# ANNUAL REPORT 2015






# CIS

Integrated Life Support Services

CIS is specialised in the management of remote sites in extreme environments, onshore and offshore, for companies operating in the oil, mining, construction and civil engineering sectors, as well as for the armed forces and international organisations. As a services integrator, CIS has developed a wide range of services (facilities and utilities management) providing its customers, operating in both remote sites and in large cities in the countries where they operate, with turnkey solutions.

CIS

Integrated Life Support Services

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1992
Year of CIS' creation
272M€
2015 turnover
1998
CIS' initial public offering
Present in
30
countries and on
200
operating sites
12000
employees worldwide from 50 different nationalities
CIS
Integrated Life Support Services

# CHAIRMAN'S STATEMENT


*Our motto:*
*« Always be daring, sometimes make compromises, never give up! »*
*Peggy Bouchet*

*« In an environment significantly impacted by declines in the oil and gas and mining sectors (representing a €15.7 million shortfall in revenue) and exchange rate depreciation, CIS showed good resilience and was successful in maintaining strong commercial momentum, with 8% growth in the order book to US$466 million in 2015, up from US$432 million in 2014.*

*CIS had annual revenue of €272 million, down 4.5%. At constant exchange rates, revenue for the period contracted marginally by 1.8% to €280 million.*

*As part of its "ARISE 500" strategic plan, CIS has implemented an offensive strategy with multiple growth drivers to increase its positions in the oil and gas, mining and major infrastructure project segments, reinforce its position as a provider of services for armed forces and accelerate development in high potential geographic markets by multiplying partnerships and making acquisitions.*

*I confirm the objective for the first phase of €500 million in sales revenue for the Group. »*

Régis Arnoux
*Chairman-CEO and founder of CIS*

**Régis Arnoux**
Chairman-CEO and founder (1992)
Chairman of the Board of Directors
and Executive Committee

**Monique Arnoux**
Vice Chairwoman
of CIS Foundation

**Florence Arnoux**
Key Accounts Manager

**Frédérique Salamon**
Advisor to the Chairman-CEO
Internal Audit Committee member

**Michel de Bonnecorse**
Internal Audit Committee member

**Christian Daumarie**
Internal Audit Committee Chairman

**Henri de Bodinat**

**Sophie Le Tanneur**

**Frédéric Bedin**

**Amiral Pierre-François Forissier**

**Gonzague de Blignières**

**Yves-Louis Darricarrère**

# BOARD OF DIRECTORS

The quality of CIS Group's corporate governance is based on an engaged and demanding Board of Directors.

The Board of Directors sets the Group's strategic priorities and oversees their implementation. All Board members also serve on the Executive Committee that meets monthly to analyse, in particular, changes in the company's financial position and its economic, social and commercial situation.

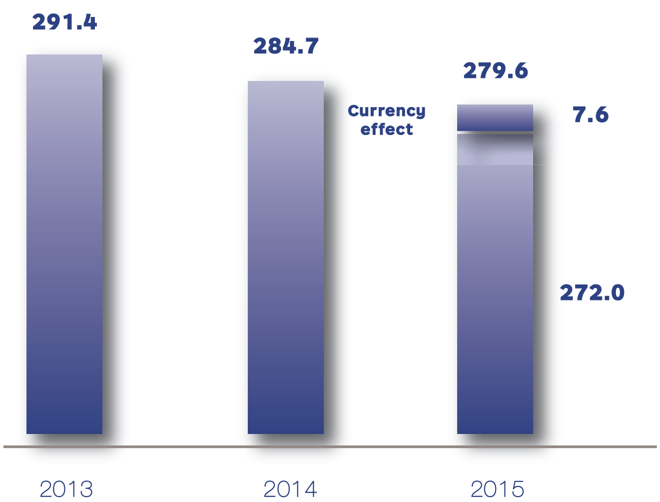
In June 2016, the General Meeting was called to appoint a new member to the Board of Directors: **Yves-Louis Darricarrère**.

Yves-Louis Darricarrère is a graduate of the French engineering school, Ecole Nationale Supérieure des Mines of Paris, and the Paris Institute of Political Studies (Sciences Po) and also has a degree in Economics.
He began his career with Elf Aquitaine in 1978. He subsequently occupied different executive management positions with Total, including Chief Executive Officer of the Exploration & Production division in 2007, and was a member of the Group Executive Committee from 2013 to 2015. In 2015, Yves-Louis Darricarrère was appointed Senior Advisor of Lazard Ltd and Chairman of Total's Corporate Foundation. He also is a director of several companies.

# 2015 IN FIGURES

In an environment significantly impacted by declines in the oil and gas and mining sectors, the Group was successful in maintaining strong commercial momentum.

## STEADY SALES (€M)




## A SOLID FINANCIAL STRUCTURE (€M)

**NET CASH**

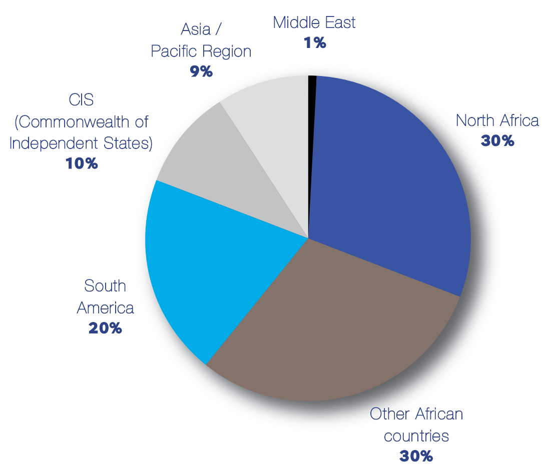
**€44.2m**
At 31/12/15
(€48.7m at 31/12/14)

**FINANCIAL DEBT / EQUITY (GEARING)**

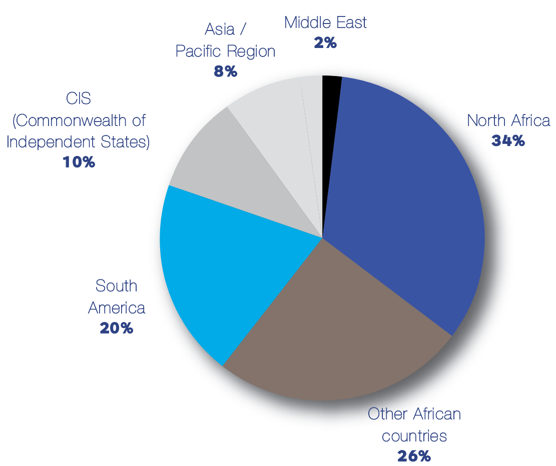
**20%**
At 31/12/15
(19% at 31/12/14)

## A BALANCED REVENUE MIX

**2014**



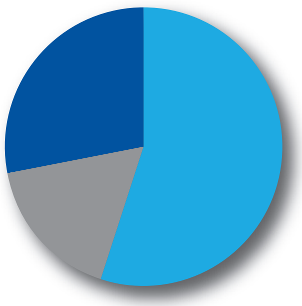

**2015**



# A reasonable dividend payout which promotes the Company's development

The Board of Directors proposed to the General Meeting of 6 June 2016 a net dividend per share of €0.12, or a stable payout ratio in relation to 2014, allowing the Group to focus in priority on its financial solidity.

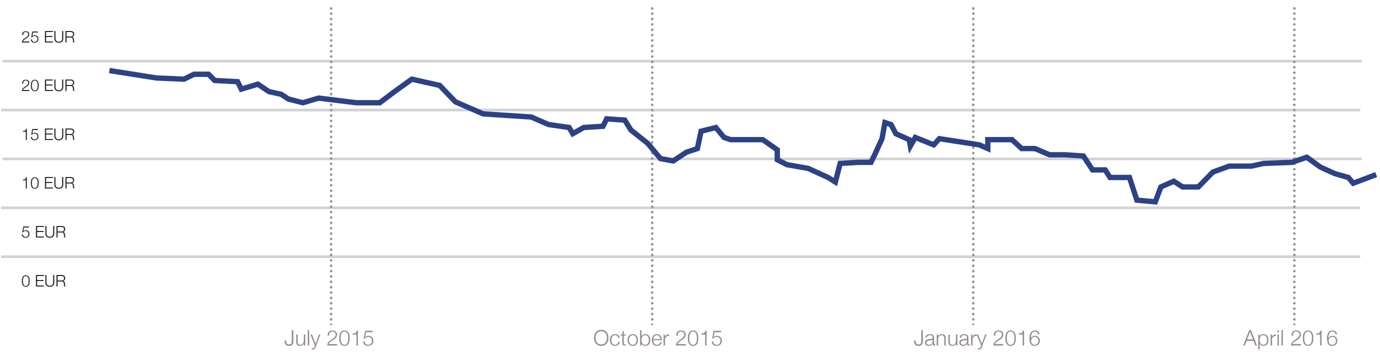
## SHAREHOLDING STRUCTURE at 31 December 2015



| | |
|---|---|
| Arnoux family | 54 % |
| Aloyan family | 15 % |
| Free float | 31 % |

| | |
|---|---|
| Market | Euronext Paris |
| Market | Compartment C |
| ISIN | FR0000064446 |
| Main index | CAC All-Tradable |

## SHARE PRICE




## SHARE DATA

| (in euros) | 2013 | 2014 | 2015 |
|---|---|---|---|
| Number of shares at 31 December | 8,041,040 | 8,041,040 | 8,041,040 |
| Market capitalisation at 31 December (€m) | 186.5 | 149.2 | 128.7 |
| High | 28.84 | 23.65 | 21.72 |
| Low | 20.60 | 16.62 | 13.05 |
| Average trading volume | 4,760 | 7,615 | 9,040 |
| Earnings per share | 0.76 | 0.98 | 0.64 |
| Net dividend | 0.13 | 0.18 | 0.12 |

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Integrated Life Support Services

# INTEGRATED SERVICE OFFERING

**As a services integrator**, CIS has developed a comprehensive offering to **provide its customers with turnkey solutions**.


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# CATERING

Regardless of the culinary habits, religious practices, customs, cultures or dietary restrictions, CIS catering services expertise is the result of a 20 year track record in satisfying the most demanding customers.

### Menu planning and preparation

- The planning and preparation of menus by our kitchen chefs representing more than 30 different nationalities in specifically designed industrial kitchens.
- Respect for cultural eating habits and customs.
- Special menus for celebrations, themed evenings and exceptional events.
- Lunch pack preparation and delivery.

### Food safety

- Compliance with international health and food safety standards (HACCP).
- Food temperature compliance, monitoring and control.
- Collection of samples of each dish proposed per meal.

### Balanced nutrition

- Compliance with nutritional standards based on the expertise of CIS nutritionists.
- Implementation of new programmes respecting the requirement for balanced nutrition. CIS has introduced a nutritional program, "Go for Green", specifically designed to respect daily calorie requirements.

### Supply & Logistics

In all countries where CIS operates, rigorous sourcing and storage procedures are implemented to ensure that sufficient supplies are available at all times:

- A supplier evaluation and selection process to both guarantee product quality and promote local products.
- Supply chain solutions specifically adapted to the extreme conditions of each site.
- Cold chain management and compliance with conservation standards, regardless of outside temperatures
- Tracking through electronic chips and terminal-based control of the supply chain: cold chain, hot and cold holding.
- Strict compliance with each country's food storage standards in line with our "Best food safety practices guide".
- Product labelling.
- Use-by-date information on each product.


CAC
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# LIVING ACCOMMODATIONS

**Reception services and housing management:**
CIS proposes its customers electronic planning and room reservation systems for optimised room management and highly efficient hospitality services for remote site occupants.

**Cleanliness of facilities:**
- CIS guarantees the irreproachable cleanliness of remote site housing units and also all compound facilities.
- CIS also provides all these services for guest houses, villas, apartments and the office facilities of its customers regardless of the region in which they are located.

**Laundry services:**
CIS ensures laundry services for all work clothing and personal belongings of the remote site occupants:
- Collection.
- Washing.
- Pressing.
- Distribution of linen, with a labelling system for all personal belongings.


CAC


CIS


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CIS

# ASSOCIATED SERVICES

### Multi-technical maintenance

CIS qualified staff assures building maintenance (painting, plumbing, etc.), equipment maintenance (electrical generators, low voltage switchboards, HVAC, etc.) and compound infrastructure repairs (buildings, equipment and vehicles).

### Access control & IT solutions

CIS proposes automated solutions for remote site access control and the use of materials. On all operating sites, CIS is able to adapt its information systems to customer needs.

### Wastewater treatment and drinking water production

CIS assures wastewater treatment, manages drinking water purification systems and controls water quality in accordance with applicable international standards. CIS also provides maintenance services for irrigation systems.

### Waste management

CIS services cover the entire waste management cycle (collection, transportation, separation and incineration of domestic and/or industrial) originating from the compound and all waste categories (solid, liquid or gas form).

### Groundskeeping and landscaping

CIS assures upkeep for green spaces and outside areas and snow removal on sites.


IVECO
380
CIS
CIS


CIS
CIS


EXCITE

# ASSOCIATED SERVICES

### Engineering

CIS engineering expertise covers the partial or complete design of a remote site, selecting equipment, the organisation of orders, supervision of the construction of the works as well as the installation and proper functioning of the technical equipment. These services are achieved in line with budget constraints and health and safety rules.

### Supplier of equipment

CIS provides all equipment required to manage a remote site.

### Entertainment and leisure

CIS organizes recreational activities on remote sites: outdoor and indoor sports facilities, film screening areas, libraries, special events.

### Fire safety

CIS assures fire safety measures for people and property.

# CIS
# WORLDWIDE


Algeria (8)
Saudi Arabia (33)
Bolivia (5)
Brazil (4)
Burkina Faso (16)
Cameroun (17)
Congo-Brazzaville (19)
Egypt (13)
United Arab Emirates (24)
Eritrea (23)
France - Headquarters (7)
Georgia (32)
Guinea Conakry (14)
Iraq (12)
Kazakhstan (27)
Kuwait (15)
Mali (10)
Mauritania (9)
Mongolia (29)
Mozambique (22)
Niger (18)
New Caledonia (30)
Uganda (20)
Uzbekistan (21)
Peru (3)
Qatar (31)
DR Congo (34)

Dominican Republic (2)
Russia (26)
Somalia (35)
Chad (11)
Turkmenistan (28)
Turkey (36)
Ukraine (37)
USA (1)
Venezuela (6)
Yemen (25)

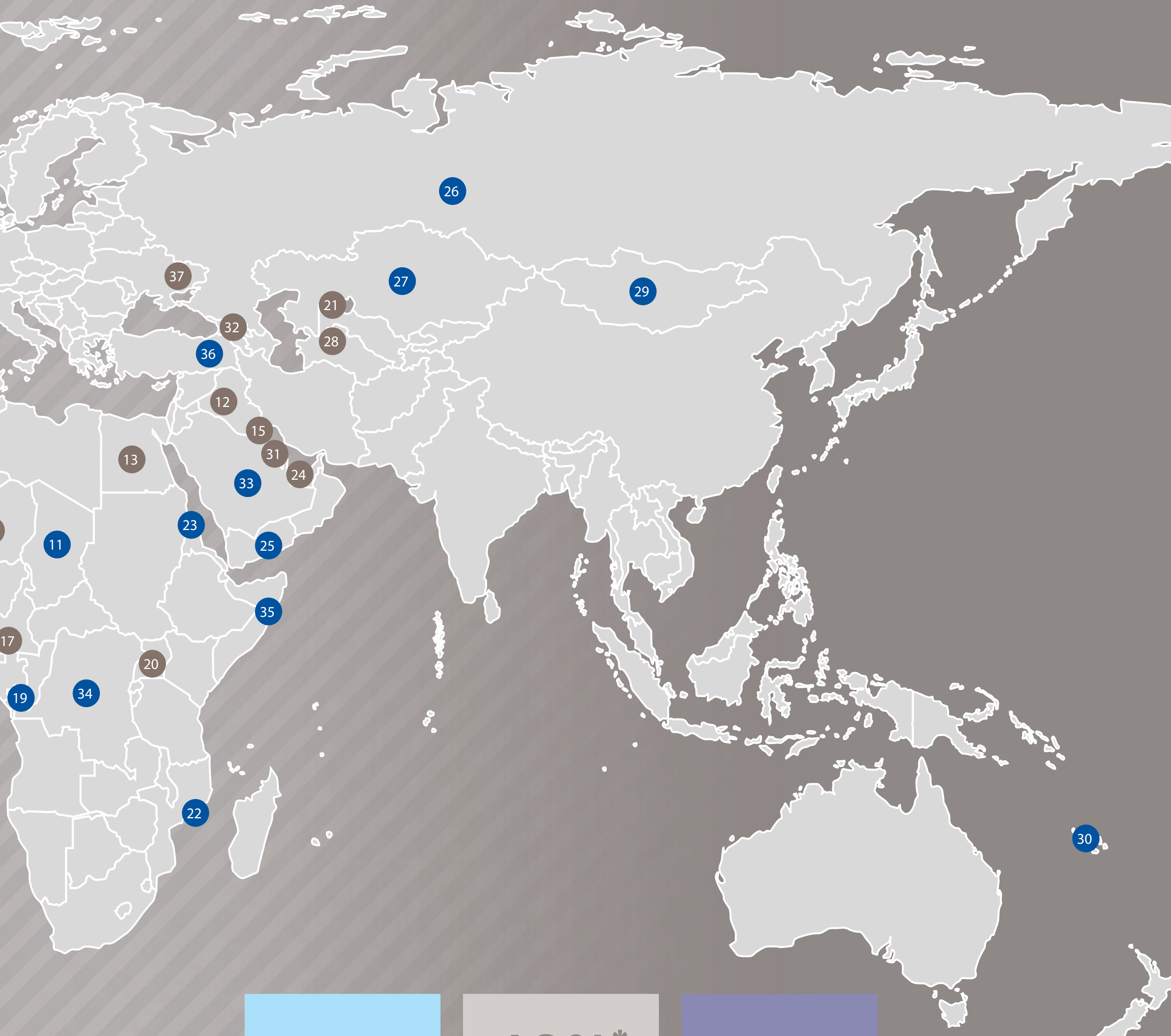
Operational countries

Subsidiaries / Branch offices

**34%*** North Africa

**26%*** Other African countries

**8%*** Asia / Pacific




**20%*** South America

**10%*** CIS (Commonwealth of Independent States)

**2%*** Middle East

* 2015 revenue by region

# CIS
## IN AFRICA

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# Algeria

Catering
Living accommodations
Cleaning
Multi-technical maintenance
Groundskeeping and landscaping
Waste management
Water treatment
Supplying equipment
Entertainment and leisure
Convenience stores

CIEPTAL, CIS' subsidiary, reinforced its position in 2015. The largest market in Africa in terms of petroleum resources, Algeria represented the Group's strongest growth market in 2015. CIEPTAL has 5,000 employees on more than 50 sites with a top-tier logistics base located at Hassi Messaoud where renovation and modernization work is currently underway. Finally, in 2015, CIEPTAL has developed in the north of the country, in Algiers, signing a new contract to provide technical maintenance services.

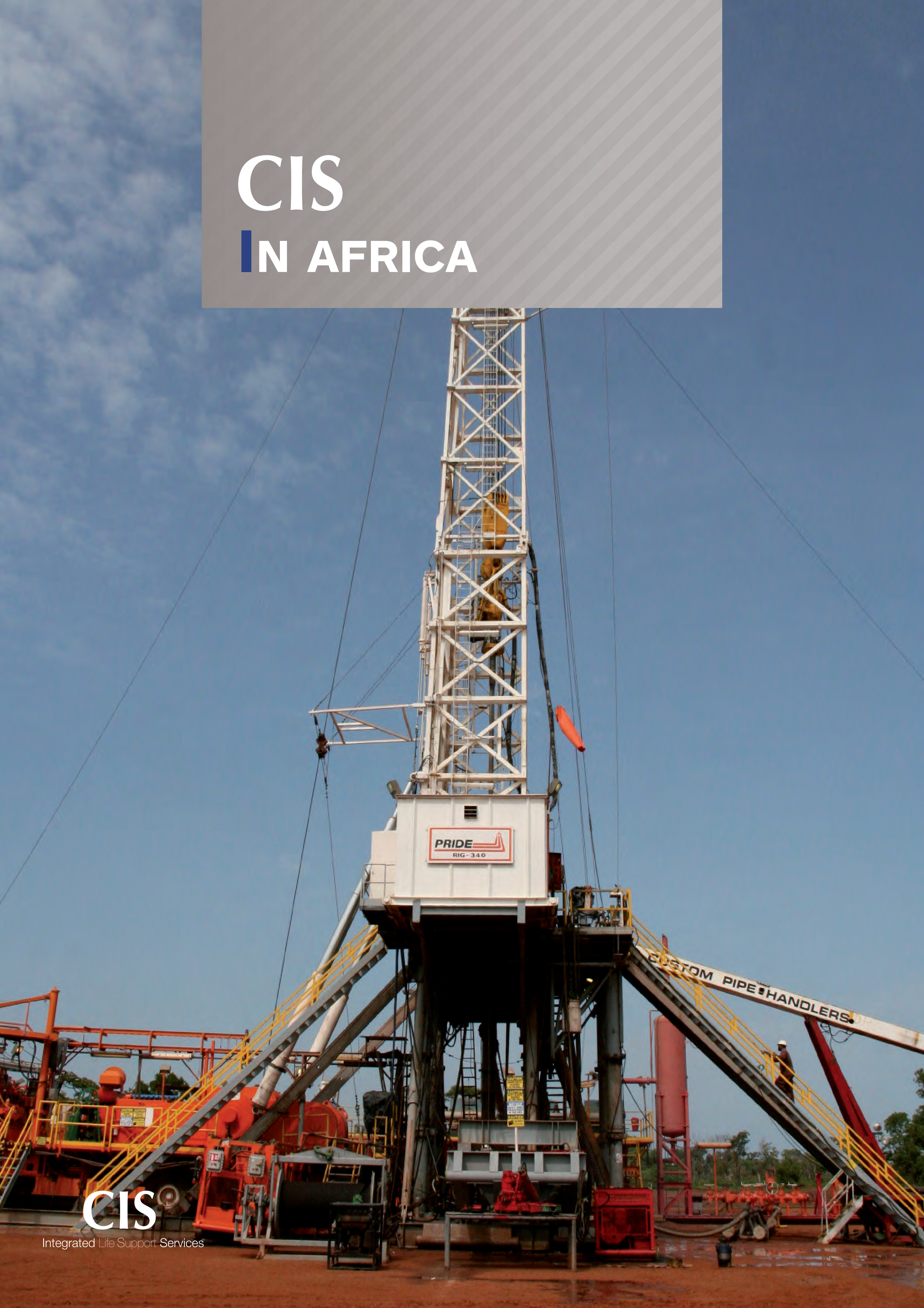
Cieptal's solid reputation is supported by ISO 9001, 14001 and OHSAS 18001 quality certifications.

# Mauritania

Catering
Living accommodations
Cleaning
Multi-technical maintenance
Waste management
IT solutions

In 2015, following a call for tenders launched by the Canadian-based mining company, Kinross Gold Corporation, CIS was once again selected to manage all integrated services for the Tasiast mining site compound housing 1,500 agents. The Tasiast site is among the world's largest open pit mining operations. CIS has been present on this project since Kinross started up operations in this country in 2011. This has given the customer an opportunity to appreciate the quality and relevance of CIS' programmes and the CSR policy adopted to promote economic and social development for local populations.


# CIS
## IN AFRICA

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# Chad

Catering
Living accommodations
Cleaning
Multi-technical maintenance
Groundskeeping and landscaping
Waste management
Supplying equipment
Convenience store

In 2015, CIS consolidated its positions in Chad where the Group has been operating for the last 16 years supporting the leading global petroleum groups like ExxonMobil, Schlumberger and United Hydrocarbon. Following an international call for tenders, the Anglo-Swiss Group Glencore selected CIS to manage two remote sites housing 200 gents. These sites are located in Mangara and Badila in the south of the country and the contract is for a three-year term.

This project is part of the programme for developing infrastructure for the Glencore oilfield in Chad with the objective of becoming the country's most important petroleum hub.


# Somalia

Supply chain & logistics
Customs clearance

As part of its strategy to develop a position as a provider of services to armed forces in theatres of operation, in 2015 CIS entered Somalia and has already signed eight new contracts.
For these customers, CIS handles the delivery of food products and materials. CIS also provides transport and customs clearance services.

# CIS

# IN SOUTH AMERICA


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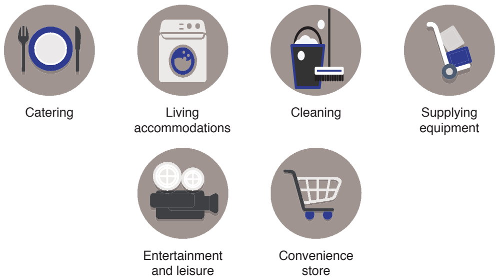
# Brazil

With a continuous presence in the country over more than 15 years, in 2015 all CIS's contracts were renewed for more than 30 oil platforms in the Macaé zone where the Group remains the leading provider of offshore catering services. In addition, CIS has confirmed the signature of five new contracts with SBM and SAIPEM. The spearhead of Group operations in Latin America, with a top-tier logistics base in Macaé and a close partnership with Pétrobras, in 2015, CIS has put into place specific steering mechanisms for its subsidiary to drive its recovery.




# CIS
## IN CENTRAL ASIA

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## Russia

- Catering
- Living accommodations
- Cleaning
- Multi-technical maintenance
- Snow removal

Building on its exceptional 23 year track record of uninterrupted presence, CIS has reinforced its positions in this region with strong potential for development in the mining and oil and gas sectors and signed a new contract with Total.

## Kazakhstan

- Catering
- Laundry
- Cleaning
- Multi-technical maintenance
- Waste management
- Water treatment
- IT solutions

Also present over the last 23 years, CIS is a major provider of services in this country. In 2015, the Group strengthened its position through twenty operating sites in the mining and onshore and offshore petroleum sector. The subsidiary boasts an excellent geographic position with a presence in the country's main industrial basins.

## Mongolia

- Catering
- Living accommodations
- Cleaning
- Engineering & Construction
- Waste management
- Water treatment
- Medical services
- Fire safety
- Convenience store

In Mongolia, for the last 13 years, CIS provides services to Rio Tinto, the world's leading mining Group, for the Oyu Tolgoi project, the country's largest industrial mining operation to manage a site numbering 10,000 agents per day.


# CIS
# IN THE MIDDLE EAST

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# Saudi Arabia

Catering Laundry Cleaning

In 2015, CIS accelerated its expansion in Saudi Arabia through its partnership with the Al Zamil family consortium and signed five new contracts in the oil and oil services sectors. CIS recently won  a major contract with Saudi Aramco, the world's largest oil company.

This strategic partnership represents an important driver for CIS as it now expands into other regions of the Middle East.



Zamil Group


CIS
WHMIS SYMBOLS
CIS
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# QHSE

**QHSE Highlights:**

- More than **35 million meals served every year** in strict compliance with international food safety standards
- More than **10 years without LTI** (lost time incidents) in extreme environments
- More than **60% of the operating sites certified by ISO standards**
- A customer **satisfaction rate of more than 95%**
- **0 environmental damage**
- **10 million km** travelled per year **in complete security**

On each operating sites, CIS is deploying a quality control programme and QHSE management system in order to guarantee high quality services for its customers and assure their safety along with that of its teams:

- Creation of rules and specific tools adapted to the countries where services are provided
- Risk assessment and management

Management processes adopted are compliant with multiple ISO guidelines.


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# CSR

In all countries where CIS operates, CSR policies are adopted to promote the economic and social development of the local populations.

The Group policy is to work closely with:

- Local authorities,
- Local companies for meeting its local sourcing needs,
- Local populations by maximizing the recruitment of local staff, multiplying the nationalization of supervisory functions and expertise transfer through training.

To preserve the environment, CIS implements sustainable solutions which include:

- Waste separation procedures,
- Measures for reducing food waste,
- Recycling selected products.

Finally, CIS has created a number of innovative nutritional programmes :

- A menu engineering application

Through its many years of experience as a provider of catering services, CIS has acquired in-depth expertise in designing menus.

In coordination with its nutritionists, the Group has developed an IT solution designed to create recipe sheets and menu cycles based on standardized recipes.

In addition to the cost and time savings provided, the standardization of recipes also increases customer satisfaction by:

- Improving food quality,
- Ensuring product consistency,
- Ensuring the appropriate portions,
- Producing nutritional labels indicating the required information by product.

GO FOR GREEN

**Go for Green:** a programme that encourages site residents to make healthy meal choices by selecting items that are naturally rich in nutritional content through a colour code system applied to each meal or product.

CIS Health for you

**H4U (Health for you):** a programme for raising the awareness of residents about the risks of over-consumption of food by conducting a survey about their lifestyle habits in conjunction with personalized guidance from a Group nutritionist and a sports coach.

# ETHICS CHARTER

Since 2004, a Business Ethics Charter has been integrated into CIS management process that defines and emphasizes its moral values and ethical, and professional rules of conduct to be applied in our business practices and relations with third parties (customers, suppliers, partners, authorities, shareholders etc.).

Our actions comply with integrity, neutrality and opening rules to preserve and increase confidence from our partners, customers and suppliers and in that way guarantee our success.

We are committed in particular to combating money laundering, fighting against corruption, complying with the rules of fair trade and confidentiality, avoiding any situations giving rise to conflict of interests, strictly comply with all applicable laws and regulations, and adopting environmentally friendly and sustainable development practices.

In line with these objectives, CIS is a member of the UN Global Compact since 2005 and regularly publishes on this basis the report to stakeholders entitled “Communication on Progress”.

Finally, CIS is actively engaged in its day-to-day operations in promoting diversity, equal opportunity employment, occupational health and safety. These values are shared by all CIS staff and management and applied to all.

