ANNUAL REPORT

2018

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

GROUPE crit

www.groupe-crit.com

2018 Annual Report (Abstract)

Contents

Message from
the Chairman

AN EXCELLENT 2018

Dear shareholders,

2017 was a record year for our Group: double-digit growth and excellent operating margins, an outstanding performance that set the bar high. And we did even better in 2018, a brilliant year that ranks among the best in the history of our Group.

We reached €2.5 billion in sales and generated an operating margin of 6%.

In temporary employment, sales totalled over €2 billion.

We had an excellent year in France, despite a market slowdown during the second half. Further progress was made in each of our strategic areas: quality of the regional network and client proximity; temporary worker retention; upscaling of the service offering; commercial and sectoral coverage; digitisation.

On international markets, we achieved our objective of increasing our margins. In the United States, we returned to organic growth by the end of the period and significantly increased our profit margin with a 110 basis point gain over the previous year.

It was a remarkable year in airport services, as we achieved record performances in terms of both growth and profitability. These results deserve our highest praise.

The strong momentum witnessed in our airport services business was reflected by organic growth of almost 12% and a major increase in operating margin to almost 10%. Our operations in France again posted an exceptional annual performance with organic growth of over 14%. The year's highlights included the expansion of our business aviation activities and our operational launch at Paris-Le Bourget airport, as well as the ramp-up of cargo handling operations.

This was a great success for our airport services division launched in 2000, which has achieved outstanding results in less than 20 years with both sales and EBITDA multiplying 11-fold over the period.

On 18 March 2019, the Group celebrated the 20th anniversary of its IPO. Since then, our share price has increase 9-fold and has grown 37 times faster than the CAC 40.

Our stock market performance illustrates the results achieved by our Group since it was first listed. Over these past 20 years, we have achieved remarkable average annual sales growth of 14%. This sustained rate of growth has been achieved with no sacrifice to profitability, as EBITDA growth has kept up with sales growth over the same period. I am extremely proud of our progress driven by the hard work and commitment of all those who have helped to write the Group's history.

In 2018, we posted net income of €91 million, robust shareholders' equity of €558 million and net cash of over €220 million. This strong financial structure enables us to pursue the development of our Group in France and abroad.

Emboldened by this vigorous performance and a year marked by further progress in all key strategic areas, our Group's solid fundamentals allow us to approach financial year 2019 with confidence.

The temporary employment division continued to post growth in early 2019, both in France and abroad. Over the full year, we expect to continue to take advantage of economic forecasts that remain favourable for our markets. We intend to continue actively seeking out acquisition opportunities in Europe.

The outlook for airport services is excellent in terms of both growth and profitability.

€2.5 billion sales mark reached

Net income up 9%

In France, we have made a very promising start to the year, with end of February year-to-date sales up 16% including 12% organic growth.

In international markets, we expect to continue to take advantage of booming sales, as witnessed by the 7 new contracts already signed since the start of the year.

We can therefore look forward to the new year as a strong, confident Group driven by the commitment and energy of its 8,700 permanent employees and 55,500 temporary workers in Europe, America and Africa serving over 30,000 businesses worldwide.

I would like to thank all shareholders for your trust and loyalty and am I delighted to share with you the exciting journey launched by our Group's initial public offering some 20 years ago.

At the Annual Shareholders' Meeting to be held on 7 June 2019, your Board of Directors will propose a dividend payment of €1 per share.

Claude Guedj
Chairman and Chief Executive Officer

Management and supervisory bodies

BOARD OF DIRECTORS

- Claude GUEDJ
  Chairman
- Yvonne GUEDJ
  Director
- Karine GUEDJ
  Director
- Nathalie JAOUI
  Director
- Valérie LEZER CHARPENTIER
  Director representing the employees

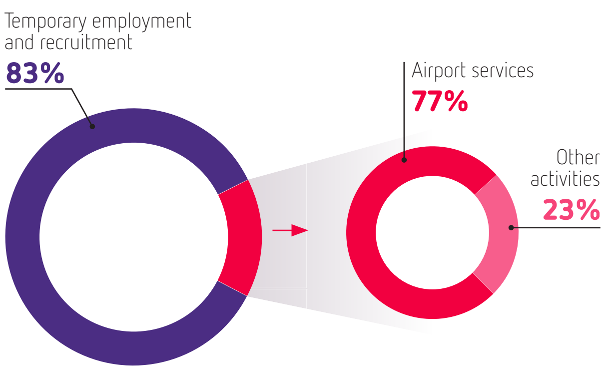
EXECUTIVE MANAGEMENT

- 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

Key figures

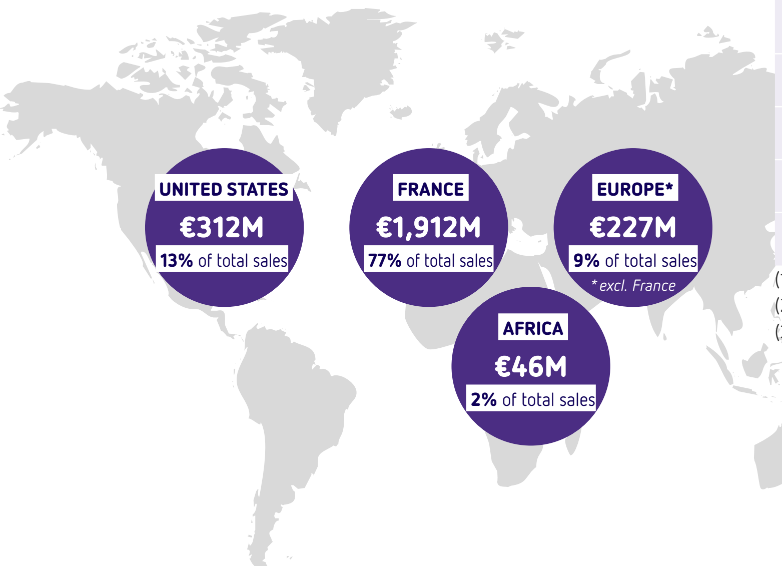
BREAKDOWN OF 2018 SALES BY SEGMENT

(before inter-segment eliminations)



BREAKDOWN OF 2018 SALES BY GEOGRAPHICAL REGION

(before inter-segment eliminations)



€000	***2018***	*2017*	*2016*
CONSOLIDATED SALES	**2,498,217**	**2,418,225**	**2,145,269**
Of which: Temporary employment division	2,062,390	2,026,308	1,829,748
Airport services division	355,920	314,621	244,860
Other activities division	103,732	98,113	89,686
Inter-segment eliminations	(23,826)	(20,817)	(19,026)
EBITDA(1)	149,033	149,614	124,311
Current operating income	125,731	126,593	105,115
Operating income	125,672	126,771	105,115
Net income	90,828	83,364	75,271
Net income (Group share)	90,936	84,787	75,404
Shareholders' equity (Group share)	552,426	506,798	427,224
Net financial debt before deduction of CICE tax credit	(12,453)	9,163	46,341
Net financial debt (2)	(222,767)	(189,604)	(108,932)
Earnings per share *(€)*	8.19	7.64	6.79
Permanent workforce at year-end (3)	8,719	8,393	7,621
Number of agencies	574	568	542

(1) Current operating income before net amortisation and depreciation
(2) As defined in Note 4.4.1 to the consolidated financial statements
(3) Permanent and fixed-term contracts

A BUSINESS SERVICES GROUP

HISTORICAL MILESTONES

1962

FOUNDING OF GROUPE CRIT

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

1972 - 1998

FIRST LAW ON TEMPORARY EMPLOYMENT
FOUNDING OF CRIT INTÉRIM

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

1999 - 2000

INITIAL PUBLIC OFFERING

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

2001

NO. 4 IN TEMPORARY EMPLOYMENT

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

2002

40 YEARS OF GROWTH

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

2003 - 2005

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

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

2006 - 2010

LAUNCH OF OPERATIONS IN SPAIN AND GABON

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

2011 - 2012

A NEW INTERNATIONAL DIMENSION

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

2013 - 2017

ACQUISITIONS IN THE US STAFFING SECTOR AND UK AIRPORT SERVICES SECTOR

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

2018

AN EXCELLENT YEAR

In 2018, Groupe CRIT achieved a strong performance in terms of growth and profitability, posting sales of €2.5 billion, EBITDA of €150 million and net income of €91 million, up 9%.
The temporary employment and recruitment division consolidated its momentum. The airport services division recorded double-digit year-on-year growth. The Group extended its business aviation operations at Paris-Le Bourget airport.

Overview

CRIT, A MAJOR PLAYER IN HUMAN RESOURCES AND BUSINESS SERVICES

Ranked 18th worldwide[1] and top independent group in France in temporary employment and recruitment[2], leading airport service provider in France and top 10 worldwide, Groupe CRIT provides its clients with the human resources and professional skills they require – from major clients to small and medium-sized businesses and industries.

1 Source: Staffing Industry Analysts
2 Source: Company

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

With an international network spanning 574 employment agencies in Europe, Africa and the United States, the Group is the human resources and HR solutions partner of 30,000 companies for their permanent and temporary employee recruitment needs and supports 260,000 employees in their career paths.

AIRPORT SERVICES: A GLOBAL TOP 10 OPERATOR

Groupe CRIT has earned the trust of 140 international airlines, which it serves in France, Ireland, the United Kingdom, Africa and the United States.

ENGINEERING AND MAINTENANCE: PARTNER TO LARGE INDUSTRIES FOR THEIR PROJECTS

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

€2.5 billion
sales in 2018

Operations in
13 countries

8,700
permanent employees

55,500
temporary employees (FTE)

TEMPORARY EMPLOYMENT AND RECRUITMENT 83%*

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

INTERNATIONAL 24%
- PeopleLink Group (United States)
- CRIT Intérim (Switzerland)
- CRIT España (Spain)
- CRIT Empresa de Trabalho Temporàrio (Portugal)
- Propartner (Germany)
- CRIT Morocco
- CRIT Tunisia

AIRPORT SERVICES 14%*

FRANCE 74%
- Groupe Europe Handling (Roissy, Orly, Nice Côte d'Azur)
- Advanced Air Support International (Paris-Le Bourget)

INTERNATIONAL 26%
- Sky Handling Partner (Ireland)
- Cobalt Ground Solutions (United Kingdom - London Heathrow)
- Sky Handling Partner UK (United Kingdom - London City Airport)
- Sky Handling Partner USA (United States - Boston)
- Congo Handling (Brazzaville, Pointe Noire, Ollombo - Congo)
- Sky Handling Partner Sierra Leone (Freetown)
- ASAM** (Mali)

OTHER BUSINESS SERVICES 3%*

ENGINEERING AND INDUSTRIAL MAINTENANCE 75%
- Maser Engineering
- ECM

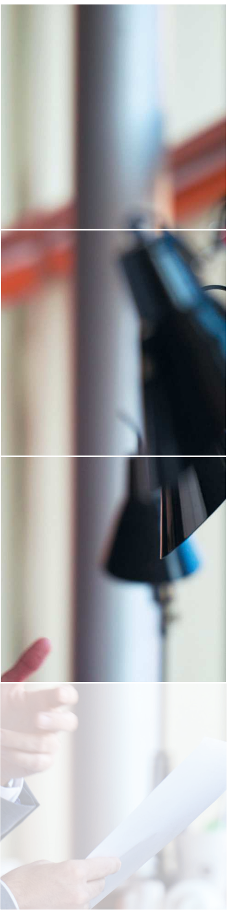
OTHER SERVICES 25%
- RHFormation
- Peopulse (HR digitisation)
- Otessa (hospitality services)

*as a percentage of sales before inter-segment eliminations

** technical assistance services

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


AIRLINES
GROUND



1
PRESENTATION OF THE GROUP AND ITS BUSINESS

1. PRESENTATION OF THE GROUP AND ITS BUSINESS

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

As a pioneer in the field of human resource services for corporate clients, Groupe CRIT holds a very strong position in this business segment. Leading independent group in France[1] for temporary employment and recruitment and 18th group worldwide[2], Groupe CRIT is a major player in human resources with an extensive service offering, providing increasingly specialised services in recruitment, job placements, training, consulting and employability support.

The Group has also built strong positions in the airport services sector in France and overseas, as well as an engineering and maintenance service offering dedicated to major industry and technology projects.

Temporary employment and recruitment is the Group's core business, its very foundation and driver of growth, and is conducted under the CRIT brand in France and Europe and the PeopleLink brand in the United States. This division accounted for 82.6% of the Group's business in 2018 (before inter-segment eliminations).

The airport services division is the second largest source of growth for the Group, accounting for 14.2% of business in 2018.

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

Thanks to its development policy, which focuses on internal and external growth, the Group has acquired considerable reach in its core business. Leading independent group in temporary employment in France[1], 18th group worldwide[2], with 574 agencies including 406 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.

1 Source: Company
2 Source: Staffing Industry Analysts

THE GLOBAL TEMPORARY EMPLOYMENT MARKET

In a constantly evolving global economy characterised by an increasing drive for responsiveness and productivity to improve competitiveness, a flexible employment market is an economic necessity. As a result, thanks to the flexibility it provides, the scope of services and expertise on offer (recruitment, training, consulting, outsourced HR solutions, etc.) and the related in-depth knowledge of employment catchment areas, temporary employment has become a genuine human resources management tool that is an integral part of companies' HR strategies. At the same time, it has become a major channel providing access to employment. The global temporary employment and recruitment market thus generated a total turnover of €413 billion in 2017, up 6% (source: SIA Global Staffing Industry Market estimates and November 2018 Forecast). The United States and Europe respectively account for 31% and 39% of the global market.

GLOBAL SALES IN THE TEMPORARY EMPLOYMENT MARKET: €413 BILLION IN 2017(1)

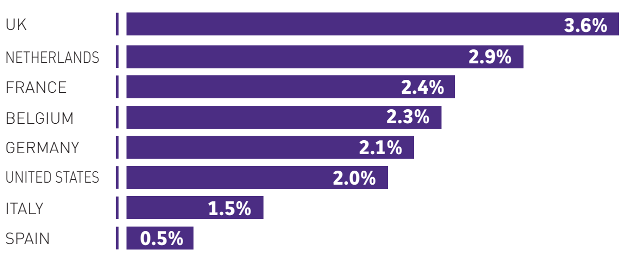
Ranking of the top 16 markets worldwide in 2017(1)

(€bn)

1	United States	126.4	9	China	10.4
2	Japan	59.7	10	Switzerland	8.1
3	United Kingdom	36.3	11	Belgium	6.3
4	Germany	26.8	12	Canada	6.2
5	France (2)	22.0	13	India	4.9
6	Netherlands	20.2	14	Spain	4.1
7	Australia	13.6	15	South Africa	3.8
8	Italy	11.1	16	Sweden	3.7

(1) Staffing Industry Analysts
(2) Prism'emploi - 2018 estimate

Proportion of temporary employment among the working population in the United States and Europe (in 2017)*



* Source: Prism'emploi and staffing industry analysts

In 2009, the temporary employment segment, among the first to be hit by the global economic crisis, suffered a decline of 16% in global sales, one of the sharpest falls in its history. Closely linked to the state of the economy and used as an adjustment variable by companies in times of crisis or recovery, over recent years the temporary employment market has benefited from an improving economic situation in Europe and sustained buoyancy in Asia and the Americas, particularly in the United States, a market in which Groupe CRIT acquired a foothold in 2011.

Following a highly dynamic 2017, 2018 was impacted by the slowdown in the Euro zone economy and weaker US economic growth towards the end of the year. Besides economic factors, the temporary employment industry operates in a favourable structural environment given the increasing needs of businesses for more flexibility, demographic factors, numerous retirements and shortages of workers in skilled trades.

THE UNITED STATES, LEADING TEMPORARY EMPLOYMENT MARKET WORLDWIDE

With a market estimated at around $143 billion in 2017 and an average of over 3.2 million full-time equivalent temporary employees per week, i.e. over 2% of the working population (source: Staffing Industry Analysts November 2018 Forecast and ASA Quarterly Staffing employment and sales survey), the United States is the leading temporary employment market worldwide and is around 6 times the size of the French market. Up 4% in 2018, the US temporary employment and recruitment market is expected to grow 3% in 2019 (source: Global Staffing Industry Market estimates and November 2018 Forecast). Apart from size, the US temporary employment market differs from the French market in that it is highly fragmented, with over 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 sales of €22 billion in 2017, the French market, Groupe CRIT's main market, is the fifth largest temporary employment market worldwide and the third in Europe.

Temporary employment has become a mature industry. However, its development has been based on relatively different foundations and principles in each country. Thus, the legal environment for the industry was free-market in English-speaking countries and regulated in Latin countries. These significant disparities are converging towards a harmonised European model to establish a genuine legal and social status protecting the temporary employee while expanding and relaxing the conditions under which businesses can use temporary workers. In this sense, the European Directive on temporary employment, adopted in 2008 and applicable by Member States since December 2011, has been phased in by the EU Member States. It establishes a protective framework based on the principle of equal treatment (already implemented in France for many years) and on the lifting of unjustified restrictions in some countries, as in France. The new Directive (EU) 2018/957 that came into force on 29 July 2018 (applicable as of 2020) on posted workers introducing the principle of "equal pay for equal work", as well as the specific agreement concluded in January 2019 in the European road transport sector intended to standardise regulations and employees' social rights in order to prevent social dumping, are among the latest advances made towards greater harmonisation of European labour law.

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, one of the most protective in Europe. The French legislative model sets a temporary employee's pay at the same level that an employee with the same qualifications would receive if hired for the position after a trial period, plus other salary items (bonuses). Temporary employees also benefit from an end-of-job indemnity (IFM) equal to 10% of the total gross pay due over the term of the contract, and a paid leave indemnity (ICCP) equal to 10% of the total remuneration plus the end-of-job indemnity. These two allowances are paid at the end of each job if the temporary employee does not immediately receive a permanent contract with the company using their skills. Temporary employees are entitled to overtime pay and compensatory time-off in accordance with labour laws.

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

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

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

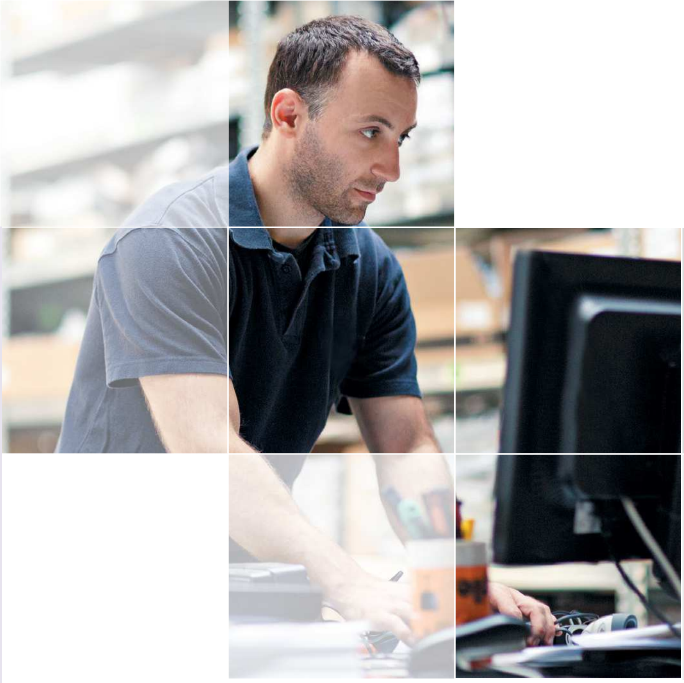
The Cherpion Act and its enactment decree of 11 April 2012 allowed employment agencies to enter into apprenticeship contracts and thus support companies in recruiting young apprentices and young people looking for host companies.

The French National Interbranch Agreement (ANI) of 11 January 2013 and the sector agreement of 10 July 2013 increased the renewal allowance for job contracts to two and set the stage for open-ended temporary employment contracts (*CDI intérimaire*) which was incorporated into the French Labour Code in September 2018 and enshrined in the "Professional Future Act". This was a decisive stage in safeguarding the career paths of temporary employees, making temporary employment more attractive to qualified workers.

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

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

Through two new agreements signed on 25 January 2019, the temporary employment division adopted measures to promote sustainable employment, one through the development of open-ended temporary employment contracts, and the other aimed at preventing the abolition of the FSPI temporary employment career stabilisation fund, which funded training for 64,000 FTE temporary workers in 2017.



TEMPORARY EMPLOYMENT MARKET IN FRANCE: A HIGHLY CONCENTRATED MARKET

Groupe CRIT operates in a highly concentrated market in France: out of some 1,800 temporary employment companies operating a total of 8,260 agencies in 2017 compared with 8,150 agencies in 2016 (source: Prism'emploi), three international groups account for over 65% of the temporary employment sector. With a market share of over 7%, Groupe CRIT ranks fourth behind the sector's major players and is the leading independent temporary employment group in the French market (source: Company).

