Legal and Insurance Department to identify and classify insured or insurable risks at the Group level and implement the necessary means to ensure continuity of the Group's business in the event of an incident. On the basis of such information, the Legal and Insurance Department negotiates with major insurers to obtain the cover most suited to these risks.

Local entities also take out local insurance policies to cover local risks (*e.g.* car insurance).

Insurance policies are put in place on the basis of the calculated level of cover required to deal with the likelihood of reasonably estimated liability risks, damages or other events. This assessment takes into account the valuations performed by insurers as the risk underwriters. Risks for which there is no cover available on the insurance market, or for which the cost of available cover is disproportionate to the potential value of the insurance, or for which the Group deems cover unnecessary, are uninsured.

The Group's insurance programmes are in the form of master policies supplemented by local policies, where necessary, in certain countries where the master policies alone are not authorised. The master insurance policies apply to the Group's businesses as a whole and offer supplementary liability cover beyond the initial level of cover taken out by subsidiaries, and liability cover for corporate officers and an environmental liability cover. Local policies are also entered into to take local specifics or constraints in the relevant country or countries into account. The Group has taken out the following main policies with international insurance firms:

- civil liability covering injury, damage and consequential loss caused to third parties, including customers or contracting authorities, for which Group entities may be liable; and
- damage to property and operating losses; and
- liability of executive Directors.

Lastly, the Group may be led to take out specific insurance to cover certain projects, especially large ones.

4.7.2 ORGANISATION OF INTERNAL CONTROL AND RISK MANAGEMENT POLICY

In the course of its business the Group is exposed to a wide variety of risks within the various countries where it operates (see Sections 4.1 to 4.6 of this Registration Document). In this light, the Group actively identifies, manages and controls all kinds of risk so as to ensure the growth and protection of its assets and reputation and to protect the interests of its Shareholders, employees, customers, partners and suppliers, the environment and other stakeholders.

This globally coordinated policy of identifying, managing and controlling risk applies to the Group's fully consolidated subsidiaries.

The policy aims to provide reasonable assurance – although not an absolute guarantee – of reaching the following main objectives:

- reliable financial information;
- compliance with the laws, regulations and internal policies in force; and
- effective and efficient internal processes at Group level.

The Group builds sustainable trust with its customers by providing them proximity services and based among other things on its ability to manage the risks said customers transfer to it.

In creating a coordinated risk identification, management and control system, the Group recognises the fundamental importance to its growth of getting to grips with risk in a context of ever-greater, more complex, more varied and more serious threats than in the past. To deal with the risks inherent in carrying out its business, the Group has set up a decentralised organisation and established procedures enabling it to protect its business and limit the negative impact of these risks, where appropriate.

4.7.2.1 PRESENTATION OF THE INTERNAL CONTROL AND RISK MANAGEMENT MECHANISM

4.7.2.1.1 Structure of internal control, risk management and internal audit mechanisms

The internal control and risk management mechanisms contribute, together with the internal audit, to controlling activities, optimising their technical and operational performance and, finally, achieving the Group's strategic objectives:

The risk management mechanism aims to anticipate risks in order to preserve SPIE's value, assets and reputation. At Group level, it allows the identification, analysis and hierarchisation of events likely to significantly impact on the Group's objectives. It favours the definition and monitoring of action plans corresponding to these risks.

The internal control mechanism comprises all the permanent mechanisms, applied at all levels within SPIE, that are involved in handling risk (*e.g.* internal control standards, control points). It also contributes towards ensuring compliance with laws and regulations and with the Group's internal standards. It thus participates in the control of the Group's activities, the effectiveness of its operations and the efficient use of its resources.

The internal audit provides the senior executives with independent and objective oversight of their operations and advice on how to improve them based on an annual schedule of work. The internal audit is also responsible for periodically assessing the relevance, effectiveness and efficiency of the Group's internal control and risk management systems.

4.7.2.1.2 Internal control and risk management framework

The Group's internal control and risk management mechanism is adapted to its strategic guidelines and to its international development. The mechanism set up, distributed and used by the SPIE group is based on the reference framework proposed by the AMF in 2007, supplemented by its implementing guidelines, which was updated in July 2010, and also on AMF recommendation 2013-17; it also complies with the recommendations of the report from the working Group on the Audit Committee, published in July 2010. This reference framework is itself consistent with the American COSO I & II *(Committee of Sponsoring Organizations of the Treadway Commission)* systems.

SPIE's internal control and risk management mechanism is constantly developing, so as to adapt, in keeping with the AMF's recommendations, to developments in SPIE's economic and regulatory environment, or also those of its organisation or its activities. It incorporates the provisions of decree no. 2017-1162 of 12 July 2017, and is also based on the AMF recommendations published in November 2017 in its report on corporate governance, executive compensation, internal control matters and risk management.

4.7.2.1.3 Scope of application of internal control and risk management mechanisms

SPIE's internal control and risk management mechanism is designed to cover the entire Group, *i.e.* the parent company and all its fully consolidated subsidiaries, taking into account any local specific features and particular regulations in force.

With regard to recently acquired entities, the Group's internal control and risk management mechanism must be applied within 18 months of their consolidation.

4.7.2.1.4 Limits of internal control and risk management mechanisms

Within SPIE, internal control and risk management are everyone's business. These mechanisms are thus implemented permanently by SPIE's General Management, the managerial staff, local management and, finally, its operating teams. These mechanisms cannot provide an absolute guarantee that the Company's objectives will be achieved, however. The main limits relate to external uncertainties and developments; an error of judgement or instances of human failure in taking and/or implementing decisions.

Moreover, in order to take into account the economic reality of the life of Group companies, but also to guarantee business secrecy and to protect its know-how, the Company has taken into account the legitimate interests of subsidiaries of the SPIE group in view of the possible consequences of the disclosure of certain information; however when certain information is deliberately omitted in the present Registration Document, such omission is always practiced while ensuring that the correct information is provided for Shareholders, the market and investors.

4.7.2.2 MAIN INTERNAL CONTROL AND RISK MANAGEMENT DECISION-MAKERS

The Group's structure rests on the senior executive team, the corporate management departments and the subsidiary management teams within the scopes defined by business line or region.

SPIE's internal control and risk management mechanism is thus implemented at the most appropriate level within the organisation of the Group, under the supervision of the Group's governing bodies and, more specifically, the Board of Directors' Audit Committee, whose task, among others, is to "monitor the effectiveness of the internal control and risk management systems (see above)". By way of illustration, SPIE makes the safety of Company employees the focus of its concerns; mechanisms for the prevention of risk of accidents are therefore systematically adopted at operating and construction sites, but also in the subsidiaries' head offices, within any entity entering the Group and, as far as possible, among the Group's subcontractors and suppliers. SPIE has thus implemented a global, coordinated internal control and risk management mechanism that is ultimately based on the definition of individual objectives shared between the management and every Group employee, to achieve the objectives set by the Board of Directors and General Management.

4.7.2.2.1 The Executive Committee

SPIE's Chairman and CEO relies on an Executive Committee on which all the Group's subsidiaries are represented. At the date of this report, the Executive Committee had twelve members. The Executive Committee's task is to improve synergies within the Group and ensure it is run as a consolidated, listed entity while respecting subsidiaries' management autonomy. It is a body that reflects, consults and decides on major strategic and operating issues within the Group. The Executive Committee meets in principle once a month; once a year it examines the Group's internal control assessment, and twice a year it meets as the Risk Committee to review the Group's risk management mechanism (mapping of major risks and monitoring of corrective action plans).

4.7.2.2.2 The Administrative and Financial Department

The Administrative and Financial Department is responsible for the finance division within the Group, directly through centralised functions (financial communication, accounting and taxation, financial control, management control, legal affairs and insurance, treasury and financing) and through functional links with the financial Directors of the Group's various subsidiaries reporting to it.

The Chief Financial Officer reports to the Chairman and CEO; he is a member of the Executive Committee and a Director of SPIE. The main managers of the corporate financial divisions and subsidiaries form the Group's Financial Management Committee, which meets monthly.

4.7.2.2.3 The Risk Control and Internal Audit Department

The Risk Control and Internal Audit Department was created in 2015 to strengthen the Group's ability to anticipate, identify, analyse and weigh the risks to which it is exposed, whatever their nature, in its daily business and strategic choices. It is attached to SPIE's Chairman and CEO and reports to the Audit Committee of the Board of Directors. It coordinates risk management, internal control and internal audit.

The work performed by internal audit falls within the scope of an annual plan ratified by SPIE's Chairman and CEO, implemented based on multi-criteria analysis (production, EBITA, risks, etc.), and taking into account the auditors' observations and the results of internal control self-assessment reviews carried out by the subsidiaries. This audit plan revolves around three main types of mission: missions aimed at securing growth (consolidation and post-acquisition); missions relating to internal control; and cross-functional missions within the Group (controlling major risks and optimising efficiency); where appropriate, the plan may be adapted over the course of the year to incorporate missions relating to insurance or consulting at the discretion of general management, the Board's Audit Committee or the Group's Ethics Committee. Internal audit missions are carried out in all the Group's subsidiaries in accordance with the Code of ethics and international professional standards (Institut français de l'audit interne – IFACI and *The Institute of Internal Auditors* – IIA).

The purpose of internal control is first to prepare and develop the Group's internal control standards, in keeping with the AMF's recommendations, in collaboration with the corporate management departments and the internal control structures of each subsidiary. Its work also consists in promoting the network of approximately 150 leaders of SPIE's 18 internal control processes, which are distributed among subsidiaries and within the Group's head office.

Finally, the task of risk control is to identify, analyse, prevent and control the main risks (threats and opportunities), whatever their nature, to which the Group may be exposed in its daily operations and in the choice of its overall strategic guidelines.

The Risk Control and Internal Audit Department is responsible for the overall coherence of the risk management process within the Group. It suggests solutions to reduce the potential effect on the Group of any occurrence of the risks identified. It ensures that risk management work is aligned with the Group's strategic objectives. By mapping the Group's major risks based on potential impact, possible frequency and level of control of the risks identified by the Group's executive officers, it is able to provide a consolidated overview of the risk portfolio so that an informed decision can be taken on the level of risk accepted and the allocation of the resources required for the assumption of a risk can be planned (risks/business case). It ensures the monitoring of the major risks presented to the Committee each year, in close collaboration with the subsidiaries and operating organisations to which it provides its expertise and its technical support.

4.7.2.2.4 Other internal control and risk management decision-makers

In their respective fields, the subsidiaries' operational line managers are also major participants in everyday internal control and risk management, with the support of the central divisions concerned (finance, human resources, purchases, sustainable development, legal affairs, safety, information systems and technologies, etc.).

The Go/No Go Committee which has the power to authorise undertakings in respect of significant projects presented by the subsidiaries, the Group's Ethics Committee and the Group's Compliance Committee, replicated in each subsidiary, also play an active part in guiding internal control and monitoring it on a permanent basis.

4.7.2.3 EFFECTIVENESS OF INTERNAL CONTROL AND RISK MANAGEMENT MECHANISMS

Besides the guidance provided by the decision-makers described above, the effectiveness of the internal control and risk management mechanisms within SPIE is reliant on four key components:

- the control environment, which essentially corresponds to the values promoted within the Group;
- risk assessment;
- control measures, defined as the rules and procedures implemented to deal with risks; and
- the circulation of information.

4.7.2.3.1 Control environment

SPIE's control environment mainly relies on the following elements, which are widely reported and disseminated in all the subsidiaries and are accessible on the Group's Intranet:

- the securities trading code of conduct and its implementing recommendations;
- the affirmation of SPIE's values: namely, proximity, performance and responsibility. Each of these values forms part of an operating perspective that covers economic and managerial aspects as well as cultural, environmental and social aspects;
- the ten guiding principles on which SPIE relies in order to ensure successful implementation of its business plan, the driving principles that structure its approach: namely ethical behaviour, environmental protection, health and safety, respect towards colleagues, training and investment, incorporating diversity, local commitment, listening to the customer, an understanding of responsibilities, and risk management;
- since 2003, SPIE has been part of the United Nations Global Compact and ensures that its principles on Human Rights and rules on employment, the environment and combating corruption are applied. Its performances in this field are regularly evaluated by an independent agency that measures social responsibility;
- ethical business conduct constitutes a fundamental element of SPIE's approach, which is a belief that a firm's economic performance cannot be separated from its ethical responsibility. With this in mind, the Group has created its eight principles on ethical business conduct to regulate its activities. A guide on the application of ethical principles has also been prepared which seeks to guide SPIE's employees on the right conduct they should adopt in relation to certain situations that may constitute significant risks both for the employees and for SPIE;
- the human resources management policy and the Corporate Human Resources Evaluation and Development Committee (CEDRE). This is a collective approach, defined annually at each corporate level, *i.e.* services, agencies and departments all the way up to general management, based on a joint process that seeks to ensure collectively that the performance of operating units and their human resources match, on an individual level, the personal and professional development of each employee.

4.7.2.3.2 Risk assessment

Since 2010, the Group has carried out periodic risk mapping to provide its Executive Committee and the Boards' Audit Committee with a snapshot of the major risks to which the Group may be exposed, *i.e.* those that may jeopardise the achievement of its objectives or disrupt its activities and permanently damage its image or even its key operating processes.

In 2017, the Risk Control and Internal Audit Department carried out further mapping of the Group's major risks using a methodology that fully complies with the recommendations of the AMF's working Group on adapting reference frameworks to the issues of risk management and internal control. This was done according to a uniform working method adopted by all of the Group's 17 managers, who were interviewed based on a methodological guide that was established and circulated before interview. The risks were identified by families (strategy, operations, compliance and finance) and sub-families (18) through the Group's risk register. For each risk identified, the causes and possible consequences were described; the impact, frequency and current and expected management levels were also assessed.

The risks mentioned were finally consolidated by grouping risks presenting similar problems and based on the "one person, one vote" principle, so that the criticality and the level of control of each of the major risks could be calculated. Finally, each risk was dealt with in a detailed individual form providing, among other things, for a specific action plan attributed to a "risk owner" (a member of the Executive Committee) with a schedule of execution. Each major risk is also linked to internal control point(s) and with risk indicator(s), where possible.

In 2017, the Executive Committee met twice as the Risk Committee to examine proposals for major risk action plans; those that were approved have been rolled out or are being rolled out across the Group.

4.7.2.3.3 Control measures

In general, apart from the general tasks described above, each organisation within SPIE is associated with the Group's control activities in a way that ensures that SPIE's rules, instructions and procedures are circulated, understood and applied.

Since 2013, the Group has used an internal control framework, initially called "the SPIE standards". Following its initial expansion in 2014, this framework became known as "the Group's internal control standards" and led to subsidiaries' first self-assessment of their levels of internal control. In early 2017, SPIE's internal audit reviewed subsidiaries' second self-assessment of internal control levels. In May 2017, this second assessment was presented to the Group's CEO and CFO, and then to members of the Board's Audit Committee and to the Statutory Auditors. Concrete and pragmatic action plans were then devised by the subsidiaries. Internal control reinforcement measures were also undertaken. At the same time, the internal control standards were revised by the Risk Control and Internal Audit Department liaising with the internal control structures of the subsidiaries and the corporate management departments. Redundant controls were eliminated; some were simplified, while those missing were added. A fourth self-assessment began in early 2018 in the subsidiaries, which covers 182 key controls and 141 standard controls across SPIE's 18 internal control processes. The results of the 2017 Group internal control review will be available at the beginning of the second quarter of 2018.

4.7.2.3.4 Circulation of information

Internal control information is systematically made available to all SPIE employees on the Group's Intranet. It is also made available to persons requiring it through the functional departments *via* their network of correspondents in the subsidiaries. Certain procedures or rules may moreover form the subject of *ad hoc* communication campaigns. As a reflection of the Group's decentralised organisation, information is always circulated by the managerial or functional organisation for best effect.

4.7.2.4 INTERNAL CONTROL PROCESS FOR THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Financial information is the result of a rigorous and exhaustive financial planning process. This process includes the following, in particular:

- a medium-term strategic plan;
- an annual budget;
- two complete re-estimates of the financial indicators projected to year-end;
- monthly statements;
- monthly updates on three-month projections for certain financial indicators;
- monthly meetings of each subsidiary's management committee, during which indicators are reviewed and commented on.

The Group's accounting rules and methods are accessible on the SPIE Intranet.

The Accounting Department, attached to the Group's Administrative and Financial Department, is responsible for the integrity and reliability of SPIE's financial information (statutory and consolidated financial statements) circulated within and outside the Group.

For production of the statutory and consolidated financial statements, it takes responsibility for:

- the preparation, approval and examination of the Group's statutory and consolidated, half-yearly and annual financial statements, as well as the projected figures;
- the identification, consolidation and monitoring of the off-balance-sheet commitments of the Group's subsidiaries;
- the preparation, circulation and monitoring of accounting procedures within the Group, ensuring their compliance with the accounting standards in force and the correct accounting translation of material transactions;
- guidance on the Group's financial information system;
- setting the reporting schedule and issuing instructions for the preparation of the half-yearly and annual financial statements.

After collecting letters of confirmation from the management departments of the subsidiaries and the head office, the auditors present their observations on the half-yearly and annual accounts to the members of the Audit Committee and then to the Board of Directors.

Finally, like any listed company, SPIE is subject to the control of the AMF.

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GROUP INFORMATION

5.1 HISTORY AND DEVELOPMENT

5.1.1 COMPANY NAME

At the date of this Registration Document, the Company's name is "SPIE SA".

5.1.2 REGISTRATION NUMBER AND PLACE

The Company is registered with the Pontoise Trade and Companies Registry under company number 532 712 825.

5.1.3 DATE OF INCORPORATION AND DURATION OF THE COMPANY

The Company was incorporated on 27 May, 2011 and registered on 31 May, 2011. Its duration is 99 years unless it is dissolved earlier or extended by a decision of the Extraordinary Shareholders' General Meeting in accordance with the law and the Articles of Association.

The financial year ends on 31 December of each year.

5.1.4 REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

The Company's registered office is located at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France. The phone number of the registered office is +33 1 34 41 81 81.

At the date of this Registration Document, the Company is a *société anonyme* (public limited company under French law).

5.1.5 HISTORY OF THE COMPANY

Société Parisienne pour l'Industrie des Chemins de Fer et des Tramways was founded in 1900 and renamed Société Parisienne pour l'Industrie Électrique (SPIE) in 1946. In 1968, Société de Construction des Batignolles (founded in 1846) and SPIE merged under the name SPIE Batignolles. The main Shareholder of SPIE Batignolles at that time was the Empain group which subsequently became the Empain-Schneider group.

In 1997, Empain-Schneider sold SPIE Batignolles to its employees and the British company AMEC which specialised in engineering, project management and consulting. In 1998, SPIE Batignolles was renamed SPIE which was then structured in three businesses: (i) SPIE Batignolles, which specialised in construction; (ii) SPIE Enertrans, which focused on rail transport/traffic and energy; and (iii) SPIE Trindel, which specialised in electrical engineering and local services.

In 2003, AMEC purchased the shares of the minority Shareholders and SPIE thus became the Continental Europe division of AMEC under the name AMEC SPIE. In that same year, AMEC SPIE continued to expand its oil activity with the acquisition of Ipedex and sold SPIE Batignolles, its construction subsidiary, to its executives. In 2006, AMEC SPIE was sold to the PAI Partners fund. Since that date, the Group has conducted business under the SPIE name. In August 2011, a Consortium comprising an investment fund managed by Clayton, Dubilier & Rice, LLC, an investment fund managed by Ardian (formerly AXA Private Equity), and Caisse de Dépôt et Placement du Québec acquired control of the Company for around €2.1 billion.

Starting in 2002, the Group began to refocus its strategy to become one of the leaders in the multi-technical services market. Between 2002 and 2006, the Group sold or abandoned five business lines, namely, its civil engineering operations (2002), its French construction arm (2003), its energy projects operations (2004), its pipelines segment (2006) and its rail business (2007). The Group continues to dispose of operations that are no longer part of its core business. For example, the Group sold its Spanish subsidiaries in July 2011, its Greek operations run by SPIE Hellas SA in July 2015, its Hungarian subsidiary SPIE Hungaria Kft in November 2015, and its Portuguese subsidiary TecnoSpie SA in July 2016. In 2017, the Group also signed an agreement for the disposal of its activities in Morocco.

At the same time, the Group continued growing as an independent provider of multi-technical services by acquiring other firms in its industry, such as Matthew Hall and Controlec, in the UK and the Netherlands, respectively, in 2007. More recently, the Group has made several acquisitions in Northwest Europe, Germany and Central Europe. In 2012, the Group acquired Dutch firms Klotz BV and Gebr. Van der Donk to strengthen its position in multi-technical services for buildings and the cable network market, respectively. In 2013, the Group acquired Dutch operator KPN's IS&P unit (installation, maintenance and management of data, voice and data centre communication infrastructure), thus expanding its activities and presence in the Netherlands. In the same year, the Group acquired Hochtief's Service Solutions business (multi-technical services), making Germany the Group's largest market outside France.

In May 2015, as part of a share capital increase for a total amount of around €700 million, SPIE listed its shares on the Euronext Paris stock exchange under compartment A.

In March 2017, the Group acquired the German group SAG, a leading German provider of services and systems for electric, gas, water and telecommunications networks. The Group financed this acquisition with a €600 million bond. The bonds are admitted for trading on Euronext Paris regulated market.

SPIE's main activity, in France and abroad, is that of a holding company holding shareholdings, in whichever form (majority or minority) in French and foreign companies. On April 25, 2018, SPIE's market capitalisation amounts to over €2.6 billions.

5.2 INVESTMENTS

5.2.1 INVESTMENTS MADE IN 2016 AND 2017

In 2016, the Group agreed or completed 10 acquisitions representing a total acquired production of approximately €263 million. As an example, in May, the Group acquired RDI, a French group with revenue of about €36 million in 2015, thereby improving its expertise and skills in managed services and integration of IT infrastructure, application services and the cloud. In July, the Group concluded two agreements to acquire (i) several entities of the COMNET group specialising in the supply of services and solutions in the IT sector with revenue of about €30 million in 2015, and (ii) GfT Gesellschaft für Elektro- und Sicherheitstechnik mbH, a firm providing services in security engineering, fibre optics, data technology and electrical engineering with revenue of about €17 million in 2015. In September, the Group acquired the AGIS Fire & Security group, a specialist in fire protection, security and solutions in matters of buildings technology, present mainly in Poland and Hungary, with revenue of about €28 million in 2015. With this acquisition the Group strengthened its foothold in Central Europe. In October, the Group acquired Alewijnse Technisch Beheer, thereby strengthening its position in the industrial segment in the central region of the Netherlands. Alewijnse Technisch Beheer had revenue of about €33 million in 2015. In November, the Group acquired two firms in the UK: TriosGroup, a leading provider of services related to installations and property with revenue of more than £60 million in 2015, and Environmental Engineering Ltd, which specialises in air-conditioning, ventilation and heating services, and electrical and mechanical engineering in the agri-food sector which generated a revenue of approximately £19 million in 2015. With these acquisitions, the Group enhanced its range of Technical Facility Management services in Britain and its position in the food processing and pharmaceutical industries while strengthening its presence and density in the UK.

In 2017, the Group acquired the German group SAG ("**SAG**"), a provider of services and systems for electric, gas, water and telecommunications networks which focused primarily on servicing transport and distribution networks. SAG's technical expertise covers the entire chain of energy infrastructure, including the design, engineering and installation; SAG also offers a wide range of asset support services. SAG is the German market leader, where it generates about 75% of its revenue, and is also present in Slovakia, Czech Republic, Poland, Hungary and France. SAG employs approximately 8,000 highly qualified employees over more than 170 sites, including 120 in Germany.

The transaction was completed for a valuation of approximately €850 million. SAG's acquisition was financed by a €600 million bond issued by the Company in March 2017 (see Section 10.1 of the present Registration Document).

SAG's entry in the Group's scope of consolidation is effective on 1 April, 2017, the acquisition having been closed on 31 March, 2017.

In addition, in 2017, the Group pursued its *bolt-on* acquisition policy with 11 acquisitions signed or performed by the Group, representing total acquired production of approximately €321 million. For example, the Group acquired Lück Verwaltungs GmbH in Germany, a specialist in multi-technical services for the tertiary sector that generated revenue of around €130 million in 2016, and Ziut BV, a Dutch specialist in the installation, management and maintenance of public lighting networks with revenue of approximately €114 million in 2016. In January, the Group acquired S-Cube, a company specialising in the design, integration and maintenance of digital infrastructures, with particular expertise in data centre solutions and hyper-convergence, which in 2016 generated revenue of approximately €47 million, allowing SPIE ICS France to extend its service offering in data centre solutions and creating significant business opportunities. Finally, during the fiscal year ended 31 December, 2017, the Group also acquired several entities of a smaller size which generated revenue comprised between €1 and €6 million in 2016.

In addition to acquisitions, each year the Group purchases or replaces tangible and intangible assets.

The table below details the Group's total purchases for the last two years:

In millions of euros	For the year ended 31 Dec., 2017	For the year ended 31 Dec., 2016
Effect of changes in the scope of consolidation	(185.6)	(170.8)
Purchase of tangible and intangible assets	(44.8)	(36.4)
Purchase of financial assets	(0.1)	(0.1)
TOTAL	**(230.5)**	**(207.3)**

The financing terms for these investments are detailed in Chapter 10 of this Registration Document.

5.2.2 MAIN INVESTMENTS MADE AFTER THE CLOSE OF THE YEAR ENDED 31 DECEMBER, 2017

In February 2018, the Group executed an agreement for the acquisition of the Systemat group, a global provider of IT solutions linked to the management of equipment, software and ICT tools. This acquisition will allow the Group to enter the Belgium market of services linked to information and communication technologies, thus extending the large range of services already offered by the Group in this country. The acquisition of the Systemat group remains subject to the approval of the relevant antitrust authorities and should be closed by the end of April 2018.

5.2.3 MAIN FUTURE INVESTMENT

The Group intends to continue with its dynamic acquisitions policy in order to strengthen its market coverage and expand its range of products and services, either through small and medium acquisitions in regions where it believes its network is not dense enough or where the range of its products needs to be supplemented, or through large acquisitions to expand its international coverage or diversify its products and services.

06

GROUP OVERVIEW

6.1 OVERVIEW

The Group is the leading independent European provider of multi-technical services in electrical, mechanical and HVAC engineering and communication systems as well as specialised energy-related services [1]. With over 46,500 employees worldwide at 31 December, 2017, the Group helps its customers design, build, operate and maintain facilities that are energy-efficient and environmentally friendly. For the year ended 31 December, 2017, it posted consolidated production of €6,127 million and consolidated EBITA of €388 million.

The Group has organised its activities into four operational segments: (i) France (39% of consolidated production for the year ended 31 December, 2017), (ii) North-Western Europe (22% of consolidated production for the year ended 31 December, 2017), (iii) Germany and Central Europe (31% of consolidated production for the year ended 31 December, 2017) and (iv) Oil & Gas and Nuclear (8% of consolidated production for the year ended 31 December, 2017).

The Group has developed a profitable economic growth model based on (i) stable revenue over the long term, (ii) long-term structural growth in its markets, (iii) strict control processes aimed at ensuring strong performance by local management teams, and (iv) a dynamic policy of targeted acquisitions said *bolt-on*. From 2006 to 2017, the Group has made 120 mostly targeted *bolt-on* acquisitions. It has carved out a strategic position focused on regions where the market structure and growth dynamics match its business model and allow it to assume leadership.

The Group's development is focused on four activities: (i) Mechanical and Electrical Services (37% of consolidated production for the year ended 31 December, 2017), which cover installing and upgrading mechanical, electrical and heat systems, ventilation and air conditioning; (ii) Information & Communications Technology Services (20% of consolidated production for the year ended 31 December, 2017), which cover installing, upgrading, helping to operate and maintaining voice, data and image communications systems; (iii) Technical Facility Management (30% of consolidated production for the year ended 31 December, 2017), which covers the technical maintenance of customers' facilities and providing the necessary means for them to function, and (iv) Transmission & Distribution Services (13% of consolidated production for the year ended 31 December, 2017) which covers the services of transmission infrastructures and energy distribution.

The Group provides multi-technical services, primarily electrical, mechanical and HVAC engineering services and communications systems in France, Germany & Central Europe (including Switzerland), and NW Europe (the UK, the Netherlands and Belgium) for a large portfolio of customers consisting of businesses in the tertiary, manufacturing and infrastructure sectors as well as local government authorities. The Group estimates that in 2017 it was among the third-largest players in multi-technical services in France, Germany, Netherlands and Belgium [1] and one of the major players in the UK.

Moreover, the Group maintains a strong presence in the specialised oil, gas and nuclear industries where it also provides multi-technical services. In its Oil & Gas business, the Group offers its technical expertise in close to 20 countries to its customers who are mostly large national and international oil and gas firms. In the Oil & Gas sector, the Group's activities focus on building and commissioning new technical facilities as well as operating, maintaining, extending and refurbishing existing facilities. The Group estimates that in 2017 it was one of the leading global players in oil and gas industry [1] services. The Group is also one of the largest players in France in technical services specialising in the nuclear industry [1]. In its nuclear business, which it conducts mainly in France among large operators, the Group is active across virtually the entire nuclear fuel cycle and corresponding energy production (except for ore extraction).

The services offered by the Group cover the entire life cycle of its customers' facilities, ranging from designing and installing new facilities (19% of the Group's consolidated production for the year ended 31 December, 2017) to supporting the operation, maintenance and rehabilitation of existing assets (81% of the Group's consolidated production for the year ended 31 December, 2017, of which about half was related to extending and renovating facilities). Agreements entered into by the Group as an integrator often involve maintenance services linked to installation services. These agreements generally run for periods of one year with automatic renewal or for renewable terms of three years. Lastly, the Group's business model is oriented towards projects that generate annual production of less than €1 million and steers clear of major one-off contracts with their higher levels of risk.

(1) Company's estimates based on its production for the financial year ended 31 December, 2017 and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

6.2 STRENGTHS AND COMPETITIVE ADVANTAGES

The Group is the leading independent European provider of multi-technical services (electrical, mechanical and HVAC engineering and communications systems) [1]. It is also a major player in specialised technical services dedicated to the Oil & Gas and nuclear industries.

6.2.1 A EUROPEAN LEADER IN MULTI-TECHNICAL SERVICES

THE LEADING INDEPENDENT EUROPEAN PROVIDER OF MULTI-TECHNICAL [1] SERVICES

The Group provides multi-technical services in electrical, mechanical and HVAC engineering and communications systems as well as specialised energy-related services. The Group stands out from other major multi-technical service providers in that it runs its businesses independently as opposed to a Group with energy, civil engineering, construction or concession divisions. Historically, the Group has chosen to focus its activities on multi-technical services and has gradually extended its geographic reach and expanded its range of services. The homogeneity of its business portfolio, its consistency and its focus on multi-technical services have allowed it to successfully develop its activities and strengthen their profitability with its employees being an integral part of the success of this strategy. Moreover, its independence from a more diversified Group gives it wide operational flexibility and allows it to allocate its cash flow to promote consistent growth in its businesses.

LEADING MULTI-TECHNICAL SERVICES IN THE MOST ATTRACTIVE EUROPEAN MARKETS

The Group is the independent European leader in multi-technical [1] services, with a strategic focus on regions in which the market structure and growth dynamics match the Group's business model and allow it to take leading positions. At the date of this Registration Document, the Group was the leading independent service provider in France in a market shared by big national firms and many local entities [1]. The Group also enjoys a strong presence in Germany (which was strengthened in 2017 with the acquisition of the SAG Group), the Netherlands, Belgium, the UK and Switzerland, where it considers itself to be among the major players [1].

The Group's strong foothold in European markets and its range of leading multi-technical services should enable it to (i) differentiate itself from local players and thus position itself to acquire smaller rivals, and (ii) increase its market shares, particularly among international customers seeking service providers for all their European facilities by addressing their growing needs for multi-technical expertise. The Group is able to provide its services and assist its customers at the local, regional and international level. By virtue of its size, the Group has greater negotiating power with respect to its suppliers, allowing it to achieve economies of scale as part of its procurement policy.

MULTI-TECHNICAL SERVICES FOCUSED ON TECHNICALLY ADVANCED ACTIVITIES

Thanks to its teams 'expertise, the Group offers its customers mission critical technical services and focuses on highly technical activities such as the maintenance and management of data centres in the banking industry or the maintenance and operational support of offshore platforms in the Oil & Gas sector. The Group's services cover the entire life cycle of its customers 'facilities (from design and installation to maintenance and operational support) in electrical, mechanical and HVAC engineering and communications systems, as well as in specialised energy sectors.

TECHNICAL SERVICES SUPPORTED BY A DENSE LOCAL NETWORK

The Group offers its services by drawing on a dense local network comprising over 800 premises, most of which are located in five countries (France, Germany, the UK, the Netherlands and Belgium). The Group considers that multi-technical services must be adapted to the specific needs of each customer and that proximity is essential to understand and anticipate customer needs and thus deliver quality services in quick time. Furthermore, the Group considers that its extensive presence in certain countries and its comprehensive customer approach allow it to address the growing trend among big firms to outsource their technically complex non-core operations to service providers capable of servicing their entire facilities and to meet these customers'expectations with regard to quality and services offered. A strong local presence is also a key driver of performance and efficiency and gives the Group the ability to optimise and leverage resources.

A STRONG BRAND AND RECOGNISED TECHNICAL EXPERTISE CARRIED BY A HIGHLY SKILLED, MOTIVATED AND INCENTIVISED WORKFORCE

With over 100 years of experience, the Group enjoys a strong brand and a reputation for high service quality among its customers. Its range of services is supported by qualified and motivated teams. The qualification level of its employees allows the Group to offer value-added services.

The Group has set up several training centres to spread technical expertise throughout its various subsidiaries and leverage it across its industries and the countries in which it is active. It also gives its employees a share of profits through a strong employee stock

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

ownership plan (more than 14,000 Group employees took part in the employee share offering in 2015) and a policy of awarding bonuses closely tied to an entity's financial performance (EBIT and cash flow of the operating unit in question) as well as the Group's safety record.

A STRATEGIC PRESENCE IN SPECIALISED, FAST-GROWING AND HIGH-MARGIN AREAS OF THE ENERGY INDUSTRY

The Group operates in the field of technical services to energy operators, which is an attractive market with high margins and strong long-term growth potential despite the currently weak oil price (see Section 6.2.4 of this Registration Document). It significantly strengthened its presence in 2017 with the acquisition of the German Group SAG. The Group also considers itself one of the leading global players in its core industry, namely, the Oil & Gas sector [(1)], in which it provides mission critical, technically advanced services to its customers (notably operational support and maintenance of oil facilities, and skills development and team training on behalf of its customers). In the nuclear industry, the services offered by the Group cover the entire life cycle of nuclear power plants. The Group reckons it is among the top three specialised service providers in the nuclear industry [(1)] in France, a sector which enjoys long-term growth drivers due in particular to the French government's decision to prolong the lifespan of existing nuclear reactors and to an increasingly complex and regulated environment requiring highly qualified and experienced workers.

6.2.2 A BUSINESS MODEL BASED ON STABLE REVENUE

The Group has developed a wide range of integrated technical services to meet the needs of very different customers operating in various markets by establishing a growth-driving business model focused on generating stable levels of revenue over the long term.

Recognised for the quality and reliability of its services, the Group has fostered trust among its customers and as a result enjoys a multitude of long-term business relationships and a high customer retention rate. Moreover, maintenance services, which are generally combined with integration services, afford the Group long-term revenue growth with contracts generally running for periods of three years or for one year with automatic renewal. In the year ended 31 December, 2017, maintenance services accounted for approximately 52% of the Group's consolidated production. Growth in maintenance contracts is thus a critical factor in the Group's business model.

Moreover, the Group's business model favours smaller projects, which are sometimes part of larger multiyear framework contracts, and avoids major one-off contracts with their higher levels of risk.

Lastly, the Group's business model, as well as the diversification of its client portfolio and the markets in which it operates, have historically provided protection during economic downturns that affects one of its business segments or regions. In the year ended 31 December, 2017, the Group's ten largest customers accounted for only 17% of its consolidated production. Furthermore, the Group's business with its ten biggest customers is spread out across various contracts, operating segments and regions, thus reducing its commercial dependence.

The Group considers that its large customer portfolio of over 25,000 clients, its limited concentration in specific markets, its longstanding customer relationships, the importance of its maintenance contracts, and the limited size of its average orders allow it to benefit from a diversified business model and to be well placed to earn stable revenue and, as it has demonstrated in recent years, to deal effectively with periods of economic slowdown.

6.2.3 STRICT PROCEDURES AND CONTROLS TO ENSURE THE STRONG PERFORMANCE OF LOCAL MANAGEMENT TEAMS

With over 800 premises, mainly concentrated in five countries, the Group offers its services through a dense local network and applies common procedures to ensure the coherence and strong performance of its local management teams. The Group's management closely monitors the applications of these procedures; in particular when consolidating new entities, the Group ensures its best practices are applied in the new acquired firms, not least the active management of risk *via* common financial procedures, local management oversight and advanced reporting systems.

The Group has developed standardised best practices, specifically with regard to managing its working capital requirement and invoicing methods, in all the countries in which it operates. Through a rigorous contracting structure as well as strict invoicing procedures, the Group ensures the effective collection of its receivables, thus contributing to the generation of high cash flows.

The Group's strategy emphasises flexibility, local decision-making and responsibility on the part of operating managers so as to adapt to market conditions and take advantage of growth opportunities while leveraging the best practices and expertise shared throughout the Group. Under the oversight of the Group's General Management, local management teams are empowered and incentivised to focus on their local markets and look for potential acquisitions (within strict criteria and limits set at Group level) and are directly responsible for the successful consolidation of new acquisitions.

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

The competence and experience of its local management teams have enabled the Group to develop a corporate culture based on strong performance and strict risk management which rewards teamwork and individual merit and initiative through clear incentives. The Group believes that this strong local management culture, which motivates employees at all levels of the organisation, is essential to implementing its strategy and reaching its goals (see Section 6.3 of this Registration Document).

6.2.4 LONG-TERM STRUCTURAL GROWTH DRIVERS

The Group considers that its position as the leading independent European [(1)] provider of integrated services enables it to seize growth opportunities by making the most of long-term growth drivers and market trends in the various sectors in which it operates. Moreover, it considers itself in a good position to benefit from expected growth in certain markets (notably in Europe and in technical services to the energy industry).

These growth drivers and market trends include (i) a general shift by firms to outsourcing technical services such as those offered by the Group, (ii) stricter environmental standards and a growing concern for the impact of energy consumption on the environment, (iii) a greater focus on energy efficiency, (iv) changes in the mix of energy production and distribution, (v) new technologies and innovative services, (vi) the rise of building automation and connected devices within buildings, and the technological convergence of communications systems (*e.g.* cloud computing and external hosting for which demand should be high), (vii) the renewal and upgrade of infrastructure, and (viii) an increased need for technical services in the Oil & Gas and nuclear industries.

As fossil fuels gradually become scarcer and more expensive, and as concerns over climate change grow, local and national authorities, corporations and consumers in general are becoming increasingly preoccupied with socially responsible energy consumption. The Group considers that many of its technical services, not to mention the innovative services it is developing with regard to nuclear energy, renewable energy production, installing and renovating infrastructure, smart energy systems, and optimising communication systems, maximise energy efficiency and savings. The Group also has recognised expertise in the technical services needed to improve environmental efficiency. It considers itself in a good position to take advantage of the strong growth potential in the "green economy" with customers for whom energy efficiency and sustainable development are a key concern.

In the Oil & Gas industry, and despite the decrease in oil price, the Group reckons it is positioned to benefit from the long-term expected increase in demand for technical services to maintain ageing and worn oil & gas production sites (brownfields) and the demand for new technical services related to future investments in extreme regions and conditions (such as deep water drilling). Moreover, the need for more complex services relating to exploration and extraction should continue to offer growth opportunities linked to greater operational complexity, stricter regulations applicable in the industry, and more stringent health and safety standards.

In the nuclear industry, due to the age of nuclear power plants and the decision to extend the lifetime of reactors, the Group considers that its leading position in France [(1)] will allow it to benefit from increased demand for renovation works and upgrades as well as maintenance services. The Group further reckons it is positioned to capitalise on the demand created by increasingly stringent safety and operational regulations applicable to nuclear power plant operators, as well as by anticipated decommissioning and investments in new plants, in particular in France.

6.2.5 A HISTORY OF SUCCESSFULLY CONSOLIDATED ACQUISITIONS DEMONSTRATING THE GROUP'S ABILITY JOIN IN CONSOLIDATING THE SECTOR

The Group considers that the technical services industry in which it operates remains structurally fragmented across Europe and thus offers substantial opportunities to acquire and consolidate local firms in the UK, the Netherlands, Germany and Northern Europe.

Since 2006, the Group has successfully made 120 acquisitions (including 117 targeted *bolt-on* acquisitions) creating significant value and representing a total acquired production of over €2 billion and a cumulated investment amount of approximately €700 million by carefully screening investment opportunities and applying strict financial criteria (in particular an average EBITA acquisition multiple of 8.1x, reduced to 5.7x for *bolt-on* acquisitions).

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

The following table details the targeted *bolt-on* acquisitions made by the Group since 2006:

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of *bolt-on* acquisitions	2	10	18	11	10	14	11	6	6	8	10	11
Acquired production *(in millions of euros)*	14	113	217	99	79	125	167	221	212	184	263	321
Acquisition costs *(in millions of euros)*	7	51	89	33	34	52	45	77	74	51	79	112
Growth resulting from the targeted *bolt-on* acquisitions *(%)*	1.9	5.0	3.2	4.3	1.2	2.9	3.2	5.4	4.4	3.4	3.6	7.1

Led by a dedicated and experienced team drawing on the strong involvement of local teams in identifying and consolidating acquired entities, the Group concentrates on (i) developing the regional density of its premises, (ii) strengthening the range of products and services offered by existing operating entities, and (iii) acquiring platforms with a sufficient critical mass to pursue growth in markets where it does not yet have a local presence.

The execution and success of the Group's external growth policy are enhanced by its in-depth knowledge of its markets and their various players which has enabled most of its acquisitions to be made by mutual agreement, rather than in a bidding war, and to maintain a shortlist of clearly identified and constantly updated targets. Moreover, the Group's high levels of available cash flow has enabled it to self-finance most of its acquisitions in the last three years.

Since 2007, the Group has demonstrated its ability to rapidly and efficiently consolidate acquisitions and to improve post acquisition operating efficiency with a proven ability to systematically apply its standardised best practices with regard to financial and reporting procedures and improve financial performance, particularly with regard to generating operating cash flow. With its ability to successfully consolidate acquisitions and accurately identify acquisition opportunities, the Group considers itself to be in a good position to seize acquisition opportunities and play an even more active part in consolidating the industry.

In March, 2017, the Group reached a new stage in its external growth policy and the development of its presence in Germany and in Central Europe with the acquisition of the SAG Group, a leading German provider of services and systems for electric, gas, water and telecommunications networks (see Section 5.2 of this Registration Document).

6.2.6 ATTRACTIVE FINANCIAL PERFORMANCE WITH STABLE PROSPECTS

The Group reckons it has successfully delivered EBITA and production growth, as well as maintained a cash conversion ratio of close to 100%.

Group production increased from €2.7 billion in 2006 to €6.1 billion in 2017, EBITA increasing from €97 million to €388 million, and the EBITA margin growing from 3.7% to 6.3% over the same period.

Performance indicator	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue *(in millions of euros)*	2,652	3,116	3,625	3,664	3,661	3,984	4,115	4,563	5,220	5,264 (1)	4,941	6,127
EBITA *(in millions of euros)*	97	129	166	197	220	243	262	298	334	353 (1)	342	388
Cash conversion ratio *(as a%)*	N/A	176	156	96	124	106	100	110	102	105	122	102

(1) Restatements in accordance with IFRS 5 (Non-current assets held for sale and discontinued operations) (see Note 11 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

The Group has been able to achieve this performance by (i) actively managing its business portfolio, which has allowed it to focus on the most attractive and profitable market segments, (ii) continually optimising its structure by simplifying its hierarchy, (iii) strengthening its network density, which has allowed it to broaden its range of products and services and be more responsive to local demand as well as more productive, (iv) strictly benchmarking its performance across all its subsidiaries, (v) structuring its purchases more efficiently, (vi) adapting its cost base, and (vii) pursuing a deliberate and effective acquisitions policy, which has enabled it to gain a foothold in new markets and regions and enhance its range of products and services.

Moreover, the multi-technical services industry in which the Group operates is characterised by low capital expenditure. Through its traditional financing policy rooted in profitability and maintaining a negative working capital requirement, the Group considers that it generates high cash flow; this has allowed it to rapidly reduce its debt ratio and will enable it to pursue its value-creating acquisitions strategy.

6.2.7 A STRONG CORPORATE CULTURE SUPPORTED BY A HIGHLY EXPERIENCED TEAM OF EXECUTIVE OFFICERS

Apart from the Chairman & CEO, the Group's General Management consists of 12 members of the General Management Committee with broad experience in the multi-technical services industry and having been with the Company for 15 years on average. Under this team of executive, the Group has developed a strong corporate culture based on solid fundamentals, including:

- a large pool of qualified line and staff managers supported by a highly-skilled workforce with recognised technical expertise at all levels;
- an emphasis on professional development and workplace safety. In-house training, talent recognition and the adoption of best health and safety practices foster a favourable work environment and high levels of employee retention compared with competitors; and
- an alignment of interests with employees (of whom approximately 33% are Shareholders of the Company) coupled with an incentives policy applying to all Group employees, thus helping to create a common vision of the Group's strategy and goals.

Under the leadership of its experienced management team, the Group has seen growth in revenue and profit, organically and by successfully consolidating numerous acquisitions, and increased margins across all its industries, and has put cash monitoring and management procedures in place to generate strong cash flow and achieve a strong and stable financial position.

The Group believes that the industry experience and knowledge of its senior executives, and the skills and responsiveness of its local teams, will continue to drive its value-creating growth strategy.

6.3 STRATEGY

The Group's growth and services are focused on four strategic themes: «Smart city», which covers the intelligent layout of cities, especially in terms of communications infrastructure, mobility, utilities and safety; «E-fficient buildings», which covers a range of energy efficient services from designing to running and maintaining low-energy buildings; «Energy», which covers services offered by the Group in the energy industry, particularly nuclear energy and renewable energies, but also Oil & Gas; and «Industry services», which covers various industrial services.

The Group's expertise in each of its businesses enables it to shape its strategy around the following main lines:

CAPITALISE ON LONG-TERM STRUCTURAL GROWTH FACTORS

CAPITALISING ON GROWTH OPPORTUNITIES IN KEY MARKETS

Benefiting from the quality of its integrated services and its position as an independent European [1] leader, the Group seeks to capitalise on the attractive growth opportunities offered in the various markets in which it operates. The Group specifically hopes to benefit from the growing trend toward outsourcing of technical services in the manufacturing and retail sectors by businesses seeking to reduce their fixed costs, stabilise their maintenance budgets and limit costly and risky internal maintenance work.

The Group is also continuing to diversify its activities. This entails first of all expanding into the end markets targeted by the Group so as to further extend its scope of activity. As buildings are becoming increasingly fitted with advanced technology, particularly with respect to automation, safety and comfort, and energy efficiency, the Group is positioning itself to take advantage of the growing outsourcing of technical services required by the complexity of such facilities.

The Group is also looking to benefit from the growing demand for so-called smart solutions, combining information and communications technology with electrical and mechanical equipment, for instance by developing smart systems that optimise energy use.

The Group also seeks to pursue the geographic diversification of its businesses by seizing opportunities that arise in regions or countries where its presence is limited or non-existent, like the strengthening of its presence in Switzerland in recent years. Furthermore, the Group aims to continue reinvesting part of its available cash into targeted *bolt-on* acquisitions, mainly in Europe, as it did in the year ended 31 December, 2017, with the acquisitions of Lück Verwaltungs GmbH in Germany, a specialist in multi-technical services for the tertiary sector, and Ziut BV in the Netherlands, which specialises in the installation, management and maintenance of public lighting networks. Finally, in certain cases, the Group may make more structuring acquisitions in order to strengthen its international presence or presence in certain business sectors, such as the acquisition in 2017 of the SAG Group, a leading German provider of services and systems for electric, gas, water and telecommunications networks.

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

SUPPORTING THE DEVELOPMENT OF THE "GREEN ECONOMY"

The Group seeks to contribute to and benefit from the development of the "green economy" fostered by the long-term increase in energy prices and domestic and international concerns over climate changes, which are pushing public and private entities to implement systems to optimise energy expenditures. As such, it devotes considerable time and resources to energy efficiency and energy savings.

The Group aims to concentrate on services aimed at enhancing the value of its customers' facilities, reducing their energy costs and addressing their sustainable development challenges. It will thus continue to develop its expertise in state-of-the-art areas such as energy efficiency, smart grids and information and communications systems that facilitate long-distance collaboration.

As the use of renewable energies spreads, the Group is continuing to develop a line of services in hydroelectricity, solar and wind power, and in techniques such as methanation and waste combustion.

CAPITALISING ON INDUSTRY TRENDS TOWARDS SPECIALISATION

In the Oil & Gas industry, despite a market contraction in 2016 and 2017 following the decrease in oil price, the Group anticipates increased demand over the long term for maintenance services, due to the high utilisation rates of production sites, and for new technologies and more complex services involving exploration and extraction. The Group seeks to strengthen its presence throughout the entire production chain from support to operations, both onshore and offshore as well as downstream oil markets.

The Group is also positioning itself to address the growing demand for production efficiency and security. It intends to facilitate changes in the production and transport of fossil fuels, as illustrated by its acquisition in 2013 of Plexal, an engineering firm specialising in liquefied natural gas facilities.

In the nuclear sector, in 2016, at the end of a tender process lasting four years, the Group won a contract for the renovation of radiation protection systems in nuclear power plants in France under the "Grand Carénage" plan, an investment programme covering the period 2015-2035, being implemented by EDF, a longstanding customer of the Group. The Group plays a critical role in implementing the plan, which aims to improve the safety and availability of nuclear power plants and to extend their lifetime beyond 40 years.

The Group intends to capitalise on the demand created by more stringent safety requirements for nuclear facilities and generally stricter oversight of the nuclear industry, in particular with respect to stricter safety standards imposed by the French Nuclear Safety Authority (ASN) on all nuclear power plants following the Fukushima accident in Japan.

Lastly, the Group seeks to expand its range of services relating to the decommissioning and rehabilitation of facilities for which it expects to see growing demand from its customers due in particular to the aging of nuclear power plants.

PURSUE A RIGOROUS OPERATIONAL MANAGEMENT POLICY BY CONCENTRATING ON GENERATING INCOME AND CASH FLOW

The Group aims to maintain and further improve the effectiveness of its operational management and the quality of its services to increase the value of its products and services as well as its margins and cash flow.

To that end, the Group will further strengthen its rigorous project-selection policy and its contract management to increase its profitability by concentrating on contracts with the highest margins. It will also improve its procurement procedures and conditions to better manage its cost structure. It will also bolster its tender monitoring process and manage the costs and risks associated with contracts and project management as a whole more strictly.

The Group aims to closely involve all its employees in these efforts focused on financial performance so as to control its costs, optimise its investments and control its working capital requirement to strengthen cash flows. It will thus continue to implement its variable incentive compensation policy on the basis of its financial performance and safety record.

PLAY AN ACTIVE ROLE IN INDUSTRY CONSOLIDATION

Although the technical services market has experienced some consolidation in recent years, it remains fragmented, with numerous small or mid-sized firms, and offers the Group significant acquisition opportunities all over the world and particularly in Germany, the UK, the Netherlands and Northern Europe.

With its strong cash flow, the Group seeks to expand its market presence and its products and services, either through relatively small acquisitions in regions where it can densify its network or broaden its range, or through relatively large acquisitions that will enable it to expand its international presence or diversify its products and services, as it did with the acquisition of the German SAG Group in 2017. This strategy draws on the Group's experiences in France where it has both a dense network in most regions and a robust range of products and services.

The Group benefits from the experience of its acquisitions team working in tandem with regional teams responsible for identifying and analysing potential local targets and ensuring the successful consolidation of acquired entities.

Having compiled a shortlist of clearly identified potential targets, the Group will continue to look at opportunities for acquisitions through a rigorous selection, audit and monitoring process, allowing it to ensure that acquired entities are successfully consolidated and their operating efficiency enhanced, thus making external growth an essential source of value creation.

MAINTAIN STABLE AND PREDICTABLE REVENUE

The Group aims to maintain a high level of recurring business by continuing to focus on asset-support and maintenance services which offer predictable revenue growth and some protection against economic ups and downs.

Beyond asset-support and maintenance services, the Group intends to grow its recurring business by continuing to develop at the local level and strengthening its long-term customer relationships. It will rely in particular on the strength and dynamism of its local teams which serve the Group's customer from over 800 premises in 30 countries worldwide.

The Group will use the revenue generated by its recurring business to continue generating high cash flow and pursue its dynamic acquisitions policy and thus strengthen and diversify its activities.

CONTINUE GIVING EMPLOYEES A STAKE IN THE GROUP'S PERFORMANCE

A critical factor in the Group's success is its employees' commitment to it and the prevalence of common values. The Group has sought to give its employees a generous stake in its performance through employee shareholding schemes set up in 2006, 2011 and 2015; the latest employee share offering saw more than 14,000 staff take part in the capital increase reserved for employees, bringing the total number of employee Shareholders to around 20,000.

An active employee Shareholder policy is a strategic foundation for the Group's profitable development. To that end, the Company aims to pursue its profit-sharing policy and expand the scope of profit-sharing mechanisms put in place for its employees.

6.4 MARKET OVERVIEW AND COMPETITIVE POSITION

The Group is the independent European leader in multi-technical [(1)] services, with a strategic focus on regions in which the market structure and growth dynamics match the Group's business model and allow it to take leading positions. The European multi-technical services market is characterised by high disparities depending on the country; therefore the presentation below sets forth an analysis of the markets with regards to the main countries in which it has a presence.

At the date of this Registration Document, the Group is the largest independent player in France [(1)], in a relatively consolidated market where the major national players occupy a prominent place but where there is still a large number of local players. The Group is also one of the first players in Germany, country where it has known a strong development in 2017. The Group is also implanted in the Netherlands, Belgium, the United Kingdom and Switzerland, where it considers itself to be amongst the main players.

6.4.1 MULTI-TECHNICAL SERVICES

The Group is developing its offerings of multi-technical services in France, Germany, Switzerland, Central Europe (Poland, Hungary, Slovakia, Czech Republic) and North-Western Europe (the Netherlands, the United Kingdom and Belgium). In each of these countries, the multi-technical services market is made up of the following end-markets:

- tertiary sector: comprising mainly office buildings, retail and healthcare;
- industry sector: including in particular pharmaceuticals, petro-chemicals, automotive and aerospace;
- infrastructure: including energy, transport and telecommunications infrastructure operated mainly by large national companies;
- local authorities: including all public buildings (excluding hospitals) and infrastructures owned by regional and municipal authorities (schools, research centers, libraries, city halls, public lighting, etc.); and
- residential buildings: where the Group has a limited presence, mostly addressed by small local players.

6.4.1.1 FRANCE

Market trends

After several years of decline, the activity within the public sector of the French multi-technical services market went through an inflection in 2017, mainly drawn by the industry and infrastructure market segments, whereas the trends were less positive in the services sector. The public sector activity remained equal, albeit at a low level.

Competitive environment

The French multi-technical services market is structured around four types of players:

- large subsidiaries of leading French construction groups (Vinci Energies, Eiffage Energie, Bouygues E&S);
- subsidiaries of energy groups (Engie, EDF);

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

- large national independent players (SPIE, SNEF); and
- a large number of small and medium-sized regional and local players, basing their strategy on proximity and customer relationships.

Major players now offer all types of services and cover all end-customer markets. In 2017, in a French market that is still fragmented, although more consolidated than other European markets, the Group believes it is one of the third largest player [(1)].

6.4.1.2 GERMANY AND CENTRAL EUROPE

Germany

Market trends

With the acquisition of SAG, the Group has considerably reinforced its presence in Germany, the Group's second-largest market. After several years of regular growth, the German multi-technical services market should continue to grow in the coming years by 2% to 4% per year on average [(2)]. This development is encouraged by the development of outsourcing and subcontracting of technical services. In fact, clients present on this market are opting increasingly for multi-technical service providers so as to Group their subcontracting contracts and build lasting contractual relations.

Competitive environment

The strong development of the Group in Germany between 2013 and 2017 has considerably reinforced its position on this market. The Group considers that it is today the second player on the German multi-technical services market. This market is very fragmented and structured around three types of players:

- the major international players (Vinci Energies, SPIE, Apleona, Strabag, Engie) which represent less than 10% of the market;
- the multinational or national players of medium size (such as Caverio, Wisag, R+S Group, Elevion, EQOS, LTB, Getec); and
- numerous small and medium-sized regional and local players often specialized in a specific market segment.

Pressure from competition is still a major issue on the German market, in a context where the various players seek to progressively penetrate their competitors' service segments.

6.4.1.3 NORTH-WESTERN EUROPE

United Kingdom

Market trends

In 2017, the multi-services market in the United Kingdom deteriorated, in the context of global economic uncertainty.

Competitive environment

The United Kingdom multi-technical services market is structured around four types of players:

- integrated construction groups (Balfour Beatty, Skanska, Laing O'Rourke);
- multi-technical service specialists (NG Bailey, SPIE, Forth Electrical, Imtech, T. Clarke, Lorne Stewart);
- operators core in other services with M&E offering (SSE, InterServe); and
- a large number of small and medium-sized regional and local players.

The United Kingdom multi-technical market is highly fragmented. The Group believes it is one of the three largest players in the United Kingdom multi-technical [(1)] market.

Netherlands

Market trends

In 2017, the Dutch multi-services market benefited from a good macroeconomic contexr as well as favourable trends linked to the energy transition and the infrastructure development, with important public investment made in those sectors. ICT services also showed good trends.

Competitive environment

In 2017, the Group made several acquisitions in the Netherlands which gave it access to first leading positions in the *Smart City* and installation for the distribution sector markets.

The Group believes it is the second largest player in the Dutch multi-technical services market which is rather fragmented [(1)].

Belgium

Market trends

In 2017, the Belgian multi-technical services experienced a clear increase due to the improvement of the conjecture and an overall trust of players in our different markets: industry, *building systems*, infrastructure or services.

Competitive environment

The Belgian multi-technical services market is primarily addressed by international groups. In 2017, the Group believes it is the third largest player in the Belgian market [(1)].

6.4.2 COMMUNICATION

The Group operates on the Information & Communication Technology Services market, which covers:

- services to telecommunications infrastructures (which is part of the Group's multi-technical services, as detailed in Section 6.4.1); and
- network and information system infrastructure services and communications, video and data applications services, mainly in France, Germany, Switzerland, the Netherlands and Belgium, since the acquisition of Systemat which closing remains subject to the approval from the relevant antitrust authorities (see section 5.2 (b) of the present Registration Document).

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2016.

(2) Source: Lünendonk-Study 2017 - Facility Service.

Market trends

In relation to information systems and communication services, the main medium-term growth factors on this market are cloud computing, which is the principal enabler of the digital transformation. The IoT sector, Big Data, mobility and information systems security will continue to contribute to market growth. The "User Experience" approach will be central to the information systems transformation services.

The Group's aim is to provide a global offer of advice-engineering-integration services, IT outsourcing, maintenance and operated/cloud services in the perimeter of Unified Communications & Collaboration, IP Infrastructures and Security, data centers and the Internet of objects.

The Group's service offer is divided between three models:

- consultancy – engineering - integration services including advice, design of architecture and technological integration intended to (i) construct communications, collaboration, local network and wider network solutions (Lan/Man/Wan); (ii) make efficient, mobile and secure work environments available to users, and (iii) implement systems infrastructures suitable for the digitalisation of businesses and companies;
- communication and information system support and operation services, in order to guarantee availability of applications: (i) managed services for user environments, communication and collaboration systems, network and systems infrastructures; (ii) technological expertise services and solutions; and (iii) maintenance services associated with technologies;
- operated services and **Cloud** services to guarantee a better network architecture: unified communications, **Cloud computing**, security and IP infrastructures, managed services.

Competitive environment

The Information and Communication Technology services market remains highly fragmented, with a very large number of local players. The Group believes it is among the largest players in this market [(1)].

6.4.3 OIL & GAS AND NUCLEAR

6.4.3.1 OIL & GAS

Market trends

The Oil & Gas technical services market covered by the Group (Africa, Middle-East and Asia-Pacific) has continued to recoil in 2017.

Competitive environment

In 2017, the Group believes that it is one of the main players in the markets for technical assistance and operations maintenance. The rest of the market is highly fragmented, with a very large number of small local and regional players, as well as temporary technical staff providers.

Commercial opportunities, which are slightly increasing, generate an increased competition pression, including pressure on prices.

6.4.3.2 NUCLEAR

Market trends

The market of multi-technical services generated by the production of nuclear electricity has seen good trends in 2017 and should continue to grow during the coming years thanks, in particular, to the renovation work linked to extending the lifetime of plants (the "Grand Carénage" program), and to what are known as the post-Fukushima changes (increased security following the accident in Fukushima).

As a reminder, the construction of new plants should be launched from 2030, with the construction of the EPR, EDF and AREVA considering a "New Model EPR" which is more easily exportable. Besides, dismantling remains, for the time being, a "future" market for EDF.

This market is characterised by a strong concentration of clients, with EDF, Areva and the Atomic Energy and Alternative Energies Commission (*Commissariat à l'Énergie Atomique et aux Énergies Alternatives*) being the three major players.

Competitive environment

The market is quite consolidated, with few players having the expertise and qualifications needed to work in the specific environment of conventional nuclear plant islands. In 2017, the Group believes it is among the largest players in the multi-technical nuclear industry services market in France [(1)].

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

6.5 DESCRIPTION OF THE GROUP'S PRINCIPAL ACTIVITIES

The Group provides multi-technical services, in electrical, HVAC and mechanical engineering services, in three geographic regions: France, Germany & Central Europe, and North-Western Europe. The Group also offers, services and support in those geographic regions dedicated to information and communication systems infrastructure, telecoms services and security and safety of buildings.

As part of its Oil & Gas and Nuclear activities, the Group also offers multi-technical services in specialised sectors of the oil & gas and nuclear industries. The Group operates its Oil & Gas activities in about 20 countries, while its nuclear activities are based in France.

6.5.1 OVERVIEW

The Group's principal activity consists in providing multi-technical services (Mechanical and Electrical Services – M&E), which covers design, installation, extension and renovation of mechanical, electrical and heat systems, ventilation and air conditioning, and Technical Facility Management (Tech.FM), which covers operation and technical maintenance of clients' facilities in three geographic regions: France, Germany & Central Europe and North-Western Europe). It also provides services in IT facilities and communication networks (infrastructure, improvement and maintenance of communications systems, voice, data, images and information), telecoms services facilities, building technologies (integrated security and safety) and process engineering and implementation (instrumentation, automatic controls, robotic, industrial computing, transport schemes management) – (Information & Communications Technology Services – ICT) mainly in France and North-Western Europe. Finally, with the SAG acquisition, the Group strongly developed its transmission infrastructure and energy distribution services (*Transmission & Distribution Services* activity), in particular in Germany.

For the financial year ended 31 December, 2017, Mechanical and Electrical Services, Technical Facility Management activities, Information & Communications Technology Services and Transmission & Distribution Services respectively accounted for 37%, 30%, 20% and 13% of the Group's consolidated production, respectively.

MECHANICAL AND ELECTRICAL SERVICES

The Group supports its clients in designing, building, extending and renovating of their facilities, through its expertise in electrical, HVAC and mechanical engineering services. Through these services, the Group offers solutions that allow its clients to control their energy consumption, specifically by means of customized technologies, arbitrage between fossil and renewable energies, and operational support, allowing them to reduce their energy expenses by up to 50%, particularly in the context of "energy performance" contracts, pursuant to which the Group commits to reducing its clients' expenses to a certain level.

ELECTRICAL ENGINEERING

In the area of electrical engineering, the services offered by the Group include procurement of high and low tension facilities. The Group is also active in renewable energy production, specifically at wind or photovoltaic plants that may be parts of turnkey procurements of complete facilities, including connection to the electricity transmission network. The Group is also active as an integrator in the public lighting sector.

It offers the installation of smart lighting points, which can be controlled remotely by regulating systems that allow for differentiated lighting, thus optimising energy expenditures. It is also active in the enhancement of architectural assets, including illumination solutions. It installs three-colour traffic lights, as well as video-protection systems consisting of the installation of cameras and provision of image storage systems. The Group's services also include the installation of charging stations for electrical vehicles, airport runway sweep systems, highway information signs and highway equipment for toll roads and tunnels.

In building interiors, the Group's services cover all electrical equipment, from transformers to power supplies for wall outlets, including electric switchboards. To mitigate potential network failures, the Group is able to offer secured power supplies by installing inverters equipped with batteries and electrical generation groups. The Group also implements "smart" lighting (in the tertiary sector as well as in manufacturing and residential), to optimise energy consumption using motion detectors or ambient lighting. The Group also offers services related to low-voltage transmission for security and building-control systems, as well as telephone and computer networks.

In the manufacturing sector, the Group offers all electrical power services for machinery, engines, valves, and implementation of production lines for metering and regulating instruments, as well as automation systems for the management and supervision of industrial processes.

HVAC ENGINEERING

The Group has expertise in HVAC engineering. It primarily offers design, installation and renovation services for heating, ventilation and air conditioning. Specifically, the Group is active in the installation of wood or gas fueled boilers, as well as those fueled by recycled materials, such as household waste or even biogas from manufacturing or agricultural processes.

It installs cold production plants, compressors, heat pumps and geothermal systems, and provides for the routing and distribution of fluids or hot or cold air through networks of pipelines or conduits, ventilators and pumps. The Group also provides for the implementation of terminal equipment for the dissemination and regulation of heat (power, temperature). All these facilities are managed by temperature and flow sensors to ensure optimal comfort to users in all climatic configurations.

The Group also offers integrated ventilation and smoke-removal systems (both in highway tunnels and at manufacturing and tertiary sites). Further, it is active in manufacturing processes requiring very high levels of dust control, particularly in the agro-food and pharmaceutical sectors.

Finally, the Group designs and installs cooling, filtration and ventilation systems for technical facilities that generate high volumes of heat, such as computer centers and network cores for telecommunications operators.

MECHANICAL ENGINEERING

In mechanical engineering, the Group operates either through its own workshops, allowing it to offer manufacturing, repair and restoration services for mechanical parts, or by intervening directly at its clients'sites. The Group's services specifically include developing customised parts, reconditioning valves, rewinding electric motors, reconditioning diesel engines, and transfer of client sites. Specifically, in the area of rock and sand quarries, the Group designs, manufactures and installs or renovates conveyor belts, screens, grinders, storage tanks and silos. In the aeronautics sector, it offers the design and modernisation of logistical equipment, supports and robots incorporated into assembly lines. Finally, in the area of hydraulics, the Group provides for the sizing and implementation of mechanical facilities for drinking water or wastewater treatment facilities, such as pumps, fluid networks, valves and compactors.

TECHNICAL FACILITY MANAGEMENT

Across all of its business lines in electrical, HVAC and mechanical engineering, the Group's services include (in addition to installation) support for operations and process industrialization (servicing, preventive and corrective maintenance, repair, small renovation), allowing it to support its clients throughout the entire life-span of their equipment. The Group offers a wide range of audit and diagnostic services, as well as the necessary mono- or multi-technical maintenance services to operate its clients' facilities, including electrical, HVAC and mechanical engineering services. Its expertise in technical facilities allows the Group to commit to availability rates and performance levels for facilities. In energy performance contracts, the Group also commits to the energy performance levels of the facilities for which it is responsible.

INFORMATION & COMMUNICATIONS TECHNOLOGY SERVICES

The Group holds a leading position in France [(1)] in the evolving information systems and communications market, mainly through its subsidiary SPIE ICS, offering a wide range of solutions and services, from design to managed services, and a range of operated and cloud computing services, largely in France, Switzerland and, to a lesser extent, in the Netherlands and Germany. A large part of IT infrastructure and communication networks services account for more than a half of the Group's activities within the field of Information & Communications Technology Services.

Specifically, the Group offers its clients unified communications services and solutions for voice, data and images, technical infrastructure services and solutions for information systems. The Group also offers integrated, consistent and secure solutions for communications and information systems. Finally, the Group integrates "connected objects" in its services, particularly in the health sector, with remote diagnostics and patient monitoring applications.

The Group also relies on solid service control measures, such as auditing and advising on the architecture and security of IP computer networks, integration and maintenance of IP networks and security equipment, user support, management and support for the operation of networks and systems.

The Group offers infrastructure-related services for data centers, such as design, installation, maintenance and support for the operation of such centers. For a complete range of offerings in this activity, services involving the installation of access control and monitoring systems for computer sites form an integral part of the Group's expertise. The Group also pursues its development in the area of managed services *(infogérance)* and maintenance of operating conditions. These services are offered as part of multi-year contracts that include a commitment to results with regard to services offered (service level agreement).

Over the past ten years, the Group has completed a certain numbre of strategic acquisitions allowing it to enlarge its range of services. In 2016, the Group made three acquisitions in the ICT sector: the RDI Group in France, enabling it to strengthen its expertise in cloud services, managed services and IT integration; several companies of the COMNET Group in Germany, enabling it to further upgrade its skills, notably in unified communication, IT networks management as well as fire alarm or access control systems; and lastly, GfT Gesellschaft für Elektro- und Sicherheitstechnik GmbH, also in Germany, enabling it to further develop its expertise in *data centers*, in particular in the electric engineering and security sectors. In 2017, the Group made new acquisitions in the ICT sector: Mer ICT in the Netherlands, thus adding cooperation solutions and unified communications to its local offer; PMS Sicherheitstechnik + Kommunikation GmbH in Germany, acting in particular in services linked to communication; S-Cube in France, allowing it to extent its knowledge in *data centers* solution and hyper-convergence.

TRANSMISSION & DISTRIBUTION SERVICES

The Group provides a full range of transmission infrastructure and energy distribution services, mainly electrical (high voltage lines, sub-stations, distribution networks). Those services include planning, design, engineering, installation, commissioning as well as operation and maintenance support services. This activity has been significantly reinforced in the services portfolio of the Group with the acquisition of SAG in March 2017. Henceforth, the Group is the first player in Germany and enjoys a significant part of the market share in the Netherlands, France and Central Europe.

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

6.5.2 FRANCE

In France, the Group believes it is among the three first players in multi-technical services [1].

In the financial year ended 31 December, 2017, the France segment accounted for a production of €2,407 million, *i.e.* 39% of the Group's consolidated production, and an EBITA of €152 million, *i.e.* 39% of the Group's consolidated EBITA.

MECHANICAL AND ELECTRICAL SERVICES AND TECHNICAL FACILITY MANAGEMENT

The Group offers its services through over 18,000 employees and a large network of local implantations in the French territory. In order to enhance its range of services offering, the Group is regularly considering acquisition opportunities. Thus, in 2016, the Group carried out the acquisitions of the RDI Group, which allowed it to reinforce its technical offer dedicated to the new multiple dwelling unit market.

In 2017, the Group operated through seven subsidiaries, five of which being established at a regional level (SPIE Ile-de-France Nord-Ouest, SPIE Ouest-Centre, SPIE Sud-Ouest, SPIE Sud-Est and SPIE Est), and two of which SPIE Facilities and SPIE CityNetworks, being specialised subsidiaries, respectively for building maintenance and facility management services and telecom and outdoor network services.

In the context of the "Ariane" project launched in 2017, SPIE created on 1st January, 2018 a Holding company "SPIE France", a subsidiary of SPIE Operations, which purpose if to grant more operating autonomy to France, on a comparable level as the subsidiaries of other countries (Germany, Netherlands, United Kingdom, Belgium, and Switzerland).

As early as 1st January, 2018, SPIE France, in its capacity as the company overseeing SPIE's activities in France, was granted the necessary means to manage all of the French subsidiaries which will be legally transferred to it during the second half of 2018. This structure will allow the French segment to develop itself together with the Group and in synergy with the other countries.

Following the "Ariane" project, the "Galileo" project relates to the merger, on 30 June, 2018, of the 5 regional subsidiaries into one single entity called "SPIE Industry & Tertiary". This entity will be comprised of two business units:

- the Industry BU;
- the Tertiary BU.

This project, which on the registration date of the present Registration Document is still in the process of being completed, provides the France segment with a new national subsidiary to better answer The Group's clients' expectation.

The Group serves all economic players and sectors (manufacturing, tertiary, ministries and government entities). It has over 25,000 clients for its multi-technical activities.

Amongst the main Key Accounts clients to which the Group provides electrical engineering services are notably included EDF, Total, SFR, Orange, Airbus or BNP Paribas.

In the areas of HVAC engineering and mechanical engineering services, the Group's clients are, respectively, entities in the tertiary sector, and companies in the manufacturing and infrastructure sector, including, for example, Arcelor-Mittal, Alstom, Airbus Group, BNP Paribas, Lafarge, Michelin, Peugeot and Sanofi. In 2017, the Group worked on the energetic renovation of the Thermes de Luchon, the biggest thermal station of the Pyrénées, allowing the optimisation of all heating and air conditioning of the station.

INFORMATION & COMMUNICATIONS TECHNOLOGY SERVICES

In France, the Group offers services to IT infrastructures and application services relating to communication, collaboration, security, and monitoring and performance analysis of communications and information systems. It also offers transformation and planning services for communication and information systems aiming to support the digitalisation of companies and professions. Following on from these services, the Group proposes technological integration and support services for the operation of communications and information systems *via* its subsidiary SPIE ICS.

The Group operates in a range of sectors such as aeronautics, mass distribution, banking and insurance, health and local authorities and State services. In 2017, the Group acquired S-Cube, a company specialized in the design, integration and maintenance of digital infrastructures, with a specific expertise in solutions desinged for data centers and hyper-convergence.

In June 2017, the LEA NATURE Group, a French producer of bio and natural products, chose to rely on SPIE ICS' expertise to deploy its new cloud email system. Also in 2017, the Group assisted public high schools of the Sarthe in the context of the "Performing High School Plan", initiated by the Conseil Départmental de la Sarthe. This program is destined to modernise the teaching models through a better access to IT. Involved in the program for the past two years due to its expertise in engineering, IT outsourcing and change management, the Group has already transformed 22 schools.

The Group seeks to provide its clients with new services while assisting them in the design, implementation and IT outsourcing of more energy-efficient and environmentally friendly infrastructure.

A part of the ICT services are offered by the Group through a subsidiary other than SPIE ICS; SPIE CityNetworks. These are services that correspond to telecommunications infrastructure such as the installation of mobile telephone hot spots, the roll-out of very high-speed infrastructure, and connecting customers to fiber optic (particularly as part of FTTH ("Fiber to the Home") programmes. The Group also provides maintenance services for major telecommunications operators such as Orange.

In almost all cases, contracts entered into by the Group as integrator contain maintenance activities associated with providing integration services. These agreements are generally entered into for periods of one year with automatic renewal, or for periods of three years. Contracts under which the Group provides managed services have a duration of between three and six years.

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

The Group serves thousands of clients distributed across two categories: Medium-Sized Enterprises (of between 500 and 5,000 users), a market in which the Group is seeking to develop further; and Large Accounts (including large listed companies such as the Airbus Group, ministries and entities such as the French Ministry of Defense and the Employment Division).

6.5.3 GERMANY AND CENTRAL EUROPE

The Group operates primarily in Germany, the Group's second-largest market, relying on SPIE Deutschland & Zentraleuropa ("SPIE DZE" - ex. SPIE Holding GmbH) which offers multi-technical services and integrated facilities and energy management services, as well as a comprehensive range of IP network, voice, video and data and network and building security services. Since the acquisition of SAG in March 2017, the Group is the Germany's leading provider of services and systems to gas, electricity, water and telecommunication networks. In Germany the Group now has approximately 13,000 employees as at 31 December, 2017.

The Group is present in all major German metropolitan industrial regions (Lower Saxony, Hamburg, North Rhine-Westphalia, Rhine-Neckar, Saxony, Stuttgart, Munich, Nuremberg, Berlin etc.).

The Group's clients in Germany represent a wide range of sectors: finance, healthcare, real estate, transportation, semi-conductors, automotive, transmission network and electrical networks operators and include private and public players such as Siemens, Daimler, Lufthansa, MunichRE, Commerzbank, Amprion, 50hertz and several public authorities.

In 2017, the Group significantly expanded its footprint in Germany with the acquisition of SAG (see Section 5.2 of this Registration Document). For the purpose of reinforcing its local presence and increasing the services it offers in Germany, the Group also acquired Lück Verwaltungs GmbH, a specialist in multi-technical services for the tertiary sector, as well as PMS Sicherheitstechnik + Kommunikation GmbH, proposing a complete range of services in the areas of security and communication. In addition, business growth continued, both through the extension or renewal of existing contracts and the signing of new contracts.

In the area of M&E services, in 2017, after a design and assembly period of approximately two years, the Group has delivered a new electrical plant to the Berlin Charity, one of the Europe's greatest university hospital. The new installation provides approximately 55,000 megawatts/hour, which is the equivalent of the annual energy consumption of a medium size town of about 13,000 inhabitants. Electricity, heat and cooling are now produced in a new building located on the hospital site. The system also provides vapor which is used to sterilized chirurgical instruments and operating blocs. The environmental impact of the whole hospital will thus significantly improve. Its CO2 emissions will decrease by approximately 8,800 tons per year, qui is equivalent to the CO2 emissions of about 6,200 vehicles travelling 10,000 km per year.

In the Tech FM services area, in 2017, Lufthansa Technik renewed until 2023 it partnership with the Group, pursuant to which it handles the maintenance of buildings and technical installations on the site of the Hamburg airport, dedicated to the review of Airbus and Boeing large commercial carriers, and to the installation of new engines on said aircrafts. The Group ensures the working condition of the production equipment, hoists, sanitary and air conditioning equipment. The maintenance of heating and ventilation systems is also handled by 160 experts.

Outside Germany, the Group operates mainly in Switzerland where, with the support of roughly 500 employees (as at 31 December, 2017), it offers a wide range of multi-technical services.

The Group is also active in Poland, Hungary, Slovakia and Czech Republic. Following the acquisition of SAG in March 2017, the Group also expanded its presence those areas.

In the financial year ended 31 December, 2017, the Germany & Central Europe segment generated production of €1,891 million, *i.e.* 31% of the Group's consolidated production, and an EBITA of €120 million, *i.e.* 31% of the Group's consolidated EBITA.

6.5.4 NORTH-WESTERN EUROPE

The North-Western Europe segment includes the Group's operations in the Netherlands, the United Kingdom and Belgium.

In the financial year ended 31 December, 2017, the North-Western Europe segment generated production of €1,336.4 million, *i.e.* 22% of the Group's consolidated production, and an EBITA of €54.3 million, *i.e.* 14% of the Group's consolidated EBITA.

6.5.4.1 NETHERLANDS

Through its subsidiary SPIE Nederland, the Group has been active in the Netherlands since 1997 in several phases of design, installation and maintenance in various environments: network systems, energy facilities, bridges, locks, manufacturing sites, buildings and ICT (ICT activities being operated through dedicated subsidiary Infrastructure Services & Project BV). It also offers maintenance consulting services and develops inspection and maintenance software for manufacturing facilities and networks.

As of 31 December, 2017, the Group had nearly 4,198 employees. Its presence has been strengthened in 2017, notably through the acquisition of Ziut BV, which specializes in the installation, management and maintenance of public lighting networks. Still in 2017, the Group also acquired (i) Mer ICT, which offers integrated communication solutions, (ii) Ad Bouman BV and (iii) Alewijnse Retail, both of which are key actors on the Dutch market of multi-technic installation for the distribution sector (those two acquisitions, which follow the acquisition of the Aeftink Group in 2016, grant the Group a leader position on the Dutch distribution market), (iv) Inmeco BV.

The Group is active in the Netherlands for both private and public sector clients, such as KPN, TenneT, Shell, BP, Vopak and Sitech.

In 2017, Holland Malt called on, for the second time, the Group's services for the increase of the capacity of its malt plant in Eemshaven: the Group did the electrotechnic installations of two additional ultramodern towers, allowing the production capacity of the site to be doubled. In 2017, the Group also obtained un contract regarding the renovation of the fire protection systems of the oil stockroom of Oiltanking Amsterdam. For this contract, the Group will have to intervene on a functioning terminal, which means that all the fire protection systems will have to remain operational at all times.

6.5.4.2 UNITED KINGDOM

The Group operates in the United Kingdom *via* its subsidiary SPIE UK which, as at 31 December, 2017, had more than 3,000 employees, offering a range of technical and assistance services covering mechanical and electric design, installation, testing and commissioning, as well as maintenance and long-term facilities management.

The Group's presence in the United Kingdom is primarily due to the acquisition of the companies Matthew Hall in 2007 and El WHS in 2009. The Group has carried out numerous acquisitions in the United Kingdom ever since. The most recent are (i) Trios Group, a British provider of facility and property related technical services, in November 2016, allowing it expand, as well as, (ii) in December 2016, the companies Environmental Engineering Ltd and MSS Clean Technology Ltd, allowing it to enter the food & beverage and life sciences sectors.

The Group's clients in the United Kingdom are both public sector and private sector entities; including Rolls Royce, J.P Morgan, Scottish Power, Lloyd's, Royal Mail Group, Semperian as well as the British Ministry of Defense.

In 2017, the Group undertook the modernisation and renovation work of the Smithhills Hall manor in Bolton, built in the XIV century and classified as a *Grade I* monument. Also in 2017, the Group won an installation contract for new LED lighting systems in the A538 tunnels, leading to the terminals 1 and 2 of the Manchester airport. Still in 2017, the Group won a multi-services contract with NewCold, the international specialist in storage and refrigerated transport, for the extension of its refrigerated warehouse in Wakefield.

6.5.4.3 BELGIUM

The Group operates in Belgium and in Luxembourg through its subsidiary SPIE Belgium, which has approximately 1,700 employees, allowing it to offer a global range of multi-technical services.

Belgium is one of the Group's oldest markets, as it has been active there since 1946. This position has been strengthened in recent years, through several acquisitions. In 2016, the Group has acquired CRIC, a company specialising in maintenance and installation in the HVAC engineering sector, as well as Tevean, which designs, installs and maintains electrical, security and fire protection systems for buildings.

The Group has also traditionally been present in Luxembourg in the HVAC engineering sector (installation and maintenance).

The Group's client portfolio is balanced, and its clients operate in the public as well as the private sectors. The services provided by the Group are focused on high-voltage electricity, low-voltage electricity and ultra-low voltage, instrumentation and pipelines for the manufacturing and infrastructure sectors, and also on multi-technical services for the commercial sector. In the manufacturing sector, the Group is active with major industrial players such as Arcelor Mittal, Dow Chemical, Datwyler, Total, J&J, Solvay, BASF, Exxon, GSK, AKZO, Engie (ex-Electrabel) and financial players, such as ING for maintenance work and engineering projects. The Group is also active through a number of SMEs. In the area of infrastructure, the regions (Brussels, Flanders and Wallonia) and public transport operators (the STIB in Brussels, De Lijn in Flanders and the SNCB nationwide) are the Group's major clients, both for engineering projects and for recurring work.

The services offered by the Group specifically relate to the maintenance of technical facilities in buildings and transportation infrastructure (particularly tunnels and traffic information systems), the installation and maintenance of elevators and the assembly and replacement of electricity and gas meters. In addition, the Group is a major player in the area of HVAC engineering services, and holds a solid engineering position in the hospital and banking sectors and in office building renovations [(1)].

In 2017, the Group finished, for Elia, the administrator for the transport network of high-voltage electricity, the building of two high-voltage centers of 380kV: "Van Maerlant" in Damme and "Gezelle" in Dudzele. Those centers have been built within Elia's Stevin program, which aims to transport the energy produced by off-shore wind farm toward the centre of the country. In 2017, the Group also executed a multi-site energy and maintenance and comfort performance agreement relating to 12 buildings in Wallonia and Bruxelles. In March 2017, the Group initiated, in Louvain, works related to HVAC engineering in the new buildings of Materialise, the world leader of 3D printing.

6.5.4.4 MOROCCO

In December 2017, the Group signed an agreement for the sale of its Moroccan activities to ENGIE. The Group, through its SPIE Maroc subsidiary, which employs more than 1,000 people, was up until then a key player in the Moroccan market of HVAC and electrical engineering, telecommunication and energy transmission infrastructures, as well as multi-services maintenance. This sale was finalised in March 2018.

6.5.5 OIL & GAS AND NUCLEAR

In the financial year ended 31 December, 2017, the Oil & Gas and Nuclear segment generated a production of €492.2 million, *i.e.* 8% of the Group's consolidated production and an EBITA of €48.9 million, *i.e.* 13% of the Group's consolidated EBITA.

6.5.5.1 OIL & GAS

The Group offers a wide range of services in the Oil & Gas sector to assist its clientele, consisting of major players in the oil sector, national oil companies, independent oil companies, manufacturers and engineering companies, particularly in the refining, chemical and petrochemical industries.

The market for Oil & Gas industry covered by the Group is composed of four activity segments:

- production and maintenance, which include the exploitation and maintenance of production facilities for oil companies (workforce and equipment) as well as related training services;

(1) Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.

- new construction project which include engineering, procurement and construction of new on-shore and off-shore production facilities and the related training services;
- repair projects, which include engineering, procurement and construction relating to bringing on-shore and off-shore production facilities up to the industry's standard, as well as related training services;
- support services for exploration and drilling activities (workshop, equipment, etc.).

More specifically, the Group offers a range of products and services for drilling, operations support and well maintenance. The services it offers also include the management and interpretation of geophysical data, geological modelling and reservoir simulation, the provision of equipment and personnel during the phases of exploration, production and field development, including providing and managing pipelines (known as OCTG activities, Oil Country Tubular Goods), performed in Angola through SONAID, as well as setting up machine shops in the proximity of operating sites. SONAID's activity has been particularly affected by the significant reduction of oil exploration developments over the past few years.

The Group's range of services also includes engineering services and delivery of solutions for onshore and offshore facilities during all phases of a project. This specifically includes consulting and auditing, installation and technical support for telecommunications and control systems, and security for production facilities and pipelines.

