ANNUAL REPORT (ABSTRACT)

2016

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

GROUPE crit

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GROUPE crit

2016 Annual Report (abstract)

Contents

2016, ANOTHER
RECORD YEAR

To our Shareholders,

Following three excellent years during which we have increased our net income more than five-fold, I am pleased to present to you the results for the year 2016, during which your Group achieved a new record.

In 2016, we surpassed our €2 billion sales target with a rate of organic growth of over 10%.

This further excellent year follows the performance of our two business divisions in the market.

This is especially true for our temporary employment business. In France, we had an exceptional year: double-digit organic growth, increased market share, solid growth in earnings - we can congratulate ourselves on our achievements. We achieved organic growth of over 14% and grew twice as fast as the market.

Internationally, it was an equally important year. In the United States, we made two new acquisitions. In 2017, we will exceed €300 million of sales in this strategic market. That is a great success for an operation that started just 5 years ago and which today puts us in 38th position[1] in the world's largest staffing market.

Similarly, in airport services we can also celebrate performances in line with expectations in terms of growth and profitability. At the end of the year, we added an extra dimension to our airport services offering, taking a position at London Heathrow airport through the acquisition of Cobalt Ground Solutions.

With a 5.8% margin, Group EBITDA grew 6.7% to €124.3 million. Once again, performance was driven by France, which posted EBITDA in the temporary employment business of €78 million, up 14%.

With net income Group share of €75.4 million and equity of €436 million, our financial structure is very solid and we can be confident about continuing the development of our Group.

This performance confirms the merits of our strategy based, on the one hand, on a solid development platform in France and, on the other hand, on aggressive international expansion. We have a clear vision: we aim to diversify our geographical locations in order to develop new growth drivers.

Our performance is also a reflection of the commitment and drive of our 6,800 employees in Europe, the USA and Africa, who provided their support to 30,000 client companies, 230,000 temporary workers and 125 airlines throughout the world in 2016.

We enter 2017 with confidence. In France, our Group is expected to benefit from the favourable economic environment in the temporary employment market with an estimated 1.4% growth in GDP. The first two months of the year have been promising, with an 8% increase in temporary employment (source: Prism'emploi). Once again, we outperformed the market with temporary employment numbers growing 11.6% over the period.

Double-digit organic growth

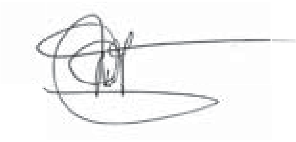
Further earnings growth

In 2017, our Group will also benefit fully from the integration of our two latest acquisitions in the United States, which represent full-year sales of around $60 million and which further strengthen our growth potential.

In airport services, we are especially pleased at the start of the year by the Group's recent appointment by the ministry as airport service provider for France's two largest airports and by the position we've taken at Europe's largest airport following the acquisition of Cobalt Ground Solutions, the third largest airport services provider at London Heathrow. This acquisition allowed our Group to break into the sector's global top 10[2] and opens up fantastic opportunities.

We are therefore a strong, robust and pro-active Group that is stepping into this new financial year with confidence.

At the Annual Shareholders' Meeting to be held on 7 June 2017, your Board of Directors will propose a dividend payment of €0.40 per share.



Claude Guedj
Chairman and Chief Executive Officer

1 Staffing Industry Analysts
2 source: Company

Management and supervisory bodies

BOARD OF DIRECTORS

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

EXECUTIVE MANAGEMENT

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

REGULAR STATUTORY AUDITORS

PricewaterhouseCoopers Audit
Represented by **Gérard MORIN,** member of the Versailles Institute of Statutory Auditors
63 rue de Villiers 92200 Neuilly sur Seine
A resolution will be proposed at the next Annual Shareholders' Meeting convened on 7 June 2017 to re-appoint PricewaterhouseCoopers for a further 6-year term.

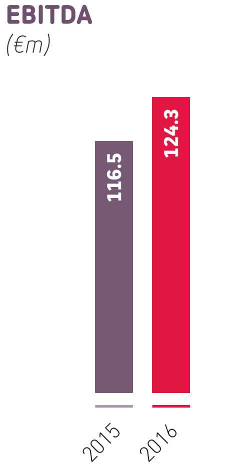
EXCO Paris Ace
Represented by **Arnaud DIEUMEGARD,** member of the Paris Institute of Statutory Auditors
5 avenue Franklin Roosevelt, 75008 Paris

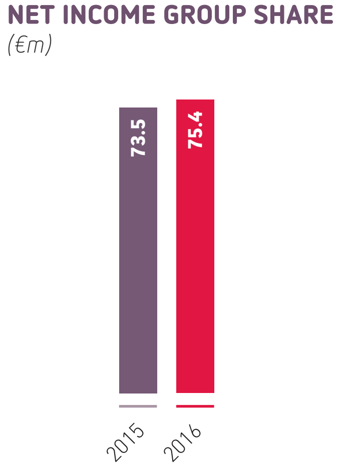
ALTERNATIVE STATUTORY AUDITORS

Mr Yves NICOLAS
Member of the Versailles Institute of Statutory Auditors
63 rue de Villiers 92200 Neuilly sur Seine
The appointment of Mr Yves NICOLAS is due to expire at the end of the next Annual Shareholders' Meeting convened on 7 June 2017. Pursuant to the provisions of Act no. 2016-1691 of 9 December 2016, the renewal of the said appointment will not be proposed at this Annual Shareholders' Meeting.

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

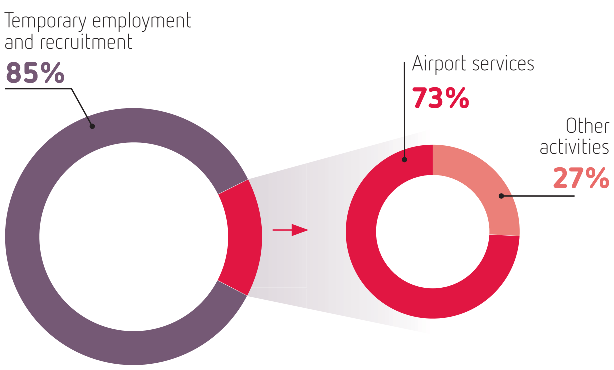
Key figures





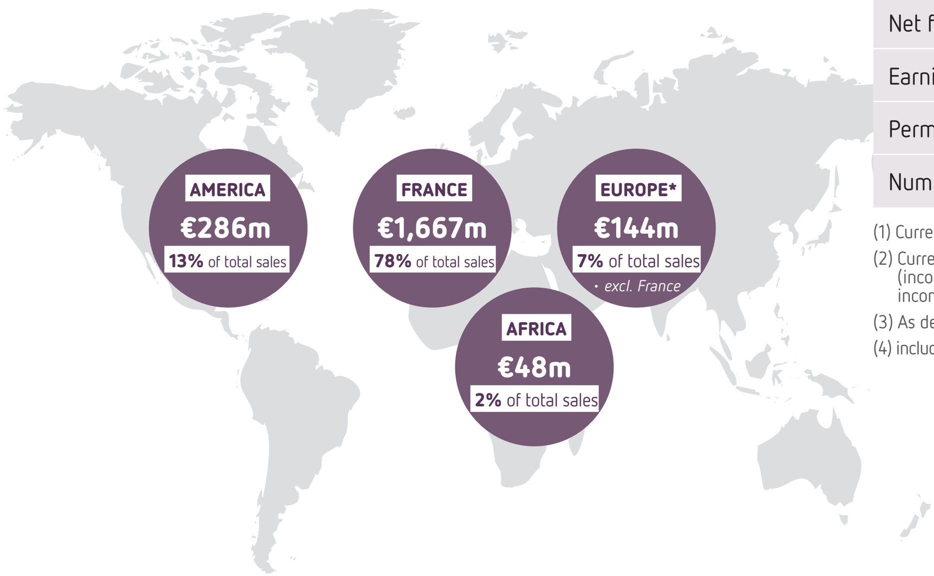
BREAKDOWN OF 2016 SALES BY SEGMENT

(before inter-segment eliminations)



BREAKDOWN OF 2016 SALES BY GEOGRAPHICAL REGION

(before inter-segment eliminations)



(€m)	2016	2015
CONSOLIDATED SALES	**2,145,269**	**1,939,949**
Of which: Temporary employment division	1,829,748	1,644,703
Airport services	244,860	231,759
Other activities	89,686	81,133
Inter-segment eliminations	(19,026)	(17,646)
EBITDA(1)	124,311	116,548
Current operating income(2)	105,115	99,052
Operating income	105,115	102,291
Net income	75,271	77,151
Net income Group share	75,404	73,494
Shareholders' equity (Group share)	435,619	367,205
Net financial debt (3)	46,341	17,465
Earnings per share *(€)*	6.79	6.62
Permanent workforce	6,851(4)	5,812
Number of agencies	528	511

(1) Current operating income before net amortisation and depreciation

(2) Current operating income restated pursuant to the AMF 2016 recommendation (incorporation of amortisation of intangible assets acquired in current operating income)

(3) As defined in Note 5.8.2.2 to the consolidated financial statements

(4) including the employees of the Cobalt Ground Solutions acquired 31 December 2016

A BUSINESS SERVICES GROUP

HISTORICAL MILESTONES

1962

FOUNDING OF GROUPE CRIT

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

1972 - 1998

FIRST LAW ON TEMPORARY EMPLOYMENT
FOUNDING OF CRIT INTÉRIM

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

1999 - 2000

INITIAL PUBLIC OFFERING

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

2001

NO. 4 IN TEMPORARY EMPLOYMENT

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

2002

40 YEARS OF GROWTH

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

2003 – 2005

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

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

2006 - 2010

LAUNCH OF OPERATIONS IN SPAIN AND GABON

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

2011 - 2012

A NEW INTERNATIONAL DIMENSION

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

2013 - 2015

RECORD YEARS

Groupe CRIT registered record results and increased its net income five-fold over three years. It grew its position in the US staffing market with four new acquisitions and extended the scope of its airport services business in France at the Roissy CDG3 and Nice Côte d'Azur hubs.

2016

EXCELLENT PERFORMANCE

The Group surpassed €2 billion in sales and achieved double-digit organic growth. For the fourth consecutive year, it significantly outperformed its benchmark market in France and acquired the staffing company TeamSoft in the United States. At the end of the year the Group acquired Cobalt Ground Solutions, the third largest airport services provider at London Heathrow, and broke into the sector's global top 10.

Overview

CRIT, A MAJOR PLAYER IN HUMAN RESOURCES AND BUSINESS SERVICES

Ranked 19th worldwide[1] and top independent group in France in temporary employment and recruitment[2], leading airport services provider in France, Groupe CRIT provides its clients with the human resources and professional skills they require – from major clients to small and medium-sized businesses and industries.

1 source: Staffing Industry Analysts
2 source: Company

TEMPORARY EMPLOYMENT AND RECRUITMENT: GROUP RANKED 19th IN THE WORLD

With an international network spanning 528 employment agencies in Europe, Africa and the United States, the Group is the human resources partner of 30,000 companies for their permanent and temporary employee recruitment needs and supports 230,000 employees in their career paths.

AIRPORT SERVICES: A MAJOR SERVICE PROVIDER

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

ENGINEERING AND MAINTENANCE: PARTNER TO LARGE INDUSTRIES FOR THEIR PROJECTS

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

- **€2.14 billion** of sales in 2016
- **6,851** permanent employees
- Operations in **14 countries**

TEMPORARY WORK AND RECRUITMENT 85%*

FRANCE 76%
- CRIT
- AB Intérim
- Les Compagnons
- Les Volants

INTERNATIONAL 24%
- PeopleLink Group (United States)
- CRIT Intérim (Switzerland)
- CRIT España (Spain)
- Propartner (Germany)
- CRIT Morocco
- CRIT Tunisia

AIRPORT SERVICES 11%*

FRANCE 83%
- Groupe Europe Handling (Roissy, Orly, Nice Côte d'Azur)

INTERNATIONAL 17%
- Sky Handling Partner (Ireland)
- Cobalt Ground Solutions (England - London Heathrow)
- Sky Handling Partner UK (England - London City Airport)
- Congo Handling (Brazzaville, Pointe Noire, Ollombo - Congo)
- Sky Handling Partner Sierra Leone (Freetown)
- Assist'Air (Dominican Republic)
- Handling Partner Gabon** (Libreville)
- ASAM** (Mali)

OTHER BUSINESS SERVICES 4%*

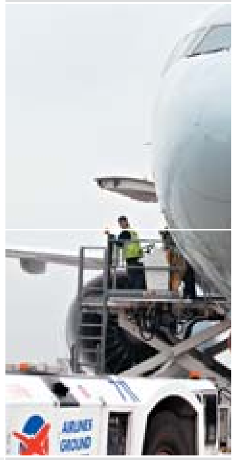
ENGINEERING AND INDUSTRIAL MAINTENANCE 77%
- MASER Engineering
- ECM

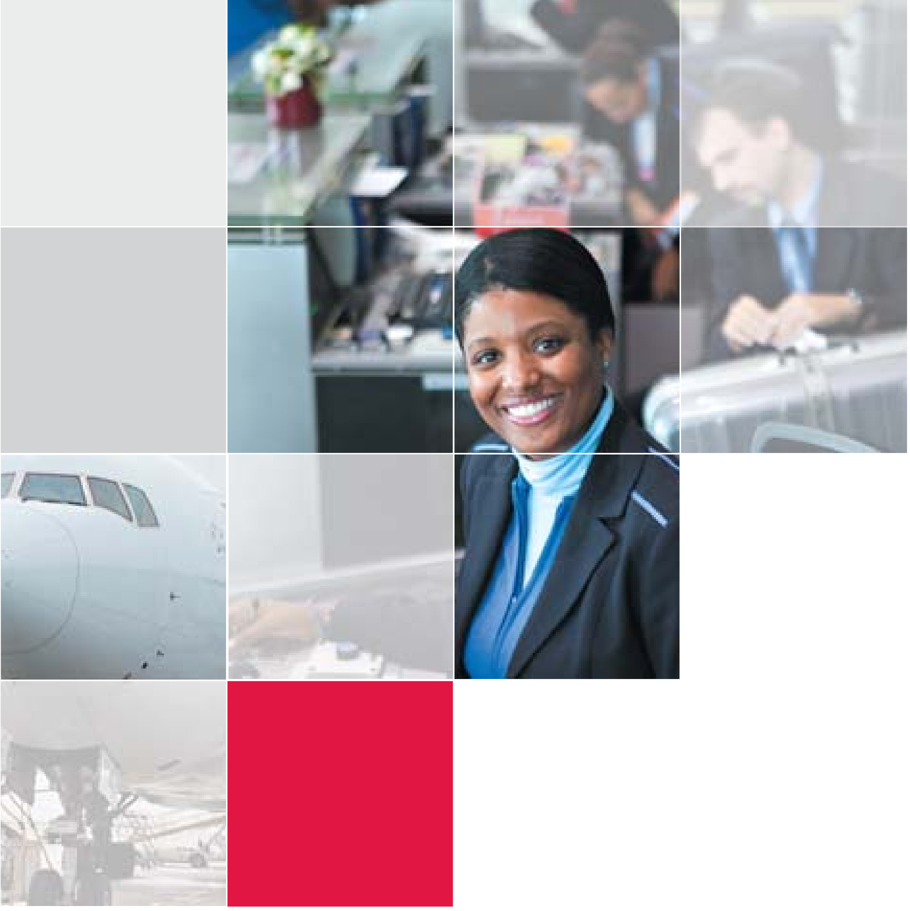
OTHER SERVICES 23%
- RHFormation
- Peopulse (HR digitisation)
- Otessa (hospitality services)
- CRIT Center (industry & construction)

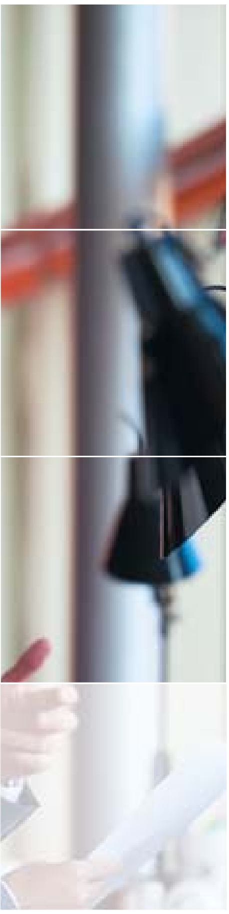
*as a percentage of sales before inter-segment eliminations

** technical assistance services

The full list of the Group's subsidiaries and equity investments is given in Note 10.6 to the consolidated financial statements (consolidation scope)







1

PRESENTATION OF THE GROUP AND ITS ACTIVITIES

1. PRESENTATION OF THE GROUP AND ITS ACTIVITIES

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

As a pioneer in the field of human resource services for businesses, Groupe CRIT holds a very strong position in this business segment. The leading independent group in France[1] for temporary employment and recruitment and the 19th group worldwide[2], Groupe CRIT is a major player in human resources given its extensive service offering, providing increasingly specialised services in recruitment, job placements, training, consulting and employability support.

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

Temporary employment and recruitment is the core business of the Group, its very foundation and driver of growth, and is conducted under the CRIT brand in France and the PeopleLink brand in the United States. This division accounted for over 85% of the Group's operations in 2016 (before inter-segment eliminations).

The airport services division is the second largest source of growth for the Group, accounting for over 11% of business in 2016.

The other services division essentially represents engineering and maintenance activities.

Thanks to its development policy, which focuses on internal and external growth, the Group has acquired considerable reach in its core business. Leading independent group in temporary employment in France[1], 19th group worldwide[2], with 528 agencies including 354 agencies under the CRIT banner in France, Groupe CRIT has a well-established regional network throughout France and key positions overseas, enabling it to meet the human resources needs of 30,000 companies in France and abroad.

THE TEMPORARY EMPLOYMENT MARKET WORLDWIDE

In a constantly changing global economy marked by rising demand for responsiveness and productivity to improve competitiveness, the constraints of traditional forms of employment no longer meet businesses' needs for flexibility. As a result, thanks to the flexibility it provides, and coupled with the significant investments made by players in the sector to provide better training for temporary workers and increase their employability, in just a few years temporary employment has become a genuine human resources management tool that is an integral part of companies' HR strategies. At the same time, it has become a major means of accessing employment. The global temporary employment and recruitment market thus generated a total turnover of €369 billion in 2016 (source: SIA Global Staffing Market Forecast 2016). The North America and Europe regions each account for over 35% of the global market.

SALES IN THE TEMPORARY EMPLOYMENT MARKET €369 BILLION IN 2016

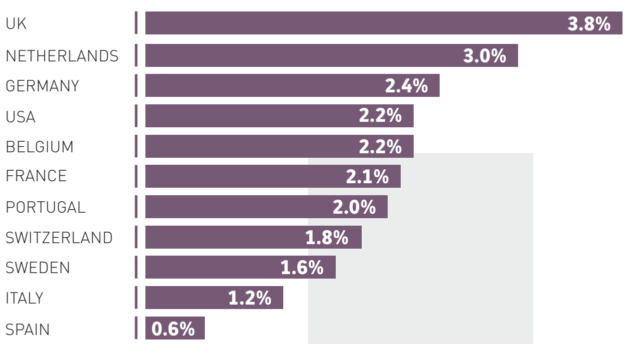
Ranking of the top 15 markets worldwide in 2016[1]

(in billions of euros)

1	United States	124.7	9	China	9.0
2	Japan	52.8	10	Switzerland	7.3
3	United Kingdom	39.7	11	Canada	5.9
4	Germany	25.1	12	Belgium	5.6
5	France[2]	18.9	13	India	4.1
6	Netherlands	18.0	14	South Africa	3.3
7	Australia	13.1	15	Spain[3]	3.3
8	Italy	9.2			

[1] Source: Staffing Industry Analysts
[2] Prism'emploi
[3] WEC Economic Report 2017

Proportion of temporary employment among the working population in the United States and Europe (in 2015)*



* Source: WEC Economic report 2017

In 2009, the temporary employment segment, among the first to be hit by the global economic crisis, suffered a decline of 16% in global sales, one of the sharpest falls in its history. Closely linked to the state of the economy and used as an adjustment variable by companies in times of crisis or recovery, the temporary employment market has reflected for a number years both the impacts of an improving economic situation in Europe and the buoyancy witnessed in Asia-Pacific and the Americas, in particular in the United States, a market in which Groupe CRIT positioned itself in 2011. Besides the economic factor, the temporary employment industry operates in a favorable environment; the economics, increased need for flexibility, shortage of workers (increased by the demographics and retirement of an aging population), and legal recognition of the value of temporary employment all contribute to this favorable environment.

THE UNITED STATES, LEADING MARKET WORLDWIDE FOR TEMPORARY EMPLOYMENT

With a market estimated at $139 billion in 2016 and an average of over 3.2 million temporary full-time equivalent employees per week, i.e. over 2% of the working population (source: Staffing Industry Analysts and ASA), the United States is the leading temporary employment market worldwide and is more than six times the size of the French market. Up by 4% in 2016, the US temporary employment and recruitment market is expected to grow again by 4% in 2017 (source: US Staffing Industry Forecast Nov. 2016). Apart from size, the US temporary employment market differs from the French market in that it is highly fragmented, with 10,000 staffing companies operating throughout the country and the three leading companies in the sector accounting for less than 15% of the market share, compared to over 65% in France. This situation offers significant expansion opportunities to players operating in the United States.

FRENCH TEMPORARY EMPLOYMENT MARKET: A MODEL IN EUROPE

With business volumes of €18.9 billion in 2016, the French market, Groupe CRIT's main market, is the fifth largest temporary employment market worldwide and the third in Europe.

Temporary employment has become a mature industry. However, its development has been based on relatively different foundations and principles in each country. Thus, the legal environment for the industry was free-market in English-speaking countries and regulated in Latin countries. These significant disparities are converging towards a harmonised European model to establish a genuine legal and social status protecting the temporary employee while expanding and relaxing the conditions under which businesses can use temporary workers. In this sense, the European Directive on temporary employment, adopted in 2008 and applicable by Member States since December 2011, has been phased in by the EU Member States. It establishes a protective framework based on the principle of equal treatment (already implemented in France for many years) and on the lifting of unjustified restrictions in some countries, as in France.

1 Source: Company
2 Source: Staffing Industry Analysts – largest global staffing&recruitment firms 2016

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

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

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

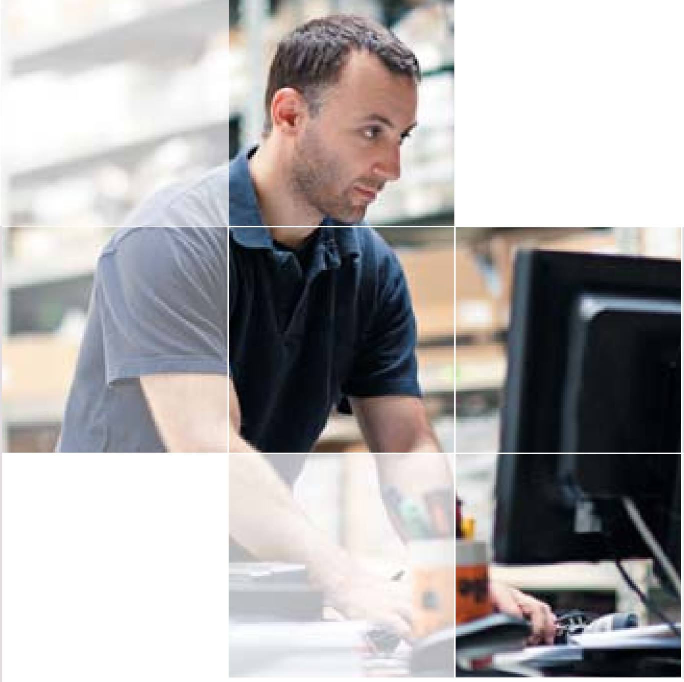
The French Act on social cohesion of 18 January 2005 authorised temporary employment companies to participate in the job placement market.

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

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

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

The agreements of 4 June and 14 December 2015 on the introduction as from 1 January 2016 of a supplementary health insurance program for temporary workers represent a new social breakthrough in temporary employment in France.



