Annual Report 2011-2012

ATALIAN
GLOBAL SERVICES

Profile

The independent French Group*, ***ATALIAN Global Services*** is a major global services provider for businesses and local authorities in Europe.

Its services are built around various businesses: **Cleaning, Security, Multi-technical and Facility Management, Reception, Landscaping, Construction and Transport.**

The Group is present in 13 countries, and counts more than 20,000 clients, private or public.

Learn more on www.atalian.com

** 100% family owned*

Key figures

€1.17 bn turnover
13 countries
More than 100 agencies in France
20,000 customers
55,000 employees

Our ambitions

- To create value for our clients and enable them to concentrate on their core businesses
- To deliver the best services every day to improve the quality of life and comfort of all employees in the companies we work for
- To build our business along sustainable lines in order to safeguard our financial security
- To propose an integrated offer, combining comprehensive and specific services
- To combine international reach with local presence
- To reconcile financial security and sustainable development

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Meeting Chairman

How is the ATALIAN Group doing today?

The ATALIAN Group is doing well, very well actually. We have worked a lot on the Group's reorganization in recent months in order to reinforce synergies and our performance, and the result has been positive. We have 6% profitability and organic growth is 5 or 6%. We have signed up several remarkable contracts, such as Auchan, La Poste, Allianz and General Electric in Cleaning and FM, Continental (Tyres) in the Czech Republic and ESB (Bank) in Croatia.

Finally, we have successfully refinanced our debt. We effectively announced the success of a bond issue of 250 million Euros maturing in 2020 at the rate of 7.25% in January 2013. This makes ATALIAN the largest family-owned French group to succeed in its first bond issue at such a rate, proof of the quality of our signature. Remember that in our line of business, the first ISS issue was made at a rate of 8.875%, while the Spie rate was 11%.

> *This makes ATALIAN the largest family-owned French Group to succeed in its first bond issue at such a rate, proof of the quality of our signature.*

What are the advantages of this refinancing operation?

Firstly, by quitting our debt financing package in early August 2012, originally set up with Marceau Capital and Euromezzanine in 2009, we regained full control of the equity, which is now wholly owned by the Julien family. That restored our independence and freedom of movement to be more reactive with regard to any opportunities. It was also the occasion to lower our average financing rate by one third.

Besides this new freedom, the other major interest of this operation is that it gives us access to levers that are larger, more modern and more international. The investors we persuaded to join us in this operation are among the largest, both in France and abroad.

In short, this gives us the wherewithal to undertake a new external growth stage in full confidence.

Is ATALIAN's main business still multi-business?

Yes, of course. But to simplify, I'd say that our activities are currently organized around 3 main areas: Cleaning, Facility Management and International.

Cleaning remains our core business to date. It still accounts for just over 50% of sales and 18,600 full-time staff. Despite pressure to lower prices, they remain stable overall because of the large contracts we signed in 2012 (Auchan, Carrefour, La Poste, ADP).

Facility Management, which represents 35% of sales and 6,000 full-time staff, is an extremely healthy sector. Thanks to our new contracts (Carrefour, SNCF, La Poste and France Telecom), we reported double digit growth (12.5%) for the first quarter of 2012/2013. It is a sector where the growth in demand has accelerated and we are expanding our service offer, so that multiservice FM covers all the service activities (what we call "soft" FM) and multitechnical is tied to the building ("hard" FM). We also created ATALIAN Facilities to coordinate these different activities. It is an entity with an impartial management. It reports directly to the Chairman's office. It is also the front office, offering a one-stop service to our customers and answering foreign calls for tender.

WITH FRANCK JULIEN of the ATALIAN Group

Is international still a major part of your strategy?

More than ever, especially as the refinancing of the Group's debt allows us to be aggressive again. International currently represents 10 to 15% of our sales. But it is also where we have the highest organic growth (28% for the first quarter 2012/2013). We have also had excellent results in Poland and the Czech Republic. Generally, there is strong demand for additional services.

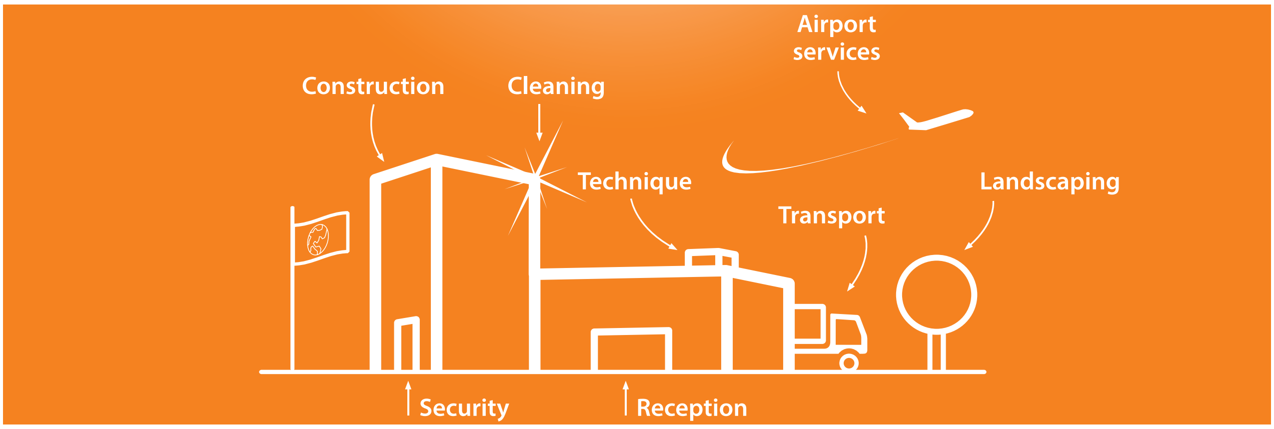
We have offices in 10 European countries. We have considerably boosted our presence in Eastern and Central Europe. Our latest acquisitions include Juriga and CI-SERVIS in Slovakia, which will merge with our current setups. We recently entered the Moroccan market. Last February we bought ARTEM, a Turkish company specialized in the cleaning business, which has offices in several towns (Ankara, Istanbul, Izmir, Kayzeri, Bursa and Batman). ARTEM marks the start of some ambitious sales in Turkey.

International is a strong growth vector for ATALIAN.

ATALIAN is changing and will change again. Is the "ATALIAN model" changing too?

We are currently in the process of shifting to major exports, particularly to South East Asia (Indonesia, Vietnam, Malaysia, Philippines, Thailand, etc.). Our goal is to reach €500 million in international sales in the next 5 years.

But we are still an independent, family-owned group and our entrepreneurial culture remains unchanged. It has even been strengthened by our reorganization efforts. We have gained in agility and therefore reactivity and efficiency. The management team is stable, united and strong. Our growth model is also the same, namely to start with one activity by taking over an existing local business, and from there to seize opportunities and expand our offer to our other businesses.

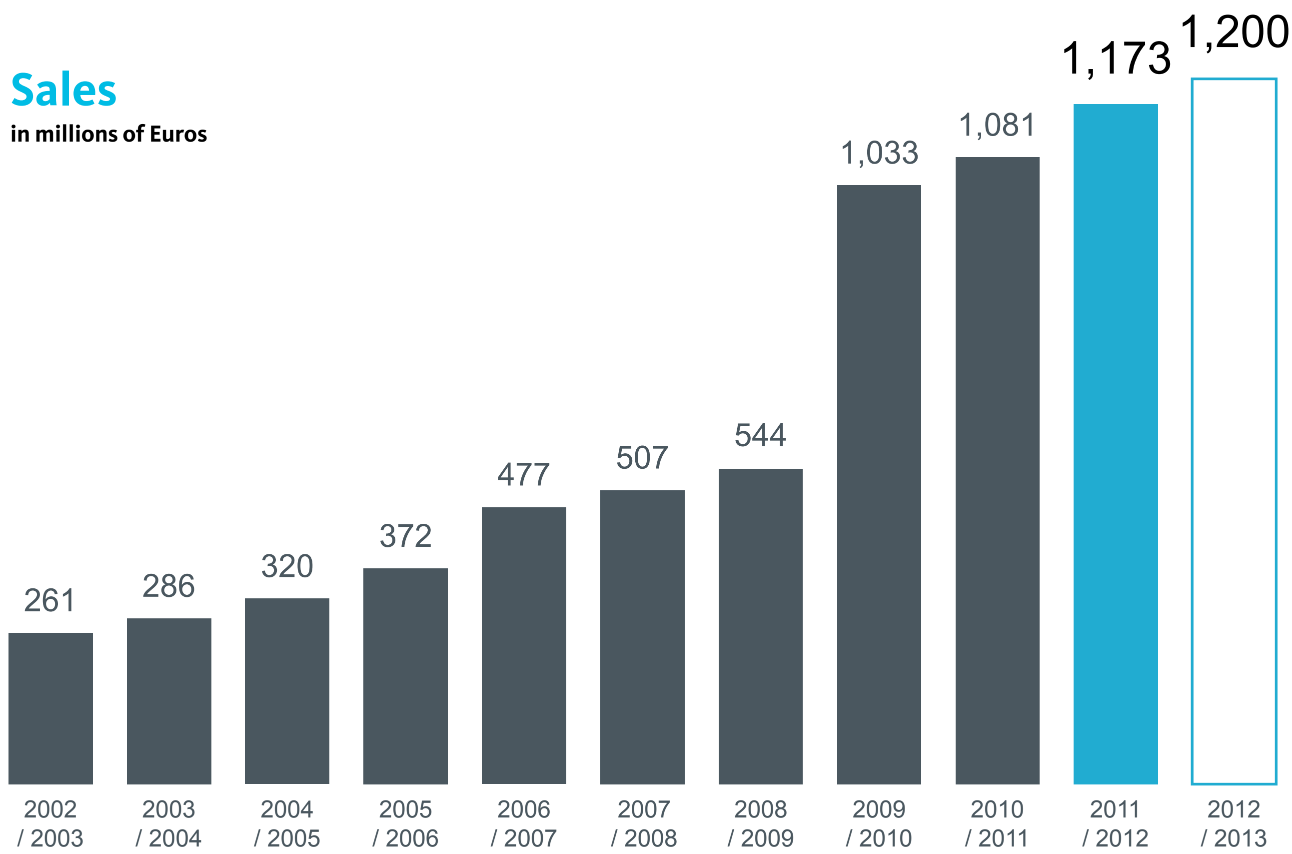


THE ATALIAN Group

France and Europe are experiencing turbulent times. Despite economic tensions and low domestic growth, ATALIAN has continued to expand at a steady, controlled pace, in total compliance with our forecasts. Our strategy of consolidating our positions in the domestic market and expanding abroad is validated by our good economic results.