The Group also offers a wide range of services to support the operation and maintenance of onshore and offshore petroleum facilities. It is active in the commissioning of operating sites, by providing personnel and software to accelerate the development of project documentation and improve management, performance and safety during project execution. The Group also offers maintenance services. The Group's contributions to maintenance may also be combined with support for production operations (commissioning, quality control etc.). Finally, the Group provides dedicated maintenance and repair services for revolving machinery, and treatment solutions for contaminated soil and the cleaning of oil tanks. The Group's services also include pollution clean-up and polluted site rehabilitation.

The Group is developing and providing solutions for skills development, specifically by hiring and training teams on behalf of a number of international oil and/or gas groups. The Group has developed candidate selection processes for a large number of complex projects covering all operating and maintenance activities. The Group has also developed services that include the creation of training centers, specifically intended for oil businesses that, in a number of countries, are experiencing heightened pressure to reduce their dependence on expatriate personnel and increase their use of domestic teams.

In the financial year ended 31 December, 2017, the Group mobilised more than 2,912 individuals to offer services in about 20 countries through subsidiaries and branches in four regions of the world: Europe (France, Belgium and the United Kingdom), Africa (specifically Algeria, Angola, Congo, Gabon, Chad and Nigeria) where the main part of the Group's Oil & Gas production is generated, Asia-Pacific (specifically Australia, Indonesia, Malaysia, Bangladesh, Myanmar, Brunei and Thailand) and the Middle East (specifically the United Arab Emirates, Iraq, Qatar, Yemen, Saudi Arabia and Kuwait) which represents a fourth of its Oil & Gas activities.

Growth in the Group's activities in the Oil & Gas sector is partially due to its historic links to the Total Group, which remains the Group's largest client in this sector. The Group also has solid links with other major players in the petroleum and gas industry, such as Chevron, ENI, ExxonMobil and Shell. Its clients also include independent oil companies, such as Maurel & Prom or Perenco, national oil companies, such as Sonatrach (Algeria), Qatargaz (Qatar) and Sonangol (Angola). Finally, it works through engineering companies, construction companies, service companies, and petrochemical and manufacturing companies.

6.5.5.2 NUCLEAR

The Group is a long-time player in the French nuclear sector, having participated in the construction of the 58 French nuclear reactors. Though its subsidiary SPIE Nucléaire, the Group has assisted nuclear fuel cycle operators for over thirty years, both in France and internationally.

Through the services it offers, the Group contributes to virtually the entire nuclear fuel cycle: from manufacturing to reprocessing-recycling of nuclear fuel, from waste conditioning and storage, to the decommissioning of nuclear facilities.

The Group offers engineering solutions for the entire life-span of facilities, as well as electrical engineering, mechanical engineering and HVAC engineering services. Its offerings cover the following areas of activity: new construction, operating facilities (nuclear plants, plants in the fuel cycle), maintenance, and dismantling.

In new construction, since 2007 the Group has worked with EDF, in the construction of the EPR at the Flamanville site in France, a third-generation nuclear reactor, where it is responsible for general electrical facilities, including studies, procurements, assembly (cable conduits, cable suspension and connection). It also assisted Areva from 2008 to 2013 in building its new facilities in the Rhône valley (such as the Georges Besse II uranium enrichment plant).

The Group is also active in work involving the improvement or reinvestment of operating sites. In this area, the Group was granted by EDF a contract covering the renovation of the radiation protection systems of all the nuclear power plants in France, as part of the Grand Carénage renovation project, the major investment programme deployed by EDF to improve the safety and availability of its nuclear plants with a view to obtaining authorisations to extend the facilities' lifetime beyond 40 years. This programme specifically includes replacing steam generators, monitoring risk of fire, modernising the control center, and addressing the obsolescence of materials. In this business, the Group obtained several contracts and shall in particular replace more than 200 refrigeration units over the next ten years, over the entire French electro nuclear plants.

The Group also contributes to the upgrades required by the French Nuclear Safety Authority (the "**ASN**") following the Fukushima accident, which concern all nuclear operators, and more specifically EDF, operator of the French electronuclear plants. The major civil works related to renovations of the facilities are aimed at ensuring supplies of electrical power to the facilities under extreme conditions, maintaining cooling functions (with the implementation of water reserves), ensuring the integrity of protection barriers (verification of resistance to seismic events) and strengthening facility escape capacity and emergency interventions (construction of local crisis centers and implementation of the nuclear rapid response force).

The Group offers maintenance services for all its clients in all areas of electricity, instrumentation, control center and mechanics. In 2013, the Group accepted the maintenance contract for the manufacturing processes at Areva's Melox plant in France, which expires in 2017, as well as the maintenance contracts for the emergency diesel generators on several EDF sites. In 2015, the Group became a major actor in the mechanical activities, through taking a significant part of activity in tap-maintenance and rotating machine maintenance. Contracts in these activities are multiannual and attributed for five- to seven-year terms. In 2017, the Group acquired Maintenance Mesure Contôle, a company specialized in the conditional maintenance of electronuclear sites, and acting in particular in sonic control, air leaks search, and infra-red thermography on French electronuclear sites.

Moreover, the Group is engaged in activities related to facilities dismantling. Specifically, the Group undertakes studies of dismantling scenarios or safety studies, and provides complete dismantling services. The Group has notably been active at the EDF sites in Bugey and Creys-Malville, as well as at the Areva sites in Pierrelatte, in Tricastin and in La Hague.

The Group also offers engineering services such as the manufacturing and implementation of mechanical units (glove boxes, nuclearisation of manufacturing equipment) and specialised tooling (intervention robots, cutting tools) that satisfy the requirements for intervention scenarios in hostile and/or confined environments.

During the financial year ended 31 December, 2017, the Group mobilised approximately 1,887 individuals, to address the needs of its clients, the largest of which include EDF, Areva and the Atomic Energy and Alternative Energies Commission (*Commissariat à l'Énergie Atomique et aux Énergies Alternatives*). Services to the nuclear industry are thus primarily provided by the Group in France.

6.6 DEPENDENCE FACTORS

Information on the Group's dependence factors appears in Chapter 4, "Risk factors" of this Registration Document.

6.7 LEGISLATIVE AND REGULATORY ENVIRONMENT

6.7.1 MULTI-TECHNICAL SERVICES

6.7.1.1 REGULATIONS RELATING TO PUBLIC PROCUREMENT

In the framework of the multi-technical services the Group offers to public authorities throughout the European Union, it is subject to European and national regulations relating to public procurement.

European regulations on public procurement mainly consist of two directives: Directive 2004/17 of 31 March, 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors, and Directive 2004/18 of 31 March, 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts. These two directives simplify and modernise the preexisting legal framework, in particular by combining the former sector directives. They eliminate all restrictions on the four fundamental economic freedoms of the European Union and protect the interests of economic operators based in one member State and providing goods, services or public works to awarding authorities in another member State. They also guarantee effective competition by, on the one hand, subjecting a large number of entities to competition rules and, on the other hand, improving transparency at each stage of the contracting process. Moreover, they improve the effectiveness of public procurement through the use of electronic measures to transmit information and as a means of procurement. They also facilitate the standardisation of several factors at Community level, specifically technical specifications and the means by which awarding authorities publicise and describe their requirements. Lastly, in certain circumstances, the directives authorise awarding authorities to take into account considerations of an environmental, cultural or social nature when awarding contracts.

These directives were amended by means of two new directives: Directive 2014/24/EU on public procurement, and Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors. The amended directives aim to increase the efficiency of public expenditure, enable purchasers to use public works contracts to support social objectives, and facilitate the access of SMEs to public works contracts. More specifically, they limit turnover requirements imposed by public purchasers on prospective bidders, ease administrative burdens on contractors, and reduce procedural delays. They also expand the recourse of public purchasers to the competitive negotiation process while affording procedural guarantees to economic operators, and further strengthen measures to detect abnormally low bids. Lastly, the amended directives seek to more broadly encourage the development of innovation by creating a new procedure, the "innovation partnership", which will allow purchasers to incorporate, within a single competitive procedure, both the research and development phase and the purchasing phase. The directives were transposed into French law by:

- order 2015-899 of 23 July, 2015 relating to public procurement, which unified the different procedures for open competition existing until then in the French Public Procurement Code, and Order 2005-649 of 6 June, 2005 concerning contracts awarded by certain public or private parties not subject to the Public Procurement Code, such as national public industrial and commercial institutions and public interest groups; and
- decree 2016-360 of 25 March, 2016 implementing the Order of 23 July, relating to public procurement.

The above Order and Decree were supplemented by an Order published in the government gazette on 31 March, 2016 and a series of notices published in the government gazette on 27 March, 2016. These texts came into force on 1 April, 2016 and repealed the French Public Procurement Code.

In France, many of the calls for tenders issued by the State in which the Group takes part are subject to Order 2015-899 of 23 July, 2015 and Decree 2016-360 of 25 March, 2016. These texts, which transpose the amended EU directives into French law, impose proclamatory and competition requirements on awarding authorities, as well as compliance with the principles of free access to public contracts, equal treatment of operators, and procedural transparency.

Article 38 of Law No. 2016-1691 of 9 December, 2016 (known as Sapin 2) empowers the government to establish by decree a new Public Procurement Code, which must come into existence by the end of 2018.

6.7.1.2 REGULATIONS RELATING TO SUBCONTRACTING

The Group enters into works contracts as a subcontractor to economic operators and under public works contracts and private contracts. Moreover, the Group itself makes use of subcontractors when performing its works or services contracts. In these cases, it is subject to the regulations applicable to subcontracting in each country in which it participates, especially in France.

Subcontracting framework in France

Law 75-1334 of 31 December, 1975 on subcontracting defines the general subcontracting regime applicable to public or private contracts. The law specifically sets the conditions for accepting and approving subcontractors, the rights of subcontractors to receive direct payment from the contractor, and subcontractors' guarantee of payment and recourse to legal action.

The use of subcontractors in public procurement is governed by Article 62 of Order 2015-899 of 23 July, 2015, Articles 133–137 of Decree 2016-260 of 25 March, 2016, and the administrative circulars and general administrative terms and conditions applicable to public procurement regarding in particular the conditions and modes of direct payments to subcontractors by contractors and the liability of successful bidders for damages caused by the subcontractor.

French regulations on undeclared work

The Group is subject to regulations on undeclared work, specifically when it uses subcontractors. Articles L. 8222-1, L. 8222-5 and R. 8222-1 of the French Labour Code impose a duty of care on contractors for any contracts with a minimum value of €5,000. Contractors must, on the one hand, ensure that their subcontractors are in compliance with their obligations in terms of social security contributions and, on the other hand, put an immediate end to any illegal situation of which it learns. Failure to make the appropriate checks exposes contractors to joint financial liability under which they may be obliged to settle the social security contributions owed by subcontractors if the latter resorted to undeclared work, over and above applicable civil and criminal penalties.

6.7.1.3 ENVIRONMENTAL REGULATIONS

Electrical waste processing

As part of its multi-technical services and communications activities, the Group is subject to European regulation with regard to the treatment of waste from electrical and electronic equipment.

Directive 2002/96/EC on waste electrical and electronic equipment ("WEEE"), and Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment require producers of electrical and electronic equipment to ensure the removal and treatment of their products at the end of their useful lives. Directive 2002/96/EC was amended by Directive 2012/19/EU, the purpose of which is to collect 20kg of WEEE per inhabitant by the year 2020. From 2016, member states must guarantee that 45% of electrical and electronic equipment sold in each country is collected. Starting in 2018, the scope of application of the directive will go beyond the current categories to cover all electrical and electronic equipment. Starting in 2019, the collection target will increase to 65% of electrical and electronic equipment sold or, according to another calculation method, 85% of WEEE.

In the course of its business, the Group recovers waste from electrical or electronic equipment, bulbs and tubes on a daily basis. It thus partnered with Recylum, a waste recycling firm, to meet the requirements of Decree 2005-829 of 20 July, 2005 on the composition of electrical and electronic equipment and the elimination of waste from such equipment.

The Group has developed a range of WEEE services to assist its customers with processing equipment acquired before 13 August, 2005, including project steering and management, logistics, collection, sorting, diagnostics, selective processing, dismantling, packaging, waste inventory and the recovery of computer data.

6.7.2 OIL & GAS BUSINESS

As part of its Oil & Gas business, the Group operates in certain countries whose governments prioritise the safeguarding of national interests and where regulation is susceptible to rapid and major changes.

MANDATORY USE OF LOCAL PARTNERS

The Group is active in countries in Africa, Asia and the Middle East in which regulations require foreign investors to use local partners. Certain countries where the Group is present, such as the United Arab Emirates, Indonesia and Thailand, require that a local partner hold an equity stake – over 50% in some cases – in firms seeking to operate on their territory. In other countries, such as Angola and Nigeria, an equity stake held by a local partner is not mandatory but may be a prerequisite to taking part in bid tenders issued by local authorities.

MANDATORY USE OF LOCAL WORKERS

Under the laws of certain countries in which the Group is active (such as Gabon or Nigeria), foreign firms may be required to observe a quota of local workers in their workforce. This obligation reduces the number of expatriate workers foreign firms can make use of by requiring them to show proof of a certain number of local employees before they can obtain visas for foreign staff. It also requires them to train the necessary local workers.

FOREIGN EXCHANGE CONTROL

The Group operates in countries with foreign exchange controls that regulate outflows of funds by firms registered locally. One example is Angola whose central bank (National Bank of Angola) is authorised to accept contracts entered into with foreign firms for purposes of transferring funds outside the country.

APPLICABLE LAW

In the course of its Oil & Gas business, the Group is sometimes required to enter into contracts in countries requiring the application of domestic law, particularly in litigation settlements. This is particularly the case in countries, such as Saudi Arabia, Nigeria and Indonesia, where sharia law has been instituted and applies to the Group's contracts.

ENVIRONMENTAL REGULATIONS

Besides its QHSE (Quality, Hygiene, Safety, Environment) policy, the Group is subject to various environmental regulations applicable in countries where it is active, with the oil or gas operator retaining primary responsibility.

6.7.3 NUCLEAR BUSINESS

The services the Group offers in the field of nuclear energy, particularly in France, are subject to very strict regulations due to the risks and constraints inherent to the industry.

NUCLEAR FACILITIES

The order of 7 February, 2012 setting out the general rules relating to core nuclear facilities, as amended by the order of 26 June, 2013 and the decree of 30 December,2015 relating to nuclear pressure equipment, define the obligations of nuclear operators to guarantee the safety of facilities and provide protection for health and the environment around the sites.

Specifically, operators must have sufficient technical capacity, either internally or *via* third parties, to ensure the design, construction, functioning, permanent shutdown, dismantling, maintenance and oversight of base nuclear facilities. In this regard, it exercises oversight over outside participants, including the Group, in activities they execute or the goods and services they provide.

Furthermore, operators must implement a policy and an integrated management system aimed at protecting health, sanitation, nature and the environment. They must identify the necessary protective measures and operations, the latter of which can only be undertaken by persons with the proper skills and qualifications. Operators must thus ensure that outside participants, such as the Group, put similar measures in place for their staff and their subcontractors. Lastly, operators and their subcontractors, such as the Group, must take measures to detect defects, report any significant event to the French Nuclear Safety Authority, and implement protection to prevent and control any accidents.

RADIATION PROTECTION

The system for protecting individuals from exposure to ionising radiation, which applies to Group employees working at nuclear facilities, falls under European Directive 96/29/EURATOM of 13 May, 1996 whose provisions were transposed to the French Public Health Code and Labour Code. The decree n°2016-128 of 10 February, 2016 relating to various provisions on nuclear issues, takes into account the new Euratom directive 2013/59 which will be incorporated within French law prior to 6 February 2018.

Articles L. 1333-1 to L. 1333-20 and R. 1333-1 to R. 1333-112 of the Public Health Code set out the regulations for the general protection of the population against ionising radiation. All nuclear activities are thus subject to reporting or authorisation regulations. Article R. 1333-8 of the French Public Health Code sets the maximum public exposure level at one milliSievert (unit of measurement of radioactivity, or mSv) per year.

Articles L. 4451-1 *et seq*. and R. 4451-1 *et seq*. of the French Labour Code set out the procedures for worker protection against ionising radiation. Other than imposing various obligations on firms with employees who may be exposed, such as demarcating controlled and restricted areas, monitoring emitters of radiation and setting up collective and individual protective measures, the French Labour Code sets the maximum exposures of workers to ionising radiation, and notably the one at 20 mSv per 12 consecutive months for the efficient dose [(1)].

As such, the Group is required to have a management team certified by CEFRI (the body tasked with certifying firms operating in the nuclear industry with staff exposed to ionising radiation) and an employee who has been deemed competent in matters of radiation protection. It is also required to implement preparation methods to prevent or restrict radiation to which workers are exposed, as well as a process of detecting, analysing and treating violations.

FRENCH NUCLEAR SAFETY AUTHORITY (ASN)

As a contractor working directly in the nuclear sector, and as a provider to customers operating in this sector, the Group is subject to the decisions of the ASN, an independent administrative authority responsible for monitoring civil nuclear activities in France. It, on behalf of the State, monitors nuclear safety and radiation protection in France to protect workers, patients, the public and the environment from risks related to nuclear activities. For all activities carried out at base nuclear facilities, the ASN also conducts plant inspections. These audits and inspections, to which the Group is subject, may uncover breaches or lead to instructions aimed at improving or enhancing services on the basis of which the Group would have to respond and propose an action plan. Moreover, the Group is required to report to the ASN its own incidents with regard to safety, radiation protection and the environment.

The ASN plays an important role in drawing up regulations applicable to the nuclear industry; it is consulted on draft decrees and ministerial orders of a regulatory nature relating to nuclear safety, and may make technical regulatory decisions to supplement the mode of enforcement of decrees and orders issued in matters of nuclear safety or radiation protection. The ASN may also hand down individual decisions and impose instructions under the conditions set out by Articles L. 592-1 *et seq*. and Articles L. 592-19 *et seq*. of the French Environmental Code.

PROTECTION OF OFFICIAL SECRETS

The Decree of 30 November, 2011 (as amended by the decrees 2016-308, 2016-1337 and 2014-445) approving Interministerial General Directive 1300 (IGI 1300) aims to strengthen legal certainty relating to the protection of official secrets and describes its general structure. The Decree applies to the facilities of some of the Group's major customers (notably EDF, the CEA and Areva).

Under the Decree and its Directive, the Group must obtain, for legal persons working on these facilities, the appropriate clearance from the relevant national defence authorities according to the level of secrecy (either the *Secrétariat général de la défense et de la sécurité nationale*, the *Haut fonctionnaire de défense et de sécurité,* the *Autorités de sécurité déléguées*, or the *préfet*). The Group must also obtain clearance from the same authorities for all its employees working on these facilities and/or handling documents or information relating to them.

6.7.4 WORKPLACE HEALTH AND SAFETY REGULATIONS

In most countries in which it is active, the Group is legally required to ensure the safety and protect the health of its employees. The French Labour Code in particular requires employers to ensure the safety and protection of their workers' physical and mental health. Employers must adopt the necessary measures to prevent occupational risks, assess company-specific risks, and inform and train their employees with regard to these risks.

(1) The efficient dose is the mesurement, in sievert, of the impact of the exposure of whole or part of the body to various types of ionosing radiation, notably from a radioactive source, which takes into account the affected tissues sensitivity and the nature of the radiation.

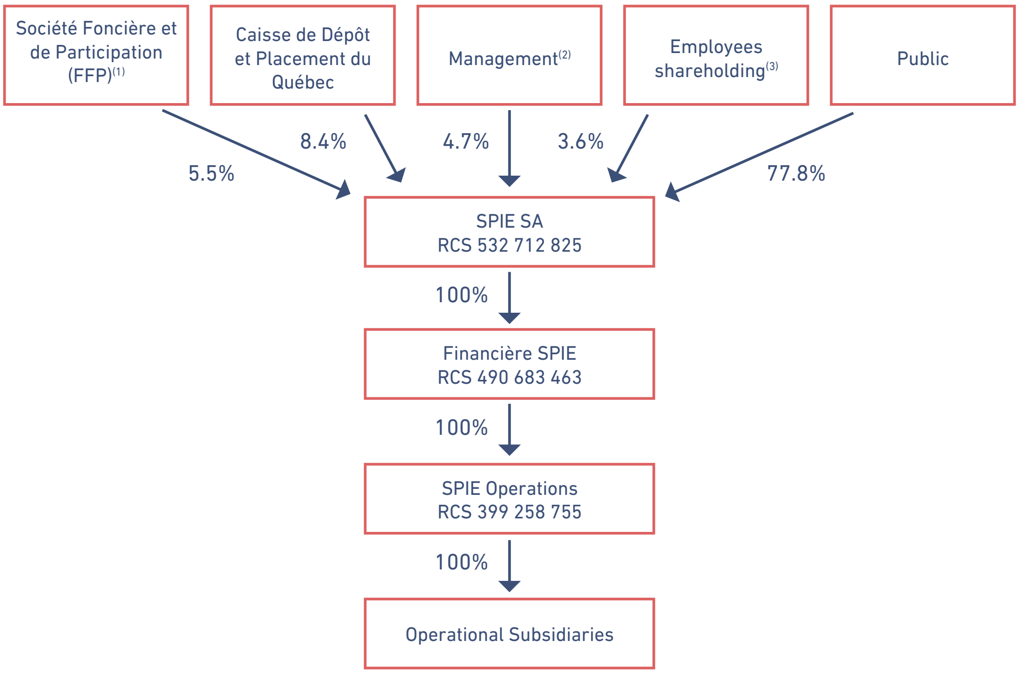
07

GROUP STRUCTURE

7.1 LEGAL STRUCTURE

7.1.1 SIMPLIFIED ORGANISATION CHART OF THE GROUP AT 31 DECEMBER, 2017

Percentages indicated in the organisation chart below represent holdings in terms of share capital and voting rights of the Company as at 31 December, 2017:



(1) *Listed company mainly held by the family Group Peugeot.*

(2) *Former and current Group executives and managers.*

(3) *Shares held by Group employees, either directly through the FCPE SPIE Actionnariat 2011/2015.*

7.2 SUBSIDIARIES AND EQUITY ASSOCIATES

7.2.1 MAIN SUBSIDIARIES AT 31 DECEMBER, 2017

The main direct or indirect subsidiaries of the Company are as follows:

- SPIE France is a French SAS with a capital of €40,000, registered at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise under company no. 823 461 611 in the Pontoise Trade and Companies Registry. It is the Group's holding company for its French business;
- SPIE Ouest-Centre is a French SAS (*Société par actions simplifiée* ≈ simplified company with shares) with a capital of €19,108,000, registered at 7, rue Julius-et-Ethel-Rosenberg, 44818 Saint-Herblain under company no. 440 056 356 in the Nantes Trade and Companies Registry. It is the Group's holding company for its multi-technical services in western and central France;
- SPIE Sud-Ouest is a French SAS with a capital of €30,868,000, registered at 70, chemin de Payssat, Zone industrielle de Montaudran, 31400 Toulouse under company no. 440 056 463 in the Toulouse Trade and Companies Registry. It is the Group's holding company for its multi-technical services in SW France;
- SPIE Ile-de-France Nord-Ouest is a French SAS with a capital of €25,192,000, registered at 1-3, place de la Berline, 93287 Saint Denis under company no. 440 056 182 in the Bobigny Trade and Companies Registry. It is the Group's holding company for its multi-technical services in Île-de-France and NW France;
- SPIE Est is a French SAS with a capital of €16,392,000, registered at 2, route de Lingolsheim, BP 70330 Geispolsheim Gare, 67411 Illkirch under company no. 440 056 026 in the Strasbourg Trade and Companies Registry. It is the Group's holding company for its multi-technical services in eastern France;
- SPIE Sud-Est is a French SAS with a capital of €20,115,904, registered at 4, avenue Jean-Jaurès BP19, 69320 Feyzin under company no. 440 055 861 in the Lyon Trade and Companies Registry. It is the Group's holding company for its multi-technical services in SE France;
- SPIE Nucléaire is a French SAS with a capital of €1,458,976, registered at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise under company no. 662 049 287 in the Pontoise Trade and Companies Registry. It is the Group's holding company for its nuclear industry business;
- SPIE ICS is a French SAS with a capital of €16,240,000, registered at 53, boulevard de Stalingrad, 92247 Malakoff under company no. 319 060 075 with the Nanterre Trade and Companies Registry. It is the Group's holding company for its communications business;
- SPIE Oil and Gas Services is a French SAS with a capital of €14,426,000, registered at 10, avenue de l'Entreprise, 95863 Cergy-Pontoise under company no. 709 900 245 in the Pontoise Trade and Companies Registry. It is the Group's holding company for its oil and gas business;
- SPIE Belgium is a Belgian *société anonyme* (limited company) with a capital of €15,100,000, registered at Rue des Deux Gares 150, 1070 Brussels, Belgium under company no. 1139014-73. It is the Group's holding company for its multi-technical services in Belgium;
- SPIE Nederland BV is a Dutch *Besloten Vennootschap* (limited company) with a capital of €57,450,000, registered at Huifakkerstraat 15, 4815 PN Breda, Netherlands under company no. NL 804695234B16. It is the Group's holding company for its multi-technical services in the Netherlands;
- SPIE UK Limited is a British limited company with a capital of £50,000,002, registered at 33 Gracechurch Street, London EC3V 0BT, United Kingdom, under company number 07201157. It is the Group's holding company for its multi-technical services and nuclear business in the UK;
- SPIE Deutschland & Zentraleuropa is a German *Gesellschaft mit beschränkter Haftung* (limited company) with a capital of €10,000,000 registered at Balcke-Dürr-Allee 7, 40882 Ratingen, Germany under company no. HRB 80683. It is the Group's holding company for its multi-technical services in Germany;
- SPIE Schweiz AG is a Swiss *Aktiengesellschaft* (limited company) with a capital of CHF 1,000,000 registered at Industriestrasse 50a, 8304 Wallisellen, Switzerland under company no. CHE443.369.585. It is the Group's holding company for its multi-technical services in Switzerland.

Note 27 to the consolidated financial statements for the year ended 31 December, 2017, as they appear in Section 20.1.1 of this Registration Document, details all the entities within the Group's scope of consolidation.

7.2.2 RECENT ACQUISITIONS AND DISPOSALS

The Group's recent acquisitions and disposals are described in Section 5.2 of this Registration Document.

08

TANGIBLE FIXED ASSETS

8.1 MAJOR EXISTING OR PLANNED TANGIBLE FIXED ASSETS

Most of the Group's premises are offices and warehouses. The Group's policy on property assets is to lease rather than acquire them, preferably under commercial leases. As a result, the Group leases its registered office in Cergy-Pontoise.

During the year ended 31 December, 2017, the Group paid €81.3 million for leases, and €23.6 million for maintenance of its property assets. Most of these expenditures related to leases that expire in more than one year. At 31 December, 2017, the balance sheet value of the Group's land and buildings was €54.6 million. The Group reckons that these property assets are sufficient to cover its current needs and that additional suitable space could be found if needed.

Generally, the Group's businesses do not require significant equipment investments; its primary needs for equipment and supplies include vehicles and machinery and the leasing of light equipment.

In France, where the Group has its main fleet of vehicles and trucks, all related costs represented 1.2% of consolidated production for the year ended 31 December, 2017. Light vehicles are leased for three to four years and trucks for an average of eight years.

The Group also incurs expenses to lease light equipment which are generally considered to be variable expenses related to service contracts. For the year ended 31 December, 2017, these expenses represented approximately 1.3% of consolidated production.

8.2 ENVIRONMENTAL FACTORS THAT COULD INFLUENCE THE USE OF TANGIBLE FIXED ASSETS

The majority of the Group's premises are offices and warehouses for materials and equipment. Certain premises however have workshops for maintaining mechanical equipment and preparing equipment before installing it on customer premises. Most of the activities on the Group's premises are therefore unlikely to have a significant environmental impact (pollution).

At 31 December, 2017, 8 of these premises in France included classified facilities for the protection of the environment (ICPE) under French regulations. Depending on the type and magnitude of the activities at these classified facilities, the operating Company must either lodge a statement, register or apply for a permit with the local authorities (particularly the prefecture). 6 of the Group's premises in France with classified facilities only needed to lodge a statement; only the subsidiaries Gemco and ATMN operate classified facilities that require a permit.

Many Group entities have put environmental management systems and workplace health and safety management systems in place. At 31 December, 2017, 75% of the Group's staff was employed by subsidiaries certified under an international environmental standard (ISO 14001) and 84% by subsidiaries certified under an international workplace health and safety standard (OHSAS 18001, ILO OSH 2001 or VCA in the Benelux region). The Group has set up a wide QHSE (Quality, Health, Safety, Environment) network of employees assigned to manage quality, health, safety and environmental matters covering the entire Group and led by a team dedicated to sustainable development located at its registered office in Cergy-Pontoise. To date, no certification of environment or workplace health and safety management systems has been lost or refused by the auditors of the corresponding certification agencies.

Because of the nature of the Group's activities, environmental regulatory compliance primarily impacts waste management and the storage of hazardous products such as solvents and chemicals (see Section 6.7 of this Registration Document).

The version of the Company's Corporate Social Responsibility (CSR) report as set out by Article R.225-105-1 of the French Commercial Code (prior to the changes imposed by Decree no. 2017-1265 of August 9th, 2017, which introduces additional environmental information) appears in Appendix 2 of this Registration Document.

09

GROUP FINANCIAL POSITION AND RESULTS

Readers should read the following information on the Group's financial results for the years ended 31 December, 2017 and 31 December, 2016 in conjunction with its consolidated financial statements for the year ended 31 December, 2017 as they appear in Section 20.1 of this Registration Document.

The Group's consolidated financial statements for the year ended 31 December, 2017 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. In accordance with IFRS 5, the audited consolidated financial statements for the year ended 31 December, 2017 contain comparative information restated for the year ended 31 December, 2016. The Statutory Auditors' report on the Group's consolidated financial statements appears in Section 20.1.2 of this Registration Document.

In accordance with Article 28–1 of Commission regulation (EC) No. 809/2004, the comparison of the Group's results for the years ended 31 December, 2016 and 2015, presented in Chapter 9 "Examination of the financial situation and result" of the 2016 Registration Document, is included by way of reference in this Registration Document.

9.1 OVERVIEW

9.1.1 INTRODUCTION

The Group is the leading independent European provider of multi-technical services in electrical, mechanical and HVAC engineering and communication systems as well as specialised energy-related services [1]. It helps its customers design, build, operate and maintain facilities that are energy-efficient and environmentally friendly.

The Group reports its operations according to the following *segments*:

- **France**, which comprises the Group's multi-technical and communication services in France and represented 39% of consolidated production and 39% of consolidated EBITA for the year ended 31 December, 2017;
- **Germany & Central Europe**, which comprises the Group's multi-technical services in Germany, Poland, Hungary and Switzerland and represented 31% of consolidated production and 31% of consolidated EBITA for the year ended 31 December, 2017;
- **North-Western Europe**, which comprises the Group's multi-technical services in the UK, Belgium and the Netherlands, along with Morocco, and represented 22% of consolidated production and 14% of consolidated EBITA for the year ended 31 December, 2017; and
- **Oil & Gas and Nuclear**, which comprises the Group's operations in the Oil & Gas sectors worldwide and the nuclear sector in France and represented 8% of consolidated production and 13% of consolidated EBITA for the year ended 31 December, 2017.

For the year ended 31 December, 2017, the Group posted consolidated production of €6,126.9 million and consolidated EBITA of €388.0 million.

The year ended 31 December, 2017 was marked by the inclusion in the Group's scope of consolidation in April 2017 of the SAG Group, a leading German provider of services and systems for electricity, gas, water and telecommunications networks. The SAG Group had consolidated revenue of €1,325 million for the year ended 31 December, 2016.

9.1.2 MAIN FACTORS HAVING AN IMPACT ON RESULTS

Certain key factors and past events and operations have had, or may continue to have, an impact on the Group's business and operating results. The main factors having an impact on the Group's results are (i) general economic conditions in the Group's markets, (ii) acquisitions, disposals and changes in perimeter (iii) the Group's cost structure, (iv) purchases of furniture and equipment, (v) the management of the contract portfolio, (vi) the seasonality of working capital and cash requirements, and (vii) exchange rate fluctuations. A more detailed description of each of these factors is provided below.

9.1.2.1 GENERAL ECONOMIC CONDITIONS IN THE GROUP'S MARKETS

Demand for services depends on economic conditions such as GDP growth in the countries in which the Group operates. In periods of strong GDP growth, the Group's business is driven by industrial investments and construction projects in the public and tertiary sectors. In periods of very slow growth or recession, the design and construction business loses revenue because of lower capital expenditure by the Group's customers due primarily to falling demand from public entities and firms in the industrial and energy sectors. As a result, over the last three years, mostly with respect to multi-technical services, the Group has faced falling demand for installation services from steel producers and carmakers in particular as well as their supply chains. In addition, heavier competition among suppliers

(1) *Company's estimates based on its 2017 production and the revenue published by the Group's main competitors for the financial year ended 31 December, 2017.*

during these periods affects the Group's results (*e.g.* pressure to renegotiate pricing terms when contracts are up for renewal, or heavy pressure to lower prices when bidding for contracts). Although customers reduce their capital expenditure in times of recession, demand for maintenance services is not affected and maintains a predictable revenue stream (for the year ended 31 December, 2017, maintenance services represented 30% of the Group's consolidated production compared to 33% for 2016).

9.1.2.2 ACQUISITIONS, DISPOSALS AND CHANGES IN SCOPE

91.2.2.1 Acquisitions

In recent years, external growth has contributed significantly to the overall growth of the Group's business; the Group intends to pursue its acquisition strategy in order to broaden its market presence, expand its range of services and increase its service capacity.

In line with its strategy, when opportunities arise, the Group makes medium-sized acquisitions so as to establish a foothold in countries where it is not already present or has a limited presence. In addition, it may make more structuring acquisitions in order to strengthen its international presence or expand its service offering.

In the last two years, the Group has made numerous acquisitions.

In 2017, the Group signed or completed 11 acquisitions, for a total acquired production of approximately €321 million. For example, the Group acquired Lück Verwaltungs GmbH in Germany, a specialist in multi-technical services for the tertiary sector that generated revenue of around €130 million in 2016, and Ziut BV, a Dutch specialist in the installation, management and maintenance of public lighting networks with revenue of approximately €114 million in 2016. In January, the Group acquired S-Cube, a company specialising in the design, integration and maintenance of digital infrastructures, with particular expertise in *data centre* solutions and hyper-convergence, which in 2016 generated revenue of approximately €47 million, allowing SPIE ICS France to extend its service offering in *data centre* solutions and creating significant business opportunities. Finally, during the fiscal year ended December 31, 2017, the Group also acquired several entities of a smaller size which generated revenue comprised between 1 and 6 million euros in 2016.

In 2016, the Group agreed or completed 10 acquisitions representing a total acquired production of approximately €263 million. As an example, in May, the Group acquired RDI, a French Group with revenue of about €36 million in 2015, thereby improving its expertise and skills in managed services and integration of IT infrastructure, application services and the cloud. In July, the Group concluded two agreements to acquire (i) several entities of the COMNET Group specialising in the supply of services and solutions in the IT sector with revenue of about €30 million in 2015, and (ii) GfT Gesellschaft für Elektro- und Sicherheitstechnik mbH, a firm providing services in security engineering, fibre optics, data technology and electrical engineering with revenue of about €17 million in 2015. In September, the Group acquired the AGIS Fire & Security Group, a specialist in fire protection, security and solutions in matters of buildings technology, present mainly in Poland and Hungary, with revenue of about €28 million in 2015. With this acquisition the Group strengthened its foothold in Central Europe. In October, the Group acquired Alewijnse Technisch Beheer, thereby strengthening its position in the industrial segment in the central region of the Netherlands. Alewijnse Technisch Beheer had revenue of around €33 million in 2015. In November, the Group acquired two firms in the UK: TriosGroup, a leading provider of services related to installations and property with revenue of more than £60 million in 2015, and Environmental Engineering Ltd, which specialises in air-conditioning, ventilation and heating services, and electrical and mechanical engineering in the agri-food sector which generated a revenue of approximately £19 million in 2015. With these acquisitions, the Group enhanced its range of Technical Facility Management services in Britain and its position in the food processing and pharmaceutical industries while strengthening its presence and density in the UK.

9.1.2.2.2 Disposals of the period

In recent years, the Group has sold various subsidiaries, either because they were not related to the Group's core business or because they were located in countries in which the Group does not intend to expand.

In 2016, the Group finalised the sale of its subsidiary TECNOSPIE SA in Portugal.

9.1.2.2.3 Changes in perimeter

More generally, the Group's results may be impacted by changes in the scope of consolidation, such as a significant acquisition (see above for the entry of the SAG Group into the scope of consolidation in April 2017) or a change in consolidation methods of a particular company. In 2016, for instance, the consolidation method of SONAID in Angola (OCTG activities) was changed from full consolidation method to equity method due to the loss of decision making-control in the Company by the Group in the first half of 2016 (see Note 7.1 to the consolidated accounts for the year ended 31 December, 2017 as attached to Section 20.1.1 of this Registration Document).

9.1.2.3 COST STRUCTURE

The Group continuously works to reduce the percentage of its fixed costs by putting initiatives in place to improve its cost structure, particularly by outsourcing certain services to subcontractors, using fixed-term contracts and temporary work, and permanently adjusting its staff. These initiatives have allowed the Group to maintain its margins during periods of recession. Variable costs form the majority of the Group's operating expenses (particularly the cost of supplies and equipment used in projects and as part of subcontracting). For the year ended 31 December, 2017, personnel expenses represented 37% of the Group's cost structure, purchasing costs represented 22%, subcontracting expenses represented 23%, and temporary work costs represented 4%. In total, variable costs represented approximately 49% and fixed costs approximately 51% of the Group's cost structure.

9.1.2.4 PURCHASES OF SUPPLIES AND EQUIPMENT

The Group purchases supplies and other specific equipment in order to provide services to its customers. The cost of these purchases, which are booked as operating expenses, fluctuates as a function of changes in the Group's business. During periods of strong economic growth, these expenses represent a larger percentage of total costs because installation services, which require the purchase of more supplies and equipment, represent a larger share of the Group's total sales. In periods of economic slowdown, while maintenance services generate more revenue than installation services, these expenses are lower as maintenance services require more limited use of supplies and equipment. Purchases consumed represented 15% of total operating expenses on the income statement for the year ended 31 December, 2017 and 17% of total operating expenses on the income statement for the year ended 31 December, 2016.

9.1.2.5 MANAGEMENT OF THE CONTRACT PORTFOLIO

The Group's business model is based on stable revenue flows from a large number of small projects over several markets. As a result, the Group's production in general is not subject to strong fluctuations from one period to another. However, changes in the markets in which the Group's main customers operate may have an impact on the demand for services and, as a result, on the Group's earnings.

9.1.2.6 SEASONALITY OF WORKING CAPITAL REQUIREMENT AND CASH FLOW

The Group's working capital requirement is seasonal yet negative as a result of the structure of its customer contracts and the Group's dynamic policy for invoicing and collecting receivables. Generally, the Group's cash flow is negative in the first half of the year because of the seasonality of the Group's business (which is generally lower in the first half) and because of the payment cycle for certain personnel expenses and social security contributions.

In contrast, cash flow is generally positive in the second half of the year because business is brisker, which implies higher billing and receipts.

9.1.2.7 FOREIGN EXCHANGE FLUCTUATIONS

The Group's consolidated financial statements are presented in euros. However, in each of the countries in which it operates, the Group generally makes sales and incurs expenses in local currency. These transactions must be translated into euros during the preparation of the financial statements. In the income statement, this translation is made using the average of the exchange rates applicable at the end of the month for each period in question. On the statement of financial position, this translation is made using the exchange rates applicable at the closing date of the statements. Even though the Group has relatively low exposure to the risk of transactions executed in local currency, exchange rate fluctuations can have an impact of the value in euros of the Group's production, expenses and results (see Section 4.4.3 of this Registration Document).

The vast majority of the Group's sales and expenses in currencies other than the euro are in pound sterling, swizz francs or US dollars. For the year ended 31 December, 2017, 14.6% of the Group's production was recorded in currencies other than the euro, of which 6.6% in pound sterling and 2.4% in Swiss Francs.

9.1.2.8 CHANGES IN OIL PRICE

In its Oil & Gas business, the Group is exposed to fluctuations in the oil price which affect the amount of business it conducts with its customers, especially its OCTG business in Angola through SONAID. In 2017, the contribution of OCTG activities to the Group's production stood at €7.8 million (compared to €14.3 million in 2016), a sharp decline from the previous year due to the persistently low price of oil. This drop mainly affected the OCTG business and, to a lesser extent, the technical assistance activities through cuts in operating expenditure and lower investment, particularly in the drilling and geosciences sector. Its impact was more limited on maintenance activities for operations.

9.1.3 MAIN ITEMS IN THE INCOME STATEMENT

The main items in the income statement, part of the Group's consolidated financial statements used by the Group's management to analyse its consolidated financial results, are described below:

Revenue from ordinary activities represents the amount of work performed during the period in question. It is recognised as soon as it can be reliably estimated. The revenue from a transaction can be reliably estimated when the amount of revenue from ordinary activities can be reliably valued, when it is probable that the related economic benefits will go to the Company, when the progress of the transaction at the closing date can be valued reliably, and when the costs incurred to carry out and complete the transaction can be reliably valued (see Note 3.4 to the consolidated financial statements for the year ended 31 December, 2017 in Section 20.1.1 of this Registration Document).

Operating expenses consist of purchases consumed, external expenses, personnel expenses, income and other taxes, net amortisation, depreciation and provisions, and other operating income and expenses.

Consolidated operating income consists of operating revenue minus operating expenses incurred for the Company's business. It also includes other revenue and expenses, including the cost of external growth.

Net financial expenses consists of interest income and expenses, cash equivalents and the net expenses and net income from sale of marketable securities.

Earnings before tax is equal to operating income plus the share of profit or loss of entities accounted for using the equity method plus financial income and minus financial expenses.

Income tax is the tax liability for the year consisting of corporate tax payable or deferred, value-added tax for French companies, provisions and provisions renewal for taxes.

The Group records *deferred tax* on the timing differences between the book value and tax base of assets and liabilities and on tax losses when collection is probable. Deferred taxes are not discounted.

Net income is earnings before tax minus income tax and plus or minus net income from discontinued operations or assets held for sale.

9.1.4 KEY PERFORMANCE INDICATORS

The Group uses production, EBITA and the cash conversion ratio as its key performance indicators.

Production, as presented in internal reporting, represents the operating activity of the Group's companies, including notably proportionally the share of subsidiaries with noncontrolling interests or consolidated using the equity method.

EBITA represents the operating activity performed by the Group's entities, notably including proportionally subsidiaries with minority Shareholders or consolidated using the equity method. EBITA is not a standard accounting measure with a single generally accepted definition. It is not a substitute for operating income, net income, cash flow from operating activities or even a measure of liquidity. Other issuers may calculate EBITA in a different manner from the Group.

The cash conversion ratio for a financial year is the ratio of cash flow from operating activities in the year to EBITA in the same year. Cash flow from operations in a financial year is the sum of EBITA, amortisation expenses, change in working capital requirement, and provisions related to income and expenses included in EBITA, minus investment flows (excluding acquisitions) for the year (see Section 9.1.4 of the present Registration Document).

Performance indicators	**2017**	**2016 Restated (1)**
Production *(in millions of euros)*	6,126.9	4,941.4
EBITA *(in millions of euros)*	388.0	341.9
Cash *conversion ratio*	102%	122%

(1) Restatements in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (see Note 11 to the Appendix to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

RECONCILIATION OF PRODUCTION AND REVENUE FROM ORDINARY ACTIVITIES

In millions of euros	**2017**	**2016 Restated (1)**
Production	**6,126.9**	**4,941.4**
SONAID (2)	(7.8)	(14.3)
Holding activities (3)	17.8	23.0
Others (4)	(8.9)	2.2
REVENUE	**6,128.0**	**4,952.3**

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 11 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

(2) SONAID is accounted for using the equity method in the consolidated accounts and proportionally (55%) in the Production.

(3) Non-Group revenue from SPIE Operations and other nonoperating entities.

(4) Reinvoicing for services performed by Group entities to nonmanaged joint ventures; reinvoicing outside the Group not included in operating activities (essentially reinvoicing of expenses for account); restatement of revenue from entities accounted for using the equity method or recently acquired and not yet consolidated.

RECONCILIATION OF EBITA AND CONSOLIDATED OPERATING INCOME AFTER THE SHARE OF NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

In millions of euros	**2017**	**2016 Restated (1)**
EBITA	**388.0**	**341.9**
Amortisation of allocated goodwills (2)	(59.8)	(30.9)
Restructurings (3)	(44.5)	(17.2)
Financial commissions	(1.6)	(1.8)
SONAID	(1.6)	0.1
Others (4)	(16.9)	2.3
GROUP OPERATING INCOME AFTER THE SHARE OF NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**263.6**	**294.4**

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 11 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

(2) For the year ended 31 December 2017, the amount of the "amortisation of allocated goodwills" includes €41.1 million relating to SAG.

(3) Costs related to restructurings include the following:

For the financial year ended 31 December, 2016:

a. restructuring costs in France for €8.5 million;

b. restructuring costs in the United Kingdom for €5.5 million;

c. restructuring costs in Switzerland for €2.4 million.

For the financial year ended 31 December, 2017:

a. restructuring costs for France for €13.3 million;

b. integration costs for SAG for €16.2 million;

c. restructuring costs for Oil & Gas for €13.5 million.

(4) Other non-recurring items correspond mostly to:

For the financial year ended 31 December, 2016:

a. the technical capital gain recorded subsequent to the change of consolidation of SONAID pursuant to IFRS 11 (€5.3 million);

b. the release of an unused provision relating to an earn out (€2.5 million);

c. costs related to external growth projects (€2.4 million);

d. expense relating to the free performance shares plan pursuant to IFRS 2 (€2.0 million).

For the financial year ended 31 December, 2017:

a. expenses relating to external growth project (in particular in relation to SAG) for €8.9 million;

b. expense relating to the free performance shares plan pursuant to IFRS 2 (€5.1 million).

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO THE GROUP, NET INCOME ATTRIBUTABLE TO THE GROUP AND EBITA

In order to set the level of dividends it intends to distribute for a given financial year, the Group calculates an adjusted net income attributable to the Group, in order to neutralise the non-recurring items. As regards the financial year ended 31 December, 2017, the net income attributable to the Group has therefore been adjusted by the following items:

The adjusted net income for 2017 excludes the following items:

- the amortization of affected goodwills, as it is an expense without any cash impact;
- the exceptional items; and
- the impact on the effective tax rate of deferred tax income exceptional changes is linked to (i) a 28% to 25% reduction in the corporate tax rate for all French companies between 2020 and 2022 planned by the 2018 tax law and (ii) the deactivation of loss carry-overs pertaining to perimeter changes which occurred in 2017 as well as the counter-performance recorded for the United Kingdom over 2017.

In millions of euros	**2017**
EBITA	**388.0**
Cost of net financial debt	(57.7)
Other financial income and expenses	(18.1)
Normative tax	(98.8)
SONAID	(1.1)
Adjusted Net income attributable to the Group	**212.3**
Amortisation of allocated goodwill (1)	(59.8)
Restructuring (2)	(44.5)
Financial commissions	(1.6)
SONAID	(1.6)
Others (3)	(16.9)
Normative tax	26.5
Income from activities being sold	(4.0)
NET INCOME ATTRIBUTABLE TO THE GROUP	**110.4**

(1) For the year ended 31 December 2017, the amount of the "amortisation of allocated goodwills" includes €41.1 million relating to SAG.

(2) Costs related to restructurings include the following:

For the financial year ended 31 December, 2016:

- *a. restructuring costs in France for €8.5 million;*
- *b. restructuring costs in the United Kingdom for €5.5 million;*
- *c. restructuring costs in Switzerland for €2.4 million.*

For the financial year ended 31 December, 2017:

- *a. restructuring costs for France for €13.3 million;*
- *b. integration costs for SAG for €16.2 million;*
- *c. restructuring costs for Oil & Gas for €13.5 million.*

(3) Other non-recurring items correspond mostly to:

For the financial year ended 31 December, 2016:

- *a. the technical capital gain recorded subsequent to the change of consolidation of SONAID pursuant to IFRS 11 (€5.3 million);*
- *b. the release of an unused provision relating to an earn out (€2.5 million);*
- *c. costs related to external growth projects (€2.4 million);*
- *d. expense relating to the free performance shares plan pursuant to IFRS 2 (€2.0 million).*

For the financial year ended 31 December, 2017:

- *a. expenses relating to external growth project (in particular in relation to SAG) for €8.9 million;*
- *b. expense relating to the free performance shares plan pursuant to IFRS 2 (€5.1 million).*

RECONCILIATION OF OPERATING CASH FLOW AND NET CASH FROM OPERATING ACTIVITIES (IFRS)

In millions of euros	2017
Operating Cash-Flow	**394.6**
Income tax paid	(62.4)
Purchase of tangible and intangible assets, net of disposals	36.1
Cash impact of items (1) reconciling EBITA to operating income	(70.9)
NET CASH FLOW FROM OPERATING ACTIVITIES (IFRS)	**297.4**

(1) The cash impact of the items of the bridge EBITA/Operating income includes the following items:

- *restructuration costs for €32.1 million mainly relating to restructuring costs in France for €10.3 million, Oil & Gas for €10.6 million and SAG integration for €5.4 million;*
- *cash flow impact of discontinued activities for €22.9 million;*
- *financial fees for €1.6 million, acquisition costs for €8.9 million and other items for the remainder.*

RECONCILIATION OF OPERATING CASH FLOWS AND FREE CASH FLOWS

In millions of euros	2017
Operating Cash-Flow	**394.6**
Income tax paid	(62.4)
Net interest paid	(47.5)
Other (1)	(57.8)
FREE CASH-FLOW	**234.4**

(1) Includes the cash impact of restructing costs, discontinued activities.

9.1.5 ORGANIC GROWTH

Chapter 9 of this Registration Document presents changes in the Group's production in terms of organic growth.

Organic growth represents the production completed during the twelve months of year N by all the companies consolidated by the Group for the year financial ended 31 December, of year N-1 (excluding any contribution from any companies acquired during year N) compared with the production performed during the twelve months of year N-1 by the same companies, independently of the date on which they were first consolidated within the Group.

9.2 RESULTS FOR THE YEARS ENDED 31 DECEMBER, 2017 AND 31 DECEMBER, 2016

Consolidated income statement *In thousands of euros*	2017	2016 Restated (1)
Revenue	6,127,993	4,952,313
Other income	56,612	33,145
Operating expenses	(5,864,742)	(4,675,629)
Current operating profit (loss)	**319,863**	**309,829**
Total other operating income (expenses)	(56,798)	(15,819)
Group operating income	**263,065**	**294,010**
Net income (loss) from companies accounted for under the equity method	490	426
Operating income including companies accounted for under the equity method	**263,555**	**294,436**
Costs of net financial debt	(57,694)	(38,691)
Other financial income and expenses (2)	(18,083)	(13,192)
Pre-tax income	**187,778**	**242,553**
Income taxes	(72,273)	(46,869)
Net income from continuing operations	115,505	195,684
Profit (loss) for the period from discontinued operations	(4,033)	(11,652)
NET INCOME	**111,472**	**184,032**
Net income from continuing operations attributable to:		
Owners of the parent	114,435	195,672
Non-controlling interests	1,070	12
	115,505	**195,684**
Net income attributable to:		
Owners of the parent	110,402	184,020
Non-controlling interests	1,070	12
	111,472	**184,032**

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 4 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

(2) For details on "Other financial income and expenses" see Note 9 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document.

9.2.1 REVENUE

Consolidated revenue increased by 23.7%, or €1,175.7 million, from €4,952.3 million for the financial year ended 31 December, 2016 to €6,128.0 million for the financial year ended 31 December, 2017. This change is mainly the result of the acquisition of the SAG group in 2017 and the external growth increase.

9.2.2 PRODUCTION

Production increased by 24%, *i.e.*, by €1,185.5 million, from €4,941.4 million for the financial year ended 31 December, 2016 to €6,126.9 million for the financial year ended 31 December, 2017 pursuant to SAG's consolidation since 1st April, 2017 (corresponding to an increase of 19%) and the strong contribution from *bolt-on* acquisitions (corresponding to an increase of 7.1%).

Organic growth decreased by 1.3%, with notable drop in the Oil & Gas and United Kingdom activities which offset positive growth in most of our geographical sites. The exchange rate impact was -0.8%.

The table below details the breakdown of production by operating segments for the financial years ended 31 December, 2017 and 2016:

In millions of euros	France	Germany and Central Europe	North-Western Europe	Oil & Gas and Nuclear	Total
Production 2017	2,406.9	1,891.4	1,336.4	492.2	6,126.9
Production 2016 Restated (1)	2,241.5	927.0	1,207.5	565.4	4,941.4

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 11 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

9.2.2.1 FRANCE

Production in the France segment increased by 7.4%, *i.e.* €165.4 million, from €2,241.5 million for the financial year ended 31 December, 2016 to €2,406.9 million for the financial year ended 31 December, 2017.

With an organic growth of +1.1% over the full year, France's production reconnected with growth in 2017, after 4 years of decrease. Organic growth in H2 was above expectations with +2.8% (-1.1% for H1). Growth mainly came from industry and telecommunications, while competition in the tertiary sector remained very sharp. Growth coming from acquisition was +6.3% and mainly reflects the consolidation of French activities of SAG since April 2017, as well as "bolt on" acquisitions.

9.2.2.2 GERMANY AND CENTRAL EUROPE

The Germany & Central Europe segment recorded growth of 104%, or €964.4 million, going from €927.0 million for the financial year ended 31 December, 2016, to €1,891.4 million for the financial year ended 31 December, 2017, primarily due to the contribution of the acquisition of the SAG group.

Organic growth for the segment was 0.8% at constant exchange rate, including 1.1% for Germany.

9.2.2.3 NORTH-WESTERN EUROPE

The North-Western Europe segment recorded growth of 10.7%, or €128.9 million, going from €1,207.5 million for the financial year ended 31 December, 2016, to €1,336.4 million for the financial year ended 31 December, 2017, primarily due to the contribution of acquisitions made in 2017.

Organic growth for the segment was -2.4% at constant exchange rates, impacted by the drop from the United Kingdom's activity level.

9.2.2.4 OIL & GAS AND NUCLEAR

Production in the Oil & Gas and Nuclear segment decreased by -12.9%, *i.e.* €73.2 million, from €565.4 million for the financial year ended 31 December, 2016, to €492.2 million for the financial year ended 31 December, 2017.

Organic increase for the entire segment was down -11.8% at constant exchange rate in 2017 notably caused by the decrease of the group's Oil & Gas activities.

9.2.3 OPERATING EXPENSES

The Group's operating expenses increased by 25.4%, or €1,189.1 million, from €4,675.6 million for the financial year ended 31 December, 2016, to €5,864.7 million for the financial year ended 31 December, 2017, mainly due to the SAG group's acquisition in 2017.

The table below sets forth the distribution of operating expenses for the financial years ended 31 December, 2016 and 31 December, 2017:

In thousands of euros	2017	2016 Restated (1)
Purchases consumed	(858,785)	(787,389)
External services	(2,700,205)	(1,960,295)
Personal costs	(2,225,489)	(1,914,879)
Taxes	(42,266)	(40,979)
Net amortisation and depreciation expenses and provisions	(101,974)	(28,699)
Other operating income and expenses	63,977	56,612
TOTAL OPERATING EXPENSES	**(5,864,742)**	**(4,675,629)**

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 4 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

PURCHASES CONSUMED

The Group's purchases consumed [1] increased by 9.1%, or €71.4 million, from €787.4 million for the financial year ended 31 December, 2016 to €858.8 million for the financial year ended 31 December, 2017.

EXTERNAL SERVICES

The Group's external expenses increased by 37.7%, or €739.9 million, from €1,960.3 million for the financial year ended 31 December, 2016 to €2,700.2 million for the financial year ended 31 December, 2017.

The 29.5% evolution in purchases consumed and external expenses between the financial years ended 31 December, 2016 and 31 December, 2017 is correlated to the increase in revenue.

PERSONNEL EXPENSES

Personnel expenses increased by 16.2%, or €310.6 million, from €1,914.9 million for the financial year ended 31 December, 2016 to €2,225.5 million for the financial year ended 31 December, 2017. This increase is primarily a result of the SAG

NET AMORTISATION AND DEPRECIATION EXPENSES AND PROVISIONS

Net amortisation and depreciation expenses and provisions increase by €73.3 million, from €28.7 million for the year ended on December 31, 2016 to €102.0 million for the year ended on December 31, 2017.

This increase is mainly due to the acquisition of the SAG group in 2017. This increase notably includes an increase of the affected goodwills amortisations which increase from €30.9 million for the year ended on December 31, 2016 to €59.8 millions year ended on December 31, 2017, including an amount for affected goodwills amortisations relating to SAG which amounts to €41.1 million in 2017.

9.2.4 GROUP OPERATING INCOME AFTER THE SHARE OF NET INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

The Group's operating income decreased by 10.5%, or €30.9 million, from €294.4 million for the financial year ended 31 December, 2016 to €263.6 million for the financial year ended 31December, 2017. This drop is primarily due to the following:

- the Group's current operating income, which increased by 3.2%, or €10.1 million, from €309.8 million for the financial year ended 31 December, 2016 to €319.9 million for the financial year ended 31 December, 2017;
- other operating income and expenses amounted to €56.8 million for the financial year ended 31 December, 2017 and mainly included:
  - the amount of the amortization of goodwill allocated to the SAG acquisition, for €41.1 million; and
  - the costs relating to the restructuring in France for €13.3 million, the Oil & gas activity for €13.5 million and the SAG group integration for €16.2 million.

9.2.5 EBITA AND EBITA MARGIN

The Group's consolidated EBITA increased by 13.5%, from €341.9 million for the year ended 31 December, 2016 to €388 million for the year ended 31 December, 2017 due in particular to the acquisition of SAG.

The EBITA margin decreased by 60 basis points, from 6.9% of production for the financial year ended 31 December, 2016 to 6.3% of production for the financial year ended 31 December, 2017, reflecting the pressure on margins in France, unfavourable market conditions for the Oil & Gas activity as well as an exceptional loss recorded in the United Kingdom in H2 2017.

(1) Purchases consumed include purchase of raw materials, supplies and other consumable supply, as well as purchases of equipment and supplies incorporated in the production.

The following table shows the EBITA and EBITA margin (as a percentage of production) by operating segment for the periods indicated:

In millions of euros	France	Germany and Central Europe	North-Western Europe	Oil & Gas and Nuclear	Holdings	Total
Financial year 2017						
EBITA	151.7	120.0	54.3	48.9	13.1	388.0
EBITA as a % of production (as per management accounts)	6.3%	6.3%	4.1%	9.9%	n/a	6.3%
Financial year 2016 Restated (1)						
EBITA	**157.2**	**45.2**	**57.8**	**61.8**	**19.9**	**341.9**
EBITA as a % of production (as per management accounts)	*7.0%*	*4.9%*	*4.8%*	*10.9%*	*n/a*	*6.9%*

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 11 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

9.5.2.1 FRANCE

EBITA for the France segment decreased by €5.4 million, or -3.4%, from €157.2 million for the financial year ended 31 December, 2016 to €151.7 million for the financial year ended 31 December, 2017.

A strong competition pressure on the tertiary activity and, on a smaller scale, small initial margins for FTTH contracts led to a decrease of the EBITA margin in France, at 6.3% in 2017.

9.5.2.2 GERMANY AND CENTRAL EUROPE

EBITA for the Germany & Central Europe segment increased by €74.8 million, or 165.7%, from €45.2 million for the financial year ended 31 December, 2016 to €120.0 million for the financial year ended 31 December, 2017.

The EBITA margin for the segment increased by 140 basis points, from 4.9% in 2016 to 6.3% in 2017. The increases are mainly due to the acquisition of the SAG group in 2017.

9.5.2.3 NORTH-WESTERN EUROPE

EBITA for the North-Western Europe segment decreased by €-3.6 million, or -6.3%, from €57.9 million for the financial year ended 31 December, 2016 to €54.3 million for the financial year ended 31 December, 2017 mainly due to a counter-performance of the Distribution networks activity in the United Kingdom in 2017.

The EBITA margin for the segment decreased by 70 basis points, from 4.8% in 2016 to 4.1% in 2017.

9.5.2.4 OIL & GAS AND NUCLEAR

EBITA for the Oil & Gas and Nuclear segment decreased by 12.9%, *i.e.* €-20.9 million, from €61.8 million for the financial year ended 31 December, 2016, to €48.9 million for the financial year ended 31 December, 2017.

The EBITA margin for the segment decreased by 100 basis points, from 10.9% in 2016 to 9.9% in 2017.

9.2.6 COSTS OF NET FINANCIAL DEBT

Net Financial expenses increased by €19.0 million, or 49.1%, from €-38.7 million for the financial year ended 31 December, 2016 to a €-57.7 million for the financial year ended 31 December, 2017. This increase is primarily a result of an increase in financial expenses related to the €600 million bond issue for the purpose of financing the SAG group acquisition.

The following table details the evolution of the net financial expenses for the financial years ended 31 December, 2016 and 31 December, 2017:

In thousands of euros	2017	2016 Restated (1)
Interest expenses and losses on cash equivalents	(58,275)	(38,877)
Interest income on cash equivalents	575	91
Net proceeds on sale of marketable securities	6	95
COSTS OF NET FINANCIAL DEBT	**(57,694)**	**(38,691)**

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 4 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

9.2.7 PRE-TAX INCOME

Income before tax excluding impact of the discontinued activities decreased by €54.8 million, from €242.6 million for the financial year ended 31 December, 2016 to €187.8 million for the financial year ended 31 December, 2017. This decrease is primarily due to the decrease of operating income in 2017 mainly caused by restructuration costs and an amortization of allocated goodwill higher in 2017, as well as the increase in costs of the net financial debt linked to the issue of a bond for the purpose of financing the SAG group acquisition.

9.2.8 INCOME TAX

Income taxes increased by €25.4 million from €46.9 million for the financial year ended 31 December, 2016 to €72.3 million for the financial year ended 31 December, 2017, This increase is primarily due to a €9.6 million decreased in the current income tax and a €35.0 million increase in deferred income tax which benefitted in 2016 from a positive adjustment of differed income tax of €35.8 million following the implementation in France of the finance law for 2017 which provided for the incremental decrease of the income tax rate. The finance law for 2018 which details the decrease of income tax rates for the 2020 to 2022 period introduced a new positive adjustment of deferred income tax of €18.2 million in 2017. The residual fraction of deferred income tax in 2017 mainly results from the change in activated loss carry-forward of the tax consolidated groups in France, Germany and the United Kingdom.

Income taxes are detailed as follows:

In thousands of euros	2017	2016 Restated [1]
Income tax expense reported in the income statement		
Current income tax	(64,373)	(73,969)
Deferred income tax	(7,900)	27,100
TOTAL INCOME TAX REPORTED IN THE INCOME STATEMENT	**(72,273)**	**(46,869)**
Income tax expense reported in the statement of comprehensive income		
Net (loss)/gain on cash flow hedge derivatives	(127)	(112)
Net (loss)/gain on post-employment benefits	(9,640)	4,275
TOTAL INCOME TAX REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	**(9,767)**	**4,163**

(1) Restatements in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 4 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

9.2.9 NET INCOME

Net income decreased by €72.6 million. It amounted to €111.5 million for the financial year ended 31 December, 2017 compared to €184.0 million for the financial year ended 31 December, 2016. This change is primarily due to the decrease of the operating result of €30.9 million, an increase of the cost of the debt and other financial gains and losses of €23.9 million and an increase of tax expenses of €25.4 million, eased by an improvement of €7.6 million of the result from sold or discontinued activities.

10

GROUP LIQUIDITY AND SHARE CAPITAL

10.1 OVERVIEW

The Group's principal financing requirements include its working capital requirement, capital expenditure (particularly acquisitions), interest payments and repayment of borrowings.

The Group's principal source of liquidity on an ongoing basis consists of its operating cash flows. The Group's ability to generate cash in the future through its operating activities will depend upon its future operating performance which is in turn dependent, to some extent, on economic, financial, competitive, market, regulatory and other factors, most of which are beyond the Group's control (specifically the risk factors in Chapter 4 "Risk factors" of this Registration Document). The Group uses its cash and cash equivalents to fund the ongoing requirements of its business. The Group holds cash only in euros.

The Group is also financed through debt, essentially under the Senior Credit Facilities Agreement concluded in 2015 during its IPO and through bond issues. In March 2017, in the context of the acquisition of SAG (see paragraph 5.2 of this Registration Document), the Company issued a bond for an amount of €600 million, mainly for the purpose of financing this acquisition. The bonds, with a 7 years maturity and a 3.125% annual interest rate, have been admitted for trading on Euronext Paris regulated market (Code ISIN FR0013245263).

In accordance with Article 28–1 of European Commission regulation (EC) No. 809/2004, information relating to the Group's liquidity and share capital for the year ended 31 December, 2016 as presented in Chapter 10 "Liquidity and share capital" of the 2016 Registration Document is included by reference in this Registration Document.

10.2 FINANCIAL ASSETS AND LIABILITIES

10.2.1 SUMMARY

In the past, the Group has principally relied on the following sources of financing:

- *net cash flow from operating activities*, which totalled €358.3 million and €297.4 million respectively for the years ended 31 December, 2016 and 2017;
- *available cash* with total cash and cash equivalents, including assets held for the purpose of a sale on 31 December, 2016 and 2017, totalled €518.5 million and €520.1 million respectively (see Note 20.2 to the consolidated accounts for the year ended 31 December, 2017 included in paragraph 20.1.1 of the present Registration Document).
- *debt*, which includes the Senior Credit Facilities Agreement, the bonds issued under the SAG acquisition, direct borrowings from banks and other lenders, the securitisation facility (see Section 10.2.2.1 of this Registration Document), interest accrued on the Senior Credit Facilities Agreement and bonds, together with short-term bank credit facilities.

10.2.2 FINANCIAL LIABILITIES

The Group's financial liabilities totalled €1,459.2 million and €2,067.5 million at 31 December, 2016 and 2017, respectively. The following table breaks down the Group's total debt as at the indicated dates:

In millions of euros	At 31 Dec., 2017	At 31 Dec., 2016
Borrowings from credit institutions		
Bond – Sag Acquisition (maturity 22 March, 2024)	600.0	-
A Facility of the Senior Credit Facilities Agreement	1,125.0	1,125.0
Revolving (maturity 11 May, 2020)	–	-
Non permanent employees	0.7	2.5
Capitalisation of loans and borrowing costs	(13.9)	(11.4)
Securitisation	298.4	287.8
Bank overdrafts (cash liabilities)		
Bank overdrafts (cash liabilities)	18.8	40.0
Interests on bank overdrafts (cash liabilities)	0.1	0.1
Other debts and liabilities		
Finance Leases	21.2	14.0
Accrued interest on loans	14.9	0.1
Other debts and liabilities	2.2	0.9
Derivatives	0.1	0.1
INTEREST-BEARING LOANS AND BORROWINGS	**2,067.5**	**1,459.2**

At 31 December., 2017 and 2016, the net debt/EBITDA ratio of the Group was respectively 3.3x and 2.3x [(1)].

At 31 December, 2017, the Group met all of its covenants under the financing agreements described in this Section.

The above mentioned ratios are based on adjusted EBITDA. Adjusted EBITDA is income generated by the Group's permanent operations over 12 months before tax and financial income, including the impacts over 12 months of acquisitions. It is calculated before depreciation of tangible assets and amortisation of goodwill. As of 31 December 2017, the adjustment (12 months effect of the acquisitions) includes €17 million pertaining to SAG's integration synergies. The table below presents the reconciliation of EBITA and adjusted EBITDA for the year ended 31 December, 2017:

In millions of euros	At 31 Dec., 2017	At 31 Dec., 2016 Restated [(1)]
GROUP EBITA	**388.0**	**341.9**
Depreciation and amortisation of tangible and intangible assets (excluding goodwill)	51.4	35.0
EBITDA	**439.4**	**376.9**
Adjustment (12-month effect of acquisitions)	18.9	8.0
ADJUSTED EBITDA	**458.3**	**384.9**

(1) Restatements in accordance with IFRS 5 (Non-current assets held for sale and discontinued operations) (see Note 4 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

(1) Based on the management accounts of the acquired entities for the periods between 1 January, 2017 and their respective acquisition dates.

The table below breaks down financial liabilities at 31 December, 2017:

In thousands of euros	Total at 31 Dec., 2016	Reduction	Increase	Total at 31 Dec., 2017
Borrowings from credit institutions				
Bond	-	-	600,000	600,000
A Facility of the Senior Credit Facilities Agreement	1,125,000	-	-	1,125,000
Revolving	-	-	-	-
Non permanent employees	2,524	(1,821)	-	703
Capitalised borrowing costs	(11,353)	3,231	(5,746)	(13,868)
Securitisation	287,783	-	10,587	298,370
Bank overdrafts (cash liabilities)				
Bank overdrafts (cash liabilities)	39,986	(21,218)	-	18,768
Interests on bank overdrafts (cash liabilities)	143	(7)	-	136
Other debts and liabilities				
Finance Leases	14,006	-	7,175	21,181
Accrued interest on loans	77	-	14,820	14,897
Other debts and liabilities	940	-	1,212	2,152
Derivatives	134	-	6	140
INTEREST-BEARING LOANS AND BORROWINGS	**1,459,240**	**(19,815)**	**628,054**	**2,067,479**

The main factors comprising the Group's financial liabilities are detailed below.

10.2.2.1 SENIOR CREDIT FACILITIES AGREEMENT

During its IPO in 2015, the Group concluded a Senior Credit Facilities Agreement with a syndicate of international banks (the "**Lenders**") including BNP Paribas, HSBC France and Société Générale as Coordinators.

10.2.2.1.1 Credit facilities

The Senior Credit Facilities Agreement provides for two lines of credit totalling €1,525 million and consisting of:

- a €1,125 million first ranking term loan ("A Facility"), drawn down in full, with five-year maturity from 11 June., 2015; and
- a €400 million revolving credit facility, with five-year maturity from 11 June 2015, undrawn for the years ended 31 December., 2016, and 31 December, 2017.

10.2.2.1.2 Interest and fees

Interest is payable on loans under the Senior Credit Facilities Agreement at a floating rate indexed to Euribor in relation to any loan drawn in euros, to LIBOR in relation to any loan drawn in a currency other than euros, and to any appropriate reference rate for loans drawn in Norwegian, Swedish, Danish krone, or Swiss Francs plus in each case the applicable margin. Applicable margins are as follows:

- A Facility: between 2.625% and 1.625% a year, depending on the indebtedness ratio level of the Group during the last half of the year; and
- for the revolving credit facility: between 2.525% and 1.525% a year, depending on the indebtedness ratio level of the Group during the last half of the year.

The table below shows the rate spread of each of the credit facilities based on the Group's leverage ratio. At 31 December, 2017, the Group's leverage ratio amounted to 3.3x.

Leverage ratio (net debt/EBITDA)	Revolving Credit Line	A Facility
>3.5x	2.525%	2.625%
3.5x and >3.0x	2.275%	2.375%
3.0x and >2.5x	2.025%	2.125%
2.5x and >2.0x	1.775%	1.875%
2.0x	1.525%	1.625%

10.2.2.1.3 Security interests

The Senior Credit Facilities Agreement does not contain any obligation for the Group to create security interests.

10.2.2.1.4 Guarantees

At the date of the present Registration Document, the Senior Credit Facilities Agreement is guaranteed by Financière SPIE, SPIE Operations, SPIE Ile-de-France Nord-Ouest, SPIE Ouest-Centre, SPIE Sud-Est, SPIE Est - SPIE Nucléaire, SPIE Oil & Gas Services, SPIE ICS, SPIE DZE (ex. SPIE Holding GmbH) SPIE Holding GmbH, SPIE Limited, SPIE UK Limited, SPIE Nederland BV, Infrastructure Services & Projects BV and SAG.

In accordance with the terms of the Senior Credit Facilities Agreement, the Group has to make sure that, at the date the annual financial statements are published, the total EBITDA of the guarantors pursuant to the Senior Credit Facilities Agreement (calculated on a non-consolidated basis and excluding all intragroup componants and investments in subsidiaries of any member of the Group) represents at least 65% of the Group's EBITDA.

10.2.2.1.5 Obligations and covenants

The Senior Credit Facilities Agreement contains certain negative covenants under which the Group may not:

- change the nature of its business;
- take on additional debt;
- provide illegal financial aid;
- carry out mergers (except for those not involving the Company itself);
- dispose of assets.

The Senior Credit Facilities Agreement also contains positive covenants such as maintaining insurance policies, paying applicable taxes and duties, complying with applicable laws, maintaining the credit's ranking, and binding the Group's main subsidiaries as guarantors under the Senior Credit Facilities Agreement.

Finally, the Senior Credit Facilities Agreement requires compliance with financial covenants, including maintaining certain financial ratios, which will significantly limit the amount of debt Group entities can take on. In particular, the Group must maintain a leverage ratio (defined as the ratio of total net debt to EBITDA) of 4.50:1 up to 31 December, 2017 (inclusive), of 4.00:1 up to 30 June, 2018 (inclusive) and of 3.50:1 thereafter, calculated every six months in accordance with the total amount of its net debt at that date and the EBITDA prevailing over a 12 month rolling period.

10.2.2.1.6 Mandatory early repayment

Debt incurred under the Senior Credit Facilities Agreement is automatically repayable (subject to certain exceptions) in whole or part upon the occurrence of certain customary events, including a change of control, a sale of all or a substantial part of the business or assets of the Group, or nonobservance of the legislation in force.

Debt under the Senior Credit Facilities Agreement may also be voluntarily prepaid by the borrowers in whole or in part, subject to minimum amounts and observance of a period of notice.

10.2.2.1.7 Accelerated maturity

The Senior Credit Facilities Agreement allows for a certain number of accelerated maturity events that are relatively customary for this type of financing, namely, payment defaults, cessation of business, failure to comply with the financial covenants or with any other obligations or declarations, cross-defaults, certain early amortisation events in relation to the Securitisation Facility, an insolvency proceeding, material litigation, or qualifications by the Statutory Auditors of the Group as a going concern.

10.2.2.2 Bond maturing in 2024

On 22 March, 2017, as part of the SAG acquisition (see Section 5.2 of this Registration Document), the Company issued bonds with a value of €600,000,000 primarily for the purpose of financing said acquisition. The bonds have a maturity of 7 years (term on 22 March, 2024) and carry an annual interest rate of 3.125%. Said bonds have been admitted on Euronext Paris' regulated market under the Code ISIN FR0013245263 and are rated BB by Standard & Poor's Ratings Services and Ba3 by Moody's Investors Service. This bond is guaranteed by 17 subsidiaries of the Company. Moreover, the conditions of the bond include a change of control clause which allows each bond holder to ask for the early repayment or, at the Company's choice, the redemption of the bonds in case of a change of control of the Company (control of the Company by an entity or a Group of entities acting together).

10.2.3 DEBT SECURITISATION FACILITY

On 17 April, 2007, in the course of their business, SPIE SA and some of its French and Belgian subsidiaries (together the "**Sellers**"), with SPIE Operations acting as the centralising agent, set up a securitisation facility using a special purpose entity (the "**FCC**"). The FCC was set up by Paris Titrisation as the fund manager with Société Générale acting as the custodian (the "**Securitisation Facility**").

The securitisation facility was renewed in 2015 under the following conditions:

- it will run for a period of 5 years from 11 June, 2015 (except in the event of early termination or termination by agreement);
- it has a maximum funding of €300 million potentially extendable to €450 million.

The main features of the Securitisation Facility at 31 December, 2017 are summarised in the following table:

Sellers	Currencies	Commitment at 31/12/2017	Outstanding securitised receivables at 31/12/2017	Gross amount of receivables assigned at 31/12/2017	Expected Maturity	Interest rate
Certain SPIE group entities in Belgium and France	Euro	300.0 million	298.4 million	542.4 million	June 2020	Commercial paper funding costs/Euribor/ EONIA + Margin + commission fees

In June 2014, parties to the Securitisation Facility agreed to subject the FCC to rules governing securitisation funds ("**FCT**") under French law. An FCT is a securitisation fund governed by Articles L.214-167 to L. 214-186 and R. 214-217 to R. 214-235 of the French Monetary and Financial Code.

The FCT acts as a special purpose vehicle and is not part of the Group. Prior to an event of default, the FCT purchases receivables from the Sellers (subject to certain eligibility criteria) for a payment of an amount equal to the face amount of the receivables. Prior to an event of default, receivables continue to be paid by customers into special assignment accounts owned by the Seller and are regularly transferred to the FCT's bank account (subject to compensation with the purchase price owed for newly sold receivables, except in the case of an event of default). The Sellers, as collectors of the receivables sold to the FCT, remain responsible for their payment and for managing defaults and arrears relating to the receivables.

The FCT obtains funding (i) by issuing securities subscribed by the entities that then issue commercial paper (and that enjoy liquidity facilities granted by financial institutions), and (ii) from SPIE Operations for the portion not funded by said financial institutions.

The Securitisation Facility (aimed at funding the purchase of newly originated receivables) will end on 11 June, 2020, subject to the renewal on an annual basis of the liquidity facility provided by the financial institution to its asset-backed commercial paper conduit. The Securitisation Facility is subject to the non-occurrence of certain events whose occurrence would prevent the future financing of newly sold receivables and the early repayment of the existing principal debt amount resulting from the Securitisation Facility. These trigger events include events relating to returns on the receivables, breach of the financial covenants set out in the Senior Credit Facilities Agreement, a limited volume of assigned receivables, and an accelerated maturity condition in view of the Senior Credit Facilities Agreement or following termination of the Senior Credit Facilities Agreement or debt levels exceeding €250 million.

Direct recourse against the Sellers is limited to repurchase of the relevant receivables which are sold to the FCT in terms of the guarantee and payment of compensation for devalued receivables (including a fall in the value of the receivables caused by repayment, credit or compensation). The conduit and/or financial institution providing the liquidity facility also benefits from cash reserves provided by SPIE Operations by means of a credit enhancement.

10.3 PRINCIPAL USES OF GROUP CASH AND CASH EQUIVALENTS INTRODUCTION AND ANALYSIS

10.3.1 CAPITAL EXPENDITURES

The Group's capital expenditure falls under the following categories:

- purchasing new entities under the Group's acquisitions policy;
- renewing tangible and intangible assets, particularly equipment; and
- investment, net from the sale revenue, in financial assets, the loans variations and advances granted and dividends paid.

The Group's capital expenditure for the years ended 31 December, 2016 and 2017 totalled 197.5 million and 219.3 million, respectively. This increase primarily stems from perimeter changes. For additional information regarding the Group's historical, ongoing and planned future capital expenditure, see Section 5.2 of this Registration Document.

10.3.2 PAYMENT OF INTEREST AND DEBT REPAYMENT

Much of the Group's cash flow goes to servicing and repaying its debt. The Group made interest payments of €35.8 million and €47.5 million in the years ended 31 December, 2016 and 2017, respectively. It repaid €63.9 million and €513.3 million in debt in the years ended 31 December, 2016 and 2017, respectively.

10.3.3 FINANCING OF WORKING CAPITAL REQUIREMENT

Working capital requirement primarily correspond to the value of inventory plus trade and other receivables minus trade and other payables.

The Group's working capital requirement was negative for the years ended 31 December, 2016 and 2017, contributing significantly to financing of operations, specifically through its low inventory, the structure of the agreements entered into with its customers, and its dynamic policy in terms of billing and collecting receivables.

Working capital requirement totalled €(391.4) million at 31 December, 2016 and €(458.4) million at 31 December, 2017.

10.4 CONSOLIDATED CASH FLOW

10.4.1 GROUP CONSOLIDATED CASH FLOW FOR THE YEARS ENDED 31 DECEMBER, 2016 AND 2017

The following table summarises the Group's cash flow for the years ended 31 December, 2016 and 2017:

	Year ended on 31 Dec.,	
In millions of euros	**2017**	**2016**
Net cash flow from (used in) operating activities	297.4	358.3
Net cash from investing activities	219.3	197.5
Net cash from financing activities	60.1	176.3
Impact of changes in exchange rates and accounting method	(16.4)	(17.7)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**1.6**	**(33.3)**

10.4.1.1 NET CASH FLOW FROM OPERATING ACTIVITIES

The following table shows items of the Group's cash flow from operating activities for the years ended 31 December, 2016 and 2017:

	Year ended on 31 Dec.,	
In millions of euros	**2017**	**2016**
Internally generated funds from (used in) operations	378.9	317.0
Income tax paid	(62.4)	(58.1)
Impact of changes in working capital requirement	(19.5)	99.0
Dividends received from companies accounted for under the equity method	0.4	0.4
NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	**297.4**	**358.3**

Net cash flow from operating activities totalled €358.3 million for the year ended 31 December, 2016 and €297.3 million for the year ended 31 December, 2017. This decrease of €60.9 million primarily originates from the change in working capital which varies from €99.0 million in 2016 to €(19.5) million in 2017 and an increase of income tax paid of €4.3 million, from €58.1 million in 2016 to €62.4 million in 2017, offset by an increase in the internally generated funds from operations which varies from €317.0 million in 2016 to €378.9 million in 2017.

10.4.1.1.1 Internally generated funds from operations

Internally generated funds from operations stood at €317.0 million and €378.9 million in the years ended 31 December, 2016 and 2017, respectively. This change is primarily due to the increase of the current operating income in 2017 after removal of the calculated operating income and expenses (amortisations and provisions).

10.4.1.1.2 Income tax paid

Income tax paid includes corporate tax paid in all the regions in which the Group operates as well as the CVAE in France a tax based on business value added.

Total income tax paid for the year ended 31 December, 2017 was €62.4 million, *i.e.* €4.3 million more than in the year ended 31 December, 2016. This change is largely due to a €9.5 million increase in income tax paid in 2017 in relation to external growth. This evolution is also explained by a €5.2 million decrease in CVAE paid in 2017 due notably to a one time decrease of tax rates.

10.4.1.1.3 Changes in working capital requirement

Changes in working capital requirement represented a cash outflow of €19.5 million for the year ended 31 December, 2017 compared with a cash inflow of €99.0 million for the year ended 31 December, 2016, a difference of €118.5 million between the two financial years (see Note 19 to the consolidated financial statements for the year ended 31 December, 2017 included in Section 20.1.1 of this Registration Document).

10.4.1.2 NET CASH FLOW FROM INVESTING ACTIVITIES

The following table presents cash flow from investing activities for the years ended 31 December, 2016 and 2017:

	Year ended on 31st Dec.,	
In millions of euros	**2017**	**2016**
Effect of changes in the scope of consolidation	(185.6)	(170.8)
Acquisition of property, plant and equipment and intangible assets	(44.8)	(36.4)
Net investment in financial assets	(0.1)	(0.1)
Changes in loans and advances granted	2.5	1.2
Proceeds from disposals of property, plant and equipment and intangible assets	8.7	8.3
Proceeds from disposals of financial assets	-	0.3
Dividends received	-	-
NET CASH FROM INVESTING ACTIVITIES	**(219.3)**	**(197.5)**

Net cash from investing activities represents a cash outflow of €219.3 million in the year ended 31 December, 2017 and a cash outflow of €197.5 million in the year ended 31 December, 2016. This change of €21.8 million is largely due to an increase in the effects of changes in the scope of consolidation of €14.8 million and an increase in acquisitions of property, plant and equipment and intangible assets of €8.4 million.

10.4.1.2.1 Effect of changes in the scope of consolidation

The effect of changes in the scope of consolidation resulted in a cash outflow of €170.8 million and €185.6 million in the years ended 31 December, 2016 and 31 December, 2017, respectively.

The cash outflows for financial year 2016 mainly results from the acquisition of CRIC and Tevean in Belgium, of Jansen, Aaftink, Technical Services and Alewijnse Technisch Beheer in the Netherlands, of RDI in France, of Environmental Engineering Ltd and Trios Group in the United Kingdom, of the COMNET Group, AGIS Fire & Security, Hartmann, GfT Gesellschaft für Elektro- und Sicherheitstechnik mbH and Cromm in Germany, as well as by earn-outs paid in respect of companies acquired previously, including Leven in the United Kingdom. These cash outflows also result from the loss of the decision-making control of SONAID located in Angola, which was previously consolidated under the full consolidation method and which is now consolidated under the equity method.

The cash outflow for the year 2017 is primarily due to the acquisition of the SAG Group, Luck and PMS in Germany, MMC, S-Cube, JM Electricité and Probian in France, AD Bouman, Mer Ict, Ziut, Alewijnse retail and Inmeco in the Netherlands, as well as earn outs paid in relation to previous acquisitions.

10.4.1.2.2 Acquisition of property, plant and equipment and intangible assets

The acquisition of property, plant and equipment and intangible assets resulted in a cash outflow of €44.8 million for the financial year ended 31 December, 2017, compared to an outflow of €36.4 million for the financial year ended 31 December, 2016.

In 2017, acquisitions of property, plant and equipment represented a total of €38.8 million, compared to €20.9 million in 2016.

In 2017, acquisitions of intangible assets represented a total of €6.0 million, compared to €15.6 million in 2016.

These investments primarily represent implementation costs of software to optimise the management and control process.

10.4.1.2.3 Changes in loans and advances granted

The changes in loans and advances granted represented a cash inflow of €2.5 million for the financial year ended 31 December, 2017, compared to an increase of €1.2 million for the financial year ended 31 December, 2016.

These changes mainly result from changes in financial receivables relating to Public-Private Partnership contracts.

10.4.1.2.4 Acquisition of property, plant and equipment and intangible assets

Cash resulting from proceeds from the sale of property, plant and equipment and intangible assets increased by €0.4 million, from €8.3 million for the financial year ended 31 December, 2016, to €8.7 million for the financial year ended 31 December, 2017.

The change of €8.7 million recorded over the 2017 financial year is primarily due to the amount of the sale of property, plant and equipment, including €2.1 million in relation to the sale of property in France.

10.4.1.3 NET CASH FLOW FROM FINANCING ACTIVITIES

The following table shows consolidated cash flow from financing activities for the years ended 31 December, 2016 and 2017.

