

**MAZARS**

**M.A.J.**

Statutory Auditor's report on the annual  
financial statements

Year ended December 31, 2017

## **MAZARS**

61 RUE HENRI REGNAULT, 92075 PARIS LA DEFENSE CEDEX, FRANCE  
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LIMITED LIABILITY ACCOUNTING FIRM PROVIDING ACCOUNTANCY AND AUDITING SERVICES, WITH MANAGEMENT AND SUPERVISORY  
BOARDS

SHARE CAPITAL OF €8,320,000 – NANTERRE TRADE AND COMPANIES REGISTER NO. 784 824 153 – REGISTERED OFFICE: 61 RUE HENRI REGNAULT,  
92400 COURBEVOIE, FRANCE

# **M.A.J.**

Public Limited Company (*Société anonyme*) with share capital of €142,515,408

Registered office: 31 Chemin Latéral au Chemin de Fer, 93500 Pantin, France

Bobigny Trade & Companies Register: Bobigny 775 733 835

## **Statutory Auditor's report on the annual financial statements**

Year ended December 31, 2017

**M.A.J.**  
Annual financial statements  
Year ended  
December 31, 2017

*This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditor's report includes information required by French law, such as verification of the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **Statutory Auditor's report on the annual financial statements**

To the Shareholders,

### **Opinion**

In compliance with the engagement entrusted to us by your General Meeting, we have audited the annual financial statements of M.A.J. for the year ended December 31, 2017, as attached to this report.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company and of the results of its operations for the year then ended in accordance with French accounting rules and principles.

### **Basis for opinion**

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the data we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

#### Independence

We conducted our audit mission covering the period from January 1, 2017 to the date of our report in line with the rules of independence that apply to us, and, in particular, we have not provided any services prohibited by the French Code of Ethics for Statutory Auditors.

**M.A.J.**

*Annual financial statements*

*Year ended*

*December 31, 2017*

### **Observation**

Without qualifying our opinion expressed above, we draw your attention to the following point set out in Notes “3.1. Changes in valuation method” and “3.11. Financial instruments and hedging transactions” to the annual financial statements relating to the initial application of ANC Regulation no. 2015-05 of July 2, 2015 on forward financial instruments and hedging transactions, the application of which is mandatory as at January 1, 2017 and which constitutes a change of accounting method in accordance with the provisions of Article 122-2 of ANC Regulation 2014-03.

### **Justification of assessments**

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional opinion, were the most significant for the audit of the annual financial statements.

- As indicated in Note “3.3. Non-current assets” of the Notes to the annual financial statements, equity investments were valued at their value in use. We have verified the relevance of the approaches used by the company based on the information available to date, as well as the reasonable nature of the assumptions used and the resulting valuations.

These assessments were addressed in the context of our audit of the financial statements as a whole, and therefore contributed to the formation of our opinion as expressed above. We do not express any opinion on the items in these annual financial statements taken separately.

### **Audit of the management report and other documents sent to Shareholders**

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

### **Information provided in the management report and in the other documents provided to Shareholders concerning the financial position and the annual financial statements**

We have nothing to report as to the fair presentation and the consistency with the annual financial statements of the information given in the Board of Directors’ management report and in the other documents sent to the Shareholders with respect to the financial position and the annual financial statements.

**M.A.J.**

*Annual financial statements*

*Year ended*

*December 31, 2017*

### Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

### Other information

In accordance with French law, we have verified that the required information concerning purchase of equity interests and controlling interests in the company have been properly disclosed in the management report.

### **Responsibilities of management and those persons in charge of corporate governance relating to the annual financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The annual financial statements were approved by the Board of Directors.

### **Statutory Auditor's responsibilities relating to the audit of the annual financial statements**

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**M.A.J.**

*Annual financial statements*

*Year ended*

*December 31, 2017*

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

*Signed in Courbevoie, 31 May, 2018*

The Statutory Auditors

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**MAZARS**

ISABELLE MASSA

2017

ANNUAL FINANCIAL STATEMENTS

SA M.A.J.

31 Chemin Latéral au Chemin de Fer

93500 Pantin, France

FISCAL YEAR ENDED 12/31/2017



# I. STATEMENT OF FINANCIAL POSITION AS AT 31-Dec-17

## A – Statement of financial position – Assets

Figures expressed in euros	Gross amount	Amort./ Depr.	Net 31-Dec-17	Net 31-Dec-16
Subscribed capital uncalled				
<b>INTANGIBLE ASSETS</b>				
Start-up costs	350	350	0	0
Development costs	2,917	2,917	0	0
Concessions, patents and other rights	4,842,730	3,361,294	1,481,436	1,229,936
Goodwill	42,102,928	13,852,547	28,250,381	17,917,471
Other intangible assets	28,002,791	0	28,002,791	24,267,878
Advances and prepayments on intangible assets	0	0	0	0
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Land	5,287,425	0	5,287,425	4,485,966
Buildings	112,970,246	68,451,030	44,519,216	32,081,049
Fittings, machinery and equipment	247,783,955	150,294,868	97,489,087	81,653,961
Other property, plant and equipment	375,856,130	211,401,881	164,454,249	152,880,488
Assets in progress	8,808,158	0	8,808,158	9,861,903
Advances and prepayments	0	0	0	0
<b>FINANCIAL ASSETS</b>				
Equity-accounted companies	0	0	0	0
Other equity investments	1,146,585,368	85,662,953	1,060,922,415	502,399,785
Receivables related to investments	0	0	0	0
Other investments	5,352	1,244	4,108	4,108
Loans	23,251	0	23,251	19,560
Other financial assets	3,594,380	0	3,594,380	1,276,535
<b>FIXED ASSETS</b>	<b>1,975,865,980</b>	<b>533,029,084</b>	<b>1,442,836,896</b>	<b>828,078,641</b>
<b>INVENTORIES AND WORK IN PROGRESS</b>				
Raw materials, supplies	8,941,158	0	8,941,158	7,205,940
Goods in progress	0	0	0	0
Services in progress	0	0	0	0
Finished and semi-finished goods	255,000	0	255,000	255,000
Goods purchased for resale	40,109	0	40,109	36,056
Advances and prepayments on orders	20,010	0	20,010	12,577
<b>RECEIVABLES</b>				
Trade receivables and related accounts	157,325,814	13,142,987	144,182,827	124,369,553
Other receivables	261,059,276	0	261,059,276	365,686,434
Subscribed capital called but not paid	0		0	0
<b>OTHER</b>				
Marketable securities	137,222	0	137,222	4,116
(o/w treasury shares):	0	0	0	0
Cash and cash equivalents	30,237,711	0	30,237,711	115,226,106
<b>ADJUSTMENT ACCOUNTS</b>				
Prepaid expenses	4,245,626	0	4,245,626	2,886,942
<b>CURRENT ASSETS</b>	<b>462,261,927</b>	<b>13,142,987</b>	<b>449,118,940</b>	<b>615,682,725</b>
Deferred debt issuance costs	0		0	0
Bond redemption premiums	0		0	0
Exchange adjustments on assets	40,667		40,667	0
<b>GRAND TOTAL</b>	<b>2,438,168,574</b>	<b>546,172,071</b>	<b>1,891,996,503</b>	<b>1,443,761,365</b>