Ranking in France	Group	2018 global sales (€bn)	2018 France sales (€bn)
No. 1	ADECCO	23.9	5.7
No. 2	MANPOWER*	18.6	4.9
No. 3	RANDSTAD	23.8	3.7
No. 4	GROUPE CRIT	2.1	1.6

*Manpower global sales: $22bn of which France $5.8bn
Average exchange rate €: $1.18085

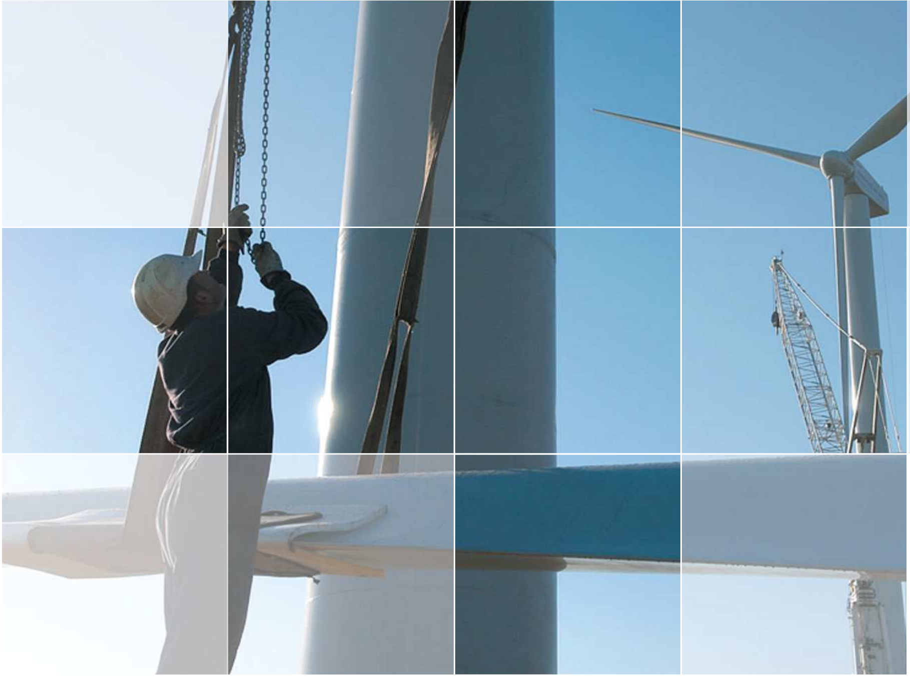
DEMAND ON THE RISE

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. In the face of an unstable economic environment and lack of visibility, the adaptability and flexibility, knowledge of employment catchment areas and expertise in human resources management (recruitment, temporary employment, training, consulting, outsourcing, etc.) offered by the temporary employment sector allows businesses 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 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. Previously synonymous with junior positions, temporary employment has become a preferred means of entering or returning to employment thanks to continuous efforts to improve the employability of temporary workers and to safeguard their career paths. Today, almost 80% of temporary workers have a good or a very good opinion of temporary employment (source: Observatoire de l'intérim July 2018).

Temporary employment has clear advantages: lifestyle choice or career strategy for some, means of entering or returning to employment for others, temporary



work is a gateway facilitating the sustainable integration of young people into the job market: a quarter of temporary workers are under 25 years old, of whom 39% did not graduate with a high school diploma (source: OIR) and 73% consider temporary work to be a good way to develop their career paths (2018 Prism'emploi / Opinion Way survey). 90% of temporary workers believe that temporary employment has helped them to acquire professional experience, 78% to learn different trades and 77% for training (Observatoire de l'intérim). The training aspect is very important: in 2017 temporary employment companies invested €450 million to finance operational training for 280,000 temporary employees - the highest level ever achieved in the industry - with low-skilled young people among the main beneficiaries. Between March 2017 and March 2018, 13% of young temporary workers aged under 25 years completed training programmes of which 74% led to qualifications or diplomas (source: Prism'emploi).

Since the introduction of the open-ended temporary employment contract (CDI intérimaire or CDII) in 2014, a major social advance that safeguards temporary workers via the signing of an open-ended temporary employment contract with a temporary employment company, 51,600 CDIIs had been signed by the end of 2018 (source: Prism'emploi barometer).

Alongside temporary work, the temporary employment sector has played a key role for a number of years in the recruitment of permanent and fixed-term employees following the 2005 Social Cohesion Act. With around 580,000 hirings since 2009, employment agencies have become the first private recruitment companies in France.

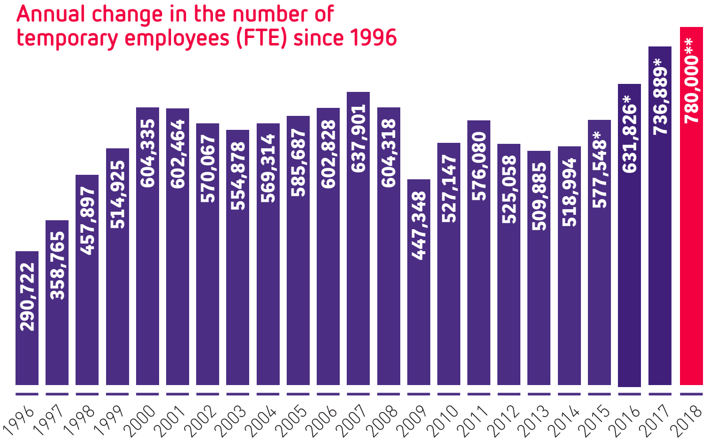
TEMPORARY EMPLOYMENT IN 2018: MARKET SLOWDOWN AT THE END OF THE YEAR

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.

The recovery in temporary employment which began in early 2015 and recorded its 45th consecutive month of growth in August 2018 was followed by a reduction in temporary workers from September 2018, a situation that lasted throughout the fourth quarter.

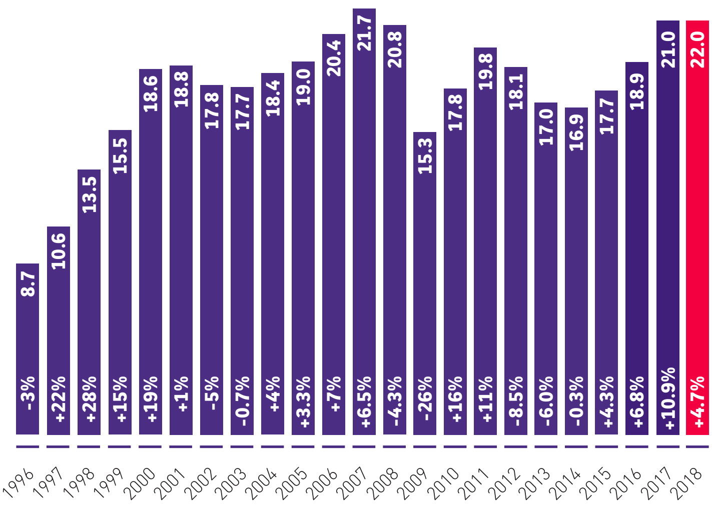
Developments during 2018 took place within a less favourable economic environment with annual GDP growth limited to 1.5% following 2.3% growth in 2017 (Insee). After two years of strong growth (6.8% in 2016 and 8.5% in 2017), temporary employment

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



Source: Dares: * data revised following DSN integration; ** 2018 estimate

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



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

nevertheless showed good resilience with average annual growth of 1.8%. Around 13,000 full-time equivalent posts were created over the year (Prism'emploi barometer). In 2018, temporary employment reached a historic level with around 780,000 full-time equivalent temporary employees (estimate based on Dares / Prism'emploi data).

2018 was marked by contrasting developments in temporary employment: following an excellent first quarter with growth of 8.8% followed by a steady 4.8% rise in the second quarter, the market stagnated in the third quarter (down 0.4%) and the fourth quarter saw a decline of 4.8%, including a 5.9% slump in December (Prism'emploi barometer).

The developments reflect the significant impact on the employment market of the slowdown in economic growth in France in 2018, where GDP rose only 0.2% in Q1 and Q2 and 0.3% in Q3 and Q4. Following these four consecutive quarters of weak growth, the Banque de France forecast, which expects GDP growth of 0.4% in Q1 2019, predicts stable economic growth of 1.5% in France for the full year. French GDP growth in 2019 is expected to outperform the Euro zone (1.0%) and double that of Germany, for which a mere 0.7% rise is forecast for 2019.

In 2018, quarterly variations in temporary employment in France were particularly volatile in two major business sectors. The transport and logistics sector recorded maximum growth of 17% in the first quarter and a maximum decline of 8.9% in the fourth quarter, with average annual growth of 3.8%. Similarly, albeit to a lesser extent, industry, which accounted for 48.7% of temporary employees in 2018, went from 8.9% growth in the first quarter to a 9.1% decline in the fourth quarter, with an overall decline of 0.4% for the year.

Conversely, the construction and services sectors, in which the share of temporary employment accounted respectively for 15.8% and 12% in 2018, recorded a steady increase in temporary workers over the full year. Services have boosted the temporary employment market with an annual rise of 6.4%, recording particularly strong growth ranging from 6.9% in the first quarter to 4.6% in the final quarter. There was a 4.4% increase in temporary job creation in the construction sector over the year.

Within this contrasting sectoral context, the most dynamic regions in the services and construction sectors naturally recorded the highest annual growth. The Rhône-Alpes / Auvergne region posted growth of 5.1%, followed by the PACA region (3.9%) and Pays de la Loire (3.4%). Despite growing in all other regions with the exception of Normandy (down 1.0%) and Occitanie (down 0.7%), temporary employment progressed to a lesser extent in predominantly industrial regions, where growth was between 0.2% and 1.5%.

While the construction sector returned to growth three years ago, the fall in temporary employment numbers in 2014 and 2015 (down 15.3% and 6.4% respectively) (Prism'emploi barometer) resulted in a substantial decrease in its relative share of temporary employment from 21.3% in 2012 to 12% in 2018 (source: Dares and Prism'emploi barometer). While the change in temporary employment numbers in the construction sector can be partly attributed to the number of public works and new projects, it was also a result of strong competition from posted workers over a number of years. The new EU directive of 28 June 2018 amended the 1996 EU directive and introduced the principle of "equal pay for equal work". This new directive will come into force in 2020 and should help to combat abuse in the posting of workers, particularly in the construction sector.

With regard to skilled work, as in the previous two years, 2018 witnessed the continued growth of temporary employment for skilled jobs. There was strong growth for managerial and intermediate professions and employees, which accounted for over 12% and over 13% of temporary employment respectively and which posted the same annual growth rate of 3.5%. Other skilled jobs posted lower growth rates ranging between 1.3% for qualified workers (34.6% of total temporary workers) and 0.9% for unskilled workers (39.8%) (source: Prism'emploi barometer).

2018 also marked an increase in open-ended temporary employment contracts (CDII) entered into by temporary employment companies and temporary workers, which enable the latter to benefit from the security provided by permanent employment contracts and training programmes, enable temporary employment companies to retain their temporary workers, and enable companies using temporary workers to maintain the flexibility of hiring staff for ad-hoc assignments. The growth in CDIIs was at its highest level since their introduction. After the number of CDIIs nearly doubled in 2017, with over 13,150 contracts signed during the year, 25,200 CDIIs were signed in 2018.

In 2018, employment companies consolidated their leading role within recruitment activity in France. Over 100,000 workers were recruited on permanent and fixed-term contracts over the year, the highest level achieved since 2005.

By its very nature, temporary employment affords flexibility; it is therefore the adjustment variable used by companies in times of uncertainty. While downward cycles show the sector to be the first hit by the effects of a slowdown in economic activity, it is also the first to benefit from an upturn in the economic situation and take advantage of growth periods. Temporary employment is an early indicator of job creation, since economic recovery relies firstly on temporary employment before spreading across the entire economic fabric. An analysis of economic cycles over the last 30 years shows that GDP growth of between 0.6% and 0.8% is necessary for temporary employment to pick up, while sustainable job creation requires GDP

growth of around 1.5%. If the OECD forecast of 1.3% GDP growth in 2019 is confirmed, temporary employment should continue to benefit fully from this growth phase.

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

GROUPE CRIT'S TEMPORARY EMPLOYMENT AND RECRUITMENT DIVISION

A RANGE OF HUMAN RESOURCE SERVICES

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

CRIT is the leading independent group in France for temporary employment and recruitment and is ranked 18^{th} in the world[2], with networks in the United States, Germany, Spain, Portugal, Switzerland, Morocco and Tunisia. Each year, CRIT meets the needs of 30,000 corporate clients and supports over 260,000 employees in their career paths.

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

With almost 2,700 permanent employees working in the Group's temporary employment and recruitment division, offering client-side customised HR management services, permanent and fixed-term 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's human resources expertise enables it to meet the expectations of both job applicants and companies.

THE STRENGTH OF A NATIONAL NETWORK

With 406 agencies in France at the end of 2018, CRIT benefits from a dense network and nationwide coverage. 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 endeavoured to foster both internally and with their clients.

This stability also promotes 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 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 managers 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 is one of the Group's major strengths, and the resulting stable and specialised expertise is reflected in a low employee turnover rate.

1 Source: Company
2 Staffing Industry Analysts ranking – largest global staffing & recruitment firms 2018

574 employment agencies in France and overseas in 2018

FRANCE

CRIT, A MAJOR PLAYER IN FRANCE

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

A balanced geographic distribution

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

Coverage of all business sectors

The CRIT network boasts a diverse sector and client base. CRIT has a particularly strong presence in the industrial sector, which accounted for 47% of its business in 2018.
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 38% in 2018 compared to 25% in 2004.
The network also has strong positions in the construction sector, which accounted for 15% of business in 2018.
With the backing of its development and corporate culture, for several years now CRIT has based its growth on two dimensions:

- its knowledge of 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, etc.).

A strategic client mix

The Group has a high level of penetration among small and medium-sized companies, which accounted for 44% of the division's sales in 2018, and also holds strong positions with key accounts, strengthened in 2018 by the network's performance in the transport, logistics, trade and business assistance sectors in particular. Key accounts accounted for 56% of the division's business over the year.

With around 25,000 clients in France, the Group's diversification of its client base provides 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 6% of total sales. The Group also provides expertise to public-sector companies, thus enabling it to expand its client mix.

INTERNATIONAL OPERATIONS

38ND STAFFING GROUP IN THE UNITED STATES[1] 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.
Since 2011, the United States has been at the core of the Group's international development strategy. The decision to penetrate the world's largest temporary employment market stems from the Group's determination to diversify its geographical positions in order to develop new growth drivers.
For six years, the Group has 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 multiple acquisitions that have made it one of the major players in the American market today. Ranked 38th among staffing groups in the United States[1] and 17th among industrial staffing companies in 2018[2], the Group currently operates a network of 95 agencies located in 23 states. It offers general commercial staffing services supplemented by four specialised verticals in the professional staffing, IT, construction and quality control sectors. The United States has become the Group's largest international market accounting for around 63% of the temporary employment and recruitment division's international business in 2018;

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, for a number of years now Spain has benefited from a favourable economic climate with a high GDP growth rate estimated at 2.5% in 2018[3], following three consecutive years of very high growth at over 3% per year. 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 CRIT to multiply its organic growth in this country by 2.5 in seven years. Today, the Group, which recently opened an agency in Portugal, has a network of 47 agencies that are on track to take full advantage of the current favourable conditions on the Iberian market.

The Group has also established positions in Germany, Switzerland, Morocco and Tunisia, taking the Group's international network to 168 agencies in 2018.
By diversifying its network in terms of both business expertise and geographical presence, and given the brighter economic outlook in the regions in which it operates, the Group will continue to expand abroad in 2018 by prioritising organic growth and keeping an eye out for potential acquisitions, particularly in Europe.

1 Source: Staffing Industry Analysts: Largest Staffing Firms in the United States update July 2018

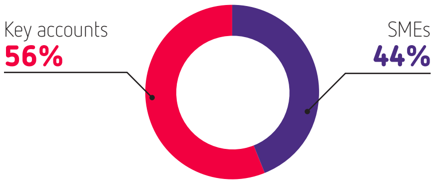
2 Source: Staffing Industry Analysts: Largest Industrial Staffing Firms in the United States update Aug. 2018

3 Source: Spanish government

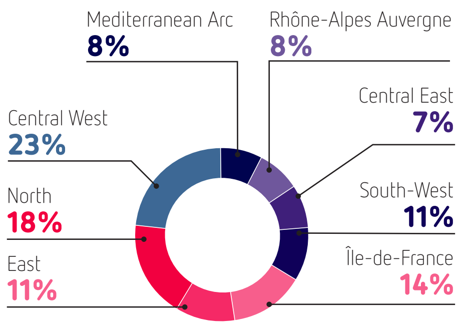
A balanced client mix

Breakdown of CRIT network sales by client segment

(% of 2018 sales)



Breakdown of CRIT France temporary workers (FTE) by region in 2018



BUSINESS ACTIVITY OF THE TEMPORARY EMPLOYMENT AND RECRUITMENT DIVISION IN 2018

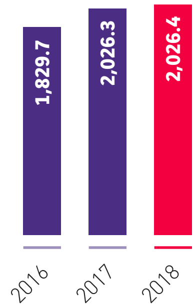
ALMOST €2.1 BILLION IN SALES

Following strong growth in 2017, the temporary employment and recruitment division posted a solid annual performance with sales of more than €2 billion. Ranked 18th among staffing companies globally[1], the Group has once again confirmed its position as a major player in France and abroad.

The division consolidated its momentum in France and abroad and posted a new annual record of €2,062.4 million, up 1.8% as reported and up 2.4% at constant consolidation scope and exchange rates.

In France, the Group recorded sustained organic growth and consolidated its positions as the fourth largest behind the industry giants. On the international market, the Group achieved its dual objective of organic growth and increased margins.

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



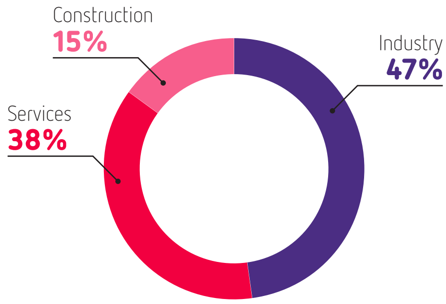
FRANCE: EXCELLENT ORGANIC GROWTH

In France, where the Group generated over 76% of its temporary employment and recruitment business in 2018, CRIT once again confirmed its ability to post sustained organic growth despite a less favourable environment.

Sales came to €1,569.3 million, with organic growth of 2.8% driven by an excellent first half, up 5.5%, followed by 0.3% growth in the second half. This was a very solid performance in view of the general slowdown observed on the markets in the second half of the year and considering that growth in 2017 was almost 10%.

It follows on from four exceptional years in a row when the Group outperformed its benchmark market and the industry leaders. The Group posted an average annual growth rate of almost 10% over the 2014-2018 period, driven entirely by organic growth, compared to rates of no more than 7.5% among its peers. This annual growth consolidated the Group's position among the leading players in the French temporary employment market.

Breakdown of CRIT network sales by business segment
(% of 2018 sales)



STRENGTHENED FUNDAMENTALS TO KEEP UP WITH MARKET TRENDS

CRIT's continued organic growth is based on strong fundamentals and a five-point strategy to support the development of its markets: the quality of its regional network, the retention of its temporary workers, the upscaling of its service offering, sectoral coverage and client mix and digitisation strategy.

With over 400 agencies in France at the end of 2018, the Group's regional network enables it to target the most buoyant employment catchment areas. In order to provide the flexibility required to adapt its offering in line with demand, whilst continually reviewing its cost structure, the network is subject to continuous development, as reflected by the opening of 26 agencies in 2018.

In a market characterised by increased competition for qualified workers and a growing shortage of labour, temporary worker retention is one of the Group's priorities. As such, open-ended temporary employment contracts (CDII) are a major potential area of growth. The Group had 1,200 CDIIs at the end of 2018 compared to a target of 2,000. A new type of employment contract specific to the industry, the CDII alternates assignment periods and interim periods with guaranteed monthly remuneration for the temporary worker. They facilitate support for the career paths of temporary workers, who are able to benefit from training programmes during the interim periods between assignments. Training is a key part of the Group's HR policy: around 19,000 permanent and temporary CRIT workers received training over the year, up 6.6% from 2017.

The upscaling of its service offering, the third Group priority, is reflected by the ongoing development of its customised HR management service, CRIT Inside, at its clients' premises. This service is an effective response to key clients' demand for a hands-on and customised service. With 40 installations made by the end of 2018, the Group, which doubled its network over the year, intends to increase the number of Inside projects by 50% in 2019.

CRIT also continued to capitalise on specialist expertise by focusing on the recruitment and outsourcing of skilled work in key sectors such as energy, aeronautics and event management.

In 2018, the Group also performed particularly well in terms of permanent and fixed-term recruitment, for which business grew by around 30%. A priority area, recruitment services business is expected to grow at a similar rate in 2019.

The sector-specific change testifies to the quality of the Group's business development and the wide range of sectors it serves. The Group has particularly strong positions in industry and services, which account for over 80% of sales. These key sectors again drove Group business in 2018 with particularly strong momentum in services.

In industry, the Group's primary sector that accounts for 47% of its business, year-on-year sales growth was 1.3%. This is a satisfactory performance: it follows on from strong growth (6%) the previous year and was achieved despite the continuing slowdown in industry, particularly in the automotive sector. After several years of exceptional growth, this sector now contributes somewhat less to Group growth but nevertheless remains a major user of temporary employment.

Among the main contributors to growth are the trade, transport, logistics and business assistance sectors, the contributions of which were largely superior to those of the market and played a strong role in the division's excellent performance. As expected, the slowdown in the automotive sector curbed growth in employee numbers during the year. Excluding the automotive sector, the number of Group temporary employees* rose 4.2% in 2018 compared to a market average increase of 2.7%.