	Year ended 31 Dec.,	
In millions of euros	**2017**	**2016**
Issue of share capital	-	-
Loan issue	607.3	0.9
Loan repayments	(513.3)	(63.9)
Net interest paid	(47.5)	(35.8)
Dividends paid to owners of the parent	(106.3)	(77.0)
Dividends paid to non-controlling interests	(0.3)	(0.5)
Other cash flows from (used in) financing activities	-	-
NET CASH FROM FINANCING ACTIVITIES	**(60.1)**	**(176.3)**

Net cash from financing activities represented net disbursements of €60.1 million in the year ended 31 December, 2017 compared with net disbursements of €176.3 million for the year ended 31 December, 2016.

The main changes from fiscal year 2017 are due to the issue of a €600 million bond, which main purpose was to finance the SAG acquisition in Germany, and the repayment of loans for an amount of €471.8 million recorded in SAG's accounts at the time of change of control. The change with fiscal year 2017 is also due to the increase in the dividends paid to Shareholders with the payment of an interim dividend in 2017 of €24.7 million.

10.4.1.3.1 Capital increase

There was no capital increase during the financial years ended 31 December, 2016 and 2017.

10.4.1.3.2 Proceeds from loans and borrowings

The consolidated cash generated by proceeds from loans and borrowings totalled €0.9 million and €607.3 million in the financial years ended 31 December, 2016 and 2017, respectively.

In 2016, the cash generated by proceeds from loans and borrowings corresponded to drawdown on the securitization facility of client receivables to the amount of €0.9 million.

In 2017, the cash and cash equivalents generated by the loan issue corresponds to the issue on 22 March, 2017 of a €600 million bond, which purpose was mainly to finance the SAG acquisition in Germany, as well as an increase in the drawings in relation to the securitisation program.

10.4.1.3.3 Repayment of loans and borrowings

Repayments of loans and borrowings resulted in net disbursements totalling €63.9 million and €513.3 million in the financial years ended 31 December, 2016 and 2017, respectively.

In 2016, the cash disbursed to repay loans and borrowings totalling €63.9 million was largely due to repayment of the revolving credit facility for an amount of €50 million, to the contractual repayments of borrowings under leasing for an amount of €8.6 million and repayments of bank loans linked to ordinary operational activities for €5.3 million.

In 2017, the cash disbursed for loan repayments for the amount of €513.3 million is largely due to the repayment of loans for a total amount of €471.8 million recorded in SAG's accounts on the date of the change of control, the repayment of loans for a total amount of €25.9 million recorded in Luck's account on the closing date, the payment of financial leases for an amount of €9.4 million and the repayment of loans for current operating activities for €6.2 million.

10.4.1.3.4 Net interest paid

Net interest paid resulted in disbursements totalling €35.8 million and €47.5 million in the financial years ended 31 December, 2016 and 2017, respectively.

In 2016, net interest paid under the A Facility from the Senior Credit Facilities Agreement dated 15 May, 2015 amounted to €24.9 million. Interest paid in respect of the Revolving Credit Facility amounted to €2.5 million. Other interest paid concerns the securitisation facility for an amount of €2.7 million, along with interest paid on bank overdrafts and financial leases.

In 2017, interests paid on Tranche A of the Senior Credit Facility dated 15 May, 2015 amount to €26.0 million. Interests paid on the Revolving Credit Facility amount to €3.8 million. Other interests paid are linked to the securitisation program for an amount of €2.5 million, as well as interests paid on bank overdrafts and financial leases.

10.4.1.3.5 Dividends paid to non-controlling interests

The Group paid dividends to non-controlling interests totalling €0.5 million and €0.3 million for the financial years ending 31 December, 2016 and 2017, respectively.

Dividends paid in 2016 to non-controlling interests went to foreign subsidiaries of SPIE OGS in the amount of €0.3 million and SPIE Holding GmbH (renamed SPIE DZE in May 2017) and its subsidiaries in Germany in the amount of €0.3 million.

In 2017, dividends paid to non-controlling interests covered foreign subsidiaries of SPIE Oil & Gas Services for an amount of €0.3 million.

10.5 GOODWILL

On 31 December, 2017, goodwill stood at €3,016.0 million.

10.6 CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET COMMITMENTS

The Group’s contractual obligations and off-balance sheet commitments are presented in Note 24 to the Company’s Consolidated Financial Statements included in Section 20.1.1 of this Registration Document for the financial year ended 31 December, 2017.

11

RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

The Group has no significant research and development activities and holds no significant patents or licences.

The Group uses different commercial names, brands and domain names in the context of its business. With the exception of the SPIE brand and logos, the Group considers that none of its other commercial names, service or commercial brands are essential to its business. All the Group's trademarks are protected in France and within the European Union. The Group also has various domain names, particularly www.spie.com, with various extensions to cover the main European countries (including "fr," "be" and "de").

12

TRENDS AND OUTLOOK

See Chapter 9 "Group financial position and results" of this Registration Document for a detailed description of the Group's results for the year ended 31 December, 2017. The Group's objectives for the year ended 31 December 2018 are detailed in Chapter 13 of the present Registration Document.

13

PROFIT FORECASTS

13.1 GROUP OBJECTIVES FOR THE YEAR ENDED 31 DECEMBER, 2018

13.1.1 ASSUMPTIONS

The objectives presented below are based on data, assumptions and estimates that the Group considers to be reasonable at the date of this Registration Document. These data and assumptions may change over time or be modified in view of uncertainties related to the economic, financial, competitive, regulatory and tax environment as well as other factors unknown to the Group at the date of this Registration Document. Were some of the risks described in Chapter 4 "Risk Factors" of this Registration Document to occur, it could have a material adverse impact on the Group's business, financial position, results or prospects and thus undermine these objectives. The achievement of objectives implies the success of the Group's strategy. The Group cannot give any assurance or guarantee that it will achieve the objectives described in this section.

The Group has established its objectives for the year ended on 31 December, 2018 in accordance with accounting standards applied in the consolidated financial statements for the year ended 31 December, 2017.

These objectives are primarily based on the following assumptions for 2018:

- continuing improvement of market conditions in France during the second semester of 2017;
- continuing good trends observed in Germany, the Netherlands, Belgium and Switzerland, as well as in Nuclear activity;
- persisting difficult conditions in the United Kingdom as well as Oil & Gas activities;
- the successful completion of the SAG integration with the implementation of expected synergies;
- the successful restructuring project in France ("Galiléo" project);
- an exchange rate of 1 euro for 1.20 US dollar and 1 euro for 0.90 GBP.

13.1.2 OBJECTIVES FOR THE YEAR ENDING 31 DECEMBER, 2018

Based on the assumptions described above, the Group has set the following objectives for 2018.

The Group's production should grow by over 7.0% at constant exchange rate:

- acquisitions made in 2017 will bring additional production in 2018 amounting to approximately €370 million (including about €200 million for SAG);
- organic growth of the Group should improve compared to 2017;
- total acquired turnover in 2018 through "bolt on" acquisitions should be equal to approximately €200 million.

The Group's EBITA margin is expected to be at or over 6.0%, *i.e.* in progress when compared with its 2017 pro forma level.

The Group's objective is to maintain a cash conversion ratio of approximately 100%.

Regarding the dividend, the distribution rate will remain around 40% of the Group's adjusted net result.

14

MANAGEMENT AND SUPERVISORY BODIES

14.1 COMPOSITION AND FUNCTIONING OF THE MANAGEMENT AND SUPERVISORY BODIES

14.1.1 BOARD OF DIRECTORS

The table below shows the composition of the Board of Directors at the date of this Registration Document as well as the offices held by the members of the Board in the last five years.

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Gauthier Louette	French	10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France	Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2017	30 August, 2011	Chairman of the Board of Directors and Chief Executive Officer	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* • Chairman of SPIE Operations • Chairman of SPIE Oil & Gas Services • Chairman of the Board of Directors of SPIE UK Limited • Chairman of the Board of Directors of SPIE Belgium • Chairman of the Supervisory Board of SPIE GmbH • Chairman of the Supervisory Board of SPIE DZE • Chairman of the Supervisory Board of SPIE SAG GmbH • CEO of SPIE DZE • Member of the Supervisory Board of SPIE Nederland BV • Manager of SPIE Management 2 • Chairman of the Board of Directors of SPIE Schweiz AG • Member of the Board of Directors of SPIE International *Outside of the Group:* None **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* • Chairman and CEO of SPIE Operations • Chairman of the Board of Directors of Financière SPIE • Chairman of Clayax Acquisition 4 SAS • Chairman of the Board of Directors and then Chairman of SPIE ICS • Chairman of SPIE Est • Chairman of SPIE Ile-de-France nord-ouest • Chairman of SPIE Ouest-Centre • Chairman of SPIE Sud-Est • Chairman of SPIE Sud-Ouest • Director of TECNOSPIE SA • Director of SPIE Maroc • Chairman and member of the Board of Directors of SOFTIX AG *Outside of the Group:* None

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Denis Chêne	French	10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France	Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2017	30 August, 2011	Director	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* • Member of the Board of Directors of SPIE UK Limited • Member of the Supervisory Board of SPIE Nederland BV • Member of the Board of Directors of SPIE Belgium • Member of the Board of Directors of Devis • Member of the Board of Directors of Deservis • Member of the Board of Directors of Devinox • Member of the Board of Directors of Elerep • Member of the Board of Directors of Uni-D • Director of Tevean • Director of CRIC *Outside of the Group:* None **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* • Member of the Board of Directors of Financière SPIE • Member of the Board of Directors of Clayax Acquisition 4 SAS • Member of the Board of Directors of SPIE Operations • Member of the Board of Directors of SPIE 350 PP • Member of the Supervisory Board of SPIE 350 RA • Chairman and CEO of ST4 • Member of the Board of Directors of Vanogroep • Member of the Board of Directors of Uniservis • Member of the Board of Directors of Chauffage Declercq • Member of the Board of Directors of Elerepspie • Member of the Board of Directors of SPIE Maroc • Member of the Board of Directors of G. Vanoverschelde – Électricité Industrielle • Member of the Board of Directors of Vano-Electro • Member of the Board of Directors of Thermofox *Outside of the Group:* None

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Nathalie Palladitcheff (1)	French	10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France	Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2018	12 April, 2016	Director	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* None *Outside of the Group:* • Executive President and Chief of Finance of Ivanhoé Cambridge **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* Nil *Outside of the Group:* • Executive Vice-President and Chief of Finance of Ivanhoé Cambridge • Director and member of the Strategic Committee of Gecina (listed company) • Chair and CEO of Icade Finances • Chair of Icade Services • Interim CEO and member of the Executive Committee of Icade (listed company) • Permanent Representative of Icade (listed company) and Chair of: ○ I-Porta ○ Icade Property Management ○ Icade Transactions ○ Sarvilep ○ Icade Expertise • Permanent Representative of Icade (listed company) and Liquidator of the Caisse des Dépôts des Pays de Loire • Permanent Representative of Icade (listed company) and Managing Partner of Résidence de Sarcelles (SCI) • Permanent Representative of Icade Services and Chairman of: ○ I-Porta ○ Icade Transactions ○ Icade Property Management ○ Icade Résidences Services ○ Icade Gestec • Director and Chair of the Audit Committee of Crédit Agricole CIB • Director and Member of the Audit, Financial Statements and Risks Committee of SILIC (listed company) • Director of Immobiliaria de la Caisse des Dépôts España • Director of Qualium Investment • Member of the Steering Committee of ULI FRANCE

(1) Director appointed on the proposal of Caisse de Dépôt et Placement du Québec.

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Gabrielle van Klaveren-Hessel(1)	Dutch	10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France	Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2018	9 June, 2015	Director	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* None *Outside of the Group:* None **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* • Member of the Board of Directors of SPIE Operations *Outside of the Group:* None

(1) *Director representing FCPE SPIE Actionnariat.*

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Michel Bleitrach(2)	French		Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2017	30 August, 2011	Director	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* None *Outside of the Group:* • Vice-Chairman of Albioma (listed company) • Member of the Supervisory Board of JC Decaux (listed company) • Member of the Supervisory Board of Socotec • Chairman of the Supervisory Board of Indigo (formerly Vincipark) **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* • Member of the Board of Directors of SPIE Operations *Outside of the Group:* • Chairman and Member of the Supervisory Board of SAUR • Chairman of HIME • Chairman of the Management Board of Keolis SAS • Chairman and CEO of Keolis SA • Member of the Board of Directors of Vedici

(2) *Independent Directors as defined by the Afep-Medef Code.*

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Sir Peter Mason (1)	British	10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France	Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2017	30 August, 2011	Senior Independent Director (SID)	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* None *Outside of the Group:* • Chairman of AGS Airports Limited • Chairman of Kemble Water Holdings Limited • Member of the Board of Directors of SUBSEA 7 SA (limited company) **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* • Member of the Board of Directors of SPIE Operations *Outside of the Group:* • Member of the Board of Directors of BAE Systems plc (listed company)

(1) Independent Directors as defined by the Afep-Medef Code.

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Sophie Stabile (1)	French	10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France	Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2017	7 July, 2014	Director	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* None *Outside of the Group:* • Member of the Supervisory Board of Altamir (listed company) • Member of the Supervisory Board of Unibail-Rodamco (listed company) • Member of the Board of Directors of Ingenico Group (listed company) **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* None *Outside of the Group:* • Chair of the Supervisory Board of Orbis

(1) Independent Directors as defined by the Afep-Medef Code.

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Regine Stachelhaus (1)	German		Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2017	7 July, 2014	Director	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* • Member of the Supervisory Board of SPIE DZE (ex. SPIE Holding GmbH) *Outside of the Group:* • Member of the Supervisory Board of Ceconomy AG (listed company) • Member of Board of Directors of Computacenter Hatfield UK (listed company) • Member of the Supervisory Board of Covestro AG Leverkusen Germany (listed company) • Member of the Supervisory Board of Covestro Deutschland AG Leverkusen Germany **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* • Member of the Supervisory Board of SPIE GmbH *Outside of the Group:* • Member of the Board of Directors of E.ON SE • Member of the Supervisory Board of E.ON Global Commodities SE • Member of the Supervisory Board of E.ON Sverige • Chair of the Supervisory Board of E.ON IT GmbH

(1) Independent Directors as defined by the Afep-Medef Code.

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Daniel Boscari (2)	French	10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France	Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018	9 June, 2015	Director	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* None *Outside of the Group:* None **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* • Member of the Board of Directors of SPIE Operations *Outside of the Group:* None

(2) Director representing Group employees.

Name	Nationality	Professional Address	Expiration date of the term of office	Year of first appointment	Principal duty performed in the Company	Principal terms of office and duties performed outside the Company during the past five years
Tanja Rueckert (1)(2)	German	10, avenue de l'Entreprise, 95863 Cergy-Pontoise, France	Shareholders' General Meeting called to approve the financial statements for the year ending 31 December 2018	14 September, 2017	Director	**Terms of office and duties performed as of the registration date of this Registration Document:** *Within the Group:* None *Outside of the Group:* • President of SAP SE Internet of Things & Digital Supply Chain • Member of the Board of Directors of LSG • Member of the Board of Directors of Cargo Sous Terrain • Member of the University Council of the Karlsruhe University • Member of the Board of Directors of Münchner Kreis • President of the Digitalization Committee of ZIA **Terms of office and duties performed during the past five years no longer held:** *Within the Group:* None *Outside of the Group:* • Vice-President of Industrial Internet Consortium

(1) Independent Directors as defined by the Afep-Medef Code.

(2) Ms Tanja Rueckert was co-opted as a Company Director on 4 September, 2017, to replace the resigning Mr Christian Rochat.Her appointment as a Director will be submitted to the 2018 General Shareholders meeting called to approve the financial statements of the year ended on December 31, 2017.

CHANGE TO THE COMPOSITION OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR ENDED ON 31 DECEMBER, 2017

Mr. Roberto Quarta resigned from his duties as a Company Director with effect from 16 March, 2017 in accordance with the terms of the commitment letter described in the Statutory Auditors' special report on related parties transactions for 2017 in section 19.2 of the present Registration Document. He was not replaced.

Mr. Christian Rochat resigned from his duties as a Company Director with effect from 6 September, 2017, in accordance with the letter of appointment described in in the Statutory Auditors special report on related parties transactions in Section 19.2.1 of this Registration Document. He was replaced by Independent Director Mrs. Tanja Rueckert. This appointment will be submitted for approval by the SPIE Shareholders' General meeting called to approve the financial statements for the year ended on December 31, 2017.

PERSONAL INFORMATION ON THE MEMBERS OF THE BOARD OF DIRECTORS

Gauthier Louette, 56, graduated from the École Polytechnique and École Nationale Supérieure de Techniques Avancées. He joined the Group in 1986 where he has spent his entire career, first as a project engineer, then as project manager, then as Director of Operations before being appointed in 1998 as Chief Executive Officer of SPIE Capag, SPIE's pipeline division. In 2000, he was appointed as Director of the Oil & Gas Branch of SPIE. In 2003, he was appointed as Chief Executive Officer of SPIE and became Chairman and CEO in 2010.

Denis Chêne, 56, graduated from the EM Lyon and holds an MBA from INSEAD. He joined the Group in 1992. From 1993 to 1997 he served as Director of Management Control at LK Comstock in the USA. He then served as head of Group reporting before becoming Chief Financial and Administrative Officer of SPIE Ile-de-France Nord-Ouest in 2001. He was appointed as Chief Financial and Administrative Officer of the Group in 2007.

Nathalie Palladitcheff, 50, graduated from ESC Dijon and holds a DECF degree and DESCF degree. She started her career at Coopers & Lybrand Audit (1991 to 1997). She then joined the Banque Française Commerciale Océan Indien (1997-2000) as Director of financial matters and of management control. In 2000, she was appointed as Financial Director of Société Foncière Lyonnaise, of which she later became Deputy General Manager. As from May 2006, she was General Manager of Dolmea Real Estate. She then joined Icade in September 2007, as member of the Executive Committee, in charge of finance, legal and IT, and, as from August 2010, of the Services to Real Estate department. In April 2015, she was appointed as Executive Vice-President and Chief of Finance of Ivanhoé Cambridge, a subsidiary of the *Caisse de Dépôt et Placement du Québec* and Executive President and Chief of Finance of Ivanhoé as from March 2018. Nathalie Palladitcheff was Director of Silic and Qualium and Director and Chair of the Audit Committee of Crédit Agricole CIB. She received the honour of chevalier de l'Ordre National du Mérite.

Michel Bleitrach, 72, graduated from the École Polytechnique and the École Nationale des Ponts et Chaussées and holds a Master's in economics and an MBA from the University of California, Berkeley. He began his career with the Bechtel engineering Group, and then joined the Ministry of Equipment where he directed several major development programs. He then worked for the Elf Aquitaine Group with positions in production-exploration and chemicals and industrial development before joining Lyonnaise des Eaux from 1989 to 2003, then Suez as Chairman and CEO of Elyo and of Suez Industrial Solutions. From 2005 to 2012, he served as Chairman and CEO of Keolis, and then became Chairman of the Saur Group parent company in 2012. In 2006, he also joined the Board of Directors of Séchilienne-Sidec, now Albioma, in which he was appointed as Vice-Chairman of the Board in 2011.

Sir Peter Mason, 71, graduated from the University of Glasgow. He served as Chairman and CEO of Balfour Beatty Limited, then as CEO of AMEC, before being named Chairman of Thames Water Utilities Limited in December 2006 up until 2017. Until October 2008, he was a member of the Board of the Olympic Delivery Authority for the 2012 Olympic Games. He was also appointed directors, and then sernior independent director, of Subsea 7 from 2006 to 2017. He currently serves as the president of the board of directors of AGS Airports Limited. He was named Knight Commander of the British Order of the Empire for services rendered to international trade in 2002. Since 8 December, 2015, he has been the Senior Independent Director on the Board of Directors of SPIE SA.

Sophie Stabile, 46, is a graduate of the French Ecole Supérieure de Gestion et Finances. She began her career with Deloitte before joining Accor in 1999 to head the Group's Consolidation and Information System department. In 2006, she was appointed Group Controller General. In May, 2010, she was appointed Chief Financial Officer. She was a member of Accor's Executive Committee from August 2010 to August 2017. She was appointed Chief Executive Officer of HotelServices France of the AccorHotels Group on 1 October, 2015, up until 2017. She is a member of the supervisory board of Unibail-Rodamco since August 2010 and was appointed as independent director of Ingenico Group on March 27, 2018.

Regine Stachelhaus, 62, is a graduate of Eberhard-Karls University of Tübingen. She began her career at Hewlett-Packard GmbH in 1984 where she served as Managing Director from 2000 to 2009. In May 2002, she was also appointed Vice-President of Imaging and Printing Group (Hewlett-Packard GmbH). She was subsequently appointed Head of Human Resources and member of the Board of Directors of E. ON SE. She has been a Director of the British Group Computacenter Plc, member of the Supervisory Board of Covestro AG since October 2015, and a member of the Supervisory Board of Ceconomy since February 2017.

Daniel Boscari, 61, graduated from the ICG Paris. He started his career with the Group in 1981 and has held the positions of project finance manager and Director of municipality development within the management of SPIE. He is the Director representing Group employees on the General Management of SPIE SA.

Tanja Rueckert, 48, graduated from the University of Regensburg with a PhD in Chemistry. She has spent her entire career in the digital sector working with the SAP Group. Following her roles as Executive Vice President and Chief Operating Officer for Products & Innovation with SAP SE in 2015, then Executive Vice President, Digital Assets and IoT at SAP SE, Dr. Tanja Rueckert is currently President of IoT & Digital Supply Chain with SAP SE and will become, as from 1st July, 2018, the president of Bosch Building Technologies. Dr. Tanja Rueckert was co-opted as Director of the Company on 14 September, 2017, in replacement of Mr. Christian Rochat, who resigned. Dr. Tanja Rueckert's appointment as a Director is subject to the approval of the SPIE Shareholders' General meeting called to approve the financial statements for the year ended on December 31, 2017.

Gabrielle van Klaveren, 56, she worked in the Financial department of the Dutch Group Electron Holding BV from 1999 to 2001. In 2001, after the Group purchased Electron, she became payroll management administrator at SPIE Netherlands, then payroll manager in 2009. She is also the Board representative for FCPE SPIE Actionnariat.

NATIONALITY OF THE MEMBERS OF THE BOARD OF DIRECTORS

Four Directors and one non-voting Director have foreign nationality.

INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

Five members of the Board of Directors are independent as defined by the Afep-Medef Code. For more detailed information on independent Directors, see the Board of Directors corporate governance report under Appendix 1 to this Registration Document.

GENDER BALANCE ON THE BOARD OF DIRECTORS

The Board of Directors comprises five females, and therefore complies with Law no. 2011-103 of 27 January, 2011 regarding gender balance on the Board of Directors and Supervisory Board and professional equality.

NON-VOTING DIRECTORS

The non-voting Directors on the Company's Board of Directors are Mr Pierre Heinrichs, Senior Director Private Equity of the *Caisse de Dépôt et Placement du Québec*, and the company FFP Invest, represented by its Deputy Chief Executive Officer Bertrand Finet.

For an explanation of the non-voting Directors role on the Board of Directors, please refer to the Board of Directors corporate governance report in Appendix 1 of the present Registration Document.

SENIOR INDEPENDENT DIRECTOR

The Board of Directors decided to appoint an Independent Director as Senior Independent Director. The Senior Independent Director performs the following duties, in accordance with the Company's internal rules:

- the Senior Independent Director assists the Chairman in his duties, in particular in organising and ensuring the smooth functioning of the work of the Board and its Committees and in overseeing corporate governance and internal control. He is in particular the preferred contact for Shareholders, in particular those not represented on the Board of Directors, regarding corporate governance issues. He is also responsible for providing assistance to the Board in order to ensure the smooth functioning of the Company's corporate bodies and for providing the Board of Directors with his views on the transactions on which the Board of Directors shall deliberate. As such, he ensures that members of the Board are able to exercise their duties in the best possible conditions, in particular by ensuring that they receive a high level of information prior to Board meetings;
- the Senior Independent Director (SID) meets periodically with the non-executive Directors, without executive or internal Directors being present, in order among other things to assess the performance of the Chairman and CEO and, where relevant, to consider the future of management. The Senior Independent Director leads discussions during Board Meetings at which, on the basis of the Compensation Committee's report, the performance of the Chairman and CEO and, if applicable, of the COOs is assessed, and determines their objectives and compensation. Likewise, if he deems it necessary, the Senior Independent Director may arrange, prior to the Board meeting at which the Board and its Committees are assessed, a meeting with the Independent Directors to consult and coordinate with and facilitate the communication of potential recommendations to them;
- the Senior Independent Director, in conjunction with the Appointments and Governance Committee, which he may consult and meet with regarding such matters as needed, is tasked with regularly conducting due diligence to identify, analyse and obtain information on situations which might fall within the scope of managing and preventing conflicts of interests within the Board and among executive officers. He is seized or seizes himself of every conflict of interests, actual or potential, which he becomes aware of concerning the executive officers and the other members of the Board of Directors. He informs the Secretary to the Board of Directors and the Chair of the Appointments and Governance Committee of such conflicts of interest and, if the latter deems it necessary, the Board itself. The Senior Independent Director may make recommendations as he sees fit to the Appointments and Governance Committee and the Board with regard to managing potential conflicts of interests that he has uncovered or was informed of;
- the Senior Independent Director (SID) oversees the annual assessment of the Board of Directors. The results and recommendations of this assessment are discussed by the Appointments and Governance Committee and then presented to the Board of Directors.

In 2015, Sir Peter Mason was appointed by the Board of Directors as the Senior Independent Director of the Company.

14.1.2 CHIEF EXECUTIVE OFFICER

The positions of Chairman of the Board and Chief Executive Officer of the Company are combined. Mr Gauthier Louette is currently the Chairman and CEO.

14.1.3 GENERAL MANAGEMENT COMMITTEE

The Group formed a General Management Committee which determines and implements theGroup's operational strategy while ensuring the consistency of its actions. It meets several times a year and is composed of the CEOs of the main subsidiaries, the Chairman and CEO of the Company, the Chief Financial Officer, the Director of Human Resources, the Director of Strategy, Development and Acquisitions and the Director of Operational Support. In addition to the Chairman and CEO, it is composed of 11 members who reflect the European governance of the Group.

Therefore, the members of the Committee include: Mr. Gauthier Louette, Chairman and CEO of SPIE SA and Chairman of SPIE Operations; Mr. Denis Chêne, Chief Financial Officer of the Group; Mr. Yves Compañy, CEO of SPIE Oil & Gas Services; Mr. Johan Dekempe, CEO of SPIE Belgium; Mrs. Lieve Declercq, CEO of SPIE Nederland; Mr. Olivier Domergue, COO of SPIE France; Mr. Robert Goodhew, CEO of SPIE UK; Mrs. Lieve Declercq, CEO of SPIE Nederland; Mr. Markus Holzke, CEO of SPIE DZE (ex. SPIE Holding GmbH) Mr. Pablo Ibanez, Director of Operational Support (Purchasing, Real Estate, sustainable development, Digital and IT) for the Group; Mrs. Elisabeth Rasmussen, Director of Human Resources for the Group; Mr. Pierre Savoy, CEO of SPIE Schweiz AG; Mr. Jérôme Vanhove, Director of Group Strategy, Development and Acquisitions.

14.2 DISCLOSURES RELATING TO THE MANAGEMENT BODIES

At the date of this Registration Document, to the Company's knowledge, there were no family relationships among the members of the Company's Board of Directors and the Chairman and CEO of the Company.

Furthermore, to the best of the Company's knowledge, over the last five years: (i) none of the members of the Board of Directors nor the Chairman and CEO has been convicted of fraud, (ii) none of the members of the Board of Directors nor the Chairman and CEO has been associated with any bankruptcy, receivership or liquidation proceedings, (iii) none of the members of the Board of Directors nor the Chairman and CEO has been the subject of any official public accusation or sanctions by judicial or administrative authorities (including relevant professional organisations), and (iv) none of the members of the Board of Directors nor the Chairman and CEO has been disqualified by a court from acting as a member of a management or supervisory body of an issuer, or from participating in the management or conduct of the business of any issuer.

14.3 CONFLICTS OF INTEREST

To the best of the Company's knowledge, at the date of this Registration Document there were no potential conflicts of interest between the duties of the members of the Board of Directors and of the CEO vis-à-vis the Company, and their private interests.

15

COMPENSATION AND BENEFITS

15.1 COMPENSATION AND BENEFITS PAID TO DIRECTORS AND EXECUTIVE OFFICERS

15.1.1 COMPENSATION OF BOARD MEMBERS

Other than Directors' fees paid to Directors of the Company, except for the Chairman and CEO, by the Company or by any Group entity, as detailed for the years ended 31 December, 2016 and 2017 in the table below, no other means of compensation or benefits to Directors were planned at the date of this Registration Document. The amount of attendance fees correspond to a gross amount before tax deduction withheld at source by the Company.

TABLE 3 (AMF DEFINITION)

Table of Director's fees and other compensation paid to nonexecutive officers

Nonexecutive officers	Amounts paid in 2016 (1)	Amounts paid in 2017 (2)
Michel Bleitrach		
Attendance fees	66,890	65,800
Other compensation	0	0
Denis Chêne		
Attendance fees	0	0
Other compensation	0	0
Nathalie Palladitcheff		
Attendance fees	0	0
Other compensation	0	0
Sir Peter Mason		
Attendance fees	90,210	86,570
Other compensation	0	0
Roberto Quarta (3)		
Attendance fees	0	0
Other compensation	0	0
Christian Rochat (4)		
Attendance fees	0	0
Other compensation	0	0
Sophie Stabile		
Attendance fees	53,250	54,000
Other compensation	0	0
Regine Stachelhaus		
Attendance fees	60,000	62,360
Other compensation	0	0
Tanja Rueckert (5)		
Attendance fees	-	7,000
Other compensation	-	0
Gabrielle van Klaveren-Hessel		
Attendance fees	0	0
Other compensation	0	0
Daniel Boscari		
Attendance fees	0	0
Other compensation	0	0

(1) The amounts paid in 2016 correspond to the sum of the fixed portion of 40% plus the variable portion capped at 60% in relation to 2015 results.

(2) The amounts paid in 2017 correspond to the fixed portion of 40% plus the variable portion capped at 60% in relation to 2016 results.

(3) Mr. Roberto Quarta resigned as a Director of the Company with effect from 16 March, 2017, in accordance with the terms of the commitment letter described in the Statutory Auditors' special report on related parties transactions for 2017 in section 19.2 of the present Registration Document. He was not replaced.

(4) Mr. Christian Rochat resigned from his duties as a Company Director with effect from 6 September, 2017, in accordance with the terms of the commitment letter described in the Statutory Auditors' special report on related parties transactions for 2017 in section 19.2 of the present Registration Document. He was replaced by Mrs. Tanja Rueckert.

(5) Mrs. Tanja Rueckert was co-opted as a Company Director on 14 September, 2017, to replace the resigning Mr. Christian Rochat. Her appointment as Director of the Company will be submitted to the approval of the General Shareholders' meeting called to approve the financial statements for the year ended on December 31, 2017.

The Board of Directors has decided that only Independent Directors shall be permitted to receive attendance fees.

Since 2014, the maximum annual amount of the fees granted to the Board of Directors is equal to €450,000 euros. This maximum amount remain in effect for the following years, until a decision from the Shareholders' General Meeting decides otherwise. Having noted an increase in the number of Independent Directors eligible for attendance fees (subject to their appointment being confirmed by the next Shareholders' General meeting) and following a recommendation by the Compensation Committee, on 14 December, 2017 the Board of Directors decided to put forward a proposal to the next meeting that the attendance fees budget be increased from €450,000 to €600,000.

The variable portion of Independent Directors'fees (capped at 60% of the total and 40% for Sir Peter Mason, Senior Independent Director since 1st January, 2016), based on their attendance at Board and Committee meetings, is paid in March of the following year. This variable part shall be proportional to the participation rate to the meetings, a meeting of the Board of Directors counting for 1 and a meeting of a Committee counting for 1/2. At its meeting of 8 March,2018, the Board of Directors allocated the following variable compensation (paid end of March 2018) to the Independent Directors for 2017:

- Michel Bleitrach: €38,000, based on a participation rate of 90.5% in 2017;
- Sir Peter Mason: €34,667, based on a participation rate of 96.3% in 2017;
- Sophie Stabile: €30,240, based on a participation rate of 84% in 2017;
- Regine Stachelhaus: €42,000, based on a participation rate of 100% in 2017;
- Mrs. Tanja Rueckert €8,000, based on a participation rate of 22.2% in 2017 [(1)].

15.1.2 COMPENSATION OF EXECUTIVE OFFICERS

The tables below show the compensation paid to Gauthier Louette, Chairman and CEO of the Company, by the Company or by any Group entity, in the years ended 31 December, 2016 and 2017. For more detailed information on the compensation of the Chairman and CEO, see the Board of Directors' Corporate Governance report which appears in Appendix 1 to this Registration Document.

TABLE 1 (AMF DEFINITION)

Summary table of compensation paid and stock options awarded to each executive officer

(amount in Euros)	**Financial year 2016**	**Financial year 2017**
Gauthier Louette, Chairman and CEO		
Compensation due for the year [(1)] *(detailed in Table 2)*	1,422,445	1,476,145
Valuation of multiyear variable compensation paid in the year	0	0
Valuation of options awarded in the year *(detailed in Table 4)*	Nil	Nil
Valuation of bonus shares awarded *(detailed in Table 6)*	704,602	704,602
TOTAL	**2,127,047**	**2,180,747**

(1) Gross amount (before tax and social security contributions).

TABLE 2 (AMF DEFINITION)

Summary table of compensation paid to each executive officer

	Financial year 2016		**Financial year 2017**	
(amount in Euros)	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Gauthier Louette, Chairman and CEO				
Fixed compensation [(1)]	729,300	729,300	740,300	740,300
Annual variable compensation [(1) (2)]	686,600	693,920	729,300	686,000
Multi-year variable compensation [(1)]	0	0	0	0
Exceptional compensation [(1)]	0	0	0	0
Attendance fees	0	0	0	0
Benefits in kind [(3)]	6,545	6,545	6,545	6,545
TOTAL	**1,422,445**	**1,429,765**	**1,476,145**	**1,433,445**

(1) Gross amount (before tax and social security contributions).

(2) Annual variable compensation, paid when objectives are met, is set at 100% of the fixed annual compensation of which 55% is linked to EBITA, 10% to operating cash flow and 35% to individual qualitative objectives with the EBITA criterion adjusted on the basis of the Group's safety record (frequency rate of work accidents of SPIE employees and temporary worker see the Chairman of the Board of Directors' report included in Appendix 1 of this Registration Document). Variable compensation can reach a maximum of 171% of fixed annual compensation if the EBITDA and operating cash flow objectives are exceeded, and if optimal safety results are achieved.

(3) Benefits in kind consist of a company car.

(1) Dr. Tanja Rueckert having been co-opted as a Director of the Company on 14 September, 2017, she has only had the opportunity to participate to 2 out of the 9 Boards of Directors organized in 2017.

Calculation table of variable annual compensation due for 2017 *(amount in euros)*

Criterion	Indicateur	Pondération	Evaluation	% achieved
Quantitative criteria				
EBITA	2017 Budget	55%	139% x K1=132%	73%
Safety (K1)	Fr [(1)] 2017	between 0.9 and 1.1		0.95
Operating Cash-Flow	2017 Budget	10%	124%	12%
Sub-total		**65%**		**85%**
Qualitative criteria	Individual targets set by the Board [(2)]	35%		34%
TOTAL		**100%**		**119%**

(1) Corresponds to the Frequency rate of accidents with a work interruption for SPIE staff and temporary staff. This rate is allocated to the performance evaluated in achieved EBITA.

(2) Qualitative criteria were: external growth (9%), strategy review (5%), succession plan of the Executive Committee (5%), digital strategy (10%) and investors relationship (7%).

Target Variable Portion *(in euros)*	**Variable portion due** *(in euros)*
740,300	880,957

The target variable portion (in euros) for 2018 is equal to 100% of the fixed portion for 2018.

TABLE 11 (AMF DEFINITION)

	Work contract		**Supplemental pension plan**		**Severance or other benefits due or likely to become due as a result of termination or change of office**		**Compensation under a noncompete clause**	
Executive officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Gauthier Louette Chairman and CEO Start date of term: 30 August, 2011 End date of term: Shareholders' General Meeting called to approve the financial statements for the year ending 31 December, 2017		x	x		x			x

Gauthier Louette has a defined benefit supplemental pension plan, which was set up with SPIE SA (now SPIE Operations) on 1st January, 2001, and a defined contribution executive pension plan, [(1)] set up with Financière SPIE in 2009 and then SPIE SA in 2013.

The defined benefit executive pension plan policy taken out by SPIE SA with Cardiff (owned by BNP Paribas) since 2001, in accordance with Article L. 137-11 of the French Social Security Code, was set up for SPIE's senior executives.

Since 1st January, 2010, Mr. Gauthier Louette is the last remaining active beneficiary; other pensions due under the plan are being paid out by the insurer to seven former SPIE executive officers who left the Group before 1st January, 2010.

To benefit from the plan, beneficiaries must:

- have been with the Group for at least 5 years at the time of departure; and
- be at least 60 years-old at the time of departure and be eligible for their full State pension, or be at least 55 years-old at the time of departure and not be in gainful employment before receiving their State pension (in the second case, a pension is paid at the time of departure only if the departure is initiated by the Company) [(2)].

The base pay used to calculate beneficiaries'pensions is based on their average compensation for the three years preceding their departure from the Company. Compensation means the sum of gross annual fixed compensation and gross annual variable compensation.

(1) The defined contribution pension scheme (known as "Article 83"), put in place in 2009 in the form of a collective retirement savings contract, benefiting employees and corporate officers whose compensation exceeds 4 PASS (annual social security ceiling).

(2) Mr. Gauthier Louette has been with the Company for 33 years.

Pensions are vested on an annual basis, *i.e.*, 2% of the base pay for each year under the plan for the first five years and 3% thereafter, subject to the following two caps:

- annual vesting as described above is capped at 20% of the annual base pay [1]; and
- annuities paid under the plan, to which annual State pensions and pensions paid under the (ARRCO and AGIRC) private pension plans must be added, are capped at 50% of the base pay.

The Company recorded a provision to finance these obligations with management outsourced to Cardiff.

At 31 December, 2017, the theoretical base pay was equal to the average compensation paid in 2015, 2016 and 2017, *i.e.*, €1,410,873. As the vesting rights acquired by Mr. Gauthier Louette have reached the 20% cap, the theoretical annual amount of his pension would equal €282,175.

When the pension is paid out, the employer's social security contribution will amount to 32% of the gross pension amount (actual rate) [2].

Mr. Gauthier Louette also has a severance package equal to one year of compensation (fixed plus variable excluding exceptional bonuses, if any).

The performance conditions applicable to the severance pay in case of forced departure are based on the level of achievement of the economic and financial criteria for the variable compensation as recommended by the Compensation Committee and approved by the Board of Directors (currently EBITA and operating cash flow). The average rate of achievement of the objectives based on these criteria for the last three years must be equal to or greater than 70%.

Finally, Mr. Gauthier Louette is also a beneficiary of the GSC executive unemployment insurance scheme in France under which he is eligible for an annual payment for 24 months capped at 40% x 6 of the annual social security ceiling (*Plafond Annuel de la Sécurité Sociale*, or PASS).

Therefore, in 2017 the Company paid an annual contribution of €7,273.

A detailed description of the free performance shares plan which covers Mr. Gauthier Louette is provided in Section 17.2.2 of this Registration Document.

15.1.3 STOCK OPTIONS AWARDED

TABLE 4 (AMF DEFINITION)

Stock options awarded during the year to each executive officer by the issuer and any Group entity

Name of executive officer	Plan date and No.	Option type (subscription or purchase)	Valuation of options using the consolidated method	Number of options awarded during the year	Exercise price	Exercise period
Gauthier Louette				Nil		

TABLE 5 (AMF DEFINITION)

Stock options exercised during the year by each executive officer

Name of executive officer	Plan date and No.	Number of options exercised	Exercise price
Gauthier Louette		Nil	

(1) This 20% ceiling was reached for Gauthier Louette before the 2015 financial year.

(2) The annual contribution paid by the Company for Gauthier Louette's defined contribution pension plan («Article 83» supplementary pension plan) is 16% x (annual compensation-4 PASS) limited to 16% x 4 PASS (representing €25,106 in 2017), and is capitalised each year in a multi-instrument investment fund managed by BNP Paribas Epargne Retraite.

TABLE 8 (AMF DEFINITION)

History of stock options awarded

Information on stock options				
Date of Shareholders' General Meeting	Plan No. 1	Plan No. 2	Plan No. 3	Etc.
Date of Board meeting				
Total number of shares that can be bought or subscribed for including those that can be bought or subscribed for by:				
Exercise start date				
Expiration date				
Option price		Nil		
Terms of exercise (where the plan includes several facilities)				
Number of shares subscribed for at the date of this Registration Document				
Cumulative number of stock options cancelled or expired				
Stock options remaining at year end				

TABLE 9 (AMF DEFINITION)

Stock options awarded to and exercised by the top ten nonexecutive employee beneficiaries	Total number of options awarded/ shares subscribed for or purchased	Weighted average price	Plan No. 1	Plan No. 2
Options awarded during the year by the issuer and any Group entity falling within the option allocation scope to the ten employees of the issuer and any entity within this scope who were awarded the highest number of options (overall figure)				
Options on the issuer and any Group entity falling within the option allocation scope exercised during the year by the ten employees of the issuer and these entities who bought or subscribed for the highest number of shares (overall figure)		Nil		

FREE SHARE ALLOCATION

TABLE 6 (AMF DEFINITION)

Bonus shares awarded to each corporate officer

Bonus shares awarded by the Shareholders' General Meeting during the year to each corporate officer by the issuer and any Group entity (list of names)	Plan date and No.	Number of shares awarded during the year	Valuation of shares using the consolidated method (in Euros)	Vesting date	Date available	Performance conditions
Gauthier Louette	No. 1 28/07/2016	64,040	704,602	28/07/2016	28/07/2019	EBITA Cash conversion TSR*

* *Total Shareholder Value.*

For a detailed description of the table below, see Section 17.2.2.

PERFORMANCE CONDITIONS

Performance conditions are assessed over the 2016-2018 period (three calendar years).

There are two internal conditions, one linked to the AAGR (average annual growth rate) of EBITA and the other to cash conversion (ratio of operating cash flow to EBITA), and one external condition associated with TSR (Total Shareholder Return).

The relative weighting of the three conditions is 37.5% for EBITA, 37.5% for cash conversion and 35% for TSR.

The EBITA related condition is as follows:

- if 2016-2018 AAGR is less than 5%, no shares acquired;
- if 2016-2018 AAGR is 5%, 50% of shares acquired;
- if 2016-2018 AAGR is 7% or more, 100% of shares acquired.

The award rate is calculated on a straight-line basis between limits.

The cash conversion-related condition is as follows:

- if average cash conversion during 2016-2018 is less than 100%, no shares acquired;
- if average cash conversion during 2016-2018 is 100% or more, 100% of shares acquired.

The TSR-related condition is as follows:

- if TSR from 1st January, 2016 to 31 December, 2018 is less than the average TSR of the SBF 120, no shares acquired;
- if TSR from 1st January, 2016 to 31 December, 2018 is 5% higher than the average TSR of the SBF 120 median, 100% of shares acquired.

The award rate is calculated on a straight-line basis between limits.

TABLE 7 (AMF DEFINITION)

Bonus shares available to each corporate officer	Plan date and No.	Number of shares available during the year	Vesting conditions
Gauthier Louette	Nil		

TABLE 10 (AMF DEFINITION)

History of bonus shares awarded				
Information on bonus shares awarded				
Date of Shareholders' General Meeting	Plan No. 1	Plan No. 2	Plan No. 3	Etc.
Date of Board meeting	28/07/2016			
Total number of bonus shares awarded, of which awarded to:	64,040			
Corporate officers				
Gauthier Louette				
Vesting date	28/07/2016			
Holding period end date	28/07/2019 (1)			
Number of shares subscribed for at the date of this Registration Document	64,040			
Number of shares cancelled or expired	0			
Bonus shares remaining at year end	64,040			

(1) Bonus shares are subject to a holding period of 3 years from 28 July, 2016 (see Section 17.2.2 for more details).

15.2 AMOUNT OF THE PROVISIONS OR FUNDS SET ASIDE BY THE COMPANY TO PAY PENSIONS OR RETIREMENT BENEFITS OR OTHER BENEFITS

For the defined benefit executive pension plan which covers Mr. Gauthier Louette, Chairman and CEO of the Company, the total amount set aside to pay for pensions or other benefits totalled €7,307,000 for the financial year ended on 31 December, 2017. This amount covers Gauthier Louette and seven previous Group executives who are now retired.

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FUNCTIONING OF MANAGEMENT AND SUPERVISORY BODIES

16.1 TERMS OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

Information on the expiry of the terms of members of the Board of Directors and General Management is provided in Section 14.1 of this Registration Document.

16.2 INFORMATION ON SERVICE CONTRACTS BINDING MEMBERS OF THE EXECUTIVE BODIES TO THE COMPANY OR ONE OF ITS SUBSIDIARIES

At the date of this Registration Document, to the Company's knowledge, there were no service provision agreements between members of the executive bodies and the Company or its subsidiaries under which benefits are granted.

16.3 BOARD OF DIRECTOR'S COMMITTEES

The Company is in the form of a joint-stock company (*société anonyme*) with a Board of Directors. It has also formed an Audit Committee, a Compensation Committee and an Appointments and Governance Committee.

The main provisions of the internal rules of these Committees are presented below:

AUDIT COMMITTEE

COMPOSITION

The Audit Committee comprises four members, two of whom are appointed as independent members of the Board. The composition of the Audit Committee may be modified by the Board at the request of its Chairman and, in any event, must be modified if there is a change in the general composition of the Board of Directors.

At the date of this Registration Document, the Audit Committee comprised Sir Peter Mason (Chairman, Independent Director and Senior Independent Director (SID)), Sophie Stabile (Independent Director), Nathalie Palladitcheff, Non-Independent Director, and Gabrielle van Klaveren Hessel, Employee Shareholder Representative.

In accordance with applicable law, the members of the Committee have special financial and/or accounting expertise.

The term of office of the members of the Audit Committee coincides with their term on the Board of Directors. It may be renewed at the same time as their Board membership.

The Chair of the Audit Committee is appointed, after special review, by the Board of Directors on the recommendation of the Appointments and Governance Committee from independent members of the Board. No executive officer may be a member of the Audit Committee.

DUTIES

The mission of the Audit Committee is to monitor questions relating to the preparation and control of the accounting and financial information, and to ensure the effectiveness of the process to monitor risks and internal operational control in order to assist the Board of Directors in the performance of its control and audit missions.

Within this framework, the primary duties of the Audit Committee are to:

- monitor the process to prepare the financial information;
- monitor the effectiveness of the internal control, internal audit and risk management systems with regard to financial and accounting information;
- monitor the legal audits of the parent company and consolidated financial statements by the Company's independent auditors; and
- monitor the independence of the independent auditors.

The Audit Committee reports regularly to the Board on the performance of its missions and informs the Board of Directors immediately of any difficulty encountered.

The Audit Committee meets as needed and, in any case, at least twice a year at the time of the preparation of the annual and half-year financial statements.

COMPENSATION COMMITTEE

COMPOSITION

The Compensation Committee is composed of three members, two of whom are independent members of the Board and one member who is an employees'representative in accordance with the Afep-Medef Code, as defined here in after. They are appointed by the Board from among its members on the basis of their independence and expertise in the area of compensation for executive officers of listed companies. No executive officer may be a member of the Compensation Committee.

At the date of this Registration Document, the Compensation Committee comprised Michel Bleitrach (Chair, Independent Director), Sophie Stabile (Independent Director) and Daniel Boscari (Director and Employee Representative). The term of office of members of the Compensation Committee coincides with their term on the Board. It may be renewed at the same time as their Board membership.

DUTIES

The Compensation Committee is a specialised Committee of the Board of Directors, the principal task of which is to assist the Board in the determination and regular assessment of all compensation and benefits for executive officers or managers of the Group, including all deferred benefits and/or severance payments for voluntary or force departure from the Group.

In this framework, it performs the following tasks:

- reviews and recommends to the Board of Directors all elements and conditions of the compensation for the corporate officers of the Group;
- reviews and recommends to the Board the method of allocation of Directors' fees;
- consults for recommendation to the Board of Directors on all exceptional compensation related to special missions, if any, that may be assigned by the Board to certain members.

The Compensation Committee meets as needed and, in any event, at least once a year, prior to any meeting of the Board of Directors that will decide on the compensation for members of the General Management or the allocation of Directors' fees.

APPOINTMENTS AND GOVERNANCE COMMITTEE

COMPOSITION

The Appointments and Governance Committee is composed of three members, two of whom is an independent member of the Board. They are appointed by the Board from among its members on the basis of their independence and expertise in the area of selecting executive officers of listed companies.

At the date of this Registration Document, the Appointments and Governance Committee comprised Regine Stachelhaus (Chair and Independent Director), Sir Peter Mason (Independent Director and Senior Independent Director) and Nathalie Palladitcheff (Non-Independent Director).

The term of office of members of the Appointments and Governance Committee coincides with their term on the Board. It may be renewed at the same time as their Board membership.

DUTIES

The Appointments and Governance Committee is a specialised Committee of the Board, with the primary mission of assisting the Board in determining the members of the executive bodies of the Company and its Group.

In this framework, it performs the following tasks:

- appointment recommendations for members of the Board of Directors, the General Management, and Committees of the Board of Directors;
- annual assessment of the independence of the members of the Board of Directors;
- examining succession plans for executive officers.

The Appointments and Governance Committee meets as needed and, in any event, at least once a year prior to the Board meeting that decides the situation of the members with regard to the independence criteria adopted by the Company.

STRATEGY AND ACQUISITIONS COMMITTEE

Pursuant to a decision taken on November 9, 2017, the Board of Directors has abolished the Strategy and Acquisitions Committee (see report from the Board of Directors on corporate governance descibed in article L.225-37 of the Commercial Code, included in Appendix 1 of the present Registration Document).

16.4 DISCLOSURE RELATING TO CORPORATE GOVERNANCE

The Company refers to the recommendations of the "**Afep-Medef Code**" of Corporate Governance for listed companies.

The Afep-Medef Code which the Company uses as a reference is available online at http://www.medef.com. The Company keeps copies of this Code available at all times for members of its corporate bodies.

The Company complies with the recommendations of the Afep-Medef Code, except for the issues detailed in the report from the Board of Directors on governance pursuant to Article L.225-37 of the Commercial Code, included in schedule 1 to the present Registration Document.

16.5 INTERNAL AUDITING

The internal control process implemented within the Group is presented in Section 4.7.2 of this Registration Document. Detailed information is also available in the Board of Directors governance report set out by Article L. 225-37 of the French Commercial Code and included in Appendix 1 of this Registration Document.

17

EMPLOYEES

17.1 INTRODUCTION

17.1.1 NUMBER AND BREAKDOWN OF EMPLOYEES

17.1.1.1 STAFF OVERVIEW

At 31 December, 2017, the Group employed a total (all types of contracts) of 46.650 people, compared with 37,628 at 31 December, 2016, representing an overall increase of 9.022 people, largely due to the SAG Group's acquisition in 31 March, 2017.

In 2017, 10,106 new employees joined the Group following various acquisitions made by the Group (57 employees left the Group following the sale of several companies).

For the year ended 31 December, 2017, the Group's wage bill stood at €2,217 million, compared with €1,939 million for the year ended 31 December, 2016. The wage bill is the sum of all gross salaries and employer's social security contributions.

17.1.1.2 BREAKDOWN OF EMPLOYEES

The table below sets out the breakdown of Group employees by country at 31 December, 2017 and 2016:

Country	2017	2016
France	18,722	18,557
Belgium (incl. Oil & Gas staff)	1,699	1,715
Germany	12,855	5,242
United Kingdom (incl. Oil & Gas staff)	3,516	3,738
Netherlands	4,198	3,716
Swiss	532	571
Portugal (3)	0	0
Poland	943	518
Hungary	383	137
Greece	0	0
Other (1)	0	34
Total Europe	**43,295**	**34,228**
Morocco	826	844
Rest of Africa	736	787
Total Africa	**1,562**	**1,631**
Middle East	1,020	1,175
Asia	773	594
Other (2)	0	0
TOTAL	**46,650**	**37,628**

(1) Finland – sale of activities on 18 August, 2017

(2) North America, South America.

(3) Sale of business in Portugal in June 2016.

The table below sets out the breakdown of Group employees by main subsidiary (employees > 1,000) at 31 December, 2017 and 2016:

Subsidiary	2017	2016
SPIE Ouest-Centre	1,632	2,846
SPIE Sud-Ouest	1,396	2,506
SPIE Ile-de-France Nord-Ouest	1,489	3,339
SPIE Est	1,216	1,620
SPIE Sud-Est	1,659	2,478
SPIE Nucléaire	1,887	2,106
SPIE ICS	2,912	3,013
SPIE CityNetworks	3,562	0
SPIE Facilities	2,444	0
Total France	**18,197**	**17,908**
SPIE Oil & Gas Services	2,912	3,198
SPIE Belgium	1,678	1,676
SPIE Nederland	4,198	3,716
SPIE UK	3,516	3,616
SPIE DZE - ex. SPIE Holding GmbH (including Lück) (1)	6,903	5,931
SAG (2)	7,725	0
TOTAL (3)	**45,129**	**36,045**

(1) Includes Germany, Poland, Hungary and Finland.

(2) SAG: Germany, Poland, Hungary, Czech Republic/Slovakia

(3) Excludes SPIE Maroc, SPIE Operations and SPIE ICS AG.

The table below sets out the breakdown of Group employees by occupational category at 31 December, 2017 and 2016:

Occupational category	2017	2016
Managers	6,741	6,688
Clerical, technical and supervisory staff (1)	20,190	17,331
Labourers	19,719	13,609
TOTAL	**46,650**	**37,628**

(1) Grouped in France under the acronym "ETAM".

The following table shows the percentage of women in the Group's workforce at 31 December, 2017 and 2016:

Percentage of women	2017 (Europe)	2016 (Europe)	2017 (Worldwide)	2016 (Worldwide)
Percentage of female employees	13%	14%	13%	13%
Percentage of female managers	14%	14%	14%	14%
Percentage of female clerical, technical and supervisory staff	22%	20%	21%	19%
Percentage of female manual workers	4%	6%	4%	5%

The following table sets out the breakdown of Group employees by type of employment at 31 December, 2017 and 2016:

By type of employment	2017 (Europe)	2016 (Europe)	2017 (Worldwide)	2016 (Worldwide)
Permanent employees	85%	85%	82%	82%
Other (1)	15%	15%	18%	18%
Of which temporary workers	57%	64%	44%	48%

(1) Part-time employees, apprentices and temporary workers.

The table below shows the age pyramid of permanent Group employees at 31 December, 2017 and 2016:

Age pyramid	2017 (Europe)	2016 (Europe)	2017 (World)	2016 (World)
Under 25 years	7%	7%	7%	6%
25-40 years	35%	34%	36%	36%
41-55 years	41%	40%	41%	40%
56-60 years	12%	14%	11%	14%
> 60 years	5%	5%	5%	4%

17.1.2 EMPLOYMENT AND WORKING CONDITIONS

The table below shows turnover within the Group for the last two years in Europe:

Employment	2017	2016
Turnover of permanent employees (1)	12.56%	9.68%
Permanent employees having left voluntarily	7.30%	5.27%
Rate of new permanent employees	8.61%	7.34%
Percentage of workers with a registered disability (2)	5.1%	4.98%

(1) Excluding internal transfers

(2) France

The following table shows the change in absenteeism and overtime over the last two years in France:

Work conditions	2017	2016
Absenteeism rate (1)	5.38%	5.34%
Overtime	145,094	345,744

(1) Number of days of absence against total theoretical days of work

The table below shows changes in workplace safety for the last two years (Group employees having suffered an accident at work):

Work place safety	2017 (1)	2016
Number of fatal work accidents	1	0
Frequency rate with lost time (1)	6.18	6.16
Severity rate	0.22	0.29

(1) The frequency rate with lost time corresponds to the number of work accidents per million hours worked.

DIVERSITY AS A DRIVER OF GROWTH AND PROGRESS

As diversity is an integral part of the Group's guidelines and management values, SPIE's slogan is "SPIE, sharing a vision for the future". It is a full part of the Group's corporate social responsibility and contributes to improving the climate of trust and working conditions.

SPIE signed its Diversity Charter in 2008 and is creating a Group Diversity Committee with the objective of strengthening its commitment to preventing discrimination and ensuring equal opportunity.

The Group promotes diversity as a development factor through concrete measures based on four priorities:

- achieving a better gender balance;
- employing more workers with disabilities;
- nurturing a healthy generational mix; and
- promoting diverse backgrounds.

ACHIEVING A BETTER GENDER BALANCE

The Group is committed to monitoring the career development of its female employees and is putting measures in place to promote the integration of women, particularly in technical and management positions. Special attention is also given to career development during the career Committee process.

The Group also continues to visit specific schools in order to introduce young engineers to the Group's businesses.

17.1.3 TRAINING

For the year ended 31 December, 2017, 2.4% of the wage bill was allocated to training Group employees (European scope).

Training	2017	2016
Total training expenses (in euros)	41,699,398	41,749,606
Employees who received training	38,039	23,667

(1) Excluding Switzerland

TRAINING TO COMBINE SKILLS AND PERFORMANCE

The Group's training plan is driven by operating indicators related to the strategic plans and budgets, the need for resources estimated by the Group's management arm dedicated jobs and skills, the consideration of individual needs brought out during annual performance reviews, and the need to prepare employees coming from the career Committees. The purpose of these Committees is to spot workers with high potential, build career plans to help them grow, set up intrasubsidiary transfers and put replacement plans in place. The collective (Committee) approach is applied at various levels of the organisation and results in an objective validation and analysis of key employees.

The Group has developed its own training body, the Skills Development Centre, which consists of:

- *the Management School,* which provides managerial training and project training even to members of the management Committees. This school trains approximately 1,500 interns per year;
- *the Technological Institute*, dedicated to the best technicians in the Group to anticipate changes in its strategic businesses. The Technological Institute offers around twenty customised training courses responding to market trends and client needs.

17.1.4 COMPENSATION POLICY

Managers in Group entities are eligible for variable annual compensation.

The variable annual compensation for managers is as follows:

- 10% to 30% of the annual base salary for managers; and
- 30% to 40% for managers who are members of subsidiary management Committees.

The objectives are both quantitative and qualitative, collective and individual, as follows:

- Operating criteria: EBITA and cash flow of the entity in question; and
- individual development criteria.

The results of the operating criteria are weighted by a safety coefficient directly tied to the Group's safety record.

17.1.5 LABOUR RELATIONS

Group employees are represented at various levels (Group/entity/firm) by labour union representatives, employee representatives, works councils and/or the central works council, the workplace health and safety Committee, and the Group Committee.

The European Works Council is composed of representatives from the different member States in which the Group is present; it functions in accordance with applicable European regulations (Directive 2009/38/EC governing the institution of a European works council dated 6 May, 2009).

At 31 December, 2017, the Group employed 46.650 people, some of whom are union members. The Group considers that overall it has satisfactory working relations with its employees and their representatives. Over the whole Group, 128 collective agreements were signed in 2017 with union representatives. At the European level, the rules for forming and operating the European Works Council were unanimously approved.

17.2 EQUITY INTERESTS AND STOCK OPTIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

17.2.1 INTERESTS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND GENERAL MANAGEMENT

DIRECTORS

The table below shows the percentage of the Company's share capital held by each of the Directors at the date of the Registration Document:

	Number of shares and voting rights held at 31 Dec., 2017			
Company Director	**Number of shares and voting rights**	**% of capital**	**% of voting rights**	**Fees**
Gauthier Louette (Chairman and CEO)	2,434,396	1.6%	1.55%	Non
Denis Chêne (Chief Financial and Administrative Officer)	1,030,634	0.7%	0.66%	Non
Daniel Boscari	30,000	0.02%	0.02%	Non
Sir Peter Mason	2,000	0.00%	0.00%	Oui
Michel Bleitrach	1,800	0.00%	0.00%	Oui
Regine Stachelhaus	750	0.00%	0.00%	Oui
Sophie Stabile	100	0.00%	0.00%	Oui
Nathalie Palladitcheff	100	0.00%	0.00%	Non
Gabrielle van Klaveren-Hessel (1)	0	0.00%	0.00%	Non

(1) Gabrielle van Klaveren-Hessel also holds 510,2000 units in the FCPE "SPIE Actionnariat 2011" sub-fund and 176,2452 units in the FCPE "SPIE Actionnariat 2015" sub-fund (see Section 17.4 "of this Registration Document).

17.2.2 STOCK OPTIONS AND BONUS SHARES AWARDED

On 25 May, 2016, the Shareholders' General Meeting , pursuant to its 20th resolution, authorised the Board of Directors, under certain conditions, to award bonus shares to a number of corporate officers and employees of the Company or companies or groupings linked to it in accordance with the provisions of Article L. 225-197-2 of the French Commercial Code.

Said authorisation was granted for a period of 38 months.

The number of shares thus granted shall not exceed 3% of the total number of shares composing the Company's share capital at the time of the decision of the Board of Directors to implement such plan, and that if such shares are newly issued shares, the aggregate nominal amount of the corresponding share capital increases shall be allocated on (i) the nominal ceiling of €2,750 thousand for the share capital increases reserved to the beneficiaries of a employee savings plans, as well as (ii) on the nominal ceiling of €36,000,000 for share capital increases.

The free shares granted to officers of the Company cannot exceed 10% of the total number of shares granted by the Board of Directors.

The definitive acquisiiton of the shares may be submitted, in part or in whole, to certain performance conditions set by the Board of Directors, it being understood that for officers of the Company, le Board of Directors will submit the acquisition of the shares to performance criteria and shall determine the portion of shares that said officers will be required to hold until the term of their office.

The Shareholders' Meeting also decided that the shares will be definitely acquired by their beneficiaries after (i) an acquisition period of at least 1 year and a conservation period of at least 1 year as from their definitive acquisition, and/or (ii) an acquisition period of at least 2 years in which case no conservation period may be required.

The definitive acquisition of the shares, and the right to freely transfer them, shall however be immediately given to any beneficiary should such beneficiary be subject to an invalidity condition, as set in Article L. 225-197-1 of the Commercial Code.

The Board of Directors on 28 July, 2016, on the basis of the authorisation granted by the Shareholders' General Meeting, has issued two free performance shares plans for officers and employees of the Company and its subsidiaries.

The Board of Directors thus granted 1,098,155 ordinary shares called "performance shares" of the Company, representing 0.71% of the Company's share capital as at 28 July, 2016.

The Board of Directors established a list of beneficiaries as follows:

- a SPIE 2016 Plan 1 relating to 225,115 performance shares, reserved for Mr. Gauthier Louette, Chairman and CEO of the Company, certain members of the General Management Committee and certain members of the Segment France Management Committee; and
- a SPIE 2016 Plan 2, relating to 872,040 performance shares for certain members of the Management Committees of the Group's legal entities, "Key Managers" of the Group and "High Potential" of the Group,

it being specified that the number of performance shares granted to each beneficiary represents a percentage of the fixed gross annual compensation of each of them, calculated based on a stock price of the SPIE SA shares of €16.197 (corresponding to the average of the closing stock price of the SPIE SA shares during the 20 trading days between 20 June and 15 July, 2016, inclusive) to which is applied, in order to take the performance conditions provided for under the Plans into account:

- a discount of 29.69% for the beneficiaries of the SPIE 2016 Plan 1; and
- a discount of 23.93% for the beneficiaries of the SPIE 2016 Plan 2.

the Performance Shares shall be definitely acquired by the beneficiaries subject to compliance with the following conditions:

- the end of a period of three years starting on 28 July, 2016;
- beneficiaries shall be bound with any of the Group companies by (i) corporate duties or (ii) an employment contract throughout the entire duration of the acquisition period;
- conditions of performance, *i.e.*:
  - the number of performance shares to be delivered to each beneficiary of the SPIE 2016 Plan 1 at the end of the acquisition period shall be equal to the number of performance shares granted to the relevant beneficiary on the date hereof multiplied by a global allocation rate that will be determined depending on (i) an internal allocation rate, itself depending on the level of (a) the annual average growth rate of the EBITA and (b) the annual average cash conversion rate, for the period of three years running from 1 January, 2016 to 31 December, 2018 (the "Reference Period"), and (ii) an external allocation rate relating to a performance target ("TSR") of the SPIE SA shares over the Reference Period compared to the median TSR of a panel of companies (the "Panel"), it being specified that the internal allocation rate accounts for 65% of the global allocation rate and the external allocation rate accounts for 35% of the global allocation rate;
  - the number of performance shares to be delivered to each beneficiary of the SPIE 2016 Plan 2 at the end of the acquisition period shall be equal to the number of performance shares granted to the relevant beneficiary on the date here of multiplied by a global allocation rate that will be determined depending on (i) an internal allocation rate, itself depending on the level of (a) the annual average growth rate of the EBITA and (b) the annual average cash conversion rate, over the Reference Period, and (ii) an external allocation rate relating to a performance target (TSR) of the SPIE SA shares over the Reference Period compared to the median TSR of the Panel, it being specified that the internal allocation rate accounts for 80% of the global allocation rate and the external allocation rate accounts for 20% of the global allocation rate;

Please Note that the Panel will comprise all of the companies listed on the SBF 120 stock index at 1 January, 2016, subject to any plans regarding changes to the composition of this index or its removal.

The Board of Directors, at its discretion, may decide if the performance shares which are finally awarded will be new shares to be issued by the Company and/or existing shares.

Finally, the Board of Directors has decided that Mr. Gauthier Louette, Chairman and CEO of the Company must retain 25% of the registered free performance shares acquired until the end of his term of office. Members of the Segment France Management Committee must retain 15% of their registered free performance shares acquired until the end of their terms of office within the Group.

No dispensation has been provided for the acquisition of free performance shares should the Chairman and CEO's term of office end before the three year acquisition period for free performance shares expires.

17.3 PROFIT-SHARING AGREEMENTS AND INCENTIVE SCHEMES

17.3.1 PROFIT-SHARING AGREEMENTS

In France, employees of Group entities with 50 or more workers share in profits under a collective agreement signed on 6 June, 2005. Under the agreement, which was signed by all representative unions, profit-sharing, which varies in accordance with the performance of the Group entities included within the scope of the agreement, is pooled with all the special positive profit-sharing reserves of each entity within the scope (global special profit-sharing reserve). 30% of the total special profit-sharing reserve is uniformly distributed to all employees included within the scope of the agreement, prorated on the time employed over the reference year, and the remaining 70% is distributed in proportion to the salary received over the reference year.

To offset the negative impact of the gross employer contribution paid in the context of the 2015 employee shareholding operation (see Section 17.4 of this Registration Document) on the 2015 results of each of the Group's entities concerned, and consequently on the amount of the special profit-sharing reserve in relation to the Company's results, and so as not to penalise those employees benefiting from profit-sharing, a decision was taken on payment of an additional special profit-sharing reserve by SPIE Operations of a gross amount of €1.8 million, in accordance with the provisions of Article L. 3324-9 of the French Employment Code.

The gross global special profit-sharing reserve for 2017 thus amounted to €8,386,045.

17.3.2 OPTIONAL PROFIT-SHARING AGREEMENT

In France, employees of Group entities with 50 or more workers are eligible for incentives under a collective agreement signed on 10 April, 2013.

Incentives are calculated under similar terms for all entities in relation to the results and performances specific to identified subgroups. An EBIT/revenue ratio calculated by the Company is the first condition for qualifying for an incentive. When due, incentives are paid in relation to increases in EBIT/revenue (normal payment) or decreases in EBIT/revenue (payment with penalties) compared with the previous year over the reference scope.

Incentives are divided evenly among employees on the sole basis of the effective time spent at work during the year in question.

The gross total amount of incentives distributed to employee beneficiaries for 2017 was €9,881,924.

17.3.3 EMPLOYEE SAVINGS AND SIMILAR PLANS

The Group has employee savings plans at Group and international level, designated by the acronyms PEG and PEGI, respectively, to facilitate employee access to the Company's shareholding throughout a series and range of transactions (*e.g.* the purchase of the Company by employees in 1997, leveraged buyouts in 2006 and 2011, and the IPO in 2015).

The PEG, which was unilaterally established on 8 December, 1997, has allowed Group employees since 24 November, 2009 to invest in units invested in participating firms in accordance with Article L. 3332-17 par. 1 of the French Labour Code.

Since 26 December, 2012, the PEG has accepted funds coming from the Group profit -sharing agreement of 6 June, 2005 in accordance with Law 2010-1330 of 9 November, 2010.

The PEGI was unilaterally established on 24 October, 2006.

17.4 EMPLOYEE SHAREHOLDING

17.4.1 SPIE ACTIONNARIAT 2011/2015 EMPLOYEE MUTUAL FUND (FONDS COMMUN DE PLACEMENT D'ENTREPRISE, FCPE)

As part of the takeover of the Group in 2011 (the "**Takeover**"), Group employees were given the opportunity to become Shareholders of the Company through the *SPIE Actionnariat 2011* FCPE *via* the capital increase reserved for employees of certain Group entities taking part in the PEG and PEGI in accordance with Article L. 3332-18 *et seq*. of the French Employment Code.

At the end of the capital increase reserved for employees for a total of €30,000,000, more than 50% of the Group's employees had become shareholders in the Company. As part of the Company's IPO in June, 2015, the FCPE sold 801,173 Company shares at a price of €16.50 per share and, at 19 June, 2015, held 2.1% of the Company capital.

Following its IPO, in December, 2015 the Group carried out an employee share offering in order to involve employees in the new SPIE dynamic. This offer was made either directly or through the FCPE in which a new "*SPIE Actionnariat 2015*" segment was created as part of a share capital increase reserved for employees, former employees and corporate officers of the Company and its French and foreign direct or indirect subsidiaries and members of a Group employee savings plan governed by Articles L. 3331-1 *et seq*. of the French Labour Code in accordance with Articles L. 3332-18 *et seq*. of the French Labour Code.

Set up in 13 countries, this new employee share offering proved to be highly successful with a subscription rate of almost 43% throughout the Group and 56% in France. Following this transaction, 4,076,156 new ordinary shares were issued amounting to over €53 million (*i.e*. 97% of the authorised maximum amount of €55 million) for a subscription price per share set at €13.05 including a discount for Group employees. With the shareholding plans already existing, almost 16,000 employees (*i.e*. 42% of the workforce) are now Shareholders and held, either directly or indirectly through the FCPE, approximately 3.9% of the Company's capital at 31 December, 2016.

The subscription terms for this new offer required a gross contribution from each employer company within the SPIE group, under the following conditions: 100% for employee subscriber contributions of up to €1000, 50% for employee subscriber contributions of between €1000.01 and €3000, and 20% for employee subscriber contributions of over €3000, with a maximum gross amount capped at €5400. The gross amount paid by all Group entities in respect of this contribution totalled €20,042,328.29.

In accordance with Article L. 3332-25 of the French Labour Code, FCPE units in the *SPIE Actionnariat 2011* subfund have been available from 30 June, 2016 and FCPE units in the *SPIE Actionnariat 2015* segment and the shares subscribed for directly in the context of the 2015 transaction will not be available until 1 July, 2020, in both cases, except if an early release event occurs as provided for in Articles R. 3332-28 and R. 3324-22 of the French Labour Code.

17.4.2 MANAGERIAL OWNERSHIP OF THE COMPANY

Certain former and current Group executives and managers, particularly members of the Group's General Management Committee, including Gauthier Louette and Denis Chêne, hold an interest in the Company. This interest was previously held *via* the SPIE 20 RA, SPIE 20 PP, SPIE 350 RA and SPIE 350 PP companies, which were absorbed by SPIE SA as part of the Group restructuring that took place at the time of the Company's IPO.

At 31 December, 2017, the interest in the Company held by Gauthier Louette, Chairman and CEO, amounted to 2,434,396 shares representing 1.58% of the capital and 1.55% of the voting rights.

At 31 December, 2017, the interest in the Company held by Denis Chêne, CFO and Director, amounted to 1,030,634 shares representing 0.67% of the capital and 0.66% of the voting rights.

At 31 December, 2017, the interest of the other executives and managers of SPIE (former and current) amounted, to the Company's knowledge, to 3,800,770 shares representing 2.46% of the capital and 2.41% of the voting rights.

17.5 RETIREMENT BENEFITS

The amounts due by the Group with regard to post-employment benefits increased from approximately €275 million for the year ended 31 December, 2016 to approximately €694 million for the year ended 31 December, 2017. This increase is primarily due to the acquisition of the SAG Group in Germany.

The version of the Company's Corporate Social Responsibility (CSR) report as set out by Article R. 225-105-1 of the French Commercial Code (prior to the changes imposed by Decree no. 2017-1265 of 9th August, 2017, which introduces additional labour information) appears in Appendix 2 of this Registration Document.

18

MAIN SHAREHOLDERS

18.1 SHAREHOLDERS

The following table sets out the breakdown of the Company's share capital at 31 December 2015:

	Holding percentage			
Shareholders	**Number of shares**	**% of share capital**	**Voting rights**	**% of voting rights**
Clayax Acquisition Luxembourg 5 S.C.A [(1)]	63,774,470	63,774,470	41.39 %	41.39 %
Managers [(2)]	16,139,417	16,139,417	10.47 %	10.47 %
• *including Mr. Gauthier Louette*	*2,434,396*	*2,434,396*	*1.58 %*	*1.58 %*
• *including Mr. Denis Chêne*	*1,030,634*	*1,030,634*	*0.67 %*	*0.67 %*
Caisse de Dépôt et Placement du Québec [(3)]	6,100,000	6,100,000	3.96 %	3.96 %
Employee shareholding [(4)]	7,260,089	7,260,089	4.71 %	4.71 %
Public [(5)]	60,801,790	60,801,790	39.47 %	39.47 %
Treasury	390	-	0.00 %	-
TOTAL	**154,076,156**	**154,076,156**	**100.00 %**	**100.00 %**

(1) Clayax Acquisition Luxembourg 5 SCA is 63.4% held by funds controlled, managed or advised by Clayton, Dubilier & Rice, and 17.1% held by funds controlled, managed or advised by Ardian and 19.5% by the Caisse de Dépôt et Placement du Québec.

(2) Former and current Group executives and managers.

(3) Shareholding held directly by the Caisse de Dépôt et Placement du Québec.

(4) Shares held by Group employees, either directly or through the FCPE SPIE Actionnariat 2011/2015.

(5) On October 2, 2015, the company BlackRock, Inc., acting on behalf of clients and funds that it manages, exceeded the threshold of 5% of the Company's capital and voting rights, and declared that it held, on behalf of the said clients and funds, 7,503,921 Company shares, i.e. 5.003% of its capital and voting rights (see AMF declaration 215C1382). On October 13, 2015, BlackRock, Inc., fell below the same limits and declared that it held, on behalf of the said clients and funds, 7,464,536 Company shares, i.e. 4.98% of its capital and voting rights (see AMF declaration 215C1442). Eventually, on November 11, 2015, Blackrock, Inc. exceeded the threshold of 5% of the Company's capital and voting rights, and declared that it held, on behalf of the said clients and funds, 7,520,806 shares of the Company, i.e., 5.01% of its capital and voting rights (see AMF declaration 2015C1718).

The following table sets out the breakdown of the Company's share capital at 31 December 2016:

	Holding percentage			
Shareholders	**Number of shares**	**% of share capital**	**Voting rights**	**% of voting rights**
Clayax Acquisition Luxembourg 5 S.C.A [(1)]	39,314,839	25.52%	39,314,839	25.52%
Caisse de Dépôt et Placement du Québec [(2)]	20,369,031	13.22%	20,369,031	13.22%
Managers [(3)]	11,955,291	7.76%	11,955,291	7.76%
• *including Mr. Gauthier Louette*	*2,434,396*	*1.58%*	*2,434,396*	*1.58%*
• *including Mr. Denis Chêne*	*1,030,634*	*0.67%*	*1,030,634*	*0.67%*
Employee shareholding [(4)]	5,973,763	3.88%	5,973,763	3.88%
Public	76,462,842	49.63%	76,462,842	49.63%
Treasury	390	0.00%	390	0.00%
TOTAL	**154,076,156**	**100.00%**	**154,076,156**	**100.00%**

(1) Clayax Acquisition Luxembourg 5 SCA is 78.8% held by funds controlled, managed or advised by Clayton, Dubilier & Rice, and 21.2% held by funds controlled, managed or advised by Ardian.

(2) Shareholding held directly by the Caisse de Dépôt et Placement du Québec.

(3) Former and current Group executives and managers.

(4) Shares held by Group employees, either directly or through the FCPE SPIE Actionnariat 2011/2015.

The following table sets out the breakdown of the Company's share capital at 31 December, 2017:

	Holding percentage			
Shareholders	**Number of shares**	**% of share capital**	**Voting rights**	**% of voting rights**
Caisse de dépôt et placement du Québec	12,908,819	8.38%	12,908,819	8.22%
FFP (1)	8,500,000	5.52%	8,500,000	5.41%
Managers (2)	7,265,800	4.71%	7,265,800	4.62%
• *including Mr. Gauthier Louette*	*2,434,396*	*1.58%*	*2,434,396*	*1.55%*
• *including Mr. Denis Chêne*	*1,030,634*	*0.67%*	*1,030,634*	*0.66%*
Employee shareholding (3)	5,545,906	3.6%	7,376,276	4.69%
Public	119,855,241	77.79%	121,030,968	77.05%
Treasury	390	0.0%	0	0.0%
TOTAL	**154,076,156**	**100.0%**	**157,081,863**	**100.0%**

(1) Company Foncière Financière et de Participation (publicly traded company on Euronext Paris in which a majority share is held by the family-owned Peugeot Group).

(2) Former and current Group executives and managers.

(3) Shares held by the Group employees, either directly or through the FCPE SPIE Actionnariat 2011/2015.

CHANGES TO THE COMPANY'S SHAREHOLDINGS DURING THE YEAR ENDED 31 DECEMBER, 2017

On 14 March, 2017, Clayax Acquisition Luxembourg 5 SCA, 78.8% of which is held by funds controlled, managed or advised by Clayton Dubilier & Rice, and 21.2% by funds controlled, managed or advised by Ardian, sold 11,769,894 shares in the Company, representing nearly 7.64% of its share capital and voting rights, through an accelerated private investment. As a result of this transaction, Clayax Acquisition Luxembourg 5 SCA held 27,544,945 Company shares representing 17.88% of its capital and voting rights.

In May, 2017, the *Caisse de Dépôt et Placement du Québec* sold 3,730,106 Company shares, representing 2.4% of its share capital and voting rights, through an accelerated private investment. As a result of this transaction, the *Caisse de Dépôt et Placement du Québec* held 12,908,819 Company shares, representing 8.38% of its share capital and voting rights. On the same day, Clayax Acquisition Luxembourg 5 SCA sold 11,769,894 Company shares, representing nearly 7.64% of its capital and voting rights, through an accelerated private investment. As a result of this transaction, Clayax Acquisition Luxembourg 5 SCA held 15,775,051 Company shares representing 10.24% of its capital and voting rights.

On 11 June, 2017, Clayax Acquisitions Luxembourg 5 SCA exceeded the 15% threshold for voting rights in the Company, and declared that it held 31,550,102 voting rights representing 18.26% of voting rights in the Company. The threshold was exceeded due to the allocation of double voting rights. Clayax Acquisitions Luxembourg also issued the following declaration of intent pursuant to Article L. 233-7-VII of the French Commercial Code and Article 223-17 of the AMF's general regulation.

Clayax Acquisitions Luxembourg declares that:

- This declaration follows the fact that the liabilities threshold has been exceeded due to the allocation of double voting rights; Therefore, this excess did not trigger any calls for funds;
- Clayax Acquisition Luxembourg is not acting in partnership with any third party to SPIE, and is not party to any temporary sale agreement for the Company's shares or voting rights;
- Clayax Acquisitions Luxembourg does not hold any instruments and is not party to the agreements set out by Article L. 233-9 (I) (4 & 4 bis) of the French Commercial Code;
- Clayax Acquisition Luxembourg does not plan to purchase shares in SPIE, take control of SPIE or request any change to the composition of SPIE's corporate bodies or management. In this respect, please note that in September, 2014, SPIE appointed a Director (Mr. Christian Rochat) and a Non-voting Director (Mr. Alexandre Motte) based on a proposal by Clayax Acquisition Luxembourg Shareholders;
- Clayax Acquisition Luxembourg stipulates that it does not plan to make any changes to SPIE's current strategy, and therefore that it does not plan to implement any of the operations set out by Article 223-17 (I)(6) of the AMF's general regulation.

On 27 July, 2017 Aviva Investors Global Services Limited and Aviva Investors France, acting as a partnership, declared that they had exceeded the 5% threshold in the Company's share capital, and that they together held 8,629,813 shares in the Company and the same number of voting rights, representing 5.60% of the share capital and 4.995% of the voting rights. On 1 September, 2017, these two companies declared that they had exceeded the 5% threshold in the Company's voting rights, and that they together held 8,640,589 shares in the Company and the same number of voting rights, representing 5.61% of the share capital and 5.001% of the voting rights.

On 12 September, 2017, Clayax Acquisition Luxembourg SCA proceeded with an off-market sale of 8,000,000 shares in the Company to FFP. As a result of this transaction, FFP declared that it had exceeded the 5% threshold in the Company's share capital, and that it held 8,000,000 shares in the Company and the same number of voting rights, representing 5.19% of the share capital and 4.86% of the voting rights. Meanwhile, Clayax Acquisition Luxembourg 5 SCA declared that it had fallen short of the 15% threshold for voting rights and 10% of share capital and voting rights in the Company, and that it held 7,775,051 shares in the Company representing 15,550,102 voting rights, *i.e.* 5.05% of share capital and 9.44% of voting rights in the Company.

On 19 September, 2017, Aviva Investors Global Services Limited and Aviva Investors France, acting as a partnership, declared that they had fallen short of the 5% threshold in the Company's voting rights, and that they together held 8,637,305 shares in the Company, representing 5.61% of the share capital and 4.99% of the voting rights. On 21 September, 2017, these companies declared that they had exceeded the 5% threshold in the voting rights, and that they together held 8,837,215 shares in the Company, representing 5.74% of the share capital and 5.12% of the voting rights.

On 7 December, 2017, Clayax Acquisition Luxembourg 5 SCA declared that they had fallen short of the 5% threshold in the Company's voting rights and as a consequence declared that they did no longer held any share in the Company.

18.2 EMPLOYEE SHAREHOLDING DISCLOSURE RELATING TO CONTROL OF THE COMPANY

18.2.1 UNDERTAKINGS BY THE CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC VIS-À-VIS THE COMPANY

In a letter dated 22 May, 2015 and amended on 29 May, 2015, during the Initial Public Offering (IPO) of the Company, the *Caisse de Dépôt et Placement du Québec* (CDPQ), made undertakings to the Company as regards its governance structure and arrangements for managing the liquidity of its equity interest in the Company.

These undertakings provide in particular for:

- *governance*: the CDPQ will be represented by a Director and a Non-voting Director as soon as it directly or indirectly holds a minimum of 5% of the Company's share capital.
- *information to be provided in case of sale*: the obligation to provide prior information to the Chairman of the Board of Directors in the event of a sale or transfer of shares by the CDPQ, in whatever manner, either directly or indirectly, representing at least 1% of the Company's share capital. This obligation does not apply in the event of a market sale of the Company's shares to an unidentified buyer over a certain period of time. Such a sale or transfer must also be carried out in an orderly manner with the Company providing reasonable cooperation and assistance to the transferor in order to facilitate these transactions.
- *prior approval in case of sale*: The obligation to obtain the prior approval of the Board of Directors in the event of a sale or transfer of shares, including as part of a public offering, by the CDPQ, in whatever manner, either directly or indirectly, representing at least 1% of the Company's share capital to a competitor or a significant business partner of the Company (client or supplier). The Board of Directors will decide on a simple majority of the Directors present and represented, with any Director appointed at the proposal of the CDPQ not taking part in the vote. However, this requirement shall not apply in the event of a public offer for which (i) no prior undertaking to sell or tender in the offer would have been taken by a member of the parties, and (ii) the Board of Directors would have issued a favourable opinion by a majority of its members.

For the purposes of this undertaking, the term "competitor" means any company or group of companies (i) whose business or one of its businesses relates to the multi-technical services sector and more specifically to electrical, mechanical or HVAC engineering and communications systems as well as specialised services related to the energy industry (including facility management and information technology activities), and (ii) whose revenue from this business amounts to a minimum of €1 billion. The term "significant business partner" means the Company's customers representing more than €40 million of the Group's consolidated revenue or the Company's suppliers representing more than €15 million of the total amount of the Group's purchases. These two terms also include (i) all entities controlling a competitor or significant business partner, and (ii) all entities controlled by an entity controlling a competitor or significant business partner. The undertakings detailed in points two and three above do not apply to the Company's shares which the CDPQ acquires directly or indirectly as part of the Company's IPO and subsequent to this IPO.

These undertakings will expire on the date on which the CDPQ directly or indirectly holds less than 2% of the Company's share capital.

18.2.2 UNDERTAKINGS BY FFP WITH THE COMPANY

On 14 September, 2017, when FFP invested in the Company's share capital, it entered into the following main undertakings:

- *governance*: FFP undertakes to immediately resign from its duties as a Non-voting Director or as a Member of the Board of Directors, as appropriate, should it come to directly or indirectly hold an equity interest of less than 5% of the share capital, unless (i) this equity interest drops to under 5% but remains above 3% of the share capital, where it is not responsible for its own dilution, or (ii) this equity interest drops to under 5% but remains above 4.5% of the share capital, and for a maximum duration of three months;
- *sale of shares*: Should FFP wish to sell or transfer shares in the Company representing a minimum of 1% of the share capital, in any manner whatsoever, FFP hereby irrevocably undertakes to inform the Chairman of the Company's Board of Directors in advance.

Please note that at the date of this Registration Document, FFP Investment is a Non-voting Director on the Board of Directors, and that its appointment as a Director is being proposed to the Shareholders' General Meeting to be held on 25 May, 2018.

18.2.3 SHAREHOLDERS' AGREEMENTS BETWEEN THE GROUP'S SENIOR EXECUTIVES

When the Company issued its IPO, some of the executive Shareholders in the Company, including Gauthier Louette, Chairman and CEO, and Denis Chêne, Director and CFO, entered into a Shareholders' agreement on May 29, 2015 in order to govern their equity interest as Shareholders in the Company.