TEMPORARY EMPLOYMENT MARKET IN FRANCE: A HIGHLY CONCENTRATED MARKET

Groupe CRIT operates in a highly concentrated market in France: out of the 1,500 temporary employment companies with some 7,300 agencies, three international groups account for over 65% of the temporary employment business. With a market share of over 7%, Groupe CRIT ranks fourth, and is the leading independent group for temporary employment in the French market (source: Company).

International ranking	Group	2016 global sales (€bn)	2016 France sales (€bn)
No. 1	ADECCO	22.4	4.9
No. 2	RANDSTAD	20.7	3.0
No. 3	MANPOWER*	17.8	4.4
No. 4	GROUPE CRIT	1.8	1.4

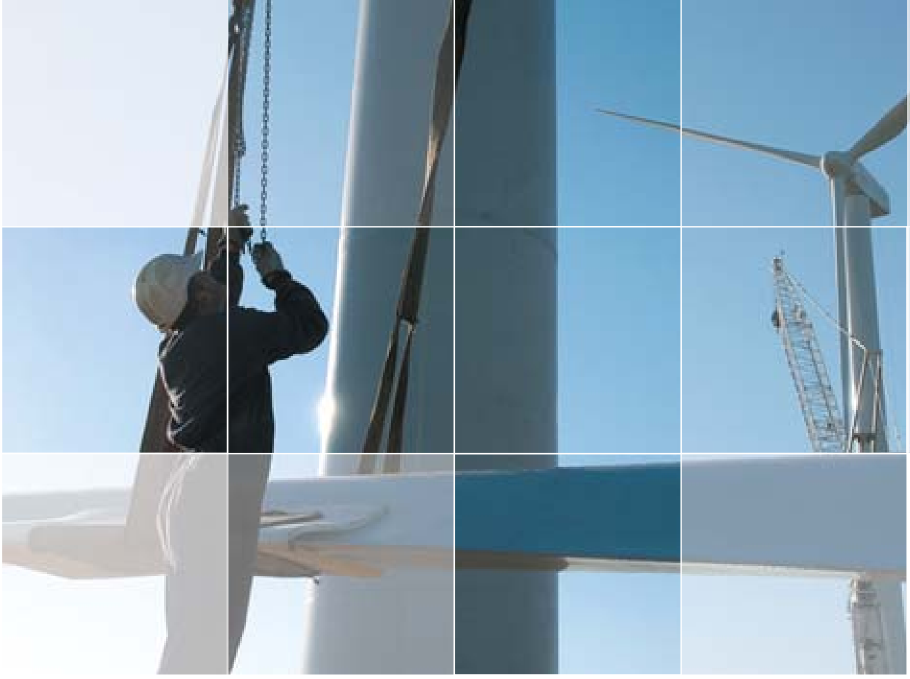
*Manpower global sales: $19.6bn of which $4.8bn France
Average exchange rate €: $1.10205

DEMAND ON THE RISE

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

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

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



Temporary employment has undeniable advantages: a lifestyle choice or professional strategy for some, access or return to employment for others. Temporary employment is a gateway to the labour market for young people, a means of developing candidates' employability and a springboard into employment, as evidenced by the last OIR/ Opinion Way survey in July 2016. Indeed, over two thirds of temporary workers are still in employment one year after their temporary work placement has ended. An overwhelming majority (91%) consider temporary employment to be a good way to gain professional experience and build a career. Moreover, 80% of those surveyed believe it is a good way of learning different skills, and 79% for undergoing training. The training aspect is very important. In 2015, some 225,000 temporary employees received operational training to which temporary employment companies allocated a budget of €340 million (source: Prism'emploi).

CONFIRMED RECOVERY IN TEMPORARY EMPLOYMENT IN 2016

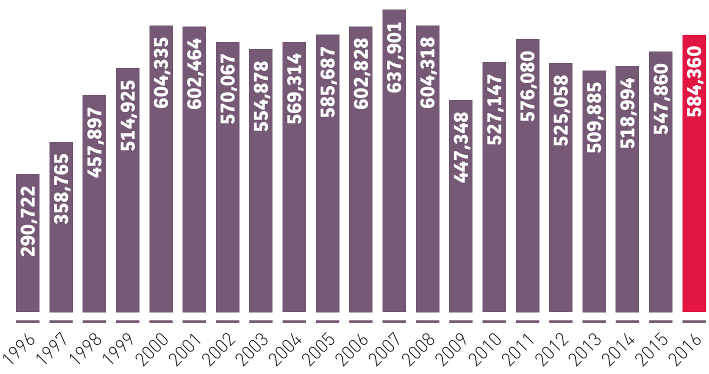
Temporary employment is closely linked to the state of the economy and is an early indicator of employment. It anticipates, 6 to 12 months ahead, the general labour market trend, since businesses have recourse to temporary workers before recruiting on a permanent basis. As such, after the upturn in temporary employment during the first quarter of 2015, overall employment followed suit six months later with net job creation recorded from Q3 2015 onwards.

In 2016, the French economy posted its strongest performance in terms of private sector employment since 2007, with 191,700 jobs created in the commercial sector. This upturn was due to the dynamism of the temporary employment and services sectors in particular (source: Insee).

Since January 2015, and following a downward trend over three consecutive years, temporary employment has seen a turnaround. After recording a gain of 5.6% in 2015, temporary employment underlined its state of good health in 2016. In an improved economic situation and with GDP growth of 1.4%, 2016 saw a 6.7% increase in temporary employment and the creation of 36,500 full-time equivalent jobs over the year.

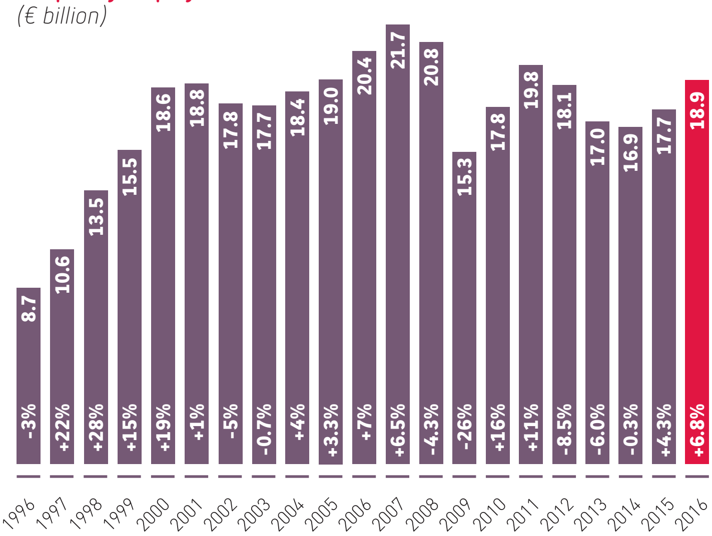
After the first three quarters posted increases of 5.3%, 6.2% and 5.4% respectively, the fourth quarter of 2016 was marked by further growth in temporary employment numbers, up 9.6% over the final three months of the year and reaching a peak of 13.3% in December 2016.

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



* Source: Prism'emploi

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



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

All business sectors contributed to the positive change in temporary employment in 2016. The transport sector registered the highest annual growth rate (up 14.3%) with a 21.5% surge in the fourth quarter. After two particularly difficult years, the construction sector returned to growth and posted the second highest annual increase, up 8.1%. It was followed by the services sector, up 7.3%, and industry, a sector which accounts for almost half of temporary workers, which grew by 5.4% over the year.

With an increase of 1.5%, the commercial sector recorded modest growth in temporary employment numbers over the year, with a less favourable base effect following particularly strong growth of 12% in the sector in 2015.

While the construction sector did return to growth in 2016, the fall in temporary employment numbers in 2014 and 2015 (down 15.3% and 6.4% respectively) (source: Prism'emploi barometer) resulted in a substantial decrease in its relative share of temporary employment from 21.6% in 2013 to 17.6% in 2015 (source: Dares). While this downturn in temporary employment numbers can be partly attributed to the number of public works and new projects in the construction sector, it was also a result of strong competition from posted workers. The increase in controls and sanctions, the national partnership agreement with professional organisations signed in February 2016 and the introduction of the professional identity card for construction workers should substantially reduce these effects. In January 2017, the French government called for a swift review of the 1996 European directive in order to combat abuse in the posting of workers.

In 2016, temporary employment increased in all regions, with three regions posting growth significantly above the national average. Pays de la Loire, with a 13.7% increase, recorded the highest growth rate benefiting from the upturn in the industrial sector and logistics. There was a 11.7% increase in Île-de-France, driven mainly by construction, industry and transport. In Hauts de France, temporary employment grew 9% thanks to the recovery in the transport, construction and automotive sectors. Conversely, three southern regions posted growth significantly below the national average, namely Provence-Alpes-Côte d'Azur (up 3.5%), Nouvelle Aquitaine (up 2.8%) and l'Occitanie (up 2.1%). The other regions registered increases of between 4.3% and 5.7% over the year. With regard to skilled work, 2016 witnessed the growth of temporary employment for skilled jobs; skilled workers recorded the biggest increase, up 11.1%, driven by the recovery of the construction sector and higher demand for skilled labour in the industrial sector. These were followed by managerial and intermediary professions, which increased by 8.4% benefiting from the growth momentum in the services sector. While 2015 had seen major growth in level one qualifications with an increase of 6.5% in unskilled workers, this category posted the weakest growth in 2016 (up 3.4%), behind the 5.1% growth for employees (source: Prism'emploi barometer).

By its very nature, temporary employment affords flexibility; it is therefore the adjustment variable used by companies in times of uncertainty. While downward cycles show the sector to be the first hit by the effects of a contraction in economic activity, it is also the first to immediately benefit from an upturn in the economic situation and take advantage of growth periods. Temporary employment is an early indicator of job creation, since economic recovery relies firstly on temporary employment before spreading across the entire economic fabric. An analysis of economic cycles over the last 30 years shows that GDP growth of between 0.6% and 0.8% is necessary for temporary employment to pick up, while sustainable job creation requires GDP growth of around 1.5%. If the European Commission estimate of 1.4% GDP growth in 2017 is confirmed, temporary employment should therefore continue to benefit fully from this growth phase and act as a springboard into employment.

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

GROUPE CRIT'S TEMPORARY EMPLOYMENT AND RECRUITMENT DIVISION

A RANGE OF HUMAN RESOURCE SERVICES

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

CRIT is the leading independent group in France for temporary employment and recruitment (source: Company) and is ranked 19th in the world[1], with networks in the United States, Germany, Spain, Switzerland, Morocco and Tunisia. Each year, CRIT meets the needs of around 30,000 corporate clients and supports close to 220,000 employees in their career paths.

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

With over 2,250 permanent employees dedicated to the Group's temporary employment and recruitment division, services offered for recruitment, job placement, consulting, HR management digitisation, first-time employment support (support and advice to job seekers, redeployment and retraining for workers made redundant, engineering consulting for finding employment for recent graduates, employment support and advice for disabled workers, audits and advice for companies in their efforts to establish cohesion in the workplace, skills reviews, etc.), the Group has become a major player in human resources in order to meet the needs of private and public companies.

THE STRENGTH OF A NATIONAL NETWORK ON A HUMAN SCALE

With 528 agencies, including 354 in France at the end of 2016, CRIT has a dense network and nationwide coverage that nonetheless remains on a human scale. This allows for agility, flexibility, rapid decision-making and action, commercial and personal convenience, and a privileged interaction and relationship between headquarters, agencies, corporate clients and job applicants.

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

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

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

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

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

1 Staffing Industry Analysts ranking – largest global staffing&recruitment firms 2016

528 employment agencies in France and abroad in 2016

FRANCE

CRIT, A MAJOR PLAYER IN FRANCE

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

A balanced geographic distribution

With over 350 agencies nationwide, the CRIT network has a well-balanced geographic configuration. It is therefore present in the largest towns and cities in France and in the large employment catchment areas. With a very strong presence in Northern and Eastern France, and in Normandy where it is the regional leader, the network is also well-established in the Paris region and holds strong positions in the greater South-East and South-West of France.

Coverage of all business sectors

The CRIT network has particularly strong presence in the industrial sector, in which it boasts a highly diversified client base. This sector accounted for 50% of its business in 2016.

The network is also highly developed in the services sector, in which the Group substantially increased its penetration and whose share in total business was 35% in 2016 compared to 25% in 2004.

The network also has strong positions in the construction sector, which accounted for 15% of the network's business in 2016.

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

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

A strategic client mix

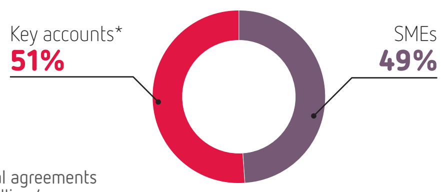
The Group has a high level of penetration among small and medium-sized companies, which accounted for 49% of the division's sales, and also holds strong positions with key accounts, strengthened in 2016 by the network's performance in industry, particularly in the automotive sector. Key accounts accounted for 51% of the division's business over the year.

The Group's diversification of its client base provided it with the necessary sectoral mix and balance to limit its exposure to any particular sector and its dependence on particular clients; the Group's largest client in its temporary employment division accounted for only 7% of the total sales. The Group also provides expertise to public-sector companies, thus enabling it to expand its client mix. With its well distributed national network, combined with the complementarity of its client base, the Group can serve all types of clients all over the territory.

A balanced client mix

Breakdown of CRIT network sales by client segment

(% of 2016 sales)



* National agreements > €2 million/year

INTERNATIONAL OPERATIONS

FAST ROLL-OUT IN THE UNITED STATES AND KEY POSITIONS IN EUROPE AND NORTH AFRICA

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

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

In five years, the Group significantly extended its penetration in the American continent through an aggressive external growth strategy. Since the acquisition of PeopleLink in 2011, ranked 85th among American staffing companies, the Group has carried out eleven external growth operations that have enabled it to become one of the major players in the American market today. The Group, ranked 38th among staffing groups in the United States[1] and 16th among industrial staffing companies in 2016[2], today has 105 agencies located in 23 states. It has strong expertise in the following areas - quality control, engineering, information technologies, IT project management, construction, energy, aeronautics, shipbuilding, etc. In five years, the United States has become the Group's largest international market accounting for over 65% of the temporary employment and recruitment division's business abroad.

Spain, the Group's second biggest market in Europe, accounted for a quarter of the temporary employment and recruitment division's international business. Having borne the full brunt of the global economic crisis, Spain is now enjoying an increasingly favourable economic climate with a high GDP growth rate estimated at 3.2% in 2016, the same as in 2015[3]. The measures taken by the Group to adapt the network, update the business model and revitalise the marketing of its agency network, combined with the improvement in the economic climate, have enabled the Group to post double-digit organic growth in Spain for four years now. Today, the Group has a network of 43 agencies that are on track to take full advantage of the Spanish market upturn.

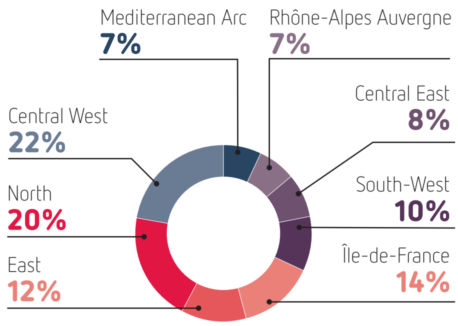
The Group also has established positions in Germany, Switzerland, Morocco and Tunisia, taking the Group's international network to 174 agencies in 2016. By diversifying its network in terms of both business expertise and geographical presence, and given the brighter economic outlook in the regions in which it operates, the Group will continue to expand abroad in 2017 through organic and external growth.

1 Source: Staffing Industry Analysts: 2016 Largest Staffing Firms in the United States (based on 2015 sales)

2 Source: Staffing Industry Analysts: 2016 Largest Industrial Staffing Firms in the United Stated (based on 2015 sales)

3 INE National Institute of Statistics (Spain)

Breakdown of CRIT France temporary workers (FTE) by region in 2016



BUSINESS ACTIVITY OF THE TEMPORARY EMPLOYMENT AND RECRUITMENT DIVISION IN 2016

ACCELERATION IN FRANCE GROWTH ABROAD

After an excellent year in 2015, the temporary employment and recruitment division maintained its solid growth momentum in 2016. The Group, ranked 19th among staffing companies globally in 2016[1], has once again confirmed it position as a major player in France and abroad.

With sales of over €1.83 billion, up 11.3%, CRIT posted a new annual record with growth of 10.9% at constant consolidation scope and exchange rates.

In France, CRIT posted its strongest performance for five years and consolidated its position as the fourth largest temporary employment and recruitment company in France, behind the sector's three major players. Growth abroad was also in line with expectations, with the Spanish subsidiary posting double-digit organic growth, as in France.

FRANCE: FOUR CONSECUTIVE YEARS OF OUTPERFORMANCE - ROBUST ORGANIC GROWTH

In France, where the Group conducted over 76% of its temporary employment and recruitment business in 2016, CRIT outperformed its benchmark market for the fourth consecutive year and gained market share in each quarter. The Group once again demonstrated its ability to achieve sustainable development with a robust double-digit organic growth rate for the second year in a row.

2016 sales totalled over €1.39 billion, with organic growth of 14.1%. This increase reflected once again a clear outperformance compared to the growth of the French market, which grew by 6.8% over the year (source: Prism'emploi).

The Group recorded its highest growth since 2011 and, as in 2015, achieved growth that was double that of its benchmark market. This performance is all the more impressive considering that it follows on from organic growth of over 12% in 2015 and which significantly betters the performances of the sector's major players. The Group once again consolidated its position as the leading independent temporary employment and recruitment group in France.

The Group's continuing outperformance of the market is driven by its ability to win new market share, focus on the quality of its client mix and diversify in terms of sector.

The sector-specific change testifies to the quality of the Group's commercial development in industry, its primary business sector, where it posted sales growth of over 18% over the year with a highly diversified client base. This performance also reflects the high demand in the automotive sector, where the Group holds significant positions.

While the automotive sector's contribution to growth is particularly strong (more than four times higher than that of the market), that of other sectors, such as commerce, transport and logistics, which was two times higher than that of the market, also contributed to the division's strong performance. Excluding the automotive sector, the number of Group temporary employees* grew by 7.3% in 2016 compared to a market average increase of 5% (*full-time equivalent).

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

Having registered a high level of business in the services sector in 2015, the Group posted a strong increase in sales of over 12% year-on-year, thus maintaining its 35% share of total business.

In the construction sector, the Group posted a 6.4% increase in sales in 2016, driven by a strong finish to the year which rolled over to the start of 2017.

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

- presence and involvement of each and every employee in the local economic and social fabric,
- flexibility of its organisations to be able to adapt quickly to local business conditions,
- top-quality client mix demonstrated by a highly diversified portfolio of over 22,000 clients in France,
- a long-standing corporate culture oriented towards SMEs, which accounted for 49% of business in 2016,
- determination to bring balance to its client mix through a powerful strategy of catering to major clients. In 2016, the contribution of key accounts, which accounted for 51% of business, was further strengthened due to the Group's sharp growth in the industrial sector, particularly in the automotive sector.
- a determination to offer increasingly innovative solutions, with constant self-reflection, to meet its clients' needs and expectations in a constantly evolving market.

Beyond its broad range of expertise, the Group's development is also based on dynamic management of its agency network and the flexibility that allows it to operate in close proximity to the most significant employment areas, which led to the transfer of 23 agencies during the year. It has also benefited from the strengthening of its specialisations in key sectors such as automotive, event management, aeronautics and the nuclear industry, and from the sustained development of its CRIT INSIDE service, with dedicated agencies located at major client sites facilitating the custom management of their temporary staff.

INTERNATIONAL GROWTH

After a year sustained by the integration of numerous acquisitions in 2015, growth in the temporary employment and recruitment division abroad was primarily organic. Annual sales totalled €436.6 million, up 3.1%, taking the international share of the division's total business to almost 24% in 2016. The United States and Spain were the main contributors, accounting for almost 90% of the division's business abroad. These countries achieved annual sales of €285.1 million and €105.3 million respectively.

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

The Group has been implementing an aggressive growth strategy in the United States, the world's largest temporary employment market, for a number of years. With the late 2011 acquisition of the PeopleLink group, then present in 14 states and ranked 85th among US staffing companies, the Group has in five years carried out eleven external growth operations, increasing the ranking of its network to 38th position[1] among staffing companies in the United States with 105 agencies present in 22 states.

The Group has implemented a vertical market strategy for segmenting its offering in this market, which brings high value-added, and its so-called "commercial staffing" services, with strong business specialisations. Today it has significant expertise in the outsourcing of quality control and engineering services for the automotive, aeronautics, aerospace and shipbuilding industries, in high-skilled jobs in electricity, construction, energy, aeronautics, etc., as well as information technologies and IT project management.

In 2016, the temporary employment and recruitment business in the United States remained stable with sales of over €285 million. There was a slight 2.7% decline in activity at constant scope and exchange rates. This downturn, due to temporary difficulties with the recruitment and retention of staff in the IT sector, which has near-full employment, does not call into question the validity of the Group's strategy in this promising sector. In order to strengthen it positions in the IT staffing market in America, in November 2016 the Group acquired the business assets of TeamSoft, a staffing company specialised in digital technologies. Based in Madison, Wisconsin, this company has extensive experience in outsourcing and recruiting for highly skilled IT work (project managers, developers and web developers, system administrators and engineers, infrastructure engineers, etc.) It also has a solid portfolio of medium- and long-term contracts with major public bodies and private sector companies in Wisconsin, Indiana, Texas and New Jersey. This strategic acquisition thus allows the Group to strengthen its specialised division in the IT staffing market, expected to grow by more than 6% in 2017. This market accounts for a business volume of $30 billion, or 20% of the total US staffing market (source: Staffing Industry Analysts). TeamSoft, which posted sales of over $28 million in 2016, was consolidated from November 2016.

Similarly, in order to strengthen its 'Quality' business vertical, at the start of 2017 the Group acquired EHD Technologies, a US company specialised in quality assurance and inspection services for the automotive, industrial and electronics sectors and in outsourcing skilled work. Based in Tennessee and with operations in Alabama, South Carolina and Missouri, EHD Technologies, which posted sales of $31 million in 2016, will be consolidated from February 2017.

The Group is therefore on track to make 2017 a year of growth, driven by a favourable economic outlook in the US with GDP expected to rise by 2.4%[3] over the year.

STRONG GROWTH IN SPAIN

In 2016, Spain crossed the €100 million sales mark and posted double-digit organic growth for the fourth consecutive year. The 2nd largest international market of the temporary employment and recruitment division, Group sales in Spain amounted to over €105 million, up 16.6% over the year.
This excellent growth is significant in many respects: it has been achieved at virtually the same scope, with only one new agency added to the Spanish network during the year. It also significantly outperformed its benchmark market, which increased by 10% in 2016 (source: ASEMPLEO).

This strong growth was boosted by the continuous improvement in the country's economic climate, with a GDP growth rate of 3.2% in 2016, the same as in 2015, again matching its highest level in nine years.

In 2017, Spain is expected to continue to benefit from a favourable economic climate, with Spanish GDP expected to grow by 2.5%[4] and the Spanish temporary employment market expected to grow by between 8% and 10% over the year (source: ASEMPLEO).

The other countries in which the Group operates (Germany, Switzerland, Morocco and Tunisia) account for 10.7% of the international temporary employment and recruitment business and posted sales of €46.2 million in 2016, compared with €47.3 million in 2015.

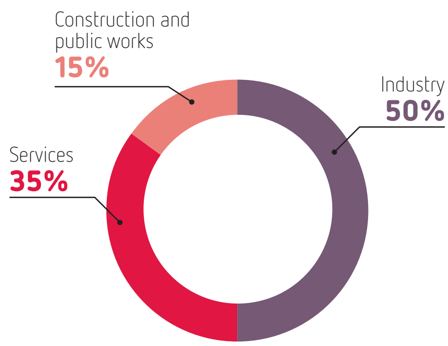
1 Staffing Industry Analysts ranking – largest global staffing&recruitment firms 2016

2 Staffing Industry Analysts

3 OECD

4 INE (National Institute of Statistics - Spain)

Breakdown of CRIT network sales by business segment
(% of 2016 sales)



SOME OF THE DIVISION'S CORPORATE CLIENTS

- AAA
- ACCOR
- ADIDAS
- ADP
- AIR FRANCE
- ARVATO
- AUCHAN
- BOLLORE
- CAISSE DES DÉPÔTS & CONSIGNATIONS
- CARREFOUR
- CEA
- COLAS
- ENGIE
- EIFFAGE
- EURODISNEY
- FAURECIA
- GENERAL ELECTRIC
- HAVAS
- HEPPNER
- HSBC
- ID LOGISTICS
- INTERMARCHE
- ISS
- ITW
- KINGFISHER
- L'ORÉAL
- NOVANDIE
- PIERRE FABRE
- PSA PEUGEOT CITROËN
- RENAULT
- SAFRAN
- SAUR-COVED
- SERVAIR
- SIEMENS
- SOCIÉTÉ GÉNÉRALE
- SODEXO
- SODIAAL
- SPIE
- STEF-TFE
- TELEPERFORMANCE
- TOYOTA
- TRIGO
- VEOLIA
- VIAPOST
- VINCI

FURTHER EARNINGS GROWTH

After its excellent performance in 2015, in 2016 the Group's temporary employment and recruitment division posted robust results and registered an EBITDA[1] of €98.6 million, up 8.6%. The division's EBITDA margin represented 5.4% of sales in 2016.

