Annual Report 2016

CIS

Integrated Life Support Services

ANNUAL REPORT 2016

Contents

Chairman's **statement**

Interview with Régis Arnoux

CIS is a service company. Can you tell us more about it?

We're first and foremost a company made of women and men. The expertise and passion of our teams both on operational sites and at the head office are devoted to the well-being of our customers.

Our objective is their continuous satisfaction. The quality of our services enables them not only to focus on their core business, but also to feel almost at home on site.

Our DNA compels us to develop sound strategic partnerships with our customers. We build profitable, competitive solutions over the long term to enhance our operational excellence.

At the same time, CIS is also firmly dedicated to developing the socio-economic environment in the countries where it operates to benefit their population.

Indeed, what are your commitments to social and economic development?

On every operating site, we adopt CSR policies to promote the economic and social development of the local communities. We work closely with the authorities, companies and local populations to improve their living conditions.
At CIS, we place great importance on educating the local population and hiring local employees to fill positions.

Given the global economy difficulties, what conclusions can we draw from CIS' business performance in 2016?

Despite the continuing global turmoil, this fast-changing world offers many opportunities for CIS to develop not only geographically, with its operations that span five continents, but also with companies active in industries such as oil, gas, mining, infrastructure, defence and international organisations.

Our motto: “Always dare, sometimes make compromises, never give up!»

Peggy Bouchet

In 2016, CIS demonstrated its resilience in a challenging economic and geopolitical environment. The gradual improvement in energy prices since the beginning of the year is reflected in revenue. For the full year, as expected, 2016 revenue amounted to €250 million, up 1.4% at constant exchange rates (-8.2% on a reported basis).
The negative foreign exchange effect came to €26 million and decreased gradually over the period (€1.3 million in Q4 vs. €10.6 million in Q1).

What countries fuelled growth in 2016?

Growth was mainly driven by our subsidiaries in Algeria, Kazakhstan, Saudi Arabia (where revenue tripled), Mongolia and Mauritania.
The Group also strengthened its foothold in markets offering strong growth potential in West Africa and the Middle East and by expanding into a new country, Niger.

And what about earnings?

Over the year, current operating income rose 2.8% to €10.9 million. This performance underlines the Group’s ability to reduce its costs to improve its level of competitiveness.

What about the Group’s corporate governance?

In 2016, we strengthened it. Jeremy de Brabant was brought in as Deputy Chief Executive Officer in the middle of the year.
With dual Canadian and French citizenship, he has spent most of his career working in international markets. Holding a degree in engineering, he has solid experience skilfully managing a company with about the same revenue level as CIS. He also has a sharp sense of human relations, a key factor for ensuring the company’s long-term success.

You implemented a strategic plan in 2015. What are its growth drivers?

As part of our strategic plan, ARISE 500, we implemented an offensive strategy aiming to focus on the four industries in which our customers operate: oil and gas, mining, major infrastructure projects and defence; accelerate our development in high potential geographic markets, strengthen our customer base through innovation and by expanding our service offering, and improve our operating profitability.

What are the outlook and goals for 2017?

The ARISE 500 strategic plan has motivated our teams and put CIS on its way to achieving profitable growth.
I confirm the objective for a first phase of €500 million in sales revenue.

Last but not least, I would like to thank all CIS employees, at the headquarters and in our subsidiaries, who demonstrate competence, dedication and total and permanent commitment to ensure the profitability, development and sustainability of the Group.

Régis Arnoux
Chairman and Chief Executive Officer

The CIS **Group**

MONGOLIA
Oyu Tolgoi project

CIS

The CIS Group

CIS is a world leader in the management of remote sites.

CIS is specialised in the **management of remote sites in extreme environments, onshore and offshore**, for companies operating in the oil and gas, mining, construction and civil engineering sectors, as well as in the defence sector and for international organisations.

Around its core business, catering and living accommodation services, the Group has developed a comprehensive service offering in facilities and utilities management and in supports services to provide its customers with **turnkey solutions.**

Our priority

Customer satisfaction

Our permanent objective

Service excellence

Our DNA

Flexibility, responsiveness, competitiveness

Our strategy

***ARISE* 500**

Anticipation
Responsiveness
Innovation
Solutions
Expertise
to reach its first target of €500 million in sales revenue

Our values

Team spirit
Passion for the field
Respect for others

Our ethics

Integrity
Responsibility
Transparency

1992
Year of CIS' creation

1998
CIS' initial public offering

250M€
2016 revenue
(€276 million at constant exchange rates)

Operations in more than
20
countries and
5
continents

200
Operating sites

11400
Employees from
50
nationalities

CIS

Strategy

Develop our customer portfolio by focusing on four industries:

- Oil & Gas (Production)
- Mining (Production)
- Infrastructure
- Defence

Accelerate our development in high potential geographic markets through:

- Partnerships
- Major projects
- Acquisitions

Strengthen our customer base through innovation and by expanding our service offering

Improve our operating profitability

Objectives

Strengthen commercial forces

Expand our service offering

Increase our development in the Middle East

Achieving the goals of the ***ARISE* 500** plan motivates and drives the entire Group.

CIS

The CIS Group

Governance

Jeremy de BRABANT

Deputy Chief Executive Officer

Jeremy de Brabant joined the CIS Group as Deputy Chief Executive Officer on 13 June 2016. A graduate of Montpellier Sup Agro (National Institute of Further Education in Agricultural Science) in France and the University of Chicago (Booth School of Business) in the United States, he has spent most of his career working in international markets and held various management positions at CFAO and Rexel.

Yves-Louis DARRICARRÈRE

Director

After two years studying and doing research at École des Mines de Paris, Yves-Louis Darricarrère began his career with Elf Aquitaine. Following the merger of Total, Elf and Petrofina, he joined Total Group and served as member of the Executive Committee from 2003 to 2015. In 2007, he became President of Exploration & Production, Gas & Power and in 2012, took the position of President of Total Upstream until his departure in 2015.

David Lee ZIMMERMAN

Director

At the Board of Directors meeting held on 16 December 2016, CIS directors appointed David Zimmerman as a new director. He has held a number of management positions at KBR, one of the largest US-based global engineering Groups, over a period of 40 years.

CIS

The CIS Group

Board of Directors and

Régis ARNOUX* (1)**
Group Chairman and Founder (1992)
Chairman of the CIS Board of Directors and Executive Committee
Member of the CIS Foundation

Monique ARNOUX (2)**
Vice-Chairwoman of the CIS Foundation

Florence ARNOUX* (3)**
CIS Key Accounts Manager

Frédérique SALAMON* (4)**
Advisor to the Chairman of CIS Group
Member of the CIS Internal Audit Committee

Financière Régis Arnoux (FINRA) **
Holding Company

Henri de BODINAT* (5)**
Representative of Cantos Ltd
Chairman of the investment fund Time Equity Partners
Chairman of the CIS Internal Audit Committee

Sophie Le TANNEUR* (6)**
Representative of Financière Lucinda
Deputy Chief Executive Officer of Amedeus SA and management partner at Financière Lucinda
Member of the CIS Internal Audit Committee

Frédéric BEDIN* (7)**
CEO of Hopscotch Group

Admiral Pierre-François FORISSIER* (8)**
Representative of Marine Firminy
French admiral and former Chief of Staff of the French Navy (Chef d'État-Major de la Marine)
Elected as a member of France's Naval Academy
Chairman and founder of Marine Firminy SAS, specialised in management consulting

Executive Committee

Gonzague de BLIGNIERES* (9)**
Chairman and co-founder of Raise Investment
Former Chairman of Barclays Private Equity France

Yves-Louis DARRICARRÈRE* (10)**
Representative of YLD Conseil
Senior Advisor at Lazard Ltd
Chairman of the Total Corporate Foundation
Vice-Chairman of the Franco-Kazakh Business Council
Director of Ortec and Kosmos Energy

David Lee ZIMMERMAN* (11)**
Management positions at the US engineering Group KBR (Kellogg, Brown and Root) over a period of 40 years, including as vice-Chairman of the oil and gas department

Jeremy de BRABANT *
Deputy Chief Executive Officer

Julien SALAS *
Deputy Managing Director

Franck BRIESACH *
Chief Financial Officer

Stéphane CAILLE *
Vice President of Human Resources

Natacha GOUVERNET*
Communications Manager

*** Member of the CIS Board of Directors and Executive Committee
** Member of the CIS Board of Directors
* Member of the CIS Executive Committee

CIS

Our expertise

RUSSIA
Yamal LNG project


CIS

Our expertise

Catering

Catering

Supply chain & logistics

Regardless of the culinary habits, religious practices, customs, cultures or dietary restrictions, CIS' catering services expertise enables it to satisfy the most demanding customers.

MENU PLANNING AND PREPARATION

- Planning and preparation of menus by our kitchen chefs,
- Menus adapted to the different nationalities of our customers and prepared in industrial kitchens,
- Respect for cultural eating habits and customs,
- Special menus for celebrations, themed evenings and exceptional events,
- Lunch pack preparation and delivery.



More than
36 million
meals served
per year

Certifications

Programmes developed by CIS:

GO FOR GREEN

Health4You
by CIS

FOOD SAFETY

- Compliance with international health and food safety standards (HACCP),
- Food temperature compliance, monitoring and control throughout transport phases from storage to distribution,
- Collection and preservation of samples of each dish proposed per meal.

NUTRITIONAL BALANCE

- 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 programme, “Go for Green”, specifically designed to respect daily calorie requirements and adapted to consumer categories.

SUPPLY CHAIN & LOGISTICS

CIS implements rigorous sourcing and storage procedures to ensure that sufficient supplies are available at all times based on the number of consumers and the standards of its customers:

- 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 recorders and terminal-based control of the supply chain: cold chain, hot and cold holding and storage conditions,
- 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.

Our expertise

Living accommodations

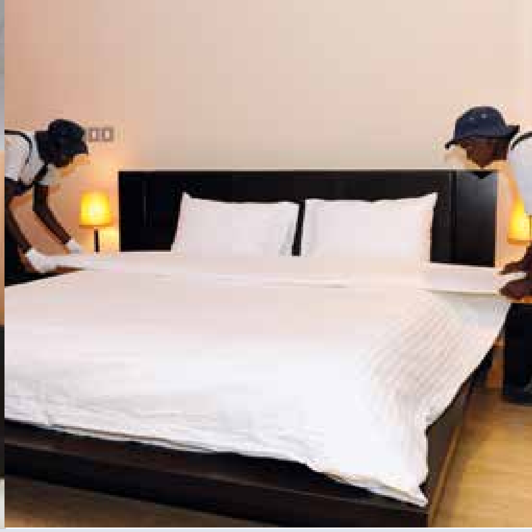
Living accommodations

Cleaning

Laundry

RECEPTION AND LIVING ACCOMMODATIONS MANAGEMENT SERVICES

CIS proposes customers electronic planning and room reservation and occupancy systems for optimised room management and highly efficient hospitality services for remote site occupants.



More than
12 million
residents

96%
of customers
satisfied with CIS

50
nationalities
serving residents

CLEANING

CIS teams provide cleaning services for offices, common areas and outdoor spaces. They also cover upkeep for green spaces.

LAUNDRY SERVICES

CIS ensures laundry services for all work clothing and personal belongings of the remote site residents:

- Collection,
- Washing,
- Pressing,
- Distribution of linen with labelling for all personal belongings,
- Provision of all types of work clothes to its customers.

CIS

Our expertise

Integrated services

Water treatment | Waste management | Multi-technical maintenance | Groundskeeping & landscaping | Fire safety | Engineering & construction | Entertainment & leisure | Access control & IT solutions | Equipment supply

MULTI-TECHNICAL MAINTENANCE

- Building maintenance (painting, plumbing, etc.),
- Technical maintenance for equipment (electrical generators, low voltage switchboards, HVAC, etc.) and vehicle fleets.

ACCESS CONTROL & IT SOLUTIONS

Implementation of automated solutions for:

- Remote site access control by issuing individual magnetic badges,
- Use of equipment on the remote sites.

On every operating sites, CIS is able to adapt its information systems to customer requirements.

Several
tonnes
of waste composted

More than
100 000
multi-technical
maintenance operations

5,3 tonnes
of paper recycled
in 2016

WASTEWATER TREATMENT AND DRINKING WATER PRODUCTION

- Waste water management,
- Management of drinking water purification systems,
- Water quality inspections in accordance with applicable international standards.

WASTE MANAGEMENT

CIS services cover the entire waste management cycle:

- Collection,
- Transportation,
- Separation,
- Treatment,
- Incineration of domestic, medical and/or industrial waste originating from the compound.

Waste management concerns all waste categories (solid, liquid or gas form).

ENGINEERING & CONSTRUCTION

CIS offers engineering services for remote sites:

- Feasibility tests (plans and preliminary equipment lists),
- Worksite implementation (consultation and supplier selection, definition of technical, financial and human resources, worksite management and coordination, equipment installation and hook-up, compliance inspection for structures, compliance with required deadlines, costs and safety instructions, delivery of structures, completion guarantee).

GROUNDSKEEPING & LANDSCAPING

- Upkeep of green spaces,
- Maintenance of outdoor areas,
- Snow removal.

ENTERTAINMENT & LEISURE

CIS organises entertainment and leisure activities on remote sites:

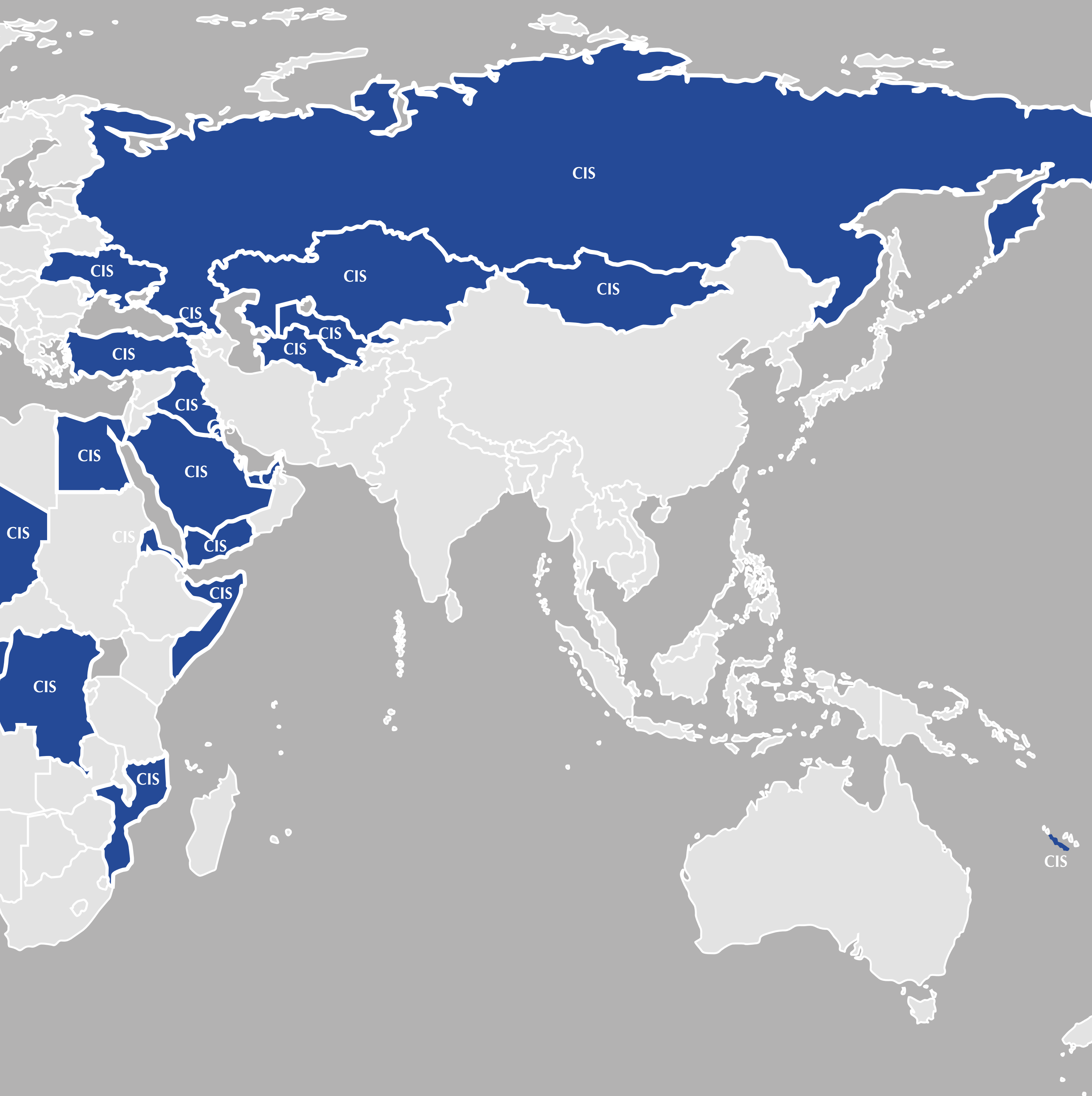
- Outdoor and indoor sports facilities,
- Film screening areas,
- Libraries,
- Special events.

FIRE SAFETY

- Fire safety (special trucks, equipment, specialised staff, etc.),
- Safety of persons and premises.

CIS

Our main **operations**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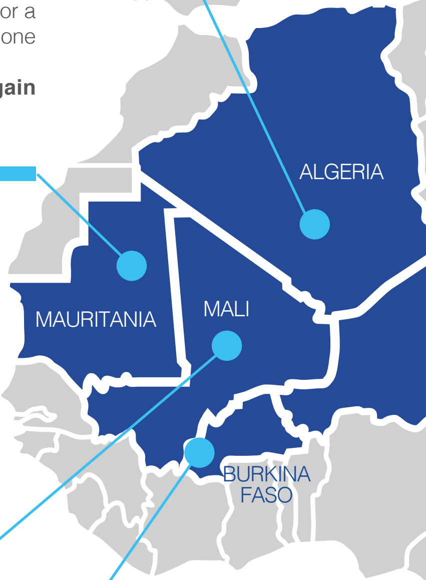
Africa

ALGERIA

■ CIEPTAL is the biggest subsidiary of CIS Group: 5,000 employees, more than 50 sites
■ In 2016, CIEPTAL **confirmed its leading position in Hassi Messaoud** by winning 16 new contracts in the oil and gas sector.
■ **A €4 million investment plan** was undertaken to restructure the administrative and logistics base of Hassi Messaoud to provide it with the large-scale infrastructure enabling it to ensure the new developments it will be facing.

MAURITANIA

■ **Major commercial success** with the Canadian mining Group **KINROSS** (world's fifth-largest mining company).
■ CIS was once again selected in an international call for tenders for a very large-scale project in an extreme and remote region, Tasiast (one of the biggest open pit gold mines worldwide).
■ This success highlights **the trust that KINROSS has again showed towards CIS.**



MALI

■ In 2016, CIS continued to provide services for the Australian company **RESOLUTE MINING** and the UK firm **HUMMINGBIRD**, which are investing heavily in the country.
■ CIS also contributed to **local development**: partnerships with local cooperatives of vegetable and livestock farmers.

BURKINA FASO

■ CIS won a new strategic contract with **SEMAFO** for the construction of a main kitchen and a restaurant and the management of catering and living accommodation services on two sites.
■ In 2016, CIS contributed to local development by partnering with **ASEFV (Association Soutien aux Enfants et Femmes Vulnérables)**, a not-for-profit organisation that assists vulnerable children and women, to create an orphanage.
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MOZAMBIQUE

■ In 2016, CIS **consolidated its positions** in this country that is expected to see very strong growth in the mining and oil sectors. It has the largest offshore natural gas reserves in Africa.
■ CIS intervenes on **five operations** and supports **VALE**, the world leader in mining.
■ CIS has developed a sustainable development programme called «**Seeds for Development**» to provide the local population with the means to improve their economic and social conditions. To do that, CIS creates and then transfers farming operations in production phase to the local populations, buys their products, and trains and assists them.

NIGER

■ CIS won an important **strategic contract with AREVA.** Following an international call for tenders, AREVA selected CIS to insure the management of two mining sites: Somair and Cominak (world's largest underground uranium mine).

■ In 2016, CIS won **three new contracts in the defence sector** on behalf of the Barkhane Armed Forces Operations in Arlit and Niamey and with **FLUOR** for the U.S. Army in Arlit.

■ This new positioning confirms the **relevance of our strategy**: defence is a logical extension from our long-standing markets such as mining.