The main stipulations of the Shareholders' agreement are as follows:

- the executive officer Shareholders in question undertake to meet before any Shareholders' General Meeting and any other significant event for the Company in order to adopt a common position;
- the obligation to provide prior information with respect to any sale of Company shares.

This Shareholders' agreement, under which the executive officers in question act in concert with regard to the Company, is valid for a period of five years.

18.3 AGREEMENTS THAT COULD RESULT IN A CHANGE OF CONTROL

At the date of this Registration Document, there was no agreement whose execution would incur a change of control of the Company.

18.4 FACTORS THAT COULD COME INTO PLAY IN THE EVENT OF A TAKEOVER BID

The table below shows information on factors likely to have an impact in the event of a takeover bid provided for in Article L. 225-37-5 of the French Commercial Code:

Legislative or regulatory reference	Requisite factors	Chapters/sections of the Registration Document
L. 225-37-5, (1) of the French Commercial Code	The structure of the Company's capital	18.1 Shareholders 21.2.8 Regulations applicable to foreign investments in France
L. 225-37-5 (2) of the French Commercial Code	Statutory restrictions on exercise of voting rights and on share transfers or clauses of signed agreements brought to the Company's attention in accordance with Article L. 233-11 of the French Commercial Code	18.2 Disclosure relating to control of the Company 21.2.3 Rights, privileges and restrictions attached to shares (Articles 10, 11, 12 and 13 of the Articles of Association) 21.2.7 Crossing of thresholds and identification of Shareholders
L. 225-37-5, (3) of the French Commercial Code	Direct or indirect holdings in the Company's capital of which it is aware, by virtue of Articles L. 233-7 to L. 233-12 of the French Commercial Code	18.1 Shareholders
L. 225-37-5, (4) of the French Commercial Code	A list of holders of any share comprising special rights of control and a description of these	N/A
L. 225-37-5, (5) of the French Commercial Code	The control mechanisms provided for in any employee shareholding system when the control rights are not exercised by employees	17.4 Employee shareholding
L. 225-37-5 (6) of the French Commercial Code	The agreements between Shareholders of which the Company is aware and which may result in restrictions on share transfer and exercise of voting rights	18.2 Disclosure relating to control of the Company
L. 225-37-5 (7) of the French Commercial Code	The rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Articles of Association	18.2 Disclosure relating to control of the Company 21.2.2 Provisions of the Articles of Association governing the management and supervisory bodies – internal rules of the Board of Directors 21.2.5 Shareholders' General Meetings (Article 19 of the Articles of Association)
L. 225-37-5 (8) of the French Commercial Code	Powers of the Board of Directors, in particular share issue or repurchase	21.1.1 Paid-up Share Capital and Authorised but Unissued Share Capital 21.1.3 Treasury shares
L. 225-37-5 (9) of the French Commercial Code	The agreements concluded by the Company which are amended or which end in the event of change of control of the Company, except if this disclosure, apart from cases of mandatory disclosure under the law, would adversely affect its interests	10.2.2.1 Senior Credit Facilities Agreement 10.2.2.2 Bond
L. 225-37-5 (10) of the French Commercial Code	The agreements providing for compensation to members of the Board of Directors or employees if they resign or are dismissed without due and genuine cause, or if their employment ends on account of a takeover bid or share-based takeover bid.	15.1.2 Compensation of executive and corporate officers

In addition, the Group is a party to a number of contracts containing change of control provisions, including the Senior Credit Facilities Agreement (see Section 10.2.2.1.5 of this Registration Document) as well as a number of other commercial agreements.

Finally, the €600 million bond issued by the Company in March, 2017 for the purpose of financing the SAG acquisition also includes a change of control provision which may incur the early repayment of such bond.

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RELATED-PARTY TRANSACTIONS

19.1 PRINCIPAL RELATED-PARTY TRANSACTIONS

Parties related to the Group consist primarily of the Company's Shareholders, its unconsolidated subsidiaries, entities under joint control (proportionate consolidation), affiliates (entities accounted for using the equity method), and entities over which the different executives of the Group exercise at least significant influence.

The calculated data specifying the relations with these related parties is provided in Note 23 to the consolidated financial statements for the year ended 31 December, 2017, presented in Section 20.1.1 of this Registration Document.

There has been no significant transaction between related parties between 1st January, and 31 December, 2017, or significant modifications between related parties described in the notes to the consolidated financial statements for the year ended 31 December, 2017.

19.2 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND UNDERTAKINGS FOR THE 2017 FINANCIAL YEAR

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND UNDERTAKINGS

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
S.A.S. with a share capital of €2.510.460
672 006 483 R.C.S. Nanterre

Auditors,
member of the Versailles regional company

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris La Défense Cedex
S.A.S. with a variable share capital
438 476 913 R.C.S. Nanterre
Auditors,
member of the Versailles regional company

SPIE SA

Shareholders' General Meeting approving the financial statements for the year ended December 31, 2017

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND UNDERTAKINGS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of SPIE SA,

In our capacity as Statutory Auditors of SPIE SA, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, and the reasons for, the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. It is the responsibility of the shareholders pursuant to Article R.225-31 of the French Commercial Code *(Code de Commerce)* to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code concerning the implementation during the year of the agreements and commitments already approved by the Shareholders' General Meeting.

We performed the procedures that we deemed necessary in accordance with the professional standards applicable in France to such engagements. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

Agreements and commitments submitted for the approval of the Shareholders' General Meeting

We were not informed of any agreement or commitment authorised and entered into during the year to be submitted for approval at the Shareholders' General Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

Agreements and commitments already approved by the Shareholders' General Meeting

Agreements and commitments approved in prior years

a) that were implemented during the year

In accordance with Article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the Shareholders' General Meeting in previous years, remained in force during the year ended 31 December 2017.

1. Pension plan for the Chairman and Chief Executive Officer (Mr. Gauthier Louette)

Person concerned

Mr. Gauthier Louette.

Nature, purpose and terms and conditions

The defined contribution pension plan for which Chairman and Chief Executive Officer Gauthier Louette is eligible, already in place within other Group companies, was extended by way of an amendment to cover SPIE SA with effect from 1 January 2013. The amount paid in for Gauthier Louette represents the maximum amount, i.e., 16% of the annual social security ceiling.

Similarly, the complementary defined benefit pension plan for which Gauthier Louette is eligible, already in place within other Group companies, was extended by way of an amendment to cover SPIE SA with effect from 1 January 2013. Annuity payments due at the time the beneficiary retires are capped at 20% of his average fixed and variable compensation for the previous three years. These annuities will be paid if the beneficiary is still working for the Company when he retires. They will also be paid if the beneficiary is over 55 years of age when he leaves the Company and if he does not work between leaving the Company and retiring, provided that his departure is decided by the Company.

2. Letter of Commitment from Sponsors dated 22 May 2015 and amendment dated 29 May 2015

Persons concerned

Mr. Roberto Quarta, Company Director until 16 March 2017.

Mr. Christian Rochat, Company Director until 6 September 2017.

Clayton Dubilier & Rice, Ardian and Caisse de Dépôt et Placement du Québec ("CDPQ").

Nature, purpose and terms and conditions

The Board of Directors, at its meeting of 29 May 2015, authorised the Company to countersign the Amendment to the Letter of Commitment, which provides that:

- the Consortium will be represented on the Company's Board of Directors by a maximum of:
  - four Directors selected from the recommended candidates, three recommended by Clayton Dubilier & Rice and the fourth recommended by Caisse de Dépôt et Placement du Québec ("CDPQ"), and
  - a non-voting Director recommended by CDPQ;
- this representation on the Board of Directors will be altered in the event that members of the Consortium sell their shares at the request of the Company and according to the following conditions:
  - Clayton Dubilier & Rice will be represented by three, two or one Director(s) when it directly or indirectly holds at least 25%, 15% or 5%, respectively, of the Company's share capital,
  - CDPQ will be represented by a Director and a non-voting Director when it directly or indirectly holds at least 5% of the Company's share capital and by two Directors when it directly or indirectly holds at least 15% of the Company's share capital and Clayton Dubilier & Rice's representation comes to only two Directors; and
  - Ardian will be represented by a non-voting Director when it directly or indirectly holds at least 2% of the Company's share capital.

These commitments came into force at the date the Company's shares were first listed on the market in connection with its initial public offering and will no longer apply to a member of the Consortium when they directly or indirectly hold less than 2% of the Company's share capital and are no longer a shareholder of the holding company for the Consortium's shares in the Company.

The Letter of Commitment also provides that:

- the Consortium has a duty to inform the Chairman of the Company's Board of Directors in the event that one or more members of the Consortium sells or transfers shares, in any manner whatsoever, representing at least 1% of the Company's capital;
- the Consortium has a duty to obtain the agreement of the Company's Board of Directors before the sale or transfer of shares, by one or more members of the Consortium, in any manner whatsoever, representing at least 1% of the Company's capital, to a competitor or significant trading partner of the Company.

b) that were not implemented during the year

We have also been informed of the following agreements and commitments that were approved by the Shareholders' General Meeting in prior years but not implemented during the year.

1. Termination benefits for the Chairman and Chief Executive Officer (Mr. Gauthier Louette)

Person concerned

Mr. Gauthier Louette.

Nature, purpose and terms and conditions

At its 21 May 2014 meeting, the Board of Directors decided to introduce termination benefits for the Chairman and Chief Executive Officer Gauthier Louette amounting to one year of his gross salary (annual gross and variable compensation, excluding any exceptional bonuses) and payable subject to the fulfilment of performance criteria. These criteria are the financial criteria used each year by the Company's Board of Directors to determine Gauthier Louette's variable compensation. The termination benefits will only be paid if the average achievement rate for each criterion as calculated over the previous three years is at least equal to 70%.

2. Signature by the Company of an indemnity agreement

Persons concerned

Mr. Gauthier Louette and Mr. Denis Chêne, Chairman and Chief Executive Officer and Director respectively.

Nature, purpose and terms and conditions

In connection with the initial public offering of SPIE SA shares and the legal restructuring resulting from the merger of the Management Companies (SPIE 20 PP, SPIE 20 RA, SPIE 350 PP and SPIE 350 RA) into SPIE SA, on 9 June 2015 SPIE SA signed an indemnity agreement with the former shareholders of the Management Companies in their capacity as Guarantors, pursuant to which the Guarantors agreed to indemnify the Company against any harm suffered as a result of a known or unknown liability relating to the Management Companies and caused by a fact or event arising prior to the IPO.

3. Signature by the Company of an underwriting agreement

Persons concerned

Mr. Roberto Quarta, Company Director until 16 March 2017.

Mr. Christian Rochat, Company Director until 6 September 2017.

Clayton Dubilier & Rice, Ardian and Caisse de Dépôt et Placement du Québec ("CDPQ").

Nature, purpose and terms and conditions

In connection with the initial public offering of SPIE SA shares, on 9 June 2015 the Company signed an underwriting agreement in its capacity as Issuer, with Clayax Acquisition Luxembourg 1 S.à.r.l. and FCPE SPIE Actionnariat 2011 in their capacity as Selling Shareholders, and with the group of financial institutions comprising the Global Coordinators and their associated Lead Managers, Bookrunners and Co-Lead Managers.

Neuilly-sur-Seine and Paris-La Défense, 26 March 2018

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young et Autres
Yan Ricaud	Henri-Pierre Navas

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FINANCIAL INFORMATION ON THE GROUP'S ASSETS, FINANCIAL POSITION AND RESULTS

In accordance with Article 28-1 of Commission regulation (EC) No. 809/2004, the following financial statements are included in this Registration Document by way of reference:

- the financial statements for the years ended 31 December, 2016 and the corresponding reports from the Statutory Auditors set out in Chapter 20 "Financial information on the issuer's assets, financial position and results of the Group" of the 2016 Registration Document;
- the consolidated financial statements for the year ended 31 December, 2015, and the corresponding Statutory Auditors' reports set out in Chapter 20 "Financial information on the issuer's assets, financial position and results" from the Company's Registration Document recorded by the AMF on 28 May, 2016 under number R.16-0030.

20.1 GROUP CONSOLIDATED FINANCIAL STATEMENTS

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20.1.1 GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	2016 Restated *	2017
Revenue	**7**	**4,952,313**	**6,127,993**
Other income		33,145	56,612
Operating expenses	8.1	(4,675,629)	(5,864,742)
Recurring operating income		**309,829**	**319,863**
Other operating expenses		(27,453)	(67,922)
Other operating income		11,634	11,123
Total other operating income (expenses)	**8**	**(15,819)**	**(56,798)**
Operating income		**294,010**	**263,065**
Net income (loss) from companies accounted for under the equity method	7.1	426	490
Operating income including companies accounted for under the equity method		**294,436**	**263,555**
Interests charges and losses from cash equivalents		(38,878)	(58,275)
Gains from cash equivalents		187	581
Costs of net financial debt	**9**	**(38,691)**	**(57,694)**
Other financial expenses		(34,545)	(32,902)
Other financial incomes		21,353	14,819
Other financial income (expenses)	**9**	**(13,192)**	**(18,083)**
Net income before taxes		**242,553**	**187,778**
Income tax expenses	10	(46,869)	(72,273)
Net income from continuing operations		**195,684**	**115,505**
Net income from discontinued operations	11	(11,652)	(4,033)
NET INCOME		**184,032**	**111,472**
Net income from continuing operations attributable to:			
• Owners of the parent		195,672	114,435
• Non-controlling interests		12	1,070
		195,684	**115,505**
Net income attributable to:			
• Owners of the parent		184,020	110,402
• Non-controlling interests		12	1,070
		184,032	**111,472**
Net income Share of the Group – earning per share	12	1.19	0.72
Net income Share of the Group – diluted earnings per share		1.19	0.71
Dividend per share (proposal for 2017)		**0.53**	**0.56**

* *Comparative data for 2016 have been restated, See Note 4.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	2016	2017
Net income recognized in income statement	**184,032**	**111,472**
Actuarial losses on post-employment benefits	(14,757)	33,343
Tax effect	4,275	(9,640)
Items that will not be reclassified to income	**(10,482)**	**23,703**
Currency translation adjustments	(912)	(8,328)
Fair value adjustments on future cash flows	325	368
Other		
Tax effect	(112)	(127)
Items that may be reclassified to income	**(699)**	**(8,087)**
TOTAL COMPREHENSIVE INCOME	**172,851**	**127,088**
Attributable to:		
• owners of the parent	172,865	125,964
• non-controlling interests	(14)	1,124

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	Notes	31 Dec., 2016 Restated	31 Dec., 2017
NON-CURRENT ASSETS			
Intangible assets	15	777,366	1,075,590
Goodwill	14	2,207,341	3,015,955
Property, plant and equipment	16	99,923	180,446
Investments in companies accounted for under the equity method	20	2,913	3,062
Non-consolidated shares and long-term loans	20	58,421	65,081
Other non-current financial assets		4,633	5,142
Deferred tax assets	10	235,364	288,778
Total non-current assets		**3,385,961**	**4,634,054**
CURRENT ASSETS			
Inventories	19	24,554	37,281
Trade receivables	19	1,370,872	1,850,370
Current tax receivables		26,960	41,586
Other current assets	19	226,361	246,642
Other current financial assets		7,629	7,881
Cash management financial assets	20	5,500	4,800
Cash and cash equivalents	20	560,157	538,541
Total current assets from continuing operations		**2,222,033**	**2,727,101**
Assets classified as held for sale	11	15,238	396,069
Total current assets		**2,237,271**	**3,123,170**
TOTAL ASSETS		**5,623,232**	**7,757,224**

In thousands of euros	Notes	31 Dec., 2016 Restated	31 Dec., 2017
EQUITY			
Share capital	17	72,416	72,416
Share premium		1,170,496	1,170,496
Consolidated reserves		(11,844)	86,085
Net income attributable to the owners of the parent		184,020	110,402
Equity attributable to owners of the parent		**1,415,088**	**1,439,399**
Non-controlling interests		2,160	2,949
Total equity		**1,417,248**	**1,442,348**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	20	1,126,947	1,729,928
Non-current provisions	18	49,226	69,833
Accrued pension and other employee benefits	18	291,974	721,147
Other non-current liabilities	19	6,066	7,281
Deferred tax liabilities	10	267,845	369,134
Total non-current liabilities		**1,742,058**	**2,897,324**
CURRENT LIABILITIES			
Trade payables	19	780,008	990,477
Interest-bearing loans and borrowings (current portion)	20	332,293	337,552
Current provisions	18	93,225	139,502
Income tax payable	19	30,425	34,355
Other current operating liabilities	19	1,211,062	1,579,973
Total current liabilities from continuing operations		**2,447,013**	**3,081,859**
Liabilities associated with assets classified as held for sale	11	16,913	335,694
Total current liabilities		**2,463,926**	**3,417,553**
TOTAL EQUITY AND LIABILITIES		**5,623,232**	**7,757,224**

CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Notes	2016	2017
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**551,800**	**518,534**
OPERATING ACTIVITIES			
Net income		184,032	111,472
Loss from companies accounted for under the equity method		(426)	(490)
Depreciation, amortization, and provisions		47,914	128,658
Proceeds on disposals of assets		2,473	(1,071)
Dividend income		-	-
Income tax expense		44,065	77,209
Elimination of costs of net financial debt		39,217	59,476
Other non-cash items		(229)	3,704
Internally generated funds from (used in) operations		**317,046**	**378,958**
Income tax paid		(58,057)	(62,403)
Changes in operating working capital requirements		99,006	(19,507)
Dividends received from companies accounted for under the equity method		350	350
Net cash flow from (used in) operating activities		**358,345**	**297,398**
INVESTING ACTIVITIES			
Effect of changes in the scope of consolidation	22.2	(170,803)	(185,627)
Acquisition of property, plant and equipment and intangible assets		(36,449)	(44,819)
Net investment in financial assets		(80)	(59)
Changes in loans and advances granted		1,164	2,491
Proceeds from disposals of property, plant and equipment and intangible assets		8,348	8,711
Proceeds from disposals of financial assets		282	8
Dividends received		-	-
Net cash flow from (used in) investing activities		**(197,538)**	**(219,295)**
FINANCING ACTIVITIES			
Issue of share capital		(53)	11
Proceeds from loans and borrowings		931	607,325
Repayment of loans and borrowings		(63,874)	(513,278)
Net interest paid		(35,755)	(47,549)
Dividends paid to owners of the parent		(77,038)	(106,312)
Dividends paid to non-controlling interests		(544)	(344)
Net cash flow from (used in) financing activities		**(176,333)**	**(60,147)**
Impact of changes in exchange rates		(17,741)	(16,377)
Impact of changes in accounting policies		-	-
Net change in cash and cash equivalents		**(33,267)**	**1,579**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**22**	**518,534**	**520,113**

Notes to the cash flow statement

The cash flow statement presented above includes discontinued operations or operations held for sale whose impact is described in Note 22.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros except for the number of shares	Number of outstanding shares	Share capital	Additional paid-in capital	Retained earnings	Foreign currency translation reserves	Cash flow hedge reserves	Other and OCI	Equity attributable to owners of the parent	Non-controlling interests	Total equity
AT 31 DECEMBER, 2015	**154,076,156**	**72,416**	**1,170,496**	**133,329**	**497**	**(188)**	**(58,437)**	**1,318,112**	**(1,277)**	**1,316,835**
Net income				184,020				184,020	12	184,032
Other comprehensive income (OCI)					(885)	213	(10,482)	(11,154)	(27)	(11,181)
Total comprehensive income				**184,020**	**(885)**	**213**	**(10,482)**	**172,865**	**(14)**	**172,851**
Distribution of dividends				(77,038)				(77,038)	(316)	(77,354)
Share issue								0		0
Change in the scope of consolidation and other					(603)			(603)	3,767	3,164
Other movements				1,752				1,752		1,752
AT 31 DECEMBER, 2016	**154,076,156**	**72,416**	**1,170,496**	**242,063**	**(991)**	**25**	**(68,919)**	**1,415,088**	**2,160**	**1,417,248**
Net income				110,402				110,402	1,070	111,472
Other comprehensive income (OCI)					(8,383)	241	23,703	15,561	54	15,615
Total comprehensive income				**110,402**	**(8,383)**	**241**	**23,703**	**125,963**	**1,124**	**127,088**
Distribution of dividends				(106,312)				(106,312)	(357)	(106,669)
Share issue										
Change in the scope of consolidation and other					539			539	22	561
Other movements							4,121	4,121		4,121
AT 31 DECEMBER, 2017	**154,076,156**	**72,416**	**1,170,496**	**246,153**	**(8,835)**	**266**	**(41,095)**	**1,439,399**	**2,949**	**1,442,348**

Notes to the consolidated statement of changes in equity

See Note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

The SPIE group, operating under the brand name SPIE, is the independent European leader in electrical and mechanical engineering and HVAC services, energy and communication systems.

SPIE SA is a joint-stock company (*société anonyme*) incorporated in Cergy (France), listed on the Euronext Paris regulated market since 10 June, 2015.

The SPIE group consolidated financial statements were authorized for issue by the Board of Directors on 8 March, 2018.

ACCOUNTING POLICIES AND MEASUREMENT METHODS

NOTE 2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

In accordance with European regulation 1606/2002 dated 19 July, 2002 on international accounting standards, the consolidated financial statements of SPIE group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December, 2017.

The accounting principles used to prepare the consolidated financial statements result from the application of:

- all the standards and interpretations published by the IASB and adopted by the European Union, the application of which is mandatory at 31 December, 2017;
- standards that the Group has early-adopted;
- accounting positions adopted in the absence of specific guidance in IFRS.

International Financial Reporting Standards include International Accounting Standards (IAS) and interpretations issued by the Standards Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS-IC).

2.2 ACCOUNTING POLICIES

The accounting policies applied in the preparation of the Group's consolidated financial statements are set out in Note 3. These policies have been consistently applied to all the years presented.

New standards and interpretations applicable from 1 January, 2017

- Amendments to IAS 7 "Statement of Cash Flows' requiring additional disclosure";
- Amendments to IAS 12 "Income taxes" – Recognition of deferred tax assets for unrealized losses;
- Amendments to IFRS 12 "Disclosure of Interests in Other Entities".

Published new standards and interpretations for which application is not mandatory as of 1 January, 2017

Standards, interpretations and amendments already published by the International Accounting Standards Board (IASB) after 2017 which are not yet endorsed by the European Union and which may have an impact on the Group's financial statements are as follows:

- Amendment to IFRS 1 "Disclosure initiative";
- Amendments on IFRS 2 "Clarifications of classification and measurement of share based payment transactions";
- IFRS 9 "Financial instruments";
- IFRS 15 and Clarification of IFRS 15 "Revenue from contracts with customers";
- IFRS 16 "Lease contracts";
- Amendments to IFRS 10 and IAS 28 "Sales or contributions of assets between an investor and its associate/joint venture";
- Amendments to IAS 28 "Regarding long-term interests in associates and joint ventures";
- IAS 40 "Transfers of investment property";
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- IFRIC 23 "Uncertainty over Income Tax Treatments".

An analysis of the application of the IFRS 15 standard shows that the rules of recognition for the revenue in the Group' accounts are compliant with the principles enacted by IFRS 15.

The IFRS 16 standard will come to force in financial statements from 1 January, 2019. This standard, which will replace the IAS 17 standard and its interpretations, will lead to account for in the balance sheet of the lessee most of the leasing contracts, following a unique model, in the form of right-of-use of the asset, and of a finance lease obligation (cessation for the lessees of the classification of contracts into operating lease or finance lease).

The Group has assessed the impacts of this standard in its financial statements, but is not in a position to provide any quantitative information on these impacts. At this stage, the main impacts expected are an increase of the financial debts and right-of-use assets in the statement of financial position, and an improvement of the operating income as well as an increase of the financial expenses in the Group income statement.

The Group is currently assessing the impact and practical implications from the application of the standards and interpretations published by the IASB, but whose application is not yet compulsory as at 1 January, 2017.

2.3 CRITICAL JUDGMENT AND ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS is based on management's estimates and assumptions used to estimate the value of assets and liabilities at the date of the statement of financial position as well as income and expenses for the period. Actual results could be different from those estimates.

The main sources of uncertainty relating to critical judgment and estimates concern the impairment of goodwill, employee benefits, the recognition of revenue and profit margin on long-term service agreements, provisions for contingencies and expenses and the recognition of deferred tax assets.

Management continually reviews its estimates and assumptions on the basis of its past experience and various factors deemed reasonable, which form a basis for its evaluation of the carrying value of assets and liabilities. These estimates and assumptions may be amended in subsequent periods and require adjustments that may affect future revenue and provisions.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 CONSOLIDATION

The Group's consolidated financial statements include all subsidiaries and associates of SPIE SA.

The scope of consolidation comprises 222 companies; the percentages of interest are presented in the table in Note 27 of the present document.

The main amendments to the scope of consolidation that took place during the year are presented in Note 6.

Consolidation methods

According to IFRS 10, "Consolidated Financial Statements", entities controlled directly or indirectly by the Group are consolidated under the full consolidation method. Control is established if the Group has all the following conditions:

- substantive rights enabling it to direct the activities that significantly affect the investee's returns;
- exposure to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the variable returns.

For each company held directly or indirectly, it was assessed whether or not the Group controls the investee in light of all relevant facts and circumstances.

IFRS 11, "Joint Arrangements", sets out the accounting treatment to be applied when two or more parties have joint control of an investee. Joint control is established if decisions relating to relevant activities require the Shareholders' unanimous agreement.

A joint arrangement falls into one of two categories, generally dependent on the legal form of investee:

- joint ventures: parties that have joint control of the arrangement have rights to its net assets, and are consolidated using the equity method; or
- joint operations: parties that have joint control of the arrangement have direct rights to the assets and direct obligations for the liabilities of the arrangement, the joint operator recognizing its share of the assets, liabilities, revenue and expenses of the joint operation.

Most of the joint arrangements relating to public works are through joint-venture companies (*société en participation* – SEP) that, given their characteristics, fall into the category of joint operations.

As required by IAS 28 (revised), entities over which SPIE exercises significant influence are consolidated using the equity method.

The results of enterprises acquired or sold during the year are included in the consolidated financial statements, as from the date of acquisition in the first case or until the date of disposal in the second.

Translation of the financial statements of foreign entities

The Group's consolidated accounts are presented in euros.

In most cases, the functional currency of foreign subsidiaries corresponds to the local currency. The subsidiaries' financial statements are translated at closing rates for statement of financial position items and at average rates for income statement items. Exchange gains or losses resulting from the translation are recognized in equity as currency translation adjustments.

The currency translation rates used by the Group for its main currencies are as follows:

	2016		2017	
	Closing Rate	Average Rate	Closing Rate	Average Rate
Euros – EUR	1	1	1	1
US Dollar – USD	1.0644	1.1065	1.1845	1.1236
Swiss Franc – CHF	1.0747	1.0887	1.1686	1.1088
Great-Britain Pound – GBP	0.8396	0.8124	0.8816	0.8731
CFA Franc – CFA	655.9570	655.9570	655.9570	655.9570

3.2 SEGMENT REPORTING

Operating segments are reported consistently with the internal reporting provided to the Group's Management.

The Group's Chairman and Chief Executive Officer regularly examine segments' operating income to assess their performance and to make resources allocation decisions. He has therefore been identified as the chief operating decision maker of the Group.

The Group's activity is divided into four Operating Segments for analysis and decision-making purposes. The segments are characterized by a standardized economic model, especially in terms of products and offered services, operational organization, customer typology, key success factors and performance evaluation criteria.

The Operating Segments are the following:

- France;
- Germany and Central Europe;
- North Western Europe;
- Oil & Gas and Nuclear.

Quantitative information is presented in Note 7.

3.3 BUSINESS COMBINATIONS AND GOODWILL

The Group applies the "acquisition method" to account for business combinations, as defined in IFRS 3R. The acquisition price, also called "consideration transferred", for the acquisition of a subsidiary is the sum of fair values of the assets transferred and the liabilities incurred by the acquirer at the acquisition date and the equity interests issued by the acquirer. The consideration transferred includes contingent consideration, measured and recognized at fair value, at the acquisition date.

In addition:

- non-controlling interests in the acquired company may be valued at either the share in the acquired company's net identifiable assets or at fair value. This option is applied on a case-by-case basis for each acquisition;
- acquisition-related costs are recognized as expenses of the period. These expenses are recognized as "Other operating income and expenses" of the income statement.

Goodwill

Goodwill represents the difference between:

(i) the acquisition price of the shares of the acquired company plus any contingent price adjustments; and

(ii) the Group's share in the fair value of their identifiable net assets on the date of the control being taken.

The fair value of assets and liabilities acquired may be adjusted within a maximum twelve-month period following the date of acquisition (the "allocation period"), in order to reflect facts and circumstances existing at the acquisition date. This may result in adjustments to the goodwill determined on a provisional basis. Price adjustments are measured at fair value at acquisition date, with a counterpart through equity, at each closing date. After the end of the one-year allocation period, any further change in this fair value is recognized in income.

Post-acquisition

Further acquisitions or transfers of non-controlling interests, without any change in control, are considered as transactions with the Group's Shareholders. According to this approach, the difference between the price paid to increase the percentage of interest in entities already controlled and the additional proportionate equity interest thus acquired is accounted for in the Group's equity.

Similarly, a reduction in the Group's percentage of interest in an entity that remains controlled by the Group is accounted for as an equity transaction with no impact in income.

For share transfers with a further loss of control, the change in fair value, calculated based on the entire interest at the transaction date, is recognized in gains or losses on disposal of consolidated investments. The remaining equity interest retained, where applicable, is then accounted for at fair value at the date of the loss of control.

For business combination achieved in stages, non-controlling interest previously held in the acquiree is remeasured at fair value at its acquisition-date. Any resulting profit and loss is recognized in income.

Treatment of outstanding representations and warranties

In the context of its business combinations, the Group usually obtains representations and warranties from the sellers.

Regarding business combinations, the outstanding representations and warranties that can be valued individually result in the recognition of an indemnification asset in the accounts of the acquirer. Subsequent changes to these representations and warranties are recorded symmetrically with the liability recorded for the indemnified items. Representations and warranties that are not separately identifiable (general guarantees) are recognized when they become exercisable, through the income statement.

The outstanding representations and warranties are recorded in "Other non-current assets".

Impairment test of goodwill

Goodwill is not amortized. Goodwill is tested for impairment at least once a year and whenever there is an indication of impairment. For this test, goodwill is allocated to cash generating units (CGU) or groups of CGUs corresponding to homogeneous groups which together generate identifiable cash flows (see Note 3.10).

3.4 REVENUE RECOGNITION

The Group recognizes services contract income and expenses using the percentage of completion method at the end of each monthly reporting period.

The stage of completion is measured with reference to the progress in terms of costs incurred. In the case of maintenance contracts, the progress is measured in terms of invoicing performed. The measurement of the percentage-of-completion method relies on the contracts follow-up and the consideration of hazards assessed based on acquired experience, in order to value the best estimate of future benefits and obligations expected for these contracts.

No profit margin is recorded if the level of completion is insufficient to provide a reliable outcome at the end of the contract.

If the expected outcome at completion of the project is a loss, a provision for loss on completion is recorded irrespective of the stage of completion of the project. This provision is based on the best estimate of the outcome at completion of the project, measured in a reasonable manner. Provisions for losses on completion are presented as a liability in the statement of financial position.

Revenue relating to public-private partnership (PPP) contracts

Annual revenue under PPP contracts is determined based on the fair value of the services rendered in the financial year measured by applying the estimated margin rates of construction, servicing and maintenance respectively to building costs (initial and renewal) and servicing and maintenance costs.

3.5 OTHER OPERATING INCOME AND EXPENSES

To ensure better understanding of business performance, the Group presents separately "recurring operating income" within operating income which excludes items that have little predictive value because of their nature, their frequency and/or their relative importance. These items, recorded in "other operating income" and "other operating expenses" especially include:

- gains and losses on disposals of assets or operations;
- expenses resulting from restructuring plans or operations disposal plans approved by the Group management;
- expenses relating to non-recurring impairment of assets;
- expenses of acquiring and integrating companies acquired by the Group;
- any other separately identifiable income/expense, which is of an unusual and material nature.

3.6 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Whenever discontinued operations (disposed or sold) or operations classified as held for sale are:

- either a separate major line of business or geographical area of operations that is material for the Group or that forms part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- a subsidiary acquired exclusively with a view to resale.

They are shown in a separate line in the consolidated financial statements at the reporting date.

When initially classified as held for sale, non-current assets and disposal groups are recorded at the lower of their carrying amount and fair value less costs to sell.

Details of discontinued operations or operations held for sale are set out in Note 11.

3.7 LEASE CONTRACTS

Operating leases

Lease contracts which do not transfer substantially all risks and rewards inherent to the ownership to the Group are qualified as "operating lease". These leases give rise to payments recorded as charges in the income statement during all lease duration.

Finance leases

Leases contracts under which the Group assumes substantially all the risks and rewards inherent to the ownership are qualified as "finance leases". They are capitalized at the lower of the fair value of the asset leased and the discounted value of the minimum rentals due at the beginning of the leasing contract. The corresponding debt is recognized in liabilities. Payments received under the lease contract are broken down between the financial expense and the amortization of debt so as to obtain a constant periodic interest rate over the remaining balance of the liability. The financial expenses are recognized directly in the income statement.

The asset is amortized over its useful life for the Group, the debt is amortized over the finance lease period, and eventually deferred taxes are recognized.

3.8 INTANGIBLE ASSETS

Intangible assets (mainly brands, customer relationships and order books) acquired separately or in the context of business combinations are initially measured at their fair value in the statement of financial position. The value of intangible assets is subject to regular monitoring in order to ensure that no impairment should be accounted for.

Brands and customer related assets

The value of customer relationships is measured taking into account a renewal rate of contracts and amortized over the renewal period.

The amortization period of the backlog is defined on a case-by-case basis for each acquisition, after a detailed review.

Brands acquired are amortized over the estimated duration of use of the brand, depending on the Group's brand integration strategy. By exception, SPIE brand has an indefinite useful life and therefore is not amortized.

Internally generated intangible assets

Research costs are recognized in the income statement as expenses of the period.

Development costs are recognized as intangible assets when the following criteria are fulfilled:

- the Group's intention and financial and technical capacity to complete the development project;
- the probability that the Group will enjoy future economic benefits attributable to development expenditure;
- the reliable measure of the cost of this asset.

Capitalized expenditure includes personnel costs and the cost of materials and services used that are directly allocated to the given projects. Capitalized expenditure is amortized over the estimated useful life of the relevant processes, once they have been put into use.

Other intangible assets

Other intangible assets are recognized at cost, net of accumulated amortization and impairment losses, if any. They relate mainly to software and are amortized over a period of three years on a straight-line basis.

3.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized at cost, net of accumulated depreciation and impairment losses, if any.

Depreciation is calculated for each significant part of an item of property, plant and equipment using either the straight-line method or any other method that best represents the economic use of the components over their estimated useful life. The estimated residual values at the end of the depreciation period are zero.

The main average useful lives applied are as follows:

- buildings 20 to 30 years;
- site machinery and equipment 4 to 15 years;
- fixed machinery and equipment 8 to 15 years;
- transport vehicles 4 to 10 years;
- office equipment – IT 3 to 10 years.

Land is not depreciated.

The depreciation periods are reviewed annually and may be modified if the expectations are different from the previous estimations.

3.10 IMPAIRMENT OF GOODWILL, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The recoverable value of property, plant and equipment and intangible assets is tested whenever there is an indication of impairment; this is examined at each closing date.

With regard to goodwill and intangible assets with an indefinite useful life (a category which in the case of the Group is limited to the SPIE brand), this impairment test must be conducted as soon as there is any indication of impairment and at least annually.

Goodwill does not generate any cash inflows on its own and is therefore allocated to the corresponding cash generating units (CGU) (see Note 14).

The recoverable value of these units is the higher of the value in use, determined on the basis of discounted future net cash flow projections, and the fair value less costs to sell. If this value is lower than the net carrying amount of these units, an impairment loss is recorded for the difference, which is allocated in priority to goodwill.

Contrary to potential impairment losses on depreciable property, plant and equipment and amortizable intangible assets, those allocated to goodwill are definitive and cannot be reversed in subsequent financial years.

The cash generating units' (CGU) future cash flows used in the calculation of value in use (Note 14.2 "Impairment test for goodwill") are derived from annual budget and multiannual forecasts prepared by the Group. The construction of these forecasts is an exercise involving the various players within the CGUs and the projections are validated by the Group's Chief-executive officer. This process requires the use of critical judgment and estimates, especially in the determination of market trends, material costs and pricing policies. Therefore, the actual future cash flows may differ from the estimates used in the calculation of value in use.

Quantitative information is provided in Note 14.

3.11 FINANCIAL ASSETS

The Group classifies its financial assets within the following categories: assets available for sale, assets measured at their fair value through equity and income, loans and receivables.

The breakdown of financial assets into current and non-current assets is determined at the closing date based on their maturity date being under or over one year.

All regular way purchases/sales of financial assets are recorded at the transaction date.

Assets available for sale

These assets represent the Group's interests in the capital of non-consolidated entities. They are recorded in the statement of financial position at their fair value. Changes in value are recognized in equity. However, if there is a significant or sustained decrease in the fair value of assets available for sale, the unrealized capital loss is reclassified from equity to net income or loss for the year. As far as equity instruments are concerned, if, during a subsequent period, the fair value of a security available for sale increases, the increase in value is again recorded in equity.

When these financial assets are derecognized, the accumulated gains and losses previously recorded in equity are reclassified to income for the period.

Loans and receivables

These include receivables related to investments, "1% building" loans and other loans and receivables. These loans and receivables are initially recorded at their fair value plus directly attributable transaction costs. On subsequent closing dates, they are accounted for at the amortized cost calculated using the effective rate of return. The value on the face of the statement of financial position includes the outstanding capital and the unamortized share of transaction costs directly attributable to the acquisition. An impairment test is carried out whenever there is an indication of impairment. An impairment loss is recorded if the carrying amount of an asset is greater than its recoverable value. Impairment losses are recognized in the income statement.

The recoverable value of loans and receivables is equal to the value of estimated future cash flows, discounted at the financial assets' original effective interest rate (in other words, at the effective interest rate calculated at the date of initial recognition).

Receivables with a short maturity date are not discounted.

Previously recognized impairment losses may be reversed in the income statement in the event of an improvement in the recoverable value of loans and receivables.

Receivables relating to public-private partnership (PPP) contracts

The Group, as a private operator, has signed Public-Private Partnership contracts. This type of contract is one of a number of public-private contract schemes being used in France.

The "PPP" Contracts are accounted for in accordance with IFRIC 12 "Concessions", when they meet the three following conditions:

- first, the public authority determines the nature of the services that the private operator is required to provide, by means of the infrastructure as well as who is likely to benefit from these services;
- second, the contract stipulates that at the end of the contract, the infrastructure retains a significant residual value which is returned back to the public authority;
- finally, the contract provides for the construction of the infrastructure to be made by the private operator.

In exchange for the construction services provided, the Group is granted rights to receive a financial asset and therefore a receivable is recognized.

Receivables are measured, for each signed contract, using the amortized cost method at an effective interest rate corresponding to the project's internal rate of return.

In subsequent periods, the financial asset is amortized and interest income is recognized using the effective interest rate.

Receivables securitization program

In the course of its operations, some entities of the Group have developed a securitization program for its trade receivables which will end in 11 June, 2020.

Under this securitization program, participating companies can transfer full ownership of their trade receivables to the "SPIE Titrisation" Mutual Fund in order to obtain funding amounting up to a maximum of €300 million. The securitization utilization amounts to €300 million, with the possibility to increase the amount to €450 million.

The financed amount of the transaction is defined as equal to the amount of transferred receivables eligible for the securitization program less, by way of security, the subordinate deposit amount and the additional senior deposit amount applied by the "SPIE Titrisation" Mutual Fund.

In the consolidated accounts, the securitized receivables have been kept as assets in the statement of financial position, the security deposits paid into the funds have been cancelled and in return the value of financing obtained has been recorded in borrowings.

Moreover, SPIE DZE (formerly SPIE GmbH) signed in December 2013 a non-recourse securitization program of discount on notes receivable for an unlimited duration. This program was extended to all German entities acquired together with the SAG group in March 2017. The assigned receivables amount is of €49,322 thousand as of 31 December, 2017 and is no longer recognized as assets in the consolidated financial statements.

"Building Loans"

In France, employers standing in an industrial or commercial activity and hiring at least 20 employees must invest in housing construction for their employees at least 0.45% of the total payroll. This investment can be realized either directly or by a contribution to the "Comité interprofessionnel du logement" (Inter-Professional Housing Committee) or to a Chamber of Commerce and Industry.

The contribution can be booked as granted loan in the assets of the statement of financial position, or as a grant recognized as an expense in the income statement.

"Building loans" do not bear interest and are granted for a period of 20 years.

"Building loans" are loans granted to employee at low interest rate. In accordance with IAS 39, these loans are discounted at their initial recognition date and the difference between the nominal value of the loan and its discounted value is recorded as an expense which is granted representing an economic benefit granted to employees.

Subsequently, the loans are accounted for using the amortized cost method which consists in reconstituting the redemption value of the loan, at the end of the 20 year period, by recognizing interest income over the period.

Assets at fair value through income statement

This valuation method is applied to financial assets held by the Group for the purpose of generating a short-term disposal gain. These assets are measured at their fair value and any changes in fair value are recognized in the income statement. These financial instruments are classified as current assets under cash equivalents and notably include marketable securities.

3.12 FINANCIAL LIABILITIES

The breakdown of financial liabilities into current and non-current liabilities is determined at the closing date by their maturity date. Thus, financial liabilities maturing less than one year are recognized in current liabilities.

Financial liabilities consist of accounts payable, medium and long-term loans and derivative financial instruments.

At the date of their initial recognition, medium and long-term loans are measured at their fair value less directly attributable transaction costs. They are subsequently accounted for at amortized cost using the effective interest rate method. The amortized cost is calculated taking into account all the issuing costs and any discount or redemption premiums directly linked to the financial liability. The difference between the amortized cost and the redemption value is reversed through the income statement using the effective interest rate method over the term of the loans.

When accounts payable have maturity dates of less than one year, their nominal value may be considered to be close to their amortized cost.

3.13 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments (interest rate swaps and foreign exchange forward contracts) to hedge its exposure to interest rate and foreign exchange risks.

Derivative instruments are recorded in the statement of financial position as current or non-current financial assets and liabilities depending on their maturity dates and accounting designation. They are measured initially at their fair value on the transaction date and re-measured accordingly at each reporting date.

In the case of cash flow hedging, the hedging instrument is recorded in the statement of financial position at its fair value. The effective portion of the unrealized gain or loss on the derivative financial instrument is immediately recognized in equity and the ineffective portion of the gain or loss is immediately recognized in the income statement. The amounts recorded in equity are reversed in the income statement in accordance with the accounting policy applied to hedged items. If the Group no longer expects the hedged transaction to occur, the accumulated unrealized gain or loss, which was recorded in equity (for the effective portion), is immediately recognized in the income statement.

In the case of fair value hedging, the hedging instrument is recorded in the statement of financial position at its fair value. Changes in the fair value of the hedging instrument are recorded in the income statement alongside the changes in the fair value of the hedged item attributable to the identified risk.

3.14 INVENTORIES

Inventories, which are essentially made up on-site supplies, are measured at the lower of the cost or net realizable value according to the "first in – first out" method.

The inventories are impaired, where applicable, in order to reflect their probable net realizable value.

3.15 CASH AND CASH EQUIVALENTS

In the consolidated statement of financial position, cash and cash equivalents includes liquid assets in current bank accounts, shares in money market funds and negotiable debt securities which can be mobilized or transferred in the very short term with a known cash value and do not have a significant risk in terms of changes in value. All components are measured at their fair value.

In the consolidated cash flow statement, cash and cash equivalents of the operations held for sale are added to and bank overdrafts are deducted from cash and cash equivalents presented in the statement of financial position.

3.16 INCOME TAXES

The Group calculates income taxes in accordance with prevailing tax legislation in the countries where income is taxable.

Current taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries and associates operate and generate taxable income.

Deferred taxes

Deferred taxes are recorded on temporary differences between the carrying amount of assets and liabilities and their tax bases as well as on tax losses according to the liability method. Deferred tax assets are recognized only when it is probable that they will be recovered. In particular, deferred tax assets are recognized on tax loss carry-forwards of the Group, to the extent that it is probable that they can be utilized against future tax profits in the foreseeable future. Deferred taxes are not discounted.

Management's judgment is required to determine the extent to which deferred tax assets can be recognized. Future sources of taxable income and the effects of the Group's global income tax strategies are taken into account in making this determination. This assessment is conducted through a detailed review of deferred tax assets by jurisdiction and takes into account past, current and future operating performance deriving from the existing contracts in the order book, the budget and multiannual forecasts, and the length of carry back, carry forwards and expiration dates of net operating loss carry forwards, over a five year horizon.

The expected reversal of tax losses is based on the forecast of future results previsions validated by local management and reviewed by the Group's Accounting and Tax Department.

Distributable earnings

The timeline for receiving of undistributed earnings from foreign subsidiaries is controlled by the Group and the Group does not foresee taxes on the distribution of earnings in the near future.

With regard to the Group's French subsidiaries, the distribution of earnings is subject to a taxation in basis of 1% for the subsidiaries in which the Company owns 95% or more of the outstanding shares (*i.e.* the majority of those).

No deferred tax liability is to be recognized for undistributed earnings from French and foreign subsidiaries.

3.17 PROVISIONS

The Group identifies and analyses on a regular basis legal claims, faults and warranties, onerous contracts and other commitments. A provision is recorded when, at the closing date, the Group has an obligation towards a third party arising from a past event, the settlement of which is likely to require an outflow of resources embodying economic benefits. Provisions are recognized on the basis of the best estimate of the expenditure required to settle the obligation at the reporting date. These estimates take into account information available and different possible outcomes.

An estimation of the amount shown under provisions corresponds to the outflow of resources that the Group will probably have to bear in order to settle its obligation.

In the case of restructuring, an obligation is recorded once the restructuring process has been announced and a detailed plan prepared or once the entity has started to implement the plan, prior to the reporting date.

Provisions are discounted when the effect is material.

Provisions

Depending on the nature of the risk, estimates of the probable expenditure are made with operational staff in charge of the contracts, internal and external lawyers and independent experts whenever necessary.

Quantitative information is set out in Note 18.2.

Contingent liabilities

Contingent liabilities are potential obligations stemming from past events which existence will only be confirmed by the occurrence of uncertain future events which are not within the control of the entity, or current obligations for which an outflow of resources is unlikely. Apart from those resulting from a business combination, they are not recorded in the accounts but are disclosed, when appropriate, in the notes to the financial statements.

3.18 EMPLOYEE BENEFITS

Employee benefits deal with retirement indemnities (including defined contribution plans and defined benefit plans), pension liabilities and other long-term benefits, mainly length-of-service awards.

Defined contribution plans refer to post-employment benefits under which the Group pays defined contributions to various employee funds. Contributions are paid in exchange for the services rendered by employees during the financial year. They are expensed as incurred and the Group has no legal or constructive obligation to pay additional contributions in the event of insufficient assets.

Defined benefit plans refer to post-employment benefit plans other than defined contribution plans. These plans constitute a future obligation for the Group for which a commitment is calculated. A provision is calculated by estimating the value of benefits accumulated by employees in exchange for services rendered during the financial year and in previous financial years.

Within the Group, post-employment benefits and other long-term benefits mainly correspond to defined benefit plans.

Post-employment benefits

Post-employment benefits mainly correspond to retirement indemnities applicable in France and to internally held pension plans in force in other European countries.

The Group's plans are defined contribution plans and defined benefit plans which generally require, in addition to the part financed by the Company, a contribution from each employee defined as a percentage of his or her compensation.

The valuation of these benefits is carried out annually by independent actuaries. The actuarial method used is the Projected Unit Credit Method.

Assumptions mainly include the discount rate, the long-term salary increase rate and the expected rate of the retirement age. Statistical information is mainly related to demographic assumptions such as fatality, employee turnover and disability.

Since 1 January, 2013, the Group applies the dispositions of IAS 19 amended "Employee Benefits", which introduces several modifications on the accounting of post-employment benefits, including:

- the recognition in the consolidated statement of financial position of all post-employment benefits granted to employees of the Group. The "corridor" option and the possibility to amortize through the income statement the cost of past services over the average vesting period have been cancelled;
- the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in an accounting period is recognized in that period through the income statement;
- the net interest on the net defined benefit liability or asset has to be determined using the same discount rate as of the defined benefit obligation, at the beginning of the period;
- the remeasurements of the net defined benefit liability or asset, comprising: actuarial gains and losses, return on plan assets and some changes in the effect of the asset ceiling must be booked as other comprehensive items (OCI). These impacts are presented in the consolidated statement of comprehensive income.

These plans are characterized as follows:

- in France, employee benefits correspond to retirement indemnities established in accordance with collective bargaining agreements (estimated based on a percentage of the last salary, according to the seniority and to the applicable collective agreements);
- in Germany, employee benefits correspond to internally held pension plans, settled in the entities of the SPIE GmbH sub-group;
- in Switzerland, employee benefits correspond to internally held pension plans, settled in the Swiss companies Connectis and Softix, acquired in 2016;
- in the United Kingdom, pension plans are financed through independent pension funds and as such, do not lead to any post-employment obligation recognition.

The value recorded in the statement of financial position for employee benefits and other long-term benefits corresponds to the difference between the discounted value of future obligations and the fair value of plan assets intended to cover them. The obligation corresponding to the net commitment thus established is recorded as a liability.

The net financial cost of retirement indemnities, including the financial cost and the expected return on plan assets, is recognized under "Net financial expenses". The operating expense is recorded in personnel expenses and includes the cost of services provided during the year as well as the impacts of any plan changes, reductions or liquidations.

Actuarial assumptions (economic and demographic) have been determined locally according to each concerned country.

Quantitative information is detailed in Note 18.1.

Other long-term benefits

Other long-term benefits essentially include length-of-service bonuses in the form of "length-of-service awards". The Group recognizes a liability in respect of awards acquired by employees as of 31 December. This provision is calculated according to methods, assumptions and frequency that are identical to those used for provisions for retirement indemnities described above.

Actuarial gains and losses arising from the valuation of length-of-service awards are recognized immediately in the income statement of the financial year of their occurrence.

Optional profit sharing agreement

Sub-group optional profit sharing agreements were signed in 2013 within French entities and define the calculation formula and terms for the profit sharing among beneficiaries. A liability is accrued for in personal expenses in respect of the amount of profit to be shared at year-end, payable the year after.

Legal profit sharing agreement

SPIE Operations and all subsidiaries whose registered office is in France, directly or indirectly owned by more than 50% and irrespective of the number of employees, have entered into a Group legal profit sharing agreement dated 6 June, 2005 in accordance with Articles L. 442-1 *et seq*. of the French Employment Code (*Code du travail*).

Free Performance Shares

The Shareholders' General Meeting of SPIE on 25 May, 2016, in its 20th extraordinary resolution, authorized, under certain conditions, the grant of free existing or future shares, in favor of corporate officers or employees of the Company or of companies related to the Company in the conditions set forth under Article L. 225-197-2 of the French Commercial Code.

The list of the beneficiaries of the Plan, as well as the number of free performance shares granted to each of them were decided by the Board of Directors, upon proposal of the Compensation Committee, at its meeting of 28 July, 2016.

The valuation and accounting principles applicable are defined in accordance with IFRS 2 "Share-based payments". Performance shares represent employees benefits granted to their beneficiaries and, as such, constitute additional remuneration paid by SPIE (see Note 8.2 "Employee Cost").

As a non-cash transaction, benefits granted are recognized as an expense over the vesting period in return for an increase in equity (see Note 17). They are valued by an external actuary on the basis of the fair value of the performance shares, at the grant date.

The performance shares' fair value is not only linked to the performance of the operating segments. Consequently, SPIE considered not necessary to include the corresponding charge in EBITA, which is the measure of the performance of the operating segments, as issued into internal reporting. This charge is read on a separate line of the reconciliation statement between EBITA and consolidated operating income (see Note 7 "Segment information").

NOTE 4 ADJUSTEMENTS ON PREVIOUS PERIODS

The accounts for 2016 have been restated pursuant to IFRS 5 (non-current assets held for sale and discontinued operations). These restatements refer specifically to activities which were processed as discontinued operations during 2017 (see Note 11 for further details).

The financial income statements of 31 December, 2016 presented in comparison to 31 December, 2017 are restated in accordance to the present Note 4.

SIGNIFICANT EVENTS OF THE PERIOD

NOTE 5 SIGNIFICANT EVENTS

5.1 SPIE'S STRATEGIC DEVELOPMENT IN GERMANY

On 31 March, 2017, the Group acquired the German group SAG ("SAG"), a European provider of services and systems for electric, gas, water and telecommunications networks which focused primarily on servicing transport and distribution networks. SAG's technical expertise covers the entire chain of energy infrastructure, including the design, engineering and installation; SAG also offers a wide range of asset support services. SAG is the German market leader, where it generates about 75% of its revenue, and is also present in France, in Poland, in Slovakia, in Czech Republic, and in Hungary. SAG employs approximately 8,000 highly qualified employees over more than 170 sites, including 120 in Germany.

With this acquisition, the Group expects to run, in the next two years, synergies related to purchases as well as administrative and operating expenses, for an amount of approximately €20 million (before tax).

The Group considers that the combination of its activities and SAG's activities will make it a leading figure in multi-technical services in Germany by implementing the key indicators that contribute to its enterprise model success, which is specific to the Group, and by relying on a wide range of complementary technical skills, a diversified client base and a densified geographical footprint. Moreover, the Group believes that SAG's acquisition is a good way to pursue its future expansion in central Europe. Benefiting from a strong exposure to long term growth drivers, an existing potential to targeted *bolt-on* acquisitions and significant synergies (as anticipated by the Group), this new platform should be well positioned to ensure the Group's long term revenue growth and margin progress. In addition, the Group considers that because of their complementarity, their deeply rooted enterprise culture, their enterprise model which is highly similar, and the full support of SAG's management, the integration of the latter to the Group should be completed swiftly and in favorable conditions.

SAG's entry in the Group's scope of consolidation is effective on 1 April, 2017, the acquisition having been closed on 31 March, 2017. As a consequence, the first consolidated accounts of the Group including SAG are the ones published on 30 June, 2017. This Group is hereafter designated as "SPIE SAG".

5.2 SAG INTEGRATION PROCESS

The German holding company which holds the "SPIE SAG" sub-group, initially named "SPIE GmbH" has been renamed "SPIE Deutschland & Zentraleuropa" as at 31 May, 2017.

An integration process of the German activities from the SAG group has been initiated since April 2017, including in particular the harmonization of governance rules, the rearrangement of management teams including managers from both origins in a par, the simplification of the legal and fiscal structure of the "SPIE SAG" sub-group, and the implementation of common controlling standards. Finally, the divesture process for the Gas & Offshore activity from SAG has been initiated during the second quarter of 2017 (see Note 11).

The integration of SAG is well underway and the first synergies are already visible, as expected with the plan.

5.3 ISSUANCE OF BOND FOR AN AMOUNT OF €600 MILLION

On 22 March, 2017, for the purpose of the SAG acquisition (see Note 4.1), SPIE SA issued a bond for an amount of €600 million, in order to finance said acquisition. The bonds, with a 7 year maturity and a 3.125% annual interest rate, have been admitted for trading on Euronext Paris regulated market (Code ISIN FR0013245263).

5.4 "AMBITION 2020" PROJECT

As part of its "Ambition 2020" project, SPIE has created, since 1 January, 2017, two new French subsidiaries to cover the national territory, each in its own specialty. These two companies combine corresponding activities of the five French regional multi-technical subsidiaries that previously operated.

SPIE Citynetworks is dedicated to the telecoms and outdoor networks market, and SPIE Facilities which is dedicated to the building maintenance market. SPIE Citynetworks is dedicated to the market of external networks and telecoms. It has 2,600 employees spread over more than 130 locations. Addressing public and private customers, the entity focuses on issues related to electric mobility, urban video surveillance or intelligent public lighting. It proposes supports to national or regional contracts for the digital development of the territories, from the phases of studies/design up to the maintenance, until completion. SPIE Citynetworks is involved in the deployment of 4G and 5G telephony networks, the deployment of fiber and the installation of charging infrastructures for electric vehicles.

SPIE Facilities, for its part, is dedicated to the market of the maintenance of the buildings and the "facility management". It has the same number of employees but only 65 locations in France. It offers to its customers in the residential/tertiary and industrial sectors (real estate assets) solutions that meet the latest technological, energy and environmental challenges. With a growth market, its mission will be to propose and manage services to enhance the performance of buildings and the comfort of their occupants. The entity intends to position itself on predictive services.

As of 1 January, 2017, the SPIE group in France is based on a two main structures, with five regional subsidiaries (SPIE Ile-de-France Nord-Ouest, SPIE Est, SPIE Sud-Est, SPIE Sud-Ouest, SPIE Ouest-Centre) and also three national subsidiaries of specialty (SPIE ICS, SPIE Facilities and SPIE Citynetworks).

As a continuity to the "Ambition 2020" project, SPIE has initiated to this scope extended to a fourth national subsidiary of specialty (SPIE Nucléaire) two new reorganization projects for the French activities: the "Ariane" and "Galileo" projects (see Note 26.2).

NOTE 6 ACQUISITIONS AND DISPOSALS

Changes in scope of consolidation include:

- companies acquired during the period;
- companies acquired during previous periods, which do not have the operational resources necessary to prepare financial statements in line with Group standards within the time allocated. These companies are included in the Group's scope of consolidation once the financial information is available;
- newly created entities;
- Companies outside of the perimeter.

6.1 CHANGES IN SCOPE

6.1.1 Companies acquired during previous period

- On 30 November, 2017, SPIE acquired the **Environmental Engineering Ltd ("EE")** group in the United Kingdom. EE specializes in HVAC, mechanical and electrical engineering services within the food and beverage industry. Its expertise ranges from small single-component works to holistic turnkey solutions. The EE group achieved a full-year March 2017 revenue of approximately £19 million sterling (*i.e.* around €24 million). The transferred counterpart stands at £6.7 million, *i.e.* €7.9 million.
- On 8 December, 2017 SPIE acquired the Belgium company **Tevean**. Established in 1950 and located in Zelzate (East Flanders), Tevean designs, builds and maintains electrical, security and fire protection systems for buildings. Tevean's clients operate in the non-residential, healthcare and industrial sectors. The company employs 50 people and generated sales of circa €9 million in 2017. The transferred counterpart stands at €7.5 million.
- On 9 December, 2017, SPIE acquired the **Aaftink group** of companies in the Netherlands. The Aaftink group of companies ("**Aaftink**") is located in Abcoude and specializes in the design, installation, maintenance and repair of building-related systems for retail clients. With 80 employees, Aaftink generates annual revenue of approximately €12 million. The transferred counterpart stands at €2.2 million.

These companies have been consolidated since the beginning of 2017 period.

6.1.2 Acquisitions of the period

	Country	Type of inclusion	Date of inclusion	Consolidation Method *	% of interest	% of control
NEW ENTITIES/ACTIVITIES OF THE GROUP						
AD Bouman BV	Netherlands	Acquisition	03/01/2017	F.C.	100	100
Maintenance Maîtrise Contrôle (MMC)	France	Acquisition	25/01/2017	F.C.	100	100
SAG Sub-group:						
SPIE SAG Holding GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
SPIE InfoGraph GIS Mobil GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
SPIE Finance BV	Germany	Acquisition	31/03/2017	F.C.	100	100
SPIE SAG GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
SAG Immobilien GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
SPIE SAG Erwin Peters GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
SAG Immobilien Verwaltungs GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
SAG Vermögensverwaltung GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
SPIE SAG group GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
SAG Beteiligungs GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
Tamar Vermögensverwaltung GmbH	Germany	Acquisition	31/03/2017	F.C.	100	100
Bohlen & Doyen GmbH	Czech Republic	Acquisition	31/03/2017	F.C.	100	100
Bohlen & Doyen Service und Anlagentechnik GmbH	Poland	Acquisition	31/03/2017	F.C.	100	100
SEG LiPro Energietechnik GmbH	Hungary	Acquisition	31/03/2017	F.C.	100	100
Elektrovod, a.s.	Slovakia	Acquisition	31/03/2017	F.C.	100	100
SAG Elbud Gdansk SA	Poland	Acquisition	31/03/2017	F.C.	100	100
SAG Hungaria	Germany	Acquisition	31/03/2017	F.C.	100	100
SAG Elektrovod, a.s.		Acquisition	31/03/2017	F.C.	100	100
SAG Elbud Krakow sp Z.o.o.	Germany	Acquisition	31/03/2017	F.C.	100	100
PMS Sicherheitstechnik + Kommunickation GmbH (PMS)	Germany	Acquisition	06/04/2017	F.C.	100	100
Lück Sub-group:						
Luck Personalmanagement GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
Luck Holding GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
Luck Gebaudetechnik GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
Luck Beteiligungs GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
LS plan GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
Elektro Buchmann GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
Luck Beratung GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
Pulte Elektrotechnik Verwaltungs GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
Pulte Elektrotechnik GmbH & Co. KG	Germany	Acquisition	13/04/2017	F.C.	100	100
Nuhn Gebaudetechnik GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
Luck Verwaltungs GmbH	Germany	Acquisition	13/04/2017	F.C.	100	100
MerICT	Netherlands	Acquisition	10/05/2017	F.C.	100	100
JM Électricité	France	Acquisition	12/07/2017	F.C.	100	100
Probia Ingénierie	France	Acquisition	20/07/2017	F.C.	100	100
Ziut Sub-group:						
Ziut Advies BV	Netherlands	Acquisition	08/09/2017	F.C.	100	100
Ziut BV	Netherlands	Acquisition	08/09/2017	F.C.	100	100
Ziut Installatietechniek BV	Netherlands	Acquisition	08/09/2017	F.C.	100	100

* *F.C.: Full consolidation.*

Incoming entities in the Group scope corresponding to 2017 acquisitions are presented below:

- On 3 January, 2017 SPIE acquired the Dutch company **AD Bouman BV**. Established in 1980, **Bouman** focuses on non-food retail spaces, where it provides a broad range of installation services, including electro-technical work, heating systems, air conditioning, climate control and security. The company provides turnkey installation to a high quality and diverse customer base of national and international retailers. Bouman employs 22 people and generates annual revenue of approximately €5 million. The transferred counterpart stands at €3.5 million.
- On 25 January, 2017 SPIE acquired the French company **Maintenance Mesure Contrôle (MMC),** through its subsidiary SPIE Nucléaire**.** Founded in 1989 and based in Yutz, Lorraine, MMC specializes in acoustic control, air leakage tests and infrared thermography on the French electronuclear sites. MMC employs 15 people and recorded revenues of €3 million in the year ended 31 March, 2016. The transferred counterpart stands at €4 million.
- On 31 March, 2017, the Group acquired the **SAG group,** German leader in high-growth energy infrastructure services. Headquartered in Langen, Germany, SAG is a service and systems supplier for electrical power, gas, water and telecommunications networks, primarily focused on servicing power transmission and distribution grids. The company celebrated its 100th anniversary this year and has played a major role in shaping the German energy infrastructure. It is now the market leader in Germany, where it generates close to 75% of its revenue, and has an established footprint in Slovakia, the Czech Republic, Poland, Hungary and France. SAG employs approximately 8,000 highly qualified people across more than 170 locations, including 120 in Germany. It generated revenue of €1.3 billion and EBITA of c. €77 million in 2016. The transferred counterpart stands at €107 million plus a debt repayment for €479 million. The whole amount has been financed through the issuance of a bond of €600 million (see Note 5.2).
- On 6 April, 2017, SPIE acquired the German company **"PMS Sicherheitstechnik + Kommunikation GmbH" (PMS)**. PMS, with its head office located in Dresden, was founded in 1991 and covers the entire value chain in the area of security and communications, from design and planning to installation and maintenance of fire detection, burglar alarm and access control systems, as well as smoke and heat extraction systems. In 2016, PMS generated approximately €3 million in revenues with 24 high qualified employees at its Dresden and Chemnitz locations. The transferred counterpart stands at €2.3 million.
- On 13 April, 2017, SPIE acquired the Germany group **Lück**. Established in 1965 and headquartered in Lich-Langsdorf and Gießen, Lück group is a provider of holistic building technology services with a strong focus on data center solutions. The company provides a complete range of services, from design and consulting, through installation and maintenance of HVAC, electro-technical, security and communication solutions. With 1,000 employees working from 18 locations in 6 German Länder, Lück group generated a production of approximately €130 million in 2016. The transferred counterpart stands at €60.8 million.
- On 13 April, 2017 SPIE acquired the Dutch company **MerICT**. Based in the Netherlands, in Zwolle, MerICT provides integrated communication solutions ranging from market business telephony, connections and infrastructure, solutions for domotics in the healthcare sector and so-called collaboration applications. The transferred counterpart stands at €2 million.
- On 12 July, 2017, SPIE acquired the French company **JM Electricité,** through its subsidiary SPIE West-Center. JM Electricité, founded in 1996 and headquartered in Vedène, France (Vaucluse), is specialized in electrical installation works in the housing and tertiary sectors. The company is mainly active in the Marseille area and serves private clients as well as public communities. With 22 employees, the company generated 2016 revenues of approximately €5 million. The transferred counterpart stands at €2.7 million.
- On 20 July, 2017, SPIE acquired the French company **Probia Ingénierie,** through its subsidiary SPIE South-East. Probia Ingénierie, established in 2006 and headquartered in Saint-Martin-des-Champs in France (Finistère), is specialized in the design and delivery of automated industrial equipments for material handling. The company is mainly active in the west of France and with its 11 employees, it generates annual revenues of approximately €3 million, mostly with customers in the agri-food industry. The transferred counterpart stands at €3.7 million.
- On 8 September, 2017, SPIE acquired the Dutch group **Ziut**. Headquartered in Arnhem, Ziut is an expert in the installation, management and maintenance of public lighting, traffic control systems and video surveillance. The company provides cities with innovative and smart solutions that have long-term beneficial impacts on energy consumption, security, and environmental issues faced by its customers. Ziut employs approximately 440 people and generated revenue of €114 million in 2016.The transferred counterpart stands at €1 plus a debt repayment of €15 million.

6.1.3 Companies acquired in 2017 but not yet consolidated

- On 14 November, 2017, SPIE acquired the Dutch company **Alewijnse Retail**. Based in Zaltbommel, Alewijnse Retail employs 20 people and generated revenue of approximately €6 million in 2016. The company specializes in the design and implementation of retail modification plans as well as maintenance management, and closely cooperates with its customers to develop tailor-made solutions. In October 2016, SPIE already acquired a business unit of the Alewijnse group (Alewijnse Technisch Beheer), specialized in technical management of building-related installations. The transferred counterpart stands at €2.7 million.
- On 4 December, 2017, SPIE acquired the Dutch company **Inmeco**. Founded in 1996, the company is specialized in commissioning, prevention, maintenance and repairing of industrial instrumentation devices. The company generated revenue of approximately €820 thousand in 2016. Inmeco employs four people. The counterpart stands at €384 thousand.
- On 20 December, 2017, SPIE acquired the French company **S-Cube**. Based in Vélizy, France, S-Cube is a company specialized in the design, the integration and the maintenance of digital infrastructure, with a strong focus on datacenter solutions and hyperconvergence. Ranked by *Les Échos* among the "500 French growth champions in 2017", S-Cube employs 42 people and generated revenue of approximately €47 million in 2016.

6.1.4 Newly consolidated companies

The Group consolidated for the first time the **SPIE 161** entity during the second half of 2017. This entity had no activity were since its creation on 20 October, 2016.

On 6 November, 2017, the SPIE 161 company was renamed to legally become from 1 January, 2018 on the holding company "SPIE France", direct subsidiary of SPIE Operations, with the purpose of giving a functional autonomy to the French sub-group, similar to the holding companies in the other countries (Germany, Netherlands, United Kingdom, Belgium and Switzerland). This new organization falls within the framework of the "Ariane" corporate project (see Note 26.2).

6.1.5 Newly created companies

- On 29 January, 2017, SPIE OGS created with a local partner the company **SPIE OGS Doha LLC**, located in Qatar and held through a partnership (49% held by SPIE and 51% held by a local partner). The company is consolidated since 31 March, 2017.
- The Group created on 29 June, 2017 the **SPIE Oil & Gas Services Sénégal** company in Senegal. This entity was consolidated on 30 September, 2017.
- In August 2017, the Group created the **Grand Poitiers Lumière** company in Poitiers (France). This company was consolidated for the first time on 31 December, 2017 following the equity method.
- On 27 December, 2017, SPIE Nederland has created the Dutch company **Meppel BV**.

6.1.6 Companies liquidated or divested

During year 2017, the Group sold or disposed several entities which did not represent any strategic interest for itself. The operations are the following:

- On 4 January, 2017, the **SPIE Edgo Energy Ventures Limited** company located in the United Arab Emirates has been liquidated. Without significant activity since 2016, the liquidation of this company did not have any impact on the Group's accounts.
- On 2 March, 2017, the Group sold the **Sono Technic** entity. The selling process of this French entity Sono Technic, operating on low voltage electricity activities in the Toulouse region, had been initiated in November 2016.
- On 18 August, 2017, the Group sold the **SPIE AGIS Fire & Security OY** entity, located in Finland. This entity, non-strategic for the Group, was part of the entities acquired when SPIE purchased the AGIS group in August 2016.

6.2 CHANGES IN METHOD

Nil.

6.3 IMPACT OF NEWLY CONSOLIDATED COMPANIES

The impact of the new consolidated companies in the Group's financial statement is presented hereafter:

In thousands of euros	SAG group	Lück group	Ziut group	Other Acquisitions	Total Acquisitions 2017	PPA Adjustments (IFRS 3R)	Total after adjustments
Intangible assets	330,360	114	808	16,076	347,358	13,840	361,198
Property, plant and equipment	137,549	1,697	2,584	1,656	143,487	(36)	143,451
Financial assets	253	28	608	16	905	-	905
Deferred tax assets	105,609	2,085	-	120	107,813	125	107,938
Other non-current assets	106	-	-	-	106	-	106
Current assets	491,676	(3,892)	33,863	20,167	541,815	(1,396)	540,419
Cash and cash equivalents	25,829	2,042	157	10,978	39,005	130	39,135
Total assets acquired at fair value	**1,091,382**	**2,074**	**38,020**	**49,013**	**1,180,489**	**12,664**	**1,193,153**
Equity attributable to non-controlling interests	-	60,824	-	90	60,914	(540)	60,374
Long-term borrowings	(486,430)	(14,936)	(1,519)	(128)	(503,013)	(1)	(503,014)
Other non-current liabilities	(483,873)	(88)	(3,849)	(147)	(487,957)	(769)	(488,726)
Deferred tax liabilities	(113,877)	(14)	-	(4,919)	(118,810)	(3,596)	(122,406)
Short-term borrowings	(10,845)	(12,777)	(7,922)	(269)	(31,813)	27	(31,786)
Other current liabilities	(619,869)	(58,862)	(24,730)	(21,067)	(724,528)	(19,698)	(744,226)
Total liabilities assumed at fair value	**(1,714,894)**	**(25,853)**	**(38,020)**	**(26,439)**	**(1,805,206)**	**(24,579)**	**(1,829,785)**
Transferred counterpart *	**107,010**	**60,824**	**-**	**37,000**	**204,834**	**(17,297)**	**187,537**
RECOGNIZED GOODWILLS	**730,522**	**84,603**	**0**	**14,426**	**829,551**	**(5,382)**	**824,169**

* *(see Note 6.1.2).*

The column "PPA Adjustments (IFRS 3R)" includes the goodwill adjustments related to:

- the purchase price allocation of companies acquired during previous period (see Note 14.1);
- earn outs paid in 2017.

SEGMENT INFORMATION

NOTE 7 SEGMENT INFORMATION

Summarized information intended for strategic analysis by general management of the Group for decision-making purposes (the concept of chief operating decision-maker in accordance with IFRS 8) is based on revenue (as per management accounts) and EBITA indicators broken down by operating segment.

7.1 INFORMATION BY OPERATING SEGMENT

Revenue (as per management accounts) represents the operational activities conducted by the Group's companies, while consolidating entities that have minority Shareholders on a proportionate basis or using the equity method.

EBITA, as per management accounts, is the Group operating result. It is calculated before amortization of allocated goodwill (brands, backlogs and customers). The margin is expressed as a percentage of revenue (as per management accounts).

In millions of euros	France	Germany and Central Europe	North-Western Europe	Oil & Gas and Nuclear	Holdings	TOTAL
2017						
Revenue (as per management accounts)	**2,406.9**	**1,891.4**	**1,336.4**	**492.2**	**-**	**6,126.9**
EBITA	151.7	120.0	54.3	48.9	13.1	388.0
EBITA as a % of revenue (as per management accounts)	*6.3%*	*6.3%*	*4.1%*	*9.9%*	*n/a*	*6.3%*
2016 RESTATED *						
Revenue (as per management accounts)	**2,241.5**	**927.0**	**1,207.5**	**565.4**	**-**	**4,941.4**
EBITA	157.2	45.2	57.8	61.8	19.9	341.9
EBITA as a % of revenue (as per management accounts)	*7.0%*	*4.9%*	*4.8%*	*10.9%*	*n/a*	*6.9%*

* *Comparative data for 2016 have been restated, See Note 4.*

Reconciliation between revenue (as per management accounts) and revenue under IFRS

In millions of euros	2016 Restated	2017
Revenue (as per management accounts)	**4,941.4**	**6,126.9**
SONAID (1)	(14.3)	(7.8)
Holding activities (2)	23.0	17.8
Other (3)	2.2	(8.9)
REVENUE UNDER IFRS	**4,952.3**	**6,128.0**

(1) The SONAID company is consolidated on a proportionate basis in the management accounts (55%) while it is accounted for in equity method in consolidated accounts.

(2) Non-Group revenue from the SPIE Operations Group and non-operational entities.

(3) The "other" line mainly relates to the re-invoicing of services provided by Group entities to non-managed joint ventures, to the re-invoicing to non-Group entities that do not correspond to operational activity (essentially re-invoicing of expenses on account) and to the revenue from entities consolidated under the equity method, or non-consolidated companies.

Reconciliation between EBITA and operating income

In millions of euros	2016 Restated	2017
EBITA	**341.9**	**388.0**
Amortization of intangible assets (allocated goodwill) [(1)]	(30.9)	(59.8)
Restructuring costs [(2)]	(17.2)	(44.5)
Financial commissions	(1.8)	(1.6)
Minority interests	0.1	(1.6)
Other non-recurring items [(3)]	2.3	(16.9)
CONSOLIDATED OPERATING INCOME	**294.4**	**263.6**

(1) In 2017, the amount relating to the allocated goodwills of the Group includes an amount of €41.1 million for SAG group.

(2) In 2017, restructuring costs relate to reorganizations in France for €13.3 million, in OGS for €13.5 million and relate to the integration of SAG for an amount of €16.2 million.

(3) The "other non-recurring items" mainly correspond to costs related to external growth project (€8.9 million), and the recognition of a cost related to the free share plan allocation, in accordance with IFRS 2 (€5,1 million).

In 2016, the "other non-recurring items" included the capital gain subsequent to the change in consolidation method of SONAID pursuant to IFRS 11 (€5.3 million), and to costs related to external growth projects (€2.4 million).

7.2 PRO-FORMA INDICATORS

Pro-forma indicators are intended to provide a more comprehensive economic vision which incorporates the income statement over 12 months of companies acquired during the financial year irrespective of the initial consolidation date.

In millions of euros	2016 Restated	2017
Revenue (as per management accounts)	4,941.4	6,126.9
Pro-forma adjustments (12 months effect of acquisitions)	195.9	374.2
***Pro-forma* revenue (as per management accounts)**	**5,137.3**	**6,501.1**
EBITA	341.9	388.0
Pro-forma adjustments (12 months effect of acquisitions)	6.7	(4.0)
EBITA *pro-forma*	**348.6**	**384.0**
As a % of pro-forma revenue	*6.8%*	*5.9%*

7.3 NON-CURRENT ASSETS BY ACTIVITY

Non-current assets include intangible assets, property, plant and equipment, and goodwill allocated to cash generating units.

In thousands of euros	France	Germany & CE	North-Western Europe	Oil & Gas – Nuclear	Holdings	TOTAL
31 DECEMBER, 2017	**286,919**	**1,474,910**	**152,231**	**39,894**	**2,318,036**	**4,271,990**
31 December, 2016 Restated	275,179	301,026	153,894	37,735	2,316,797	3,084,630

7.4 PERFORMANCE BY GEOGRAPHIC AREA

Revenue under IFRS is broken down by geographical location of customers.

In thousands of euros	France	Germany	Rest of the world	TOTAL
2017				
Revenue under IFRS	**2,696,166**	**1,552,801**	**1,879,026**	**6,127,993**
2016 RESTATED				
Revenue under IFRS	2,577,070	737,442	1,637,801	4,952,313

7.5 INFORMATION ABOUT MAJOR CUSTOMERS

No external customer individually represents 10% or more of the Group's consolidated revenue.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

NOTE 8 OTHER OPERATING INCOME AND EXPENSES

8.1 OPERATING EXPENSES

In thousands of euros	Note	2016 Restated	2017
Purchases consumed		(787,389)	(858,785)
External services		(1,960,295)	(2,700,205)
Employment cost	8.2	(1,914,879)	(2,225,489)
Taxes		(40,979)	(42,266)
Net amortization and depreciation expenses and provisions		(28,699)	(101,974)
Other operating income and expenses		56,612	63,977
OPERATING EXPENSES		**(4,675,629)**	**(5,864,742)**

8.2 EMPLOYEE COST

Breakdown of employee cost

In thousands of euros	2016 Restated	2017
Wages and salaries (1)	(1,349,303)	(1,571,912)
Social security costs	(546,381)	(630,054)
Employee benefits (2)	(8,337)	(14,777)
Employee profit-sharing	(10,858)	(8,747)
EMPLOYEE COSTS	**(1,914,879)**	**(2,225,489)**

(1) The CICE (French State's credit for competitiveness and employment) total benefit accounted for in the income statement in 2017, booked as a deduction from personnel costs, amounts to €31,430 thousand (against €26,512 thousand in 2016). These amounts were calculated including the payments and liabilities accounted for during the period and relating to eligible compensations.

(2) Employee benefits include the share of long-term post-employment benefit reserved for retirement benefit.

Free Performance Shares

The information relating to the features of the free performance shares are presented here below:

	At original date Sept. 19, 2016	31 Dec., 2016	31 Dec., 2017
Beneficiary population	420	420	377
Acquisition date	28/07/2019	28/07/2019	28/07/2019
Number of granted shares at origin	1,098,155	1,098,155	1,098,155
Number of granted shares cancelled	-	-	(152,943)
NUMBER OF GRANTED SHARES UNDER PERFORMANCE CONDITIONS AT YEAR END	**1,098,155**	**1,098,155**	**945,212**

The vesting of performance shares is under condition of presence of the beneficiary throughout the three-year duration of the acquisition period.

Thus, the fair value valuation of the performance shares takes into consideration a turnover rate of the beneficiaries as read per country in the employers companies.

The number of performance shares, to which the fair value applied for the calculation of the IFRS 2 expense, is adjusted by taking into consideration the estimation of the probabilities of achieving financial performance conditions.

The acquisition of the allocated shares is subject to three financial performance conditions:

- two internal conditions (non-market)
  - a condition on average annual growth rate (AAGR) of EBITA over the period 2016-2018,
  - a condition on cash conversion rate (CCR) of EBITA over the period 2016-2018;
- one external condition, linked to a total Shareholder return (TSR) target for the SPIE shares compared to the median TSR of the companies included in the SBF 120 index.

The beneficiary population is composed of 420 people and is divided into two circles, each with a specific plan:

- the first group corresponding to the Executive Committee of SPIE group and CEO of the French subsidiaries;
- the second circle corresponding to others beneficiaries bound with any of the Group companies by an employment contract.

The weights to be applied to internal and external allocation rates are as follows:

	Internal Criteria	External Criteria
Executive Committee of SPIE group and CEO of French subsidiaries	65.0%	35.0%
Others	80.0%	20.0%

The fair value of the performance shares, valued to €12,360 thousand at the grant date of 19 September, 2016, is amortized over the three-year vesting period. Thus, a charge for an amount of €4,120 thousand was booked in 2017.

Applicable taxes and employers contributions, due by employer companies in their own countries, have been accrued as expenses for an amount of €1,003 thousand in 2017.

Breakdown of average number of Group employees

	2016	2017
Engineers and executive management	7,097	7,026
Lower and middle management	17,989	20,259
Other employees	13,780	19,567
AVERAGE NUMBER OF GROUP EMPLOYEES	**38,866**	**46,852**

Headcount does not include any temporary people.

8.3 OTHER OPERATING INCOME (LOSS)

Other operating income and expenses break down as follows:

In thousands of euros	2016 Restated	2017
Business combination acquisition costs (1)	(2,369)	(8,929)
Net book value of financial assets and security disposals (2)	4,922	(1,487)
Net book value of assets	(7,000)	(4,785)
Other operating expenses (3)	(23,007)	(52,721)
Total other operating expenses	**(27,453)**	**(67,922)**
Gain on security disposals (4)	282	208
Gains on asset disposals	7,021	6,637
Other operating income (5)	4,331	4,279
Total other operating income	**11,634**	**11,124**
OTHER OPERATING INCOME AND EXPENSES	**(15,819)**	**(56,798)**

(1) In 2017 "Business combination acquisition costs" mainly relate to the acquisitions of SAG group, Lück companies and PMS by SPIE DZE (formerly SPIE GmbH), of Trios group and Environmental Engineering by SPIE UK, and to the acquisition of Alewijnse, Ziut and Aaftink by SPIE Nederland.

(2) In 2017, the "net book value of financial assets and security disposals" mainly correspond to the NBV booked consequently to:

(i) the disposal of AGIS Fire & Security Oy, located in Finland, by SPIE DZE (formerly SPIE GmbH), for an amount of €(312) thousand;

(ii) the dissolution of the Allard company held by SPIE UK for an amount of €(186) thousand;

(iii) to the dissolution of the Vehicle Rental company held by SPIE ENS Limited for an amount of €(675) thousand.

In 2016, the "net book value of financial assets and security disposals" used to correspond to the NBV booked consequently to:

(i) the loss of control of SONAID entity by SPIE OGS for an amount of €5,260 thousand;

(ii) to the share disposal of SPIE Czech of €(49) thousand.

(3) In 2017, the "other operating expenses" mainly correspond to the restructuring costs deriving from the reorganizations completed in France, in OGS in particular since the acquisition of SAG group, in Germany.

In 2016, they mainly corresponded to penalties on contracts and to the restructuring costs in France, in Switzerland and in the UK.

(4) The gains on security disposals corresponded in 2016 to the disposal of Concept ERP shares held by Sofilan (RDI group acquired by SPIE ICS in 2017). In 2017, they relate to disposal of the shares of AGIS Fire & Security Oy (located in Finland) by SPIE DZE (formerly SPIE GmbH), for an amount of €200 thousand.

(5) The "other operating income" mainly corresponds to penalties and to write backs on provisions.

In 2016, the other non-current income included the earn out of the ENS (located in the United Kingdom) entity which has not been paid, for an amount of €2,563 thousand.

NOTE 9 NET FINANCIAL COST AND FINANCIAL INCOME AND EXPENSES

Cost of net debt and other financial income and expenses are broken down in the table below:

In thousands of euros	Notes	2016 Restated	2017
Interest expenses		(38,451)	(57,032)
Interest expenses on financial leases		(346)	(367)
Interest expenses on cash equivalents		(80)	(875)
Interest expenses and losses on cash equivalents		**(38,877)**	**(58,275)**
Interest income on cash equivalents		91	575
Net proceeds on sale of marketable securities		95	6
Gains on cash and cash equivalents		**186**	**581**
COSTS OF NET FINANCIAL DEBT (1)		**(38,691)**	**(57,694)**
Loss on exchange rates (2)		(28,499)	(16,855)
Allowance for financial provisions for pensions		(4,688)	(10,106)
Other financial expenses		(1,359)	(5,941)
Total other financial expenses		**(34,545)**	**(32,902)**
Gain on exchange rates		20,242	10,227
Reversal of financial provisions for pensions		-	21
Gains on financial assets excl. cash and cash equivalents		43	151
Allowance / Reversal on financial assets		127	1,330
Other financial income		942	3,089
Total other financial income		**21,353**	**14,819**
OTHER FINANCIAL INCOME AND EXPENSES		**(13,192)**	**(18,083)**

(1) The change between 2016 and 2017 (€19 million) is due to interest charges related to the bond subscribed in March 2017, for an amount of €600 million, for the SAG group acquisition (i.e. €14.6 million).

(2) The change of the exchange rate between pound sterling and euro during 2016 contributed to losses on exchange rates up to a net amount of approximately €16 million, without any significant cash impact. In 2017, these currency losses amount to €5.6 million.

NOTE 10 INCOME TAX

10.1 TAX RATE

Tax rate

Since 2016, the Group applies a tax reference of 34.43%. Furthermore, prevailing tax rates in the main European countries in Group businesses are the followings:

Income tax rate used by the Group	2016	2017
France	34.43%	34.43%
Germany	31.50%	31.50%
United Kingdom	20.00%	19.00%
Belgium	33.99%	33.99%
Netherlands	25.00%	25.00%
Switzerland	21.00%	21.00%

10.2 CONSOLIDATED INCOME TAX EXPENSE

Income taxes are detailed as follows:

In thousands of euros	2016 Restated	2017
INCOME TAX EXPENSE REPORTED IN THE INCOME STATEMENT		
Current income tax	(73,969)	(64,373)
Deferred income tax	27,100	(7,900)
TOTAL INCOME TAX REPORTED IN THE INCOME STATEMENT	**(46,869)**	**(72,273)**
INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME		
Net (loss)/gain on cash flow hedge derivatives	(112)	(127)
Net (loss)/gain on post-employment benefits	4,275	(9,640)
TOTAL INCOME TAX REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	**4,163**	**(9,767)**

The Group deferred taxes as at 31 December, 2016, have been revalued mainly following the adoption of the 2017 Finance Act in France, which provided for a reduction in the corporate income tax rate from 33.33% to 28% for all companies starting from 2020. The impact for the Group related to the deferred taxes scheduled from 2020 onwards, and in particular:

- €43.8 million related to the deferred tax based on the intangible assets, limited to the SPIE brand;
- €(8.0) million related to the deferred taxes based on pension provisions.