In France EBITDA increased 14% to €78 million, with the margin representing 5.6% of sales, stable compared to the previous year. Maintaining this margin was all the more remarkable given that the year was marked by the implementation of temporary employment insurance, which had a cost of 40 basis points, and by a slightly unfavourable mix effect, with the growth phase principally benefiting key accounts before filtering through to the SME network.

With more modest growth, international business grew 1.6% organically over the year, the division's EBITDA reaching €20.6 million and the margin representing 4.7% of sales, compared to 5.7% in 2015. This downturn is linked in particular to business in the United States, which endured temporary difficulties as regards recruitment in the IT sector, which has near-full employment, briefly interrupting the progress of one of the Group's business verticals in the United States.

1) With current operating income having been restated pursuant to the AMF 2016 recommendation (incorporation of amortisation of intangible assets acquired), for comparison purposes the Group has opted to use EBITDA as its financial indicator, corresponding to current operating income before net amortisation and depreciation.

THE CRIT NETWORK DEVELOPMENT STRATEGY

The expansion of CRIT agencies constitutes a virtuous growth circle. Thanks to the quality of its services, in terms of responsiveness, internal and external human resources, training of temporary workers and human resources consultancy tailored to clients' needs, the Group has considerably increased the value-added of its services and therefore the productivity of its agencies.

For its temporary employment division, the Group has always opted for prudent and safe expansion, focused on value. This commitment is based on an ongoing selective sales policy to maintain the value of its contracts with small and medium-sized enterprises, which form the Group's core client base, and with major clients.

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

354 AGENCIES IN FRANCE

174 AGENCIES ABROAD

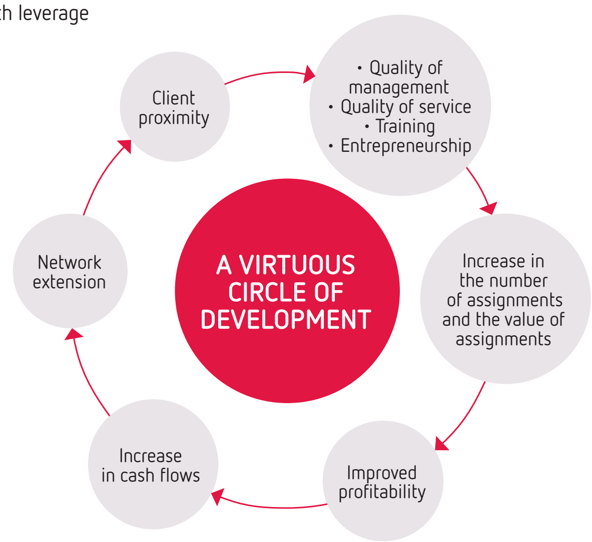
- **105** in the USA
- **12** in Morocco
- **4** in Switzerland
- **43** in Spain
- **7** in Germany
- **3** in Tunisia

The Group intends to continue to consolidate and strengthen its positions in countries where it is present. The growth strategy implemented by the Group in its different markets is based on the continuous effort to streamline its networks, which have a substantial capacity to adapt to changes in the environment and in the needs of local, regional and national markets, as well as the increased specialisation and/or verticalisation of their services.

While France continues to be a solid development platform for the Group, the international business will be a strategic priority in order to diversify its geographical positions and develop new growth drivers. As such, the United States has been a priority area of growth for a number of years. Over the last five years, the Group has been carrying out a pro-active strategy and has made eleven acquisitions. The Group's expansion on this continent, which has now placed it among the top 40 staffing companies in the United States, is the result of a growth strategy geared, firstly, towards the development of "business vertical" services in areas requiring significant expertise such as IT, industry, quality control, construction, energy and technical engineering, and, secondly, towards the expansion of its networks in B and C markets which are less competitive and are favourable to higher client proximity, combined with the implementation of synergies. The buoyancy of the US staffing market, market fragmentation conducive to growth opportunities, the favourable economic climate and the liberal legal environment supporting the development of "staffing" services, provide the Group with significant potential for international growth.

The CRIT network development strategy

A model with leverage



THE DEVELOPMENT OF HUMAN RESOURCE SERVICES: RECRUITMENT, PLACEMENT, SUPPORT, ETC.

The specialisation and diversification of its human resources services is one of the Group's priority growth vectors. Recruitment, placement, support for job seekers, evaluation services, skills assessment, support for disabled workers and advice to companies in their social cohesion initiative are now part of the Group's business lines. Partnerships and agreements signed with public and private employment operators and the Group's positioning in consultations and public calls for tender are testimony to this objective.

The Group's human resources expertise can be seen in the increasing number of partnerships it has established with public-sector bodies. Each year, CRIT wins new contracts to serve the needs of a great number of public institutions with regard to temporary employment, recruitment, redeployment, skills review, employment support, etc. Such institutions include chambers of commerce and industry, regional administrative offices (*préfectures*), family benefit funds, pension funds, social housing providers, ministries, etc. The quality of CRIT's services is reflected notably in the large number of public contracts obtained and renewed each year.

In 2016, CRIT won a number of new contracts with clients including AP-HP, ECOLE DES MINES de Douai, EAU de PARIS, EFS, OPH VALOPHIS, SODINEUF HABITAT, LIMOGES HABITAT, VNF, NGE, TC2, CROUS de Rouen, VIALIS, Institut Pasteur, Syndicat mixte Port de Pêche, Direction Départementale des Territoires HG and Pôle Emploi. At the start of 2017, CRIT won a major contract with DGAC (Directorate-General for Civil Aviation) for the provision of skilled workers at its sites across the country. CRIT also had numerous contracts renewed in 2016. During the year, IFCE, CCI de Saône et Loire, EFS Alsace, the Chamber of Agriculture of Haute-Marne, CESE (French Economic, Social and Environmental Council) and Caisse de Dépôts, among others, reaffirmed their confidence in CRIT by renewing its assignment to manage their temporary human resources needs.

For many years, CRIT has been a committed player in helping job seekers integrate into working life. The objective of its integration initiatives is to enable all those in difficult situations to access or return to employment. These initiatives are conducted jointly with its long-standing partners, such as the Pôle Emploi (employment centre) for job seekers, the CNML and its local network for young people aged between 16 to 25, the AGEFIPH for job seekers with disabilities, local and regional authorities, as well as schools, training organisations and recognised public associations such as the EPIDE (an agency of the French armed forces). For several years, CRIT has also been a partner of the "Étincelle" association, which promotes the professional integration of unqualified young people via an entrepreneurial approach. It also partners the "100 Chances 100 Emplois" association, which supports the integration of young people from so-called "sensitive" areas.

Lastly, supporting its corporate clients committed to integrating young people into working life is indeed central to CRIT's actions. The Group therefore supports companies that must meet social integration requirements in public procurement contracts or that would like to implement integration programmes. To ensure the proper implementation of social integration policies by companies, CRIT provides support services aimed at bringing those eligible to take part in integration measures into accessible jobs, and is committed to this cause through partnership agreements, spanning one or more years, with facilitators in the local and regional authorities concerned. For example, CRIT is a social integration operator listed at Nantes Métropole, Grenoble Alpes Métropole, Saint-Étienne Métropole, Sagacité (Greater Avignon employment area), Mans Métropole, Brest Métropole, Rennes Métropole, and more.

In 2017 CRIT will continue its programmes and commitments with employment partners and clients already promoting or invited to promote social integration, in order to address the need to provide solutions to employment market problems.

AN ACTIVE POLICY TO ASSIST DISABLED WORKERS

For a number of years CRIT has pursued an active policy to promote the employment of disabled people and support companies with their social cohesion initiatives. In 2016, the Group celebrated the tenth anniversary of its Employment and Disability department, using the occasion to reaffirm its long-term commitment to promoting the employment of disabled workers. In ten years, the Group has supported more than 12,000 disabled temporary workers.

This commitment is reflected in particular in a 12% year-on-year increase in the number of hours of work provided to disabled persons in 2016. In 2016, the Group also actively pursued its service and consultancy offerings with companies to raise awareness and provide support regarding their policies to promote the employment of disabled workers.

1.2 THE AIRPORT SERVICES DIVISION: SOARING GROWTH

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

Although temporary employment is Groupe CRIT's core business, airport services, its second largest source of growth, makes a significant contribution to the Group's business and skills. Airport services is a sector offering long-term growth prospects, due to natural trends in passenger demand. The airport services division will therefore remain a key growth driver for Groupe CRIT over the coming years.

A PRIME POSITION

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

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

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

CARIBBEAN
- Dominican Republic

* technical assistance services

AIRPORT SERVICES: AN EXTENDED RANGE OF SERVICES

Airport services, as provided by the Group, include all services that a provider may be called upon to deliver on an aircraft between landing and take-off. The main services are:

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

ROISSY CDG, THE WORLD'S 8TH BUSIEST AIRPORT[1]

- **No. 1 in France**
- **No. 2 in Europe[2]:**
  65.9 million passengers in 2016
- **CDG2:**
  No. 1 airport hub at Roissy:
  54.2 million passengers in 2016
- **CDG1:**
  8.3 million passengers in 2016
- **CDG3:**
  3.4 million passengers in 2016

ORLY, 13TH BUSIEST EUROPEAN AIRPORT[1]

- **31.2 million passengers in 2016**
- **ORLY WEST:**
  17.5 million passengers
- **ORLY SOUTH:**
  13.7 million passengers

1 Source: ACI World
2 Source: ACI Europe

THE AIRPORT SERVICES MARKET

Apart from the increasing trend towards outsourcing and the opening up of airport services to external competition, market growth is expected to benefit from the normal increase in air traffic. This has grown continuously for over thirty years and the Airbus Global Market Forecast on air traffic growth between 2016 and 2035 forecasts annual growth of 4.5% over the next 20 years, with the volume doubling in the next 15 years. Airlines in Asia (up 5.7%), the Middle East (up 5.7%), Africa (up 4.8%), Latin America (up 4.8%) and the CIS (up 4.1%) will see the highest growth rates over the next 20 years, followed by European (up 3.7%) and American airlines (up 2.9%).

In spite of a sluggish economic climate, global passenger air traffic rose sharply by 6.3% with a record 3.7 billion passengers carried, the second highest growth registered since 2010. As in 2015, annual growth exceeded recorded average annual growth of 5.5% over the last ten years. With traffic increasing by 11.8% in 2016, companies in the Middle East registered the highest growth rate, followed by those in Asia-Pacific, where annual growth amounted to 8.3%. Latin American companies posted an increase of 7.4%, which represents a slowdown following the 9.3% increase in 2015, reflecting the political and economic unrest in Brazil. Companies in Europe and North America posted increases in passenger traffic of 4.8% and 2.6% respectively. African companies, which had experienced weak growth in 2014 and 2015 with consecutive increases of 3% and 0.9%, achieved their best performance since 2012 with passenger traffic rising 7.4% in 2016 (source: IATA).

In France, despite the impact of terrorist attacks in France and Europe, the Roissy-Charles-de-Gaulle and Orly airports registered traffic of over 97 million passengers in 2016, up 1.8% compared to 2015. Similarly, the number of aircraft movements for the two airports increased by 1% over the year (0.8% at Paris-CDG and 1.4% at Paris Orly) (source: ADP). Nice Côte d'Azur airport registered a record level of traffic in 2016 with 12.4 million passengers carried, up 3.4% compared to the previous year (source: ACA).

GROUPE CRIT, LEADING AIRPORT SERVICES PROVIDER IN FRANCE[1]

With almost 65.9 million passengers carried in 2016, Roissy CDG is the 2nd largest airport in Europe and the 8th largest worldwide. Paris-Orly, the 2nd largest French airport and the 13th largest European airport, carried over 31.2 million passengers in 2016. Nice Côte d'Azur airport, the 3rd largest in France, recorded 12.4 million passengers in 2016. These three airports account for over 60% of air traffic in France.

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

Since 2009, the Europe Handling group, airport services subsidiary of Groupe CRIT, has substantially extended its areas of operation and is now present in the three largest French airports, Roissy-Charles-de-Gaulle, Orly and Nice Côte d'Azur, which catered to a total of almost 110 million passengers in 2016.

Having been appointed in 2001 as airport service provider at terminal CDG2 of Roissy-Charles-de-Gaulle airport, then in 2009 at terminals CDG1 and CDG2 and Orly South and West, in 2014 the Group was again appointed as airport service provider at the two largest French airports with an extension of its areas of operation to terminal 3 of Charles-de-Gaulle airport. In March 2015, the Group was also appointed as airport service provider at the Nice Côte-d'Azur airport. In March 2017, the minister for civil aviation again appointed and confirmed Groupe Europe Handling as airport service provider at Roissy and Orly airports. This decision follows the judgement of the Paris Administrative Court which, having had a case brought before it by a competitor, had annulled the 2014 ministerial decision appointing the three ground handling service providers at Paris airports.
These airport services licences, initially awarded in 2014, are granted for a period of seven years and enable the Group to operate at the terminals CDG1, CDG2, CDG3, Orly South and Orly West until 2021.

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

The Europe Handling group thus provided services for more than 225,000 aircraft movements[2] and some 30 million passengers in 2016.

With over 30% market share in the three largest national airports, the Europe Handling group is the leading airport services provider in France[1].

1 source: Company

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

More than 380,000 aircraft movements and 125 airlines served throughout the world in 2016.

GROUPE CRIT TAKES A POSITION AT THE BUSIEST EUROPEAN AIRPORT AND JOINS THE GLOBAL TOP 10 AIRPORT SERVICES PROVIDERS

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

The end of 2016 marked a major turning point for the Group's airport services business abroad with the acquisition of Cobalt Ground Solutions, the 3rd largest airport services provider at **London Heathrow, on 31 December 2016**. The operation enables Groupe CRIT to operate at the world's 6th busiest airport[2] with traffic of 75.7 million passengers carried in 2016, up 1% compared to the previous year. This operation also allowed the Group to break into the global top 10[(1)] airport services providers and represents an important strengthening of its positions in England, where it has provided airport services at London City Airport since 2011. This airport is renowned for a high volume of premium services to a clientele comprised mainly of business travellers and registered traffic of 4.5 million passengers in 2016, up 4.7% compared to 2015[(3)].

In Ireland, its subsidiary Sky Handling Partner is one of the leaders in airport services at Ireland's biggest airport in Dublin. With passenger traffic of 27.9 million in 2016, up 11%, it substantially outperformed average European air traffic growth over the year. Sky Handling Partner also operates at Shannon airport, which recorded passenger traffic of 1.74 million in 2016, up 2%. Faced with the surge in low-cost national airlines at the expense of charter airlines, Sky Handling Partner adopted the strategy of increasing its penetration among scheduled airlines to strengthen its position on the Irish market.

In Africa, the Group won an exclusive 10-year renewable licence in 2003 to operate at the Brazzaville and Pointe Noire airports in Congo. In 2013, it opened a third station at the Ollombo airport. In 2013, the Group acquired a 25% stake in the capital of the Congo airports management company, in a move to anchor its positions and consolidate its development in that country.

The Group, present in Gabon since 2007 via Handling Partner Gabon, in which it held a 34% equity stake, sold its interest in March 2015. The Group continues to provide technical assistance services to the airport service provider.

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

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

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

In 2016, the Group's international business included airport services to more than 60 airline companies representing traffic of over 160,000 flights during the year.

1 source: Company
2 source: ACI
3 source: London City Airport

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

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

To take full advantage of market forces, the Group continuously works to improve the quality of its services in order to meet its clients' needs. Indeed, the responsiveness and speed of the teams that make it possible to meet the flight schedule or make up for delays are key elements in this strategy. The Group is therefore rigorous in selecting and training its staff and very particular about their embracing the collective business plan.

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

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

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

Thanks to its status as a service provider and the work carried out with employees on the quality of the services provided, the Group's airport services division has successfully secured numerous business deals, with new contracts concluded every year in its various markets.

THE AIRPORT SERVICES DIVISION, GROWTH POTENTIAL

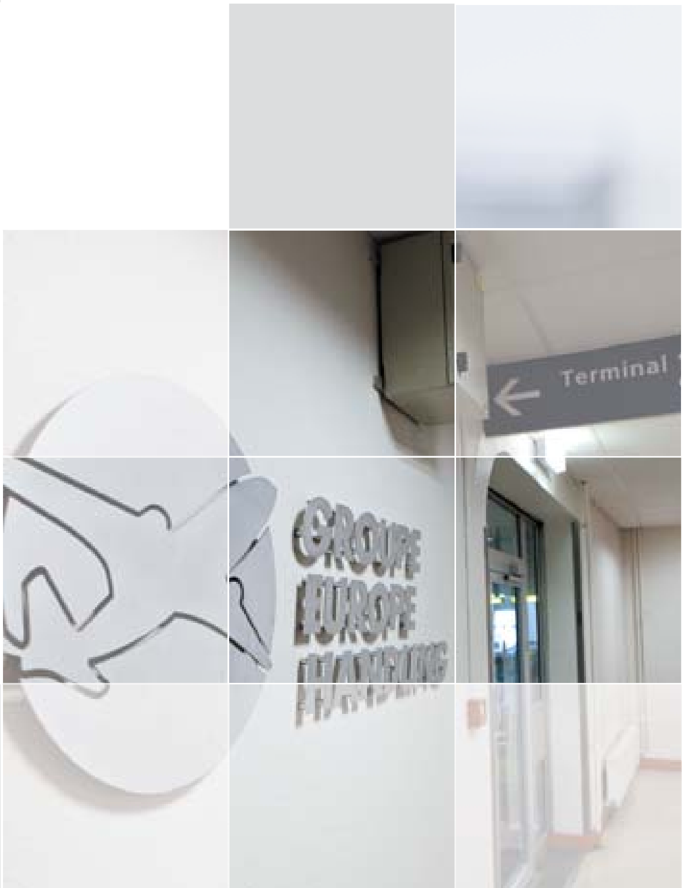
France, Ireland, England and Africa: Groupe CRIT's airport services division operates in markets that have huge growth potential, riding on the natural increase in air traffic. Global growth figures are expected to reach around 5.5% in 2017 with an annual increase of 4.5% until 2035. During this period, Africa and Europe are expected to post annual growth rates of 3.7% and 4.8% respectively (source: IATA and Airbus Global Market Forecast)

There will be even more growth opportunities with lines opening up to new companies, the strong growth strategies of companies already present and the increase in capacity at airports where the Group currently operates. Accordingly, at Roissy airport, the July 2016 opening of a transatlantic line by the low-cost long haul airline company Norwegian, which awarded its flight handling services to Groupe CRIT, the opening of four new lines by EasyJet, which is planning to increase its capacity by 9%, and the opening of an operating base by Vueling which will offer 295,000 additional seats during the summer season all represent significant potential for the Group's activities at that airport.

THE AIRPORT DIVISION OF GROUPE CRIT

- Over 380,000 aircraft movements and 125 companies served in 2016 throughout the world.
- ISAGO, ISO 9001, OHSAS 18001 and ISO 14001 certifications.
- 25 airport service subsidiaries at 2016 year-end.
- A training institute for aviation occupations (IFMA).
- 3 sites in France (Roissy Charles-de-Gaulle, Orly, Nice Côte d'Azur).
- 2 sites in Ireland (Dublin and Shannon).
- 2 sites in England (London Heathrow, London City).
- 3 sites in Congo (Brazzaville, Pointe Noire and Ollombo), 1 in Sierra Leone (Freetown), and technical and operational assistance services at airports in Mali and Gabon.
- A site in the Dominican Republic.
- Over 3,800 employees at 2016 year-end*: runway, traffic and station agents, supervisors, trainers and managers.
- A wide range of ground handling service equipment: a fleet of more than 1,000 airport machines and vehicles (pushbacks, loaders, cabin crew shuttles, etc.).
- A subsidiary in charge of the servicing and maintenance of its ground vehicles to guarantee the reliability of its airport machines. This subsidiary also services certain items of airport equipment belonging to external companies.

* includes employees of Cobalt Ground Solutions, company acquired on 31 December 2016



In France, the ADP group aims to make Roissy Charles de Gaulle the number one international airport in Europe (ahead of London Heathrow and Frankfurt) and to continue to develop Orly airport to reach a total handling capacity of 107.5 million passengers in 2020. It therefore intends to increase the passenger handling capacity of Roissy CDG from 65.9 million in 2016 to 78.5 million in 2020.

A project to expand terminal 1 of Roissy Charles de Gaulle, in order to increase its capacity to 11.5 million passengers from today's 9 million, is under consideration. ADP is also planning to build a new major terminal within ten years from now, Roissy Charles de Gaulle Terminal 4, which should ultimately handle 30 to 40 million passengers per year. In the short term, the reopening of terminal 2B and its connection with terminal 2D in 2019 will increase handling capacity to 11 million passengers compared to 5 million for the current terminal 2D, a move which will encourage new airlines to use this airport.

Nice Côte d'Azur airport, which welcomed the company Wizz Air in 2016, will also benefit from the arrival of the Emirates A380 and the return of Qatar Airways with the opening of its Doha-Nice route in summer 2017.

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

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

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

Consolidated sales of the airport services division
(€m)

Groupe CRIT,
leading airport services provider
in France

2016: ANOTHER SUCCESSFUL YEAR FOR AIRPORT SERVICES
LEADERSHIP IN FRANCE CONSOLIDATED – POSITION TAKEN AT LONDON HEATHROW AIRPORT

After growth of over 7% in 2015, the Group's airport services business continued to perform well in 2016. The division witnessed sustained growth with sales of almost €245 million, up 6.9%. This growth was driven by France, where the Group once again confirmed its status as a leading company with sales of €203.4 million, up 8.4%, against a backdrop of modest air traffic growth of 1% at Roissy and Orly airports (aircraft movements - source: ADP).

After two years of strong growth and a very substantial increase in the profitability of its airport services business, for which EBITDA has doubled in three years, the Group's aim for 2016 was the consolidation of operational performance, as announced. EBITDA(1) for the airport services business was €20.4 million, up 3.5% over the year. The EBITDA margin remained stable at 8.3% of sales.

In 2016, the Group confirmed its position as the leader in airport services(2) in France. With services provided to more than 60 airlines during the year, the development of the Group's airport services activities is backed by a solid and rolling portfolio. This was further strengthened during the year with the signing of six new contracts representing full handling assistance for over 12,000 flights per year, and the renewal of 5 multi-year service contracts with airlines operating at Roissy Charles de Gaulle and Orly (including Air Caraïbes, Air France/HOP, Austrian Airlines, Norwegian, Saudi Arabian, Swiss and Wizz Air). The Group has been airport services provider at Nice Côte d'Azur airport, the 3rd largest in France, since 2015 and added two new multi-year contracts for this airport in 2016.

Internationally, the Group's airport services activities achieved sales of €41.4 million in 2016, compared with €44 million in 2015. This change is due to the reduction of airport services activities in Africa. In Congo, business was hit by an economic slowdown in the country during an election period and the suspension of flights by the national carrier. The return of carriers to Sierra Leone remained limited following the Ebola epidemic. However, the Group endeavoured to retain the majority of ground staff at Freetown so as to avoid worsening the already difficult situation of its local staff and to preserve all the skills acquired through specific training in airport services. These measures should ensure that it recovers as well as possible when business eventually picks up.

Driven by high levels of air traffic, business in Ireland posted strong performance over the year. Furthermore, the subsidiary Sky Handling Partner won the 2016 Airport Ground Handling Achievement Award after obtaining ISAGO certification from IATA.