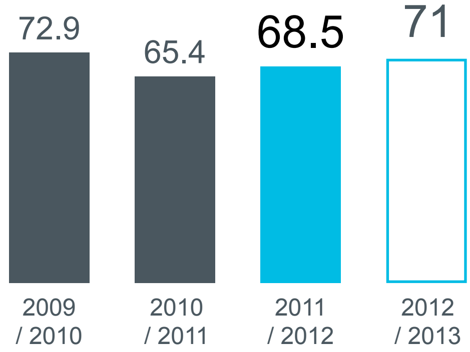
Sales

in millions of Euros



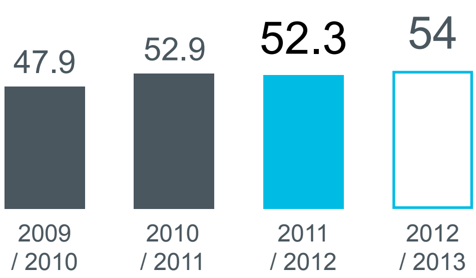
EBITDA

in millions of Euros



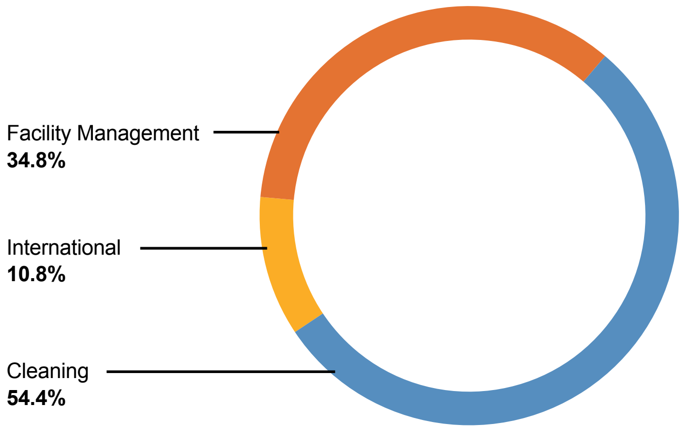
EBIT

in millions of Euros



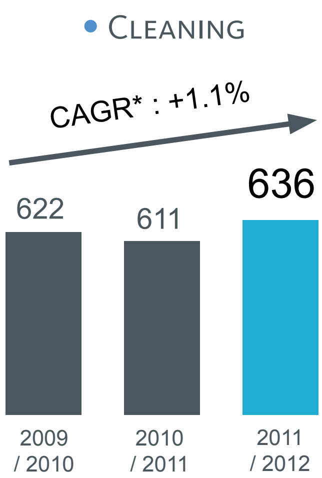
Breakdown of sales per business

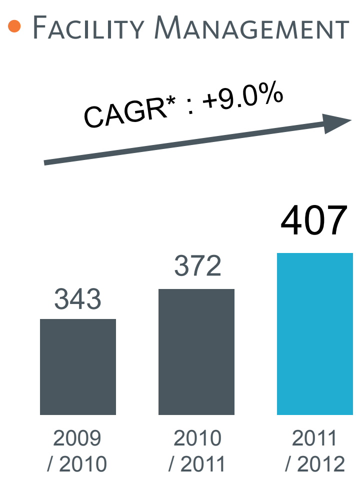
In % of sales

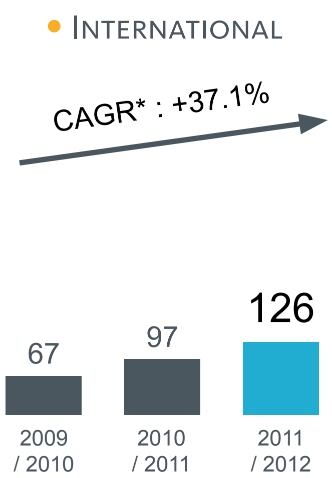


Average annual sales and growth rates

In millions of Euros

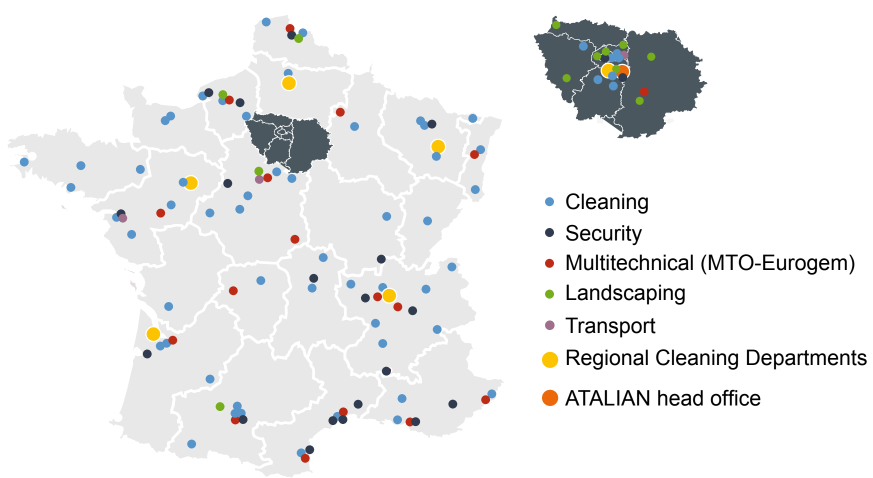






** CAGR: compound annual growth rate.*

Over 100 offices in France



A compact network

Widespread coverage through a network of more than **100** national agencies.

The decentralized organization enables simultaneous support from regional and national management in every case.

Thanks to this network, the Group is well-positioned to develop long-term local relationships with its customers.

The structural drivers of our performance

Our track record has been marked by steady growth to date, whether purely organic or through acquisitions. For instance, despite a period of economic slowdown, profits have held up well. From 2008 to 2012, ATALIAN more than doubled its sales (from €507 million to €1,173 million), while maintaining profitability (EBITDA) at about 6%.
Efforts in recent months have primarily focused on integrating the companies purchased, optimizing our operational organization, diversifying our activities in the countries where the Group operates and conquering new territories.

Sustainable, reactive management of our human resources

All our businesses involve labour. So the human challenges are essential, and our personnel management is a key aspect of the Group's know-how. It gives us a decisive competitive edge for our activities in the French market. Our organization gives us a flexible cost base, thereby improving our profitability over the long term, while maintaining a good **social dialogue**.

More generally, we have developed a recognized know-how in recruiting, optimizing resource planning and a thorough knowledge of the regulatory frameworks within which we operate. Our operational performance is also convincing because it is based on **careful, optimum management of personnel costs**, site by site, with each contract.

Our **training** actions, career development policy and job security for teams are also decisive factors for efficiency and loyalty, and hence our performance in the long run.

This notion of commitment is part of our culture. It can be seen at the highest level of the Group in the form of a **strong results-oriented and financial culture** (working capital requirement, accounts receivable), particularly on key positions; and the seasoned management team has been in place for several years.

In all ATALIAN business units, strict compliance with the rules and continuous improvement are not only essential to performance, they also represent the very foundation of our customers' trust in us.

Solid financial ratios

Our acquisitions strategy remains controlled and based on vigilance with regard to the expected organic cash flows.

Our **flexible cost base**, the **visibility** of our recurring contracts, and our constant concern for **productivity** have helped us resist the pressure on prices during times of economic slowdown. We generate a large cash flow with limited requirements in terms of operating investments (less than 1% of Group revenues).

Our rigorous cost controls guarantee sustainable margins. Personnel costs are considered as largely variable, and represent a very stable proportion of about 64% of Group sales.

The other operating costs (mostly including purchases of consumables) are in direct proportion to sales – around 30%.

The EBITDA held up well in 2012 at 6%, despite recent pressure on prices during the economic slowdown. This can be seen as the result of our vigilance on productivity, as well as our ability to anticipate the market, the solid relationships we build with customers and the timely easing procured by our long-term contracts.

In the last 3 years, ATALIAN **has continued to generate a strong cash flow**, representing a free cash-flow of €81 million in 2010; €17 million in 2011 and €59 million in 2012. The decrease in 2011 was due to the higher working capital requirement following the takeover of VPNM and Eurogem.

A highly diversified customer portfolio… and loyal customers above all

ATALIAN currently has about **20,000 public and private customers**, spread over all industrial and service sectors. Long-term contracts have been signed with major customers. The contract renewal rate is 93% for Cleaning and 87% for multiservice FM contracts. Each contract with the 10 largest customers represents less than 1% of the Group's revenues.

A standardized and decentralized Quality approach

In all ATALIAN business units, strict compliance with the rules and continuous improvement are not only essential to performance, they also represent the very foundation of our customers' trust in us. The Group's Quality commitment is reflected in the certification and labelling policy implemented many years ago and it is applied systematically to each of its businesses.

A Customer Relations Department as sole point of entry

ATALIAN's customer base is constantly expanding due to its continuous external growth, so building loyalty with these new customers inherited from an acquisition is a key issue for the Group's success. This is the Customer Relations Department's main role.

As coordinator of Customer Relationship Management, the Customer Relations Department is the sole point of entry with regard to customers and prospects.

Its teams manage all replies to calls for tender in order to find the best solutions at the best cost for each customer, and to ensure that relationships are followed up and coherent, thanks to their thorough knowledge of the customer's needs. They are also fully equipped to support each customer's 'sustainable development' policy, a goal that fits in with our aim of going beyond the traditional customer-supplier relationship to build mutual value added partnerships.

A wide coverage in France, close to our customers

- **A compact coverage: about 130 offices and regional departments.**
  ATALIAN currently has 7 regional departments overseeing more than 100 very well-established local agencies, ready to offer their customers all the Group's services
- **A decentralized organization that optimizes customer loyalty and makes it easier to cross-sell between businesses.**
  The sales forces and support functions report directly to the regional managers.

The Training Department

This department employs approximately 10 people who manage and coordinate the implementation of training plans for the whole Group, i.e. production (in Ile-de-France and in the regions), integration systems, disabled staff training, administrative tasks, invoicing.

Our performance tomorrow

In a demanding environment, ATALIAN will continue to concentrate on implementing plans designed to realize productivity gains, improve cost control and optimize cash flow management. These fundamentals are part of our DNA. Our goal for the future is to assist our customers in markets that offer the highest growth potential, notably in Asia and Latin America.

Our international development is a priority strategic area

The Group's international dimension is already an inescapable reality and we are continuing in this direction.

Begun with the opening of subsidiaries in Hungary and Poland, our international development now gives us bases in many European countries and Mauritius, Lebanon and Morocco. ATALIAN recently opened up in Turkey too.

An ambitious exploration of promising new markets

We shall continue our policy of acquisitions, while focusing on countries showing the highest growth potential, where we can also assist the large international groups who are expanding there, such as Turkey, Brazil, China, Indonesia, Malaysia, Singapore, India, etc.

In February 2013, we began to penetrate the Turkish market by acquiring ARTEM, a company specialized in the cleaning business, based in Ankara with offices in Istanbul, Izmir, Kayzeri, Bursa and Batman too. Founded in 1984, this company proposing cleaning and related services has annual sales exceeding €10 million and employs over 1,500 full-time staff. It is certified ISO9001, 14001 and 18001.

Our goal is to reach €500 million in international sales in the next 5 years.

A new financial "freedom"

ATALIAN announced the successful investment of its bond issue of €250 million, maturing in 2020, at a rate of 7.25%, in January 2013. This operation, begun in 2012, is the result of an ambitious process of refinancing its debt in order to be free of any constraints on its equity and the burdens tied to the covenants on its mezzanine loans. After that bond issue, ATALIAN also has a €36-million revolving credit over 4 years (off balance sheet) as well as factoring facilities, which went from €46 million at end 2011 to €130 million today.

Businesses

Cleaning

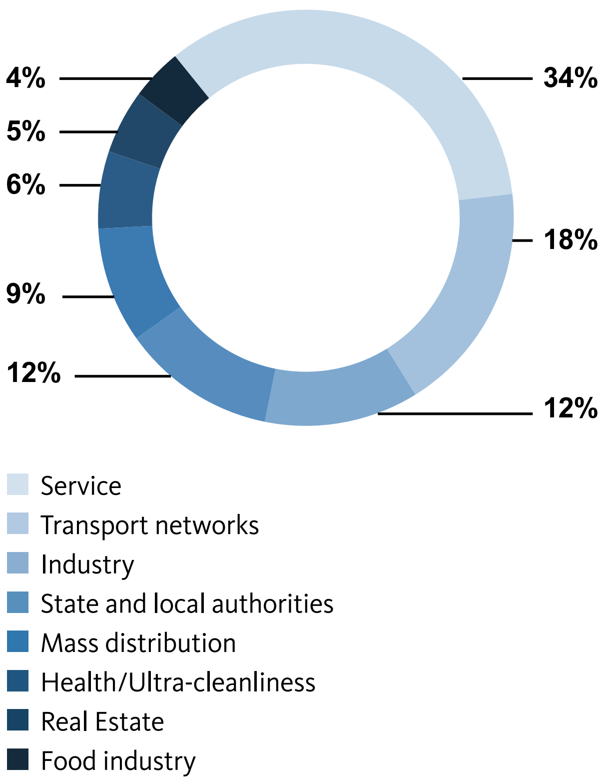
Activity

The Group's core activity since 1944, Cleaning and related services covers various business units and technical know-how ranging from traditional cleaning to ultra-cleanliness, to guarantee companies a pleasant working environment and a positive image.