Having registered double-digit growth in the services sector in 2016 and 2017, the Group yet again posted strong sales growth of around 8% year-on-year, thus increasing the services share of total business to 38%.

With regard to the construction market, which saw a slight decline of 1.4%, the recovery that started the previous year did not continue in 2018.

In order to support its digital strategy, another key driver in the development of its business lines, the Group stepped up its efforts in a number of areas, including the deployment of the CRIT Online portal, a response to the need to secure and streamline corporate client administrative procedures, and MyCRIT, a personal online area available to its temporary workers and an important means of building loyalty, and the development of new productivity tools with a special focus on the digitisation of administrative documents. 60% of job contracts and 40% of placement contracts were digitised by the end of 2018. By contributing significantly to back-office management, this strategy allows companies to focus on business development and customer support.

Bolstered by this progress, the Group is well equipped to support the development of its business lines.

INTERNATIONAL: ORGANIC GROWTH AND STRONG GROWTH IN MARGINS

In 2018, the Group again strengthened its international positions and achieved its dual objective of organic growth and increased margins. International sales, which account for almost a quarter of the division's business, amounted to €493.1 million, down 1.4% as a result of a 3% negative exchange rate impact. At constant consolidation scope and exchange rates, year-on-year business growth was 1.2%. The United States and Spain were the main contributors, accounting for around 90% of the division's business abroad. These countries achieved annual sales of $366 million and €132 million respectively.

THE UNITED STATES, THE GROUP'S LEADING OVERSEAS MARKET: RETURN TO ORGANIC GROWTH

Having pursued an aggressive external growth strategy since 2011 in the American market, the world's largest temporary employment market, the Group remained fully invested in its US development in 2018 by prioritising organic growth and operational profitability, as announced. With a sharp 110-basis point improvement in EBITDA margin over the period and a return to organic growth of 2.2% in the fourth quarter, the Group achieved its twofold annual objective.

This performance was achieved in the context of a North American market in full employment and a staffing sector facing a shortage of labour and high volumes of qualified temporary staff recruitment by corporate clients. The Group, which posted sales of $366 million, down 1.6% year-on-year in the United States, was able to turn this market situation to its advantage in order to enhance its services, continue optimising its agency networks and return to organic growth by year-end.

Ranked 38th among staffing groups in the United States, the Group is strongly positioned in the industrial staffing sector, where it is ranked 17th. The Group's staffing offer is built around a general foundation supplemented by four specialised verticals in IT, construction, professional staffing and quality control. With 95 agencies in 23 states and over 70,000 assignments over the year, the Group is well placed to consolidate its positions and take advantage of the positive US economic outlook with forecast GDP growth of 2.5% in 2019 (source: IMF).

STRONG GROWTH IN SPAIN

The second largest market for the international temporary employment and recruitment division, Spain consolidated its growth momentum in 2018 with record sales of €132 million, up 7.7% year-on-year.

This excellent growth was significant in many respects, including the fact that it was achieved at constant consolidation scope without further acquisitions and followed four consecutive years of double-digit organic growth. This growth was accompanied by a further improvement in EBITDA margin, which improved by 40 basis points in 2018.

In 2019, Spain is expected to continue to benefit from a favourable economic environment with Spanish GDP expected to rise 2.2%[3].

*full-time equivalent temporary employees.

1 Source: Staffing Industry Analysts: Largest Staffing Firms in the United States update July 2018

2 OECD March 2018

3 Spanish Ministry of Finance Jan. 2019

SOLID RESULTS

Following excellent results in 2017, the Group's temporary employment and recruitment division posted solid results in 2018 amid a slowdown in growth on its markets and a significant reduction in the competitiveness and employment tax credit (CICE) in France. 2018 EBITDA[1] amounted to €106.5 million and the margin represented 5.2% of sales.

In France, EBITDA for the division was €81.3 million and the margin was also 5.2% of sales. The decrease in France was entirely related to the 1% reduction in the CICE rate over the year and its abolition in December 2018. Adjusted for the impact of CICE, the margin of the temporary employment division in France remained stable compared to 2017 at 6.1%.

For the international markets, the division's EBITDA reached €25.2 million. The EBITDA margin represented 5.1% of sales and improved by 70 basis points. The USA was the main driver of this improvement due to a significant increase in operating margin, up 110 basis points year-on-year. Spain also contributed to the growth in international margins with a 40-basis point year-on-year increase.

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

DEVELOPMENT STRATEGY

KEEPING UP WITH CHANGES IN THE PROFESSIONAL WORLD

While temporary employment remains the cornerstone of the Group's development, it is constantly expanding its service offering in order to deliver a set of HR solutions, meet its clients' requirements and keep up with changes in the professional world.

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

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

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

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

STRENGTHEN ITS POSITIONS

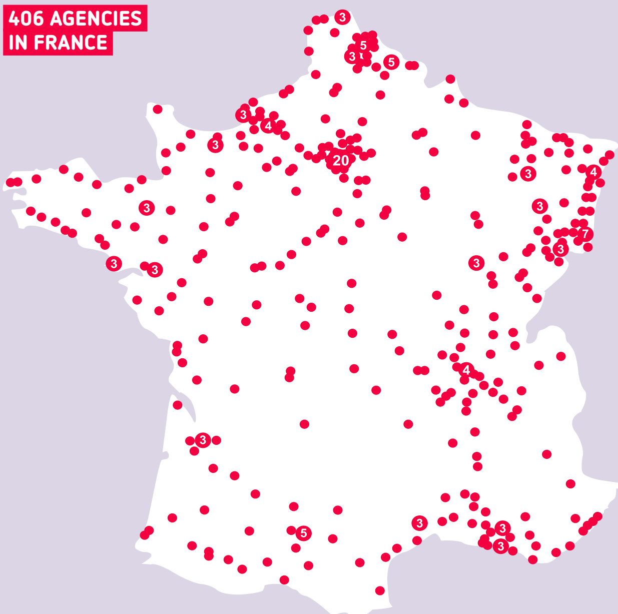
The expansion of CRIT agencies constitutes a virtuous growth circle. Thanks to the quality of its services, in terms of responsiveness, internal and external human resources, training of temporary workers and HR tools and solutions tailored to clients' needs, the Group is constantly enhancing the value-added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

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

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

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

406 AGENCIES IN FRANCE



168 OVERSEAS AGENCIES

95 in the USA
12 in Morocco
4 in Switzerland
47 in Spain
7 in Germany
3 in Tunisia

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

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

The Group will continue its international development. Besides this, the Group will remain on the lookout for potential acquisitions, focusing on Europe.

THE DEVELOPMENT OF HUMAN RESOURCE SERVICES: FIRST-TIME EMPLOYMENT, SUPPORT, ETC.

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

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

CRIT has established a number of partnerships with government agencies designed to promote access, retention or return to employment. These include: Pôle Emploi employment centres, the Missions Locales network, AGEFIPH for disabled job-seekers, local councils, associations, schools and training centres. In 2018, CRIT had active partnerships with more than 260 agencies throughout France.

The partnership initiatives launched every year by the Group have a single objective: promoting equal opportunities and helping people find a job. Accordingly, the Group has a particular interest in priority communities and is a signatory to the *Charte Entreprises et Quartiers* (Businesses and Neighbourhoods Charter) in numerous regions.

In 2018, CRIT stepped up its youth initiatives by increasing the number of agencies working with the Missions Locales network: 69 CRIT agencies signed a partnership with the Missions Locales network in 2018, an increase of 9.5% compared to 2017.

In February 2019, CRIT signed a national partnership agreement with EPIDE and its 19 centres in France to promote the long-term employment of young people without diplomas or qualifications. CRIT is the first temporary employment company to sign such a partnership on a national scale.

AN ACTIVE POLICY TO ASSIST DISABLED WORKERS

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

For this purpose, 11 years ago the Group set up a nationwide handicap mission deployed by regional officers and aimed at promoting the integration of disabled workers by providing support and advice to companies for their social cohesion initiatives.

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

Accordingly, the number of hours of outsourced work for disabled persons has grown significantly and rose by around 12% in 2018. In 2018, CRIT placed close to 9,500 assignments with individuals recognised as disabled workers in more than 1,800 client companies.

In 2019, the partnership agreement entered into between the government and Prism'emploi in the context of the "Future Act", which aims to facilitate the access of disabled workers to the employment market, is expected to form the basis of the Group's policy in this regard. This agreement establishes an experimental new means of accessing temporary employment specific to disabled workers, from 1 January 2019 to 31 December 2021.

AN EXEMPLARY CORPORATE CITIZEN

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

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

- Developing employability and stabilising career paths: the Group is pursuing its nationwide training and integration programmes for persons in difficulty. It is promoting the use of open-ended temporary contracts and further diversifying employment solutions in order to safeguard career paths.
- Fostering employee awareness of health and safety issues: this key feature of the Group's social policy is materialised via a certified management system backed up by training and awareness programmes.
- Stepping up pro-diversity and anti-discrimination campaigns: hiring and retention in employment are based solely on the skills of Group employees and job applicants.
- Business ethics: in keeping with its commitments, the Group is stepping up its efforts to promote business ethics, particularly in terms of data protection and confidentiality.
- Environmental policy: the Group is pursuing its environmental policy with a view to continuous improvement.

Recognition of the Group's CSR policy was illustrated by its inclusion in the Gaia Index, a socially responsible investment (SRI) mid-cap index comprising French stocks demonstrating a strong commitment to corporate social responsibility, its GOLD EcoVadis rating, a non-financial corporate CSR performance rating, and by its adherence to the United Nations Global Compact.

1.2 THE AIRPORT SERVICES DIVISION: DYNAMIC 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 excellent opportunities for long-term growth driven by the increase in global air traffic linked to growing populations and the spread of low-cost air travel. The airport services division will therefore remain a key growth driver for Groupe CRIT over the coming years.

A PRIME POSITION

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

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

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

USA
- Boston

* technical assistance services

AIRPORT SERVICES: AN EXTENDED RANGE OF SERVICES

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

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

ROISSY CDG, THE WORLD'S 10^{th} BUSIEST AIRPORT[1]

- **No. 1 in France**
- **No. 2 in Europe[2]**
  72.2 million passengers en 2018
- **CDG2:**
  58.3 million passengers in 2018
- **CDG1:**
  9.9 million passengers in 2018
- **CDG3:**
  4 million passengers in 2018

ORLY, 12^{th} BUSIEST EUROPEAN AIRPORT[2]

- **33.1 million passengers in 2018**
- **ORLY WEST:**
  19.7 million passengers
- **ORLY SOUTH:**
  12.4 million passengers

1 Source: ACI World 2016
2 Source: ACI Europe

THE AIRPORT SERVICES MARKET

Apart from the increasing trend towards outsourcing and the opening up of airport services to external competition, market growth is expected to benefit from the endemic increase in air traffic. Indeed, air traffic has been growing constantly for over 30 years and has grown by 60% over the last ten years. The Airbus Global Market Forecast on air traffic growth for 2018 to 2037 forecasts annual global growth of 4.4% over the next 20 years and, having doubled in volume over the past 20 years, is expected to double again over the next 20 years to reach 8.2 billion passengers in 2037 (source: IATA). The Middle East (5.9%), Asia-Pacific (5.5%), Africa (4.9%), Latin America (4.2%) and CIS (4.1%) regions will record the highest annual growth rates over the next 20 years, while European (3.3%) and US (3.1%) airlines will record the lowest rates.

After record annual global air traffic growth of 7.1% in 2017, air traffic posted very solid growth of 6.1% in 2018 with 4.3 billion passengers transported worldwide (source: ICAO).

In 2018, Europe was again the largest international market with 37% of traffic*, up 6.7% year-on-year. Asia-Pacific, the second largest market after Europe, recorded the highest annual growth (7.3%) followed by Latin America (6.6%) and Africa (6.5%). 5.2% year-on-year growth in North America was higher than the previous year (4.9%), mainly due to the improved state of the US economy and the continued international expansion of Canadian carriers. The Middle East region posted 4.7% year-on-year growth.

In France, the Roissy Charles de Gaulle and Orly airports registered traffic of 105.3 million passengers in 2018, up 3.8% compared to 2017. Traffic measured as the number of aircraft movements followed diverging trends at the two Paris airports, up 1.1% at Paris CDG and stable at Paris-Orly (source: ADP). Nice Côte d'Azur airport registered a record level of traffic in 2018 with 13.8 million passengers carried, up 4.1% compared to the previous year (source: Nice Côte d'Azur airport).

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

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

With almost 72.2 million passengers carried in 2018, up 4.0% from 2017, Roissy CDG is the 2nd largest airport in Europe and the 10th largest worldwide. Paris-Orly, the 2nd largest French airport and the 12th largest European airport, carried over 33 million passengers in 2018. Nice Côte d'Azur airport, the 3rd largest in France, recorded 13.8 million passengers in 2018. 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 for Paris CDG and Paris Orly airports and four for Nice Côte d'Azur airport.

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 over 119 million passengers in 2018. In 2018, the Group launched operations at Paris-Le Bourget airport, thereby extending its business aviation activities to include the leading business airport in Europe.

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

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

Backed by its positioning, the Group operates as both subcontractor and direct service provider and works with around 80 airlines (Air France, Alitalia, Air Baltic, Air Caraibes, Air Canada, British Airways, Cathay Pacific, Emirates, EasyJet, Finnair, Fedex, Iberia, Level, Lufthansa, Norwegian, OpenSkies, Saudi Arabian, Vueling, etc.).

Groupe Europe Handling thus provided services for more than 290,000 aircraft movements[2] and over 42 million passengers in 2018.

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

1 Source: Company

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

2018: GROUPE CRIT BROADENS ITS EXPERTISE IN BUSINESS AVIATION AND LAUNCHES OPERATIONS AT PARIS-LE BOURGET AIRPORT

In 2018, the Group significantly strengthened its leadership position in France by launching operations at Paris-Le Bourget airport, the leading business airport in Europe. In July 2018, the Group acquired the business operations of Advanced Air Support. Following this acquisition, the Group will henceforth provide assistance for 10,000 private and official flights at Paris-Le Bourget airport. It will provide runway services and ground operations, passenger and staff assistance, occasional and long-term security services for all types of aircraft (private to jumbo jets) operating at Le Bourget airport. Dedicated exclusively to business aviation, including healthcare-related, official and private transportation, Paris-Le Bourget is Europe's largest business airport. It serves 800 destinations and recorded more than 54,000 aircraft movements in 2017 (source: ADP). The Group, which will henceforth operate at all airport hubs in Paris, thereby expands its area of operation in the burgeoning business aviation market, which recorded air traffic of 700,000 flights in Europe in 2017, an increase of 6% (source: Eurocontrol).

GROUPE CRIT, TOP 10 WORLDWIDE IN AIRPORT SERVICES

The Group occupies key positions internationally with subsidiaries in Ireland, the United Kingdom and Africa. The Group added a new dimension to its international airport business in late 2016 by launching operations at London Heathrow, Europe's largest airport, and by acquiring a foothold in the US airport services sector at Boston airport in 2017.

In the UK, the 2017 integration of Cobalt Ground Solutions, no. 3 airport service provider at London Heathrow, expanded the airport services division's European footprint, at the world's 6th busiest airport[2]. London Heathrow once again confirmed its status as Europe's leading airport with 2018 traffic of more than 80 million passengers, up 2.7% year-on-year. This operation also allowed the Group to break into the global top 10[1] airport service providers and represents an important strengthening of its positions in England, where it has provided airport services at London City Airport since 2011.

In Ireland, its subsidiary Sky Handling Partner operates at Ireland's biggest airport in Dublin, which recorded passenger traffic of 31.3 million in 2018, up 6.3%. With a 24% market share, the Group is one of the leading airport service providers at this airport. Sky Handling Partner also operates at Shannon airport, which recorded passenger traffic of 1.7 million in 2018, up 4.2%. 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 2018, the Group's Irish subsidiary was awarded the Occupational Safety Award for Transport for the seventh time in recognition of the excellence of its workplace safety and accident prevention policy.

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

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

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

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

In May 2017, the Group set up its first operation in the United States at Boston airport. In less than two years, the Group has tripled the number of flights handled in the United States.

In 2018, the Group's international business included airport services to 65 airlines representing traffic of 196,000 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 therefore attaches the utmost importance to selecting and training its staff and ensuring their commitment to the company manifesto.

Therefore, in order to have human resources with recognised expertise at hand, Groupe Europe Handling created an in-house training school, IFMA (aviation industry training institute), guaranteeing the expertise of its ground staff. IFMA provides general training, alongside specific job-based (traffic, runway and transport agent, etc.) "in-the-field" training. In 2018, the IFMA delivered training to 30,000 internal and external interns.

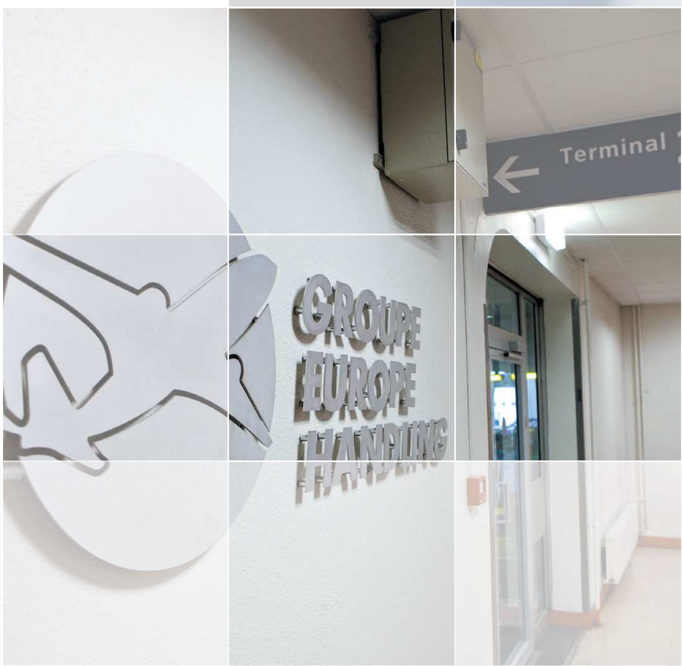
This training leads to certification that is recognised and accredited by IATA and the airlines. Finally, the quality of its human resources management and the favourable employment climate are additional factors that make Groupe CRIT a service provider of choice.

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

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

GROUPE CRIT AIRPORT DIVISION

- Over 486,000 aircraft movements and 143 companies served in 2018 throughout the world.
- ISAGO, ISO 9001, OHSAS 18001 and ISO 14001 certifications.
- 26 airport service subsidiaries at 2018 year-end.
- A training institute for aviation occupations (IFMA).
- 4 locations in France (Roissy Charles-de-Gaulle, Paris-Orly, Paris-Le Bourget, Nice Côte d'Azur)
- 2 locations in Ireland (Dublin and Shannon).
- 2 locations in the United Kingdom (London Heathrow, London City).
- 3 locations in Congo (Brazzaville, Pointe Noire and Ollombo), 1 in Sierra Leone (Freetown), and technical and operational assistance services at airports in Mali.
- 1 location in the United States (Boston).
- Over 5,000 employees at 2018 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.



THE AIRPORT SERVICES DIVISION, GROWTH POTENTIAL

France, Ireland, UK, USA and Africa, the markets served by Groupe CRIT's airport services division, show major potential for growth driven by the natural development of air traffic. Air traffic is expected to grow at an annual rate of 4.4% and double over the next 20 years to reach 8.2 billion passengers transported in 2037 (source: IATA and Airbus Global Market Forecast).

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). At the start of 2019, it launched a consultation process regarding the planned construction of a major new terminal, terminal 4 at Roissy-Charles-de-Gaulle, for which works will begin in 2021 for opening in 2028. This new terminal, which must be fully operational by 2037, will enable capacity to be gradually increased to handle an additional 35 to 40 million passengers over the next 20 years. This would take the passenger handling capacity of Roissy CDG airport from 80 million to 120 million passengers by 2037. In the short term, the reopening of terminal 2B by 2020 and its connection to terminal 2D in 2019 will provide an additional capacity of 6 million, taking its handling capacity to 11 million passengers and promoting the arrival of new airlines at the airport.

In 2019, the completion of the "Paris Orly Nouvel envol" project launched in 2011 will enable Paris Orly airport to increase its capacity to support the expected increase in traffic at the airport. This major renovation project includes a new connecting building linking the West and South terminals, creating one enormous 250 metre-long 80,000 sqm terminal, significantly boosting the handling capacity of Paris Orly airport.

Nice Côte d'Azur airport is expected to benefit from the launch of the Qatar Airways A350-900 in 2019, new routes to Moscow announced from April 2019, Kuwait Airways connections from June 2019 and, within two years, additional boarding gates at Terminal 1 and an extension to Terminal 2 taking its handling capacity to 18 million passengers by 2021.

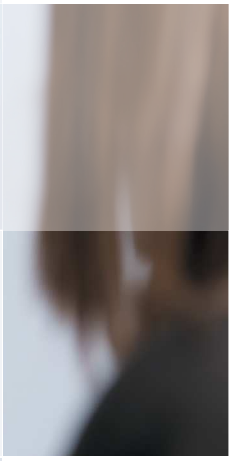
In England, London City Airport was given the go-ahead in 2015 to launch a huge expansion programme to increase its air traffic from the current 70,000 flights per year to 111,000 flights by 2023.