CHAD

■ CIS has been operating in the country for the last 17 years supporting leading global petroleum Groups like **EXXONMOBIL, GLENCORE, UNITED HYDROCARBON AND SCHLUMBERGER.**

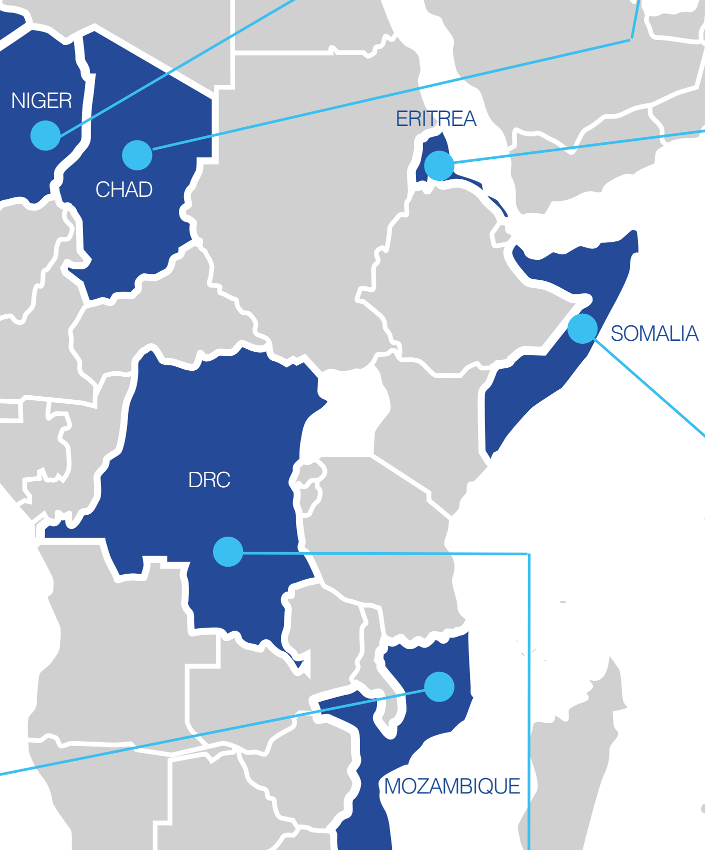
■ In 2016, **EXXONMOBIL** presented our Chad subsidiary with the **2016 Award of Excellence** for its staff members' compliance with safety rules.

■ CIS in Chad has developed a **programme to nationalize positions**: 100% of the positions in the **EEPCI's** KFC project were held by Chad nationals in 2016.

ERITREA

■ CIS continued its activities with **QDVC** (Vinci subsidiary in Qatar) in 2016 on the large-scale Dahlak Island Resort project.

■ Since 2009, CIS has been providing the **maintenance and upkeep of the buildings** and equipment at the Emir of Qatar's residence on the island.



SOMALIA

■ As part of its **strategy to develop a position as a service provider for armed forces in theatres of operation**, CIS began offering services in Somalia in 2015 and provides services for the supply of food products and various equipment to foreign companies cooperating with the UN in Mogadishu. This subsidiary is equipped with high-performance facilities and equipment.

DRC

■ After six years of collaboration with **PERENCO**, CIS renewed its contract with the Group's offshore operations and continued working with mining companies in the Katanga region.

■ On its operations CIS also developed an **innovative solution** used to **dematerialise QHSE inspections**.

South America

BOLIVIA

■ 2016 has been marked by new commercial successes in particular with the South Korean **SAMSUNG** Group.

■ CIS' subsidiary in Bolivia was also certified **ISO 9001, 14001 and OHSAS 18001.**

DOMINICAN REPUBLIC

■ In 2016, CIS celebrated **three years without LTI** (lost time injury), i.e., without any incidents during the work time of its staff, at the Pueblo Viejo mine operated by **BARRICK GOLD**.

■ Several initiatives to promote the **social development of the local population** were taken.

■ CIS Dominicana also won the contest for the «**Best CIS year-end cake in 2016**!»

BRAZIL

■ Active for the past 17 years, CIS Brasil manages 22 offshore oil platforms, has more than 1,000 employees and confirms its position as the **leading provider of offshore catering services in the oil region of Macaé in Rio de Janeiro state**.

■ In 2016, a number of commercial successes were recorded, in particular with **PETROBRAS.**

■ Its **new logistics base** was opened, meeting the strictest standards of operational safety.

■ For the third year in a row, its customer **CHEVRON** ranked it among the «**Top 10 Suppliers**» for the quality of its services.

■ **The most striking fact is the remarkable recovery in the economic situation of this important subsidiary. Indeed, after five years of losses, it generated a slight net profit and began repaying its borrowings.**

Central Asia

KAZAKHSTAN

■ CIS has been active in the country for 24 years through its Kazakhstan subsidiary CAC and manages more than 20 operating sites in the mining and onshore and offshore oil industries. CAC **is the only catering company providing services in every region of the country**.

■ In 2016, CAC was honoured for its local involvement and awarded with the «**Kazakhstan Leadership Medal**» by the Kazakhstani authorities.

■ CAC was also ranked a «**Preferred Supplier**» by the main oil and gas companies in Kazakhstan.

RUSSIA

■ Building on its exceptional 24 year track record of uninterrupted presence, CIS reinforced its **positions in Russia in 2016 with the renewal of two mining projects**, Albasino and Mayskoye, with the mining giant **POLYMETAL**, which CIS has been working with since 2013.

■ This confirmation means CIS can bolster its positions in this region boasting high growth potential in particular in the mining industry and reflects the trust and satisfaction of its customer **POLYMETAL**.

MONGOLIA

■ CIS has had operations in the country for 14 years through its subsidiary SSM and accompanies one of the world's leading mining Groups, **RIO TINTO**, on its major industrial project Oyu Tolgoi.

■ In 2016, SSM obtained **triple certification**: **ISO 9001, ISO 14001 and ISO 22000.**

■ In 2016, SSM also moved into safety by setting up its own **certified QHSE training centre** to deliver first aid training to its employees.

Middle East & Oceania

SAUDI ARABIA

- Active in the country since 2015, CIS confirmed the **strength of its partnership** with the **AL ZAMIL** family consortium.

- In 2016, the joint venture stepped up its development in Saudi Arabia. **Its revenue tripled over the year and three new contracts were signed in the oil and infrastructure sectors.**

- This **strategic partnership** will enable CIS to expand its positions in other high potential regions in the Middle East.

NEW CALEDONIA

■ Since 2008, CIS has been operating on the remote site of Koniambo, one of the largest open pit nickel mine operation in the world.

■ In 2016, CIS accompanied **KONIAMBO NICKEL SAS** on the temporary reopening of its remote site, covering the maintenance of its industrial facility.

CIS

Our commitments

BRAZIL
Logistics base in Macaé

Our commitments

Our customers

Since CIS' creation, customer satisfaction has been **an absolute, constant and day to day priority for CIS.**

In line with our efforts towards continuous improvement, we have created several tools to measure our performance. **Top indicator: the customer satisfaction survey**. Customer satisfaction surveys are analysed every month to measure our operating performance. **In 2016, 96% of residents are satisfied with the services delivered by CIS.**

Testimonials of recognition delivered by our customers :

Esso

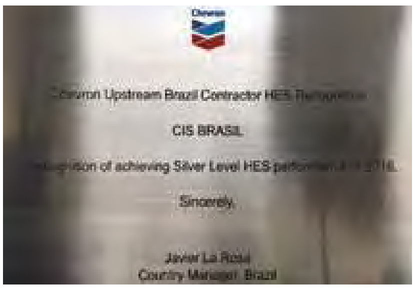
EEPCI 2016 Contractor Safety Award Program

The EXCELLENCE AWARD has been awarded to

CIS

In Recognition of outstanding safety performance in 2015 On behalf of EEPCI/TOTCO

EXXONMOBIL presented our Chad subsidiary with the 2016 «**Award of Excellence**» for its operating performance, especially in food safety.



For the third year in a row, CIS Brasil earned recognition from its customer **CHEVRON**, which ranked the subsidiary among the «**Top 10 Suppliers**» for its QHSE performance.

Our Kazakhstan subsidiary, CAC, received the medal for its **«Economic and social leadership for the country and its local staff.»**

Quality of service

To ensure the highest level of service quality, CIS implements, on every operational site, a quality control programme and a QHSE monitoring system that meets international health and food safety standards.

• Certification

ISO 9001
BUREAU VERITAS Certification

CIS' headquarters and most of its subsidiaries are **ISO 9001** certified. This standard defines the criteria for a quality management system built on a strong customer-driven approach, continuous improvement and the motivation and commitment from management.

• Health & Well-being

CIS has initiated an **awareness campaign** to train and inform its customers about the risks resulting from over-consuming certain food products.

The Group has also developed and implemented **innovative nutritional programmes**:

GO GREEN

Specifically designed to meet daily calorie requirements.

Health4You
by CIS

The **H4U programme** is designed out of a concern to provide residents with a balanced diet.
On certain operating sites, residents benefit from personalised guidance from a Group nutritionist and a sports coach. For example, on the Oyu Tolgoi site in Mongolia, more than 1,000 residents are involved in the H4U programme.

Meanwhile, **multi-media awareness campaigns about nutrition and physical activity provide information** through videos, posters, flyers, etc. on topics carefully chosen by our nutritionists. Issues include obesity, high blood pressure, cholesterol, water intake, salt, sugar, and more.

• Menu standardisation

CIS has developed an innovative solution to provide **standard recipes** (or technical sheets) used to develop menu cycles adapted to the energy needs of its customers.
This project is currently being tested on some of the Group's major operations, in particular in Mauritania.

Our commitments

Food safety

Our commitments to food safety for our customers: more than 36 million meals are served every year on all our sites in strict compliance with international food safety standards.

Before each meal service, samples of each dish are **collected and preserved.**

In most of its subsidiaries, CIS is **ISO 22000** certified for food safety management and **OHSAS 18001** certified for occupational health and safety management systems.

To support its teams in line with its QHSE commitments, CIS has implemented several tools, such as the "**Best food safety practices guide**", which aims to comply with international health and food safety standards (HACCP).

CIS also enforces extremely rigorous rules for **food temperature compliance, monitoring and control,** from storage to distribution on the serving lines in our restaurants. The on-site QHSE teams carry out checks at every step in the process.

Occupational safety

The safety of its employees is CIS top priority.

Each new employee receives **safety training during work hours and information to raise awareness about the risks associated with his or her functions.**

On each operating site, **QHSE teams record and analyse LTI** (lost time injury hours). On our operations in Chad, we have recorded no LTI in the past 10 years. In Saudi Arabia, Burkina Faso, Kazakhstan, Mali and Russia, no occupational accidents occurred in 2016.

In addition to weekly Safety Meetings and daily Toolbox Safety meetings, several CIS subsidiaries, including those in Mauritania and Mongolia, have created their **own training centre to develop team awareness about compliance with QHSE standards.**

CIS General Management is very concerned about the safety of its employees in all the places where they operate for the Group.

• Training

On each of its operations, CIS regularly organises training programmes tailored to each employee, regardless of his or her position, to boost the professionalism of its teams and therefore the quality of its services provided to its customers. The **Toolbox Meetings** are held every morning on all sites to discuss quality and food safety issues.

Each Group subsidiary also organises **training sessions** every month on the following topics:

- Quality
- Food safety training
- Technical-business speciality training
- Managerial skills
- Information technology

External and internal training provided to staff represented nearly **28,000 working hours in 2016**.

All staff, regardless of their responsibilities, **have a training programme adapted to their skills,** providing them with a possibility, according to their wishes, for vocational retraining for a career change, an assignment in another Group subsidiary or a career advancement. **Training was made available to all staff in 2016.**

Local populations

In all its subsidiaries, CIS implements CSR (Corporate Social Responsibility) policies to promote the economic and social development of the local populations.

• Hiring locally

With a policy of giving preference to recruiting staff originating from the countries where it operates, **98% of CIS activities are assured by local employees**. Our employees on sites benefit from training, and our subsidiaries pledge to ensure the skills transfer from expatriates to local workers.

For example, in Chad CIS has developed a «**Hire Local Programme**» that aims to train local employees to hold positions held by expatriates. This programme includes intensive training, mentoring and assignments to other Group subsidiaries to gain additional experience.

Over the past four years, locals have been hired to fill all management positions, and in 2016, **100% of our staff covering operations for our customer EEPCI (ExxonMobil) were Chad nationals.**

Our commitments

Societal environment

•Local purchasing

CIS supports the **local agriculture industry by developing partnerships with local suppliers.** Several hundreds of local agricultural cooperatives are included in the CIS value chain: **95% of purchases are made locally** for all products available.

In **Mozambique**, CIS has implemented a sustainable development programme called «**Seeds for Development**». This initiative supports 250 local farmers, by helping them develop sustainable farming expertise and techniques that they can use to diversify crops and increase yields.

In **Kazakhstan**, we buy from local producers for all products available.

In **Chad**, CIS has created farming operations that are then transferred to the local populations.

•Education & well-being of children

On all its subsidiaries, CIS is involved in initiatives to improve the daily lives of local populations

In **Burkina Faso**, CIS supports the not-for-profit ASEFV, which assists vulnerable children and women. Through this association, CIS is a partner in a project to create an orphanage. CIS has already financed the purchase of a cereal mill so that the organisation can eventually manage it directly.

In **Dominican Republic**, for World Water Day, CIS taught students and teachers from the school in Tocoa, a community located near the Barrick Pueblo Viejo project, about the importance of water use.

The Group's headquarters in Marseille also initiated actions to support children. Since 2015, CIS sponsors the rugby school «**Ovalive Club des Alpilles**» which provides training in the sport to 80 children from a vast region in Provence based on the values of courage, team spirit, solidarity and endurance. These values will be essential in their future professional development.

Sustainable environment

To protect the environment, CIS implements sustainable solutions so that its services do not harm the natural surroundings.

• Certifications:

ISO 14001

BUREAU VERITAS Certification

Most of CIS subsidiaries are **ISO 14001** certified. **ISO 14001** is an international standard set out by the International Organization for Standardization, which assesses an organisation's environmental management system.

• Food waste sorting & recycling:

CIS has introduced **composting** on many of its operations. Waste is destroyed and reused to fertilise the soil for new crops (cabbage, peppers, etc.) and therefore replace chemical fertilisers.

• Paper dematerialisation:

CIS teams are testing a solution to dematerialise on-site QHSE inspections (QHSE data archiving solutions: temperature control, health, etc. on tablets). The «Eezytrace solution» was selected, which makes it possible to continue to perform standard controls using a tablet where the contract requirements have been recorded to check compliance.

Our **commitments**

Ethics Charter

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

CORPORATE FOUNDATION
CIS
Integrated Life Support Services

Interview with Loic Souron, Chairman of the CIS Corporate Foundation

What is the role of the CIS Foundation?
The purpose of the CIS Foundation is to assist financially and psychologically young adults (age 18-25) from disadvantaged backgrounds who want to start or continue their education and support them until they enter the workforce.

Can you tell us more about the structure of the CIS Foundation?
The CIS Foundation has eight members. Foundation members are all volunteers. We hold meetings every month.

What are the beliefs and values that drive the Foundation's commitment to young adults?
Believing in the youth of our country and its energy. Upholding the values of perseverance, merit and solidarity. Supporting and guiding young adults who want to take charge of their destiny.

How long do you generally support these young adults?
The CIS Foundation offers long-term support for its grant recipients. The relationship established between us becomes a project partnership in which we share the same objectives. We stay with young people as long as it takes for them to "take off" professionally and can continue on their own, generally between 1 and 4 years.

What are the Foundation's objectives for 2017?
To start with, I'd like to point out that this philanthropic goal is only made possible by the commercial success of CIS, its economic performance and the quality of the people who make up the company as our financing is provided solely by CIS.

The Foundation aims to continue building partnerships with general and vocational secondary schools, local governments, and local and regional institutions.
Much remains to be done for young people in our region, but there's also a lot of energy and motivation to make a difference.

So let's trust in our future!

Members of the CIS Foundation

2008
Creation at the initiative of the founder and Chairman-CEO, Régis Arnoux

74
Young people have received guidance from the Foundation in the past 9 years

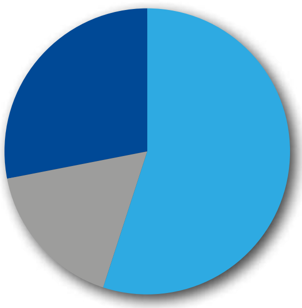
Provides support for young people
age 18-25

CIS

Share data

Shareholding structure

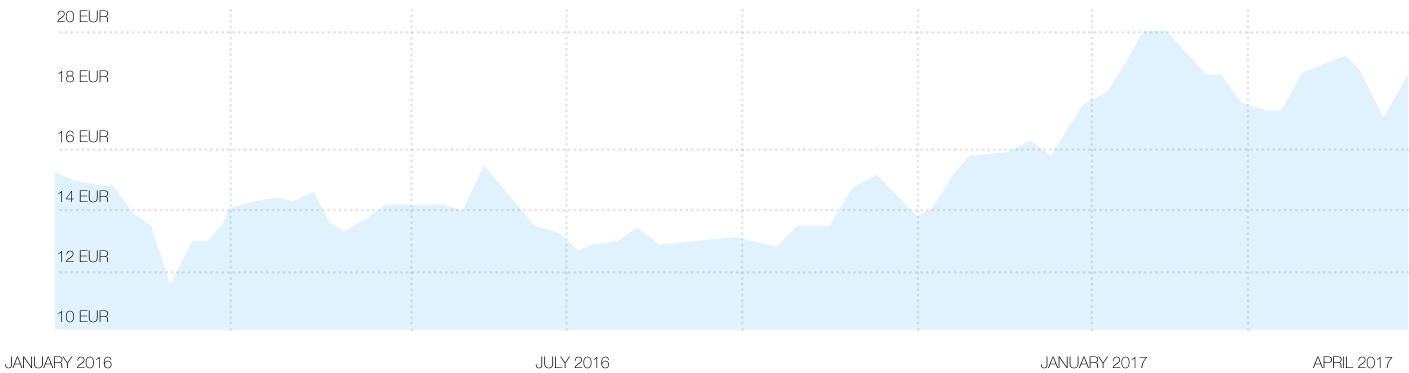
at 31 December 2016



Arnoux Family	54%
Aloyan Family	15%
Public	31%

Stock exchange	Euronext Paris
Market	Compartiment C
ISIN	FR0000064446
Main index	CAC All-Tradable

Share price and trading activity trends



Share data

	2014	2015	2016
Number of shares at 31 December	8,041,040	8,041,040	8,041,040
Market capitalisation at 31 December (€m)	149.2	128.7	135.9
High	€23.65	€21.72	€16.44
Low	€16.62	€13.05	€11.46
Average trading volume	7,615	9,040	3740
Earnings per share	€0.98	€0.64	€0.28
Net dividend	€0.18	€0.12	€0.06

2017 financial reporting calendar

12 June 2017
AGM
2016 annual accounts

9 August 2017
Publication of 2017
second quarter sales

15 September 2017
Publication of H1
2017 results

25 October 2017
Publication of 2017
third quarter sales

CIS

2016 Financial Report

Contents

The Board of Directors' Management Report for the year ended 31 December 2016

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 2016, 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 THE CIS GROUP AND ITS BUSINESS FOR FISCAL 2016

1. GROUP PROFILE

CIS, a global player

CIS, Catering International & Services, a Group with 25 years' 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 11,300.

With its integrated range of services, CIS assists companies operating in the oil and gas, mining, engineering, construction sectors, armed forces and international organisations.

CIS is also actively engaged in promoting the socio-economic development of local populations in countries where it oparates.

2. BUSINESS OVERVIEW

The global economic and geopolitical environment experienced marked by continuing turmoil in 2016.

Despite this, oil prices gradually picked up (stabilizing today around US$50 a barrel) accompanied by renewed capital spending for commodity extraction and production operations.

In this context, as expected, 2016 revenue amounted to €250 million, up 1.4% at constant exchange rates (-8.2% on a reported basis).

The impact of exchange rate depreciation, mainly by the Dinar (Algeria), the Real (Brazil), the Tenge (Kazakhstan), the Metical (Mozambique) and the Ouguiya (Mauritania), amounted to €26 million for revenue and more than €3 million for operating profit.
Commercial momentum remained on track with the renewal of the majority of our contracts. These successes highlight the confidence of our customers, the seriousness of the company and the quality of its services, while at the same time expanding our scope of action notably with the start-up of operations in Nigeria and inroads into new markets.

Business developments and operating highlights

The year 2016 marked a return to profitability in all of the Group's operating regions.

In Algeria, activity has been interrupted for nearly 10 years. The CIEPTAL Group's Algerian subsidiary achieved several commercial successes with the regularisation of 16 new contracts in the oil and gas sector. The Group also completed the modernisation of its Hassi Messaoud logistics base within the framework of its €4 million capital spending plan.

CIS has continued to develop in Kazakhstan with growth in revenue and a twofold increase in net profit. The Group's subsidiaries, CAC, is the only catering company that operates in every region of the country. CAC was also distinguished for its engagement as a local stakeholder and was recipient of the "Kazakhstan Leadership Medal".

The Group has reinforced its positions in regions with strong development potential in West Africa establishing operations in Niger that is considered to have the among the largest uranium reserves in the world. Areva awarded CIS a contract to manage accommodation services at two mining sites in this country. This strategic positioning also enabled the Group to sign to new contracts in the in the defence sector.

In Burkina Faso, CIS was selected by the Semafo Group to manage the accommodation services for the Natougou mining project. In the 2017 first half, CIS will ensure, in an initial phase, the construction of a commissary kitchen facility, and afterwards the catering and accommodation services for 400 agents and representing annually more than 430,000 meals. Fully in line with the ARISE 500 plan, this latest success will bolster CIS' positions in this region for developing in the mining sector and highlights the confidence and satisfaction of its customer, Semafo.

In Mauritania, following a major international call for tenders and the signature of a new contract at the end of 2015, to the customer's considerable satisfaction we have continued to operate at the Tasiast site. This was achieved according to conditions in terms of operations and profitability in line with our expectations. Kinross is planning significant developments for this mine according to its capital budget decisions that are expected to start in 2017.

In addition, CIS has continued its business development in Somalia with the armed forces operating in this country. Since the end of 2016, CIS has been providing all services for the British Embassy in Mogadishu.

In Brazil, the success of the specific objective within the ARISE plan for a spearheading a turnaround resulted in a return to profit, improved WCR and the renewal of all our contracts with Petrobras.