The Cleaning activity operates in most business sectors and, through entities dedicated to the different sectors, uses the most appropriate cleaning techniques for the specific features and constraints of each environment.

Breakdown of sales per sector:

In % of Cleaning sales



In 2012

With an average growth of 1.5% per year for the last 5 years, the French market has reached maturity. It is nevertheless still very fragmented with about 20,000 players. The 200 largest players only represent 40% of a total turnover estimated at €9 billion. Only players capable of reaching the critical size achieve above-average performance. The customers in this market are split between the public sector (40%) and the private sector (60%).

The very slight increase in our sales, going from €622 million in 2010 to €636 million in 2012, reflects the maturity of the domestic market. ATALIAN ranks in second place in France, where we propose a full line of traditional and specialist services to a wide range of customers.

Key facts and figures

€636 million sales
(i.e. 54% of total sales)

€62 million EBITDA

Over **18,600** staff FTE

1.1% average annual growth rate from 2010 to 2012

Activities certified ISO 9001, 14002, OHSAS 18001, CEFRI and MASE

Customer references

- DANONE/EVIAN
- LAFARGE
- EADS
- DCNS
- SAINT GOBAIN
- FAURECIA

Businesses

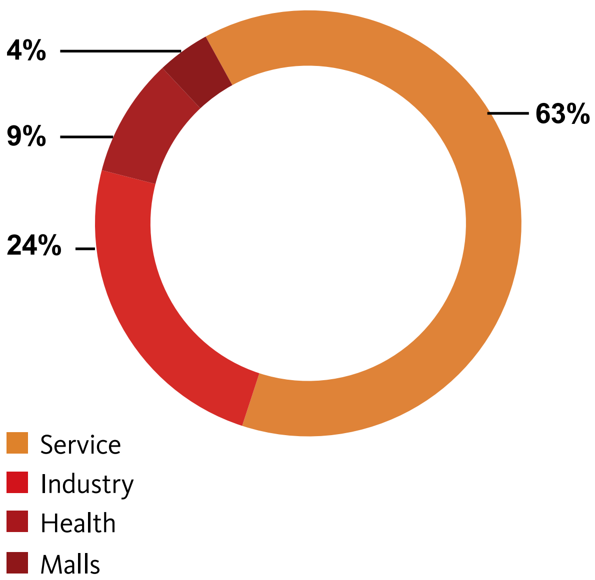
Facility Management

Activity

ATALIAN one of the rare multiservice companies to have successfully integrated a technical offer, proposes a full range of skills in multitechnical maintenance and multiservices to customers from service (offices, clinics, hospitals, mass retailers, big brands, etc.) and industrial (aeronautics industry, rail industry, defence, energy, communication, etc.) sectors. This activity operates in two modes, namely posted sites (supply of personnel directly at the customer's premises) and non-localized sites (a wide range of technicians work with several customers).

Breakdown of sales by sector

In % of FM sales



In 2012

Facility Management is a relatively new sector in France but it is growing fast (over 10% per annum for the last 5 years). The market is already consolidated because the scale factor is important to be able to propose a complete multiservice offer.

The annual growth of our sales, which went from €343 million in 2010 to €407 million in 2012, is driven by the rising demand for an integrated "multiservice" and "multitechnical" offer.

ATALIAN is now a well-known player in these two parts of the FM activity:

- Multitechnical (or "hard" FM) covers all services with highly technical building and office maintenance services, support services and fluid and energy management. It represents 37% of our sales, at €151 million.
- Multiservice (or "soft" FM) includes reception/hostess services, mailroom, and security. Multiservice in the strictest sense represents 25% of sales, i.e. €102 million. The other activities (Landscaping, transport, renovation and works) represent 38% of sales, at €154 million.

Key facts and figures

Over **€400 million** in sales

€24 million EBITDA

Approx. **6,000** staff FTE

9% average annual growth rate from 2010 to 2012

Activities certified Qualibat 5544, Qualifelec, ISO 9001 2008, MASE, High Quality Environmental standards operation building

Customer references

- AIRBUS
- SANOFI
- BMS
- NATIXIS

Businesses

International

Activity

The emerging economies represent very significant growth potentials in line with the expected growth of their GNP and the growing demand for infrastructures.

The noticeable increase in our sales, which went from €67 million in 2010 to €126 million in 2012, reflects the expansion of the Eastern and Central Europe economies where we are a recognized multiservice player. Our foreign entities help us assist international customers far from their home base and offer them the same quality of service as in France, namely a thorough knowledge of local economic and social realities, reactivity and customized services.

Key figures

€126 million sales in 2012
(11% of Group sales)

€8 million EBITDA

Presence in **12 countries** excluding France

Approx. **8,100** staff

The main dates of ATALIAN's international development

2000
ATALIAN assists Auchan with is setup in Hungary in order to provide the same services as in France.

2001
ATALIAN sets up in Poland following the same schema.

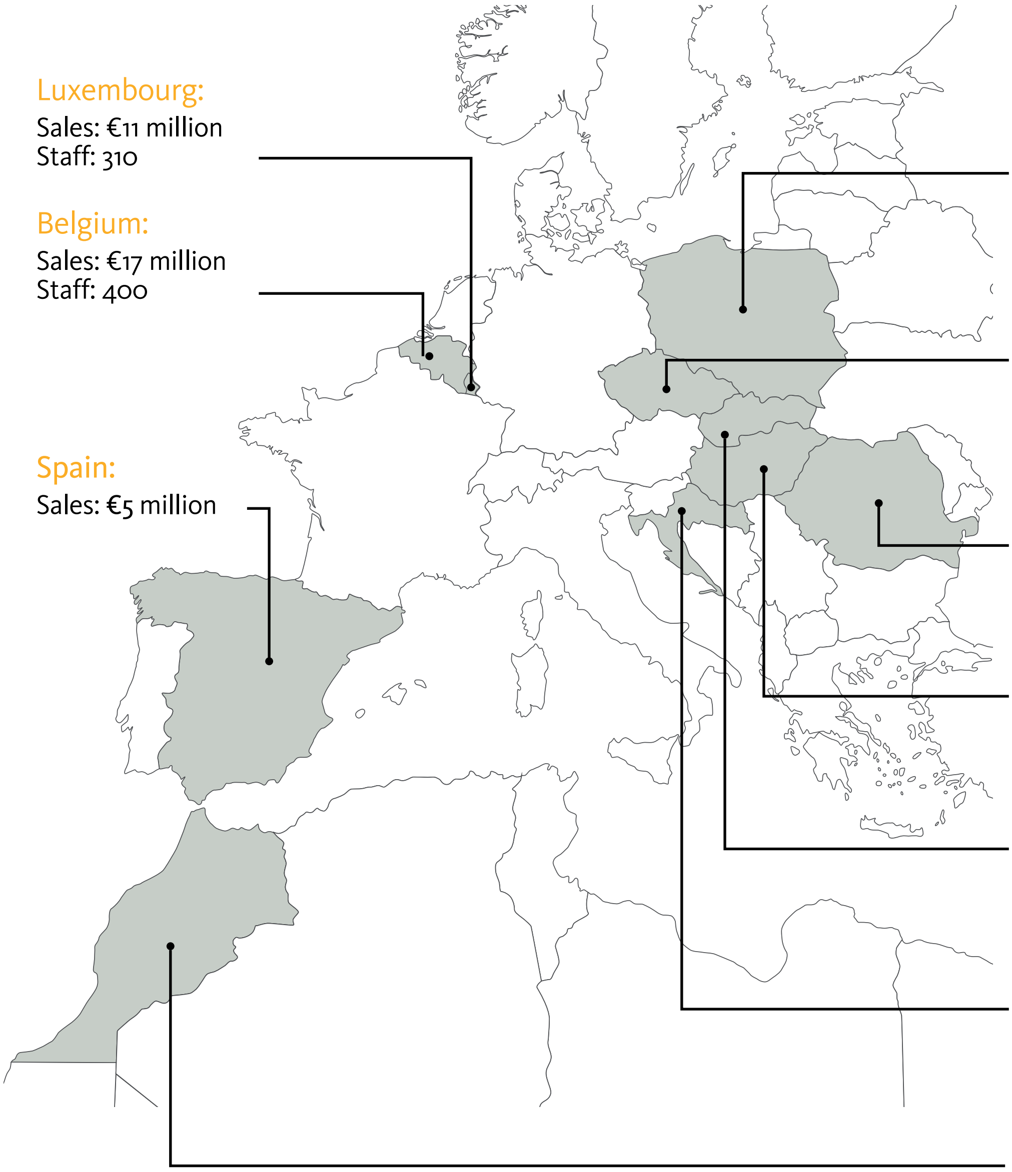
2004
The ATALIAN Group sets up in Luxembourg by taking over the cleaning company Avisia.

2006
Opening of a subsidiary in Romania

ATALIAN also enhances its offer in Poland by really positioning itself in the multiservice market rather than just cleaning services. Successful diversification; after 1 year in business, TFN Poland already does 50% of its sales in multiservice.

2007
ATALIAN sets up in Croatia, then in Czech Republic with the takeover of Jana.

Setup per country



Luxembourg:
Sales: €11 million
Staff: 310

Belgium:
Sales: €17 million
Staff: 400

Spain:
Sales: €5 million

Poland:
Sales: €8 million
Staff: 350

Czech Republic:
Sales: €44 million
Staff: 3,000

Romania:
Sales: €2.2 million
Staff: 220

Hungary:
Sales: €19 million
Staff: 2,500

Slovakia:
Sales: €7 million
Staff: 600

Croatia:
Sales: €8 million
Staff: 500

Morocco:
Sales: €5 million
Staff: 300

2008	2009	2010	2011	2012
Opening of the first subsidiary in Spain with the takeover of Martonet. Creation of a subsidiary in Slovakia.	Takeover of Pol-K (Poland) and Genie-Therm (Luxembourg).	Takeover of EKUS and KADUS in Croatia, ESCORT and BFM in Hungary and PFM in Czech Republic.	Takeover of AGOM and ATLANTIS in Belgium, VIP GROUP in Morocco and KAF Facility in the Czech Republic.	Sale of offices in Spain.

Governance

ATALIAN, French independent and family-owned Group.