The Group, which in 2017 acquired a position at London Heathrow airport with its new subsidiary Cobalt Ground Solutions, should also benefit from the significant growth potential of this airport. In June 2018, the UK government gave the go-ahead for the construction of a third runway, 3,500 metres long, scheduled to enter into service by 2026. This new runway would increase the annual number of aircraft movements by 260,000 and would take handling capacity to 135 million passengers per year. Heathrow, which recorded 474,000 movements in 2017, would increase its capacity to 740,000 aircraft movements per year.

The Group is also expected to capitalise on its new station in the United States at Boston airport, where it has operated a multi-year agreement with the low-cost long-haul carrier Norwegian since 2018 and will benefit in 2019 from the new agreements signed with KLM and SAS at the start of the year.

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 service provider** in France

2018: ANOTHER EXCEPTIONAL YEAR IN AIRPORT SERVICES

Record performance: strong organic growth and high profitability

The airport services business confirmed its status as a solid and sustainable driver of growth. In 18 years, since 2000, the division has multiplied its sales and EBITDA by 11.

In 2018, the airport services business posted record performances in terms of both growth and profitability.

Following an excellent 2017, up by over 28%, the Group's airport services business posted a high annual growth level of 13.1%, taking sales to €356 million. Organic growth at constant consolidation scope and exchange rates was also strong at 11.9%, following organic growth of 9.3% recorded in 2017.

OUTSTANDING PERFORMANCE IN FRANCE

This increase was driven by an outstanding performance in France, which posted sales of €263 million, up 16.1% including 14.2% organic growth. This development was primarily the result of the expansion of the Group's business aviation operations at Paris-Le Bourget, the leading business aviation airport in Europe. The July 2018 acquisition of the business operations of Advanced Air Support enables the Group to provide full handling support to 10,000 private and official flights (runway services and ground operations, passenger and staff assistance, occasional and long-term security services for all types of aircraft (private to jumbo jets) operating at Le Bourget airport). This new station enables the Group, airport service provider at Roissy and Orly airports, to significantly strengthen its leadership position in France and operate at all airport hubs in Paris.

Sales were also boosted by numerous contracts signed over the period, including two major agreements signed with Air France Cargo at Roissy Charles-de-Gaulle airport, which considerably strengthened the division's air freight and cargo handling position. These are a response to the Group's dual strategy of delivering the requirements of airline customers and expanding the range of airport services provided at its stations. Roissy CDG airport is the largest freight transport airport in France and recorded traffic growth of 2.8% in 2017[3].

The division's new business aviation and cargo handling operations represent additional full-year sales of over €20 million, thereby enabling the Group to consolidate its position as the leading provider of airport services in France.

SOLID ORGANIC GROWTH IN INTERNATIONAL MARKETS

Having more than doubled sales from its international airport services business in 2017 with the consolidation of Cobalt Ground Solutions, no. 3 airport service provider at London Heathrow, the Group achieved solid organic growth over the period.

Sales amounted to €93 million, up 5.4% as reported and up 6.1% at constant consolidation scope and exchange rates. With 196,000 flights and over 65 companies served in 2018, the international airport services business was boosted by 6 new contracts signed during the year.

The inauguration of the new station at Boston airport in May 2017 gave the airport services division a foothold in the USA, where its first client will be Air France. In under two years, the Group has tripled the number of flights handled at Boston airport and was awarded a 5-year contract with long-haul carrier Norwegian, with which the Group also renewed a 5-year contract at Dublin airport in 2018. Driven by high levels of air traffic, business in Ireland performed strongly over the year. The return of international airlines to Sierra Leone following the 2015 Ebola epidemic was confirmed by an increase of more than 20% in the number of flights in 2018.

Backed by its strong performance, the Group consolidated its top 10 position among airport service providers globally.

HIGH PROFITABILITY

The Group's strategy of focusing on consolidating operating performances has again borne fruit. Having grown 43% in 2017, EBITDA[1] for the airport services division was €34.8 million in 2018, up almost 20% from the previous year. Following a 100-basis point increase in 2017, the EBITDA margin increased by a further 50 basis points in 2018 to reach 9.8% of sales.

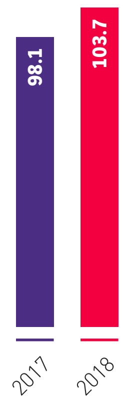
1 EBITDA is defined as current operating income before net amortisation and depreciation.
2 Source: Company
3 Source: ADP

1.3 OTHER SERVICES: INDUSTRIAL SERVICES

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

In 2018, the other services division posted sales of €103.7 million (before inter-segment eliminations) with organic growth of 5.7% versus 2017. Driven by engineering and industrial maintenance activities, the division posted EBITDA[1] of €7.8 million, a significant increase from 2017. EBITDA margin was 7.5%, up 240 basis points from 2017.

Change in sales
Other services
(€m)



Industrial engineering and maintenance, the main activities under other services, accounted for over 76% of the division's sales in 2018.

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

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

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

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

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

Research and technology: The Group's subsidiary ECM has many years of experience in mechanical engineering and structural materials. Often at the forefront of technological breakthroughs, it carries out extensive research into reducing vehicle weight and enhancing the performance of on-board equipment, both on its own behalf and for its clients. During the advanced phases, ECM participates in defining structural concepts in composite materials and develops innovative vehicle driver assistance systems.

BUSINESS GEARED TOWARDS BUOYANT, 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.

In 2018, in line with the activities undertaken in R&D derivative markets, ECM launched a connected objects specialisation through the creation of a Mechatronics and Systems Engineering department. This department is dedicated to the creation of on-board measuring equipment that generates data to be used by driving assistance systems. The patents resulting from these studies will be filed in 2019 in order to be used in partnership with other industrial manufacturers or OEMs. The growth of this department may be supported by targeted acquisitions. This strategy contributing to the development of niche markets has been implemented for several years now, notably in the field of interior fitting of aircraft as per the EASA-DOA part 21 J certification obtained by ECM in 2014.

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), in order to carve out a position in a burgeoning growth market.

Here again, ECM plans to continue its development in 2019 by re-directing its offer originally intended for MRO companies towards aircraft lessors and airlines. The development of this business will also be supplemented by obtaining FRA 21 certification for the modification and repair of military aircraft.

Since 2018, ECM has benefited from promising business prospects with one of its main clients, Dassault Aviation. In view of the announced sales contracts for Rafale aircraft and the compensation demanded by India, ECM was selected by Dassault Aviation to support the industrialisation of this scheme and develop the company's Offset programme. ECM will draw on its long-standing experience in industrialisation and manufacturing methods for this type of aircraft.

Furthermore, ECM was selected by Dassault Aviation to participate in the development of a new business aircraft for which the development phase will begin in 2019.

Finally, in order to support its growth, in late 2018 ECM moved to the premises of the Groupe CRIT head office in Paris. This new location will boost its image and confirm its position as a leading technology engineering and consulting firm.

The company's sales for 2018 amounted to €26.3 million compared to €22.2 million in 2017, entailing organic growth of 18.1%. In 2019, ECM plans to capitalise on all recently implemented measures and continue to drive organic growth.

Lastly, this growth is underpinned by numerous R&D projects undertaken by ECM prior to sale. R&D expenditure in 2018 amounted to over €2 million, in line with the corresponding figure in 2017.

ECM envisages an R&D budget largely equivalent in terms of proportion of sales for 2019.

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

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

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

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

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

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

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

In keeping with its policy of client proximity, the Group enjoys national coverage for its engineering and maintenance business, with 11 locations across France.

Maser Engineering posted 2018 sales of €51.1 million, up 4% from 2017.

In 2018, Maser Engineering's sales operations were mainly focused on developing niche markets whilst ensuring that its market share was preserved in its core sectors.

Specialised in engineering consulting for over 15 years, Maser Engineering is fully engaged in industrial process performance and optimisation as part of a continuous improvement process. In order to create a more connected, optimised and creative industrial sector, Maser Engineering also supports its clients in addressing the challenges of the fourth industrial revolution.

Maser Engineering has recognised experience in industrial process installation and optimisation and provides support to manufacturers for their projects involving the installation, transfer or modernisation of their production units and equipment.

Moreover, Maser Engineering offers industrial maintenance services tailored to its clients' expectations thanks to a national network of responsive agents and an efficient local network. Determined to provide improvement plans, Maser Engineering contributes fully to optimising industrial process performance, achieving productivity gains and monitoring the safety and security of equipment and individuals.

To meet the challenges of the fourth industrial revolution, Maser Engineering's industrial training division provides support to businesses in developing the skills of their workforce. A special educational engineering and innovation unit focused on digital training ensures a perfect match between client requirements, training courses and resources.

The Maser Engineering solution provides genuine added value to employee career management through comprehensive pathways that integrate innovative and educational tools into industrial maintenance (virtual reality, digital screens, etc.). Training programmes that lead to qualifications can be completed within or outside the company. Maser Engineering trained 1,360 interns in 2018 through 61 training courses.

AIRBUS selected Maser Engineering teams to develop solutions that meet the challenges of the fourth industrial revolution through a combination of Lean Manufacturing and industrial ergonomics.

Moreover, in order to meet the growing lubricant processing requirements of the leading wind energy providers, Maser Engineering, drawing on its wind turbine maintenance expertise, offers an innovative solution comprising a unique specially designed drainage truck. After two years of development, this patented vehicle fitted with high-performance technology meets safety requirements as well as European standards on the transport of dangerous goods.

Following contracts with Roissy CDG and Nice airports, in 2018 Maser Engineering was also awarded a contract by Orly airport, thereby strengthening its position as a national leader in airport passenger bridge maintenance. Maser Engineering teams currently provide 24/7 maintenance for around 300 passenger bridges.

Following a 14-year collaboration, in 2018 Heineken France renewed the contract with Maser Engineering to guarantee the operation of packaging lines at the Mons-en-Barœul brewery.

Through its strategic locations and proven expertise in the automotive sector, of which it is a long-standing partner, Maser Engineering plays an active role in improving the reliability of robotised machinery and is involved in the PSA Peugeot Citroën electric vehicle scheme, one of the French automotive industry's flagship projects. Maser Engineering also supports the Renault-Nissan group through the maintenance of its production lines.

Maser Engineering has opened new premises in Chartres, the capital of France's cosmetics industry, in the heart of a thriving economic area. The purpose of this new site is to develop all the company's operations in central and western France.

Maser Engineering's expert teams have operated at the Chantiers de l'Atlantique shipyard for nearly 20 years. Via a partnership renewed until 2024, Maser Engineering is involved in vessel construction, renovation and maintenance, providing installation and fitting (of cabins in particular) and process optimisation services.

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

ENGINEERING AND 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 800 persons in 2018, most of whom are engineers and technicians
- CAD computer population, multiphysics calculation, and complete and secure PDM

1.4 GROUP ORGANISATIONAL STRUCTURE

A PARENT COMPANY AT THE SERVICE OF ITS SUBSIDIARIES

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

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

- Prepare and inspire the development strategy;
- Exercise control over the subsidiaries;
- Give direction to the Group;
- Facilitate the coordination of the various business lines and units;
- Determine and coordinate joint actions: marketing 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 2018 sales of €2,062.4 million, comprises four operating subsidiaries in France and a further 16 abroad (in Germany, Spain, the United States, Morocco, Portugal, Switzerland and Tunisia). Business generated by foreign subsidiaries accounted for 23.9% of the division's total sales.
- Airport services: this business line, which posted 2018 sales of €355.9 million, comprises 17 operating companies in France and 9 companies operating abroad (in Congo, Ireland, United States, United Kingdom and Sierra Leone). Overseas business accounted for 26.1% of the division's total sales.
- 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 7 subsidiaries operating in France which generated total 2018 sales of €103.7 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 consolidated financial statements.

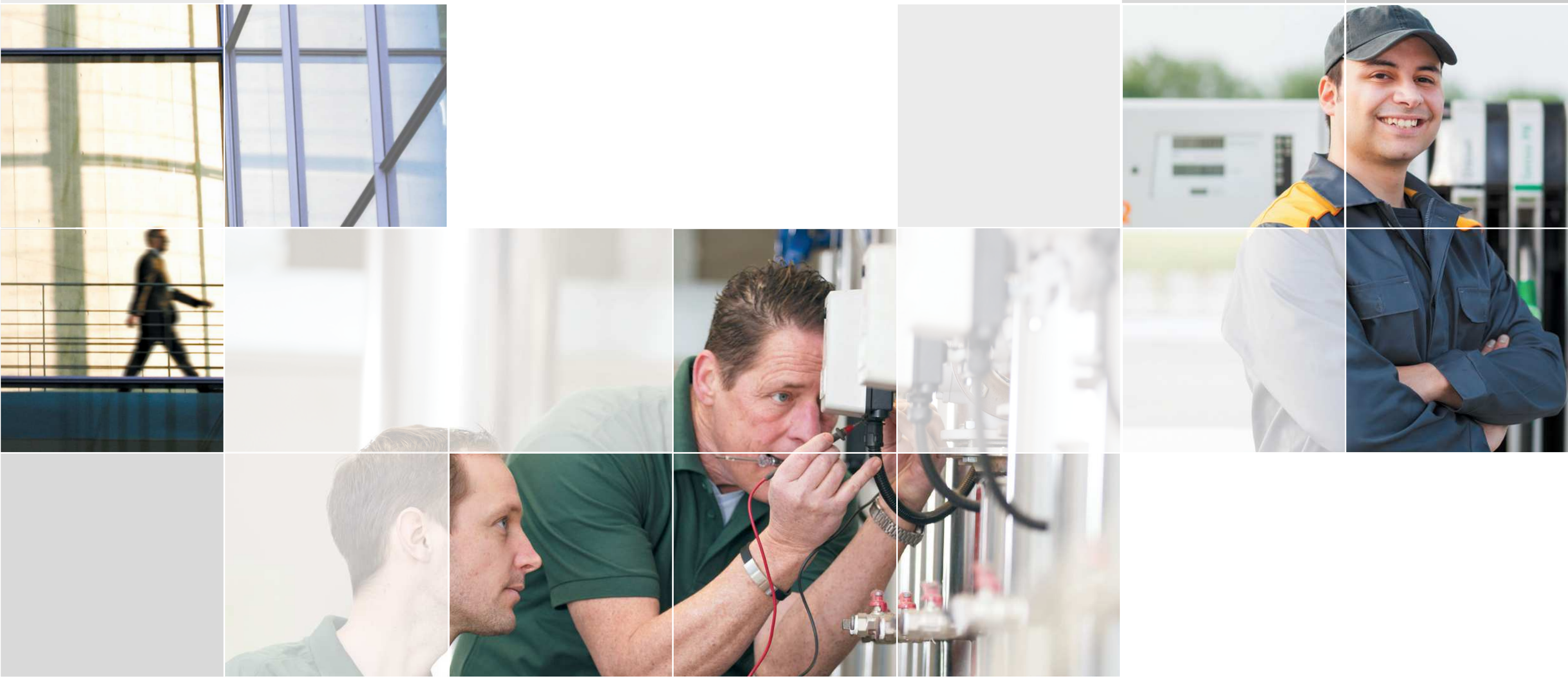
The positions held by the corporate officers of Groupe CRIT within Group subsidiaries are itemised in Chapter 4 Section 4.1 of this Registration Document.

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

2018

With regard to the airport services division in France, the Group acquired (through a new subsidiary named Advanced Air Support International set up for this purpose) the airport service operations of Advanced Air Support, Jet Services Group and Jet Ops operating at Paris-Le Bourget airport.

This acquisition is effective from July 2018 and enables the Group, airport service provider at Roissy and Orly airports, to establish a position at Paris-Le Bourget, Europe's largest business aviation airport, and to operate at all airport hubs in Paris.



As a result, the Group has expanded its area of operation and expertise in the burgeoning business aviation market.
In the other services division, the Group decided to sell its entire equity stake in CRIT Center, an industrial tools and equipment wholesaler; the sale was completed on 7 January 2019.

2017

The Group pursued its expansion strategy in the North American temporary employment and recruitment market by acquiring the assets of **EHD Technologies** through the Group's US subsidiary Sustained Quality in February 2017.
Based in Tennessee with locations in Alabama, South Carolina and Missouri, EHD Technologies specialises in inspection and quality assurance services for the automotive, industry and electronics sectors as well as in recruitment and outsourcing of skilled work.
On 26 June 2017, through its subsidiary Groupe Europe Handling, the Group sold an 11% stake in the share capital and voting rights of **Congo Handling**, a ground handling service provider at Brazzaville, Pointe-Noire and Ollombo airports, thus reducing its investment in this company from 61% to 50%.
The sale was carried out in order to comply with mandatory local regulations stipulating that ground handling services may only be provided by companies incorporated under Congolese law in which at least 50% of the share capital is held by the Congo government or Congolese nationals.
Following the transaction, Congo Handling's authorisation to provide ground handling services was extended by a further renewable 5-year term.

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

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

2016

In the temporary employment and recruitment division, the Group pursued its expansion strategy in the North American market by acquiring the assets of **TeamSoft Inc.** through its American subsidiary PeopleLink in November 2016.
This company, founded in 1996 and based in Wisconsin, has extensive experience in outsourcing and recruiting for highly skilled IT work (project managers, developers and web developers, system administrators and engineers, infrastructure engineers, etc.).
This new IT staffing acquisition will allow the Group to strengthen the positions of its specialised division in this market in the United States.
Since 1 January 2016, the Group has also owned 100% of PeopleLink's capital, after the minority shareholders exercised the put option over their shares.
In the airport services division, the full acquisition of **Cobalt Ground Solutions**, announced by the Group in November 2016, was completed on 31 December 2016.
Established in 2009 following the merger between Air France and KLM's airport service subsidiaries (AFSL and KGS), this company supplies full handling services at T3 and T4 of London Heathrow airport.
This operation gave the Group a position at Europe's busiest and the world's 6th busiest airport (source: ACI) and enabled it to break into the global top 10 airport service providers (source: Company).

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

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

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

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

In France, this determination, shared by the entire profession, led to the creation of an open-ended temporary employment contract (CDII in French) for each sector agreement. The Group launched the CDII in 2015. As expected, this new contract became fully operational in 2017 and in 2018 the Group passed the threshold of 1,700 CDII contracts signed. All business sectors are involved, with two dominant sectors, automotive and logistics.

In the same agreement, renewed in January 2019, 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 2018, 6,700 temporary workers received training under this plan.

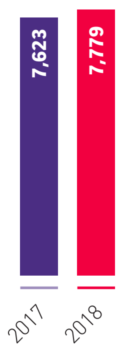
Since 2016, with the same aim of developing temporary workers' employability, temporary staff have been offered the option of having a performance review similar to that of the Group's permanent employees. Temporary employees that have worked a minimum of 2,000 hours over the previous 24 months, including at least 1,000 hours during the previous calendar year, are eligible as are all CDII temporary workers. In 2018 performance reviews were offered to 11,000 temporary workers, giving them the chance to discuss their skills and future career possibilities (employment and qualifications) with their employers.

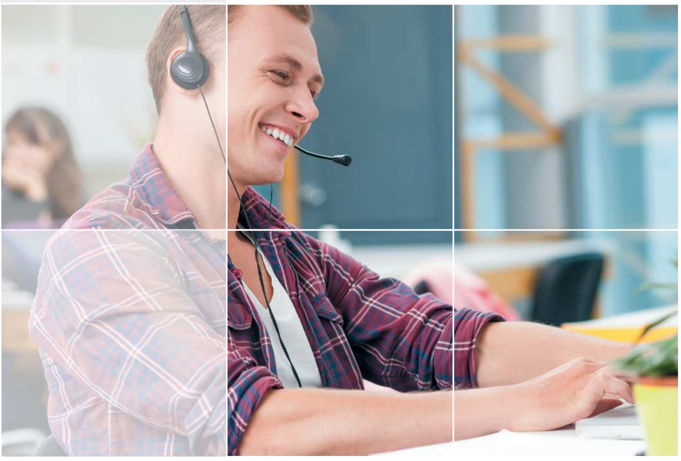
These support plans are managed and coordinated by the Temporary Human Resources Regional Managers appointed for that purpose in each of the regional offices. In 2016, the Group established a department dedicated to social policy for temporary workers in order to promote the interests of temporary employees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

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

Numbers of permanent employees in Groupe CRIT

(permanent contracts)





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

The Group has also committed to developing a policy of corporate social responsibility. As the first temporary employment company to be QSE certified (Quality, Safety, Environment), the Group has for many years been committed 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.). This policy is in line with the commitments undertaken by the Group to adhere to the fundamental principles of the United Nations Global Compact and the CSR initiatives carried out resulting in the recognition achieved by the Group in this area: ECOVADIS Gold rating, Gaia Index, etc.

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

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

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

National commitments are broken down by region or local area in order to adapt initiatives to the specific needs of companies and job seekers in each area. As a result of these initiatives, around 900 individuals isolated from the employment market have benefited from a customised professional integration course to facilitate their return to work.

Moreover, 725 people have received occupational training enabling them to earn a professional qualification or diploma.

CRIT is a stakeholder in "Cercle Jeunes Destination Entreprises", a group of companies that discuss 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, around 45,500 young people have been supported and trained and have found permanent jobs. The Group has taken on more than 500 young people as interns in its entities, including 122 in 2018, representing a 60% increase from 2017.