**B – Statement of financial position – Equity and liabilities**

Figures expressed in euros	Fiscal year 2017	Fiscal year 2016
Issued capital (o/w paid out: 142,515,408)	142,515,408	142,515,408
Additional paid-in capital	161,052,624	161,052,624
Revaluation adjustments (o/w for equity-accounted companies: )	11,159	11,159
Legal reserve	14,251,541	14,251,541
Regulatory or contractual reserves	0	0
Regulated Reserves (o/w translation Reserve: )	0	0
Other reserves (o/w purchases of original works of art: )	111,611,681	20,890,481
Retained earnings	-4,645,000	577,698
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>66,319,352</b>	<b>100,199,035</b>
Investment grants	196,008	201,824
Regulated provisions	179,675,036	165,065,341
<b>EQUITY</b>	<b>670,987,808</b>	<b>604,765,111</b>
Proceeds from issuance of equity securities	0	0
Conditional advances	0	0
<b>OTHER EQUITY</b>	<b>0</b>	<b>0</b>
Provisions for risks	15,228,129	8,693,883
Provisions for expenses	16,945,380	14,631,231
<b>PROVISIONS</b>	<b>32,173,509</b>	<b>23,325,114</b>
<b>FINANCIAL LIABILITIES</b>		
Convertible bond loans	0	0
Other bonds	0	0
Bank loans	2,201,409	109,955,834
Sundry loans & other borrowings (o/w Profit-sharing: )	1,005,491,694	513,140,420
Advances and prepayments on orders in progress	0	0
<b>OPERATING LIABILITIES</b>		
Trade payables and related accounts	55,420,629	50,930,971
Tax and employee-related liabilities	89,091,868	97,376,870
<b>SUNDRY LIABILITIES</b>		
Amounts due on fixed assets and related accounts	8,022,417	6,418,274
Other liabilities	2,005,599	4,505,868
<b>ADJUSTMENT ACCOUNTS</b>		
Deferred income	26,257,947	24,995,556
<b>LIABILITIES</b>	<b>1,188,491,563</b>	<b>807,323,793</b>
Exchange adjustments on liabilities	343,623	8,347,348
<b>GRAND TOTAL</b>	<b>1,891,996,503</b>	<b>1,443,761,365</b>

## II. INCOME STATEMENT AS AT 31-Dec-17

Figures expressed in euros	Fiscal year 2017			Fiscal year
	France	Exports	Total	2016
Sale of goods purchased for resale	2,458,575	237,164	2,695,739	1,362,657
Sales of goods	0		0	0
Sales of services	646,236,171	280,426	646,516,597	559,972,195
<b>REVENUE</b>	<b>648,694,746</b>	<b>517,590</b>	<b>649,212,336</b>	<b>561,334,852</b>
Production inventoried			0	0
Production capitalized			410	0
Operating grants			23,248	43,476
Reinvoiced expenses, reversals of prov. & accum. depr./amort. & impairm.			14,836,517	11,491,690
Other income			31,264,249	32,546,104
<b>OPERATING INCOME</b>			<b>695,336,759</b>	<b>605,416,121</b>
Purchases of goods for resale (including customs duties)			381,012	517,253
Change in inventories – goods purchased for resale			-4,053	-8,151
Purchases of raw materials and supplies			52,191,518	47,421,638
Change in inventories (raw materials and supplies)			-826,521	-1,097,448
Other purchases and external expenses			150,897,874	132,397,069
Taxes and duties			27,325,895	22,936,154
Salaries and wages			178,018,434	149,744,732
Social security contributions			48,127,433	42,358,537
Depreciation, amortization, impairment and provisions:				
Non-current assets: depreciation and amortization expense			111,548,589	99,976,263
Non-current assets: impairment losses			0	0
Current assets: impairment losses			9,116,171	7,732,000
Additions to provisions			1,151,871	956,853
Other expenses			4,776,668	4,656,932
<b>OPERATING EXPENSES</b>			<b>582,704,892</b>	<b>507,591,830</b>
<b>OPERATING INCOME (PROFIT/LOSS)</b>			<b>112,631,866</b>	<b>97,824,290</b>
<b>JOINT OPERATIONS</b>				
Net income transferred in or net loss transferred out			0	0
Net loss transferred in or net income transferred out			0	0
Financial income from equity investments			1,219,898	1,567,914
Income from other securities and receivables related to fixed assets			0	0
Other interest income			33,734,836	4,021,587
Reinvoiced expenses and reversals of provisions			5,287,000	26,494,910
Foreign currency translation gains			5,622,460	201,858
Net income on disposals of marketable securities			0	13,145
<b>FINANCIAL INCOME</b>			<b>45,864,194</b>	<b>32,299,414</b>
Amortization and provisions on financial assets			36,265,094	60,000
Interest expense			22,077,390	19,819,541
Foreign currency translation losses			269,226	22,107
Net loss on disposals of marketable securities			0	0
<b>FINANCIAL EXPENSES</b>			<b>58,611,709</b>	<b>19,901,648</b>
<b>FINANCIAL PROFIT/LOSS</b>			<b>-12,747,515</b>	<b>12,397,767</b>
<b>CURRENT PROFIT/LOSS BEFORE TAXES</b>			<b>99,884,351</b>	<b>110,222,057</b>
Non-recurring income from management activities			1,646,622	1,331,995
Non-recurring income from capital transactions			664,172	50,935,264
Reinvoiced expenses and reversals of provisions			60,894,498	51,475,091
<b>NON-RECURRING INCOME</b>			<b>63,205,292</b>	<b>103,742,350</b>
Non-recurring expenses on management activities			5,313,413	3,707,718
Non-recurring expenses on capital transactions			137,803	1,305,587
Non-recurring depreciation, amortization and provisions			63,145,863	53,187,312
<b>NON-RECURRING EXPENSES</b>			<b>68,597,079</b>	<b>58,200,618</b>
<b>NON-RECURRING PROFIT/LOSS</b>			<b>-5,391,787</b>	<b>45,541,732</b>
Employee profit-sharing			4,416,110	12,382,550
Income tax expense			23,757,103	43,182,204
<b>TOTAL INCOME</b>			<b>804,406,245</b>	<b>741,457,885</b>
<b>TOTAL EXPENSES</b>			<b>738,086,893</b>	<b>641,258,850</b>
<b>PROFIT OR LOSS</b>			<b>66,319,352</b>	<b>100,199,035</b>

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# 1. COMPANY BUSINESS AND SIGNIFICANT EVENTS DURING THE PERIOD

## 1.1. Company's business

Rental and leasing of other personal and household goods.

## 1.2. Significant events of the year

The financial statements for the year cover the 12-month period from 01/01/2017 to 12/31/2017, expressing a net income of €66,319,352.

During this period, M.A.J. concluded the following significant transactions:

- Merger by absorption of the subsidiary Lovetra, with retroactive effect from January 1, 2017. The merger loss of €4,215,000 was allocated in full to the goodwill provided by Lovetra.
- Merger by absorption of the subsidiary Grenelle Service, with retroactive effect from January 1, 2017. The merger gain of €34,149,000 was partly included in the statement of financial position in a "merger gains" account, and partly in the income statement as financial income.
- Takeover of lease management of the HTE SANITATION business as at August 1, 2017.

- ***Financial interests: new acquisitions and subscriptions to capital increase***

- ⇒ Acquisition of 100% of the capital of HTE SANITATION for €1,018,000
- ⇒ Acquisition of 100% of the capital of Blanchisserie Blésoise for €10,700,000
- ⇒ Acquisition of 99.9% of the capital of SCI Les Gailletrous for €2,597,000
- ⇒ Acquisition of 100% of the capital of the Hungarian company EMTM Kft for €2,022,000
- ⇒ Acquisition of a laundry business from Blanchisserie des Gaves for €690,000
- ⇒ Subscription to capital increases in the Brazilian subsidiary Atmosfera for a total of €397,104,000
- ⇒ Subscription to a capital increase in the Spanish subsidiary Elis Manomatic by offsetting current account receivables for €131,702,000
- ⇒ Subscription to a capital increase in the Swiss subsidiary Lavotel by offsetting current account receivables for €68,972,000
- ⇒ Coverage of the losses of the Italian subsidiary Elis Italia by offsetting current account receivables for €864,000

- ***Asset disposal:***

None

## **2. SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD**

As at the date of presentation of the financial statements, the events since 12/31/2017 that could have a significant impact on the company's financial position are:

- acquisition of 100% of the capital of BIG BANG SAS in January 2018
- sale of 100% of the capital of BMF and Hygiène Contrôle Ile de France to the subsidiary HTPE in March 2018



### 3. ACCOUNTING METHODS AND RULES

Generally accepted accounting principles have been applied, including the principle of prudence, in accordance with the following basic assumptions: going concern, consistency of accounting methods from one fiscal year to the next, independence of fiscal years, in accordance with the general rules governing the preparation and presentation of annual financial statements defined by the French General Chart of Accounts (ANC Regulation no. 2014-03 on the French General Chart of Accounts amended by ANC Regulation no. 2016-07).

The basic method used to measure the items recognized in the financial statements is the historical cost method.

#### 3.1. Changes in valuation method

Following the initial application of ANC Regulation no. 2015-05 on forward financial instruments and hedging transactions, in the 2017 financial statements, the company recorded a provision for financial risk amounting to €4,645,000 debited from the retained earnings account in the statement of financial position.