The principal shareholders in the holding company

(in % of share capital as at 31/08/2012)

- ***Jean-Pierre Julien*** & ***Franck Julien***: 100%

The Supervisory Board *(as at 31/08/2012)*

- ***Jean-Pierre Julien***, President
- ***Sophie Pécriaux-Julien*** *(President of CITY ONE)*
- ***Philippe Léonard***
- ***Jean-Louis Roidot*** *(Marceau Capital)*
- ***Antoine Terzikhan***
- ***Pierre Vacheron***
- ***Euromezzanine Conseil***, represented by Thierry Raiff
- ***Matthieu de Baynast***

The Executive Board *(as at 31/08/2012)*

- ***Franck Julien,*** President
- ***Richard Tranché***

The ATALIAN Group Management Committee

(as at 31/08/2012)

- ***Franck Julien***,
  President of the Board
- ***Sophie Pécriaux-Julien***,
  President of CITY ONE
  and Vice-President of ATALIAN
- ***Loïc Evrard***,
  CFO of the ATALIAN Group
- ***Richard Tranché***,
  General Secretary,
  President ATALIAN Fire Security
  and ATALIAN Safety
- ***Matthieu de Baynast***,
  President ATALIAN International
- ***Thierry Brément***,
  President ATALIAN Landscaping
- ***Miguel de Sousa***, Director Group Customer Relations
- ***Pascal Froger***,
  Director Information and Quality Systems
- ***Philippe Léonard***,
  Head of Development and Strategy
- ***Antoine Terzikhan***,
  President ATALIAN Service Engineering
- ***Pierre Vacheron***,
  President ATALIAN Cleaning
  and ATALIAN Hygiene
- ***Serge Vivier***,
  President ATALIAN Painting,
  Parquet and Floor Covering

CONSOLIDATED accounts

Financial Year ending 31 August 2012

Activity

With €1.173 billion sales in 2012 and an 8% growth despite the complicated economic situation, the Group demonstrated a steady commercial dynamism both on the domestic and international markets.

During the last financial year ATALIAN has also continued to grow internationally, in particular in Hungary and the Czech Republic.

By reaching €126 million sales internationally, we exceeded the 10 % of sales milestone. Our goal is to reach €500 million in international sales in the next 5 years.

Profitability and financial health

The Group's commercial dynamism was accompanied by a more than €3 million growth in EBITDA.

Cash flow before interest expense and income has increased by €4 million to reach €63 millions.

Our WCR also improved by €11 million during the past financial year.

This series of excellent performances have enabled ATALIAN to reduce its debt from €302 million at end 2011 to €288 million in 2012.

Statutory Auditors' report on the consolidated financial statements

To the Shareholders

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended 31 August 2012, on:

• the audit of the accompanying consolidated financial statements of La Financière Atalian;
• the justification of our assessments;
• the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those 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 involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 August 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 2.3 to the consolidated financial statements ("Comparability of the financial statements") which describes error corrections that have been accounted for in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. This note indicates that these errors are due to intra-group commercial transactions that had not been identified during previous financial years and describes the impact of these corrections on the consolidated financial statements as follows:

• "Other recurring operating expenses" for the 2010-2011 financial year increased by €0.9 million with a contra-entry recognised as an increase in "Other current liabilities" at 31 August 2011. Accordingly, "Recurring operating profit" for the 2010-2011 financial year decreased by the same amount.

• "Equity attributable to owners of the parent" decreased by €6.4 million at 31 August 2011 and by €5.5 million at 1 September 2011.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- The Group systematically tests goodwill and assets with indefinite useful lives for impairment at the end of each financial year and also determines whether there is an indication of loss of value of non-current assets, in accordance with the methods described in Note 2.2.1.a) to the consolidated financial statements ("Non-current assets"). We reviewed the methods used by the Group to test for impairment and the cash flow forecasts and assumptions used, and verified that Note 2.2.1.a) and Note 3.1 ("Goodwill") to the consolidated financial statements provided appropriate disclosures.

- The Group recognises deferred tax assets in accordance with the methods described in Note 2.1.5 to the consolidated financial statements ("Current and deferred income tax"). We verified the consistency of the assumptions used and the calculations made by the Group.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

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

Neuilly-sur-Seine and Paris, 6 December 2012

The Statutory Auditors

PricewaterhouseCoopers Audit
Eric Bertier
Partner

Robert Mirri
Partner

Consolidated balance sheet at 31 August 2012

(in thousands of euros)

ASSETS	note	31 Aug. 2012	31 Aug. 2011 *restated*[1]
Goodwill	3.1	377,113	375,485
Intangible assets	3.2	9,192	5,319
Property, plant and equipment	3.3	40,463	41,788
Other non-current financial assets	3.4	7,744	6,752
Deferred tax assets	7.1	47,568	47,929
NON-CURRENT ASSETS		**482,080**	**477,273**
Inventories	4.1	2,652	3,133
Prepayments to suppliers	4.2	2,247	1,215
Trade receivables	4.3	295,538	274,846
Current tax assets	4.3	795	683
Other receivables	4.3	67,338	73,140
Cash and cash equivalents	4.5	29,721	13,087
Financial instruments			
CURRENT ASSETS		**398,291**	**366,104**
Assets held for sale and discontinued operations		-	-
TOTAL ASSETS		**880,371**	**843,377**
EQUITY AND LIABILITIES			
Equity			
Share capital	5.1	122,674	122,674
Share premium and other reserves		17,519	7,018
Translation reserve	5.2	335	370
Fair value reserves	5.2	(1,804)	(686)
Profit for the period		10,029	14,526
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**148,753**	**143,902**
Non-controlling interests		6,314	5,545
TOTAL EQUITY		**155,067**	**149,447**
Long-term financial liabilities	8.1	193,407	124,695
Long-term provisions	6.1	6,147	5,040
Deferred tax liabilities	7.1	145	190
NON-CURRENT LIABILITIES		**199,699**	**129,925**
Customer prepayments	10.1	914	2,839
Short-term portion of long-term financial liabilities	8.1	117,636	185,456
Current tax liabilities	10.1	5,294	3,234
Trade payables	10.1	105,965	93,994
Short-term provisions	6.2	19,534	19,271
Other current liabilities	10.1	269,888	254,534
Short-term bank loans and overdrafts	10.2	3,541	3,300
Financial instruments	10.3/15	2,833	1,377
CURRENT LIABILITIES		**525,605**	**564,005**
Liabilities related to assets held for sale and discontinued operations		-	-
TOTAL EQUITY AND LIABILITIES		**880,371**	**843,377**

(1) The figures presented in the consolidated balance sheet at 31 August 2011 have been restated to take into account the error corrections described in Note 2.3.

Consolidated
income statement at 31 August 2012

(in thousands of euros)

	note	Year ended 31 Aug. 2012	Year ended 31 Aug. 2012 restated [1]
REVENUE	**11**	**1,172,945**	**1,080,509**
Purchases consumed		(214,515)	(167,293)
External charges		(133,132)	(128,387)
Payroll costs		(742,902)	(696,655)
Taxes other than on income		(18,396)	(22,109)
Other recurring operating income		11,520	12,016
Other recurring operating expenses		(6,950)	(12,663)
RECURRING OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT LOSSES		**68,570**	**65,418**
Depreciation and amortisation, net		(17,790)	(17,997)
Provisions and impairment losses, net		(1,755)	5,552
RECURRING OPERATING PROFIT	**12**	**49,025**	**52,973**
Other operating income		3,294	
Other operating expenses			
OPERATING PROFIT	**12**	**52,319**	**52,973**
Financial income		177	97
Financial expenses		(24,948)	(25,657)
FINANCE COSTS, NET	**13**	**(24,771)**	**(25,560)**
Other financial income and expenses		(694)	(60)
NET FINANCIAL EXPENSE	**13**	**(25,465)**	**(25,620)**
Income tax expense	14	(15,770)	(10,863)
Share of profit (loss) of associates		(292)	(674)
PROFIT FROM CONTINUING OPERATIONS		**10,792**	**15,816**
Profit for the period from discontinued operations			
PROFIT FOR THE PERIOD		**10,792**	**15,816**
Profit attributable to owners of the parent		**10,029**	**14,526**
Profit attributable to non-controlling interests		**763**	**1,290**

(1) The figures presented in the consolidated income statement for the year ended 31 August 2011 have been restated to take into account the error corrections described in Note 2.3.

Statement
of recognised income and expense

(in thousands of euros)

	Year ended 31 Aug. 2012	Year ended 31 Aug. 2011 restated (1)
PROFIT FOR THE PERIOD	**10,792**	**15,816**
Exchange differences on translating foreign operations	(35)	21
Change in value of hedging instruments	(1,705)	792
Change in value of available-for-sale financial assets		
Change in value of non-current assets		
Taxes on equity transactions	587	(272)
Share of other comprehensive income of associates		
Other net changes (IFRS 2)	(439)	439
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	**(1,592)**	**980**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**9,200**	**16,796**
Attributable to owners of the parent	**8,437**	**15,506**
Attributable to non-controlling interests	**763**	**1,290**

(1) The figures presented in the consolidated statement of comprehensive income for the year ended 31 August 2011 have been restated to take into account the error corrections described in Note 2.3.

Consolidated statement of cash flows at 31 August 2012

(in thousands of euros)

CASH FLOWS FROM CONTINUING OPERATIONS	Year ended 31 Aug. 2012	Year ended 31 Aug. 2011 restated [1]
A OPERATING ACTIVITIES		
Cash generated from operations:		
Profit from continuing operations	10,792	15,816
Elimination of share of profit (loss) of associates	292	674
Elimination of dividends of non-consolidated companies		
Elimination of net additions to (reversals of) depreciation, amortisation, impairment and long-term provisions	19,317	9,932
Elimination of gains and losses on asset disposals	(4,676)	296
Elimination of other non-cash items	(3,135)	(4,187)
Total cash generated from operations	**22,590**	**22,531**
Elimination of net finance costs	24,771	25,634
Elimination of income tax expense for the period	15,770	10,863
Elimination of post-acquisition dividends received		
Cash generated from operations before financial expenses and tax	**63,131**	**59,028**
Income tax paid	(12,563)	(10,645)
Change in operating working capital	11,195	(26,280)
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**61,763**	**22,103**
B INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(14,346)	(13,640)
Change in net payables due on property, plant and equipment and intangible assets		(2,422)
Proceeds from sales of property, plant and equipment and intangible assets	6,210	608
Impact of changes in Group structure		
Purchases of consolidated companies less cash held by subsidiaries acquired or sold	(6,790)	(5,965)
Change in net payables due on consolidated companies		
Proceeds from sales of consolidated companies		
Other cash flows from investing activities (changes in loans, dividends received from non-consolidated companies)	(713)	819
NET CASH USED IN INVESTING ACTIVITIES (B)	**(15,639)**	**(20,600)**
C FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares		
Dividends paid during the period		
Dividends paid to shareholders of the parent company	(3,000)	(3,000)
Dividends paid to non-controlling interests in consolidated companies		
Proceeds from new borrowings	32,895	29,976
Repayments of borrowings	(45,372)	(30,550)
Finance costs, net	(24,771)	(25,634)
Non-cash interest expense	10,559	8,548
Other cash flows from financing activities		
NET CASH USED IN FINANCING ACTIVITIES (C)	**(29,689)**	**(20,660)**
D EXCHANGE GAINS (LOSSES) ON CASH AND CASH EQUIVALENTS	**(42)**	**64**
CHANGE IN NET CASH AND CASH EQUIVALENTS (A+B+C+D)	**16,393**	**(19,093)**
Net cash and cash equivalents at 1 September	**9,787**	**28,880**
Net actual cash flows during the period	16,393	(19,093)
Other cash flows		
NET CASH AND CASH EQUIVALENTS AT THE PERIOD-END	**26,180**	**9,787**

(1) The figures presented in the consolidated statement of cash flows for the year ended 31 August 2011 have been restated to take into account the error corrections described in Note 2.3.