The Group's margins in Russia have significantly improved and two contracts were renewed with the mining giant, Polymetal that CIS has been assisting since 2013.

In Mongolia, where CIS operates on behalf of one of the world's largest global mining groups, Rio Tinto, business and margins have been improving and our subsidiary received triple certification: ISO 9001, ISO 14001 and ISO 22000.

In Saudi Arabia, CIS has confirmed the solidity of its partnership with the AL ZAMIL family consortium, by accelerating its development in this country. Revenue in 2016 has accordingly increased threefold and three new contracts were added in the oil and gas and infrastructure sectors. This strategic partnership will enable CIS to expand its positions in other high potential markets of the Middle East.

In contrast, the objective for developing in Kuwait was unsuccessful due to the inappropriate positioning in the commissary kitchen facilities segment, requiring the Group to refocus efforts on calls for tenders for major infrastructure and oil projects in this country.

Another highlight of the year was the reinforcing of CIS' governance with Jeremy de Braban joining CIS Group as Deputy Chief Executive Officer on 13 June 2016.

Jeremy de Brabant, 52 years of age, a dual Canadian and French national, has an advanced degree from Montpellier Sup Agro (National Institute of Further Education in Agricultural Science). He also has studied at the University of Chicago Booth School of Business in the United States. Jeremy de Brabant has spent most of his career working in international markets, notably with the international energy group, Rexel.

In line with the ARISE 500 strategic plan, Jeremy de Brabant's primary missions is to assure the Group's long-term sustainability, business development, profitability and independence, alongside its Chairman-CEO and Founder, Régis Arnoux and the other members of the Executive Committee and the Management Committee of which he is a member.

CIS' Board of Directors was also strengthened by the appointment of two new directors. Yves-Louis Darricarrère, a former executive of Total and David Lee Zimmerman who is exercised different executive management positions with the US group, KBR.

3. CIS SHARE INFORMATION

The CIS share ended the year at €16.90 compared to €16.00 at the end of 2015.

4. OPERATING HIGHLIGHTS

Despite a year of turbulence in foreign exchange markets and continuing impacts at the level of commodities and oil prices, CIS Group demonstrated resilience.

Current operating profit has gradually improved throughout the year to reach €10.9 million representing a margin of 4.4%, up 0.5 points from 2015.

Measures taken contributed to improvements at the level of both purchasing and staff costs.

Operating profit came to €10 million, after a €0.8 million goodwill impairment charge on Top Service in the Democratic Republic of Congo.

Group's shareholders' equity amounted to €66.3 million, up 2% from 2015 (€64.9 million).

Bank borrowings remain stable at €13.0 million.

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

5. 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 conducted a review of risks which could have a material adverse effect on its business, financial position or earnings. On that basis, it considers that the best of its knowledge there are no 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 two 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 caused 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 represent top-tier investment-grade worldwide 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 net cash position of more than 29% 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 of 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 make it possible to transmit and verify information in real-time 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.

Litigation

• A dispute exists between CNA and the Bank of Algeria, regarding the transfer of dividends. The Algerian Supreme Court rendered two rulings in favour of CNA which were definitively confirmed by the decision by the Court of Appeals of 9 November 2016.

• After CIS had acquired 70% of the capital of the Congo-based company Top Service, it was informed of judgments rendered against the seller. This resulted in the discontinuation of Top Services' activities in the 2016 first half, prompting an action against the latter brought before the Geneva Court of Arbitration that is currently in progress. CIS was for that reason required to record an exceptional goodwill impairment charge for Top Service having a total impact on the consolidated financial statements of €0.8 million.

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.

Ethical and non-compliance risks

The Group's Business Ethics Charter that applies to all employees formalizes CIS' commitment to integrity and compliance with applicable local legal requirements. Conduct contrary to the principles of ethics and/or situations of non-compliance, notably with regulations in the areas of corruption and fraud on the part of CIS, subject CIS and/or its employees to a risk of criminal and civil liability, and may adversely impact its reputation and shareholder value.

RISK AND CRISIS MANAGEMENT MEASURES

A "crisis management procedure" has been in place at CIS since 2013 providing for measures adapted to all types of situations. With that objective we have:

■ Drafted procedures and summarised guidelines to strengthen our crisis management capabilities in the face of any out-of-the-ordinary situations;

■ Developed an on-call unit designed to facilitate rapid assessments of potential crises and to intervene early on with a structured response;

■ Developed a methodology for "crisis management and emergency response plans" destined for first-line responders responsible for managing from the start a crisis involving the safety of CIS personnel abroad.

These measures may be supplemented by specific audits assigned to specialized companies according to sensitive environments where CIS may be required to intervene.

II. PRESENTATION OF FINANCIAL STATEMENTS

1. SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

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 33% or €11,186,146, from €34,237,969 in 2015 to €23,051,823 in 2016.
After reversals of provisions and expense reclassifications amounting to €147,216, total operating income came to €23,199,038, down from €34,805,589 in the prior year.
Total operating expenses declined by €4,999,673 or 13% to €33,641,691 from 38,641,364 in 2015.
Operating expenses included €453,504 for allowances for amortisation and depreciation and €270,000 for contingency provisions compared with €450,868 and €210,116 respectively in 2015.
These expenses also included allowances for the depreciation of current assets of €2,816,840, up from €117,220 in 2015.
On that basis, the operating loss amounted to €10,442,653 compared to a loss of €3,835,775 in 2015.
After adjusting for financial income of €8,877,727 and financial expenses of €3,051,672, current operating income before tax represented a loss of €4,616,598.

After exceptional income of €217,513, exceptional expenses of €249,962 and income tax for the period of €786,194, the net loss for the period was €5,435,240, compared to a net profit of €803,686 in 2015.

Balance sheet highlights
Non-current assets totalled €12,169,776 including financial assets of €10,986,221.
Current assets amounted to €16,386,190 including cash and cash equivalents of €1,814,266 compared with respectively €25,622,590 and €8,442,936 in 2015.
Provisions for contingencies and expenses amounted to €1,797,106, compared with €2,289,835 for the prior year.
Current liabilities amounted to €22,341,574, down from €27,319,323 in 2015.
At 31 December 2016, shareholders' equity before the distribution of dividends came to €4,896,804 compared with €11,296,970 at the end of 2015.

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 2016 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 €249,551,000, down from €271,974,000 in 2015 or a decline of €22,423,000.

The net amount for allowances and reversals of provisions amounted to €4,976,000.

Operating profit amounted to €10,033,000, down from €10,902,000 in 2015.

Net financial income amounted to €32,000 compared to €532,000 in 2015.

Profit before tax came to €10,065,000, down from €11,434,000 last year.

Net consolidated profit amounted to €4,076,000 compared with €6,538,000 in 2015.

On that basis, net profit attributable to CIS as the consolidating company amounted to €2,275,000, compared with €5,144,000 in 2015.

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 €17,316,000 compared with €17,595,000 in 2015.

Current assets amounted to €124,328,000 compared with €122,612,000 in 2015.

Non-current liabilities came to €7,791,000 (including long-term provisions of €1,547,000) compared with 10,393,000 in 2015.

Current liabilities amounted to €67,594,000 compared with €64,934,000 in 2015.

At 31 December 2016, shareholders' equity before the distribution of dividends amounted to €66,259,000 compared with €64,880,000 at the end of 2015.

Equity attributable to non-controlling interests amounted to €3,941,000 compared with €3,682,000 in 2015.

Headcount data

The average number of employees was 11,328 in 2016 compared with 11,960 in 2015.

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

A certain number of indicators confirm an improvement in the global economic environment: growth in maritime transport, renewed investment in the mining and on-shore oil sector.

The Group remains confident in the sustainability of its operations and its business model, with a diverse customer base (including customers mainly in the oil and gas, mining, infrastructure, construction and civil engineering sectors and the armed forces) and its risks are spread geographically across all continents.

In this context, CIS continues to expand its commercial organisation and service offering in order to profit from the rebound expected in 2017.

2. STRATEGY AND OUTLOOK

The ARISE 500 strategic plan launched in 2014 continues to drive the motivation and determination of all Group employees.

This plan has started to produce results, and namely:

- A significant improvement in the Group's operating performance by implementing well-adapted procedures;
- Continuing business development, with several contracts renewed combined with new commercial successes;
- CIS' presence as a provider of services to the armed forces;
- The success of Brazil's specific turnaround.

The Group is continuing to focus on achieving the €500 million revenue target of the ARISE plan by applying an offensive business development 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 deployment in high potential geographic markets, particularly in North Africa and the sub-Saharan region as well as in Latin America and North America.
- Multiply partnerships.
- External growth: the Group is multiplying its efforts to identify attractive targets operating within CIS' core business as well as, more specifically, in the facilities management sector.
- 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.
ACS registered marginal gains in 2016 with management efforts rewarded by a substantial turnaround in profitability which is now positive.

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 in this country.

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, to participate in future calls for tender, particularly in the construction sector.

CAC KAZAKHSTAN

The company was acquired in 2010 to better meet the national "local content" requirements for companies operating 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 the depreciation of the Tenge which continued in 2016, our business continued to develop accompanied by an improvement in earnings.

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.

MYANMAR CATERING SERVICES (MCS)

Created in 1997 (Capital: US$52,000) with its registered office in Yangon (Myanmar), this company is an 85 % held subsidiary of our Group with the balance of 15% held by a Burmese partner.
Because prospects are non-existent, this subsidiary is currently being wounded up.

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. Our work on behalf of KNS was accordingly completed in December 2016.

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.
The limited amount of catering services business on behalf of a school that began in 2015 was not renewed in 2016.

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. Our utilities management contract with Total ended in the 2016 first half in a climate of insecurity and the backdrop of a very fragile political situation in this country.

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) was created in Dubai (United Arab Emirates) in 2013.
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.
Our customer Rio Tinto resumed investments in the Oyu Tolgoi gold and copper mine and our activities registered a sharp increase in 2016.

CIS ARABIA

This company with a capital of SAR 500 million and its registered office in Al Khobar (Saudi Arabia) was created in 2015. This subsidiary is 55%-held by our Group.
Bolstered by the success of our local partnership with Zomco, an Al Zamil Group subsidiary, revenues increased threefold in this second year of operation.
We accordingly remain positive about the Saudi market which is opening of possibilities for large-scale development for our Group.

CIS TURKEY

This 55%-held subsidiary of our Group (Capital: TRY 10,000) was incorporated in 2015 in Diyarbakir, Turkey.
This subsidiary is currently dormant, after its operations were discontinued and refocused in early 2016.

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 CNA and the Bank of Algeria, regarding the transfer of dividends.
The Algerian Supreme Court rendered two rulings in favour of CNA which were definitively confirmed by the decision by the Court of Appeals of 9 November 2016.

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.
In 2016, we registered the 11th consecutive year of uninterrupted growth and positive commercial momentum.
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.
Declining oil prices in 2015 resulted in a significant reduction in the activity of our customers. The continuation of this trend in 2016 resulted in unsatisfactory conditions in terms of profitability.

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 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, whose operations were discontinued in the 2016 first half, is currently dormant.

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 expected in this country.
The consequences of the crisis in the mining industry and the health crisis linked to the Ebola virus in 2015 led to the disengagement of a significant number of our customers.
Our activities were accordingly discontinued in the 2016 first half and losses were recognized after registering impairment charges for trade receivables.
We remain however attentive to possibilities for resuming investments in this country.

CNA MAURITANIA

Our activities are managed through this wholly-owned subsidiary of CIS with its registered office in Nouakchott (Capital: MRO 2 million).
Following a major international call for tenders and the signature of a new contract with the Kinross Group at the end of 2015, to the customer's considerable satisfaction we have continued to operate at the Tasiast site. This was achieved according to conditions in terms of operations and profitability in line with our expectations. New developments are expected for this mine based on investment decisions by Kinross starting in 2017.

CIS NIGER

This wholly-owned subsidiary of CIS (Capital: XAF 1,000,000) was created in 2010, with its headquarters in Niamey.
We began operations in this country in the second half of 2016 following the signature of a strategic contract with the Areva Group. This operation also made it possible to diversify our activities with the French and US armed forces present in Niger.

CIS BURKINA FASO

This wholly-owned subsidiary of our Group (Capital: XAF 1 million) with its registered office in Ouagadougou was created in 2014.
The potential in this country that includes primarily mining reserves is limited though our positioning continues to offer potential. Our revenues and margins declined marginally in 2016.

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.
With business remaining stable and in order to maintain our margins, we have decided to pool the management functions with those of Burkina Faso.

CIS NACALA

This company (Capital: MZN 20,000) created in 2013 with its registered office in Nacala (Mozambique) is an 80%-owned subsidiary of our Group with the balance of shares held by a local partner.
This subsidiary experienced a resumption in activity, driven primarily by our main customer, the Brazilian mining group, Valé.

CIS MOÇAMBIQUE

This company (Capital: MZN 20,000) was created to develop our activity in the region where CIS Nacala is not able to operate due to regulatory restrictions.
With its registered office in Nacala (Mozambique), it is an 80%-owned subsidiary of our Group with the balance of shares held by a local partner.
Business for the subsidiary increased sharply after new contracts were signed at the end of 2015. This has enabled us to expand our positions in this country offering very significant potential in terms of mining and gas developments.

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.
CIS was informed of judgements rendered against the seller resulting in the discontinuation of Top Services' activities in the 2016 first half, prompting an action against the latter referred to the Geneva Court of Arbitration that is currently in progress.
CIS was for that reason required to record an exceptional goodwill impairment charge for Top Service having a total impact on the consolidated financial statements of €0.8 million.

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.
This subsidiary is henceforth dormant, after we discontinued its operations in 2015.

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.
Business for this subsidiary was slightly down. However drastic measures have been taken to revamp its operating procedures, management and logistics system which led to a return to profitability and a sound financial footing for the subsidiary.

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 revenues increased significantly and management efforts resulted in a return to profitability in 2016.

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.
In light of the very limited visibility for growth prospects in this country, this subsidiary is in the process of being wound up.

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 was down though financial results remain satisfactory.

E. NEW SUBSIDIARIES ACQUIRED OR CREATED IN 2016

CIS MEA

Our first subsidiary in the United Arab Emirates is limited, operating on a direct basis, to consulting activities. A new wholly-owned subsidiary of the Group (Capital: AED 50,000) was accordingly created in Dubai in order to participate in the developments that are expected in the Gulf region. No activity was recorded yet in this period.

TSC

This company, 70%-owned by our Group, (Capital: CDF 1,961,012) was incorporated in 2016 in Lubumbashi (Democratic Republic of the Congo), following Top Service's discontinuation of operations, to ensure continuing operations in the Katanga region, one of the mining regions with the richest deposits in Africa.
This first period was encouraging both in terms of revenue and earnings.

CIS KUWAIT

This company with its registered office in Kuwait City, 94%-owned by our Group (Capital: KWD 10,000) was created in 2016 to participate in major developments expected in this region of the Middle East.
The start of our activities in the commissary kitchen facilities segment was unsuccessful and the Group has now shifted its focus to calls for tender concerning major infrastructure and oil project in this country.

F. SUBSIDIARIES DISSOLVED, MERGED OR SOLD IN 2016

None.

VI. EMPLOYMENT, ENVIRONMENTAL AND SOCIAL INFORMATION

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

MEASURES ADOPTED FOR THE DEVELOPMENT OF THE CIRCULAR ECONOMY

Measures taken for prevention, recycling, reuse and other types of recovery and the elimination of waste and for combating food waste are presented in the CSR report, included in this Annual Report.
In addition, the impacts on climate change from the Company's business and the use of goods and services it produces are also disclosed in the CSR report.

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 2016, the share capital was comprised of 8,041,040 shares representing a total of 13,411,189 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	39.1%
FINRA ((R. Arnoux, Chairman & majority shareholder)	1,206,840	15.0%	2,406,430	17.9%
Ms Solange ALOYAN	587,244	7.3%	1,174,488	8.8%
Other registered shareholders	1,115,939	13.9%	2,132,907	15.9%
Shares held in treasury* liquidity account	67,531	0.8%	13,769	0.1%
Free float (bearer shares)	2,443,377	30.4%	2,443,377	18.2%
TOTAL	8,041,040	100.0%	13,411,189	100.0%

** Shares without voting rights: percentage in share capital and theoretical voting rights. All other percentages above refer to capital and actual voting rights On 15 March 2017, FINRA acquired all shares held by RANG Investment or 80,410 shares representing less than 1% of the share capital and voting rights of the Company and accordingly below the thresholds set by article 234-5 of the AMF General Regulation.*

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

During fiscal 2016, and up to the date of this report, the following transactions involving the Company's share were reported:

By letter dated 29 September 2016, Lazard Frères Gestion SAS, acting, on behalf of the funds under its management, reported crossing on that date, the 5% threshold of share capital and voting rights of the Company, and to hold, on behalf of those funds, 403,075 shares of the Company representing 5.013% of the Company's share capital.

To the best of CIS' knowledge, there are no other shareholders 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.

	2016	2015
Inventory turnover	44 days	38 days
Days sales outstanding	79 days	67 days
Days payable outstanding	89 days	84 days

IX. TRADING IN OWN SHARES

Share buyback programme

The General Meeting held on 6 June 2016, 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 5 December 2017.

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 2016 for the purpose of maintaining an orderly market in its shares.

At 31 December 2016, the Company held 67,531 own shares in treasury compared with 32,747 shares at 31 December 2015.

Liquidity agreement

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) recognised by the AMF, the French financial market authority.

The annual liquidity agreement report published on 3 January 2017 on the CIS website is summarized below:

- number of shares: 13,769
- balance in cash in the liquidity account : 313,277 €

X. APPROPRIATION OF EARNINGS

We propose that net loss for the year amounting to €5,435,240.30 be appropriated to "Other Reserves".

We propose that a dividend be distributed in the amount of €482,462.40 to be appropriated from "Other Reserves".

For information, on the basis of 8,041,040 shares, if you approve this appropriation, the total dividend will be consequently €0.06 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.

	2013	2014	2015
Number of shares entitled to dividends	8,041,040	8,041,040	8,041,040
Net dividends per share	€0.13	€0.18	€0.12
Closing share price at year-end	€23.19	€18.56	€16.00

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 27,608 including €18,365 for expenses covered by Article 39-4 of this code.

XIII. INFORMATION ON CORPORATE OFFICERS

Information relating to company officers is disclosed in the Chairman's report on Board practices and internal control included in this annual report.
Information relating to the compensation of company officers is disclosed in the Chairman's report on Board practices and internal control and in the report on the compensation of the company officers included in this annual report.

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 2016, 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.

As shareholders have not been consulted about a capital increase reserved for employees for three years, under the provisions of article L.225-129-6 of the French commercial code, it is accordingly necessary to call an extraordinary general meeting for this purpose. This item will be accordingly added to the agenda of the extraordinary general meeting of 12 June 2017 (16th resolution).

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 2016, €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 2016.

XVII. AUTHORIZATION TO INCREASE THE REGISTERED CAPITAL

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

XVIII.RESTRICTED STOCK GRANT TO THE DEPUTY CHIEF EXECUTIVE OFFICER

At the Extraordinary General Meeting of 12 June 2017, we propose that you delegate to the Board of Directors all authorities for the purpose of granting shares of the Company, for an amount not exceeding 3% of the share capital, through the purchase of existing shares or the issue of new shares, for the benefit of the Deputy Chief Executive Officer, according to the procedures described in the Board of Directors' report to the extraordinary general meeting and in these draft resolutions.

XIX. 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.

XX. 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, holds both directly and indirectly through Finra of which he is a majority partner, 47.6% of the shares and 57.0% 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.

XXI. STATUS OF AUDITORS' APPOINTMENTS

We remind you that the Ordinary Annual General Meeting of CIS held on 6 June 2016 decided:

- to renew the appointments of Syrec, as Joint Statutory Auditors,
- renew the appointment of A.E.C.C. Gilbert Caulet, as Joint Alternate Auditors,
- to appoint:
  - PKF Audit Conseil as Joint Statutory Auditors in replacement of Grant Thornton,
  - Fiprovex 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.

XXII. 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 (Prefect) of the Boucher du Rhône region of 11 February 2008.
We remind you that the objective of this Foundation is to select one or more persons coming from under-resourced environments 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 15 candidates during fiscal 2016.

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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

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 subsequently 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 tenders 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 been committed to pursuing a path of sustainable development in a manner that benefits local populations and economies in the countries where it operates. As a worldwide leader in remote site management providing living accommodations and catering services, CIS has an increasing responsibility to its customers, consumers, staff and suppliers.

Our business has gone through major transformations in recent years. In response, CIS has regularly introduced increasingly responsible, forward-looking and proactive practices. CIS has included the development of a comprehensive process built around the three pillars of sustainable development and 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

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

Social and corporate responsibility and performance

- Staff safety
- Monitoring and anticipating human resources regulations and regulatory developments
- Develop ethical practices in business conduct and relations with third parties
- 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. These values are shared by all CIS staff and management with the Business Ethics Charter applying to both.

METHODOLOGY NOTE

The following information is presented in accordance with the French CSR disclosure requirements (Article 225 of the "Granule II Act" of 12 July 2010 and the implementation decree of 24 April 2012. Decree No. 2016-1138 of 19 August 2016 has supplemented disclosure requirements by introducing the notion of circular economy). 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,
- Greenhouse gas 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 2016. Data for comparison purposes relates to the period from 1 January 2015 to 31 December 2015.