#### 3.2. Changes in presentation method

None

The main accounting policies applied are as follows:

#### 3.3. Fixed assets

- ***Property, plant and equipment and intangible assets***

Property, plant and equipment are valued at their acquisition cost, comprising ancillary costs incurred for their preparation for use, except for certain ancillary costs (transfer taxes, fees and commissions, and cost of deeds) which are recorded as charges for the year.

Some property, plant and equipment items were revalued (those acquired before December 31, 1976) or recognized at their contribution value when they came from certain absorbed companies.

The depreciable basis for property, plant and equipment is calculated as the acquisition cost less their residual value at the end of their useful life, which is usually zero.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the expected useful life of the item or its component parts. Component parts and their depreciation over time periods that are different from those of the structure itself are identified and implemented for buildings. The conditions of use of the other fixed asset types do not require the prior identification of component parts, except in the event of accidental failure leading to the replacement of significant items essential to the operation of the relevant fixed asset.

The depreciation periods applied by the company prior to the first year of application of CRC Regulation no. 2002-10 were retained for the calculation of accelerated depreciation and amortization allowances, according to the rules outlined below.

Depreciation is calculated according to the expected life of the asset.

The most commonly used rates are as follows (SL = straight line, D = declining balance):

Intangible assets	Depreciation and amortization	Deprec. used for tax purposes
Goodwill		None (1)
Drawings		3 years SL
ERP		15 years SL
Software	5 years SL	12 months SL or expenses
Production software	10 years SL	5 years SL

- (1) Goodwill acquired up to January 31, 1997 was amortized on a straight-line basis over five years. Those assets acquired after this date were recognized in the statement of financial position at their acquisition cost and no longer amortized, but may be depreciated.

Property, plant and equipment	Depreciation and amortization	Deprec. used for tax purposes
<b>Buildings</b>		
Shell (structure, facade, roofing)		50 years SL
Building (internal walls, partitions, painting and floor coverings)		10 years SL
<b>Equipment and tooling</b>		
Production equipment	10, 15 or 30 years SL	5 or 10 years D
Transportation equipment	4, 6 or 8 years SL	4 years SL
Office equipment and furniture		5 or 10 years SL
Computer equipment		5 years SL
<b>Textile items</b>		
Flat linen	3 years (average) SL	1.5 years D
Workwear	3.25 years (average) SL	1.5 years D
Hand towel rolls	4 years SL	1.5 years D
Carpeting	4 years SL	2 years SL
<b>Appliances and other rented items</b>		
Hygiene, air purification, drinks dispensers, etc.	2, 4 or 5 years SL	1 or 2 years SL

- **Financial assets**

**Equity investments and other securities:**

Their gross amount is comprised of the acquisition cost, including any ancillary costs, since the first application of Opinion no. 2007-C issued on June 15, 2007 by the Urgent Issues Committee of the French National Accounting Board (CNC). Prior to this Opinion, transfer taxes, fees and commissions, and cost of deeds were recognized in expenses for the year. A five-year accelerated depreciation of these costs is then applied.

When the value in use is less than the gross amount, an impairment loss is recognized for the difference. The value in use is estimated based on the share of the net assets held by the company at the end of the last known fiscal year, with the significant items of property, plant and equipment and intangible assets being remeasured.

### **3.4. Valuation of inventories**

Inventories are valued using the weighted average unit cost method. The gross value of goods and supplies includes the purchase price and ancillary costs, with the exception of any added value.

- ***Raw materials and goods***

Inventories of raw materials, consumables, and spare parts are recorded at acquisition cost and have high turnover.

- ***Work in progress and finished products***

None

- ***Impairment of inventories***

An impairment is recorded if the net realizable value becomes lower than the cost of the inventoried items.

### **3.5. Receivables and liabilities**

Receivables are recorded at their face value.

An impairment is recognized when the recoverable amount is less than the carrying amount.

### **3.6. Marketable securities**

Marketable securities are stated in the statement of financial position at their purchase price. If their expected trading value at the end of the fiscal year is less than their purchase price, an impairment is recognized for the difference.

### **3.7. Translation of transactions in foreign currencies**

Income and expenses denominated in foreign currencies are recorded at their equivalent amount on the transaction date.

Where applicable liabilities, receivables, cash and cash equivalents denominated in foreign currencies are converted and accounted for in the statement of financial position based on the latest known quoted price on the reporting date.

Resulting differences are recognized in the statement of financial position under "Exchange adjustments".

The amount of unrealized foreign currency translation losses not offset by a foreign exchange hedge is recorded as a provision for risks.

### **3.8. Regulated provisions**

Regulated provisions are reported under "Equity" in the statement of financial position and are detailed in the "Statement of provisions". They are tax items corresponding to the provision for accelerated depreciation and amortization calculated in accordance with French tax regulations, equal to the difference between:

- depreciation and amortization calculated over the useful lives in effect until the date of the initial application of CRC Regulation no. 2002-10, using the declining balance method for eligible assets or, alternatively, the straight-line method;
- economic depreciation recognized as assets in accordance with the principles described above.

The additions to or reversals of accumulated accelerated depreciation and amortization are recognized in non-recurring income for the year.

### **3.9. Other provisions for risks and expenses**

They primarily comprise environmental provisions that are assessed based on an expert report and the company's experience in this area. They correspond to the gross, undiscounted cost of studies or work that must be carried out and borne to meet its environmental obligations. They relate to sites or categories of work which are to be dealt with in the foreseeable future.

### **3.10. Employee benefit liabilities**

Retirement benefits for employees and additional retirement benefit commitments made to a category of senior management outlined at the Ordinary General Meeting of December 10, 1981 are subject to provisions calculated and recorded in accordance with Method 2 of ANC recommendation no. 2013-02 dated 11/07/2013.

Changes in retirement benefit obligations resulting from changes in actuarial assumptions or retirement plans occurring during the year are recognized directly in non-recurring income: the provisions recorded as at the reporting date are thus equal to the actuarial obligation determined in accordance with the revised IAS 19.

Additional provisions are recorded for long-service award obligations, calculated in accordance with the Company's internal procedures on the basis of statistical and discounting assumptions. Changes in these provisions during the year are immediately and collectively recognized in the income statement.

### **3.11. Financial instruments and hedging transactions**

The company has adopted ANC Regulation no. 2015-05 on forward financial instruments and hedging transactions. The hedge accounting principles are mandatory where hedging is identified in the management and documented. The effects of the financial instruments used by the company to hedge and manage its currency, interest rate and commodity risks are recognized in the income statement in parallel to those of the hedged item. Impairments or provisions for risks relating to a hedged item take into account the effects of the hedge. If the hedged item disappears, the hedging instrument is treated as a separate open position, the hedge is settled and the losses or gains are recognized in profit or loss. As at December 31, 2017, the company does not hold any derivative instruments not designated as hedged (no separate open positions).

## 4. NOTES TO THE STATEMENT OF FINANCIAL POSITION – ASSETS

### 4.1. Property, plant and equipment and intangible assets

- *Acquisitions and disposals for the year*

Figures expressed in euros	As at		Transfers		As at
	12/31/2016	Acquisitions	Reclassifications and corrections +/-	Disposals	12/31/2017
<b>Set-up and development costs</b>	3,267	0			3,267
<b>Other intangible assets</b>	54,912,341	20,713,370	605,341	71,920	74,948,449
<b>Total intangible assets</b>	54,915,608	20,713,370	605,341	71,920	74,951,716
<b>Land</b>	4,485,966	492,929	-400,000	91,469	5,287,425
<b>Buildings on own land</b>	24,473,874	7,411,586	-1,662,737	0	33,548,197
<b>Buildings on leased land</b>	29,275,547	3,321,971	-1,497,631	159,810	33,935,340
<b>Building fixtures and fittings</b>	30,459,563	12,563,951	-2,468,301	5,107	45,486,709
<b>General installations and fittings</b>					
<b>Technical installations, machinery and equipment</b>	200,584,574	49,353,248	-1,028,635	3,182,501	247,783,955
<b>Transportation equipment</b>	53,768,437	10,296,964	-38,338	2,491,780	61,611,960
<b>Office and computer equipment, and furniture</b>	18,444,045	3,544,980	-315,102	318,319	21,985,808
<b>Recyclable and other packaging</b>	279,468,911	110,174,918	-105,493	97,490,960	292,258,362
<b>Total property, plant and equipment</b>	<b>640,960,916</b>	<b>197,160,548</b>	<b>-7,516,238</b>	<b>103,739,946</b>	<b>741,897,755</b>
<b>Property, plant and equipment in progress (1)</b>	9,861,903	5,857,151	6,910,896		<b>8,808,158</b>
<b>Total amounts due to suppliers of PP&amp;E</b>	<b>9,861,903</b>	<b>5,857,151</b>	<b>6,910,896</b>	<b>0</b>	<b>8,808,158</b>
<b>Prepayments</b>	<b>0</b>	<b>0</b>			<b>0</b>
<b>TOTAL</b>	<b>705,738,428</b>	<b>223,731,068</b>	<b>0</b>	<b>103,811,866</b>	<b>825,657,629</b>

(1) Changes in property, plant and equipment items and intangible asset items from one year to the next are due to acquisitions and disposals of assets made by the company in respect of its business.