In Ireland, Sky Handling Partner, another Group subsidiary, has received a number of awards for its human resources management, training and staff well-being policies (Excellence Through People Award), and for its workplace health and safety policies (Irish Transport Industry Safety Award and National Irish Safety Award). In 2018, the Group's Irish subsidiary was awarded the Occupational Safety Award for Transport for the seventh time in recognition of the excellence of its workplace safety and accident prevention policy.

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

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

In 2017 and 2018, the Group is offering employees working in the recruitment departments at agencies and within support functions a one-day training course entitled "Recruitment and induction without discrimination". Since the end of 2017, 619 employees have received this training. Furthermore, the Group offers awareness programmes on these subjects to all employees in management positions.

The policy which the Group has implemented for several years to help disabled workers find employment is cemented through partnerships with organisations and associations dedicated to disabled workers, particularly Agefiph and Fagerh. Since 2006, the Group's commitment has been carried by the Mission Emploi et Handicap programme implemented via designated officers in each CRIT region. This mission serves both permanent staff, primarily through employment retention schemes, and temporary workers as well as providing advice to clients. Since 2015, the number of job assignments entrusted to temporary workers officially recognised as disabled has grown by 33%. The Group has actively engaged with its professional trade union in order to play a full role in government consultations on the access of disabled workers to the employment market. This dialogue has enabled the creation of schemes that strengthen the role played by temporary employment in helping disabled persons to find jobs.

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 2018, CRIT allocated a budget of €28 million to training around 19,000 permanent and temporary workers.

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

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

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

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

Groupe CRIT implements an ambitious and effective training policy. In 2018, the Group allocated €28 million, significantly higher than statutory and contractual obligations, to support its training policy. It implemented a number of schemes to promote the integration and employability of its employees and match its training initiatives to client requirements.

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, employees are supported through targeted operational modules addressing concrete issues directly linked to changes taking place in the profession in a challenging economic and competitive environment. The training programmes cover the four main agency functions: recruitment, marketing, management and operational administration.

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

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

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

This in-depth work has led Groupe CRIT to revamp its training strategy to ensure that all those involved in the day-to-day running of the agencies are equipped to face daily challenges and continue to improve in their professional practice.
The ultimate assurance is that the people who represent the company can guarantee the quality of services and support that Groupe CRIT offers its clients and temporary workers.

INCREASING TRAINING FOR TEMPORARY WORKERS

Supporting the professional development of its temporary workers, providing them with new skills, facilitating their acquisition of know-how and enhancing their employability are some of the main pillars of Groupe CRIT's HR policy underpinning the training plan. Over the year, the Group trained 17,240 temporary workers, an increase of 5% compared to the previous year. This increase also reflects the Group's desire to ensure that the success of its temporary workers makes a key contribution to the performance of its corporate clients. It was achieved as a result of implementing several schemes to promote the integration and employability of Group employees and to precisely meet the needs of clients and the specific demands of each employment area.

The advice provided by the Group's training teams, all experts in financial and educational engineering, helps agencies to identify skills requirements and develop suitable training courses.

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

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

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

The training team's expertise has facilitated the assessment, design and implementation of appropriate training schemes, in accordance with the type and duration of the training and the target audience: temporary professional training 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 2018, the Group remained proactive throughout the year in rolling out training programmes via the personal training account (CPF).

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

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

In 2018, CRIT's training teams designed and delivered training programmes (via professional training programmes or the personal training account), contributing to the support provided to 5,850 permanent and temporary employees along their career paths.

In connection with the temporary employee career stabilisation fund (FSPI), which aims to increase the duration of employment for temporary workers, the Group has given a commitment to workers eligible to participate in this scheme. Each eligible employee wishing to develop a personal plan 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 confirmed, 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 initiatives and courses to acquire new skills, a new qualification or a new diploma, support towards the VAE scheme 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 organisation of skills assessments or career assessments 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 carries out these specific initiatives to strengthen its employees' career paths and stabilise their personal status so as to increase their rate of employment.

Thus, in line with the efforts made since 2015, 4,686 temporary workers benefited from this scheme in 2017 in support of their upskilling.

As noted above, in 2016 the company made the performance review available to its most loyal temporary workers. As such, in 2018 around 11,000 eligible temporary workers will have the opportunity, if they so choose, to discuss with the company their career and development goals within their profession or towards another profession. The roll-out of performance reviews for the most loyal temporary employees aims to enhance their employability and inspire agency staff as well as training support services and regional human resources managers for temporary workers.

A SPECIALISED TRAINING CENTRE FOR AVIATION OCCUPATIONS

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

With its technical expertise, IFMA also offers training to external clients. IFMA trained around 30,000 internal and external interns in 2018.

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

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

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

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

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

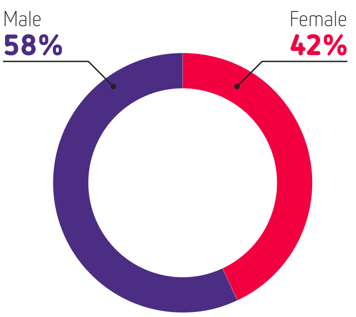
In an increasingly competitive market undergoing full-scale transformation, one of the major thrusts of CRIT's QSE policy is the long-term retention of clients and temporary workers by offering bespoke solutions and supporting its workers' career plans.

For CRIT, the occupational health and safety of its employees, both permanent and temporary, is a priority. In 2019, CRIT will prepare the migration of its OHSAS 18 001 system to the new 45 001 certification, the world's first international standard for occupational health and safety.

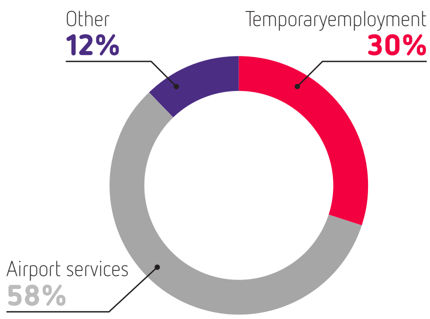
Protecting the environment is absolutely essential, and should be a common goal shared by all. This is why CRIT has been committed to a process of controlling, reducing and preventing pollution and the impacts of its operations on the environment.

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

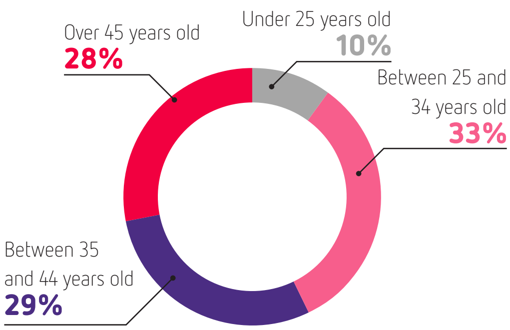
Breakdown of permanent workforce in 2018



Breakdown of permanent workforce by occupation



Breakdown of permanent workforce by age



1.5 INVESTMENT POLICY

CAPITAL EXPENDITURE

The temporary employment and recruitment business, for which capital expenditure totalled €2.7 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 2018 the airport services division's capital expenditure amounted to €18.1 million.

As part of the expansion of its area of operation in the business aviation sector, the Group purchased a hangar at Paris-Le Bourget airport to house medium-haul aircraft, at a cost of €6 million.

The Group believes that, excluding external growth, the level of investment required to maintain its business assets is around €20 million. Most investment is concentrated in the airport services sector, as set out in the following table:

€000	2018	2017
Temporary employment	2,651	2,393
Airport services	18,015	13,145
Other, excluding real estate projects	928	680
TOTAL EXCLUDING REAL ESTATE PROJECTS	**21,594**	**16,218**
Other – Building refurbishment Paris 17th district	-	1,844
TOTAL	21,594	18,062

EXTERNAL GROWTH

The Group remains alert to new acquisition opportunities, which are natural business development accelerators. This approach is implemented with measurable profitability goals and control of the Group's financial balances in mind (cash flow, debt, leverage, etc.).

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 given clients and suppliers),
- commercial credit risk and financial counterparty risk,
- legal risks associated in particular with work regulations,
- liquidity risks (borrowing base risk and risks of accelerated repayment),
- market risks (mainly interest rate risks).

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

OPERATING RISKS

RISK LINKED TO THE CORRELATION BETWEEN BUSINESS VOLUMES AND GDP

The temporary employment business is closely linked to the change in GDP in its business area; the correlation is more than proportional if this varies by more than +/- 1%.
Given the prevalence of its French temporary employment activity, the Group is highly sensitive to GDP trends in the euro zone and especially in France.
Naturally, this risk, inherent to the business, cannot be hedged financially. However, the Group endeavours to minimise it by spreading costs and rebalancing its macroeconomic profile.
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 5.3% of sales and the top ten clients accounted for 18.3%.

RISK OF DEPENDENCY ON KEY SUPPLIERS

In temporary employment, over 95% of the current operating expenses are staff costs. The Group is therefore not dependent on any specific supplier.
In the airport services division, the leading supplier accounted for 29.2% of purchases in the sector and the top five suppliers accounted for 46.9%. However, it should be noted that this percentage is primarily distributed between two suppliers. This concentration is due to operational constraints within airport services: exclusivity of services supplied for ADP, the Paris airports management company, regulated access restricting the provision of subcontracting for aircraft.

RISK ASSOCIATED WITH MAJOR CONTRACTS

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

SPECIFIC RISK INHERENT TO THE AIRPORT SERVICES BUSINESS

There are two principal types of risk related to airport services: operating authorisations (licences) and third-party liability for airport services.
With regard to licences, aircraft ground handling services require an authorisation to operate at the airport concerned. These licences are awarded for limited periods and are subject to periodic renewal. Their non-renewal could have a material adverse impact on the Group's airport services business.
Moreover, when providing these services 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 Group could be held liable with serious consequences. The Group has set up an aeronautical civil liability insurance programme to cover this material 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, changes in charge rates, transformation of CICE tax credit), they can alter staff costs, which comprise the major portion of the operating expenses in this segment, and therefore impact the Group's financial statements and profit margins.

REPUTATIONAL RISK

The Group handles high volumes of temporary work contracts and the network of agencies handling these contracts is 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 their confidentiality.

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

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

RISK OF TECHNOLOGICAL BREAKTHROUGH

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

FRAUD AND CORRUPTION RISK

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

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

HUMAN RESOURCES RISKS

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

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

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

COMMERCIAL CREDIT RISK AND FINANCIAL COUNTERPARTY RISK

COMMERCIAL CREDIT RISK

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

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

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

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

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

€000	31/12/2018	31/12/2017
Temporary employment and recruitment	399,044	400,077
Airport services	50,982	45,083
Other services	30,667	28,378
TOTAL	**480,693**	**473,538**

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

FINANCIAL COUNTERPARTY RISK

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

LEGAL RISKS ASSOCIATED IN PARTICULAR WITH WORK REGULATIONS

TYPES OF LEGAL RISKS

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

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

LEGAL PROCEEDINGS AND ARBITRATION

Ongoing disputes mainly relate to employee petitions brought before an industrial tribunal (Note 4.6. to the consolidated financial statements). No other state or legal proceeding or arbitration, of which the company is aware to date, either pending or threatened, has had a material impact on the financial position or profitability of the company and/or Group in the past twelve months, or is likely to do so.

INDUSTRIAL AND ENVIRONMENTAL RISKS

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

LIQUIDITY RISKS

LIQUIDITY POSITION

The company actively manages its liquidity risk so that it can settle its payments at any time. At 31 December 2018, excluding authorised overdrafts, the company had credit facilities of €210.6 million (of which €100 million was confirmed, with a maturity of over 12 months), from which it had drawn €27.6 million.
In addition, the Group has an as yet unclaimed €210.3 million CICE competitiveness and employment tax credit receivable which could be obtained at short notice if need be.

ASSET-BASED FINANCE, BORROWING BASE RISK

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

RISKS OF ACCELERATED REPAYMENT

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

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

MARKET RISKS

HEDGING POLICY

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

INTEREST RATE RISK

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

€000		< 1 year	1-5 years	> 5 years	Total
Gross financial debt (a)	Fixed rate	30,929	8,908	0	39,837
	Floating rate	31,555	15,880	16,858	64,293
Overdrafts excluding cash pooling (b)	Fixed rate				0
	Floating rate	6,236	0	0	6,236
Borrowings (c=a+b)	Fixed rate	30,929	8,908	0	39,837
	Floating rate	37,791	15,880	16,858	70,529
Cash equivalents (d)	Fixed rate	20,000	0	0	20,000
	Floating rate	440	0	0	440
Net position before hedging (e=c-d)	Fixed rate	10,929	8,908	0	19,837
	Floating rate	37,351	15,880	16,858	70,089
Interest rate hedging instruments (f)	Fixed rate	2,683	10,733	12,075	25,492
	Floating rate	(2,683)	(10,733)	(12,075)	(25,492)
Net position after hedging (g=e+f)	Fixed rate	13,612	19,641	12,075	45,329
	Floating rate	34,668	5,147	4,783	44,597
Positive cash					(102,380)
TOTAL NET FINANCIAL DEBT					**(12,454)**

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

At 2018 year-end, only the liability relating to the lease for the corporate office building is hedged to a fixed rate, while all other liabilities (except related to employee profit-sharing debt) are subject to floating rates. With its cash investments, the Group's exposure to interest-rate fluctuations is very low. A 100 basis point rate change would have a €1.2 million impact on the Group's €2.9 million cost of financial debt.

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 (primarily related to the financing of US acquisitions through a loan denominated in USD).
On 29 November 2018, the financing lines granted by Groupe CRIT to its US operations via the holding company CRIT Corp were restructured with effect from 1 January 2019 within a single 10-year agreement comprising two separate lines:

a. line A repayable in instalments over a 2-year term
b. line B repayable at maturity.

Given the quasi-equity nature of the second line and in accordance with IAS 21.32, foreign exchange differences relating to line B shall be recognised from the effective date as other comprehensive income.
The risk arising from translating the financial statements of the Group's foreign entities into the reporting currency in the Group's financial statements is not hedged. The net balance sheet positions in the main currencies and the sensitivity of the Group's earnings and shareholders' equity to currency risk are described in Note 4.4.2.2 to the consolidated financial statements on "Currency risk".

RISKS ASSOCIATED WITH SHARES AND OTHER FINANCIAL INSTRUMENTS

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

RISK PREVENTION AND HEDGING

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

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

The total cost of these policies for all Group companies amounted to €5.1 million in 2018, which corresponds to the insurance premium payments.

In terms of internal prevention, the Group:

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

1.7 TRENDS AND OUTLOOK

A PROMISING START TO THE YEAR

Following a year marked by further progress in all key strategic areas, Groups CRIT's solid fundamentals allow it to approach 2019 with confidence.

TEMPORARY EMPLOYMENT AND RECRUITMENT

EARLY YEAR GROWTH IN FRANCE AND OVERSEAS

In France, the Group's temporary employment and recruitment business grew at the start of the year in a market that seems to have stabilised following the slowdown observed in the second half of 2018. The economic outlook in France also appeared to be less affected by turbulent global developments than its European neighbours, pointing to forecast GDP growth of 1.5%[1] for the year, among the best in the region.

Business in Spain has enjoyed a positive start to the year, and is set to continue to take advantage of the Spanish GDP growth forecast of 2.2%[2] for 2019. In the United States, the return to organic growth observed in the previous quarter was consolidated during the first months of the year and is expected to continue throughout the period.

The Group intends to continue actively seeking out opportunities in 2019, particularly in Europe, in order to expand its existing footprint or enter new high-potential markets.

AIRPORT SERVICES

AN EXCELLENT START TO THE YEAR IN FRANCE – FURTHER GROWTH OVERSEAS

Airport services is expected to continue to benefit from the favourable outlook for 2019 in terms of both growth and profitability.

1 IMF
2 Spanish Ministry of Finance

In France, business momentum is expected to remain strong, as illustrated by the division's excellent start to the year. For the first two months of the year, the airport services business posted outstanding sales growth of 16.1% compared to the same period last year, including 12.5% organic growth. In 2019, the division will benefit fully from the new business aviation and cargo handling operations and the two new long-term contracts signed since 1 January 2019.

The outlook for the international market is also bright, with seven new long-term contracts signed since the start of the year. Two new long-term airport services contracts were signed in the United States at Boston airport with KLM and SAS. After just two years of operation, having tripled the number of flights handled at Boston airport in 2018, the US station is expected to return a positive operating margin for financial year 2019.

STRONG FINANCIAL POSITION

In 2018, the Group further strengthened its financial situation.

With cash flow from operations of €144.1 million, up €25 million over the year, strong equity of around €558 million, up €45.7 million over the year, and net cash of €222.8 million (including the CICE competitiveness and employment tax credit) at the end of December 2018, the Group has a robust balance sheet which will allow it to develop and continue its growth strategy in France and overseas.

1.8 STOCK MARKET AND SHAREHOLDERS

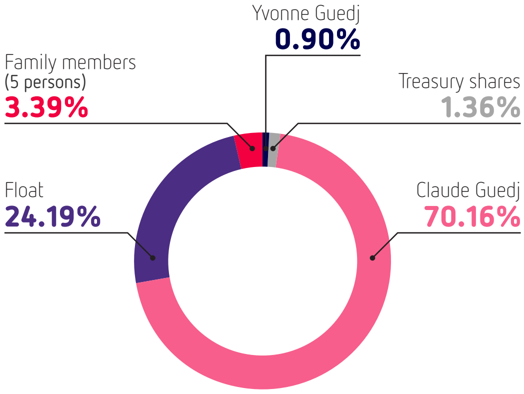
The GROUPE CRIT share is listed on Euronext Paris (Compartment B).

It is listed on the CAC All-tradable, CAC All-shares, CAC Mid & Small, Euronext Family Business indices and on the Gaia Index.

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

Market capitalisation at 28 February 2019 was €597.4 million.

Capital distribution
(at 28 February 2019)



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

		Share price (€)	
	Number of shares traded	**high**	**low**
September 2017	95,663	87.9	71.76
October 2017	88,900	83.4	79
November 2017	93,681	81	71.52
December 2017	116,130	80.91	72.21
January 2018	137,328	79.3	72
February 2018	84,092	77.4	72
March 2018	168,321	88.3	73.1
April 2018	217,849	93.5	83.9
May 2018	96,348	90.4	86.2
June 2018	74,831	90.5	78.6
July 2018	72,783	80.2	67.5
August 2018	99,048	73.5	68.4
September 2018	55,185	77.3	66.7
October 2018	150,518	71.2	57.1
November 2018	52,568	60	53.6
December 2018	68,756	57.5	47.4
January 2019	66,067	55.8	48.8
February 2019	77,880	55	48

Highest and lowest share price over the period

2

CONSOLIDATE FINANCIAL STATEMENTS

2.1. Consolidated financial statements

for the year ended 31 December 2018

A. Consolidated income statement

€000	Notes	2018	2017
SALES	3.1 & 3.3	2,498,217	2,418,225
Cost of goods sold		(33,716)	(32,345)
Personnel and related expenses	3.4	(2,121,738)	(2,046,205)
Other purchases and external expenses		(184,965)	(180,283)
Net amortisation and depreciation	4.1.2	(23,302)	(23,022)
Net additions to provisions		(7,742)	(8,827)
Other operating income		1,064	1,059
Other operating expenses		(2,086)	(2,010)
CURRENT OPERATING INCOME	3.2 & 3.3.2	125,731	126,593
Non-recurring operating income		2	179
Non-recurring operating expenses	3.3	(61)	(0)
OPERATING INCOME		125,672	126,771
Share of earnings of associates extending the Group's business	4.1.4	69	(3,452)
OPERATING INCOME INCLUDING SHARE OF EARNINGS OF ASSOCIATES		125,742	123,319
Income from cash and cash equivalents		717	663
Gross cost of financial debt		(3,653)	(3,231)
Net cost of financial debt		**(2,936)**	**(2,569)**
Other financial income and expenses		6,793	(5,658)
NET FINANCIAL INCOME/(EXPENSE)	3.5	3,857	(8,227)
EARNINGS BEFORE TAX		129,598	115,092
Income tax expense	3.6	(38,771)	(31,728)
NET INCOME		90,828	83,364
- Group share		90,936	84,787
- non-controlling interests		(108)	(1,423)
Earnings per share held by company shareholders (€)			
Basic and diluted	4.3.2	8.19	7.64

B. Consolidated statement of comprehensive income

€000	2018	2017
NET INCOME	90,828	83,364
Other items not reclassifiable to income	1,369	(2,799)
Translation adjustments	1,275	(3,239)
Fair value of financial instruments	139	670
Deferred tax on fair value of financial instruments	(44)	(231)
Other items not reclassifiable to income	2,416	342
Actuarial gains/losses on retirement commitments	3,230	454
Deferred tax on actuarial gains/losses	(815)	(112)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)	3,785	(2,457)
TOTAL COMPREHENSIVE INCOME/(LOSS)	94,612	80,906
- Group share	94,074	84,041
- non-controlling interests	539	(3,134)