Consolidated statement of changes in equity at 31 August 2012

(in thousands of euros)

GROUP SHARE	Share capital and share premium	Reserves/ Retained earnings	Profit for the period	Trans-lation reserve	Fair value reserves	EQUITY ATTRI-BUTABLE TO OWNERS OF THE PARENT	Non-controlling interests	TOTAL EQUITY
AT 31 AUGUST 2010	**127,728**	**3,175**	**6,746**	**349**	**(1,205)**	**136,793**	**4,314**	**141,107**
Error correction		(3,228)	(2,300)			**(5,528)**		**(5,528)**
AT 31 AUGUST 2010 (restated)	**127,728**	**(53)**	**4,446**	**349**	**(1,205)**	**131,265**	**4,314**	**135,579**
Other changes in equity								
Appropriation of FY 2010 profit		4,446	(4,446)					
Dividends paid		(3,000)				(3,000)		(3,000)
Translation differences				21		21	36	57
Profit for the period			15,435			15,435	1,290	16,725
Income and expenses recognised directly in equity		436			519	955		955
Profit for the period and income and expenses recognised directly in equity		436	15,435	21	519	16,411	1,326	17,737
Impact of changes in Group structure		135				135	(95)	40
AT 31 AUGUST 2011	**127,728**	**1,964**	**15,435**	**370**	**(686)**	**144,811**	**5,545**	**150,356**
Error correction			(909)			(909)		(909)
AT 31 AUGUST 2011 (restated) (1)	**127,728**	**1,964**	**14,526**	**370**	**(686)**	**143,902**	**5,545**	**149,447**
Other changes in equity								
Appropriation of FY 2011 profit		14,526	(14,526)					
Dividends paid		(3,000)				(3,000)		(3,000)
Translation differences				(35)		(35)		(35)
Profit for the period			**10,029**			**10,029**	**763**	**10,792**
Income and expenses recognised directly in equity		(436)			(1,118)	(1,554)		(1,554)
Profit for the period and income and expenses recognised directly in equity		**(436)**	**10,029**	**(35)**	**(1,118)**	**8,440**	**763**	**9,203**
Impact of changes in Group structure		(589)				(589)	6	(583)
AT 31 AUGUST 2012	**127,728**	**12,465**	**10,029**	**335**	**(1,804)**	**148,753**	**6,314**	**155,067**

(1) The figures presented in the consolidated statement of changes in equity at 31 August 2010 and 2011 have been restated to take into account the error corrections described in Note 2.3.

Appendices to the consolidated accounts

NOTE 1. GENERAL INFORMATION AND SIGNIFICANT EVENTS

The terms "the Atalian Group" and "the Group" refer to the parent company, La Financière Atalian, and its consolidated subsidiaries. The term "the Company" refers solely to the parent company, La Financière Atalian.

La Financière Atalian, the Group holding company, is a limited company incorporated under French law (*société anonyme*) which has a Management Board and a Supervisory Board and whose registered office is located at 110 rue de l'Ourcq, 75019 Paris, France. The Atalian Group provides cleaning services and other support services to companies and organisations, in France and abroad.

The consolidated financial statements are presented in thousands of euros unless otherwise specified and were approved by the Management Board on 30 November 2012.

At 31 August 2012 the Company's share capital was composed of 122,674,371 shares with a par value of €1 each. A breakdown of the Company's share capital is provided in Note 5 – "Equity".

Significant events during the financial year

The Group withdrew from the Hygiene and Fire Safety businesses in the fourth quarter of the 2011-2012 financial year.

Also during the year, the International division continued its business development by making a new acquisition in the Czech Republic.

Significant events and changes in group structure after 31 august 2012

No significant changes in Group structure took place subsequent to 31 August 2012.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (IFRS)

The principal accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended 31 August 2012 are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

In compliance with Regulation (EC) No. 1606/2002 of the European Parliament and Council dated 19 July 2002, these consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as at the preparation date, including IASs, IFRSs and the interpretations issued by IFRIC and its predecessor the SIC.

The standards and interpretations adopted by the European Union can be viewed on the European Commission's website at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

a) New standards and interpretations whose application was mandatory

The following new standards, interpretations and amendments to existing standards were effective for the Group for the first time in the 2011-2012 financial year:

- Amendments to IFRS 7 – Financial Instruments: Disclosures, "Transfers of Financial Assets". In accordance with these amendments, the Group has disclosed information in Note 8 – "Long- and short-term financial liabilities", relating to sales of trade receivables under factoring contracts that do not result in the derecognition of the receivables concerned.
- The revised version of IAS 24 – Related Party Disclosures, and amendments to IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction, "Prepayment of a Minimum Funding Requirement". This revised standard and amendments did not have any impact on the consolidated financial statements.
- Amendments to standards and interpretations resulting from Improvements to IFRSs 2010, adopted by the European Union in February 2011, including amendments effective for the 2011-2012 financial year. These amendments did not have a material impact on the consolidated financial statements.

b) New standards and interpretations published but not yet applicable

In general, the Group has not early adopted any standards or interpretations that have been endorsed by the European Union but whose application was not mandatory in 2012.

Application of the revised version of IAS 19 – Employee Benefits – which will be mandatory as from the 2013-2014 financial year – will result in the Group recognising actuarial gains and losses in "Other comprehensive income" and recording the impact of past service cost in profit for the year in which the corresponding plan amendments are made. The Group is currently analysing the full impacts of this revised standard.

The Group is also currently analysing the impacts of other new standards that were published by the IASB in May 2011 but have not yet been endorsed by the European Union, notably IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interests in Other Entities, as well as the revised versions of IAS 27 – Separate Financial Statements and IAS 28 – Investments in Associates and Joint Ventures.

c) Use of estimates

The consolidated financial statements have been prepared according to the historical cost convention apart from certain items, particularly available-for-sale financial assets and derivatives, which are measured at fair value.

The preparation of these consolidated financial statements required Management to use certain estimates and assumptions that may have an impact on the reported values of assets and liabilities at the balance sheet date, and on items of income and expense for the period. These estimates and assumptions are reviewed on a continuous basis by reference to past experience, as well as various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results could differ significantly from these estimates if different assumptions or circumstances apply.

The estimates and assumptions that may have a significant impact on the assets and liabilities and income and expense items in the consolidated financial statements are as follows:

- Goodwill impairment testing

Goodwill is tested for impairment at least annually, at the same time each year, using the method described in Note 2.2.1 below. The recoverable amount of cash-generating units (CGUs) is determined using a multi-criteria valuation method and is based on estimates.

- Provisions for pension and other long-term employee benefit obligations

The present value of the Group's pension and other long-term employee benefit obligations depends on the actuarial assumptions adopted at each reporting date, including the discount rate. Changes in these assumptions affect the carrying amount of pension and other long-term employee benefit obligations.

At each reporting date the Group determines the discount rate to be used for measuring these obligations by reference to market yields on corporate bonds rated high-quality by well-known rating agencies that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the benefit obligations.

The Group also uses other assumptions that notably depend on market conditions.

- Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is calculated by using valuation techniques. The Group uses its judgement to determine the methods and assumptions applied at each reporting date based on market conditions.

- Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to realise the related tax benefit, based on fiscal forecasts drawn up for each tax consolidation group.

- Other provisions

These provisions mainly concern provisions for legal risks and restructuring costs.
A provision is recorded when the Group has a present obligation resulting from a past event, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. The provisions are determined and updated based on assumptions made by the Group at each reporting date and are discounted if the time value of money is material.

2.1. CONSOLIDATION

2.1.1. Financial year-end

The Group's companies have been consolidated based on their financial statements for the twelve-month period ended 31 August 2012. However, companies acquired during the course of the financial year have only been included in the income statement as from the date on which the Group effectively acquired control.

2.1.2. Consolidation methods and scope of consolidation

2.1.2.1. Subsidiaries

Subsidiaries are entities over which La Financière Atalian exercises exclusive control, either directly or indirectly. Exclusive control is presumed to exist when the Group has the power to govern an entity's financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding representing more than one half of the voting rights. Subsidiaries are fully consolidated taking into account the existence and effect of the voting rights of non-controlling interests. Exclusive control may also arise when a contract exists entitling the Group to govern an entity's financial and operating policies, or when the Group is able to govern the financial and operating policies by virtue of de facto control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Intra-group transactions and balances and unrealised gains on transactions between Group companies are eliminated in consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Income and expenses of subsidiaries are allocated between the Group and non-controlling interests based on their percentage interest in the subsidiary concerned, even if this results in the recognition of negative amounts.

A list of La Financière Atalian's subsidiaries is provided in Note 18.

Entities that are owned by several shareholders exercising joint control are proportionately consolidated (joint ventures).

2.1.2.2. Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding representing between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified at the time of acquisition. If the Group's interest in an associate is reduced to zero, additional losses are provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations on behalf of the associate.

The Group's share of the profit or loss of associates is recognised in the consolidated income statement, and its share of movements in other comprehensive income is recognised in other comprehensive income. Unrealised gains on transactions between the Group and its associates are eliminated pro rata to the Group's interest in the associates concerned. Accounting policies of subsidiaries and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's associates is provided in Note 18.

Shares in companies that do not represent material amounts for the Group or over which La Financière Atalian does not exercise any influence are recognised as investments in non-consolidated companies and measured at fair value as "Available-for-sale" financial assets.

2.1.2.3. Changes in the scope of consolidation

	At 31 Aug. 2012	At 31 Aug. 2011
Fully consolidated companies	121	119
Proportionately consolidated companies	1	0
Companies accounted for by the equity method	5	2
	127	**121**

2.1.3. Translation of the financial statements of foreign subsidiaries

The results and financial position of consolidated subsidiaries that have a functional currency other than the euro are translated into euros as follows: (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet (except for equity which is translated at historical rates), and (ii) income and expenses and cash flow statement items are translated at average exchange rates for the year, unless the rate concerned underwent major fluctuations during the period in which case transaction date exchange rates are used. All resulting exchange differences are recognised in other comprehensive income.

2.1.4. Translation of foreign-currency transactions

Foreign-currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the closing rate. Any resulting exchange differences are recognised in the income statement.

2.1.5. Current and deferred income tax

In accordance with IAS 12, the income tax expense for the period comprises the current taxes of each consolidated company as well as deferred taxes.

Deferred taxes are determined by each taxable entity, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

A deferred tax asset/liability is recognised for all deductible/taxable temporary differences. However, deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available within a reasonable timeframe against which the temporary differences can be utilised. Temporary differences between the tax bases of assets and liabilities and their carrying amounts may arise as a result of the following:

- Sources of future taxation (deferred tax liabilities): mainly corresponding to income on which taxation has been deferred.

- Sources of future deductions (deferred tax assets): mainly relating to provisions that are temporarily non-deductible for tax purposes, as well as tax loss carryforwards where the realisation of the related tax benefit through future taxable profits is highly probable.

Income tax expense is recognised in the income statement except where it relates to items recognised directly in equity/other comprehensive income, in which case, the tax is also recorded in equity/other comprehensive income.

Deferred taxes are recognised at the tax rate prevailing at the reporting date, adjusted where appropriate to take into account the effect of any changes in tax laws. The effect of any change in rates of corporation tax is included in either the income statement or in equity, depending on the initial method of recognition of the deferred tax concerned.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.1.6. Share-based payments

Stock options and free shares may be granted to the Group's executives and certain non-executive employees. In accordance with IFRS 2 – Share-based Payment, these options and shares are measured at the fair value of the services received, based on the grant-date fair value of the equity instruments concerned. The related expense is recognised over the beneficiaries' vesting period under "Payroll costs" in the income statement with a corresponding adjustment to equity. The measurement of the expense takes into account the probability of whether the underlying non-market performance and service conditions will be met by the beneficiaries. At the end of each reporting period, the Group revises its estimates of the number of options and/or shares that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement.

Impacts in the 2011-2012 financial year

A performance share plan was set up in 2009 (called "the 2009 plan"), which provided for a number of the Group's employees to be granted free shares subject to performance vesting conditions based on the financial statements at 31 August 2011 and 2012.

As the applicable performance conditions were not met, none of the underlying shares vested and no free shares will therefore be granted under the plan.

Consequently, no expense was recorded for the 2009 plan during the 2011-2012 financial year.