# Corporate Foundation

FONDATION D'ENTREPRISE CIS Integrated Life Support Services

Created in 2008 at the initiative of the Chairman-CEO of CIS Group, Régis Arnoux, the CIS Corporate Foundation is currently chaired by Loïc Souron and Monique Arnoux (Vice Chairwoman) and provides support to young people (18-25) without material means of their ambitions. Its mission is to help finance their training or professional project and support them throughout the process up to their entry into professional life. **Over the last eight years, the CIS Corporate Foundation has assisted nearly 70 young adults in realising their professional project.**

## Testimonials of current scholarship beneficiaries of the CIS corporate Foundation

**Asmae, a graduate student in the master's degree program at the ISC Paris Business School (75) in management information systems. Supported by the Foundation since 2014.**

“ One of the biggest challenges for a business school student is balancing the challenges of academic study, expensive school costs, engagement in a not-for-profit and holding a regular job. The financial burden that is compounded by other forms of stress experienced by students can have a real impact on performance and academic fulfilment. The CIS Foundation thus represents an enormous opportunity by allowing me to look ahead to the future while reducing my preoccupations about financing my studies. I am extremely grateful for this scholarship which is encouraging me to persevere in my studies. It represents an invaluable support for pursuing my studies. ”

**Anouk, an undergraduate student in economics at the Sorbonne (Paris). Supported by the Foundation since 2014.**

“ It is with enormous gratitude and the sentiment of enormous privilege that I was accorded a CIS scholarship in 2014 and 2015 to support my continuing studies to obtain a higher degree. This scholarship is a testimony of your confidence and is helping me stay on track with the challenging path I have chosen. I am currently pursuing an undergraduate degree (Licence 2) in economics at the Sorbonne. Without the opportunity of pursuing the preparatory program at Intégrale Paris and the credits thus obtained, I would never have been able to join this prestigious University. Having you at my side gives me even more force and determination to surmount the difficulties I have encountered and the efforts I must provide. Sincerest thanks to CIS for its contribution, and also thanks to all members of the Foundation." ”

**Thibault, student in his last year in a management accounting program (Diplôme de Comptabilité Gestion). Supported by the Foundation since 2014.**

“ I discovered the CIS Foundation two years ago. Everything began with a first encounter which helped me understand the difficulties I was facing. In the end it was not only a Foundation ready to provide support, but CIS as well with assistance going well beyond the financial aspects. The result was a true social bond accompanied by proposal for a work-study contract so that I could continue my studies. I wish to thank the Foundation and the CIS Group for the aid they have given me and which has allowed me to pursue my professional project. ”

# 2015 AWARDS & DISTINCTIONS

## Image entreprise Méditerranée 2015 Award


In November 2015, Régis Arnoux was awarded the "**Prix Image entreprise Méditerranée 2015**" for the Large Enterprise & International Development category. This award is supported by six partners The Crédit Lyonnais, the Journal des Entreprises, Kedge Business School, Fidal, Réseau Entreprendre and Mucem.
This distinction recognizes CIS for its international development, expertise and performances and for its involvement and commitment in the Mediterranean region.

*Régis Arnoux commented:* *"I am proud of this distinction which recognizes our local roots to which I am very attached, our ability to intervene in the most extreme areas of the world and, above all, the efforts of all CIS teams on our operational sites and at the headquarters in Marseilles."*

## 2015 Global Enterprise Award

CIS received the "2015 Global Enterprise Award" (**Prix de l'Entreprise Globale 2015**) granted by French magazine, L'Express and Ernst & Young for its success in developing in international markets.



## Contractor of the year 2015 Award, Russia

*CIS Russia, Arctic Catering Services, received the "**Contractor of the Year 2015**" award by Exxon Mobil for the excellence of its performances regarding safety on the Odoptu site on which the Group has been operating for the last five years .*

## 2015 Prize of Excellence, Chad

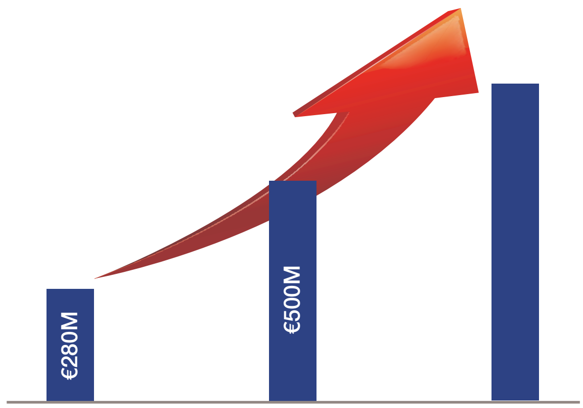
CIS Chad received the "**Excellence Prize**" for its performance in the area of safety by its customer EEPCI (Exxon Mobil) for the Kome 5 site where the Group has been operating for nearly 15 years.

# STRATEGY AND OUTLOOK

CIS has implemented a strategic plan, ARISE 500, with an objective in a first phase of reaching a target of €500 million in sales revenue for the Group.

## ARISE 500

- **A**nticipation
- **R**eactivity
- **I**nnovation
- **S**olutions
- **E**xpertise




**The Group has implemented an offensive strategy with multiple growth drivers to:**

- Increase its positions in the **oil & gas/mining** segments: CIS remains ready to deploy in its historic markets where renewed growth is expected.
- Pursue business development in the **major infrastructure project** segment.
- Reinforce its position as a provider of services **for armed forces and international organizations**.
- Accelerate development in **high potential geographic markets**.
- **Multiply partnerships**, in particular in Africa and in the Middle East.
- **Make acquisitions** by identifying companies located in geographic regions where CIS is not present and/or companies possessing a portfolio of customers complementing of CIS own customer base.
- **Introduce innovations in offerings and services**, by proposing new value-added services in such areas as nutritional programs, digital solutions and technologies and by pursuing its engagement for sustainable development.

# Financial report

# 31 December 2015

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# Management Report of the Board of Director for the year ended 31 December 2015

# > Financial report

CIS
Integrated Life Support Services

To the shareholders:

We have called this General Meeting as required by law and our articles of association, to:

- report on the Company's financial position, business developments and results of operations for the period from 1 January to 31 December 2015, as well as material post-closing events, foreseeable developments and future prospects,
- submit for your approval the financial statements and the appropriation of profit for this financial year.

This report also includes the Group's management report pursuant to the provisions of Article L. 233-26 of the French commercial code.

## I. FINANCIAL POSITION OF CIS GROUP AND ITS BUSINESS FOR 2015

### 1. GROUP PROFILE

**CIS, a global player**

CIS, Catering International & Services, a Group with 24 years of experience as an integrated provider of catering, accommodations and facilities management services for companies operating in difficult environments. Present in more than 30 countries with 200 operating sites, CIS is today the third global provider of onshore and offshore remote site management services, with a worldwide staff of nearly 12,000.

CIS delivers these services across different customer segments and, in particular, to the oil and gas and mining sectors and the armed forces.

Finally, CIS has a strong commitment to promoting the socio-economic development of local populations in countries where it operates.

### 2. BUSINESS OVERVIEW

The year 2015 was characterized by a difficult global economic and geopolitical environment.

The sharp drop in oil and commodity prices led the major oil and mining companies to defer and even cancel their investments. In addition, the depreciation of exchange rates also adversely impacted Group revenue.

Annual revenue, originating entirely from international markets, amounted to €272 million, declining marginally by 1.8% at constant exchange rates (-4.5% on a reported basis).
The adverse currency effect on sales from declining exchange rates amounted to €7.6 million.
This negative impact was nearly €17 million for the five following countries that account for more than 60% of Group revenue: between 31/12/2014 and 31/12/2015 exchange rates declined by 10% for Algeria, 34% for Brazil, 67% for Kazakhstan, 32% for Mozambique and 12% for Russia.

However, despite this significant deterioration in the global environment, CIS has demonstrated its resilience and ability to maintain commercial momentum, registering 8% growth in the order book to US$466 million in 2015, up from US$432 million in 2014. This growth confirms the effectiveness of the Group's positioning, the commitment of its teams deployed in the different operating regions and the confidence of its customers.

The Group has thus been successful in both retaining a recurring customer base, with 91% of its contracts renewed, and ramping up new operations.

The Group also launched operations in two new regions: Somalia and Saudi Arabia.

**Business developments and operating highlights**

The period's achievements highlight a relationship of confidence with top-tier principals/decision-makers, exemplified by several new contracts including:

- Mauritania: Kinross Gold Corporation, the Canadian-based mining company at the Tasiast site (gold and copper production)
- Chad: Glencore Group for the management of two remote sites (oil and gas production)
- Russia: Total (oil and gas production)
- Somalia: 8 new contracts in the paramilitary sectors

The Group continued to lay foundations over the period for future growth through strategic partnerships.

Accordingly, in Saudi Arabia, the partnership entered into in 2014 with Zomco, a subsidiary of the Al Zamil Group led to several contracts in the petroleum and oilfield services sector, including mainly a major contract with Saudi Aramco, allowing CIS to join the very exclusive circle of suppliers of the world's largest oil company.

In Algeria, the Group confirmed its position as the leading provider of catering services, bolstering its subsidiary's market stature with seven new contracts and 21 renewals in 2015. The Group also launched a €4 million investment plan to modernize its Hassi Messaoud logistics hub providing for an area of 17,000 m², with cold storage facilities of nearly 6,000 m² and warehousing capacity for dry goods of 5,000 m².

In Brazil, the Group continued to execute its recovery plan for its subsidiary in a very difficult economic environment though showing sustained commercial momentum illustrated by the signature of five new contracts with SBM Offshore and Saipem.

The Group has also confirmed its strategic development in new sectors, namely as a provider of services to armed forces in Somalia by signing eight new contracts with companies associated with peacekeeping operations and international organizations in Mogadishu.

In November 2015, Régis Arnoux, Chairman and Chief Executive Officer of CIS Group was awarded the "Prix Image Entreprise Méditerranée 2015" which recognized the company for its development, expertise and successes in international markets and also for its commitment and engagement in promoting the Mediterranean region.

## 3. ANNUAL REVENUE

Commercial activity remained robust with order intake of US$466 million, up 8 % on 2014 (US$432 million), highlighting the Group's real growth momentum.

## 4. CIS SHARE INFORMATIONS

The CIS share ended the year at €16.00 compared to €18.56 at the end of 2014.

## 5. OPERATING HIGHLIGHTS

In an environment significantly impacted by declines in the oil and gas and mining sectors, current operating income declined from €17.9 million in 2014 to €10.6 million. This included 2.4 points from pressure by customers on margins, and 3.8 points from higher labour costs, despite effectively contained purchasing costs and external charges.

The Group's shareholders' equity ended the year at €64.9 million (€67.5 million in 2014), with a €7.1 million impact from lower exchange rates.

Bank borrowings remain stable at €12.8 million.

Measures are continuing to obtain an authorisation to transfer earnings of our Algerian subsidiary to France.

## 6. MAIN RISKS AND UNCERTAINTIES

The CIS Group's risk management policy is designed to ensure an optimal protection of the interests of its shareholders, customers, employees and its environment, based on the principles described below.

In compliance with regulatory obligations, the Group conducts a review of risks which could have a material adverse effect on its business, financial position or earnings. On that basis, it considers that there do not exist to the best of its knowledge other specific and material risks identified other than those presented below.

BUSINESS RISKS

**Market risks**
CIS' different business activities are subject to significant international competition.
The Group's position in these markets is directly dependent on the quality of services it proposes, its competitiveness and the long-lasting relations of confidence it has developed with key customers/decision-makers.

**Insurance**
The Group has insurance coverage for all its businesses in accordance with the normal terms and guarantees for its sectors of intervention.

The Group has global insurance programmes covering the different risks identified with respect to its business operations.
When necessary and possible, additional coverage is obtained either for the purpose of complying with applicable laws or to cover specific risks resulting from a particular activity or circumstances.
Insurance policies are coordinated and implemented by a specialised broker with coverage assured through a number of European and international financially sound and reputable insurance carriers.
In 2015, the Group carried out a call for tenders with its main insurance providers to increase the level of its coverage and better align this coverage with the Group's businesses and the level of risk incurred. On that basis, the insurance policies covering our personnel and civil liability were renegotiated and the guarantees provided thereunder were significantly increased. The Group also took out an insurance policy for environmental damage that might be cause by our business.

INTERNATIONAL OPERATING RISKS

**Foreign exchange risks**
Because all the company's revenue is generated by international operations, it is subject to risks related to foreign exchange fluctuations, notably of the US dollar.
Procedures have been implemented accordingly to reduce the most likely exposures, mainly associated with cash flows in foreign currency generated by business operations.
In order to limit the foreign exchange risks, the expenses and income are generally denominated in the currency of the country of operation, thus maintaining a certain balance.

**Country operation risks**
The Group currently monitors exposures to country operation risks and their geopolitical situation.
There have been no significant incidents in recent years of payment default, including in countries identified at risk.

EMPLOYEE-RELATED RISKS

Reflecting the specific nature of the Group's business, the role, professionalism and commitment of employees are decisive.
To foster personnel retention and increase the level of expertise and service provided to customers, the Group has developed a strong corporate culture and implemented a system of employee management and motivation based on a combination of tools such as continuing education, profit sharing and variable performance-linked compensation.
On that basis, the employee turnover and absenteeism rates of the Group are very low.

FINANCIAL RISKS

**Customer risks**
Most customers consist of top-tier investment-grade world-wide companies in their respective area. In consequence, customer payment default and credit risks which are monitored on an ongoing basis remain limited.
In addition, the status of trade receivables is monitored on a daily basis.

**Risks related to financial commitments**
In light of low long-term gearing of 20% and a significant net cash position of nearly 32% of total assets, the risk that the Group would be unable to honour its financial commitments is virtually nil.

**Liquidity risks**
As explained above, as the Group maintains a solid cash position at all times, no genuine liquidity risks are considered to exist and on that basis considers that it is able to honour its future payment obligations.

**Equity risks**
Own shares held in treasury relate exclusively to the liquidity agreement with a brokerage firm.
They are recognised in the consolidated financial statements as a charge under equity.
The portfolio of marketable securities consists exclusively in money market funds (OEICs) without an equity component.

**Internal control risks**
Internal control procedures applied to all the Group's companies and in all areas considered as subject to financial risks are organised to minimise the occurrence of such risks (internal and external audits carried out throughout the year).

**Computer error or data loss risks**
Measures taken to reinforce the Group's information system allow for information to be transmitted and verified in real time, reducing ipso facto the risks of data loss and errors associated with multiple data entries.

Moreover, the risk of data loss is also limited by the application of strict backup procedures.
Lastly, the information system is equipped with all protection measures available today (inverters, anti-virus, firewall) to reduce the risks of power outage, breakdown, virus attacks or data theft.

### Legal risks

*Risks related to the regulatory developments*

Regulations that apply to the Group businesses vary according to the country in which the Group operates. In this case, the Group may be led to refer to local consultants to clarify, if required, certain obligations.

*Litiges*

A dispute exists between CNA and the Algerian Central Bank, regarding the transfer of dividends to non-resident shareholders. In 2015, the Supreme Court issued a new decision again setting aside the judgement of the Court of Appeals of Algiers in 2014. CNA complied with its obligations imposed by local law and considers there have been no violations thereof.

CIS and its counsel, in light of the last decision rendered by the Supreme Court, consider that a favourable outcome will be found. On that basis, no provision has been recorded. In addition, the Company is not able to assess the risk incurred with sufficient reliability.

Otherwise, the Company had no knowledge at the end of the reporting period of any other legal or arbitration proceedings that may have a material impact on the Group's business, assets and liabilities, financial position or earnings.

RISK AND CRISIS MANAGEMENT MEASURES

CIS has taken measures to protect its staff in countries affected by the Ebola virus where the Group operates: Sierra Leone and Guinea-Conakry.

From the very first signs of onset of the Ebola virus illness, CIS activated its "crisis management unit" which defined a certain number of prevention measures to be adopted in the area of health and safety for all Group staff located in sites at risk.

The "crisis management unit" thereupon put into motion an action plan providing for:

- Very strict safety guidelines provided to agents on site,
- Containment measures,
- The movement of persons in the areas concerned subject to strict controls,
- Training provided to personnel before returning to a post and weekly training for on-site staff.
- Implementation, in coordination with our customers, of evacuation procedures for selected sites, clearly indicating the respective roles of each party.

These measures will be maintained until the health situation has been officially declared to have been improved and ceases to represent a real risk.

## II. PRESENTATION OF FINANCIAL STATEMENTS

### 1. ANNUAL FINANCIAL STATEMENTS (FRENCH GAAP)

**Accounting policies and methods**
No changes have been made in the methods used for the measurement of balance sheet items presented herein.

**Income statement highlights**
Revenue in the period declined by 31% or €15,489,164, from €49,787,133 in 2014 to €34,237,969 in 2015.
After reversals of provisions and expense reclassifications amounting to €567,620, total operating income came to €34,805,589, down from €50,435,553 in the prior year.
Total operating expenses declined by €12,414,613 or 24% to €38,641,364 from €51,055,977 in 2014.
Operating expenses included allowances for amortisation and depreciation of €450,868 and €210,116 for contingency provisions compared with €516,623 and €409,000 respectively in 2014.
These expenses also included allowances for the depreciation of current assets of €117,220, up from €349,350 in 2014.
On that basis, net operating income represented a loss of €3,835,775 compared to a loss of 620,424 in 2014.
After adjusting for financial income of €6,681,780 and financial expenses of €2,669,320, current operating income before tax amounted to €176,685.

After exceptional income of €1,265,041, exceptional expenses of €48,372 and income tax for the period of €589,667, net profit for the period amounted to €803,686, down from €2,091,462 in 2014.

**Balance sheet highlights**
Non-current assets totalled €14,232,764 including financial assets of €12,792,253.
Current assets amounted to €25,622,590 including cash and cash equivalents of €8,442,936 compared with respectively €29,527,897 and €10,937,116 in 2014.
Provisions for contingencies and expenses amounted to €2,289,835, compared with €2,270,723 for the prior year.
Current liabilities amounted to €27,319 323, down from €30,720 187 in 2014.
At 31 December 2015, shareholders' equity before the distribution of dividends amounted to €11,296,970 compared with €11,940,670 at the end of 2014.

### 2. CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

**Accounting policies and methods**
No changes have been made in the methods used for the measurement of balance sheet items presented herein.
Companies consolidated by the Group include all those exclusively controlled by CIS, conducting all their business operations outside of France and listed in the document provided to you.
The financial statements for fiscal 2015 have been prepared in accordance with IFRS (International Financial Reporting Standards).

**Income statement highlights**
Figures are presented herein in thousands of euros, expressed as “K€” in the original French document (excluding tables) and rounded off accordingly to the nearest thousand (000s).
Annual revenue amounted to € 271,974,000, down from €284,679,000 in 2014 or a decline of €12,705,000.
The net amount for allowances and reversals of provisions amounted to €1,892,000.
Operating profit amounted to €10,902,000, down from €16,814,000 in 2014.
Net financial income amounted to €532,000 compared to a loss of €1,499,000 in 2014.
Profit before tax came to €11,434,000, down from €15,315,000 last year.
Net consolidated income amounted to €6,538,000 compared with €9,335,000 in 2014.
On that basis, income attributable to CIS as the consolidating company amounted to €5,144,000, compared with €7,917,000 in 2014.

**Balance sheet highlights**
Figures are presented herein in thousands of euros, and (excluding tables) rounded off accordingly to the nearest thousand (000s).
Non-current assets amounted to €17 595,000 compared with €16,744,000 in 2014.
Current assets amounted to €122,612,000 compared with €139,990,000 in 2014.
Non-current liabilities came to €10,393,000 (including long-term provisions of €1,123,000) compared with €9,534, 000 in 2014.
Current liabilities amounted to €64 934,000 compared with €79,660,000 in 2014.
At 31 December 2015, shareholders' equity before the distribution of dividends amounted to €64,880,000 compared with €67,540,000 at the end of 2014.

Equity attributable to non-controlling interests amounted to €3,682, 000 compared with €3,271,000 in 2014.

**Headcount data**
The average number of employees was 11,960 in 2015 compared with 11,884 in 2014.

## III. MATERIAL POST-CLOSING EVENTS

There were no significant events occurring between the end of the reporting period and the publication date of this report.

## IV. BUSINESS TRENDS AND OUTLOOK

### 1. THE GLOBAL ECONOMIC SITUATION

The global economic environment remains driven by demand for energy and commodities even if this demand is lower in the current context. Trends in the construction and infrastructure sector show significant differences according to region and also sharp variations. This environment offers substantial opportunities to market participants capable of responding quickly. The Group's business model remains relevant and the Group is confident about the prospects for renewed investments in the short or medium term, particularly in Africa where CIS holds strong positions.

### 2. STRATEGY AND OUTLOOK

In 2014, CIS launched a strategic plan, with the assistance of a specialised consulting firm.
Following the completion of a strategic audit that confirmed the strength of the business model developed by CIS since its creation, a plan ("ARISE 500") was rolled out with an initial target for €500 million in sales. CIS' goal is to become the industry reference as a provider of services for the extreme.

ARISE 500 will make it possible to structure this growth in a sustainable manner around an ambitious program:

- Concentrating on our core business: remote site catering, living accommodations and associated services.
- Pursuing development through a revamped commercial organisation, a reinforced major account strategy and targeted partnerships;
- Strengthening geographic positions;
- Improving operating performances by modelling resources and needs and adapting management of the support functions;
- Building the future by focusing the efforts of all staff around a reinforced customer service culture driven by a commitment to excellence in quality of service.

Despite the current global economic climate, CIS is continuing to execute the ARISE 500 plan in conjunction with an offensive strategy with multiple growth drivers:

- Increase our positions in the oil & gas/ mining segments
- Pursue business development in the major infrastructure project segment
- Reinforce its position as a provider of services for armed forces and international organizations
- Accelerate development in high potential geographic markets.
- Multiply partnerships
- Make acquisitions
- Introduce innovations in offerings and services

## V. SUBSIDIARIES AND ASSOCIATES

### A. CIS (COMMONWEALTH OF INDEPENDENT STATES)

**ARCTIC CATERING SERVICES (ACS)**
Created in 1997 (capital: RUB 111,978) with its registered office in Moscow (Russia), this company is a wholly-owned subsidiary of our Group.
This subsidiary registered a decline in business and a loss after contracts with petroleum companies ended in conjunction with a 32% decline in the average rate for the rouble between 2014 and 2015.

**CIS GEORGIA**
Created in 2002 (capital: GEL 2,000) with its registered office in Tbilissi (Georgia), this company is a wholly owned subsidiary of our Group.

This subsidiary is currently dormant based on prospects for development that are considered virtually nil.

**CIS UKRAINE**
Created in 1996 (capital: US$ 6,000) with its registered office in Kiev (Ukraine), this company is a wholly-owned Group subsidiary. The subsidiary is currently dormant.

**UKRAINE CATERING & SERVICES (UCS)**
Because reactivating our former Ukrainian structure was too time-consuming and costly, a new wholly-owned Group subsidiary was created in Kiev (Ukraine) with a capital of UAH 63,000, for the purpose of participating in future calls for tender, particularly in the construction sector.

## B. ASIA - OCEANIA - MIDDLE-EAST

**CIS ASIA**
Created in 1997 (capital: UZS 583,600) with its registered office in Zarafshan (Uzbekistan), this company is a wholly-owned Group subsidiary.
With no operating activities, the subsidiary remains dormant.

**CAC KAZAKHSTAN**
The company was acquired in 2010 to better meet the national requirements of oil operators active in Kazakhstan.
With a capital of KZT 72 500 and a registered office in Almaty (Kazakhstan) it is a wholly owned subsidiary of the Group.
Despite a devaluation in the exchange rate for the Tenge in the 2015 second half, our business continued to develop as significant contracts concluded in the previous period were ramped up: Kazakhmys & KATCO.

**CIS NEW CALEDONIA**
Created in 2005 (capital: XPF 5 million) with its registered office in Koné, this subsidiary is 60%-owned by our Group, with 20% held by a local French partner and 20% by the Northern Province.
This subsidiary registered a significant decline in activity reflecting, as planned, the continuing scale-back of our customer's personnel and the closure of the construction site.

**CIS PACIFIC**
This wholly-owned subsidiary of our Group (capital: XPF 200,000), with a registered office in Nouméa (New Caledonia) was created in 2013 to support developments expected in the southern part of the island.
Business remains limited, and not yet profitable, as new catering services are being rolled out for a school.

**CISY YEMEN**
Created in 2009 (capital: YER 8 million) with its registered office in Sanaa (Yemen), this company is a 50% held subsidiary of our Group with the balance of shares held by a local partner.
The subsidiary is an operating company for the performance of a utilities management contract with Total that allows us to maintain a position in this country and also provides a showcase for our expertise for these types of services.
This subsidiary registered a decline in revenue in response to the country's very fragile political situation.

**MOHJAT AL-IRAQ GENERAL TRADE**
This wholly-owned subsidiary created in 2012 by CIS, has share capital of IQD 5 million with its registered office in Baghdad (Iraq).
This subsidiary is henceforth dormant, after we discontinued its operations in 2013.

**CIS MIDDLE EAST**
This wholly-owned subsidiary of our Group (capital: AED 100,000), with a registered office in Dubai (United Arab Emirates) was created in 2013 to support developments expected in the Persian Gulf region.
This subsidiary had no operating activity in the period.

**SUPPORT SERVICES MONGOLIA**
This company with a capital of MNT 425 million and its registered office in Oulan-Bator (Mongolia) was created in 2014. This 49%-held subsidiary of our Group is fully consolidated with control exercised by CIS SA.
We intervene on a major contract that started in 2014 with Rio Tinto to manage accommodation services for the largest industrial mining project of this country, namely the Oyu Tolgoi copper and gold mine.
In 2015, we registered further successes highlighted by the customer's full satisfaction.

## C. AFRICA

**CATERING NORTH AFRICA SERVICES**
Created in 2001 (capital: DZD 1 million) with its registered office in Algiers (Algeria), this company is a wholly-owned Group subsidiary.

Our stake in Cieptal was acquired in 2006 through CNA that in consequence suspended its operating activity.
A dispute exists between this subsidiary and the Algerian Central Bank, regarding the transfer of dividends to non-resident shareholders. The Supreme Court once again set aside the decision of the Court of Appeals of Algiers in 2015. CNA complied with its obligations imposed by local law and considers there have been no violations thereof.
CIS and its counsel, in light of the annulment of the decision rendered by the Supreme Court, consider that a favourable outcome will be achieved.

### CIEPTAL

Created in 2006 (capital: DZD 100 million) with its registered office in Hassi-Messaoud (Algeria), this company has been wholly-owned by the Group since 2008.
We continued to develop business in 2015 and will register adequate operational performances though impacted by an increase in labour costs resulting from the adoption of political provisions.
Algeria remains a strong growth market for our Group.

### CIS CHAD

Created in 1998 (capital: XAF 5 million) with its registered office in N'Djamena (Chad), this company is a wholly-owned Group subsidiary.
The drop in oil prices led to a significant decline in our customers' activity and, in consequence, our revenue. Operating margins achieved remained however satisfactory.

### CIS CAMEROON

Created in 1998 (capital: XAF 5 million) with its registered office in Douala (Cameroon), this company is a wholly-owned Group subsidiary. It continues to provide support to Group activities in Chad in terms of logistics and sourcing.

### ICS GUINEA CONAKRY

Created in 2008 (capital: GNF 10 million) with its registered office in Conakry (Republic of Guinea), this company is a wholly-owned Group subsidiary.
This subsidiary was impacted by the end of its main contract with Bechtel Group.

### GCS GUINEA CONAKRY

This wholly-owned Group subsidiary (capital: GNF 10 million) with its registered office in Conakry (Republic of Guinea) was created in 2011 to support the strong development of the mining sector in this country.
With the sharp drop in the prices of certain mining sector commodities and health risks linked to the Ebola virus that caused certain customers to withdraw from the market, revenue in the period declined, resulting in a loss for the period.

### CNA MAURITANIA

Our activities are now managed through this wholly-owned subsidiary of CIS created in 2011 (capital: MRO 2 million).
After an international call for tender, our subsidiary was once again selected by Kinross Gold Corporation, the Canadian-based mining company, to provide living accommodations and logistics services under this major contract. This project, located in the northern extremities of the country involves the operation of a very significant gold mine.
We experienced growth in revenue, driven by the increase in both the US dollar and the activity of our customer. This increase also led to a growth in the level of earnings recorded.

### CIS NIGER

The subsidiary was created in 2010 to participate in mining development projects. Wholly owned by CIS (capital: XAF 1 million), its headquarters are located in Niamey.
The subsidiary is dormant.

### CIS BURKINA FASO

This wholly-owned subsidiary of our Group (capital: XAF 1 million) with its registered office in Ouagadougou was created in 2014. With the reserves in this country concentrated in the mining sector, revenue remained steady and results were satisfactory.

### CIS MALI

This wholly-owned subsidiary of our Group (capital: XAF 1 million), headquartered in Bamako (Mali) was created in 2013 to support the development of mining operations in this country. Our activities continued to grow in relation to 2014, accompanied by an improvement in margins.

### CIS NACALA

This company (capital: MZN 20,000) created in 2013 with its registered office in Nacala (Mozambique) is a 80%-owned subsidiary of our Group with the balance of shares held by a local partner.

This subsidiary experienced a decrease in activity reflecting the planned personnel scale-back of our customer, the Brazilian mining group, Valé.
This decline was partially offset by the signature of new contracts that will enable us to expand our position in this country with very promising development potential in the mining and gas sectors.

TOP SERVICE
To strengthen its position in the Democratic Republic of Congo, in 2014 the Group acquired a 70% stake in Top Service with a capital of CDF 919, 825,385 and a registered office in Lubumbashi.
This company is a leading local provider of catering services in Katanga, one of Africa's richest mining regions.
Growth in revenue was largely driven by the good performances of the MMG contract concluded in 2014, though improvements in margins are necessary.

## D. SOUTH AMERICA

CIS BRAZIL
Created in 1999 (capital: BRL 27,801,680) with its registered office in Macaé (Brazil), this company is a wholly-owned Group subsidiary.
This subsidiary registered a marginal growth in revenue though maintaining an effective control over margins remains difficult and a loss was registered in the period.
Drastic steps were taken to revamp operating procedures and management and logistics systems to restore this subsidiary as rapidly as possible to breakeven.

CIS BOLIVIA
Created in 1998 (capital: US$ 5,314) with its registered office in Santa Cruz (Bolivia), this company is a 99%-held Group subsidiary.
Our activity increased significantly and management efforts allowed this operation to achieve breakeven in 2015.