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

C. Consolidated balance sheet

ASSETS (€000)	Notes	31/12/2018	31/12/2017
Goodwill		*158,310*	*155,266*
Other intangible assets		*38,364*	*44,582*
Total intangible assets	*4.1.1*	196,674	199,848
Property, plant and equipment	*4.1.2*	107,475	100,594
Financial assets	*4.1.3*	214,650	203,723
Investments in associates	*4.1.4*	5,122	5,066
Deferred tax	*3.6.3*	7,178	8,779
NON-CURRENT ASSETS		**531,099**	**518,010**
Inventories		2,062	2,585
Trade receivables	*4.2.1 & 4.5.1*	480,693	473,538
Other receivables	*4.2.2 & 4.5.1*	43,191	37,761
Tax receivables	*4.5.1*	2,020	3,420
Cash and cash equivalents	*4.4.3 & 4.5.1*	213,800	137,608
CURRENT ASSETS		**741,767**	**654,912**
ASSETS HELD FOR SALE	*2.2*	**2,392**	
ASSETS		**1,275,258**	**1,172,922**

EQUITY & LIABILITIES (€000)	Notes	31/12/2018	31/12/2017
Capital	*4.3.1*	*4,050*	*4,050*
Additional paid-in capital and reserves		*548,376*	*502,748*
Shareholders' equity (Group share)		552,426	506,798
Shareholders' equity (non-controlling interests)	*4.3.4*	5,152	5,130
SHAREHOLDERS' EQUITY		**557,578**	**511,928**
Retirement commitments	*3.4.2*	32,040	31,689
Non-current borrowings	*4.4 & 4.5.2*	41,647	62,760
NON-CURRENT LIABILITIES		**73,687**	**94,448**
Current borrowings	*4.4 & 4.5.2*	62,484	56,657
Bank overdrafts and related expenses	*4.4 & 4.5.2*	97,216	27,355
Provisions for other liabilities	*4.6*	12,815	11,766
Trade payables	*4.5.2*	45,736	39,295
Social security and tax liabilities	*4.2.3 & 4.5.2*	383,607	391,012
Current tax payables	*4.5.2*	1,228	6,509
Other payables	*4.2.4 & 4.5.2*	39,440	33,951
CURRENT LIABILITIES		**642,527**	**566,546**
LIABILITIES HELD FOR SALE	*2.2*	**1,466**	
LIABILITIES		**1,275,258**	**1,172,922**

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
2017	**SHAREHOLDERS' EQUITY AT 01/01/2017**	4,050	(2,134)	439,958	(14,650)	427,224	8,395	435,619
	Net income for the year			84,787		84,787	(1,423)	83,364
	Other comprehensive income/(loss)				(746)	(746)	(1,711)	(2,457)
	TOTAL COMPREHENSIVE INCOME/(LOSS)	**0**		**84,787**	**(746)**	**84,042**	**(3,134)**	**80,907**
	Dividends distributed			(4,441)		(4,441)	(124)	(4,565)
	Treasury share transactions		(432)			(432)		(432)
	Other changes			406		406	(6)	400
	TRANSACTIONS WITH SHAREHOLDERS	**(0)**	**(432)**	**(4,035)**	**0**	**(4,468)**	**(130)**	**(4,598)**
	SHAREHOLDERS' EQUITY AT 31/12/2017	**4,050**	**(2,567)**	**520,710**	**(15,396)**	**506,798**	**5,130**	**511,928**
2018	**SHAREHOLDERS' EQUITY AT 01/01/2018**	4,050	(2,567)	520,710	(15,396)	506,798	5,130	511,928
	Net income for the year			90,936		90,936	(108)	90,828
	Other comprehensive income/(loss)				3,138	3,138	647	3,785
	TOTAL COMPREHENSIVE INCOME/(LOSS)	**(0)**		**90,936**	**3,138**	**94,074**	**539**	**94,612**
	Dividends distributed			(48,467)		(48,467)	(541)	(49,008)
	Treasury share transactions		71			71		71
	Other changes			(50)		(50)	23	(26)
	TRANSACTIONS WITH SHAREHOLDERS		**71**	**(48,517)**	**0**	**(48,446)**	**(517)**	**(48,963)**
	SHAREHOLDERS' EQUITY AT 31/12/2018	**4,050**	**(2,495)**	**563,129**	**(12,258)**	**552,426**	**5,152**	**557,578**

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

E. Consolidated cash flow statement

€000	Notes	2018	2017
Net income for the year		90,828	83,364
Elimination of non-cash expenses			
Share of earnings of associates		(69)	3,452
Amortisation and depreciation of intangible assets and property, plant and equipment	*4.1.2*	23,302	23,036
Change in provisions		4,028	4,022
Change in the competitiveness and employment tax credit (CICE)	*4.1.3*	(11,547)	(43,494)
Other non-cash items (1)		(3,765)	14,168
Elimination of profits or losses on asset disposals		(327)	(54)
Net cost of financial debt	*3.5*	2,936	2,553
Net income tax (including deferred taxes)	*3.6*	38,771	31,728
CASH FLOW BEFORE NET COST OF DEBT AND INCOME TAX (A)		**144,156**	**118,776**
Change in operating working capital (B)	*4.2*	(8,211)	(17,052)
Taxes paid (C)		(39,579)	(33,250)
CASH FLOW GENERATED FROM OPERATIONS (D=A+B+C)		**96,366**	**68,474**
Acquisitions of intangible assets		(553)	(459)
Acquisitions of property, plant and equipment		(15,536)	(11,686)
Change in cash from discontinued or sold operations		(14)	1
Business combinations, net of cash and cash equivalents acquired		(845)	(5,298)
Proceeds from disposals of property, plant and equipment		108	113
Other flows from investing activities		739	(533)
CASH FLOW FROM INVESTING ACTIVITIES		**(16,101)**	**(17,863)**
Dividends paid		(49,042)	(4,650)
Purchase/sale of treasury shares		71	(432)
Repayment of borrowings	*4.4.1*	(27,251)	(38,807)
New borrowings	*4.4.1*	5,148	23,120
Interest paid		(3,037)	(2,596)
CASH FLOW FROM FINANCING ACTIVITIES		**(74,110)**	**(23,365)**
Impact of change in foreign exchange rates		176	(934)
CHANGE IN CASH		**6,331**	**26,312**
Cash, cash equivalents and bank overdrafts at the beginning of the period		110,253	83,941
Change in cash		6,331	26,312
Cash, cash equivalents and bank overdrafts at the end of the period		116,584	110,253
Balance sheet			
Cash and cash equivalents		213,800	137,608
Bank overdrafts		(97,216)	(27,355)
Net cash		116,584	110,253

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

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

F. Notes to the consolidated financial statements

Groupe CRIT (the "Company") is a French ***société anonyme*** (public limited company) listed on Euronext Paris, Compartment C. Its registered office is located at 6 Rue Toulouse Lautrec, 75017 Paris. The Group offers diversified services and its core business is temporary employment. It also offers an extended range of airport services in addition to engineering and industrial maintenance services. Groupe CRIT is not owned by any parent company publishing IFRS statements for public consultation.

The 2018 consolidated financial statements were approved by the Board of Directors on 26 March 2019. These statements will not be definitive until approved by the Annual Shareholders' Meeting.

1. Accounting principles and methods

1.1. General principles and statement of compliance

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

Pursuant to Regulation (EC) No. 809/2004 of the European Commission of 29 April 2004, financial information relating to the assets and liabilities, financial position and earnings of Groupe CRIT is provided for the last two financial years 2017 and 2018 and has been prepared in accordance with Regulation (EC) No. 1606/2002 of 19 July 2002 on the application of International Financial Reporting Standards (IFRS). The Group consolidated financial statements for the year ended 31 December 2018 comply with IFRS as published by the IASB and adopted by the European Union.

All texts adopted by the European Union may be consulted on the European Union legal website at the following address: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02002R1606-20080410.

The accounting principles applied to prepare the financial statements for the year ended 31 December 2018 are compliant with those applied for the financial statements for the year ended 31 December 2017, with the exception of the standards described below.

1.2. Amendments to standards and interpretations

1.2.1. Mandatory IFRS standards, amendments and interpretations in 2018

The new standards and amendments that have been published and are mandatory for accounting periods as of 2018 are presented below:

- IFRS 15 and Clarification of IFRS 15 - Revenue from contracts with customers
  The Group has examined the impact of the implementation of IFRS 15 on its consolidated financial statements and has identified no impact for the Group. Revenue from the temporary employment and airport services business segments is recognised over time, since clients benefit over time from provisions of services.
- IFRS 9 - Financial instruments
  The impact of the implementation of IFRS 9 – Financial instruments on the Group's earnings and financial position, particularly on the new model for the impairment of receivables, is not material. The other changes introduced by IFRS 9, i.e. categorisation of financial instruments and hedge accounting, are also without impact.
- IFRS 2 amendment - Share-based payment
- IFRS 4 amendment - Application of IFRS 9 Financial instruments and IFRS 4 Insurance contracts
- IAS 40 amendment - Transfers of investment property
- Annual improvements to IFRS - 2014-2016 cycle
- IFRIC 22 - Foreign currency transactions and advance consideration

None of these other amendments have had an impact on the Group's earnings or financial position.

1.2.2. IFRS standards, amendments and interpretations applicable in 2019 and not applied early by the Group

- IFRS 16 - Leases
  In January 2016, the IASB published a new standard on lease accounting. The application of this standard results in the recognition of all lease commitments on the balance sheet, with no distinction between operating leases and finance leases.
  Following an initial phase during which the lease contracts were listed, the Group then analysed them based on the criteria set out in the new standard (identification of a lease contract, assessment of the lease term, evaluation and calculation of discount rates, etc.). This second phase is carried out on an ongoing basis in order to add new lease contracts to the list. The lease contracts likely to fall within the scope of this standard are primarily real estate leases (commercial leases for temporary employment agencies and civil leases for airport premises).
- IFRS 9 amendment: Early redemption clauses providing for negative compensation
- IAS 28 amendment: Long-term interests in associates and joint ventures
- Amendments to IAS 19 – Employee benefits: Plan modification, curtailment or settlement
- IFRIC 23 – Uncertainty over income tax treatments
- Annual improvements to IFRS - 2015-2017 cycle

The Group is currently analysing the impact of applying these other amendments, interpretations and improvements.

1.2.3. IFRS standards, amendments and interpretations applicable after 2019

- IFRS 17 - Insurance contracts - effective 1 January 2021 (amendment in progress for postponement to 1 January 2022)
- Amendments to IFRS 3 - Business combinations: definition of a business - effective 1 January 2020
- Amendments to IAS 1 - Presentation of financial statements and IAS 8 – Accounting policies, changes in accounting estimates and errors: definition of materiality - effective 1 January 2020

The Group is currently analysing the impact of applying these standards and amendments.

1.3. Basis of preparation of consolidated financial statements

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

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

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

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

- Valuation of intangible assets and impairment of non-financial assets
- Valuation of social security commitments (Note 3.4.2)
- Valuation of provisions for other liabilities, which consists of estimating expenditure required to extinguish an obligation (Note 4.6)
- Calculation of deferred taxes and, in particular, the assessment of the recoverability of deferred tax assets
- Classification of the competitiveness and employment tax credit (CICE) as a deduction from personnel expenses (Note 3.4) and the recognition of CVAE (corporate value-added contribution) as an income tax charge within the meaning of IAS 12 (Note 3.6).

2. Key events of the year

2.1. Business combination carried out during the year

By judgement of the Paris Commercial Court of 27 June 2018, Groupe Europe Handling acquired, from 28 June 2018, the operations of ADVANCED AIR SUPPORT (AAS), SAS JET SERVICES GROUP and SARL JET OPS, entities operating at Paris-Le Bourget airport in the preparation, handling and monitoring of flights for private and business aircraft.

The acquisition price for this operation was €720,000.

As the entity acquired meets the definition of a business under IFRS 3, this operation is treated as a business combination.

In order carry out these operations through its newly created subsidiary ADVANCED AIR SUPPORT INTERNATIONAL at Paris-Le Bourget airport, Groupe Europe Handling has also agreed with the lessor AEROPORT DE PARIS on the continuation of several leases, some of which run until 2054. Figuring among these is a construction lease for which the construction obligation has already been fulfilled, thereby enabling Groupe Europe Handling to acquire a hangar used to house medium-haul aircraft, the only building of its type at Paris-Le Bourget airport. This investment amounted to €6 million and will be amortised over a 20-year period.

2.2. Sale of Crit Center

On 17 December 2018, the Group signed a memorandum of understanding on the sale of 100% of the capital of CRIT Center. The sale was finalised on 7 January 2019. In accordance with IFRS 5, at 31 December 2018 the assets and liabilities of this company were presented separately on the balance sheet, under "Assets and liabilities held for sale".

€000	31/12/2018
Non-current assets	123
Current assets	2,269
ASSETS HELD FOR SALE	**2,392**
Non-current liabilities	70
Current liabilities	1,396
LIABILITIES HELD FOR SALE	**1,466**

3. Earnings

3.1. Sales

3.1.1. Revenue recognition

Revenue is recognised over time as and when the Group satisfies its performance obligation, corresponding to the moment at which the service is delivered to the client, for an amount that reflects the consideration the Group expects to receive in exchange for the service delivered. Revenue is recognised net of tax.

3.1.2. Information on service obligations still to be satisfied

Groupe CRIT does not provide this information as it applies the simplification measure provided for in the standard. The Group's main two businesses (provision of temporary staff and airport services) both fulfil the conditions established, namely:

- the service obligation relates to a contract the initial term of which does not exceed one year.
- revenue is recognised in accordance with services delivered.

For the other Group businesses, including engineering, the amounts are not material.

3.2. Alternative performance indicators

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

- EBITDA, defined as current operating income before net amortisation and depreciation,
- Organic growth in sales, which represents growth at constant consolidation scope and exchange rates.

The exchange rate impact is calculated by applying the previous year's exchange rates to current-year sales denominated in foreign currencies.

Changes in consolidation scope are calculated by restating sales for:

- the contribution of entities acquired during the year and the contribution of entities acquired the previous year until the anniversary date of their acquisition,
- for entities sold during the year ended, the contribution to sales of the months of the previous year for which the entities are no longer consolidated in the year ended and, for entities sold the previous year, for the contribution to sales of the previous year until the date of their sale,
- net financial debt, the definition of which is provided in Note 4.4.1.

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

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

3.3. Segment reporting

3.3.1. Definition of operating segments

Groupe CRIT has three business lines:

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

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

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

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

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

- Temporary employment and recruitment
- Airport services
- Other services

3.3.2. Operating segment reporting

€000	Temporary employment and recruitment	Airport services	Other services	Inter-segment	Not allocated	Total
Sales						
2018	2,062,390	355,920	103,732	(23,826)		2,498,217
2017	2,026,308	314,621	98,113	(20,817)		2,418,225
EBITDA						
2018	106,473	34,773	7,786			149,033
2017	115,386	29,237	4,991			149,614
Current operating income						
2018	97,795	22,997	4,939			125,731
2017	106,195	18,244	2,154			126,593
Balance sheet data						
Assets at 31/12/2018	527,748	136,857	387,347		222,998	1,274,950
Liabilities at 31/12/2018	215,300	93,620	206,184		202,268	717,372
Assets at 31/12/2017	533,476	117,032	372,607		149,807	1,172,922
Liabilities at 31/12/2017	282,820	81,685	143,208		153,281	660,994

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

3.3.3. Reporting by geographical region

€000	France	United States	United Kingdom	Spain/ Portugal	Africa	Other	Total
Sales							
2018	1,912,194	312,363	52,482	134,439	46,174	40,565	2,498,217
2017	1,829,989	329,650	51,459	123,900	44,716	38,512	2,418,225
Non-current assets							
31/12/2018	402,392	97,165	10,422	2,496	11,030	7,593	531,099
31/12/2017	383,561	100,829	10,677	2,517	12,499	7,927	518,010

3.4. Personnel expenses

Personnel expenses consist of the following elements:

€000	2018	2017
Salaries and wages	(1,648,737)	(1,599,279)
Social security and tax expenses (excl. CICE)	(531,319)	(517,617)
CICE (temporary and permanent employees)	58,318	70,691
TOTAL	**(2,121,738)**	**(2,046,205)**

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

3.4.1. Average workforce

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

Group average workforce	31/12/2018	31/12/2017
Permanent employees		
Temporary employment	2,673	2,654
Airport services	4,859	4,466
Other	1,021	968
TOTAL	**8,553**	**8,088**
Temporary employees on Group assignments	55,581	55,417
TOTAL	**64,135**	**63,505**

The average permanent workforce (permanent and fixed-term contracts) is the arithmetic average of the workforce at the end of each month of the calendar year.

Temporary employee numbers are calculated as "full-time equivalents".

3.4.2. Employee benefits

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

DEFINED CONTRIBUTION PLANS

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

The amount paid to defined contribution plans (employer's portion) for all employees (permanent and temporary employees) for 2018 totalled €186.5 million, compared to €179.2 million in 2017.

DEFINED BENEFIT PLANS

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

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

The main actuarial assumptions used in 2018 to evaluate the total value of the retirement indemnities commitment are 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 2014-2016 male and female mortality tables for French companies and PM-PF 60-64 for African subsidiaries
- salary growth rate set out below
- the discount rate applied, which 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.

	2018	2017
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+)	**1.53%**	**1.35%**

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

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

€000	2018	2017
Obligation at start of period	31,689	28,862
Service cost for the period	2,816	2,355
Interest expense	421	366
Employer contributions	(782)	(1,104)
Past service cost	501	768
Impact of business combinations and sales (2.1)	600	936
Actuarial differences arising from changes in demographic assumptions	(1,027)	(156)
Actuarial differences arising from changes in financial assumptions	(829)	(297)
Actuarial differences arising from experience adjustments	(1,349)	(42)
OBLIGATION AT YEAR-END	**32,040**	**31,689**
Of which France	*30,191*	*30,365*
Of which Africa	*1,850*	*1,323*

The main sensitivities of the calculation of this retirement commitment to fixed assumptions are as follows:

- with a discount rate of 1.03%, the commitment would be €34.6 million compared to €29.8 million at 2.03%
- were the turnover rate to decrease by 1%, the commitment would increase to €33.8 million
- with a 1% increase in the salary growth rate, the commitment would amount to €37.2 million.

The following contributions are expected over the coming years:

	2018	2017
N+1	361	615
N+2 to N+5	3,216	3,560
N+6 to N+10	5,532	7,787
TOTAL EXPECTED CONTRIBUTIONS FROM N+1 TO N+10	**9,110**	**11,962**

3.4.3. Other employee benefits

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

3.5. Net financial income/(expense)

€000	2018	2017
Interest income	117	136
Other financial income	600	527
INCOME FROM CASH AND CASH EQUIVALENTS	**717**	**663**
Interest expense on borrowing and bank overdrafts	(1,464)	(1,346)
Other financial expenses	(2,188)	(1,885)
GROSS COST OF FINANCIAL DEBT	**(3,653)**	**(3,231)**
NET COST OF FINANCIAL DEBT	**(2,936)**	**(2,569)**
Foreign exchange gain/(loss)	3,627	(10,907)
CICE accretion	3,166	5,249
OTHER FINANCIAL INCOME AND EXPENSES	**6,793**	**(5,658)**
NET FINANCIAL INCOME/(EXPENSE)	**3,857**	**(8,227)**

The foreign exchange gain or loss mainly results from the impact of changes in the EUR/USD exchange rate on US subsidiary CRIT Corp's financing repayable by Groupe CRIT in USD. The financial asset denominated in USD and converted into EUR in the Groupe CRIT financial statements is only partly financed by Group debts denominated in USD. Allowing for USD depreciation, the net exchange rate impact is a €2 million gain in 2018 compared to a €11.4 million loss in 2017.

On 29 November 2018, financing lines granted by Groupe CRIT to its US operations via the holding company CRIT Corp were restructured with effect from 1 January 2019 within a single 10-year agreement comprising two separate lines:
a. line A repayable in instalments over a 2-year term
b. line B repayable at maturity.

Given the quasi-equity nature of the second line and in accordance with IAS 21.32, foreign exchange differences relating to line B shall be recognised from the effective date as other comprehensive income.

3.6. Income tax charge

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

3.6.1. Net income tax

€000	2018	2017
Current income tax	(37,856)	(34,023)
Deferred income tax	(915)	2,294
NET INCOME TAX	**(38,771)**	**(31,728)**

3.6.2. Tax reconciliation

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

€000	2018 Amount	2018 %	2017 Amount	2017 %
Earnings before tax	129,598		115,092	
Share of earnings of associates and goodwill impairment	(69)		3,452	
Income before tax and share of earnings of associates	129,529		118,544	
Tax rate in France	34.4%	34.4%	34.4%	34.4%
THEORETICAL TAX	**44,597**	**34.4%**	**40,815**	**34.4%**
Effects of:				
Non-taxation of competitiveness and employment tax credit (CICE)	(21,209)	(16.4%)	(26,196)	(22.1%)
CVAE	16,294	12.6%	14,948	12.6%
Use of unrecognised tax losses or exemption	35	0.0%	(223)	(0.2%)
Other permanent differences	1,658	1.3%	2,045	1.7%
Other tax credits	(1,138)	(0.9%)	(389)	(0.3%)
Withholding tax	110	0.1%	94	0.1%
Unrecognised tax losses	442	0.3%	124	0.1%
Tax rate differential for other countries	(1,899)	(1.5%)	(638)	(0.5%)
Other	(119)	(0.1%)	1,147	1.0%
TOTAL IMPACT	**(5,826)**	**(4.5%)**	**(9,087)**	**(7.7%)**
GROUP TAX EXPENSE	**38,771**	**29.9%**	**31,728**	**26.8%**
Apparent rate	**29.9%**		**26.8%**	

The increase in the effective Group tax rate is principally due to the one percentage point decrease in the CICE rate in 2018 to 6% of eligible remuneration.