In addition, the €436 thousand expense recognised for the plan in the 2010-2011 financial year was reversed through the income statement.

2.2. ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

For the presentation of its financial statements the Group applies recommendation 2009-R-03 issued by the French National Accounting Board (Conseil National de la Comptabilité – CNC) on 2 July 2009.

2.2.1. Assets

A. Non-current assets

Property, plant and equipment

Property, plant and equipment are measured at cost less any accumulated depreciation and impairment losses.

As the Group's buildings do not represent material amounts, it does not apply the method of separately depreciating each component of a building.

The cost of an item of property, plant and equipment consists of its purchase price, including import duties and non-recoverable taxes, after deducting trade discounts and rebates, as well as any costs directly attributable to bringing the asset to its required working condition.

Subsequent costs are recognised as expenses except when they improve the originally expected performance of the asset, increase its useful life, or reduce predefined operating costs.

After recognition as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses. This complies with the cost model prescribed in the applicable accounting standard.

Depreciation is calculated based on an asset's estimated useful life, which corresponds to the period over which the entity expects to use the asset.

Depreciable amount is the cost of an asset less any residual value. Residual value is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life (excluding the effects of inflation).

The main estimated useful lives applied are as follows:

- Buildings: 20 years;
- Equipment and machinery: 3 to 5 years;
- Other items of property, plant and equipment: 4 to 10 years depending on the type of asset (vehicles, office furniture etc.).

These useful lives are reviewed annually and are adjusted if current estimated useful lives differ from previous estimates. Any such adjustments are treated as a change in an accounting estimate and are recognised prospectively.

Finance leases:
As defined in IAS 17, a finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred under these leases.

Significant assets acquired under finance leases are recognised in the balance sheet under "Property, plant and equipment" and are measured at the lower of the fair value of the leased asset and the present value of the minimum lease payments, with a corresponding financial liability recorded on the liabilities side of the balance sheet. These assets are depreciated over their estimated useful lives.

Investment properties:
The Group has not identified any investment properties amongst its property, plant and equipment.

Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance. The Standard states that an asset meets the identifiability criterion in this definition when it:

- is separable, i.e., capable of being sold, rented, exchanged independently or transferred; or
- arises from contractual or other legal rights, regardless of whether those rights are separable.

Intangible assets with finite useful lives (software, licences, capitalised IT development costs, etc.) are amortised. Assets that have indefinite useful lives are not amortised but, as required under IAS 36, are tested for impairment at least once a year at a date close to the year-end or whenever there is an indication that they may be impaired.

Business combinations

Business combinations carried out since 1 September 2010 are accounted for under the acquisition method in accordance with the revised version of IFRS 3. Under this method, the purchase price of the business concerned is allocated to the identifiable assets acquired and liabilities assumed based on their acquisition-date fair values. These fair values are based on best estimates at the acquisition date and may be adjusted within twelve months of that date.

Costs directly related to the acquisition are expensed as incurred and are included in "External charges" in the consolidated income statement.

Goodwill corresponds to the excess of (i) the aggregate of the consideration transferred and the amount of any non-controlling interests in the acquiree, as measured at fair value, over (ii) the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. Positive goodwill is recognised in the balance sheet under "Goodwill" and negative goodwill is recorded in the income statement in the year of the acquisition.

For the acquisitions carried out during the year the Group elected to apply the option in IFRS 3R of recognising goodwill in accordance with the full goodwill method.

Goodwill is not amortised but, as required under IAS 36 – Impairment of Assets, is tested for impairment at least annually, at the same time each year, and whenever there is an indication that it may be impaired. Any impairment identified is recognised immediately and may not be subsequently reversed.

Goodwill is allocated to each cash-generating unit (CGU) that is expected to benefit from the synergies of the business combination, or to the group of CGUs at the level at which Management monitors the return on investment of the acquired businesses.

The value in use of a CGU is determined using the discounted cash flow method. At 31 August 2012, the following principles were used for the related calculations:

- The discount rate for future cash flows was determined based on the weighted average cost of capital. The rates used at 31 August 2012 and 2011 are stated in Note 3.1.3.
- Cash flow projections were derived from the medium-term business plan drawn up by the management team of the CGU concerned and approved by the Management Board.
- Terminal value is extrapolated by applying to normative cash flows for subsequent years a growth rate to perpetuity (see Note 3.1.3 for the rates applied at 31 August 2012 and 2011). This growth rate reflects the expected long-term growth in the markets in which the Group's CGUs operate, as well as their competitive positioning in these markets.

An impairment loss is recognised in the income statement if the carrying amount of the CGU exceeds its recoverable amount.

Any impairment losses on a CGU are deducted to the extent possible from the goodwill allocated to that CGU and then from the CGU's other assets proportionately to their respective carrying amounts.

The Group's CGUs are as follows:

- A "Cleaning" CGU, comprising all of the companies in the Cleaning division as well as those in the Hygiene division, until its sale in 2012.
- An "International" CGU, comprising all companies outside France, as the cash flows of these companies are independent from those of France.
- A "Multi-technical" CGU, comprising all the business lines specialised in technical fields, for which the Atalian Group can propose its customers a comprehensive offering and whose cash flows are therefore closely related.

Financial assets

Classification

On initial recognition, the Group classifies its financial assets in one of the four categories defined in IAS 39 – Financial Instruments: Recognition and Measurement, based on their nature and the purpose for which they were acquired. These categories are then used to determine whether the financial assets are subsequently measured at amortised cost or fair value.

The categories of financial assets held by the Group are as follows:

Investments in non-consolidated companies and other long-term investments

Investments in non-consolidated companies and other long-term investments are classified as "available-for-sale" and are recorded in the balance sheet at fair value.

Changes in fair value – including unrealised gains and losses – are recognised in other comprehensive income except in the event of a prolonged decline in the value of the investment, in which case a corresponding impairment loss is recorded in the income statement for the period. When the financial asset is derecognised the change in fair value previously recognised in other comprehensive income is taken to the income statement.

Shares held in certain companies that do not represent material amounts for the Group are recognised as investments in non-consolidated companies.

Loans, guarantees and deposits

Loans (including loans and advances to subsidiaries and associates), guarantees and deposits are measured at fair value on initial recognition and subsequently at amortised cost.

Recognition and measurement

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset.

A financial asset is derecognised when the Group's contractual rights to receive cash flows from the asset have expired or the Group has transferred the financial asset to a third party without retaining control or substantially all of the risks and rewards of ownership of the asset.

Financial assets are initially recognised at fair value plus, in the case of a financial asset not classified as at fair value through profit, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs for financial assets classified as at fair value through profit are expensed in the income statement.

A financial asset is classified as a current asset when the cash flows from the instrument are expected to be received within one year.

The amortised cost of a financial asset is the amount at which the asset was initially recognised minus principal repayments, plus or minus the cumulative amortisation calculated using the effective interest method of any difference between that initial amount and the maturity amount.

For instruments quoted in an active market, fair value corresponds to a market price. For instruments not quoted in an active market, fair value is determined using valuation techniques. Valuation techniques include using recent arm's length market transactions or transactions in other instruments that are substantially the same, discounted cash flow analysis and option pricing models. In so far as possible, they should include inputs based on observable market data. However, when the fair value of an equity instrument cannot be reasonably estimated, it is kept at historical cost.

B. Current assets

Inventories

The Group's inventories do not represent a material amount and essentially correspond to maintenance products.

Inventories are stated at the lower of cost (weighted average unit cost) and market price. An impairment loss is recognised when the cost of an item of inventory falls below its realisable value.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. In practice, trade receivables are measured at their nominal value in view of their short-term nature.

If there is an objective indication of impairment or a risk that the Group may not be able to collect all of the contractual amounts of a receivable (principal plus interest) at the dates set in the contractual payment schedule, an impairment loss is recognised in the income statement. The amount of the impairment loss recorded represents the difference between the carrying amount of the asset and the estimated value of the future recoverable cash flows, discounted at the initial effective interest rate.

The Group sells receivables to factoring companies. As the Group's analysis of the factoring contracts concerned showed that they do not transfer substantially all the risks and rewards of ownership of the receivables to the factoring companies, the sold receivables are not derecognised but are kept on the balance sheet under "Trade receivables", with the recognition of a corresponding short-term financial liability. Details of the receivables sold during the 2011-2012 financial year are provided in Note 8 – "Long- and short-term financial liabilities".

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and have a term of three months or less.
Short-term investments are marked to market at each reporting date.

2.2.2. Equity and liabilities

A. Consolidated equity

When the Group's interest in a fully consolidated company is less than 100%, a noncontrolling interest is recognised in the consolidated financial statements.

Since the effective date of IAS 27R, for investments in associates where non-controlling interests' commitments are limited to their portion of the companies' capital, the Group has discontinued recognising its share of further losses of associates in a negative net equity position if its shares of losses already recognised equals or exceeds its interest in the associate.

B. Non-current liabilities

Long-term provisions

In accordance with IAS 37, a provision is recognised when at the financial year-end the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

These provisions essentially concern:

Employee benefits

- Provisions for statutory retirement bonuses (*indemnités de fin de carrière*):

In accordance with IAS 19, the Group recognises a provision for statutory retirement bonuses receivable by employees on the day of their retirement which are not covered by insurance policies. The amount of the provision is calculated using a valuation method based on projected end-of-career salaries (the projected unit credit method). This valuation typically takes into account the following elements and assumptions:

- Classification of employees into groups with similar characteristics in terms of status, age and seniority.
- Voluntary departure at the age of 65 for all employees.
- Monthly salary plus a coefficient of currently applicable employer social security contributions.
- Salary increase rate of 3% for managers and 1.5% for non-managerial staff.
- Discount rate for statutory retirement bonus obligation, projected to the retirement date (10-year iBoxx++ at 31 August 2012, i.e., 2.94%).
- Staff turnover rate determined based on age bracket, business sector and socioprofessional category. The turnover rates of acquired companies are aligned with the rates used for the Group's historic businesses.
- Life expectancy: "INSEE 2009" table.

All actuarial gains and losses on defined benefit post-employment benefit plans are recorded in "Long-term provisions" with a contra-entry in profit.

Certain Group companies fund a portion of their obligation through insured plans, in which case the fair value of the plan assets is deducted from the company's overall obligation and the net amount of the obligation is recognised as a provision.
The actual rate of return on plan assets in 2011-2012 was 3.1%.

- Provisions for long-service awards

The Group sets aside a provision for the cost of statutory long-service awards. The amount of the provision is calculated using the projected unit credit method based on the date on which the awards are granted.

The actuarial assumptions used to calculate the present value of the Group's obligation for statutory retirement bonuses and long-service awards were updated at 31 August 2012, particularly the discount rate, which was determined by reference to market yields on highquality corporate bonds as at the reporting date.

Long-and short-term financial liabilities

Financial liabilities comprise the following:

- borrowings taken out with leading banks;
- employee profit-sharing liabilities;
- factoring liabilities;
- finance lease liabilities;
- minority put liabilities.

A portion of the Group's bank borrowings is subject to covenants set out in the loan agreement signed in August 2009 (see Note 8 – "Long- and short-term financial liabilities").

Debt issuance costs are recognised in the year of the transaction concerned as a deduction from the underlying financial liabilities and are included in the effective interest rate used to calculate finance costs for the year.

C. Current liabilities

■ *Trade and other payables*

Owing to their short-term nature, the historical amounts recognised in the consolidated financial statements for trade and other payables are reasonable estimates of their market value.

■ *Customer prepayments*

This item includes include advances and downpayments received from clients for the commencement of building works contracts.

■ *Short-term provisions*

In view of the nature of the Group's business, short-term provisions primarily correspond to provisions for legal claims and disputes, and foreseeable difficulties in the Group's operations.