CIS PERU
Created in 2006 (capital: PEN 3,306,956) with its registered office in Lima (Peru), this company is a wholly-owned Group subsidiary.
After the expiration of contracts in 2015, it was decided to initiate procedures to wind up this subsidiary in light of the limited visibility for growth prospects in this country.

CISM VENEZUELA
Created in 1998 (capital: VEF 20,000) with its registered office in Caracas (Venezuela), this company is a wholly-owned Group subsidiary. With no operating activities, the subsidiary remains dormant.

CIS DOMINICANA
This wholly-owned subsidiary (capital: DOP 100,000) located in Santo Domingo (Dominican Republic) was created in 2013 to respond to the call for tender by the mining company, Barrick Gold.
With the reserves in this country concentrated in the mining sector, revenue remained steady and results were satisfactory.

## E. NEW SUBSIDIARIES ACQUIRED OR CREATED IN 2015

CIS ARABIA
This company with a capital of SAR 500,000 and its registered office in Al Khobar (Saudi Arabia) was created in 2015. This subsidiary is 55%-held by our Group.
The success of the local partnership entered into with Zomco, a subsidiary of the Al Zamil Group, lead to the signature of six contracts in our first year of operations. The Saudi market accordingly opens up very substantial development prospects for our Group.
Operations were launched in March 2015 to the customers' full satisfaction, with margins at encouraging levels.

CATER CONGO
This wholly-owned subsidiary of our Group (capital: XAF 10 million) was incorporated in Brazzaville to provide the Group a base in the Republic of Congo to respond to calls for tender that are expected in the petroleum sector.
A first contract of limited scope was executed in the period as a means of legitimizing our expertise in this country.

CIS MOÇAMBIQUE
This company (capital: MZN 20,000) was created to develop our activity in regions where CIS Nacala is not able to operate due to regulatory restrictions. With its registered office in Moputo (Mozambique), it is an 80%-owned subsidiary of our Group with the balance of shares held by a local partner.
This subsidiary began four new contracts in the period on which it registered satisfactory margins.

### CIS TURKEY

This 55%-held subsidiary of our Group (capital: TRY 10,000) was incorporated in 2015 in Diyarbakir, Turkey.
It began operations at the end of the year with a modest technical assistance contract at the request of one of our petroleum company customers.

## F. SUBSIDIARIES DISSOLVED, MERGED OR SOLD IN 2015

### CIS SAKHALIN

Incorporated in 2003 in Yuzhno-Sakhalinsk (Russia), CIS Sakhalin was merged into our subsidiary ARCTIC CATERING SERVICES (ACS) in 2015 for the purpose of concentrating our operations in Russia within a single entity.

### CIS SIERRA LEONE

With limited prospects for development in Sierra Leone, a country severely impacted by the Ebola virus, this subsidiary was wound up in the period.

### CIS ANGOLA

This subsidiary was placed on standby in 2011 because of insufficient visibility for Group prospects in this country. Formalities for winding up the subsidiary that began in 2014 were finalized this year.

## VI. EMPLOYMENT, ENVIRONMENTAL AND SOCIAL INFORMATION

Disclosures relating to this paragraph are provided in the Corporate Social Responsibility report enclosed with this document.

## VII. SHARE CAPITAL INFORMATION

In accordance with the provisions of article L.233-13 of the French commercial code (code de commerce) and taking into account disclosures and notifications received pursuant to articles L.233-7 and L.233-12 of said code, information on the identity of the majority shareholders is presented below.

At 31 December 2015, the share capital was comprised of 8,041,040 shares representing a total of 13,485,319 voting rights, all exercisable.

There were no major changes in the breakdown of capital held by the main shareholders.

The free float also remained stable.

| Shareholder | Number of shares | | Voting rights | |
|---|---|---|---|---|
| Mr Régis ARNOUX | 2,620,109 | 32.6% | 5,240,218 | 38.9% |
| Société FINRA (R. Arnoux, Chairman & majority shareholder)) | 1,206,840 | 15.0% | 2,406,430 | 17.8% |
| Ms Solange ALOYAN | 587,244 | 7.3% | 1,174,488 | 8.7% |
| Other registered shareholders | 1,139,540 | 14.2% | 2,186,876 | 16.2% |
| Treasury shares* and liquidity account holdings | 32,747 | 0.4% | 22,747 | 0.2% |
| Free float (bearer shares) | 2,454,560 | 30.5% | 2,454,560 | 18.2% |
| **TOTAL** | **8,041,040** | **100.0%** | **13,485,319** | **100.0%** |

** Shares without voting rights: % in share capital and theoretical voting rights. All other % above refer to capital and actual voting rights.*

To the best of CIS' knowledge, incidents involving crossing above or below the statutory 5% ownership threshold were properly reported.

To the best of CIS' knowledge, with the exception of Mr. Arnoux, Finra and Ms. Aloyan, there are no other share-holders holding directly or indirectly , alone or in concert more than 5% of the capital or voting rights.

## VIII. STATUTORY AGED TRIAL BALANCE INFORMATION FOR TRADE PAYABLES AND RECEIVABLES

For financial years commencing on or after 1 January 2009, the French economic modernisation act of 4 August 2008 (codified under article L 441-6-1 section 1 of the French commercial code) requires companies whose annual accounts are certified by a statutory auditor to publish aged trial balance information for trade payables and receivables. It is noted for information that as the business of our Company is exercised exclusively outside of France, virtually all our suppliers are not covered by the scope of this law. However, in accordance with Decree 2008-1492 of 30 December 2008 setting the conditions for implementing such provisions, information on payables and receivables by maturity is presented below.

| | 2015 | 2014 |
|---|---|---|
| Inventory turnover | 38 days | 39 days |
| Days sales outstanding | 67 days | 76 days |
| Days payable outstanding | 84 days | 95 days |

## IX. TRADING IN OWN SHARES

**Share buyback programme**

The General Meeting held on 9 June 2015, according to the terms and conditions set forth in the corresponding resolution, authorised the Board of Directors, and vested it with all powers to that effect, in accordance with the provisions of Articles L.225-209 to L.225-214 of the French commercial code and AMF regulations, to purchase company shares, with said authorisation able to be used for the following purposes:

- ensure the orderly trading of the Company's shares in connection with a liquidity agreement concluded between an investment services provider complying with the conduct of business rules recognised by the French financial market authority (Autorité des Marchés Financiers or AMF);
- meet obligations resulting from stock option plans, bonus share grants, employee stock ownership programs and other share grants to employees and executive officers of the Company or companies affiliated with it;
- remit shares following the exercise of rights attached to securities giving access to the capital;
- purchase shares to be retained for future use for payment or exchange in connection with possible acquisitions; or
- cancel all or part of shares thus acquired.

This authorisation was granted for a period of eighteen months that will expire on 8 December 2016.

We accordingly request that you renew this authorisation for a new period of eighteen months subject to the following conditions: a maximum purchase price of thirty-five (35) euros and within the legal limit of 10% of the share capital, whereby it is specified that (i) when shares are repurchased to promote the liquidity of the share, the number of shares that may be taken into account to calculate this limit shall correspond to the number of shares purchased minus shares sold during the period this authorisation is valid and (ii) the number of shares acquired by the company for subsequent use for payment or exchange in connection with a merger, demerger or contribution may not exceed 5% of the share capital.

Under the authorisation granted by your General Meeting, the Board of Directors acquired and sold shares of the Company in 2015 for the purpose of maintaining an orderly market in its shares.

At 31 December 2015, the Company held 32,747 own shares in treasury compared with 31,106 shares at 31 December 2014.

**Liquidity agreement**

On 17 November 2006, CIS entered into an agreement with the brokerage firm Gilbert Dupont SNC of the Crédit du Nord Group, whereby Gilbert Dupont SNC is charged with intervening in the market and promote the liquidity and orderly trading of CIS shares. Gilbert Dupont SNC exercises its market making engagement in total independence. The agreement entered into with Gilbert Dupont SNC is compliant with the conduct of business rules of the AFEI (the French association of securities industry and financial market professionals) recognized by the AMF, the French financial market authority.

The annual liquidity agreement report published on 4 January 2016 on the CIS website is summarized below:

- number of shares: 22,747
- balance in cash in the liquidity account : €221,990

## X. APPROPRIATION OF EARNINGS

We propose that net profit for the year amounting to €803,686.25 be appropriated as follows:

- Dividend €803,686.25

Supplemented by deducting the amount of €161,238.55 from other reserves for a total dividend of €964,924.80.

For information, on the basis of 8,041,040 shares, if you approve this appropriation, the total dividend will be consequently €0.12 per share.

In accordance with article 243 bis of the French general tax code (Code Général des Impôts or CGI), it is specified that the total dividend amount proposed is eligible for the proportional rebate of 40% for natural persons having their tax residence in France (CGI art. 158-3-2° section 4°).

## XI. STATUTORY DISCLOSURE OF DIVIDEND DISTRIBUTIONS

In accordance with the provisions of Article 243 bis of the French general tax code, dividends paid for the last three financial periods are disclosed below.

| | 2012 | 2013 | 2014 |
|---|---|---|---|
| Number of shares entitled to dividends | 8,041,040 | 8,041,040 | 8,041,040 |
| Net dividends per share | €0.275 | €0.13 | €0.18 |
| Closing share price at year-end | €25.41 | €23.19 | €18.56 |

## XII. EXPENSES NOT DEDUCTIBLE FROM TAXABLE INCOME

In compliance with Article 223 quater of the French General Tax Code, we inform you that expenses non-deductible from taxable income, excluding income tax, for the period ended amounted to €32,504 including €23,587 for expenses covered by Article 39-4 of this code.

## XIII. INFORMATION ON EXECUTIVE OFFICERS

**List of offices and directorships**

In accordance with the provisions of Article L. 225-102-1, subsection 4 of the French commercial code, offices and directorships held by executive officers of the Company in other companies are listed below.

- Régis Arnoux ,Chairman and Chief Executive Officer: Chairman of FINRA (SAS - 13 Marseilles), Managing Partner of Monceau (SCI - 13 Marseilles), Immobilière Borély (SCI - 13 Marseilles), IMRA (SCI - 13 Marseilles).
  End of term : general meeting called to approve the 2018 financial statements
- Financiere Regis Arnoux, director (SAS - 13 Marseilles): Chairman of RANG Investment (SAS - 13 Marseilles).
  End of term : general meeting called to approve the 2015 financial statements**
- Monique Arnoux, director: Managing Partner of SCEA Mas de Joussanes (13 - Mouriès).
  End of term : general meeting called to approve the 2018 financial statements
- Florence Arnoux, director: None.
  End of term : general meeting called to approve the 2015 financial statements**
- Frédérique Salamon, director: Managing Partner of SARL Flaym Consulting (92 - Rueil Malmaison).
  End of term : general meeting called to approve the 2018 financial statements
- Christian Daumarie*, director: None.
  End of term : general meeting called to approve the 2016 financial statements
- Henri de Bodinat*, director: Chair of Espérance (SAS - 75 Paris), Chair-CEO of Time For Growth (SA - 75 Paris) ;Chair of Time Investors II (SAS - 75 Paris), Director of Mobile Network Group (SA - 75 Paris), Zound Industries (Stockholm), Managing Director of Cantos Ltd (London).
  End of term : general meeting called to approve the 2016 financial statements
- Michel de Bonnecorse*, director: Managing Partner of Orientations Internationales (SARL - 75 Paris).
  End of term : general meeting called to approve the 2018 financial statements
- Sophie Le Tanneur*, director: Managing Partner of Financière Lucinda (SARL - 92 Neuilly-sur-Seine) ; Deputy Chief Executive Officer of Compagnie Française de l'Orient et de la Chine (SA - 75 Paris), Director of Pyrex International Cookware (SAS - 36 Chateauroux).
  End of term : general meeting called to approve the 2015 financial statements**
- Frédéric Bedin*, director: Chair of the Executive Board of Hopscotch Groupe (SA - 75 Paris).
  End of term: general meeting called to approve the 2018 financial statements
- Marine Firminy (SASU - 75 Paris), director: None.
  End of term: general meeting called to approve the 2017 financial statements
- Gonzague de Blignieres*, director: Chair of Raise Conseil (SAS - 75 Paris) ; Raise Investissement (SAS - 75 Paris); Vice Chair of the Supervisory Board of Impact Partenaires (SAS - 75 Paris); Director of Oméga TV (SAS - 75 Paris), the Adie endowment fund, Fondation Entreprendre, United Way, Honorary Chair of Réseau Entreprendre Paris, Vice Chair of the Fédération des Pionnières.
  End of term: general meeting called to approve the 2019 financial statements

** Independent Directors*
*** With their terms of office expiring at the general meeting of 6 June 2016 called to approve the financial statements for the year ended 31 December 2015, your Board of Directors accordingly proposes the renewal of their respective appointments.*
*In addition, we propose that you accept the appointment of YLD Conseil, a company in the process of incorporation represented by Yves-Louis Darricarrere as a new director for a term of three years ending on the date of the general meeting called to approve the financial statements for fiscal year 2018.*

**Compensation of executive officers**

In accordance with the provisions of Article L. 225-102- 1 of the French commercial code, total compensation and any benefits of any kind paid to executive officers in the year ended is disclosed below.
This information also includes, when appropriate, any commitments of whatsoever nature made by the Company to the benefit of its executive officers, with respect to any compensation, severance payments or other benefits likely to be payable pursuant to the commencement, termination or change of their duties or subsequent thereto, as well as the conditions for determination of such commitments.

- Régis Arnoux, Chairman of the Board of Directors and Chief Executive Officer: € 198,000 for wages and directors' attendance fees.
- Financiere Regis Arnoux, Director: € 268,000 for management fees and attendance fees
- Monique Arnoux, Director: € 15,000 for directors' attendance fees.
- Florence Arnoux, Director: € 163,000 for wages and directors' attendance fees.
- Frédérique Salamon, Director: € 106,000 for management fees and attendance fees as a member of the Board of Directors and the Audit Committee.
- Christian Daumarie, Director: €20,000 for attendance fees as a member of the Board of Directors and the Audit Committee.
- Henri de Bodinat, Director: € 15,000 for directors' attendance fees.
- Michel de Bonnecorse, Director: €20,000 for attendance fees as a member of the Board of Directors and the Audit Committee.
- Sophie Le Tanneur, Director: € 15,000 for directors' attendance fees.
- Frédéric Bedin, Director: € 15,000 for directors' attendance fees.
- Marine Firminy, Director: € 15,000 for directors' attendance fees.
- Gonzague de Blignieres, director: € 15,000 for directors' attendance fees.

No remuneration is paid to corporate officers in the form of severance payments, supplemental retirement benefits, stock options, performance shares, etc.

## XIV. EMPLOYEE STOCK OWNERSHIP

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, information on employee stock ownership on the last day of the fiscal year, or 31 December 2015, is disclosed below: 210,260 shares representing 2.6 % of the share capital None of the securities are held under collective management schemes (and notably PEE or FCPE employee savings or stock ownership plans) and there are no stock option plans of the Company currently in force.

## XV. DIRECTORS' ATTENDANCE FEES

In accordance with the provisions of the articles of association and statute, the general meeting may grant directors, in remuneration for their activity, a fixed annual amount for attendance fees.
In 2015, €15,000 in attendance fees were paid to each director or an amount totalling €180,000.

## XVI. RELATED PARTY TRANSACTIONS

Information on related parties is provided in note 18 to the consolidated financial statements for the period ended 31 December 2015.

## XVII. AUTHORIZATION TO INCREASE THE REGISTERED CAPITAL

There are no authorizations to increase the capital currently in force.

## XVIII. RESEARCH AND DEVELOPMENT

With respect to the provisions of Article L.232-1 of the French commercial code, we inform you that the Company has not engaged in any research and development activities eligible for tax and financial advantages granted in certain circumstances by public authorities.
No expenditures of this nature have been recognised under assets in the balance sheet.

## XIX. FACTORS THAT MAY HAVE AN IMPACT IN THE EVENT OF PUBLIC OFFERS

Factors that may have an impact in the event of public offers on the securities of CIS covered by article L.225-100-3 of the French commercial code are presented below:

- Structure of CIS share capital: information on the share capital is provided above in chapter VII. In this regard, we remind you that the founder and Chairman of CIS, Mr. Arnoux, owns both directly and indirectly through FINRA of which he is a majority partner, 47.60% of the shares and 56.70% of the voting rights.
- Article 13.2 of CIS' articles of association provides for the existence of a double voting right.
- An agreement exists between certain shareholders imposing a restriction in the event of share transfers.

## XX. STATUS OF AUDITORS' APPOINTMENTS

The appointments, on the one hand, of SYREC and GRANT THORNTON, Joint Statutory Auditors and, on the other hand, A.E.C.C. Gilbert Caulet and A.M.O. Finance, Joint Alternate Auditors, expire at the end of the next general meeting to be held on 6 June 2016.

We propose:

- renew the appointments of SYREC, as Joint Statutory Auditors,
- renew the appointment of A.E.C.C. Gilbert Caulet, as Joint Alternate Auditors,
- and appoint:
  - PKF AUDIT CONSEIL, having its registered office at: 17, boulevard Augustin Cieussa 13007 Marseilles, as Joint Statutory Auditors in replacement of GRANT THORNTON,
  - FIPROVEX, having its registered office at: 45, boulevard Augustin Cieussa 13006 Marseilles, as Joint Alternate Auditors in replacement of A.M.O. Finance

for six years or until the end of the ordinary general meeting called to approve the financial statements for the year 2021.

## XXI. CORPORATE FOUNDATION

Pursuant to the decision by the General Meeting of 12 June 2007, our company set up a corporate foundation that was officially formed by the decision of the representative of the French government (Préfet) of the Bouches du Rhône region of 11 February 2008.
We remind you that the objective of this Foundation is to select one or more underprivileged persons wishing to receive secondary-school or university training and having defined a career project, in order to provide them with financial support as well as any help and assistance over the duration of their studies.
Our Foundation, with an annual budget of €40,000, assisted and monitored the progress of 14 candidates during fiscal 2015.

....................................................................................

The draft resolutions we had produced relate to various items of business referred to above, as well as the discharge of the members of the Board of Directors and the agreements referred to in article L.225-38 et seq. of the Commercial Code, as well as the agreements similar in nature to those covered by Article L.225-42 subsection 3 of the Commercial Code.

We hereby request that you approve these resolutions submitted to your vote.

THE BOARD OF DIRECTORS

A DIRECTOR THE CHAIRMAN

# Corporate social responsibility report

## OUR COMMITMENTS,

Our business is to provide food, housing, service and care for thousands of people around the world working on major projects.

Today we are recognised worldwide for our expertise in **managing remote sites in the four corners of the globe, the professionalism of our teams** and the **quality of our services**.

To maintain and **improve the performance** of our services, I initiated **a quality process** at CIS that in February 2004 received ISO 9001 certification and has been renewed every year since.
All **necessary means and resources** have been implemented for this process seeking to:

- Consolidate CIS' position in order to respond to major calls for tender and facilitate its access to new markets,
- Improve the efficiency of our organisation and working practices,
- Strengthen interactions between the headquarters and the sites,
- Ensure a consistent level of quality over the long-term of our services to meet the growing demands by our customers, particularly in the area of QHSE,
- Promoting and respecting core values in the areas of human rights, working condition standards and the environment, and the fight against corruption.

These quality objectives are reviewed, measured and analysed each year.

In this context, and because **the satisfaction of our customers and consumers** is our top priority, I ask all staff, including those working at the operating sites **to actively continue to contribute to this collective and company-wide undertaking**, with the Chief Quality Officer.

***"Our values: team spirit in respecting others"***

Régis ARNOUX
Chairman and Chief Executive Officer

## OUR RESPONSIBILITIES,

CIS Group since its creation has consistently sought to pursue a path of sustainable development in a manner that benefits local populations and economies in the countries where it operates. Through its position as a worldwide leader in remote site management specialised in providing living accommodations and catering services, CIS has an increasing responsibility to its customers, consumers, staff and suppliers.
Our business has undergone major transformations in recent years. In response to this trend, CIS has decided to regularly introduce increasingly responsible, forward-looking and proactive practices. CIS has developed a comprehensive process built around the three pillars of sustainable development, divided into ten areas:

**Economic responsibility and performance**

- Customer and consumer satisfaction
- Guaranteeing effective processes to ensure profitable operations for our investors
- Contributing to sustainable local economic growth
- Publishing information on sustainable development

**Environmental responsibility and performance**

- Reducing the environmental impacts of our products and services
- Limiting greenhouse gas emissions

**Social and corporate responsibility and performance**

- Staff safety
- Monitoring human resources regulations and anticipating regulatory developments
- Ethical development of CIS
- Strengthening relations with stakeholders

## OUR ETHICAL VALUES,

In 2004, CIS incorporated a business ethics charter into its management system that defines and highlights the ethical, moral and professional rules of conduct to be applied in our business practices and relations with third parties (customers, suppliers, partners, authorities, shareholders etc.).

Indeed, our actions must comply with the principles of integrity, impartiality and openness in order to maintain and increase the confidence of our shareholders, partners, customers and suppliers, and ensure our continuing success.

Our commitments consist in particular in combating money laundering, fighting against corruption, complying with the rules of fair trade and confidentiality, avoiding any situations giving rise to conflict of interests, strictly comply with all applicable laws and regulations, and adopting environmentally friendly and sustainable development practices. In line with these objectives, CIS has been a member of the UN Global Compact since 2005 and regularly publishes on this basis the report to stakeholders entitled “Communication on Progress”.

In addition, CIS is actively engaged in its day-to-day operations in promoting diversity, equal opportunity employment, occupational health and safety. With the Business Ethics Charter applying to all CIS staff and management, these values are shared by all.

## METHODOLOGY NOTE

The following information is presented in accordance with the disclosure requirements established by Article 225 of the "Grenelle II Act" of 12 July 2010 and the implementation decree of 24 April 2012. The reporting boundary for indicators presented covers the entire Group (CIS France as well as all subsidiaries and companies that it controls), calculated by consolidating data collected from the countries where CIS operates. As such the reporting boundary for social data and the Group's environmental impacts is consistent with the financial reporting boundary. Additional information on our sustainable development commitments and policy is available at CIS Group's website www.cis-catering.com.

**Reporting boundary**

Certain indicators are presented herein on the basis of a limited reporting boundary (headquarters or headquarters and expatriate staff) in light of the relevance or availability of such information. These reporting boundary limitations are specified within the report for each indicator concerned.

The QHSE and Sustainable Development department implemented the "CSR Data" project in 2013. This project that involved the creation of an environmental reporting matrix provided a mechanism for collecting selected data. Several operating sites in effect confirmed that it was not materially possible to evaluate or obtain reliable data to quantify:

- water, electricity, fuel consumption;
- volume of waste produced and recycled,
- $CO_2$ emissions

……as the sourcing of these supplies and their recycling are managed by our customers that possess only consolidated information for the site, without the possibility of providing detailed quantitative data for each of their many subcontractors, among which we ourselves are included.

**Reporting period**

The reporting period runs from 1 January to 31 December 2015. Data for comparison purposes relates to the period from 1 January 2014 to 31 December 2014.

**Areas not relevant or not covered by the report**

The report on collective bargaining agreements is not included in the absence of consolidable information. Measures to prevent, reduce or repair serious adverse effects on the environment from emissions into air, water and soil, management of noise pollution and other forms of pollution specific to an activity, land use, adapting to the consequences of climate change, resources devoted to preventing environmental risks and pollution are considered as not relevant in light of the nature of our business.

In 2015, CIS Group did not incur expenditures (as in 2014) for the prevention of environmental and pollution risks, to the extent this was not necessary, as it is our customers who are the owners of the installations and consequently responsible for decisions on environmental measures. At 31 December 2015, there were no provisions for contingencies and guarantees for environmental risks.

## GUIDELINES

Information presented above has been produced in compliance with the "2015 CSR Reporting Guidelines" produced by CIS Group and available on request.

# THE CIS GROUP EMPLOYER PROFILE

## OUR TEAMS

At 31 December 2015, the Group had an average workforce of 11,960 employees, remaining steady in relation to the end of 2014. Women accounted for 17% of the total workforce (for headquarters and expatriate staff, 17% in 2014).
This significant gender imbalance within the Group is a direct consequence of our activity as a provider of services in extreme conditions and our presence in certain countries where religious rules prohibit women from working, with the safety of our teams in operating countries remaining our priority.

### CIS teams: a strong international presence

| Average headcount | 31 December 2015 | | 31 December 2014 | |
|---|---|---|---|---|
| | 12 months | % | 12 months | % |
| Asia/Pacific | 758 | 6 | 938 | 8 |
| Africa | 7,379 | 62 | 7,514 | 63 |
| CIS (Commonwealth of Independent States) | 1,773 | 15 | 1,403 | 12 |
| South America | 1,787 | 15 | 1,720 | 15 |
| Expatriates | 214 | 2 | 260 | 2 |
| Head office | 49 | 0 | 49 | 0 |
| **TOTAL** | **11,960** | **100** | **11,884** | **100** |

Reported headcount corresponds to permanent and fixed-term employment contracts or local equivalents thereof. Changes in the headquarters and expatriate workforce (263 employees in 2015) resulted in 26 recruitments and 72 departures (including 4 dismissals) in fiscal 2015. In 2015 the QHSE&SD department introduced a process to improve the reliability of headcount data originating from operating sites.

| Head office and expatriate workforce by age % | 31 December 2015 | 31 December 2014 |
|---|---|---|
| Less than 25 | 0 | 1 |
| 25-29 | 4 | 4 |
| 30-34 | 16 | 17 |
| 35-39 | 21 | 18 |
| 40-44 | 10 | 10 |
| 45-49 | 19 | 20 |
| 50-54 | 11 | 11 |
| 55-59 | 13 | 13 |
| 60 and older | 6 | 6 |
| | 100 | 100 |
| **AVERAGE AGE** | **45** | **44** |

**Work-time organisation**
The legal number of working hours for headquarters staff of the Group is 39 hours per week (including 2% part-time). The absenteeism rate in 2015 was 0.7% (0.9 in 2014), calculated as the number of days of illness-related or unjustified absences for employee and per year.
Working hours for local employees in operating countries are determined in reference to local regulations.
The duration of expatriate assignments is largely dependent on the customer contracts.

Expatriates, depending on their contract and operating country, work according to assignments defined in terms of weeks or months of continuous presence in the field versus the length of their home stay (for example " 8/3" corresponds to an eight week assignment in the field for three weeks at home).

**The organisation of dialogue between employees and management**
In light of its workforce, CIS France has established a dialogue of quality with employee representatives who may be consulted, in particular, on subjects relating to occupational health and safety. Employee representation bodies exist at the subsidiary CIS New Caledonia with which the company's management maintains regular dialogue. The other subsidiaries are not concerned by these provisions as a result of the legislation in force.

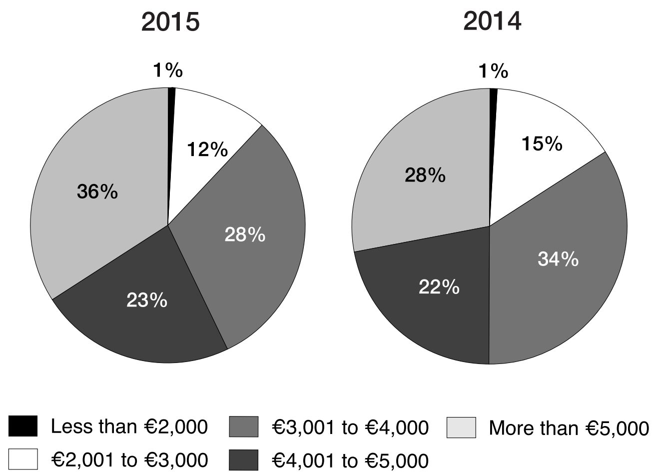
### PROMOTING AND DEVELOPING TALENT;

**Staff training: developing skills to achieve continuous improvement in the quality of our service and promote professional fulfilment for all our staff.**

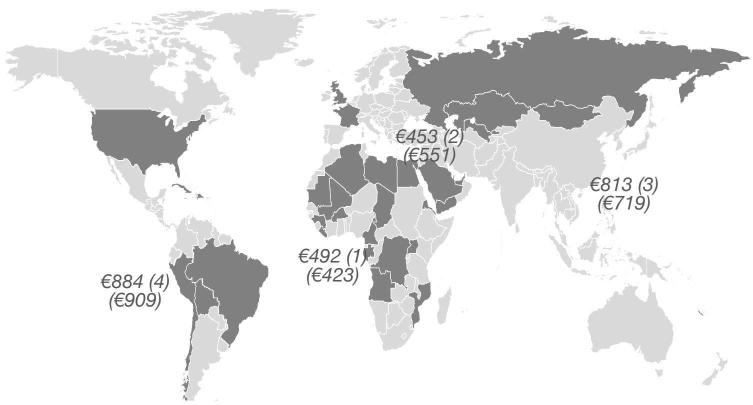
Training programmes available to teams cover:
- Quality
- Safety
- Technical- business speciality training
- Managerial skills
- Information technology

Internal and external staff training represented 30,415 hours in 2015 or 22% less than in 2014 representing expenses of €143,100 in 2015 and €144,400 in 2014. All staff, regardless of their responsibilities, are offered a training programme adapted to their skills, providing them with a possibility, according to their wishes, for vocational retraining for a career change, an international assignment or a career advancement. Training was made available to all staff in 2015

**Compensation trends**
The following charts provide a breakdown for headquarters and expatriate staff on permanent contracts by gross monthly compensation:




Average monthly salaries (including social charges) for local employees by geographic region break down as follows in 2015 (and 2014):




*(1) ALGERIA - ANGOLA - BURKINA FASO - CONGO (RDC) - CONGO (BRAZZAVILLE) - ERITREA GUINEA CONAKRY - LIBYA - MADAGASCAR - MALI - MAURITANIA - MOZAMBIQUE - SIERRA LEONE SOMALIA - CHAD*

*(2) SAUDI ARABIA - EGYPT - UNITED ARAB EMIRATES - IRAQ - MONGOLIA - NEW CALEDONIA - TURKEY YEMEN*

*(3) KAZAKHSTAN - RUSSIA - TURKMENISTAN*

*(4) BOLIVIA - BRAZIL - DOMINICAN REPUBLIC - PERU*

SAFETY OF OUR TEAMS: OUR PRIORITY

The occupational health and safety management methods of CIS Group comply with ISO and OHSAS guidelines. This also applies to subsidiaries not engaged in a certification process. Compliance with these guidelines by all Group staff is further reinforced by provisions that have been incorporated into the Business Ethic Charter

Occupational accidents are systematically analysed to determine the causes and take corrective actions, by taking measures to secure the site, train personnel or implement preventive actions.