- **Remarks on fixed assets**

The company holds the following goodwill:

Figures expressed in euros		Tax value	Gross amount	Accumulated impairment losses	Balance as at 31-Dec-17
1953	8 rue du GI Compans PANTIN	1,524	1,829	1,829	0
1957	17 av. E. Vaillant PANTIN	9,147	11,434	11,434	0
1961	5 rue du Débarcadère PANTIN	5,946	5,946	5,946	0
1978	21 rue de Baconnes BEZANNES	1,220	1,220	1,220	0
1986	Z.I. Est -A. Engachies- AUCH	76,225	76,225	76,225	0
1987	49 Bd Jean Jaurès NIMES	0	0	0	0
1987	7 rte de Morières AVIGNON	126,533	126,533	126,533	0
1987	15 av. du GI Delambre BEZONS	249,021	249,021	249,021	0
1987	20 rue des Cosmonautes CHOISY	40,856	40,856	40,856	0
1991	Leasehold COIGNIERES	47,735	45,735	45,735	0
1992	Impasse Faye BORDEAUX	934,406	934,406	934,406	0
1992	133 bd. de la Madeleine NICE	3,722,455	3,722,455	3,722,455	0
1993	Leasehold COLLEGIEN	7,622	7,622	0	7,622
1993	Sale agreement COLLEGIEN	150,925	150,925	0	150,925
1994	BLEU DE FRANCE NICE	749,439	749,439	749,439	0
1995	ZI 33 4ème avenue VITROLLES	1,981,837	1,981,837	1,981,837	0
1996	3 rue de la Petite Chartreuse ROUEN	583,041	583,041	583,042	0
1987	TRAPPES	65,153	65,153	65,153	0
1987	PUTEAUX	137,204	137,204	137,204	0
1987	RIORGES	53,357	53,357	53,357	0
1987	VILLEURBANNE	33,615	33,615	33,615	0
1988	SAULX	103,924	103,924	103,924	0
1988	GRENOBLE	42,686	42,686	42,686	0
1997	SAINT-ETIENNE (Tartary)	1,234,837	1,234,837	0	1,234,837
2000	NOISY-LE-GRAND	1,829,388	1,829,388	0	1,829,388
2000	NICE CARROS (Prisme)	56,193	56,193	0	56,193
2000	NICE CARROS (Aquadis)	27,441	27,441	0	27,441
2001	CERGY-PONTOISE (San'look)	335,388	335,388	0	335,388
2002	LOURDES (Bie des Pyrénées)	516,800	516,800	0	516,800
2002	REIMS (Arden tapis)	45,683	45,683	0	45,683
2002	CAPDENAC	128,000	128,000	0	128,000
2002	CARCASSONNE (Bie de l'Amouze)	1,128,449	1,128,449	0	1,128,449
2002	REIMS (Tisserand)	3,354	3,354	0	3,354
2003	Goodwill EX- SNDI	23,439	23,439	0	23,439
2004	REIMS (Tisserand)	76,156	76,156	0	76,156
2004	BONDOUFLE (SANIGIENE)	1	1	0	1
2006	MAJ LE CANNET (BTL)	1,380,000	1,380,000	0	1,380,000
2006	MAJ LE CANNET (BELISA)	448,786	448,786	0	448,786
2006	MAJ LE CANNET (BAM)	1,180,160	1,180,160	0	1,180,160



2006	MAJ MENTON (BDR)	830,000	830,000	0	830,000
2007	PAU (BERROGAIN)	37,320	37,320	0	37,320
2008	NICE CARROS (BBB)	992,000	992,000	0	992,000
2009	BONDOUFLE (RDM)	12,196	12,196	0	12,196
2009	CHAMPS-SUR-MARNE (CANNON HYGIENE)	1,184,282	1,184,282	0	1,184,282
2010	Rés'O	602,627	602,627	0	602,627
2010	MAJ EX-ANAPURNA	21,150	21,150	0	21,150
2010	MAJ EX-CGB	385,263	385,263	0	385,263
2010	AVIGNON EX-SNDI	160,000	160,000	0	160,000
2010	AVIGNON EX-SNDI	205,000	205,000	0	205,000
2013	TOULON SANARY	448,600	448,600	0	448,600
2014	BMC	643,271	643,271	0	643,271
2014	LOCALIANCE (POULARD)	452,774	452,774	0	452,774
2014	SARL SYNEX (POULARD)	22,867	22,867	0	22,867
2014	CCE LOCALIANCE MARS 1998 (Poul)	76,225	76,225	0	76,225
2014	MAISON DE BLANC BERROGAIN (Poul)	21,124	21,124	0	21,124
2014	MHD (POLE SERV)	169,561	169,561	0	169,561
2014	O SERVICES (POLE SERV)	150,780	150,780	0	150,780
2014	NESTLE (POLE SERV)	179,507	179,507	0	179,507
2014	NESTLE TOULOUSE (POLE SERV)	129,351	129,351	0	129,351
2014	PUREFLOW PLAN WATE (POLE SERV)	4,040	4,040	0	4,040
2015	DISTRICLEAN (UTA)	103,000	103,000	0	103,000
2015	H+2 (UTA DISTRICLEAN)	90,000	90,000	0	90,000
2015	HYTOP	1,840,380	1,840,380	0	1,840,380
2015	TRAITEMENT SERVICES PLUS	465,832	465,832	0	465,832
2015	GRAND BLANC	117,700	117,700	0	117,700
2017	BLANCHISSERIE DES GAVES	580,949	580,949	0	580,949
Following the merger by absorption of GRENELLE SERVICE and LOVETRA:					
1987	GRENELLE SERVICE	1,372,041	1,372,041	1,372,041	0
1993	PERSAN (BLANCHISSERIE- TEINTURERIE SERVICES)	142,921	1,209,165	1,209,165	0
1993	ORGENOY (DRUHEN LOCATION-SERVICES)	131,106	491,938	491,938	0
1993	SENS (SENONAISE LOCATION-SERVICES)	134,548	517,671	517,671	0
1994	PERSAN (SONIL)	0	586,929	586,929	0
1994	LE PERREUX (GRANDE BLANCHISSERIE DU PERREUX)	0	586,929	586,929	0
1998	BRETIGNY (BLANCHISSERIE SIMON)	0	2,340,321	0	2,340,321
2000	BRETIGNY (SIMON METROPOLE)	0	2,825,764	0	2,825,764
2004	BONDOUFLE (LOCALINGE PARIS SUD)	0	3,485,875	0	3,485,875
2006	VILLIERS LE BEL (BLANCHISSERIE MEA)	0	1,100,000	0	1,100,000
1995	SAINT OUEN L'AUMONE (STE BATAILLE ET MILLET)	121,959	121,959	121,959	0
<b>TOTAL</b>		<b>29,366,320</b>	<b>42,102,929</b>	<b>13,852,549</b>	<b>28,250,381</b>