2.2.3. Income statement

The Group presents its income statement by nature and provides a number of different subtotals which are relevant to the understanding of the components making up the Group's profit.

A. Revenue

Consolidated revenue represents the total amount generated by the Group for sales of goods, services and building works, net of discounts and rebates. It includes the revenue of fully consolidated companies after eliminating intra-group transactions.

For the Cleaning, Security, Landscaping, Hygiene and Fire Safety divisions, the amount of revenue recognised corresponds to services performed as at the reporting date.

For the Technical and Landscaping division, the amount of revenue is recognised by reference to the actual stage of completion of projects in progress based on operations budgets updated at the reporting date. The duration of these projects is generally less than 12 months.

For repair works, the amount of revenue recognised corresponds to services performed as at the reporting date.

When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is only recognised to the extent of the expenses recognised that are recoverable.

B. Recurring operating profit before depreciation, amortisation, impairment and provisions

This item includes revenue and related income less expenses directly attributable to operations, which mainly comprise purchases consumed, other external charges, payroll costs and taxes other than on income. It also includes other recurring operating income and expenses.

Additions to provisions for employee benefit obligations, including the interest cost on these obligations, are included in "Provisions and impairment losses, net" within recurring operating profit.

C. Recurring operating profit

In addition to recurring operating profit before depreciation, amortisation, impairment and provisions, recurring operating profit includes the majority of items that do not have a cash impact (depreciation, amortisation, impairment of non-financial assets, provisions, etc.), as well as various other items that cannot be directly attributed to another income statement heading.

D. Operating profit

The impact of any operations that are unusual either in terms of their frequency and their amount is shown on a separate line beneath recurring operating profit, notably gains or losses on the sale of assets or subsidiaries, or of businesses that do not constitute discontinued operations within the meaning of IFRS 5. The Group has elected to present these items separately in order to provide users of its financial statements with the truest possible image of its recurring performance.

E. Net financial income/expense

This line of the consolidated income statement reflects the impacts of the Group's financing transactions and comprises the following:

- Finance costs, net, which include interest paid on the Group's borrowings and interest received on available cash. The amounts recognised are presented after hedging transactions and also include changes in the value of derivatives that do not qualify for hedge accounting under IFRS.
- Other financial income and expenses.

2.2.4. Financial risks and hedging instruments

Certain Group entities use interest-rate swaps for the purpose of reducing the impact of interest-rate fluctuations on their income statements. The use by the Group of these financial instruments is carried out within the framework described below.

The instruments used are limited to the following products:
- interest-rate swaps, within the scope of interest-rate hedging.

The interest-rate swaps entered into are used purely for hedging purposes, are set up with leading French banks and do not present any risk of illiquidity if they need to be unwound.

Reports are regularly provided to the management and supervisory bodies of the companies concerned on the use of these instruments, the choice of counterparties, and more generally the management of exposure to currency risk and interest-rate risk.

- Type of financial risks to which the Group is exposed and related risk management principles

Currency risk

Overall, the Group is only slightly exposed to currency risk in its routine commercial transactions. Contracts invoiced in foreign currency give rise to expenses which are mainly denominated in the same currency. This is particularly the case for most projects and services performed outside France, for which the portion of expenses denominated in local currency is much greater than the portion denominated in euros.

Interest-rate risk

The Group's interest-rate risk relates to variable-rate financial liabilities shown on the balance sheet. A portion of this risk is hedged by the Group using derivatives adapted to the characteristics of the hedged liabilities.

Counterparty risk

The Group has been instructed to take great care in analysing counterparty risk.
Consequently, only financial transactions with leading financial institutions are authorised.

Credit risk

Credit risk arises from the probability that the Group's customers may default, requiring a write-off of the related trade receivables.

The Group considers the credit risk on its trade receivables to be extremely low as these receivables are spread over a large number of customers in France and abroad, with no single customer accounting for more than 10% of consolidated revenue. Further details on the Group's trade receivables are provided in Note 4 – "Current assets".

Liquidity risk

The Group manages liquidity risk by using credit facilities set up with banks. The amounts and maturities of these facilities are adapted to ensure that the Group has sufficient cash to respect its commitments.

In addition, the Group finances a portion of its working capital through a trade receivables sale programme comprising factoring agreements representing a maximum of €80 million worth of factored receivables.

Detailed information on the Group's credit facilities and factoring is provided in Note 8 – "Long- and short-term financial liabilities".

- Principles and methods used by the Group for recognising hedging transactions

The Group uses the recognition principles and methods prescribed in IAS 39, namely:

Hedge accounting is applied when derivative instruments offset – either in whole or in part – changes in fair value or cash flows of an underlying hedged item. Hedge effectiveness is assessed at regular intervals and at least every quarter and at the year-end.

Financial instruments only qualify for hedge accounting if the following conditions are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship (identification of the hedging instrument, the hedged item, the nature of the risk being hedged and the accounting method applied).
- The Group expects the hedge to be highly effective throughout the life of the hedge.
- The effectiveness of the hedge is assessed throughout the life of the financial instrument and the actual results of the hedge are within a range of 80% to 125%.
- If a forecast transaction is the subject of the hedge this forecast transaction is highly probable.

If a hedging relationship cannot be demonstrated, any changes in fair value of the financial instrument are recognised in profit.

All derivatives are measured at fair value. For instruments quoted in an active market, fair value corresponds to market value, and for other instruments it is determined using calculation and valuation models that incorporate market data (e.g., interest rate curves, exchange rates, etc.).

The Group has not identified any use of embedded derivatives within the meaning of IAS 39.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to changes in cash flows of the underlying hedged item or of a future transaction.

When a derivative is used to hedge the Group's exposure to changes in cash flows of a firm commitment or a forecast transaction, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement, except when the cumulative gains or losses on the hedging instrument are lower than the aggregate gains or losses on the hedged item.

Gains or losses recognised in equity are recycled to the income statement when the hedged forecast cash flows affect profit.

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability.

When a derivative is used to hedge the Group's exposure to changes in the fair value of a receivable or payable, changes in the fair value of the hedging instrument are recognised immediately in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognised in the income statement.

The fair value of hedged items corresponds to their carrying amount translated into euros at the exchange rate prevailing at the reporting date.

2.2.5. CVAE

The 2010 French Finance Act passed on 30 December 2009 abolished local business tax (*taxe professionnelle*) in France as from 2010 and replaced it with the Contribution Economique Territoriale, or CET. The CET is mainly composed of two contributions: (i) a business property tax (*Cotisation Foncière des Entreprises* or CFE), which is based on the rental values of property subject to property tax, and (ii) a value-added contribution (*Cotisation sur la Valeur Ajoutée des Entreprises* or CVAE) which is based on the value added by businesses each year as shown in their financial statements. Following the introduction of these new contributions, the Group re-examined the accounting treatment it applies to taxes in France in line with IFRS, taking into consideration the latest available information on tax accounting, and especially the guidance issued by the IFRIC. Consequently, in accordance with IAS 12, the Group has elected to classify the CVAE contribution as an income tax and therefore to recognise the CVAE expense under the "Income tax expense" line in the consolidated income statement.

2.2.6. Statement of cash flows

The Group has opted to use the indirect method for presenting the consolidated statement of cash flows, which consists of determining cash flows from operating activities by adding back to or deducting from profit for the period all non-cash transactions and all cash flows relating to investing and financing activities.

Net cash and cash equivalents – whose movements are analysed in the statement of cash flows – are defined as cash and cash equivalents less short-term bank loans and overdrafts.

2.2.7. Off-balance sheet commitments

The Group's main off-balance-sheet commitments are summarised in Note 16.

2.2.8. Assets and liabilities held for sale

The Group classifies a non-current asset as "held for sale" when it expects to recover the cost of that asset through a sale transaction rather than through continuing use, and the sale is highly probable. In accordance with IFRS 5, an asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. The asset is then no longer depreciated and any changes in fair value less costs to sell (identified either at the time of classification or subsequently) are recognised as impairment losses (or reversals of impairment in the event of an increase in value).

If the sale concerns a group of assets and associated liabilities that the Group intends to dispose of in a single transaction, the assets and liabilities of that group (a "disposal group") are classified as "held for sale" on separate lines of the balance sheet, without offsetting said assets and liabilities or presenting them as a single amount. The disposal group is measured at the lower of its carrying amount and fair value less costs to sell.

2.2.9. Related parties

The parties considered as related to the Group, as well as the material transactions carried out with these parties during the 2011-2012 financial year, are as follows:

- The members of (i) the Company's Supervisory Board and Management Board, and (ii) the non-trading property companies that are managed by the Chairman of the Management Board and which lease buildings to the Group at market rates. The rent paid under these leases amounted to €3.5 million in 2011-2012.
- EAB Finance, which is the Group's controlling entity. This company does not carry out any transactions with the Group other than in its capacity as a shareholder (i.e., dividend payments and shareholder current account transactions).
- Associates, which are accounted for by the equity method (see Note 18).

2.3. COMPARABILITY OF THE FINANCIAL STATEMENTS

The Group believes that the impact of changes in Group structure that took place between 1 September 2011 and 31 August 2012 does not affect the comparability of the financial statements for the years presented. Consequently, no pro forma figures have been presented in the financial statements.

However, the Group has made a number of error corrections which have been accounted for in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, and required it to amend the financial statements for the 2010-2011 financial year and prior years.

In 2012 the Group set up a new accounting information system that has enhanced the monitoring process for transactions between consolidated entities. When the system was put in place, the Group identified and analysed certain intra-group commercial transactions that had not been identified during previous consolidation processes. These transactions represented an aggregate €6.4 million (excluding taxes) and affected recurring operating profit for the 2010-2011, 2009-2010 financial years and prior years. The corresponding error corrections can be summarised as follows:

Impacts on the consolidated income statements for the 2011-2012, 2010-2011 and 2009 - 2010 financial years:

(in millions of euros)

	Year ended 31 Aug. 2012	Year ended 31 Aug. 2011 restated	Year ended 31 Aug. 2011 reported	Year ended 31 Aug. 2010 restated	Year ended 31 Aug. 2010[(i)] reported
Revenue	1,172.9	1,080.5	1,080.5	1,033.1	1,033.1
Recurring operating expenses[(ii)]	(1,120.9)	(1,027.5)	(1,026.6)	(987.5)	(985.2)
Recurring operating profit	52.1	53.0	53.9	45.6	47.9

(i) The figures for the 2009-2010 financial year shown in this column have been restated to reflect the error corrections referred to in Note 2.3 to the consolidated financial statements for the year ended 31 August 2011.
(ii) The error corrections made only affected the "Other recurring operating expenses" line in the income statement and their balance sheet contra-entries were recognised as an increase in "Other current liabilities".

Impacts on equity at 31 August 2009, 2010 and 2011:

(in millions of euros)

	31 Aug. 2012	31 Aug. 2011	31 Aug. 2010	31 Aug. 2009
Equity attributable to owners of the parent (reported)[(iii)]	149.9	150.3	136.8	147.4
Impact of error corrections made in 2012	-	(6.4)	(5.5)	(3.2)[(iv)]
Equity attributable to owners of the parent, after error corrections	149.9	143.9	131.3	144.2

(iii) The figures shown in this line for 31 August 2009 and 2010 have been restated to reflect the error corrections referred to in Note 2.3 to the consolidated financial statements for the year ended 31 August 2011.
(iv) Cumulative impact on the 2008-2009 financial year and prior years.

The segment information provided in Note 11 has been restated to reflect the abovedescribed error corrections.