Following the adoption of the 2018 Finance Act in France, which provides for a subsequent reduction in the corporate income tax rate from 28% to 25% for all companies between 2020 and 2022, the Group deferred tax have been revalued once more. The impact relates to the deferred tax scheduled from 2020 onwards, and the update of the deferred taxes on these assets is the following:

- €20.5 million on the SPIE brand;
- €(2.3) million for the pension provisions.

10.3 DEFERRED TAX ASSETS AND LIABILITIES

Before offsetting deferred tax assets and liabilities by fiscal entity, the components of deferred tax are as follows:

In thousands of euros	Assets	Liabilities	31 Dec., 2017
Derivatives		(140)	(140)
Employee benefits	129,509		129,509
Provisions for contingencies and expenses non-deductible for tax purpose	31,312		31,312
Tax loss carry forward	41,922		41,922
Revaluation of long-term assets	39,042	(319,407)	(280,365)
Deferred tax liabilities on finance leases	101	(591)	(490)
Other temporary differences	46,892	(48,996)	(2,104)
TOTAL DEFERRED TAX –NET	**288,778**	**(369,134)**	**(80,356)**

Deferred tax assets and liabilities by nature for 2016 are detailed below:

In thousands of euros	Assets	Liabilities	31 Dec., 2016
Derivatives		(13)	(13)
Employee benefits	79,194		79,194
Provisions for contingencies and expenses non-deductible for tax purpose	30,790		30,790
Tax loss carry forward	67,760		67,760
Revaluation of long-term assets	26,440	(245,542)	(219,102)
Deferred tax liabilities on finance leases	55	(980)	(925)
Other temporary differences	31,126	(21,310)	9,814
TOTAL DEFERRED TAX -NET	**235,364**	**(267,845)**	**(32,482)**

The breakdown of deferred tax variations for the period according to their impact on the income statement or on the statement of financial position is the following:

		Variations 2017					
In thousands of euros	31 Dec.,2016	Income statement	Equity & OCI	Translation differences	Reclassifications	Other/ Changes in scope (1)	31 Dec., 2017
Derivatives	(13)		(127)				(140)
Employee benefits	79,194	(4,110)	(9,640)	(749)	87	64,727	129,509
Provisions for contingencies and expenses non-deductible for tax purpose	30,790	(2,876)		(92)	(87)	3,578	31,312
Tax loss carry forward (2)	67,760	(29,713)		(890)		4,764	41,922
Revaluation of long-term assets (3)	(219,102)	48,047		1,755		(111,065)	(280,365)
Deferred tax liabilities on finance leases	(925)	218		3		214	(490)
Other temporary differences (4)	9,814	(19,466)		321		7,226	(2,104)
TOTAL DEFERRED TAX -NET	**(32,482)**	**(7,901)**	**(9,767)**	**349**	**-**	**(30,555)**	**(80,356)**

(1) The "others / changes in scope" mainly correspond to the deferred taxes provided by the incoming entities of the Group during the year, and to the ongoing process of purchase price allocation.

(2) The tax loss carry forward impacting the income statement mainly relate to:

(i) the tax loss carry forwards used at SPIE group level (in particular in the level of the holding company, SPIE SA, head of tax integration regime) (see Note 10.4);

(ii) the impact of reduction of the net income tax in the United Kingdom on the amount of tax carry forwards activated previously.

(3) €(48,047) thousand accounted for in the income statement include:

(i) the impact of the intangible assets amortization identified through Purchase Price Allocation processes, and in particular those deriving from the SAG group acquisition for an amount of €12,341 thousand;

(ii) The impact of the reduction in the French tax rate subsequent to the application of the 2018 Finance Act in France for an amount of €20,461 thousand (see Note 10.2).

(4) The total amount of the "Other temporary differences" include the other differences such as restatements on currency translations and deferred taxes on borrowing costs for approximately €900 thousand.

10.4 TAX LOSS CARRIED FORWARD

Tax losses carried forward within the tax group in France amount to €97,255 thousand. They have been recognized as deferred tax assets for €27,419 thousand. The timeline for the relief of carry forward tax deficits, by allocation to predictable profits of the SPIE SA tax group, has been estimated at 2 years.

As at 31 December, 2017, unrecognized tax losses in France amount to €72,732 thousand and concern mainly pre-integration losses in the Group's French subsidiaries.

All tax losses carried forward in the United-Kingdom, which timeline for the relief of carry forward tax deficitis has been estimated at less than 5 years, amount to £20,468. The amount of deferred tax assets finally recognized is of £3,889 thousand (*i.e.* €4,411 thousand).

The deferred tax assets corresponding to the tax losses carried forward in Germany were fully accounted for €8,595 thousand, on a basis of a 5 years plan relief.

All tax losses carried forward relating to the SPIE ICS in Switzerland, amount in basis as at 31 December, 2017 to 4,413 thousands of Swiss Francs (CHF) (*i.e.* €3,776 thousand). They have been subject to the recognition of deferred tax assets fully accounted for an amount of CHF 927 thousand (*i.e.* €793 thousand).

10.5 RECONCILIATION BETWEEN PROVISION FOR INCOME TAXES AND PRE-TAX INCOME

In thousands of euros	**2016 Restated**	**2017**
Consolidated net income	184,032	111,473
(-) Net income from discontinued operations	11,652	4,033
Provision for income taxes	46,869	72,273
Pre-tax income	**242,553**	**187,779**
(-) Net income (loss) from companies accounted for under the equity method	(426)	(492)
Pre-tax income excl. companies accounted for under the equity method	**242,126**	**187,288**
Theoretical French statutory tax rate	34.43%	34.43%
Theoretical tax charge	**(83,364)**	**(64,483)**
Permanent differences and other differences	(1,147)	(6,493)
French CVAE (1)	(13,175)	(12,282)
Tax loss carry-forward	11,497	(33,404)
Difference between French and foreign income tax rates	3,767	26,229
Difference on French income tax rate (Finance Act)	35,839	17,144
Tax provisions (2)	(285)	1,016
Net provision for income taxes, including discontinued activities	**(46,869)**	**(72,273)**
Effective tax rate	**19.32%**	**38.49%**
EFFECTIVE TAX RATE EXCLUDING FRENCH CVAE (3)	**11.04%**	**28.51%**

(1) In France, the Company value-added contribution («Cotisation sur la Valeur Ajoutée des Entreprises" - CVAE) is due based on added value stemming from individual financial statements. The Group opted for the option of booking CVAE in income tax in order to ensure consistency with the accounting treatment of similar taxes in other countries. Accordingly, CVAE is presented as a component of the income tax expense. As CVAE is tax deductible, its amount has been restated net of income tax for reconciliation purposes.

(2) Tax provisions relate to tax audits in progress where notices of judgments have been received and are subject to discussions with the relevant tax authorities. The portion of this process relating to additional income tax is recognized as a component of the income tax expense.

(3) In 2016, if the impact following the adoption of the 2017 Finance Act in France (see Note 10.2) had been taken into account, the effective tax rate of the Group would have been of 25.81% excluding French CVAE, and 34.10% including the CVAE.

In 2017, if the impact following the adoption of the 2018 Finance Act in France had not been taken into account, the effective tax rate of the Group would have been of 37.64% excluding French CVAE and 47.62% including the CVAE.

NOTE 11 DISCONTINUED OPERATIONS

The Group's assets held for sale and discontinued operations requiring the application of IFRS 5 are outlined below:

	2016 Restated		2017	
In thousands of euros	**Revenue**	**Contribution to net income**	**Revenue**	**Contribution to net income**
SPIE South-West – operations of SPIE in Morocco (1)	67,316	(2,078)	61,073	21,689
SPIE Nuclear – soft FM activity (2)	24,465	510	178	(2,151)
SPIE Sud-Ouest – MSI business (3)	11,993	127	7,892	(2,597)
SPIE UK – underground utilities services (4)	73,733	(32)	53,793	(30,121)
SPIE UK – soft FM activity (5)	28,362	3,691	32,660	(7,720)
SPIE SAG – Gas & Offshore Services (6)	-	-	164,386	23,873
SPIE Switzerland – SPIE IFS AG (7)	6,461	(1,232)	1,198	(194)
SPIE South-West- SonoTechnic (8)	2,010	(1,105)	469	(69)
SPIE Infoservices – Logistic business (9)	-	(2,403)	-	104
SPIE IDF – North-West – "housing market projects" activity (10)	7,520	(4,635)	7,288	(7,170)
SPIE South-West – Portugal activity (11)	9,248	(4,249)	-	-
SPIE DZE – Services Solutions business in Greece (12)	-	(15)	-	(5)
SPIE OGS – Algeria business (13)	2,562	(207)	2,472	381
SPIE Holdings – S.G.T.E. Ingénierie (14)	-	(25)	-	(52)
TOTAL	**233,670**	**(11,652)**	**331,409**	**(4,033)**

(1) SPIE's Moroccan operations. On 20 December, 2017, SPIE signed an agreement in order to sell its activities of SPIE Morocco to ENGIE. SPIE Maroc is a key player in the Moroccan market of electrical and HVAC engineering, of telecommunication infrastructures and of power transmission systems, as well as multi-technical maintenance. The Company has more than 1,000 employees and generated in 2016 revenue of approximately €70 million.

(2) The soft FM (Facility Management) activity of SPIE Nuclear for which a divestment process was initiated during the second half of 2017. Its process was still in progress as at 31 December, 2017.

(3) The conception and assembly of specialized equipment for aeronautics activity (MSI) of SPIE South-West. The disposal process has been initiated during the second half of 2017, and was still in progress as at 31 December, 2017.

(4) Underground utilities services in the United Kingdom (water and gas networks). A divesture process has been initiated during the third quarter of 2017.

(5) "Total facility management" activities in the United Kingdom (soft FM activity), including technical maintenance services combined to one or several non-technical services (cleaning, etc.). A divesture process has been initiated during the second quarter of 2017.

(6) The Gas & Off-shore business of SAG, for which a disposal process has been initiated during the second quarter of 2017.

(7) The Services Solutions business line located in Switzerland (corresponding to the whole company SPIE IFS AG), which had been acquired together with the German group Hochtief in 2013. A disposal process has been initiated in November 2016. It has finally been decided to merge this activity in SPIE ICS AG as at 30 June, 2017.

(8) SonoTechnic, French subsidiary of SPIE South-West which operates in the low voltage electricity activities in the region of Toulouse, for which a disposal process has been initiated in November 2016, has been sold in 31 March, 2017 (see Note 5.1.5).

(9) The activity «logistics and integration of communications equipment and systems» of SPIE Infoservices, French subsidiary of SPIE ICS, planned to be sold since the second half of 2016, was sold on 6 January, 2017 (see Note 5.1.5).

(10) Activities in «Housing market Projects" of the French company SPIE IDF North-West. The discontinued process was initiated in the second half of the year 2016 and was still in progress as at 31 December, 2017.

(11) The company TECNOSPIE SA in Portugal for which a disposal process was initiated in December 2015 was sold on 6 July, 2016; It is presented in the June 2016 accounts, as a comparative purpose for June 2017.

(12) The Services Solutions business line located in Greece and acquired together with the German group Hochtief in 2013 by SPIE DZE (formerly SPIE GmbH), for which a disposal process has been initiated in 2014. This process was still in progress as at 31 December, 2017.

(13) The Algerian business of SPIE OGS, which disposal process was initiated in 2011, was still in progress as at 31 December, 2017.

(14) SGTE Ingénierie, located in France, for which a liquidation process has been initiated in 2007, was still in progress as at 31 December, 2017.

As a result, as at 31 December, 2017, all of these activities have been reclassified in a separate line on the income statement, representing the contribution to net income of these operations.

The assets and liabilities of these operations have been respectively reclassified as "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in the consolidated statement of financial position as at 31 December, 2017. Assets and liabilities of these activities have been valued at the lower of their accounting value and their fair value less potential costs of sale of the assets.

NOTE 12 EARNINGS PER SHARE

12.1 DISTRIBUTABLE EARNINGS

In thousands of euros	31 Dec., 2016 Restated	31 Dec., 2017
CONTINUING OPERATIONS		
Basic earnings from continuing operations attributable to owners of the parent (excluding minority Shareholders)	195,672	114,435
(-) Basic earnings attributable to preferential owners		
Earnings from continuing operations distributable to Shareholders of the Company, used for the calculation of the earnings per share	**195,672**	**114,435**
Earnings from discontinued operations distributable to Shareholders of the Company, used for the calculation of the earnings per share	(11,652)	(4,033)
TOTAL OPERATIONS		
Basic earnings from continuing operations attributable to owners of the parent (excluding minority Shareholders)	184,020	110,402
(-) Basic earnings attributable to preferential owners		
EARNINGS DISTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY, USED FOR THE CALCULATION OF THE EARNINGS PER SHARE	**184,020**	**110,402**

12.2 NUMBER OF SHARES

	31 Dec., 2016	31 Dec., 2017
Average number of shares used for the calculation of earnings per share	**154,076,156**	**154,076,156**
Effect of the diluting instruments	312,899	1,021,684
Average number of diluted shares used for the calculation of earnings per share	**154,389,054**	**155,174,311**

In compliance with IAS 33 "Earnings per share", the weighted average number of ordinary shares in the first half of 2017 (and for all presently shown periods) has been adjusted to take into account events that impacted the number of outstanding shares without having a corresponding impact on the entity's resources.

During the 2016 period, SPIE has issued a new Free Performance Shares plan which consequently dilutes the average number of shares (see Note 8.2).

12.3 EARNINGS PER SHARE

In euros	31 Dec., 2016 Restated	31 Dec., 2017
CONTINUING OPERATIONS		
Basic earnings per share	1.27	0.74
Diluted earnings per share	1.27	0.74
DISCONTINUED OPERATIONS		
Basic earnings per share	(0.08)	(0.03)
Diluted earnings per share	(0.08)	(0.03)
TOTAL OPERATIONS		
Basic earnings per share	**1.19**	**0.72**
Diluted earnings per share	**1.19**	**0.71**

In 2017 the lowering of the income tax rate from 2022 on, as provided for by the French Finance Act of 2018 (see Note 10.2) generates a positive amount of €18.2 million on the Group net income (*i.e.* 0.12 € per share).

In 2016, the lowering of the income tax rate from 2020 on, as provided for by the French Finance Act of 2017 generated a positive amount of €35.8 million on the Group net income (*i.e.* 0.23 € per share).

NOTE 13 DIVIDENDS

During the current period, the Group paid the dividends entitled for the 2016 period, representing a total amount of €81,660 thousand, which corresponds to a dividend of 53 cents per share. Furthermore, an interim dividend on the 2017 dividend was paid in September 2017, for an amount of €24,652 thousand.

Based on 2017 year's results, the Board of Directors will propose to the General Shareholders' Meeting to pay in 2018 a dividend of €0.56 per share. Since an interim dividend of €0.16 per share was paid in November 2017, the final dividend payment on May 2018 should be €0.40 per share if approved.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

The following notes relate to the assets and liabilities of continuing operations as at 31 December, 2017.

Assets and liabilities of operations held for sale are presented in a separate line "activities held for sale" in the statement of financial position.

NOTE 14 GOODWILL

14.1 CHANGES IN GOODWILL

The value of the Group's goodwills as at 31 December, 2017 stands at €3,106 million. This value was of €2,136 million at IPO date, on 10 June, 2015, and included an amount of €1,805 million relating to the previous Leverage Buy Out conducted in 2011.

The following table shows the changes in carrying amount of goodwill by cash generating unit:

In thousands of euros	31 Dec., 2016	Acquisitions and adjustments of preliminary goodwill	Disposals	Change in consolidation method	Change in scope of consolidation and other	Translation adjustments	31 Dec., 2017
SPIE IDF North-West	275,688				(135,931)		139,757
SPIE East	91,943				(23,351)		68,592
SPIE South-East	197,983	1,407			(68,739)		130,651
SPIE South-West	229,233				(99,588)		129,645
SPIE West-Centre	218,735	2,061			(101,825)		118,971
SPIE Citynetworks					246,503		246,503
SPIE Facilities					179,257		179,257
SPIE ICS (France)	162,392	(42)					162,350
SPIE DZE (formerly SPIE GmbH)	162,379	805440	(248)			162	967,734
SPIE ICS (Switzerland)	46,996				3,674	(4,071)	46,599
SPIE UK	206,016	3,958		(9,292)		(2,106)	198,575
SPIE Nederland	156,650	5,133					161,783
SPIE Belgium	78,299	4,918					83,217
SPIE Nuclear	127,801	1,294					129,095
SPIE OGS	253,226						253,226
TOTAL GOODWILL	**2,207,341**	**824,169**	**(248)**	**(9,292)**	**-**	**(6,015)**	**3,015,955**

Acquisitions and goodwill adjustments which occurred between January and December 2017 mainly relate to the temporary allocations of goodwill and to the ongoing processes of purchase price allocation for the different acquisitions of the period, *i.e.*:

- in France:
  - €1,407 thousand for the JM Electricité company acquired by SPIE South East in July 2017,
  - €2,061 thousand for the Probia Ingénierie company acquired by SPIE West Center in July 2017,
  - €(42) thousand for the RDI company acquired in April 2016 by SPIE ICS France,
  - €1,294 thousand for the MMC company acquired by SPIE Nuclear in January 2017;
- In Germany:
  - €730,522 thousand for the SAG group acquired by SPIE DZE (formerly SPIE GmbH) in March 2017,
  - €84,603 thousand for the Luck group acquired in May 2017,
  - €1,309 thousand for the PMS company acquired in April 2017,
  - €(5,659) thousand for GfT acquired in September 2016,
  - €(5,491) thousand for the Comnet group acquired in November 2016,
  - €156 thousand for the Agis group acquired in August 2016;
- In the united-Kingdom:
  - €715 thousand for the Trios group acquired in November 2016,
  - €3,242 thousand for the Environmental Engineering (EE) group acquired in December 2016;
- In the Netherlands:
  - €2,574 thousand for the Aaftink group acquired in December 2016,
  - €2,353 thousand for the AD Bouman company acquired in January 2017,
  - €927 thousand for the Mer ICT company acquired in May 2017,
  - €(721) thousand for the Alewijnse group acquired in November 2016;
- In Belgium:
  - €4,918 thousand for the Tevean company acquired in December 2016.

The "disposals" column includes the disposal of Agis Fire & Security Oy (located in Finland) for an amount of €(248) thousand in August 2017.

The "change in consolidation method" column corresponding to €(9,292) thousand in the CGU SPIE UK relates to the divestment process initiated on the underground utilities services activity (see Note 11).

The "change in scope of consolidation" column includes the asset transfers from the five regional multi-technical subsidiaries to the two new subsidiaries: SPIE Citynetworks and SPIE Facilities, created during the Ambition 2020 project (see Note 5.4). It also includes the transfer of the Swiss companies originally held by SPIE South East to the CGU SPIE ICS Switzerland for an amount of €3;674 thousand.

Currency translation adjustments mainly relate to:

- €(4,0741) thousand for all Swiss entities within the SPIE ICS Switzerland CGU;
- €162 thousand for the Polish and Hungarian companies held by SPIE DZE (formerly SPIE GmbH); and
- to €(2,106) thousands of currency translation impacts covering all entities of the SPIE UK CGU.

For comparative purpose, the carrying amounts of the Group goodwill as of 31 December, 2016 were the following:

In thousands of euros	31 Dec., 2015	Acquisitions and adjustments of preliminary goodwill	Disposals	Change in scope of consolidation and other	Translation adjustments	31 Dec., 2016
SPIE Ile-de-France Nord-Ouest	275,688					275,688
SPIE Est	91,943					91,943
SPIE Sud-Est	196,725	1,250			8	197,983
SPIE Sud-Ouest	230,647			(1,414)		229,233
SPIE Ouest-Centre	218,735					218,735
SPIE Communications	158,201	4,191				162,392
SPIE GmbH	125,853	36,567			(41)	162,379
CGU – SPIE ICS	46,891				105	46,996
SPIE UK	198,191	12,480			(4,655)	206,016
SPIE Nederland	147,274	9,376				156,650
SPIE Belgium	77,762	537				78,299
SPIE Nucléaire	127,801					127,801
SPIE OGS	253,226					253,226
TOTAL GOODWILL	**2,148,937**	**64,401**		**(1,414)**	**(4,583)**	**2,207,341**

14.2 IMPAIRMENT TEST FOR GOODWILL

To carry out annual impairment tests, goodwill was allocated to the relevant cash generating units (CGU); see Note 3.10 "Impairment of goodwill".

These tests are carried out in October of each year on the basis of the most recent budgets available. In 2017, they were developed based on the Business Plan's forecasts taking into account cash flows comprising a budget Y+1, forecasts for the years Y+2, a revised business plan for the year Y+3 and projections for Y+4 to Y+6 (these additional years are extrapolated from forecasts) in which is added a terminal value, calculated with a growth rate of 1.70% (in 2016: 1.60%).

As the SPIE UK CGU operates outside the Eurozone, the future cash flows are estimated in GBP and then discounted using the Group's discount rate. All other CGUs estimate their future cash flows in euros.

The discount rates after tax for all CGUs amount to 7.30% (2016: 7.5%) for all CGUs.

Sensitivity Test

The value in use is mainly driven by the terminal value which is sensitive to changes in the assumptions regarding discount rates and the cash flows generated.

Critical assumptions of the business plan and multiannual forecasts correspond to any reasonably possible changes.

The value of all operating segments subject to impairment testing is higher than the book value. The sensitivity to indicators used are the followings: a decrease by 0.1% of the long term growth rate, a decrease by 0.5% of the margin level expected for the terminal year, and an increase by 0.5% of the discount rate (WACC). The sensitivity tests would not present any loss in value except for the Swizz CGU.

The Swiss businesses of the Group have been reorganized during the year 2017 in order to be gathered under a unique CGU. Though the impairment tests did not lead to any indication of impairment loss, the sensitivity tests have showed limited value losses which could arise to €1.6 million in case the EBIT margin would decrease by 50 bps in 2022 and terminal year, while using a very conservative business plan.

Pending the achievement of the reasonably expected forecasts, it has been decided not to impair the related goodwills, but to keep these CGUs under surveillance for 2018.

NOTE 15 INTANGIBLE ASSETS

15.1 INTANGIBLE ASSETS – GROSS VALUES

In thousands of euros	Concessions, patents, licenses	Brands	Backlog and customer relationship	Others	Total
GROSS VALUE					
At 31 Dec., 2015	**6,772**	**754,750**	**163,816**	**82,895**	**1,008,233**
Business combination effect	7	1,595	11,243	279	13,123
Other acquisitions in the period	562	-	-	19,336	19,898
Disposals in the period	(538)	-	-	(4,728)	(5,266)
Exchange difference	7	(1,331)	(2,477)	(472)	(4,273)
Other movements	635	-	-	(463)	172
Assets held for sale	-	-	-	-	-
At 31 Dec., 2016	**7,445**	**755,013**	**172,582**	**96,847**	**1,031,888**
Business combination effect	81	136,490	220,861	3,766	361,198
Other acquisitions in the period	231	-	-	15,678	15,909
Disposals in the period	(36)	-	-	(253)	(289)
Exchange difference	(10)	(796)	(1,327)	(529)	(2,663)
Other movements	544	-	-	(490)	54
Assets held for sale	-	-	(10,358)	(434)	(10,792)
AT 31 DEC., 2017	**8,255**	**890,707**	**381,758**	**114,586**	**1,395,306**

Period ended 31 December, 2017

Brands mainly correspond to the value of the SPIE brand for €731 million, which has an indefinite useful life and is tested for impairment at least once a year or whenever there is an indication of impairment.

The SPIE brand is allocated to each of the cash generating units and is valued on the basis of an implied average royalty rate, as a percentage of each CGU's contribution to Group revenues.

The line "Business combination effect", which concerns the brands, and backlog and customer relationships, corresponds to the impacts of the ongoing purchase price allocation processes for the Company acquired during the year, and in particular to SAG, for the following amounts:

- €134,565 thousand in brand;
- €21,386 thousand in backlog;
- and €171,488 thousand in customer relationship asset.

The "Other acquisitions in the period", representing €15,909 thousand, correspond to:

(a) on the one hand to intangible assets under development (mainly softwares) for an amount of €884 thousand in SPIE Nuclear and €1,698 thousand in SPIE Operations for the largest part; and

(b) on the other hand to other intangible assets (ERP implementation projects) in SPIE DZE (formerly SPIE GmbH) for an amount of €11,252 thousand and in SPIE Limited for an amount of €471 thousand.

15.2 INTANGIBLE ASSETS – AMORTIZATION AND NET VALUES

In thousands of euros	Concessions, patents, licenses	Brands [a]	Backlog and customer relationship [b]	Others	Total
AMORTIZATION					
At 31 Dec., 2015	**(5,627)**	**(59,273)**	**(89,634)**	**(61,707)**	**(216,241)**
Amortization for the period	(582)	(13,786)	(19,799)	(7,333)	(41,500)
Reversal of impairment losses	-	-	-	-	-
Disposals in the period	531	-	-	369	900
Exchange difference	(5)	1,331	812	144	2,283
Other movements	169	-	-	(133)	36
Assets held for sale	-	-	-	-	-
At 31 Dec., 2016	**(5,514)**	**(71,727)**	**(108,621)**	**(68,660)**	**(254,521)**
Amortization for the period	(744)	(16,341)	(43,506)	(10,281)	(70,873)
Reversal of impairment losses	-	-	-	-	-
Disposals in the period	4	-	-	90	94
Exchange difference	7	796	696	282	1,780
Other movements	(46)	-	-	93	47
Assets held for sale	-	-	3,485	272	3,757
AT 31 DEC., 2017	**(6,294)**	**(87,272)**	**(147,946)**	**(78,204)**	**(319,716)**
NET VALUE					0
At 31 Dec., 2015	**1,145**	**695,477**	**74,182**	**21,188**	**791,992**
At 31 Dec., 2016	**1,931**	**683,286**	**63,962**	**28,188**	**777,366**
AT 31 DEC., 2017	**1,961**	**803,435**	**233,812**	**36,382**	**1,075,590**

Period ended 31 December, 2017

Amortization of intangible assets during the period includes:

(a) The amortization of SAG brand for €14,952 thousand for relating to the amortization plan over 9 years initiated on 31 March, 2017, GfT for €642 thousand (amortization over 3 years), Hartmann for €531 thousand (amortization over 3 years), and Fleischhauer for €216 thousand (amortization over 4 years);

(b) The amortization of the customer relationship assets and backlogs of the Group' acquisitions, and in particular of the SAG group for respectively €19,054 thousand and €7,129 thousand.

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

16.1 PROPERTY, PLANT AND EQUIPMENT – GROSS VALUES

In thousands of euros	Land	Buildings	Plant and machinery	Others	Total
GROSS VALUE					
At 31 Dec., 2015	**6,929**	**47,390**	**129,432**	**155,604**	**339,356**
Business combination effect	-	58	1,063	4,083	5,204
Other acquisitions of the period	-	3,141	7,814	12,924	23,879
Disposals of the period	-	(663)	(8,930)	(23,989)	(33,582)
Exchange differences	14	(559)	348	(1,071)	(1,267)
Other movements	(2,508)	(2,900)	142	(4,252)	(9,519)
Assets held for sale	-	-	-	(12)	(12)
At 31 Dec., 2016	**4,435**	**46,467**	**129,868**	**143,288**	**324,059**
Business combination effect	21,703	17,446	28,167	76,136	143,451
Other acquisitions of the period	16	2,113	13,920	23,689	39,738
Disposals of the period	(354)	(3,700)	(4,218)	(7,005)	(15,277)
Exchange differences	46	(194)	(249)	(812)	(1,209)
Other movements	35	(2,154)	160	1,764	(196)
Assets held for sale	(1,934)	(4,984)	(7,886)	(49,710)	(64,513)
AT 31 DEC., 2017	**23,947**	**54,994**	**159,762**	**187,349**	**426,053**

Other property, plant and equipment mainly correspond to office and computer equipment and transport equipment.

16.2 PROPERTY, PLANT AND EQUIPMENT – DEPRECIATION & NET VALUES

In thousands of euros	Land	Buildings	Plant and machinery	Others	Total
DEPRECIATION					
At 31 Dec., 2015	**-**	**(24,224)**	**(90,730)**	**(114,307)**	**(229,261)**
Depreciation of the period	(1)	(2,995)	(11,010)	(14,334)	(28,341)
Reversal of impairment losses		205	47	8	259
Disposals of the period	-	325	8,648	20,687	29,660
Exchange differences	-	50	(347)	652	355
Other movements	-	1,779	791	610	3,180
Assets held for sale	-	-	-	12	12
At 31 Dec., 2016	**(1)**	**(24,861)**	**(92,602)**	**(106,672)**	**(224,136)**
Depreciation of the period	(174)	(4,712)	(14,744)	(22,054)	(41,684)
Reversal of impairment losses	45	222	64	-	331
Disposals of the period	-	1,632	3,348	5,498	10,478
Exchange differences	-	105	267	637	1,010
Other movements	-	1,735	39	(1,714)	60
Assets held for sale	-	1,652	3,806	2,875	8,334
AT 31 DEC., 2017	**(130)**	**(24,226)**	**(99,822)**	**(121,430)**	**(245,607)**
NET VALUE					
At 31 Dec., 2015	**6,929**	**23,166**	**38,702**	**41,297**	**110,095**
At 31 Dec., 2016	**4,434**	**21,607**	**37,266**	**36,616**	**99,923**
AT 31 DEC., 2017	**23,817**	**30,768**	**59,940**	**65,919**	**180,446**

Finance leases

Fixed assets include assets financed by the Group through finance leases. These properties have net values of:

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Land	1,662	-
Buildings	3,832	185
Plants and machinery	5,288	6,163
Others	7,064	16,209
NET AMOUNT OF ASSETS FINANCED THROUGH FINANCE LEASE	**17,845**	**22,557**

NOTE 17 EQUITY

17.1 SHARE CAPITAL

As at 31 December, 2017 the share capital of SPIE SA stands at 72,415,793.32 euros divided into 154,076,156 ordinary shares, all of the same class, with a nominal value of 0.47 euro.

No operation took place on the SPIE SA share capital since 1 January, 2017.

The allocation of SPIE SA capital's ownership is as follows:

	Holding percentage
Caisse de Dépôt et Placement du Québec	8.4%
Société Foncière Financière et de Participation (FFP Invest) (1)	5.5%
Managers (2)	4.7%
Employee shareholding (3)	3.6%
Public (4)	77.8%
Treasury shares	0.0%
TOTAL	**100.0%**

(1) On 5 September, 2017, FFP %Invest (an emanation of the holding company controlled by the Peugeot Family) and Clayax acquisition Luxembourg 5 SCA ("Clayax"), a company controlled by Clayton, Dublier & Rice and Ardian, signed an agreement for the acquisition of 8 million SPIE shares by FFP for a consideration €189m.

(2) Managers and senior executives, current and former, of the Group (as at 31 December, 2017).

(3) Stake held by the Group employees, directly or through the FCPE SPIE Actionnariat 2011/2017 (as at 31 December, 2017).

(4) Based on the information disclosed on 31 December, 2017 for the shares held by managers and employees.

17.2 FREE PERFORMANCE SHARES

The current Performance Shares Plan grants, under certain conditions, free shares in favor of corporate officers or employees of the Group (refer Note 3.18 and Note 8.2).

As a non-cash transaction, benefits granted are recognized as an expense over the vesting period in return for an increase in equity for an amount of €4,120 thousands relating to the year 2017.

NOTE 18 PROVISIONS

18.1 PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

Employee benefits relate to retirement benefits, pension obligations and other long-term benefits mainly relate to length-of-service awards.

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Retirement benefits	275,008	693,928
Other long-term employee benefits	16,966	27,220
EMPLOYEE BENEFITS	**291,974**	**721,148**

In thousands of euros	2016	2017
EXPENSE RECOGNIZED THROUGH INCOME IN THE PERIOD		
Retirement benefits	13,025	24,883
Other long-term employee benefits	2,618	1,803
TOTAL	**15,643**	**26,686**

The obligations of the French entities account for approximately 18% of the total commitment. The remaining 82% mainly comprises commitments in the German (76.5%), Swiss (5.5%), Dutch, and Belgian subsidiaries and relates to the local obligations for pensions.

Actuarial assumptions

The actuarial assumptions used to estimate the retirement benefits of the French entities are as follows:

	31 Dec., 2016	31 Dec., 2017
Discount rate	1.50%	1.50%
Type of retirement	Voluntary departure	Voluntary departure
Age of retirement	Upon acquiring the necessary entitlements to retire on full benefits (in accordance with the 2013 law reform) + later retirement scheme	Upon acquiring the necessary entitlements to retire on full benefits (in accordance with the 2013 law reform) + later retirement scheme
Future salary increase	2.75% for executive staff	2.75% for executive staff
	2.00% for non-executive staff	2.00% for non-executive staff
Generated average rate of turnover	Tables identical to 2012	Tables 2017
	Executive staff: 3.9%	Executive staff: 4.5%
	Non-executive staff: 3.3%	Non-executive staff: 3.3%
Rate of employer's social charges	50%	50%
Mortality table	TM/TW 00-02	TGH/TGF 05
Age at start of career (in years)	Executive staff: 23 years old	Executive staff: 23 years old
	Non-executive staff: 20 years old	Non-executive staff: 20 years old

The actuarial assumptions used to estimate the retirement benefits of the German entities are as follows:

	31 Dec., 2016	31 Dec., 2017
Discount rate	1.95%	2.19%
Type of retirement	Voluntary departure	Voluntary departure
Age of retirement	62 years old (63 under exception)	62 years old (63 under exception)
Future salary increase	2.75 % for all staff	3.25 % for all staff
Generated average rate of turnover	Average rate: 5%	Average rate: 5%
	For all categories of staff	For all categories of staff
Mortality table	RT Heubeck 2005G	RT Heubeck 2005G

The actuarial assumptions used to estimate the retirement benefits of the Swiss entities are as follows:

	31 Dec., 2016	31 Dec., 2017
Discount rate	0.40%	0.70%
Type of retirement	Voluntary departure	Voluntary departure
Age of retirement	Males: 65 years old Females : 64 years old	Males: 65 years old Females : 64 years old
Future salary increase	1.50% for all staff	1.50% for all staff
Generated average rate of turnover	Official charts BVG 2010	Official charts BVG 2015
Choice of lump-sum payments at departure date	Males: 25% Females : 25%	Males: 25% Females : 25%
Mortality table	BVG 2010 GEN	BVG 2010 GEN
Age at start of career (in years)	25 years olds for all staff	25 years olds for all staff

Post-employment benefits

Changes in the provision are as follows:

In thousands of euros	2016	2017	Of which France	Of which Germany	Of which Switzerland	Of which others
Benefit liability as of 1 January	256,542	275,008	129,128	95,880	48,947	1,053
Impacts of IAS 19 Amended						
Effect of changes in the scope of consolidation	759	452,201	2,702	449,499		
Operations discontinued or held for sale		(26)		(26)		
Expense for the period	13,025	23,336	3,763	14,044	5,416	113
Actuarial gain or loss to be recognized in OCI	14,760	(33,343)	(5,405)	(18,558)	(8,937)	(443)
Benefits paid	(5,822)	(15,626)	(5,663)	(9,963)		
Contributions paid to the fund	(3,956)	(3,867)		(10)	(3,794)	(63)
Currency translation differences	109	(3,556)		3	(3,559)	
Other changes	(409)	(198)	67	(244)		(21)
BENEFIT OBLIGATION AS OF 31 DECEMBER	**275,008**	**693,928**	**124,592**	**530,625**	**38,073**	**638**

The expense in the financial year is analyzed as follows:

In thousands of euros	2016	2017	Of which France	Of which Germany	Of which Switzerland	Of which others
SERVICE COST DURING THE YEAR						
Current service cost	19,281	19,613	8,315	5,954	5,239	104
Past service costs (plan, changes and reductions)	(4,565)	-				
Plan curtailments/settlements	(6,380)	(6,387)	(6,387)			
NET INTEREST EXPENSE						
Interest expense	6,934	11,790	1,980	9,272	483	55
Expected return on assets	(2,244)	(1,680)	(146)	(1,182)	(306)	(47)
EXPENSE IN THE PERIOD	**13,025**	**23,336**	**3,762**	**14,044**	**5,416**	**113**
Of which:						
Personal costs	8,335	13,226	1,928	5,954	5,239	104
Financial costs	4,689	10,110	1,834	8,090	177	8

The reconciliation with the financial statements is provided below:

In thousands of euros	2016	2017	Of which France	Of which Germany	Of which Switzerland	Of which others
Projected Benefit Obligation liability	426,419	846,350	134,621	595,210	110,685	5,834
Plan assets	151,410	152,422	10,029	64,585	72,613	5,196
BENEFIT OBLIGATION	**275,009**	**693,928**	**124,592**	**530,625**	**38,073**	**638**

Sensitivity to changes in discount rates

The table below shows the sensitivity of the obligation with discount rates of +/-0.25% and +/-0.50% for the French entities:

Rate	1.00%	1.25%	1.50%	1.75%	2.00%
Present benefit obligation – 31 Dec., 2017	**122,277**	**118,252**	**114,417**	**110,761**	**107,274**
Difference – In thousands of euros	7,860	3,835		-3,656	-7,143
Difference – %	*6.87%*	*3.35%*		*-3.20%*	*-6.24%*

Numbers given in thousands of euros

The table below shows the sensitivity of the obligation with discount rates of +/-0.25% and +/-0.50% for the German entities:

Rate	1.56%	1.81%	2.06%	2.31%	2.56%
Present benefit obligation – 31 Dec., 2017	**647,313**	**619,893**	**594,206**	**570,116**	**547,503**
Difference – In thousands of euros	53,107	25,687		-24,090	-46,703
Difference – %	*8.94%*	*4.32%*		*-4.05%*	*-7.86%*

Numbers given in thousands of euros

The table below shows the sensitivity of the obligation with discount rates of +/-0.25% and +/-0.50% for the Swiss entities:

Rate	0.20%	0.45%	0.70%	0.95%	1.20%
Present benefit obligation – 31 Dec., 2017	**n/a**	**116,773**	**110,685**	**105,040**	**n/a**
Difference – In thousands of euros	n/a	6,088		-5,645	n/a
Difference – %	-	*5.50%*		*-5.10%*	-

Numbers given in thousands of euros

Other long-term employee benefits (length-of-service / jubilee awards)

Changes in the provision are as follows:

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Benefit liability as of 1 January	15,812	16,965
Business combination	26	11,015
Disposals of companies and other assets	-	(300)
Expense of the period	2,618	1,803
Benefits paid to beneficiaries	(1,491)	(2,262)
Contributions paid to funds	-	-
BENEFIT OBLIGATION AS OF 31 DECEMBER	**16,965**	**27,220**

There are no plan assets for other long-term employee benefits.

The expense in the financial year is analyzed as follows:

In thousands of euros	2016	2017
Current service cost	1,704	1,689
Amortization of actuarial gains and losses	(315)	101
Interest expense	351	368
Plan curtailments/settlements	(425)	(576)
Amortization of past service costs	1,303	221
EXPENSE FOR THE PERIOD	**2,618**	**1,803**
Of which:		
Personal costs	2,267	1,435
Financial costs	351	368

18.2 OTHER PROVISIONS

Provisions include:

- provisions for contingent liabilities against specific risks in business combinations;
- provisions for tax risks, arising where tax audits have led to proposals from the tax authorities for adjustments in respect of prior years;
- provisions for restructuring;
- provisions for lawsuits with employees and labor cases;
- provisions for litigation still pending on contracts and activities.

The short-term portion of provisions is presented under "Current provisions" and beyond this time horizon; provisions are presented as "Non-current provisions".

In thousands of euros	31 Dec., 2016	Additions during the period	Reversals during the period	Translation adjustments	Assets held for sale / discontinued	Change in scope/ others (2)	31 Dec., 2017
Contingent liabilities	1,361	8,048	(62)				9,347
Tax provisions	17,245	3,362	(2,347)	(673)		15,754	33,341
Restructuring	1,657	2,834	(3,893)		(499)	7,514	7,613
Litigations	41,948	15,097	(12,160)	(201)	(1,315)	4,377	47,746
Losses at completion (1)	29,312	28,847	(34,246)	(124)	(1,038)	21,703	44,454
Social provisions and disputes	15,663	6,637	(7,619)	(7)	(620)	1,381	15,435
Warranties and claims on completed contracts	35,263	9,784	(19,985)	(428)	(906)	27,671	51,399
OTHER PROVISIONS	**142,450**	**74,609**	**(80,312)**	**(1,434)**	**(4,378)**	**78,399**	**209,335**
Current	*93,225*	*49,639*	*(57,117)*	*(692)*	*(3,791)*	*58,237*	*139,502*
Non-current	*49,226*	*24,970*	*(23,195)*	*(742)*	*(587)*	*20,162*	*69,833*

(1) In June 2014, the ongoing purchase price allocation process relating to the acquisition of SPIE DZE (formerly SPIE GmbH) led the Group to recognize new provisions for loss on completion for a total amount of €33,057 thousand in connection with loss making contracts recognized at the date of the takeover. The remaining amount of these provisions as at 31 December, 2017 is nil.

(2) The € 78,399 thousand of provisions include €20,536 thousand of "losses at completion" and €23,104 thousand of "warranties and claims on completed contracts" relating to SAG group.

Provisions comprise a large number of items each with low values. Related reversals are considered as used. However, the incurred and assigned amounts in provisions that stand out due to their significant value are closely monitored.

On 2017, reversals of unused provisions amounted to €1,663 thousand.

The breakdown into current and non-current by category of provisions for the current period is as follows:

In thousands of euros	31 Dec., 2017	Non-current	Current
Contingent liabilities	9,347	9,347	
Tax provisions	33,341	3,421	29,920
Restructuring	7,613	395	7,218
Litigations	47,746	13,857	33,889
Losses at completion	44,454	16,723	27,731
Social provisions and disputes	15,435	8,038	7,397
Warranties and claims on completed contracts	51,399	18,052	33,348
OTHER PROVISIONS	**209,335**	**69,833**	**139,502**

For purposes of comparison, provisions accounted for as at 31 December, 2016 were as follows:

In thousands of euros	31 Dec., 2015	Additions during the period	Reversals during the period	Translation adjustments	Assets held for sale / discontinued	Change in scope/ others	31 Dec., 2016
Contingent liabilities	5,673		(4,312)				1,361
Tax provisions	16,137	2,868	(2,204)	445			17,245
Restructuring	10,278		(8,641)			20	1,657
Litigations	42,428	14,739	(15,311)	151		(59)	41,948
Losses at completion	43,928	19,689	(31,826)	(2,223)	(55)	(200)	29,312
Social provisions and disputes	17,270	7,493	(8,997)	13		(117)	15,663
Warranties and claims on completed contracts	36,127	12,650	(17,029)	(334)		3,849	35,263
OTHER PROVISIONS	**171,842**	**57,440**	**(88,320)**	**(1,948)**	**(55)**	**3,493**	**142,450**
Current	*98,788*	*37,819*	*(54,087)*	*387*	*(55)*	*10,373*	*93,225*
Non-current	*73,054*	*19,620*	*(34,233)*	*(2,335)*		*(6,880)*	*49,226*

The breakdown into current and non-current by category of provisions for 2016 is as follows:

In thousands of euros	31 Dec., 2016	Non-current	Current
Contingent liabilities	1,361	1,361	
Tax provisions	17,245	5,106	12,139
Restructuring	1,657		1,657
Litigations	41,948	11,345	30,603
Losses at completion	29,312	19,029	10,283
Social provisions and disputes	15,663	6,939	8,724
Warranties and claims on completed contracts	35,263	5,445	29,818
OTHER PROVISIONS	**142,450**	**49,226**	**93,225**

NOTE 19 WORKING CAPITAL REQUIREMENT

In thousands of euros	31 Dec., 2016	Change in Working capital related to activity	Other changes of the period			31 Dec., 2017
			Change in scope	Currency translations & Fair values	Change in Method	
INVENTORIES AND RECEIVABLES						
Inventories and work in progress (net)	24,554	(81)	18,376	(424)	(5,144)	37,281
Trade receivables (1)	1,370,872	173,283	538,833	(10,992)	(221,626)	1,850,370
Current tax receivables	26,960	8,622	7,787	(1,698)	(85)	41,586
Other current assets (2)	226,361	(1,836)	32,769	4,249	(14,901)	246,642
Other non-current assets (3)	4,471	(67)	106	-	478	4,988
LIABILITIES						
Trade payables (4)	(780,008)	(137,104)	(144,533)	7,448	63,721	(990,477)
Income tax payable	(30,425)	(1,750)	(5,118)	1,931	1,007	(34,355)
Other long-term employee benefits (5)	(16,966)	464	(11,015)	(16)	314	(27,219)
Other current liabilities (6)	(1,211,123)	(57,353)	(540,456)	6,906	222,067	(1,579,960)
Other non-current liabilities	(6,066)	(745)	(786)	31	286	(7,281)
WORKING CAPITAL REQUIREMENT	**(391,371)**	**(16,567)**	**(104,039)**	**7,435**	**46,116**	**(458,425)**

(1) Receivables include accrued income.

(2) The other current assets mainly include tax receivables and accrued expenses recognized on contracts accounted according to the percentage of completion method.

(3) Other non-current assets mainly correspond to exercisable vendor warranties. They represent the amount identified in business combinations that can be contractually claimed from vendors.

(4) Trade and other payables include accrued invoices.

(5) Other long-term employee benefits correspond to length-of-service awards.

(6) The detail of the other current liabilities is presented below.

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Deferred revenue	(364,043)	(379,976)
Social and tax liabilities	(561,924)	(655,834)
Others (including advance payments)	(285,156)	(562,429)
OTHER CURRENT LIABILITIES*	**(1,211,123)**	**(1,598,239)**

* *The "other current liabilities" of the working capital do not include the dividends to be paid included in the consolidated statement of financial position.*

19.1 CHANGE IN WORKING CAPITAL: RECONCILIATION BETWEEN BALANCE SHEET AND CASH FLOW STATEMENT

The reconciliation between the working capital accounts presented in the balance sheet and the change in working capital presented in the cash flow statement is detailed hereafter:

			Other movements of the period			
In thousands of euros	31 Dec., 2016	Changes in W.C. related to business	Changes in scope	Currency translation & fair value impacts	Changes in methods	31 Dec., 2017
Working Capital	**(391,371)**	**(16,567)**	**(104,039)**	**7,435**	**46,116**	**(458,425)**
(-) Accounts payables on purchased assets	8,394	(6,488)	18,619	(603)	(17,413)	2,509
(-) Tax receivables	(26,985)	(8,585)	(7,835)	1,698	85	(41,622)
(-) Tax payables	30,573	1,602	5,718	(1,931)	(1,007)	34,955
Working capital excl. acc. payables on purchased assets, excl. tax receivables and payables	**(379,388)**	**(30,038)**	**(87,537)**	**6,598**	**27,781**	**(462,584)**
(-) Assets held for sale		47,956				
(-) other non-cash operations which impact the working capital as per balance sheet *		1,589				
CHANGES IN WORKING CAPITAL AS PRESENTED IN C.F.S		**19,507**				

* *The "other non-cash operations which impact the working capital as per balance sheet" relate to the neutralization of the non-cash impacts of CICE and CIR, two French tax credits (see Note 8.2 and 19.2).*

19.2 FRENCH TAX CREDIT FOR COMPETITIVENESS AND EMPLOYMENT (CICE)

The French Government's new tax credit for competitiveness and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* – CICE) entered into force on 1 January, 2013 for all French companies submitted to tax payment. The CICE tax credit amounts to 7% of gross payroll for compensation equal to or below 2.5 times the minimum legal wage of €1,480 per month since 1 January, 2017.

The CICE receivable from the State recognized as a current asset is based on payments and on liabilities recognized related to eligible remunerations in 2017. The CICE is directly charged to the Corporate Tax of the year and of the three following years. At the end of the period, the unused balance will be paid back by the State. The tax loss carry forwards generated by the French holdings do not allow considering the recovery of the CICE claim prior to three years of imputation. Thus, on 8 December, 2016 the Board of Directors of SPIE SA authorized the discounted non-recourse sale of the CICE receivable to Natixis, according to the applicable French Dailly Law (*loi Dailly*).

On 21 December, 2017, the Group has made a partial divesture of its CICE receivable of €30,145 thousand for the 2017 CICE and of €398 thousand remaining from the 2016 CICE not divested in 2016.

19.3 TRADE AND OTHER RECEIVABLES

Current trade and other receivables break down as follows:

		31 Dec., 2017		
In thousands of euros	31 Dec., 2016	Gross	Provisions	Net
Trade receivables (1)	894,198	1,025,958	(45,184)	980,774
Notes receivables	4,690	2,812		2,812
Accrued income (2)	471,985	866,784		866,784
TRADE AND OTHER RECEIVABLES	**1,370,872**	**1,895,554**	**(45,184)**	**1,850,370**

(1) As at 31 December, the ageing analysis of net trade receivables is as follows :

			Past due per maturity		
In thousands of euros	31 Dec.	Not past due	< 6 months	6 to 12 months	> 12 months
2017	980,774	761,330	196,819	16,140	6,485
2016	894,198	723,130	142,046	22,628	6,394

(2) Accrued income stems mainly from contracts being recorded using the percentage of completion method.

Trade receivables past due but not impaired mainly correspond to public sector receivables.

19.4 ACCOUNTS PAYABLE

Current trade and other payables break down as follows:

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Accounts payables	467,033	539,115
Notes payables	40,847	45,089
Accrued invoices	272,128	406,273
ACCOUNTS PAYABLE	**780,008**	**990,477**

NOTE 20 FINANCIAL ASSETS AND LIABILITIES

20.1 NON-CONSOLIDATED SHARES

As at 31 December, 2017 non-consolidated shares stand as follows:

In thousands of euros	31 déc., 2016	31 déc. 2017
Equity securities	19,712	25,159
Depreciation of securities	(1,074)	(874)
NET VALUE OF SECURITIES	**18,638**	**24,285**

As at 31 December, 2017, securities include the shares of S-Cube company, acquired on 20 December, 2017 by SPIE ICS (France) for an amount of €19,500 thousand, and the shares held by SPIE Nederland in:

- Alewijnse Retail, acquired on 14 November, 2017 for an amount of €2,650 thousand;
- Inmeco, acquired on 4 December, 2017 for an amount of €384 thousand; and
- a goodwill booked in the newly created company, Meppel BV (see Note 6.1.5).

All of these companies will be consolidated in 2018.

Non-consolidated shares in 2016 included the shares of the following companies: Environmental Engineering Limited acquired on 30 November, 2016 in the United Kingdom for an amount of €7,943 thousand, Tevean acquired on 6 December, 2016 in the Netherlands for an amount of €7,500 thousand, and Aaftink acquired on 8 December, 2016 for an amount of €2,200 thousand. These companies have been consolidated in 2017 (see Note 6.1).

Furthermore, the amounts of December 2017 include the shares of Serec, held by SPIE Enertrans, which were full depreciated for an amount of €676 thousand.

During 2017, there were no significant change on the Group's other equity securities.

20.2 NET CASH AND CASH EQUIVALENTS

As at 31 December, 2017 net cash and cash equivalents break down as follows:

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Marketable securities – Cash equivalents	5,500	4,800
Fixed investments (current)	-	-
Cash management financial assets	**5,500**	**4,800**
Cash and cash equivalents	560,157	538,541
Total cash and cash equivalents	**565,657**	**543,341**
(-) Bank overdrafts and accrued interests	(40,129)	(18,904)
Net cash and short term deposits of the Balance Sheet	**525,528**	**524,437**
Cash and cash equivalents from discontinued operations (1)	(6,972)	(4,459)
Accrued interests not yet disbursed	(23)	135
CASH AND CASH EQUIVALENTS FROM THE CFS AT THE END OF THE PERIOD	**518,534**	**520,113**

(1) Cash and cash equivalents exclude the cash and cash equivalents relating to assets classified as held for sale which are mainly composed of cash and cash equivalents from SPIE Morocco for an amount of €(3,895) thousand, from the MSI activity in SPIE South-West for an amount of €(3,875) thousand, from the Algerian activity of SPIE OGS for an amount of €1,839 thousand, from the activity underground utility services in SPIE UK for an amount of €2,653 thousand, from the soft FM activity in SPIE DEN for an amount of €(1,244) thousand, from the Gas & Offshore Services activity of SAG group for an amount of €54 thousand, and from the Greek part of Services Solutions in SPIE DZE (formerly SPIE GmbH) for an amount of €9 thousand, hence a total amount of €(4,459) thousand.

20.3 BREAKDOWN OF NET DEBT

Interest-bearing loans and borrowings break down as follows:

In thousands of euros	Notes	31 Dec., 2016	31 Dec., 2017
LOANS AND BORROWINGS FROM BANKING INSTITUTIONS			
Bond – SAG acquisition (maturity 22 March, 2020)	(a)	-	600,000
Facility A (maturity 11 June, 2020)	(b)	1,125,000	1,125,000
Revolving (maturity 11 May, 2020)	(b)	-	-
Others		2,524	703
Capitalization of loans and borrowing costs	(c)	(11,353)	(13,868)
Securitization	(d)	287,783	298,370
Total bank overdrafts (cash liabilities)			
Bank overdrafts (cash liabilities)		39,986	18,768
Interests on bank overdrafts (cash liabilities)		143	136
Other loans, borrowings and financial liabilities			
Finance leases		14,006	21,181
Accrued interest on loans		77	14,897
Other loans, borrowings and financial liabilities		940	2,152
Derivatives		134	140
INTEREST-BEARING LOANS AND BORROWINGS		**1,459,240**	**2,067,479**
Of which:			
Current		*332,293*	*337,551*
Non-current		*1,126,947*	*1,729,928*

The Group loans are detailed hereafter:

(a) on 22 March, 2017, SPIE issued a €600 million fixed-rated euro-dominated bond, with a 7-year maturity and an annual coupon of 3.125%. The bond is listed on the regulated market of Euronext Paris. This issuance allowed SPIE to acquire the SAG group (see Note 5.3);

(b) following the IPO, SPIE SA and Financière SPIE established, on 11 June, 2016 a Senior Term Loan ("Facility A") with a five year maturity, for a nominal amount of 1,125 million of euros maturing on 11 June, 2020.

This senior credit line has the following characteristics:

In thousands of euros	Repayment	Fixed/ floating rate		31 Dec., 2017
Facility A	At maturity	Floating -	1 month Euribor +2.625%	1,125,000
LOANS AND BORROWINGS FROM BANKING INSTITUTIONS				**1,125,000**

A "Revolving Credit Facility (RCF)" line, with a five-year maturity, aiming to finance the current activities of the Group along with external growth, has been established on 11 June, 2015 for an amount of 400 million of euros which have not been drawn as at 31 December, 2017.

Interests are payable on these two loans under the new Senior Credit Facilities Agreement, established on 15 May, 2015, at a floating rate indexed to Euribor for advances in euros, a floating rate indexed to Libor for advances denominated in a currency other than the euro, and at a floating rate indexed to any appropriate reference rate for advances denominated in Norwegian or Danish Krone, Swedish Krona or Swiss Francs, plus the applicable margin. Applicable margins are as follows:

- for the Senior Term Loan Facility ("Facility A"): between 2.625% and 1.625% per year, according to the level of the Group's leverage ratio (Net Debt / EBITDA) during the last closed semester;
- for the Revolving Facility: between 2.525% and 1.525% per year, according to the level of the Group's leverage ratio (Net Debt / EBITDA) during the last closed semester.

As at 31 December, 2017, a quarterly financial commitment fee for 0. 88375% is applied to the unwithdrawn portion of the Revolving Facility line.

(c) Financial liabilities are presented for their contractual amount. Transaction costs that are directly attributable to the issuance of financial debt instruments have been deducted, for their total amount, from the nominal amount of the respective debt instruments. The balance as at 31 December, 2017 is 13.9 million of euros and relates to the two credit lines (See points (a) and (b)).

(d) The securitization program established in 2007 for an amount of 300 million of euros, with a maturity at 30 August, 2017, has been renewed under the conditions below:

- the duration of the Securitization program is a period of five years minus one month from 11 June, 2015 (except in the event of early termination or termination by agreement);
- maximum funding of €450 million.

The Securitization program represented funding of €298.4 million as at 31 December, 2017.

20.4 NET DEBT

The financial reconciliation between consolidated financial indebtedness and net debt as reported is as follows:

In millions of euros	31 Dec., 2016	31 Dec., 2017
Loans and borrowings as per balance sheet	1,459.2	2,067.5
Capitalized borrowing costs	11.4	13.9
Others (1)	(0.7)	(16.3)
Gross financial debt (a)	**1,469.9**	**2,065.1**
Cash management financial assets as per balance sheet	5.5	4.8
Cash and cash equivalents as per balance sheet	560.2	538.5
Accrued interests	0.1	-
Gross cash (b)	**565.8**	**543.3**
Consolidated net debt (a) - (b)	**904.1**	**1,521.8**
(-) Cash held in discontinued activities	7.0	18.8
Unconsolidated net cash	(1.7)	(8.7)
NET DEBT – AS PUBLISHED	**909.4**	**1,531.9**

(1) The "other" line of the gross financial debt corresponds in 2017 to the accrued interests on the Bond mainly for €14.6 million.

20.5 RECONCILIATION WITH THE CASH FLOW STATEMENT POSITIONS

The reconciliation between the financial debt of the Group (see Note 20.3) and the cash flows presented in the cash flow statement (see Chart 4) is detailed hereafter:

		Cash flows (corresponding to the CFS)			Non-cash flows				
In thousands of euros	31 Dec., 2016	Loan issue	Loan repayments	Changes	Changes in scope	Others*	Currency and fair values changes	Changes in methods	31 Dec., 2017
Bond		593,617				637			594,254
Bank loans	1,403,954	11,913	(492,714)		489,528	3,231	39		1,415,951
Other debts and liabilities	940	1,795	(11,126)		10,605		(60)	(1)	2,153
Finance Leases	14,006		(9,438)		17,339	16,939	16	(17,681)	21,181
Financial instruments	134					(4)	9		139
FINANCIAL INDEBTEDNESS AS PER C.F.S	**1,419,034**	**607,325**	**(513,278)**		**517,472**	**20,803**	**4**	**(17,682)**	**2,033,678**
(-) Financial interests	77	14,793	(8,092)		8,119				14,897
(+) Bank overdrafts	40,129			(29,131)	9,210		(37)	(1,267)	18,904
CONSOLIDATED FINANCIAL INDEBTEDNESS	**1,459,240**	**622,118**	**(521,370)**	**(29,131)**	**534,801**	**20,803**	**(32)**	**(18,949)**	**2,067,479**

** The "Others" non-cash movements relate to the restatement of borrowing costs on one hand, and on the other hand to the new finance lease contracts.*

20.6 SCHEDULED PAYMENTS FOR FINANCIAL LIABILITIES

The scheduled payments for financial liabilities based on the capital redemption table are as follows:

In thousands of euros	Less than 1 year	From 2 to 5 years	Over 5 years	31 Dec., 2017
LOANS AND BORROWINGS FROM BANKING INSTITUTIONS				
Bond			600,000	600,000
Facility A		1,125,000		1,125,000
Revolving				-
Others	297	406		703
Capitalization of loans and borrowing costs	(4,143)	(8,499)	(1,226)	(13,868)
Securitization	298,370			298,370
TOTAL BANK OVERDRAFTS (CASH LIABILITIES)				
Bank overdrafts (cash liabilities)	18,768			18,768
Interests on bank overdrafts (cash liabilities)	136			136
OTHER LOANS, BORROWINGS AND FINANCIAL LIABILITIES				
Finance leases	8,271	12,910		21,181
Accrued interest on loans	14,897			14,897
Other loans, borrowings and financial liabilities	868	622	662	2,152
Derivatives	87	53		140
Interest-bearing loans and borrowings	**337,551**	**1,130,492**	**599,436**	**2,067,479**
Of which:				
Fixed rate	*8,415*	*10,233*	*599,436*	*618,085*
Variable rate	*329,136*	*1,120,258*	-	*1,449,394*

Future debt interest is broken down as follows:

In thousands of euros	31 Dec., 2016	31 Dec., 2017	Less than 1 year	From 2 to 5 years	Over 5 years
Expected interest on bank borrowings	105,503	96,632	19,817	76,191	624
Expected interest on finance lease borrowings	705	7,121	2,493	4,442	186
TOTAL	**106,208**	**103,753**	**22,310**	**80,633**	**810**

The discounted value of future finance lease rental payments is as follows for each maturity date:

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Less than 1 year	5,284	10,763
From 2 to 5 years	9,362	17,352
Over 5 years	64	186
TOTAL	**14,711**	**28,302**

The reconciliation between the future rental payments to be made in accordance with finance lease contracts and the value of the corresponding financial debt is presented as follows:

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Future rental payments due on finance leases	14,711	28,302
Finance lease liabilities	14,006	21,181
DIFFERENCE: FUTURE FINANCE LEASE EXPENSES	**705**	**7,121**

20.7 OTHER FINANCIAL ASSETS

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Non-consolidated shares and associated receivables [1]	18,672	24,546
Long-term borrowings	30,004	32,267
Derivatives	168	546
Long-term receivables from service concession arrangement ("PPP")	13,097	10,759
Long-term deposits and guarantees	4,099	4,771
Other	10	73
OTHER FINANCIAL ASSETS	**66,050**	**72,963**
Of which:		
Current	*7,629*	*7,881*
Non-current	*58,421*	*65,081*

(1) See Note 20.1 for further details.

20.8 FINANCIAL DISCLOSURES FROM COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

The companies of the Group accounted for under the equity method, following the IFRS 11 standard requirements, are the following:

- Gietwalsonderhoudcombinatie (GWOC) BV held at 50% by SPIE Nederland;
- Cinergy SAS held at 50% by SPIE Ile-de-France Nord-Ouest;
- "Host GmbH (Hospital Service + Technik)" held at 25.1% by SPIE GmbH;
- AM Allied Maintenance GmbH held at 25% by SPIE Hartmann GmbH, which was acquired altogether with the Hartmann Group by SPIE GmbH in January 2016;
- SONAID company held at 55% by SPIE OGS;
- the Grand Poitiers Lumière company, created by SPIE Citynetworks on 5th July, 2017 and held at 50%. The Company was consolidated for the first time during the period.

The carrying amount of the Group's equity securities is as follows:

In thousands of euros	31 Dec., 2016	31 Dec., 2017*
Value of shares at the beginning of the period	**2,837**	**2,913**
Business combinations	-	9
Net income attributable to the Group	426	490
Dividends paid	(350)	(350)
VALUE OF SHARES AT THE END OF THE PERIOD	**2,913**	**3,062**

* *Based on available 2016 information for Host GmbH and Allied Maintenance.*

Financial information relating to Group companies consolidated under the equity method is as follows:

In thousands of euros	31 Dec., 2016 Restated	31 Dec., 2017*
Non-current assets	19,917	22,561
Current assets	119,327	113,871
Non-current liabilities	(35,713)	(43,611)
Current liabilities	(109,861)	(96,220)
NET ASSET	**(6,330)**	**(3,399)**
INCOME STATEMENT		
Revenue	91,876	85,725
Net income	(2,591)	3,067

* *Based on available 2016 information for Host GmbH and Allied Maintenance.*

20.9 CARRYING AND FAIR VALUE OF FINANCIAL INSTRUMENTS BY ACCOUNTING CATEGORY

Reconciliation between accounting categories and IAS 39 categories

In thousands of euros	FV P/L	FV E	AFS	Receivables and loans	Amortized costs	31 Dec., 2017
ASSETS						
Non-consolidated shares and long-term borrowings			24,358	40,723		65,081
Other non-current financial assets				5,142		5,142
Other current financial assets (excl. derivatives)				7,335		7,335
Derivatives		546				546
Trade receivables				1,870,695		1,870,695
Other current assets				242,892		242,892
Cash and short-term deposits	4,800			538,541		543,341
TOTAL – FINANCIAL ASSETS	**4,800**	**546**	**24,358**	**2,705,328**		**2,735,032**
LIABILITIES						
Borrowings and loans (excl. derivatives)					1,729,788	1,729,788
Derivatives		140				140
Other long-term liabilities					7,281	7,281
Current interest-bearing loans and borrowings					337,552	337,552
Trade payables					988,773	988,773
Other current liabilities					1,598,252	1,598,252
TOTAL – FINANCIAL LIABILITIES		**140**			**4,661,646**	**4,661,786**

FV P/L: fair value through Profit and Loss, FV E: fair value through Equity, AFS: available-for-sale assets.

Carrying value and fair value of financial instruments

	Book value		Fair value	
In thousands of euros	31 Dec., 2016	31 Dec., 2017	31 Dec., 2016	31 Dec., 2017
ASSETS				
Non-consolidated shares and long-term borrowings	58,421	65,081	65,130	70,657
Other non-current financial assets	4,633	5,142	4,633	5,142
Other current financial assets (excl. derivatives)	7,461	7,335	7,461	7,335
Derivatives	168	546	168	546
Trade receivables	1,370,872	1,870,695	1,370,872	1,870,695
Other current assets	226,361	242,892	226,425	242,971
Cash and short-term deposits	565,657	543,341	565,657	543,341
TOTAL – FINANCIAL ASSETS	**2,233,574**	**2,735,032**	**2,240,347**	**2,740,687**
LIABILITIES				
Borrowings and loans (excl. derivatives)	1,126,813	1,729,788	1,126,813	1,729,788
Derivatives	134	140	134	140
Other long-term liabilities	6,066	7,281	6,066	7,281
Current interest-bearing loans and borrowings	332,293	337,552	332,293	337,552
Trade payables	780,008	988,773	780,008	988,773
Other current liabilities	1,211,062	1,598,252	1,211,062	1,598,252
TOTAL – FINANCIAL LIABILITIES	**3,456,377**	**4,661,786**	**3,456,377**	**4,661,786**

Classification by asset or liability level at fair value:

In thousands of euros	31 Dec., 2017 Fair value	Level 1	Level 2	Level 3
ASSETS				
Cash and short-term deposits	4,800	4,800		
Derivatives	546		546	
TOTAL – FINANCIAL ASSETS	**5,346**	**4,800**	**546**	
LIABILITIES				
Derivatives	140		140	
TOTAL – FINANCIAL LIABILITIES	**140**		**140**	

- Level 1 corresponding to listed prices.
- Level 2 corresponding to internal model based on external observable factors.
- Level 3 corresponding to internal model not based external on observable factors.

NOTE 21 FINANCIAL RISK MANAGEMENT

21.1 DERIVATIVE FINANCIAL INSTRUMENTS

The Group is mainly exposed to interest rate, foreign exchange and credit risks within the framework of its export activities. In the context of its risk management policy, the Group uses derivative financial instruments to hedge risks related to fluctuations in interest rates and foreign exchange rates.

(In thousands of euros)	**Fair value**	**Forward rate agreement in foreign currency**						
		Under 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Over 5 years**	**Total**
ASSET DERIVATIVES QUALIFIED FOR DESIGNATION AS CASH FLOW HEDGES (A)								
Forward sales - USD	358	3,658						3,658
Forward sales - CHF	188	2,380	112					2,492
	546							
LIABILITY DERIVATIVES QUALIFIED FOR DESIGNATION AS CASH FLOW HEDGES (B)								
Forward purchase - USD	140	3,991	1,554					5,545
	140							
Total net derivative qualified for designation as cash flow hedges (a) + (b)	**686**							
LIABILITY DERIVATIVES NOT QUALIFIED FOR DESIGNATION AS CASH FLOW HEDGES								
Forward purchases - GBP	-							
TOTAL FAIR VALUE OF QUALIFIED AND NOT QUALIFIED DERIVATIVES	**686**							

Main derivatives deal with forward purchases and sales to cover operations in US Dollars and Swiss francs.

These derivative hedging instruments are accounted for at their fair value. Their valuation stands at level 2 according to IFRS 13, as they are not listed on a regulated market, but based on a generic model and on observable market data for similar transactions.

21.2 INTEREST RATE RISK

Financial assets or liabilities with a fixed rate are not subject to transactions intended to convert them into floating rates. Interest rate risks on underlying items with floating rates are considered on a case-by-case basis. When the decision is made to hedge these risks, they are hedged by SPIE Operations by means of an Internal Interest Rate Shortfall Guarantee according to market conditions.

According to IFRS 13 relating to the credit risk to be taken into account when valuing the financial assets and liabilities, the estimation made for derivatives is based on default probabilities from secondary market data (mainly required credit spread) for which a recovery rate is applied.

As at 31 December, 2017, given the evolution of variable rates (negative Euribor), no interest rate swap has been established for the hedging of the new loans. The Group examines the possibility to establish new swaps during the first quarter of 2018.

21.3 FOREIGN EXCHANGE RISK

Foreign exchange risks associated with French subsidiaries' transactions are managed centrally by the intermediate holding, SPIE Operations:

- through an Internal Exchange Shortfall Guarantee Agreement for currency flows corresponding to 100% of SPIE group's operations;
- by intermediation for currency flows corresponding to equity operations.

In both cases SPIE Operations hedges itself through forward contracts. Foreign exchange risks on calls for tender are also hedged wherever possible by means of COFACE policies.

The Group's exposition to the exchange risk relating to the US dollar, to the Swiss Franc and to the Sterling pound is presented hereafter:

In thousands of euros	31 Dec., 2017		
Currencies	**USD (American Dollar)**	**CHF (Swiss Franc)**	**GBP (Sterling Pound)**
Closing rate	**1,1845**	**1,1686**	**0,8816**
Risks	(1,700)	7,386	127,489
Hedges	1,605	(2,132)	204
Net positions excluding options	**(95)**	**5,253**	**127,693**
SENSITIVITY TO THE CURRENCY RATE -10% VS EURO			
P&L Impact	(190)	821	14,122
Equity Impact	(177)	237	n/a
SENSITIVITY TO THE CURRENCY RATE +10% VS EURO			
P&L Impact	156	(671)	(11,554)
Equity Impact	145	(194)	n/a
IMPACT ON THE GROUP RESERVES OF THE CASH FLOW HEDGE	**134**	**N/A**	**N/A**

The estimated amount of credit risk on currency hedging as at 31 December, 2017 is not significant (the risk of fluctuation during 2017 is also not significant).

21.4 COUNTERPARTY RISK

The Group is not exposed to any significant counterparty risk. Counterparty risks are primarily related to:

- cash investments;
- trade receivables;
- loans granted;
- derivative instruments.

The Group makes most of its cash investments in money market funds invested in European government securities with banks and financial institutions.

Existing derivatives in the Group (see Note 21.) relating to:

- forward purchases for USD 1,605 thousand and GBP 204 thousand;
- forward sales for CHF 2,132 thousand.

Are distributed as follows at 12 December, 2017:

- BNP: 7%
- Natixis: 43%
- CA CIB: 50%

21.5 LIQUIDITY RISK

As at 31 December, 2017, the unused amount of the revolving credit facility (RCF) line stands at €400 million.

The Group introduced a securitization program on its trade receivables which has the following characteristics:

- thirteen of the Group's subsidiaries act as assignors in the securitization program in which assets are transferred to a securitization mutual fund named SPIE Titrisation;
- SPIE Operations is involved in this securitization program as a centralizing entity on behalf of the Group in relation to the depository bank.

This receivables securitization program allows participating companies to transfer full ownership of their trade receivables to the SPIE Titrisation mutual fund allowing them to obtain funding for a total amount of €300 million, with the possibility to increase the amount to €450 million.

The use of this program is accompanied by early repayment clauses for certain bank loans.

As at 31 December, 2017 transferred receivables represented a total amount of €542.4 million with financing obtained amounting to €298.4 million.

21.6 CREDIT RISK

The main credit policies and procedures are defined at Group level. They are coordinated by the Group's Financial Division and monitored both by the latter and by the various Financial Divisions within each of its subsidiaries.

Credit risk management remains decentralized at Group level. Within each entity, credit risk is coordinated by the Credit Management function which is underpinned by the "Group Credit Management" policy and a shared Best Practices Manual. Payment terms are defined by the general terms of business applied within the Group.

Consequently, the Credit Management Department manages and monitors credit activity, risks and results and is in charge of collecting trade receivables regardless of whether or not they have been transferred.

Monthly management charts are used to monitor, among other things, customer financing at operational level. These provide the means to assess customer credit taking into account pre-tax invoicing and production data as well as customer data (overdue debts and advances) calculated in terms of the number of billing days.

The policy to improve working capital requirements implemented by General Management plays an important role in improving cash flow, serving more particularly to reduce overdue payments. Other actions have focused primarily on improving the invoicing process, introducing the securitization program and improving the information systems used to manage the trade item.

NOTES REGARDING CASH FLOW STATEMENT

NOTE 22 NOTES TO THE CASH FLOW STATEMENT

22.1 RECONCILIATION WITH CASH ITEMS OF THE STATEMENT OF FINANCIAL POSITION

The following table reconciles the cash position from the cash flow statement (a) and the cash position from the statement of financial position (b) of the Group:

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Marketable securities and other investments	5,500	4,800
Cash	555,261	538,317
Bank overdraft	(42,229)	(23,004)
CASH AND CASH EQUIVALENTS AT YEAR-END INCLUDING ASSETS HELD FOR SALE (A)	**518,534**	**520,113**
(-) Cash and cash equivalents of assets held for sale (c)	6,972	4,459
(-) Accrued interests not yet due	23	(135)
(+) Trading securities (short-term)	-	-
CASH AND CASH EQUIVALENTS AT YEAR-END EXCLUDING ASSETS HELD FOR SALE (B)	**525,528**	**524,437**

(c) See Note 20.2.

22.2 IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION

The impact of changes in the scope of consolidation can be summarized as follows:

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Consideration paid	(118,087)	(215,812)
Cash and cash equivalents provided	23,216	29,925
Cash and cash equivalents transferred	(1,089)	(290)
Impact of change in consolidation methods	(74,843)	-
Transfer price of consolidated investments	-	550
EFFECT OF CHANGE IN SCOPE OF CONSOLIDATION ON CASH & CASH EQUIVALENTS	**(170,803)**	**(185,627)**

22.3 IMPACT OF OPERATIONS HELD FOR SALE

The impact on the cash flow statement of operations classified as discontinued is summarized as follows:

In thousands of euros	31 Dec., 2016	31 Dec., 2017
Net cash flow from operating activities	(13,522)	(1,376)
Net cash flow used in investing activities	(1,303)	553
Net cash flow from financing activities	(79)	(5,608)
Effect of change in exchange rates	(148)	(278)
Effect of change in accounting principles	6,662	-
CHANGE IN CASH AND CASH EQUIVALENTS	**(8,390)**	**(6,709)**
RECONCILIATION		
Cash and cash equivalents at beginning of the period	1,418	2,250
Cash and cash equivalents at end of the period	(6,972)	(4,459)

OTHER NOTES

NOTE 23 RELATED PARTY TRANSACTIONS

23.1 DEFINITIONS

Are considered as transactions with related parties the three following categories:

- the transactions between a fully consolidated company and its influential minority Shareholders;
- the outstanding transactions non eliminated in the consolidated accounts with companies accounted for under equity method;
- the transactions with key management personnel and with companies held by these key persons and companies on which they exercise any control.

There has been no significant transaction between related parties between 1 January, and 31 December, 2017, or significant modifications between related parties described in the notes to the consolidated financial statements ended 31 December, 2017.

23.2 REMUNERATIONS AND BENEFITS TO MEMBERS OF THE GOVERNING BODIES

In thousands of euros	**31 Dec., 2016**	**31 Dec., 2017**
Salaries, social charges and short-term benefits	1,848	1,854
Other benefits – free share plan	126	296
Post-employment benefits	538	601
EXECUTIVE COMPENSATION	**2,512**	**2,750**

23.3 ATTENDANCE FEES

In 2017, the Board of Directors was composed of four independent Administrators, according to the "Afep-Medef" Code. One of them has been nominated as a Senior Independent Director on 8th December, 2015. These independent Administrators are each member of at least one of the Committees set up by the Board of Directors, *i.e.*: Audit Committee, remuneration Committee, nomination Committee, strategic and acquisition Committee.

In accordance with their mandates and their functions within the Group, the independent Administrators receive attendance fees.

In thousands of euros	**31 Dec., 2016**	**31 Dec., 2017**
Attendance fees	271	276
Other remunerations and fringe benefits		
DIRECTORS REMUNERATIONS	**271**	**276**

The amount of attendance fees correspond to a gross amount before tax deduction withheld at source by the Company.

23.4 INVESTMENTS IN ASSOCIATES

The Group has investments in proportionally recognized joint ventures. The table below sets out the Group's proportionate interest in the assets, liabilities and net income of these entities:

In thousands of euros	**31 Dec., 2016**	**31 Dec., 2017**
Non-current assets	-	-
Current assets	97,623	66,222
Non-current liabilities	(2)	-
Current liabilities	(92,029)	(58,929)
NET ASSETS	**5,592**	**7,293**
INCOME STATEMENT		
Income	74,798	68,031
Expenses	(69,206)	(60,737)

23.5 TAX GROUP AGREEMENTS

SPIE SA set up a tax consolidation Group on 1 July, 2011, including, in addition to itself, the French companies (directly or indirectly) held at 95% or more.

According to the terms of the agreements signed between SPIE SA and each of the companies included in the tax consolidation Group, SPIE SA can use the carry-forward deficits of the various individual companies. If one of the subsidiaries leaves the tax consolidation Group, the parties to the agreement concerned reserve their negotiation rights to decide whether the former subsidiary should be indemnified.

The Group also has a tax Group in Germany, consisting of SPIE DZE (formerly SPIE GmbH) and its German subsidiaries, in the United Kingdom consisting of SPIE UK Ltd and its UK subsidiaries, and in the Netherlands consisting of SPIE Nederland BV and its Dutch subsidiaries.

NOTE 24 CONTRACTUAL OBLIGATIONS AND OFF BALANCE SHEET COMMITMENTS

24.1 OPERATING LEASE COMMITMENTS

Commitments relating to operating lease stand at €488 million and breakdown per categories of equipment as follows:

In thousands of euros	31 Dec., 2016	31 Dec., 2017	< 1 year	2 to 5 years	> 5 years
Buildings	216,216	287,768	65,217	147,540	75,011
Cars & trucks	150,890	200,040	64,601	122,409	13,030
TOTAL OPERATING LEASES	**367,106**	**487,808**	**129,818**	**269,949**	**88,041**

The increase in cars & trucks operating leases mainly relate to companies acquired during the year.

24.2 OPERATIONAL GUARANTEES

In the course of its operations, the group SPIE is required to provide a certain number of commitments in terms of guarantees for the completion of work, the redemption of advances or the repayment of retention money or parent company guarantees.

In thousands of euros	31 Dec., 2016	31 Dec., 2017
COMMITMENTS GIVEN		
Bank guarantees	361,602	481,137
Insurance guarantees	196,220	377,377
parent company guarantees	606,646	822,833
TOTAL COMMITMENTS GIVEN	**1,164,468**	**1,681,347**
COMMITMENTS RECEIVED		
Endorsement, guarantees and warranties received	22,317	28,588
TOTAL COMMITMENTS RECEIVED	**22,317**	**28,588**

The change in bank and insurance guarantees corresponds to the integration of the SAG group since 31st May, 2017.

The increase in the parent company guarantees by nearly €200 million compared to 31 December, 2016 is mainly linked to the settlement in 31st March, 2017 of two new commitments destined to guarantee the Zurich Insurance and Commerzbank (respectively for €100 million and €90 million) for the guarantees given to SPIE SAG GmbH.

The remaining part of the parent company guarantees is broken down on all the other subsidiaries of the Group, from all activities.

24.3 OTHER COMMITMENTS GIVEN AND RECEIVED

Individual Employee Training Rights for the Group's French Companies

Act No. 2004-391 of 4 May, 2004 relating to life-long professional training and social dialogue amending Articles L. 933-1 to L. 933-6 of the French Employment Code entitles employees with open-ended employment contracts under private law to a right to individual training (acronym: DIF) for a minimum of 20 hours per year, which can be accumulated over a period of six years (capped at 120 hours).

As of 1 January 2017, the Personnel Training Account (acronym: CPF) replaces the DIF and allows each employee throughout his career have an individual right to training which will aggregate to its maximum, 120 to 150 hours of training over 9 years (20 hours per year the first 6 years and 10 hours per year for the following three years).

Employees' rights to DIF are retained and continue to exist alongside the CPF: the rights to DIF can be used to exhaustion and up to 2020 at the most.

Tracking the number of hours of training accumulated corresponding to rights acquired under the DIF and the CPF and the monitoring of the volume of training hours which has not been used are now decentralized and available through an internet portal accessible only by employees as holders of a CPF account.

Consequently, no measurement can be performed regarding this commitment due to the difficulty in obtaining a reliable estimate.

Pledging of shares

As part of the IPO and the implementation of the new refinancing plan, all investment securities pledged by direct and indirect subsidiaries of SPIE SA were subject to release as at 11 June, 2016. As at 31 December, 2017, no shares were pledged.

NOTE 25 STATUTORY AUDITORS' FEES

In accordance with the ANC 2016-09 and ANC 2016-10 regulation, the fees relating to auditors of SPIE SA booked in the consolidated income statement are the followings:

In thousands of euros	**EY**	**PwC**
Statutory audit at SPIE SA level	296	310
Statutory audit at level of subsidiaries fully consolidated	1,363	450
Other services*	126	146
TOTAL	**1,785**	**906**

* *These fees relate to works carried out for the bond emission, the interim dividend and a certificate issued for the CICE assignment agreement.*

NOTE 26 SUBSEQUENT EVENTS

26.1 EXTERNAL GROWTH

On 2nd February, 2018, SPIE acquired the Systemat Group. Founded in 1981 and active in Belgium and Luxembourg, Systemat is a provider of IT solutions related to the management of information and communication technology equipment, software and infrastructure; employs around 150 employees and forecasts rev. about €70 million for current fiscal year.

26.2 GALILEO AND ARIANE PROJECTS – FRENCH SEGMENTS

"ARIANE" project

The "France" segment of the SPIE group consists of French entities directly held by SPIE Operations, while this latter also holds the holdings by country for all its European activities outside France.

In the context of the "Ariane" corporate project initiated in 2017, SPIE created on 1st January, 2018, a holding company "SPIE France", subsidiary of SPIE Operations, destined to bring a functional autonomy to France, comparable to the autonomy of the companies in the other companies (Germany, Netherlands, United Kingdom, Switzerland).

From the 1st of January of 2018, the SPIE France company, as head of the French activities of SPIE, has been given all necessary means to lead all French entities which will be legally attached to it during the second half of 2018. This structure will ensure the development of the "France" segment in liaison with the Group and in synergy with the other countries.

Thus SPIE Operations focuses on its consolidation and animation purposes for all European holding subsidiaries of the Group, including France.

This organization answers the necessity to clearly balance the "corporate" functions on the whole Group in order to prepare the future development of the Group.

"GALILEO" Project

As at 31 December, 2017, the SPIE group is based on a two main structures, with five regional subsidiaries (SPIE Ile-de-France North-Ouest, SPIE East, SPIE South-East, SPIE South-West, SPIE West-Center) and also four national subsidiaries of specialty (SPIE ICS, SPIE Facilities, SPIE Citynetworks and SPIE Nuclear).

The "Galileo" project, in continuity to the "Ariane" project projects the merger as at 30 June, 2018 of the five regional subsidiaries into one single entity named "SPIE Industry & Tertiary". This latter will comprise two business units.

- One Industry business unit.
- One Tertiary business unit.

This project provides the "France" sector with a new national subsidiary in order to answer our customers' expectations and the evolution of a market expected to be in growth.

26.3 REFINANCING OF BANK LOAN

In February 2018, SPIE has secured the refinancing of its bank debt through two fully-committed undrawn new facilities: a term loan of €1,200 million and a revolving credit facility of €600 million, both maturing in 2023 (vs. 2020 for existing facilities) and fully unsecured and unguaranteed. These facilities bear interest equal to Euribor plus an opening margin of 1.70% for the term loan and 1.30% for the revolving credit facility, compared with 2.38% and 2.28% respectively for the existing facilities.