The end of 2016 marked a major turning point for the Group's airport services business in England with the acquisition of Cobalt Ground Solutions, the third largest airport services provider at London Heathrow airport, on 31 December 2016. Established after the restructuring of Air France and KLM's airport services subsidiaries, Cobalt Ground Solutions supports major international airlines such as Air France-KLM, KLM-City Hopper, Aeromexico, China Southern, Delta Airlines, Etihad Airways, Japan Airlines, Jet Airways, Kenya Airways, Korean Airlines and Virgin Atlantic. The consolidation of Cobalt Ground Solutions, effective from 1 January 2017, is expected add at least €40 million to the Group's airport services division's full-year sales.

This operation gives the Group a position at the busiest European airport, with air traffic of over 75 million passengers per year, which also boasts significant growth potential with the opening of a third runway scheduled for 2025.

The Group has operated at London City Airport since 2011. This operation, an important strengthening of its UK presence, has also enabled it to break into the global top 10 airport services providers.

(1) Current operating income restated pursuant to the AMF recommendation (incorporation of amortisation of intangible assets acquired); for comparison purposes the Group has opted to use EBITDA as its financial indicator, corresponding to current operating income before net amortisation and depreciation.

(2) source: Company

1.3 OTHER SERVICES: INDUSTRIAL SERVICES

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

In 2016, other services posted €89.7 million in sales (before inter-segment eliminations) and generated EBITDA(1) of €5.2 million, up 18%. The division's EBITDA margin improved significantly to 5.8% of sales from 5.5% in 2015.

Change in sales
Other services
(€m)

Industrial engineering and maintenance, the main activities under other services, accounted for almost 77% of the division's sales in 2016.

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

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

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

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

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

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

ACTIVITIES GEARED TOWARDS FAST-GROWING MARKETS

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

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

Similarly, in 2016 ECM was selected by SNCF to join a panel of engineering subcontractors hired to provide important consultancy services regarding the modernisation of rolling stock, such as the provision of internet on TGV trains, interior renovation of TGV Duplex trains, overseeing and coordinating the transfer of innovation and improvement solutions to Eurostar, etc.

This strategy contributes to the development of niche markets, implemented for several years now, notably in the field of interior fitting of VIP or Corporate aircraft as per the EASA-DOA part 21 J certification that ECM obtained in 2014.

Even as large aeronautics programmes come to a close, this highly specialised market is thriving and should make for a significant and recurring portion of ECM's aeronautics business in the future. Again, ECM made progress in refocusing its commercial strategy by targeting MRO (Maintenance Repairs & Operations/Overhaul) contracts, which is a new opportunity, and in the design and manufacture of special furniture which meet very strict specifications within very short lead times.

ECM intends to continue developing this new business line, which accounted for 20% of its business volume in 2016. Aircraft modifications and interior fitting represent high value-added activities due to the level of knowledge and responsibility involved. ECM aims to offset the downturn in aerostructures through the creation of a specialised department, approved by the European Aeronautic Safety Agency (EASA), to take a position in a burgeoning growth market.

In 2017, ECM intends to capitalise on its specialist status to take on the space sector, a market with strong growth potential and for which ECM's lightweight and mechanical integration know-how is fully transferable.

ENGINEERING, PRODUCTION INTEGRATION AND TESTING:

The Group's subsidiary MASER Engineering steps in during the advanced phases of programmes and throughout the life of the industrial facilities: Definition - Development - Operation. It provides general contracting support in all phases of R&D, project management and industrialisation, and contributes to studies, calculations, tool manufacturing and testing, prototypes and special machines for fluid control, and static and dynamic testing facilities (hydraulic power units, cooling systems, testbeds for mechanical or hydraulic components and test benches).

MASER Engineering participates in technology transfer, quality control process definition and checks, and oversees engineering or offshore production activities.

Installation and new works: Industrial process installation and optimisation is one of MASER Engineering's core businesses. Drawing on its in-depth technological knowledge and the skills of its engineers and technical staff, MASER Engineering provides support to manufacturers for their integrated set-up or operation projects, transfer or modernisation of their tools, and automated production units.

Industrial maintenance: Industrial and tertiary sector process maintenance is one of MASER Engineering's long-standing core areas of expertise. With over 40 years of experience in operational maintenance and maintenance engineering, MASER Engineering participates fully in improving the management and performance of industrial facilities, and in generating productivity gains.

Industrial training: MASER Engineering's training division is composed of training and technical experts. Under its policy of continuous improvement and the search for innovative solutions, MASER Engineering provides support to companies in managing their employees' careers and skills training for their new hires through job training programmes at its training centre or on the client's premises.

In keeping with its policy of client proximity, the Group enjoys national coverage for its Engineering and Maintenance activities, with 14 plants across France.

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

ENGINEERING AND INDUSTRIAL MAINTENANCE: A GROWING BUSINESS IN 2016

The Group's engineering and maintenance activities generated sales of €68.9 million in 2016, up 13.4%. This increase is a combination of mixed trends. Engineering activities continued to suffer in 2016 as major aeronautical engineering projects were put on hold. Despite the significant decline in business in this sector, ECM managed to stabilise its sales over the year thanks to its diversification strategy in sectors such as defence, railways and space, and in highly specialised niche markets, particularly aeronautics, which present new growth opportunities for the year ahead.

Conversely, MASER Engineering's engineering, integration, installation, new works and industrial maintenance activities posted strong growth of 19% over the year. The automotive, shipbuilding and energy sectors contributed significantly to this excellent growth.

Thanks to its proven expertise in the management of robotised production line installation projects, industrial maintenance and stamping tool development, MASER Engineering has gained a strong foothold in the market through the PSA, RENAULT-NISSAN, SEGULA and CLN groups.

A partner of Saint-Nazaire shipyard for almost 15 years and backed by proven experience in the assembly of liner gangways and cabins, MASER Engineering has been fully involved in the numerous orders received by its client STX Europe.

The nuclear and renewable energy sector headed by EDF and NORDEX has allowed for the diversification of sales and has enabled MASER Engineering to position itself in sustainable global markets.

In order to pursue its diversification strategy in key sectors and enjoy continuous and controlled growth, in early 2016 the Group consolidated its foothold in key territories such as Loire-Atlantique, via its subsidiary MASER Engineering. It also intends to position itself, thanks to the ECM's expertise in mechanical engineering and materials, on new high-growth markets such as the satellite space sector, or renewal markets such as the major refit market in the energy sector.

(1) With current operating income having been restated pursuant to the AMF 2016 recommendation (incorporation of amortisation of intangible assets acquired), for comparison purposes the Group has opted to use EBITDA as its financial indicator, corresponding to current operating income before net amortisation and depreciation.

ENGINEERING AND INDUSTRIAL MAINTENANCE

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

- ISO 9001, CEFRI (nuclear), EN 9100 qualifications
- MASE certification
- DOA PART 21J certification by EASA (European Aviation Safety Agency)
- R&D Training and Laboratory accreditations
- Approval by the French Ministry for Research and Higher Education as private research laboratory
- Companies that are members of GIFAS, SYNTEC, CETIM, AFIM, GIM, POLEPHARMA, ALFA-ACI, Neopolia, Aerospace Valley, the ASTECH business cluster, the MOVEO business cluster, Aérocampus Aquitaine, AIF, France Energie Eolienne, France Hydro Electricité, Formation des Industries Technologiques, city of Le Mans, Sarthe Développement and Windustry
- Average workforce of over 600 persons in 2016, most of whom are engineers and technicians
- CAD computer population, multiphysics calculation, and complete and secure PDM

MAIN DIVISION CLIENTS SERVED BY ECM:

- Airbus Corporate Jet Center
- Alstom Transport
- Bombardier
- Dassault Aviation
- GE Alstom
- Hutchinson
- Latécoère
- Peugeot Division Moteur Sport
- PSA Peugeot Citroën
- Renault Sport Racing
- Renault Trucks Défense
- Safran Moteurs
- SNCF
- Stelia

MAIN GROUPS SERVED BY MASER Engineering:

- Nice Côte d'Azur and Paris airports
- AFPI
- Airbus Group
- Alstom Group
- BP France
- CT Ingenieros
- Dassault Aviation
- Dürr Cleaning
- EDF
- Fiat
- Flowserve Corp.
- Heineken
- IPSEN
- Nordex
- NTN-SNR
- Peugeot Citröen Automobile
- Renault-Nissan
- Safran
- Stäubli
- Stelia Aerospace
- STX Europe
- Thales
- Total

1.4 GROUP ORGANISATION STRUCTURE

A PARENT COMPANY AT THE SERVICE OF ITS SUBSIDIARIES

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

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

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

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

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

- Temporary employment and recruitment: this business line, which posted 2016 sales of €1,829.7 million, groups together four operative subsidiaries in France and a further 17 abroad (in Germany, Spain, the United States, Morocco, Portugal, Switzerland and Tunisia). The volume of business generated by foreign subsidiaries represented 23.9% of the division's total sales.
- **Airport services**: this business line, which posted 2016 sales of €244.9 million, groups together 15 operative companies in France and 10 companies operating abroad (in Congo, Ireland, Dominican Republic, United Kingdom and Sierra Leone). The volume of business abroad represented 17% of the total sales of airport services.
- Other business services: this business line groups together the other activities of the Group – HR management digitisation and transfer, engineering and industrial maintenance, industrial and construction supplies, hospitality services and training – carried out by 8 subsidiaries operating in France which generated total sales of €89.7 million.

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

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

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

2016:

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

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

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

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

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

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

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

2015:

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

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

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

2014:

In February, the Group continued its expansion in the United States with the acquisition of 2AM Group via its American subsidiary Sustained Quality. 2AM Group specialises in outsourcing quality control and engineering services for the automotive, aviation, aerospace and shipbuilding industries and is present in South Carolina, Florida, California, Alabama and Tennessee.

In June, via its American subsidiary PeopleLink, it also acquired a 75% stake in Actium Consulting. This company, based in Sacramento, California, specialises in IT and project management.

Additionally, in March, via its engineering and industrial maintenance subsidiary MASER Engineering, the Group acquired 100% of the capital of EDOM, the industrial turnkey contractor specialised in hydroelectric equipment maintenance.

HUMAN RESOURCES, THE LIFE FORCE OF THE GROUP

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

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

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

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

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

In France, this determination, shared by the entire profession, led to the creation of the temporary worker permanent contract (CDII in French). The Group launched the CDII in 2015. It was rolled out in all regions in 2016 and will be fully operational in 2017. In the same agreement, the profession created a fund to stabilise the career paths of temporary employees (FSPI), whose objective is to increase the annual employment period of temporary workers in order to shorten times between jobs and optimise the company's investment in recruiting and training temporary workers. The Group therefore offers individual and personalised support plans to temporary workers having completed more than 800 hours over the last 12 months, to determine the actions to be conducted with each of its temporary employees to help them boost and grow their careers, assist them in view of other qualifications or other occupations, enhance their skills through degrees or professional qualifications, and undertake other actions to optimise their period of employment. In 2016, over 4,200 temporary workers received training under this new plan.

Positive results were immediately visible in 2015 and then again in 2016 with the employment period of workers benefiting from the plan increasing by over 7%.

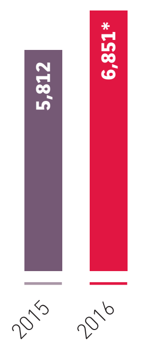
In 2016, with the same aim of developing its temporary workers' employability, temporary staff were offered the option of having a performance review similar to that of the Group's permanent employees. Temporary employees that have worked a minimum of 2,000 hours over the previous 24 months, including at least 1,000 hours during the previous calendar year, are eligible for this new measure as are all CDII temporary workers. As such, beginning in early 2017, 12,000 temporary workers will be given the option of having a performance review, enabling them to jointly discuss their skills and professional development opportunities (jobs and qualifications) with the company.

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

The Group also continued to implement the professional training reform, supporting its network with the creation of the personal training account (CPF in French).

In 2016, temporary workers also benefited from the introduction of a supplementary health insurance program in the sector, obligatory from 415 hours worked per calendar year. The company was determined to introduce this insurance program for temporary workers as quickly as possible, providing explanations of its practical details to its entire network of temporary and permanent staff, and handling individual questions on a case-by-case basis, particularity regarding exemptions. The effort made by the Group regarding communication on this issue is widely recognised.

Numbers of permanent employees in Groupe CRIT



* includes employees of Cobalt Ground Solutions, airport services company acquired on 31 December 2016

Finally, we would like to remind you that a time savings account for temporary workers was created in 2015.

The company also demonstrated diligence in the phasing in of the arduous work measure by informing both employees and clients about its progress; since 1 July 2016 it has required the evaluation of 10 predefined factors (6 in 2015).

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

The Group's efforts are reflected in the increasing number of young employees within the Group on work-study contracts (apprenticeship and professionalisation contracts). Accordingly, nearly 250 young people were recruited in 2016 under apprenticeship and professionalisation contracts.

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

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

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

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

Since 1998, Groupe Europe Handling, Groupe CRIT's airport services subsidiary, has been the Vice-President of JEREMY, an association for young people in search of employment at Roissy and Orly. This association, which brings together partner companies, looks after the integration and training of severely underprivileged young people in Greater Paris, in airport services jobs. Since JEREMY was set up, more than 45,300 young people have been supported and trained and have found permanent jobs. The Group has taken on some 400 young people as interns in its entities, including 45 in 2016.

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

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

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

The policy which the Group has implemented for several years to help disabled workers find employment is cemented through partnerships with organisations and associations dedicated to disabled workers, particularly Agefiph and Fagerh.

In 2016, the Group also celebrated 10 years of its Mission Handicap initiative, showing its long-term investment and interest in this area. To mark the occasion, the company raised awareness on the themes of disability and discrimination by creating a fun quiz that was available throughout November 2016. Called HANDIBIRDS CHALLENGE CRIT, the game was available to all permanent and temporary employees of the Group as well as its clients. Permanent and temporary employees who fulfilled certain conditions relating to years of service also had the opportunity to win prizes. The competition's prizes were all selected for their eco-friendly and environmental and social qualities in accordance with the Group's CSR policy.

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

TRAINING, A GUARANTEE OF CONSTANT UPSKILLING

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

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

In 2016, the Group allocated a budget of more than €29 million dedicated to training almost 18,000 permanent and temporary workers.

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

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

The French professional training reform became effective on 1 January 2015. It was implemented in 2015 and 2016, with specific measures relating to temporary employment determined by sector agreement.

It has fundamentally changed the training landscape in France, in terms of both stated objectives and financing method.

In the light of the new situation, Groupe CRIT reviewed its operating methods to maintain an ambitious and efficient training policy. In 2016, the Group allocated over €29 million, significantly higher than statutory and contractual obligations, to support its training policy. It implemented several programs to promote the integration and employability of its employees and to precisely meet the needs of its clients.

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

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

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

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

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

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

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

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

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

INCREASING TRAINING FOR TEMPORARY WORKERS

Supporting the professional development of its temporary workers, providing them with new skills, facilitating their acquisition of know-how and enhancing their employability are some of the main pillars of Groupe CRIT's HR policy and underpin the training plan. Over the year, the Group trained 14,400 temporary workers, an increase of 20% compared to the previous year. This increase also reflects the desire to ensure that the success of its temporary workers is at the heart of the performance of its corporate clients. It was achieved as a result of implementing several programs to promote the integration and employability of its employees and to precisely meet the needs of its clients and the specific demands of each employment area.

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

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

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

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

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

In 2016, the amount of training paths relating to professional development increased by 24% compared to the previous year.

During 2016, the Group was highly active in rolling out training programmes via the personal training account (CPF), a key element of the professional training reform.

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

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

CRIT's training teams helped provide information about the personal training account program, and supported temporary and permanent employees along their career paths, leading to the creation of 1,152 personal training account portfolios.

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

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

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

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

Thus, in order to continue the implementation that started in 2015, around 4,400 temporary workers benefited from this program in 2016 in support of their upskilling.

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

A SPECIALISED TRAINING CENTRE FOR AVIATION OCCUPATIONS

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

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

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

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

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

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

Today, of the 354 CRIT agencies with QSE certification, 24 are also CEFRI certified (nuclear sector) and 9 agencies are MASE certified (chemicals and petrochemicals).

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

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

In an increasingly fast-paced and competitive market, one of the major thrusts of CRIT's QSE is the long-term retention of clients and temporary workers while optimising its performance.

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

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

In order to meet the objectives that it has set, CRIT's management has broken down its QSE policy by defining a number of commitments:

QUALITY

- Adopt a different approach based on proximity,
- Anticipate the needs and expectations of clients and temporary workers,
- Monitor the level of customer satisfaction,
- Promote the development, fulfilment and support of permanent and temporary workers.

OCCUPATIONAL HEALTH AND SAFETY

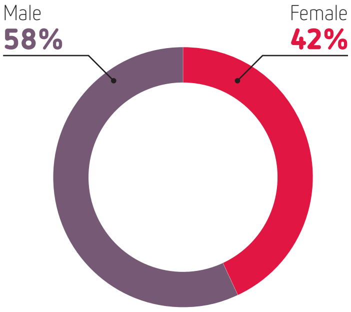
- Train and familiarise permanent employees on prevention and health & safety at work,
- Raise temporary workers' awareness at all stages of recruitment and outsourcing,
- Get to know the companies using the program, workstations, their environment and the tasks to be performed,
- Act in cooperation with these companies to prevent accidents at work.

ENVIRONMENT

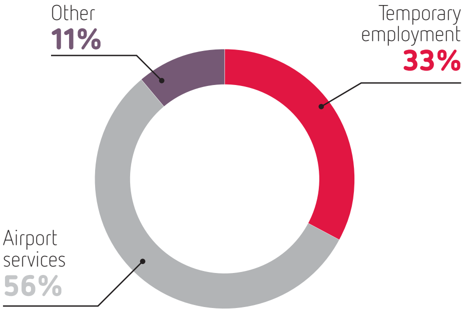
- Sensitise permanent and temporary workers to the environment,
- Reduce its greenhouse gas emissions,
- Treat and recycle its waste,
- Reduce its paper consumption.

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

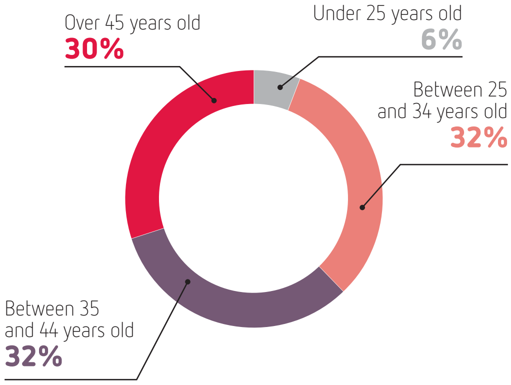
Breakdown of permanent workforce in 2016



Breakdown of permanent workforce by occupation



Breakdown of permanent workforce by age



1.5 INVESTMENT POLICY

CAPITAL EXPENDITURE

The temporary employment and recruitment business, for which capital expenditure totalled €3.8 million over the year, is not capital-intensive by nature, except for the external growth transactions described below.

As regards the Group's other activities, only airport services are likely to require significant investment in France and abroad, depending on the number of new contracts. In 2016 the division's capital expenditure therefore amounted to €10.7 million.

EXTERNAL GROWTH

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

In November 2016, the Group pursued its expansion strategy in the United States by acquiring, via its subsidiary PeopleLink, the assets of the staffing company TeamSoft Inc, based in Wisconsin and specialising in digital technology outsourcing.

It also strengthened its position in the airport services sector in the United Kingdom with the full acquisition of Cobalt Ground Solutions, the third largest airport services provider at London Heathrow airport. Previously a subsidiary of Air France-KLM, this company provides its clients with full handling services (transport, ticketing, traffic, runway) at T3 and T4 of London Heathrow.

These two transactions were completed for a total price of €28.1 million.

REAL ESTATE PROJECT

The year was also marked by the end of construction of the Saint Ouen building, delivered on 10 March 2016. At 2016 year-end, construction amounting to €53.5 million was recognised.

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

€000	2016	2015
Temporary employment	3,824	1,886
Airport services	10,745	8,817
Other, excluding real-estate project	1,127	617
TOTAL EXCLUDING REAL-ESTATE PROJECT	**15,696**	**11,320**
Other - Real-estate project	5,602	22,767
TOTAL	**21,298**	**34,087**

1.6 RISK FACTORS

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

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

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

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

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

OPERATING RISKS

RISK LINKED TO THE CORRELATION BETWEEN BUSINESS VOLUMES AND GDP

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

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

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

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

CONCENTRATION RISK

Given the diversification of its activities and its geographical presence, the Group is not exposed to any material concentration risk in its client portfolio. The Group's biggest client accounted for 7.2% of sales and the top ten clients accounted for 19.5%.

RISK OF DEPENDENCY ON KEY SUPPLIERS

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

In the airport services division, the leading supplier accounted for 37.6% of purchases in the sector and the top five suppliers accounted for 57.5%. However, it should be noted that this percentage is primarily distributed between two suppliers. This concentration is due to operational constraints within airport services: exclusivity of services supplied for ADP, the Paris airports management company, regulated access restricting the provision of subcontracting for aircraft.

RISK ASSOCIATED WITH MAJOR CONTRACTS

At the registration document date, except for the building construction contract, the Group had signed no major contracts giving rise to a major obligation or commitment for the entire Group, other than those signed in the normal course of business (the effect of which is described in the above paragraph on concentration).

SPECIFIC RISK INHERENT TO THE AIRPORT SERVICES BUSINESS

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

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

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

REPUTATIONAL RISK

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

INFORMATION RISK

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

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

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

COMMERCIAL CREDIT RISK AND FINANCIAL COUNTERPARTY RISK

COMMERCIAL CREDIT RISK

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

a. firstly, any placement commitment given to a client is conditional on the credit limit defined by the credit management department,

b. secondly, a majority of the receivables in the temporary employment business, with the exception of the USA, are covered by a specific credit insurance policy.

Each temporary employment activity has its own centralised credit management department that monitors client credit for the Group. A claims department then handles any legal action. The impairment amount for trade receivables is indicated in Note 5.4.3 of the consolidated financial statements.

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

€000	31/12/2016	31/12/2015
Temporary employment and recruitment	367,790	308,967
Airport services	36,866	28,428
Other services	28,895	25,082
TOTAL	433,552	362,476

Note 6.3 to the consolidated financial statements details the age of trade receivables.

FINANCIAL COUNTERPARTY RISK

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

LEGAL RISKS ASSOCIATED IN PARTICULAR WITH WORK REGULATIONS

TYPES OF LEGAL RISKS

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

- first, bank guarantees for its temporary employment business: As required by the French Labour Code, the Group must at any time have bank guarantees equal to a given percentage of its sales for the previous calendar year (8% in France). Failure to renew the bank guarantees would automatically prohibit the Group from conducting its business,
- second, changes to labour regulations: Any significant change in the regulations, particularly a change related to the duration of work and dismissal conditions, could have a material impact on the Group's business.

LEGAL PROCEEDINGS AND ARBITRATION

Ongoing disputes mainly relate to employee petitions brought before an industrial tribunal (Note 5.7.2. to the consolidated financial statements). CRIT Intérim is currently being prosecuted in legal proceedings concerning misdeeds in some of its agencies from 2003 to 2005. A ruling delivered in June 2015, for which an appeal has been lodged, has acquitted the company of the charges.

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

INDUSTRIAL AND ENVIRONMENTAL RISKS

Because of its activity, the Group has no significant exposure to environmental risks and has not identified any financial risks linked to the effects of climate change.

The measures taken by the Group to control and reduce the effects of its activity on the environment are described in the corporate social responsibility report in section 3.2 of this registration document.

LIQUIDITY RISKS

LIQUIDITY POSITION

The Company actively manages its liquidity risk so that it can make its payments at any time. At 31 December 2016, excluding authorised overdrafts, the company had credit facilities of €200 million (of which €100 million was confirmed, with a maturity of over 12 months), from which it had drawn €41 million.

ASSET-BASED FINANCE, BORROWING BASE RISK

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

RISKS OF ACCELERATED REPAYMENT

Some of the Group's financing lines are governed by covenants. This mainly includes the €100 million medium-term credit facility. The detailed commitments are given in section 5.8.2.1.7 "Financial obligations" in the notes to the consolidated financial statements.