Areas not relevant in light of CIS' business

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 2016, CIS Group did not incur expenditures (as in 2015) 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 2016, there were no provisions for contingencies and guarantees for environmental risks.

Areas not covered or unavailable

Collective agreements and summaries of agreements signed with labour organizations or employee representatives in the area of occupational health and safety are not disclosed in this report due to the absence of information able to be consolidated.

GUIDELINES

Information presented above has been produced in compliance with the "2016 CSR Reporting Guidelines" produced by CIS Group and available on request from the Company's head office.

The CIS Group employer profile

OUR TEAMS

At 31 December 2016, the Group had an average workforce of 11,328 employees, 5% less than at 31 December 2015. Women accounted for 20% of the total workforce (for headquarters and expatriate staff, 17% in 2015). This significant gender imbalance within the Group is a direct consequence of our activity as a provider of catering 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 2016		31 december 2015	
	12 months	%	12 months	%
Asia/Pacific	822	7	758	6
Africa	6,822	60	7,379	62
CIS (Commonwealth of Independent States)	1,961	17	1,773	15
South America	1,515	14	1,787	15
Expatriates	160	2	214	2
Head office	48	0	49	0
TOTAL	**11,328**	**100**	**11,960**	**100**

Reported headcount corresponds to permanent and fixed-term employment contracts or local equivalents thereof. Changes in the headquarters and expatriate workforce (208 employees in 2016) resulted in 10 recruitments and 65 departures (including 12 dismissals) in fiscal 2016

Head office and expatriate workforce by age (%)	31 december 2016	31 december2015
Less than 25	0	0
25-29	5	4
30-34	16	16
35-39	11	21
40-44	13	10
45-49	15	19
50-54	18	11
55-59	12	13
60 and older	10	6
	100	100
AVERAGE AGE	46	45

Work-time organisation

The legal number of working hours for headquarters staff of the Group is 39 hours per week. The absenteeism rate in 2016 was 0.9% (0.7% in 2015), 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.

PROMOTING AND DEVELOPING TALENT

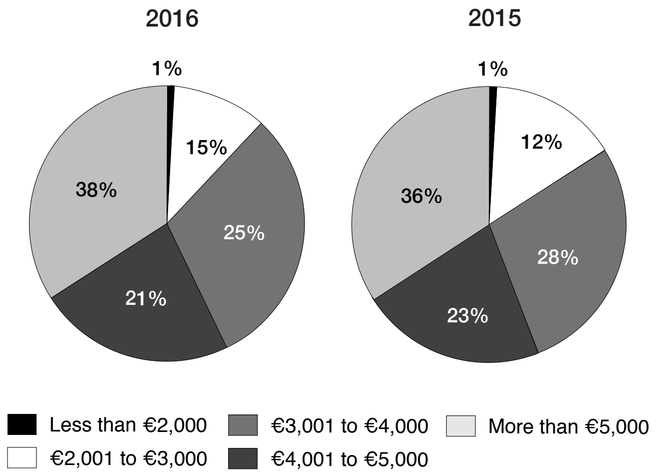
Staff training: developing skills to achieve continuous improvement in the quality of our service and promote professional fulfilment for all our staff

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

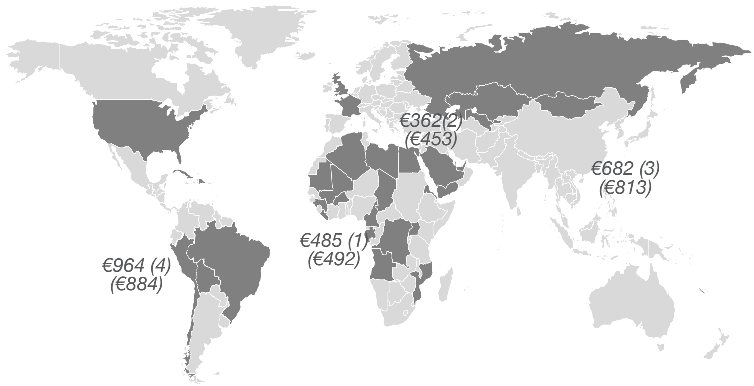
Internal and external staff training represented 27,332 hours in 2016 or 10% less than in 2015 representing expenses of €116,000 in 2016 and €143,000 in 2015. All staff, regardless of their responsibilities, are offered a training programme adapted to their skills, providing them with a possibility, 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 2016.

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 2016 (and 2015):



(1) Algeria - Burkina Faso - Congo (DRC) - Congo (Brazzaville) - Guinea Conakry - Mali - Mauritania - Mozambique - Niger - Somalia - Chad

(2) Saudi Arabia - Egypt - United Arab Emirates - Eritrea - Kuwait - 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 2016, 32 lost time injuries compared with 27 in 2015 (with no accidents occurring at the head office in 2016 and 2015), representing a lost time injury frequency rate of 0.52 in 2016 (severity rate of 0.006) and 0.76 in 2015 (severity rate of 0.007). The lost time injury frequency 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 and burns (41%) in light of the nature of the Group's activity and do not accordingly involve relapses or commuting accidents.

The frequency rate for road accidents, calculated according to a rate of 1 million accidents per vehicle-kilometre, amounted to 0.17 and 2016 compared to 0.43 and 2015.

No occupational illnesses were reported at the Group headquarters in 2016.

Play an active role in contributing to our own safety

Since 2013, CIS Chad has provided training through 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, the message that is simple but also always relevant is more effectively conveyed to employees as well as customers who appreciate both the initiative but also the results thus obtained.

Countries having met their objective of zero lost time accidents

In Saudi Arabia, Burkina Faso, Kazakhstan, Mali and Russia there were no accidents, even minor, to report in 2016.

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 23 different nationalities, with women accounting for 20% (55% for the Group's headquarters), and disabled employees 0%. 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
2017/2018	Mozambique			Mauritania
2016				Mongolia
2015	Mauritania		Mauritania	
2014	Mongolia	Mongolia		
2013	Russia			Russia
2012			Kazakhstan	
2011	Chad Kazakhstan	Algeria Chad	Algeria	
2010	New Caledonia		New Caledonia	
2009			Tchad	
2008	Bolivia	Bolivia	Bolivia	
2007	Brazil			Brazil
2005	Algeria			
2004	France			

OUR COMMITMENTS IN FAVOUR OF PROTECTING THE ENVIRONMENT

Responsible consumption of resources

In 2016, for the Group headquarters water consumption totalled 487 m3 (257m3 in 2015) and electricity consumption 179 MWh (194 MWh in 2015), 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 these subsidiaries. However, Country Managers are aware of the need for sustainable water consumption practices, particularly in water-stressed regions.

The IUCN (International Union for Conservation of Nature) Red List is the authoritative guide on the status of global biodiversity. According to the most recent list, 24,307 species were threatened and 5,210 in critical danger. None of the ingredients used in our recipes are derived from threatened species.

The circular economy: food wastage

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. Recycling and limiting waste can have a meaningful impact on contributing to environmental protection.

From the table to the farm: in Mauritania 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 gardening fertilizer at our remote sites.

The circular economy: limiting non-food waste

5.3 tonnes of paper were recycled in 2016 by the headquarters (3.1 in 2015). 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.

In 2016, the QHSE and SD department successfully implemented a solution for the dematerialization of HSE controls in Mauritania and the Congo using touch screens tablets and the Eezytrace programme. The creation, input control but also consultation of our actions and health and safety tests are carried out directly on tablets for a paperless usage for all processes.

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 2016, travel thus generated 992 tonnes of CO2 (951 tonnes in 2015). 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 4.6 tonnes in CO2 emissions in 2016 based on emission factors published by the EDF, the French electricity provider (3.7 tonnes in 2015).

CIS Group efforts in favour of QHSE and SD

Employee training and information initiatives on quality, health, safety and the environment and sustainable development represented 26,755 hours in 2016 or 98% of total training. In 2015, 29,757 hours of internal and external training focusing on QHSE issues were provided to CIS staff.

OUR SOCIETAL COMMITMENTS

Balanced nutrition and diet

With nearly 36 million meals served every 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: after launching six communications campaigns in 2015 devoted to the subject of nutrition which encountered a genuine success, the Group nutritionists carried out 12 campaigns or one a month in 2016.

These campaigns were carried out across all CIS' operations throughout the world. The focus of these campaigns furthermore reflected the priorities of the world diabetes, nutrition, cardiovascular disease, hypertension, water and physical activity days. When these campaigns were organised at the headquarters, we also asked our subsidiaries to carry out initiatives focusing on these subjects with our staff.

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. Personalised 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 leads people to choose the most balanced meals. 5 countries have adopted this identification programme (Dominican Republic, Mozambique, Democratic Republic of the Congo, Mongolia and Mauritania)

- 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 four 8464 ingredients (USDA database), but also different cooking techniques, information on allergens, producing balanced menus, preparing purchases, managing labelling, etc.

In 2016, we developed a core of 300 recipes used to develop and enhance the programs in place in the countries where we operate (Go for Green).

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 agents 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, in Mongolia our subsidiary offered breakfast every day to 40 children at the Khanbogd school, and led a training workshop organised every month addressing the subjects of safety and the environment. In Mozambique, we support a farming school in Nampula; in Burkina Faso we support an orphanage in Ouagadougou.

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 the CIS Corporate Foundation to which it has provided an annual budget of €30,000 since 2008 to young adults from the PACA region originating from difficult environments 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 15 youth in pursuing their educational projects. Since 2008, it has supported 74 projects and a certain number of are scholarship beneficiaries were able to obtain their diploma (notably from France's most prestigious business schools) 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 2016 and 2015
(€ thousands)

	Notes	*31/12/2016*	*31/12/2015*
REVENUE	**(3)**	**249,551**	**271,974**
Supplies used in operations		(111,491)	(122,105)
Staff costs	(22)	(86,395)	(97,309)
External charges		(27,729)	(31,039)
Taxes other than on income		(8,014)	(8,984)
Allowances for depreciation and amortisation		(3,368)	(3,488)
Provisions/reversals	(4)	(1,608)	1,596
CURRENT OPERATING PROFIT	**(3)**	**10,946**	**10,645**
Other operating income	(5)	502	1,307
Other operating expenses		(1,415)	(1,050)
OPERATING PROFIT		**10,033**	**10,902**
Cash and cash equivalents		2,653	4,177
Cost of gross financial debt		(2,621)	(3,645)
COST OF NET FINANCIAL DEBT	**(6)**	**32**	**532**
PROFIT BEFORE TAX		**10,065**	**11,434**
CORPORATE INCOME TAX	**(7)**	**(5,989)**	**(4,896)**
CONSOLIDATED NET PROFIT		**4,076**	**6,538**
Attributable to non-controlling interests		(1,801)	(1,394)
NET PROFIT ATTRIBUTABLE TO THE GROUP		**2,275**	**5,144**
Number of shares		8,041,040	8,041,040
Earnings per share (in euros)		*€0.28*	*€0.64*
Diluted earnings per share (in euros)		*€0.28*	*€0.64*

CONSOLIDATED BALANCE SHEET (IFRS)
For fiscal years ended 31 December 2016 and 2015
(€ thousands)

	Notes	31/12/2016	31/12/2015
NON-CURRENT ASSETS			
Net intangible assets	(8)	7,200	7,950
Net property, plant and equipment	(9)	9,582	9,163
Net financial assets	(10)	425	368
Deferred tax assets		109	114
TOTAL NON-CURRENT ASSETS		**17,316**	**17,595**
CURRENT ASSETS			
Inventories	(11)	13,763	12,722
Net trade receivables	(12)	55,629	51,639
Other current assets	(13)	11,314	9,372
Current tax assets		1,175	3,417
Cash and cash equivalents*		42,447	45,462
TOTAL CURRENT ASSETS		**124,328**	**122,612**
TOTAL ASSETS		**141,644**	**140,207**

** of which for Algeria €25,261,000 at 31/12/2016 and €27,463,000 at 31/12/2015.*
(See note on Cash & note 14 Provisions and other long-term liabilities)

CONSOLIDATED BALANCE SHEET (IFRS)
For fiscal years ended 31 December 2016 and 2015
(€ thousands)

	Notes	31/12/2016	31/12/2015
SHAREHOLDERS' EQUITY			
Share capital		1,595	1,602
Retained earnings		58,448	54,452
ANNUAL PROFIT		**2,275**	**5,144**
Non-controlling interests		3,941	3,682
TOTAL SHAREHOLDERS' EQUITY		**66,259**	**64,880**
NON-CURRENT LIABILITIES			
Non-current provisions	(14)	1,547	1,123
Bank and other long-term borrowings	(15)	6,244	9,270
Deferred tax liabilities		0	0
TOTAL NON-CURRENT LIABILITIES		**7,791**	**10,393**
CURRENT LIABILITIES			
Current financial liabilities	(15)	8,546	5,271
Trade payables		35,573	36,506
Current tax assets		3,357	2,756
Other current liabilities	(16)	20,118	20,401
TOTAL CURRENT LIABILITIES		**67,594**	**64,934**
TOTAL EQUITY AND LIABILITIES		**141,644**	**140,207**

STATEMENT OF CASH FLOWS (IFRS)
For fiscal years ended 31 December 2016 and 2015
(€ thousands)

	31/12/2016	31/12/2015
CASH FLOWS FROM OPERATING ACTIVITIES		
CONSOLIDATED NET PROFIT	4,076	6,538
Non-cash items		
Allowances for depreciation and amortisation, provisions	4,611	3,154
Gains or losses from asset disposals	(62)	(85)
Changes in working capital		
Change in inventories	(716)	(624)
Change in trade and related receivables	(3,639)	3,304
Change in trade and related payables	(950)	(811)
Changes in other operating assets and liabilities	603	(4,577)
Net cash flow from operating activities	3,923	6,899
CASH FLOW FROM INVESTING ACTIVITIES		
Impact of changes in Group structure	0	(32)
Acquisitions of intangible assets and property, plant and equipment	(3,722)	(4,371)
Acquisitions of financial assets	0	0
Disposals of intangible assets and property, plant and equipment	410	178
Disposals of financial assets	0	0
Other cash flows from investing activities	(45)	(116)
Cash provided by (used in) investing activities	(3,357)	(4,341)
CASH FLOW FROM FINANCING ACTIVITIES		
Treasury shares	(509)	0
Capital increase	0	0
Proceeds from the issuance of borrowings	0	2,477
Decrease in borrowings	(1,068)	(939)
Dividends paid to Group shareholders	(965)	(1,447)
Dividends paid to non-controlling shareholders of subsidiaries	(1,161)	(1,168)
Withholding tax paid by subsidiaries	0	0
Cash flow from financing activities	(3,703)	(1,077)
Exchange rate impact on cash	281	(5,958)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,856)	(4,477)
NET CASH AT THE BEGINNING OF THE PERIOD	44,192	48,669
NET CASH AT THE END OF THE PERIOD	41,336	44,192

STATEMENT OF CHANGES IN EQUITY (IFRS)
For fiscal years ended 31 December 2016 and 2015
(in € thousands except shares)

	Number of shares	*Capital*	*Retained earnings*	*Currency translation adjustments*	*Net profit*	*Non-controlling interests*	*TOTAL*
Equity at 31 December 2014	**8,009,934**	**1,602**	**56,905**	**(2,155)**	**7,917**	**3,271**	**67,540**
Net income 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 income 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**
Net income appropriation of the prior year	-	-	5,144	-	(5,144)	-	-
Payment of dividends	-	-	(965)	-	-	(1,161)	(2,126)
Translation reserve	-	-	1	318	-	(383)	(64)
Withholding tax on dividends from subsidiaries	-	-	-	-	-	-	-
Treasury shares	(34,784)	(7)	(502)	-	-	-	(509)
Consolidated retained earnings	-	-	-	-	-	-	-
Changes in Group structure	-	-	-	-	-	2	2
Net income for the financial year ended 31 December 2016	-	-	-	-	2,275	1,801	4,076
Equity at 31 December 2016	**7,973,509**	**1,595**	**67,430**	**(8,982)**	**2,275**	**3,941**	**66,259**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)
For fiscal years ended 31 December 2016 and 2015
(€ thousands)

	31/12/2016	31/12/2015
CONSOLIDATED NET PROFIT	**4,076**	**6,538**
Translation differences of consolidated subsidiaries	155	(7,007)
Actuarial gains (losses) on defined benefit obligations	-	(40)
COMPREHENSIVE INCOME	**4,231**	**(509)**
Attributable to the Group	*2,813*	*(2,000)*
Attributable to non-controlling interests	*1,418*	*1,491*

Notes to the consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTSS (IFRS)
For fiscal years ended 31 December 2016 and 2015

1. THE GROUP

The consolidated financial statements of CIS for the year ended 31 December 2016 were approved by the Board of Directors on 20 April 2017.
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 entirely in international markets.
CIS is specialised in the management of remote sites in extreme environments, onshore and offshore.
As a services integrator, the Group has developed a comprehensive offering (facilities and utilities management) that allows it to provide customers with turnkey solutions.
The Group's customer base includes local or Western companies, very often major names in their sectors. These companies usually operate through independent local entities or joint ventures in the oil and gas, mining engineering and civil engineering and peacekeeping sectors.
The Group thus provides its customers with support services for their operating sites that are generally located in emerging countries or in difficult regions.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

In accordance with t 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 2016 and 2015 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 2016:

- The 2012-2014 annual improvement cycle approved by the European Union on 15 December 2015;
- The 2010-2012 annual improvement cycle of IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 24;
- IAS 1 "Amendment " – "Presentation of financial statements";
- IAS 19 "Amendment " – "Defined-benefit plans: employee contributions";
- IAS 16 & IAS 38 "Amendment " – "Clarification of acceptable methods of depreciation and amortisation";
- IAS 27 "Amendment" – "Equity method in separate financial statements";
- IFRS 10-IFRS 12-IAS 28 "Limited amendments" – "Exemption from preparing consolidated financial statements"
- IFRS 10-IAS 28 "Amendments" – "Sale or Contribution of assets between an investor and its associate or joint venture";
- IFRS 11 "Amendment" – "Acquisition of an interest in a joint operation".

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

No standard, amendment or interpretation has been published by the IASB and adopted by the EU but whose application was not mandatory for periods commencing on or after 1 January 2016.

The Group has not applied any of the standards or interpretations in advance.

The impact of the application of IFRS 15 and IFRS 16 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 2016, 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 "consolidated statement of comprehensive income" that is distinct from the income statement.

Definition of operating income

Operating income 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" includes 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 2016 has not identified any hyperinflationary economy as defined by this standard, requiring a restatement approach to its financial

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 income translated at the average rate and net income 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 income (attributable to the Group) by the number of shares outstanding at year-end.

Diluted earnings per share are calculated by dividing the net income (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 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 controlling 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 €€25,261,000 at 31 December 2016 (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 the section "6-Main risks and uncertainties" of the Board of Directors' management report on operations for the year ended 31/12/2016 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):

		2016	2015
AFRICA (1)	REVENUE	144,919	162,843
	CURRENT OPERATING PROFIT	6,566	8,478
ASIA / OCEANIA / MIDDLE-EAST (2)	REVENUE	27,978	27,682
	CURRENT OPERATING PROFIT	2,876	4,334
CIS (Commonwealth of Independent States) (3)	REVENUE	24,515	27,089
	CURRENT OPERATING PROFIT	911	(233)
SOUTH AMERICA (4)	REVENUE	52,139	54,360
	CURRENT OPERATING PROFIT	593	(1 934)
REVENUE		**249,551**	**271,974**
CURRENT OPERATING PROFIT		**10,946**	**10,645**

(1) ALGERIA - BURKINA FASO - CONGO (DRC) - CONGO (BRAZZAVILLE) - GUINEA CONAKRY - MALI - MAURITANIA - MOZAMBIQUE - NIGER - SOMALIA - CHAD

(2) SAUDI ARABIA - EGYPT - UNITED ARAB EMIRATES - ERITREA - KUWAIT - 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):

	2016	2015
Provisions for collection risks for trade and other receivables	(1,438)	(434)
Operating allowances	(645)	(419)
Reversal of provisions for collection risks for trade and other receivables	198	682
Reversal of operating allowances	277	1,767
Provisions/reversals	**(1,608)**	**1,596**

5. OTHER FINANCIAL INCOME AND EXPENSES

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

	2016	2015
Profit from asset disposals	62	85
Changes in Group structure	-	1,222
Miscellaneous operating income	-	-
Payment differences	-	-
Compensation from other disputes	440	-
Other operating income	**502**	**1,307**

Customer disputes	-	-
Employee-related lawsuit contingencies	-	(15)
Other lawsuit contingencies	-	(19)
Destruction of trade goods	-	-
Penalties	(500)	(1,016)
Changes in Group structure	-	-
Impairment of goodwill	(815)	-
Payment differences	(100)	-
Other operating expenses	(1,415)	(1,050)

6. ANALYSIS OF NET FINANCIAL INCOME (EXPENSE)

Financial expense breaks down as follows (€ thousands):

	2016	*2015*
Net proceeds from the disposal of marketable securities	-	5
Income from cash equivalents	685	220
Interest expense on borrowings	(1,065)	(952)
Other interest and similar expenses	(234)	(455)
Other financial income	53	139
Net borrowing costs	**(561)**	**(1,043)**
Translation differences	593	1,575
Net financial expense	**32**	**532**

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):

	2016	*2015*
Profit before tax	10,065	11,434
Tax at French rate of $33^{1/3}$%	(3,355)	(3,811)
Impact of non-deductible expenses	(31)	(39)
Impact of operating country tax rates and tax bases	(2,603)	(1,046)
Corporate tax income (expense)	**(5,989)**	**(4,896)**

8. INTANGIBLE ASSETS

Intangible assets include the following items (€ thousands):

	31/12/2015	*Acquisition / Allowances*	*Disposals / Reversals*	*Currency translation adjustments*	*Changes in Group structure*	*31/12/2016*
Software	991	225	-	40	-	1,256
Goodwill	7,389	-	-	26	-	7,415
Non-compete clauses	2,300	-	-	-	-	2,300
Other intangible assets	517	-	-	-	-	517
Gross intangible assets	**11,197**	**225**	**-**	**66**	**-**	**11,488**
Amortisation of software	(666)	(163)	-	(25)	-	(854)
Amortisation of non-compete clauses	(2,300)	-	-	-	-	(2,300)
Amortisation of other intangible fixed assets	(281)	(39)	-	-	-	(320)
Impairment of goodwill / goodwill	-	(814)	-	-	-	(814)
Amortisation, depreciation and impairment	**(3,247)**	**(1,016)**	**-**	**(25)**	**-**	**(4,288)**
Net intangible assets	**7,950**					**7,200**

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 that purpose, CIS Group selected the country level as CGU.