In 2015, 27 lost time injuries compared with 17 in 2014 (with no accidents occurring at the head office in 2015 and 2014), representing a lost time injury frequency rate of 0.76 in 2015 (severity rate: 0.007) and 0.48 in 2014 (this rate is calculated according to a multiple of 1 million hours worked and the severity rate is measured in calendar lost time days per thousand hours worked). Occupational accidents (lost time injuries) identified concern largely cuts (44%) in light of the nature of the Group's activity and do not accordingly involve falls or commuting accidents.
The frequency rate for road accidents, calculated according to a rate of accidents for 1 million km travelled, amounted to 0.43 in 2015 compared to 0.78 in 2014.
No occupational illnesses were reported at the Group headquarters in 2015.

**First aid training**
In Mauritania, we conducted a first aid training campaign with a specialized organization. At the end of this programme, 75 of our employees received a workplace first aid certificate (18% of the local workforce).

**Fire safety training**
All headquarters employees received fire safety training in 2015 provided internally by a member of our staff.

**Playing an active role in our safety**
Since 2013, CIS Chad has provided training to its employees on workplace safety using an interactive approach. Teams of two or three volunteer "actors" who are comfortable about

speaking to the public meet with the HSE Department each week to decide together the subject of their sketch and determine the message to be conveyed. To retain the attention of the audience, the sketch must be short (five minutes maximum), humorous and performed in the local language. Whether these sketches present scenarios of real day-to-day workplace conditions or a simulated accident, a message that is simple but also always relevant is much better registered by employees as well as customers who appreciate both the initiative but also the results thus obtained. An initiative that has no doubt contributed to Chad's ten-year workplace record of no lost time injuries.

**Countries having met their objective of zero lost time accidents**
In Congo Brazzaville, as in Guinea, Mozambique, New Caledonia, the Democratic Republic of Congo, Russia, Chad and Turkmenistan, no accident, even minor, was recorded in 2015..

OUR BUSINESS ETHICS CHARTER: AN INTERNAL CODE OF CONDUCT

**Ethical recruitment and promotion practices: an equal opportunity employer**
Recruitment and promotion within the Group are based exclusively on the skills and qualifications of each employee, without discrimination relating to gender, ethnic origin or physical condition. By way of example, headquarters and expatriate staff represent 22 different nationalities, with women accounting for 17% (60% for the Group's headquarters), and disabled employees 2% (headquarters). The Business Ethics Charter is signed by all employees when they join CIS Group.

In addition, CIS' Board of Directors complies with the provisions of Law No. 2011-103 of 27 January 2011, pertaining to balanced gender representation.

Furthermore, the Charter requires within the Group the promotion of and strict compliance with the ILO core conventions (freedom of association and protection of the right to organise and negotiate collective bargaining agreements, eliminating employment and occupational discrimination, abolishing forced labour and the effective abolition of child labour).

**Fair business practices call for an engagement by all employees**
Promoting the fight against corruption, and in particular, the policy of accepting and offering gifts within the framework of the relations of Group employees with interested third parties (supplier, customer, local public authority, board, etc.) is strictly defined by the Group's Business Ethics Charter. Furthermore, consumer health and safety is guaranteed by compliance with the ISO and OHSAS guidelines within Group subsidiaries.

## CIS GROUP AS AN ACTIVE ENVIRONMENTAL STAKEHOLDER

**The Group's headquarters and certain subsidiaries have engaged in certification processes:**

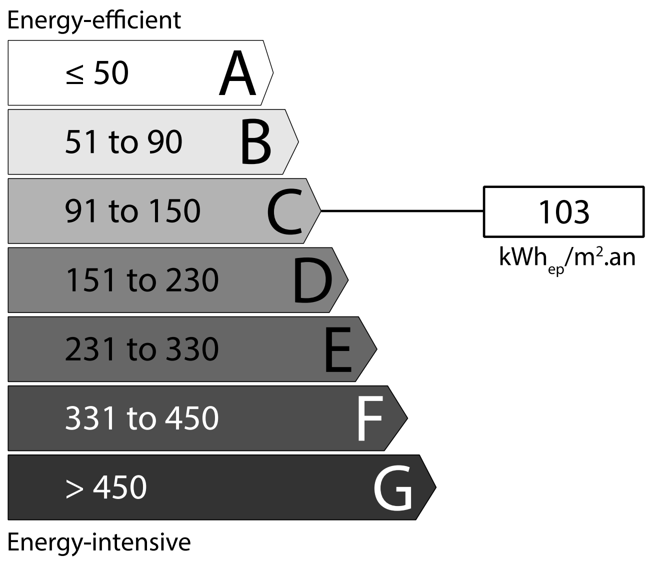

| | ISO 9001 | ISO 14001 | OHSAS 18001 | ISO 22000 |
|---|---|---|---|---|
| 2016 | | | | Mongolia |
| 2015 | Mauritania | | Mauritania | |
| 2014 | Mongolia | Mongolia | | |
| 2013 | Russia | | | Russia |
| 2012 | | | Kazakhstan | |
| 2011 | Chad | Algeria | Algeria | |
| | Kazakhstan | Chad | | |
| 2010 | New Caledonia | | New Caledonia | |
| 2009 | | | Chad | |
| 2008 | Bolivia | Bolivia | Bolivia | |
| 2007 | Brazil | | | Brazil |
| 2006 | | | | |
| 2005 | Algeria | | | |
| 2004 | France | | | |

### OUR COMMITMENTS IN FAVOUR OF PROTECTING THE ENVIRONMENT

**Responsible consumption of resources**

In 2015, for the Group headquarters water consumption totalled 257 m3 (320m$^3$ in 2014) and electricity consumption 194 MWh (141 MWh in 2014), a low-level that has not warranted measures for the study of renewable energy options. As indicated in the section presenting the "CSR Data" project, this information is not available for the subsidiaries. However, Country Managers are aware of the need for sustainable water consumption practices, particularly in water-stressed regions.

For the first year, CIS conducted an Energy Audit for the headquarters reporting boundary:



CIS Group promotes the protection of biodiversity and refuses to use any endangered species (such as bluefin tuna) in the menus proposed to customers. Subsidiaries themselves are responsible for taking their own initiatives to promote biodiversity at the local level. Buyers and kitchen chefs receive training from the QHSE and SD department on ways to improve product freshness (by giving priority to local sourcing, respecting the growing seasons for fruit and vegetables, etc.).

Supplies of food products for operating sites are dependent on contractual terms (which generally set minimum quantities for food supply inventories to be maintained on site). The consumption of raw materials is an issue in terms of social and environmental responsibility but also profitability. For that reason, their efficacy is measured by monitoring contract by contract the daily cost price of food supplies used in preparing meals.

**Reducing the Group's carbon footprint**

The carbon impact of CIS Group's activities is measurable by carbon assessments for travel by headquarters and expatriate employees. In 2015, travel thus generated 951 tonnes of CO2 (1,368 tonnes in 2014). We encourage our personnel to limit their travel to reduce our environmental footprint, notably by using videoconferencing communications to avoid unnecessary travel. Headquarters electricity consumption represented 3.7 tonnes in CO2 emissions in 2015 based on emission factors published by EDF, the French electricity provider (3 tonnes in 2014).

**Releases of dangerous substances, noise nuisance and other specific impacts**

The Group's activity does not generate air, water or ground pollution with an environmental impact. Land use, noise pollution and other forms of pollution specific to an activity have also not been measured as indicators not applicable to our activity.

**Limiting waste**

Recycling and limiting waste can have a meaningful impact on contributing to environmental protection.
From the table to the farm: in Mauritania as well as in other countries, we have implemented a policy for minimizing and recycling waste products. In this way, we produce our own compost with organic products originating from our production and service activities. This compost is used as gardening fertilizer at our remote sites.

In this way, 3.1 tonnes of paper were recycled in 2015 by the headquarters (2.6 tonnes in 2014).
In priority we systematically print documents in PDF format and scan photocopies with the objective of limiting paper consumption and protecting the environment. Packaging waste separation procedures exist at all our subsidiaries and sustainable use of food supplies for the preparation of our meals is a key priority, with the goal of reducing our costs while limiting our environmental impact.

**CIS Group efforts in favour of QHSE and SD**

Employee training and information initiatives on quality, health, safety and the environment and sustainable development were broadly reinforced in 2015, representing 29,757 hours or 98% of total training. In 2014, 38,971 hours of internal and external training focusing on QHSE issues were provided to CIS staff.

## OUR SOCIETAL COMMITMENTS

**Balanced nutrition and diet**

AWith nearly 35 million meals served this year, CIS Group is very conscious of the health effects of an unbalanced diet. In response, to combat cardiovascular illnesses and obesity, CIS head chefs receive specific training on measures for reducing saturated fats, sugar and salt in their recipes: in 2015, CIS conducted six communications campaigns on nutrition. Carried out across all CIS' operations throughout the world, the production of these campaigns furthermore reflected the priorities of the world diabetes, nutrition, cardiovascular disease, hypertension, water and physical activity days. When these campaigns were organized at the headquarters, we also asked our subsidiaries to carry out initiatives focusing on these subjects with our staff. This allowed us to deploy all our personnel to address these issues and we will renew these measures in future years.

In addition, programmes initiated by us in previous years are regularly improved:

- H4U (Health for You) - A complete nutrition programme based on an initial health assessment of the population for the site concerned. Personalized support is then provided to improve the general health of the residents and in this way provide the best possible performance to our customers.

- Go for green - A programme for rapidly identifying food categories in order to help the residents in making the best choices (green, yellow, red). This rapid identification method naturally guides people to choose the most balanced meals.
- Go for green for better health – Identical to the previous programme, though based on four colours (green, yellow, blue red) for making more fine-tuned food choices.
- Verde.come – Adapted to the food customs of Brazil and Mozambique, this programme is designed to guide people and their choice through a four-colour system.

We are reinforcing our ambitions for the years ahead, through in particular a "Menu Engineering" application being developed in-house. This tool will be designed to fully adapt to our professional needs and will benefit from the multidisciplinary expertise of our local and headquarters teams (Group nutritionist, software developer, country financial controller, country manager, QHSE manager, etc.). The application will thus be equipped with many functionalities such as producing standardized menu sheets including nutritional data for 8,464 ingredients (USDA database), but also different cooking techniques, information on allergens, producing balanced menus, preparing purchases, managing labelling, etc.

**Regional impact of CIS Group activities in operating countries**

With a policy of giving preference to recruiting staff originating from the countries where it operates, 98% of CIS Group activities are assured by local employees. Employees are offered both job opportunities and training formations (in certain cases leading to a professional diploma), while subsidiaries promote the transfer of expertise from expatriates to local staff.

Our procurement policy provides for sending a questionnaire on ethical practices to suppliers prior to their selection. The Group does not have recourse to subcontracting.

**The commitment of Group companies to local development**

In light of the breakdown of CIS activities throughout the world, we have not considered it useful to undertake initiatives in the different countries based on a common global project. Instead, CIS Group emphasises the importance to Country Managers and expatriate staff on the necessity of safeguarding the local environment. In this way, each subsidiary contributes to local projects of its own choosing, based on specific regional needs and considerations. Through this approach, each of our local projects receives the support of teams on-site, thus providing a way to propose initiatives considered relevant and effective by local stakeholders.

By way of example, the Group participated in the education day in Bolivia. At this event we introduced attendees to our different business activities and offered pastries and beverages to more than 80 children of the René Barrientos Ortuño school on 21 September.

Furthermore, CIS Group has been a member of the UN Global Pact since 2005 and regularly publishes on this basis the report to stakeholders entitled “Communication on Progress” on promoting and respecting human rights, labour rights, the environment and anti-corruption measures.

**Relations with stakeholders, and namely people or organisations interested in the company's activities**

CIS Group is listed on Euronext Paris and in that capacity, regularly publishes regulated information which is made available to all persons interested in the company about service activities on the Group's website.

**CIS Foundation**

Finally, in Marseilles CIS Group created a corporate foundation to which it has provided an annual budget of €30,000 since 2008 to young adults from the PACA region originating from under-resourced districts, to provide them with opportunities to join or pursue an educational programme, and in so doing, gain access to jobs in the workforce that corresponds to their ambitions for success. In 2013, the annual budget was increased by more than 33% to €40,000. The foundation has supported 14 youth in pursuing their educational projects. Since 2008, it has supported 67 projects and a certain number of our scholarship beneficiaries were able to obtain their diploma and permanent jobs through the training financed by the CIS Foundation.

# Consolidated financial statements (IFRS)

## CONSOLIDATED INCOME STATEMENT (IFRS)
## For fiscal years ended 31 December 2015 and 2014
*(€ thousands)*

| | Notes | *31/12/2015* | *31/12/2014* |
|---|---|---|---|
| **REVENUE** | **(3)** | **271,974** | **284,679** |
| Supplies used in operations | | (122,105) | (128,445) |
| Staff costs | (22) | (97,309) | (91,198) |
| External charges | | (31,039) | (33,947) |
| Taxes other than on income | | (8,984) | (8,814) |
| Allowances for depreciation and amortisation | | (3,488) | (3,172) |
| Provisions/reversals | (4) | 1,596 | (1,241) |
| **CURRENT OPERATING PROFIT** | (3) | **10,645** | **17,862** |
| Other operating profit | (5) | 1,307 | 262 |
| Other operating expenses | | (1,050) | (1,310) |
| **OPERATING PROFIT** | | **10,902** | **16,814** |
| Cash and cash equivalents | | 4,177 | 2,440 |
| Cost of gross financial debt | | (3,645) | (3,939) |
| **COST OF NET FINANCIAL DEBT** | **(6)** | **532** | **(1,499)** |
| **PROFIT BEFORE TAX** | | **11,434** | **15,315** |
| **CORPORATE INCOME TAX** | **(7)** | **(4,896)** | **(5,980)** |
| **CONSOLIDATED NET PROFIT** | | **6,538** | **9,335** |
| Attributable to non-controlling interests | | (1,394) | (1,418) |
| **NET PROFIT ATTRIBUTABLE TO THE GROUP** | | **5,144** | **7,917** |
| Number of shares | | 8,041,040 | 8,041,040 |
| Earnings per share (in euros) | | €0.64 | €0.98 |
| Diluted earnings per share (in euros) | | €0.64 | €0.98 |
| Translation differences of consolidated subsidiaries | | (7,007) | 461 |
| Actuarial gains (losses) on defined benefit obligations | | (40) | - |
| **COMPREHENSIVE INCOME** | | **(509)** | **9,796** |
| Attributable to the Group | | (2,000) | 8,135 |
| Attributable to non-controlling interests | | 1,491 | 1,661 |

## CONSOLIDATED BALANCE SHEET (IFRS)
## For fiscal years ended 31 December 2015 and 2014
*(€ thousands)*

| | *Notes* | *31/12/2015* | *31/12/2014* |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Net intangible assets | (8) | 7,950 | 8,015 |
| Net property, plant and equipment | (9) | 9,163 | 8,322 |
| Net financial assets | (10) | 368 | 282 |
| Deferred tax assets | | 114 | 125 |
| TOTAL NON-CURRENT ASSETS | | 17,595 | 16,744 |
| CURRENT ASSETS | | | |
| Inventories | (11) | 12,722 | 13,920 |
| Net trade receivables | (12) | 51,639 | 61,216 |
| Other current assets | (13) | 9,372 | 10,725 |
| Current tax assets | | 3,417 | 4,178 |
| Cash and cash equivalents* | | 45,462 | 49,951 |
| TOTAL CURRENT ASSETS | | 122,612 | 139,990 |
| TOTAL ASSETS | | 140,207 | 156,734 |

** of which for Algeria €27,463,000 at 31/12/15 and €28,804,000 at 31/12/14.*
*(See note on Cash & note 14 Provisions and other long-term liabilities)*

## CONSOLIDATED BALANCE SHEET (IFRS)
## For fiscal years ended 31 December 2015 and 2014
*(€ thousands)*

| | Notes | 31/12/2015 | 31/12/2014 |
|---|---|---|---|
| SHAREHOLDERS' EQUITY | | | |
| Share capital | | 1,602 | 1,602 |
| Retained earnings | | 54,452 | 54,750 |
| ANNUAL PROFIT | | 5,144 | 7,917 |
| Non-controlling interests | | 3,682 | 3,271 |
| TOTAL SHAREHOLDERS' EQUITY | | 64,880 | 67,540 |
| NON-CURRENT LIABILITIES | | | |
| Non-current provisions | (14) | 1,123 | 1,413 |
| Bank and other long-term borrowings | (15) | 9,270 | 8,121 |
| Deferred tax liabilities | | 0 | 0 |
| TOTAL NON-CURRENT LIABILITIES | | 10,393 | 9,534 |
| CURRENT LIABILITIES | | | |
| Current financial liabilities | (15) | 5,271 | 6,821 |
| Trade payables | | 36,506 | 43,014 |
| Current tax assets | | 2,756 | 2,905 |
| Other current liabilities | (16) | 20,401 | 26,920 |
| TOTAL CURRENT LIABILITIES | | 64,934 | 79,660 |
| TOTAL EQUITY AND LIABILITIES | | 140,207 | 156,734 |

## STATEMENT OF CASH FLOWS (IFRS)
### For fiscal years ended 31 December 2015 and 2014
*(€ thousands)*

| | *31/12/2015* | *31/12/2014* |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Consolidated net profit | 6,538 | 9,335 |
| Non-cash items | | |
| Allowances for depreciation and amortisation, provisions | 3,154 | 4,049 |
| Gains or losses from asset disposals | (85) | (262) |
| Changes in working capital | | |
| Change in inventories | (624) | (1,145) |
| Change in trade and related receivables | 3,304 | 10 |
| Change in trade and related payables | (811) | 2,114 |
| Changes in other operating assets and liabilities | (4,577) | 882 |
| Net cash flow from operating activities | 6,899 | 14,983 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Impact of changes in Group structure | (32) | (1,400) |
| Acquisitions of intangible assets and property, plant and equipment | (4,371) | (2,532) |
| Acquisitions of financial assets | 0 | 0 |
| Disposals of intangible assets and property, plant and equipment | 178 | 294 |
| Disposals of financial assets | 0 | 0 |
| Other cash flows from investing activities | (116) | 54 |
| Cash provided by (used in) investing activities | (4,341) | (3,584) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Treasury shares | 0 | 0 |
| Capital increase | 0 | 0 |
| Proceeds from the issuance of borrowings | 2,477 | 3,790 |
| Decrease in borrowings | (939) | (762) |
| Dividends paid to Group shareholders | (1,447) | (1,045) |
| Dividends paid to non-controlling shareholders of subsidiaries | (1,168) | (2,043) |
| Withholding tax paid by subsidiaries | 0 | 0 |
| Cash flow from financing activities | (1,077) | (60) |
| Exchange rate impact on cash | (5,958) | 135) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (4,477) | 11,474 |
| NET CASH AT THE BEGINNING OF THE PERIOD | 48,669 | 37,195 |
| NET CASH AT THE END OF THE PERIOD | 44,192 | 48,669 |

## STATEMENT OF CHANGES IN EQUITY (IFRS)
## For fiscal years ended 31 December 2015 and 2014
*(in € thousands except shares)*

| | *Number of shares* | *Capital* | *Retained earnings* | *Currency translation adjustments* | *Net profit* | *Non-controlling interests* | *TOTAL* |
|---|---|---|---|---|---|---|---|
| **Equity at 31 December 2013** | **8,011,033** | **1,602** | **52,137** | **(2,373)** | **6,079** | **3,132** | **60,577** |
| Net profit appropriation of the prior year | - | - | 6,079 | - | (6,079) | - | - |
| Payment of dividends | - | - | (1,045) | - | - | (2,043) | (3,088) |
| Translation reserve | - | - | - | 218 | - | 243 | 461 |
| Withholding tax on dividends from subsidiaries | - | - | (446) | - | - | - | (446) |
| Treasury shares | (1,099) | (0) | (53) | - | - | - | (53) |
| Consolidated retained earnings | - | - | - | - | - | - | - |
| Changes in Group structure | - | - | 233 | - | - | 521 | 754 |
| Net profit for the financial year ended | | | | | | | |
| 31 December 2014 | - | - | - | - | 7,917 | 1,418 | 9,335 |
| | | | | | | | |
| **Equity at 31 December 2014** | **8,009,934** | **1,602** | **56,905** | **(2,155)** | **7,917** | **3,271** | **67,540** |
| Net profit appropriation of the prior year | - | - | 7,917 | - | (7,917) | - | - |
| Payment of dividends | - | - | (1,447) | - | - | (1,167) | (2,614) |
| Translation reserve | - | - | 285 | (7,119) | - | 97 | (6,737) |
| Withholding tax on dividends from subsidiaries | - | - | - | - | - | - | - |
| Treasury shares | (1,641) | 0 | (76) | - | - | - | (76) |
| Consolidated retained earnings | - | - | - | - | - | - | - |
| Changes in Group structure | - | - | 168 | (26) | - | 87 | 229 |
| Net profit for the financial year ended | | | | | | | |
| 31 December 2015 | - | - | - | - | 5,144 | 1,394 | 6,538 |
| | - | - | - | - | - | - | - |
| **Equity at 31 December 2015** | **8,008,293** | **1,602** | **63,752** | **(9,300)** | **5,144** | **3,682** | **64,880** |

# Notes to the consolidated financial statements

## NOTES TO THE FINANCIAL STATEMENTS (IFRS)
## For fiscal years ended 31 December 2015 and 2014

### 1. THE GROUP

The consolidated financial statements of CIS for the year ended 31 December 2015 were approved by the Board of Directors on 15 April 2016.
The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) for the Group formed by Catering International & Services as the parent company and its subsidiaries.
The Group's business is conducted in international markets. The Group is a global provider of catering services in extreme environments. This includes services for meals, living accommodations, technical maintenance and associated services (security, medical assistance, leisure and recreation).
The Group's customer base includes companies, very often major names in their sectors, from Western nations. These companies usually operate through local independent entities or local joint enterprises in the oil and gas, mining engineering and public works sectors
The Group thus provides its customers with support services for their operating sites that are generally located in emerging countries.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

In accordance with EC regulation No. 1606/2002 of 19 July 2002 of 19 July 2002, companies listed on a regulated European market must prepare, for periods commencing on or after 1 January 2005, their consolidated financial statements in accordance with IFRS (International Financial Reporting Standards), formerly referred to as IAS (International Accounting Standards).
The consolidated financial statements of Catering International & Services S.A. for fiscal 2015 and 2014 are in consequence prepared on the basis of IFRS.

There is no difference between the IFRS of the International Accounting Standards Board (IASB), the independent accounting standard-setting body of the IFRS Foundation and EU IFRS applied by the Group.

Application of the following standards, amendments and interpretations became mandatory for periods commencing on or after 1 January 2015:

- Annual improvement cycles (2011-2013) for IFRS 3, IFRS 13 and IAS 40
- IFRIC 21 - Levies. In the absence of a significant impact from the application of interpretation IFRIC21, the financial statements for the comparative periods were not restated

Application of these standards, amendments and interpretations did not have a material impact on the Group's consolidated financial statements.

Standards, amendments and interpretations published by the IASB whose application was not mandatory for periods commencing on or after 1 January 2015:

- Amendments to IAS 19 - Defined benefit plans: employee contributions;
- Annual improvement cycles (2010-2012) for IFRS 2, IFRS 3, IAS 24, IFRS 8, IAS 16, IAS 38 and IFRS 13.

The Group has not applied any of the standards or interpretations in advance. The impact of the application of these new standards on the financial statements is currently being analysed by the Group.

## PRINCIPLES OF CONSOLIDATION

### Basis of consolidation

Consolidation includes all companies controlled by Catering International & Services on an exclusive basis or over which Catering International & Services exercises a significant influence.

All subsidiaries and equity investments meeting such criteria are consolidated, even in cases where they account for a negligible influence on consolidated operations as a whole or if their operation is not destined to continue.

### Consolidation methods

The financial statements of companies over which Catering International & Services exercises exclusive control are fully consolidated. Control, within the meaning of IFRS 10, is taken to mean the power to define and manage, directly or indirectly, the financing and operating policies of the company in order to obtain benefits from its activities. Control is generally presumed to exist if the Group holds more than half the voting rights of the company in question.

The companies over which the Company exercises a significant influence are accounted for by the equity method.
It should be noted that at 31 December 2015, there were no subsidiaries in this latter category

## VALUATION METHODS

### Presentation of financial statements

Under the option provided for by Revised IAS 1, CIS Group has chosen to present income and expense items recognised directly in equity, in accordance with other standards (foreign exchange gain / loss, changes in fair value of available-for-sale financial assets, changes in fair value of cash-flow hedges, etc.), in the "statement of comprehensive income" and presented immediately after the income statement.

### Definition of operating income

Operating profit includes all income and expenses directly related to the ordinary activities of the Group, whether such income and expenses are recurring in nature or result from non-recurring decisions or operations. "Other operating income" and "Other operating expenses" include a limited number of income and expense items described in note 5 to the consolidated financial statements.

### Foreign currency translation

Transactions in foreign currency are translated at the exchange rate prevailing at the time of the transaction.
Payables and receivables in foreign currency are translated at the year-end exchange rate. The resulting foreign exchange gains and losses are recorded in income.
In compliance with IAS 29, the Group studies inflation trends in countries where it operates and for 2015 has not identified any hyperinflationary economy as defined by this standard requiring a restatement approach to its financial statements.

**The following translation methods are used for the financial statements of foreign subsidiaries:**
Balance sheet items (not including equity translated at the historical exchange rate) are converted into euros at the year-end exchange rate.
Income statement items as well as income attributable to the Group presented under equity are translated according to the average exchange rate for the year. The difference between net profit translated at the average rate and net profit translated at the year-end rate is recorded in the consolidation reserves.

**Current / non-current assets and liabilities**
Assets to be realised, consumed or transferred within the scope of the normal operating cycle or within the twelve months following the year-end, are recognised under “current assets” as are assets held for sale and cash and cash equivalents.
All other assets are recognised under “non-current assets”.
The liabilities to be realised within the scope of the normal operating cycle or within the twelve months following the year end, are recognised under “current liabilities”.
All other liabilities are recognised under “non-current liabilities”.

**Stock option plan**
Stock option plans may be established by the Group providing for settlement through CIS shares at price and exercise period conditions specific for each grant.
The definitive fair value of the services received in consideration for the grant of these options is measured in reference to their fair value on the grant date.
For the valuation of these options, the Group uses a binomial mathematical model. Total fair value determined according to this method is recognised on a straight-line basis over the vesting period. This expense is recognised in staff costs as a reverse entry for an increase in the consolidated reserves. When the option is exercised, the cash amount received by the Group for the exercise price is recognised under cash offset with a corresponding entry in consolidated reserves.
There are no stock option plans currently in force.

**Treasury shares**
When the Group purchases its own shares, the amount paid for the shares and the transaction costs directly attributable are recognised as a change in equity. The results of disposals of the shares are also charged directly to equity and as such are not recognised under income of the period.

**Earnings per share**
Basic earnings per share are calculated by dividing net profit (attributable to the Group) by the number of shares outstanding at year-end.
Diluted earnings per share are calculated by dividing the net profit (attributable to the Group), adjusted for the financial cost (net of taxes) of dilutive debt instruments, by the average number of outstanding shares at year-end, plus the average number of shares that, according to the treasury method would have been issued if all dilutive instruments issued had been converted (stock options or convertible bond).
The weighted average number of shares in issue is not calculated as the number of the only potentially dilutive securities, namely treasury shares, is too small to have an effect on an indicator per share of any kind.

The dilutive effect of each convertible instrument is determined by seeking the maximum dilution of basic earnings per share.

**Related party transactions**

Related party transactions concern in particular transactions with:

- The legal entities control directly or indirectly, on an exclusive basis, through one or several intermediaries, or exercising a significant influence on the Group;
- The main executives of the Group.

**Revenue recognition**

Revenue is recognised at fair value of the consideration received or receivable,
i.e. after deducting amounts for discounts and taxes.
Revenue is recognised when there is a transfer to the buyer of the material risks and rewards which generally coincides with the transfer of title or completion of the service.

**Borrowing costs**

In accordance with the guidelines of Revised IAS 23 applicable as from 1 January 2009, borrowing costs for investments in property, plant and equipment and intangible assets relating to projects undertaken after this date where the period for construction or preparation for their intended use or sale is more than one year must be included in the cost price of these assets.
Application of this standard has no impact on the financial statements of CIS Group.

**Leases**

Leases are classified as finance leases when they result in transferring substantially all the risks and rewards incidental to ownership from the lessor to the lessee. All other contracts are considered as operating leases;
Assets held under finance leases are accounted for as assets of the Group at fair value as from the commencement of the lease or, if lower, at the fair value of minimum lease payments owed thereunder. The corresponding liability to the lessor is recognised in the balance sheet as a debt. Lease payments are broken down between the interest expense and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. These interest expenses are recorded under net financial expense.
For operating leases, these payments are recognised as an expense in the income statement over the lease term. The benefits received an expected as a reward on signature of the operating lease are also spread over the lease term.
The Group does not have any significant operating leases providing such benefits and its financial statements are not subject to adjustments on that basis

**Intangible assets**

a-Goodwill

In accordance with revised IFRS 3 when control is acquired over businesses or companies, such business combinations are accounted for using the acquisition method.
Under this method, assets, liabilities and contingent liabilities of the acquired company that meet the definition of identifiable assets or liabilities are recognised at fair value on the acquisition date.
The difference between the acquisition cost of the business or securities of the company acquired, and the fair value of the assets, liabilities and contingent liabilities on the acquisition date is recorded in balance sheet assets under goodwill if positive and in the income statement for the year of acquisition if negative.
Acquisition costs must be recognised under expenses and the company may choose between the full or partial goodwill methods for each transaction.
Goodwill is tested for impairment every year or more frequently as soon as events or circumstances arise indicating that an impairment loss might be incurred. Such events or circumstances exist when material modifications occur that would call into question the substance of the initial investment over a sustained period.