3.6.3. Deferred taxes by type

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

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

€000	Deferred tax assets on retirement indemnity	Deferred tax liabilities on finance leases	Deferred tax liabilities on swaps	Deferred tax on other temporary differences	Total
Gross value at 1 January 2017	8,046	(1,469)	807	(409)	6,975
Translation differences				(147)	(147)
Impact on income	(235)	(630)		3,159	2,294
Other comprehensive income/(loss)	(112)		(231)		(343)
Other changes	241			(241)	0
VALUE AT 2017 YEAR-END	**7,940**	**(2,099)**	**576**	**2,362**	**8,779**
Gross value at 1 January 2018	7,940	(2,099)	576	2,362	8,779
Translation differences				11	11
Newly-consolidated entities	215				215
Impact on income	542	(905)	(41)	(509)	(913)
Other comprehensive income/(loss)	(815)		(44)		(859)
Other changes	(24)			(31)	(55)
VALUE AT 2018 YEAR-END	**7,858**	**(3,004)**	**491**	**1,834**	**7,178**

Deferred tax assets include €0.4 million in tax receivables on Spanish tax losses that should be used in the medium term by charging to future profits of these entities. The amount of unrecognised tax loss carryforwards came to €6 million at 2018 year-end compared to €4 million at 31 December 2017.

4. Balance sheet

4.1. Non-current assets

4.1.1. Intangible assets

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

Other intangible assets include:

- customer relations, trademarks, non-competition agreements acquired through business combinations,
- software purchased or developed internally,
- leasehold rights.

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

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

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

€000	Goodwill	Patents and similar rights	Other	Total
At 1 January 2017				
Gross book value	172,994	28,436	57,073	258,503
Amortisation and impairment	(6,221)	(9,430)	(28,172)	(43,823)
NET BOOK VALUE AT 1 JANUARY 2017	**166,774**	**19,005**	**28,901**	**214,680**
2017 change	(11,507)	(3,057)	(268)	(14,832)
Change in consolidation scope	1,571	474	5,941	7,986
Acquisitions		271	188	459
Disposals			(35)	(35)
Translation differences	(8,009)	(2,161)	(3,398)	(13,567)
Reclassification	(5,070)	360	4,759	50
Amortisation and impairment		(2,002)	(7,723)	(9,726)
Gross book value	161,487	26,742	61,409	249,638
Cumulative amortisation and impairment	(6,221)	(10,794)	(32,776)	(49,790)
NET BOOK VALUE AT 31 DECEMBER 2017	**155,266**	**15,948**	**28,633**	**199,848**
2018 change	3,044	(494)	(5,724)	(3,174)
Change in consolidation scope	292	518	426	1,237
Acquisitions		378	175	553
Disposals			(65)	(65)
Translation differences	2,751	663	862	4,276
Reclassification		8	(351)	(343)
Amortisation and impairment		(2,061)	(6,771)	(8,833)
Gross book value	164,531	28,512	62,815	255,858
Cumulative amortisation and impairment	(6,221)	(13,058)	(39,906)	(59,185)
NET BOOK VALUE AT 31 DECEMBER 2018	**158,310**	**15,455**	**22,909**	**196,674**
Of which:				
- PeopleLink trademarks with indefinite useful life		*9,345*		*9,345*
- US trademarks with finite useful life		*4,330*		*4,330*
- Customer relations acquired			*20,455*	*20,455*
- Non-competition agreements acquired			*775*	*775*
- Software purchased or internally developed		*1,780*		*1,780*

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

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

The value of goodwill by CGU is as follows:

€000	31/12/2018	31/12/2017
Temporary employment and recruitment	**154,196**	**151,442**
France and other countries	93,378	93,378
United States	60,818	58,064
Airport services	**4,114**	**3,824**
TOTAL	**158,310**	**155,266**

The increase in goodwill compared to 31 December 2017 is primarily due to the exchange rate impact on goodwill relating to the US subsidiaries in the temporary employment and recruitment sector (€2.8 million).

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

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

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

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

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

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

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

	31/12/2018	31/12/2017
Discount rate		
Temporary employment and recruitment France and other countries	7.6%	7.5%
Temporary employment and recruitment United States	9.7%	8.5%
Airport services	7.6%	7.5%
Perpetual growth rate	**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 long-term 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 recorded. There is no change that could be reasonably foreseen in the operational assumptions that would lead to the impairment of goodwill for the temporary employment and recruitment CGU France and other countries.

Goodwill for the temporary employment and recruitment CGU United States

CALCULATION ASSUMPTIONS

The business plan drawn up for 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 temporary employment and recruitment United States CGU.

SENSITIVITY TEST

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

Goodwill for the airport services CGU

CALCULATION ASSUMPTIONS

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

TEST RESULT

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

SENSITIVITY TEST

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

4.1.2. Property, plant and equipment

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

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

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

Land is not depreciated.

Leases

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

In contrast to finance leases, operating leases are recorded in the income statement using the straight line method in the form of rent over the term of the lease. The total rent paid in 2018 amounted to €31.3 million compared to €31.9 million in 2017.

€000	Land	Buildings	Plant, machinery & equipment	Other	Total
At 1 January 2017					
Gross book value	972	61,015	88,384	30,894	181,264
Depreciation and impairment		(5,163)	(57,301)	(21,436)	(83,900)
NET BOOK VALUE AT 1 JANUARY 2017	**972**	**55,852**	**31,083**	**9,458**	**97,365**
of which assets under finance lease					*0*
2017 change	0	(2,653)	4,474	1,409	3,229
Change in consolidation scope			(6)	86	80
Acquisitions		5	12,722	4,877	17,604
Disposals			(98)	(104)	(202)
Translation differences		(378)	(386)	(144)	(908)
Reclassification			522	(572)	(50)
Depreciation and impairment		(2,280)	(8,281)	(2,734)	(13,295)
Gross book value	972	60,526	99,299	32,889	193,687
Depreciation and impairment		(7,327)	(63,743)	(22,022)	(93,092)
NET BOOK VALUE AT 31 DECEMBER 2017	**972**	**53,199**	**35,556**	**10,867**	**100,594**
2018 change	(22)	4,327	1,779	796	6,881
Change in consolidation scope			140	172	312
Acquisitions		6,565	10,650	3,825	21,040
Disposals	(22)		(73)	(96)	(191)
Translation differences		120	79	37	237
Reclassification			21	(69)	(47)
Depreciation and impairment		(2,358)	(9,039)	(3,072)	(14,469)
Gross book value	950	67,228	109,819	35,205	213,203
Depreciation and impairment		(9,702)	(72,484)	(23,542)	(105,727)
NET BOOK VALUE AT 31 DECEMBER 2018	**950**	**57,526**	**37,336**	**11,663**	**107,475**
of which assets under finance lease		*47,761*	*17,512*		*65,274*
of which mortgage assets	*406*	*513*			*919*

The "Buildings" item includes the building under finance lease located at 6 Rue Toulouse Lautrec, Paris, amounting to €47.8 million at 31 December 2018.

Total acquisitions for the year amounted to €21 million including €5.5 million under finance leases. Within this total, the airport services sector accounts for €18 million, of which €6 million relate to the hangar acquired in the context of the Le Bourget business acquisition.

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

(€000)	2018	2017
Amortisation/depreciation and impairment		
- on intangible assets	8,833	9,705
- on property, plant and equipment	14,469	13,317
- on financial assets	0	14
TOTAL AMORTISATION/DEPRECIATION AND IMPAIRMENT	23,302	23,036

4.1.3. Non-current financial assets

Financial assets essentially comprise CICE amounting to €210.3 million at 31 December 2018 (€198.8 million at 31 December 2017) out of total non-current financial assets of €214.7 million at 31 December 2018 (€203.7 million at 31 December 2017).

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

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

€000	Competitiveness and employment tax credit (CICE)	Loans and receivables maturing in more than one year	Other	Total
At 1 January 2017				
Gross value	155,273	4,773	8	160,055
Cumulative impairment				
NET BOOK VALUE AT 1 JANUARY 2017	155,273	4,773	8	160,055
2017 change	43,494	170	5	43,669
Acquisitions		1,166	(1)	1,164
Disposals		(633)		(633)
Translation differences		(342)	6	(335)
Change in consolidation scope		(7)		(7)
CICE tax credit net of discounting	70,707			70,707
Settlement of income tax	(5,612)			(5,612)
2013 CICE refund	(26,850)			(26,850)
Accretion for the period	5,249			5,249
Impairment in the period		(14)		(14)
Gross value	198,767	4,958	13	203,738
Cumulative impairment		(14)		(14)
NET BOOK VALUE AT 31 DECEMBER 2017	198,767	4,943	13	203,723
2018 change	11,547	(647)	26	10,926
Acquisitions		612	32	643
Disposals		(1,313)		(1,313)
Translation differences		89	(3)	86
Change in consolidation scope		(34)	(3)	(37)
CICE tax credit net of discounting	58,312			58,312
Settlement of income tax	(8,904)			(8,904)
2014 CICE refund	(41,026)			(41,026)
Accretion for the period	3,166			3,166
Gross value	210,314	4,311	39	214,664
Cumulative impairment		(14)		(14)
NET BOOK VALUE AT 31 DECEMBER 2018	210,314	4,297	39	214,650
Government refund schedule for CICE if unused for tax settlement				
2015 CICE refundable in 2019	42,104			
2016 CICE refundable in 2020	47,887			
2017 CICE refundable in 2021	65,080			
2018 CICE refundable in 2022	55,243			
TOTAL	210,314			

4.1.4. Investments in associates

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

€000	2018	2017
Investments in associates at beginning of year	5,066	8,552
Earnings for the period	69	(3,452)
Dividends	(31)	
Other changes	17	(33)
INVESTMENTS IN ASSOCIATES AT YEAR-END	**5,122**	**5,066**
Associates:		
AERCO	4,320	4,535
Global SQ	330	262
OVID	395	262

The financial statements of these equity-consolidated companies for the year ended 31 December 2018 are presented below:

€000	Global SQ	AERCO	OVID	SHP RS DOO Serbia	SCCV Les Charmes	SCCV 50 av. Porte de Villiers
Operating segment	Temp.	Airport	Airport	Airport	Other	Other
Sales	14,653	19,562	8,240	2,176		
Net income	165	(2,129)	401	148	(4)	1
Non-current assets		38,126	180	593		
Current assets	3,778	27,071	3,702	755	302	49
Shareholder's equity	673	17,282	1,187	163	(3)	2
Non-current liabilities	423	41,013		4		
Current liabilities	2,702	6,902	2,695	1,181	306	48
Net cash/(debt)	(245)	(18,509)	600	195		49
Dividends received by the Group during the period						
Controlling interest	49%	25%	33%	48%	50%	50%

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

€000	Global SQ	AERCO	OVID	SHP RS DOO Serbia	SCCV Les Charmes	SCCV 50 av. Porte de Villiers	Total
Shareholder's equity	673	17,282	1,187	163	(3)	2	
Controlling interest	49%	25%	33%	48%	50%	50%	
Carrying amount of the interest held	330	4,320	395	78	(3)	1	5,122

4.2. Working capital

At 31 December 2018

€000	31/12/2018	31/12/2017	Gross change	Change in cash	Translation differences	Other flows
Inventories and work in progress	2,062	2,585	(523)	296		(819)
Trade receivables	480,693	473,538	7,155	6,784	2,064	(1,693)
Other receivables	43,191	37,761	5,431	7,022	183	(1,775)
Assets held for sale	2,392		2,392			2,392
Trade payables	(45,736)	(39,295)	(6,441)	(7,326)	(212)	1,097
Social security and tax liabilities	(383,607)	(391,012)	7,405	7,633	(351)	122
Other payables	(39,440)	(33,951)	(5,489)	(6,165)	(242)	918
Liabilities held for sale	(1,466)		(1,466)			(1,466)
WORKING CAPITAL	**58,090**	**49,625**	**8,465**	**8,245**	**1,442**	**(1,222)**
DIVIDENDS AND INTEREST PAYABLE	**(186)**	**(152)**	**(34)**	**(34)**		
WORKING CAPITAL NET OF DIVIDENDS PAYABLE	**57,903**	**49,473**	**8,431**	**8,211**	**1,442**	**(1,222)**

In 2018, the increase in working capital was limited to €8.2 million, mainly due to tight management of client debt collection.

At 31 December 2017

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

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

4.2.1. Trade receivables

€000	31/12/2018	31/12/2017	Change
Trade and related receivables (1)	494,020	486,711	7,310
Impairment	(13,327)	(13,173)	(154)
TOTAL	**480,693**	**473,538**	**7,155**
(1) of which:			
Bills remitted for collection at 31 December but with subsequent maturity dates	*2,543*	*3,953*	*(1,410)*
Receivables financed under factoring agreements	*105,796*	*143,349*	*(37,553)*
Receivables assigned as security for the United States credit facility	*41,377*	*45,073*	*(3,696)*

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 5.3% of sales, the top five clients accounted for 12.9%, and the next ten clients accounted for 9.3%. The Group is therefore not dependent on any specific client.

In addition, credit risk is limited given that the majority of trade receivables in the temporary employment segment (62%) are covered by credit insurance.

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

	Non-impaired assets past due on the closing date (net value)						
€000	0-2 months	2-4 months	over 4 months	Total	*Impaired assets*	Non-impaired non-due assets	Total (net value)
31/12/2018	128,185	9,544	9,451	147,180	*13,327*	333,513	480,693
31/12/2017	129,290	8,508	5,379	143,177	*13,173*	330,360	473,538

In the temporary employment division in France, the Group uses a factoring agreement to finance its cash flow requirements, where applicable. The Group transfers its receivables while continuing to collect them in dedicated bank accounts and incur the credit risk. This factoring agreement does not fall under the derecognition requirements of IFRS 9 and trade receivables therefore remain on the assets side of the balance sheet. The upper funding limit is €80 million after the establishment of a reserve fund.

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

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

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

€000	31/12/2018	31/12/2017
Trade receivables balance financed under the factoring agreement	(105,796)	(143,349)
Reserve fund set up by the factors	20,831	30,293
Undrawn amount at closing	137,934	157,851
Payments from clients collected in dedicated bank accounts and to be transferred to the factors	11,692	22,461
NET ASSET POSITION WITH RESPECT TO THE FACTORS	64,661	67,256

In 2018, the Group terminated one of its factoring agreements, taking the upper funding limit from €100 million to €80 million.

The Group also holds a credit facility in the United States secured by a trade receivables portfolio, with a $35 million drawdown capacity for financing its operations. This credit facility is secured by trade receivables from US business activity.

4.2.2. Other receivables

€000	31/12/2018	31/12/2017	Change
VAT	15,900	13,810	2,091
Prepaid expenses	6,987	6,878	109
Other tax receivables	1,551	4,193	(2,642)
Employee and social security receivables	1,051	987	64
Other third-party receivables	17,738	11,929	5,809
GROSS VALUE	**43,228**	**37,797**	**5,431**
Impairment	(37)	(37)	0
NET TOTAL	43,191	37,760	5,431

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

4.2.3. Social security and tax liabilities

€000	31/12/2018	31/12/2017	Change
Social security organisations	109,465	116,110	(6,646)
Employees	132,670	130,149	2,521
Value-added tax	92,865	94,252	(1,387)
State, public authorities and other liabilities	48,607	50,501	(1,894)
TOTAL	383,607	391,012	(7,405)

4.2.4. Other payables

€000	31/12/2018	31/12/2017	Change
Miscellaneous payables	33,908	30,447	3,461
Prepaid income	5,533	3,505	2,028
TOTAL	39,440	33,951	5,489

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

4.3. Shareholder's equity and consolidation scope

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

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

The consolidated companies are listed in Note 6.4. below.

4.3.1. Capital and treasury shares

	31/12/2018	31/12/2017
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)	11,096	11,098
Treasury shares (in thousands)	154	152

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 2018 was 11,096,459.
The company has no stock option or bonus share plan.

4.3.2. Earnings per share

	2018	2017
Profits to be distributed to company shareholders (€000)	90,936	84,787
Weighted average number of ordinary shares outstanding (in thousands)	11,097	11,101
Basic and diluted earnings per share (€)	8.19	7.64

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

4.3.3. Dividends per share

The dividend of €4.40 per share for the year ended 31 December 2017, representing a total payout of €49.5 million, approved by the Annual Shareholders' Meeting of 8 June 2018, was made available for payment on 29 June 2018.

A dividend of €1 per share for the year ended 31 December 2018, representing a total payout of €11.3 million, will be proposed to the Annual Shareholders' Meeting scheduled for 7 June 2019.

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

			Non-controlling interests (NCI)				
Name of subsidiary or associate	Country	Sector	% holding	% voting rights	Net income for the year attributable to NCI	Aggregate NCI at year-end	Dividends paid to NCI during the year
Interim US - Actium	United States	Temp.	25.00%	25.00%	(179)	916	0
Congo Handling	Congo	Airport	50.08%	50.00%	(574)	(542)	0
CPTS	Congo	Airport	39.08%	39.00%	(1,569)	1,141	0
Other					898	3,615	209
TOTAL AT 31 DECEMBER 2017					**(1,423)**	**5,130**	**209**
Interim US - Actium	United States	Temp.	25.00%	25.00%	(197)	917	384
Congo Handling	Congo	Airport	50.08%	50.00%	(481)	(1,005)	0
CPTS	Congo	Airport	39.08%	39.00%	(45)	1,097	0
Other					615	4,142	191
TOTAL AT 31 DECEMBER 2018					**(108)**	**5,152**	**575**

4.4. Financial debt

4.4.1. Net financial debt

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

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

Net financial debt equals gross financial debt less:

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

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

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

€000	31/12/2018	31/12/2017	Change
Borrowings, non-current portion	41,647	62,760	(21,113)
Borrowings, current portion	62,484	56,657	5,827
A - GROSS FINANCIAL DEBT	**104,131**	**119,416**	**(15,285)**
Cash and cash equivalents	(213,800)	(137,608)	(76,192)
Overdrafts	97,216	27,355	69,861
B - NET CASH	**(116,584)**	**(110,253)**	**(6,331)**
C - NET FINANCIAL DEBT BEFORE DEDUCTION OF CICE (A+B)	**(12,453)**	**9,163**	**(21,616)**
D - CICE TOTAL	**(210,314)**	**(198,767)**	**(11,547)**
E - NET FINANCIAL DEBT (C+D)	**(222,767)**	**(189,604)**	**(33,163)**

Change in net financial debt

€000	2018	2017
NET FINANCIAL DEBT AT START OF PERIOD	(189,604)	(108,932)
Change during period:		
Cash items	(22,103)	(15,686)
New borrowings	5,148	23,120
Repayments	(27,251)	(38,807)
Non-cash items	6,817	4,821
Translation impact on gross debt	1,217	(1,972)
Finance lease investments	5,504	5,918
Put option over non-controlling interests		(330)
Reclassification	306	
Newly-consolidated entities		1,919
Fair value of swaps	(139)	(670)
Accrued interest	(71)	(43)
Change in gross financial debt	**(15,285)**	**(10,865)**
Change in cash incl. currency impact	**(6,331)**	**(26,312)**
CICE tax credit net of discounting	(58,312)	(70,707)
Accretion for past financial years	(3,166)	(5,250)
Use of CICE for corporate income tax payment	8,904	5,612
CICE refund at expiry	41,026	26,850
CICE impact	**(11,547)**	**(43,495)**
CHANGE IN NET FINANCIAL DEBT	**(33,163)**	**(80,672)**
NET FINANCIAL DEBT AT END OF PERIOD	**(222,767)**	**(189,604)**

New borrowings amounting to €5 million relate to an additional drawdown on the short-term credit line in the United States.

Repayments of borrowings amounting to €27.3 million primarily relate to:

- the €15 million USD medium-term credit facility (RCF) following the establishment of the line of funding in the United States in 2017,
- the real estate finance lease agreement (€3.8 million) and airport services lease agreements (€4.6 million),
- payables related to business combinations in the United States (€2.7 million).