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.

	2016	*2015*
Discount rate (WACC)	6.5%	6.5% to 8.5%
Of which country risk premium	8.0%	8.0%
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.
Following judgements rendered against our partner which led to the discontinuation of Top Service's operations in the 2016 first half, we decided to record an impairment charge for the full amount of this goodwill
The impact of this impairment on the accounts 31 December 2016 was €814,000.

9. PROPERTY, PLANT AND EQUIPMENT

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

	31/12/2015	Acquisition / Allowances	Disposals / Reversals	Currency translation adjustments	Changes in Group structure and other changes	31/12/2016
Buildings and living compounds	3,212	352	(62)	112	2,258	5,872
Plant, machinery and equipment	7,457	1,503	(347)	817	-	9,430
General equipment, fixtures and miscellaneous improvements	3,135	511	(267)	55	-	3,434
Transport equipment	6,017	934	(890)	(183)	-	5,878
Office and computer equipment:	1,527	326	(142)	57	-	1,768
Tangible assets under construction	2,347	10	-	(89)	(2,258)	10
Gross property, plant and equipment	**23,695**	**3,636**	**(1,708)**	**769**	-	**26,392**
Depreciation of buildings and living compounds	(2,181)	(356)	62	(16)	-	(2,491)
Depreciation of plant, machinery and equipment	(4,940)	(1,269)	311	(509)	(1)	(6,408)
Depreciation of general equipment, fixtures and miscellaneous improvements	(2,321)	(301)	161	(18)	-	(2,479)
Depreciation of transport equipment	(3,861)	(1,055)	692	124	-	(4,100)
Depreciation of office and computer equipment	(1,229)	(185)	134	(53)	1	(1,332)
Amortisation, depreciation and impairment	**(14,532)**	**(3,166)**	**1,360**	**(472)**	-	**(16,810)**
Net property, plant and equipment	**9,163**					**9,582**

10. NON-CURRENT FINANCIAL ASSETS

Financial assets include the following (€ thousands):

	31/12/2015	Increase	Decrease	Currency translation adjustments	31/12/2016
Deposits and guarantees	360	212	(161)	11	422
Loans and financial assets	8	4	(8)	(1)	3
Net financial assets	**368**	**216**	**(169)**	**10**	**425**

11. INVENTORIES

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

	31/12/2016	31/12/2015
Inventory of trade goods	13,763	12,796
Provisions for impairment	-	(74)
Net inventories	**13,763**	**12,722**

12. TRADE RECEIVABLES

Trade receivables break down as follows (€ thousands):

	31/12/2016	31/12/2015
Trade receivables	57,614	52,392
Doubtful trade receivables	(1,985)	(753)
Net trade receivables	**55,629**	**51,639**

13. OTHER CURRENT ASSETS

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

	31/12/2016	31/12/2015
Advances and instalments paid on orders	1,263	1,361
Other receivables	8,193	6,672
Provisions for doubtful trade receivables	-	(92)
Prepaid expenses	1,858	1,431
Other current assets	**11,314**	**9,372**

14. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

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

	31/12/2015	Allowances	Reversals (provisions used in the period)	Reversals (unused provisions)	Currency translation adjustments	31/12/2016
Employee-related lawsuit contingencies	377	160	(95)	(14)	-	428
Other lawsuit contingencies for subsidiaries	406	485	(41)	(53)	(5)	792
Provisions for pension liabilities	340	-	-	(13)	-	327
Provisions and other non-current liabilities	**1,123**	**645**	**(136)**	**(80)**	**(5)**	**1,547**

A dispute exists between CNA and the Bank of Algeria, regarding the transfer of dividends.
The Algerian Supreme Court rendered two rulings in favour of CNA which were definitively confirmed by the decision by the Court of Appeals of 09/11/2016.
CIS and its counsel, considering that CNA had fully complied with its obligations with respect to local law, and considering that it did not commit any infraction, has not recorded a provision for this dispute.

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 31/12/2015	Net carrying value in € thousands at 31/12/2016	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)	4,500	3,750	6,000	2.30%	750	3,000	-
Societe Générale (France)	1,321	1,133	1,510	1.95%	189	944	-
Santander (Brazil)	696	874	874	16.90%	874	-	-
Santander (Brazil)	2,088	2,624	2,624	16.90%	2,624	-	-
Santander (Brazil)	464	583	583	16.90%	583	-	-
Itau (Brazil)	580	-	-	17.01%	-	-	-
Itau (Brazil)	812	-	-	17.01%	-	-	-
BNP (Brazil)	-	1,749	1,749	16.41%	1,749	-	-
Bank borrowings	**12,761**	**13,013**			**6,769**	**6,244**	**-**
Bank overdrafts	1,270	1,110			1,110	-	-
Current accounts	510	667			667	-	-
Long-term debt	**14,541**	**14,790**			**8,546**	**6,244**	**-**

16. OTHER CURRENT LIABILITIES

Other current liabilities include the following (€ thousands):

	31/12/2016	*31/12/2015*
Advances and downpayments on orders in progress	862	721
Other tax and social security payables	18,660	19,099
Other payables	596	581
Other current liabilities	**20,118**	**20,401**

17. SHAREHOLDERS' EQUITY

As of 31 December 2016, the share capital of Catering International & Services was composed of 8,041,040 shares with a par value of €0.20.

At 31 December 2016, the Company held 67,531 treasury shares for an amount of €1,440,000 recognised as a deduction from equity. For information, at 31 December 2015, 32,747 own shares valued at €931,000 were held in treasury and deducted in consequence from equity.
In the financial year, the General Meeting decided to distribute €965,000 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 2016, under the terms of this agreement which expired on 31 July 2016, expenses of €134,000 were recognised for fees excluding tax.

- Pursuant to the authorisation of the Board of Directors of 26 May 2016, CIS concluded an office lease agreement with Financière Régis Arnoux SAS (FINRA).
  For fiscal 2016, under the terms of this agreement, expenses of €20,000 were recognised for rental payments excluding charges.

- 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 2016, under the terms of this agreement, expenses of €82,000 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 2016, 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 Borely.
  For fiscal 2016, under the terms of this agreement, expenses of €32,000 were recognised for rental payments excluding charges.

- Pursuant to the authorisation of the Board of Directors of 4 July 2013, CIS concluded a service agreement with the company Marine Firminy.
  For fiscal 2016, under the terms of this agreement, expenses of €5,000 were recognised for fees excluding tax.

19. OFF-BALANCE-SHEET CONTINGENCIES AND COMMITMENTS

- No capital lease commitments exist.

- Commitments given at 31 December 2016 amounted to €5,317,000, of which:
  - performance bonds €4,469,000
  - tender bonds €801,000
  - other guarantees €47,000

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 €327,000 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 zero at 31 December 2016 and €40,000 one year earlier.

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):

	2016			2015		
	Headcount	*Salaries and social contributions*	*External staff costs*	*Headcount*	*Salaries and social contributions*	*External staff costs*
Headquarters staff	48	6,066	-	49	5,919	-
Expatriate staff	160	4,456	557	214	6,559	1,020
Local staff	10,698	75,873	-	11,519	84,831	-
Total CIS staff	**10,906**	**86,395**	**557**	**11,782**	**97,309**	**1,020**
Local external staff	422	-	3,692	178	-	1,373
Workforce managed by the Group	**11,328**	**86,395**	**4,249**	**11,960**	**97,309**	**2,393**

23. CONSOLIDATED COMPANIES

The following companies were consolidated:

Company	Consolidation method	Ownership interests (%) of the Group	
		2016	2015
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 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%
CAC KAZAKHSTAN	Full consolidation	100%	100%
CIS NIGER	Full consolidation	100%	100%
CIS BURKINA FASO	Full consolidation	100%	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	Full consolidation	100%	100%
CIS MOCAMBIQUE	Full consolidation	80%	80%
CIS ARABIA	Full consolidation	55%	55%
CIS TURQUIE	Full consolidation	55%	55%
CIS MEA (1)	Full consolidation	100%	-
TSC RDC (2)	Full consolidation	70%	-
CIS KUWAIT(3)	Full consolidation	94%	-

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 MEA, first-time consolidation in January 2016 after the creation of the entity.
(2) TSC RDC, first-time consolidation in January 2016 after the creation of the entity.
(3) CIS KUWAIT, first-time consolidation in September 2016 after the creation of the entity.

24. AUDITORS' FEES

Group Auditors:

AUDIT CONSEIL EXPERTISE, SAS
MEMBRE DE PKF INTERNATIONAL
17, boulevard Cieussa
13 007 Marseille

SYREC
Prado Beach
59, promenade Georges Pompidou
13 272 Marseille

Fees recognised in the period (€ thousands):

	Audit Conseil Expertise		**SYREC**		**Other**	
	FY 2016 *Amount excl. VAT*	*FY 2015* *Amount excl. VAT*	*FY 2016* *Amount excl. VAT*	*FY 2015* *Amount excl. VAT*	*FY 2016* *Amount excl. VAT*	*FY 2015* *Amount excl. VAT*
Statutory auditing (parent company,) consolidated accounts and subsidiaries	43.5	None	43.5	42.5	214.0	297.5
Service other than account certification				5.0	7.0	6.0
Total fees	**43.5**	**None**	**43.5**	**47.5**	**221.0**	**303.5**

25. SUBSEQUENT EVENTS

None.

Separate parent company financial statements

Catering International & Services

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

		Financial year Y ended 31/12/2016			*Y-1 at 31/12/2015*
		France	Export	Total	
OPERATING INCOME	Sales of goods held for resale	0	0	0	0
	Sold production: goods	0	0	0	0
	Production vendue : services	0	23 051 823	23 051 823	34 237 969
	Sold production: services	**0**	**23,051,823**	**23,051,823**	**34,237,969**
	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			147,216	567,620
	Other income			0	0
	Total operating revenue (1)			**23,199,038**	**34,805,589**
OPERATING EXPENSES	Purchase of trade goods			0	0
	Changes in inventories (trade goods)			0	0
	Purchase of raw material and other supplies			7,842,077	9,190,563
	Changes in inventories (purchase of raw material and other supplies)			472,834	159,985
	Other purchases and external charges			8,169,977	10,384,498
	Taxes and similar payments (other than on income)			560,650	344,565
	Wages and salaries			10,199,283	14,002,061
	Social security contributions			2,656,526	3,234,842
	OPERATING ALLOWANCES: Fixed assets depreciation allowance			453,504	450,868
	OPERATING ALLOWANCES: Provisions for losses in value of fixed assets			0	0
	OPERATING ALLOWANCES: Provision for losses on current assets			2,816,840	117,220
	OPERATING ALLOWANCES: Provisions for contingencies and expenses			270,000	210,116
	Other expenses			200,000	546,646
	Total operating expenses (II)			**33,641,691**	**38,641,364**
	1- OPERATING PROFIT (LOSS) (I-II)			**(10,442,653)**	**(3,835,775)**
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 31/12/2016	*Y-1 at 31/12/2015*
FINANCIAL INCOME	Financial income from equity interests	6,565,542	4,041,037
	Income from other securities and long-term receivables	0	0
	Other interest and similar income	9,308	11,879
	Reversals of provisions and expense reclassifications	1,550,119	1,538,523
	Foreign exchanges gains	752,757	1,090,341
	Net gain from the disposal of marketable securities	0	0
	Total financial income (V)	**8,877,727**	**6,681,7800**
FINANCIAL EXPENSES	Allowances for amortisation and reserves	1,669,506	1,571,719
	Interest and similar expenses	361,708	392,088
	Foreign exchange losses	1,020,458	705,513
	Net losses from the disposal of marketable securities	0	0
	Total financial expense (VI)	**3,051,672**	**2,669,320**
	2- NET FINANCIAL PROFIT / (EXPENSE) (V-VI) 5,826,054	**4,012,460**	
	3- PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX AND EXCEPTIONAL ITEMS (I-II+III-IV+V-VI)	**(4,616,598)**	**176,685**
EXCEPTIONAL INCOMES	Exceptional income from non-capital transactions	217,513	1,240,494
	Exceptional income from capital transactions	0	24,547
	Reversals of provisions and expense reclassifications	0	0
	Total exceptional income (VII)	**217,513**	**1,265,041**
EXCEPTIONAL EXPENSES	Exceptional expenses on non-capital transactions	249,962	34,169
	Exceptional expenses on capital transactions	0	14,203
	Exceptional appropriations for amortisations and reserves	0	0
	Total exceptional expenses (VIII)	**249,962**	**48,372**
	4- NET EXCEPTIONAL ITEMS (V-VI)	**(32,449)**	**1,216,669**
	Employee profit sharing (IX)	**0**	**0**
	Income tax expense (X)	**786,194**	**589,667**
	TOTAL REVENUES (I+III+V+VII)	**32,294,278**	**42,752,410**
	TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	**37,729,518**	**41,948,724**
	5- PROFIT OR LOSS (Total revenues - Total expense)	**(5,435,240)**	**803,686**

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

	Financial year Y ended 31/12/2016 Gross	Depreciation, amortisation, provisions,	Net	Y-1 at 31/12/2015 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	437,645	124,037	198,777
Goodwill	116,960	116,960	0	0
Other intangible assets	2,700,500	2,503,131	197,369	236,803
Advances and prepayments on intangible assets	0	0	0	0
PROPERTY, PLANT AND EQUIPMENT				
Land	0	0	0	0
Buildings	0	0	0	0
Plant, machinery and equipment	225,916	127,091	98,825	90,654
Other tangible assets	3,319,324	2,566,023	753,301	914,278
Tangible assets under construction	10,022	0	10,022	0
Advances and deposits	0	0	0	0
NON-CURRENT FINANCIAL ASSETS				
Equity-accounted investments	0	0	0	0
Other investments	12,707,992	1,789,700	10,918,292	11,733,500
Investment-related receivables	0	0	0	1,000,000
Other fixed securities	520	0	520	520
Loans	0	0	0	0
Other financial assets	67,409	0	67,409	58,233
TOTAL (II)	**19,710,326**	**7,540,550**	**12,169,776**	**14,232,764**
CURRENT ASSETS – INVENTORIES				
Raw materials and supplies	2 227 527	0	2 227 527	2 700 361
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
Advances and instalments paid on orders	237,209	0	237,209	136,119
RECEIVABLES				
Trade receivables and related accounts	3,540,657	407,300	3,133,357	4,012,231
Other receivables	10,248,748	3,021,560	7,227,188	9,059,359
Subscribed capital called and unpaid	0	0	0	0
MISCELLANEOUS				
Marketable securities	1,440,398	299,100	1,141,298	523,996
Cash and cash equivalents	1,814,266	0	1,814,266	8,442,936
ACCRUAL ACCOUNTS				
Prepaid expenses	605,345	0	605,345	747,586
TOTAL (III)	**20,114,150**	**3,727,960**	**16,386,190**	**25,622,590**
Charges to be spread over several periods (IV)	**0**		**0**	**0**
Bond redemption premiums (V)	**0**		**0**	**0**
Unrealised exchange losses (VI)	**812,506**		**812,506**	**1,442,219**
TOTAL (I to VI)	40,636,982	11,268,510	29,368,472	41,297,573

CIS

CATERING INTERNATIONAL & SERVICES

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

		Financial year Y ended 31/12/2016	*Y-1 at 31/12/2015*
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	7,062,295	7,223,534
	Retained earnings	0	0
	ANNUAL PROFIT OR LOSS	(5,435,240)	803,686
	Investment grants	0	0
	Tax-driven provisions	0	0
	TOTAL (I)	**4,896,804**	**11,296,970**
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	1,470,506	1,949,335
	Provisions for expenses	326,600	340,500
	TOTAL (III)	**1,797,106**	**2,289,835**
PAYABLES	Convertible bonds	0	0
	Other bond loans	0	0
	Bank borrowings	8,131,629	8,923,388
	Other borrowings and financial liabilities	4,485,939	7,679,636
	Advances and downpayments on orders in progress	0	0
	Trade payables and related accounts	3,855,408	5,211,709
	Tax and social security payables	5,062,377	5,405,319
	Payables to suppliers of fixed assets and related accounts	30,820	17,690
	Other payables	775,401	30,380
ACCRUAL ACCOUNTS	Deferred revenue	0	51,201
	TOTAL (IV)	**22,341,574**	**27,319,323**
	Unrealised exchange gains (V)	**332,987**	**391,446**
	TOTAL (I to V)	**29,368,472**	**41,297,573**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Notes to the separate annual financial statements before the income appropriation for the year with total assets of €29,368,472 and an income statement presented in list form showing revenue of €23,051,823 and a loss of €5,435,240.
The financial period runs for twelve months from 1 January to 31 December 2016.
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 2017 were approved by the Board of Directors on 20 April 2017.

1. ANNUAL HIGHLIGHTS

None.

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) and Regulation 2014-03 of 5 June 2014 of the French accounting standard setter (Autorité des Normes Comptables or ANC) repealing CRC regulation 99-03 on annual financial statements).
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 2016
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 FIFO (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:				
Software561,682	0	0	561,682	
Goodwill116,960	0	0	116,960	
Other intangible assets	400,500	0	0	400,500
Non-compete clauses	2,300,000	0	0	2,300,000
Total	**3,379,142**	**0**	**0**	**3,379,142**
Property, plant and equipment:				
Construction of living compounds	0	0	0	0
Plant, machinery and equipment	158,680	67,236	0	225,916
General equipment, fixtures and miscellaneous improvements	1,598,069	68,522	0	1,666,591
Transport equipment	1,064,916	0	0	1,064,916
Office and computer equipment	589,041	50,767	51,991	587,817
Tangible assets under construction	0	10,022	0	10,022
Total	**3,410,706**	**196,547**	**51,991**	**3,555,262**
Financial assets:				
Equity investments	12,666,200	41,791	0	12,707,991
Other financial assets	520	0	0	520
Investment-related receivables	1,000,000	0	1 000,000	0
Loans	0	0	0	0
Deposits & security paid	58,233	24,354	15,178	67,409
Total	**13,724,953**	**66,145**	**1,015,178**	**12,775,920**
Total	**20,514,801**	**262,692**	**1,067,169**	**19,710,324**

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	362,905	74,740	0	437,645
Goodwill116,960	0	0	116,960	
Other intangible assets	163,697	39,433	0	203,130
Non-compete clauses	2,300,000	0	0	2,300,000
Total	**2,943,562**	**114,173**	**0**	**3,057,735**
Property, plant and equipment:				
Construction of remote sites	0	0	0	0
Plant, machinery and equipment General equipment, fixtures	68,026	59,065	0	127,091
and miscellaneous improvements	963,066	136,305	0	1,099,371
Transport equipment	874,759	89,790	0	964,549
Office and computer equipment	499,923	54,171	51,991	502,103
Total	**2,405,774**	**339,331**	**51,991**	**2,693,114**
Total	**5,349,336**	**453,504**	**51,991**	**5,750,849**

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	507,116	270,000	119,116	658,000
For foreign exchange losses	1,442,219	812,506	1,442,219	812,506
For pension and similar obligations	340,500	0	13,900	326,600
Total	2,289,835	1,082,506	1,575,235	1,797,106
Provisions for impairment:				
For equity investments	932,700	857,000	0	1,789,700
For trade receivables	56,800	350,500	0	407,300
For current accounts	569,420	2,466,340	14,200	3,021,560
For miscellaneous receivables	0	0	0	0
For marketable securities	407,000	0	107,900	299,100
Total	1,965,920	3,673,840	122,100	5,517,660
Total	4,255,755	4,756,346	1,697,335	7,314,766

ACCOUNTS RECEIVABLE AND PAYABLE AGED TRIAL BALANCE (in euros)

RECEIVABLES:		*Gross amount*	*Of which up to a maximum of 1 year*	*Of which more more than 1 year*
Non-current assets				
Equity investments	12,707,992		12,707,992	
Investment-related receivables	0		0	
Loans and other financial assets	520		520	
Deposits & guarantees paid	67,409		67,409	
Current assets:				
Doubtful receivables	407,300	407,300		
Other trade receivables	3,133,357	3,133,357		
Employee and related receivables	39,480	39,480		
Government receivables and equivalent	187,675	187,675		
Group and partners (1)	9,608,840	6,587,280	3,021,560	
Trade receivables	3,484	3,484		
Sundry debtors	238	238		
Accrued income	409,031	409,031		
Advances and instalments paid on orders	237,209	237,209		
Prepaid expenses	605,345	605,345		
TOTAL	27,407,880	11,610,399	15,797,481	
PAYABLES:				
Borrowings	7,182,500	938,750	6,243,750	
Bank overdrafts	949,129	949,129		
Group and partners	4,485,939	4,485,939		
Trade payables and related accounts	3,855,408	3,855,408		
Customer advances	759,001	759,001		
Employee-related and social security payables	4,578,635	4,578,635		
Government payables and equivalent	393,722	393,722		
Payables on fixed assets	30,820	30,820		
Shareholders, payment for capital increase	0	0		
Other foreign tax payables	106,420	106,420		
Deferred revenue	0	0		
TOTAL	22,341,574	16,097,824	6,243,750	

(1) : of which Accrued Dividends = 668,497

ACCRUED EXPENSES (in euros)

Employee-related and social security payables	3,967,518
Government payables and equivalent	72,405
Trade payables	624,590
Other payables	16,400
Total	**4,680,913**

PREPAID EXPENSES (in euros)

Operating expenses	605,345

CAPITAL STOCK

As of 31December 2015, the share capital was comprised of 8,041,040 shares with a par value of €0.20 per share.
At 31 December 2016, the Company held 67,531 treasury shares for a gross amount of €1,440,398.
At 31 December 2015, 32,747 own shares recognised at €930,996 (gross value) were held in treasury.