NOTE 27 SCOPE OF CONSOLIDATION

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
HEADQUARTER SUB GROUP						
SPIE SA	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	Mother	100.00	Mother	100.00
FINANCIERE SPIE	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
SPIE Operations	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
SOREMEP	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	Merger	-	-	-
PARC SAINT CHRISTOPHE SNC	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
SPIE INTERNATIONAL	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
SGTE INGENIERIE	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
SPIE BATIGNOLLES TP	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
SPIE FRANCE (ex SPIE 161)	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	-	-	FC	100.00
SPIE TELECOM SERVICES GEIE	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
SPIE BATIGNOLLES TP HOCH UND TIEFBAU GmbH	Unter den linden 21 10117 BERLIN – Allemagne	EUR	FC	100.00	FC	100.00
SPIE INFRASTRUKTUR GmbH (ex S GmbH)	Rudolfstrasse 9 10245 BERLIN – Allemagne	EUR	FC	100.00	FC	100.00
SPIE RAIL (DE) GmbH	Unter den linden 21 10117 BERLIN – Allemagne	EUR	FC	100.00	FC	100.00
SPIE SPEZIALTIEFBAU GmbH	Unter den linden 21 10117 BERLIN – Allemagne	EUR	FC	100.00	FC	100.00
SPIE ENERTRANS	10, Av de l'entreprise 95863 CERGY-PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
SPIE IDF NO SUB GROUP						
SPIE IDF NORD OUEST	1/3 place de la Berline 93287 SAINT DENIS Cedex	EUR	FC	100.00	FC	100.00
SPIE POSTES HTB	Parc Scientifique de la Haute Borne 10, avenue de l'Harmonie CS 20292 59 665 VILLENEUVE-D'ASCQ CEDEX	EUR	FC	100.00	FC	100.00
TECHNIQUE DE GESTION IMMOBILIERE	1/3 place de la Berline 93287 SAINT DENIS Cedex	EUR	Merger	-	-	-
SPIE EST SUB GROUP						
SPIE Est	2, route de Lingolsheim BP 70330 - GEISPOLSHEIM GARE 67411 ILLKIRCH CEDEX	EUR	FC	100.00	FC	100.00
ANQUETIL CLIMATICIENS	45, Route de Metz 57130 Jouy-aux-Arches – France	EUR	FC	100.00	FC	100.00
SAG Thépault SAS.	45, Route de Metz 57130 Jouy-aux-Arches – France	EUR			FC	100.00
SOCIÉTÉ NOUVELLE HENRI CONRAUX	2, route de Lingolsheim BP 70330 – GEISPOLSHEIM	EUR	FC	100.00	FC	100.00

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
SPIE SUD EST SUB GROUP						
SPIE SUD EST	4, avenue Jean-Jaurès - BP 19 69320 FEYZIN	EUR	FC	100.00	FC	100.00
C-TRAM SERVICES	497, Rue Nicéphore Niepce 69 800 SAINT-PRIEST	EUR	FC	100.00	FC	100.00
JM ELECTRICITE	248 chemin de la Banastiere- La Garriguede Chalancon 84270 VEDENE	EUR			FC	100.00
LIONS	Chemin du Badaffier - ZAC Ste Anne Est 84 700 SORGUES	EUR	FC	100.00	FC	100.00
THERMAT	2, rue de l'Euro 74 960 MEYTHET	EUR	FC	100.00	FC	100.00
ENTREPRISE VILLANOVA	ZAC de Chazaleix - Rue Emmanuel Chabrier 63 730 LES MARTRES DE VEYRE	EUR	FC	100.00	FC	100.00
ACEM	Avenue Albert Einstein 63200 RIOM	EUR	FC	100.00	Merger	-
SOMELEC	ZA La Garrigue du Rameyron 84 830 SERIGNAN DU COMTAT	EUR	Merger	-	-	-
SPIE OUEST CENTRE SUB GROUP						
SPIE OUEST CENTRE	7, Rue Julius et Ethel Rosenberg BP 90263 44818 SAINT HERBLAIN CEDEX	EUR	FC	100.00	FC	100.00
SIPECT	229, Rue du Docteur Guichard - BP 91004 49010 ANGERS Cedex 1	EUR	FC	100.00	FC	100.00
ENELAT OUEST	ZAC de la Lorie, Immeuble Berlioz, 31 rue Bonny Sands 44 800 SAINT HERBLAIN	EUR	FC	100.00	FC	100.00
PROJELEC	25, Allée Evariste Gallois 18000 BOURGES	EUR	FC	100.00	FC	100.00
PROBIA INGENIERIE	21, Rue Marcelin Berthelot - Zone de Kerivin - 29 600 SAINT- MARTIN-DES-CHAMPS	EUR			FC	100.00
JURET	229, Rue du Docteur Guichard - BP 91004 49010 ANGERS Cedex 1	EUR	Merger	-	-	-
SPIE SUD OUEST SUB GROUP						
SPIE SUD OUEST	70, Chemin de Payssat ZI Montaudran 31400 TOULOUSE	EUR	FC	100.00	FC	100.00
THERMI AUTOMATION	115, rue Olof Palm - ZAC de Tournezy 34 000 MONTPELLIER	EUR	FC	100.00	FC	100.00
ENELAT	70 Chemin de Payssat - Zone Industrielle de Montaudran 31 400 TOULOUSE	EUR	FC	100.00	FC	100.00
SOCIETE BOISSON	Zone Artisanale 34 130 MUDAISON	EUR	FC	100.00	FC	100.00
STE NARBONNAISE D'ELECTRIFICATION (SNE)	2 rue de l'artisanat - ZI de Plaisance 11 100 NARBONNE	EUR	Merger	-	-	-
MADAULE ET FILS	2 rue de l'artisanat - ZI de Plaisance 11 100 NARBONNE	EUR	Merger	-	-	-

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
MADAULE AUTOMATION	2 rue de l'artisanat - ZI de Plaisance 11 100 NARBONNE	EUR	Merger	-	-	-
SPIE MAROC	PK 374, 815 Route d'el Jadida (par Lissasfa) Km 1.5 CR Ouled Azzouz Province de Nouaceur CASABLANCA - MAROC	MAD	FC	100.00	FC	100.00
COMAFIPAR SA	PK 374, 815 Route d'el Jadida (par Lissasfa) Km 1.5 CR Ouled Azzouz Province de Nouaceur CASABLANCA - MAROC	MAD	FC	100.00	FC	100.00
TECNO SPIE SA	Parque Oriente Rua D. Nuno Alvares Pereira N°4 2695-445 BOBADELA – Portugal	EUR	Disposal	-	-	-
SPIE CITYNETWORKS SUB GROUP						
SPIE CITYNETWORKS (ex ST4)	1/3 place de la Berline 93287 SAINT DENIS Cedex	EUR	FC	100.00	FC	100.00
GRAND POITIERS LUMIERE (Ex PICT ON LIGHT)	1 rue des Entreprises 86440 MIGNE AUXANCES	EUR			EM	50.00
VAL DE LUM	Parc d'activités de la Fringale - Voie de l'institut 27100 VAL DE REUIL	EUR	FC	85.00	FC	85.00
ENTREPRISE TRENTO	Route de Camaret 84 100 ORANGE	EUR	FC	100.00	FC	100.00
CINERGY SAS	27 Avenue du Gros Chêne 95614 ERAGNY SUR OISE	EUR	EM	50.00	EM	50.00
SAG Vigilec SAS.	Les Paltrats 03500 Saint Pourcain sur Sioule – France	EUR			FC	100.00
SAG France SAS.	45, Route de Metz 57130 Jouy-aux-Arches – France	EUR			FC	100.00
SOGETRALEC SAS	Domaine de Poussan le Haut, Route de Lespignan 34500 Béziers – France	EUR			FC	100.00
ELCARE	Avenue du Maine 72 190 SAINT PAVACE	EUR	FC	100.00	FC	100.00
SPIE FACILITIES SUB GROUP						
SPIE FACILITIES (ex SPIE 911)	1/3 place de la Berline 93287 SAINT DENIS Cedex	EUR	FC	100.00	FC	100.00
SONO TECHNIC	Impasse Maniou 31 140 LAUNAGUET	EUR	FC	100.00	FC	-
SPIE NUCLEAIRE SUB GROUP						
SPIE DEN	10, Av de l'entreprise 95 863 CERGY PONTOISE CEDEX	EUR	FC	100.00	Merger	-
SPIE NUCLEAIRE	10, Av de l'entreprise 95 863 CERGY PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
MAINTENANCE MESURE CONTROLE	2, avenue Gabriel Lippmann 57 970 YUTZ	EUR			FC	100.00
ATMN	Le Marais - Route Insudtrielle EST 76 430 SAINT VIGOR D'YMONVILLE	EUR	FC	100.00	FC	100.00

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
SPIE ICS SUB GROUP						
SPIE ICS	53, Boulevard de Stalingrad 92247 MALAKOFF cedex	EUR	FC	100.00	FC	100.00
SPIE Cloud SERVICES	53, Boulevard de Stalingrad 92247 MALAKOFF cedex	EUR	FC	100.00	FC	100.00
SPIE INFOSERVICES	53, Boulevard de Stalingrad 92247 MALAKOFF cedex	EUR	FC	100.00	FC	100.00
SOCIETE FINANCIERE DU LANGUEDOC - SOFILAN	Rue Guy Arnaud - ZAC de Valdegour 30900 NIMES	EUR	FC	100.00	FC	100.00
APPLICATION DEVELOPPEMENT INFORMATIQUE - ADI	Rue Guy Arnaud - ZAC de Valdegour 30900 NIMES	EUR	FC	100.00	FC	100.00
REPRO DIFFUSION INFORMATIQUE - RDI	Rue Guy Arnaud 30900 NIMES	EUR	FC	100.00	FC	100.00
SPIE BELGIUM SUB GROUP						
SPIE BELGIUM	Rue des deux gares 150 1070 BRUXELLES – BELGIUM	EUR	FC	100.00	FC	100.00
TEVEAN NV	Industriepark Rosteyne 6 9060 Zelzate – BELGIUM	EUR			FC	100.00
DEVIS NV	Herentalseweg 48 2440 GEEL - BELGIUM	EUR	FC	100.00	Merger	-
DEVINOXS NV	Lammerdries3 2440 GEEL – BELGIUM	EUR	FC	100.00	Merger	-
DESERVIS NV	Lammerdries3 2440 GEEL – BELGIUM	EUR	FC	100.00	Merger	-
ELEREP NV	Lammerdries3 2440 GEEL – BELGIUM	EUR	FC	100.00	FC	100.00
UNI-D NV	Lammerdries3 2440 GEEL – BELGIUM	EUR	FC	100.00	Merger	-
THERMOFOX NV	Spieveldstraat 7 9160 LOKEREN – BELGIUM	EUR	Merger	-	-	-
CLIMATISATION, REFRIGERATION INDUSTRIELLE ET COMMERCIALE SPRL	Rue des Berces 7 5650 CHASTRES - BELGIUM	EUR	FC	100.00	Merger	-
SPIE NEDERLAND SUB GROUP						
SPIE NEDERLAND BV	Huifakkerstraat, 15 4800 CG BREDA - NETHERLANDS	EUR	FC	100.00	FC	100.00
ZIUT ADVIES BV	Nieuwe Plein 1B 6811 KN Arnhem -Netherlands	EUR			FC	100.00
ZIUT BV	Nieuwe Plein 1B 6811 KN Arnhem -Netherlands	EUR			FC	100.00
JANSEN VENNEBOER BEHEERMAATSCHAPPIJ	Industrieweg 4 NL 8131VZ WIJHE - NETHERLANDS	EUR	FC	100.00	FC	100.00
JANSEN VENNEBOER BEHEER & ONDERHOUD	Industrieweg 4 NL 8131VZ WIJHE - NETHERLANDS	EUR	FC	100.00	Merger	-
JANSEN VENNEBOER ADVIES BV	Industrieweg 4 NL 8131VZ WIJHE - NETHERLANDS	EUR	FC	100.00	FC	100.00
JANSEN VENNEBOER BV	Industrieweg 4 NL 8131VZ WIJHE - NETHERLANDS	EUR	FC	100.00	FC	100.00

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
AAFTINK HOLDING BV	Bovenkamp, 7 NL 1391 LA - Abcoude - NETHERLANDS	EUR			FC	100.00
AAFTINK VERWARMING ABCOUDE BV	Bovenkamp, 7 NL 1391 LA - Abcoude - NETHERLANDS	EUR			FC	100.00
AAFTINK SERVICE BV	Bovenkamp, 7 NL 1391 LA - Abcoude - NETHERLANDS	EUR			FC	100.00
AAFTINK PROJECTEN BV	Bovenkamp, 7 NL 1391 LA - Abcoude - NETHERLANDS	EUR			FC	100.00
AAFTINK INSTALLATIE TECHNIEK BV	Bovenkamp, 7 NL 1391 LA - Abcoude - NETHERLANDS	EUR			Merger	-
AAFTINK ELEKTROTECHNIEK BV	Nijverheidsweg, 1 NL 6651 KS - Druten - NETHERLANDS	EUR			FC	100.00
AD BOUMAN BV	Bovenkamp, 7 NL 1391 LA - Abcoude - NETHERLANDS	EUR			FC	100.00
ZIUT INSTALLATIETECHNIEK BV	Nieuwe Plein 1B 6811 KN Arnhem -Netherlands	EUR			FC	100.00
MER ICT BV	Burgemeester Drijbersingel 25 NL 8021 DA Zwolle, NETHERLANDS	EUR			FC	100.00
SPIE CONTROLEC ENGINEERING BV	De Brauwweg, 74-82 NL 3125 AE Schiedam - NETHERLANDS	EUR	FC	100.00	Merger	-
SPIE CZECH SRO	Pod Hradbami 2004/5 PSC 59401 VELKE MEZIRICI	CZK	Disposal	-	-	-
GIETWALSONDERHOUD-COMBINATIE BV	Staalstraat, 150 1951 JP Velsen-Nord 4815 PN BREDA - NETHERLANDS	EUR	EM	50.00	EM	50.00
ELECTRIC ENGINEERING INSTALLATION BV	Kromme Schaft 3 NL 3991 AR HOUTEN - NETHERLANDS	EUR	Merger	-	-	-
GEBR. VAN DER DONK CIVIEL BV	Menhirweg 6 NL 5342LS Oss - NETHERLANDS	EUR	FC	100.00	FC	100.00
ALEWIJNSE ZWOLLE BV	Curieweg 11 NL 8013 RA ZWOLLE - NETHERLANDS	EUR	FC	100.00	FC	100.00
ALEWIJNSE ULTRECHT BV	Detmoldstraat 17 NL 3523 GA UTRECHT - NETHERLANDS	EUR	FC	100.00	FC	100.00
ALEWIJNSE DELFT BV	Westlandseweg 13 NL 2624 AA DELFT - NETHERLANDS	EUR	FC	100.00	FC	100.00
GPE TECHNICAL SERVICES BV	De Weegschaal 5 5215 MN'S - HERTOGENBOSCH - NETHERLANDS	EUR	FC	100.00	Merger	-
INFRASTRUCTURES SERVICES & PROJECTS BVINDIANA	Kromme Schaft 3 NL 3991 AR HOUTEN - NETHERLANDS	EUR	FC	100.00	FC	100.00
SPIE UK SUB GROUP						
SPIE LIMITED (ex SPIE MATTHEW HALL Limited)	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
SPIE UK	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
SPIE WHS LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
GARSIDE AND LAYCOCK (ST ANNES) LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	Liquidation	-
GARSIDE AND LAYCOCK LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
GARSIDE AND LAYCOCK GROUP LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
ALARD ELECTRICAL LTD	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	Liquidation	-
SPIE FS NORTHEN (UK) LIMITED	Centre Park - WA1 1RL WARRINGTON Cheshire - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
SPIE ENS Limited	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	Liquidation	-
VEHICLE RENTAL IRELAND LIMITED	1 CairnView, Swatragh Maghera - BT46 5QG COUNTY LONDONDERRY IRELAND	GBP	FC	100.00	Liquidation	-
SPIE Scotshield LTD	MCCAFFERTY HOUSE 99 Firhill road G20 7BE GLASGOW - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
SPIE LEVEN ENERGY SERVICES LTD	CNA House Sanfold Lane - Levenchulme M19 3BJ MANCHESTER - ROYAUME UNI	GBP	FC	100.00	FC	100.00
ENVIRONMENTAL ENGINEERING LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP			FC	100.00
SPIE ENVIRONMENTAL ENGINEERING UK	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP			FC	100.00
SPIE MSS CLEAN TECHNOLOGY LTD	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP			FC	100.00
TRIOS COMPLIANCE LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
TRIOS GROUP LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
TRIOS PROPERTY LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
TRIOS SECURE LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
TRIOS SKILZ LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
TRIOS FACILITIES LIMITED	33 Gracechurch Street 2nd Floor - EC3V OBT LONDON - UNITED KINGDOM	GBP	FC	100.00	FC	100.00
SPIE DZE (FORMERLY SPIE HOLDING GMBH) SUB GROUP						
SPIE DEUTSCHLAND & ZENTRALEUROPA GmbH (ex SPIE Holding GmbH)	Balcke-Durr-Allee 7 40882 RATINGEN - GERMANY	EUR	FC	100.00	FC	100.00
SPIE GmbH	Balcke-Durr-Allee 7 40882 RATINGEN - GERMANY	EUR	FC	100.00	FC	100.00
PMS Sicherheitstechnik Kommunikation GmbH	Schnorrstraße 70 1069 Dresden	EUR		-	Merger	100.00
LUCK PERSONALMANAGEMENT GmbH	Leihgesterner Weg 37 D-35392 Giessen - GERMANY	EUR		-	FC	100.00
LUCK HOLDING GmbH	Leihgesterner Weg 37 D-35392 Giessen - GERMANY	EUR		-	Merger	-
LUCK GEBAUDETECHNIK GmbH	Blumenstrasse 28 D-35423 Lich - GERMANY	EUR		-	FC	100.00
LUCK BETEILIGUNGS GmbH	Leihgesterner Weg 37 D-35392 Giessen - GERMANY	EUR		-	Merger	-

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
LS PLAN GmbH	An den Weiden 7 D-57078 Siegen - GERMANY	EUR		-	FC	100.00
ELEKTRO BUCHMANN GmbH	Niederlosheimer Strasse 85 D-66679 Losheim am See - GERMANY	EUR		-	FC	100.00
LUCK BERATUNG GmbH	Leihgesterner Weg 37 D-35392 Giessen -GERMANY	EUR		-	FC	100.00
PULTE ELEKTROTECHNIK VERWALTUNGS GmbH	Obere Illbach 2-4 D-56412 Heiligenroth - GERMANY	EUR		-	FC	100.00
PULTE ELEKTROTECHNIK GmbH & CO. KG	Obere Illbach 2-4 D-56412 Heiligenroth - GERMANY	EUR		-	FC	100.00
NUHN GEBAUDETECHNIK GmbH	Speyerer Schlag 8 D-67547 Worms - GERMANY	EUR		-	FC	100.00
SPIE LUCK HOLDING GmbH	Leihgesterner Weg 37 D-35392 Giessen - GERMANY	EUR		-	FC	100.00
SPIE DEUTSCHLAND SYSTEM INTEGRATION GmbH	Ruschgraben 135 76139 KARLSRUHE - GERMANY	EUR	Merger	-	-	-
ADVAGO SA	4 Zalogou Str & Mesogeion Ave AGIA PARASKEVI - Grece	EUR	FC	51.00	FC	51.00
CAR.E FACILITY MANAGEMENT GmbH	Fuhlsbüttler Strasse 399 22309 HAMBOURG - GERMANY	EUR	Merger	-	-	-
CAR.E FACILITY MANAGEMENT KFT	VACI UT 76 1133 BUDAPEST - HUNGARY	HUF	FC	100.00	FC	100.00
FMGO! GmbH	Gedonstrasse 8 80802 MUNICH – GERMANY	EUR	FC	74.90	FC	74.90
HOST GmbH HOSPITAL SERVICE + TECHNIK	Theodor - Stern - Kai 7 60596 FRANCFORT SUR LE MAIN - GERMANY	EUR	EM	25.10	EM	25.10
SCHLOSS HERRENHAUSEN GmbH	Herrenhäuser Strasse 3 30419 HANOVRE – GERMANY	EUR	FC	100.00	Merger	-
SPIE ENERGY SOLUTIONS GmbH	Alfredstrasse 236 45133 ESSEN – GERMANY	EUR	FC	100.00	FC	100.00
SPIE ENERGY SOLUTIONS HARBURG GmbH	Fuhlsbüttler Strasse 399 22309 HAMBOURG – GERMANY	EUR	FC	65.00	FC	65.00
SPIE POLSKA SP Z.O.O.	ul. Powsinska 64A PL-02-903 WARSZAWA – Pologne	PLN	FC	100.00	FC	100.00
SPIE FLEISCHHAUER GmbH	Oldenburger Allee 36 30659 HANNOVER	EUR	FC	100.00	FC	100.00
G. FLEISCHHAUER GmbH	Kreuzbergstrasse 31 06840 DESSAU-ROSSLAU – GERMANY	EUR	Merger	-	-	-
CROMM UND CO. GmbH	Siemensallee 75 76187 KARLSRUHE – GERMANY	EUR	Merger	-	-	-
AM ALLIED MAINTENANCE GmbH	König-Georg-Stieg 8-10 21107 HAMBURG	EUR	EM	25.00	EM	25.00
SPIE HARTMANN GmbH (ex HARTMANN ELEKTROTECHNIK GmbH)	König-Georg-Stieg 8-10 21107 HAMBURG	EUR	FC	100.00	FC	100.00
HE HANSE PROJEKTMANAGEMENT GmbH	König-Georg-Stieg 8-10 21107 HAMBURG	EUR	FC	100.00	Merger	-
SPIE COMNET GmbH (ex SPIE ICS GmbH)	Alfredstrasse 236 45133 ESSEN – GERMANY	EUR	FC	100.00	FC	100.00

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
COMNET Communikationssysteme & Netzwerkservice Berlin GmbH	Am Borsigturm 58 13507 BERLIN – GERMANY	EUR	FC	100.00	Merger	-
COMNET Hanse GmbH	Friedrich-Ebert-Damm 245 22159 HAMBURG – GERMANY	EUR	FC	100.00	Merger	-
COMNET Communikationssysteme & Netzwerkservice GmbH	Burgewedeler Strasse 27a 30916 ISERNHAGEN	EUR	FC	100.00	Merger	-
COMNET Communikationssysteme & Netzwerkservice Region Mitte GmbH	Friedrich-Ebert Strasse 25 34117 KASSEL – GERMANY	EUR	FC	100.00	Merger	-
COMNET Rhein-Neckar GmbH	Mundenheimer Strasse 55 68219 MANNHEIM – GERMANY	EUR	FC	100.00	Merger	-
COMNET West GmbH	Leyboldstrasse 10 50354 HÜRTH – GERMANY	EUR	FC	100.00	Merger	-
SPIE AGIS FIRE & SECURITY OY (Ex AGIS FIRE & SECURITY OY)	Valuraudantie 19 700 - Helsinki – Finland	EUR	FC	100.00	Disposal	-
SPIE AGIS FIRE & SECURITY Kft (Ex AGIS FIRE & SECURITY KFT)	Montevideo u. 3a 1037 Budapest – HUNGARY	HUF	FC	100.00	FC	100.00
SPIE AGIS FIRE & SECURITY SP .Z.O.O.(Ex AGIS FIRE & SECURITY SP .Z.O.O.)	Ul. Palisadowa 20/22 01-940 Warsaw Poland	PLN	FC	100.00	FC	100.00
GFT GESELLSCHAFT FÜR ELEKTRO MBH	Am Lichtbogen 40 45141 ESSEN – GERMANY	EUR	FC	100.00	FC	100.00
SPIE SAG Holding GmbH	Balke-Dürr-Allee 7 40878 Ratingen - GERMANY	EUR			Merger	-
SPIE InfoGraph GISMobil GmbH (ex InfoGraph GISMobil GmbH)	57130 Jouy-aux-Arches – France	EUR			FC	100.00
SAG Finance BV	Herikerbergweg 238 1101 CM Amsterdam – Nederland	EUR			FC	100.00
SPIE SAG GmbH (ex SAG GmbH)	Pittlerstraße 44 63225 Langen (Essen) – GERMANY	EUR			FC	100.00
SAG Immobilien GmbH	Pittlerstraße 44 63225 Langen (Essen) – GERMANY	EUR			FC	100.00
SPIE SAG Erwin Peters GmbH (ex SAG Erwin Peters GmbH)	Großmoorbogen 21 21079 Hamburg – GERMANY	EUR			FC	100.00
SPIE Versogungstechnick GmbH (ex SAG Immobilien Verwaltungs)	Pittlerstraße 44 63225 Langen (Essen) – GERMANY	EUR			FC	100.00
SAG Vermögensverwaltung GmbH	Pittlerstraße 44 63225 Langen (Essen) – GERMANY	EUR			Merger	-
SPIE SAG Group GmbH (ex SAG Group GmbH)	Pittlerstraße 44 63225 Langen (Essen) – GERMANY	EUR			FC	100.00
SAG Beteiligungs GmbH	Pittlerstraße 44 63225 Langen (Essen) – GERMANY	EUR			Merger	-
Tamar Vermögensverwaltung GmbH	Pittlerstraße 44 63225 Langen (Essen) – GERMANY	EUR			FC	100.00

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
Bohlen & Doyen GmbH	Hauptstraße 248 26639 Wiesmoor – GERMANY	EUR			FC	100.00
Bohlen & Doyen Service und Anlagentechnik GmbH	Hauptstraße 248 26639 Wiesmoor – GERMANY	EUR			FC	100.00
SEG LiPro Energietechnik GmbH	Bayrische Straße 12 06679 Zorbau – GERMANY	EUR			FC	100.00
Elektrovod, a.s.	Trat'ová 574/1 619 00 Brno - Czeck Republic	CZK			FC	100.00
SPIE Elbud Gdansk SA (SAG Elbud Gdansk SA)	ul. Marynarke Polskej 87 80-557 Gdansk-Poland	PLN			FC	100.00
SPIE Hungaria Kft.(ex SAG Hungaria)	Mezökövesd út 5-7 01116 Budapest-Hungary	HUF			FC	100.00
SPIE Electrovod (Ex SAG Elektrovod, a.s.)	Prievozská 4C 821 09 Bratislava-Slovakia	EUR			FC	100.00
SPIE Elbud Krakow sp.zo.o	ul. Płk. St. Dąbka 8 30-732 Kraków-Poland	PLN			FC	100.00
SPIE ICS AG SUB GROUP						
SPIE SCHWEIZ AG	Industriestrasse 50a 8304 Wallisellen – SWITZERLAND	CHF			FC	100.00
SPIE ICS AG (ex CONNECTIS)	Sonnenplatz 6 6020 EMMENBRÜCKE – SWITZERLAND	CHF	FC	100.00	FC	100.00
ELECTROTECH	Chemin des Léchères 3 1217 MEYRIN – SWITZERLAND	CHF	FC	100.00	FC	100.00
HAMARD SA	Chemin des Léchères 3 1217 MEYRIN – SWITZERLAND	CHF	FC	100.00	FC	100.00
SPIE MTS SA (Ex Spie Suisse SA)	Chemin des Léchères 3 1217 MEYRIN – SWITZERLAND	CHF	FC	100.00	FC	100.00
FANAC & ROBAS SA	107, Rue de Lyon 1203 GENEVE – SWITZERLAND	CHF	FC	100.00	FC	100.00
VISTA CONCEPT SA	En reutet B 1868 COLLOMBEY MURAZ – SWITZERLAND	CHF	FC	100.00	FC	100.00
VISCOM SYSTEM SA	Avenue des Alpes 29 MONTREUX – SWITZERLAND	CHF	FC	100.00	FC	100.00
SPIE IFS SA (Ex SPIE SCHWEIZ AG)	Untere rebgasse 7 4058 BASEL - SWITZERLAND	CHF	FC	100.00	Merger	-
SPIE OIL GAS & SERVICES SUB GROUP						
GEMCO INTERNATIONAL	5, Avenue des frères Wright ZI du Pont Long - 64140 LONS	EUR	FC	100.00	FC	100.00
FORAID	10, Av de l'entreprise - Pôle Edison 95863 CERGY PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
ALMAZ SPIE OGS	PO Box 18123 SANA' A REPUBLIC OF YEMEN	USD	FC	80.00	FC	80.00
FORAID ALGERIE EURL	RN 49 OUARGLA – ALGERIA	DZD	FC	100.00	FC	100.00
SPIE OGS CONGO	BP 316 POINTE NOIRE – CONGO	CFA	FC	100.00	FC	100.00
SPIE OGS GABON	BP 579 PORT GENTIL – GABON	CFA	FC	99.00	FC	99.00

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
IPEDEX Sdn Bhd (Brunei)	Lot 4187, N°12, Jalan Panden Lima A KUALA BELAIT	BND	FC	100.00	Liquidated	-
IPEDEX GABON	BP 1564 PORT GENTIL – GABON	EUR	FC	90.00	FC	90.00
IPEDEX INDONESIA	ANZ Tower - 12th floor Jalan Jenderal Sudirman, KAV 33A	USD	FC	90.00	FC	90.00
SPIE OGS (MALAYSIA) SDN BHD	Level 8, Symphony House, Block D13 Pusat Dagangan Dana 1	MYR	FC	49.00	FC	49.00
SPIE OGS KISH LLC (Iran)	PO Box 79415 - 1316 1316 KISH ISLAND IR - IRAN	USD	FC	100.00	FC	100.00
SPIE OGS MIDDLE EAST LLC (Abu Dhabi)	PO Box 4899 ABU DHABI – UNITED ARAB EMIRATES	AED	FC	100.00	FC	100.00
SPIE OIL & GAS SERVICES	10, Av de l'entreprise - Pôle Edison 95863 CERGY PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
SPIE OGS ASP SDN BHD (Malaisie)	Level 8, Symphony House, Block D13 Pusat Dagangan Dana 1	MYR	FC	100.00	FC	100.00
SPIE OGS THAILAND Ltd	1010, Shinawatra tower III 27th Floor, Unit 2702	THB	FC	100.00	FC	100.00
SONAID (1)	Rua Amilcar Cabral n°211 Edificio IRCA - 9° et 10° Andar	USD	EM	55.00	EM	55.00
SPIE NIGERIA Ltd	55 Trans Amadi Industrial Layaout PORT HARCOURT – NIGERIA	NGN	FC	100.00	FC	100.00
SPIE OIL & GAS SERVICES VENEZUELA	Esquina Puente Victoria Edificio Centro Villasmil, piso 6, oficina 617	VEF	FC	100.00	FC	100.00
ENERFOR	10, Av de l'entreprise - Pôle Edison 95863 CERGY PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
YCOMAZ	10, Av de l'entreprise - Pôle Edison 95863 CERGY PONTOISE CEDEX	EUR	FC	100.00	FC	100.00
GTMH NIGERIA	Plot 107 trans Amadi indus. Layout PORT - HARCOURT – NIGERIA	NGN	FC	100.00	FC	100.00
ASB PROJECTS & RESSOURCES PTE LTD	80 Raffles place - 26.01 UOB Plazza 1 Singapore 048624	USD	FC	100.00	FC	100.00
SPIE OIL & GAS SERVICES SAUDI	Al Mafleh Buildin,g, 2nd Floor Labor City, King Abdulaziz Road - Cross 7, Building 7263 - Unit 1	SAR	FC	100.00	FC	100.00
SPIE LYBIA	Tourist City Gargaresh TRIPOLI	LYD	FC	65.00	FC	65.00
SPIE OGS BELGIUM	Rue des deux gares 150 1070 BRUXELLES – BELGIUM	EUR	FC	100.00	FC	100.00
SPIE TECNICOS DE ANGOLA LIMITADA	Avenida Commante Kima Kyenda n°309 no bairro da Boa Vista	USD	FC	75.00	FC	75.00
SPIE OGS VIETNAM LTD	Saigon Tower, 29, Le Duan Boulevard District 1	VND	FC	100.00	FC	100.00
SPIE EDGO ENERGY VENTURES LIMITED	PO Box 74980, Emaar Square, Building 4, Level 7 Unit 702 74980 DUBAI - UNITED ARAB EMIRATES	AED	FC	100.00	FC	100.00

Company	Address	Consolidation Currency	Conso Method 2016*	% Interest 31/12/2016	Conso Method 2017*	% Interest 31/12/2017
SPIE PLEXAL (Thailand) Ltd	N°555, Rasa Tower 1 - 14th Floor - Units 1401-1404 - Paholyothin Road Chatuchak Sub-district Chatuchak District - Bangkok – THAILANDE	THB	FC	100.00	FC	100.00
SPIE OIL AND GAS SERVICES PTY LTD	18th Floor, 140 St George's Terrace PERTH WA 6000 – AUSTRALIA	AUD	FC	100.00	FC	100.00
SERVICES PETROLEUM & INDUSTRIAL EMPLOYEMENT (SPIEM)	PO BOX 15 ABU DHABI - UNITED ARAB EMIRATES	AED	FC	100.00	FC	100.00
SPIE OGS LIMITED (UK)	33 Gracechurch Street EC3V OBT LONDON	GBP	FC	100.00	FC	100.00
SPIE OGS JBL Limited	PO Box 74980 Emaar Square Building Level 7 Unit 702 Downtown DUBAI - UNITED ARAB EMIRATES	AED			FC	100.00
SPIE SERVICES NIGERIA LTD	55 Trans Amadi Industrial Layout PORT HARCOURT – NIGERIA	NGN	FC	100.00	FC	100.00

(1) SONAID has been consolidated under the Equity Method in the Group accounts in 2016

** Conso methods: FC Full Consolidation/ .EM: Equity Method.*

20.1.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
S.A.S. with a share capital of €2.510.460
672 006 483 R.C.S. Nanterre

Auditors,
member of the Versailles regional company

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris La Défense Cedex
S.A.S. with a variable share capital
438 476 913 R.C.S. Nanterre
Auditors,
member of the Versailles regional company

SPIE SA

Year ended December 31, 2017

Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of SPIE SA,

Opinion

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying consolidated financial statements of SPIE SA for the year ended December 31, 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition of result on long-term services contracts

Risk identified	Our response
The Group generates significant revenue on long-term service contracts. As indicated in Note 3.4 to the consolidated financial statements, result from these contracts is recognized using the percentage of completion method, which consists, for a given contract, in estimating the profit or loss on completion and recognizing it in line with the progress made in terms of costs. The profit or loss recognized therefore depends on the estimated data on completion of each contract. The data is reviewed periodically by management to take into account the best estimate of the future benefits and obligations expected for the contracts. Where the projections show that the contract will result in a loss, a provision for loss on completion is recognized regardless of progress made on the contract. Given the materiality of these estimates and the degree of judgment required by management to determine profit or loss on completion, we consider the recognition of result relating to long term services contracts to be a key audit matter.	As a first step, we assessed and tested the internal control systems we consider essential to the recognition of these contracts, with a focus on those concerning budget control and expenditures. We also analyzed a selection of contracts based on quantitative criteria (revenue and profit or loss on completion) and carried out the following procedures: • interviews with operational and finance managers, with a view to understanding the judgments they made when determining the profit or loss on completion; • reconciling the estimated profit on completion with contractual documentation (including order forms, contracts and amendments); • analyzing the documentation relating to the follow up and management of projects compiled by the project managers and management controllers with a view to evaluating expenses on completion; • reconciling the accounting data with the management data used to calculate the revenue and the result accounted for; • testing, on a sample basis, the costs incurred; • comparing actual with past performance as a means of assessing the reliability of estimates; • assessing the accuracy of the calculations of rate of completion, revenue and margin recorded in the financial statements. For the more sensitive estimates, particularly in terms of disputes, we obtained additional information (claim files, expert reports, legal decisions, etc.) and assessed them against the outcome of similar situations in the past.

Impairment of Goodwill

Risk identified	Our response
As of December 31, 2017, the value of the Group's goodwill, excluding provisional goodwill of €730.5 million relating to German group SAG, which the Group acquired on March 31, 2017, amounted to €2,285.4 million, against a total balance sheet of €7,757.2 million. Goodwill is tested for impairment using the methods and assumptions described in Notes 3.10 and 14.2 to the consolidated financial statements. Accordingly, an impairment loss may be recognized when the recoverable amount of the goodwill is below the carrying amount, which is the highest of the fair value after deducting acquisition costs and the value in use. Given the materiality of goodwill in the Group's financial statements and the fact that determining the recoverable value, usually on the basis of discounted future cash flows, requires the use of assumptions, estimates and assessments, as described in Notes 3.10 and 14.2 to the consolidated financial statements, we deemed the impairment of goodwill to be a key audit matter.	We assessed the methods used by the Group for carrying out impairment tests, with a particular focus on those Cash Generating Units for which the carrying amount of goodwill is the most sensitive to changes in the assumptions used. We assessed the consistency of the main estimates used, in particular the projected cash flows, long-term growth rates and discount rates applied. We also analyzed the consistency of forecasts with past performance and the market outlook, and conducted sensitivity analyses on the impairment tests. In addition, where the recoverable value is determined in reference to similar recent transactions, we corroborated the analysis provided with available market data. All of this analysis was carried out with the involvement of our evaluation experts.

Verification of the Information Pertaining to the Group Presented in the Management Report

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Board of Directors.

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

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of SPIE SA by the Annual General Meeting held on November 15, 2011 for PricewaterhouseCoopers Audit and by the articles of incorporation of May 27, 2011 for ERNST & YOUNG et Autres.

As at December 31, 2017, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the 7th year of total uninterrupted engagement, which are the 3rd year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly sur Seine and Paris-La Défense, March 26, 2018

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Yan Ricaud	Henri-Pierre Navas

20.2 PARENT COMPANY FINANCIAL STATEMENTS

20.2.1 PARENT COMPANY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

CONTENTS

ASSETS BALANCE SHEET

	31 Dec., 2017			31 Dec., 2016
BALANCE SHEET – ASSETS	**Gross**	**Amortisations**	**Net**	**Net**
Uncalled share capital (I)				
Start-up costs				
Development costs				
Concessions, patents and similar rights				
Goodwill	148,164,574		148,164,574	148,164,574
Other intangible fixed assets				
Advances on intangible fixed assets				
TOTAL intangible fixed assets	**148,164,574**		**148,164,574**	**148,164,574**
Land				
Buildings				
Plant and machinery				
Other tangible fixed assets				
Fixed assets in progress				
Advances and deposits				
TOTAL tangible fixed assets				
Equity interests accounted for under the meq method				
Other equity interests	1,440,669,595		1,440,669,595	1,440,669,595
Receivables concerning equity interests	(483,272,447)		(483,272,447)	
Other capitalised securities				
Loans				
Other financial assets				
TOTAL financial assets	**1,923,942,043**		**1,923,942,043**	**1,440,669,595**
Total Fixed Assets (II)	**2,072,106,617**		**2,072,106,617**	**1,588,834,169**
Raw materials, consumables				
Production of goods in progress				
Production of services in progress				
Interim and finished products				
Goods				
TOTAL Stock				
Advances and deposits paid on orders				
Trade and related receivables				1,000,915
Other receivables	395,859,397		395,859,397	238,694,454
Unpaid called-up share capital				
TOTAL Receivables	**395,859,397**		**395,859,397**	**239,695,369**
Investment securities	7,020		7,020	7,020
(of which treasury shares: 7 020 €)				
Cash assets	31,197		31,197	31,124
TOTAL Cash assets	**38,217**		**38,217**	**38,144**
Prepaid expenditure	2,150,607		2,150,607	2,376,377
TOTAL Circulating assets (III)	**398,048,221**		**398,048,221**	**242,109,890**
Loan issue costs to be amortised (IV)				
Bond redemption premiums (V)				
Unrealised gains (V)				
GENERAL TOTAL (I TO VI)	**2,470,154,837**		**2,470,154,837**	**1,830,944,059**

LIABILITIES BALANCE SHEET

BALANCE SHEET – LIABILITIES	Financial year N	Financial year N-1
Individual or share capital (of which paid: 72,415,793)	72,415,793	72,415,793
Issue, merger, contribution premiums, etc.	1,170,496,439	1,170,496,439
Revaluation surplus (of which equivalence difference:)		
Legal reserve	7,241,579	7,241,579
Statutory or contractual reserves		
Regulated reserves (of which reserve for prov. price fluctuation:)		
Other reserves (of which reserve for purchase of original artists' works:)		
TOTAL Reserves	**7,241,579**	**7,241,579**
Carry forward	(23,322,917)	81,793,893
INCOME FOR THE FINANCIAL YEAR (PROFIT OR LOSS)	**116,750,477**	**1,195,469**
Investment subsidies		
Regulated provisions	39,030,858	39,030,858
TOTAL EQUITY (I)	**1,382,612,229**	**1,372,174,031**
Income from issue of non-voting shares		
Conditional advances		
TOTAL OTHER EQUITY (II)		
Provisions for liabilities		
Provisions for charges	7,062,800	5,844,601
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (III)	**7,062,800**	**5,844,601**
Convertible bond loans		1,504,687,984
Other bond loans	600,000,000	
Borrowing and debts with credit institutions	422,688,480	408,097,551
Miscellaneous borrowing and financial liabilities (of which equity loans:)		
TOTAL Financial liabilities	**1,022,688,480**	**408,097,551**
Advances and deposits received on orders in progress		
Supplier debts and related debts	515,097	1,389,426
Tax and social debts	3,686,793	2,817,368
Debts on fixed assets and related debts		
Other debts	53,589,437	40,621,082
TOTAL Operating Debts	**57,791,328**	**44,827,876**
Prepaid income		
TOTAL DEBTS (IV)	**1,080,479,808**	**452,925,427**
Unrealised losses (V)		
GENERAL TOTAL - LIABILITIES (I TO V)	**2,470,154,837**	**1,830,944,059**

INCOME STATEMENT

	Financial year N			
Income Statement	**France**	**Export**	**Total**	**Financial year N-1**
Sales of goods				
Production sold goods				
Production sold services	1,599,009		1,599,009	3,356,486
Net revenues	**1,599,009**		**1,599,009**	**3,356,486**
Production in stock				
Capitalised production				
Operating subsidies				
Reversals on amortisations and provisions, transfers of expenses			28,077	360,687
Other income			1,774	16,497
Total operating income (I)			**1,628,860**	**3,733,671**
Purchases of goods (including customs duties)				
Inventory change (goods)				
Purchases of raw materials and other consumables (including customs duties)				
Inventory change (raw materials and consumables)				
Other purchases and external expenditure			11,761,949	3,433,214
Taxes, duties and similar payments			68,92	456,365
Salaries and wages			3,833,474	4,076,344
Social charges			2,700,513	1,913,341
Operating allocations				
• on fixed assets				
Allocations to amortisations				
Allocations to provisions				
• on circulating assets: provisions allocations				
• for liabilities and charges: provisions allocations			1,090,555	888,177
Other expenditure			305,759	286,881
Total operating expenditure (II)			**19,761,170**	**11,054,322**
OPERATING INCOME			**(18,132,310)**	**(7,320,651)**
Profit attributed or loss transferred				
Loss borne or profit transferred				
Financial income from equity interests			115,348,021	
Income from other securities and capitalised asset receivables			14,440,189	
Other interest and similar income			238,431	16,120
Reversals on provisions and transfers of expenses				
Exchange rate gains			3,431	10,442
Net income on assignments of investment securities				
Total financial income (V)			**130,030,071**	**26,562**
Financial allocations to amortisations and provisions			127,644	145,835
Interest and similar expenditure			25,083,881	10,049,621
Exchange rate losses			4,213	840
Net expenditure on assignments of investment securities				
Total financial expenditure (VI)			**25,215,738**	**10,196,296**
FINANCIAL INCOME (V - VI)			**104,814,333**	**(10,169,734)**
PRE-TAX CURRENT INCOME (I-II+III-IV+V-VI)			**86,682,023**	**(17,490,385)**

INCOME STATEMENT (CONTINUED)

Income Statement (continued)	Financial year N	Financial year N-1
Exceptional income on management operations	31,359	
Exceptional income on capital operations		
Reversals on provisions and transfers of expenses		
Total exceptional income (VII)	**31,359**	
Exceptional expenditure on management operations		5,211
Exceptional expenditure on capital operations		0
Exceptional allocations to amortisations and provisions		5,204,115
Total exceptional expenditure (VIII)		**5,209,326**
EXCEPTIONAL INCOME (VII -VIII)	**31,359**	**(5,209,326)**
Employee profit sharing (IX)		
Income taxes (X)	(30,037,095)	(23,895,180)
TOTAL INCOME (I + III + V + VII)	**131,690,290**	**3,760,233**
TOTAL EXPENDITURE (II + IV + VI + VIII + IX + X)	**14,939,814**	**2,564,764**
PROFIT OR LOSS (TOTAL INCOME - TOTAL EXPENDITURE)	**116,750,477**	**1,195,469**

NOTES TO THE ANNUAL ACCOUNTS

Company: SPIE SA

The balance sheet total for the financial year having ended on 31 December, 2017 amounts to €2,470,154,837.33. The Company generated an income of €116,750,476.52 for the financial year.

The financial year has a duration of 12 months, covering the period from 1st January, 2017 to 31 December, 2017.

1. SIGNIFICANT EVENTS

1.1 SPIE free share allocation plan

The SPIE group decided during its Shareholders' General Meeting of 25 May, 2016 to issue a free performance allocation plan for a targeted category of employees.

The detailed features of the plan are described in the document "Rules for free performance share allocation plan" dated 28 July, 2016 and published by SPIE SA.

The main conditions for the acquisition of performance share provide:

- a definitive granting date of 19 September, 2016;
- a definitive date of acquisition of the shares by the beneficiaries after a period of 3 years, *i.e.* on 28 July, 2019;
- attendance conditions;
- performance conditions.

The attendance conditions stipulate that the beneficiary must be related to one of the Group's companies for the duration of the acquisition period.

The performance conditions are of two types: a condition of internal performance based on the EBITDA and a condition of external performance or so-called market performance based on a comparison between the performance of the SPIE SA share and that of the SBF120.

As an allocation of free shares to be issued, no compensation cost should be recognised in relation to the shares granted to the personnel.

However, the French companies with employees beneficiaries of the free share allocation plan, must record in their accounts accrued liabilities for the specific employer's contribution, as well as possible social security contributions due on the value of free shares distributed on a pro rata basis over the allocation period.

Given the current state of the regulation at the end of the financial year 2017, SPIE SA is liable to pay, at the end of the 3 years of the allocation period, the specific employer's contribution with a rate of 20% for which an amount of €224,000 has been recognised in the annual income for the period going from 1st January to 31 December, 2016.

1.2 SAG Group acquisition

On 31 March, 2017, the Group acquired the German Group SAG ("SAG"), a European provider of services and systems for electric, gas, water and telecommunications networks which focused primarily on servicing transport and distribution networks. SAG's technical expertise covers the entire chain of energy infrastructure, including the design, engineering and installation; SAG also offers a wide range of asset support services. SAG is the German market leader, where it generates about 75% of its revenue, and is also present in Slovakia, Czech Republic, Poland, Hungary and France. SAG employs approximately 8,000 highly qualified employees over more than 170 sites, including 120 in Germany.

With this acquisition, the Group expects to run, in the next two years, synergies related to purchase as well as administrative and operating expenses, for an amount of approximately €20 million (before tax).

The Group considers that the combination of its activities and SAG's activities will make it a leading figure in multi-technical services in Germany by implementing the key indicators that contribute to its enterprise model success, which is specific to the Group, and by relying on a wide range of complementary technical skills, a diversified client base and a densified geographical footprint. Moreover, the Group believes that SAG's acquisition is a good way to pursue its future expansion in central Europe. Benefiting from a strong exposure to long term growth drivers, an existing potential to targeted "*bolt-on*" acquisitions and significant synergies (as anticipated by the Group), this new platform should be well positioned to ensure the Group's long term revenue growth and margin progress. In addition, the Group consider that because of their complementarity, their deeply rooted enterprise culture, their enterprise model which is highly similar, and the full support of SAG's management, the integration of the latter to the Group should be completed swiftly and in favourable conditions.

SAG's entry in the Group's scope of consolidation is effective since 1st April, 2017, the acquisition having been closed on 31 March, 2017. As a consequence, the first consolidated accounts of the Group including SAG were published on 30 June, 2017. This Group is hereinafter referred to as "SPIE SAG".

1.3 €600 million bond issue

On 22 March, 2017, for the purpose of financing the SAG acquisition, SPIE SA issued a €600,000,000 bond. Such bonds, with a 7 years maturity and a 3.125% interest rate, have been listed on Euronext Paris (ISIN Code FR0013245263).

1.4 Loan to SAG Group entities

Loans totalling €586.379 million have been granted to SAG's subsidiaries:

- €290.035 million for SAG BETEILIGUNGS GMBH;
- €23.352 million for SAG GMBH;
- €36.874 million for SAG FINANCE BV;
- €126.256 million for SAG FRANCE SAS;
- €2.860 million for SAG GROUPE GMBH;
- €107.000 million for SPIE Holding GmbH.

All of those loans, except for the €126.256 million for SAG France SAS, were regrouped on 31 August, 2017, under the SPIE DEUTSCHLAND & ZENTRAL EUROPA entity for a total of €460.123 million.

Accrued interests pertaining to those loans were equally transferred.

1.5 Evolution of the Group's shareholding

On 31 December, 2017, SPIE's share capital was equal to €72,415,793.32 divided in 154,076,156 ordinary shares, with a nominal value of €0.47.

No transaction relating to SPIE's share capital was completed since 1st January, 2017.

SPIE's share capital structure is the following:

	%
Caisse de Dépôt et Placement du Québec	8.4%
Société foncière financière et de participation (FFP Invest) (1)	5.5%
Managers (2)	4.7%
Employees shareholding (3)	3.6%
Public (4)	77.8%
Treasury shares	0.0%
TOTAL	**100.0%**

(1) On 5 September, 2017, FFP Invest, a subsidiary of the holding company owned by the Peugeot family, and Clayax Acquisition 5 ("Clayax"), a company controlled by Clayton, Dublier & Rice and Ardian, executed an agreement for the sale of 8 million of SPIE shares. FFP Invest purchased those titles for a total of €189 million.

(2) Former and current Group executives and managers as of 31 December, 2017.

(3) Shares held by Group employees, either directly through the FCPE SPIE Actionnariat 2011/2015 as of 31 December, 2017.

(4) Based on available information as at December 31, 2017.

2. ACCOUNTING RULES AND METHODS

The annual accounts for the financial year 2017 are presented in compliance with the general rules applicable in the matter and in accordance with the prescription of the General Chart of Accounts and the Professional Chart of Accounts for Building and Public Works Industries, and with respect for the principles of prudence and continuity, in compliance with the following basic assumptions:

- continuity of operation;
- permanence of methods;
- independence of financial years.

The basic method used to evaluate the elements recorded in the accounts is the historic costs method.

Change of accounting method

The Company applied ruling ANC N° 2015-05, which applies as from January, 2017, for financial instrument and hedging instruments. This ruling led the Company to record in the P&L as "other income" and "other expenses", exchange rates incomes and losses pertaining to claims or liabilities. Previously, such amounts were exclusively recorded as financial results.

As of 31 December, 2017, such method change has had no significant impact.

2.1 Recognition of revenues

Since 2013, SPIE SA has provided services which are re-invoiced to SPIE Operations in compliance with a service provision agreement signed on 21 December, 2012.

2.2 Affiliated companies

The amounts that are indicated in the different tables concerning the affiliated companies relate to operations undertaken with the subsidiaries of SPIE Operations and the company SPIE SA.

2.3 Intangible fixed assets

The intangible fixed assets mainly include the goodwill and the merger deficit.

In particular, the intangible fixed assets integrate a technical merger deficit which results from the merger of Clayax Acquisition 3 and Clayax Acquisition 4.

In accordance with the new accounting rules of the General Chart of Accounts applicable since 1st January, 2016, the technical loss is allocated in full to the goodwill (account 207).

The goodwill is not amortised. It is the subject of a systematic impairment test upon closure where there is an indication of impairment loss, which leads to recording of a depreciation when its current value is less than its net book value.

The technical merger or combination deficit resulting from operations of mergers or universal transfers of assets are recorded on the assets and are not amortised. They are the subject of an impairment test where there is an indication of impairment loss.

2.4 Tangible fixed assets

N/A

2.5 Capitalised securities

Securities are presented on the balance sheet at their purchase cost.

Equity securities are the subject of a systematic impairment test upon closure which leads to recording of a depreciation when the current value of the securities owned falls below its net book value.

Purchase cost of equity securities:

Owing to the change in tax legislation introduced by the 2007 Finance Act, and relative to the treatment of purchase costs of equity securities, the Emergency Committee of the CNC gave the possibility to companies having opted in 2005 for their immediate deductibility to modify the accounts treatment option selected in 2005, only for equity securities as defined in Article 39-1-5 of the French General Tax Code.

Consequently the purchase costs incurred by the Company during the financial years having ended since 31 December, 2006, and linked to the acquisition of equity securities during these same financial years, are now integrated into the cost price of the securities and are tax deductible by means of amortisation over a period of five years, in compliance with the terms defined by the French General Tax Code Art. 209-VII.

2.6 Stocks and products in progress

N/A

2.7 Receivables and debts

Receivables and debts were recorded at their nominal value.

As necessary, receivables and debts denominated in foreign currency are revalued and recorded at the price of 15 December, 2017, with a view to accelerating the closure process. The exchange rate differences between 15 December, 2017 and 31 December, 2017 do not entail any significant impact on the valuations of the receivables and debts denominated in foreign currency.

Bad debts, where applicable, give rise to the recording of provisions for impairment, determined, on a customer-by-customer basis, according to the assessment of the risk of non-recovery. Receivables overdue by more than 6 months are also the subject of a provision.

The Group cash current accounts are governed by cash agreements between the parent company and its subsidiaries for a duration of one year, renewable tacitly unless terminated by one of the parties.

The compensation rates are calculated in accordance with the following criteria:

- at the EONIA rate reduced by 1/16th per cent per annum for interest relative to the surplus cash invested.
- at the EONIA rate increased by 1/4 per cent for interest relative to the cash requirements financed.

2.8 Treasury shares

After the IPO on 10 June, 2015, the company SPIE SA holds 390 treasury shares corresponding to the unassigned fractional shares consecutive to:

- the stock split and consecutive division of the ordinary shares nominal value reduced from 1 euro (€1) to approximately 0.46 euro;
- the merger between the company SPIE SA, as absorbing company, and each of the four Management companies, as absorbed companies.

The book value of the 390 treasury shares amounts to €7,020.00. It is registered in the account "50200 – Treasury shares" as of 31 December, 2017.

2.9 Cash assets & bank facilities in currency

Where applicable, cash assets and bank facilities denominated in foreign currency are discounted and recorded at the closing price of the financial year.

2.10 Later monitoring of the value of assets

Pursuant to CRC Regulation 2002-10, a check for indication of impairment loss is undertaken on all assets. Where applicable, the recoverable value of these assets is assessed and a provision for depreciation is recorded if the book value is greater than the recoverable value.

2.11 Provisions for liabilities and charges

A provision is constituted when the Company has a legal, regulatory or contractual obligation resulting from prior events, when it is probable that an outflow of resources will be necessary to extinguish the obligation, and when the amount of the obligation can be reliably valued.

The provisions constituted result from disputes over business, commercial or labour tribunal litigation, or other risks.

Generally, each of the known disputes is the subject of examination on the date of drawing up the accounts, and, after any opinions of external advisors, the provisions deemed necessary are constituted to cover the estimated liabilities.

The provisions for risks also include the estimated losses on completion on business outstanding which is provisioned for the part not yet executed.

2.12 Personnel commitments

2.12.1 Pension liabilities and similar benefits

The Company applies the ANC 2013-02 recommendation of 7 November, 2013 on the rules of accounting and valuation of pension liabilities and similar benefits.

The liabilities of the Company resulting from defined benefit plans, and their cost, are valued by an independent actuary in accordance with the projected credit units method. This method consists of valuing the liabilities according to the projected final salary, and the determined benefits in accordance with the provisions of the collective agreement, company agreements or legal rights in force.

These plans are either partially financed, with their assets being then managed separately and independently from those of the Company, or unfinanced. The unfinanced part is the subject of a provision for pensions on the balance sheet.

For the defined post-employment benefits, actuarial differences representing more than 10% of the amount of the liabilities or the market value of the investments are amortised over the residual average duration of presence of the employees within the Company. Actuarial differences representing less than 10% are not recorded. The cost of past services is amortised, in accordance with a linear method, over the average duration remaining until the corresponding rights are acquired to the personnel.

The pension provision is calculated to the benefit of active personnel, Management and ETAM (employees, technicians, supervisors). Labourers' lump sum payments on retirement are covered by an inter-company defined contribution scheme (Caisse BTP/CNPRO plans). Not having information making it possible to allocate the share of the obligations and assets, this plan is recorded as a defined contribution scheme.

The annual expenditure recorded over the financial year for the defined benefits plans represents the rights acquired over the period by each employee corresponding to the cost of services delivered, the financial cost linked to the discounting of liabilities, the income expected from investments, the amortisation of actuarial differences, and the costs of past services resulting from any plan changes, plus the consequences of any reductions and liquidations of plans.

With regard to the valuation of the pension liabilities, the assumptions used by the Company on the terms of departure of its employees (voluntary retirement, retirement age at full rate) correspond to the full rate in accordance with the Fillon law from a default career start age and taking account of the 2013 reform (progressive increase of one quarter every three years of the duration of contribution required to benefit from a full rate pension; this duration will be raised to 43 annual payments from the 1973 generation). These terms also take account of the progressive increase of the legal minimum retirement age from 60 to 62 years (2010 reform), and the Decree of July, 2012 which extended the early retirement system for long careers to insured parties giving evidence of starting work before the age of 20.

2.12.2 Other Long Term Benefits

For the other long term benefits, the liabilities are valued in the same way by an independent actuary, particularly the liabilities relative to length of service awards. The actuarial differences generated and the cost of past services are immediately recorded in income or expenditure for the financial year of their recording.

2.12.3 Individual Employee Training Rights (DIF) and Personal Training Account (CPF)

Law 2004-391 of 4 May, 2004 on professional training throughout life and social dialogue, modifying Articles L. 933-1 to L. 933-6 of the French Employment Code, gives employees benefiting from a private indefinite-term employment contract an individual right to training of a duration of a minimum of 20 hours per year, which could be accumulated over a period of six years (limited to 120 hours).

From 1st January, 2015, the Personal Training Account (CPF) replaced the DIF and enables every employee, throughout their career, to benefit from an individual employee training right whereby the aggregate will rise, for its maximum, from 120 to 150 hours of training over 9 years (20 hours per year for the first 6 years, then 10 hours per year for the next 3 years).

Employees' DIF rights are kept and continue to exist alongside the CPF: the DIF rights can be used until exhausted, and by 2020 at the latest.

The monitoring of the aggregate volume of training hours corresponding to the rights acquired under the DIF and the CPF, and monitoring of the volume of hours of training not having given rise to a request, are now decentralised and can be viewed through an internet portal only accessible to holders of a CPF account.

2.13 Income statement

The exceptional income and expenditure are constituted from the significant elements which, owing to their type, their unusual nature and their non-recurrence, cannot be considered as inherent to the operational activity of the Company.

2.14 Post-closure events

2.14.1 Refinancing of the bank debt

In February, 2018, SPIE SA guaranteed the refinancing of its bank debt through two new facilities regarding which the Company received binding commitments from participating banks, but not drawn as of the present date: a €1,200 million term loan and a €600 million revolving facility, both with a 2023 maturity (against 2020 for the current facilities) and totally unsecured and unguaranteed. Such facilities carry an interest rate of Euribor plus a base margin of 1.70 for the term loan, and 1.30% for the revolving facilities, compared to respectively 2.38% and 2.28% for the existing facilities.

ADDITIONAL INFORMATION RELATIVE TO THE BALANCE SHEET

1. FIXED ASSETS

Box A Fixed assets	Gross value at the start of the financial year	Increases	
		Revaluation	Acq. and contributions
Start-up and development costs (I)			
Other intangible fixed asset items (II)	148,164,574		
Land			
Buildings (Of which components)			
On own land			
On others' land			
Gen. inst, fixtures and fittings of buildings			
Plant, equipment and industrial tools			
Other tangible fixed assets			
General installations, miscellaneous fixtures and fittings			
Transport equipment			
Office equipment and computer furniture			
Recoverable packaging and miscellaneous			
Tangible fixed assets in progress			
Advances and deposits			
TOTAL (III)			
Equity-accounted equity interests			
Other equity interests	1,440,669,595		600,819,113
Other capitalised securities			
Loans and other financial assets			
TOTAL (IV)	**1,440,669,595**		**600,819,113**
GENERAL TOTAL (I+II+III+IV)	**1,588,834,169**		**600,819,113**

Box B Fixed assets	Reductions Transfer	 Assignment	Gross value at the end of the financial year	Revaluation Original value
Start-up and development costs (I)				
Other intangible fixed asset items (II)			148,164,574	
Land				
Buildings				
On own land				
On others' land				
Gen. inst, fixtures and fittings of buildings				
Plant, equipment and industrial tools				
Other tangible fixed assets				
General installations, miscellaneous fixtures and fittings				
Transport equipment				
Office equipment and computer furniture				
Recoverable packaging and miscellaneous				
Tangible fixed assets in progress				
Advances and deposits				
TOTAL (III)				
Equity-accounted equity interests				
Other equity interests		117,546,666	1,923,942,043	
Other capitalised securities				
Loans and other financial assets				
TOTAL (IV)		**117,546,666**	**1,923,942,043**	
GENERAL TOTAL (I+II+III+IV)		**117,546,666**	**2,072,106,617**	

Comments on the main acquisitions, assignments and contributions:

Intangible fixed assets:

a) The principal acquisitions comprise: N/A

b) The principal assignments comprise: N/A

c) The contributions comprise: N/A

Tangible fixed assets:

a) The principal acquisitions comprise: N/A

b) The principal assignments comprise: N/A

c) The contributions comprise: N/A

Financial assets:

a) The principal acquisitions comprise:

Loans of €586.4 million granted to new SAG subsidiaries:

- €290 million for SAG BETEILIGUNGS GMBH;
- €23.4 million for SAG GMBH;
- €36.9 million for SAG FINANCE BV;
- €126.2 million for SAG FRANCE SAS;
- €2.9 million for SAG GROUPE GMBH;
- €107 million for SPIE HOLDING GMBH.

Whole of those loans, except for the €126.2 million loan for SAG France SAS, have been regrouped as at 31 August, 2017 under the SPIE DEUTSCHLAND & ZENTRALEUROPA structure for a total of €460.1 million.

Accrued interests relating to these loans have followed the same transfer.

b) The principal assignments comprise:

Repayment of part of the €114 million loan by SAG France SAS.

On accrued interests: €3.6 million have been repaid over a total of €14.4 million, €1.546 million by SAG FINANCE BV and €2.1 million by SAG FRANCE SAS.

As of 31 December, 2017, loans are distributed between 2 subsidiaries: €12.3 million on SAG FRANCE and €460.1 million on SPIE D&ZE, *i.e.* a total balance of €472.4 million.

As of 31 December, 2017, the amount of the accrued interests to be received is equal to €10.8 million.

c) The contributions comprise: N/A

2. AMORTIZATION

N/A

3. STOCKS AND WORKS IN-PROGRESS

N/A

4. PROVISIONS

Nature of the provisions	Start of the financial year	Allocations	Reversals	End of the financial year
Provisions mining and oil deposits				
Provisions investments				
Provisions for price rise				
Exceptional amortisations*	39,030,858			39,030,858
• Of which exceptional increases of 30%				
Provisions foreign establishment before 1/1/1992				
Provisions foreign establishment after 1/1/1992				
Provisions for establishment loans				
Other regulated provisions				
TOTAL (I)	**39,030,858**			**39,030,858**
Provisions for dispute				
Provisions for guarantee				
Provisions for losses on forward markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Provisions for pensions	5,844,601	1,218,199		7,062,800
Provisions for taxes				
Provisions for renewal of fixed assets				
Provisions for major maintenance				
Provisions for soc. sec. and tax charges on paid leave				
Other provisions for liabilities and charges				
TOTAL (II)	**5,844,601**	**1,218,199**		**7,062,800**
Provisions on intangible fixed assets				
Provisions on tangible fixed assets				
Provisions on equity-accounted securities				
Provisions on equity securities				
Provisions on other financial assets				
Provisions on stocks				
Provisions on customer accounts				
Other provisions for depreciation				
TOTAL (III)				
GENERAL TOTAL (I+II+III)	**44,875,459**	**1,218,199**		**46,093,658**
Of which operating allocations and reversals		1,090,555		
Of which financial allocations and reversals		127,644		
Of which exceptional allocations and reversals				
depreciation of equity-accounted securities				

Comments on the principal significant provisions by category:

- *Regulated provisions:* they concern excess tax depreciation over normal depreciation on acquisition costs of the Financière SPIE's shares for an amount of €39,030,857 depreciated in full since 31 August, 2016.
- *Provisions for liabilities and charges:* the allocation of provisions for lump sum payment on retirement include the valuation of services for an amount of €1,090,555 and the financial part linked to the costs of discounting the provision for an amount of €127,644.00.

5. RECEIVABLES AND DEBTS

Box A Statement of Receivables		Gross amount	Up to one year	Over one year
Receivables concerning equity interests		483,272,447	483,272,447	
Loans				
Other financial assets				
TOTAL RECEIVABLES LINKED TO THE CAPITALISED ASSETS		**483,272,447**	**483,272,447**	
Bad or litigious customers				
Other trade receivables				
Receivables representative of securities lent				
Prov. for prior dep. constituted.				
Personnel and related receivables				
Social security and other social organisations				
State and other public authorities	Income tax	16,990,038	16,990,038	
	Value added tax	557,999	557,999	
	Other tax			
	State - miscellaneous	4,999,378	4,999,378	
Groups and Shareholders		373,010,534	373,010,534	
Miscellaneous debtors		301,447	301,447	
Total receivables linked to the circulating assets		**395,859,397**	**395,859,397**	
Prepaid expenditure		2,150,607	2,150,607	
TOTAL RECEIVABLES		**881,282,452**	**881,282,452**	
Loans granted during the financial year		586,378,924		
Repayments obtained during the financial year		113,941,944		
Loans and advances granted to Shareholders				

Box B

Statement of debts		Gross amount	Up to one year	One to five years	Over five years
Convertible bond loans					
Other bond loans		600,000,000			600,000,000
Loans with credit institutions originally under 1 year					
Loans with credit institutions originally over 1 year		422,688,480	14,648,547	408,039,934	
Miscellaneous loans and financial liabilities					
Trade accounts payable and related payables		515,097	515,097		
Personnel and related payables		3,249,325	3,249,325		
Social security and other social organisations		358,264	358,264		
State and other public authorities	Income tax				
	Value added tax				
	Secured bonds				
	Other taxes	79,204	79,204		
Debts on fixed assets and related debts					
Groups and Shareholders		53,440,719	53,440,719		
Other debts		148,718	148,718		
Debt representative of securities borrowed					
Prepaid income					
TOTAL DEBTS		**1,080,479,808**	**72,439,875**	**408,039,934**	**600,000,000**
Loans taken out during the financial year		600,000,000	Borrowing from private individuals		
Loans repaid during the financial year					

Receivables

Receivables on equity interests are firstly linked to loans made to SAG's German subsidiaries, and secondly to SPIE D&ZE, for a total amount of €589.4 million.

€113.9 million of loans, as well as €2 million of interests have been repaid during the year by SAG FRANCE SAS, *i.e.* 90% of the amount initially loaned.

A claim linked to the additional corporate tax contribution of 3% of the revenues distributed during 2016 and 2017 to its Shareholders pursuant to Article 235 *ter* ZCA of the French tax Code has been made with the Tax authority.

A €5 million receivable pertaining to the State has been recorded.

Debts

The fraction of debts represented by provisions on non-reached invoices amounts, as of 31 December, 2017, to €138,873. It is mainly composed of Statutory Auditors' fees and Natixis fees.

A €600 million bond was issued on 30 March, 2017 in order to finance SAG's acquisition. Almost all of the interest increases are linked to this bond.

The principal operations with the affiliated companies represent a sum of:

- €1,440,669,595 on the equity securities;
- there are no intragroup trade accounts receivable and related receivables;
- €483,272,447 on receivables linked to equity interests (SAG loan of €472M and €10.8M in interests);
- €365,554,574 on other receivables, which mainly concern cash advances;
- there are no intragroup trade debts and related debts;
- €53,440,719 on other debts, which concern the tax consolidation current account.

6. AFFILIATED COMPANIES: ELEMENTS PERTAINING TO SEVERAL BALANCE SHEET ITEMS

	Amount concerning companies		31 Dec., 2017
	Affiliated	**With a holding connection**	**Debts/ receivables repres. by commercial papers**
Advances and deposits paid on fixed assets			
Intangible			
Tangible			
Financial assets			
Equity interests	1,440,669,595		
Receivables concerning equity interests	483,272,447		
Loans			
Other capitalised securities			
Other financial assets			
	1,923,942,043		
Receivables			
Suppliers: advances and deposits paid			
Trade receivables and related receivables			
Other receivables	11,949		
Unpaid called-up share capital			
	11,949		
Cash assets			
Financial current accounts	365,554,574		
	365,554,574		
Miscellaneous financial liabilities			
Debts concerning equity interests			
Miscellaneous financial loans and debts			
Financial current accounts			
Clients: advances and deposits received			
Supplier debts			
Debts on fixed assets			
Other debts	53,440,719		
	53,440,719		

7. EQUITY INCREASE/DECREASE

Equity	Opening	Increase	Reduction	Dist. Dividends	Appropriation of earnings N-1	Contributions and mergers	Closure
Share or individual capital	72,415,793						72,415,793
Issue, merger, contribution premiums, etc.	1,170,496,439						1,170,496,439
Revaluation surplus							
Legal reserve	7,241,579						7,241,579
Statutory or contractual reserves							
Regulated reserves							
Other reserves							
Carry forward	81,793,893	207		106,312,485	1,195,469		(23,322,916)
Income for the financial year	1,195,469	116,750,477			(1,195,469)		116,750,477
Investment subsidies							
Regulated provisions	39,030,858						39,030,857.59
TOTAL EQUITY	**1,372,174,031**	**116,750,684**		**106,312,485**	**0**		**1,382,612,230**

Share capital

As of 31 December, 2017, the share capital of SPIE SA amounted to €72,415,793.32 into 154,076,156 ordinary shares, all of the same category, of a par value of €0.47.

During 2017, no share capital operation occurred.

8. NUMBER AND PAR VALUE OF THE COMPONENTS OF THE SHARE CAPITAL

	Number at start of the financial year	Created during the financial year	Redeemed during the financial year	Number as of 31 Dec., 2017	Par value
Ordinary shares	154,076,156			154,076,156	0.47
Amortised shares					
Priority dividend shares (without voting right)					
Preferred shares					
Company shares					
Investment certificates					
TOTAL	**154,076,156**			**154,076,156**	

9. INFORMATION RELATIVE TO MERGER AND SIMILAR OPERATIONS

No merger operation occurred during the financial year:

- allocation of the merger deficit: N/A;
- conditions for the depreciation or exit of the merger deficit: N/A.

10. EXPENSES PAYABLE

Expenses payable	Amount
Convertible bond loans	
Other bond loans	
Loans and debts with financial institutions	14, 648,547
Miscellaneous loans and financial liabilities	
Advances and deposits received on orders in progress	
Supplier debts and related debts	438,873
Tax and social security debts	2,610,955
Debts on fixed assets and related debts	
Other debts	
TOTAL	**17,698,374**

11. INCOME RECEIVABLE

N/A

12. PREPAID INCOME & EXPENDITURE

The nature and amounts of the Prepaid Income are as follows:

- prepaid Income linked to the "advancement" method (*cf*. Section 2.1): N/A;
- other Prepaid Income: N/A.

The nature and amounts of the Prepaid Expenditure are as follows:

- prepaid Expenditure linked to the "advancement" method (*cf*. Section 2.1): N/A;
- other Prepaid Expenditure for €2,150,607 mainly (91.5%) linked to the financing of the CICE.

ADDITIONAL INFORMATION RELATIVE TO THE INCOME STATEMENT

1. BREAKDOWN OF REVENUES

Breakdown of revenues	Financial year N	Financial year N-1	Increase/Decrease
DISTRIBUTION BY ACTIVITY SECTOR			
Sales of goods			%
Production sold goods			%
Production sold services	1,599,009	3,356,486	-52%
DISTRIBUTION BY GEOGRAPHICAL MARKET			
Net revenues-France	1,599,009	3,356,486	-52%
Net revenues-Export			%
NET REVENUES	**1,599,009**	**3,356,486**	**-52%**

2. FINANCIAL INCOME

The financial income amounted to €104,814,333 as of 31 December, 2017.

The financial revenues amounted to €130,030,071 and are principally broken down into:

- dividends: 115,348,021 (coming from Financière SPIE);
- revenues from term receivables: €14,440,189 (interests from loans to subsidiaries);
- other financial products: €238,431 (interests claim 3% contribution s/ dividends);
- foreign exchange gains: €3,430.53;
- interest on Group current account: N/A;
- reversal of provision on cash current account to: N/A.

The financial expenditure amounted to €25,215,738 and is principally broken down into:

- foreign exchange losses: €4,213;
- interest on Group current account: N/A;
- interest on bank debts: €25,083,881 (including €14.6 million on bonds);
- moratorium interest: N/A;
- allocations of provision on cash current account to: N/A;
- allocations of provision on equity securities: N/A;
- financial allocation linked to the costs of discounting the provisions for lump sum payments on retirement: €127,644;
- contract penalties – supplier deadlines: N/A.

3. EXCEPTIONAL INCOME

The exceptional income amounted to €31,359 as of 31 December, 2017.

The exceptional income of €31,359 is composed of:

- Tax relief: €31,359.

The exceptional expenses are 0 at 31 December, 2017.

4. TRANSFERS OF EXPENDITURE

Transfers of expenditure	Operation
Transfers of operating expenditure	28,077
Transfers of financial expenditure	
Transfers of exceptional expenditure	
TOTAL	**28,077**

Breakdown of transfers of operating expenditure principally:

- the illness reimbursement for €26,327;
- repayment of training expenses for €1,750.

5. WORKFORCE

	Average salaried workforce	
Workforce	**N**	**N-1**
Managers	9	10
ETAM [clerical, technical and supervisory staff]		
Labourers		
TOTAL	**9**	**10**

6. REMUNERATIONS ALLOCATED TO THE EXECUTIVE OFFICERS

Pursuant to Article 24-18 of Decree 83-1020 of 29 November, 1983, no information will be communicated as this would make it possible to identify the situation of a determined member of the management organs.

7. INCOME TAXES

	Current income	Exceptional income	Equity interest	Tax credits	Holdbacks
Pre-tax income	**86,682,023**	**31,359**		**0**	**0**
Taxes:					
• at the rate of %	(29,890,953)			0	(146,142)
• on Long term capital gains	0			0	0
INCOME AFTER TAX	**116,572,976**	**31,359**		**0**	**146,142.00**

Method used:

The tax corrections have been reclassified according to their nature in current income, exceptional income and equity interest.

Tax consolidation:

The Company has been placed under the regime of tax consolidation of the SPIE SA Group since 1st January, 2012.

The tax recognized corresponds to the tax which should have been borne in the absence of tax consolidation.

At the time of the exit from the tax Group of a subsidiary which signed the consolidation agreement, and whatever may cause such exit, the subsidiary will thereafter be placed under the ordinary tax system, it will lose certain tax prerogatives, such as the ability to carry forward its deficits and long term losses generated during the consolidation in accordance with Articles 209 1-3 and 220 *quinquies* of the French tax Code.

As such, the parties to the consolidation agreement reserve the right to negotiate, at the time of the subsidiary's exit, the principle and amount of the exiting subsidiary's indemnification.

Considering the profit of the tax Group in 2017, SPIE SA has recorded a corporate income tax expense of €3,873,782 and a tax consolidation revenue of €33,764,735.

In the absence of tax consolidation, the Company would also not have paid any corporate income tax owing to its tax deficit in 2017.

FINANCIAL LIABILITIES AND OTHER INFORMATION

1. COMMITMENTS GIVEN

- Bank bonds: N/A
- Endorsements, bonds and guarantees: N/A
- Other liabilities given: N/A
- Personal training account: on 1st January, 2015, the hours linked to the Individual Employee Training rights (DIF) were transferred to the Personal Training Account (CPF) and are no longer monitored by the Company.

2. COMMITMENTS RECEIVED

- Supplier bonds: N/A
- Discounted effects not due: N/A
- Balancing subsidies: N/A
- Director shares: N/A

3. MANAGEMENT OF THE RATE RISK

To optimise its costs and sources of finance, the Company may take out rate guarantee contracts with its parent company.

Amount subscribed as of 31 December, 2017: € 0

4. DEFERRED TAXATION

Description	31 Dec., 2017	31 Dec., 2016
BASES FOR INCREASING THE FUTURE TAX DEBT		
Regulated provisions	39,030,858	39,030,858
Investment subsidies		
UCITS securities valuation loss		
Unrealised exchange loss		
Other expenditure deducted in advance		
Long-term capital gains with deferred taxation		
Total bases for increasing the future tax debt	**39,030,858**	**39,030,858**
Total future tax liabilities	**13,439,625**	**13,439,625**
BASES FOR REDUCING THE FUTURE TAX DEBT		
Amortisations of software		
Potential losses on long-term contract		
Provisions for pensions and similar obligations	7,062,800	5,844,601
Other liabilities and charges provisioned		
Expenditure payable	753,996	2,243
UCITS securities valuation gain		
Unrealised exchange gain		
Other income taxed in advance		
Deficits carried forward for tax purposes	96,982,564	113,989,000
Total bases for reducing the future tax debt	**104,799,360**	**119,835,844**
Total future tax assets	**36,085,913**	**41,263,476**
NET SITUATION	**(22,646,288)**	**(27,823,850)**
(1) Tax rate:	*34.43*	*34.43*
Of which normal corporate income tax rate:	*33.33*	*33.33*
Social contribution on tax:	*3.30*	*3.30*

5. LIST OF SUBSIDIARIES AND EQUITY INTERESTS

Subsidiaries and equity interests	Share capital [4]	Reserves and carry forward before appropriation of earnings [4]	Share of capital held (%)	Book values of securities held		Loans and advances granted not yet repaid	Amount of bonds and endorsements given by the Company	Tax-exclusive revenues of last financial year	Income for the last financial year	Dividends received by the Company during financial year
				Gross	Net					
A. DETAILED INFORMATION [1] [2]										
Subsidiaries (+50% of share capital held by the Company)				**1,440,669,595**	**1,440,669,595**	**315,079,816**				
Financière SPIE	678,518	405,622,189	100%	1,440,669,595	1,440,669,595	315,079,816		0	69,114,791	82,027,128
Equity interests (10 to 50% of the share capital) – to be detailed										
B. OVERALL INFORMATION CONCERNING THE OTHER SUBSIDIARIES AND EQUITY INTERESTS NOT COVERED IN A										
French subsidiaries (all)										
Foreign subsidiaries (all) [3]										
Equity interests in French companies										
Equity interests in foreign companies										
TOTAL				**1,440,669,595**	**1,440,669,595**					

(1) The book value of which exceeds a certain percentage (determined by the legislation) of the share capital of the Company legally bound to publication. When the company has annexed a consolidated accounts balance sheet to its balance sheet, in compliance with the legislation, this company only gives information comprehensively (Section B), by distinguishing (a) French subsidiaries (all) and (b) foreign subsidiaries (all).

(2) For each subsidiary and entity with which a company has an equity connection, indicate the name and registered office.

(3) Foreign subsidiaries and equity interests which, for exceptional reasons, are not recorded in Section A, are recorded in these categories.

6. IDENTITY OF CONSOLIDATING COMPANIES

The SPIE SA company is the head Company of consolidation for all companies of the SPIE group.

7. OTHER OPERATIONS NOT RECORDED ON THE BALANCE SHEET

The Company has no operation with the affiliated parties to mention.

8. PERSONNEL BENEFITS

Annexe 1:

VALUATION OF LIABILITIES	
Total current value of the liabilities as of 1st January, 2017	**17,344,613**
Normal expenditure for the financial year	559,438
Interest expenditure	255,961
Contributions paid by employees	-
Modifications of scheme	-
Acquisitions of business	-
Transfer of all assets and liabilities	-
Transfer on 1st January	-
Liquidations/Reductions in scheme/Redundancies	-
Actuarial losses (and gains)	39,970
Benefits paid	(561,042)
Other	-
Total current value of liabilities as of 31 December, 2017	**17,638,940**
HEDGING OF LIABILITIES	
Market value of funds invested as of 1st January, 2017	**8,554,547**
Actual return of funds	299,254
Employer's contributions	-
Employee contributions	-
Modifications of scheme	-
Acquisitions of business	-
Assignments of business	-
Transfer of personnel	-
Reductions in scheme	-
Liquidations of scheme	-
Benefits paid	(561,042)
Other	-
Market value of fund invested as of 31 December, 2017	**8,292,760**
EXPENDITURE 2017	
The pension costs covered can be broken down as follows:	
Normal expenditure for the financial year	559,438
Interest expenditure	255,961
Return expected from funds	(128,318)
Amortisation of modifications of scheme	-
Amortisation of actuarial losses (and gains)	531,116
Effect of reductions/liquidations/redundancies	
Net cost over the period	**1,218,197**
Financial hedging	**9,346,180**
Actuarial (losses) and gains not recognised	(2,283,380)
Costs of past services not recognised	-
AMOUNT PROVISIONED – IAS 19/EMPLOYEE BENEFITS	**7,062,800**

The discounting rate is 2% and the method of retirement is valued on the voluntary departure.

20.2.2 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
S.A.S. with a share capital of €2.510.460
672 006 483 R.C.S. Nanterre

Auditors,
member of the Versailles regional company

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris La Défense Cedex
S.A.S. with a variable share capital
438 476 913 R.C.S. Nanterre
Auditors,
member of the Versailles regional company

SPIE SA

Year ended December 31, 2017

Statutory Auditors' report on the annual financial statements

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of SPIE SA,

Opinion

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying financial statements of SPIE SA for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

Emphasis of Matter

We draw attention to the change in method described in Note 2 to the financial statements relating to the application as from January 1st, 2017 of the regulation No 2015-05 of the French National Accounting Standards Body *(Autorité des Normes Comptables)* on forward financial instruments and hedging transactions. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity interests

Risk identified	Our response
Equity interests held by SPIE SA correspond exclusively to the shares of Financière Spie, a Group's sub-holding company, which represent more than 75% of its total assets. Equity interests are systematically tested for impairment at the end of the reporting period; an impairment loss is recorded when the current value of the shares held falls below their carrying amount, as described in Note 2.5 to the financial statements. Given the materiality of these interests in the Company's balance sheet and the degree of judgment required from management in terms of assessing their current value, we considered the valuation of equity interests as a key audit matter.	Taking into account the information provided to us, our work consisted primarily in assessing the method and data that were used to estimate the equity interests' current value. Accordingly, we carried out the following procedures: • assessing that the appropriate method was used and that it was used correctly; • evaluating the consistency of the assumptions used and the main estimates with those analyzed during our work on impairment of goodwill; • assessing that the valuation took into account the debt of the relevant entity; • assessing the consistency of the valuation made with the Group's stock market value.

Verification of the Management Report and of the Other Documents Provided to the Shareholders

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

Information provided in the Management Report and in the Other Documents Provided to the Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code *(Code de commerce)*.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L. 225-37-5 of the French Commercial Code *(Code de commerce)*, we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of SPIE SA by the Annual General Meeting held on November 15, 2011 for PricewaterhouseCoopers Audit and by the articles of incorporation of May 27, 2011 for ERNST & YOUNG et Autres.

As at December 31, 2017, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the 7th year of total uninterrupted engagement, which are the 3rd year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly sur Seine Cedex and Paris-La Défense, March 26, 2018

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Yan Ricaud	Henri-Pierre Navas

20.3 DATES OF THE MOST RECENT FINANCIAL INFORMATION

The latest financial information about the Group verified by the Statutory Auditors consists of the consolidated financial statements at 31 December, 2017.

20.4 DIVIDEND POLICY

20.4.1 DIVIDEND PAYMENT POLICY

The Group's dividend policy is described in Section 13.1.2 of this Registration Document.

20.4.2 DIVIDENDS PAID FOR THE YEARS 2016 AND 2017

For the year 2016, the Company paid a dividend of €0.53 per share on 31 May, 2017.

For the year 2017, an interim dividend of €0.16 per share was paid on September, 2017.

A proposal will be put to the Shareholders' General Meeting to pay a dividend of €0.56 per share for 2017. Following the payment of the interim dividend paid in 2017, the remainder of the dividend to be paid for 2017 will amount to €0.40 per share. Unless decided otherwise by the Shareholders' General Meeting, the coupon will be issued on 29 May, 2018 and the cash payment will be made on 31 May, 2018.

20.5 LEGAL PROCEEDINGS AND LITIGATION

Due to the complex nature of the services provided by the Group and the multiplicity of its customers, it may be involved in legal, arbitration, administrative or regulatory proceedings in the normal course of its business. The Group records a provision as soon as there is sufficient probability that such disputes result in costs to be paid by the Company or by one of its subsidiaries, and the amount of such costs can be reasonably estimated.

At the date of this Registration Document, the Group had no knowledge of any governmental, legal or arbitration proceedings (including any proceedings of which the Group was aware, either pending or threatened) other than those described below that, during the last twelve months, could have or have had significant impacts on the financial position or profitability of the Company or the Group.

At 31 December, 2017, the Group's total provisions for litigation amounted to €47.7 million.

UNCOMPETITIVE PRACTICES IN SOUTH-WEST FRANCE

In a decision in October 2011, the French competition authority ("**ADLC**") sentenced ten firms, including SPIE Sud-Ouest, on the grounds that between 2003 and 2005 they had engaged in concerted practices with competitors in connection with calls for tender in the electrification and electrical installation markets in the SW region of France. The ADLC ruled that artificially high prices resulted from those practices and ordered SPIE Sud-Ouest to pay a fine of €5.1 million. In November, 2011, SPIE Sud-Ouest appealed this decision before the Paris Court of Appeal, disputing the reason for the decision and the amount of the financial penalty. However, in 2012, SPIE Sud-Ouest paid the fine it was ordered to pay, 90% of this amount was reimbursed to the Group by AMEC in accordance with the indemnity undertaking made to the Group by AMEC as part of its 2006 sale of the Group to PAI Partners (in terms of which AMEC is required to reimburse the Group, for certain disputes, up to 90% of amounts paid by the Group as a result of a court order, the "**AMEC Indemnity Undertaking**"). In March, 2013, the Paris Court of Appeal dismissed SPIE Sud-Ouest's appeal; the firm then lodged an appeal with the French Supreme Court of Appeal (*Cour de cassation*).

In a judgement dated October, 2014, the French Supreme Court of Appeal reversed the Paris Court of Appeal's decision of March, 2013, but only regarding the confirmation of the amount of the penalty imposed against SPIE Sud-Ouest, and sent the parties back to the Paris Court of Appeal sitting in a different formation. In a decision dated January, 2016, the Paris Court of Appeal reduced the monetary sanction of SPIE Sud-Ouest to an amount of €4.5 million. This decision is being appealed before the French Supreme Court of Appeal (*Cour de cassation*).

In a decision dated 27 September, 2017, the French Supreme Court of Appeal (*Cour de cassation*) rejected the appeal of SPIE Sud-Ouest.

RECOURSE OF THE ÎLE-DE-FRANCE REGION - LYCÉES D'ÎLE-DE-FRANCE

In a decision of May, 2007, the French Competition Council, now the ADLC, sentenced several firms, including certain Group entities, on the grounds that between 1991 and 1996 they had engaged in uncompetitive practices in connection with the award of contracts to renovate secondary school buildings in the Île-de-France region. In February, 2010, on the basis of this ruling, the Île-de-France Region filed a claim before the Paris Civil Court of First Instance (*tribunal de grande instance*) to obtain a ruling that the firms and individuals involved be ordered to pay the region *in solidum* the sum of €358.8 million, an amount subsequently reduced to €232.1 million, together with interest at the statutory rate since July, 1997, in respect of the losses it claimed to have suffered as a result of these illegal agreements. In December, 2013, the Paris Civil Court of First Instance ruled that the action of the Île-de-France region was time-barred and that its claims were inadmissible. In January, 2014, the Île-de-France Region appealed the ruling before the Paris Court of Appeal.