- **Accumulated depreciation/amortization**

Figures expressed in euros	As at 12/31/2016	Contributions	Additions	Decreases or reversals	As at 12/31/2017
Set-up and development costs	3,267		0		3,267
Other intangible assets	11,497,056	5,378,393	410,313	71,920	17,213,841
<b>Total depreciation/amortization – Intangible assets</b>	<b>11,500,322</b>	<b>5,378,393</b>	<b>410,313</b>	<b>71,920</b>	<b>17,217,108</b>
Land Buildings	52,127,935	4,236,974	12,251,037	164,916	68,451,030
General installations and fittings			0		
Technical installations, machinery and equipment	118,930,612	28,715,850	5,830,908	3,182,502	150,294,868
Transportation equipment	41,031,490	4,118,785	4,098,192	2,457,048	46,791,420
Office and computer equipment, and furniture	12,135,149	1,974,608	1,570,790	318,319	15,362,228
Recyclable and other packaging	145,634,265	13,717,573	87,387,348	97,490,953	149,248,233
<b>Total depreciation/amortization – PP&amp;E</b>	<b>369,859,451</b>	<b>52,763,790</b>	<b>111,138,276</b>	<b>103,613,738</b>	<b>430,147,779</b>
<b>TOTAL</b>	<b>381,359,774</b>	<b>58,142,183</b>	<b>111,548,589</b>	<b>103,685,659</b>	<b>447,364,887</b>

## 4.2. Financial assets

Movements for the year:

Figures expressed in euros	Gross value as at 12/31/2016	Acquisitions and reclassifications	Disposals and Transfers reclassifications	Gross value as at 12/31/2017	Accumulated impairment losses	Net Asset Value as at 12/31/2017
Equity-accounted companies	0	0		0		0
Other equity investments	552,755,360	628,283,432	34,453,424	1,146,585,368	85,662,953	1,060,922,415
Other investments	5,352	0		5,352	1,244	4,108
Loans and other financial assets	1,296,095	2,398,665	77,128	3,617,632		3,617,632
<b>TOTAL</b>	<b>554,056,807</b>	<b>630,682,097</b>	<b>34,530,552</b>	<b>1,150,208,351</b>	<b>85,664,197</b>	<b>1,064,544,154</b>

## 4.3. Accumulated impairment losses of non-current assets

Figures expressed in euros	As at 12/31/2016	Contributions	Additions	Reversals	As at 12/31/2017
Accumulated impairment losses – intangible assets			0		
Accumulated impairment losses – PP&E			0		
Accumulated impairment losses – equity-accounted companies	0		0		0
Accumulated impairment losses – equity investments	50,355,575		35,949,378	642,000	85,662,953
Accumulated impairment losses – other financial assets	1,244		0		1,244
<b>TOTAL</b>	<b>50,356,819</b>	<b>0</b>	<b>35,949,378</b>	<b>642,000</b>	<b>85,664,197</b>

The provision relates primarily to:

\*the shares in the Brazilian subsidiary Atmosfera for €26,385,000, bringing impairment to €54,379,000

\*the shares in the Italian subsidiary Elis Italia for €5,936,000, bringing impairment to €25,739,000

\*the shares in the French subsidiaries Le Jacquard Français for €1,921,000 and HTPÉ for €1,291,000

## 4.4. List of subsidiaries and other equity investments

See attached document.

## LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS (in €k)

Subsidiaries and equity investments	Share capital	Equity, excluding share capital and retained earnings	Percent of ownership (%)	Carrying amount of shares held		Loans and advances granted by the Company and not yet repaid	Deposits and endorsements given by the Company	Revenue for the last fiscal year	Net income (loss) for the last fiscal year	Dividends received by the Company during the last fiscal year	
				Gross	Net						
<b>A. Detailed information about equity investments whose carrying amount exceeds 1% of the Company's share capital</b>											
<b>1. Subsidiaries (ownership of more than 50% by M.A.J.)</b>											
ELIS SERVICES – Saint Cloud (92) – 693 001 091	1	16,000	49,453	99.95	20,956,326.75	20,956,326.75	300	309,018	6,118		
LE JACQUARD FRANCAIS – Gérardmer (88) – 505 480 137	1	6,210	-2,749	100.00	7,369,398.62	5,448,000.00	6,669	13,359	-3,275		
LES LAVANDIERES – Avrillé (49) – 082 201 009	1	449	77,806	100.00	7,021,068.73	7,021,068.73	50	168,994	17,736		
REGIONALE DE LOCATION ET SERVICES TEXTILES – Marcq en Baroeul (59) 885 581 033	1	243	24,303	100.00	3,801,022.23	3,801,022.23	11,022	60,008	3,739		
S.O.C. – Saint-Cloud (92) – 582 129 882	1	728	-444	100.00	2,000,000.00	376,000.00		0	-23		
HYGIENE CONTROLE ILE DE FRANCE – Serris (77) – 441 216 336	1	90	910	100.00	3,271,212.40	3,271,212.40		1,483	196		
PRC SERVICES ENVIRONNEMENT – Rochetoirin (38) – 437 754 443	1	8	691	100.00	3,163,657.45	3,153,657.45		2,395	198		
BMF – Bondoufle (91) – 483 241 551	1	30	151	100.00	1,792,547.00	1,086,000.00		1,172	-140		
HYGIENE TRAITEMENT ET PROTECTION DE L'ENVIRONNEMENT – Bobigny (93) – 389 530 643	1	100	21	100.00	4,415,284.93	3,124,000.00	285	2,391	-489		
BLANCHISSERIE BLESOISE – La Chaussée St Victor (41) – 310 939 947	4	37	2,136	100.00	10,700,000.00	10,700,000.00	186	14,110	705		
SCI LES GAILLETROUS – La Chaussée St Victor (41) – 343 696 186		15	1,265	99.99	2,597,400.00	2,597,400.00	1,843	618	101		
HADES SA (Belgium)	1-2	8,496	5,715	99.99	9,028,086.43	9,028,086.43	620	25,696	847		
ELIS MANOMATIC SA (Spain)	1-2	203,934	1,972	100.00	230,066,349.91	230,066,349.91	72,170	4,572	84,030	1,335	
S.P.A.S.T. Ltda (Portugal)	1-2	1,400	15,473	100.00	13,409,955.00	13,409,955.00		50	47,997	2,605	
ELIS ITALIA S.p.A. (Italy)	1	18,000	2,596	99.24	57,474,955.84	31,735,000.00	2,200	205	28,714	-742	
ELIS (SUISSE) S.A. (Switzerland)	1-2	CHF 102,000,000	CHF -20,357,000	100.00	100,454,502.11	100,454,502.11	10,569	50	CHF 55,593,000	CHF 2,677,000	
ATMOSFERA GESTAO Ltda (Brazil)	3	BRL 2,013,977,000	BRL 50,643,000	99.99	630,243,238.44	575,864,000.00		0	BRL 313,637,000	BRL -18,234,000	
ELIS CHILE SpA (Chile)		CLP 11,617,249,000	n/a	100.00	16,300,000.00	16,300,000.00			n/a	n/a	
SIL (Colombia)	3	COP 5,000,000,000	COP 2,617,747,000	100.00	13,718,710.41	13,718,710.41			COP 11,132,358,000	COP 149,810,000	
EMTM Kft (Hungary)		HUF 3,000,000	n/a	100.00	2,153,899.00	2,153,899.00	487		n/a	n/a	
<b>2. Equity Investments (between 10 and 50% of the capital held by M.A.J.)</b>											
<b>B. General information about other subsidiaries and equity investments</b>											
As at 31-Dec-17.											
1. Subsidiaries not included in Section A											
a. French subsidiaries (total)											
1 EUR = 0.88723 GBP											
1 EUR = 1.1702 CHF											
b. Foreign subsidiaries (total)											
1 EUR = 3.9729 BRL											
1 EUR = 737.7559 CLP											
2. Investments (not included in Section A above)											
a. In French companies (total)											
1 EUR = 3,577.77244 COP											
b. In foreign companies (total)											
EUR 1 = HUF 310.3300											
					4,207,519.99	4,207,519.99	117,873	50			
					1,676,410.83	1,676,410.83	658				
					2,054.40	526.30					
					2.54	2.54					
					145,813,603.01	1,060,150,649.78					

TOTAL EQUITY INVESTMENTS TO "STATEMENT OF FINANCIAL POSITION"

1. Fiscal year ended 12/31/2017

2. provisional accounts

3. Fiscal year ended 12/31/2018

4. Fiscal year ended 9/30/2017

#### 4.5. Transactions with related parties

Significant transactions between the company and related parties during the year are:

Name of related party	Description of transaction	Amount € (receivable or income) 12/31/2017	Amount € (liability or expense) 12/31/2017
ELIS S.A.	<b>Current account agreement:</b>		
	Advance granted to M.A.J.		815,943,076
	Interest paid by M.A.J.		13,017,294
	<b>Loan agreement:</b>		
ELIS Services	Loan granted to M.A.J.		87,752,644
	Interest to be paid by M.A.J.		2,758,114
	Management services agreement		34,215,476

#### 4.6. Inventory accounts for goods and work in progress

The amount of inventories is broken down as follows:

Figures expressed in euros	Gross amount	Accumulated impairment losses	Balance as at 12/31/2017
Raw materials	8,941,158	0	8,941,158
Goods purchased for resale	40,109	0	40,109
Finished products	255,000	0	255,000
Goods in progress	0	0	0
Services in progress	0	0	0
<b>TOTAL</b>	<b>9,236,267</b>	<b>0</b>	<b>9,236,267</b>

#### 4.7. Impairment of inventories

Figures expressed in euros	As at 12/31/2016	Additions	Reversals	As at 12/31/2017
Raw materials	0			0
Finished products	0			0
Goods in progress	0			0
Services in progress	0			0
Goods purchased for resale	0			0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 4.8. Statement of maturities of receivables

The receivables held by the company stood at €426,248,348, in gross value terms, as at 12/31/2017 and are broken down as follows:

Figures expressed in euros	Gross amount	≤ 1 year	> 1 year
<b>FIXED ASSETS:</b>	3,617,632	1,537,352	2,080,280
Receivables related to investments	0	0	
Loans	23,251	23,251	
Other financial assets	3,594,380	1,514,101	2,080,280
<b>CURRENT ASSETS:</b>	<b>422,630,716</b>	<b>422,630,716</b>	<b>0</b>
Trade	143,278,372	143,278,372	
Impaired trade	14,047,442	14,047,442	
Employees	37,368	37,368	
Social security	0	0	
Taxes and duties	5,268,250	5,268,250	
Group and associates	252,970,500	252,970,500	
Sundry receivables	2,783,158	2,783,158	
Prepaid expenses	4,245,626	4,245,626	
<b>TOTAL</b>	<b>426,248,348</b>	<b>424,168,068</b>	<b>2,080,280</b>
Loans granted during the year	47,144		
Repayments received during the year	43,452		
Loans and advances granted to partners (individuals)			

#### 4.9. Trade receivables and related accounts

RECEIVABLES (expressed in euros)	Gross amount	Accumulated impairment losses	Net 12/31/2017	Net 12/31/2016
Trade receivables and related accounts	157,325,814	13,142,987	144,182,827	124,369,553
Other receivables	261,059,276	0	261,059,276	365,686,434
Subscribed capital called but not paid	0		0	0
<b>TOTAL</b>	<b>418,385,090</b>	<b>13,142,987</b>	<b>405,242,103</b>	<b>490,055,987</b>

#### 4.10. Accumulated impairment losses of receivables

Figures expressed in euros	As at 12/31/2016	Contributions	Additions	Reversals	As at 12/31/2017
Item: Impaired trade	10,630,867	1,970,172	9,116,171	8,574,223	13,142,987
Item: Other receivables	0				0
<b>TOTAL</b>	<b>10,630,867</b>	<b>1,970,172</b>	<b>9,116,171</b>	<b>8,574,223</b>	<b>13,142,987</b>

#### 4.11. Receivables represented by commercial paper

Commercial bills are entered under “Accounts receivable and related accounts”:

Figures expressed in euros	As at 12/31/2017	As at 12/31/2016
Commercial bills	497,518	519,096
<b>TOTAL</b>	<b>497,518</b>	<b>519,096</b>

#### 4.12. Accrued income

The amounts of accrued income included in the following statement of financial position items were as follows:

Figures expressed in euros	As at	As at
	12/31/2017	12/31/2016
Reductions, discounts, rebates to be obtained	0	0
Accrued income	500,884	351,904
Accrued trade receivables	267,817	814,070
Taxes and duties - CFE (Levy on Property Rental Value)	173,960	667,850
Accrued interest on current account	0	0
<b>TOTAL</b>	<b>942,661</b>	<b>1,833,824</b>

#### 4.13. Other accruals

- **Prepaid expenses**

Prepaid expenses amounted to €4,245,626.

Figures expressed in euros	As at 12/31/2017	As at 12/31/2016
Recurring operating expenses	4,245,626	2,886,942
Financial expenses		
Non-recurring expenses		
<b>TOTAL</b>	<b>4,245,626</b>	<b>2,886,942</b>

- **Translation adjustments**

ADJUSTMENT – ASSETS	ADJUSTMENT – LIABILITIES	
	Euros	Euros
Decrease in receivables	40,495	Decrease in liabilities 343,623
Increase in liabilities	172	Increase in receivables
<b>TOTAL</b>	<b>40,667</b>	<b>TOTAL</b> <b>343,623</b>

## 5. NOTES TO THE STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

### 5.1. Equity

Share capital was divided into 8,907,213 fully paid-up common shares/units with a par value of €16 each.

The change in equity during the year is as follows:

	Figures expressed in euros
<b>12/31/2016</b>	<b>604,765,112</b>
Dividends paid	0
Capital increase	0
Issue premium	0
Net income (loss) for the year	66,319,352
Change in investment grants	178,733
Portion of income from investment grants	-64,710
Change in regulated provisions (accelerated depr./amort., etc.)	-3,372,818
<b>12/31/2017</b>	<b>670,987,808</b>

### 5.2. Parent company

The financial statements of M.A.J. are consolidated using the full consolidation method into the consolidated financial statements of Elis SA.

Name and registered office of the company that prepared the consolidated financial statements for the largest group	ELIS SA, Saint Cloud (92210) (SIRET 49966844000039)
Name and registered office of the company that prepared the consolidated financial statements for the smallest group	ELIS SA, Saint Cloud (92210) (SIRET 49966844000039)
Place where copies of these consolidated financial statements may be obtained	5 boulevard Louis Loucheur, 92210 Saint Cloud, France

### 5.3. Regulated provisions

Figures expressed in euros	As at 12/31/2016	Contributions	Additions	Reversals	As at 12/31/2017
Accelerated depreciation and amortization	165,065,341	17,982,513	55,620,863	58,993,681	179,675,036
Reinvested capital gains	0				0
<b>TOTAL</b>	<b>165,065,341</b>	<b>17,982,513</b>	<b>55,620,863</b>	<b>58,993,681</b>	<b>179,675,036</b>

## 5.4. Statement of provisions

Breakdown by type:

- **Provisions for risks**

Figures expressed in euros	As at 12/31/2016	Contributions	Additions	Reversals	As at 12/31/2017
Provision for legal proceedings	1,873,719	173,156	912,113	1,083,808	1,875,180
Provision for warranty claims	0				0
Provisions for losses on futures markets	0				0
Provisions for fines and penalties	0				0
Provision for unrealized foreign currency translation	0				0
Provisions for post-employment benefits	14,631,231	2,595,604	219,144	500,599	16,945,380
<b>TOTAL</b>	<b>16,504,950</b>	<b>2,768,760</b>	<b>1,131,257</b>	<b>1,584,407</b>	<b>18,820,560</b>

- **Provisions for expenses**

Figures expressed in euros	As at 12/31/2016	Contributions	Additions	Reversals	As at 12/31/2017
Provisions for taxes	0				0
Provisions for renewal of non-current assets					
Provisions for large-scale maintenance					
Provisions for tax and social security charges on leave to be paid					
Other provisions for risks and expenses	6,820,164	5,478,848	7,545,614	6,491,678	13,352,949
<b>TOTAL</b>	<b>6,820,164</b>	<b>5,478,848</b>	<b>7,545,614</b>	<b>6,491,678</b>	<b>13,352,949</b>



## 5.5. Statement of maturities of liabilities

LIABILITIES (expressed in euros)	Gross amount at year-end	< 1 year	1–5 years	> 5 years
Convertible bond loans	0	0		
Other bonds	0	0		
Bank loans:				
initially within 1 year	2,201,409	2,201,409		
initially beyond 1 year	0	0		
Sundry loans and other borrowings	107,922,113	8,509,706	99,412,407	
Trade payables	55,420,629	55,420,629		
Employees	28,801,632	28,801,632		
Social security and similar Government and other public authorities:	18,042,507	18,042,507		
Income tax expense	0	0		
Value added tax	31,021,357	31,021,357		
Guaranteed bonds				
Other taxes	11,226,372	11,226,372		
Amounts due on fixed assets and related accounts	8,022,417	8,022,417		
Group and associates	897,569,581	897,569,581		
Other liabilities	2,005,599	2,005,599		
Liabilities representing securities borrowed or pledged as guarantee				
Deferred income	26,257,947	26,257,947		
<b>TOTAL</b>	<b>1,188,491,563</b>	<b>1,089,079,156</b>	<b>99,412,407</b>	<b>0</b>
Loans taken during the year				
Loans repaid over the year	108,000,000			

The other financial liabilities consist mainly of a loan from ELIS SA of €87,753,000.