(in euros except number of shares)	*Number of shares*	*Capital*	*Retained earnings*	*Net profit*	*TOTAL*
EQUITY at 31/12/2014	**8,041,040**	**1,608,208**	**8,241,000**	**2,091,462**	**11,940,670**
Net income appropriation of the prior year			2,091,462	(2,091,462)	
Payment of dividends			(1,447,386)		(1,447,386)
Net income for the financial year ended 31/12/2015				**803,686**	**803,686**
EQUITY at 31/12/2015	**8,041,040**	**1,608,208**	**8,885,076**	**803,686**	**11,296,970**
Net income appropriation of the prior year			803,686	(803,686)	
Payment of dividends			(964,925)		(964,925)
Net income for the financial year ended 31/12/2016				**(5,435,240)**	**(5,435,240)**
EQUITY at 31/12/2016	**8,041,040**	**1,608,208**	**8,723,837**	**(5,435,240)**	**4,896,804**

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	16,649,840
Middle East	3,917,263
Commonwealth of Independent States	1,612,861
Asia / Oceania	567,022
South America	304,837
Total	**23,051,823**

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	(55,308)	4,513
Labour disputes & settlements	0	0
Customer & supplier disputes	0	0
Other foreign disputes	(41,811)	213,000
Penalties on social charges for foreign operations	(152,843)	0
Changes in Group structure	0	0
Disposal or retirement of assets	0	0
Total	**(249,962)**	**217,513**

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	(4,616,598)	(780,706)	(5,397,304)
Exceptional income / (loss) (excl. profit sharing)	(32,449)	(5,487)	(37,936)
Accounting profit / (loss) (excl. profit sharing)	(4,649,047)	(786,194)	(5,435,240)

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 €428,000 was recorded for employee-related litigation.

OFF-BALANCE SHEET COMMITMENTS

Bank commitments given on 31 December 2016 amounted to €7,090,457 including €7,043,020 in guaranties given for our subsidiaries and namely:

- €474,338 for ACS Russia,
- €6,413,060 for CIS Brazil,
- €155,622 for CIS Peru.

PENSION LIABILITIES

A provision of €326,600 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 2016, 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	**€465,203**
• of which gross salary	€437,561
• of which benefits in-kind	€12,642
• 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: 568	France :48
	Other countries: 520

LIST OF SUBSIDIARIES

COMPANIES	*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	(851,729) €	679,280 €	(1,511,197) €
CIS MEA	100%	12,911 €	(126,831) €	(126,831) €	12,911 €
CIS BURKINA FASO	100%	1,524 €	151,553 €	152,722 €	€356
CIS BOLIVIA	99%	4,861	544,817 €	578,239 €	(28,560) €
CIS BRAZIL	100%	9,980,414 €	(5,354,177) €	322,193 €	4,304,044 €
CIS CAMEROON	100%	7,622 €	€0	€0	7,622 €
TOP SERVICE	70%	727,750	530,936 €	(468,056) €	1,726,742 €
TSC	70%	1,804 €	851,232 €	961,736 €	(108,701) €
CATER CONGO	100%	15,245 €	(15,304) €	(202,081) €	202,022 €
CIS DOMINICANA	100%	1,722	604,946 €	583,117 €	23,551 €
CATERING NORTH AFRICA SERVICES	100%	15,463 €	43,427,893 €	5,257,582 €	38,185,773 €
CIS GEORGIA	100%	€998	(177,393) €	€0	(176,395) €
GCS GUINEA CONAKRY	100%	1,065	(2,516,173) €	(942,803) €	(1,572,305) €
ICS GUINEA CONAKRY	100%	1,337	(26,641) €	(37,331) €	12,026 €
MOHJAT AL-IRAQ GENERAL TRADE	100%	€3,284	(161,638) €	€0	(158,354) €
CIS KUWAIT	94%	30,204 €	(393,203) €	(383,246) €	20,246 €
CAC KAZAKHSTAN	100%	€333	1,158,700 €	525,948 €	633,086 €
CIS MALI	100%	1,524 €	(648,743) €	158,761 €	(805,980) €
ARCTIC CATERING SERVICES (ACS)	85%	48,254	1,077 €	€0	49,331 €
SUPPORT SERVICES MONGOLIA	49%	177,032 €	2,519,876 €	2,162,036 €	534,872 €
CNA MAURITANIA	100%	5,338 €	3,854,314 €	3,753,254 €	106,398 €
CIS MOÇAMBIQUE	80%	€456	78,214 €	52,066 €	26,604 €
CIS NIGER	100%	1,524 €	90,018 €	90,018 €	1,524 €
CIS PERU	100%	924,781	(1,497,002) €	(129,039) €	(443,181) €
ARCTIC CATERING SERVICES (ACS)	100%	15,146 €	1,122,141 €	349,613 €	787,674 €
CIS ARABIA	55%	121,373 €	845,206 €	328,405 €	638,175 €
CIS CHAD	100%	7,622 €	€0	€0	7,622 €
UKRAINE CATERING & SERVICES (UCS)	100%	5,902 €	(3,675) €	€0	2,227 €
CIS UKRAINE	100%	4,811 €	€881	€0	5,692 €
CIS ASIA	100%	7,890 €	(7,718) €	€0	€172
CISM VENEZUELA	100%	28,931	(27,030) €	€0	1,901 €
CIS NEW CALEDONIA	60%	41,900	(424,505) €	(1,411) €	(381,193) €
CIS PACIFIC	100%	1,676	(90,132) €	(7,483) €	(80,973) €
CIS YEMEN	50%	30,209 €	2,416,246 €	68,929 €	2,377,526 €

FIVE-YEAR FINANCIAL HIGHLIGHTS AND OTHER STATUTORY DISCLOSURES (in euros)

Nature of information	*FY Y-4 2012*	*FY Y-3 2013*	*FY Y-2 2014*	*FY Y-1 2015*	*FY N 2016*
CAPITAL STOCK AT YEAR-END					
Share capital	1,608,208	1,608,208	1,608,208	1,608,208	1,608,208
Number of ordinary shares	8,041,040	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	75,332,799	62,505,593	49,787,133	34,237,969	23,051,823
Earnings before tax, profit-sharing, amortisation, depreciation and provisions	5,507,094	2,309,563	6,230,970	1,637,133	(1,136,531)
Income tax	886,009	831,152	1,282,206	589,667	786,194
Employee profit-sharing for the financial year	-	-	-	-	-
Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions	4,155,662	425,578	2,091,462	803,686	(5,435,240)
Distributed earnings	2,211,286	1,045,335	1,447,387	964,925	482,462
EARNINGS PER SHARE					
Income after tax and employee profit-sharing but before depreciation allowances and provisions	0.57	0.18	0.62	0.13	(0.24)
Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions	0.52	0.05	0.26	0.10	(0.68)
Net dividend	0.275	0.130	0.180	0.120	0.060
STAFF					
Average headquarters staff for the period	35	36	40	41	41
Annual payroll (headquarters and expatriate)	24,520,519	21,749,095	16,219,155	14,002,061	10,199,283
Total social charges and benefits paid for the period (social security, charities, etc.)	3,910,263	3,893,046	3,528,278	3,234,842	2,656,526

Chairman's' report on Board practices and internal control

To the shareholders:

In accordance with the provisions of article L.225-37 of the French commercial code and in compliance with AMF recommendations and the MiddleNext Corporate Governance Code, 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.
- Risks relating to climate change – measures taken by the company to reduce these risks by implementing a low carbon strategy in all areas of its business;
- Provisions of the articles of association concerning the participation of shareholders in general meetings, principles and rules for determining the compensation and benefits of all kinds granted to corporate officers; and
- Disclosures required under article L.225-100-3 of the French Commercial Code

Information presented in the report of the Chairman of the Board of Directors was prepared with the assistance of the Company's corporate divisions, and notably the Legal, Finance and Internal Audit divisions.
This information was reviewed by the Audit Committee, for those sections falling within its scope of intervention, then approved by the Board of Directors on 20 April 2017.

I. CORPORATE GOVERNANCE

On 15 April 2016, the Board of Directors decided to refer to the MiddleNext code of corporate governance for listed companies. This code may be consulted at the MiddleNext website (www.middlenext.com).

The MiddleNext Code was revised in September 2016 with the objective of improving efficiency. The goal of this code is to create confidence between the different stakeholders. It seeks to offer greater flexibility in order to take into account the specific characteristics of different companies.
Among the recommendations emphasized may be cited: paying greater attention to the issue of succession planning for managers; identifying and managing conflicts of interest at every level of the organisation in question; respecting minority shareholders especially when the company's capital is locked up. In addition, the code promotes a number of principles. To guarantee the independence of the board of directors it recommends the appointment of two independent directors. It also recommends that the shareholders' vote on management compensation ("say on pay") be considered optional and recommends the formation of committees adapted to specific needs (in other words, putting it into useless committees).
When the MiddleNext Code was revised, the Board of Directors reviewed the recommendations and points to be watched presented in this new version. In addition, the board undertakes to review these items on a regular basis, complying in this way with Recommendation 19 of this code.

The following table presents those recommendations of the MiddleNext code that the company has decided not to follow and the reasons thereof, in accordance with article L.225-137 of the French commercial code

MiddleNext Code recommendations not followed by the Company :	Application of the "Comply or Explain" principle
Recommendation 1: Director ethics:	To date, paragraph 7 of recommendation 1 relating to the presence of directors at the general meetings is not applied. However, the rules of procedure adopted by the Board of Directors on 15 April 2016 provide that directors undertake to participate in general meetings. The Company otherwise follows all other principles presented under Recommendation °1 of the MiddleNext Code.
Recommendation 7: Introduction of Board Rules of Procedure	On 15 April 2016 the Board of Directors adopted rules of procedure defining the mission of the Board and the rules for the organization of its work. These Rules of Procedure must be updated for the purpose of taking into account the new information to be included in these roles and in particular the protection provided to directors and officers (directors and officers liability insurance) and the question of succession planning for the Chief Executive Officer and key persons. The Company will then consider whether these rules of procedure or substantial excerpts thereof should be published on its website.
Recommendation 8: The choice of each director	The Company has not published online the biography and information relating to directors whose appointment or renewal has been proposed to the General Meeting. However, this information has been provided to the shareholders as part of the process of and making the Annual Report available.
Recommendation 11: Introduction of Board evaluation procedures	The Board of Directors has not to date adopted formalised procedures for the self-assessment of the Board's work. However, in developing, adopting and updating 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.
Recommendation 14: Succession planning for managers	The Company is working on developing a succession plan for its Chairman-Chief Executive Officer and the appointment of Jeremy De Brabant as Deputy Chief Executive Officer constitutes a step in this succession plan.

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, and the MiddleNext code, 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 MiddleNext code (7 Board members out of 12);
- Furthermore, meetings are organised on a regular basis to prepare for the work of the Board.

It should also be noted that Jeremy De Brabant was appointed Deputy Chief Executive Officer as of 13 June 2016. Indeed, the Company wished to strengthen its executive management in order to further reinforce its corporate governance. Mr. Jeremy De Brabant assists the Chairman-Chief Executive Officer in the performance of his functions. In accordance with article 18 of the Company's articles of association, if the Chairman and Chief Executive officer ceases to exercise, or is prevented from exercising, his duties, unless otherwise decided by the Board of Directors, the Deputy Chief Executive Officer retains his functions and attributes until the appointment of the new Chief Executive Officer. In addition, Mr. De Brabant combines his functions as a company officer with that of an employment contract as the Chief International Business Development Officer.

2. COMPOSITION OF THE BOARD

On the date of this report, the Board of Directors had 12 members, of which seven were independent directors. The proportion of men and women serving as directors respectively is above 40% in accordance with the provisions of article L.225-18-1 of the French commercial code.

The shareholders' general meeting of June 6, 2016 decided to reduce the term of directors which is now set at three years for all new directors or the renewal of offices. Their term of office expires at the end of the Ordinary General Meeting of the shareholders called for the purpose of approving the financial statements for the period ended and held in the year in which their term of office as director expires.

Summary presentation of the Board of Directors on the date of this report

Last name, first name and office	Independent director	1st appointment	Term of appointment	Other appointments and functions exercised within the Group	Other appointments and functions exercised outside the Group
Régis Arnoux Chairman of the Board of Directors and Chief Executive Officer	No	05/02/1992	AGM held to approve the financial statements for the year ending 31/12/2018	None	• Chairman of FINRA (SAS). • Managing Partner of SCI Monceau • Managing Partner of SCI Immobilière Borély • Managing Partner of SCI IMRA
Monique ARNOUX Director	No	05/02/1992	AGM held to approve the financial statements for the year ending 31/12/2018	None	• Managing Partner of SCEA Mas de Joussanes
Florence ARNOUX Director	No	15/06/2010	AGM held to approve the financial statements for the year ending 31/12/2018	None	• None

Last name, first name and office	Independent director	1st appointment	Term of appointment	Other appointments and functions exercised within the Group	Other appointments and functions exercised outside the Group
Frédérique Salamon Director	No	05/02/1992	AGM held to approve the financial statements for the year ending 31/12/2018	Internal Audit Committee member	• Managing Partner of Flaym Consulting (SARL)
Financière Régis Arnoux (FINRA) Director Permanent representative: Monique Arnoux	No	15/06/2010	AGM held to approve the financial statements for the year ending 31/12/2018	None	• Chairman of RANG Investment (SAS)
Cantos Ltd Director Permanent representative: Henri de Bodinat	Yes	Co-opted by the Board of Directors on 16/12/2016 with ratification submitted for approval to the general meeting of12/06/2017	AGM held to approve the financial statements for the year ending 31/12/2016	Internal Audit Committee Chair	• None
Financière Lucinda Director Permanent representative: Sophie Le Tanneur de Rancourt	Yes	Co-opted by the Board of Directors on 16/12/2016 with ratification submitted for approval to the ordinary meeting of 12/06/2017	AGM held to approve the financial statements for the year ending 31/12/2018	Internal Audit Committee member	• None
Frédéric BEDIN Director	Yes	26/05/2011	AGM held to approve the financial statements for the year ending 31/12/2018	None	• Chair of the Executive Board of Hopscotch Groupe (SA) • Chief Executive Officer of Hopscotch Groupe (SA) • Director of Hopscotch Système Asia (SA) • Chairman of Holding Système (SA) • Member of the Supervisory Board of Sopexa (SA)
Marine Firminy Director Permanent representative: Pierre-François Forissier	Yes	13/06/2012	AGM held to approve the financial statements for the year ending 31/12/2017	None	• Director of HEOH (SA)
Gonzague de Blignieres Director	Yes	17/06/2014	AGM held to approve the financial statements for the year ending 31/12/2019	None	• Chairman of Raise Conseil (SAS) • Chairman of Raise Investissement (SAS) • Vice Chairman of the Supervisory Board of Impact Partenaires (SAS) • Director of Oméga TV (SAS) • Director of the Adie endowment fund • Director of Fondation Entreprendre • Director of United Way (Not-For-Profit) • Honorary Chairman of the Réseau Entreprendre Paris • Vice Chairman of the Fédération des Pionnières
YLD Conseil Director Permanent representative: Yves-Louis Darricarrere	Yes	06/06/2016	AGM held to approve the financial statements for the year ending 31/12/2018	None	• Director of Ortec (SA) • Director of NHV
David Lee Zimmerman Director	Yes	Co-opted by the Board of Directors on 16/12/2016 with ratification submitted for approval to the AGM of12/06/2017	AGM held to approve the financial statements for the year ending 31/12/2016	None	• None

In accordance with MiddleNext Code recommendation 1, the Chairman-CEO, currently the only director holding an executive office, does not occupy more than two other positions in other listed companies, including in foreign companies or companies outside their group.

Changes in the composition of the Board of Directors in 2016 and on the date of this report:

Changes in the composition of the Board of Directors have been as follows:

- Appointment of YLD Conseil, represented by Yves-Louis Darricarrere by the annual Ordinary General Meeting of 6 June 2016;
- Co-option of David Lee Zimmerman by the Board of Directors on 16 December 2016 to replace Mr. Christian Daumarie, with this appointment as director to be submitted for ratification by the annual Ordinary General Meeting of 12 June 2017.
- Co-option of Cantos Ltd., represented by Mr. Henri de Bodinat, by the Board of Directors on 16 December 2016 to replace Mr. Henri de Bodinat, with this co-option as director to be submitted for ratification by the annual Ordinary General Meeting of 12 June 2017.
- Co-option of Financière Lucinda, represented by Ms. Sophie Le Tanneur de Rancourt, by the Board of Directors on 16 December 2016 to replace Ms. Sophie Le Tanneur de Rancourt, with this co-option as director to be submitted for ratification by the annual Ordinary General Meeting of 12 June 2017.
- Resignation of Mr. Michel De Bonnecorse. This directorship was not replaced.

Directorships submitted for renewal at the annual Ordinary General Meeting of 12 June 2017:

The directorships of Mr. David Lee Zimmerman and Cantos Ltd. expire at the end of the annual Ordinary General Meeting of 12 June 2017 and the Board of Directors proposes that these two offices be renewed.

■ Gender balance

The Board of Directors currently counts five women out of a total of twelve members, in compliance with the provisions of article L.225-18-1 of the French commercial code.

■ Independent directors:

The notion of an independent director is that used for the MiddleNext Code recommendation 3, and namely :

- they must not have been during the last five years an employee or executive officer of the Company or a company in its group;
- they must not have had any material business relationship with the Company or its group for the last two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- they must not be a reference shareholder of the Company or hold a significant percentage of voting rights;
- they must not have a close relationship or close family ties with a corporate officer or a reference shareholder;
- they must not have been an auditor of the company in the course of the previous six 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 twelve, as summarized in the above table:

■ **Terms of office**

In accordance with Recommendation 9 of the MiddleNext Code, the term provided for under the Company's articles of association was reduced to three years by the General Meeting of the shareholders of 6 June 2016.
In addition, the renewal of the terms of office of directors has been staggered.

■ **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 these rules of procedure. 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 Board of Directors, after conducting a review of known conflicts of interest, declares that no conflicts of interest are known to exist for its members. The Board of Directors reviews on a regular basis the conflicts of interest among its members to ensure that decisions are at all times taken in the corporate interest.

The Company does not apply paragraph 9 of recommendation 1 relating to the presence of directors at the general meeting. However, the rules of procedure provides 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 8, 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, each proposal for the appointment or reappointment of a director is 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 7 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.

In compliance with Recommendation 7 du of the MiddleNext Code, the Board of Directors will adapt its Rules of Procedure in order to include the new recommended disclosures, and namely the protection provided to executive officers (directors and officers liability insurance) and the question of manager's succession planning.

■ **Frequency of meetings**

The Board of Directors meets as often as the interests of the Company require. In accordance with Recommendation 5 of the MiddleNext Code, the Board holds a minimum of four meetings a year.

■ **Meeting notices**

On that basis, 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 are 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, along with the information and documents of use for preparing the meeting.
Subjects of a particularly sensitive, urgent nature 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 exchanged points of view and suggested areas for improving the functioning of the Board and the preparation of its work.

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 5.

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 2016, the Board met four times and addressed in particular the following items of business.

Date	*Agenda items*	*Attendance rate*
15/04/2016	Adoption of financial statements as at 30/06/2015 Preparatory documents and the meeting notice for the General Meeting of 06/06/2016.	92 %
26/05/2016	Allocation of attendance fees Authorisation of endorsements, surety and guarantees Appointment of Mr. De Brabant, Deputy Chief Executive Officer Modification of the compensation of the Chief Executive Officer Approval of a regulated agreement	92 %
14/09/2016	Adoption of the interim financial statements as at 30/06/2015	100 %
16/12/2016	Co-optation of three new directors Authorisation of instrument of guarantee Setting of Deputy Chief Executive Officer's powers	77 %

The average meeting attendance rate for directors was 90 % in 2016. All meetings were held in the presence of the Chairman-Chief Executive Officer.

5. CREATION OF COMMITTEES

■ **Executive Committe**

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 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 2016, the Executive Committee met six times to review the financial situation of the Group and approve the strategy for investment, growth and recruitment.

Internal Audit Committee

An Internal 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.