For conducting impairment tests, goodwill is allocated to each cash generating unit (CGU) based on the organisation implemented by the Group. A CGU is defined as a homogeneous group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets.
The recoverable value of the CGU is equal to the higher between (i) its value in use measured according to the discounted cash flow method and (ii) its fair value minus the cost of sales.
If the recoverable value of the CGU is lower than the carrying value of its assets, the impairment loss is allocated in priority to goodwill. An impairment loss recognised on goodwill is reversible in nature and cannot be reversed.
To determine value in use, estimated future cash flows are discounted according to a rate reflecting current assessments of the time value of money and the specific risk for the asset or the CGU in question.

b- Other intangible assets

Intangible assets acquired separately are recognised at cost while those acquired through a business combination are recognised at fair value on the acquisition date. Finite life intangible assets are amortised over their useful lives:

| | *Useful life (in years)* |
|---|---|
| Software | 3 |
| Non-compete clause | 5 |

Indefinite life intangible assets are not amortised and tested annually for impairment at least once a year in accordance with IAS 36.

**Property, plant and equipment**

Property, plant, and equipment are carried at cost less accumulated depreciation. The depreciation of property, plant and equipment is calculated according to the straight-line method over the estimated useful life for the different categories of assets that are as follows:

| | *Useful life (in years)* |
|---|---|
| Fixtures and improvements | 10 |
| Transport equipment | 5 |
| Office and computer equipment | 3 |
| Office furniture | 5 |
| Assets located at foreign sites | 2 to 5 *(according to the terms of customer contracts)* |

In the event of any internal or external indication of impairment, the Group will assess the recoverable value of the tangible assets and record an impairment loss if the net carrying value exceeds their recoverable value.

**Inventories and work in progress**
Inventories are measured (including transport cost (according to the weighted average cost method. However, for reasons relating to software applications or statutory requirements, where this method cannot be used, the FIFI (first in, first out) method is used, with a marginal impact on the measurement of inventory and consumables.
Furthermore, values used are adjusted for risks of expiration associated with such inventories.

**Trade receivables**
Trade receivables are recognised at face value. Trade receivables are, if appropriate, depreciated to take into account the collection risks.

**Cash and cash equivalents**
In accordance with IAS 7 cash and cash equivalents include readily available cash, as well cash balances blocked in Algeria as a result of restrictions currently imposed transferring dividends and amounting to €€27,463,000 at 31 December 2015 (See note 14 – Provisions and other non-current liabilities).
Net cash includes cash and cash equivalents as described above from which are deducted short-term bank facilities and overdrafts.

**Provisions for contingencies and expenses**
In accordance with IAS 37, a provision is recorded when there exists an obligation towards a third-party at the end of the reporting period, whether legal, contractual or constructive, resulting in a probable outflow of resources embodying economic benefits to settle the obligation, without receiving in exchange resources of a value at least equivalent to the latter expected after closing date.

**Current and deferred tax**
In accordance with IAS 12, the deferred taxes are determined according to the liability method for timing differences between the book values and the tax bases for the assets and liabilities items. They are not discounted and are measured using the official year-end tax rate which will be applicable as soon as the timing differences are reabsorbed.
Deferred tax assets arising from timing differences and tax loss carryforwards are recognised when considered recoverable over the period of validity, taking into account the historical and forward-looking information.
It should be noted that no French tax sharing arrangements between the parent company and subsidiaries exist within the Group.

**Evaluation of risks**
The risk are of the same nature as those described in section "6-Main risks and uncertainties" of the Board of Directors' management report on operations for the year ended 31 December 2015 as well as those mentioned herein in notes 14 and 15;

## 3. GEOGRAPHIC SEGMENT INFORMATION

In accordance with IFRS 8, operating segments are those presented by management based on the Group's internal reporting procedures. As the total amount of Group revenue is generated outside of France, and it operates in a single business segment, information is presented by region as follows (€ thousands):

| | | 2015 | 2014 |
|---|---|---|---|
| **AFRICA** (1) | *REVENUE* | 162,843 | 170,7664 |
| | *CURRENT OPERATING PROFIT* | 8,478 | 14,765 |
| **ASIA / OCEANIA / MIDDLE-EAST** (2) | *REVENUE* | 27,682 | 28,662 |
| | *CURRENT OPERATING PROFIT* | 4,334 | 3,091 |
| **CIS (Commonwealth of Independent States)**(3) | *REVENUE* | 27,089 | 29,078 |
| | *CURRENT OPERATING PROFIT* | (233) | 1,049 |
| **SOUTH AMERICA** (4) | *REVENUE* | 54,360 | 56,173 |
| | *CURRENT OPERATING PROFIT* | (1,934) | (1,043) |
| **REVENUE** | | **271,974** | **284,679** |
| **CURENT OPERATING PROFIT** | | **10,645** | **17,862** |

(1) *Algeria - Angola - Burkina Faso - Congo (RDC) - Congo (Brazzaville) - Guinea Conakry - Libya - Madagascar - Mali Mauritania - Mozambique - Sierra Leone - Somalia - Chad*

(2) *Saudi Arabia - Egypt - United Arab Emirates - Eritrea - Iraq - Mongolia - New Caledonia - Turkey -Yemen*

(3) *Kazakhstan - Russia - Turkmenistan*

(4) *Bolivia - Brazil - Dominican Republic - Peru*

The segment information is prepared according to the same accounting methods used by the Group for its IFRS consolidated financial statements. Current operating income by geographic segment includes headquarters overhead costs prorated according to the percentage of sales for the region. Segment information relating to assets and liabilities is not considered relevant.

## 4. ALLOWANCES AND REVERSAL OF PROVISIONS

Changes in provisions for impairment and reversals break down as follows (€ thousands):

| | 2015 | 2014 |
|---|---|---|
| Provisions for collection risks for trade and other receivables | (434) | (1,146) |
| Operating allowances | (419) | (841) |
| Reversal of provisions for collection risks for trade and other receivables | 682 | 568 |
| Reversal of operating allowances | 1,767 | 178 |
| **Provisions/reversals** | **1,596** | **(1,241)** |

## 5. OTHER FINANCIAL INCOME AND EXPENSES

Other operating income and expenses break down as follows (€ thousands):

| | 2015 | 2014 |
|---|---|---|
| Profit from asset disposals | 85 | 262 |
| Changes in Group structure (1) | 1,222 | - |
| Miscellaneous operating income | - | - |
| Payment differences | - | - |
| Compensation from other disputes | - | - |
| Other operating income | 1,307 | 262 |

| | | |
|---|---|---|
| Customer disputes | - | (162) |
| Employee-related litigation contingencies | (15) | (52) |
| Other lawsuit contingencies | (19) | (5) |
| Destruction of trade goods | - | - |
| Penalties | (1,016) | (1,077) |
| Changes in Group structure | - | - |
| Payment differences | - | (14) |
| Other operating expenses | (1,050) | (1,310) |

*(1) In 2015, proceeds of €1.2 million from the liquidation of CIS Sierra Leone*

## 6. ANALYSIS OF NET FINANCIAL INCOME (EXPENSE)

Financial expense breaks down as follows (€ thousands):

| | 2015 | 2014 |
|---|---|---|
| Net proceeds from the disposal of marketable securities | 5 | 15 |
| Income from cash equivalents | 220 | 11 |
| Interest expense on borrowings | (952) | (1,002) |
| Other interest and similar expenses | (455) | (437) |
| Other financial income | 139 | 27 |
| **Net borrowing costs** | **(1,043)** | **(1,386)** |
| Translation differences | 1,575 | (113) |
| **Net financial expense** | **532** | **(1,499)** |

Because all the company's revenue is generated by international operations, it is subject to risks related to foreign exchange fluctuations, notably of the US dollar.
Procedures have been implemented accordingly to reduce the most likely exposures, mainly associated with cash flows in foreign currency generated by business operations.
In order to limit the foreign exchange risks, the expenses and income are generally denominated in the currency of the country of operation, thus maintaining a certain balance.
All borrowing costs are expensed in the period in which they are incurred.

## 7. CORPORATE INCOME TAX

- In accordance with IAS 12, the deferred taxes are determined according to the liability method for timing differences between the book values and the tax bases for the assets and liabilities items. They are not discounted and are measured using the official year-end tax rate which will be applicable as soon as the timing differences are reabsorbed.
- Deferred tax assets arising from timing differences and tax loss carryforwards are recognised when considered recoverable over the period of validity, taking into account the historical and forward-looking information.
- It should be noted that no French tax sharing arrangements between the parent company and subsidiaries exist within the Group.
- Tax losses of foreign subsidiaries are not recognised as tax assets.

The breakdown of the corporate tax in the income statement is as follows (€ thousands):

| | 2015 | 2014 |
|---|---|---|
| Profit before tax | 11,434 | 15,315 |
| Tax at French rate of $33^{1/3}$% | (3,811) | (5,105) |
| Impact of non-deductible expenses | (39) | (26) |
| Impact of operating country tax rates and tax bases | (1,046) | (849) |
| **Corporate tax income (expense)** | **(4,896)** | **(5,980)** |

## 8. INTANGIBLE ASSETS

Intangible assets include the following items (€ thousands):

| | *31/12/2014* | *Acquisition / Allowances* | *Disposals / Reversals* | *Currency translation adjustments* | *Changes in Group structure* | *31/12/2015* |
|---|---|---|---|---|---|---|
| Software | 1,012 | 76 | (19) | (78) | (1) | 990 |
| Goodwill | 7,307 | - | - | 82 | - | 7,389 |
| Non-compete clauses | 2,300 | - | - | - | - | 2,300 |
| Other intangible assets | 518 | - | - | - | - | 518 |
| **Gross intangible assets** | **11,137** | **76** | **(19)** | **4** | **(1)** | **11,197** |
| Amortisation of software | (590) | (144) | 19 | 48 | 1 | (666) |
| Amortisation of non-compete clauses | (2,290) | (10) | - | - | - | (2,300) |
| Amortisation of other intangible fixed assets | (242) | (39) | - | - | - | (281) |
| **Amortisation, depreciation and impairment** | **(3,122)** | **(193)** | **19** | **48** | **1** | **(3,247)** |
| **Net intangible assets** | **8,015** | | | | | **7,950** |

CIS defines a cash flow generating unit as the lowest level within the entity at which the goodwill is monitored for internal management purposes, corresponding to the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. For such purpose, CIS Group has selected as UGT. the country level.

Goodwill consists of goodwill arising from the acquisition of Cieptal in 2006 and from the acquisition of Top Service in the Democratic Republic of Congo. For Top Service, CIS Group applied the partial goodwill method and did not recognise significant items relating to its allocation period.
This goodwill is tested for impairment annually according to the separate values of these two CGUs.
The following assumptions were used to determine their value in use.

| | *2015* | *2014* |
|---|---|---|
| Discount rate (WACC) | 6.5% to 8.5% | 8% |
| *Of which country risk premium* | 8.0% | 6.2% |
| Perpetuity growth rate | 3% | 3% |
| Budget period | 3 years | 3 years |

Furthermore, to prevent any risk associated with this valuation, a sensitivity analysis has been performed based on the following parameters:
- -2 points of growth in sales
- -1 point of growth in the operating margin
- -2 points of growth in long-term cash flows.

This analysis did not indicate a recoverable value lower than the carrying value of the CGU.

## 9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment include the following items (€ thousands):

| | 31/12/2014 | Acquisition / Allowances | Disposals / Reversals | Currency translation adjustments | Changes in Group structure and other changes | 31/12/2015 |
|---|---|---|---|---|---|---|
| Buildings and living compounds | 3,724 | 254 | (434) | (332) | - | 3,212 |
| Plant, machinery and equipment | 8,518 | 857 | (583) | (1,352) | 17 | 7,457 |
| General equipment, fixtures and miscellaneous improvements | 3,394 | 56 | (132) | (183) | - | 3,135 |
| Transport equipment | 5,582 | 1,351 | (591) | (325) | - | 6,017 |
| Office and computer equipment: | 1,942 | 156 | (410) | (108) | (53) | 1,527 |
| Tangible assets under construction | - | 2,447 | - | (100) | - | 2,347 |
| **Gross property, plant and equipment** | **23,160** | **5,121** | **(2,150)** | **(2,400)** | **(36)** | **23,695** |
| Depreciation of buildings and living compounds | (2,416) | (418) | 434 | 219 | - | (2,181) |
| Depreciation of plant, machinery and equipment | (5,010) | (1,404) | 602 | 856 | 16 | (4,940) |
| Depreciation of general equipment, fixtures and miscellaneous improvements | (2,300) | (284) | 128 | 137 | (2) | (2,321) |
| Depreciation of transport equipment | (3,529) | (1,028) | 513 | 183 | - | (3,861) |
| Depreciation of office and computer equipment | (1,583) | (161) | 388 | 104 | 23 | (1,229) |
| **Amortisation, depreciation and impairment** | **(14,838)** | **(3,295)** | **2,065** | **1,499** | **37** | **(14,532)** |
| **Net property, plant and equipment** | **8,322** | | | | | **9,163** |

## 10. NON-CURRENT FINANCIAL ASSETS

Financial assets include the following (€ thousands):

| | 31/12/2014 | Increase | Decrease | Currency translation adjustments | 31/12/2015 |
|---|---|---|---|---|---|
| Deposits and guarantees | 275 | 204 | (109) | (10) | 360 |
| Loans and financial assets | 7 | 33 | (32) | - | 8 |
| **Net financial assets** | **282** | **237** | **(141)** | **(10)** | **368** |

## 11. INVENTORIES

Inventories consisting primarily of food supplies break down as follows (€ thousands):

| | *31/12/2015* | *31/12/2014* |
|---|---|---|
| Inventory of trade goods | 12,796 | 13,920 |
| Provisions for impairment | (74) | - |
| **Net inventories** | **12,722** | **13,920** |

## 12. TRADE RECEIVABLES

Trade receivables break down as follows (€ thousands):

| | *31/12/2015* | *31/12/2014* |
|---|---|---|
| Trade receivables | 52,392 | 63,393 |
| Doubtful trade receivables | (753) | (2,177) |
| **Net trade receivables** | **51,639** | **61,216** |

## 13. OTHER CURRENT ASSETS

Other current assets break down as follows (€ thousands):

| | *31/12/2015* | *31/12/2014* |
|---|---|---|
| Advances and instalments paid on orders | 1,361 | 1,216 |
| Other receivables | 6,672 | 7,939 |
| Provisions for doubtful trade receivables | (92) | (124) |
| Prepaid expenses | 1,431 | 1,694 |
| **Other current assets** | **9,372** | **10,725** |

## 14. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Provisions and other non-current liabilities break down as follows (€ thousands):

| | *31/12/2014* | *Allowances* | *Reversals (provisions used in the period)* | *Reversals (unused provisions)* | *Currency translation adjustments* | *31/12/2015* |
|---|---|---|---|---|---|---|
| Employee-related litigation contingencies | 439 | 33 | (25) | (70) | - | 377 |
| Other lawsuit contingencies for subsidiaries | 681 | 386 | (665) | - | 4 | 406 |
| Provisions for pension liabilities | 293 | 47 | - | - | - | 340 |
| **Provisions and other non-current liabilities** | **1,413** | **466** | **(690)** | **(70)** | **4** | **1,123** |

A dispute exists between CNA and the Algerian Central Bank, regarding the transfer of dividends to non-resident shareholders. The Supreme Court once again set aside the decision of the Court of Appeals of Algiers in 2015. CNA complied with its obligations imposed by local law and considers there have been no violations thereof.
CIS and its counsel, in light of the annulment of the decision rendered by the Supreme Court, consider that a favourable outcome will be achieved. On that basis, no provision was recorded.

## 15. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities represent loans obtained in France and Brazil to finance the acquisition of containers and other equipment required to operate new contracts executed with the Petrobras group and also to obtain working capital financing for our Brazilian subsidiary.
The 70% acquisition of Top Service in the Democratic Republic of Congo was also financed through a bank loan..

| *Bank* | *Net carrying value in € thousands at 31/12/2014* | *Net carrying value in € thousands at 31/12/2015* | *Nominal amount in € thousands* | *Rate* | *Maturity < 1 yr.* | *Maturity >2 and < 5 yrs* | *Maturity > 5 yrs.* |
|---|---|---|---|---|---|---|---|
| BNP (France) | 2,300 | 2,300 | 2,300 | 2.82% | - | 2,300 | - |
| Societe Générale (France) | 5,250 | 4,500 | 6,000 | 2.30% | 750 | 3,750 | - |
| Societe Générale (France) | 1,510 | 1,321 | 1,510 | 1.95% | 189 | 1,132 | - |
| Santander (Brazil) | 905 | 696 | 696 | 16.90% | 696 | - | - |
| Santander (Brazil) | 2,794 | 2,088 | 2,088 | 16.90% | - | 2,088 | - |
| Itau (Brazil) | - | 580 | 580 | 17.01% | 580 | - | - |
| Itau (Brazil) | - | 812 | 812 | 17.01% | 812 | - | - |
| Santander (Brazil) | - | 464 | 464 | 16.90% | 464 | - | - |
| **Bank borrowings** | **12,759** | **12,761** | | | **3,491** | **9,270** | **-** |
| Bank overdrafts | 1,282 | 1,270 | | | 1,270 | - | - |
| Current accounts | 901 | 510 | | | 510 | - | - |
| **Long-term debt** | **14,942** | **14,541** | | | **5,271** | **9,270** | **-** |

## 16. OTHER CURRENT LIABILITIES

Other current liabilities include the following (€ thousands):

| | 31/12/2015 | 31/12/2014 |
|---|---|---|
| Advances and downpayments on orders in progress | 721 | 1,305 |
| Other tax and social security payables | 19,099 | 24,984 |
| Other payables | 581 | 631 |
| **Other current liabilities** | **20,401** | **26,920** |

## 17. SHAREHOLDERS' EQUITY

As of 31 December 2015, the share capital of Catering International & Services was composed of 8,041,040 shares with a par value of €0.20.

At 31 December 2015, the Company held 32,747 treasury shares for an amount of €931,000 recognised as a deduction from equity. For information, at 31 December 2014, 31,106 own shares valued at €855,000 were held in treasury and deducted in consequence from equity.

In the financial year, the General Meeting decided to distribute €1,447,000 in dividends.

## 18. RELATED PARTY TRANSACTIONS

- Pursuant to the authorisation of the Board of Directors of 28 September 2009 CIS concluded a collaboration agreement with Financière Régis Arnoux SAS (FINRA).
  For fiscal 2015, under the terms of this agreement, expenses of €253,000 were recognised for fees excluding tax.

- Pursuant to the authorisation of the Board of Directors of 28 March 2013 CIS concluded a service agreement with Frédérique Salamon (representative of SARL FLAYM Consulting).
  For fiscal 2015, under the terms of this agreement, expenses of €86,000 were recognised for fees excluding tax.

- Pursuant to the authorisation of the Board of Directors of 7 February 2014, CIS concluded a residential lease agreement with SCI Monceau.
  For fiscal 2015, under the terms of this agreement, expenses of €54,000 were recognised for rental payments excluding charges.

- Pursuant to the authorisation of the Board of Directors of 16 September 2015, CIS concluded an office lease agreement with SCI Monceau.
  For fiscal 2015, under the terms of this agreement, expenses of €9,000 were recognised for rental payments excluding charges.

## 19. OFF-BALANCE-SHEET CONTINGENCIES AND COMMITMENTS

- No capital lease commitments exist.
- Commitments given at 31 December 2015 amounted to €8,775,000, of which:

| | |
|---|---|
| performance bonds | €7,209,000 |
| advance payment guarantees | €792,000 |
| tender bonds | €551,000 |
| other guarantees | €223,000 |

The maturities of these guarantees range from 1 to 5 years.

## 20. PENSION OBLIGATIONS

A provision for retirement benefits is recorded in the balance sheet for €340,000 relating exclusively to headquarters and expatriate staff. Benefits for local staff are not material in light of less favourable regulations, high turnover and the use of fixed-term employment contracts.
The Group records the total amount of its benefit obligations for retirement, early retirement, retirement severance payments, social security, long-service awards, contingency fund and other similar benefits both for the personnel currently working and retired personnel, net of the plan assets and the amounts not recognised in accordance with the provisions of IAS 19.
For the defined contribution plans, payments made by the Group are expensed in the period to which they relate.
For defined benefit plans, the costs are estimated using the projected unit credit method.
Future employee benefit obligations are measured on the basis of assumptions about wage escalation trends, retirement age and probability of payment. These future payments are taken to their present value using a specific discount rate.
The actuarial gains and losses (change in benefits and financial assets due to the changes in assumptions and experience adjustments) are recognised under other comprehensive income and amounted to €40,000 at 31 December 2015.

Employee benefit costs are divided into 2 categories:

- A charge from the reversal of the measurement of present value (net of return on plan assets) recorded under financial income and expense;
- Operating expense corresponding to service costs;

Assumptions used for the calculation are as follows:

- A retirement age of 65
- Average decrease in career profile
- Average staff turnover: 5%
- Salary escalation: 1.5% per year
- Discount rate: 1.5% per year
- Separate mortality ratios based on distinct mortality tables for men and women (Reference: Insee TD 2007-2009 Table)

## 21. CASH AND CASH EQUIVALENTS IN FOREIGN CURRENCIES

Cash and cash equivalents have been translated into euros at the closing exchange rate at the end of the reporting period. The resulting translation differences are recognised in the income statement of the year as currency gains or losses.

## 22. STAFF

Changes in staff costs and the workforce are as follows (staff costs in € thousands):

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| | *Headcount* | *Salaries and social contributions* | *External staff costs* | *Headcount* | *Salaries and social contributions* | *External staff costs* |
| Headquarters staff | 49 | 5,919 | - | 49 | 5,921 | |
| Expatriate staff | 214 | 6,559 | 1,020 | 260 | 7,401 | 1,831 |
| Local staff | 11,519 | 84,831 | - | 11,325 | 77,876 | |
| **Total CIS staff** | **11,782** | **97,309** | **1,020** | **11,634** | **91,198** | **1,831** |
| Local external staff | 178 | | 1,373 | 250 | - | 1,929 |
| **Workforce managed by the Group** | **11,960** | **97,309** | **2,393** | **11,884** | **91,198** | **3,760** |

## 23. CONSOLIDATED COMPANIES

The following companies were consolidated:

| Company | Consolidation method | Group ownership interest | |
|---|---|---|---|
| | | 2015 | 2014 |
| CIS | Parent company | 100% | 100% |
| ARCTIC CATERING SERVICES (ACS) | Full consolidation | 100% | 100% |
| CIS UKRAINE | Full consolidation | 100% | 100% |
| CIS ASIA | Full consolidation | 100% | 100% |
| ARCTIC CATERING SERVICES (ACS) | Full consolidation | 85% | 85% |
| CIS CAMEROON | Full consolidation | 100% | 100% |
| CIS CHAD | Full consolidation | 100% | 100% |
| CIS BOLIVIA | Full consolidation | 99% | 99% |
| CISM VENEZUELA | Full consolidation | 100% | 100% |
| CIS BRAZIL | Full consolidation | 100% | 100% |
| CATERING NORTH AFRICA SERVICES | Full consolidation | 100% | 100% |
| CIS GEORGIA | Full consolidation | 100% | 100% |
| CIS SAKHALIN (1) | Not consolidated | - | 100% |

| | | | |
|---|---|---|---|
| CIS NEW CALEDONIA | Full consolidation | 60% | 60% |
| CIS PERU | Full consolidation | 100% | 100% |
| CIEPTAL | Full consolidation | 100% | 100% |
| ICS GUINEA CONAKRY | Full consolidation | 100% | 100% |
| CISY YEMEN | Full consolidation | 50% | 50% |
| UKRAINE CATERING & SERVICES (UCS) | Full consolidation | 100% | 100% |
| CIS ANGOLA (2) | Not consolidated | - | 60% |
| CAC KAZAKHSTAN | Full consolidation | 100% | 100% |
| CIS NIGER | Full consolidation | 100% | 100% |
| CIS BURKINA FASO | Full consolidation | 100% | 100% |
| CIS SIERRA LEONE (3) | Not consolidated | - | 100% |
| GCS GUINEA CONAKRY | Full consolidation | 100% | 100% |
| CNA MAURITANIA | Full consolidation | 100% | 100% |
| MOHJAT AL-IRAQ GENERAL TRADE | Full consolidation | 100% | 100% |
| CIS MIDDLE EAST | Full consolidation | 100% | 100% |
| CIS DOMINICANA | Full consolidation | 100% | 100% |
| CIS MALI | Full consolidation | 100% | 100% |
| CIS NACALA | Full consolidation | 80% | 80% |
| CIS PACIFIC | Full consolidation | 100% | 100% |
| SUPPORT SERVICES MONGOLIA | Full consolidation | 49% | 49% |
| TOP SERVICE | Full consolidation | 70% | 70% |
| CATER CONGO (4) | Full consolidation | 100% | - |
| CIS MOCAMBIQUE (5) | Full consolidation | 80% | - |
| CIS ARABIA (6) | Full consolidation | 55% | - |
| CIS TURQUIE (7) | Full consolidation | 55% | - |

The Yemeni company CISY and the Mongolian company Support Services Mongolia were fully consolidated as control has been given to the parent company CIS, even though CIS SA's percentages of ownership interest are respectively 50% and 49%. The notion of control is analysed in reference to the criteria defined by IFRS 10, and namely:

- CIS SA has power over CISY and SSM,
- CIS SA has exposure to variable returns from its involvement with the CISY and SSM
- CIS SA has the ability to use its power over CISY and SSM to affect the amount of these returns.

*(1) CIS SAKHALIN, deconsolidated in March 2015 after being merged into ARCTIC CATERING SERVICES Ltd.*
*(2) CIS ANGOLA, deconsolidated in March 2015 after the liquidation of this entity.*
*(3) CIS SIERRA LEONE, deconsolidated in July 2015 after the liquidation of this entity.*
*(4) CATER CONGO, first-time consolidation in January 2015 after the creation of the entity.*
*(5) CIS MOCAMBIQUE, first-time consolidation in January 2015 after the creation of the entity.*
*(6) CIS ARABIA, first-time consolidation in February 2015 after the creation of the entity.*
*(7) CIS TURQUIE, first-time consolidation in September 2015 after the creation of the entity.*

## 24. AUDITORS' FEES

Group Auditors:

**SYREC**
Prado Beach
59, promenade Georges Pompidou
13 272 Marseille

**GRANT THORNTON**
Villa d'Este
15, avenue Robert Schuman
13 235 Marseille

Fees recognised in the period (€ thousands) :

| | *2015* | *2014* |
|---|---|---|
| Statutory auditing fees for the separate parent company and the consolidated financial statements | 85 | 84 |
| of which Syrec | 42,5 | 42 |
| of which Grant Thornton | 42,5 | 42 |
| Fees recognised in the period for consulting services falling directly related to the audit engagement | 11 | 6 |
| of which Syrec | 5 | - |
| of which Grant Thornton | 6 | 6 |
| Statutory auditing fees for the subsidiary financial statements | 255 | 270 |
| **Total** | **351** | **360** |

## 25. SUBSEQUENT EVENTS

None.