In October, 2014, the Prefect of Paris and the Île-de-France Region addressed to the public prosecutor at the Paris Court of Appeal a denial of jurisdiction asking to transmit it to the President of the Paris Court of Appeal and to invite the parties to file an appeal before the administrative court. By a decision dated June, 2015, the Paris Court of Appeal rejected the denial of jurisdiction. By an order dated July, 2015, the Prefect of the Île-de-France Region then escalated the conflict. By a decision dated November, 2015, the Conflict Court confirmed the conflict order taken by the Prefect of the Île-de-France Region and declared void the procedure before the Paris Court of Appeal and the decision issued by this Court of Appeal in June, 2015.

The Conflict Court having ruled on the administrative nature of this case, the case has been referred to the Administrative Court.

Between March and June, 2017, the Île-de-France Region submitted 88 applications (received between May and August) to the French Administrative Court of Paris (*tribunal administratif de Paris*) including a compensation claim and a request for an expert appraisal for each market.

Claims made by the Île-de-France Region totalled €293,361,362 (excluding interest and Article L. 761-1 of the French Administrative Justice Code).

The Group believes that it has strong arguments to challenge the existence and the amount of the damages allegedly caused to the Region by the Group. In addition, the Group believes that these proceedings are covered by the AMEC Indemnity Undertaking.

RECOURSE BY SNCF - EOLE

In a decision in March, 2006, the French Competition Council, which became the ADLC, convicted several companies, including SPIE Operations, on the grounds that they had engaged in anti-competitive practices in connection with the award of tenders related to the public works sector in the Île-de-France region. On the basis of this ruling, which was confirmed by a decision of the French Supreme Court (*Cour de cassation*) in October, 2009, SNCF, the French national railway operator, filed a claim in March, 2011 with the French Administrative Court of Paris (*tribunal administratif de Paris*) asking that the companies convicted in 2006 be jointly ordered to pay it the sum of €59.6 million, for indemnification for the loss it had allegedly suffered as a result of the anti-competitive practices relating to contracts entered into for the construction of the EOLE line. In July, 2014, the Clerk's office of the Administrative Court of Paris (*Greffe du tribunal administratif de Paris*) sent to the relevant companies, which include subsidiaries of the Group, a new supplementary and recapitulative brief from SNCF. SNCF requested the cancellation of the procurement contract relating to the public works necessary for construction of the underground railway station Magenta in connection with project EOLE (Lot 34B) and therefore requested a joint order against the relevant companies, including SPIE Operations, to pay an amount of approximately €197.7 million, together with interest at the legal rate, capitalised, since March, 2011, which corresponds to the amounts paid by SNCF to these companies pursuant to this Lot. SNCF has also instituted proceedings to cancel the procurement contract relating to the public works necessary for construction of the underground railway station Saint-Lazare Condorcet in connection with the EOLE project (Lot 37B) and therefore requested a joint order against the relevant companies including SPIE Operations to pay an amount of approximately €281.4 million, together with interest at the legal rate, capitalised, since March, 2011, which corresponds to the amounts paid by SNCF to these companies pursuant to this Lot. SNCF also requested from the Administrative Court of Paris a joint order against these companies to guarantee the payment of the abovementioned amounts requested, up to the amount of the cost overruns, namely €33.9 million for the Lot 34B and €37.2 million for the Lot 37B, for indemnification for the loss it had allegedly suffered as a result of the anti-competitive practices of the other companies which participated in the tender but were not granted the Lot.

In February, 2016, a settlement agreement was reached between all the companies (including SPIE Operations), except for a few, and SNCF, by which the parties withdrew their claims. In a decision in May, 2016, the French Administrative Court of Paris (*tribunal administratif de Paris*) accepted the withdrawal of the claims and proceedings of the parties under the settlement agreement and rejected SNCF's claim for indemnification for the loss it had allegedly suffered as a result of the anti-competitive practices.

In July, 2016, SNCF filed a petition with the Paris Administrative Court of Appeals (*cour administrative d'appel de Paris*) to overturn the decision of the French Administrative Court of Paris (*tribunal administratif de Paris*) which rejected its claims for indemnification against the companies not involved in the settlement agreement and requested that such companies be forced to compensate SNCF for the loss it allegedly suffered as a result of the above mentioned anti-competitive practices. These companies also filed a petition with the Paris Administrative Court of Appeals (*cour administrative d'appel de Paris*) for the cancellation of the decision of the French Administrative Court of Paris (*tribunal administratif de Paris*) which acknowledges the withdrawals of the parties to the settlement agreement and SNCF and the confirmation of the dismissal of SNCF's claim for indemnification.

In its decisions of 29 December, 2017, the Paris Administrative Court of Appeal (*Cour administrative d'appel de Paris*) confirmed the ruling of the Administrative Court of Paris which pronounced the withdrawal of the SNCF and the companies party to the settlement agreements, and the rejection of the compensation claim by SNCF (based on which the legal action was instituted). The SNCF lodged an appeal with the French Supreme Court of Appeal (*Cour de cassation*) against the decisions pronounced by the Paris Administrative Court of Appeal and, on the present date, the proceedings are still ongoing.

The Group believes that these proceedings are covered by the AMEC Indemnity Undertaking.

INVESTIGATION INTO CALLS FOR TENDER LAUNCHED IN THE PUBLIC LIGHTING SECTOR IN ARDÈCHE

In November, 2013, following an investigation request from the Ministry of the Economy and Finance, and a request from the DIRECCTE of [1] the Rhône-Alpes region citing five calls for tender launched in the public lighting sector in Ardèche, inspections and seizures were conducted at 11 firms, including one branch of SPIE Sud-Est. At the date of this Registration Document, SPIE Sud-Est was not aware of any grievances or proceedings.

INVESTIGATION INTO A PRIVATE CONTRACT IN FINISTÈRE

In January, 2015, inspections and seizures were conducted by law enforcement officers at the premises of SPIE Ouest-Centre as part of an investigation into the award of certain contracts relating to the building of a plant in Finistère in 2013. At the registration date of this Registration Document, SPIE Ouest-Centre was not aware of any proceedings.

20.6 SIGNIFICANT CHANGE IN THE FINANCIAL OR BUSINESS POSITION

To the Company's knowledge, there has been no significant change in the financial or business position of the Group since 31 December, 2017.

(1) Regional Directorate for Companies, Competition, Consumers, Work and Employment

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SUPPLEMENTARY INFORMATION

21.1 SHARE CAPITAL

21.1.1 PAID-UP SHARE CAPITAL AND AUTHORISED BUT UNISSUED SHARE CAPITAL

At the date of this Registration Document, the Company's share capital amounted to €72,415,793.32 divided into 154.076.156 ordinary shares with a par value of €0.47, fully paid up.

On 25 May, 2016, the Shareholders' General Meeting adopted the following financial delegations:

Resolution	Subject of the delegation	Maximum duration	Maximum nominal amount	Use during financial years 2016 and 2017
11th Resolution	Delegation of authority to the Board to increase share capital by capitalisation of premiums, reserves, profits or other amounts	26 months	€14,500,000 (approximately 20% of share capital)	Nil
12th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, with subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving rights to securities to be issued	26 months	Issuance of share capital: €36,000,000 [1] (approximately 50% of share capital) Issuance of debt securities: €1,000,000,000 [3]	Nil
13th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving rights to securities to be issued as part of a public offer [6]	26 months	Issuance of share capital: €14,500,000 [1][2] (approximately 20% of share capital) Issuance of debt securities: €1,000,000,000 [3]	Nil
14th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving rights to securities to be issued, through private placements in accordance with Article L. 411-2-II of the French Financial and Monetary Code	26 months	Issuance of share capital: €14,500,000 [1][2] (approximately 20% of share capital) Issuance of debt securities: €1,000,000,000 [3]	Nil
15th Resolution	Delegation of authority to the Board, in the event of an issue without subscription rights, *via* a public [6] offer or private placements set out in Article L. 411-2-II of the French Financial and Monetary Code, to determine the issue price in accordance with the terms set by the Shareholders' General Meeting, up to 10% of the share capital per year	26 months	Issuance of share capital: €14,500,000 [1][2] (approximately 20% of share capital) Issuance of debt securities: €1,000,000,000 [3]	Nil

Resolution	Subject of the delegation	Maximum duration	Maximum nominal amount	Use during financial years 2016 and 2017
16th Resolution	Authorisation to the Board to increase issuance amount with or without subscription rights	26 months	Up to the limit set out by the applicable regulation (currently 15% of the initial issuance (1)	Nil
17th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities giving access to other securities and/or giving rights to debt and/or equity securities giving access to securities to be issued against contributions in kind up to 10% of the share capital	26 months	Issuance of share capital: €7,000,000 (1) (approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (3)	Nil
20th Resolution	Authorisation to the Board to issue new or existing bonus shares to employees and corporate officers of the Company and related entities	38 months	3% of the number of shares making up the share capital at the date of the decision to award them (1)(4)(5)	Decision from the Board of Directors dated 28 July, 2016 for the issuance of 1,098,155 performance shares representing 0.71% of the Company's share capital for 420 of the Group's corporate officers and employees (see Section 17.2.2 of this Registration Document)
21st Resolution	Authorisation to the Board to award stock options to eligible Group employees and corporate officers	38 months	3% of the number of shares making up the share capital at the date of the decision to award them (1)(4)(5)	Nil

(1) Delegation subject to the global limit on share capital increases of €36,000,000 (i.e. around 50% of the share capital).

(2) A subceiling of €14,500,000 (approximately 20% of the share capital) is applicable to these delegations.

(3) Delegation subject to the overall ceiling for debt security issues of €1,000,000,000.

(4) The overall maximum nominal amount of capital increases likely to be carried out under this delegation is part of the overall ceiling of transactions reserved for employees set at €2,750,000.

(5) A subceiling of 10% of all shares or options (as the case may be) awarded during each financial year applies to awards to corporate officers.

(6) As part of a share-based takeover bid initiated by the Company (Article L. 225-148 of the French Commercial Code).

On 16 May, 2017, the Shareholders' General Meeting adopted the following financial delegations:

Resolution	Purpose of the delegation	Maximum nominal amount	Length of authorisation	Use during financial year 2017
8th Resolution	Authorisation granted to the Board of Directors to trade the Company's shares	Up to a limit of 10% of the total number of shares comprising the share capital or 5% of the total number of shares with the purpose of holding them for subsequent payment or exchange in the context of potential external growth transactions Maximum buy-back price: €33	18 months	Nil
9th Resolution	Authorisation granted to the Board of Directors to reduce the share capital by cancelling treasury shares	Up to a limit of 10% of the share capital per 24 months period	26 months	Nil
10th Resolution	Delegation of authority to the Board of Directors to issue shares reserved for members of employee savings plans without preferential subscription rights	€2,750,000 (1)(2) (approximately 3% of share capital)	26 months	Nil
11th Resolution	Delegation of authority to the Board of Directors to increase the share capital by issuing shares without preferential subscription right in favour of a specific category of beneficiaries (employees and representatives of the Company and companies associated therewith)	€2,750,000 (1)(2) (approximately 3% of share capital)	18 months	Nil

(1) Delegation subject to the global limit on share capital increases of €36 million (i.e. around 50% of the share capital).

(2) A subceiling of €2,750,000 (approximately 3% of the share capital) is applicable to these delegations.

The table below summarises the delegations and financial authorisations that we propose to renew during the Shareholders' General Meeting to be held on 25 May, 2018 and which the Board of Directors will not be entitled to use, unless otherwise previously authorized by the Shareholders' General Meeting, as from the registration date by a third party of a public offering project targetting the Company's titles, until the end of the offering period:

Resolution	Subject of the delegation	Maximum duration	Maximum nominal amount
17th Resolution	Authorisation to trade in the Company's shares (share repurchase programme)	18 months	Up to a limit of 10% of the total number of shares comprising the share capital or 5% of the total number of shares with the purpose of holding them for subsequent payment or exchange in the context of potential external growth transactions Maximum repurchase price: €33
18th Resolution	Authorisation granted to the Board to reduce share capital by cancelling treasury shares	26 months	Up to 10% of the share capital by 24 months period
19th Resolution	Delegation of authority to the Board to increase share capital by capitalisation of premiums, reserves, profits or other amounts	26 months	€ 14,500,000 (approximately 20% of share capital)

Resolution	Subject of the delegation	Maximum duration	Maximum nominal amount
20th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, with subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving rights to securities to be issued	26 months	Issuance of share capital: €36,000,000 (1) (approximately 50% of share capital) Issuance of debt securities: €1,000,000,000 (3)
21th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving rights to securities to be issued as part of a public offer (5)	26 months	Issuance of share capital: €7,200,000 (1)(2) (approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (3)
22th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities, without subscription rights, giving access to other securities and/or giving rights to debt and/or equity securities giving rights to securities to be issued, through private placements in accordance with Article L. 411-2-II of the French Financial and Monetary Code	26 months	Issuance of share capital: €7,200,000 (1)(2) (approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (3)
23th Resolution	Delegation of authority to the Board, in the event of an issue without subscription rights, *via* a public (6) offer or private placements set out in Article L. 411-2-II of the French Financial and Monetary Code, to determine the issue price in accordance with the terms set by the Shareholders' General Meeting, up to 10% of the share capital per year	26 months	Issuance of share capital: €7,200,000 (1)(2) (approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (3)
24th Resolution	Authorisation to the Board to increase issuance amount with or without subscription rights	26 months	Up to the limit set out by the applicable regulation (currently 15% of the initial issuance (1)(3)
25th Resolution	Delegation of authority to the Board to increase share capital by issuing shares and/or securities giving access to other securities and/or giving rights to debt and/or equity securities giving access to securities to be issued against contributions in kind up to 10% of the share capital	26 months	Issuance of share capital: €7,200,000 (3) (approximately 10% of share capital) Issuance of debt securities: €1,000,000,000 (3)
26th Resolution	Delegation of authority to the Board to issue shares reserved for members of employee savings plans without subscription rights	26 months	€2,750,000 (1)
27th Resolution	Delegation of authority to the Board to increase share capital by issuing shares, without subscription rights, reserved for specific beneficiaries (employees and corporate officers of the Company and related entities)	18 months	€2,750,000 (1)(4)

(1) Delegation subject to the global limit on share capital increases of €36,000,000 (i.e. around 50% of the share capital).

(2) A subceiling of €7,200,000 (approximately 10% of the share capital) is applicable to these delegations.

(3) Delegation subject to the overall ceiling for debt security issues of €1,000,000,000.

(4) The overall maximum nominal amount of capital increases likely to be carried out under this delegation is part of the overall ceiling of transactions reserved for employees set at €2,750,000.

(5) As part of a share-based takeover bid initiated by the Company (Article L. 225-148 of the French Commercial Code).

21.1.2 NON-EQUITY SECURITIES

On 22 March, 2017, the Company issued bonds worth €600 million, primarily to finance the acquisition of the German group SAG (see paragraph 10.2.2.2 of this Registration Document). The bonds have been admitted for trading on Euronext Paris regulated market.

21.1.3 TREASURY SHARES

At the date of this Registration Document, the Company holds 390 treasury shares with a net book value of €7,020.

The Shareholders' General Meeting of 16 May, 2017 authorised the Board of Directors, for a period of 18 months and with faculty of sub-delegation in accordance with legislative and regulatory provisions, to implement a company share repurchase programme, in accordance with the provisions of Articles L. 225-209 *et seq*. of the French Commercial Code.

The Board did not implement the share repurchase programme in 2017; no transaction therefore took place in connection therewith in 2017.

As a result, the Shareholders' General Meeting to be held on 25 May, 2018 will be asked to renew the authorisation and adopt the following resolution:

The Board of Directors shall be authorised, with faculty of sub-delegation in accordance with legislative and regulatory provisions, to implement a buy-back programme for the repurchase of the shares of the Company, in accordance with the provisions of Articles L. 225-209 *et seq*. of the French Commercial Code, on one or several times and when it deems appropriate, such number of shares of the Company that may not exceed:

- 10% of the total number of shares constituting the Company's share capital at any given time; or
- 5% of the total number of shares constituting the Company's share capital if the shares are purchased by the Company with the purpose of holding them for subsequent payment or tender in a merger, spin off or contribution.

These percentages apply to a number of shares adjusted, as necessary, to take into account the transactions which may impact the share capital after the given Shareholders' General Meeting.

Acquisitions made by the Company may under no circumstance result in the Company holding at any time more than 10% of the shares composing its share capital.

These shares may be acquired, pursuant to the decisions of the Board of Directors for the following purposes:

- to ensure liquidity and an active market in the Company's shares through an investment services provider pursuant to a liquidity agreement in accordance with the Code of ethics recognised by the AMF;
- granting for free or assign shares to the executive officers and to employees of the Company and the other entities of the Group, and in particular in the context of (i) any profit-sharing scheme of the Company; (ii) any company's stock option plans in accordance with the provisions of Articles L. 225-177 *et seq*. of the French Commercial Code; or (iii) any employee savings plan sponsored by the Company pursuant to the provisions of Articles L. 3331-1 *et seq*. of the French Employment Code or (iv) any free granting of shares in accordance with the provisions of Articles L. 225-197-1 *et seq*. of the French Commercial Code, as well as any hedging operation related to these operations subject to the conditions set out by the market authorities and at such times as, the Board of Directors or the person acting under the delegation of powers of the Board of Directors deems appropriate;
- delivering the Company's shares upon exercise of the rights attached to securities giving access, directly or indirectly, to the Company's share capital through repayment, conversion, exchange, presentation of a warrant or in any other manner as provided by law, as well as for the purpose of any hedging operation related to these operations subject to the conditions set out by the market authorities and at such times as, the Board of Directors or the person acting under the delegation of powers of the Board of Directors deems appropriate;
- holding the shares for the purpose of subsequent payment or exchange in the context of potential external growth transactions, in accordance with the market practice accepted by the AMF and by applicable regulation;
- cancelling all or part of the shares thus repurchased;
- to implement any market practice accepted by the AMF from time to time, and more generally, perform all operations or any other accepted operation, in accordance with applicable laws and regulations.

The maximum purchase price per share shall not exceed, excluding charges, thirty-three euros (€33).

The Board of Directors may, nevertheless, in the event of transactions relating to the Company's share capital, and in particular in case of a change in the nominal value of the share, a capital increase through capitalisation of reserves followed by the issue and the free allotment of shares, a stock split or stock consolidation, adjust the maximum purchase price referred to above in order to take into account the impact of such transactions on the value of the share.

The acquisition, sale or transfer of these shares may be made and paid for by all appropriate means in accordance with applicable laws and regulations, on a regulated market, on a multilateral trading systems, systematic internaliser or on an over-the-counter market, including by the purchase or sale of blocks, by using options or other financial derivatives or warrants, or more generally, by using securities granting rights to shares of the Company, at such times as the Board of Directors deems appropriate.

All powers are granted to the Board of Directors, with the right to sub-delegate, in order to carry out, in accordance with applicable legislative and regulatory provisions, all authorised allocation and, as necessary, reallocations of repurchased shares for the purposes of the program or any of its objectives, or their sale, on or off market.

The Board shall also be granted all powers, with faculty of sub-delegation under applicable legislative and regulatory conditions, to implement this authorisation, to specify its terms as necessary, and to set the conditions, in accordance with the terms of the legislative provisions and of this resolutions, and in particular take any trade order, conclude any agreement, in particular for maintaining the register of share purchases and sales, make all declaration to the AMF or any other competent authority, establish any information document, complete all formalities, and in general, do all that is necessary.

The Board of Directors shall inform the Shareholders, as provided by law, of transactions carried out pursuant to this authorisation.

This authorisation shall cancel and replace the one granted by the ninth resolution of the Shareholders' General Meeting of 16 May, 2017, and is granted for a term of eighteen (18) months as from the Shareholders' General Meeting of 25 May, 2018.

21.1.4 OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

At the date of this Registration Document, there were no securities giving access to the Company's share capital.

21.1.5 CONDITIONS GOVERNING ALL ACQUISITION RIGHTS AND/OR OBLIGATIONS ATTACHED TO SUBSCRIBED CAPITAL WHICH HAS NOT BEEN FULLY PAID UP

Nil.

21.1.6 SHARE CAPITAL OF GROUP ENTITIES SUBJECT TO OPTIONS OR TO AN AGREEMENT ALLOWING THEM TO BE SUBJECT TO OPTIONS

Nil.

21.1.7 CHANGES IN THE COMPANY'S SHARE CAPITAL OVER THE PAST THREE YEARS

Date	Type of transaction	Capital before transaction	No. of shares before transaction	No. of shares after transaction	Par value	Capital after transaction
11/01/2012	Issue of share capital	€36,634,070	36,634,070	39,634,070	€1	€39,634,070
11/06/2015	Issue of share capital	€39,634,070	39,634,070	150,000,000	€0.4637	€69,557,816.17
29/10/2015	Capital increase by raising par value of shares	€69,557,816.17	150,000,000	150,000,000	€0.47	€70,500,000
10/12/2015	Employee share offering	€70,500,000	150,000,000	154,075,766	€0.47	€72,415,793.32

21.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

21.2.1 CORPORATE PURPOSE

The purpose of the Company, in France and abroad, is (i) to serve as a holding company with all kinds of financial interests (majority or noncontrolling) in French or foreign entities and firms, and (ii) provide consulting and support services in the fields of commerce, finance, accounting, law, tax, technical work, administration and IT, in negotiating all types of contracts and in management, and providing any other type of services to the benefit of firms, entities or groups.

Generally, the Company is authorised to perform any commercial, industrial or financial operation that may be directly or indirectly related, in whole or in part, to the purpose cited above or to all other related or complementary activities or those which could contributeto its expansion or development.

21.2.2 PROVISIONS OF THE ARTICLES OF ASSOCIATION GOVERNING THE MANAGEMENT AND SUPERVISORY BODIES – INTERNAL RULES OF THE BOARD OF DIRECTORS

The description below summarises the main provisions of the Articles of Association and internal rules governing the Board of Directors, particularly its operational procedures and powers.

The internal rules specify the provisions relating to the Board of Directors cited below, the organisational and operational conditions, and the powers and authority of the Committees that the Board has created (see Section 16.3 of this Registration Document).

21.2.2.1 BOARD OF DIRECTORS (ARTICLES 15, 16 AND 17 OF THE ARTICLES OF ASSOCIATION AND 1, 2, 3, 4 AND 7 OF THE INTERNAL RULES)

Composition

The Company is supervised by a Board of Directors of at least three members and no more than 18, subject to the exceptions allowed by law.

The Board ensures that independent members comprise, to the extent possible, at least half of the Board, at least two thirds of the Audit Committee, and more than half of the Compensation Committee and the Appointment and Governance Committee. Moreover, the Strategic and Acquisitions Committee shall comprise at least one independent member [(1)].

In accordance with the Afep-Medef Code, members of the Board are deemed independent if they have no relationship of any kind with the Company, its Group or its management that might compromise their freedom of judgement.

At the time of each renewal or appointment of a member of the Board, and at least once a year before the publication of the Company Registration Document, the Board assesses the independence of each of its members (or candidates). During this assessment, the Board, after an opinion from the Appointment and Governance Committee, reviews the independent qualification of each of its members (or candidates) on a case-by-case basis with regard to the criteria cited below, the specific circumstances and the situation of the interested party in relation to the Company. The conclusions of this review are reported to the Shareholders in the Registration Document and, as applicable, to the Shareholders' General Meeting at the time of the appointment of the members of the Board.

The Board can appoint up to three non-voting Directors. Non-voting Directors can be natural persons or legal persons, chosen among or outside the Shareholders. The term of office of non-voting Directors is four years except in cases of resignation or early termination of office decided by the Board. The terms under which they carry out their duties, including their potential compensation, are approved by the Board. Non-voting Directors are eligible for reappointment. They must attend Board meetings and take part in deliberations with a right of discussion only.

Appointments

During the life of the Company, Directors are appointed, reappointed or dismissed under the conditions stipulated by the laws and regulations in force and these Articles of Association.

The Articles of Association and the Board's internal rules require each Director to own at least 100 shares during their entire term of office and, in any event, no later than six (6) months after their appointment. Stock-lending arrangements between the Company and members of the Board are not allowed. This restriction does not apply to Directors representing the employee Shareholders and employees of the Group.

At the time they take office, members of the Board must register their shares. This also applies to any shares subsequently acquired.

Duties

The term of office of Director is four years.

Directors may be reappointed. Their office may be terminated at any time by the Shareholders' Ordinary General Meeting.

Directors must be under the age of 75 (the number of Directors over the age of 70 must not exceed one-third of the Directors in office) and are subject to the applicable laws and regulations governing the total number of offices and positions held.

Identity of Directors

Directors may be natural or legal persons. When appointed, legal persons must appoint a permanent representative who is subject to the same conditions and obligations and who incurs the same responsibilities as though they were a Director in their own name, without prejudice to the joint liability of the legal person they represent.

The office of permanent representative is given for the duration of the term of office of the legal person they represent.

Should the legal person revoke the appointment of its permanent representative, they must immediately notify the Company by registered mail of this dismissal and the name of its new permanent representative. This is also required in the event of the death, resignation or prolonged impediment of the permanent representative.

Chairman of the Board of Directors

The Board of Directors elects a Chairman from among its natural members.

The Chairman is elected for a term that may not exceed his term as Director. He may be reappointed.

The Chairman of the Board organises and directs the work of the Board and reports on that work to the Shareholders' General Meeting. He ensures the proper functioning of the Company's corporate bodies and, in particular, ensures that the Directors are in a position to perform their duties.

Senior Independent Director

On a proposal from the Appointments and Governance Committee, the Board may appoint from among its independent natural members a Senior Independent Director for a term which may not exceed his term of office as a member of the Board. The appointment of a Senior Independent Director is mandatory when the functions of Chairman of the Board Chief Executive Officer are combined and optional otherwise. The functions of the Senior Independent Director are detailed in Section 16.3 "Senior Independent Director" of this Registration Document.

Deliberations

The Board assumes the duties and exercises the powers granted to it by the law, the Company's Articles of Association and the Board's internal rules. The Board of Directors determines the orientation of the Company's business and monitors its implementation. Subject to the powers expressly attributed to Shareholders' General Meetings,

(1) By a decision dated November 9, 2017, the Board of Directors abolished the Strategy and Acquisitions Committee.

and within the limits of the corporate purpose, the Board considers any question affecting the proper running of the Company and governs the Company's affairs through its resolutions. The Board carries out the controls and verifications it deems appropriate.

The Board meets when called by the Chairman, the Senior Independent Director or one of its members as often as the Company's interests require; the frequency and duration of Board meetings must be such that they allow in-depth review and discussion of matters falling within the jurisdiction of the Board.

The Board may validly deliberate, even in the absence of a notice of meeting, if all members are present or represented.

The Board of Directors may validly deliberate only if at least half of its members are present. Decisions are adopted by a simple majority of the members present or represented. In case of a split-vote, the Chairman of the meeting shall have a casting vote.

The following decisions are subject to prior authorisation by the Board voting by a simple majority of the members present or represented:

(i) approval or amendment to the business plan or to the budget (including investment budgets together with the related financing plan) of the Company, including the consolidated annual budget of the Group;

(ii) any investment (except Section (iii) below) not approved in terms of Section (i) above under the business plan or the budget for an amount of more than ten million euros (€10,000,000);

(iii) any external growth transaction, takeover or acquisition of equity interest, provided that this transaction involves an enterprise value or a transaction amount exceeding €30 million (€30,000,000);

(iv) any launch of a significant activity not within the usual scope of the companies of the Group or any decision to stop or significantly reduce the main businesses of the Group;

(v) constitution of security interests (endorsements and guarantees) by the Company for the benefit of a third party, except guarantees granted to customs and tax authorities in the normal course of business;

(vi) any decision to participate in a project involving a Group entity up to a unit amount greater than fifty million euros (€50,000,000), and the conclusion of any agreement of an overall unit amount equal to or greater than €50 million (€50,000,000);

(vii) any amendment to the Company's Articles of Association;

(viii) any proposition in relation to any financial undertaking or any operation of indebtedness that would lead the leverage ratio of net debt on EBITDA of the Group to exceed a certain amount set annually by the Board of Directors;

(ix) any decision of issuance of any securities granting access to the share capital of the Company (including stock-options plan, any company savings plan or, any incentive mechanism of the employees of the Group);

(x) any decision to amend the conditions for fixed, variable, cash or in kind compensation of the Group's corporate officers;

(xi) any disposal of a Group entity or any disposal of one or more of its main businesses involving an enterprise or transaction value higher than fifty million euros (€50,000,000) or a firm or business with annual revenue higher than one hundred and fifty million euros (€150,000,000); and

(xii) any merger, spin-off or contribution in kind involving a Group entity and a third-party entity involving an enterprise value of the third-party or a transaction value higher than fifty million euros (€50,000,000) or a third-party firm or business with annual revenue higher than hundred and fifty million euros (€150,000,000).

Compensation of Board members

On the recommendation of the Compensation Committee, the Board:

- freely pays to its members the Directors' fees allocated to the Board by the Shareholders' General Meeting, taking into consideration the effective attendance of Directors at Board and Committee meetings. A portion determined by the Board and collected on the amount of the Directors' fees granted to the Board is paid to the members of the committees as well as the Senior Independent Director, taking into account their attendance to said committees' meetings;
- determines the amount of the Chairman's compensation;
- may also allocate exceptional compensation to certain members for the duties or offices assigned to them.

The Board reviews the aptness of the amount of Directors' fees with regard to the tasks and responsibilities of the Directors.

21.2.2.2 DIRECTION GÉNÉRALE (ARTICLE 18 DES STATUTS)

Authority

Either the Chairman of the Board or another individual appointed by the Board from among or outside its members and bearing the title of Chief Executive Officer is responsible for running the Company.

The Board chooses between these two methods of management at any time and at least each time the appointment of the Chief Executive Officer or the term of office of the Chairman expires when the Chairman also assumes the running of the Company.

Shareholders and third parties must be informed of this choice under the conditions required by regulations.

When the Chairman of the Board is responsible for running the Company, the following provisions relating to the Chief Executive Officer apply to the Chairman. In this case, he bears the title of Chairman and Chief Executive Officer.

General Management

On the recommendation of the Chief Executive Officer, the Board may appoint one or more individuals charged with assisting the Chief Executive Officer and bearing the title of Chief Operating Officer.

There may be no more than five Chief Operating Officers.

The Chief Executive Officer and Chief Operating Officers may not be older than 65.

The term of office of the Chief Executive Officer or Chief Operating Officers is determined at the time they are appointed but may not exceed their term of office on the Board, if applicable.

The Chief Executive Officer may be dismissed at any time by the Board. This is also true for the Chief Operating Officers, on the recommendation of the Chief Executive Officer. If dismissal is decided without grounds, it may result in damages, except when the Chief Executive Officer assumes the position of Chairman of the Board.

When the Chief Executive Officer ceases or is prevented from performing his duties, the Chief Operating Officers retain their duties and powers, unless decided otherwise by the Board, until the appointment of the new Chief Executive Officer.

The Board determines the compensation of the Chief Executive Officer and Chief Operating Officers.

Powers of the Chief Executive Officer and Chief Operating Officers

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances in the name of the Company. He exercises these powers within the limits of the corporate purpose and subject to the powers attributed expressly to the Shareholders' General Meeting and the Board by law.

He represents the Company in its relations with third parties. The Company is bound by the acts of the Chief Executive Officer which do not fall within the corporate purpose, unless it proves that the third party knew that the act exceeded this purpose or that the third party could not have been aware of this fact given the circumstances; simple publication of the Articles of Association is not sufficient to establish such proof.

Decisions of the Board limiting the powers of the Chief Executive Officer are not enforceable against third parties.

In agreement with the Chief Executive Officer, the Board determines the scope and duration of the powers granted to the Chief Operating Officers. The Chief Operating Officers have the same powers as the Chief Executive Officer with respect to third parties.

The Chief Executive Officer or Chief Operating Officers may, within the limits set by the laws in force, delegate the powers they deem appropriate, for one or more specific purposes, to all officers, even outside the Company, individually or in a Committee or commission, with or without possibility of substitution, subject to the limitations stipulated by law. These powers may be permanent or temporary, and include or exclude the option of substitution. The delegations so granted retain all their effects despite the expiration of the term of office of the person who granted them.

21.2.3 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES (ARTICLES 10, 11, 12 AND 13 OF THE ARTICLES OF ASSOCIATION)

Fully paid-up shares are in registered or bearer form, at the Shareholder's discretion, under the conditions defined by the regulations in force.

Each share gives a right to a share of the profits and corporate assets in proportion to the percentage of capital it represents. Moreover, it gives the right to vote and to be represented at Shareholders' General Meetings under the conditions set by law and the Articles of Association.

A double voting right is granted to fully paid-up shares that have been held in registered form by the same Shareholder for at least two (2) years. The calculation of this holding period does not take the period for which the Company's shares were held before they were listed on the regulated Euronext Paris stock exchange into account.

In accordance with Article L. 225-123 par. 2 of the French Commercial Code, in the event of a share capital increase by capitalisation of reserves, profits or premiums, double voting rights are granted as from their issue to new bonus shares awarded to Shareholders by virtue of the existing shares for which they already enjoy the same right.

Double voting rights may be exercised at any Shareholders' General Meeting.

Double voting rights automatically cease when the shares are converted to the bearer or transferred to a new owner.

Shareholders are liable for losses only up to the amount of their contributions.

The rights and obligations attached to a share remain with the share when it is transferred. Ownership of a share legally implies compliance with the Articles of Association and the resolutions of the Shareholders' General Meeting.

Whenever it is necessary to hold several shares to exercise a right, individual shares or a number of shares less than the number required give no rights to their owners against the Company; in this case, it is the responsibility of the Shareholders to combine the number of shares necessary.

Shares are indivisible with respect to the Company.

Co-owners of indivisible shares are represented at Shareholders' General Meetings by one of the owners or by a single agent. If they disagree, the agent shall be designated by a court at the request of one of the co-owners.

If there is a beneficial owner, the share registration must show the existence of the beneficial ownership. Except where otherwise stipulated in an agreement notified to the Company by registered mail with return receipt, the voting right belongs to the beneficial owner at Shareholders' Ordinary General Meetings and to the bare owner at Shareholders' Extraordinary General Meetings.

Registered or bearer shares are freely tradable except where otherwise stipulated by laws or regulations. They are registered in an account and are transferred, with respect to the Company, by a transfer between accounts under the conditions defined by the laws and regulations in force.

21.2.4 CHANGES TO SHARE CAPITAL AND TO RIGHTS ATTACHED TO SHARES

Insofar as the Articles of Association make no specific provisions, changes in the rights attached to shares is governed by law.

21.2.5 SHAREHOLDERS' GENERAL MEETINGS (ARTICLE 19 OF THE ARTICLES OF ASSOCIATION)

Notice and place of meeting

Shareholders' General Meetings are called under conditions, forms and times set by law.

They are held at the registered office or at any other location indicated in the notice of meeting.

Agenda

The meeting agenda is provided on the notices and letters of meeting; it is decided by the author of the notice.

The meeting may deliberate only on items indicated on the agenda; however, in all circumstances it may dismiss one or more Directors and replace them.

One or more Shareholders representing at least the percentage of capital required by law, and acting under the statutory conditions and within the statutory time periods, have the option to require the inclusion of proposed resolutions on the agenda.

Access to meetings

Any Shareholder has the right to attend Shareholders' General Meetings and participate in the deliberations personally or through an agent.

Any Shareholder may participate in meetings in person or through their agent, under the conditions defined by the regulations in force, with proof of their identity and ownership of their shares in the form of accounting registration under the conditions defined by the laws and regulations in force.

On the decision of the Board published in the notice of meeting to use such telecommunications methods, Shareholders who attend the meeting *via* videoconferencing or other telecommunication or electronic transmission methods, including the Internet, which allow identification under the conditions required by the regulations in force, are deemed present for the calculation of quorum and majority.

On a decision by the Board, any Shareholder may vote remotely or give their proxy in accordance with the regulations in force using a form prepared by and sent to the Company under the conditions defined by the regulations in force, including electronic or broadcast transmission methods. This form must be received by the Company under the regulatory conditions in order to be counted.

Meetings are chaired by the Chairman of the Board or, if he is absent or unable to do so, by the member of the Board specifically designated for this purpose by the Board. Where this is not the case, the meeting elects a chair.

Minutes of meetings are prepared and the copies are certified and delivered as required by regulations.

The legal representatives of Shareholders who are legally incapacitated or the individuals representing legal entities shall participate in meetings, whether or not they are Shareholders themselves.

Attendance sheet, office, minutes

At each meeting, an attendance sheet containing the information required by law is kept.

Meetings are chaired by the Chairman of the Board or, in his absence, by a Director specifically designated for this purpose by the Board. If not, the meeting elects a chair.

The duties of tellers are performed by the two members of the meeting who are present and accept the duties and who themselves or as agents have the largest number of votes.

The officers name the secretary who does not have to be a Shareholder.

The mission of the officers is to verify, certify and sign the attendance sheet, to ensure the proper conduct of discussion, to settle incidents at meetings, to count the votes cast, and to ensure the meeting is properly conducted and that minutes are prepared.

Minutes are prepared and copies or excerpts of the resolutions are issued and certified as required by law.

Ordinary Shareholders' General Meeting

The Ordinary Shareholders' General Meeting is a meeting called to make all decisions that do not amend the Articles of Association. It meets at least once a year within six months of the closing of each financial year to approve the financial statements for the year and the consolidated financial statements.

On the first notice of meeting, it may legally deliberate only if the Shareholders present or represented, or voting by mail and electronically, hold at least one-fifth of the voting shares. On the second notice of meeting, no quorum is required.

It rules by a majority of the votes held by the Shareholders present, represented or who have voted by mail or electronically.

Extraordinary Shareholders' General Meeting

Only the Extraordinary Shareholders' General Meeting is authorised to amend all provisions of the Articles of Association. It may not, however, increase Shareholders commitments, subject to operations resulting from a legally performed consolidation of shares.

It legally deliberates only if the Shareholders present, represented or who have voted by mail or electronically, hold at least one quarter of the voting shares on the first notice of meeting, and one-fifth of the voting shares on the second notice. If the second quorum is not reached, the second meeting may be moved to a date no more than two months from the date on which it was called.

The meeting rules by a two-thirds majority of the votes of the Shareholders present, represented or voting by mail or electronically.

However, under no circumstances may the Extraordinary Shareholders' General Meeting increase the commitments of the Shareholders or damage the equality of their rights unless this is done by unanimous vote of the Shareholders.

21.2.6 PROVISIONS THAT ALLOW A CHANGE IN THE CONTROL OF THE COMPANY TO BE DELAYED, DEFERRED OR PREVENTED

The Company's Articles of Association contain no provisions that allow delaying, deferring or preventing a change in control.

21.2.7 DECLARATION OF CROSSING OF THRESHOLDS AND IDENTIFICATION OF SHAREHOLDERS (ARTICLE 14 OF THE ARTICLES OF ASSOCIATION)

As long as the Company's shares are listed for trading on a regulated market, in addition to the threshold declarations expressly stipulated by the laws and regulations in force, any natural or legal person that comes to directly or indirectly hold , alone or in partnership, a 1% portion of the Company's share capital or voting rights (calculated according to Articles L. 233-7 and L. 233-9 of the French Commercial Code and the AMF's general regulation), or any multiple of this percentage, must notify the Company of the total number of (i) shares and voting rights which they directly or indirectly hold, alone or in partnership, (ii) securities giving future rights to the Company's share capital which they directly or indirectly hold, alone or in partnership, and the voting rights potentially attached to said securities, and (iii) shares already issued which they may acquire under an agreement or a financial instrument stipulated in Article L. 211-1 of the French Monetary and Finance Code. This notification must be made, by registered mail with return receipt, within a period of four trading days from the date the relevant threshold is crossed.

The obligation to inform the Company also applies, within the same deadlines and under the same conditions, when the Shareholder's interest in the capital or voting rights falls below one of the aforementioned thresholds.

If the threshold declaration obligation cited above is not met, at the request of one or more Shareholders representing at least 1% of the capital or voting, recorded in the minutes of the Shareholders' General Meeting, the shares exceeding the fraction that should have been declared are deprived of voting rights until the expiry of a period of two years after the notification is regularised.

The Company reserves the right to inform the public and the Shareholders of either the information which it was notified of or the noncompliance by the person in question with the aforementioned obligations.

As long as the shares of the Company are listed for trading on a regulated market, the Company has the right to request identification of holders of securities that grant voting rights immediately or in the future in its Shareholders' General Meetings, as well as the number of securities held, under the conditions stipulated by the laws and regulations in force.

21.2.8 REGULATIONS APPLICABLE TO FOREIGN INVESTMENTS IN FRANCE

At the date of this Registration Document, the Group had activities in certain industries falling under the ambit of regulation applicable to foreign investments in France, in particular with respect to national security. Because of these activities, the Company and the Group fall within the scope of application of laws and regulations related to foreign investments in France set out in Articles L. 151-3 and R. 153-1 *et seq.* of the French Monetary and Financial Code.

In accordance with these provisions, the acquisition of control within the meaning of Article L. 233-3 of the French Commercial Code by a foreign investor of the Company or any of its French subsidiaries with activities listed in the above-mentioned provisions is subject to the prior approval of the Minister in charge of the Economy. The acquisition of more than 33.33% of the share capital or voting rights of the Company or any of its French subsidiaries with such activities by an investor that is not a national of a European Union member State or of a member of the European Economic Area that has an administrative assistance agreement with France is subject to the same procedure.

Under this prior approval procedure, the Minister of the Economy is in charge of verifying that the conditions under which the transaction is contemplated do not impact the national interest; he or she may on this account attach one or more conditions to his or her authorisation in order to safeguard the sustainability of the relevant activities, industrial capabilities, R&D capabilities, or any related know-how, and may also, upon justification, refuse such approval, particularly in the event of a negative impact on the national interest.

Any transaction carried out in breach of these provisions is null and moreover may be subject to a financial penalty of up to double the amount of the illegal investment and to criminal penalties set out in Article 459 of the French Customs Code.

21.2.9 SPECIFIC CLAUSES GOVERNING CHANGES IN THE SHARE CAPITAL

The Company's Articles of Association contain no specific provisions governing changes in the share capital that are stricter than the legal provisions.

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MAJOR CONTRACTS

See Section 10.2.2 of this Registration Document.

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INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND DECLARATIONS OF INTERESTS

Nil.

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DOCUMENTS ACCESSIBLE TO THE PUBLIC

The articles of Association, minutes of Shareholders' General Meetings and other corporate documents of the Company, as well as the historical financial information and any valuation or declaration established by an expert at the Company's request that must be available to the Shareholders, as required by the applicable law, may be viewed at the Company's registered office.

Regulated information as defined by the AMF's general regulation is also available on the Company's website.

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INFORMATION ON EQUITY INTERESTS

Information on equity interests is provided in Section 20.1.1 of this Registration Document, under Note 27 to the Company's consolidated financial statements for the year ended 31 December, 2017.

APPENDIX

APPENDIX 1
BOARD OF DIRECTORS' CORPORATE GOVERNANCE REPORT AND STATUTORY AUDITORS' REPORT PREPARED PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE

This report is prepared under the provisions of Article L. 225-37 of the French Commercial Code. This report has also been sent to the Company's auditors with a view to the preparation of their report on this report in accordance with Article L. 225-235 of the French Commercial Code.

A. CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE CODE

In terms of corporate governance, the Company refers to and, subject to what is stated in this report, complied during the year ended 31 December, 2017 (the "**2017 Applicable Period**") and complies as of the date of this report, with the recommendations relating to corporate governance set forth in the Corporate Governance Code for listed companies published by the Afep and the Medef in December 2008, as updated in November, 2016 (the "**Afep-Medef Code**").

The Afep-Medef Code is available on the websites of the Afep (www. afep.com) and of the Medef (www.medef.com).

Recommendations of the Afep-Medef Code that are not applied	Justification
Article 13.2 *Terms should be staggered so as to avoid replacement of the entire body and to favour a smooth replacement of Directors.* **Article 13.3** *The annual report details the dates of the beginning and end of each Director's term of office, to ensure that the existing staggering is clear.(...)*	For historical reasons related to the shareholding of the Company and the existence of Shareholders' agreement among its main Shareholders since its IPO, the terms of offices of the Directors were not staggered. While considering that the absence of staggered renewal does not hinder the proper functioning of the Board of Directors, the Board of Directors has examined the conditions for the renewal of the Directors' mandates as from 2020 in order to avoid having to renew more than one third of the Directors' mandates in the same General Shareholders' Meeting, shall review the terms of offices of the next block renewals and possibly provide for shorter terms.
Article 22 *The Board of Directors defines a minimum number of registered shares that the company Officers must retain through to the end of their term of office. This decision is reviewed at least on each extension of their term of office.* *The Board of Directors may base its decisions on various references, for example:* • the annual compensation; • a defined number of shares; • a percentage of the capital gain net of taxes and social contributions and of expenses related to the transaction in the case of exercised options or performance shares; • a combination of these references. *Until this objective regarding the holding of shares has been achieved, the company Officers will devote a proportion of exercised options or awarded performance shares to this end as determined by the Board. This information must be presented in the corporation's annual report.*	Pursuant to the Company's Articles of Association, each Director (except for the Director representing the employee-Shareholders and the Director representing the employees) must hold at least 100 shares of the Company, in registered form. The Board of Directors did not set a higher number of shares that the Chairman and CEO should hold. However, as of the date of this report, the Chairman and CEO holds 2,434,396 shares of the Company, *i.e.*, a very significant number of shares representing 1.6% of the share capital, all in registered form. The CEO must also retain 25% of the performance shares which were granted to him (see Section 17.2.2 of the 2017 Registration Document (to which the present report is attached) for details).

2. COMPOSITION AND FUNCTIONING OF THE BOARD OF DIRECTORS AND THE COMMITTEES OF THE BOARD

a. Composition and functioning of the Board of Directors

Composition

The Company's by-laws provide that the Board of Directors comprises between three and 18 members, who shall not be older than 75 years-old (provided that the number of Directors over 70 years-old shall not exceed one third of the Directors in office) and appointed for renewable 4-year term. Directors are appointed by the Shareholders' General Meeting upon proposal from the Board of Directors, itself receiving proposals from the Appointments and Governance Committee. Their office may be terminated at any time by the Shareholders' Ordinary General Meeting.

The by-laws further provide that the Board of Directors may appoint one or more non-voting Directors, with a maximum of three, for renewable four-year term. Non-voting Directors are convened to the meetings of the Board of Directors and take part in the deliberations in advisory capacity.

In accordance with Article L. 225-23 of the French Commercial Code, the Board of Directors comprises a Director representing the employee-Shareholders, appointed by the Shareholders' Ordinary General Meeting among the members of the Supervisory Board of the employee mutual fund (*fonds commun de placement d'entreprise* – FCPE) holding shares of the Company on behalf of the employees. The Board of Directors also comprises a Director representing the employees.

The term of office of the members of the Board of Directors is four years. The term of office of each Director expires immediately after the meeting of the Shareholder's Annual Ordinary General Meeting deliberating on the financial statements for the preceding financial year and held during the year during which the term expires. For historical reasons related to the shareholding of the Company and the existence of Shareholders' agreement among its main Shareholders since its IPO, the terms of offices of the Directors were not staggered. While considering that the absence of staggered renewal does not hinder the proper functioning of the Board of Directors, the Company contemplates that the Board of Directors shall review the terms of offices of the next block renewals and possibly provide for shorter terms.

The Board of Directors comprises 10 Directors, including one representative of the employee-shareholders, one employee representative and two non-voting Directors. The Directors and non-voting Directors of the Company come from various backgrounds and have diverse skills. Four Directors and one non-voting Director have foreign nationality. Five nationalities are therefore represented within the Board.

Non-voting Directors have been appointed to the Board of Directors pursuant to agreements executed between the Company and certain shareholders as described in Sections 18.2.1 and 18.2.2. Such appointments aim at reconciling the need of certain major shareholders to have access to information while maintaining a balanced representation of Directors within the Board of Directors which hold a significant number of Independent Directors.

In accordance with the provisions of Article 15-6 of the Company's Articles of Association and of Article 2.10 of the internal rules of the Board of Directors, each Director must hold at least 100 shares, except for the Director representing the employee-shareholders and the Director representing the employees, who are not required to hold a minimum number of shares of the Company. Also, at its meeting of 10 March, 2016, the Board of Directors issued a recommendation pursuant to which the Independent Directors shall own 1,500 shares of the Company to be acquired over a two-year period as they are the only ones receiving fees.

The table below presents the composition of the Board of Directors during the 2017 Applicable Period:

Name	Age	Nationality	Appointment date	Year of first appointment	Term of office	Primary role within the Group
DIRECTORS						
Gauthier Louette	56	French	26 September, 2014	30 August, 2011	2018	Chairman and CEO
Denis Chêne	56	French	26 September, 2014	30 August, 2011	2018	Director Group Chief Financial Officer
Roberto Quarta (1)	68	American Italian	26 September, 2014	30 August, 2011	2018	Director
Nathalie Palladitcheff	50	French	12 April, 2016	12 April, 2016	2019	Director
Christian Rochat (2)	52	Swiss	26 September, 2014	30 August, 2011	2018	Director
Tanja Rueckert (3)	48	German	14 September, 2017	14 September, 2017	2018	Independent Director (7)
Daniel Boscari	59	French	9 June, 2015	9 June, 2015	2019	Director representing the employees Group project finance manager and Director of Municipality Development
Gabrielle van Klaveren-Hessel	56	Dutch	9 June, 2015	9 June, 2015	2019	Director representing the employee-Shareholders Payroll manager at SPIE Nederland
Michel Bleitrach	72	French	26 September, 2014	30 August, 2011	2018	Independent Director (7)
Sir Peter Mason	71	British	26 September, 2014	30 August, 2011	2018	Independent Director (7) Senior Independent Director (8)
Sophie Stabile	47	French	26 September, 2014	7 July, 2014	2018	Independent Director (7)
Regine Stachelhaus	62	German	26 September, 2014	7 July, 2014	2018	Independent Director (7)
NON-VOTING DIRECTORS						
Baudoin Lorans (4)	39	French American	9 June, 2015	9 June, 2015	2019	Non-voting Director (9)
Alexandre Motte (5)	44	French	26 September, 2014	30 August, 2011	2018	Non-voting Director (9)
Pierre Heinrichs (4)	37	Belgian	14 December, 2017	14 December, 2017	2021	Non-voting Director (9)
FFP (6)		French	14 September, 2017	14 September, 2017	2018	Non-voting Director (9)

(1) Mr. Roberto Quarta resigned as a Director of the Company with effect on 16 March, 2017 in accordance with the terms of the commitment letter described in the Statutory Auditors' special report on related parties transactions for 2017 in section 19.2 of the present Registration Document. He was not replaced.

(2) Mr. Christian Rochat resigned from his duties as Director of the Company with effect from September 6, 2017 in replace in accordance with the terms of the commitment letter described in the Statutory Auditors' special report on related parties transactions for 2017 in section 19.2 of the present Registration Document, and was replaced by Mrs. Tanja Rueckert.

(3) Mrs. Tanja Rueckert was co-opted by the Board of Directors on 14 September, 2017. Such cooptation will be submitted to the Shareholders' General Meeting called to approve the financial statements of the year ended on December 31, 2017

(4) Mr. Baudoin Lorans resigned from his duties as Director of the Company with effect from 9 September, 2017 and was replaced by Mr. Pierre Heinrichs.

(5) Mr. Alexandre Motte resigned from his duties as Director of the Company with effect from 9 September, 2017 and was replaced by FFP Invest represented by Mr. Bertrand Finet.

(6) The appointment of FFP Invest as a Director will be submitted to the General Shareholders' Meeting called to approve the financial statements of the year ended on December 31, 2017, which would in turn, should such appointment be approved, end its non-voting Director position.

(7) As regards the assessment of the independence of the Directors, see below.

(8) As regards the missions of the Senior Independent Director, see above and Chapter 14 of the present Registration Document.

(9) Regarding the appointment, missions and powers of non-voting directors, please refer to Chapter 21 of the present Registration Document to which this report is attached.

The composition of the Board primarily reflects the commitments undertaken by Clayton, Dubilier & Rice ("**CD&R**"), Ardian and the *Caisse de Dépôt et Placement du Québec* ("**CDPQ**") *vis-à-vis* the Company at the time of its IPO.

Indeed, these commitments provide in particular that CD&R, Ardian and CDPQ (together, the "**Consortium**") will be represented on the Board of Directors by a maximum of (i) four Directors among the candidates that it will propose, including three Directors proposed by CD&R and one Director proposed by CDPQ and (ii) one non-voting Director proposed by Ardian. This representation will be modified in case of the sale of shares by the members of the Consortium, at the request of the Company and in the following proportions: (i) CD&R will be represented respectively by three, two or one Director(s) as long as it directly or indirectly holds at least 25%, 15% or 5% of the Company's share capital, respectively, (ii) Ardian will be represented by one non-voting Director as long as it directly or indirectly holds at least 2% of the Company's share capital, and (iii) CDPQ will be represented by one Director and one non-voting Director as long as it directly or indirectly holds at least 5% of the Company's share capital. If CD&R is only represented by two Directors for the reasons described above, CDPQ will be represented by a second Director, provided that CDPQ holds, directly or indirectly, at least 15% of the Company's share capital.

The composition of the Board of Directors also reflects an agreement executed between the Company and FFP Invest following its entry in the Company's share capital on 5 September, 2017 which states that FFP will keep a representative at the Board of Directors as long as it holds at least 5% of the share capital of the Company, unless (i) this participation was to become inferior to 5% but above 3% and that FFP Invest's dilution was not caused by its actions or (ii) this participation became inferior to 5% but above 4.5% for a 3 months duration. It is reminded that at the registration date of the present Registration Document, FFP Investment is a non-voting Directors and that its appointment as a Director will be submitted to the General Shareholders' Meeting of 25 May, 2018.

The composition of the Board of Directors also reflects the desire to ensure a presence of Independent Directors in a proportion consistent with the recommendation of the Afep-Medef Code, which stipulates that at least one third of the members of the Board of Directors should be independent in companies which are controlled, as defined by Article L. 233-3 of the French Commercial Code (see *below*.), and at least half for companies which are not controlled. However, following changes to the Company's shareholdings in 2016, the Board of Directors decided during its meeting of 28 July, 2016 that it was necessary to increase the number of Independent Directors to at least 50%. The Board of Directors confirmed the selection criteria proposed by the Appointments and Governance Committee to appoint an additional Independent Director during its meeting on 8 December, 2016. The appointment of said Independent Director, Dr. Tanja Rueckert, by the Board of Directors occurred on 14 September, 2017. This appointment will be submitted to the approval of the Shareholders' General Meeting called to approve the financial statements of the year ended on December 31, 2017. It is also intended, should FFP Invest, represented by Mr. Bertrand Finet, be appointed as a Director by the General Shareholders' Meeting called to approve the financial statements of the year ended on December 31, 2017, that it sit at the Board as an Independent Director in accordance with the recommendation of provision 8.7 of the Afep-Medef Code.

Independence of the members of the Board of Directors

The independence criteria applied by the Board of Directors are those set forth in the Afep-Medef Code.

Such Criteria are:

Number	Criteria
1	Not to be and not to have been during the course of the previous five years an employee or executive officer of the corporation, an employee, executive officer of a company or a Director of a company consolidated within the corporation, or an employee, executive officer or a Director of the Company's parent company or a company consolidated with this parent.
2	Not to be an executive Officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive Officer of the corporation (currently in office or having held such office during the last five years) is a Director.
3	Not to be a customer, supplier, commercial banker or investment banker that is material to the Group or for a significant part of whose business the corporation or its Group accounts.
4	Not to be related by close family ties to a company officer.
5	Not to have been an auditor of the corporation within the previous five years.
6	Not to have been a Director of the corporation for more than twelve years. Loss of the status of Independent Director occurs on the date at which this period of twelve years is reached.
7	Not, for an non-executive officer, receiving a variable compensation in cash or titles or any other payment linked to the Company or the Group's performance.
8	Not holding 10% or more of the share capital or voting rights of the Company, or representing an entity or person holding such shareholding.

During its meeting of 27 November, 2017, the Appointments and Governance Committee conducted the annual assessment of the independence of Mrs. Tanja Rueckert, Mrs. Sophie Stabile, Mrs. Regine Stachelhaus, Mr. Michel Bleitrach and Sir Peter Mason in light of all the criteria set forth by the Afep-Medef Code, based on the answers they had provided to the individual questionnaire sent to them. The Committee also reviewed the qualification as Independent Director of FFP Invest, as represented by Mr. Bertrand Finet, should it be appointed as Director during the next General Shareholders' Meeting.

Said questionnaire was not addressed to the other Directors as they do not qualify as Independent Directors since they are either managers or employees of the Company, or representatives of shareholders holding a significant shareholding in the Company.

The conclusions of the Appointments and Governance Committee were presented and approved by the Board of Directors at its meeting on 14 December, 2017.

According to this analysis, the Board of Directors considers five of the Directors (Mrs. Tanja Rueckert, Mrs. Sophie Stabile, Mrs. Regine Stachelhaus, Mr. Michel Bleitrach and Sir Peter Mason) to be independent in the light of these criteria. The Board noted that none of the Directors had a term of office of over 12 years, as the initial appointments were made in 2011.

In relation to the independence criterion for key business relationships, the Appointments and Governance Committee and the Board of Directors concluded that the Company and the Group do not have any major business relationships with companies within which these Directors hold a role or term of office. The case of Mrs. Tanja Rueckert was notably reviewed in consideration of her position within SAP, a large software editor, which the Company is a client of but the business volume was considered as not significant.

There are also no existing service contracts between the Company or Group and these Directors.

Concerning Mrs. Regine Stachelhaus, the Appointments and Governance Committee and the Board of Directors noted that she had been appointed as a member of the Supervisory Board of SPIE DZE (ex. SPIE Holding GmbH) in November 2017 (after having been a member of the Supervisory Board of SPIE GmbH) but concluded that this does not affect her independence of judgement within the Company's Board of Directors considering the differences between the issues reviewed by said bodies.

Finally, regarding Mrs. Nathalie Palladitcheff, the Board of Directors determined that she did not fulfill the independence criteria provided by the Afep-Medef Code due to the significative number of shares and voting rights held by the Caisse des Dépôts et Placement du Québec (CDPQ), first shareholder of the Group, which is represented by Mrs. Nathalie Palladitcheff.

	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6	Criteria 7	Criteria 8
Gauthier Louette	X	√	√	√	√	√	√	√
Denis Chêne	X	√	√	√	√	√	√	√
Michel Bleitrach	√	√	√	√	√	√	√	√
Daniel Boscari	X	√	√	√	√	√	√	√
Gabrielle van Klaveren	X	√	√	√	√	√	√	√
Peter Mason	√	√	√	√	√	√	√	√
Nathalie Palladitcheff	√	√	√	√	√	√	√	X
Tanja Rueckert	√	√	√	√	√	√	√	√
Sophie Stabile	√	√	√	√	√	√	√	√
Regine Stachelhaus	√	√	√	√	√	√	√	√

Regarding FFP Invest, the Appointments and Governance Committee noted that its shareholding in the Company was inferior to the 10% threshold mentioned by the Afep-Medef Code in its recommendation 8.7 and that is was not a Shareholder that was in the position to control the Company, either alone or through a concert with other shareholders. FFP Invest representative, Mr. Bertrand Finet, also fulfils the independence criteria set by the Afep-Medef Code. As a consequence, should FFP Invest be appointed as Director by the General Shareholders' Meeting, it will be qualified as an Independent Director.

DIRECTORS' COMPETENCIES

The Appointment and Governance Committee set up a competencies' matrix relating to the members of the Board of Directors which is regularly submitted to the Board of Directors for review.

The purpose of such matrix is to evaluate and ensure that the Board of Directors is equipped with the necessary competencies to accomplish its missions of control and support of the Company's strategy.

For each Director, his/her experience and level of competency on several criteria was evaluated, such as experience in listed companies, international experience, HR expertise, finance, M&A transactions, knowledge of Energy and Technical Services sectors, digital challenges or operational experience.

The Board of Directors reviewed said competencies matrix on 14 December, 2017 in order to account for the evolutions of the Board of Directors' composition and noted that the Board of Directors as a whole actually has all sufficient competencies in relation to the above mentioned criteria.

Senior Independent Director

On 8 December, 2015, the Board of Directors, upon proposal of the Appointments and Governance Committee, decided to appoint an Independent Director as Senior Independent Director and amended its internal rules to provide for his missions and duties. Sir Peter Mason was thus appointed as Senior Independent Director for the term of his office as Director.

The internal rules provide that the appointment of a Senior Independent Director is mandatory when the functions of Chairman of the Board and Chief Executive Officer are combined and optional otherwise.

Pursuant to the internal rules, the Senior Independent Director performs the following missions:

- **Functioning of the Board of Directors**: The Senior Independent Director assists the Chairman in his duties, in particular in organising and ensuring the smooth functioning of the work of the Board and its Committees and in overseeing corporate governance and internal control. He is in particular the preferred contact for Shareholders, in particular those not represented on the Board of Directors, regarding corporate governance issues. He is also responsible for providing assistance to the Board in order to ensure the smooth functioning of the Company's corporate bodies and for providing the Board of Directors with his views on the transactions on which the Board of Directors shall deliberate. In this context, he shall ensure that members of the Board of Directors are able to exercise their duties in the best possible conditions, in particular by ensuring that they receive a high level of information prior to the meetings of the Board of Directors;
- **Assessment of the Board of Directors and General Management**: The Senior Independent Director meets periodically and at least once a year with the non-executive Directors, without executive Directors being present, in order among other things to assess the performance of the Chairman and CEO and to consider the future of management. As part of this process, the Senior Independent Director (SID) chairs discussions during the meeting of the Board of Directors which, following the Compensation Committee's report, assess the performance of the Chairman and CEO as well as determining his targets and compensation. Likewise, if he deems it necessary, the Senior Independent Director may arrange, prior to the Board meeting at which the Board and its Committees are assessed, a meeting with the Independent Directors to consult and coordinate with and facilitate the communication of potential recommendations to them. He also oversees the annual assessment on the functioning of the Board of Directors.
- **Managing conflicts of interest**: The Senior Independent Director is in charge, in particular, in coordination with the Appointments and Governance Committee which he may consult and meet on these matters as necessary, of regularly performing diligences for the identification and analysis of, and information on, situations which might fall within the scope of the management and prevention of conflicts of interests within the Board of Directors and among the executive officers. He is seized or seizes himself of every

conflict of interests, actual or potential, which he becomes aware of concerning the executive officers and the other members of the Board of Directors. He informs the Secretary of the Board of Directors and the Chairman of the Appointments and Governance Committee thereof and, if the latter deems necessary, the Board of Directors. The Senior Independent Director, as necessary, may provide recommendations to the Appointments and Governance Committee and to the Board of Directors on the management of potential conflicts of interests that he detected or of which he was informed.

Therefore, each member of the Board of Directors is required to notify the Senior Independent Director, who reports this to the Secretary of the Board of Directors and to the Chairman of the Appointments and Governance Committee then, if the latter deems this necessary, to the Board of Directors, of any conflict of interests, even potential, of which he becomes aware, and must refrain from taking part in the vote on the corresponding resolution, where applicable.

Balanced representation of women and men

During the 2017 Applicable Period and at the date of this report, the Board of Directors comprises 9 Directors, not counting the Director representing employees, five of which are women: Mrs. Sophie Stabile, Mrs. Nathalie Palladitcheff, Mrs. Regine Stachelhaus, Mrs. Tanja Rueckert and Mrs. Gabrielle van Klaveren-Hessel, representing 55% of the Directors.

Conditions of preparation and organisation of the work of the Board of Directors

INTERNAL RULES

The Board of Directors adopted internal rules on the occasion of the Company's IPO and the applicable version as of the date of this report and was adopted by the Board of Directors on 14 December, 2017. The internal rules specify the rules and operating procedures of the Board of Directors, in addition to applicable legislative and regulatory provisions and to the Company's by-laws. The respective internal rules of the three Committees of the Board of Directors are also attached as annexes to the Board's internal rules.

In accordance with Article 1.3 of the Afep-Medef Code, the internal rules of the Board of Directors are available on the Company's website (www.spie.com).

MISSIONS OF THE BOARD OF DIRECTORS

The internal rules of the Board provide that the Board of Directors performs the duties and exercises the powers granted by law, the Company by-laws and the internal rules of the Board. The Board of Directors shall determine the strategic directions of the Company's business activities and ensure implementation thereof. In particular, implementation of certain specific strategic decisions is subject to prior authorisation by the Board of Directors (see below). Subject to the powers expressly granted by law to Shareholders' General Meetings and within the scope of the corporate purpose, the Board shall be vested with the power to consider any question concerning the proper operation of the Company and shall determine by its decisions the business of the Company.

The Board may conduct any such audits and investigations that it deems may be appropriate and shall be communicated with all documents it deems useful for the execution of its mission.

The Board ensures good corporate governance of the Company and the Group, in compliance with corporate social responsibility principles and practices of the Group and its officers and employees.

FUNCTIONING OF THE BOARD OF DIRECTORS

The internal rules of the Board of Directors provide for the arrangements for the meeting of the Board of Directors. The Board shall be convened by the Chairman, the Senior Independent Director, or one of its members by any means, including verbally. Convening notices may be addressed by the Secretary of the Board of Directors. The author of the convening notices shall determine the agenda of the meeting, after consultation with the Senior Independent Director who may, if necessary after consulting with the Chairmen of the Committees, request that the agenda be amended or that specific points be automatically added thereto.

The Board of Directors shall meet at least six times a year and, at any moment, as often as required by the Company's interests. The frequency and duration of the meetings shall allow in-depth review and discussion of the matters falling within the Board's scope.

The Senior Independent Director may also propose to the Chairman to convene an unscheduled meeting of the Board on a specific point whose importance or urgency would justify the necessity of holding such an extraordinary meeting.

The meetings of the Board of Directors shall be chaired by the Chairman; in the absence of the Chairman, they shall be chaired by the Senior Independent Director or, in the absence of the latter, by a Board member appointed by the Board of Directors.

The Board of Directors may only validly deliberate provided that at least half of its members in duties is present or represented. Members of the Board of Directors are considered to be present for purposes of forming a quorum or majority when attending meetings *via* videoconference or *via* telecommunication facilities allowing their identification and guaranteeing their effective participation, within the conditions of applicable legal and regulatory provisions. Each meeting of the Board and of the Committees shall be sufficient in duration to enable useful and meaningful debate of the agenda. The decisions shall be taken at majority of its members present or represented. In case of a split-vote, the Chairman of the meeting shall have a casting vote.

The internal rules of the Board of Directors also recall the obligations of the members of the Board of Directors, as described in the Afep-Medef Code. In particular, the internal rules provide that members of the Board of Directors may benefit from, after being appointed, an additional training about the specifics of the Company and companies it controls, their business and industries and that they may from time to time hear the main managers of the Company, who may be convened to attend to Board of Directors meetings. It is provided that the Board of Directors shall be regularly informed of the financial situation, the treasury situation as well as the commitments of the Company and the Group and that the Chairman and CEO shall regularly provide the Board members with any information concerning the Company of which they may become aware and the provision of which they consider useful and relevant. To this effect, the Group provides the members of the Board of Directors with a report on the activity and the financial situation of the Group on a monthly basis. The Board of Directors and the Committees may also hear any experts in areas under their respective competences.

WORK OF THE BOARD OF DIRECTORS

During the 2017 Applicable Period, the main topics of which the Board was convened related to:

- the approval of the 2017 half-year consolidated financial statements and the review and approval of the half-year financial report and the communication related to the half-year results;

- the presentation of the operating situation of the Group, the financial situation, the treasury situation and the commitments of the Group, and in particular the review and approval of the communication related to Q3 2017 results as well as the review and approval of the updated forecasts at 2017 year-end and the approval of the 2018 budget;
- monitoring the Group's situation in terms of safety;
- approval of the conclusion of important commercial contracts relating to the participation in projects exceeding €50 million (see below);
- discussions on completed or contemplated acquisitions by the Group, including approval of the conclusion of any material acquisition that involves an enterprise value (see below);
- Appointments and resignations from the Board of Directors;
- corporate governance, including the assessment of the independence of the Directors, the continuity and succession plan of the members of the Executive Committee, and more particularly of the CEO, and various questions relating to the organisation and information of the Board of Directors and the Committees; and
- internal control matters and risk management.

The reports of the Audit, Appointments, Compensation, and Strategy and Acquisitions Committees that were held during the 2017 Applicable Period (see below) have also been presented to the Board of Directors.

FREQUENCY OF MEETINGS OF THE BOARD OF DIRECTORS AND THE AVERAGE PARTICIPATION RATE OF THE DIRECTORS TO THE BOARD OF DIRECTORS MEETINGS AND COMMITTEES OVER THE APPLICABLE PERIOD

During the 2017 Applicable Period, the Board of Directors met nine times.

The average participation rate of the Directors, in person or by proxy, during the 2017 Applicable Period was 92.1%.

The attached table shows the participation rate of all Directors for the Board of Directors as well as the Board's Committees:

	Board of Directors	Audit Committee	Appointments and Governance Committee	Strategy and Acquisitions Committee (1)	Compensation Committee
Gauthier Louette	100%	-	100%	100%	-
Denis Chêne	100%	-	-	100%	-
Roberto Quarta (2)	62.5%	-	66.6%		100%
Nathalie Palladitcheff	100%	-	100%	100%	-
Christian Rochat (3)	50%	100%	-	100%	
Gabrielle van Klaveren-Hessel	100%	-	-	100%	-
Tanja Rueckert (4)	100%	-	-	-	-
Michel Bleitrach	88.9%	-	-	-	100%
Sir Peter Mason	100%	100%	80%		
Sophie Stabile	88.9%	75%	-		66.6%
Regine Stachelhaus	100%	-	100%	100%	-
Daniel Boscari	100%	-	-		100%

(1) Pursuant to a decision dated November 9, 2017, the Board of Directors has abolished the Strategy and Acquisitions Committee.

(2) Mr. Roberto Quarta resigned as a Director of the Company with effect on16 March, 2017 in accordance with the terms of the commitment letter described in the Statutory Auditors' special report on related parties transactions for 2017 in section 19.2 of the present Registration Document. He was not replaced.

(3) Mr. Christian Rochat resigned on 6 September, 2017 in accordance with the terms of the commitment letter described in the Statutory Auditors' special report on related parties transactions for 2017 in section 19.2 of the present Registration Document and was replaced by Mrs. Tanja Rueckert.

(4) Mrs. Tanja Rueckert was appointed Director by co-optation on 14 September, 2018. Such appointment will be submitted to the approval of the Shareholders' General Meeting called to approve the financial statements of the year ended on December 31, 2017.

b. Composition and functioning of the Committees of the Board

The Board of Directors decided to create four Committees, the Audit Committee, the Appointments and Governance Committee, the Compensation Committee and the Strategy and Acquisitions Committee [1], in order to assist the Board for some of its missions and concur efficiently to the preparation of certain specific matters subject to its approval. Each of the Committees is subject to its internal rules (annexed to the internal rules of the Board of Directors) and presents its reports and recommendations to the Board of Directors. Minutes of the meetings of these specialised Committees of the Board of Directors shall be prepared and communicated to the members of the Board of Directors.

Audit Committee

COMPOSITION

The Audit Committee comprises of at least three members. In 2017, the members of the Audit Committee included: Sir Peter Mason (Chairman, Independent Director and Senior Independent Director (SID) since 8 December, 2015), Mr. Christian Rochat, Mrs. Nathalie Palladitcheff and Mrs. Sophie Stabile (Independent Director). They were appointed by the Board of Directors as members of the Audit Committee based in particular on their independence and their special financial and/or accounting expertise. Mr. Christian Rochat left the Audit Committee on 6 September, 2017 following his resignation from the Board of Director of the Company. Mrs. Nathalie

(1) By a decision dated November 9, 2017, the Board of Directors abolished the Strategy and Acquisitions Committee.

Palladitcheff was appointed as member of the Audit Committee by the Board of Directors on 14 September, 2017.

On 14 December, 2017, the Board of Directors appointed Mrs. Gabrielle Van Klaveren, the Director representing the Shareholders-employees, as member of the Audit Committee. In accordance with recommendation 14.1 of the Afep-Medef Code, the Director representing the Shareholders-employees is not taken into account to determine the percentage of Independent Directors.

The composition of the Audit Committee thus complies with the recommendations of the Afep-Medef Code with two-thirds of the members being independent.

The term of office of the members of the Audit Committee coincides with their term on the Board of Directors (see above). It may be renewed at the same time as their Board membership.

MISSIONS OF THE AUDIT COMMITTEE

The mission of the Audit Committee is to monitor questions relating to the preparation and control of the accounting and financial information, and to ensure the effectiveness of the process to monitor risks and internal operational control in order to assist the Board of Directors in the performance of its control and audit missions.

Within this framework, the primary duties of the Audit Committee are to:

- monitor the process to prepare the financial information;
- monitor the effectiveness of the internal control and risk management systems;
- monitor the legal audits of the corporate and consolidated accounts by the Company's independent auditors; and
- monitor the independence of the independent auditors.

The Audit Committee reports regularly to the Board on the performance of its missions and informs the Board of Directors immediately of any difficulty encountered.

The Audit Committee meets as needed and, in any case, at least twice a year at the time of the preparation of the annual and half-year financial statements.

WORK OF THE AUDIT COMMITTEE

During the 2017 Applicable Period, the Audit Committee met four times, to discuss the following main topics:

- review of the 2017 half-year consolidated financial statements, the half-year financial report and the communication related to the half-year results;
- review of the communication related to the 2017 first and third quarter results;
- presentation of the conclusions of the reports of the Statutory Auditors following their audit mission and their review of the internal control environment of the Group;
- review of the 2016-2017 roadmap for the Risk Control and Internal Audit Department;
- review of the 2017 internal control assessment program within the Group;
- review of the 2017-2018 internal audit program;
- review of audit missions performed in 2017;
- review of the Audit Committee internal rules;
- review of the prior authorisation granted for non-audit services performed by the Company's auditors;
- for the purpose of its work, the Audit Committee regularly questions the Group's Chief Financial Officer, the Group's Risk Control and Internal Review Director as well as the Auditors, and more occasionally, other managers of the Company.

The average participation rate of the members of the Audit Committee during the 2017 Applicable Period was 93.7%.

Appointments and Governance Committee

COMPOSITION

During the 2017 Applicable Period, the members of the Appointments and Governance Committee included: Mr. Roberto Quarta (Chairman), Mrs. Regine Stachelhaus (Independent Director), Mrs. Nathalie Palladitcheff, Sir Peter Mason, Senior Independent Director, and Mr. Gauthier Louette [(1)]. They were appointed by the Board of Directors as members of the Appointments and Governance Committee, based in particular on their independence and their expertise in selecting executive officers of publicly traded companies and their knowledge of governance issues.

Following the resignation of Mr. Gauthier Louette as member of the Committee on 14 December, 2017, the Appointments and Governance Committee therefore comprises three members, with two independent members. The composition of this Committee is therefore compliant with the recommendation 16.1 of the Afep-Medef Code, which requires a majority of independent members within this Committee.

By decision dated 9 March, 2017, the Board of Directors decided to entrust the presidency of the Appointments and Governance Committee to Mrs. Regine Stachelhaus, Independent Director.

The term of office of the members of the Appointments and Governance Committee coincides with their term on the Board of Directors (see above). It may be renewed at the same time as their Board membership.

MISSIONS OF THE APPOINTMENTS AND GOVERNANCE COMMITTEE

The Appointments and Governance Committee is a specialised Committee of the Board, with the primary mission of assisting the Board in determining the members of the executive bodies of the Company and its Group.

In this framework, it performs the following tasks:

- appointment recommendations for members of the Board of Directors, the General Management, and Committees of the Board of Directors; and
- annual assessment of the independence of the members of the Board of Directors.

The Appointments and Governance Committee meets as needed and, in any event, at least once a year prior to the Board meeting that decides the situation of the members with regard to the independence criteria adopted by the Company.

WORK OF THE APPOINTMENTS AND GOVERNANCE COMMITTEE

During the 2017 Applicable Period, the Appointments and Governance Committee met five times, in order to discuss the following main topics:

- review of the internal rules of the Appointments and Governance Committee;
- annual assessment of the independence of the members of the Board of Directors;

(1) Mr. Gauthier Louette resigned from his position as member of the Appointment and Governance Committee on 14 December, 2017.

- organisation of the process for the evaluation of the functioning of the Board of Directors;
- review of the continuity and succession plan of the members of the Executive Committee and, in particular, of the CEO;
- Review of the Competencies Matrix with the Board of Directors and report to the Board of Directors; and
- Recommendations to the Board of Directors for the selection and appointment of a new Independent Director and the appointment of new members to the Board of Directors' Committees.

The average participation rate of the members of the Appointments and Governance Committee during the 2017 Applicable Period was 76%.

Compensation Committee

COMPOSITION

The Compensation Committee is composed of three members, two of whom are independent members of the Board. During the 2017 Applicable Period, the members of the Compensation Committee included: Mr. Michel Bleitrach (Chairman, Independent Director), Mrs. Sophie Stabile (Independent Director), Mr. Daniel Boscari, Director representing the employees, and Mr. Roberto Quarta [(1)]. They were appointed by the Board of Directors as members of the Compensation Committee based in particular on their independence and their expertise in the area of compensation for executive officers of public traded companies.

By decision dated 9 March, 2017, the Board of Directors decided to appoint Mr. Daniel Boscari, Director representing the employees, as member of the Compensation Committee.

The composition of the Compensation Committee complies with the recommendations of the Afep-Medef Code.

The term of office of the members of the Compensation Committee coincides with their term on the Board of Directors (see above). It may be renewed at the same time as their Board membership.

MISSIONS OF THE COMPENSATION COMMITTEE

The Compensation Committee is a specialised Committee of the Board of Directors, the principal task of which is to assist the Board in the determination and regular assessment of all compensation and benefits for executive officers or managers of the Group, including all deferred benefits and/or severance payments for voluntary or force departure from the Group.

In this framework, it performs the following tasks:

- reviews and recommends to the Board of Directors all elements and conditions of the compensation for the main executive officers of the Group;
- reviews and recommends to the Board the method of allocation of Directors' fees;
- consults for recommendation to the Board of Directors on all exceptional compensation related to special missions, if any, that may be assigned by the Board to certain members; and
- review of employees shareholding plans and bonus share scheme for certain beneficiaries.

The Compensation Committee meets as needed and, in any event, at least once a year, prior to any meeting of the Board of Directors that will decide on the compensation for members of the General Management or the allocation of Directors' fees.

WORK OF THE COMPENSATION COMMITTEE

During the 2017 Applicable Period, the Compensation Committee met three times, to discuss the following main topics:

- determination of the 2017 annual fixed and variable compensation of the Chairman and CEO;
- proposal to the Board of Directors regarding objectives and performance KPIs for the variable part of the CEO's compensation;
- review of the observations made by investors and proxys on the information provided by the Company on compensations and bonus share scheme (*plan d'attribution d'actions gratuites*) within the Group; and
- setting the principles for the allocation of the Directors' fees among the Directors for the year 2017.

The average participation rate of the members of the Compensation Committee during the 2017 Applicable Period was 91.6%.

Strategy and Acquisitions Committee

COMPOSITION

During the 2017 Applicable Period, the members of the Strategy and Acquisitions Committee included: Mr. Gauthier Louette (Chairman of the Board of Directors), Mrs. Regine Stachelhaus (Independent Director), Mr. Christian Rochat, Mrs. Nathalie Palladitcheff and Mr. Denis Chêne.

By decision dated 9 March, 2017, the Board of Directors decided to appoint Mrs. Gabrielle Van Klaveren-Hessel, Director representing the Shareholders-employees, as member of the Strategy and Acquisitions Committee.

The term of office of the members of the Strategy and Acquisitions Committee coincides with their term on the Board of Directors (see *above*). It may be renewed at the same time as their Board membership.

MISSIONS OF THE STRATEGY AND ACQUISITIONS COMMITTEE

The Strategy and Acquisitions Committee is responsible for questions relating to the Group's policy on acquisitions and financing.

The Strategy and Acquisitions Committee must be consulted about any proposed transfer, acquisition or disposal, spin-off, merger or demerger by the Company or a company of the Group when the operation in question involves an enterprise value or transaction greater than €15 million or a company or business that generates revenues greater than €50 million and, more generally, when the operation in question must first be approved by the Board of Directors (see *below*).

WORK OF THE STRATEGY AND ACQUISITIONS COMMITTEE

During the 2017 Applicable Period, the Strategy and Acquisitions Committee met, to discuss the project of acquisition of the companies Lück in Germany and Ziut in the Netherlands.

The average participation rate of the members of the Strategy and Acquisitions Committee during the 2017 Applicable Period was 100%.

(1) Having resigned from his office as Director of the Company with effect from 16 March, 2017, Mr. Roberto Quarta is no longer a member of this Committee as of this date..

During a meeting held on 9 November, 2017, the Board of Directors, based on a review of the transactions closed by the Company, as well as a benchmark study with comparable companies, decided to abolish the Strategy and Acquisitions Committee and that any acquisition with an enterprise value at least equal to €30,000,000 would be directly reviewed and, as the case may be, approved by the Board of Directors. The Board of Directors considered that this abolition of the Strategy and Acquisitions Committee will allow better equality between the members of the Board of Directors in terms of access to information, as well as an increased involvement of the Board of Directors in this type of transaction.

c. Evaluation of the functioning of the Board of Directors and the Committees of the Board

The internal rules of the Board of Directors provide the procedures pursuant to which the Board of Directors shall assess its capacity to meet Shareholders' expectations by conducting periodic reviews of its composition, organisation and functioning. To that purpose, once a year, the Board of Directors shall, upon report of the Appointments and Governance Committee, devote an item of the agenda to its operating procedures, to the verification that important issues are properly prepared and discussed within the Board of Directors, and to the measuring of the effective participation and involvement of each Board member in the Board of Directors' work through his or her competence and involvement in deliberations. This assessment shall be made on the basis of the answers to an individual and anonymous inquiry addressed to each member of the Board of Directors once a year. For the 2017 Applicable Period, the Board of Directors also introduced, in addition to the written personal questionnaire, interviews between each Director and non-voting Directors and the Senior Independent Director.

With respect to the 2017 Applicable Period, in accordance with the internal rules of the Board of Directors described above, an evaluation mainly focused on Board of Directors and Committee organisation and Board and Committee papers, was performed in January 2017 and February 2018 by the Secretary of the Board of Directors through individual inquiry sent to each of the members of the Board of Directors, and under the Senior Independent Director's supervision. Anonymous responses were analysed and discussed by the Appointments and Governance Committee during its meeting held on 13 February, 2018. The Senior Independent Director led individual interviews with each Director and non-voting Director and submitted its recommendations, together with the Board evaluation results, to the Board of Directors of 9 March, 2017. The evaluation demonstrated a generally positive feedback with some comments suggesting areas of improvement. As a result of these comments and recommendations from the Appointments and Governance Committee, the Board of Directors has resolved, for the purpose of improving its operation, to:

- increase the duration of certain Board meetings in order to spend more time on various issues of the agenda;
- review the Company's risk chart during its meeting dedicated to the Group's strategy including a thorough review of certain risks during the Board meetings;
- allowing for at least one site visit per year in order to improve the Board members' knowledge of the various activities of the Company;
- a follow-up of the quality of the acquisitions completed and their integration, notably with an evaluation of performance.

3. GENERAL MANAGEMENT

a. Chief Executive Officer

Mr. Gauthier Louette exercises the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company. He holds the title of Chairman and CEO. He was appointed as Chairman and CEO of the Company for four years on 26 September, 2014, in the context of the transformation of the Company from a simplified joint stock company (*société par actions simplifiée*) to a joint stock company with a Board of Directors (*société anonyme à conseil d'administration*). His office shall terminate in 2018, immediately after the Shareholders' Annual Ordinary General Meeting of the Company called to approve the financial statements for the financial year ended 31 December, 2017 and it will be proposed to the General Shareholders' Meeting to renew his mandate for a duration of 4 years.

The conditions of exercise of his office, in particular his compensation, as set forth by the Board of Directors, are described hereafter and in Chapter 15 "Compensation and benefits" of the 2017 Registration Document of the Company to which this report is attached.

b. Means of exercise of the General Management. Limitations of powers

Means of exercise of the General Management

The functions of Chairman of the Board of Directors and Chief Executive Officer are combined since the transformation of the Company into a joint stock company with a Board of Directors. To the Board of Directors, such combination constituted a choice of organisation that is well adapted to the Company and the Group, particularly in the context of the recent IPO of the Company, and most consistent with the role previously undertaken by the current Chairman and CEO within the Group, in particular his office as President of the Company under its former corporate form of simplified joint stock company.

During its meeting of 9 March, 2018 and following a report from the Appointment and Governance Committee, the Board of Directors determined that the aggregation of the functions of Chairman of the Board of Directors and CEO of the Company, as well as its unified presentation to third parties, remained in the best interests of the Company for the following reasons:

- the balance of powers and independence of the Board of Directors are sufficiently ensured through a list of issues mentioned in the Company's internal rules for which a prior agreement of the Board of Directors is required (*cf. infra*). In addition, the increase in the number of Independent Directors and the presence of an experienced Senior Independent Director (*cf. infra*) which is notably in charge of reviewing each year the performance of the Board of Directors' operation, organise cessions with non-executive Directors and chair the Board of Directors during the review of issues relating to the CEO such as his compensation, contribute to the independence of the Board of Directors;
- in addition to its missions of review of financial issues, the Board of Directors reviews transactions above a certain threshold or significant from a strategic point of view which have been reviewed and approved by the Executive Committee. The strategic and operational objectives have thus been aligned between the Executive Committee and the Board of Directors;
- annual reviews of the Board of Directors have shown a high level of satisfaction from the members of the Board of Directors in relation to the way the CEO chairs the Board meetings.

Taking notably account of this combination of functions, on 8 December, 2015, the Board of Directors, upon proposal of the Appointments and Governance Committee, appointed Sir Peter Mason as Senior Independent Director (see above).

In accordance with applicable law, the Company's by-laws and the internal rules of the Board of Directors, the Chairman and CEO chairs the meetings of the Board of Directors, organises and leads its work and meetings and ensures a smooth functioning of the Company's corporate bodies, in ensuring in particular that the Directors are in a position to perform their mission.

Limitations to the powers of the General Management

The Chairman and CEO holds the widest powers to act in all circumstances in the name and on behalf of the Company, which he represents towards third parties.