## 5.6. Trade payables and related accounts

Figures expressed in euros	As at 12/31/2017	As at 12/31/2016
Group suppliers	22,948,814	23,623,423
Suppliers	8,717,443	9,714,752
Suppliers of non-current assets	8,022,417	6,418,273
Notes payable	0	0
Invoices not received – Group	380,559	569,805
Accruals	23,373,813	17,022,990
<b>Carrying amount</b>	<b>63,443,046</b>	<b>57,349,243</b>

## 5.7. Accrued expenses

The amounts of accrued expenses included in the following statement of financial position items were as follows:

Categories (figures in euros)	Fiscal year 2017	Fiscal year 2016
<b>OPERATING LIABILITIES</b>		
Trade payables and related accounts	23,754,372	17,592,795
Tax and employee-related liabilities	40,951,473	44,313,569
<b>FINANCIAL LIABILITIES</b>		
Convertible bond loans		
Other bonds		
Bank loans	0	306,000
Sundry loans & other borrowings (o/w profit-sharing: )	0	209,520
Advances and prepayments on orders in progress	0	0
<b>SUNDRY LIABILITIES</b>		
Amounts due on fixed assets and related accounts	4,701,291	2,269,691
Other liabilities	1,958,697	40,692
<b>ADJUSTMENT ACCOUNTS</b>		
Deferred income		
<b>LIABILITIES</b>	<b>71,365,832</b>	<b>64,732,267</b>

## 5.8. Other accruals

- *Deferred income*

Deferred income breaks down as follows:

Figures expressed in euros	As at 31- Dec-17.	As at 31- Dec-16.
Services billed in advance	26,257,947	24,610,306
Other operating income	0	385,250
Financial income	0	0
<b>TOTAL</b>	<b>26,257,947</b>	<b>24,995,556</b>

- *Translation adjustments*

ADJUSTMENT – ASSETS		ADJUSTMENT – LIABILITIES	
	Euros		Euros
Decrease in receivables	40,495	Decrease in liabilities	343,623
Increase in liabilities	172	Increase in receivables	
<b>TOTAL</b>	<b>40,667</b>	<b>TOTAL</b>	<b>343,623</b>

## 6. INFORMATION RELATING TO INCOME STATEMENT

### 6.1. Breakdown of revenue

Revenue by business segment and region for 2017 breaks down as follows:

Figures expressed in euros	Fiscal year 2017			Fiscal year 2016
	France	EEC + Export	Total	Total
Sale of goods purchased for resale	2,458,575	237,164	<b>2,695,739</b>	<b>1,362,657</b>
Sales of goods	0	0	<b>0</b>	<b>0</b>
Sales of services	646,236,171	280,426	<b>646,516,597</b>	<b>559,972,195</b>
Revenue	648,694,746	<b>517,590</b>	<b>649,212,336</b>	<b>561,334,852</b>
%	99.92 %	0.08 %	100.00 %	

### 6.2. Reinvoiced expenses

Figures expressed in euros	As at 12/31/2017	As at 12/31/2016
Employee expenses	2,213,081	1,068,942
Other expenses	2,518,945	1,318,363
<b>TOTAL</b>	<b>4,732,026</b>	<b>2,387,305</b>

### 6.3. Average number of employees

The average number of employees during 2017 breaks down as follows:

Fiscal year 2017	Number of employees
Managers	508
Supervisors and technicians	601
Other staff	575
Delivery drivers	1,453
Other employees	3,631
<b>TOTAL</b>	<b>6,768</b>

### 6.4. Compensation of management bodies

- Board of Directors: attendance fees 0
- Management: 0

This information is not provided in these notes as it would indirectly lead to the disclosure of individual compensation

## 6.5. Fees for Auditor(s)

- Statutory audit: €90,563
- Provision of services for due diligence directly related to statutory audit: €0

## 6.6. Net financial income

Net financial expense for the year amounted to €12,745,515, broken down as follows:

Categories (figures in euros)	Fiscal year 2017	Fiscal year 2016
Financial income from equity investments	1,219,898	1,567,914
Income from other securities and receivables related to fixed assets	0	0
Other interest income	33,734,836	4,021,587
Reinvoiced expenses and reversals of provisions	5,287,000	26,494,910
Foreign currency translation gains	5,622,460	201,858
Net income on disposals of marketable securities	0	13,145
<b>FINANCIAL INCOME</b>	<b>45,864,194</b>	<b>32,299,414</b>
Amortization and provisions on financial assets	36,265,094	60,000
Interest expense	22,077,390	19,819,541
Foreign currency translation losses	269,226	22,107
Net loss on disposals of marketable securities	0	0
<b>FINANCIAL EXPENSES</b>	<b>58,611,709</b>	<b>19,901,648</b>
<b>FINANCIAL PROFIT/LOSS</b>	<b>-12,747,515</b>	<b>12,397,767</b>

## 6.7. Net non-recurring income

The net non-recurring loss of -€5,391,786.74 is broken down as follows:

Categories (figures in euros)	Fiscal year 2017	Fiscal year 2016
Non-recurring income from management activities	1,646,622	1,331,995
Non-recurring income from capital transactions	664,172	50,935,264
Reinvoiced expenses and reversals of provisions	60,894,498	51,475,091
<b>NON-RECURRING INCOME</b>	<b>63,205,292</b>	<b>103,742,350</b>
Non-recurring expenses on management activities	5,313,413	3,707,718
Non-recurring expenses on capital transactions	137,803	1,305,587
Non-recurring depreciation, amortization and provisions	63,145,863	53,187,312
<b>NON-RECURRING EXPENSES</b>	<b>68,597,079</b>	<b>58,200,618</b>
<b>NON-RECURRING</b>	<b>-5,391,787</b>	<b>45,541,732</b>

Income and expenses from the sale of asset items is broken down as follows:

Figures expressed in euros	Gross value	Carrying amount	Sale price	Income from disposals
Sale of property, plant and equipment	4,489,244	126,201	213,973	87,772
Sale of intangible assets				
Sale of financial assets				
Disposal of intangible assets	71,920	0	0	0
Disposal of property, plant and equipment	99,250,702	7	0	-7
<b>TOTAL</b>	<b>103,811,866</b>	<b>126,208</b>	<b>213,973</b>	<b>87 765</b>

## 6.8. Income tax

The M.A.J. company is a member of a tax consolidation group whose parent company is ELIS SA incorporated in St Cloud (92210), France. Under the terms of the tax consolidation agreement, the tax expense borne by the company is identical to the amount it would have paid if it had been taxed separately.

- **Breakdown of tax on profits linked to the business**

Results	Profits accounting before tax	Reinstatements and deductions	Taxable income	Theoretical tax amount	Carry-forward tax credit or tax charge to be allocated to corporation tax	Payable	Net profit after taxes
Income (loss) from ordinary operations	€99,884,000	-€10,856,000	€89,029,000	€30,623,000	-€208,000	€30,415,000	€69,469,000
Net non-recurring income	-€5,392,000	-€1,964,000	-€7,356,000	-€2,530,000	€0	-€2,530,000	-€2,862,000
Employee profit-sharing	-€4,416,000	-€7,585,000	-€12,001,000	-€4,128,000	€0	-€4,128,000	-€238,000
TOTAL	€90,076,000	-€20,404,000	€69,672,000	€23,965,000	-€208,000	€23,757,000	€66,319,000

Theoretical tax relating to current and exceptional results was determined by multiplying the current and exceptional accounting results by the tax rate of 33.33% (plus social security contributions of 3.3% calculated after allowance), adjusted for the tax reinstatements and deductions of current and extraordinary expenses.