# Annual financial statements (French GAAP)

## CATERING INTERNATIONAL & SERVICES

### Income statement (1/2) *(in Euros)*

| | | Financial year Y ended 31/12/2015 | | | Y-1 at 31/12/2014 |
|---|---|---|---|---|---|
| | | France | Export | Total | |
| OPERATING INCOME | Sales of goods held for resale | 0 | 0 | 0 | 0 |
| | Sold production: goods | 0 | 0 | 0 | 0 |
| | Sold production: services | 0 | 34,237,969 | 34,237,969 | 49,787,133 |
| | **Net sales** | **0** | **34,237,969** | **34,237,969** | **49,787,133** |
| | Change in finished goods and in-progress inventory | | | 0 | 0 |
| | Capitalised production | | | 0 | 0 |
| | Operating grants | | | 0 | 0 |
| | Reversals of depreciation, amortisation and provisions and expense reclassifications | | | 567,620 | 648,420 |
| | Other income | | | 0 | 0 |
| | **Total operating revenue (I)** | | | **34,805,589** | **50,435,553** |
| OPERATING EXPENSES | Purchase of trade goods | | | 0 | 0 |
| | Changes in inventories (trade goods) | | | 0 | 0 |
| | Purchase of raw material and other supplies | | | 9,190,563 | 15,052,372 |
| | Changes in inventories (purchase of raw material and other supplies) | | | 159,985 | 1,044,963 |
| | Other purchases and external charges | | | 10,384,498 | 12,878,831 |
| | Taxes and similar payments (other than on income) | | | 344,565 | 306,914 |
| | Wages and salaries | | | 14,002,061 | 16,219,155 |
| | Social security contributions | | | 3,234,842 | 3,528,278 |
| | OPERATING ALLOWANCES: Fixed assets depreciation allowance | | | 450,868 | 516,623 |
| | OPERATING ALLOWANCES: Provisions for losses in value of fixed assets | | | 0 | 0 |
| | OPERATING ALLOWANCES: Provision for losses on current assets | | | 117,220 | 349,350 |
| | OPERATING ALLOWANCES: Provisions for contingencies and expenses | | | 210,116 | 409,000 |
| | Other expenses | | | 546,646 | 750,491 |
| | **Total operating expenses (II)** | | | **38,641,364** | **51,055,977** |
| | **1- OPERATING PROFIT (LOSS) (I-II)** | | | **(3,835,775)** | **(620,424)** |
| *Joint operations* | **Profits attributed or losses transferred (III)** | | | **0** | **0** |
| | **Loss incurred or transferred profit (IV)** | | | **0** | **0** |

## CATERING INTERNATIONAL & SERVICES

### Income statement (2/2) *(in Euros)*

| | | *Financial year Y ended 31/12/2015* | *Y-1 at 31/12/2014* |
|---|---|---|---|
| FINANCIAL INCOME | Financial income from equity interests | 4,041,037 | 6,805,694 |
| | Income from other securities and long-term receivables | 0 | 0 |
| | Other interest and similar income | 11,879 | 18,762 |
| | Reversals of provisions and expense reclassifications | 1,538,523 | 410,274 |
| | Foreign exchanges gains | 1,090,341 | 900,243 |
| | Net gain from the disposal of marketable securities | 0 | 0 |
| | | | |
| FINANCIAL EXPENSES | **Total financial income (V)** | **6,681,780** | **8,134,973** |
| | Allowances for amortisation and reserves | 1,571,719 | 2,471,223 |
| | Interest and similar expenses | 392,088 | 562,388 |
| | Foreign exchange losses | 705,513 | 845,942 |
| | Net losses from the disposal of marketable securities | 0 | 0 |
| | **Total financial expense (VI)** | **2,669,320** | **3,879,553** |
| | **2 - NET FINANCIAL PROFIT / (EXPENSE) (V-VI)** | **4,012,460** | **4,255,420** |
| | **3- PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX AND EXCEPTIONAL ITEMS (I-II+III-IV+V-VI)** | **176,685** | **3,634,996** |
| EXCEPTIONAL INCOME | Exceptional income from non-capital transactions | 1,240,494 | 1,062 |
| | Exceptional income from capital transactions | 24,547 | 84,458 |
| | Reversals of provisions and expense reclassifications | 0 | 0 |
| EXCEPTIONAL EXPENSES | **Total exceptional income (VII)** | **1,265,041** | **85,520** |
| | Exceptional expenses on non-capital transactions | 34,169 | 174,486 |
| | Exceptional expenses on capital transactions | 14,203 | 2,562 |
| | Exceptional appropriations for amortisations and reserves | 0 | 169,800 |
| | **Total exceptional expenses (VIII)** | **48,372** | **346,848** |
| | **4- NET EXCEPTIONAL ITEMS (V-VI)** | **1,216,669** | **(261,328)** |
| | **Employee profit sharing (IX)** | **0** | **0** |
| | **Income tax expense (X)** | **589,667** | **1,282,206** |
| | **TOTAL REVENUES (I+III+V+VII)** | **42,752,410** | **58,656,046** |
| | **TOTAL EXPENSES (II+IV+VI+VIII+IX+X)** | **41,948,724** | **56,564,584** |
| | **5- PROFIT OR LOSS (Total revenues - Total expense)** | **803,686** | **2,091,462** |

## CATERING INTERNATIONAL & SERVICES
### Balance Sheet - Assets *(in Euros)*

| | | | Financial year Y ended 31/12/2015 | | Y-1 at 31/12/2014 |
|---|---|---|---|---|---|
| | | Gross | Depreciation, amortisation & provisions | Net | Net |
| | **Uncalled subscribed capital (I)** | **0** | **0** | **0** | **0** |
| NON-CURRENT ASSETS – INTANGIBLE ASSETS | Start-up costs | 0 | 0 | 0 | 0 |
| | Research and development expenditures | 0 | 0 | 0 | 0 |
| | Concessions, patents and similar rights | 561,682 | 362,905 | 198,777 | 253,341 |
| | Goodwill | 116,960 | 116,960 | 0 | 0 |
| | Other intangible assets | 2,700,500 | 2,463,697 | 236,803 | 286,236 |
| | Advances and prepayments on intangible assets | 0 | 0 | 0 | 0 |
| NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT | Land | 0 | 0 | 0 | 0 |
| | Buildings | 0 | 0 | 0 | 0 |
| | Plant, machinery and equipment | 158,680 | 68,026 | 90,654 | 24,214 |
| | Other tangible assets | 3,252,026 | 2,337,748 | 914,278 | 1,054,924 |
| | Tangible assets under construction | 0 | 0 | 0 | 0 |
| | Advances and deposits | 0 | 0 | 0 | 0 |
| NON-CURRENT ASSETS – NON-CURRENT FINANCIAL ASSETS | Equity-accounted investments | 0 | 0 | 0 | 0 |
| | Other investments | 12,666,200 | 932,700 | 11,733,500 | 11,660,233 |
| | Investment-related receivables | 1,000,000 | 0 | 1,000,000 | 1,000,000 |
| | Other fixed securities | 520 | 0 | 520 | 520 |
| | Loans | 0 | 0 | 0 | 0 |
| | Other financial assets | 58,233 | 0 | 58,233 | 42,241 |
| | **TOTAL (II)** | **20,514,801** | **6,282,037** | **14,232,764** | **14,321,709** |
| CURRENT ASSETS – INVENTORIES | Raw materials and supplies | 2,700,361 | 0 | 2,700,361 | 2,860,345 |
| | Work-in-progress: goods | 0 | 0 | 0 | 0 |
| | Work-in-progress: services | 0 | 0 | 0 | 0 |
| | Semi-finished and finished products | 0 | 0 | 0 | 0 |
| | Trade goods | 0 | 0 | 0 | 0 |
| CURRENT ASSETS | Advances and instalments paid on orders | 136,119 | 0 | 136,119 | 174,326 |
| CURRENT ASSETS – RECEIVABLES | Trade receivables and related accounts | 4,069,031 | 56,800 | 4,012,231 | 7,330,290 |
| | Other receivables | 9,628,779 | 569,420 | 9,059,359 | 6,794,679 |
| | Subscribed capital called and unpaid | 0 | 0 | 0 | 0 |
| CURRENT ASSETS – MISCELLANEOUS | Marketable securities | 930,996 | 407,000 | 523,996 | 577,357 |
| | Cash and cash equivalents | 8,442,936 | 0 | 8,442,936 | 10,937,116 |
| ACCRUAL ACCOUNTS | Prepaid expenses | 747,586 | 0 | 747,586 | 853,784 |
| | **TOTAL (III)** | **26,655,810** | **1,033,220** | **25,622,590** | **29,527,897** |
| | **Charges to be spread over several periods (IV)** | **0** | | **0** | **0** |
| | **Bond redemption premiums (V)** | **0** | | **0** | **0** |
| | **Unrealised exchange losses (VI)** | **1,442,219** | | **1,442,219** | **1,538,523** |
| | **TOTAL (I to VI)** | **48,612,830** | **7,315,257** | **41,297,573** | **45,388,129** |

## CATERING INTERNATIONAL & SERVICES

### Balance Sheet - Equity & Liabilities *(in Euros)*

| | | *Exercice N clos le 31-12-2015* | *N-1 le 31-12-2014* |
|---|---|---|---|
| SHAREHOLDERS' EQUITY | Share capital or individual share | 1,608,208 | 1,608,208 |
| | Additional paid-in capital | 1,500,721 | 1,500,721 |
| | Revaluation difference | 0 | 0 |
| | Legal reserve | 160,821 | 160,821 |
| | Statutory or contractual reserves | 0 | 0 |
| | Tax-based reserves | 0 | 0 |
| | Other reserves | 7,223,534 | 6,579,458 |
| | Retained earnings | 0 | 0 |
| | **ANNUAL PROFIT OR LOSS** | **803,686** | **2,091,462** |
| | Investment grants | 0 | 0 |
| | Tax-driven provisions | 0 | 0 |
| | **TOTAL (I)** | **11,296,970** | **11,940,670** |
| OTHER EQUITY | Proceeds of issuance of non-voting shares | 0 | 0 |
| | Advances on conditions | 0 | 0 |
| | **TOTAL (II)** | **0** | **0** |
| PROVISIONS FOR CONTINGENCIES AND EXPENSES | Provision for contingencies | 1,949,335 | 1,977,523 |
| | Provisions for expenses | 340,500 | 293,200 |
| | **TOTAL (III)** | **2,289,835** | **2,270,723** |
| PAYABLES | Convertible bonds | 0 | 0 |
| | Other bond loans | 0 | 0 |
| | Bank borrowings | 8,923,388 | 9,819,698 |
| | Other borrowings and financial liabilities | 7,679,636 | 7,158,495 |
| | Advances and downpayments on orders in progress | 0 | 0 |
| | Trade payables and related accounts | 5,211,709 | 7,405,642 |
| | Tax and social security payables | 5,405,319 | 6,334,242 |
| | Payables to suppliers of fixed assets and related accounts | 17,690 | 2,110 |
| | Other payables | 30,380 | 0 |
| *ACCRUAL ACCOUNTS* | Deferred revenue | 51,201 | 0 |
| | **TOTAL (IV)** | **27,319,323** | **30,720,187** |
| | **Unrealised exchange gains (V)** | **391,446** | **456,549** |
| | **TOTAL (I to V)** | **41,297,573** | **45,388,129** |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

Notes to the annual financial statements before the income appropriation for the year with total assets of €41,297,573 and an income statement presented in list form showing revenue of €34,237,969 and a profit of €803,686.
The financial period runs for twelve months from 1 January to 31 December 2015.
The notes and tables presented below are an integral part of the annual financial statements.
The separate annual financial statements of CIS for the year ended 31 December 2015 were approved by the Board of Directors on 15 April 2016.

## 1. ANNUAL HIGHLIGHTS

The subsidiary CIS Sierra Leone was dissolved in 2015 and the proceeds of this liquidation amounted to €1.2 million.

## 2. SIGNIFICANT ACCOUNTING POLICIES

**General principles and policies**

The separate parent company financial statements for the period have been prepared and presented in accordance with the general principles of conservatism, the time period concept and going concern.
For the recognition and measurement of balance sheet items, the historical cost method has been applied.
These financial statements were prepared on the basis of French GAAP, and notably the provisions of the French Commercial Code (Code de Commerce), the accounting decree of 29 November 1983 and the revised French General Chart of Accounts of 1999 as described by Regulation 99-03 of the national French standard setting body, the Accounting Regulations Committee (Comite de la Reglementation Comptable or "CRC") of 29 April 1999.
Other regulations applied included CRC regulation 2002-10 for the depreciation, amortisation and impairment of assets and amended by CRC regulation 2003-07 and CRC regulation 2004-06 on the definition, recognition and measurement of assets.

**Consistency principle**

The methods of measurement used for this period are the same as for the previous year.
No assets meet the breakdown criteria in the financial statements for the period ended 31 December 2015
Depreciation and amortisation periods for foreign operations are based on their useful lives defined according to the terms of the contracts.

**Assets and accounting methods**

The main accounting methods applied are as follows:

■ Intangible assets

Intangible assets are comprised mainly of:

- Goodwill on an exceptional basis fully amortised in 2004 as a result of the dissolution of the subsidiary Myanmar Catering Services Ltd;
- Software amortised over 3 years;
- Non-compete clauses signed with partners amortised over 5 years.

■ Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost (purchase price and related expenses, though excluding expenses incurred in their acquisition).

■ Depreciation

Depreciation is calculated on a straight-line basis according to their useful lives.
Useful lives for these assets are as a general rule as follows:

| | |
|---|---|
| Fixtures and improvements | 10 years |
| Transport equipment | 5 years |
| Office and computer equipment | 3 years |
| Office furniture | 5 years |
| Assets at foreign sites | 2 to 5 years (according to the term of the contracts) |

■ Financial assets

Equity investments, as well as the other financial assets are recognised at their purchase price, excluding incidental expenses.
The financial assets are written down, when appropriate, by recording a provision to take into account their market value at year end. This value is usually determined in reference to the share of equity held in the companies concerned, which may be adjusted by taking into account future cash flows over a five-year period.
In those countries where the repatriation of dividends poses a risk, the corresponding amounts are recognised in income when received.

■ Inventories and work in progress

Inventories are measured (including transport cost (according to the weighted average cost method. However, for reasons relating to software applications or statutory requirements, where this method cannot be used, the FIFI (first in, first out) method is used, with a marginal impact on the measurement of inventory and consumables.
Furthermore, values used are adjusted for risks of expiration associated with such inventories.

■ Receivables and payables

Receivables and payables are recognised at face value.
A provision for impairment is recorded when the economic value or realisable value of a receivable is lower than the carrying amount.

■ Foreign currency transactions

Receivables and payables in foreign currency are translated into euros at the closing exchange rate at the end of the reporting period.
Resulting translation differences are recorded in the balance sheet under "unrealised exchange losses and gains"
and a provision is recorded for the unrealised exchange losses.

■ Marketable securities

Marketable securities are measured at acquisition cost excluding expenses incurred in their acquisition.

In the case of the transfer of a block of shares of the same class conferring the same rights, their value has been estimated at the weighted average purchase price.

Treasury shares held by CIS are recorded as marketable securities.
An impairment charge is recognised determined in reference to share price trends

## ADDITIONAL INFORMATION ON THE BALANCE SHEET AND THE INCOME STATEMENT

| FIXED ASSETS - GROSS VALUES (in euros) | *Amount at the beginning of the financial year* | *Increase* | *Decrease* | *Amount at the end of the financial year* |
|---|---|---|---|---|
| **Intangible assets:** | | | | |
| Software | 540,797 | 20,886 | 0 | 561,682 |
| Goodwill116,960 | 0 | 0 | 116,960 | |
| Other intangible assets | 400,500 | 0 | 0 | 400,500 |
| Non-compete clauses | 2,300,000 | 10,000 | 0 | 2,300,000 |
| Total | 3,358,257 | 20,886 | 0 | 3,379,142 |
| | | | | |
| **Property, plant and equipment:** | | | | |
| Construction of living compounds | 0 | 0 | 0 | 0 |
| Plant, machinery and equipment | 141,895 | 88,388 | 71,603 | 158,680 |
| General equipment, fixtures and miscellaneous improvements | 1,598,069 | 0 | 0 | 1,598,069 |
| Transport equipment | 1,118,844 | 113,461 | 167,389 | 1,064,916 |
| Office and computer equipment | 573,596 | 56,867 | 41,422 | 589,041 |
| Tangible assets under construction | 0 | 0 | 0 | 0 |
| **Total** | **3,432,404** | **258,716** | **280,414** | **3,410,706** |
| | | | | |
| **Financial assets:** | | | | |
| Equity investments | 12,592,933 | 80,533 | 1,000 | 12,666,200 |
| Other financial assets | 520 | 0 | 0 | 520 |
| Investment-related receivables | 1,000 000 | 0 | 0 | 1,000,000 |
| Loans9,600 | 0 | 9,600 | 0 | |
| Deposits & security paid | 70,717 | 10,441 | 38,917 | 42,241 |
| **Total** | **13,635,694** | **96,616** | **49,517** | **13,724,953** |
| **Total** | **20,426,355** | **376,218** | **287,773** | **20,514,801** |

| AMORTISATION AND DEPRECIATION (in euros) | *Amount at the beginning of the financial year* | *Increase* | *Decrease* | *Amount at the end of the financial year* |
|---|---|---|---|---|
| **Intangible assets:** | | | | |
| Software | 287,456 | 75,450 | 0 | 362,906 |
| Goodwill | 116,960 | 0 | 0 | 116,960 |
| Other intangible assets | 84,831 | 39,433 | 0 | 124,264 |
| Non-compete clauses | 2,290,000 | 10,000 | 0 | 2,300,000 |
| **Total** | **2,818,680** | **86,240** | **0** | **2,943,563** |
| | | | | |
| **Total property, plant and equipment :** | | | | |
| Construction de bases-vie | 0 | 0 | 0 | 0 |
| Plant, machinery and equipment | 117,681 | 10,060 | 67,715 | 68,027 |
| General equipment, fixtures and miscellaneous improvements | 826,716 | 136,351 | 0 | 963,067 |
| Transport equipment | 929,912 | 109,187 | 164,340 | 874,759 |
| Office and computer equipment | 478,957 | 62,388 | 41,422 | 499,923 |
| **Total** | **2,353,266** | **4,325,986** | **273,477** | **2,405,776** |
| **Total** | **5,171,946** | **450,869** | **273,477** | **5,349,339** |

| PROVISIONS (in euros) | *Amount at the beginning of the financial year* | *Increase* | *Decrease* | *Amount at the end of the financial year* |
|---|---|---|---|---|
| **Provisions for contingencies and expenses** | | | | |
| For disputes | 439,000 | 162,816 | 94,700 | 507,116 |
| For foreign exchange losses | 1,538,523 | 1,442,219 | 1,538,523 | 1,442,219 |
| For pension and similar obligations | 293,200 | 47,300 | 0 | 340,500 |
| **Total** | **2 270 723** | **1 652 335** | **1 633 223** | **2 289 835** |
| | | | | |
| **Provision for impairment:** | | | | |
| For equity investments | 932,700 | 0 | 0 | 932,700 |
| For trade receivables | 445,560 | 56,800 | 445,560 | 56,800 |
| For current accounts | 536,360 | 60,420 | 27,360 | 569,420 |
| For miscellaneous receivables | 0 | 0 | 0 | 0 |
| For marketable securities | 277,500 | 129,500 | 0 | 407 000 |
| **Total** | **2,192,120** | **246,720** | **472,920** | **1,965,920** |
| **Total** | **4,462,843** | **1,899,055** | **2,106,143** | **4,255,755** |

## ACCOUNTS RECEIVABLE AND PAYABLE AGED TRIAL BALANCE (in euros)

| RECEIVABLES: | *Gross amount* | *Of which up to a maximum of 1 year* | *Of which more thanmore than 1 year* |
|---|---|---|---|
| **Non-current assets** | | | |
| Equity investments | 12,666,200 | | 12,666,200 |
| Investment-related receivables | 1,000,000 | | 1,000,000 |
| Loans and other financial assets | 520 | | 520 |
| Deposits & guarantees paid | 58,233 | | 58,233 |
| | | | |
| **Current assets:** | | | |
| Doubtful receivables | 56,800 | 56,800 | |
| Other trade receivables | 4,012,231 | 4,012,231 | |
| Employee and related receivables | 59,642 | 59,642 | |
| Government receivables and equivalent | 363,913 | 363,913 | |
| Group and partners (1) | 8,924,402 | 8,354,982 | 569,420 |
| Trade receivables | 5,122 | 5,122 | |
| Sundry debtors | 275,699 | 275,699 | |
| Advances and instalments paid on orders | 136,119 | 136,119 | |
| Prepaid expenses | 747 586 | 747 586 | |
| **TOTAL28 306 467** | **14 012 094** | **14 294 373** | |
| | | | |
| **PAYABLES**: | | | |
| Borrowings | 8,121,250 | 938,750 | 7,182,500 |
| Bank overdrafts | 802,138 | 802, 138 | |
| Group and partners | 7,679,636 | 7,679,636 | |
| Trade payables and related accounts | 5,211,709 | 5,211,709 | |
| Customer advances | 30,380 | 30,380 | |
| Employee-related and social security payables | 5,051,261 | 5,051,261 | |
| Government payables and equivalent | 60,931 | 60,931 | |
| Payables on fixed assets | 17,690 | 17,690 | |
| Shareholders, payment for capital increase | 0 | 0 | |
| Other foreign tax payables | 293,127 | 293,127 | |
| Deferred revenue | 51,201 | 51,201 | |
| **TOTAL27,319,323** | **20,136,823** | **7,182,500** | |

*(1) : of which Accrued Dividends = 1,196,396*

## INFORMATION RELATING TO AFFILIATED UNDERTAKINGS AND EQUITY INTERESTS (in euros)

| *Line item* | *Amounts concerning affiliated undertakings* | *Amounts concerning equity investments* |
|---|---|---|
| **BALANCE SHEET:** | | |
| Equity investments | 12,666,200 | |
| Provisions for the impairment of equity investments | (932,700) | |
| Investment-related receivables | 1,000,000 | |
| Other receivables | 8,924,402 | |
| Provisions for the impairment of current accounts | (569,420) | |
| Other borrowings and financial liabilities | (7,679,636) | |
| Payables to fixed assets suppliers | (2,110) | |
| **INCOME STATEMENT:** | | |
| Revenue (technical assistance and trademark royalties) | 6,144,110 | |
| Reversal of provisions for current assets | 27,360 | |
| Allowances for current assets | (60,420) | |
| Interest and similar expenses | (12,475) | |
| Other interest and similar income | 127,978 | |
| Financial income from equity investments | 3,913,059 | |

## ACCRUED EXPENSES (in euros)

| | |
|---|---|
| Employee-related and social security payables | 4,014,037 |
| Government and other public authorities | 60,931 |
| Trade payables | 733,239 |
| **Total** | **4,808,207** |

## PREPAID EXPENSES (in euros)

| | |
|---|---|
| Operating expenses | 747,586 |

## CAPITAL STOCK

As of 31 December 2015, the share capital was comprised of 8,041,040 shares with a par value of €0.20 per share.
At 31 December 2015, the Company held 32,747treasury shares for a gross amount of €930,996.
At 31 December 2014, 31,106 own shares recognised at €854,857 (gross value) were held in treasury.

| *(in euros except number of shares)* | *Number of shares* | *Capital* | *Reserves* | *Net income* | *TOTAL* |
|---|---|---|---|---|---|
| **EQUITY at 31/12/13** | **8,041,040** | **1,608,208** | **8,860,758** | **425,578** | **10,894,544** |
| Net profit appropriation of the prior year | | | 425,578 | (425,578) | |
| Payment of dividends | | | (1,045,336) | | (1,045,336) |
| **Net profit for the financial year ended 31/12/14** | | | | **2,091,462** | **2,091,462** |
| **EQUITY at 31/12/14** | **8,041,040** | **1,608,208** | **8,241,000** | **2,091,462** | **11,940,670** |
| Net profit appropriation of the prior year | | | 2,091,462 | (2,091,462) | |
| Payment of dividends | | | (1,447,386) | | (1,447,386) |
| Net profit for the financial year ended 31/12/15 | | | | 803,686 | 803,686 |
| **EQUITY at 31/12/15** | **8,041,040** | **1,608,208** | **8,885,076** | **803,686** | **11,296,970** |

### ANNUAL REVENUE BREAKDOWN *(in euros)*

Revenue includes revenues of the headquarters and branch operations. In accordance with Decree No. 83-1020 of 29 November 1983 – Article 24-20°, the breakdown for revenue is provided by geographic segment, whereas a breakdown by business segment is not presented as this information is covered by the internal management reporting system of C.I.S. SA.

| *Geographic segments:* | |
|---|---|
| Africa | 26,183,795 |
| Middle East | 4,018,473 |
| Commonwealth of Independent States | 2,328,195 |
| Asia / Oceania | 1,251,802 |
| South America | 455,704 |
| **Total** | **34,237,969** |

### CASH AND CASH EQUIVALENTS IN FOREIGN CURRENCIES

Cash and cash equivalents have been translated into euros at the closing exchange rate at the end of the reporting period. The resulting translation differences are recognised in the income statement of the year as currency gains or losses.

### EXCEPTIONAL INCOME AND EXPENSES *(in euros)*

| | *Expenses* | *Income* |
|---|---|---|
| Settlement differences for trade receivables, trade payables and third parties | (632) | 18,643 |
| Labour disputes & settlements | (15,000) | |
| Customer & supplier disputes | | |
| Other foreign disputes | (18,537) | |
| Penalties on social charges for foreign operations | | |
| Changes in Group structure | | 1,221,851 |
| Disposal or retirement of assets | (14,203) | 24,547 |
| **Total** | **(48,372)** | **1,265,041** |

### BREAKDOWN OF INCOME TAX *(in euros)*

In accordance with Decree No. 83-1020 of 29 of November 1983 - Article 24-20, corporate income tax breaks down as follows

| | *Profit before tax* | *Tax* | *Profit after tax* |
|---|---|---|---|
| Profit or loss before exceptional items | 176,684 | (74,773) | 101,911 |
| Exceptional income / (loss) (excl. profit sharing) | 1,216,669 | (514,894) | 701,775 |
| Accounting profit / (loss) (excl. profit sharing) | 1,393,353 | (589,667) | 803,686 |

### CAPITAL LEASES

None.

### PROVISIONS FOR CONTINGENCIES(ARTICLE 531-2/4 OF THE FRENCH GENERAL CHART OF ACCOUNTS - PLAN COMPTABLE GÉNÉRAL OR PCG),

A provision of €377,300 was recorded for employee-related litigation.

OFF-BALANCE SHEET COMMITMENTS

Bank liabilities amounted to €10,787,545 at 31 December 2015..

PENSION LIABILITIES

A provision of €340,500 was recorded in the balance sheet for pension liabilities.
The benefits are calculated according to the preferred method based on the years of seniority on the retirement date.
These benefits apply solely to staff working in the company as of 31 December 2015, except for local staff under an employment contract with the foreign branches.

Assumptions used for the calculation are as follows:

- A retirement age of 65
- Average decrease in career profile
- Average staff turnover: 5%
- Salary escalation: 1.50% per year
- Discount rate: 1.50% per year
- Separate mortality ratios based on distinct mortality tables for men and women (Reference: Insee TD 2007-2009 Table)

DEBT GUARANTEED BY COLLATERAL

None.

COMPENSATION OF DIRECTORS AND OFFICERS

| | |
|---|---|
| **Management bodies** | **€198,324** |
| ■ of which gross salary | €174,000 |
| ■ of which benefits in-kind | €9,324 |
| ■ of which attendance fees | €15,000 |
| ■ of which other benefits | none |

**Attendance fees of other members of the Board of Directors** **€165,000**

ADVANCES OR LOANS GRANTED TO EXECUTIVE OFFICERS

In accordance with the French Companies Act of 24 July 1966, no loans or advances were granted to executive officers of the Company.

AVERAGE WORKFORCE

Salaried employees: 904

France: 49
Other countries: 855

## LIST OF SUBSIDIARIES

| | Ownership interest (%) | Share capital (Initial value) | Equity excluding share capital (closing rate) | Income for the last financial year (average rate) | Equity before income of the period (closing rate) |
|---|---|---|---|---|---|
| CIS MIDDLE EAST | 100% | 19,812 € | 2,167,807 € | 2,563,722 € | (376,103) € |
| CIS BURKINA FASO | 100% | 1,524 € | 304,038 € | 305,206 € | €356 |
| CIS BOLIVIA | 99% | 4,861 | (58,906) € | 263,489 € | (317,534) € |
| CIS BRAZIL | 100% | 9,980,414 € | (6,585,014) € | (2,685,624) € | 6,081,023 € |
| CIS CAMEROON | 100% | 7,622 € | €0 | €0 | 7,622 € |
| TOP SERVICE | 70% | 727,750 | 1,289,056 € | (290,108) € | 2,306,914 € |
| CATER CONGO | 100% | 15,245 € | 197,143 € | 197,143 € | 15,245 € |
| CIS DOMINICANA | 100% | 1,722 | 690,431 € | 694,400 € | (2,247) € |
| CATERING NORTH AFRICA SERVICES | 100% | 15,463 € | 38,084,082 € | 27,360,090 € | 10,739,455 € |
| CIS GEORGIA | 100% | €998 | (191,452) € | €0 | (190,454) € |
| GCS GUINEA CONAKRY | 100% | 1,065 | (2,000,506) € | (539,453) € | (1,459,988) € |
| ICS GUINEA CONAKRY | 100% | 1,337 | 362,788 € | 370,986 € | (6,861) € |
| MOHJAT AL-IRAQ GENERAL TRADE | 100% | €3,284 | (161,173) € | 79,016 € | (236,905) € |
| CAC KAZAKHSTAN | 100% | €333 | 685,328 € | 360,424 € | 325,237 € |
| CIS MALI | 100% | 1,524 € | (807,505) € | (124,170) € | (681,810) € |
| ARCTIC CATERING SERVICES (ACS) | 85% | 48,254 | (490) € | €0 | 47,763 € |
| SUPPORT SERVICES MONGOLIA | 49% | 177,032 € | 1,882,089 € | 1,537,595 € | 521,526 € |
| CNA MAURITANIA | 100% | 5,338 € | 2,067,388 € | 2,042,354 € | 30,372 € |
| CIS MOÇAMBIQUE | 80% | €456 | 40,999 € | 48,806 € | (7,350) € |
| CIS NIGER | 100% | 1,524 € | €0 | €0 | 1,524 € |
| CIS PERU | 100% | 924,781 € | (1,346,269) € | (337,833) € | (83,655) € |
| ARCTIC CATERING SERVICES (ACS) | 100% | 15,146 € | 576,932 € | (357,004) € | 949,082 € |
| CIS ARAB COMPANY | 55% | 121,373 € | 484,597 € | 478,208 € | 127,761 € |
| CIS CHAD | 100% | 7,622 € | €0 | €0 | 7,622 € |
| UKRAINE CATERING & SERVICES (UCS) | 100% | 5,902 € | (3,487) € | €0 | 2,415 € |
| CIS UKRAINE | 100% | 4,811 € | €700 | €0 | 5,511 € |
| CIS ASIA | 100% | 7,890 € | (7,697) € | €0 | €193 |
| CISM VENEZUELA | 100% | 28,931 € | (26,003) € | €0 | 2,927 € |
| CIS NEW CALEDONIA | 60% | 41,900 € | (423,093) € | (427,340) € | 46,146 € |

## Five-year financial highlights and other statutory disclosures (data in euros)

| *Nature of information* | *FY Y-4 2011* | *FY Y-3 2012* | *FY Y-2 2013* | *FY Y-1 2014* | *FY N 2015* |
|---|---|---|---|---|---|
| **CAPITAL STOCK AT YEAR-END** | | | | | |
| Share capital | 1,606,672 | 1,608,208 | 1,608,208 | 1,608,208 | 1,608,208 |
| Number of ordinary shares | 2,008,340 | 8,041,040 | 8,041,040 | 8,041,040 | 8,041,040 |
| Preferred non-voting stock | - | - | - | - | - |
| Maximum number of potential shares | | | | | |
| - from conversion of bonds | - | - | - | - | - |
| - from the exercise of subscription rights | - | - | - | - | - |
| **OPERATIONS AND INCOME FOR THE YEAR** | | | | | |
| Sales excluding tax | 68,117,731 | 75,332,799 | 62,505,593 | 49,787,133 | 34,237,969 |
| Earnings before tax, profit-sharing, amortisation, depreciation and provisions | 5,381,649 | 5,507,094 | 2,309,563 | 6,230,970 | 1,637,133 |
| Income tax | 880,418 | 886,009 | 831,152 | 1,282,206 | 589,667 |
| Employee profit-sharing for the financial year | - | - | - | - | - |
| Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions | 3,425,849 | 4,155,662 | 425,578 | 2,091,462 | 803,686 |
| Distributed earnings | 2,211,286 | 2,211,286 | 1,045,335 | 1,447,387 | 964,925 |
| **EARNINGS PER SHARE** | | | | | |
| Income after tax and employee profit-sharing but before depreciation allowances and provisions | 2.24 | 0.57 | 0.18 | 0.62 | 0.13 |
| Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions | 1.71 | 0.52 | 0.05 | 0.26 | 0.10 |
| Net dividend | 1.100 | 0.275 | 0.130 | 0.180 | 0.120 |
| **STAFF** | | | | | |
| Average headquarters staff for the period | 33 | 35 | 36 | 40 | 41 |
| Annual payroll (headquarters and expatriate) | 19,999,483 | 24,520,519 | 21,749,095 | 16,219,155 | 14,002,061 |
| Total social charges and benefits paid for the period (social security, charities, etc.) | 3,436,829 | 3,910,263 | 3,893,046 | 3,528,278 | 3,234,842 |

# Chairman's report on Board practices and internal control

To the shareholders:

In accordance with the provisions of article L.225-37, paragraph 6 of the French commercial code and in compliance with AMF recommendations, I hereby report to you for the period ended 31 December 2015 on:

- The composition of the Board of Directors and application of the principle of gender balance in board representation;
- The conditions for the preparation and organisation of the work of your Board of Directors;
- Internal control and risk management procedures adopted by the Company;
- The scope of the powers of the Chairman and Chief Executive Officer.