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

MARKET RISKS

MANAGEMENT POLICY

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

INTEREST RATE RISK

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

€000		< 1 year	1-5 years	> 5 years	Total
Gross financial debt (a)	Fixed rate	29,453	11,840	0	41,293
	Floating rate	4,720	55,397	28,871	88,988
Overdrafts excluding cash pooling (b)	Fixed rate				0
	Floating rate	8,130	0	0	8,130
Financial debt (c=a+b)	Fixed rate	29,453	11,840	0	41,293
	Floating rate	12,850	55,397	28,871	97,118
Cash equivalents (d)	Fixed rate	20,000	0	0	20,000
	Floating rate	40,549	0	0	40,549
Net position before hedging (e=c-d)	Fixed rate	9,453	11,840	0	21,293
	Floating rate	(27,699)	55,397	28,871	56,569
Interest rate hedging instruments (f)	Fixed rate	3,833	15,333	11,734	30,900
	Floating rate	(3,833)	(15,333)	(11,734)	(30,900)
Net position after hedging (g=e+f)	Fixed rate	13,286	27,173	11,734	52,193
	Floating rate	(31,532)	40,064	17,137	25,669
Positive cash					(31,521)
TOTAL NET FINANCIAL DEBT					**46,341**

(b) Bank overdrafts excluding cash pooling portion (Note 5.8.2.2 to the consolidated financial statements), which is covered by cash pooling assets.

At 2016 year-end, only the liability relating to the lease for the building is hedged to a fixed rate, while all other liabilities (except the debt from subsidiaries) are hedged to floating rates. With its cash investments, the Group's exposure to interest-rate fluctuations is very low. A change of 100 basis points in interest rates would impact the Group's financial expense for the year by €1.2 million.

FOREIGN EXCHANGE RISK

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

The risk arising from translating the financial statements of the Group's foreign entities into the reporting currency in the Group's financial statements is not hedged. The net balance sheet positions in the main currencies and the sensitivity of the Group's earnings and shareholders' equity to currency risk are described in section 6.1 "Currency risk" of the consolidated financial statements.

RISKS ASSOCIATED WITH SHARES AND OTHER FINANCIAL INSTRUMENTS

The Group has cash equivalents at its disposal, comprising investments in different money products, which are detailed in Notes 2.10.4 and 5.4.5 to the consolidated financial statements. It also has a portfolio of equity shares, the value of which depends on the share price. The year-end valuation is indicated in Note 8 to the company financial statements.

RISK PREVENTION AND HEDGING

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

The Group covers the following risks through insurance:

- counterparty risk through credit insurance taken out with various firms (temporary employment business in France and Spain). As a result, in most cases, every commercial relationship is first covered by a guarantee given by the insurer on a case by case basis. These guarantees are monitored daily for changes and, in certain cases, the commercial relationship may be revalued.
- other risks are covered by appropriate insurance policies, primarily including:
    - Operating damage and losses (capped at €20 million per claim)
    - Third-party liability for operations (capped at €30 million per claim)
    - Third-party liability for airport services (capped at €130 million per claim)
    - Third-party liability for directors (capped at €15 million per claim)
    - Vehicle fleet: market value.

The total cost of these policies for all Group companies amounted to €4.9 million in 2016, which corresponds to the insurance premium payments.

In terms of internal prevention, the Group:

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

1.7 TRENDS AND OUTLOOK: A POSITIVE OUTLOOK

A GOOD START TO THE YEAR

Groupe CRIT is confident about 2017. The economic outlook is positive for the main countries in which the Group operates. There is an upward trend in all markets and the early part of the year bodes well for all business lines.

TEMPORARY EMPLOYMENT AND RECRUITMENT

CONTINUED OUTPERFORMANCE IN FRANCE NEW ACQUISITION IN THE UNITED STATES

In France, the Group is expected to benefit fully from the positive economic environment in the temporary employment sector, with GDP expected to grow by 1.4% over the year, and from the sustained demand in its principle markets. The first two months of the year are promising. The Group once again outperformed its benchmark market, with an 11.6% increase in total temporary employees during the first two months of 2017, compared to an 8% rise in the temporary employment market over the same period (source: Prism'emploi / Crédoc).

Business in Spain is expected to remain steady due to a forecast 2.5% rise in the country's GDP in 2017 and a national temporary employment market expected to increase by between 8% and 10% over the year (source: Asempleo).

In 2017, the Group will also reap the full-year benefit from the consolidation of its two most recent acquisitions in the United States. After acquiring US TeamSoft in November 2016 to strengthen its position in the IT staffing sector, in February 2017 the Group acquired EHD Technologies, a company specialised in quality assurance and inspection services for the automotive, industrial, and electronics sectors, and in recruiting and outsourcing skilled personnel. Based in Tennessee and with operations in Alabama, South Carolina and Missouri, this company, which posted sales of over $31 million in 2016, will enable the Group to strengthen its quality vertical business. EHD Technologies has been consolidated from February 2017.

With these two new acquisitions and a positive economic outlook, including an expected 2.4%[1] increase in US GDP, the Group is on course to make 2017 a year of growth and pass the €300 million mark for sales in this strategic market.

(1) OECD March 2017

AIRPORT SERVICES

LEADING POSITION CONSOLIDATED IN FRANCE
EXPANSION OF POSITIONS ABROAD

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

In France, the first two months of the year saw sustained organic growth with total sales for the period up 9.4%. At the start of the year the Group again consolidated its position as service provider at France's two most important airports. On 27 March 2017, the minister for civil aviation again appointed and effectively confirmed Groupe Europe Handling as airport services provider at Roissy and Orly airports. This decision follows the judgement of the Paris Administrative Court which, having had a case brought before it by a competitor, had annulled the 2014 ministerial decision appointing the three ground handling service providers at Paris airports. These airport services licences, initially awarded in 2014, are granted for a period of seven years and enable the Group to operate at the terminals CDG1, CDG2, CDG3, Orly South and Orly West until 2021. This decision underlined the Group's status as the French leader in airport services.

The end of 2016 marked a major turning point for the Group's airport services business abroad with the acquisition of Cobalt Ground Solutions, the third largest airport services provider at London Heathrow airport, on 31 December 2016. Founded by merging the two ground services subsidiaries of Air France and KLM, Cobalt Ground Solutions provides full ground handling services to major international airlines such as Air France-KLM, KLM City Hopper, Aeromexico, China Southern, Delta Airlines, Etihad Airways and Japan Airways. The consolidation of Cobalt Ground Solutions, effective from 1 January 2017, is expected to add at least €40 million to the Group's airport services division's full-year sales.

This operation gives the Group a position at the busiest European[1] airport, with air traffic of over 75 million passengers per year, which also boasts significant growth potential with the opening of a third runway scheduled for 2025.

As a result of this acquisition, the Group broke into the top 10 airport services providers globally.

A SOUND AND EVEN STRONGER FINANCIAL POSITION

In 2016, the Group again strengthened its financial situation. With cash flow from operations in excess of €85 million, a high level of equity of around €436 million, up €68.4 million over the year, and net cash of over €109 million (including the CICE competitiveness and employment tax credit) at the end of December 2016, the Group had a robust financial structure which will allow it to develop and continue its growth strategy.

(1) source: ACI

1.8 STOCK MARKET AND SHAREHOLDERS

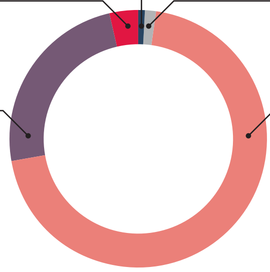
Groupe CRIT shares are listed on Euronext Paris (Compartment B).

They are listed on the CAC All-tradable, CAC All-shares, and CAC Mid & Small indexes and, since 21 February 2017, have been on the new Euronext Family Business index, which tracks the performance of 90 family-run companies listed across the four Euronext exchanges.

The number of shares that make up the share capital is 11,250,000.

Market capitalisation at 28 February 2017 was €862.3 million.

Capital distribution
(at 28 February 2017)



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

		Share price (€)	
	Number of shares traded	**high**	**low**
September 2015	154,032	51.00	45.31
October 2015	92,099	49.85	46.10
November 2015	129,810	54.10	49.20
December 2015	107,943	57.34	51.37
January 2016	120,724	57.01	47.50
February 2016	115,121	50.79	43.20
March 2016	129,617	51.55	46.53
April 2016	115,960	57.80	51.50
May 2016	78,125	59.76	55.51
June 2016	151,072	60.57	54.80
July 2016	78,513	61.48	57.14
August 2016	40,166	60.59	58.09
September 2016	181,652	61.00	53.90
October 2016	119,439	60.50	53.90
November 2016	113,794	63.00	58.50
December 2016	59,501	68.00	60.05
January 2017	85,181	76.80	66.72
February 2017	70,507	79.19	72.10

Highest and lowest share price over the period

2

FINANCIAL STATEMENTS

2.1. Consolidated financial statements

for the year ended 31 December 2016

A. Consolidated income statement

€000	Notes	2016	2015
REVENUES	8.1 & 8.2	2,145,269	1,939,949
Cost of goods sold		(30,037)	(27,318)
Personnel and related expenses		(1,836,384)	(1,646,152)
Other purchases and external expenses		(147,572)	(142,742)
Net amortisation and depreciation		(19,196)	(17,495)
Net additions to provisions		(7,162)	(5,928)
Other operating income		2,098	778
Other operating expenses		(1,900)	(2,039)
CURRENT OPERATING INCOME	2.1.2 & 8.1	105,115	99,052
Non-recurring operating income	7.1		4,500
Non-recurring operating expenses	7.1		(1,261)
OPERATING INCOME	5.3	105,115	102,291
Share of net income of equity-consolidated companies extending the Group's business		(208)	2,323
OPERATING INCOME INCLUDING SHARE OF NET INCOME OF EQUITY-CONSOLIDATED COMPANIES		104,907	104,614
NET FINANCIAL INCOME	7.2	4,707	6,371
INCOME BEFORE TAX		109,614	110,985
Income tax expense	7.3	(34,343)	(33,834)
NET INCOME		75,271	77,151
- attributable to shareholders of the parent company		75,404	73,494
- attributable to non-controlling interests		(133)	3,657
		75,271	77,151

Earnings per share held by company shareholders (€)			
Basic and diluted	11.1	6.79	6.62

B. Consolidated statement of comprehensive income

€000	2016	2015
NET INCOME	75,271	77,151
Other items reclassifiable to income		
Translation adjustments	552	167
Fair value of financial instruments	(695)	(59)
Deferred tax on fair value of financial instruments	239	20
Other items not reclassifiable to income		
Actuarial differences on retirement commitments	(3,738)	(485)
Deferred tax on actuarial differences	1,076	180
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)	(2,566)	(178)
TOTAL COMPREHENSIVE INCOME/(LOSS)	72,706	76,973
- attributable to shareholders of the parent company	72,494	71,797
- attributable to non-controlling interests	212	5,176
	72,706	76,973

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

C. Consolidated balance sheet

ASSETS (€000)	Notes	31/12/2016	31/12/2015
Goodwill	*5.1*	*166,774*	*159,022*
Other intangible assets	*5.1*	*47,907*	*39,629*
Total intangible assets		214,680	198,651
Property, plant and equipment	5.2	97,365	85,246
Financial assets	5.4.1 & 5.4.2	160,055	116,150
Investments in associated companies	5.3	8,552	9,100
Deferred tax	7.3.2.	6,975	6,652
NON-CURRENT ASSETS		**487,626**	**415,799**
Inventories		2,603	2,667
Trade receivables	5.4.1 & 5.4.3	433,552	362,476
Other receivables	5.4.1 & 5.4.4	31,071	26,137
Tax receivables	5.4.1	5,347	3,665
Cash and cash equivalents	5.4.1 & 5.4.5	107,051	159,672
CURRENT ASSETS		**579,624**	**554,617**
TOTAL ASSETS		**1,067,250**	**970,416**

EQUITY & LIABILITIES (€000)	Notes	31/12/2016	31/12/2015
Capital	5.5	4,050	4,050
Additional paid-in capital and reserves		423,174	342,952
Shareholders' equity (Group share)		427,224	347,002
Shareholders' equity (non-controlling interests)		8,395	20,204
SHAREHOLDERS' EQUITY		**435,619**	**367,205**
Retirement commitments	5.7.1.1	28,863	23,460
Non-current borrowings	5.8.1 & 5.8.2	96,107	85,420
NON-CURRENT LIABILITIES		**124,970**	**108,881**
Current borrowings	5.8.1 & 5.8.2	34,174	48,935
Bank overdrafts and related expenses	5.8.2	23,110	42,782
Provisions for other liabilities	5.7.2	10,136	8,250
Trade payables	5.8.1	39,569	32,024
Social security and tax liabilities	5.8.1 & 5.8.3.1	351,837	317,748
Tax payables	5.8.1	7,715	9,778
Other payables	5.8.1 & 5.8.3.2	40,120	34,812
CURRENT LIABILITIES		**506,661**	**494,330**
TOTAL EQUITY & LIABILITIES		**1,067,250**	**970,416**

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

D. Consolidated statement of changes in shareholders' equity

	€000	Capital	Treasury shares	Other retained earnings	Other comprehensive income/(loss)	Shareholders' equity (Group share)	Shareholders' equity (non-controlling interests)	Total shareholders' equity
2015	**SHAREHOLDERS' EQUITY AT 01/01/2015**	**4,050**	**(2,234)**	**279,064**	**(10,035)**	**270,845**	**16,942**	**287,787**
	Net income for the year	-	-	73,494	-	73,494	3,657	77,151
	Other comprehensive income/(loss)	-	-	-	(1,697)	(1,697)	1,519	(178)
	TOTAL COMPREHENSIVE INCOME/(LOSS)	**-**	**-**	**73,494**	**(1,697)**	**71,797**	**5,176**	**76,973**
	Dividends distributed	-	-	(3,422)	-	(3,422)	(2,381)	(5,803)
	Treasury share transactions	-	95	-	-	95	-	95
	Other changes	-	-	7,685		7,685	466	8,151
	TRANSACTIONS WITH SHAREHOLDERS	**-**	**95**	**4,263**	**-**	**4,358**	**(1,915)**	**2,443**
	SHAREHOLDERS' EQUITY AT 31/12/2015	**4,050**	**(2,139)**	**356,821**	**(11,732)**	**347,000**	**20,204**	**367,205**
2016	**SHAREHOLDERS' EQUITY AT 01/01/2016**	**4,050**	**(2,139)**	**356,821**	**(11,732)**	**347,000**	**20,204**	**367,205**
	Net income for the year	-	-	75,404	-	75,404	(133)	75,271
	Other comprehensive income/(loss)	-	-	-	(2,912)	(2,912)	345	(2,567)
	TOTAL COMPREHENSIVE INCOME/(LOSS)	**-**	**-**	**75,404**	**(2,912)**	**72,492**	**212**	**72,704**
	Dividends distributed	-	-	(4,427)	-	(4,427)	(981)	(5,408)
	Treasury share transactions	-	5	-	-	5	-	5
	Other changes (1)	-	-	12,160	(8)	12,152	(11,040)	1,112
	TRANSACTIONS WITH SHAREHOLDERS	**-**	**5**	**7,734**	**(8)**	**7,730**	**(12,021)**	**(4,291)**
	SHAREHOLDERS' EQUITY AT 31/12/2016	**4,050**	**(2,134)**	**439,958**	**(14,653)**	**427,222**	**8,395**	**435,619**
Other changes	*(1) Details of other changes*	-	-	-	-	-	-	-
	Remeasurement of puts on PeopleLink non-controlling interests			*11,019*		*11,019*	*(11,101)*	*(83)*
	Remeasurement of puts on Actium non-controlling interests			*1,195*		*1,195*		*1,195*
	Other			*(54)*	*(8)*	*(62)*	*62*	*-*
	Total other changes		*-*	*12,160*	*(8)*	*12,152*	*(11,040)*	*1,112*

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

E. Consolidated cash flow statement

€000	Notes	2016	2015
Net income for the year		75,271	77,151
Elimination of expenses not affecting cash flow			
Share of profits of associated companies		208	(2,323)
Amortisation and depreciation of intangible assets and property, plant and equipment	9.1	19,196	17,490
Change in provisions		3,912	3,063
Impact of the competitiveness and employment tax credit (CICE)		(44,566)	(44,332)
Other non-cash items		(4,526)	(7,041)
Elimination of profits or losses on asset disposals		(114)	(3,199)
Net cost of financial debt		1,384	3,614
Net income tax (including deferred taxes)	7.3	34,343	33,834
CASH FLOW BEFORE NET COST OF DEBT AND INCOME TAX (A)		**85,107**	**78,258**
Change in operating working capital (B)	9.2	(26,880)	19,843
Taxes paid (C)		(37,753)	(25,966)
CASH FLOW GENERATED FROM OPERATIONS (D =A+B+C)		**20,474**	**72,136**
Acquisitions of intangible assets		(2,068)	(755)
Acquisitions of property, plant and equipment (excluding finance lease agreements)		(8,765)	(6,682)
Acquisitions of property, plant and equipment (finance lease agreements)		(10,465)	(26,649)
Change in cash from discontinued or sold operations		(3)	3
Business combinations, net of cash and cash equivalents acquired		(19,511)	4,500
Proceeds from disposals of property, plant and equipment		1,518	199
Proceeds from intangible asset disposals		0	28
Other flows from investing activities		711	(486)
CASH FLOW FROM INVESTING ACTIVITIES		**(38,584)**	**(29,843)**
Dividends paid		(6,213)	(5,115)
Purchase/sale of treasury shares		5	95
Loan repayments	9.3	(54,508)	(13,487)
Borrowings (excluding finance lease agreements)	9.3	36,442	7,404
Borrowings (finance lease agreements)	9.3	10,465	26,649
Financial interest paid		(1,307)	(3,682)
CASH FLOW FROM FINANCIAL TRANSACTIONS		**(15,116)**	**11,865**
Impact of change in foreign exchange rates		276	156
CHANGE IN CASH		**(32,950)**	**54,314**
Cash, cash equivalents and bank overdrafts at the beginning of the period		116,890	62,577
Change in cash		(32,950)	54,314
Cash, cash equivalents and bank overdrafts at the end of the period		83,941	116,890

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

F. Notes to the consolidated financial statements

Groupe CRIT (the "Company") is a French *société anonyme* (public limited company) listed on Euronext Paris, Compartment C. Its registered office is located at 92-98 Boulevard Victor Hugo, Clichy (Hauts de Seine), France. The Group offers diversified services and its core business is temporary employment.

1. Key events of the year

1.1. Business combinations carried out during the year

1.1.1. Temporary employment sector in the United States

In November 2016, the Group pursued its expansion strategy in the United States by acquiring, via its subsidiary PeopleLink, the assets of the staffing company TeamSoft Inc, based in Wisconsin and specialising in digital technologies.

$12.1 million of the purchase price of $15.1 million was paid in cash. The balance will be paid over two years in two equal instalments and may vary according to the earnings of the activities taken over. This additional price was recognised at its fair value, which was $2.8 million at the acquisition date.

The trade names of the companies acquired are seen as having limited useful lives and are amortised over their useful life estimated at 8 years.

Contractual and non-contractual customer relations, which are a key asset of the temporary employment market, can be amortised over their useful life estimated at 8 years. Non-competition agreement clauses relate to key employees of the entities concerned and are amortised over the term covered, i.e. 3 years.

Goodwill and other intangible assets (trade names, customer relations and non-competition agreements) are amortised for tax purposes over a 15-year period.

1.1.2. Airport services sector in the United Kingdom

On 31 December 2016, Group CRIT completed the full acquisition of Cobalt Ground Solutions, the third largest airport services provider at London Heathrow airport. Previously a subsidiary of Air France-KLM, this company now provides full handling services (transport, ticketing, traffic, runway) at T3 and T4 of London Heathrow.

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

€000	Teamsoft	Cobalt Ground Solutions (1)	Total
Intangible assets	13,395	5,070	18,465
. Goodwill	*995*	*5,070*	*6,064*
. Trade names	*1,929*		*1,929*
. Customer relations	*9,002*		*9,002*
. Non-competition agreements	*1,470*		*1,470*
Property, plant and equipment	211	5,493	5,705
Trade receivables		4,091	4,091
Other receivables		711	711
Cash and cash equivalents		6,061	6,061
Liabilities assumed		(6,927)	(6,927)
FAIR VALUE OF ASSETS ACQUIRED AND LIABILITIES ASSUMED	**13,606**	**14,500**	**28,106**
FAIR VALUE OF NON-CONTROLLING INTERESTS			
BUSINESS COMBINATION ACQUISITION PRICE	**13,606**	**14,500**	**28,106**

(1) Recognition of the Cobalt Ground Solutions business combination is provisional at the closing date.
The valuation of assets acquired and liabilities assumed and the components of the acquisition price may be reviewed within a 12-month period.

1.2. Put options over PeopleLink non-controlling interests

On 1 January 2016, the remaining non-controlling interests of PeopleLink, representing 15% of the company's share capital, exercised the put option over their shares for an aggregate amount of $24.1 million (i.e. €22.1 million at the 2015 year-end rate).

1.3. Administrative court decision on airport services licences issued in 2014

On 12 July 2016, the Paris Administrative Court, having had a case brought before it by Aviapartner, annulled the decisions taken on 2 June 2014 by the ministry of ecology, energy and sustainable development appointing the three companies authorised to provide ground handling services at Roissy Charles de Gaulle airport and the Orly West terminal of Paris Orly airport. The judgement stipulates that the licences, initially granted for a period of 7 years (until 2021), be revoked from 30 March 2018.

As this decision does not retroactively invalidate the awarding of the licences, Groupe Europe Handling (GEH), a subsidiary of Group CRIT, shall remain a provider of ground handling services until 30 March 2018 and will participate in the calls to tender for the renewal of these licences at that time.

2. Accounting standards and methods

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

2.1. Basis of preparation of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 28 March 2017. Unless specified otherwise, amounts are stated in thousands of euros. These statements will not be definitive until approved by the Annual Shareholders' Meeting.

In accordance with EC Regulation 1606/2002 of 19 July 2002 applicable to the consolidated financial statements of European companies listed on a regulated market, and due to the Group's listing in a European Union country, the consolidated financial statements of Groupe CRIT and its subsidiaries (the "Group") are drawn up in accordance with IFRS guidelines (International Financial Reporting Standards) published by IASB and as adopted by the European Union on 31 December 2016. These guidelines include the standards approved by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

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

2.1.1. Basis for valuation applied

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

The Group mainly values its cash management financial assets, derivative financial instruments and identifiable assets and liabilities acquired following business combinations at fair value on a recurring basis on the balance sheet.

Information on the fair value of the financial instruments is provided in Notes 5.4.1 and 5.8.1.

Fair value is the price that would be received for the sale of an asset, or paid to transfer a liability in an ordinary transaction on the main market for the asset or liability, or otherwise, on the most advantageous market, i.e. that which maximises the sale price for the asset, or minimises the transfer cost for the liability.

The Group determines these fair values by combining the following approaches:

- market approach, based on transaction prices;
- cost approach, based on the estimated cost of replacing an asset with an asset that has the same service capacity;
- income approach, by discounting future cash flows.

There is a fair value hierarchy, with three levels:

- Level 1: prices quoted for identical assets on an active market. Money-market UCITS and very liquid short-term investments, which can be converted into a known amount and which are subject to a negligible risk of a change in value, are measured in this way.
- Level 2: valuation based solely on observable data on an active market for a similar instrument used for the valuation of short-term deposit accounts which can be converted at any time into cash without any risk of a change in value, and derivative financial instruments.
- Level 3: valuation mainly using unobservable data. Intangible assets acquired through business combinations - particularly trade names and customer relations - are valued in this way.

As stated in Note 3, the preparation of the financial statements in accordance with IFRS requires management to define a number of assumptions, estimates and assessments determined on a going concern basis using the information available at the time of preparation.

These assumptions, estimates and assessments, from which future results may differ, are renewed by management at each closing date in light of past performance and expected future performance.