4.4.2. Gross financial debt

4.4.2.1. Type and maturity

€000	Financing	Real estate finance lease	Equipment finance lease	Employee profit-sharing	Other borrowings	Total
Values at 31/12/2017						
Due in < 1 year	21,298	3,833	4,181	26,445	900	56,657
Due in 1-5 years	14,621	15,333	8,145		3,787	41,886
Due in > 5 years	0	20,654	0		220	20,874
TOTAL 31/12/2017	**35,918**	**39,821**	**12,326**	**26,445**	**4,906**	**119,416**
Values at 31/12/2018						
Due in < 1 year	27,548	3,833	4,554	26,375	174	62,484
Due in 1-5 years		15,333	8,687		768	24,789
Due in > 5 years		16,682			176	16,858
TOTAL 31/12/2018	**27,548**	**35,849**	**13,241**	**26,375**	**1,119**	**104,131**

4.4.2.2.Main debt facilities

GROSS FINANCIAL DEBT

Principle borrowings	Start date	Maturity	Item total	Debt/ Amount drawn	Undrawn amount	Repayment method	Covenants	Notes
Financing								
Factoring	NA	Annual	80,000	0	80,000	Revolving/bullet	No	(1)
Medium-term credit lines - France	05/11/2015	05/11/2022	100,000	0	100,000	Revolving/bullet	Yes	(2)
Short-term credit lines - United States	15/06/2018	15/06/2019	30,568	27,548	3,020	Revolving/bullet	No	(3)
Total financing			**210,568**	**27,548**	**183,020**			
Finance leases								
Real estate finance lease	10/03/2016	27/03/2028		35,849		Quarterly	No	(4)
Equipment finance lease				13,241		Quarterly	No	(5)
Total finance leases				**49,090**				
Employee profit-sharing				**26,375**			No	
Other				**1,118**			No	
GROSS FINANCIAL DEBT				**104,131**				

(1) Relates to one ongoing programme in France representing a total capacity of €80 million managed through confidential financing with a collection order
(2) €100 million RCF with drawdown capacity in euros and US dollars
(3) Credit facility secured by a receivables portfolio with a $35 million drawdown capacity and a 12-month renewable term
(4) Relates to the financing of the Paris 17th district building, for which the finance lease debt amounts to €35,8 million, net of the down-payment paid to the lessor
(5) Mainly relates to the financing of equipment for the airport services operating segment

OVERDRAFT FACILITIES

Main overdrafts	Item total	Debt/Amount drawn	Undrawn amount
Authorised overdrafts - France	38,000	3,627	34,373
Authorised overdrafts - overseas	4,326	2,610	1,717
Total authorised overdrafts	**42,326**	**6,237**	**36,090**
Cash pooling - liability position		90,980	
OVERDRAFTS		**97,216**	

INTEREST RATE RISK

The interest rate risk is only slight. A 100 basis point change would have a €1.2 million impact on the Group's €2.9 million net cost of financial debt.

HEDGING

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

As the swap is 100% backed by the repayment instalments, the hedge is effective. The value of the swap at 31 December 2018 was recorded in financial debt, offset through other comprehensive income in the amount of (€0.1 million).

BREAKDOWN BY RATE TYPE AND BY CURRENCY

€000	31/12/2018	31/12/2017
Fixed rate	65,329	72,586
Floating rate	38,801	46,830
GROSS FINANCIAL DEBT	**104,131**	**119,416**
EUR	75,621	78,405
USD	27,771	39,271
XAF	525	762
Other currencies	214	979
GROSS FINANCIAL DEBT	**104,131**	**119,416**

FINANCIAL COVENANTS

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

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

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

This covenant was met at 31 December 2018.

LIQUIDITY RISK

In the course of its business, in addition to the dividend paid to its shareholders, the Group needs to finance a sizeable working capital requirement (Note 4.2) as well as its acquisitions. Working capital is generally financed through short-term credit facilities (overdraft, factoring, etc.), while acquisitions are financed with equity or via medium-term financing. At 31 December 2018, the company had credit facilities of €210 million (€100 million of which was confirmed, with a maturity of over 12 months), on which it had drawn €27 million.

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

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

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

It is worth nothing that the Group did not draw on its CICE competitiveness and employment tax credit, which amounted to €210.3 million at 31/12/2018.

FINANCIAL COUNTERPARTY RISK

The Group is exposed to counterparty risk when it trades on financial markets, particularly for cash flow management purposes. It limits this risk by engaging solely, where possible, with commercial banks with high credit ratings and by avoiding an over-concentration of market transactions with a limited number of financial institutions. Accordingly, Group net cash of €116.6 million is distributed across all of these financial institutions.

FOREIGN EXCHANGE RISK

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

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

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

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

NET BALANCE SHEET POSITIONS IN THE MAIN CURRENCIES

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

€000	Current and non-current assets	Current and non-current liabilities	Foreign currency liabilities	Net position before hedging	Hedging instruments	Net position after hedging
2018						
EUR	1,066,920	643,845		423,075		423,075
USD	152,555	42,839		109,716		109,716
XAF	15,995	15,195		800		800
Other currencies	39,481	15,494		23,987		23,987
TOTAL	**1,274,950**	**717,372**	**0**	**557,578**	**0**	**557,578**
2017						
EUR	965,507	571,225		394,282		394,282
USD	154,920	61,577		93,343		93,343
XAF	16,648	14,811		1,837		1,837
Other currencies	35,848	13,382		22,467		22,467
TOTAL	**1,172,922**	**660,994**	**0**	**511,928**	**0**	**511,928**

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
2018						
EUR	118,212	534,052	0	0	0	0
USD	7,961	21,410	398	(398)	1,070	(1,070)
XAF	(633)	486	0	0	0	0
Other currencies	4,058	1,630	203	(203)	81	(81)
TOTAL	**129,598**	**557,578**	**601**	**(601)**	**1,152**	**(1,152)**
2017						
EUR	110,767	494,367	0	0	0	0
USD	5,445	13,881	272	(272)	694	(694)
XAF	(4,946)	1,523	0	0	0	0
Other currencies	3,826	2,157	191	(191)	108	(108)
TOTAL	**115,092**	**511,928**	**464**	**(464)**	**802**	**(802)**

4.4.3. Cash and cash equivalents

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

€000	31/12/2018	31/12/2017
CASH	193,360	117,576
Cash equivalents		
Money-market funds	440	32
Short-term deposits	20,000	20,000
TOTAL CASH EQUIVALENTS	20,440	20,032
TOTAL CASH AND CASH EQUIVALENTS	**213,800**	**137,608**

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

€000	31/12/2018	31/12/2017
Cash pooling – asset position	101,941	26,602
Cash pooling - liability position	(90,980)	(21,316)
NET CASH-POOLING BALANCE	**10,961**	**5,286**

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

The €6.3 million increase in net cash breaks down as follows:
- €96.4 million of cash flow from operating activities,
- €16.1 million of cash flow related to operational investments,
- €74.1 million related to financing activities, including €49 million of dividends and €22.1 million of net loan repayments.

4.5. Additional information on financial instruments

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

4.5.1. Categories of financial assets

€000	Net book value at 31/12/2018 Non-current	Current	Total	Fair value at 31/12/2018	Net book value at 31/12/2017	Fair value at 31/12/2017
LOANS AND RECEIVABLES AT AMORTISED COST	**214,650**	**719,265**	**933,914**	**933,914**	**836,018**	**836,018**
Loans and receivables and other long-term investments	214,650		214,650	214,650	203,723	203,723
Trade receivables		480,693	480,693	480,693	473,538	473,538
Other receivables		43,191	43,191	43,191	37,761	37,761
Tax receivables		2,020	2,020	2,020	3,420	3,420
Bank current accounts		193,360	193,360	193,360	117,576	117,576
FINANCIAL ASSETS STATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**0**	**20,440**	**20,440**	**20,440**	**20,032**	**20,032**
Money market UCITS		440	440	440	32	32
Short-term deposits		20,000	20,000	20,000	20,000	20,000
TOTAL	**214,650**	**739,705**	**954,355**	**954,355**	**856,050**	**856,050**

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

4.5.2. Categories of financial liabilities

	Net book value at 31/12/2018					
€000	**Non-current**	**Current**	**Total**	**Fair value at 31/12/2018**	**Net book value at 31/12/2017**	**Fair value at 31/12/2017**
FAIR VALUE THROUGH EQUITY	**1,535**	**0**	**1,535**	**1,535**	**1,673**	**1,673**
Borrowings	1,535	0	1,535	1,535	1,673	1,673
OTHER LIABILITIES AT AMORTISED COST	**40,112**	**629,712**	**669,824**	**669,824**	**615,866**	**615,866**
Borrowings	40,112	62,484	102,596	102,596	117,743	117,743
Bank overdrafts and related expenses		97,216	97,216	97,216	27,355	27,355
Trade payables		45,736	45,736	45,736	39,295	39,295
Social security and tax liabilities		383,607	383,607	383,607	391,012	391,012
Tax payables		1,228	1,228	1,228	6,509	6,509
Other payables		39,440	39,440	39,440	33,951	33,951
TOTAL	**41,647**	**629,712**	**671,359**	**671,359**	**617,539**	**617,539**

4.6. Provisions for other liabilities

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

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

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

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

€000	31/12/2017	Contributions	Reversals (provisions used)	Reversals (unused provisions)	Reclassification and change	31/12/2018
Provisions for disputes	5,510	1,399	(912)	(801)	(26)	5,170
Other provisions	6,256	2,798	(407)	(1,000)	(1)	7,646
TOTAL	11,766	4,198	(1,320)	(1,802)	(27)	12,815

5. Off balance-sheet commitments

5.1. Off balance-sheet commitments related to company financing

5.1.1. Commitments given

(€000)	Main features	Maturity	31/12/2018	31/12/2017
Pledge of AERCO shares by CPTS as security for the AERCO bank loan	Financial guarantee for bank loan granted to subsidiary	Unlimited	4,535	4,535

5.1.2. Commitments received

(€000)	Main features	Maturity	31/12/2018	31/12/2017
Commitments related to financing				
Crédit Agricole factoring agreement	Unused portion of €80 million line of credit commitment	Unlimited	80,000	80,000
GE Factofrance factoring agreement	Unused portion of €20 million line of credit commitment	Unlimited		20,000
France medium-term credit facility	Unused portion of €100 million credit facility	05/11/2022	100,000	84,991
Short-term credit facility - United States	Unused portion of $35 million credit facility		3,020	7,886
Overdraft facility	Unused portion of credit facilities totalling €42 million		36,090	36,207

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

5.2.1. Commitments given

(€000)	Main features	Maturity	31/12/2018	31/12/2017
Financial guarantee				
Counter-guarantee given by Groupe CRIT to BNP Paribas	Guarantee of workplace accident insurance contract deductibles	2019	8,432	9,732
Financial guarantee for amounts due within the terms of the finance lease agreement for the Paris 17th district building by SCI Saint Ouen to Natiocredibail(1)	Assignment of subleasing rental income for the building	31/05/2026	11,231	9,272
Financial instruments concluded for the delivery of a non-financial item				
Purchase commitment given by GEH to various suppliers	Firm commitment to purchase uniforms	Unlimited	695	687
Operating lease commitments				
Real estate operating lease commitments	Commitments for future payments		59,778	23,555
		< 1 year	*14,684*	*11,014*
		2-5 years	*21,321*	*11,283*
		> 5 years	*23,773*	*1,258*
Equipment operating lease commitments	Commitments for future payments		4,975	4,395
		< 1 year	*2,434*	*2,419*
		2-5 years	*2,541*	*1,976*
		> 5 years	-	

The increase in real estate operating lease commitments is due in particular to the airport services business acquisition at Paris – Le Bourget airport and the continued performance of several leases with Aéroports de Paris (ADP), some of which run until 2054 (see Note 2.1).
On 3 July 2018, Groupe Europe Handling (GEH) entered into a memorandum of understanding with ADP whereby ADP undertook to construct a warehouse and office building at Roissy-en-France, to be delivered to GEH no later than 31 October 2020, and GEH undertook to lease this building.

5.2.2. Commitments received

(€000)	Main features	Maturity	31/12/2018	31/12/2017
Financial guarantee				
Financial guarantee given by BNP Paribas	Guarantee of workplace accident insurance contract deductibles	2019	8,432	9,732
First demand guarantees				
First demand guarantee given by Credit Lyonnais to Aéroports de Paris for the France airport services subsidiaries	Civil lease guarantees	2019 to 2023	2,440	900
Other property guarantees	Civil lease guarantees		613	984
Guarantees received				
Bank guarantee in favour of CRIT SAS (1)	Financial guarantee for temporary employment business in France (Articles L. 1251-49 and R. 1251-11 to R. 1251-31 of the French Labour Code)	30/06/2019	104,360	95,000
Bank guarantee in favour of Les Compagnons, Les Volants, AB Intérim (1)	Financial guarantee for temporary employment business in France (Articles L. 1251-49 and R. 1251-11 to R. 1251-31 of the French Labour Code)	30/06/2019	17,290	16,030
Bank guarantee in favour of CRIT España	Financial guarantee for temporary employment business in Spain	Unlimited	6,796	4,917
Bank guarantee in favour of CRIT Suisse	Financial guarantee for temporary employment business in Switzerland	Unlimited	355	470
Other guarantees	Customer and supplier guarantees		1,470	1,606

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

6. Other information

6.1. Related party disclosures

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

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

6.1.1. Remuneration of corporate officers

The remuneration paid by the Group to the main corporate officers - the Chairman and Chief Executive Officer and Deputy Managing Directors - amounted to €726,000 in 2018 as in 2017. No post-employment benefits or loans have been granted to corporate officers. Likewise, the Group has allocated no shares or options to corporate officers.

6.1.2. Other related parties

Transactions with other related parties mainly comprise the following:
- leases granted on arm's length terms by the SCIs (sociétés civiles immobilières - property investment companies), which are managed by directors Claude GUEDJ or Nathalie Jaoui, and in which all Groupe CRIT directors are partners,
- sales invoiced by the Group to equity-consolidated companies (associates).

€000		2018	2017
Leases invoiced to the Group by the SCIs			
SCI LA PIERRE DE CLICHY		136	141
SCI HUGO MOREL		74	71
SCI LA PIERRE DE SAINT DENIS		18	18
SCI LA PIERRE DE SENS		16	15
SCI LA PIERRE DE ROUEN		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
SCI LES ARCHES DE CLICHY		0	160
SCI LA PIERRE LUTTERBACH		0	13
SCI LA PIERRE DE MELUN		0	16
		315	**505**
Real estate operating lease commitments (future rent payments)		**571**	**718**
	< 1 year	*300*	*239*
	2-5 years	*271*	*479*
	> 5 years		
Sales invoiced by the Group			
Global SQ		6,627	504
Trade receivables and other current account receivables			
OVID		110	213
Global SQ		2,207	1,271
SCCV 50 AV DE LA PORTE DE VILLIERS		26	25
SCCV LES CHARMES		157	155
SHP RS DOO Serbia		437	443
		2,937	**2,107**

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

6.2. Statutory auditors' fees

€000	PricewaterhouseCoopers				EXCO Paris Ace			
	Amount excl. VAT		%		Amount excl. VAT		%	
	2018	2017	2018	2017	2018	2017	2018	2017
Audit Statutory audit, certification, review of individual and consolidated financial statements								
- Issuer	88	87	21%	21%	44	44	26%	26%
- Fully-consolidated subsidiaries	319	306	75%	76%	122	122	74%	73%
Non-audit services								
- Issuer	17	12	4%	3%				
- Fully-consolidated subsidiaries						2	0%	1%
TOTAL	424	405	100%	100%	166	168	100%	100%

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

6.3. Post-balance sheet events

No post-balance sheet events likely to affect the 2018 financial statements were identified between the closing date and the Group reporting date.

6.4. Consolidation scope

Company	Siren (business registration number)	% interest		Consolidation method
		31/12/2018	31/12/2017	
GROUPE CRIT (Paris)	622 045 383	Parent company		Full consolidation
Temporary employment and recruitment				
CRIT INTERIM (Saint-Ouen)	303 409 247	99.10	99.10	Full consolidation
LES VOLANTS (Paris)	301 938 817	98.89	98.89	Full consolidation
LES COMPAGNONS (Paris)	309 979 631	95.00	95.00	Full consolidation
AB INTERIM (Paris)	642 009 583	95.00	95.00	Full consolidation
CRIT (Paris)	451 329 908	99.71	99.71	Full consolidation
PRESTINTER (Paris)	334 077 138	95.00	95.00	Full consolidation
PROPARTNER (Germany)	NA	100.00	100.00	Full consolidation
CRIT INTERIM (Switzerland)	NA	99.71	99.71	Full consolidation
CRIT ESPANA (Spain)	NA	100.00	100.00	Full consolidation
CRIT CARTERA (Spain)	NA	100.00	100.00	Full consolidation
ADAPTALIA OUTSOURCING SL (Spain)	NA	100.00	100.00	Full consolidation
CRIT PROCESOS AUXILIARES SL (Spain)	NA	100.00	100.00	Full consolidation
CRIT CONSULTORIA (Spain)	NA	100.00	100.00	Full consolidation
CRIT EMPRESA DE TRABALHO TEMPORÁRIO (Portugal)	NA	100.00	100.00	Full consolidation
CRIT HR (Ireland) [1]	NA	-	95.00	Full consolidation
CRIT MAROC (Morocco)	NA	98.67	98.67	Full consolidation
C-SERVICES (Morocco)	NA	99.87	99.87	Full consolidation
CRIT RH (Tunisia)	NA	94.67	94.67	Full consolidation
CRIT TUNISIE (Tunisia)	NA	94.67	94.67	Full consolidation
CRIT CORP (United States)	NA	100.00	100.00	Full consolidation
PEOPLELINK (United States)	NA	100.00	100.00	Full consolidation
SUSTAINED QUALITY (United States)	NA	100.00	100.00	Full consolidation
2AM GROUP (United States) [2]	NA	-	100.00	Full consolidation
2AM GROUP ONTARIO (United States)	NA	100.00	100.00	Full consolidation
ACTIUM (United States)	NA	75.00	75.00	Full consolidation
GLOBAL SQ (United States)	NA	49.00	49.00	Equity method
Airport services				
PARIS CUSTOMERS ASSISTANCE (Tremblay-en-France)	502 637 960	99.84	99.84	Full consolidation
AERO HANDLING (Tremblay-en-France)	792 040 289	99.84	99.84	Full consolidation
CARGO GROUP (Tremblay-en-France)	789 719 887	99.84	99.84	Full consolidation

Company	Siren (business registration number)	% interest		Consolidation method
		31/12/2018	31/12/2017	
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
ORLY GROUND SERVICES (Tremblay-en-France)	827 803 339	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
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
ADVANCED AIR SUPPORT INTERNATIONAL (Le Bourget) (3)	841 280 704	99.84	-	Full consolidation
NICE HANDLING (Nice)	811 870 328	99.84	99.84	Full consolidation
AWAC TECHNICS (Tremblay-en-France)	412 783 045	99.60	99.60	Full consolidation
OVID (Tremblay-en-France)	534 234 661	33.33	33.33	Equity method
CONGOLAISE DE PRESTATIONS DE SERVICES - CPTS (Congo)	NA	60.90	60.90	Full consolidation
REPUBLIC OF CONGO AIRPORTS - AERCO (Congo)	NA	15.23	15.23	Equity method
SKY PARTNER R.S. DOO. (Serbia)	NA	47.92	47.92	Equity method
CONGO HANDLING (Congo)	NA	49.92	49.92	Full consolidation
SKY HANDLING PARTNER SIERRA LEONE (Sierra Leone)	NA	79.87	79.87	Full consolidation
SKY HANDLING PARTNER (Ireland)	NA	100.00	100.00	Full consolidation
SKY HANDLING PARTNER SHANNON (Ireland)	NA	100.00	100.00	Full consolidation
ARIA LOGISTICS (United Kingdom)	NA	89.86	89.86	Full consolidation
SKY HANDLING PARTNER UK (United Kingdom)	NA	89.86	89.86	Full consolidation
COBALT GROUND SOLUTIONS (United Kingdom)	NA	99.84	99.84	Full consolidation
SHP NORTH AMERICA (United States)	NA	99.84	99.84	Full consolidation
SKY HANDLING PARTNER USA (United States)	NA	99.84	99.84	Full consolidation
Other services				
OTESSA (Paris)	552 118 101	99.00	99.00	Full consolidation
CRIT CENTER (Paris)	652 016 270	99.86	99.86	Full consolidation
E.C.M. (Paris)	732 050 034	99.00	99.00	Full consolidation
ECM TEHNOLOGIE (Romania) (4)	NA	-	99.00	Full consolidation
MASER (Paris)	732 050 026	99.94	99.94	Full consolidation
EDOM (Paris) (5)	352 636 211	99.94	99.94	Full consolidation
CRIT IMMOBILIER (Paris)	572 181 097	95.00	95.00	Full consolidation
SCI L'ARCHE DE SAINT OUEN (Paris)	799 904 487	100.00	100.00	Full consolidation
R.H.F. (Clichy)	343 168 399	99.99	99.99	Full consolidation
PEOPULSE (Colombes)	489 466 474	100.00	100.00	Full consolidation
SCI SARRE COLOMBES (Paris)	381 038 496	99.66	99.66	Full consolidation
SCI RIGAUD PREMILHAT (Paris)	312 086 390	90.00	90.00	Full consolidation
SCI MARCHE A MEAUX (Paris)	384 360 962	99.00	99.00	Full consolidation
SCI DE LA RUE DE CAMBRAI (Paris)	403 899 818	99.66	99.66	Full consolidation
SCI ALLEES MARINES (Paris)	381 161 595	99.00	99.00	Full consolidation
SCCV LES CHARMES (Paris)	491 437 018	47.50	47.50	Equity method
SCCV 50 AV PORTE DE VILLIERS (Paris)	492 855 648	50.00	50.00	Equity method

(1) Liquidation on 10 December 2018
(2) Merger of 2AM Group with Sustained Quality on 19 February 2018
(3) Incorporated on 10 July 2018
(4) Liquidation on 8 September 2016
(5) Universal transfer of assets to Maser on 28 December 2018

Groupe CRIT financial reporting schedule

Financial reporting	FY 2019
Sales Q1 Q2 Q3 Q4	 24 April 2019* (after market close) 24 July 2019* (after market close) 23 October 2019* (after market close) 29 January 2020* (after market close)
H1 2019 results Financial press release SFAF investors meeting	 23 September 2019* (after market close) 24 September 2019*
2019 annual results	March 2020

*Provisional dates

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