The purpose of this report is also to present:
- The principles and rules for determining compensation and benefits of any kind granted to corporate officers of the Company
- Factors that may have an impact in the event of public offers (disclosures required by article L. 225-100-3 of the French commercial code) as well as procedures for the participation of shareholders in the general meeting.

prepared pursuant to discussions and meetings with managers of the Company's finance and legal departments, this report was approved by the Board of Directors on 15 April 2016.

## I. CORPORATE GOVERNANCE

On 15 April 2016, the Board of Directors decided to adopt the MiddleNext code of corporate governance of December 2009 (the "MiddleNext Code") to as reference for the company in matters of corporate governance, considering that this code is more adapted to the size and structure of its shareholder base. MiddleNext is the independent French association representing listed SMEs and midcaps. This code may be consulted at the MiddleNext website (www.middlenext.com).

The MiddleNext Code contains items referred to as "points to watch" constituting issues to be addressed by the Board of Directors to promote effective corporate governance. The Board of Directors duly noted these points to watch at the meeting of 15 April 2016.

The Board of Directors has adopted 13 out of the 15 recommendations of the MiddleNext Code. Certain provisions of the MiddleNext Code were however not selected for reasons explained in the following table:

| **MiddleNext Code recommendations not followed by the Company :** | **"Comply or Explain"** |
|---|---|
| Recommendation 7:<br>Director ethics: | The Board of Directors has rules of procedure (Board charter) specifying the conduct of business rules for directors and Board operating procedures, in accordance with MiddleNext Code recommendation 7. All directors have signed these rules of procedure. However, the Company does not apply paragraph 7 of recommendation 7 relating to the presence of directors at the general meeting. However, the rules of procedure adopted by the Board of Directors on 15 April 2016 provide that directors undertake to participate in general meetings. |
| Recommendation 15:<br>Introduction of Board evaluation procedures | The Board of Directors has not adopted formalised procedures for the self-assessment of the Board's work. However, in developing and adopting the rules of procedure, directors exchange points of view and suggest areas for improving the functioning of the Board and the preparation of its work. |

## 1. THE EXERCISE OF EXECUTIVE MANAGEMENT

Since the Company's creation, the corporate governance model adopted has been that of a company with a Board of Directors. Mr. Régis Arnoux exercises the functions of Chairman and Chief Executive Officer (or Président and Directeur Général). It was considered that combining these two positions was more suited to the operation of the Company and the efficacy of the decision-making process.

No restrictions have been placed on the powers of the Chairman and Chief Executive Officer.

In compliance with the recommendations of the AMF the French financial market authority, measures have been adopted to promote a balance of powers within the Board of Directors.

- More than half the directors are considered as independent within the meaning of the MiddleNext code (7 Board members out of 12);
- Furthermore, meetings are organised to prepare for the work of the Board.

## 2. MEMBERS OF THE BOARD

Your Board of Directors currently has twelve members. The list of the Company's directors as well as any offices and directorships they hold in other companies is presented below:

- Régis Arnoux ,Chairman and Chief Executive Officer: Chairman of FINRA (SAS - 13 Marseille), Managing Partner of Monceau (SCI - 13 Marseille), Immobilière Borély (SCI - 13 Marseille), IMRA (SCI - 13 Marseille).
  End of term : general meeting called to approve the 2018 financial statements
- Financiere Regis Arnoux, Directors (SAS - 13 Marseilles): Chairman of RANG Investment (SAS - 13 Marseilles).
  End of term : general meeting called to approve the 2015 financial statements**
- Monique Arnoux, director: Managing Partner of SCEA Mas de Joussanes (13 - Mouriès).
  End of term : general meeting called to approve the 2018 financial statements
- Florence Arnoux, director: None.
  End of term : general meeting called to approve the 2015 financial statements**
- Frédérique Salamon, director: Managing Partner of SARL Flaym Consulting (92 - Rueil Malmaison).
  End of term : general meeting called to approve the 2018 financial statements
- Christian Daumarie, director: None.
  End of term : general meeting called to approve the 2016 financial statements
- Henri de Bodinat*, director: Chair of Espérance (SAS - 75 Paris), Chair-CEO of Time For Growth (SA - 75 Paris) ;Chair of Time Investors II (SAS - 75 Paris), Director of Mobile Network Group (SA - 75 Paris), de Zound Industries (Stockholm), Managing Director of Cantos Ltd (London).
  End of term : general meeting called to approve the 2016 financial statements
- Michel de Bonnecorse*, director: Managing Partner of Orientations Internationales (SARL - 75 Paris).
  End of term : general meeting called to approve the 2018 financial statements
- Sophie Le Tanneur*, director: Managing Partner of Financière Lucinda (SARL - 92 Neuilly-sur-Seine) ; Deputy Chief Executive Officer of Compagnie Française de l'Orient et de la Chine (SA - 75 Paris), Director of Pyrex International Cookware (SAS - 36 Chateauroux).
  End of term : general meeting called to approve the 2015 financial statements**
- Frédéric Bedin*, director: Chair of the Executive Board of Hopscotch Groupe (SA - 75 Paris).

End of term : general meeting called to approve the 2018 financial statements

- Marine Firminy (SASU - 75 Paris), director: None.
  End of term : general meeting called to approve the 2017 financial statements
- Gonzague de Blignieres*, director: Chair of Raise Conseil (SAS - 75 Paris) ; Raise Investissement (SAS - 75 Paris); Vice Chair of the Supervisory Board of Impact Partenaires (SAS - 75 Paris); Director of Oméga TV (SAS - 75 Paris), the Adie endowment fund, Fondation Entreprendre, United Way, Honorary Chair of Réseau Entreprendre Paris,Vice Chair of the Fédération des Pionnières.
  End of term : general meeting called to approve the 2019 financial statements

** Independent Directors*
*** With their terms of office expiring at the general meeting of 6 June 2016 called to approve the financial statements for the year ended 31 December 2015, your Board of Directors accordingly proposes the renewal of their respective appointments.*
*In addition, we propose that you accept the appointment of YLD Conseil, a company in the process of incorporation represented by Yves-Louis Darricarrere as a new director for a term of three years ending on the date of the general meeting called to approve the financial statements for fiscal year 2018.*

There were no changes in 2015 in the composition of the Board of Directors.

In accordance with MiddleNext Code recommendation 7, the Chairman-CEO, currently the only director holding an executive office, does not occupy more than three other positions in other listed companies, including in foreign companies or companies outside their group.

■ **Gender balance:**
Currently there are four women serving on the Board of Directors out of twelve members, in compliance the quota set by French law No.0 2011-103 of 27 January 2011 on gender balance within company boards.

■ **Independent directors:**
The notion of an independent director is that used for MiddleNext Code recommendation 8, and namely :

- they must not be a salaried employee or corporate officer of the company or of a company in its group, and must not have held such a position within the last three years;
- they must not be a significant client, supplier or banker of the company or its group, or a client, supplier or banker for whom the company or its group represents a significant share of its business;
- they must not be a reference shareholder of the company;
- they must not have a close family relationship with a corporate officer or reference shareholder;
- they must not have been an auditor of the company in the course of the previous three years.

After reviewing the situation of its members with regards to these criteria, the Board considered that seven of its members constituted independent directors within the meaning of the MiddleNext Code out of the total of 12:

- Christian Daumarie, director.
- Henri de Bodinat, director.
- Michel de Bonnecorse, director.
- Sophie Le Tanneur, director.
- Frédéric Bedin, director.
- Gonzague de Blignieres, director.
- Marine Firminy (SASU - 75 Paris), director.

■ **Terms of office:**
The term of office under the articles of association is currently set at six years.

However, in accordance with MiddleNext Code recommendation 10 and the provisions of statute, the Board of Directors, ensuring that the length of terms of office is adapted to the specific characteristics of the company, considers that a term of three years is better adapted to the Company and the functioning of the Board. A term of three years would allow the shareholders to intervene on a more frequent basis regarding the composition of the Board of Directors and the ensuring the independence of directors, while allowing Board members the necessary time to acquire an understanding of the specific characteristics of the Company, the complexity of its core business and its different areas of intervention.
This question will be submitted for approval to the next general meeting to be held on 6 June 2016.

■ **Director ethics:**
On 15 April 2016, the Board of Directors adopted rules of procedure specifying the conduct of business rules for directors and Board operating procedures, in accordance with MiddleNext Code recommendation 7. All directors have signed this Board charter. On this basis, each director is informed of the obligations arising from their appointment, and notably those relating to the rules on holding several positions, in the event of any conflict of interests arising after their appointment, a director must inform the Board; directors should have good attendance records and ensure they have obtained all necessary information on the subjects addressed in the meetings before making any decision and they must observe the rules of professional secrecy and ethics in this area.

The Company does not apply paragraph 7 of recommendation 7 relating to the presence of directors at the general meeting. However, the rules of procedure provide that directors undertake to participate in general meetings and directors have been informed of the importance of their participation in these meetings.

■ **Choice of directors:**
In accordance with MiddleNext Code recommendation 9, when each director is appointed or reappointed, sufficient information about his or her experience and skills should be included in the annual report and provided to the General Meeting. In addition, as from the next General Meeting, each proposal for the appointment or reappointment of a director must be the subject of a distinct resolution in order that shareholders may freely decide on the composition of the Company's Board of Directors.

## 3. CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

■ **Rules of procedure:**
In line with the decision to refer to the MiddleNext Code and by application of recommendation 6 of said Code, the Board of Directors' meeting of 15 April 2016 adopted rules of procedure specifying :

- The Board of Directors' powers and restrictions imposed on the powers of the Chairman-CEO;
- The composition of the board and independence criteria applicable to directors;
- The directors' duties and the rules of ethics to which they are subject;
- The working of the Board and directors' compensation rules.

■ **Frequency of meetings:**
The Board of Directors provides that meetings shall be held as often as the interests of the Company require.

■ **Meeting notices:**
In the absence of Board rules of procedures, the rules of the articles of association were applied. On that basis, in accordance with the Company's articles of association, directors may be called by all means within a reasonable time period and at least 10 days before the proposed Board meeting date.
In accordance with Article L.823-17of the French commercial code, the Statutory Auditors were invited to the meetings that reviewed and approved the interim and annual financial statements.

■ **Transmission of information to directors:**
The agenda of the different Board meetings is established by the Chairman. Each director is provided with this agenda within a reasonable period in advance of the meeting and at least 10 days before each meeting is held. By virtue of these new rules of procedure of the Board, directors will now receive the information and documents useful for preparing the meeting, as applicable, several days before the meeting to permit them to properly prepare for the subjects on the agenda. Subjects that of a particular sensitive nature, urgent or requiring a greater degree of confidentiality may be discussed without a prior distribution of documents.

■ **Holding of meetings:**
The meetings of the Company's Board of Directors are held at the company’s headquarters, except for the meetings destined to approve the interim and annual financial statements that are held in Paris.

■ **Minutes of meetings:**
The minutes of meetings of the Board of Directors are drawn up at the close of every meeting.

■ **Board evaluation:**
The Board of Directors has not adopted formalised procedures for the self-assessment of the Board's work. However, in developing and adopting the rules of procedure, directors exchange points of view and suggest areas for improving the functioning of the Board and the preparation of its work.

The Company is attentive to the importance of diversification of the Board, with five women currently serving as directors. The Company has understood the need to increase, to the extent possible, the representation of women on the Board, in order to comply with the new quota requirements that will enter into force in 2017.

## 4. BOARD MEETINGS

The Board meets as often as the interests of the Company require but at least four times a year in accordance with MiddleNext Code recommendation 13.

The Board of Directors sets the orientations for the activity of the Company, ensures their implementation and takes up all questions relating to the management of the Company It also adopts the separate parent company and consolidated financial statements, calls shareholders meetings, sets the agenda and draws up the draft resolutions. In addition, the Board of Directors carries out all controls and verifications it deems appropriate and authorizes the regulated agreements covered by article L. 225-38 et seq. of the French commercial code.

In the year ended 31 December 2015, the Board met four times and addressed in particular the following items of business.

| *Date* | *Agenda items* | *Attendance rate* |
|---|---|---|
| 27/3/15 | Adoption of the financial statements as at 31/12/2014 - Report to the General Meeting of 9/6/2015 | 67 % |
| 28/5/15 | Allocation of attendance fees - Authorisation of endorsements, surety and guarantees | 75 % |
| 27/7/15 | Validation of a partnership project | 50 % |
| 16/9/15 | Adoption of the financial statements as at 30/06/2015 - Approval of a regulated agreement | 92 % |

The average meeting attendance rate for directors was 71 % in 2015.

## 5. CREATION OF COMMITTEES:

■ **Executive Committee**

Since 2003 an Executive Committee having solely advisory powers has been responsible for examining the issues submitted to it by its Chairman, in the following areas:

- Analysis of the Group's financial position;
- The company's overall strategy;
- The major commercial and operating priorities;
- Development, organic growth and acquisitions;
- Investments;
- Internal and external communications;
- Staff recruitment and management policy.

■ **This Committee is currently made up of the following persons:**

- Chairman-Chief Executive Officer;
- The Deputy Chief Executive Officer;
- The Chief Financial Officer;
- The Vice President for Human Resources;
- Key Accounts Manager;
- The Communications Manager;
- As well as eight external members (also CIS directors).

In 2015, the Executive Committee met eight times to review the financial situation of the Group and approve the strategy for investment, growth and recruitment.

■ **Internal Audit Committee**

An Audit Committee was established in 2010. Its main purpose is to form opinions with respect to:

- The reliability of financial information;
- The efficacy of internal controls of financial information;
- Legal and regulatory compliance procedures;
- Risk management and control.

Membership of this Audit Committee is comprised of three directors (two of which are independent including the Audit Committee Chair) selected for their expertise in the field of finance and accounting and their knowledge of the Company's business.

- Christian Daumarie, Chair of the Audit Committee and independent director;
- Frédérique Salamon, director;
- Michel de Bonnecorse, independent director.

In the performance of their duties, Audit Committee members are not subject to any hierarchical or disciplinary authority within the company.
The Audit Committee met five times in 2015 to assess the purchasing and the human resources management policies, monitor internal control work, monitor the action plans of the financial control department, meet with the Group's statutory auditors regarding the consistency and fair presentation of the consolidated financial statements.

The Audit Committee adopted rules of procedure to define its operating procedures.

**Other committees**

The Company did not consider it useful to create other specialized committees within the Board (nominating and compensation committees, etc.…), preferring instead to consult with all directors on matters of importance on a collegial basis.

## 6. COMPENSATION POLICY FOR EXECUTIVE OFFICERS

**Compensation of non-executive officers:**

The Board of Directors establishes the total amount of attendance fees granted to directors. Starting from 2016 and in accordance with MiddleNext Code recommendation 14, the amount will be allocated among members based on their attendance at Board meetings and, as applicable, Audit Committee meetings.

In accordance with the provisions of Article L. 225-102- 1 of the French commercial code, total compensation and any benefits of any kind paid to executive officers in the year ended is disclosed below.
This information also includes, when appropriate, any commitments of whatsoever nature made by the Company to the benefit of its executive officers, with respect to any compensation, severance payments or other benefits likely to be payable pursuant to the commencement, termination or change of their duties or subsequent thereto, as well as the conditions for determination of such commitments.

- Régis Arnoux, Chairman of the Board of Directors and Chief Executive Officer: € 198,000 for wages and directors’ attendance fees.
- Financiere Regis Arnoux, Director: € 268,000 for management fees and attendance fees
- Monique Arnoux, Director: € 15,000 for directors’ attendance fees.
- Florence Arnoux, Director: € 163,000 for wages and directors’ attendance fees.
- Frédérique Salamon, Director: € 106,000 for management fees and attendance fees as a member of the Board of Directors and the Audit Committee.
- Christian Daumarie, Director: €20,000 for management fees and attendance fees as a member of the Board of Directors and the Audit Committee.
- Henri de Bodinat, Director: € 15,000 for directors’ attendance fees.
- Michel de Bonnecorse, Director: €20,000 for management fees and attendance fees as a member of the Board of Directors and the Audit Committee.
- Sophie Le Tanneur, Director: € 15,000 for directors’ attendance fees.
- Frédéric Bedin, Director: € 15,000 for directors’ attendance fees.
- Marine Firminy, Director: € 15,000 for directors’ attendance fees.
- Gonzague de Blignieres, director: € 15,000 for directors’ attendance fees.

■ **Corporate officers and employment contracts:**
In accordance with MiddleNext Code recommendation 1, we inform you that the Chairman-Chief Executive Officer does not hold an employment contract in conjunction with his corporate office.

■ **Compensation of executive officers:**
Compensation of the executive officers is set by the Board of Directors in accordance the principles of comprehensiveness, balance between components of compensation, benchmark, coherence, legibility of rules, measure, transparency and compliance with MiddleNext Code recommendations.
Compensation of the Chairman-Chief Executive Officer includes the following components:

- Fixed compensation;
- Attendance fees;
- Benefits in-kind (provision of a company car)

Corporate officers are not entitled to benefits in the event of the termination or change in their functions, or supplemental retirement benefits like those covered by MiddleNext Code recommendations 3 and 4;

In the period ended, the Company did not adopt stock option or restricted share award plans, thus complying with MiddleNext Code recommendation 5.

## 7. OTHER ITEMS COVERED BY ARTICLE L.233-37 OF THE FRENCH COMMERCIAL CODE

■ **Shareholders' participation in the Shareholders' Meeting**
The General Meeting comprises all of the shareholders, regardless of the number of shares they hold. The rules and conditions for the participation of shareholders in general meetings are provided again in each meeting notice, in accordance with applicable provisions of the law, regulations and the articles of association.

■ **Factors that may have an impact in the event of public offers:**
Items that might have an impact in the event of public offers are mentioned in the management report presented to the General Meeting.

## II. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Our Company has developed internal control procedures to ensure rigorous financial management, risk management and prepare information to be provided to shareholders on its financial position and the financial statements.

### 1. OBJECTIVES OF INTERNAL CONTROL

The objective of the CIS internal control procedures is to prevent risks resulting from the Company's business and ensure that operations are conducted in compliance with the company's procedures as well as applicable laws and regulations.
These procedures are primarily destined to ensure the reliability and fair presentation of financial and accounting information communicated by the company.
These procedures take into account the specific nature of the Company's business that is exercised exclusively in international markets through subsidiaries and branch offices.

### 2. ORGANISATION AND IMPLEMENTATION OF INTERNAL CONTROL PROCEDURES

CIS has adopted three organisational priorities for internal control:

■ **Internal control manager:**

A position was created in 2013 of Internal Control Manager reporting directly to Executive Management with the following missions:

- auditing the quality of internal control procedures already implemented by all Group entities;
- improving risk management;
- identifying new areas of risks to which our business is exposed and implementing appropriate procedures to address these risks.

■ **Internal control functions for business operation:**

- Internal control is also assured by the financial controller who performs on-site missions in the operating countries and who is tasked with conducting all investigations considered necessary to verify the efficacy of accounting and financial processes in each subsidiary, compliance with established rules (banking and legal authorities, obligations, account and cash flow management, etc.) and identify incidents of potential fraud.

- A position of vice president with responsibility for management control was created in 2012 tasked primarily to monitor and analyse key management indicators, improve controls and profitability and ensure the security of operations.

- Furthermore, country managers and regional managers are responsible for management issues relating to subsidiaries and entities under their authority. To this purpose, they conduct a certain number of verifications both with a purely management focus in relation to quality and profitability objectives and to identify potential deficiencies.

- It should also be known that Statutory Auditors exist for each Group subsidiary in connection with the consolidation process responsible for certifying the accounts and identifying, as required, all risks of accounting irregularities and information relating to the going concern of these subsidiaries.

■ **Quality approach:**

CIS has implemented a quality management system (QMS) to meet the objectives set by the company's quality policy and the requirements of the ISO 9001-V2008 standard for which the Marseilles headquarters obtained certification in February 2004 (catering engineering, food and living accommodation services in extreme conditions and in emerging countries, managed from the head office).

Within this context, the Company has produced a quality manual (QM) defining and specifying the various company processes as well as any related procedures.

In parallel, a quality department was created to monitor and update the quality system. To this purpose, internal audits are carried out on a regular basis to ensure that the provisions adopted by the quality management system are in compliance with the standard, applied and effective.

The suitability and effectiveness of the quality management system is assessed on a regular basis through process or management reviews by the different parties concerned.
Regardless of the type of review (process or management), the methods are similar and only their scope is different:

- The process review applies to a single process,
- The management process focuses on a set of processes with a summarised approach.

The frequency of these reviews is adapted to the results of prior reviews and the availability of all participating parties, with the planning schedule updated by the Quality Manager.

All actions are planned and monitored jointly by the Quality Manager and the relevant concerned parties.

## 3. PREPARATION AND VERIFICATION OF ACCOUNTING AND FINANCIAL INFORMATION

The finance department, operating under the authority and oversight of Executive Management, is responsible for all accounting functions.

In performing this role, it collects all accounting and financial information transmitted by subsidiaries, after successive controls were performed by the relevant subsidiary and regional managers, with the intervention of their own departments as well as the auditors of the subsidiaries.

The Finance Department consequently exercises a role of oversight with respect to the relevant standards and laws (in particular relating to legal compliance and tax matters).

The Finance Department also is responsible for ensuring the consistency of all financial information and the production of financial statements. To this purpose, it ensures in particular the quality of the translation of the financial statements of foreign subsidiaries.

The Finance Department is responsible for supervising cash management operations and ensuring the conformity and validity of the translation of transactions in foreign currencies.

**Preparation of consolidated financial statements**

In compliance with EC regulation 1606/2002 on the application of international accounting standards, the Group's consolidated financial statements of 31 December 2015 were prepared in accordance with the international financial reporting standards (IFRS) in issue on that date.
The Chief Financial Officer is responsible for the consolidation. All relevant items are then audited by the Statutory Auditors before the financial statements are published.

Marseilles, 15 April 2016

**Régis ARNOUX**
Chairman and Chief Executive Officer

# The Annual Ordinary and Extraordinary General Meeting of 6 June 2016

# Presentation of the reasons for the resolutions proposed by the Board of Directors

To the shareholders:

The purpose of this document is to present you the reasons for the resolutions submitted to the Annual Ordinary and Extraordinary General Meeting in accordance with article L.225-115 3° of the French commercial code. The General Meeting of 6 June 2016 has accordingly been called mainly for the following reasons:

(i) to approve the complete revision proposed of Company's articles of association and to adopt the new articles of association;
(ii) to obtain approval by the Company's shareholders of the annual and consolidated financial statements for the periods ended 31 December 2015, adopted by the Board of Directors;
(iii) to set the dividend, approve the regulated agreements and set the amount of attendance fees;
(iv) to renew the offices of directors whose terms are expiring;
(v) to appoint a new director;
(vi) to vote on the renewal on the terms of office of the Statutory Auditors and the Alternate Auditors;
(vii) to approve the authorization given to the Board of Directors to deal in the Company's shares.

## I. EXTRAORDINARY RESOLUTIONS

**1st resolution**

Many legislative changes have been introduced since 2010 including in particular:

- the ordinance of 9 December 2010 transposing Directive 2007/36/EC of 11 July 2007 and decree No. 2014-1466 of 8 September 2014 eliminating the main obstacles preventing the shareholders of companies having their registered office in the territory of a member state of the European Union whose shares are admitted to trading in a regulated market established in or operating within the European Union from exercising their rights. This Directive in this way promotes an efficient participation of the shareholders in general meetings, in particular when they do not reside in the State where the meeting is held; The ordinance authorizes in particular shareholders to request that items of business be placed on the agenda of the meeting, without being required to simultaneously file a draft resolution; It also simplifies procedures for voting by proxy, by allowing shareholders of listed companies to appoint as their proxy, any individual or legal entity of their choice to participate in the general meeting and vote in their name. This reform was accompanied by a measure designed to prevent conflicts of interest and establish guidelines for the practice of actively soliciting to serve as proxies.
- Decree°2014-1466 of 8 December 2014 modifying in particular the date and procedures for determining the status of shareholder authorized to participate in the general meetings of listed companies, as provided for by article R.225-85 of the French commercial code. The right to participate in shareholders' meetings is henceforth subject to registration of the shares in the share account on the second business day prior to the meeting at 00:00, and no longer an accounting entry on the third business day preceding the general meeting at 00:00.
- Law No. 2015-990 of 6 August 2015 relating to holding multiple offices in listed companies
- Law No. 2015-994 of &7 August 2015 relating to employee representation on Boards of Directors. In effect, the obligation to provide for employee representation on the Board of Directors has been extended to public limited companies (sociétés anonymes) or limited stock partnerships (sociétés en commandite par actions) employing for two consecutive years:
  - at least 5,000 permanent employees in the company and its subsidiaries, direct or indirect, having its registered office in France;
  - at least 10,000 permanent employees in the company and its subsidiaries, direct or indirect, having its registered office in France or another country and having an obligation to establish a Works Council (new article L.225-27-1 I of the French commercial code);
- Ordinance No. 2015-1576 of 3 December 2015 regarding requirements to disclose the crossing of shareholder thresholds.

Furthermore, on 15 April 2016, the Board of Directors decided to adopt the MiddleNext code of corporate governance of December 2009 (the "MiddleNext Code") as reference for the company in matters of corporate governance, considering that this code is more adapted to the size and structure of its shareholder base. MiddleNext is the independent French association representing listed SMEs and midcaps. This code may be consulted at the MiddleNext website (www.middlenext.com).

Accordingly, in accordance with MiddleNext Code recommendation 10, the Board of Directors, ensuring that the length of terms of office is adapted to the specific characteristics of the company, considers that a term of three years is better adapted to the Company and the functioning of the Board. A term of three years would allow the shareholders to intervene on a more frequent basis regarding the composition of the Board of Directors and the ensuring the independence of directors, while allowing Board members the necessary time to acquire an understanding of the specific characteristics of the Company, the complexity of its core business and its different areas of intervention.

Pursuant to the above, we propose that the Company's articles of association be revised in order to comply with new legislation in force applying that apply to commercial companies and the recommendations of the MiddleNext Code.

## II. ORDINARY RESOLUTIONS

### 1. APPROVAL OF THE 2015 ANNUAL FINANCIAL STATEMENTS

**3rd and 4th resolutions**

It is requested that you (i) approve the annual financial statements of the Company and the consolidated financial statements of CIS Group for fiscal 2015 as well as the non-deductible expenses and (ii) grant discharge to the directors for their management.

- The separate annual financial statements of the Company show a profit of €803,686.
- The consolidated financial statements show a net profit (attributable to the Group) of €5,143,693.

### 2. APPROPRIATION OF EARNINGS – DETERMINATION OF THE DIVIDEND

**5th resolution**

The Board of Directors proposes to appropriate the profit of the period as follows:

- Dividend €803,686.25

It is also proposed that this dividend be supplemented by deducting the amount of €161,238.55 from other reserves for a total dividend of €964,924.80.
With 8,041,040 shares entitled to dividends, the total net dividend per share would be €0.12
The payment date for cash dividends would be 22 June 2016.
In accordance with article 243 bis of the French general tax code (Code Général des Impôts or CGI), it is specified that the total dividend amount proposed would be eligible for the proportional rebate of 40% for natural persons having their tax residence in France (CGI art. 158-3-2° section 4°).

3. REGULATED AGREEMENTS

**6th resolution**

The purpose of this resolution is to submit to your approval the regulated agreements entered into an 2015 as described in the Auditors' special reports.

4. DIRECTORS' ATTENDANCE FEES

**7th resolution**

The purpose of this resolution is to submit to your approval the amount of attendance fees to be granted to directors totalling €180,000.

5. RENEWAL THE OFFICES OF DIRECTORS WHOSE TERMS ARE EXPIRING

**8th, 9th and 10th resolutions**

The directorships of Florence Arnoux, FINRA and Sophie Le Tanneur expire at the end of the next General Meeting of 6 June 2016.

We propose in consequence that you renew their offices as directors for a new term of three years that will expire at the end of the general meeting called to approve the financial statements for the year ending on 31 December 2018.

6. APPOINTMENT OF A NEW DIRECTOR

**11th resolution**

We propose that you appoint as director for a term of three years to expire at the end of the General Meeting that will be called to approve the financial statements or the year ending in 2018, YLD Conseil, a company in the process of incorporation, having as permanent representative, Yves-Louis Darricarrere.

7. RENEWAL OF THE APPOINTMENTS OF THE AUDITORS

**12th resolution**

The appointments of the accounting firms SYREC and Grant Thornton, the Statutory Auditors and A.E.C.C. Gilbert Caulet and A.M.O. Finance, Joint Alternate Auditors, expire at the end of the next general meeting to be held on 6 June 2016.

We propose accordingly that you renew the appointment of SYREC as the Statutory Auditor and A.E.C.C. Gilbert Caulet as the Joint Alternate Auditors, for a new term of six (6) years, ending with the general meeting that will be called to approve the financial statements for the year ending 31 December 2021.

We also propose that you appoint the firm PKF AUDIT CONSEIL, represented by Guy CASTINEL as Joint Statutory Auditors, replacing Grant Thornton and appoint FIPROVEX, represented by Manuel IBANEZ, as Joint Alternate Auditors, replacing A.M.O. Finance, for a new term of six (6) years, ending with the general meeting that will be called to approve the financial statements for the year ending 31 December 2021.

8. AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO DEAL IN THE COMPANY'S SHARES

**13th resolution**

- ensure the orderly trading of the Company's shares in connection with a liquidity agreement concluded between an investmen services provider complying with the conduct of business rules recognised by the French financial market authority (Autorité des Marchés Financiers or AMF);
- meet obligations resulting from stock option plans, bonus share grants, employee stock ownership programs and other share grants to employees and executive officers of the Company or companies affiliated with it;
- remit shares following the exercise of rights attached to securities giving access to the capital;
- purchase shares to be retained for future use for payment or exchange in connection with possible acquisitions; or
- cancel all or part of shares thus acquired.

This authorisation was granted for a period of eighteen months that will expire on 8 December 2016.

We accordingly request that you renew this authorisation for a new period of eighteen months subject to the following conditions: a maximum purchase price of thirty-five (35) euros and within the legal limit of 10% of the share capital, whereby it is specified that (i) when shares are repurchased to promote the liquidity of the share, the number of shares that may be taken into account to calculate this limit shall correspond to the number of shares purchased minus shares sold during the period this authorisation is valid and (ii) the number of shares acquired by the company for subsequent use for payment or exchange in connection with a merger, demerger or contribution may not exceed 5% of the share capital.

Under the authorisation granted by the general meeting, the Board of Directors acquired and sold shares of the Company in 2015 for the purpose of maintaining an orderly market in its shares.

At 31 December 2015, the Company held 32,747 own shares in treasury compared with 31,106 shares at 31 December 2014.

We hope that these proposals will meet with your approval and that you will approve in consequence the resolutions submitted to your vote.

Marseilles, 15 April 2016

THE BOARD OF DIRECTORS

# Text of the draft resolutions submitted to the Combined Ordinary and Extraordinary General Meeting of the shareholders of 6 June 2016

## EXTRAORDINARY RESOLUTIONS

**FIRST RESOLUTION (Review and approval of the fully revised articles of association)**

The shareholders, acting in accordance with the conditions of quorum and majority that apply at extraordinary general meetings, having considered the Board of Directors' report presenting the reasons for revising the Company's articles of association, decide to approve this complete revision of the Company's articles of association, and in consequence, adopt article by article and then the entire text of the new articles of association of the Company, that are enclosed with these minutes.

**SECOND RESOLUTION (Powers for legal formalities pursuant to the Extraordinary General Meeting)**

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary general meetings, delegate all powers to the holder of a copy or short-form certificate of this document to carry out formalities that may be required by law.

## ORDINARY RESOLUTIONS

**THIRD RESOLUTION (Approval of the annual financial statements for the year ended 31 December 2015)**

The shareholders, acting in accordance with the conditions of quorum and majority that apply at ordinary shareholders' meetings, having considered the Board of Directors' management report on the annual financial statements for the year ended 31 December 2015, the report of the chairman of the Board of Directors provided by article L.225-37 of the French commercial code, and the Auditors' reports, approve the accounts and the balance sheet for said period as presented, showing a profit of €803,686.25, as well as the transactions reflected in these accounts and summarized in the reports. It also approves the amount of expenses non-deductible from profit subject to corporate income tax, excluding the provisions for contingencies and depreciation, amounting to €32,504 of which €23,587 correspond to expenses referred to article 39.4 of the French general tax code.
In consequence, the shareholders grant a full and unconditional discharge to the directors for their management for the period under review.

**FORTH RESOLUTION (Approval of the consolidated financial statements for the year ended 31 December 2015)**

The shareholders, acting in accordance with the conditions of quorum and majority that apply at ordinary shareholders' meetings, having considered the Group management report and the Auditors' report, approve the consolidated financial statements for the year ended 31 December 2015 as presented which show a net profit attributable to the Group of €5,143,693, as well as the transactions recorded in these accounts and reports.

**FIFTH RESOLUTION (Appropriation of earnings for 2015 and setting the dividend)**

**Appropriation of earnings**
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, decide to appropriate the profit of the period ended 31 December 2015 of€803,686.25 as follows:

- Dividend €803,686.25

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, decide to supplement this dividend by €161,238.55 taken from "other reserves" resulting in a total dividend of €964,944.80.

Dividend Amount - Payment - Applicable Tax Provisions
With 8,041,040 shares entitled to dividends, the total net dividend per share is €0.12.
The payment date for cash dividends is 22 June 2016.
In accordance with article 243 bis of the French general tax code (Code Général des Impôts or CGI), it is specified that the total dividend amount proposed is eligible for the proportional rebate of 40% for natural persons having their tax residence in France (CGI art. 158-3-2° section 4°).

The shareholders duly note the statutory disclosure by the Board of Directors of dividends distributed for the last three financial periods:

| | 2012 | 2013 | 2014 |
|---|---|---|---|
| Number of shares entitled to dividends | 8,041,040 | 8,041,040 | 8,041,040 |
| Net dividends per share | €0.275 | €0.13 | €0.18 |
| Closing share price at year-end | €25.41 | €23.19 | €18.56 |

SIXTH RESOLUTION (Approval of regulated agreements covered by articles L.225-138 et seq. of the French commercial code)
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the auditors' special report on agreements covered by article L.225-86 of the French commercial code, approve the agreements mentioned therein.

SEVENTH RESOLUTION (Setting the amount for directors' attendance fees)
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, decide to allocate €180,000 for 2015 in attendance fees for members of the Board of Directors;

EIGHTH RESOLUTION (Renewal of Florence Arnoux's term as director)
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that Ms. Florence Arnoux's term of office as director expires at the end of this General Meeting, decide to renew her office for a new term of three years that will expire at the end of the General Meeting called to approve the financial statements for the year ended 31 December 2018.
Ms. Florence Arnoux whose term of office is renewed, accepts the renewal of her duties and declares that no restrictions or incompatibility exist that might prevent her from holding this office.

NINETH RESOLUTION (Renewal of FINRA's term as director)
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that FINRA's term of office as director, with Mr. Régis Arnoux serving as its permanent representative, expires at the end of this General Meeting, decide to renew its office for a new term of three years that will expire at the end of the General Meeting called to approve the financial statements for the year ended 31 December 2018.
Mr. Régis Arnoux, the permanent representative of FINRA whose term of office is renewed, accepts the renewal of his duties and declares that no restrictions or incompatibility exist that might prevent her from holding this office.

**TENTH RESOLUTION (Renewal of Sophie Le Tanneur's term as director)**
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that Ms. Sophie Le Tanneur's term of office as director expires at the end of this General Meeting, decide to renew her office for a new term of three years that will expire at the end of the General Meeting called to approve the financial statements for the year ended 31 December 2018.
Ms. Sophie Le Tanneur whose term of office is renewed, accepts the renewal of her duties and declares that no restrictions or incompatibility exist that might prevent her from holding this office.

**ELEVENTH RESOLUTION (Appointment of YLD Conseil as director)**
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, decide to appoint as director for a term of three years to expire at the end of the General Meeting that will be called to approve the financial statements or the year ending and 2018, YLD Conseil, a company in the process of incorporation, having as permanent representative, Yves-Louis Darricarrere..

**TWELFTH RESOLUTION (Renewal of the appointments of the Statutory and Alternate Auditors)**
**Reappointment of SYREC, Joint Statutory Auditors and A.E.C.C. Gilbert Caulet, Joint Alternate Audito**
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly note that the appointments of SYREC, Joint Statutory Auditors and A.E.C.C. Gilbert Caulet, Joint Alternate Auditor, expire at the end of this General Meeting, decides to renew their appointments for a new term of six (6) years, ending with the general meeting that will be called to approve the financial statements for the year ending 31 December 2021.

**Nonrenewal of the appointments of SYREC, as Joint Statutory Auditors and A.E.C.C. Finance, as Joint Alternate Auditors and the appointment of PKF AUDIT CONSEIL as the new Joint Statutory Auditors and the appointment of FIPROVEX as Joint Alternate Auditors.**
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly note that the appointments of Grant Thornton, Joint Statutory Auditors and A.M.O. Finance, Joint Alternate Auditors expire at the end of this General Meeting, decide not to renew their appointments, and to appoint in their replacement:

- As Joint Statutory Auditors:
  PKF AUDIT CONSEIL, domiciled at 17 boulevard Augustin Cieussa, 13007 Marseille and registered in Marseille (RCS No. 343 276 580), represented by Mr. Guy Castinel
- As Joint Deputy Auditors:
  FIPROVEX, domiciled at 45, cours Gouffé 13006 Marseille and registered in Marseilles (RCS No. 327 468 252), represented by Mr. Manuel Ibanez

for a new term of six (6) years, that will end with the general meeting that will be called to approve the financial statements for the year ending 31 December 2021.

**THIRTEENTH RESOLUTION (Renewal of the authorization given to the Board of Directors to deal in the Company's shares)**
The shareholders, in accordance with the conditions of quorum and majority that apply at ordinary general meetings, having considered the Board of Directors' report:

- **authorize** the Board of Directors, with the option to further delegate this authority under the conditions provided by law, for a period of eighteen (18) months from this date, to acquire shares of the Company in accordance with the provisions of articles L.225-209 et seq. of the French commercial code, of the European Regulation of 22 December 2003 No.°2273/2003, of Title IV of Book II of the General Regulation of the French Financial Market Authority (AMF) Pat the instructions of the European Regulation 22 December 2003 No.°2273/2003, of Title IV of Book II of the General Regulation of the French Financial Market Authority and the implementation instructions;
- **decide** that the shares may be acquired, sold or transferred by any means, through one or more instalments, notably on or off market, including through block trades, tender bids, and by using options or other derivatives, in accordance with the provisions provided for by the market authorities in compliance with applicable regulations,
- **decide** that this authorisation may be used to:
  - ensure the orderly trading of the Company's shares in connection with a liquidity agreement concluded between an investment services provider complying with the conduct of business rules recognised by the French financial market authority (Autorité des Marchés Financiers or AMF);
  - meet obligations resulting from stock option plans, bonus share grants, employee stock ownership programs and other share grants to employees and executive officers of the Company or companies affiliated with it;
  - remit shares following the exercise of rights attached to securities giving access to the capital;
  - purchase shares to be retained for future use for payment or exchange in connection with possible acquisitions; or
  - Cancel all or part of shares thus acquired.
- **decide** to set the unit price for the purchase of shares (excluding transaction costs and commissions) at €35 subject to a maximum amount of €14,071,820, including shares already held, it being specified that this purchase price shall be subject to adjustments that may be rendered necessary to take into account transactions affecting the share capital (notably in the case of the capitalisation of reserves, bonus share grants stock splits or reverse splits) occurring during the period authorisation is in force,
- **duly note** that the maximum number of shares that may be acquired by virtue of this resolution may not exceed at any time 10% of the share capital, whereby it is specified that (i) when shares are repurchased to promote the liquidity of the share, the number of shares that may be taken into account to calculate this limit shall correspond to the number of shares purchased minus shares sold during the period this authorisation is valid and (ii) the number of shares acquired by the company for subsequent use for payment or exchange in connection with a merger, demerger or contribution may not exceed 5% of the share capital,
- **decide** that these transactions may be carried out at any time, including, within the limits provided for by applicable regulations, during periods of public tender offers for the Company's shares,
- **grant all powers** to the Board, which it may further delegate in accordance with provisions provided for by law, to place all stock market orders, execute any assignments or transfers, conclude all agreements, liquidity contracts, option contracts, make all representations and perform all formalities that may be required.
  This authorisation cancels and supersedes any prior authorisation having the same purpose.

**FOURTEENTH RESOLUTION (Powers for legal formalities pursuant to the Ordinary General Meeting)**
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, delegate all powers to the holder of a copy or short-form certificate of this document to carry out formalities that may be required by law.

# Statutory auditors' reports

# STATUTORY AUDITORS'REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
## Financial year ended 31 December 2015

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. The Statutory Auditors' Report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the shareholders:

In accordance with the terms of our engagement as auditors appointed by your Annual General Meeting, we hereby report to you for the year ended 31 December 2015 on:

- The audit of the consolidated financial statements of CIS  enclosed herewith,
- The justification of our assessments,
- the specific procedures and disclosures required by law.

These consolidated financial statements were prepared by the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

## 1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

WWe conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis or by other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the significant estimates made and the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the companies and entities included in the consolidated group in accordance with IFRS standards as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention as an emphasis of matter to the paragraph "provisions and other long-term liabilities" in the notes to the financial statements relating to the Algerian company, CNA.

## 2. BASIS OF OUR ASSESSMENTS

In accordance with Article L823-9 of the French commercial code concerning the justification of our assessments, we bring to your attention the following emphasis of matter paragraphs:

Accounting estimates:

As indicated in the note to the financial statements on "Intangible assets", goodwill is periodically tested for impairment based on the value of estimated discounted future cash flows.
Our work has involved examining the information and assumptions underlying the estimates used, and in particular the cash flow forecasts produced by management and assessing the procedures adopted to produce these forecasts.
Our assessments on these matters are part of our audit approach regarding the consolidated financial statements taken as a whole and contribute to the formation of our unqualified opinion expressed in the first part of this report.

### 3. SPECIFIC PROCEDURES

In accordance with professional standards applicable in France, we have also performed the specific procedures required by law regarding the group information given in the management report.

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

Marseilles, 15 April 2016
The Statutory Auditors

French original signed by:

| Cabinet SYREC | GRANT THORNTON |
|---|---|
| Represented by: | Represented by: |
| Catherine Lafoucrière | Lionel Hatet |

# STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS
## Financial year ended 31 December 2015

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. The Statutory Auditors' Report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the shareholders:

In accordance with the terms of our engagement as auditors appointed by your Annual General Meeting, we hereby report to you for the year ended 31 December 2014 on:

- The audit of the accompanying financial statements of C.I.S.;
- The justification of our assessments,
- The specific procedures and disclosures required by law.

These annual financial statements were adopted by the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

## 1. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit includes examining, on a test basis or by other selection methods, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used, the significant estimates made and the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the company as of 31 December 2013 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

## 2. BASIS OF OUR ASSESSMENTS

In accordance with Article L823-9 of the French commercial code concerning the justification of our assessments, we bring to your attention the following emphasis of matter paragraph:

- Equity investment securities were measured according to the procedures presented in the paragraph on "Financial assets" of Note 2 "Accounting Policies and Methods" to the financial statements. In our assessment of the accounting estimates used by management, we examined the items taken into account to determine the present value of these securities, and notably the assessment of the outlook of these companies. We assessed the reasonable nature of these estimations based on information available to date.

The assessments on these matters were made in the context of our audit of the annual financial statements taken as a whole and therefore helped us form our opinion expressed in the first part of this report.

### 3. SPECIFIC VERIFICATIONS AND DISCLOSURES

WWe have also performed in accordance with professional practice standards applicable in France the specific verifications required by French law.

We have no matters to report in connection with the fair presentation and consistency with the financial statements of the information given in the report of the Board of Directors and the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning information provided in accordance with the provisions of Article 225-102-1 of the French commercial code on compensation and benefits paid to corporate officers as well as commitments incurred in their favour, we have verified their consistency with the accounts or the data used to produce these accounts and, when necessary, with information obtained by your company both from companies exercising control over your company or controlled by it. On the basis of this work, we certify that these disclosures are accurate and fairly stated.

Pursuant to the law, we have verified that the management report contains the appropriate disclosures relating to acquisitions of equity and controlling interests and the identity of holders of capital and voting rights.

Marseilles, 15 April 2016
The Statutory Auditors

French original signed by:

**Cabinet SYREC**
Represented by:
Catherine Lafoucrière

**GRANT THORNTON**
Represented by:
Lionel Hatet

# STATUTORY AUDITORS' REPORT ESTABLISHED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE, ON THE CHAIRMAN'S REPORT ON THE BOARD OF DIRECTORS OF CIS S.A.

## Financial year ended 31 December 2015

*This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the shareholders:

In our capacity as statutory auditors of Catering International & Services, and in accordance with article L.225-235 of the French commercial code, we hereby report to you on the report prepared by the Chairman of your company in accordance with article L.225-68 of the French Commercial code for the period ended 31 December 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by article L. 225-37 of French commercial code, in particular relating to the system of corporate governance.

It is our responsibility to:

- Report our observations on the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information;
- Certify that the report contains the other information required by article L. 225-37 of the French Commercial Code, while specifying that we are not responsible for verifying the fairness of this other information.

We performed our procedures in accordance with the relevant professional standards applicable in France.

**Information concerning internal control and risk management procedures relating to the preparation and processing of financial and accounting information**

Professional accounting standards require that we perform procedures to assess the fairness of the information on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures notably consist in:

- Obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, on which the information presented in the Chairman's report is based, as well as reviewing supporting documentation;
- Obtaining an understanding of the work on which this information and existing document are based;
- Determining if material weaknesses in internal control procedures relating to the preparation and processing of financial and accounting information detected in the course of our engagement have been properly disclosed in the Chairman's report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, contained in the Chairman's report, prepared in accordance with article L. 225-37 of the French commercial code.

**Autres informations**

We certify that the Chairman's report contains the other information required by article L. 225-37 of the French commercial code.

Marseilles, 15 April 2016
The Statutory Auditors
French original signed by

**Cabinet SYREC**
Represented by: Catherine Lafoucrière

**GRANT THORNTON**
Represented by: Lionel Hatet

# AUDITORS SPECIAL REPORT
# ON REGULATED AGREEMENTS AND COMMITMENTS
## Financial year ended 31 December 2015

*This is a free translation into English of the Statutory Auditors' report on regulated agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements and regulated commitments should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French commercial code and the report does not apply to those related party agreements described in IAS 24 or other equivalent accounting standards.*

To the shareholders:

In our capacity as statutory auditors of your company, we hereby report to you on regulated agreements and commitments with related parties.

The terms of our engagement do not require us to identify such other transactions, if any, but to communicate to you, based on information provided to us, characteristics, the main terms and conditions and the reasons justifying their interest for the company of those agreements and commitments brought to our attention or discovered in the performance of our engagement, without expressing an opinion on their merits. It is your responsibility, pursuant to article R.225- 31 of the French commercial code, to assess the merits of these agreements and commitments with a view to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code (Code de Commerce) concerning the implementation, during the year ended, of the agreements and commitments already approved by the General Meeting of the Shareholders.

We performed procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie nationale des Commissaires aux Comptes) relating to this engagement. These standards require that we ensure that the information provided to us is consistent with the relevant source documents.

## 1. AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL TO THE SHAREHOLDERS' MEETING

**Agreements and commitments approved in the period ended**
Pursuant to Article R.225-40 of the French Commercial Code, the following transactions, previously authorised by the Board of Directors of your Company, have been brought to our attention.

**Office lease agreement between CIS and SCI Borely**

- Related party

Régis Arnoux, Chairman of the Board of Directors of CIS and Managing Partner of SCI Borely.

- Description

Pursuant to the authorisation of your Board of Directors of 16 September 2015, CIS concluded an office lease agreement with SCI Borely. For fiscal 2015, under the terms of this agreement, expenses of €9,333 were recognised for rental payments excluding charges.

- Reasons justifying interest for the company

A lease granted for 12 years according to the financial terms indicated above.

## 2. AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING

**Agreements and commitments authorised in prior periods that remained in force during the period ended**
Pursuant to article 225-30 of the French commercial code, we have been informed that the following agreements and commitments, previously approved by shareholders' meetings of prior years, remained in force during the year.

**1/ Residential lease agreement between CIS and SCI Monceau**

- Related party

Régis Arnoux, Chairman of the Board of Directors of CIS and Managing Partner of SCI Monceau.

- Description

Pursuant to the authorisation of the Board of Directors of 7 February 2014, your company concluded a residential lease agreement with SCI Monceau in exchange for monthly rental payments of €4500 excluding charges. This apartment will serve as a company apartment for Florence Arnoux corresponding to a benefit in kind. For fiscal 2015, under the terms of this agreement, expenses of €54,000 were recognised for rental payments excluding charges.

**2/ Collaboration agreement between the companies CIS and Financière Régis Arnoux in connection with external growth opportunities and business development for Catering International & Services**

- Related party

Régis Arnoux, Chairman of the Board of Directors of CIS and Chairman of SAS Financière Régis Arnoux.

- Description

Pursuant to the authorisation of the Board of Directors of 28 September 2009, your company concluded a collaboration agreement with Financière Régis Arnoux SAS. For fiscal 2015, under the terms of this agreement, expenses of €253,000 excluding tax were recognised for fees.

**3/ Service agreement between CIS and Frédérique Salamon**

- Related party

Frédérique Salamon, member of the Board of Directors of CIS.

- Description

Pursuant to the authorisation of the Board of Directors of 28 March 2013, your company concluded a service agreement with Frédérique Salamon. Under the terms of this agreement, Frédérique Salamon intervenes as a consultant to the Chairman, notably in the area of strategy for the Group development and the analysis of external growth opportunities. For fiscal 2015, under the terms of this agreement, expenses of €85,800 excluding tax were recognised for fees.

**4/ Service agreement between the companies CIS and Marine Firminy**

- Related party

The company Marine Firminy, member of the Board of Directors of CIS.

- Description

Pursuant to the authorisation of the Board of Directors of 4 July 2013, your company concluded a service agreement with the company Marine Firminy. Under the terms of this agreement, the company Marine Firminy will provide your company with commercial and technical assistance for the development and diversification of your company's activities for services to the armed forces. This agreement had no impact in 2015.

Marseilles, 15 April 2016
The Statutory Auditors

French original signed by

| **Cabinet SYREC** | **GRANT THORNTON** |
|---|---|
| Represented by: Catherine Lafoucrière | Represented by: Lionel Hatet |

## STATUTORY AUDITOR'S INDEPENDENT THIRD-PARTY REPORT ON THE CONSOLIDATED EMPLOYMENT RELATED, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

## Financial year ended 31 December 2015

*This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders:

As Statutory Auditors of Catering International & Services, acting as independent third parties certified by COFRAC , the French National Accreditation Body, under No. 3-1080, we hereby present our report on the consolidated employment, environmental and social information for the year ended 31 December 2015 hereinafter referred to as "CSR Information") provided in the management report pursuant to the provisions of Article L.225-102-1 of the French commercial code (code du commerce).

**Responsibility of the company**

The Board of Directors is responsible for preparing a management report including CSR Information in accordance with the provisions of Article R. 225-105-1 of the French Commercial Code and with the guidelines adopted by the Company (hereinafter the "Guidelines") available on request from the company's registered office and summarised in the section of the management report entitled "Methodology Note".

**Independence and quality control**

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (Code de Déontologie) and Article L.822-11 of the French Commercial Code. In addition, we maintain a comprehensive system of quality control including documented policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Responsibility of the auditors**

It is our responsibility, on the basis of our work to:

- certify that the required CSR Information is presented in the management report or, in the event that any CSR Information is omitted, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French commercial code (Statement of disclosure of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work made use of the expertise of four people between March and April 2016 for a total period of approximately one week. In the performance of this engagement, we were assisted by our CSR experts.

We performed our work in accordance with the professional auditing standards applicable in France and with legal order of 13 May 2013 determining the conditions in which the independent third party performs its engagement and, with respect to the reasoned opinion, with ISAE 3000[2].

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[1] *Information on the scope certification is available at www.cofrac.fr*

[2] *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information*

## 1. STATEMENT OF DISCLOSURE OF CSR INFORMATION

**Nature and scope of work**

We obtained information from interviews with management of the relevant departments, on priorities for sustainable development, according to the employment-related and environmental impacts of the Company's activity and its social commitments and, where appropriate, any action or programmes related thereto.

We compared the CSR Information presented in the management report with the list as provided for in Article R.225-105-1 of the French commercial code;

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the Disclosures cover the consolidated operations, namely the Company and its subsidiaries within the meaning of Article L.233-1 and the controlled entities within the meaning of article L.233-3 of the French commercial code within the limits specified in the section of the management report entitled the "Methodology Note".

**Conclusion**

Based on this work and the limitations mentioned above, we attest to the completeness of the required CSR Information in the management report, with the exception of information relating to the breakdown of employees by gender and age; recruitment and dismissals; absenteeism; collective agreements occupational illnesses; water consumption and supply in relation to local constraints; energy consumption, energy performance measures and use of renewable energies; waste prevention, recycling and elimination measures which were only presented or a limited scope as indicated in the methodology note.

## 2. REASONED OPINION ON THE FAIR PRESENTATION OF CSR INFORMATION

**Nature and scope of work**

We conducted three interviews with persons responsible for preparing CSR information, departments responsible for collecting information and, where appropriate, those in charge of internal control and risk management procedures in order to:

- assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking industry best practice into account when necessary;
- verify the implementation of a data-collection, compilation, processing and control procedure designed to produce CSR Information that is exhaustive and consistent, and familiarise ourselves with the internal control and risk management procedures involved in preparing the CRS Information

We selected the CSR information to be tested and determined the nature and scope of the tests, taking into consideration their importance based on the company's profile, the social and environmental impact of its activities, priorities in terms of sustainable development and industry best practice.

With regard to the CSR Information that we considered to be the most important :

- At level of the consolidating entity, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report;

- at the level of a representative sample of countries selected by us  by activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The sample thus selected represents 21% of headcount and 100% of quantitative environmental data.

For the other CSR consolidated information published, we assessed is based on our knowledge of the Company.
Finally, we also assessed the relevance of explanations given for any information not disclosed, either in whole or in part.

We consider that the sampling methods and the size of the samples retained based on our professional judgement allow us to issue a moderate assurance. A higher level of assurance would have required more extensive verifications. Due to the use of sampling techniques and other limitations inherent to all information systems and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be completely eliminated.

**Conclusion**
Based on this work, with the exception of the impact of the absence of information mentioned in part one of this report, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Marseille, 15 April 2016
One of the Statutory Auditors.
Grant Thornton
French member firm of Grant Thornton International

French original signed by:

Lionel Hatet
Partner

Alban Audrain
Partner

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[3] ***Quantitative employment information:*** *average total headcount and breakdown by gender, age and region; recruitments, departures and dismissals average monthly wages for local employees by region; absenteeism rate; frequency and severity rate of occupational accidents; total number of training hours.*
***Quantitative environmental information:*** *water consumption, electricity consumption, CO2 emissions linked to electricity consumption and transport.*
***Qualitative information:*** *business ethics charter integrated into the management system; actions taken to guarantee the safety of teams, nutrition and balanced diet.*

[4] *France, Brazil, Kazakhstan*

# Responsibility statement

"I hereby certify, having taken all reasonable measures for such purpose, that the information contained in this report, to my knowledge, is true and that there are no omissions that would cause it to be misleading."

I also declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and consolidated companies and that the management report included this report faithfully presents business trends, the results and financial position of the company and a description of the main risks and uncertainties.

**Régis ARNOUX**
Chairman of the Board of Directors

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# Our References

ACERGY - ADRIMAQ - AFRICAN MINERALS - AFRICAN SKIES - AGIP - ALCATEL - ALSTOM - ALUPCO - ANADARKO - ANDRADE GUTIERREZ - APEX SILVER MINES - AREVA - ATLAS - AVOCET - B2 GOLD - BAKER HUGHES - BARRICK GOLD - BECHTEL - BELLZONE - BHP BILLITON - BIRIMIAN RESOURCES - BJSP - BOART LONGYEAR - BOGATYR - BOROO GOLD - BOUYGUES - BRASDRIL - BRASOIL - BP - CEGELEC - CHACO - CHEVES - CHEVRON - CIMENTOS DE MOCAMBIQUE - CIMPOR - CITIC - CNOOC - COMIDE - CONGO COBALT - DALMA ENERGY - DENEL MECHEM - DYNATEC - EFESK - EL BROCAL - ENAFOR - ENI - ENSP - ENTP - ENTREPOSE - EQUATORIAL RESOURCES - EMMSA - ESB - ETESCO - EXXONMOBIL - FLUOR - FORECARIAH HOLDINGS - FRONTIER - GEOCEAN GOLD FIELDS - GLENCORE - HALLIBURTON - HATCH - HERCULES OFFSHORE - HESP - HYPERDYNAMICS - HYUNDAI - ICCGSA - INKAI - IVANHOE INTERCEMENT - JGC - KBR - KARAZHANBASMUNAI - KAZAKHMYS - KATCO - KCA DEUTAG - KINROSS - KOMIARCTICOIL - LAFARGE - LUKOIL - MAERSK - MAJOR DRILLING - MEDGAZ - METALKOL - METKA - MMG - MOMENTUM - MOTA ENGIL - DRILLING NABORS DRILLING - NAFTOGAZ - NESTLE - NEWMONT MINING - ODEBRECHT - ORASCOM - OYU TOLGOI - OZTIURK - MUNAI - PAN AMERICAN SILVER - PAN AFRICAN MINERALS - PARKER DRILLING - PERENCO - PM LUCAS - PETRO VIETNAM - PETROBRAS - PETROKAZAKHSTAN - PETROMINERALES - POLYMETAL - POONG-LIM - PRIDE - PROSAFE - QDVC - QUATTROGEMINI - QUEIROZ GALVAO - REPSOL - RESOLUTE MINING - RIO TINTO - ROSNEFT - RUSSIAN PLATINUM - SAHARA WELL - SAIPEM - SAKHALIN ENERGY - SALYM - SAMEK - SAMSUNG - SANOFI - SAUDI ARAMCO - SBM - SCHLUMBERGER - SEMAFO - SHELL - SHERRITT - SNC LAVALIN - SOGEA SATOM - SOMISY - SONATRACH - SONARCO - SORALCHIN - SPIE CAPAG - STARSTROI STATOILHYDRO - TARBAGATAI MUNAI - TASIAST - TECHNIP - TECNA - TENIZ BURGYLAU - THALES ALENIA SPACE - TOTAL - TOYO ENGINEERING - TRANSOCEAN - TULLOW OIL - UNITED HYDROCARBON - URASIA ENERGY - VALE - VAN OORD - VEOLIA - VINCI - VOSKHOD - ORIEL - WEATHERFORD - WESTERN GECO - XSTRATA - YAMAL LNG - YLNG - YPFB REFINACION - ZAGOPE - ZOMCO - ZOSCO.


CIS

Integrated Life Support Services

Headquarters: CATERING INTERNATIONAL & SERVICES, 40 c, avenue de Hambourg - BP 184 - 13268 Marseille Cedex 08 (France)
Tel. +33 (0)4 91 16 53 00 - Fax +33 (0)4 91 72 65 08 - Email : contact@cis-catering.com - Web : www.cis-catering.com
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