The Group clarified the assumptions made and, where necessary, applied sensitivity calculations for the following four areas:

- In performing impairment testing on non-current assets, the Group endeavoured to use prudent assumptions in respect of estimates of future cash flows, in particular. Details of the approach used are provided in Note 5.1
- In estimating employee benefits (Note 5.7.1)
- In estimating provisions for disputes (Note 5.7.2)
- In calculating deferred taxes and, in particular, the assessment of the recoverability of deferred tax assets.

2.1.2. Amendments to the standards and interpretations

AMF recommendation on the closing of 2016 accounts

The Group applied the AMF recommendations relating to the closing of 2016 accounts and reviewed the classification of non-current income. Amortizations of intangible assets related to business combinations that may recur in future periods are no longer considered as non-recurring items.

The following adjustments have been applied to the financial information for comparative periods:

€000	2015
CURRENT OPERATING INCOME REPORTED	**105,840**
Amortisation of allocated intangible assets from acquisitions	(6,478)
Goodwill impairment	(310)
CURRENT OPERATING INCOME RESTATED	**99,052**
Current operating income per operating segment restated	
Temporary employment	84,344
Airport services	11,265
Other services	3,443

Mandatory standards, amendments and interpretations at 1 January 2016

The Group applies the following standards and texts that entered into force as from the reporting period beginning on 1 January 2016:

- IAS 1 amendment: "Disclosure Initiative" project
  This amendment makes clarifications in particular on materiality, disaggregation, presentation of subtotals and the structure of notes.
- IAS 16/IAS 38 amendments: Acceptable methods of depreciation and amortisation
  This amendment clarifies the circumstances under which it is possible to depreciate or amortise assets under the revenue-based method, which is prohibited under IAS 16 and permitted, subject to conditions, under IAS 38.
- IAS 19 amendment: Defined benefit plans
  This amendment provides clarification for the recognition of contributions paid into defined benefit plans by members of staff.
- IFRS 11 amendment: Acquisitions of interests in arrangements classified as joint operations
  This amendment clarifies the reporting procedures for joint operations.
- IAS 28, IFRS 10 and IFRS 12 amendments: Investment entities
  This amendment provides clarification on applying the consolidation exception for investment entities.
- ΙΑΣ 16/ΙΑΣ 41: Χλαριφιχατιον ον τηε ρεχογνιτιον οφ βεαρερ πλαντ ασσετσ
- Ανναλ ιμπροϖεμεντσ το ΙΦΡΣ – 2010–2012 χψχλε:
  - IFRS 2: Definition of vesting conditions: Clarification of vesting performance conditions where these are linked to a service condition.
  - IFRS 3: Potential price adjustment: Subsequent recognition of additional consideration not constituting equity instruments at fair value through profit or loss
  - IFRS 8: New reporting obligation for the aggregation of operating segments and reconciliation of segment assets with total assets
  - IFRS 13: Clarification on the measurement of short-term receivables and payables
  - IAS 16/IAS 38: Revaluation method - Proportionate restatement of accumulated depreciation and amortisation. Clarification on the optional revaluation method for property, plant and equipment and intangible assets
  - IAS 24: Concept of "key management personnel services"
- Annual improvements to IFRS - 2012-2014 cycle
  - IFRS 5: Change in method for the sale of an asset or a group of assets (where a non-current asset to be sold is to be reclassified as a non-current asset for distribution and vice versa) - Clarification that such a change does not impact treatment under IFRS 5.
  - IFRS 7: Management mandate - Clarification on recovery conditions for financial assets sold and disclosure requirements for asset transfers.
  - IAS 19: Actuarial assumptions discount rate - Assessment of the concept of active market on the basis of corporate bonds in the whole monetary zone and not only those in a given country.
  - IAS 34: Clarification of "elsewhere in the interim financial report"

None of these new versions have had a significant impact on the Group's earnings or financial position.

Standards, amendments and interpretations which may be applied early for the accounting period beginning 1 January 2016 not applied early by the Group

- IFRS 15 "Revenue from contracts with customers"
  IFRS 15 establishes the principles for recognising income from contracts with clients.
  Its basic principle lies in recognising the revenue to depict the transfer of goods and services to a client in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard will also improve the disclosures to be made in the notes.
  It will replace IAS 18 "Revenue", IAS 11 "Construction contracts" and the related IFRIC interpretations (i.e. IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31) and should be applied retroactively from 1 January 2017. Early adoption is authorised.
  The standard sets out a five-step procedure to be implemented to recognise revenue:
  - identify the contract(s) with a client;
  - identify the different performance obligations in the contract;
  - determine the transaction price;
  - allocate the transaction price to the different performance obligations;
  - recognise revenue when performance obligations are satisfied.
- IFRS 10 and IAS 28 amendments "Sales or contributions of assets between an investor and its associate or joint venture": The main result of these amendments is that transfer proceeds (profit or loss) are fully recognised where the transaction relates to a business within the meaning of IFRS 3 (whether or not a subsidiary).
- IAS 12 amendment "Recognition of deferred tax assets for unrealised losses": Clarification of the method of determining future taxable profit for the purpose of recognising deferred tax assets.
- IAS 7 amendment: Disclosure initiative – Additional disclosures on changes in liabilities arising from financing activities on the balance sheet
- IAS 2 amendment: "Share-based payments"
- IFRIC 22: "Foreign currency transactions and advance consideration"

None of these new versions have had a significant impact on the Group's earnings or financial position.

- IFRS 9 "Financial instruments":
  The final version of IFRS 9 groups together the three phases that comprise the project: classification and measurement, impairment and hedge accounting. The improvements made by IFRS 9 include:
  - a single, logical approach to the classification and measurement of financial assets, either at amortised cost or at fair value, in line with the economic model based on which they are managed as well as their contractual cash flows;
  - a single, prospective impairment model, based on "expected loss";
  - a significantly reformed approach to hedge accounting where the accounting treatment is in line with the risk management policies to be considered in the financial statements.

The disclosures in the notes to the financial statements are also reinforced. The overall objective is to improve investor information.

IFRS 9 is applicable to reporting periods beginning on or after 1 January 2018. Early adoption is authorised.

Standards, amendments and interpretations that could not be applied early in 2016 pending EU adoption

- IFRS 16: "Leases"
  IFRS 16 - Leases, published 13 January 2016, will replace the current IAS 17 - Leases and IFRIC 4.
  IFRS 16 introduces significant changes with respect to IAS 17.
  - Although the definition of a lease has not changed from the previous standard, and given the recognition of all leases on the lessee's balance sheet, identifying and distinguishing these from service contracts is extremely important. Execution of a lease involves the use of an identified asset controlled by the lessee for a period of time in exchange for a consideration.
  - The distinction between operating leases and financial leases established by IAS 17 is removed. IFRS 16 introduces a single accounting model for all leases with recognition of a right-of-use asset for the duration of the agreement and of a lease liability representing the lease payment obligation. Exemptions are still available for low-value assets or short-term contracts.
  - For lessors, the distinction between operating leases and finance leases still applies.
  - More information is provided in the notes.

  IFRS 16 will become mandatory from 1 January 2019.

The impact of these standards on the Group's earnings and financial position is currently being evaluated.

2.2. Consolidation methods

The consolidated financial statements comprise the financial statements of the parent company and those of the entities (including structured entities) over which it has control ("subsidiaries").

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

The company must reassess its control over the issuing entity if facts and circumstances indicate a change in one or more of the three elements of control given above.

Full consolidation is the method under which all of the assets, liabilities, income and expenses of the subsidiary are included in the consolidation. The share of net assets and net profit attributable to owners of non-controlling interests is presented separately in shareholders' equity and in the consolidated income statement.

The company consolidates the subsidiary from the date it obtains control until the date upon which it no longer controls that subsidiary. Accordingly, the income and expenses of a subsidiary acquired or sold during the reporting period are included in consolidated net profit and other comprehensive income from the date upon which the company gains control until the date upon which it ceases to control that subsidiary.

All assets and liabilities, equity, income, expenses and intra-group cash flows relating to transactions between the entities of the Group must be eliminated in full at the time of consolidation.

The associates over which the Group has significant influence over financial and operating policies but which it does not control are equity-consolidated from the date on which the issuing entity becomes an associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share in the net fair value of the identifiable assets and liabilities of the issuing entity is recognised under goodwill, which is included in the carrying amount of the investment. Any excess in the Group's share of the net fair value of the identifiable assets and liabilities above the cost of the investment is immediately remeasured and recorded as net income in the period in which the investment was acquired.

The Group no longer uses the equity-consolidation method as from the date on which its investment is no longer an investment in an associate.

The consolidated companies are listed in Note 11.6. below.

2.3. Business combinations

Business combinations are recognised using the acquisition method in accordance with IFRS 3. Business combination costs are assessed as the total fair values of the assets remitted, liabilities incurred or assumed and equity instruments issued by the Group, as at the date of exchange, in exchange for control of the company acquired.

2.4. Segment reporting

Groupe CRIT has three business lines:
- Temporary employment and recruitment are the Group's core business, where the Group, based on its extensive range of services, is a versatile human resource player.
- Airport services include all the services to be carried out for an aircraft between landing and take-off, which include passenger assistance and ground handling.
- Other services include engineering and industrial maintenance services as well as other activities (digitised HR management, hospitality services, sales, etc.).

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

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

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

The segments to report on are based on the following three operating segments tracked by management:
- Temporary employment and recruitment
- Airport services
- Other services

2.5. Conversion methods for items in foreign currencies

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

2.5.1. Conversion of foreign currency transactions

Transactions carried out in a currency other than the functional currency are initially recorded at the exchange rate applicable on the transaction date. At year-end, the corresponding monetary assets and liabilities are translated into the functional currency at the rate applicable at year-end. Exchange gains and losses arising from the settlement of these foreign currency transactions and from the revaluation of foreign currency receivables and payables at the closing rate are recorded under financial income.

2.5.2. Conversion of financial statements denominated in foreign currencies

The items in the financial statements of each of the Group's entities are valued using the currency of the principal economic environment in which the entity conducts its operations ("functional currency").

Balance sheet items expressed in another currency are translated into euros at the exchange rate in effect on the closing date. Income statement items expressed in currencies are translated into euros using the average annual rate. The resulting differences are recorded as a separate component of equity attributable to owners of the parent and non-controlling interests.

When a foreign business is wound up or discontinued, the translation differences initially recorded as shareholders' equity are reclassified as income.

2.6. Intangible assets

2.6.1. Goodwill

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

Goodwill is subject to impairment testing where there are indications of impairment and at least once a year. The procedures for impairment testing are detailed in Note 5.1. In the event of impairment, the corresponding charge is recorded under operating income.

Goodwill is recognised minus the total impairment. Goodwill impairment is not reversible.

2.6.2. Other intangible assets

Other intangible assets include:

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

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

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

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

2.7. Property, plant and equipment

2.7.1. Accounting principles

In accordance with IAS 16 "Property, plant and equipment", the gross value of these assets is their acquisition or production cost. They are not remeasured.

The Group has opted for the principle of valuing property, plant and equipment according to the cost model, i.e. at cost less accumulated depreciation and impairment.

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

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

Land is not depreciated.

The book value of an asset is immediately written down to its estimated recoverable value when this value is lower.

2.7.2. Leases

The distinction between finance and operating leases is based on the economic analysis of a sharing of risks and rewards between the lessor and the lessee.

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

In contrast to finance leases, operating leases are recorded in the income statement using the straight line method in the form of rent over the term of the lease.

2.8. Impairment of non-financial assets

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

The net book value of intangible assets and property, plant and equipment is compared with the recoverable amount.

The recoverable amount is the higher of the fair value less selling costs and the value in use.

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

A CGU is the smallest identifiable group of assets, the continued use of which generates cash inflows which are largely independent of the cash inflows generated by other groups of assets.

Until 2011, the Group's CGUs were determined solely on the basis of the operating sectors temporary employment and recruitment, airport services and other services.

With the international expansion of the temporary employment and recruitment sector following the purchase of PeopleLink in 2011, the Group identified three distinct CGUs by region within this business line:

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

The other two CGUs, "airport services" and "other services", remain unchanged.

Goodwill attached to the temporary employment and recruitment operating sector was thus allocated by region from 1 January 2012 onwards, and is subject to annual impairment testing on this basis, similarly to the airport services CGU as set out in Note 5.1. Goodwill for the Spain temporary employment and recruitment CGU is zero.

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

- the cash flows result from the 5-year business plans developed by the management of the entity in question;
- the discount rate is determined based on the weighted average cost of capital used, which factors in a target debt ratio, the cost of Group debt, a risk-free interest rate, a share risk premium and a beta value based on historical data;
- the terminal value is calculated using the present value of all future cash flows, assuming normative cash flow and perpetual growth. This growth rate is in line with the growth potential of the markets in which the entity operates and its competitive position in those markets.

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

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

2.9. Inventories

Inventories are recorded at cost or at the net liquidation value if this value is lower. The cost is determined using the weighted average cost method (industrial and trading activity). The net liquidation value represents the estimated selling price under normal operating conditions, less selling costs.

2.10. Financial assets

Financial assets are classified according to the categories defined by IAS 39.

The following categories exist for Groupe CRIT:

- Loans and receivables: Loans and receivables maturing in more than one year, trade receivables, other receivables, tax receivables and bank current accounts;
- Financial assets stated at fair value through profit or loss: Short-term investments and derivative financial instruments not eligible for hedge accounting.

2.10.1. Non-current financial assets

Non-current financial assets are initially stated in the consolidated balance sheet at their fair value and subsequently at their amortised cost using the effective interest rate method.

They consist primarily of the competitiveness and employment tax credit (CICE) and non-derivative "loans and receivables" which represent deposits, securities and loans.

2.10.2. Trade receivables

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

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

The Group assigns trade receivables to factoring organisations up to a maximum of €100 million, while continuing to collect them in dedicated bank accounts. However, the Group continues to bear the risk of payment default in respect of factored receivables. These receivables therefore remain on the assets side of the balance sheet.

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

2.10.3. Other receivables and tax receivables

Other receivables and tax receivables are measured and recognised at their fair value and subsequently at their amortised cost using the effective interest rate method.

2.10.4. Cash and cash equivalents

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

- money-market UCITS and highly liquid short-term investments, which can be converted into a known cash amount and which carry a negligible risk of change in value. They are measured at fair value through profit or loss by direct reference to the prices quoted on an active market for an identical instrument (Level 1 of IFRS 13-76).
- short-term deposit accounts which can be converted into cash at any time without any risk of change in value.
  These are valued based on recordable data (Level 2 of IFRS 13-81).
- any debit positions with respect to factoring organisations (see Note 2.10.2.)

2.10.5. Derivative financial instruments and hedge accounting

If a derivative financial instrument is designated as a hedge against the variability in cash flows of a recognised asset or liability, the effective portion of the gain or loss on the derivative financial instrument is recognised directly in equity while the non-effective portion is recognised directly through profit or loss.

The gains and losses recognised directly in equity are posted to the income statement for reporting periods in which the hedged future transaction affects earnings.

2.11. Treasury shares

All Groupe CRIT treasury shares are booked at their acquisition cost as a deduction from shareholders' equity. No gain or loss is recognised as income upon the acquisition, sale, issue or cancellation of these shares.

2.12. Dividends and capital

Dividend distributions to shareholders of the company are recognised as debt in the Group's financial statements for the period in which the dividends are approved by the shareholders.

2.13. Provisions for contingent liabilities and charges

2.13.1. Employee benefits

2.13.1.1. Employee benefit commitments

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

DEFINED CONTRIBUTION PLANS

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

DEFINED BENEFIT PLANS

Pension plans that are not defined contribution plans are defined benefit plans.

These relate exclusively to retirement indemnities stipulated under collective bargaining and company agreements. No other long-term employment benefits or post-employment benefits are granted to employees. Upon retirement, employees are paid an amount based on their seniority, end-of-career salary and the fee structure specified by collective and company agreements.

As these plans are not financed by the Group, there are no plan assets.

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

The discount rate used is set with reference to the iBoxx Corporate AA 10+ rate on the closing date, the yield rate for blue-chip private-sector bonds with terms of 10 years and over. This maturity is close to the remaining service period of Group employees, which is 16 years.

2.13.1.2. Share-based payments

The Group has not established any share-based compensation plan.

2.13.2. Provisions for other liabilities

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

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

2.14. Financial liabilities

Financial liabilities are classified according to the following categories defined by IAS 39.

- Financial liabilities measured at amortised cost for borrowings and bank overdrafts, trade payables, tax and social security liabilities, taxes payable and other payables,
- Financial liabilities measured at fair value through profit or loss for derivative financial instruments not eligible for hedge accounting. The valuation is carried out based on observable data (Level 2 of IFRS 13-81).
- Liabilities measured at fair value through equity for derivative financial instruments eligible for hedge accounting. The valuation is carried out based on observable data (Level 2 of IFRS 13-81).

2.14.1. Borrowings and bank overdrafts

Borrowings are initially recorded at fair value, net of the transaction costs incurred. Borrowings are subsequently recorded at their amortised cost; any difference between the income (net of transaction costs) and the redemption value is recognised on the income statement over the duration of the loan using the effective interest rate method.

As indicated in Note 2.10.2., the Group's position vis-à-vis the factoring organisations consists of the factored receivables less amounts collected that are to be paid back to these organisations. It is recorded under "Bank overdrafts" or, on occasions where the amounts to be paid to the factoring organisations exceed the funds obtained from factored receivables, under "Cash and cash equivalents".

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

2.14.2. Current financial liabilities

Trade payables, tax and social security liabilities and other payables are measured and recognised at fair value and subsequently at their amortised cost using the effective interest rate method.

Tax and social security liabilities essentially relate to payroll and social security liabilities and VAT.

2.15. Deferred tax

Certain consolidation restatements made to the separate financial statements of the consolidated entities, as well as certain taxation timing differences in the separate financial statements may lead to temporary differences under IAS 12 between the tax value and the carrying amount of the assets and liabilities reported on the consolidated balance sheet.

These differences result in the recognition of deferred taxes. Similarly, loss carry-forwards may give rise to the recording of deferred tax assets.

Deferred taxes are calculated on a global basis using the liability method.

Deferred taxes are determined using the tax rates adopted or substantially adopted on the closing date, which are expected to apply when the deferred tax asset in question is charged or the deferred tax liability is paid. The effects of potential changes in the tax rate on deferred taxes recorded earlier are recognised on the income statement in the year in which these rate changes have become definitive, except where they apply to items previously charged or credited to shareholders' equity. Deferred taxes are not discounted.

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

2.16. Other taxes and duties

The Contribution Economique Territoriale (CET - French local business rates based on property value and profits) comprises two new taxes:

- the Cotisation Fonciere des Entreprises (CFE - company property contributions) based on rental property values;
- the Cotisation sur la Valeur Ajoutee des Entreprises (CVAE - corporate value-added contribution) based on the value-added shown in the company financial statements.

The Group regards CVAE calculated based on the value-added, the difference between income and expenses, as an income tax within the meaning of IAS 12. Having adopted this approach as from 1 January 2010, the Group can present financial statements that are consistent with those of the key players in the temporary employment market that have also opted for this treatment.

2.17. Income recognition

Income from ordinary operations is the fair value of the consideration received or receivable for the goods and services sold in the course of the Group's normal business activities. Income from ordinary operations is presented net of value-added tax, merchandise returns, discounts and allowances and minus intra-group sales.

Sales of goods are recognised when a Group entity has transferred the risks and benefits of the products to the client, which in general coincides with the client accepting the products delivered to it, and when recovery of the related receivables is probable.

Sales of services are recognised during the period in which the services are rendered based on the progress of the transaction, which is assessed on the basis of the service provided in relation to the total services to be provided, and when the recovery of the related receivables is probable.

Interest income is recognised pro rata using the effective interest rate method.

Dividends are recognised when the right to receive the dividend is established.

2.18. Presentation of consolidated income statement

The Group presents its income statement consolidated by nature of expenses.

2.18.1. Current operating income

Alongside operating income, which represents all income and expenses not arising from financing activities, associates and income tax, the Group follows Recommendation 2009-R-03 of 2 July 2009 of the Conseil National de la Comptabilite (French national accountancy council), to "facilitate the understanding of its current operational performance and allow readers to better identify performance trends" by presenting current operating income.

Current operating income is operating income before taking into account non-recurring operating income and expenses, which correspond to "a limited number of well-identified non-recurring and material items of consolidated income and expenses".

2.18.2. Operating income including share in net income of equity-consolidated companies

The Group has decided, with effect from 1 January 2013, to follow ANC (French Accounting Standards Authority) Recommendation 2013-01 of 4 April 2013, which allows entities to present the contribution of equity-consolidated companies whose activities are consistent with the Group's business, after the operating income line and before a sub-total labelled "Operating income including share of net income of equity-consolidated companies."

As the Group's associates all engage in activities consistent with the Group's core operating activities, this presentation is justified and gives more reliable and relevant information on the Group's financial performance.

3. Key accounting estimates and judgements

For the purpose of preparing the consolidated financial statements, the determination of certain figures set out in the financial statements requires assumptions, estimates or other matters of judgement.

The main estimates made by the Group in preparing the financial statements are largely related to assumptions used to:

- value intangible assets and impairment of non-financial assets (Notes 2.6 and 2.8),
- value social security commitments (Note 2.13.1.1),
- value the provisions for other liabilities, which consists of estimating expenditure required to extinguish an obligation (Note 2.13.2),
- recognise deferred tax assets in the event of loss carry-forwards (Note 2.15),
- value the financial liability relating to put options over non-controlling interests (Note 5.8.2.1.5).

These assumptions, estimates or other matters of judgement are undertaken based on the information available or situations prevalent at the date of preparation of the financial statements, which may be revised if the circumstances on which they are based should change or as a result of any new information. Actual results may differ from these estimates and assumptions.

4. Non-IFRS financial indicators

The Group uses EBITDA as a non-IFRS financial indicator for its internal reporting and external communication.

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

5. Notes to the consolidated balance sheet

5.1. Intangible assets

€000	Goodwill	Patents and similar rights	Other	Total
At 1 January 2015				
Gross book value	158,820	22,497	40,239	221,556
Amortisation and impairment	(5,601)	(6,115)	(14,852)	(26,569)
NET BOOK VALUE AT 1 JANUARY 2015	**153,219**	**16,382**	**25,387**	**194,988**
2015 change				
Acquisitions		441	314	755
Disposals		(31)	(21)	(52)
Translation differences	6,382	1,743	2,687	10,812
Reclassification	(270)	3	(3)	(270)
Amortisation and impairment	(310)	(1,628)	(5,645)	(7,583)
Gross book value	164,933	24,459	44,351	233,743
Cumulative amortisation and impairment	(5,911)	(7,549)	(21,632)	(35,092)
NET BOOK VALUE AT 31 DECEMBER 2015	**159,022**	**16,910**	**22,719**	**198,651**
2016 change				
Change in scope of consolidation	6,064	1,929	10,471	18,465
Acquisitions		1,257	811	2,068
Disposals			(45)	(45)
Translation differences	1,997	569	797	3,363
Reclassification		12	(9)	3
Amortisation and impairment	(310)	(1,670)	(5,843)	(7,823)
Gross book value	172,994	28,436	57,073	258,503
Cumulative amortisation and impairment	(6,221)	(9,430)	(28,172)	(43,823)
NET BOOK VALUE AT 31 DECEMBER 2016	**166,774**	**19,005**	**28,901**	**214,680**
Of which:				
- PeopleLink trade names		*17,098*		*17,098*
- PeopleLink customer relations			*24,159*	*24,159*
- PeopleLink non-competition agreements			*2,916*	*2,916*
- Software purchased or internally developed		*1,908*		*1,908*

The value of goodwill by UGC is as follows:

€000	31/12/2016	31/12/2015
Temporary employment and recruitment	157,794	154,752
France and other countries	*93,378*	*93,378*
United States	*64,416*	*61,374*
Airport services	8,980	3,960
Other		310
TOTAL	166,774	159,022

The increase in goodwill is due in particular to:

- the acquisition of Cobalt Ground Solutions in the airport service sector (€5.1 million)
- the acquisition of TeamSoft in the United States in the temporary employment and recruitment sector (€1 million)
- the exchange rate impact on goodwill relating to the US subsidiaries in the temporary employment and recruitment sector (€2 million).

The Group carried out goodwill impairment tests pursuant to the five-year business plans. As detailed in Note 2.8., the value in use as calculated was adopted as the recoverable value.