However, in accordance with Article 4.2 of the internal rules of the Board of Directors, he must obtain the prior authorisation of the Board of Directors with respect to the following strategic decisions:

(i) approval or amendment to the business plan or to the budget (including investment budgets together with the related financing plan) of the Company, including the consolidated annual budget of the Group;

(ii) any investment (except Section (iii) below) not approved in terms of Section (i) above under the business plan or the budget for an amount of more than ten million euros (€10,000,000);

(iii) any external growth transaction or takeover or acquisition of stake, provided that this transaction involves an enterprise value or a transaction amount exceeding €30 million;

(iv) any launch of a significant activity not within the usual scope of the companies of the Group or any decision to stop or significantly reduce the main businesses of the Group;

(v) constitution of security interests (endorsements and guarantees) by the Company for the benefit of a third party, except guarantees granted to customs and tax authorities in the normal course of business;

(vi) any decision to participate in a project involving a company of the Group up to an amount (per project) exceeding €50 million, together with the entry into any agreement of an overall amount equal or exceeding €50 million;

(vii) any amendment to the Company's Articles of Association;

(viii) any proposition in relation with any financial undertaking or any operation of indebtedness that would lead the leverage ratio of net debt on EBITDA of the Group to exceed a certain amount set annually by the Board of Directors;

(ix) any decision to issue any securities granting access to the Company's share capital (including stock option plans, any employee savings plan or any Group employee incentive schemes);

(x) any decision to amend the conditions for fixed, variable, cash or in kind compensation of the Group's corporate officers;

(xi) any disposal of a company belonging to the Group or any disposal of one or several of its main businesses, provided that this transaction involves an enterprise value or a transaction amount exceeding €50 million or a company or a business with an annual revenue higher than €150 million; and

(xii) any merger, spin-off, or contribution in kind involving a company of the Group and a third company provided that this transaction involves an enterprise value of the third company or a transaction amount exceeding €50 million or a third party company or enterprise with an annual revenue exceeding €150 million.

4. PRINCIPLES AND RULES SET BY THE BOARD OF DIRECTORS FOR ALL TYPES OF COMPENSATION AND BENEFITS GRANTED TO CORPORATE OFFICERS DURING THE FINANCIAL YEAR 2017

The compensation policy for the Company's executive officers was adapted to usual practices of listed companies and reflects the recommendations of the Afep-Medef Code.

a. Members of the Board of Directors

The rules for allocating the Directors' fees among the Directors have been set by the Board of Directors, following a recommendation by the Compensation Committee during its meeting of 10 March, 2016 and continued in 2017.

The rules for allocating the Directors' fees among the Directors have been set as follows:

- only Independent Directors (currently five) are entitled to Directors' fees;
- each Independent Director receives a maximum total amount of €60,000 per year, subject to his/her participation to the meetings of the Board of Directors and of the Committees (see *below*);
- each Chairman of a Committee who is independent receives an additional amount of €10,000 per year, subject to his/her participation to the meetings of the Board of Directors and of the Committees (see *below*);
- the Senior Independent Director receives a maximum amount of €90,000 per year, under condition of his participation to the Board of Directors and the Committees (see *below*);
- the Independent Directors' compensation is split in a fixed part (40% of the total) paid half in June and half in December, and a variable part (60% of the total), which depends on the participation in Board of Directors and Committee meetings, paid end of March of the following year after the activity report presented to the Board of Directors. This variable part shall be proportional to the participation rate to the meetings, a meeting of the Board of Directors counting for 1 and a meeting of a Committee counting for 1/2. For the Senior Independent Director, the fixed part is equal to 60% of the total, and the variable part 40% of the total.

The compensation due to each member of the Board of Directors with respect to 2017, after taking into account their participation in Board of Directors and Committee meetings, is presented in Chapter 15 "Compensation and benefits" of the 2017 Registration Document to which this report is attached.

b. Chairman and CEO

The components of the CEO's compensation include:

- a fixed annual compensation;
- a variable annual compensation;
- subscription options, performance shares and other equity interests;
- pension plan;
- severance package;
- other benefits.

The compensation of the Chairman and CEO comprises a fixed part and a variable part based on a number of objectives set forth on an annual basis. At the end of each financial year, the Board of Directors, upon recommendation from the Compensation Committee, sets forth the amount of the fixed annual compensation for the following year as well as the level of his variable annual compensation with respect to the following year and the quantitative criteria based on which the latter shall be calculated. At the beginning of each financial year, the Board of Directors, upon recommendation from the Compensation Committee, calculates the amount of the variable annual compensation due with respect to the previous financial year based on the results of the previous year and the achievements of his quantitative and qualitative objectives, and sets forth the objectives for the qualitative part of his variable annual compensation for the current financial year.

In accordance with the recommendations of the Afep-Medef Code, the components of the compensation due or granted with respect to the financial year 2017 to the Chairman and CEO of the Company, as presented below, as well as the compensation policy of executive corporate officers, will be submitted to a vote of the Shareholders of the Company during the Shareholders' Annual General Meeting scheduled on 25 May, 2018.

Fixed and variable compensation with respect to financial year 2017

In accordance with the principles described above, the Board of Directors, in its decisions of 14 December, 2017 and 8 March, 2018, upon recommendation from the Compensation Committee, set forth the 2017 compensation of the Chairman and CEO as follows:

- a gross annual fixed portion amounting to €740,300, as compared to €729,300 in 2016, i.e. a 2% increase; this increase was based on a detailed study of fixed and variable compensation of executive officers of comparable companies conducted by an independent consultant firm on behalf of the Company; and
- an annual variable portion with achieved objectives amounting to 100% of his gross annual fixed compensation, with 55% linked to EBITA, 10% linked to Operating Cash Flow, and 35% linked to individual qualitative objectives, as presented below, and with an adjustment of the EBITA factor based on the Group's safety performance. Should the objectives be exceeded, the variable part can reach a maximum of 171% of the fixed annual compensation.

The individual qualitative objectives for the 2017 variable compensation are as follows:

Criteria	**Indicator**	**Weight**	**Achieved**
EBITA	Budget 2017	55%	73%
Safety	Accidents frequency rate incurring work interruption of employees and temporary workers	Between 0.9 et 1.1	0.95%
Cashflow from operations	Budget 2017	10%	12%
TOTAL	**-**	**65%**	**85%**

Individual qualitative objectives retained by the Board of Directors on 8 March, 2018 for the 2017 annual variable compensation are as follows:

Criteria	**Weight**	**% Achieved**
2017 External Growth	8%	8%
Strategic Review	5%	5%
Succession plan of the Executive Committee including the CEO	5%	5%
Digital strategy	10%	10%
Relationship with shareholders and financial communication	7%	6%
TOTAL	**35%**	**34%**

The Board of Directors has implemented, for the evaluation of certain criteria, key performance indicators for the external growth objectives (€321 million result *vs*. a €200 million objective) and for the digital strategy with an achieved objective implemented for offers to client and e-mobility.

The Board of Directors held on 8 March, 2018, upon proposal from the Compensation Committee and after review of the level of achievement of the quantitative and qualitative performance objectives described above, set the amount of the 2017 variable annual compensation of the Chairman and CEO to €880,957.

Variable and fixed compensation for 2018

During its meeting held on 14 December, 2017, the Board of Directors decided to set the CEO's fixed at €775,000 for 2018 as opposed to €740,300 for 2017, which represents a 4.7% increase. The Board of Directors determined that this increase was justified by the significant growth of the Group's size following the acquisition of SAG and that his fixed compensation was below the average of SBF 120 comparable companies, as determined by an independent expert.

The Board of Directors also defined, during its meeting held on 14 December, 2017, the 2018 objectives for the variable compensation of the CEO as follows:

Indicator	KPI	Weight	% reached
External Growth		9%	-
Achievement of SAG Integration	Achievement of integration action plans	7%	-
Reorganisation of French activities	a) Creation of SPIE France and implementation of the new organisation b) PA 2018 achievement	7%	-
Strategic Business Review	One review at Board level per year, chaired by the SID, including 3 items: competition, digital, strategy and risk matrix	5%	-
Relations with shareholders and financial communication	Review by the Board of Directors over the year	7%	-
TOTAL		**35%**	**-**

Should the objectives be exceeded, the variable part can reach a maximum of 171% of the fixed annual compensation.

Subscription options, performance shares and other shares allotment

On 25 May, 2016, the Shareholders' General Meeting has, in accordance with its 20th resolution, authorised the Board of Directors, under certain conditions, to grant free shares, existing or to be issued, to the benefit of officers or employees of the Company or companies related to the Company in accordance with Article L. 225-197-2 of the Commercial Code.

The Board of Directors on 28 July, 2016, on the basis of the authorisation granted by the Shareholders' General Meeting, has issued two free performance shares plans for officers and employees of the Company and its subsidiaries. Mr. Gauthier Louette, CEO, is one of the beneficiaries of these plans.

For a detailed description of said free performance shares plans granted notably to Mr. Gauthier Louette, see Section 17.2.2 of this Registration Document to which the present report is attached.

The Board of Directors, during its meeting which was held on 9 March, 2018, indicated that future free performance shares plans for the benefit of the CEO would not exceed 8% of the number of shares granted by said plan, will be conditioned to a holding period of a minimum of 3 years, until the end of his mandate, 25% of the performance shares definitely acquired. The performance criteria will be similar to those of the 2016 plan. In the event of the termination of the CEO's mandate before the expiry of the 3 years holding period, no dispensation has been implemented for the holding period except in the case of a change of control of the Company (see paragraph 17.2.2 of the 2017 Registration Document).

Pension plan

The Chairman and CEO benefits from a defined benefit supplemental pension plan set up within SPIE Operations in 2001 and a defined contribution supplemental pension plan established within Financière SPIE in 2009. Both plans are now within the Company.

Severance package and non-compete

The Chairman and CEO benefits from a severance package of one year of compensation (fixed plus variable excluding exceptional bonuses if any) in the event of a forced departure.

The performance conditions, applicable to this termination indemnity, are based on the rate of achievement of the economic and financial criteria applicable to the variable part of his compensation as decided by the Board of Directors upon recommendation from the Compensation Committee (see above). The average rate of achievement of the objectives based on these criteria for the last three years must be equal to or greater than 70%.

Eventually, the Chairman and CEO is a participant in the social guarantee for heads of companies (GSC) that provides, in the event of job loss, payment for 24 months of an annual benefit capped at 40% x 6 ASSC (annual social security cap) (PASS – *plafond annuel de la Sécurité sociale*).

The Chairman and CEO does not benefit from any indemnity which would be due to compensate a non-compete provision.

Other benefits

The Chairman and CEO benefits from a Company car.

The summary tables presenting the compensation and benefits of any kinds of the Chairman and CEO with respect to the financial years 2017, 2016 and 2015 are included in Chapter 15 "Compensation and benefits" of the 2017 Registration Document to which this report is attached.

Draft of the resolution provided in accordance with Article L. 225-37-2 of the Commerce Code and submitted to the Shareholders' General Meeting of 25 May, 2018

(Fifteenth Resolution) - **Approval of the principles and the criteria for the determination, allocation and attribution of the fixed, variable and exceptional components of the total remuneration and benefits in kind attributable to Mr. Gauthier LOUETTE, as Chairman and Chief Executive Officer**

The Shareholders' General Meeting have noted the report of the Board of Directors as drafted in accordance with Article L. 225-37-2 of the Commercial Code, ruling under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, approves the principles and criteria applicable for the determination, the allocation and attribution of the fixed, variable and exceptional components of the total remuneration and benefits in kind attributable to Mr. Gauthier LOUETTE, as Chairman and Chief Executive Officer.

5. RELATED PARTY AGREEMENTS (ARTICLE L. 225-37-4 2° OF THE COMMERCE CODE)

The relevant information are provided in Section 19 of the Registration Document to which the present report is attached.

6. SUMMARY OF THE CURRENT DELEGATIONS OF AUTHORITY GRANTED BY THE SHAREHOLDERS' GENERAL MEETING IN RELATION TO SHARE CAPITAL INCREASES, PURSUANT TO ARTICLE L. 225-129-1 AND L. 225-129-2 OF THE COMMERCE CODE, AS WELL AS THE USE OF THOSE DELEGATIONS DURING THE YEAR ENDED 31 DECEMBER, 2017 (ARTICLE L. 225-37-4 3° OF THE COMMERCE CODE)

The relevant information are provided in Section 21.1.1 of the Registration Document to which the present report is attached.

7. PROVISIONS OF THE BYLAWS REALTING TO THE PARTICIPATION OF SHAREHOLDERS TO THE GENERAL MEETING (ARTICLE L. 225-37-4 9° OF THE COMMERCE CODE)

The relevant information are provided in Section 21.2.5 of the Registration Document to which the present report is attached.

8. INFORMATION RELATING TO ITEMS WHICH MAY HAVE AN IMPACT ON A PUBLIC OFFERING (ARTICLE L. 225-37-5 OF THE COMMERCE CODE)

The relevant information are provided in Section 18.4 of the Registration Document to which the present report is attached.

Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code, on the corporate governance report prepared by the Board of Directors of SPIE SA

The statutory Auditors' report, prepared in accordance with article L. 225-235 of the French commercial code, on the corporate governance report prepared by the Board of Directors of SPIE SA is included in the Auditors report on the Company's annual accounts for the year ended December 31, 2017 which is attached to section 20.2.2 of the present Registration Document.

Appendix 2

REPORT ON THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY (CSR) AND VERIFICATION REPORT OF THE INDEPENDENT THIRD PARTY ON THIS REPORT

CSR STRATEGY

SPIE is Europe's independent leader in multi-technique services in the fields of energy and communications. As a player in the green economy, SPIE is involved throughout the life cycle of its clients' activities: from advising and feasibility studies to keeping their most critical facilities in operational condition. SPIE's development focuses on four markets, demonstrating its desire to offer solutions allowing its clients to tackle environmental and societal issues:

- **Smart City:** Contributing to a sustainable model of urban and territorial development;
- **E-fficient buildings:** Optimising real estate performance over time through the convergence between digital technologies and services for buildings;
- **Energies**: Promoting the energy transition through a wide range of technologies and services that improve modes of production, use, and transport of energy;
- **Industry services:** Supporting manufacturers across the entire value chain to improve performance, reduce their costs, and promote their innovations.

SPIE aspires to be a responsible company through both its internal and external practices, by providing innovative solutions and taking the expectations of its various stakeholders into account.

SPIE's values are: "Proximity" with its teams, clients, and partners; "Performance" at all levels; and "Responsibility", including social and environmental. Through these three concepts, SPIE incorporates its CSR approach into its strategy.

A Group CSR Committee, composed of members of the Executive Committees of the subsidiaries as well as two members of the Group's Executive Committee, proposes and steers SPIE's CSR strategy. It meets on a regular basis. Several Committees round out the Group's CSR governance system: local CSR Committees (Germany and United Kingdom), a Group Ethics Committee and local Ethics Committees, a Responsible Purchasing Committee, a Disability Committee, inter-subsidiary working groups on specific safety subjects, as well as an "Environment" working Group created in 2017. Composed of internal experts, its mission is to develop an "Environment" Code.

In addition, SPIE has a large network of employees responsible for managing issues related to Quality/Health/Safety/Environment ("QHSE") covering all the themes and led by a team dedicated to sustainable development located at the headquarters in Cergy Pontoise. All policies on the various subjects are relayed at the local level to ensure the implementation of local initiatives.

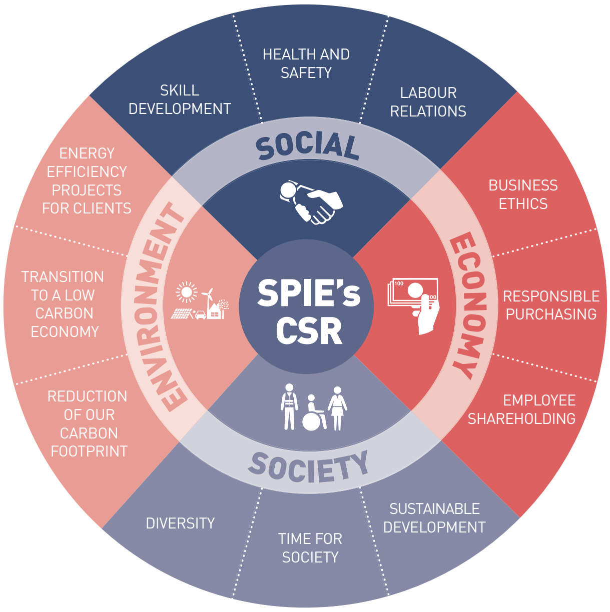
SPIE also communicates various data related to sustainable development themes in its Registration Document and Annual report, which supplement this CSR report. The main objective of the CSR report is to company with Article R. 225-105-1 of the French Commercial Code providing for the dissemination of quantitative or qualitative information on 42 topics relating to social, environmental, and societal data.

CSR POLICY

Committed to "corporate social responsibility" (CSR) actions for the past decade, particularly in the areas of diversity, skills development, health and safety, the green economy and responsible purchasing, SPIE has formalised its CSR policy around four areas of focus: personnel, economy, society, and environment.

Each of these areas is divided into three themes. Objective: to allow all stakeholders, including employees and clients, to have a clear overall view of SPIE's CSR commitments.

- **Environment:** We strive to reduce our carbon footprint as well as that of our clients and partners through our internal initiatives and our solutions promoting the green economy.
- **Personnel:** Because service is at the heart of our businesses, our employees are our most important asset. We are attentive to guaranteeing their safety in the workplace, offering them opportunities for professional training and development, and developing constructive employment relations.
- **Economy:** We aim for economic performance while respecting high ethical requirements and favouring mutual trust and lasting relationships with all our stakeholders.
- **Society:** We promote diversity and encourage our employees to devote time to serving sustainable development. We are committed to building a better future based on shared values of proximity and responsibility.



1. LABOUR INFORMATION

1.1 EMPLOYMENT

1.1.1 TOTAL STAFF AND BREAKDOWN OF EMPLOYEES BY GENDER, AGE, AND GEOGRAPHIC AREA

SPIE employed 46,650 people at 31 December 2017, versus 37,628 people at 31 December 2016 (all types of contracts: fixed-term, permanent, apprentices).

- of these employees, 43,295 work in Europe (including 18722 in France) and 3,355 work in the rest of the world (Africa, Middle East and Asia-Oceania).
- at the end of 2017, the proportion of women stood at 13% for the overall workforce and 14% for managers.

The average age is 43 years.

For more information, refer to paragraph 17.1.1– "Number and breakdown of employees" in the Registration Document.

1.1.2 HIRES AND DISMISSALS

In 2017, 13,918 new employees joined the Group on permanent contracts following hirings and acquisitions.

In all these geographical areas, dismissals are included in departures.

1.1.3 PAY AND ITS CHANGES

The pay policy deployed by SPIE includes the allocation of variable pay related to collective and individual performance. In addition to the basic pay policy, SPIE redistributes wealth through:

- the establishment of a profit-sharing agreement in France;
- the establishment of an incentive agreement in the French, Belgian, and Dutch subsidiaries.

SPIE wishes to continue to involve its employees in the ownership of the company, after the momentum associated with the IPO in June 2015 and the success of the "Share For You 2015" operation. Beyond the possibility for any Group employee to make voluntary contributions into the SPIE shareholding 2015 employee mutual fund, SPIE introduced in 2017 the possibility for French employees to invest their incentive and/or profit-sharing bonuses into the SPIE shareholding 2015 subfund of the SPIE shareholding employee mutual fund. Today, SPIE is among the European companies whose proportion of employee Shareholders is significantly above the European average, reflected in the Group's inclusion in the Euronext FAS IAS index of companies with strong employee ownership structures.

As of the end of 2017, 33% of employees are Shareholders worldwide. The percentage is stable between 2016 and 2017 on a like for like basis.

In 2017, all employees of the French subsidiaries received an individual social assessment at their home from the Human Resources Department with details of the various components of their overall remuneration, allowing them to better understand the company's investment in them in terms of wage and social policy. The process initiated in 2016 has thus been extended to all employees.

For more information, refer to paragraphs 17.1.14 – "Pay policy" / 17.3 – "Profit-sharing and incentive scheme agreements" / 17.4 – "Employee shareholding" in the Registration Document.

1.2 ORGANISATION OF WORK

1.2.1 ORGANISATION OF WORKING TIME

SPIE complies with all legal and contractual obligations regarding working time in its various subsidiaries. SPIE's activities generally do not require its employees to work in teams or with alternating working hours.

The percentage of employees on permanent contracts (or equivalent) is 89% for the Group as a whole. SPIE's policy is to hire employees on permanent contracts.

1.2.2 ABSENTEEISM

SPIE monitors the absenteeism rate in its European subsidiaries. Trends are monitored and analysed, but the data are not consolidated to date. The observed absenteeism rate does not call for any particular comment and is in line with the standards of the profession.

1.3 LABOUR RELATIONS

1.3.1 ORGANISATION OF THE DIALOGUE BETWEEN MANAGEMENT AND LABOUR, IN PARTICULAR THE PROCEDURES FOR INFORMING, CONSULTING, AND NEGOTIATING WITH STAFF

Employees of SPIE group companies are represented at various levels (Group/Companies/Establishments) by: representative trade unions; staff delegates; works councils and/or central works council; health, safety, and working conditions Committees; and the Group council.

SPIE also has a European works council within which a CSR Committee meets twice each year.

Discussions with staff representatives are conducted in an atmosphere of trust and mutual respect, as seen in the "Galileo" project. With the consolidation of five regional subsidiaries into one SPIE France company comprising the Industry and Service activities, this reorganisation will allow us to meet our clients' expectations even better. Negotiations began in Q4 2017 with the aim of supporting this project under the best possible conditions.

The integration of SAG Group ("**SAG**"), the major acquisition of 2017, into SPIE's existing German structures was the subject of constructive negotiations in Germany.

In certain countries outside of Europe, there is no formalised dialogue between management and labour.

1.3.2 ASSESSMENT OF COLLECTIVE AGREEMENTS

In its desire to negotiate and promote a serene, positive dialogue between management and labour, SPIE has made a commitment by signing agreements. These agreements are made primarily at the level of each subsidiary in order to adapt to the degree of maturity with regard to labour affairs at each entity.

Throughout the Group, 128 collective agreements were signed over 2017 with the representatives of the representative trade unions. In France, these agreements pertain to various topics such as diversity (gender equality, disability, generation contract), pay (incentive bonus and profit-sharing), and working conditions (telecommuting, prevention of stress and psychosocial risks, etc.).

1.4 HEALTH AND SAFETY

1.4.1 WORKPLACE HEALTH AND SAFETY CONDITIONS

The health and safety of employees is a crucial issue for SPIE. Aware of its responsibility, SPIE has implemented a dedicated policy in all its subsidiaries and imposes high safety standards. SPIE ensures the development of reliable safety management systems certified according to recognised standards such as OHSAS 18001, VCA, and MASE.

Given the nature of SPIE's principal activities, the main identified risks are electrical risks, road risks, and risks related to working at height. A prevention Code proposes operational measures to respond to these risks and to understand the work-preparation and intervention phases. This Code was distributed during the 2016 Safety Day and deployed in several languages in all subsidiaries, including SAG France, in November 2017.

Management is demonstrating a strong desire to implement the standards on an operational level in order to help employees fully appropriate the rules and to stimulate implementation at local levels despite the size of the Group. Several international working groups have thus been put in place on the theme of "operational implementation of the safety guide", with members of the QSE network and operations staff for the deployment and anchoring of the Group's "safety policy".

SPIE's commitment to prevention can be seen concretely through:

- the performance of preventive inspections on the sites by supervisors;
- the establishment of safety management training;
- the existence of a structured QHSE function duly identified within each subsidiary and at the headquarters level;
- the organisation of workshops and meetings with employees to identify hazardous situations and communicate the associated prevention measures;
- the prevention of stress and difficult conditions related to the activities;
- special attention given to the equipping and maintaining vehicles used in missions to reduce road risk;
- safety Day, an event to raise awareness about safety issues for employees, takes place in all subsidiaries every year. In 2017, the theme was the communication of best practices illustrating the operational requirements and/or measures of the Prevention and Safety Code around a contest organised by each subsidiary. The judged criteria included the information conveyed, the possibility of being implemented across the entire scope, illustrations and details for better understanding, and demonstration of the risk;
- a category in the CSR innovation prize was devoted to safety this year. SPIE Belgium used extra slabs as floor covering for irregular surfaces at worksites, making work areas safer. This material is manufactured by a disability-friendly company.

In 2017, SERCE and OPPBTP awarded three prizes recognising the commitments to safety of SPIE and its subsidiaries (SPIE Hauts de France, SPIE Sud-Ouest, SPIE Ouest-Centre).

As part of the acquisition of SAG in 2017, collaborative work was done to share policies and actions. The best practices in place at SAG were thus identified, and action plans were put in place to enable SAG to apply SPIE's demanding standards, particularly for safety.

The Group QSE Committee is working on developing a "Safety Onboarding Package" for 2018 to allow all new subsidiaries to adopt the Group's safety standards.

1.4.2 ASSESSMENT OF AGREEMENTS SIGNED WITH UNION ORGANISATIONS OR STAFF REPRESENTATIVES REGARDING WORKPLACE HEALTH AND SAFETY

The various subsidiaries of the SPIE group sign agreements on working conditions. The main themes include telecommuting, prevention of stress and psychosocial risks, short trips, and penalties.

1.4.3 WORKPLACE ACCIDENTS, PARTICULARLY THEIR FREQUENCY AND SEVERITY, AS WELL AS OCCUPATIONAL ILLNESSES

The absolute frequency rate for SPIE employees is 11.24 accidents per million hours worked (2017 acquisitions included on a pro rata basis).

The lost-time accident frequency rate for SPIE employees is 6.18 accidents per million hours worked (2017 acquisitions included on a pro rata basis).

The severity rate of workplace accidents for SPIE employees is 0.22 days of leave per thousand hours worked (2017 acquisitions included on a pro rata basis).

	2016	2017
Absolute frequency rate in number of accidents per million hours worked	9.59	11.24
Lost-time accident frequency rate in number of accidents per million hours worked	6.16	6.18
Workplace accident severity rate in days of leave per thousand hours worked	0.29	0.22

SPIE unfortunately had a fatal accident in 2017.

The safety performance indicators including temporary employees are published in the annual report.

Occupational illnesses are mainly related to musculoskeletal disorders. These are reduced thanks to a prevention approach aimed at reducing risky situations, particularly through the acquisition of better equipment.

1.5 TRAINING

1.5.1 TRAINING POLICIES IMPLEMENTED

The management of employee skills within SPIE is among the priorities of Human Resources. SPIE's policy focuses on developing the potential and employability of its employees.

Each subsidiary organises its leadership and development training. The Skills Development Centre in France is structured into three units, and several types of training are offered to the employees of the whole Group. This system groups together:

- the Technological Institute for the maintenance of skills with respect to technological developments. In 2017, 132 trainees underwent training at the Technological Institute with an average of 10 days of training per trainee. A new training course was launched in 2017, "IOT awareness", on the theme of connected objects (IoT), emphasising the increasing digitisation of the various business lines;
- the Management School, which provides managerial training for production personnel and department managers around major themes: safety, management and personal development, economic/management/legal affairs, and international (languages, etc.). CSR is addressed in a cross-disciplinary manner in the various training courses;
- operational training is also offered: sales, negotiation, project management, etc.

The international programmes are the following:

- "Ambition Manager", "SPIE Talents", and "Business Unit Manager": international leadership development programmes to prepare the Group's future leaders. In 2017, these programmes saw greater participation by German employees than by French employees, which reflects the evolution of SPIE's European presence;
- e-learning training in 2018 to support the implementation of Office 365 throughout the Group;
- "discover SPIE" for new employees in France and abroad around themes such as CSR, HR development, business strategy, and SPIE's global offering.

The training and professional development policy is based on two main tools:

- STARS. (SPIE Talents Appraisal Recruitment Solution) has been deployed in a majority of the subsidiaries and, in 2017, in Switzerland. STARS provides access for all Group employees to job listings in collaboration with job search sites. The SPIE JOBS website was overhauled in 2017 to improve user experience and to allow business line videos to be posted. Additionally, STARS allows managers and employees to monitor objectives, performance, and development and advancement desires. Finally, this system is used for conducting talent reviews (CEDRE) to assess and manage employee skills;
- SMILE (SPIE My Intensive Learning Experience) is an e-learning platform that was deployed in 2017 in France, Germany, England, the Netherlands, and Switzerland. It provides a new, more flexible form of learning to supplement in-person learning, offering users the autonomy to self-train and training modules accessible to all employees, including training dedicated to safety. In 2017, 6,880 people were trained with more than 7,000 hours of training, mainly in the following areas: English, office automation, safety (falls from height), digital training, and personal development (communicating ideas with impact).

1.5.2 TOTAL NUMBER OF TRAINING HOURS

The total number of training hours for 2017 was 600479.

For more information, refer to paragraph 17.1.3 – "Training" in the Registration Document to which this report is attached.

1.6 EQUAL TREATMENT

SPIE pursues a policy of professional equality by making sure to organise recruitment, career management, and the personal development of employees fairly and without discrimination.

This translates into the desire to ensure equal opportunities for everyone within the Group and is reflected in a "Diversity Charter" that formalises these commitments, implemented as actions in the subsidiaries.

Starting in 2008, SPIE set up a diversity Committee, subsequently incorporated into the CSR Committee. It is in charge of diversity at SPIE, and gender equality in particular.

SPIE operates in a technical sector, which is traditionally highly male. This translates into a lower proportion of women within the Group. Gender equality is a priority issue for the Group. Several concrete actions have been put in place to promote and introduce SPIE's business lines and activities:

Development of key indicators to stimulate and monitor the advancement of women in management and leadership positions:

- 23% of women in SPIE Talents training (training programme for young people with potential) and 12% of women in Ambition Managers (training programme for members of Executive Committees of the subsidiaries);
- 16% women on the Executive Committee.

In 2017, two women were appointed to the Group Executive Committee (Group HRD and CEO for the Netherlands).

1.6.1 "SO'SPIE LADIES" GENDER DIVERSITY NETWORK

In place since 2015 in all of the subsidiaries, the So'SPIE Ladies network is made up of both women and men and has three goals: expand professional equality and increase the diversity of teams, promote better development of women's careers, and raise employee awareness of gender diversity. This approach is at the initiative of brainstorming workshops to identify and exchange best practices to be implemented concretely on the theme of professional equality between women and men. Among the concrete actions implemented or continued in 2017 were:

- "gender equality" breakfasts at engineering schools, technical institutions, and management schools to attract more female profiles;
- workshops on stereotypes in many subsidiaries;
- participation in recruitment forums dedicated to women engineers;
- dedicated communications and programmes ;

- mentoring programmes in several subsidiaries: women are mentored by members of the Executive Committee (such as SPIE UK, SPIE OGS, and SPIE ICS);
- a focus on women in the Group's internal magazine and in certain internal magazines in the subsidiaries (such as SPIE Belgium's internal magazine);
- participation in the La Parisienne race, which brings together approximately 200 employees from every country;
- during International Women's Day, on 8 March, 2017, events were organised at the majority of the Group's entities: quizzes, theatrical presentations, stereotype workshops, lectures, breakfasts, idea boxes, etc.

"So'SPIE" actions on social networks

- Online recruitment forums dedicated to women engineers.
- Targeted recruitment campaigns for women "engineer" or "technician" profiles
- So'SPIE People interviews: Interviews with SPIE's female employees posted on external social networks: their career path, experience, and testimony on the importance of having mixed teams within the company.
- Internally, Yammer So'SPIE Ladies communities are created for discussions and sharing best practices to improve the gender diversity of teams (reminder: Yammer, Corporate Social Network).

1.6.2 MEASURES TO PROMOTE EMPLOYMENT AND INCLUSION OF WORKERS WITH DISABILITIES

In France, the Disability Committee consists of experts who work at the local level to coordinate and implement SPIE's policy through various types of actions: job retention, recruitment and integration, development of purchasing from the protected worker sector, awareness, and training.

Throughout the year, workshops are held to educate the teams, and partnerships are formed with specialised organisations. Specific recruitment actions are also organised to attract potential candidates.

For several years, SPIE has organised "disability month" in all its French subsidiaries. This event is the opportunity to raise awareness of all employees to the situation of persons with disabilities. The actions take place both in the offices and on the sites in order to mobilise all staff. Various awareness-raising activities are organised: interactive mobile terminals, photo contest, handisport activities, sensory awareness workshops, Group fresco drawings, distribution of cartoon strips, newsletters, and videos, chats, quizzes, information on best practices, etc.

In addition, SPIE Ile-de-France Nord-Ouest and SPIE Facilities participated in the 5th edition (2016-2017) of the "Tous HanScène" video competition (for the second year). Its purpose is to mobilise higher education institutions, universities, technological university institutes, high schools, and vocational training centres to support their teams of students in their project to produce a film on the theme of disability. The films are submitted to a vote by the general public and partner companies. SPIE employees were thus able to participate in the vote and promote their favourite films.

"Protected purchasing" best-practice sheets are deployed in most of the subsidiaries to increase the volume of service purchases with the protected worker sector. These practical sheets give examples of SPIE achievements in collaboration with these institutions and detail the many services offered.

Some examples of recruitment actions to illustrate spie's commitment to the employment and inclusion of workers with disabilities include:

- participation in recruitment events: forums, handi'cafés, and workshops at SPIE facilities;
- actions with Cap Emploi, AGEFIPH branches, etc;
- note on all job listings from the SPIE-JOB recruitment website: *"SPIE is committed to promoting diversity. The recruitment of employees with disabilities is an important focus of our HR policy;"*
- personalised support and preparation of the intake team;
- "one day, one business line" event to introduce the SPIE business lines to outside individuals with disabilities;
- development of school relations on the theme of disability with meetings and presentations of SPIE's business lines.

1.6.3 ANTI-DISCRIMINATION POLICY

Harmony of the generations

In order to ensure a more harmonious company and the transmission of knowledge, SPIE pays special attention to young people (under age 26), representing 8% of the workforce, as well as the more experienced (over age 55), representing 17% of the workforce. Several working groups were put in place in 2017 within the SPIE Talents programme to specifically address related themes: retention of young employees, innovation, and digitalisation.

SPIE has an active apprenticeship policy. Throughout the year, SPIE implements various actions to ensure the transmission of knowledge, such as the creation in France of the senior employee guide for apprentice mentors, specific mentoring, training, shadowing activities, etc. In Germany, SPIE GmbH distinguishes and issues a diploma to its top five apprentices to increase the motivation of young staff in training.

In addition, to promote the company's image among young adults and identify potential talent, SPIE has close relationships with numerous educational institutions in relation with its business lines: management and engineering schools. Various actions are put in place: breakfasts on various themes, participation in recruitment forums, etc. To strengthen the relationships with these institutions, former students employed at SPIE have been called upon. In tandem with a member of the Human Resources Department, they are ambassadors of the SPIE/School relationship and have the role of leading the partnership and creating a relationship of proximity.

In addition, SPIE Nederland has put in place the "Technical Graduate Program". The selection process includes a trip by Thalys train between Rotterdam and Paris during which students work on a case study that they must present to members of the management of SPIE group. The selected students join a two-year training programme in the Netherlands.

As of the date of this report, SPIE has been committed for nearly a year to ensuring the proper development of the digital knowledge of its teams by implementing a Digital Reverse Mentoring programme: young employees train executives on how to use digital tools. This programme has 45 pairs of Mentors (young executives under age 35) and Mentees (members of Executive Committees) who meet during monthly sessions for individual, personalised coaching. There are multiple goals: foster intergenerational interactions, highlight the importance of younger staff, develop the digital culture of teams, and raise awareness of the digital transformation.

For the age pyramid, see Chapter 17 of the Registration Document.

Diversity of origins

SPIE is committed to integrating people from multiple social and geographical origins. This desire is reflected in the establishment of partnerships with local organisations favouring interactions with SPIE and its subsidiaries. For example, SPIE has created a partnership with the organisation Défense Mobilité, which helps military personnel transition to civilian life. Their initiatives include creating a job fair for these individuals who have technical skills related to SPIE's business lines.

1.7 PROMOTION OF AND COMPLIANCE WITH THE STIPULATIONS OF THE ILO CONVENTIONS

In 2003, to demonstrate its will and in keeping with its values, SPIE made a commitment to the United Nations by signing the Global Compact. This accession formalises the SPIE's commitment to apply a responsible, transparent approach in carrying out all its actions. SPIE has thus undertaken to adopt, support, and enact the 10 core values of the Compact (on the following four areas: human rights, labour standards, environment, anti-corruption) and promote them among all its stakeholders.

This translates concretely into multiple actions, particularly the establishment of the "Principles of business ethics" guide (see "Fair practices" paragraph in this report), an "SPIE suppliers and subcontractors charter" (see "Subcontractors and Suppliers" paragraph in this report), and a workplace safety policy deployed internationally.

2. ENVIRONMENTAL INFORMATION

2.1 GENERAL ENVIRONMENTAL POLICY

2.1.1 THE COMPANY'S ORGANISATION TO TAKE INTO ACCOUNT ENVIRONMENTAL ISSUES AND THE APPROACHES FOR EVALUATION OR CERTIFICATION IN ENVIRONMENTAL MATTERS

SPIE has a structured QHSE function duly identified within each subsidiary and at the headquarters level dealing particularly with the prevention of environmental risks and pollution. The main risks identified lie in waste, chemicals, energy, and transport.

SPIE encourages its subsidiaries to obtain ISO 14001 certification for all their activities. As part of this ISO 14001 certification, the certified entities established an Environmental Management System (EMS) consistent with the requirements of the standard for ongoing improvement of their environmental performance.

No major instances of non-compliance were identified in any of the maintenance and recertification audits in 2017. The employee coverage percentage (calculated on the basis of the number of employees in certified entities) is available in the annual report.

2.1.2 ACTIONS TAKEN TO TRAIN AND INFORM EMPLOYEES ABOUT PROTECTION OF THE ENVIRONMENT

Regarding environmental awareness, SPIE conducts activities to inform its employees to support the deployment of environmental actions. For example, SPIE has launched campaigns to raise awareness about the establishment or development of best practices, such as the sorting of waste and eco-driving. Communication is done through the intranet, internal and external publications, and orally at meetings to discuss the following themes: eco-friendly driving, eco-friendly behaviour in the office, sorting and recycling waste, waste management at worksites, management of risks of pollution at worksites, and chemical risk. Several SPIE subsidiaries organised these kinds of meetings in 2017, illustrating the magnitude of the awareness-raising approach: SPIE ICS organised 68 meetings (548 employees), SPIE Ile-de-France Nord-Ouest organised 143 meetings on the theme of the environment, SPIE Sud-Ouest: 36 meetings (149 employees), SPIE Nucléaire: 12 meetings (324 employees), SPIE Ouest-Centre: 8 meetings (about 100 employees).

Other initiatives exist within the Group:

- SPIE Sud-Est inserts a presentation on respect for the environment into each "Site Supervisor" training module, raising awareness for around 40 people each year;
- SPIE UK's environment manager, certified "Approved trainer status" by the Institute of Environmental Management and Assessment, provides internal environmental training for managers/supervisors. Five "IEMA Environmental Awareness" training courses were given in 2017 to 26 SPIE UK employees.

To improve appropriation by all the teams, the QSE Committee has approved for 2018 the development of an "Environment" Code, which will cover the themes of transport, waste, and energy and will propose operational measures to assess the preparation and performance of work.

2.1.3 THE AMOUNT OF PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

The amount recognised as provisions and guarantees for environmental risks in the consolidated financial statements at 31 December, 2017 totals €345 thousand. This amount covers various provisions allocated to site restoration.

2.2 POLLUTION AND WASTE MANAGEMENT

2.2.1 MEASURES TO PREVENT, RECYCLE, AND ELIMINATE WASTE

SPIE is a company promoting the collection and sorting of waste by its teams including on behalf of its clients. This waste is especially waste of electrical and electronic equipment ("WEEE"). In that regard, SPIE sets up sorting containers at its various sites and locations. The percentage of sites covered by a sorting area is an indicator monitored by the Group and published in the annual report.

The waste is subsequently treated by approved providers. For example, in France, SPIE has established a partnership with the eco-organisation Récylum, which specialises in WEEE management and collection. Through this partnership, 178 tonnes of WEEE was collected during 2017. Most of the waste managed by SPIE is waste from its clients.

In addition, to raise employee awareness of recycling and reducing waste produced internally, *ad hoc* actions are implemented within the Group. During the 2017 European Waste Reduction Week, SPIE Est organised the recycling of work clothing at the end of its life in partnership with its supplier CEPOVETT. This action was certified with ADEME. SPIE Est also organised a battery collection in partnership with Téléthon as part of the "a battery = a gift of energy for Téléthon" initiative. This initiative was shared with the network and reproduced in other subsidiaries (SPIE Operations, SPIE Nucléaire, SPIE OGS, SPIE Est, SPIE Sud-Est, SPIE Sud-Ouest, SPIE Ouest-Centre).

Hazardous waste is treated in accordance with the regulations applicable in each country.

In most cases, other waste generated by SPIE is considered ordinary industrial waste ("OIW"). OIW data are consolidated in connection with the scope 3 carbon assessment produced periodically. The main OIW data are published in the annual report.

Special challenging partnerships are put in place for waste from the subsidiary SPIE Nucléaire in order to ensure compliance with clients' specifications and regulations.

2.3 SUSTAINABLE USE OF RESOURCES

2.3.1 CONSUMPTION OF RAW MATERIALS AND MEASURES TAKEN TO IMPROVE EFFICIENCY IN THEIR USE

SPIE buys products manufactured mainly on behalf of its clients on the basis of communicated specifications and also for the operation of its administrative and central services. SPIE has implemented a vigilant purchasing policy as detailed in the "Subcontracting and Suppliers" paragraph in this report.

At the same time, efforts to reduce the use of paper have been implemented, particularly by making certain publications electronic. Electronic versions of documentation are favoured in order to reduce printed volumes. For example, all SPIE brochures issued at the Group level are available in electronic format and are printable only on request.

2.3.2 ENERGY CONSUMPTION, MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY, AND USE OF RENEWABLE ENERGIES

SPIE monitors its energy consumption, particularly that of its buildings (heating, air conditioning, ventilation, lighting, and office automation equipment).

In 2017, electricity consumption amounted to approximately 54 million kWH, and gas consumption was around 81 million kWH.

SPIE has put in place various measures to improve the effectiveness of its energy consumption, whether through its real estate or automobile fleet.

The real estate department has undertaken an initiative to replace the oldest buildings consuming the most resources with more efficient buildings. Always with the aim of saving its energy consumption within the real estate fleet, SPIE takes advantage of the replacement of buildings to consolidate several sites.

For example, since 2015, the headquarters of SPIE group and the subsidiaries SPIE OGS and SPIE Nucléaire have been housed in a building meeting the HQE Construction standard. The focus was particularly placed on energy performance throughout the operation. This resulted in the choice of a heat pump with a geothermal collector, connected to a network that powers the underfloor heating and cooling systems of the halls, all topped off with reversible radiant ceilings in the offices for hot and cold.

This year, SPIE GmbH established its new registered office in Ratingen (230 employees) in a highly energy-efficient space. SPIE Energy Solutions ensured the optimisation of the supply of clean energy. Each LED, computer, and coffee machine operates on green electricity. Electric vehicle charging stations have been installed in front of the building, and facilities to charge electric bicycles have been planned in the basement. The building has been LEED-certified for its high environmental quality by RS-Partner.

Furthermore, a policy of using low-consumption vehicles is in place. SPIE now has 536 electric or hybrid vehicles in its automobile fleet.

2.3.3 THE CIRCULAR ECONOMY

In its approach to reducing greenhouse gas emissions and preserving resources, SPIE group seeks to promote and develop the circular economy. This approach is especially apparent through the waste-management policy. SPIE Belgium was rewarded in 2017 by two independent agencies, Natuurpunt and Val-I-Pac, for establishing various waste-recycling initiatives at all levels of the company (computer hardware and packaging).

For more information, see the paragraph "Measures to prevent, recycle, and eliminate waste" in this report.

2.4 CLIMATE CHANGE

2.4.1 GREENHOUSE GAS EMISSIONS

Since 2009, SPIE has produced its carbon assessment to identify and quantify the significant areas of greenhouse gas emissions related to its activities and undertake actions to reduce them. In connection with the carbon footprint assessments performed in 2009, 2011, and 2014, "scope 1, 2, and 3" emissions (*i.e.* direct emissions) related to the energy consumption of the vehicle fleet and the SPIE sites, as well as indirect consumption (such as energy necessary for the manufacture or transport of products acquired by SPIE or employee travel) are taken into account.

In 2017, a carbon assessment on scopes 1 and 2 was completed. Carbon equivalent greenhouse gas emissions amounted to around 155,000 tonnes, which represents a carbon intensity of 25 grams of CO2 per euro of turnover. The complete carbon footprint (scopes 1, 2 and 3) is available in the annual report.

An action plan is established following the analysis of the results of the carbon assessment. It focuses primarily on the following themes:

- optimisation of the vehicle fleet and its fuel consumption;
- thoughts on real estate locations;
- promotion of eco-friendly behaviours among employees;
- waste collection and recycling.

The vehicle fleet optimisation policy requires the consideration of a CO2 emissions cap. The CO2 emissions reduction initiatives for 2017 included the following:

- The Swiss subsidiary inaugurated a fleet of 30 vehicles operating on biomethane fuel, replacing its diesel models, saving 21 tonnes of CO2 over the period of operation;
- Employees of SPIE Deutschland GmbH use "StreetScooter" electric vehicles for professional purposes to travel for everyday services;

The carbon footprint inherent in purchases is significant. The Group therefore works, through its Commodity Managers structure, with certain suppliers to reduce the carbon footprint of SPIE's purchases and promote the emergence of new, more virtuous products with regard to carbon emissions.

2.4.2 ADAPTING TO THE IMPACT OF CLIMATE CHANGE

SPIE designs and implements long-term solutions to meet energy and environmental challenges. The Group's activities thus actively contribute to the development of a green economy, which is based on the improvement of energy efficiency and the use of renewable energies. SPIE seeks not only to reduce its daily impact on the environment internally, but also to support its clients in their energy transition process. In 2017, at the Charité de Berlin university hospital, SPIE Deutschland & Zentraleuropa delivered a new power station providing electricity, heat, cooling, and steam to the entire site. The goal is to achieve a decrease in CO_2 emissions of approximately 8,800 tonnes per year. Another illustration is in France, where SPIE is a key player in covering the national territory with charging stations. Its charging station design, installation, and supervision offering has been adopted by many communities. In five departments in the southeast region, SPIE will implement nearly 900 stations, the country's largest interdepartmental network. Klinikum am Bruderwald hospital in Germany saves €1.5 million each year on its energy bill thanks to the modernisation of its buildings carried out by SPIE Energy Solutions, as the main partner, and the supplier Stadtwerke Bamberg. Impressed by the project, the jury of the Nürnberg region's ENERGIE programme awarded the "energie.effizienz.gewinner 2017" prize to the hospital operator, the Sozialstiftung Bamberg foundation, on 7 March, 2017. In the Netherlands, SPIE participated in the establishment of a new plastic reprocessing plan by Attero, one of the country's leading waste management players. SPIE Belgium's services division entered into a contract for energy performance (CPE) and maintenance and multi-site comfort for 12 buildings belonging to the real estate company Fedimmo in Wallonia and Brussels. This contract took effect on 1 January, 2017, after a two-year public procurement procedure. Also in Belgium, green energy producer Eneco chose to team up with SPIE Belgium for the installation of charging stations for national companies. SPIE's Maintenance department installed several hundred charging stations for Eneco, particularly at UCB.

SPIE's commitment to develop innovative technical solutions with its clients to reduce their carbon footprint was recognised in 2017 by Corporate Knights, a Canadian specialised magazine, and As You Sow, a non-profit organisation: SPIE joined the ranks of the Carbon Clean 200, the 200 global companies most strongly committed to the energy transition.

2.5 PROTECTION OF BIODIVERSITY

2.5.1 MEASURES TAKEN TO PRESERVE OR DEVELOP BIODIVERSITY

Taking account of the organisation of SPIE group and its activities, the protection of biodiversity primarily means for SPIE complying with the flora and fauna conservation plans applicable on its clients' sites.

Several actions are also being carried out by the Group's subsidiaries. One example is the initiative of SPIE OGS, which is participating in an action to plant a tree for each plane ticket purchased by its headquarters alongside the organisation Planète Urgence. In 2017, 1,019 trees were planted thanks to this partnership.

SPIE is also committed to helping its clients act locally to preserve flora and fauna. SPIE City Networks is participating in an action undertaken in 2017 by Enedis to protect birds by installing special equipment to protect avifauna in Tarn. SPIE UK has developed and installed at the SHELL site in London a water-filtering solution to protect aquatic life in the Thames. Thanks to this system, which reduces carbon emissions, SPIE is working towards preserving the Thames eel, a protected species.

3. INFORMATION RELATING TO SOCIETAL SUSTAINABLE DEVELOPMENT COMMITMENTS

3.1 TERRITORIAL, ECONOMIC, AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS

Proximity is a fundamental value of the SPIE group. It is deployed both geographically and through the relationship created with its various stakeholders. SPIE is set up mainly on a local scale throughout Europe. The company's business lines make it possible to enter into contracts directly with local players, providing a boost to the labour pool. In addition, the policy established at the Group level is relayed by the operational staff at the local level, who are organisers of local actions (for example, purchases with the protected worker sector).

3.2 RELATIONS WITH PERSONS CONCERNED BY THE COMPANY'S ACTIVITIES

3.2.1 CONDITIONS FOR DIALOGUE WITH THESE PERSONS OR ORGANISATIONS

Interested Parties	Examples of dialogue mode
Employees	• Internal communication (intranet site, magazines, flashes, etc.) • Annual interviews and department meetings
Future employees	• School partnerships and forums • Social networks
Clients	• Sales procedures (offers of services, responses to calls for tenders, etc.) • Professional trade fairs, including Galerie des Solutions
Suppliers and subcontractors	• Selection process • Action plan, including the Ecovadis CSR evaluation
Shareholders	• Financial publications • Information meetings including the General meeting, country investor meetings
Civil Society	• Participation in community actions • Participation in "The Shift Project" think tank
Professional Organisations	• Working groups in connection with CSR • Local business clubs

3.2.2 PARTNERSHIP AND SPONSORSHIP ACTIONS

SPIE encourages a general policy of sponsorship in favour of actions presenting a social or environmental benefit. Its principles, such as excluding actions that have a sport, religious, or political connotation, appear in a Group Charter. There are many local actions, reflecting the Group's desire to be a committed corporate citizen.

Among its main actions, SPIE has provided several years of support for La Parisienne, the largest women's race in Europe, led by an organisation committed to the fight against breast cancer. Nearly 200 participants from all of the Group's subsidiaries participated in 2017.

There are many other initiatives among the Group's subsidiaries: SPIE Sud-Ouest lent its support to *Voies Navigables de France* to protect the Canal du Midi; SPIE ICS supported HAMAP, a development aid NGO; SPIE *Sud-Est France* provided financial support to *Les Arbres de la Solidarité,* benefiting *Foyer Notre Dame des Sans-Abri*; SAG Thépault supported *Électriciens Sans Frontières*, of which SPIE is a long-standing partner; SPIE UK organised fundraising for Save the Children, Macmillan Cancer Support, and Breast Cancer Support, and SPIE Belgium supports the organisation Bethanie, which welcomes children, and organised fundraising for Cliniclowns vzw.

In addition, SPIE wishes to promote volunteering among its employees. This is a way to associate its employees with the company's CSR commitments while strengthening ties within the company.

For example, SPIE Belgium has replaced client gifts with donations to organisations as well as volunteering. In 2017, this subsidiary continued its partnership with the organisation Time4Society by offering 100 working days (outside the company) to benefit nine social and environmental projects. This experience extended to other countries where SPIE is located. In Germany, employees of SPIE Deutschland GmbH accompanied the elderly to the Munich Christmas market in December. Employees at the headquarters of SPIE Operations, SPIE Nucléaire, and SPIE OGS Services participated in a day of solidarity in March 2017 supporting two organisations: the *École de la deuxième chance* to support young people in reintegration with the participation of human resources Directors and *Jardins de Cocagne* to participate in the weeding of organic gardens. At SPIE Est, employees in support functions decorated boxes provided to the social grocery store of Molsheim-Mutzig, which serves as the relay of this action, allowing twelve beneficiary families to receive assistance. At SPIE Schweiz AG, a societal responsibility day took place on 16 September. Employees had the possibility to participate in three land-restoration projects: WWF in Dättikon, Pronatura in Burgdorf, and in Denges with Association Symbiose.

3.3 SUBCONTRACTING AND SUPPLIERS

For several years, SPIE has implemented a structured responsible purchasing policy. This is reflected in various actions: evaluation of CSR performance of suppliers and subcontractors by an independent third party, signing of a charter by suppliers and subcontractors, green purchases and purchases from the protected worker sector.

To date, specific sustainable development criteria (environmental, social, and/or societal) are incorporated into certain purchasing processes, and Business Review meetings, including the CSR aspect, are organised with strategic suppliers at the Group level (ABB, Rexel, Legrand, etc.).

3.3.1 CONSIDERATION OF SOCIAL AND ENVIRONMENTAL ISSUES IN THE PURCHASING POLICY

Responsible purchasing

"Sustainable purchases" are one of the six priorities of the "2017-2020 Purchasing" strategic plan developed with the Group Purchasing Committee and presented to the Group's 90 purchasing managers on 13 December 2017 during the purchasing convention in Paris. Each priority has been defined with the stakeholders involved, including the Group Sustainable Development Department for Sustainable Purchasing.

For each priority, there are corresponding quantitative objectives as well as an action plan. Concerning sustainable purchasing, six action areas have been defined: Governance and mobilisation, ongoing evaluation of suppliers and subcontractors, ethics especially in subcontracting, purchases from protected worker sectors, green procurement, and SPIE's internal consumption (waste management, reduction of energy consumption, reduction of CO_2 emissions by the vehicle fleet).

The "Governance and mobilisation" area reflects a desire to have the Group's operational buyers appropriate the sustainable purchasing policy more systematically in their exchanges with suppliers.

The Sustainable Purchasing Committee was reactivated in 2017, in connection with the Group CSR Committee. Its role is to set the objectives as well as to ensure the functioning and implementation of decisions through the relay of experts by subsidiary and by country.

Green purchases: Reducing the carbon footprint

The TCO (Total Cost of Ownership) approach, implemented by buyers of SPIE group, takes energy consumption into account. This approach makes it possible to offer solutions with energy savings built into the complete cost. For example, in 2017, SPIE Ile-de-France Nord-Ouest organised an innovation day on the theme of interior lighting, bringing together suppliers, operations staff, and the Group purchasing department, during which the TCO of low-consumption lighting solutions was presented.

SPIE works collaboratively with its commodity managers to identify concrete actions to reduce the carbon footprint of its purchases on the basis of the analysis of the life cycle of products and services (manufacturing, transport, use, maintenance, end of life, etc.). This point is one of SPIE's areas of major progress.

3.3.2 IMPORTANCE OF OUTSOURCING AND CONSIDERATION IN RELATIONS WITH SUPPLIERS AND SUBCONTRACTORS OF THEIR SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

- **Supplier evaluations through an independent third party: EcoVadis**

SPIE wishes to strengthen the existing sustainable purchasing system and particularly the ongoing evaluation of suppliers and subcontractors.

The coverage rate calculation method was modified in 2017. A supplier that has not undergone an evaluation in three years is now considered not covered. According to this new calculation rule, the coverage rate was 21% at the end of 2016 and 28% at the end of 2017. This rate is monitored by the purchasing department, formalised in a quality report by country.

To extend the coverage of evaluated suppliers, a rule introduced in 2017 requires that any supplier signing a framework contract with an entity of the Group and exceeding certain turnover thresholds with SPIE in a given country must undergo a prior evaluation by ECOVADIS.

In addition, any supplier whose evaluation is less than 37% (approximately 3% of the purchasing amount from suppliers evaluated as of the date of this report) is asked for a progress plan under the direction of a Commodity Manager and formalised in the Ecovadis tool as well as a re-evaluation at the end of this plan. The goal is to track 100% of progress plans in Ecovadis.

Lastly, the Purchasing department wishes to improve ongoing evaluations internally, relying particularly on the "Suppliers Monitoring System" solution existing in France.

- **SPIE's Suppliers and Subcontractors Charter**

A Suppliers and Subcontractors charter is shared by all the subsidiaries in all countries. Since 2017, this charter has accompanied any new contract with a supplier or subcontractor across the entire Group.

The main themes of this charter are ethics, safety rules, compliance with labour law (prevention of forced labour and illegal work / prevention of discrimination / prevention of child labour / working time / workloads / taxes/ wages / subcontracting arrangements), and the environment. It is a unifying document to promote SPIE's values among its suppliers and subcontractors and involve service providers in SPIE's sustainable development approach.

- **Ethics of purchasing**

Subcontracting risk is identified and handled by each subsidiary. SPIE's goal is to make progress in managing this risk by sharing best practices existing within the Group. In January, 2018, the Group Purchasing Committee launched a collective approach regarding risk mapping and defined a specific action plan. In addition, Group Executive Committee members monitor sub-contracting risk in a formalised manner.

To comply with the new laws on the prevention of corruption, SPIE's goal is to reinforce and formalise the actions in progress in consultation with the stakeholders (legal department, buyers, operations staff). In concrete terms, this means mapping the risks, reinforcing the ongoing evaluation of suppliers and subcontractors, and putting in place action plans to reduce risk.

Note that a vast majority of subcontractors are local and known and that equipment purchases are done with manufacturers or distributors based in Western Europe.

The general terms and conditions of purchases in France refer to the Ten Principles of the UN Global Compact.

Purchases with the protected worker sector

SPIE encourages purchases from establishments of the protected worker sector (work assistance establishments and departments/adapted enterprises).

This indicator is monitored for France within the Purchasing department of each subsidiary. Purchases from the protected worker sector grew by €1.5 million in 2016 to 1.8 million in 2017, thus reaching the target. The best practices of a dozen French subsidiaries were identified and shared between the Purchasing department and the subsidiaries. In 2017, an initiative to outsource the dematerialisation of invoices received in the Accounting Department with two protected worker workshops, Bretagne Ateliers and Gestform, was extended to several French subsidiaries.

3.4 FAIR PRACTICES

3.4.1 ACTIONS TO PREVENT CORRUPTION

Ethics policy

The Ethics policy is based on the "Principles of Business Ethics" charter, which incorporates the main focuses related to business ethics: Compliance with laws, Accuracy of payment accounts, Confidentiality, Agreements, Labour standards, Corruption, Respect for property, and Conflicts of interest. SPIE's Executive Committee supports this commitment.

A "Ethical Principles Application Guide", available in several languages and accessible *via* the Group's intranet, breaks down the charter's principles into practical recommendations. It has been distributed to all employees for easier understanding of the principles and the adoption of good behaviour. In addition, training in ethics as well as meetings to discuss business ethics have been organised.

Ethics Committee

The Group's main subsidiaries have an Ethics Committee, whose role is to adapt and manage the business ethics programme. Depending on the country, the Group's general instructions may be tougher or specified.

The network of "Compliance Officers", present in the main subsidiaries, ensures the deployment of procedures defined in consultation with the Ethics Committee.

Anti-corruption

Procedures are in place to prevent the risk of corruption, in particular in application of the policy on the use of intermediaries, with regard to sponsorship and donations, business gifts, and invitations of the Group. In 2018, the supervision of outside invitations and invitations received by employees will be reinforced by the establishment of a validation process and the definition of thresholds for amounts and types of invitations, especially specifying the case of anyone holding a public office.

Internal controls

Internal audits are conducted particularly on the anti-corruption theme with the objective of checking the proper application of the rules established by the Group. Several subsidiaries are audited each year.

3.5 OTHER HUMAN RIGHTS INITIATIVES

SPIE is committed to upholding human rights through numerous actions already mentioned: establishment of a non-discrimination policy, evaluation of suppliers on the aspects of their social, environmental, and societal responsibility, establishment of a business ethics system, accession to the Global Compact, etc.

4. METHODOLOGICAL NOTE

4.1 REPORTING SCOPE

The presented data relate to all subsidiaries of the SPIE group in France and abroad. Data about the subsidiaries (all consolidation methods) are fully taken into account.

All data relating to activities performed on client sites are excluded.

Special cases:

- the "tonnes of collected WEEE" indicator covers the French scope;
- the "Number of electric or hybrid vehicles" indicator covers the European scope;
- the "Percentage of purchases made with evaluated suppliers" excludes SAG France, SPIE SAG GmbH and SPIE Maroc;
- the "Training hours" indicator covers the Europe scope and SPIE Maroc.

The collected data cover the period from 1 January to 31 December of the year of reference, with the exception of acquisitions and disposals of subsidiaries during the year, incorporated since the date of entry into or exit from the financial consolidation scope.

4.2 DATA COLLECTION

The procedures for collecting, calculating, and consolidating the indicators in this report were formalised in two guides made available to all those involved in the reporting process. The objective is to ensure the harmonisation of methodologies in all the subsidiaries as well as the reliability of data.

The reporting guide specifies the organisation of the process for collection, validation, and consolidation of indicators and the use of the tool.

The guide to defining indicators specifies the calculation methods and estimation rules and defines the reporting scopes as well as the principles for consideration of variations of scope (disposals, acquisitions).

4.3 METHODOLOGICAL DETAILS

In the absence of data, the estimation methods used are as follows:

- for the "Gas consumption in millions of kWh" and "Electricity consumption in millions of kWh" indicators, the data are extrapolated from the average consumption of other sites and areas for which data are missing;
- for all the indicators, extrapolation is done on a pro rata basis from the existing data.

The safety reporting (frequency and severity rates) is based on end of December 2017 figures. If actual worked hours were not available for an entity, theoretical working hours were used for the calculation.

The "Percentage of purchases made with evaluated suppliers" indicator underwent a change in calculation method in 2017. The data are therefore not comparable. Starting in 2017, only evaluations less than three years old are taken into account for this indicator. The purchases made are those by the SPIE group's purchasing department.

5. LIMITS FOR 2017

SPIE Deutschland & Zentraleuropa's electricity consumption in 2017:

In accordance with German law on commercial leases, owners are required to provide invoices to tenants within a period of 5 years. Therefore SPIE Deutschland & Zentraleuropa has access to little actual consumption data for 2017. Consequently, SPIE has developed an estimation method based on major studies, scientific documents, and official governmental data relating to energy consumption and energy prices in Germany.

6. CONTROLS AND VERIFICATION

The data are collected and consolidated using the Group's online reporting tool, Enablon, which has several options for a process of validation of data at the subsidiary level (consistency tests, etc.). The Group's Sustainable Development Department manages the reporting campaign and conducts checks to verify the consistency of the data, compliance with the calculation methods, and the scopes.

The procedures, reporting tools, and indicators underwent an external verification by one of SPIE SA's external auditors, PricewaterhouseCoopers, designated an Independent Third Party (ITP).

7. CORRELATION TABLE

Article 225 de la Loi Grenelle II	Norme ISO 26000	GRI	Chapter RSE 2017
LABOUR INFORMATION			
A. EMPLOYMENT			
Total staff and breakdown of employees by gender, age, and geographic area	6.4.4 Relations and working conditions / area of action 2: working conditions and social protection	G4-10 G4-LA12 G4-LA1	1.1.1
Hires and dismissals		G4-LA1 G4-EC6	1.1.2
Pay and its changes		G4-51 to 55 EC1 & EC5	1.1.3
B. ORGANISATION OF WORK			
Organisation of working time	6.4.4 Relations and working conditions / area of action 2: working conditions and social protection	LA	1.2.1
Absenteism		LA	1.2.2
C.LABOUR RELATIONS			
Organisation of the dialogue between management and labour, in particular the procedures for informing, consulting, and negotiating with staff	6.4.3 Relations and working conditions / Area of action 1: employment and employer-employee relations 6.4.5 Relations and working conditions / area of action 3: social dialogue	G4-LA4	1.3.1
Assessment of collective agreements		G4-LA5	1.3.2
D. HEALTH AND SAFETY			
Workplace health and safety conditions	6.4.6 Relations and working conditions / area of action 4: health and safety at work	G4-LA5	1.4.1
Assessment of agreements signed with union organisations or staff representatives regarding workplace health and safety		G4-LA8	1.4.2
Workplace accidents, particularly their frequency and severity, as well as occupational illnesses		G4-LA6 & G4LA7	1.4.3
E. TRAINING			
Policies implemented in terms of training	6.4.7 Relations and working conditions / area of action 5: human capital development	G4LA10 & G4LA11 G4-LA9 & G4-HR2	1.5.1
Total number of training hours			1.5.2
F. EQUAL TREATMENT			
Measures taken for gender equality	6.3.10 Human Rights / area of action 8: Fundamental principles and labor law	G4-LA3 & GA-LA12 & G4-LA13	1.6.1
Measures taken for employment and integration of people with disabilities		G4-LA12	1.6.2
Policy on the fight against discrimination		G4-LA12 & G4-HR3	1.6.3
G. PROMOTION OF AND COMPLIANCE WITH THE STIPULATIONS OF THE ILO CONVENTIONS			
Respect for freedom of association and the right to collective bargaining	6.3.10 Human Rights / area of action 8: Fundamental principles and labor law	G4-HR4	1.7
The elimination of discrimination in respect of employment and occupation		G4-HR3	
Elimination of forced or compulsory labor		G4-HR6	
The effective abolition of child labor		G4-HR5	

ENVIRONMENTAL INFORMATION			
A.GENERAL ENVIRONMENTAL POLICY			
The company's organisation to take into account environmental issues and the approaches for evaluation or certification in environmental matters	6.5.2.1 Principles 6.5.2.2 Considerations (to be taken into account by the organization)	Approche managériale	2.1.1
Actions taken to train and inform employees about protection of the environment			2.1.2
The means devoted to the prevention of environmental risks and pollution		G4-EN30 & G4-EN31	2.1.3
The amount of provisions and guarantees for environmental risks		G4-EC2	2.1.4
B. POLLUTION			
Measures to prevent, reduce, or repair emissions into the air, water, and soil seriously affecting the environment	6.5.3 Environment/ area of action 1: prevention of pollution	G4-EN10 & EN22 & EN23 & EN24 & EN26	2.2.1
Consideration of noise and any other form of pollution specific to an activity		G4-EN24	2.2.3
C. CIRCULAR ECONOMY			
Waste prevention and management	6.5.4 Environment/ area of action 2: sustainable use of resources	G4-EN23 & EN24 & EN25 & EN28	2.2.2
Measures to prevent, recycle, and eliminate waste			
Actions to combat food waste		G4-EN1 to EN9 EN21	2.6
Sustainable use of resources			2.3.1 à 2.3.4
D. CLIMATE CHANGE			
The significant amounts of greenhouse gas emissions generated as a result of the company's activity, in particular through the use of the goods and services it produces	6.5.5 Environment/ area of action 3: climate change mitigation and adaptation	G4-EN15 to EN19	2.4.1
Adapting to the impact of climate change		G4-EN18 & G4-EC2	2.4.2
E. PROTECTION OF BIODIVERSITY			
Measures taken to preserve or develop biodiversity	6.5.6 Environment/ area of action 4: protection of the environment, biodiversity and rehabilitation of natural habitats	G4-EN11 to 14 & G4-EN26	2.5.1
INFORMATION RELATING TO SOCIETAL SUSTAINABLE DEVELOPMENT COMMITMENTS			
A. TERRITORIAL, ECONOMIC, AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS			
In the area of employment and regional development	6.8.5 Community and local development / area of action 3: job creation and skills development 6.8.7 Community and local development / area of action 5: wealth and income creation 6.8.8 Communities and local development / area of action 6: health	G4-EC6 to EC9 & G4-SO1	3.1
On riparian or local populations		G4-EC6 to 9 G4-SO1 & SO2	

B. RELATIONS WITH PERSONS CONCERNED BY THE COMPANY'S ACTIVITIES			
Conditions for dialogue with these persons or organisations	5.3.3 Dialogue with stakeholders 6.8.9 Communities and local development / area of action 7: investment in society	G4-26 & G4-37	3.2.1
Partnership and sponsorship actions		G4-EC7	3.2.2
C. SUBCONTRACTING AND SUPPLIERS			
Taking social and environmental issues into account in the purchasing policy	6.6.6 Loyalty of Practice / Area of Action 4: Promotion of Corporate Responsibility in the Value Chain	G4-LA14 & LA15 G4-EN33 G4-HR5 & HR9 & HR11	3.3.1
The importance of subcontracting and taking their social and environmental responsibility into account in relationships with suppliers and subcontractors		G4-LA14 & LA15 G4-12 G4-EN32 & EN33 G4-HR5 & HR9 & HR11 G4 S09 & S010	3.3.2
D. FAIR PRACTICES			
Actions to prevent corruption	6.6.3 Loyalty of practices / area of action 1: fight against corruption 6.7.4 Consumer issues/ protection of health and safety	G4-56 & G4-58 G4-S03 & G4-S04 & G4-S05	3.4.1
Measures taken for consumer health and safety		G4-PR1 to PR9 G4-EN27	3.4.2
E. OTHER HUMAN RIGHTS INITIATIVES			
Other human rights initiatives	6.3.10 Human Rights / area of action 8: Fundamental principles and labor law	G4-HR1 & HR2 & HR7 to HR12	3.5

As pointed out in the "CSR Strategy" paragraph in this report and aware of the environmental and societal issues, SPIE supports its clients by performing various service missions. Concerned about limiting its impacts, SPIE complies with the specifications established by its clients as well as the protection standards to which its activities are subject. SPIE does not consider the following items to be material as part of its CSR approach and thus has not developed an indicator or plan of specific actions.

Article 225 de la Loi Grenelle II	Norme ISO 26000	GRI
ENVIRONMENTAL INFORMATION		
B. POLLUTION		
Measures to prevent, reduce or repair emissions into the air, water and soil seriously affecting the environment	6.5.3 Environment / area of action 1: prevention of pollution	G4-EN10 & EN22 & EN23 / EN24 & EN26
Consideration of noise and any other form of pollution specific to the activity		G4-EN24
C. CIRCULAR ECONOMY		
Actions to combat food waste	6.5.4 Environment / area of action 2: sustainable use of resources	G4-EN1 to EN9 & EN21
Sustain use of resources		G4-EN1 to EN9 EN21
INFORMATION RELATING TO SOCIETAL SUSTAINABLE DEVELOPMENT COMMITMENTS		
D. FAIR PRACTICES		
Measures taken for consumer health and safety	6.7.4 Consumer Issues / protection of health and safety	G4-PR1 to PR8 G4-EN27

However, note that:

- the growing use of electric vehicles helps reduce noise pollution. For example, in 2017, SPIE CityNetworks inaugurated an electric crane truck for the installation of Christmas lights in Strasbourg. Thanks to this vehicle, later used for the city's public lighting projects, the residents appreciate the absence of noise, particularly during night work ;
- to improve the monitoring of water consumption, an indicator will be consolidated at the Group level starting in 2017.

REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED CSR INFORMATION SHOWN IN THE MANAGEMENT REPORT

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31st, 2017

To the Shareholders,

Parc Saint-Christophe - Pôle Vinci,

95863 Cergy Pontoise Cedex

In our capacity as Statutory Auditor of SPIE (the "Company"), appointed as independent third party and certified by COFRAC under number 3-1060 (whose scope is available at www.cofrac.fr), we hereby report to you our report on the consolidated human resources, environmental and social information for the year ended December 31st, 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code *(Code de commerce)*.

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the reporting procedures used by the Company (hereinafter the "Guidelines") and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics *(Code de déontologie)* of our profession and the requirements of article L.822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

However, it is not for us to express an opinion on the compliance with the other legal provisions applicable, in particular those set out by the article L. 225-102-4 of the commercial code (plan of vigilance) and by the law n ° 2016-1691 of December 9, 2016 known as Sapin II (fight against corruption).

Our work involved 7 persons and was conducted between October 2017 and March 2018 during a 8 week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 concerning our conclusion on the fairness of CSR Information (Assurance engagements other than audits or reviews of historical financial information).

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

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

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in « Methodological note » section of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted about 10 interviews with about 10 persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important and whose list is given in annex:

- at parent entity, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities, SPIE Belgium (Bruxelles, Belgium), SPIE CityNetworks (Saint-Denis, France), SPIE Est (Geispolsheim, France), SPIE Nucléaire (Cergy – Saint – Christophe, France) et SPIE Sud-Est (Feyzin , France), selected by us on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. This work represents 20% of headcount considered as typical size of the social component, and 25% of environmental data considered as characteristic variables of the environmental component.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, March 22nd, 2018

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Yan Ricaud	Sylvain Lambert
Partner	Partner of the "Sustainable Development" Department

Appendix:

CSR Information that we considered to be the most important

Human resources:

- total workforce and split by gender, age and geographical area;
- report of the agreements signed with labour unions or the representatives of the employees;
- training hours;
- workplace accidents, and more specifically frequency and severity rates ;
- implemented policy and measures taken in favor of the equality between the women and the men.

Environmental information:

- energy consumption, measures taken to improve the energy efficiency and resort to the renewable energies;
- adaptation to the consequences of the climate change.

Social information:

- importance of the subcontracting and taken into account in the relations with the suppliers and the subcontractors of their corporate social responsibility;
- actions committed to prevent the corruption.

Appendix 3
DOCUMENTS TO BE ATTACHED TO THE MANAGEMENT REPORT AND/OR SUBMITTED TO SHAREHOLDERS

SUMMARY PRESENTATION OF THE FINANCIAL DELEGATIONS AND AUTHORISATIONS REGARDING THE COMPANY'S SHARE CAPITAL

The financial delegations and authorisations on the share capital of the Company which are proposed to the Shareholders' General Meeting to be held on 25 May, 2018 for the Board of Directors are presented in Section 21.1.1 "Paid-up share capital and authorised but unissued share capital" of this Registration Document.

TABLE OF RESULTS FOR THE LAST FIVE YEARS

	2013	2014	2015	2016	2017
1. Shareholder equity at year-end					
Share capital	39,634,070	39,634,070	72,415,793	72,415,793	72,415,793
Number of existing ordinary shares	33,596,102	33,596,102	154,076,156	154,076,156	154,076,156
Number of existing shares with preferential dividend rights (without voting right)				-	-
Number of preferred shares (category A)	4,337,968	4,337,968	-	-	-
Number of preferred shares (Category B)	1,700,000	1,700,000	-	-	-
Maximum number of future shares to be created				-	
By conversion of bonds			-	-	-
By exercise of subscription rights			-	-	-
2. Operations and results of the year					
Facturation hors taxes	3,393,663	2,720,635	4,442,361	3,356,486	1,599,009
Results before tax, employee participation scheme and allocation to amortization and provisions	(44,637,114)	(75,445,337)	160,792,089	-16,810,165	88,077,723
Company tax (tax consolidation)	48,736,103	50,868,256	32,751,421	23,895,180	29,890,953
Employee participation due in relation to the financial year	-	-	-	-	-
Results after tax, employee participation scheme and allocation to amortization and provisions	1,972,791	(26,156,074)	184,830,230	1,195,469	116,750,477
Distributed results	-	-	77,038,078	-	
3. Results per share					
Results after tax, employee participation scheme, but before allocation to amortization and provisions	0.10	(0.62)	1.26	0.05	0.77
Results after tax, employee participation scheme and allocation to amortization and provisions	0.05	(0.66)	1.20	0.01	0.76
Dividend per share	-	-	0.50	-	-
4. Employee					
Average number of employees employed during the year	4	5	7.6	10.0	9.0
Amount of payroll for the year	3,892,950	3,317,443	3,812,015	4,036,444	3,707,508
Amount of social charges and employee benefits for the year	986,113	1,048,372	2,429,809	1,953,241	1,896,580

INFORMATION ON SUPPLIER PAYMENT PERIODS

SPIE SA FY Ended Dec. 31, 2017	DUE Over 2 months	DUE 1-2 month	DUE 0-1 month	DUE Total due	NON DUE 0-1 month	NON DUE 1-2 month	NON DUE Over 2 months	NON DUE Total non due	TOTAL
Various Suppliers			451.00	451.00	54,941.60			54,941.60	55,392.60
Various foreign suppliers		20,831.91		20,831.91				0.00	20,831.91
Intragroup suppliers				0.00				0.00	0.00
Intragroup foreign suppliers				0.00				0.00	0.00
Honorary suppliers				0.00				0.00	0.00
Honorary foreign suppliers				0.00				0.00	0.00
Interim suppliers				0.00				0.00	0.00
TOTAL SUPPLIER DEBT	**0.00**	**20,831.91**	**451.00**	**21,282.91**	**54,941.60**	**0.00**	**0.00**	**54,941.60**	**76,224.51**

The amount included in SPIE SA's statutory financial statements as of December 31, 2017 under item "suppliers debt and related accounts" of the table "status of maturity of debts as year-end" amounts to €515,097. The difference with the amount in the debt table above, i.e., €438,873 corresponds to invoices not received as of December 31, 2017.

SPIE SA FY Ended Dec. 31, 2016	DUE Over 2 months	DUE 1-2 month	DUE 0-1 month	DUE Total due	NON DUE 0-1 month	NON DUE 1-2 month	NON DUE Over 2 months	NON DUE Total non due	TOTAL
Various Suppliers	5,437.60			5,437.60	8,326.81			8,326.81	13,764.41
Various foreign suppliers				0.00				0.00	0.00
Intragroup suppliers				0.00	299,443.80	6,231.60		305,675.40	305,675.40
Intragroup foreign suppliers				0.00				0.00	0.00
Honorary suppliers	86,774.65			86,774.65	161,233.91			161,233.91	248,008.56
Honorary foreign suppliers				0.00				0.00	0.00
Interim suppliers				0.00				0.00	0.00
TOTAL SUPPLIER DEBT	**92,212.25**	**0.00**	**0.00**	**92,212.25**	**469,004.52**	**6,231.60**	**0.00**	**475,236.12**	**567,448.37**

The amount included in SPIE SA's statutory financial statements as of December 31, 2016 under item "suppliers debt and related accounts" of the table "status of maturity of debts as year-end" amounts to €1,389,426. The difference with the amount in the debt table above, i.e., €821,978 corresponds to invoices not received as of December 31, 2016.

CROSS-REFERENCE TABLES

BOARD OF DIRECTORS' MANAGEMENT REPORT

This Registration Document includes all the elements of the Board of Directors' management report required by Articles L. 225-100 *et seq*. and Article L. 232-1II of the French Commercial Code. Below are the references to the sections of this Registration Document corresponding to the different parts of the management report as approved by the Company's Board of Directors.

	Sections of the Registration Document	Pages
1 – Business		
Position and business of the Company and, where applicable, the subsidiaries and entities it controls by branch of activity during the year ended, and of the whole consisting of the entities within the consolidation scope.	6 and 9	39-59 and 67-79
Income from the operations of the Company and its subsidiaries and controlled entities by branch of activity (brief analysis of accounting documents, at least for the most significant items: revenue, operating expenses, current income and net income).	3, 9 and 20.1.1	7-10, 67-79 and 144-213
Objective and comprehensive analysis of the development of business, results and the financial position of the Company and notably its debt situation with regard to business volume.	6, 9, 10 and 20.1.1	39-59, 67-79, 81-90 and 144-213
Analysis of key non financial performance indicators related to the specific business of the Company and notably information relating to the environment or employees.	3, 6, 9, 17 and 20.1.1	7-10, 39-59, 67-79, 121-130 and 144-213
Description of the main risks and uncertainties with which the Company is confronted and instructions on the use of financial instruments when this is relevant changes in the assets and liabilities, financial position, and profits and losses of the Company.	4.1 and 4.2	14-16 and 17-21
Price, credit, liquidity and cash risks, risk of share price fluctuations, risks incurred in case of changes in interest rates or falling exchange rates: indication of the reasons which led to intervention in such a market.	4.4	24-26
Research and development activities.	11	91-92
Predictable changes in the position of the Company, of all entities within the consolidation scope, and prospects for the future.	13	95-96
Important events occurring between the date of closure of the financial year and the date of preparation of the report, and between the date of closure of the financial year and the date of preparation of the consolidated financial statements.	20.6	245
Indications on the financial risks linked to climate change and presentation of actions undertaken by the Company to reduce them through a low-carbon strategy in all aspects of its business	Appendix 2	282-298
Main characteristics of internal control processes and risk management put in place by the Company in relation to the production and handling of financial and accounting information	4.7.2.4	33
2 – Accounting and financial information		
Changes made to the presentation of the annual financial statements or the valuation methods used.	20.1.1 and 20.2.1	144-163 and 219-239
Amount of expenses that are not tax-deductible.	20.1.1	144-213
Overall amount of luxury expenditure and amount of the corresponding tax (Article 223 quater of the French General Tax Code).	20.1.1	144-213
Reintegration into taxable profit of certain general expenses by overall figures and category of expenditure.	20.1.1	144-213
Income for the year and proposal for the appropriation of earnings.	20.4	243
Reminder of the amount of dividends paid during the last three years.	20.4	243

	Sections of the Registration Document	Pages
3 – Information concerning subsidiaries and equity interests		
Status of equity interests in entities having their registered office on the territory of the French Republic and representing more than 1/20, 1/10, 1/5, 1/3, 1/2, 1/3 of the share capital or voting rights of these entities.	20.1.1	144-213
Status of takeovers of entities having their registered office on the territory of the French Republic.	5.2, 9.1.1 and 20.1.1, Note 6	37-38, 68, 144-213 and 160-163
4 – Information concerning share capital, cross-holdings and treasury shares		
Names of controlled entities and proportion of share capital they hold in the Company (treasury stock).	18.1 and 20.1.1, Note 17	132-133 and 181
Identity of natural or legal persons having more than 1/20, 1/10, 3/20, 1/5, 1/4, 1/3, 1/2, 2/3, 18/20 or 19/20 of the share capital or voting rights in Shareholders' General Meetings.	18	131-136
5 – Holdings of employees in the share capital on the last day of the financial year		
Percentage of the Company's share capital held by employees.	17.4	129
Status of the holdings of employees in the share capital on the last day of the financial year.	18	131-136
Mention of the proportion of share capital represented by the shares held by Company employees and employees or related entities.	17.4	129
Agreements between Shareholders which may lead to a restriction on transferring shares and exercising voting rights.	18	131-136
6 – Stock options and bonus shares		
Stock options and bonus shares	17.3 and 21.1	128 and 248-253
7 – Information concerning corporate officers		
List of appointments and functions exercised in any entity by each of the corporate officers.	14.1	98-107
Choice of the means of running the Company.	Appendix 1	268-281
Situation of the corporate officers: appointments, reappointments and notifications of co-option.	14.1	98-107
Transactions carried out by officers in Company shares.	17.2	126-127
corporate officers' obligation to hold bonus shares and/or stock options awarded to them.	17.3	128
Compensation of corporate officers:	15 and Annex 1	109-116 and 268-281
Total compensation and benefits in kind paid to corporate officers;	15 and Annex 1	109-116 and 268-281
Description of the fixed, variable and exceptional components of executive compensation and benefits and the criteria under which they were calculated or the circumstances in which they were established.	15 and Annex 1	109-116 and 268-281
Details of all obligations on the part of the Company to its corporate officers, notably all components of compensation, indemnities or benefits due or likely to be due because of taking on, relinquishing or changing these functions or prior to them.	15 and Annex 1	109-116 and 268-281
Details of the procedures for determining said obligations and their amounts, if they are shown in the agreements.	15 and Annex 1	109-116 and 268-281
Amount of Directors' fees paid to members of the Board of Directors for the financial year ended.	15.1.1	110-111

	Sections of the Registration Document	Pages
8 – Miscellaneous information		
Agreements concluded between a corporate officer or Shareholder holding more than 10% of the voting rights and a subsidiary (excluding routine agreements).	19 and 20.1.1, Note 23	137-141 and 199-200
Summary presentation of the resolutions submitted to the Shareholders' General Meeting.	Appendix 3	302-303
Factors that could come into play in the event of a takeover bid.	18.4	136
Information on facilities classified as at-risk: • Company policy to prevent the risk of technological accidents; • ability of the Company to cover its civil liability in relation to persons and property due to the operation of said facilities; • resources put in place by the Company to manage the compensation of victims in case of a technological accident implicating the liability of the Company.	4.2.3, 4.2.11, 4.2.12, 4.7	17, 19, 20 and 30-33
9 – Statutory Auditors		
Appointments of the Statutory Auditors.	2	5-6
10 – Documents to be attached to the management report and/or to be submitted to Shareholders		
Table of results for the last five years.	Appendix 3	302-303
Information on supplier payment periods.	Appendix 3	302-303
• Board of Directors' management report on corporate governance pursuant to Article L. 225-37 of the French Commercial Code • Statutory Auditors's report on the corporate governance report by the Chairman of the Board of Directors, • Statutory Auditors' report on the annual financial statements, including the certification from the Statutory Auditors on the accuracy and honesty of the information contained in the management report on the compensation of corporate officers, • Supplementary reports on the transactions carried out by the Company with regard to stock options and bonus shares.	Appendix 1 Appendix 1 20.2.2 N/A	268-281 268-281 and 240-242
• Inventory of securities held in the portfolio at year-end.	20.1.1, Note 27	203-213
Summary table: • of the status of valid delegations of competence and powers granted by the Shareholders' General Meeting to the Board of Directors or Management Board in matters; of increasing the share capital; • of the usage made by these delegations during the year ended.	21.1.1	248-251
report on the implementation of share repurchases previously authorised by the Shareholders General meeting as part of a share repurchase programme.	21.1.3	252

ANNUAL FINANCIAL REPORT

This Registration Document also serves as the Company's annual financial report. To facilitate its reading, the cross-reference table below lists the information found in the annual financial report that must be published by publicly traded companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF's general regulation.

	Chapters/sections of the Registration Document	**Pages**
1 – Consolidated financial statements	20.1.1	144-213
2 – parent company financial statements	20.2.1	219-239
3 – management report	See cross-reference table above	306-309
4 – Statement of the natural person responsible for the annual financial report	1	3-4
5 – Statutory Auditors' report on: • the consolidated financial statements; • the parent company financial statements.	20.1.2 20.2.2	214-217 240-242
6 – Statement on the fees of the Statutory Auditors	20.1.1, Note 25	201
7 – Board of Directors' management report on corporate governance (Article L 225-37 of the French Commercial Code)	Appendix 1	268-281
8 – Statutory Auditors's report on the Board of Directors' corporate governance report (Article L. 225-37-37 of the French Commercial Code)	20.2.2 and Appendix 1	240-242 and 268-281

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