- **Deferred tax**

BASES	At beginning of year (€)	Change in net income (loss) for the year (€)	At end of year (€)
<b>Tax-accelerated amounts aimed at obtaining tax relief:</b>			
Regulated provisions: Accelerated depreciation and amortization	-165,065,341	-14,609,695	-179,675,036
<b>Differences between accounting and tax bases of certain income and expense items:</b>			
Investment grants	-201,824	5,816	-196,008
Provision for retirement benefits	-19,248,323	-1,992,765	-21,241,089
Equity investment	-10,318,792	13,998,884	3,680,092
Corporate social solidarity contribution	-1,007,141	-60,510	-1,067,651
Construction efforts (if not commitments)	0	0	0
Provision for impairment losses on trade receivables	-1,573,001	-736,441	-2,309,442
Provision for site restoration	-5,430,795	-6,296,256	-11,727,052
<b>Tax-imposed income or charges deducted, not yet recognized</b>			
Share of tax result – GIE Eurocall	165,174	-444	164,730
Share of taxable income – SCI des 2 sapins	193,866	1,056	194,922
Share of taxable income – SCI du Château de Janville	10	1	11
Share of taxable income – SCI de la forge	105,997	4,031	110,028
Share of taxable income – SCI Les Gailletrous	0	101,195	101,195
<b>Potential taxation items (capital gain on non-depreciable assets subject to tax deferral)</b>			
Goodwill	32,593,232	11,636,018	44,229,250
Land and real estate rights	136,562	475,455	612,017
Securities	9,340,184	0	9,340,184
<b>TOTAL</b>	<b>-160,310,193</b>	<b>2,526,345</b>	<b>-157,783,848</b>



TAXES	At beginning of year (€)	Change in net income (loss) for the year (€)	At end of year (€)
<b>Tax-accelerated amounts aimed at obtaining tax relief:</b>			
Regulated provisions: Accelerated depreciation and amortization	-56,831,997	-5,030,118	-61,862,115
<b>Differences between accounting and tax bases of certain income and expense items:</b>			
Investment grants	-69,488	2,003	-67,485
Provision for retirement benefits	6,627,198	686,108	7,313,306
Equity investment	3,552,760	-4,819,816	-1,267,056
Corporate social solidarity contribution	346,759	20,833	367,592
Construction efforts (if not commitments)	0	0	0
Provision for impairment losses on trade receivables	541,584	253,556	795,140
Provision for site restoration	1,869,823	2,167,801	4,037,624
<b>Tax-imposed income or charges deducted, not yet recognized</b>			
Share of tax result – GIE Eurocall	-56,869	152	-56,717
Share of taxable income – SCI des 2 sapins	-66,748	-364	-67,112
Share of taxable income – SCI du Château de Janville	-3	-1	-4
Share of taxable income – SCI de la forge	-36,495	-1,388	-37,883
Share of taxable income – SCI Les Gailletrous	0	-34,841	-34,841
<b>Potential taxation items (capital gain on non-depreciable assets subject to tax deferral)</b>			
Goodwill	-11,221,850	-4,006,281	-15,228,131
Land and real estate rights	-47,018	-163,699	-210,717
Securities	-3,215,824	0	-3,215,824
<b>TOTAL</b>	<b>-58,608,168</b>	<b>-10,926,055</b>	<b>-69,534,223</b>

- **Impact on net income (loss) of the application of tax provisions**

Impact on net income (loss) for the year	2017
Net income (loss) for the year	66,319,352
- Income tax	23,757,103
- Tax credits:	
CICE	10,724,531
Other charges (Macron Law on deductions for investment)	1,345,788
<b>Pre-tax income (or tax credit)</b>	<b>78,006,135</b>
+ Allowances during the year to regulated provisions	55,620,863
- Reversals for the year on regulated provisions	58,993,681
Change in regulated provisions: - Accelerated depreciation and amortization	-3,372,818
<b>Income (loss) excluding tax provisions</b>	<b>74,633,317</b>

- ***Use of the competitiveness and employment tax credit (CICE)***

The CICE received in May 2017 in respect of remuneration for 2016, which stood at €7,851,000, enabled the company to partly finance investments for the fiscal year, which stood at €127,449,956 in 2017.

## 7. GENERAL INFORMATION

### 7.1. Financial commitments

- **Commitments given**

Commitments given (in €k)	Total	< 1 year	1–5 years	> 5 years
Related to cash and cash equivalents/indebtedness:	138,448.0		88,448.0	50,000.0
Related to investments:	27,515.0	16,546.6	5,213.0	5,455.4
Related to services rendered/suppliers	1,350.0			1,350.0
Related to real estate:	1,445.7			1,445.7
	<b>168,758.7</b>	<b>16,546.6</b>	<b>93,661.0</b>	<b>58,251.1</b>

#### Description of significant commitments given:

##### Indebtedness:

To guarantee the commitments made by ELIS SA in respect of the loan agreement entitled *Senior Facilities Agreement* (€1,150,000,000) dated 01/17/2017 and the bond loan entitled *Senior Notes* (€800,000,000) dated 04/28/2017, M.A.J. granted a joint and several guarantee for said commitments in respect of the financing pool represented by BNP Paribas for a total amount of €88,448K as at 12/31/2017.

To guarantee the commitments made by ELIS SA in respect of the loan agreement entitled *Bridge Term Facilities Agreement* (€1,920,000,000) dated 06/12/2017, a loan agreement entitled *Senior Facility Agreement* (€600,000,000) dated 11/07/2017, and the *Océane* bond loans (€400,000,000) dated 10/06/2017 and *Schuldschein* (€75,000,000) dated 11/23/2017, M.A.J. granted a joint and several guarantee for said commitments in respect of the financing pool represented by BNP Paribas for a total amount of €50,000,000 as at 12/31/2017.

##### Equity investments:

As part of the acquisition of equities of Brazilian subsidiaries in July and December 2015, various comfort letters were sent by M.A.J. to the sellers in order to guarantee payment by the Brazilian companies Atmosfera and Teclav of the acquisition price for a total outstanding amount at 12/31/2017 of BRL 85,168,000 (€21,437,000).

##### Real estate:

Under the leases entered into between SCI LOTUS, lessor, and each subsidiary of M.A.J. (Les Lavandières, Elis Services, RLST, Thimeau) for the premises at Avrillé, Guérande, Loudun, Quimper, Brétigny (DAA), Marcq-en-Baroeul, and Meaux, M.A.J. granted joint and several indivisible guarantees on March 25, 2014 and June 27, 2014 to SCI LOTUS to guarantee the payment of rents and all amounts due by each subsidiary to the lessor for the lease term of 15 years, plus an additional six months (amount guaranteed as at 12/31/2017 = €1,445,700).

- **Commitments received**

Commitments received (in €k)	Total	< 1 year	1–5 years	> 5 years
Related to debt	0.0			
Related to equity investments	10,762.0	2,755.0	8,007.0	
Related to real estate	1,660.2			1,660.2
Sundry liabilities guaranteed	22.7		22.7	
	<b>12,444.9</b>	<b>2,755.0</b>	<b>8,029.7</b>	<b>1,660.2</b>

Description of significant commitments received:

Indebtedness: none

Equity investments:

Liability guarantee commitments granted by the sellers of companies (Aquitaine Services Développement and Blanchisserie Professionnelle d'Aquitaine, Hygiène Contrôle Ile de France, BMF, HTPÉ, Blanchisserie Blésoise and SCI les Gailletrous, HTE Sanitation, EMTM) with bank guarantee on first demand, for a total of €10,762,000.

Real estate:

Joint and several guarantees and guarantees on first demand granted by the Société Générale bank to lessors of premises rented by M.A.J. as guarantee for the payment of rents for the term of the lease of said premises for a total amount of €1,605,200.

- **Financial instruments**

None

## **7.2. Employee benefit liabilities**

- **Individual training rights**

Employees earned individual rights to training (DIF) under the professional training regime in effect until 12/31/2014 totaling 409,129 hours.

On January 1st, 2015 these rights were transferred to Personal training accounts and can be used until January 1st, 2021.