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

	Temporary employment and recruitment France and other countries	Temporary employment and recruitment United States	Airport services
Discount rate	7.8%	8.8%	7.8%
Perpetual growth rate	2.0%	2.0%	2.0%

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

Calculation assumptions

For this CGU, the business plan drawn up by management is based on continuing growth against a backdrop of strong competition. The perpetual growth rate applied is 2%.

Test result

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

Sensitivity test

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

Goodwill for the temporary employment and recruitment CGU United States

Calculation assumptions

The business plan drawn up for this CGU provides for an increase in business in line with expected market growth.

Test result

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

Sensitivity test

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

Goodwill for the airport services CGU

Calculation assumptions

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

Test result

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

Sensitivity test

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

5.2. Property, plant and equipment

€000	Land	Buildings	Plant, machinery & equipment	Other	Total
At 1 January 2015					
Gross book value	875	4,295	59,077	60,952	125,199
Depreciation and impairment		(2,572)	(36,031)	(24,910)	(63,513)
NET BOOK VALUE AT 1 JANUARY 2015	**875**	**1,723**	**23,046**	**36,042**	**61,686**
of which assets under finance lease	*439*		*8,104*	*24,073*	*32,616*
2015 change					
Acquisitions	97	373	6,147	26,715	33,332
Disposals			(45)	(177)	(222)
Translation differences		103	136	122	361
Reclassification		1,971	419	(2,389)	1
Depreciation and impairment		(403)	(6,252)	(3,257)	(9,912)
Gross book value	972	6,809	65,858	83,734	157,373
Depreciation and impairment		(3,042)	(42,407)	(26,678)	(72,127)
NET BOOK VALUE AT 31 DECEMBER 2015	**972**	**3,767**	**23,451**	**57,056**	**85,246**
of which assets under finance lease			*8,103*	*47,840*	*55,943*
2016 change					
Change in scope of consolidation			5,397	96	5,493
Acquisitions		206	8,454	10,571	19,231
Disposals		(178)	(1,041)	(136)	(1,355)
Translation differences		107	(2)	28	133
Reclassification		53,466	2,109	(55,587)	(12)
Depreciation and impairment		(1,516)	(7,284)	(2,570)	(11,371)
Gross book value	972	61,015	88,384	30,894	181,264
Depreciation and impairment		(5,163)	(57,301)	(21,436)	(83,899)
NET BOOK VALUE AT 31 DECEMBER 2016	**972**	**55,852**	**31,083**	**9,458**	**97,365**
of which assets under finance lease		*51,817*	*12,887*		*64,704*

The “Buildings” item includes the Saint Ouen building (€57 million).

Acquisitions during the period relate to the real estate project (€5.6 million) and operational investments (€13.6 million), primarily in the airport services division (€10.1 million).

5.3. Investments in associated companies

€000	2016	2015
Investments in associates at beginning of year	9,100	7,908
Share of profits for the period	(208)	2,323
Dividends	(275)	(316)
Other changes	(65)	(815)
INVESTMENTS IN ASSOCIATES AT YEAR-END	**8,552**	**9,100**
Associates:		
AERCO	8,315	8,979
Global SQ	177	121
OVID	59	

The accounts of these equity-consolidated companies for the year ended 31 December 2016 are presented below:

€000	Global SQ	AERCO	OVID	SHP RS DOO Serbia	SCCV Les Charmes	SCCV 50 av. Porte de Villiers
Operating sector	Temp.	Airport	Airport	Airport	Other	Other
Revenues	11,352	1,110	7,786	887		
Net income	156	(1,644)	399	64	(1)	
Non-current assets		44,447	101	512		
Current assets	2,697	31,071	3,148	484	302	80
Equity	368	33,259	178	(85)	(1)	1
Non-current liabilities	1,981	26,387				
Current liabilities	348	15,872	3,071	1,081	303	79
Net cash/(debt)	265	(10,183)	332	202		75
Dividends received by the Group during the period		215				
Controlling interest	49%	25%	33%	48%	50%	50%

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

€000	Global	AERCO	OVID	SHP RS DOO Serbia	SCCV Les Charmes	SCCV 50 av. Porte de Villiers	Total
Equity	368	33,259	178	(85)	(1)	1	
Controlling interest	49%	25%	33%	48%	50%	50%	
Carrying amount of the interest held	177	8,315	59	0	(0)	1	8,552

5.4. Financial assets

5.4.1. Categories of financial assets

€000	Net book value at 31/12/2016			Fair value	Net book value	Fair value
	Non-current	Current	Total	31/12/2016	31/12/2015	31/12/2015
LOANS AND RECEIVABLES AT AMORTISED COST	**160,055**	**550,927**	**710,981**	**710,981**	**648,068**	**648,068**
Loans and receivables and other long-term investments	160,055		160,055	160,055	116,150	116,150
Trade receivables		433,552	433,552	433,552	362,476	362,476
Other receivables		31,071	31,071	31,071	26,137	26,137
Tax receivables		5,347	5,347	5,347	3,665	3,665
Bank current accounts		46,503	46,503	46,503	103,154	103,154
Factoring		34,455	34,455	34,455	36,486	36,486
FINANCIAL ASSETS STATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**0**	**26,094**	**26,094**	**26,094**	**20,032**	**20,032**
Money market UCITS		6,094	6,094	6,094	32	32
Short-term deposits		20,000	20,000	20,000	20,000	20,000
TOTAL	**160,055**	**577,021**	**737,075**	**737,075**	**668,100**	**668,100**

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

As indicated in Note 2.10.4. Cash and cash equivalents, the fair value of cash assets is measured using the Level 1 method for money market UCITS and the Level 2 method for cash assets.

5.4.2. Non-current financial assets

€000	Loans and receivables with a maturity of more than one year	Other	Total
At 1 January 2015			
Gross value	70,725	14	70,739
Cumulative impairment	(5)		(5)
NET BOOK VALUE	**70,720**	**14**	**70,734**
2015 change			
Translation differences	277		277
Competitiveness and employment tax credit (CICE)	44,332		44,332
Acquisitions	1,334		1,334
Disposals	(533)		(533)
Reclassification	5	(3)	2
Impairment in the period	4		4
Gross value	116,141	11	116,151
Cumulative impairment	(1)		(1)
NET BOOK VALUE AT 31 DECEMBER 2015	**116,140**	**11**	**116,150**
2016 change			
Translation differences	74		74
Competitiveness and employment tax credit (CICE)	44,566		44,566
Acquisitions	411		411
Disposals	(1,146)		(1,146)
Change in scope of consolidation	(1)		(1)
Gross value	160,044	11	160,055
Cumulative impairment	(1)		(1)
NET BOOK VALUE AT 31 DECEMBER 2016	**160,044**	**11**	**160,055**

The impact of the CICE tax credit is as follows:

€000	2016	2015
OPENING VALUE	**110,707**	**66,375**
CICE tax credit net of discounting	52,442	45,522
Settlement of income tax	(11,267)	(3,040)
Accretion for the period	3,390	1,850
Changes in the period	44,566	44,332
CLOSING VALUE	**155,273**	**110,707**

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

5.4.3. Trade receivables

€000	31/12/2016	31/12/2015
Trade and related receivables (1)	444,282	373,380
Impairment	(10,730)	(10,904)
TOTAL	433,552	362,476
(1) of which:		
Bills remitted for collection at 31 December but with subsequent maturity dates	*5,895*	*5,437*
Receivables assigned under factoring agreements	*112,111*	*95,298*

In the temporary employment segment in France, with the exception of certain major accounts and two operating regions (Note 6.3.), trade receivables are covered by credit insurance. These receivables fall due within one year.

5.4.4. Other receivables

€000	31/12/2016	31/12/2015
VAT	10,959	9,482
Prepaid expenses	5,269	4,460
Other tax receivables	2,862	1,937
Employee and social security receivables	552	1,810
Other third-party receivables	11,459	8,478
GROSS VALUE	**31,102**	**26,168**
Impairment	(32)	(32)
NET TOTAL	31,071	26,137

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

5.4.5. Cash and cash equivalents

€000	31/12/2016	31/12/2015
CASH	**46,503**	**103,154**
Cash equivalents		
Money market UCITS	6,094	32
Short-term deposits	20,000	20,000
Factoring	34,455	36,486
TOTAL CASH EQUIVALENTS	**60,549**	**56,518**
TOTAL CASH AND CASH EQUIVALENTS	107,051	159,672

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

€000	31/12/2016	2015
Trade receivables balance assigned under the factoring agreement	(112,112)	(95,298)
Reserve fund set up by the factors	33,613	21,803
Undrawn amount at closing	94,795	90,603
Payments from clients collected in dedicated bank accounts and to be transferred to the factors	18,159	19,377
NET ASSET POSITION WITH RESPECT TO THE FACTORS	**34,455**	**36,486**

5.5. Capital and treasury shares

	31/12/2016	31/12/2015
Capital (€000)	4,050	4,050
Par value per share (€)	0.36	0.36
Total number of shares (in thousands)	11,250	11,250
Number of authorised, issued and outstanding shares (in thousands)	11,104	11,103
Treasury shares (in thousands)	146	147

The company has no stock option or bonus share plan.

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

Name of the subsidiary or associated company	Country	Sector	% holding	% voting rights	Non-controlling interests (NCI) Net income for the year from NCI	Aggregate NCI at year-end	Dividends paid to NCI during the year
Interim US	US	Temp.	15.00%	15.00%	1,917	13,694	706
Congo Handling	Congo	Airport	39.10%	39.00%	361	1,271	941
CPTS	Congo	Airport	39.04%	39.00%	850	3,076	
Other					529	2,162	46
TOTAL AT 31 DECEMBER 2015					**3,657**	**20,204**	**1,693**
Interim US - Actium	US	Temp.	25.00%	25.00%	(168)	2,802	0
Congo Handling	Congo	Airport	39.10%	39.00%	(356)	(10)	1,510
CPTS	Congo	Airport	39.08%	39.00%	(368)	2,707	215
Other					759	2,895	62
TOTAL AT 31 DECEMBER 2016					**(133)**	**8,395**	**1,787**

Temp.: Temporary employment Airport: Airport services

5.7. Provisions for contingent liabilities and charges

5.7.1. Employee benefits

5.7.1.1. Defined benefit plans:

The main actuarial assumptions used in 2016 to estimate the total value of the retirement indemnities commitment is as follows:

- voluntary retirement on the part of the employee
- age of retirement determined on an individual basis, based on the number of quarters required for a full social security pension, which is counted as of the start date of professional activity up to a maximum 70 years
- turnover rate for each business segment
- INSEE 2011-2013 TD/TV mortality tables for French companies and PM-PF 60-64 for African subsidiaries
- salary growth rate and discount rate:

	2016	2015
Salary growth rate		
Temporary employment and recruitment	3.0%	3.0%
Airport services France	3.0%	3.0%
Airport services Congo	4.5%	4.5%
Airport services Africa other	3.0%	3.0%
Other services	3.0%	3.0%
DISCOUNT RATE (IBOXX CORPORATE AA 10+)	**1.30%**	**2.0%**

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

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

€000	2016	2015
Obligation at start of period	23,460	21,148
Service cost for the period	1,956	2,165
Interest expense	455	328
Actuarial differences arising from changes in demographic assumptions	1,374	(584)
Actuarial differences arising from changes in financial assumptions	1,538	206
Actuarial differences arising from experience adjustments	830	888
Employer contributions	(749)	(691)
OBLIGATION AT YEAR END	**28,863**	**23,460**
Of which France	*27,453*	*22,248*
Of which Africa	*1,409*	*1,212*

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

- with a discount rate of 0.8%, the commitment would be €31.3 million compared to €26.7 million at 1.8%
- were the turnover rate to decrease by 1%, the commitment would increase to €34.2 million
- with a 1% increase in the salary growth rate however, the commitment would amount to €31.2 million.

The following contributions are expected over the coming years:

	2016	2015
N+1	740	749
N+2 to N+5	2,432	2,080
N+6 to N+10	7,321	6,240
TOTAL EXPECTED CONTRIBUTIONS FROM N+1 TO N+10	10,493	9,069

5.7.1.2. Defined contribution plans

The amount paid to defined contribution plans (employer's portion) for all employees (permanent and temporary employees) for 2016 totalled €155 million.

5.7.1.3. Other employee benefits

The other employee benefits are not material.

5.7.2. Provisions for other liabilities

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

€000	31/12/2014	Contributions	Reversals (provisions used)	Reversals (unused provisions)	Reclassification and change	31/12/2015
Provisions for disputes	3,671	1,481	(506)	(438)	2	4,210
Other provisions	2,943	1,663	(649)	(290)	374	4,040
TOTAL	6,614	3,144	(1,155)	(728)	376	8,250

Provisions for disputes mainly relate to industrial tribunal risks. The other provisions relate to the various business, legal, employee-related and tax risks arising from disputes or legal procedures in the Group's normal course of business.
These risks are measured according to the nature of the dispute, information on previous dispute settlements and applicable case law.

5.8. Financial liabilities

5.8.1. Categories of financial liabilities

	Net book value at 31/12/2016			Fair value	Net book value	Fair value
€000	Non-current	Current	Total	31/12/2016	31/12/2015	31/12/2015
FAIR VALUE THROUGH EQUITY	2,344		2,344	2,344	1,649	1,649
Borrowings	2,344		2,344	2,344	1,649	1,649
OTHER LIABILITIES AT AMORTISED COST	93,764	496,526	590,289	590,289	569,851	569,851
Borrowings	93,764	34,174	127,938	127,938	132,707	132,707
Bank overdrafts and related expenses		23,110	23,110	23,110	42,782	42,782
Trade payables		39,569	39,569	39,569	32,024	32,024
Social security and tax liabilities		351,837	351,837	351,837	317,748	317,748
Tax payables		7,715	7,715	7,715	9,778	9,778
Other payables		40,120	40,120	40,120	34,812	34,812
TOTAL	96,107	496,526	592,633	592,633	571,500	571,500

5.8.2. Borrowings and bank overdrafts

5.8.2.1. Gross financial debt

5.8.2.1.1. TYPE AND MATURITY

€000	Employee profit-sharing	Equipment leases	Property finance lease	Put options over NCI	Other borrowings	Total
VALUES AT 31/12/2015						
Less than one year	26,412	2,630		22,121	223	51,386
From one to five years		6,243		1,507	32,742	40,492
Over five years			41,290		1,188	42,478
TOTAL 31/12/2015	**26,412**	**8,873**	**41,290**	**23,628**	**34,153**	**134,356**
Values at 31/12/2016						
Less than one year	26,315	3,138	3,833		887	34,174
From one to five years		7,605	15,333	354	43,944	67,237
Over five years			25,062		3,809	28,871
TOTAL 31/12/2016	**26,315**	**10,743**	**44,228**	**354**	**48,640**	**130,281**

5.8.2.1.2. BREAKDOWN BY RATE TYPE AND BY CURRENCY

€000	31/12/2016	31/12/2015
Fixed rate	72,193	41,120
Floating rate	58,088	93,236
GROSS FINANCIAL DEBT	**130,281**	**134,356**
EUR	81,095	81,915
USD	46,424	51,047
XAF	976	1,187
Other currencies	1,787	207
GROSS FINANCIAL DEBT	**130,281**	**134,356**

5.8.2.1.3. CHANGE IN GROSS FINANCIAL DEBT

€000	2016	2015
GROSS DEBT AT START OF PERIOD	**134,356**	**115,346**
Changes in the period		
Newly-consolidated entities	4,318	
Loan issues	46,907	34,054
Repayments	(54,508)	(13,487)
Put option over non-controlling interests	(1,113)	(8,365)
Fair value of financial instruments	695	59
Translation adjustments	(451)	6,817
Accrued interest	76	(68)
GROSS DEBT AT END OF PERIOD	**130,281**	**134,356**

5.8.2.1.4. MAIN DEBT FACILITIES

Principle borrowings	Start date	Maturity	Item total	Debt/ Amount drawn	Undrawn amount	Repayment method	Covenants	Notes
Financing								
Factoring	NA	Annual	100,000		100,000	Revolving/bullet	No	(1)
Medium-term credit lines - France	05/11/2015	05/11/2021	100,000	41,207	58,793	Revolving/bullet	Yes	(2)
TOTAL FINANCING			**200,000**	**41,207**	**158,793**			
Finance leases								
Property finance lease	27/03/2014	27/03/2028		44,228		Quarterly	No	(3)
Equipment finance lease				10,743		Quarterly	No	(4)
TOTAL FINANCE LEASES				**54,971**				
Employee profit-sharing				26,315			No	
Acquisition debts								
Promissory notes		2017 to 2018		4,235		Quarterly	No	(5)
Put options over US non-controlling interests		2018		354		Exercise of option	No	
TOTAL ACQUISITION DEBTS				**4,589**	**0**			
Other				3,199			NA	
GROSS FINANCIAL DEBT				**130,281**	**158,793**			
CASH AND CASH EQUIVALENTS				**107,051**				
Authorised overdrafts France		Annual	38,000	6,065	31,935		No	
Foreign authorised overdrafts		Annual	4,478	2,064	2,413		No	
Total authorised overdrafts			42,478	8,129	34,349			
Cash-pooling				14,982				
OVERDRAFTS				**23,110**				
NET CASH				**83,941**				
NET FINANCIAL DEBT				**46,341**				

(1) Relates to two ongoing programmes in France representing a total capacity of €100 million managed through confidential financing with a collection order
(2) €100 million RCF with drawdown capacity in euros and US dollars and option to extend for 1 year
(3) Relates to the financing of the Saint-Ouen building, for which the finance lease debt amounts to €44.2 million, net of the down-payment paid to the lessor
(4) Mainly relates to the financing of equipment for the airport services operating segment
(5) Debt for the payment of the acquisition price balance for business combinations made in the United States

5.8.2.1.5. PUT OPTIONS OVER ACTIUM NON-CONTROLLING INTERESTS

On 1 July 2014, reciprocal put and call options were entered into with non-controlling shareholders holding a 25% equity interest in Actium LLC, a 75% subsidiary of PeopleLink. They may be exercised from 31 December 2018 on the basis of an enterprise value equal to a multiple of EBITDA for the year prior to the option less the corresponding financial debt at the end of that financial period.

The value of the financial liability recognised under IAS 32 with an offsetting entry in equity attributable to the owners of the parent was €0.4 million, at 31 December 2016.

5.8.2.1.6. HEDGING

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

The hedge proved to be effective and the value of the swap at 31 December 2016 was recognised in financial debt, offset through other comprehensive income for €2.3 million.

5.8.2.1.7. FINANCIAL COVENANTS

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

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

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

These covenants were in compliance at 31 December 2016.

5.8.2.2. Net financial debt

€000	31/12/2016	31/12/2015
Non-current portion of borrowings	96,107	85,420
Current portion of borrowings	34,174	48,935
GROSS FINANCIAL DEBT	**130,281**	**134,356**
Cash and cash equivalents	107,051	159,672
Overdrafts	23,110	42,782
NET CASH	**83,941**	**116,890**
NET FINANCIAL DEBT	**46,341**	**17,465**

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

€000	31/12/2016	31/12/2015
Cash pooling – asset position	15,007	34,557
Cash pooling - liability position	(14,982)	(35,965)
NET CASH-POOLING BALANCE	**26**	**(1,408)**

The average all-in (including directly assignable commission and expenses) interest rate paid under Group financing during the financial period amounts to 1.3%.

As previously stated, the Group occasionally finds itself in a debit position vis-a-vis the factoring organisations when there is no need for funding from these institutions.

5.8.3. Current financial liabilities

5.8.3.1. Social security and tax liabilities

€000	31/12/2016	31/12/2015
Social security organisations	104,700	103,208
Employees	118,011	100,790
Value-added tax	85,915	75,715
State, public authorities and other liabilities	43,211	38,036
TOTAL	**351,837**	**317,748**

5.8.3.2. Other payables

€000	31/12/2016	31/12/2015
Miscellaneous payables	35,187	29,888
Prepaid income	4,933	4,924
TOTAL	**40,120**	**34,812**

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

6. Financial risks

6.1. Foreign exchange risk

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

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

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

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

Net balance sheet positions in the main currencies
All assets and liabilities, including non-monetary, are categorised below by functional currency.

€000	Current and non-current assets	Current and non-current liabilities	Foreign currency liabilities	Net position before hedging	Hedging instruments	Net position after hedging
2016						
EUR	838,072	536,859		301,213		301,213
USD	166,992	61,484		105,508		105,508
XAF	24,161	17,260		6,901		6,901
Other currencies	38,025	16,029		21,996		21,996
TOTAL	**1,067,250**	**631,632**	**0**	**435,619**	**0**	**435,619**
2015						
EUR	713,646	444,016		269,630		269,630
USD	211,921	131,418		80,504		80,504
XAF	28,355	17,235		11,120		11,120
Other currencies	16,493	10,542		5,951		5,951
TOTAL	**970,416**	**603,211**	**0**	**367,205**	**0**	**367,205**

Table of Group income and equity sensitivity to currency risk

€000	Income before tax	Group equity	Impact on income before tax		Impact on equity before tax	
			5% increase	5% decrease	5% increase	5% decrease
2016						
EUR	103,299	414,747	0	0	0	0
USD	6,388	12,985	319	(319)	649	(649)
XAF	(1,414)	6,520	0	0	0	0
Other currencies	1,341	1,367	67	(67)	68	(68)
TOTAL	**109,614**	**435,619**	**386**	**(386)**	**718**	**(718)**
2015						
EUR	97,467	348,724	0	0	0	0
USD	9,318	6,331	466	(466)	317	(317)
XAF	3,567	10,739	0	0	0	0
Other currencies	633	1,411	32	(32)	S71	(71)
TOTAL	**110,985**	**367,205**	**498**	**(498)**	**387**	**(387)**

6.2. Interest rate risk

The interest rate risk is only slight. A change by 100 basis points would impact the Group's financial expense for the year by €1.2 million.

The company hedges the floating rate risk on the property finance lease agreement as stated in Note 5.8.2.1.6.

6.3. Concentration and credit risk

Given the diversification of its activities and its geographical presence, the Group is not exposed to any material concentration risk in its client portfolio. The Group's biggest client accounted for 7.2% of sales, the top five clients accounted for 14.3%, and the next ten clients accounted for 9.2%. The Group is therefore not dependent on any specific client.

In addition, trade receivables for the most part are covered by credit insurance, with the exception of certain major accounts and two operating regions which account for 21% of sales of the temporary employment and recruitment division in France.

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

€000	Non-impaired assets past due on the closing date (net value)				Impaired assets	Non-impaired non-due assets	Total (net value)
	0-2 months	2-4 months	over 4 months	Total			
31/12/2016	128,735	6,575	8,997	144,308	10,730	289,244	433,552
31/12/2015	72,711	6,480	4,984	84,175	10,904	278,302	362,476

6.4. Liquidity risk

In the course of its business, the Group needs to finance a sizeable working capital requirement as well as its external growth operations. The working capital requirement is generally financed through short-term credit facilities (overdraft, factoring, etc.) while external growth operations are financed from the Group's own funds or medium-term financing. At 31 December 2016, the company had credit facilities of €200 million (of which €100 million was confirmed, with a maturity of over 12 months), on which it had drawn €41 million.

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

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

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

It is noteworthy that the Group did not draw on its CICE competitiveness and employment tax credit.

6.5. Financial counterparty risk

The Group is exposed to counterparty risk when it trades on financial markets, particularly for cash flow management purposes. It limits this risk by engaging solely with commercial banks with high credit ratings and by avoiding an over-concentration of market transactions with a limited number of financial institutions. Accordingly, Group net cash of €83.9 million is distributed across all of these financial institutions.

7. Notes to the consolidated income statement

7.1. Non-recurring operating income and expenses

€000	2016	2015
Income from share transfers	0	4,500
NON-RECURRING OPERATING INCOME	**0**	**4,500**
Book value of interest	0	(1,261)
NON-RECURRING OPERATING EXPENSES	**0**	**(1,261)**

The income from share transfers and the book value of the interest for 2015 relate to the transfer of the 34% interest in Handling Partner Gabon, which generated income of €3.2 million.