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

- Mr. Henri De Bodinat, permanent representative of Cantos Ltd, Audit Committee Chair and independent director;
- Frédérique Salamon, director;
- Ms. Sophie Le Tanneur De Rancourt, permanent representative of Financière Lucinda, 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 2016 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 specialised 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 CORPORATE OFFICERS

Compensation of directors

The Board of Directors establishes the total amount of attendance fees granted to directors. Since 2016, and in accordance with MiddleNext Code recommendation 10, 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 in 2016 to executive officers serving in that year 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: € 268,000 for wages and directors' attendance fees.
- Financiere Regis Arnoux, Director: € 169,000 for management fees, rent and attendance fees
- Monique Arnoux, Director: € 15,000 for directors' attendance fees.
- Florence Arnoux, Director: € 174,000 for wages and directors' attendance fees.
- Frédérique Salamon, Director: € 102,000 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: € 20,000 for management fees and attendance fees
- Gonzague de Blignieres, director: € 15,000 for directors' attendance fees.
- YLD Conseil, Director: none

■ **Corporate officers and employment contracts:**

In accordance with MiddleNext Code recommendation 15, we inform you that the Chairman-Chief Executive Officer does exercise his office in conjunction with an employment contract.

Mr. De Brabant combines his functions as a company officer with that of Chief International Business Development Officer under an employment contract. The combination of payroll as officer and employee was exceptionally authorized given that the compensation of Mr. De Brabant for serving as Deputy Chief Executive Officer is relatively modest in relation to the risks incurred, and the scope of the responsibilities and normal practice in companies of similar size. In addition, serving as officer while holding an employment contract was, in this case, perfectly justified in light of the relationship of subordination existing between the functions of Deputy Chief Executive Officer and Chief Executive Officer.

■ **Compensation of the Chairman-CEO payable or allocated for fiscal 2016**

Compensation of the Chairman-Chief Executive Officer is set by the Board of Directors according to the principles of comprehensiveness, balance between compensation components, benchmark, consistency, understandability and proportionality and transparency, in accordance with the recommendations of the MiddleNext Code.

Compensation of the Chairman-Chief Executive Officer includes the following components:

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

The Chairman-Chief Executive Officer is not entitled to benefits in the event of the termination or change in his functions, or supplemental retirement benefits like those covered by MiddleNext Code recommendations 16 and 17.

On 26 May 2016, the Board of Directors noted that the compensation of Mr. Arnoux, Chairman-CEO, had not been increased for more than four years and in consequence, decided to set the gross monthly amount at month €29,277.
This new compensation entered into effect on 1 August 2016.

In consequence, the total compensation paid to Mr. Arnoux in 2016, including benefits in kind and attendance fees came to a gross amount of €268,324.

■ **Compensation of the Deputy Chief Executive Officer payable or allocated for fiscal 2016**

Compensation of the Deputy Chief Executive Officer is set by the Board of Directors according to the principles of comprehensiveness, balance between compensation components, benchmark, consistency, understandability and proportionality and transparency, in accordance with the recommendations of the MiddleNext Code.

Compensation of the Deputy Chief Executive Officer Includes the following components:

- Fixed compensation;
- Variable annual compensation based on predefined criteria;
- Benefits in-kind (the provision of a company car only)

This structure of compensation is destined to be supplemented by a long-term component through stock awards as part of a specific plan to be implemented in the second year of presence, linked to performance conditions to be defined. On this basis, it is proposed that the next General Meeting of the shareholders of 12 June 2017 delegates all authority to the Board of Directors for the purpose of awarding shares of the Company to the Deputy Chief Executive Officer.

Mr. De Brabant also is entitled to severance benefits in the event of his termination at the Company's initiative excluding reasons of gross negligence ("faute grave") or wilful misconduct ("faute lourde) equal to three (3) months of notice plus a lump sum severance payment of nine (9) months of gross compensation (fixed and variable, calculated on the basis of compensation for the last twelve months) and this, in compliance with the legal and regulatory provisions applying to companies whose shares are traded on a regulated market.

No supplemental retirement plan has been implemented for the Deputy Chief Executive Officer nor for any other senior executive of the Company. In consequence, the total compensation paid to Jeremy De Brabant in 2016, including benefits in kind and components of compensation under the employment contract came to a gross amount of €196,879.

■ **Stock option and restricted stock awards**

Excluding the proposed stock awards to Mr. De Brabant as part of a specific plan and for which the Extraordinary General Meeting of 12 June 2017 has been asked to grant all powers to the Board of Directors, the Company has not put into place a system for awarding stock options or restricted stock units.

The specific restricted stock unit plan for the Deputy Chief Executive Officer which will be defined by the Board of Directors if the General Meeting votes in favour of the corresponding resolution, will be established in reference to Recommendation 18 of the MiddleNext Code.

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.

The General Meeting meets at least once a year and is materially accessible to all shareholders.

■ **Items having a potential impact in the event of public offerings**

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

■ Financial risks relating to climate change – measures taken by the Company to reduce these risks by implementing a low carbon strategy in all areas of its business;

These items are described in detail in the CSR report included in this annual report.

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).

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 2016 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, 20 April 2017

Régis ARNOUX
Chairman-CEO

The Board of Directors' report on executive compensation (article L.225-37-2 of the French commercial code).

This report was drawn up in accordance with article L.225-37-2 of the French commercial code and enclosed to the report referred to in articles L.225-100 and L.225-102 of said code.

These items will be submitted for approval by the General Meeting of the shareholders of 12 June 2017.

This report was approved by the Board of Directors on 20 April 2017.

1. GENERAL PRINCIPLES FOR SETTING EXECUTIVE OFFICER COMPENSATION

Compensation of the executive officers is set by the Board of Directors according to the principles of comprehensiveness, balance between compensation components, benchmark, consistency, understandability and proportionality and transparency, in accordance with the recommendations of the MiddleNext Code.

- Compensation of the Chairman-Chief Executive Officer includes the following components:
  - Fixed compensation;
  - Attendance fees;
  - Benefits in-kind (provision of a company car)

The Chairman-Chief Executive Officer is not entitled to benefits in the event of the termination or change in his functions, or supplemental retirement benefits.

- Compensation of the Deputy Chief Executive Officer Includes the following components:
  - Fixed compensation;
  - Variable annual compensation based on predefined criteria;
  - Benefits in-kind (provision of company cars);
  - The possibility for restricted stock awards (bonus shares);
  - A retirement severance benefit.

2. COMPENSATION POLICY FOR THE CHIEF EXECUTIVE OFFICER FOR FISCAL 2017

The compensation policy for the Chief Executive Officer for fiscal 2017 was adopted by the Board of Directors on 20 April 2017 and described below.

The Board of Directors decided to maintain the fixed monthly amount of compensation for Mr. Régis Arnoux as Chairman-CEO for fiscal 2017 at €29,277, including benefits in-kind amounting to €777 corresponding to the use of his company car.

He will not is be entitled to variable compensation, indemnities or benefits that might be payable in the event of the termination or change in his functions, or supplemental retirement benefits.

He will also be entitled to attendance fees as director, the amount of which will be set by the Board of Directors subsequently.

3. COMPENSATION POLICY FOR THE DEPUTY CHIEF EXECUTIVE OFFICER FOR FISCAL 2017

The compensation policy for the Deputy Chief Executive Officer for fiscal 2017 was adopted by the Board of Directors on 26 May 2016, confirmed by the Board of Directors on 20 April 2017 and is described below.

Fixed compensation
The Board of Directors has decided to maintain the amount of fixed annual compensation for Mr. Jeremy De Brabant as Deputy Chief Executive Officer for fiscal 2017 at a gross amount of €105,000.

Variable compensation
The board has also decided that Mr. De Brabant shall receive variable annual compensation for up to 65% of the total fixed compensation (excluding benefits in-kind) whose payment is contingent on results in meeting objectives having been set. The formula for calculation factors in economic criteria referring to quantitative objectives reflecting the Group's performance as well as the personal contribution of the Deputy Chief Executive Officer based on a qualitative assessment of his management.
The specific nature of the objectives set have been defined in a precise and detailed manner though are not rendered public for reasons of confidentiality.

Restricted stock awards
The compensation of the Deputy Chief Executive Officer is destined to be supplemented by a long-term component involving stock awards as part of a specific plan that will be implemented and linked to predefined performance conditions. On this basis, it is proposed that the next General Meeting of the shareholders of 12 June 2017 delegates all authority to the Board of Directors for the purpose of awarding shares of the Company to the Deputy Chief Executive Officer and defining the criteria for awarding stock.

Retirement severance benefits (article L.225-102-1 f the French commercial code)
The Deputy Chief Executive Officer also is entitled to severance benefits in the event of his termination at the Company's initiative excluding reasons of gross negligence ("faute grave") or wilful misconduct ("faute lourde) equal to three (3) months of notice plus a lump sum severance payment of nine (9) months of gross compensation (fixed and variable, calculated on the basis of compensation for the last twelve months) and this, in compliance with the legal and regulatory provisions applying to companies shares are traded on a regulated market. This undertaking is subject to approval by the General Meeting of the shareholders of 12 June 2017 under a specific resolution (5th resolution).

4. DRAFT RESOLUTIONS DRAWN UP BY THE BOARD OF DIRECTORS IN APPLICATION OF ARTICLE L.225-37-2 OF THE FRENCH COMMERCIAL CODE SUBMITTED TO THE ORDINARY GENERAL MEETING OF 12 JUNE 2017.

TWELFTH RESOLUTION – Approval of the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature granted to the Mr. Régis Arnoux, as Chairman-CEO

After considering the report provided for by article L.225-37-2 of the French commercial code, the shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, approve the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature granted to the Chairman-CEO on the basis of his office.

THIRTEENTH RESOLUTION – Approval of the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature granted to the Mr. Jeremy De Brabant, as Deputy CEO

After considering the report provided for by article L.225-37-2 of the French commercial code, the shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, approve the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature granted to the Deputy CEO on the basis of his office.

Marseilles, 20 April 2017

THE BOARD OF DIRECTORS

Régis Arnoux
Chairman-CEO

The Ordinary and Extraordinary Annual General Meeting of 12 June 2017

Agenda

AGENDA FOR THE ORDINARY GENERAL MEETING

- Board of Directors' report on the resolutions submitted to the Ordinary General Meeting;
- Board of Directors' management report on the company annual financial statements and the consolidated financial statements for the period ended 31 December 2016;
- Board of Directors' report prepared in accordance with article L.225-37 of the French commercial code;
- Report of the Chairman of the Board of Directors prepared in accordance with article L.225-37-2 of the French commercial code;
- Statutory Auditors’ Report on the annual financial statements for fiscal 2016;
- Statutory Auditors’ Report on the consolidated financial statements for fiscal 2016;
- Statutory Auditors' special report on regulated agreements covered by articles L.225-38 et seq. of the French commercial code;
- Statutory Auditors' special report on the Report of the Chairman of the Board of Directors prepared in accordance with article L.225-235 of the French commercial code;
- Statutory Auditors' report on social and environmental information;
- Approval of the annual financial statements for the year ended 31 December 2016 and grant of discharge to directors
- Approval of the consolidated financial statements for the year ended 31 December 2016
- Appropriation of net profit for the period ending 31 December 2016 and setting the dividend;
- Approval of regulated agreements covered by articles L.225-38 et seq. of the French commercial code;
- Approval of regulated agreements covered by article L.225-138 of the French commercial code relating to Mr. Jeremy De Brabant, Deputy Chief Executive Officer
- Setting the total annual amount for directors' attendance fees;
- Ratification of the co-option of Mr. David Lee Zimmerman as Director by the Board of Directors;
- Ratification of the co-option of Cantos Limited as a legal entity Director by the Board of Directors;
- Ratification of the co-option of Financiere Lucinda as a legal entity Director by the Board of Directors;
- Renewal of Mr. David Lee Zimmerman's term as Director
- Renewal of Cantos Limited's term as Director
- Approval of the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits any nature granted to the Chairman-CEO
- Approval of the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits any nature granted to the Deputy CEO;
- Renewal of the authorization given to the Board of Directors to deal in the Company's shares;
- Powers for legal formalities pursuant to the Ordinary General Meeting;

AGENDA FOR THE EXTRAORDINARY GENERAL MEETING

- Board of Directors' report on the resolutions submitted to the Extraordinary General Meeting;
- Statutory Auditors report on the authorization to award existing shares or shares to be issued;
- Decision on proceeding with a capital increase reserved for employees in accordance with provisions of article L.225-129-6 of the French commercial code and article L.443-5 of the French labour code;
- Delegation of authority to the Board of Directors to award shares of the Company by purchasing existing shares or issuing new shares for the benefit of the Deputy Chief Executive Officer;
- Decision on reducing the minimum period for holding in registered form fully paid up shares conferring an entitlement to a double voting right and the corresponding modification of article 13.2 of the articles of association
- Powers for legal formalities pursuant to the Extraordinary General Meeting;

The Ordinary and Extraordinary Annual General Meeting of 12 June 2017

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 Ordinary and Extraordinary Annual General Meeting in accordance with article L.225-115 3° of the French commercial code.

The General Meeting of 12 June 2017 has accordingly been called mainly for the purpose of:

(i) Obtaining approval by the Company's shareholders of the annual and consolidated financial statements for the periods ended 31 December 2016, adopted by the Board of Directors;
(ii) Setting the dividend, approving the regulated agreements and setting the amount of attendance fees;
(iii) Ratifying the appointment of two new directors by co-optation;
(iv) Renewing the offices of directors whose terms are expiring;
(v) Approving the criteria for determining, allocating and granting the components of compensation of the President-Chief Executive Officer and the Deputy Chief Executive Officer;
(vi) Renewing the authorisation given to the Board of Directors to deal in the Company's shares;
(vii) Resolving to proceed with a possible capital increase reserved for employees within the framework of the three-year obligation.
(viii) Delegating all authorities to the Board of Directors for possible share awards to the Deputy Chief Executive Officer.
(ix) Reducing the minimum period for holding in registered form fully paid up shares conferring an entitlement to a double voting right and the corresponding modification of article 13.2 of the articles of association

I. ORDINARY RESOLUTIONS

1. APPROVAL OF THE 2016 ANNUAL FINANCIAL STATEMENTS

1st and 2nd resolutions

It is requested that you (i) approve the annual financial statements of the Company and the consolidated financial statements of the CIS Group for fiscal 2016 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 net loss of €5,435,240.30.
- The consolidated financial statements show a net profit attributable to equity holders of the parent of €2,274,894.

2. APPROPRIATION OF EARNINGS – DETERMINATION OF THE DIVIDEND

3rd resolution

The Board of Directors proposes that net loss for the year of €5,435,240.30 be appropriated to "Other reserves".

The Board of Directors proposes to pay a total dividend of €482,462.40 by appropriating the full amount from the "Other Reserves" account.
With 8,041,040 shares entitled to dividends, the total net dividend per share would be €0.06.
The payment date for cash dividends would be 21 June 2017.
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

4th resolution
The purpose of this resolution is to submit to your approval the regulated agreements entered into in 2016 as described in the Auditors' special reports

4. APPROVAL OF REGULATED AGREEMENTS RELATING TO MR. JEREMY DE BRABANT, DEPUTY CEO

5th resolution
The purpose of this resolution is to submit to your approval the regulated agreements covered by article L.225-42-1 of the French commercial code relating to Mr. Jeremy De Brabant, Deputy CEO as described in the Statutory Auditors' special report.

5. DIRECTORS' ATTENDANCE FEES

6th resolution
The purpose of this resolution is to submit to your approval the amount of attendance fees to be granted to directors totalling €195,000.

6.RATIFICATION OF THE CO-OPTION OF THREE NEW DIRECTORS BY THE BOARD OF DIRECTORS

7th, 8th and 9th resolutions
On 16 December 2016 the Board of Directors decided to co-opt the following directors:

- Mr. David LEE Zimmerman, to replace Mr. Christian Daumarie;
- Cantos Ltd, represented by Mr. Henri de Bodinat, replacing Mr. Henri de Bodinat, resigning in his capacity as an individual Director;
- Financière Lucinda, represented by Ms. Sophie Le Tanneur de Rancourt, replacing Ms. Sophie Le Tanneur de Rancourt, resigning in her capacity as an individual Director.

We propose that you ratify these co-optations for the remaining term of office of each director as described in the draft resolutions.

7. RENEWAL OF THE TERMS OF DIRECTORS THAT ARE EXPIRING

10th and 11th resolutions
The directorships of Mr. David Lee Zimmerman and the company Cantos Ltd, represented by Mr. Henri de Bodinat expire at the end of the next General Meeting of 12 June 2017.
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 2019.

8. APPROVAL OF THE CRITERIA FOR DETERMINING, ALLOCATING AND GRANTING THE COMPONENTS OF COMPENSATION OF THE PRESIDENT-CHIEF EXECUTIVE OFFICER AND THE DEPUTY CHIEF EXECUTIVE OFFICER;

12th and 13th resolutions

Considering the new legislative provisions resulting from the Law of December 9, 2016 on transparency, the fight against corruption and modernization of the economy (the "Sapin II" law) and article L.225-37-2 of the French commercial code, applying to companies whose shares are admitted to trading on a regulated market, the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits in kind attributable to the chairman, chief executive officer or deputy chief executive officers on the basis of their offices, are subject to a resolution submitted to each year to the approval of the general meeting of the shareholders.

Having considered the Board of Directors' corresponding report, we propose that you approve these resolutions.

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

14th resolution

The general meeting held on 6 June 2016, 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.

This authorisation was granted for a period of eighteen months that will expire on 5 December 2017.

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 2016 for the purpose of maintaining an orderly market in its shares.

At 31 December 2016, the Company held 67,531 own shares in treasury compared with 32,747 shares at 31 December 2015.

II. EXTRAORDINARY RESOLUTIONS

1. DECISION OF PROCEEDING WITH A CAPITAL INCREASE RESERVED FOR EMPLOYEES (PERIODIC OBLIGATION)

16th resolution

In accordance with the provisions of article L.225-129-6 of the French commercial code, an extraordinary general meeting is called every three years to vote on a resolution proposing a capital increase under the conditions provided for in section 4 of Chapter II of the section III of book III of the third part of the French labour code, if, in light of the report presented to the General Meeting by the Board of Directors, shares held by the employees of the Company and affiliated companies therewith represent at least 3% of the share capital.

This draft resolution is submitted to comply with a legal obligation though in light of the current family-owned structure of the Company's share capital, your Board of Directors does not consider this proposal appropriate and decides for that reason not to support the proposed 16th resolution relating thereto submitted to your vote.

2. DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS FOR POSSIBLE SHARE AWARDS TO THE DEPUTY CHIEF EXECUTIVE OFFICER.

17th resolution

Having considered the Board of Directors' report to the Extraordinary General Meeting, the compensation of the Deputy CEO is destined to be supplemented by a long-term component through stock awards as part of a specific plan to be implemented in the second year of presence, linked to performance conditions that will be defined by the Board of Directors.

On this basis, we propose that you adopt the resolution proposed which describes the content of the delegation of authority to be granted to the Board of Directors.

3. DECISION ON REDUCING THE MINIMUM PERIOD FOR HOLDING IN REGISTERED FORM FULLY PAID UP SHARES CONFERRING AN ENTITLEMENT TO A DOUBLE VOTING RIGHT AND THE CORRESPONDING MODIFICATION OF ARTICLE 13.2 OF THE ARTICLES OF ASSOCIATION

18th resolution

The Board of Directors reminds the General Meeting of the importance for the Company of ensuring a loyal and stable shareholder base in the interest of its long-term development.

For that reason, we request that you reduce the minimum period for which fully paid up registered shares must be held in the name of the same shareholder to confer entitlement to a double voting right from four years to two years and amend in consequence article 3.2 of the articles of association.

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

Marseilles, 20 April 2017

THE BOARD OF DIRECTORS

The Ordinary and Extraordinary Annual General Meeting of 12 June 2017

The Board of Directors' special report to the Extraordinary General Meeting

To the shareholders:

We have called this Extraordinary General Meeting to consider the following items on the agenda:

- Decision on proceeding with a capital increase reserved for employees in accordance with provisions of article L.225-129-6 of the French commercial code and article L.443-5 of the French labour code;
- Delegation of authority to the Board of Directors to award shares of the Company by purchasing existing shares or issuing new shares for the benefit of the Deputy Chief Executive Officer.

Decision on proceeding with a capital increase reserved for employees in accordance with provisions of article L.225-129-6 of the French commercial code and article L.443-5 of the French labour code

In accordance with the provisions of article L.225-129-6 of the French commercial code, an Extraordinary General Meeting is called every three years to vote on a resolution proposing a capital increase under the conditions provided for in section 4 of Chapter II of the section III of book III of the third part of the French labour code, if, in light of the report presented to the General Meeting by the Board of Directors, shares held by the employees of the Company and affiliated companies therewith represent at least 3% of the share capital.

Delegation of authority to the Board of Directors to award shares of the Company by purchasing existing shares or issuing new shares for the benefit of the Deputy Chief Executive Officer

The Board reminds the General Meeting of the possibility of awarding shares to corporate officers and employees of the Company or, under certain conditions, to corporate officers and employees of companies of the Group.

On 26 May 2016, the Board determined that the compensation of Mr. Jeremy De Brabant, Deputy CEO of the Company was destined to be supplemented by a long-term component through stock awards as part of a specific plan that will be implemented in the second year of presence, linked to performance conditions to be defined by the Board of Directors.