7.2. Net financial income

€000	2016	2015
Interest income	351	233
Other financial income	644	491
FINANCIAL INCOME	**996**	**724**
Interest expense on employee profit-sharing	(112)	(127)
Interest expense on borrowing and bank overdrafts	(1,154)	(1,509)
Other financial expenses	(1,117)	(2,696)
FINANCIAL EXPENSES	**(2,383)**	**(4,332)**
NET COST OF FINANCIAL DEBT	**(1,387)**	**(3,608)**
Foreign exchange gains	5,488	8,465
Foreign exchange losses	(2,784)	(336)
CICE accretion	3,390	1,850
OTHER FINANCIAL INCOME AND EXPENSES	**6,094**	**9,980**
NET FINANCIAL INCOME	**4,707**	**6,371**

The net foreign exchange gain reflects the impact of the net currency position of the USD financing arrangement between CRIT Corp and Groupe CRIT, showing a net gain of €2.7 million in 2016, compared with €7 million in 2015.

7.3. Income tax charge

7.3.1. Net income tax

€000	2016	2015
Current income tax	(33,289)	(33,032)
Deferred income tax	(1,054)	(802)
NET INCOME TAX	**(34,343)**	**(33,834)**

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

	2016		2015	
€000	**Amount**	**%**	**Amount**	**%**
Income before tax	109,614		110,985	
Share of income from equity-consolidated companies and goodwill impairment	517		(2,013)	
Income before tax and share of income of equity-consolidated companies	110,132		108,972	
Tax rate in France	34.4%	*34.4%*	38.0%	*38.0%*
THEORETICAL TAX	**37,918**	***34.4%***	**41,409**	***38.0%***
Effects of:				
Non-taxation of competitiveness and employment tax credit (CICE)	(19,263)	*(17.5%)*	(18,001)	*(16.5%)*
CVAE	14,351	*13.0%*	12,123	*11.1%*
Use of unrecognised tax losses or exemption	(735)	*(0.7%)*	(721)	*(0.7%)*
Other permanent differences	994	*0.9%*	(246)	*(0.2%)*
Other tax credits	(564)	*(0.5%)*	(345)	*(0.3%)*
Withholding tax	390	*0.4%*	509	*0.5%*
Unrecognised tax losses	78	*0.1%*	412	*0.4%*
Tax rate differential for other countries	(209)	*(0.2%)*	(989)	*(0,9%)*
Other	1,383	*1.3%*	(317)	*(0.3%)*
TOTAL IMPACT	**(3,575)**	***(3.2%)***	**(7,575)**	***(7.0%)***
GROUP TAX EXPENSE	**34,343**	***31.2%***	**33,834**	***31.0%***
APPARENT RATE	**31.2%**		**31.0%**	

7.3.2. Deferred taxes by type

€000	**Deferred tax assets on ind. retirement indemnity**	**Deferred tax liabilities on finance leases**	**Deferred tax liabilities on swaps**	**Deferred tax on other temporary differences**	**Total**
Gross value at 1 January 2015	6,765	(646)	547	533	7,199
Translation differences				56	56
Impact on income	797	36		(1,636)	(803)
Other comprehensive income/(loss)	180		20		200
VALUE AT 2015 YEAR-END	**7,742**	**(610)**	**567**	**(1,047)**	**6,652**
Gross value at 1 January 2016	7,742	(610)	567	(1,047)	6,652
Translation differences				63	63
Impact on income	(772)	(859)		575	(1,056)
Other comprehensive income/(loss)	1,075		240		1,315
VALUE AT 2016 YEAR-END	**8,045**	**(1,469)**	**807**	**(409)**	**6,975**

Deferred tax assets include €0.9 million in tax receivables on Spanish tax losses that should be used in the medium term by charging to future profits of these entities.

8. Segment reporting

8.1. Operating segment reporting

€000	Temporary employment and recruitment	Airport services	Other services	Intersegment	Not allocated	Total
Revenues						
2016	1,829,748	244,860	89,686	(19,026)		2,145,269
2015	1,644,703	231,759	81,133	(17,646)		1,939,949
EBITDA						
2016	98,645	20,437	5,229			124,311
2015	92,399	19,701	4,447			116,548
Current operating income						
2016	90,201	12,321	2,593			105,115
2015	84,344	11,265	3,443			99,052
Balance sheet data						
Assets at 31/12/2016	511,484	106,612	329,781		119,373	1,067,250
Liabilities at 31/12/2016	326,786	76,646	67,093		161,107	631,632
Assets at 31/12/2015	435,362	86,630	278,434		169,990	970,416
Liabilities at 31/12/2015	252,939	53,858	109,498		186,916	603,211

8.2. Reporting by geographical region

€000	France	United States	Spain	Africa	Other	Total
Revenues						
2016	1,667,272	285,118	105,222	47,672	39,986	2,145,269
2015	1,472,483	285,913	90,256	52,825	38,473	1,939,949
Non-current assets						
31/12/2016	333,744	114,757	2,112	18,719	18,294	487,626
31/12/2015	281,621	103,939	1,980	21,129	7,130	415,799

9. Notes to the consolidated cash flow statement

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

€000	31/12/2016	31/12/2015
Cash and cash equivalents	107,051	159,672
Bank overdrafts	23,110	42,782
NET CASH	**83,941**	**116,890**

The €33 million reduction in net cash can be analysed as follows:

- €20.5 million in cash flow from operations, with cash flow up €6.8 million compared to 2015 and a significant change in working capital due to strong sales growth and changes to the pension contribution payment rate in France,
- €38.6 million in cash flows used by investing activities, related to business combinations (€19.5 million), the real estate project (€5.6 million) and operational investments (€15.7 million),
- €15.1 million in cash outflows related to financial transactions, including loan repayments of €7.6 million and dividend payments.

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

€000	2016	2015
Amortisation/depreciation and impairment		
- on intangible assets	7,501	7,247
- on property, plant and equipment	11,386	9,934
- on goodwill	310	310
TOTAL AMORTISATION/DEPRECIATION AND IMPAIRMENT	**19,196**	**17,490**

9.2. Change in operating working capital

€000	2016	2015
Inventories	63	36
Net trade receivables	(65,712)	(28,192)
Receivables from the State and social security organisations	(1,506)	(1,012)
Prepaid expenses	(90)	196
Other third-party net receivables	(3,112)	(171)
Trade payables	6,350	975
Social security and tax liabilities	31,853	41,601
Other payables	5,274	6,410
CHANGE IN WORKING CAPITAL	**(26,880)**	**19,843**

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

9.3. Loan issues and repayments

The loan repayments of €54.5 million relate to:

- in the United States, the put option over non-controlling interests in PeopleLink (€21.9 million), repayment of the medium-term credit facility (€21.7 million) and the additional consideration for acquisitions (€4.2 million),
- the property finance lease (€3.1 million) and airport services lease agreements (€3.1 million).

The loan issues of €46.9 million relate to:

- the €36.2 million drawdown on the USD medium-term credit facility (RCF) for the medium-term credit facility refinancing in the United States, and the financing of US operations ($12.5 million),
- the property finance lease agreement (€5.4 million),
- and the airport services equipment finance lease agreements (€5 million).

10. Off balance-sheet commitments

10.1. Off balance-sheet commitments related to company financing not specifically required by IFRS 7

10.1.1. Commitments given

€000	Main features	Maturity	31/12/2016	31/12/2015
Financial guarantees				
Guarantee given by Groupe CRIT to Natiocrédibail for SCI Arche de Saint Ouen in respect of property finance lease liabilities	Financial guarantee from parent to subsidiary (Saint Ouen building finance lease agreement)	27/03/2028	51,265	55,194
Financial guarantee given by Groupe CRIT to Lake Bank City for PeopleLink	Financial guarantee from parent to subsidiary	Unlimited		5,511
Financial guarantee given by CRIT Corp to Lake Bank City for PeopleLink	Financial guarantee from parent to subsidiary	Unlimited		5,511
Guarantee given by Groupe CRIT to Société Générale for SCI L'Arche de Saint Ouen	Financial guarantee from parent to subsidiary (interest rate swap agreement guarantee)	27/03/2028	3,000	3,000
Guarantee given by Groupe CRIT to Société Générale for CRIT Tunisie and CRIT HR	Financial guarantee for bank loan granted to subsidiary	30/11/2017	74	82
Pledges				
Pledge of AERCO shares by CPTS as security for the AERCO bank loan	Financial guarantee for bank loan granted to subsidiary	Unlimited	8,979	8,979

10.1.2. Commitments received

€000	Main features	Maturity	31/12/2016	31/12/2015
Commitments related to financing not specifically required by IFRS 7				
Crédit Agricole factoring agreement	Unused portion of €80 million line of credit commitment	Unlimited	80,000	80,000
GE Factofrance factoring agreement	Unused portion of €20 million line of credit commitment	Unlimited	20,000	20,000
France medium-term credit facility (€100 million line of credit commitment)	Unused line of credit	05/11/2021	58,258	94,489
Medium-term credit facility - United States (N/A)	Unused line of credit	01/04/2016		10,639
Overdraft facility (numerous credit facilities with a €42 million total commitment)	Unused line of credit		34,349	35,348

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

10.2.1. Commitments given

€000	Main features	Maturity	31/12/2016	31/12/2015
Pledges				
Pledged down payment for the construction of the Saint Ouen building, by SCI L'Arche de Saint Ouen to Natiocréditbail	Pledged receivable	27/03/2028	9,326	10,000
Pledged trade receivables for PeopleLink and its subsidiaries in favour of Lake Bank City	Pledged receivable			27,515
Mortgages				
Mortgages on built-up property	Bank loan guarantee	30/09/2020	1,275	1,275
Financial guarantee				
Counter-guarantee given by Groupe CRIT to BNP Paribas	Guarantee of workplace accident insurance contract deductibles	11/09/2017	10,589	5,970
Guarantee given by Groupe CRIT to Société Générale for 2AM Group LLC	Financial guarantee from parent to subsidiary	30/09/2017	474	
Financial instruments concluded for the delivery of a non-financial item				
Purchase commitment given by GEH to various suppliers	Firm commitment to purchase uniforms	Unlimited	509	471
Sales agreements				
Agreement by Groupe CRIT to sell land in Bois le Roi	Unilateral sales agreement	Undefined		500
Guarantees given				
Operating leases:				
Real estate operating lease commitments	Commitments for future payments		29 896	29,178
		< 1 year	*13,286*	*13,498*
		2-5 years	*15,122*	*14,048*
		> 5 years	*1,488*	*1,633*
Equipment operating lease commitments	Commitments for future payments		5,842	4,272
		< 1 year	*2,860*	*2,284*
		2-5 years	*2,927*	*1,988*
		> 5 years	*54*	*-*

The total rent paid in 2016 amounted to €28.2 million compared to €29 million in 2015.

Assignment of subleasing rental income under the Dailly Act

Under the property finance lease agreement for the construction of the Saint Ouen building, SCI L'Arche de Saint Ouen undertook to assign full ownership of its receivables from the future subleasing of the building to Natiocrédibail and Genefim (finance lessors) by way of guarantee.

10.2.2. Commitments received

€000	Main features	Maturity	31/12/2016	31/12/2015
Financial guarantee				
Financial guarantee given by BNP Paribas	Guarantee of workplace accident insurance contract deductibles	26/09/2017	10,589	5,970
Financial guarantee from BNP Paribas for 2AM GROUP LLC	Guarantee of workplace accident insurance contract deductibles	29/09/2017	474	
First demand guarantees				
First demand guarantee given by Credit Lyonnais to Aéroports de Paris for the France airport services subsidiaries	Civil lease guarantees	2017 to 2019	883	774
Other property guarantees	Civil lease guarantees	2017 to 2020	882	852
Seller's warranties				
Seller's warranties for the Edom acquisition	Acquisition interest EDOM	07/03/2017	61	120
Guarantees received				
Guarantee from Société Générale in favour of CRIT SAS (1)	Financial guarantee for temporary employment business in France (Articles L 1251-49 and R 1251-11 to R 1251-31 of the French Labour Code)	30/06/2017	81,800	71,500
Guarantee from Crédit Lyonnais in favour of Les Compagnons, Les Volants, AB Intérim (1)	Financial guarantee for temporary employment business in France (Articles L 1251-49 and R 1251-11 to R 1251-31 of the French Labour Code)	30/06/2017	15,540	15,420
Guarantee from Crédit Agricole and Santander in favour of CRIT España	Financial guarantee for temporary employment business in Spain	Unlimited	4,244	3,765
Guarantee from Crédit Suisse in favour of CRIT Suisse	Financial guarantee for temporary employment business in Switzerland	Unlimited	1,024	1,015
Other guarantees	Customer and supplier guarantees		1,029	778

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

The acquisition of the shares of Cobalt Ground Solutions is subject to customary guarantees for this type of transaction, related in particular to the company's assets and liabilities.

11. Other information

11.1. Earnings per share

	2016	2015
Profits to be distributed to Company shareholders (€000)	75,404	73,494
Weighted average number of outstanding ordinary shares (in thousands)	11,103	11,100
Basic and diluted earnings per share (€ per share)	6.79	6.62

Given that there are no dilutive instruments, basic earnings per share and diluted earnings per share are the same.

11.2. Dividends per share

	2016	2015
Dividends to be distributed to Company shareholders (€000)	4,500	4,500
Weighted average number of outstanding ordinary shares (in thousands)	11,103	11,100
Dividend per share (€ per share)	0.41	0.41

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

The number of shares outstanding at 31 December 2016 was 11,103,537.

A dividend of €0.40 per share for the year ended 31 December 2016, representing a total distribution of €4,500,000, will be submitted to the Annual Shareholders' Meeting scheduled for 7 June 2017.

11.3. Related party disclosures

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

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

11.3.1. Remuneration of corporate officers

The remuneration paid by the Group to the main corporate officers - the Chairman and Chief Executive Officer and Deputy Managing Directors - amounted to €926,000 in 2016, compared with €726,000 in 2015. No post-employment benefits or loans have been granted to corporate officers. Similarly, no allocation of shares or options has been made by the Group.

11.3.2. Other affiliated parties

Transactions with other affiliated parties mainly comprise the following:

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

€000	2016	2015
Leases invoiced to the Group by the SCIs		
SCI LES ARCHES DE CLICHY	206	206
SCI LA PIERRE DE CLICHY	145	145
SCI HUGO MOREL	71	71
SCI LA PIERRE LUTTERBACH	18	18
SCI LA PIERRE DE SAINT DENIS	18	18
SCI LA PIERRE DE SENS	15	15
SCI LA PIERRE DE ROUEN	16	16
SCI LA PIERRE DE MELUN	16	16
SCI LA PIERRE DE TOULON	13	13
SCI LA PIERRE D'AUBAGNE	13	13
SCI LA PIERRE CHATEAUROUX	10	10
SCI LA PIERRE D'AUXERRE	10	10
SCI LA PIERRE DE QUIMPER	9	9
	560	**560**
REAL ESTATE OPERATING LEASE COMMITMENTS (FUTURE RENT PAYMENTS)	**857**	**1,512**
< 1 year	*857*	*756*
2-5 years		*756*
Sales invoiced by the Group		
GLOBAL SQ	758	654
Trade receivables and other current account receivables		
GLOBAL SQ	729	485
SCCV 50 AV DE LA PORTE DE VILLIERS	25	25
SCCV LES CHARMES	155	155
SHP RS DOO Serbia	491	131
	1,399	**795**

The summarised financial disclosures on equity-consolidated companies are given in Note 5.3.

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

11.4. Post-balance sheet events

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

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

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

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

No other post-closing events likely to affect the 2016 financial statements were identified between the closing date and the Group reporting date.

11.5. Permanent workforce at year-end

The breakdown of the Group's permanent employees by business line (permanent contract) for the fully-consolidated companies at the closing date is as follows:

	31/12/2016	31/12/2015
Temporary employment (permanent employees)	2,254	2,130
Airport services	3,852	2,934
Other	745	748
TOTAL	**6,851**	**5,812**

11.6. Scope of consolidation

Company	Siren (business registration number)	% interest 31/12/2016	% interest 31/12/2015	Consolidation method
GROUPE CRIT (Clichy)	622 045 383	Parent company		Full consolidation
Temporary employment and recruitment				
CRIT INTERIM (Saint-Ouen)	303 409 247	99.10	99.10	Full consolidation
LES VOLANTS (Clichy)	301 938 817	98.89	98.89	Full consolidation
LES COMPAGNONS (Clichy)	309 979 631	95.00	95.00	Full consolidation
AB INTERIM (Clichy)	642 009 583	95.00	95.00	Full consolidation
CRIT (Clichy)	451 329 908	99.71	99.71	Full consolidation
PRESTINTER (Clichy)	334 077 138	95.00	95.00	Full consolidation
PROPARTNER (Germany)	NA	100.00	100.00	Full consolidation
CRIT INTERIM (Switzerland)	NA	99.71	99.71	Full consolidation
CRIT ESPANA (Spain)	NA	100.00	100.00	Full consolidation
CRIT CARTERA (Spain)	NA	100.00	100.00	Full consolidation
ADAPTALIA OUTSOURCING SL (Spain)	NA	100.00	100.00	Full consolidation
CRIT PROCESOS AUXILIARES SL (Spain) (1)	NA	100.00	100.00	Full consolidation
CRIT CONSULTORIA (Spain)	NA	100.00	100.00	Full consolidation
CRIT EMPRESA DE TRABALHO TEMPORÁRIO (Portugal) (2)	NA	100.00	-	Full consolidation
CRIT HR (Ireland)	NA	95.00	95.00	Full consolidation
CRIT MAROC (Morocco)	NA	98.67	98.67	Full consolidation
C-SERVICES (Morocco)	NA	99.87	99.87	Full consolidation
CRIT RH (Tunisia)	NA	94.67	94.67	Full consolidation
CRIT TUNISIE (Tunisia)	NA	94.67	94.67	Full consolidation
CRIT CORP (United States)	NA	100.00	100.00	Full consolidation
PEOPLELINK (United States)	NA	100.00	85.00	Full consolidation
SUSTAINED QUALITY (United States)	NA	100.00	85.00	Full consolidation
2AM GROUP (United States)	NA	100.00	85.00	Full consolidation
2AM GROUP ONTARIO (United States)	NA	100.00	85.00	Full consolidation
ACTIUM (United States)	NA	75.00	63.75	Full consolidation
ARKEO (United States) (3)	NA	-	85.00	Full consolidation
GLOBAL SQ (United States)	NA	49.00	41.65	Equity method
Airport services				
PARIS CUSTOMERS ASSISTANCE (Tremblay-en-France)	502 637 960	99.84	99.84	Full consolidation
AERO HANDLING (Tremblay-en-France)	792 040 289	99.84	99.84	Full consolidation
CARGO GROUP (Tremblay-en-France)	789 719 887	99.84	99.84	Full consolidation
ORLY CUSTOMER ASSISTANCE (Tremblay-en-France)	515 212 801	99.84	99.84	Full consolidation
ORLY RAMP ASSISTANCE (Tremblay-en-France)	515 212 769	99.84	99.84	Full consolidation
GEH SERVICES (Tremblay-en-France)	515 212 785	99.84	99.84	Full consolidation
RAMP TERMINAL ONE (Tremblay-en-France)	515 192 763	99.84	99.84	Full consolidation
CARGO HANDLING (Tremblay-en-France)	814 167 599	99.84	99.84	Full consolidation
AIRLINES GROUND SERVICES (Tremblay-en-France)	411 545 080	99.64	99.64	Full consolidation
ASSISTANCE MATERIEL AVION (Tremblay-en-France)	410 080 600	99.68	99.68	Full consolidation
EUROPE HANDLING MAINTENANCE (Tremblay-en-France)	404 398 281	99.68	99.68	Full consolidation
EUROPE HANDLING ROISSY (Tremblay-en-France) (4)	401 300 983	-	99.84	Full consolidation
GROUPE EUROPE HANDLING (Tremblay-en-France)	401 144 274	99.84	99.84	Full consolidation
INSTITUT DE FORMATION AUX METIERS DE L'AERIEN (Tremblay-en-France)	409 514 791	99.68	99.68	Full consolidation
EUROPE HANDLING (Tremblay-en-France)	395 294 358	99.77	99.77	Full consolidation
NICE HANDLING (Nice)	811 870 328	99.84	99.84	Full consolidation
AWAC TECHNICS (Tremblay-en-France)	412 783 045	99.60	99.60	Full consolidation
OVID (Tremblay-en-France)	534 234 661	33.33	33.33	Equity method

Company	Siren (business registration number)	% interest 31/12/2016	% interest 31/12/2015	Consolidation method
CONGOLAISE DE PRESTATIONS DE SERVICES - CPTS (Congo)	NA	60.90	60.90	Full consolidation
REPUBLIC OF CONGO AIRPORTS - AERCO (Congo)	NA	15.23	15.23	Equity method
SKY PARTNER R.S. DOO. (Serbia)	NA	47.92	47.92	Equity method
AWAC TECHNICS MOROCCO (Morocco) (5)	NA	-	99.60	Full consolidation
CONGO HANDLING (Congo)	NA	60.90	60.90	Full consolidation
SKY HANDLING PARTNER SIERRA LEONE	NA	79.87	79.87	Full consolidation
SKY HANDLING PARTNER (Ireland)	NA	100.00	100.00	Full consolidation
SKY HANDLING PARTNER SHANNON (Ireland)	NA	100.00	100.00	Full consolidation
ARIA LOGISTICS (United Kingdom)	NA	89.86	89.86	Full consolidation
SKY HANDLING PARTNER UK (United Kingdom)	NA	89.86	89.86	Full consolidation
COBALT GROUND SOLUTIONS (United Kingdom) (6)	NA	99.84	-	Full consolidation
SHP NORTH AMERICA (United States) (7)	NA	99.84	-	Full consolidation
SKY HANDLING PARTNER USA (United States) (7)	NA	99.84	-	Full consolidation
ASSIST'AIR (Dominican Republic)	NA	95.00	95.00	Full consolidation
Other services				
OTESSA (Clichy)	552 118 101	99.00	99.00	Full consolidation
CRIT CENTER (Clichy)	652 016 270	99.86	99.86	Full consolidation
E.C.M. (Clichy)	732 050 034	99.00	99.00	Full consolidation
ECM TEHNOLOGIE (Romania)	NA	99.00	99.00	Full consolidation
MASER (Clichy)	732 050 026	99.94	99.94	Full consolidation
EDOM (Clichy)	352 636 211	99.94	99.94	Full consolidation
CRIT IMMOBILIER (Clichy)	572 181 097	95.00	95.00	Full consolidation
SCI L'ARCHE DE SAINT OUEN (Clichy)	799 904 487	100.00	100.00	Full consolidation
R.H.F. (Clichy)	343 168 399	99.99	99.99	Full consolidation
PEOPULSE (Colombes)	489 466 474	100.00	100.00	Full consolidation
SCI SARRE COLOMBES	381 038 496	99.66	99.66	Full consolidation
SCI RIGAUD PREMILHAT (Bois Rigaud)	312 086 390	90.00	90.00	Full consolidation
SCI MARCHE A MEAUX (Saint Ouen)	384 360 962	99.00	99.00	Full consolidation
SCI DE LA RUE DE CAMBRAI (Saint Ouen)	403 899 818	99.66	99.66	Full consolidation
SCI ALLEES MARINES (Saint Ouen)	381 161 595	99.00	99.00	Full consolidation
SCCV LES CHARMES (Clichy)	491 437 018	47.50	47.50	Equity method
SCCV 50 AV PORTE DE VILLIERS (Paris)	492 855 648	50.00	50.00	Equity method

(1) Change of name from ADAPTALIA ESPECIALIDADES DE EXTERNALIZACION, SL on 26/04/2016
(2) Created 15 January 2016
(3) Universal transfer of assets to PeopleLink and dissolved 03/02/2016
(4) Universal transfer of assets to GEH and deregistered 21/11/2016
(5) Liquidated 31 December 2016
(6) Acquired 31 December 2016
(7) Created 18 August 2016

The Group has no share purchase commitments vis-a-vis non-controlling interests.

To the Group's knowledge, there is no major restriction on the ability of Groupe CRIT (the "Company") to have access to or use the assets of the subsidiaries controlled by the Group.

Groupe CRIT financial reporting schedule

Financial reporting	FY 2017
Sales Q1 Q2 Q3 Q4	 26 April 2017* (after market close) 26 July 2017* (after market close) 25 October 2017* (after market close) 31 January 2018* (after market close)
H1 2017 results Financial press release	 12 September 2017* (after market close)
2017 annual results	March 2018

*Provisional dates

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