In consequence, we hereby ask you to delegate all authority to your Board of Directors to make awards of the Company's stock without consideration for the benefit of Mr. Jeremy De Brabant, Deputy CEO, under the conditions provided for by articles L.225-197-1 et seq. of the French commercial code, within the limit of three percent (3%) of the share capital and vest it with all powers for the purpose of setting the conditions and, as applicable, the criteria for stock awards.

Stock awards to Jeremy De Brabant will be fully vested following a minimum vesting period of one (1) year followed by an obligation by the beneficiary to holding shares for a period to be set by the Board of Directors, it being specified that the combined duration of the vesting period and the holding period may not be less than two (2) years.

Decision on reducing the minimum period for holding in registered form fully paid up shares conferring an entitlement to a double voting right and the corresponding modification of article 13.2 of the articles of association

The Board of Directors reminds the General Meeting of the importance for the Company of ensuring a loyal and stable shareholder base in the interest of its long-term development.

The Board of Directors reminds the General Meeting of the importance for the Company of ensuring a loyal and stable shareholder base in the interest of its long-term development.
For that reason, we request that you reduce the minimum period for which fully paid up registered shares must be held in the name of the same shareholder to confer entitlement to a double voting right from four years to two years and amend in consequence article 3.2 of the articles of association as follows:

"13.2 Double voting right
A double voting right that is conferred on other shares, based on the portion of share capital they represent, is allocated to fully paid-up shares that have been registered over a continuous period of two (2) years in the name of the shareholder.
Furthermore, in the event of a capital increase by the capitalisation of reserves, earnings or issue premium, registered shares granted for free to a shareholder shall carry double voting right when issued, if the corresponding shares already held by the shareholder also carry double voting rights. "

Marseilles, 20 April 2017

THE BOARD OF DIRECTORS

The Ordinary and Extraordinary Annual General Meeting of 12 June 2017

Text of the draft resolutions

ORDINARY RESOLUTIONS

FIRST RESOLUTION - ***Approval of the separate parent company financial statements for the year ended 31 December 2016***
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary shareholders' meetings, having considered the Board of Directors' management report on the annual financial statements for the year ended 31 December 2016, 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 net loss of €5,435,240.30, 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 €27,608 of which €18,365 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.

SECOND RESOLUTION - ***Approval of the consolidated financial statements for the year ended 31 December 2016***
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary shareholders' meetings, having considered the Group management report and the Auditors' report, approve the consolidated financial statements for the year ended 31 December 2016 as presented which show a net profit attributable to the equity holders of the parent of €2,274,894, as well as the transactions recorded in these accounts and reports.

THIRD RESOLUTION - ***Appropriation of earnings for the financial year ended 31 December 2016 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 allocate the net loss of the period ended 31 December 2016 of €5,435,240.30 as follows:
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, decide to distribute a total dividend of €482,460.40 by appropriating the full amount from the "Other Reserves" account.

Dividend Amount - Payment - ***Applicable Tax Provisions***
With 8,041,040 shares entitled to dividends, the total net dividend per share is €0.06.
The payment date for cash dividends is 21 June 2017.
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:

	2013	2014	2015
Number of shares entitled to dividends	8,041,040	8,041,040	8,041,040
Net dividends per share	€0.13	€0.18	€0.12
Closing share price at year-end	€23.19	€18.56	€16.00

FOURTH RESOLUTION - ***Approval of regulated agreements covered by articles L.225-38 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.

FIFTH RESOLUTION - ***Approval of regulated agreements covered by article L.225-138 of the French commercial code relating to Mr. Jeremy De Brabant, Deputy Chief Executive Officer***
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to the approval of agreements falling under the scope of application of article L.225-38 et seq. of the French commercial code, after considering the statutory auditors' special report on regulated agreements and commitments covered by articles L.225-38 and L.225-42-1 of the French commercial code, duly note their conclusions of said report and approve the commitments presented therein concerning Mr. Jeremy De Brabant, Deputy Chief Executive Officer.

SIXTH RESOLUTION - ***Setting the amount of 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 €195,000 for 2016 in attendance fees for members of the Board of Directors;

SEVENTH RESOLUTION - ***Ratification of the co-option of Mr. David Lee Zimmerman by the Board of Directors***
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, ratify the appointment as director on 16 December 2016 of the Board by co-option of Mr. David Lee Zimmerman, replacing Mr. Christian Daumarie, having resigned, for the remainder of the term of office of the latter, or until the end of the annual general meeting called in 2017 for the purpose of approving the financial statements for the period ending 31 December 2016.

EIGHTH RESOLUTION - ***Ratification of co-option of Cantos Limited by the Board of Directors***
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, ratify the appointment as director on 16 December 2016 of the Board by co-option of Cantos Limited, having its registered office at Regent House, 17 Church Street Beaumaris, LL 58 8 AB, UK, Incorporated in London (UK) under No. 4375319, replacing Mr.Henri de Bodinat, having resigned, for the remainder of the term of office of the latter, or until the end of the annual general meeting called in 2017 for the purpose of approving the financial statements for the period ending 31 December 2016.
The shareholders duly note the appointment of Cantos Limited by the procedure of 16 December 2016, of Mr.Henri de Bodinat as the permanent representative on the Board of Directors of CIS.

NINETH RESOLUTION - ***Ratification of co-option of Financière Lucinda by the Board of Directors***
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, ratify the appointment as director on 16 December 2016 of the Board by co-option of Financiere Lucinda, a French single-shareholder limited liability company (société à responsabilité limitée à associé unique) with share capital of €95,000, having its registered office at 36 rue Pauline Borghèse – 92200 Neuilly-Sur-Seine, registered in the Nanterre Trade and Companies Register (RCS) under number 504 747 254, of Ms. Sophie Le Tanneur de Rancourt, having resigned, for the remainder of the term of office of the latter, or until the end of the annual general meeting called in 2019 for the purpose of approving the financial statements for the period ending 31 December 2018.

The shareholders duly note the appointment of Financière Lucinda by the procedure of 16 December 2016, of Ms. Sophie Le Tanneur de Rancourt as the permanent representative on the Board of Directors of CIS.

TENTH RESOLUTION - ***Renewal of Mr. David Lee Zimmerman'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 Mr. David Lee Zimmerman's term tem of office as director expires at the end of this General Meeting, decide to renew his 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 2019.
Mr. David Lee Zimmerman, whose term of office is renewed, accepts the renewal of her duties and declares that no restrictions or incompatibility exists that might prevent her from holding this office.

ELEVENTH RESOLUTION - ***Renewal of Cantos Limited'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 term of office of Cantos Limited, having its registered office at Regent House, 17 Church Street Beaumaris, LL 58 8 AB, UK, Incorporated in London (UK) under No. 4375319, represented by Henri de Bodinat, 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 2019.
Cantos Limited, represented by Mr. Henri de Bodinat whose term of office is renewed, accepts the renewal of its duties and declares that no restrictions or incompatibility exists that might prevent it from holding this office.

TWELFTH RESOLUTION - ***Approval of the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature granted to the Mr. Régis Arnoux, as Chairman-CEO***
After considering the report provided for by article L.225-37-2 of the French commercial code, the shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, approve the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature granted to the Chairman-CEO on the basis of his office.

THIRTEENTH RESOLUTION - ***Approval of the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature granted to the Mr. Jeremy De Brabant, as Deputy CEO***
After considering the report provided for by article L.225-37-2 of the French commercial code, the shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, approve the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature granted to the Deputy CEO on the basis of his office.

FOURTEENTH 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.

FIFTEENTH 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.

EXTRAORDINARY RESOLUTIONS

SIXTHTEENTH RESOLUTION - ***Decision on proceeding with a capital increase reserved for employees in accordance with provisions of article L.225-129-6 of the French commercial code and article L.443-5 of the French labour code;***
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary general meetings, having considered the Board of Directors' report, decide, in accordance with the provisions of article L.225-129-6 of the French commercial code, to provide for a capital increase in cash reserved for employees of the Company in accordance with the provisions provided for in article L.443-5 of the French labour code.

SEVENTHTEENTH RESOLUTION - ***Delegation of authority to the Board of Directors to award shares of the Company by purchasing existing shares or issuing new shares for the benefit of the Deputy Chief Executive Officer;***
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary general meetings, after considering the Board of Directors' report and the Statutory Auditors' special report, in accordance with articles L.225-197-1 et seq. of the French commercial code:

- Authorise the Board of Directors, on one or more occasions, to proceed with restricted stock awards from existing or future shares of the Company or shares to be issued, for the benefit of Mr. Jeremy De Brabant, Deputy Chief Executive Officer;
- Resolve that the Board of Directors shall determine the terms and conditions and, as applicable, the criteria for stock awards;
- Resolve that the total number of shares that may be granted without consideration by virtue this resolution may not represent more than three percent (3%) of the share capital on the Board of Directors' grant date;
- Resolve that shares awarded to the beneficiaries will be fully vested at the end of a vesting period set by the Board of Directors of at least one (1) year;
- Resolve that a holding period for the beneficiary may, as applicable, be set by the Board of Directors, it being noted that the combined duration of the vesting period and the holding period may not be less than two (2) years;
- Duly note that this decision entails automatic waiver by shareholders to their respective rights to reserves which, as applicable, will be used for the issuance of new shares;

And

- Duly note that this authorisation cancels and supersedes any prior authorisation having the same purpose.

This authorisation is granted for thirty-eight (38) months from the date of this Meeting.

The shareholders grant all powers to the Board of Directors, which it may further delegate in accordance with the law, for the purpose of implementing this delegation of authority, to perform all actions, formalities and representations, make, as applicable, adjustments relating to transactions involving the Company's capital, set as required the vesting periods and obligations for the retention of shares exceeding the minimum durations set above, as applicable, set the date of record, even retroactively for shares issued, increase the capital through the capitalization of reserves or additional paid-in capital for the purpose of issuing shares, formally record the capital increase(s), amend the articles of association in consequence, carry out all formalities relating to the listing of the securities thus issued, and in general, do everything that is required.

EIGHTEENTH RESOLUTION - ***Decision on reducing the minimum period for holding in registered form fully paid up shares conferring an entitlement to a double voting right and the corresponding modification of article 13.2 of the articles of association***
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary general meetings, after considering the Board of Directors' report, decide to reduce the minimum period that fully paid up registered shares must be held in the name of the same shareholder to confer entitlement to a double voting right from four years to two years.

In consequence, the General Meeting decides to amend to article 13.2 of the articles of association to read as follows:

"13.2 Double voting right

A double voting right that is conferred on other shares, based on the portion of share capital they represent, is allocated to fully paid-up shares that have been registered over a continuous period of two (2) years in the name of the shareholder.

Furthermore, in the event of a capital increase by the capitalisation of reserves, earnings or issue premium, registered shares granted for free to a shareholder shall carry double voting right when issued, if the corresponding shares already held by the shareholder also carry double voting rights "

NINETEENTH 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.

Statutory auditors' reports

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
Financial year ended 31 December 2016

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 2016 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

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 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.

The assessments on these matters were made in the context of our audit of the financial statements taken as a whole and therefore helped us form our 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, 20 April 2017
The Statutory Auditors
French original signed by

SYREC	Audit Conseil Expertise, SAS
Luc-René CHAMOULEAU	Member of PKF International
	Guy CASTINEL

STATUTORY AUDITORS' REPORT
ON THE ANNUAL FINANCIAL STATEMENTS
Financial year ended 31 December 2016

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 2016 on:

- The audit of the accompanying annual financial statements of CIS;
- 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:

- The equity interests, of which the net amount recognised in the balance sheet as of 31 December 2016 was €10,918,000, were measured at their acquisition costs and appreciated to reflect their value in use according to the procedures described in the paragraph "financial assets" of note 2 "Significant accounting policies" of the notes to the financial statements. Our work has consisted in evaluating the data and assumptions on which these estimations have been based, and in particular the cash flow forecasts produced by the company, reviewing the calculations made by the company and examining the procedures for management's approval of these estimations.

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

We 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, 20 April 2017
The Statutory Auditors
French original signed by

SYREC
Luc-René CHAMOULEAU

Audit Conseil Expertise, SAS
Member of PKF International
Guy CASTINEL

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. CIS

Financial year ended 31 December 2016

To the shareholders:
In our capacity as Statutory Auditors of CIS 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 2016.

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.

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

Marseilles, 20 April 2017
The Statutory Auditors
French original signed by:

SYREC
Luc-René CHAMOULEAU

Audit Conseil Expertise, SAS
Member of PKF International
Guy CASTINEL

AUDITORS SPECIAL REPORT
on regulated agreements and commitments
Financial year ended 31 December 2016

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.

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.

1/ Lease agreement between CIS and SAS Finra

- Related party

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

- Description

Pursuant to the authorisation of your Board of Directors of 26 May 2016, CIS concluded an office this lease agreement with SAS Finra. For fiscal 2016, under the terms of this agreement, expenses of €20,039 were recognised for rental payments excluding charges.

- Reasons justifying interest for the company

Maintaining an existing lease, the SAS FINRA is substituted with GENEPIERRE from which it acquired the property covered by the lease.

2/ Undertakings on behalf of the Deputy CEO

- Related party

Mr. Jeremy De Brabant, Deputy CEO of CIS.

- Description

On 26 May 2016, your Board of Directors appointed Mr. Jeremy De Brabant as The Deputy Chief Executive Officer of CIS and made on his behalf the following undertaking:
Mr. Jeremy De Brabant will receive a severance payment in the event of the termination of his functions as Deputy Chief Executive Officer (removal or non-renewal) at the Company's initiative equal to three (3) months of notice plus a lump sum severance payment of nine (9) months of gross compensation (fixed and variable, calculated on the basis of compensation for the last twelve months).

In addition, this Board of Directors duly noted the conclusion with Mr. Jeremy De Brabant of an employment contract as Chief International Business Development Officer and on that basis undertaken vis-à-vis the latter the following:

Mr. Jeremy De Brabant will receive a severance payment in the event of his termination at the Company's initiative excluding reasons of gross negligence ("faute grave") or wilful misconduct ("faute lourde") equal to three (3) months of notice plus a lump sum severance payment of nine (9) months of gross compensation (fixed and variable, calculated on the basis of compensation for the last twelve months), including the legal severance payment that will be payable and which will not be grouped together.

- Reasons justifying interest for the company

In accordance with the law, we inform you that the prior authorization given by the Board of Directors does not represent grounds justifying the interest of the undertaking by the company, as provided by article L. 225-38 of the French commercial code.

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 2016, 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 2016, under the terms of this agreement, expenses of €134,000 excluding tax were recognised for fees.

This agreement was adopted on 31 July 2016

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 2016, under the terms of this agreement, expenses of €81,900 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. For fiscal 2016, under the terms of this agreement, expenses of €5,000 excluding tax were recognised for fees.

5/ 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 this lease agreement with SCI Borely. For fiscal 2016, under the terms of this agreement, expenses of €32,000 were recognised for rental payments excluding charges.

Marseilles, 20 April 2017
The Statutory Auditors
French original signed by:

SYREC	**Audit Conseil Expertise, SAS**
Luc-René CHAMOULEAU	Member of PKF International Guy CASTINEL

STATUTORY AUDITORS' REPORT ON THE HE AUTHORISATION FOR STOCK AWARDS FROMEXISTING SHARES OR SHARES TO BE ISSUED
(Extraordinary General Meeting of 12 June 2017, 17th resolution)

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 the statutory auditors of your company and in accordance with its the terms of our engagement provided for under article L.225-197-1 of the French commercial code, we hereby present our report on the proposed authorisation to award shares from existing shares or shares to be issued for the benefit of Mr. Jeremy De Brabant, which is hereby submitted to your vote.

The total number of shares that may be freely awarded by the Board of Directors is set at 3% of the share capital on the date of their grant decision.

Your Board of Directors proposes, on the basis of this report, to authorise for a period of 38 months to award shares from existing shares or shares to be issued.

It is the responsibility of the Board of Directors to issue a report on this proposed stock award. It is our responsibility to inform you, when applicable, on our observations concerning the information provided to you on this proposed stock award.

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 have consisted notably in verifying that the procedures proposed and presented in the Board of Directors' report comply with applicable laws.

We have no comments to make regarding the information provided in the Board of Directors' report on the proposed stock award.

Marseilles, 20 April 2017
The Statutory Auditors
French original signed by:

SYREC
Luc-René CHAMOULEAU

Audit Conseil Expertise, SAS
Member of PKF International
Guy CASTINEL

INDEPENDENT THIRD-PARTY ASSURANCE STATEMENT ON THE CONSOLIDATED EMPLOYMENT-RELATED, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

Financial year ended 31 December 2016

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 independent third parties certified by COFRAC, the French National Accreditation Body, under No. 3-1080[1], we hereby present our report on the consolidated employment, environmental and social information for the year ended 31 December 2016 (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. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Statutory Auditors' responsibility

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 2017 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] *IISAE 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 and summaries of agreements signed with labour organisations or employee representatives in the area of occupational health and safety; measures promoting gender equality, the employment and integration of persons with disabilities, and combating discrimination; recycling and elimination measures; water consumption and supply in relation to local constraints; energy consumption and performance measures and use of renewable energies; significant sources of greenhouse gas emissions resulting from the company's business and the goods and services it produces, conditions of dialogue with stakeholders or organisations interested in the company's activities; and other actions in favour of the human rights which are absent or were only presented on a limited scope as indicated in the methodology note of the management report.

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 In formation 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 [3] :

- At the 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 59% of headcount and 100% of quantitative environmental data.

For the other CSR consolidated information published, we assessed its consistency 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.
Marseilles, 21 April 2017

The Independent Third Party
Grant Thornton
French member firm of Grant Thornton International

French original signed by:

Lionel Hatet
Associé

Alban Audrain
Associé

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[3] ***Quantitative employment information:*** *average total headcount and breakdown by gender, age and region; recruitments, departures (including dismissals); 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.*
Informations qualitatives : *actions taken to guarantee the safety of teams; business ethics charter integrated into the management system; nutrition and balanced diet.*
[4] *Human resources and Environmental information: France*
For selected Employment information: Algeria, Mozambique, Brazil

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

Notes

Our references

ADRIMAQ - AFRICAN MINERALS - AFRICAN - SKIES -
AGIP - ALSTOM - ALUPCO - ANADARKO -
ANDRADE GUTIERREZ - APEX SILVER
MINES - AREVA - ATLAS - AVOCET
MINING - B2 GOLD - BAKER HUGHES -
BARRICK GOLD - BECHTEL - BHP
BILLITON - BIRIMIAN RESOURCES -
BJSP - BOART LONGYEAR -
BOGATYR - BOUYGUES - BP -
CAMECO - CEGELEC - CHACO -
CHEVRON - CIMENTOS DE
MOÇAMBIQUE - CIMPOR - CNOOC-
COMIDE - CONGO COBALT -
CONSTRUCTORA CHEVES - DALMA
ENERGY - DENEL MECHEM - DYNATEC -
EFESK - EL BROCAL - ENAFOR - ENI - ENSP -
ENTP - ENTREPOSE - EQUATORIAL RESOURCES -

EMMSA -
ESB -
ETESCO - EXXON MOBIL
FLUOR GOVERNMENT GROUP - FRONTIER -
GEOCEAN - GOLD FIELDS - GLENCORE - HALLIBURTON -
HATCH - HERCULES OFFSHORE - HESP - HUMMINGBIRD
RESOURCES - HYPERDYNAMICS - HYUNDAI E&C -
ICCGSA - INKAI - IVANHOE - INTERCEMENT - JGC - KBR -
KARAZHANBASMUNAI - KAZAKHMYS - KAZ MINERALS -
KATCO - KCA DEUTAG - KINROSS - KOMIARCTICOIL -
LAFARGE - LUKOIL - MAERSK - MAJOR DRILLING -
MEDGAZ - METALKOL - METKA - MMG - MOMENTUM
DRILLING - MOTA ENGIL - NABORS DRILLING - NAFTOGAZ -
NEWMONT MINING - ODEBRECHT - ORASCOM
CONSTRUCTION INDUSTRIES -
OZTIURK -
MUNAI -

PAN AMERICAN SILVER -
PAN AFRICAN
MINERALS - SALYM
PARKER ENGINEERING -
DRILLING -
PERENCO -
PM LUCAS -
PETROVIETNAM
DRILLING -
PETROBRAS -
PETROKAZAKHSTAN -
PETROMINERALES - POLYMETAL -
POONG-LIM-PROSAFE-QDVC-QUATTROGEMINI-
QUEIROZ GALVAO - REPSOL -
RESOLUTE MINING - RIO TINTO
ROSNEFT -
RUASHI MINING -

RUSSIAN PLATINUM - SAHARA WELL -
SAIPEM - SAKHALIN ENERGY -
SAMEK INTERNATIONAL - SAMSUNG
SANOFI - SAUDI ARAMCO - SBM -
SCHLUMBERGER - SEMAFO - SHELL - SHERRITT - SNC LAVALIN -
SOGEA SATOM - SOMISY - SONATRACH - SONARCO - SORALCHIN -
SPIE CAPAG - STARSTROI - STATOIL - TARBAGATAI
MUNAI - TASIAST - TECHNIP - TECNA - TENIZ
BURGYLAU - TOTAL - TOYO ENGINEERING -
TRANSOCEAN - TULLOW OIL - UNITED
HYDROCARBON-URASIA ENERGY -
VALE - VAN OORD - VEOLIA - VICAT -
VOSKHOD - ORIEL - WEATHERFORD -
WESTERN GECO - YAMAL LNG -
YEMEN LNG - YPFB CHACO - ZAGOPE -
ZOMCO.

KAZAKHSTAN
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