2.4. SEGMENT INFORMATION

2.4.1. Identification of segments

The Group's business activities are structured around three divisions which each constitute an operating segment within the meaning of IFRS 8 as they sell distinct products and services or serve different customer segments. This segmentation is used by Management for assessing performance and forms the basis of the internal reporting system. The three divisions are as follows:

- A "Cleaning" division, comprising all of the companies in the Cleaning business as well as the companies in the Hygiene business, until its sale in 2012.
- A "Multi-technical" division, comprising all the business lines specialised in technical fields, for which the Atalian Group can propose its customers a comprehensive offering and whose cash flows are therefore closely related.
- An "International" division, comprising all companies outside France, as the cash flows of these companies are independent from those of France.

Information on the above-described operating segments is provided in Note 11. In this note, the "Other" column includes items that are not components of an operating segment but which the Group has elected to monitor separately, notably the operations of the Group's holding entities (Executive Management services and central administrative costs) and other items that reconcile the aggregate figures of the segments with the Group's total consolidated figures.

2.4.2. Segment indicators

For each of its operating segments, the Group presents the following income statement items which are monitored by the chief operating decision maker:

- revenue; and
- recurring operating profit before depreciation, amortisation, impairment and provisions.

The accounting methods applied for each operating segment are those used for preparing the consolidated financial statements.

The information presented for each operating segment corresponds to "contributive data", i.e., after eliminating inter-segment transactions.

NOTE 3 **Non-current assets**

3.1. GOODWILL 377,113

3.1.1. Movements

	Gross	Impairment	Net
31 August 2010	372,003	(3,695)	368,308
Inter-item transfers	2,069	(622)	1,447
Impact of changes in Group structure, exchange rates & other	5,888	(158)	5,730
Impairment			
31 August 2011	379,960	(4,475)	375,485
Inter-item transfers			
Impact of changes in Group structure, exchange rates & other	1,728	41	1,769
Impairment		(141)	(141)
31 August 2012	**381,688**	**(4,575)**	**377,113**

The amount recorded under "Inter-item transfers" at 31 August 2011 corresponds to a reclassification from "Other intangible assets" to "Goodwill" within the International division.

3.1.2. Breakdown of goodwill by CGU

	31 Aug. 2012	31 Aug. 2011
Cleaning	**268,921**	268,941
Multi-technical	**79,376**	79,920
International	**28,816**	26,624
	377,113	375,485

3.1.3. CGU impairment testing

As described in Note 2.2.1, on an annual basis at the same time each year, the Group carries out impairment tests on its CGUs that contain goodwill. The assumptions used for determining the recoverable amount of the CGUs at 31 August 2012 and 2011 were as follows:

	31 Aug. 2012	31 Aug. 2011
Cleaning CGU		
Capital employed	€260 million	250 M€
Cash flow projections	4-year business plan + annual rate of growth after the last forecast period	4-year business plan + annual rate of growth after the last forecast period
Discount rate	8.5%	9.5%
Long-term growth rate	2.0%	1.8%
Multi-technical CGU		
Capital employed	€103 million	€127 million
Cash flow projections	4-year business plan + annual rate of growth after the last forecast period	4-year business plan + annual rate of growth after the last forecast period
Discount rate	8.5%	9.5%
Long-term growth rate	2.0%	1.8%
International CGU		
Capital employed	€29 million	€29 million
Cash flow projections	4-year business plan + annual rate of growth after the last forecast period	4-year business plan + annual rate of growth after the last forecast period
Discount rate	11%	9.5%
Long-term growth rate	2.0%	1.8%

No impairment losses were recorded at 31 August 2012 as the recoverable amount of each CGU exceeded the carrying amount of their capital employed.

Consequently, with all other factors remaining constant, in the event of a 0.50% increase in the discount rate or a 0.50% decrease in the long-term growth rate, the recoverable amount of the CGUs would be reduced by the amounts shown in the table below, but in each case would remain higher than the carrying amount of their capital employed at 31 August 2012.

CGU at 31 August 2012 Impact on recoverable amount in €m	**Impact of a 0.50% increase in discount rate**	**Impact of a 0.50% decrease in long-term growth rate**
Cleaning	**(19.90)**	**(3.50)**
Multi-technical	**(11.00)**	**(8.90)**
International	**(2.10)**	**(1.60)**

3.2. INTANGIBLE ASSETS 9,192

GROSS	Concessions, patents and similar rights	Other intangible assets	TOTAL
31 August 2010	**8,568**	**6,476**	**15,044**
Translation differences	6	102	108
Inter-item transfers	(116)	(2,321)	(2,437)
Changes in Group structure	127		127
Investments	1,218	60	1,278
Sundry disposals and reductions	(209)	(8)	(217)
31 August 2011	**9,594**	**4,309**	**13,903**
Translation differences	(9)	(39)	(48)
Inter-item transfers	(9)	78	69
Changes in Group structure	103		103
Investments	3,069	2,340	5,409
Sundry disposals and reductions	(77)	(49)	(126)
31 August 2012	**12,671**	**6,639**	**19,310**

AMORTISATION AND IMPAIRMENT	Concessions, patents and similar rights	Other intangible assets	TOTAL
31 August 2010	**(6,775)**	**(1,293)**	**(8,068)**
Translation differences		(5)	(5)
Inter-item transfers		806	806
Changes in Group structure	(169)		(169)
Sundry disposals and reductions	51		51
Amortisation expense	(1,120)	(148)	(1,268)
Impairment losses			
Reversals of impairment losses	69		69
31 August 2011	**(7,944)**	**(640)**	**(8,584)**
Translation differences		6	6
Inter-item transfers		11	11
Changes in Group structure	(47)		(47)
Sundry disposals and reductions			
Amortisation expense	(1,384)	(196)	(1,580)
Impairment losses			
Reversals of impairment losses	69	7	76
31 August 2012	**(9,306)**	**(812)**	**(10,118)**

NET	Concessions, patents and similar rights	Other intangible assets	TOTAL
31 August 2011	1,650	3,669	5,319
31 August 2012	**3,365**	**5,827**	**9,192**

In FY 2011-2012, for the first time the Group recognised certain internal IT development costs as intangible assets. These costs – which principally Other intangible assets correspond to the value of the time spent by the Group's teams on developing the IT systems concerned – represented a gross amount of €2.8 million and a €39 thousand amortisation expense.

3.3. PROPERTY, PLANT AND EQUIPMENT 40,463

GROSS	Land and buildings	Plant and equipment	Other	Assets under construction and prepayments to suppliers	TOTAL
31 August 2010	8,216	77,434	57,878	1,948	145,476
Of which finance leases	*470*	*21,654*	*294*		*22,418*
Translation differences	(5)	61	167	6	229
Inter-item transfers	103	363	1,265	(1,156)	575
Changes in Group structure	37	623	738		1,398
Investments	136	15,445	2,540	1,725	19,846
Sundry disposals and reductions	(130)	(6,287)	(2,637)	(438)	(9,492)
31 August 2011	8,357	87,639	59,951	2,085	158,032
Of which finance leases	*470*	*28,355*	*72*		*28,897*
Translation differences		(134)	(218)	(8)	(360)
Inter-item transfers and other			642	(532)	110
Changes in Group structure	196	(303)	940		833
Investments	65	11,224	3,964	2,478	17,731
Sundry disposals and reductions	(2,456)	(2,681)	(10,520)	(443)	(16,100)
31 August 2012	**6,162**	**95,745**	**54,759**	**3,580**	**160,246**
Of which finance leases	*470*	*33,681*	*72*		34,223

DEPRECIATION AND IMPAIRMENT	Land and buildings	Plant and equipment	Other	Assets under construction and prepayments to suppliers	TOTAL
31 August 2010	(6,492)	(56,913)	(44,183)		**(107,588)**
Of which finance leases	*(422)*	*(12,654)*	*(249)*		*(13,325)*
Translation differences		(20)	(131)		(151)
Inter-item transfers	289	104	(85)		308
Changes in Group structure	(16)	(465)	(627)		(1,108)
Sundry disposals and reductions		6,277	2,636		8,913
Depreciation expense	(198)	(11,315)	(5,187)		(16,700)
Impairment losses					
Reversals of impairment losses	82				82
31 August 2011	(6,335)	(62,332)	(47,577)		**(116,244)**
Of which finance leases	*(422)*	*(16,320)*	*(72)*		*(16,814)*
Translation differences		43	168		211
Inter-item transfers			(279)		(279)
Changes in Group structure	(44)	391	(524)		(177)
Sundry disposals and reductions	2,247	1,656	8,848		12,751
Depreciation expense	(213)	(10,398)	(4,705)	(758)	(16,074)
Impairment losses					
Reversals of impairment losses			29		*29*
31 August 2012	**(4,345)**	**(70,640)**	**(44,040)**	**(758)**	**(119,783)**
Of which finance leases	*(422)*	*(20,949)*	*(72)*		*(21,443)*

NET	Land and buildings	Plant and equipment	Other	Assets under construction and prepayments to suppliers	TOTAL
31 August 2011	2,022	25,307	12,374	2,085	41,788
Of which finance leases	*48*	*12,035*			*12,083*
31 August 2012	**1,817**	**25,105**	**10,719**	**2,822**	**40,463**
Of which finance leases	*48*	*12,732*			*12,780*

3.4. OTHER NON-CURRENT FINANCIAL ASSETS 7,744

	Investments in nonconsolidated companies and related receivables	Other	Total gross value	Amortisation and impairment	Net value
31 August 2010	1,609	6,955	8,564	(652)	7,912
Translation differences					
Changes in Group structure	126	(612)	(486)		(486)
Sundry increases and reductions	(854)	(70)	(924)		(924)
Inter-item transfers		(46)	(46)	45	(1)
Additions and reversals				251	251
31 August 2011	881	6,227	7,108	(356)	6,752
Changes in Group structure					
Inter-item transfers	323		323		323
Sundry increases and reductions	72	615	687		687
Additions and reversals				(18)	(18)
31 August 2012	1,276	6,842	8,118	(374)	7,744

NOTE 4 Current assets

4.1. INVENTORIES 2,652

	31 Aug. 2012 Gross	31 Aug. 2012 Impairment	31 Aug. 2012 Net	31 Aug. 2011 Gross	31 Aug. 2011 Impairment	31 Aug. 2011 Net
Raw materials/supplies and finished products/and inventories relating to property transactions	2,861	(209)	2,652	3,257	(124)	3,133
TOTAL	**2,861**	**(209)**	**2,652**	**3,257**	**(124)**	**3,133**

4.2. PREPAYMENTS 2,247

	31 Aug. 2012 Gross	31 Aug. 2012 Impairment	31 Aug. 2012 Net	31 Aug. 2011 Gross	31 Aug. 2011 Impairment	31 Aug. 2011 Net
Prepayments to suppliers	2,247		2,247	1,215		1,215
TOTAL	**2,247**		**2,247**	**1,215**		**1,215**

4.3. TRADE AND OTHER RECEIVABLES 363,671

	31 Aug. 2012 Gross	31 Aug. 2012 Impairment	31 Aug. 2012 Net	31 Aug. 2011 Gross	31 Aug. 2011 Impairment	31 Aug. 2011 Net
Trade receivables (Trade receivables/Revenue accruals)	**307,992**	**(12,454)**	**295,538**	**286,945**	**(12,099)**	**274,846**
Current tax assets	**795**		**795**	**683**		**683**
Other receivables:	67,852	(514)	67,338	73,694	(554)	73,140
Other operating receivables (Employees/Social security bodies/State/Other)	52,312		52,312	60,063		60,063
Sundry receivables (Current accounts, etc.)	10,741	(514)	10,227	9,295	(554)	8,741
Prepaid expenses	4,799		4,799	4,336		4,336
TOTAL TRADE AND OTHER RECEIVABLES	**376,639**	**(12,968)**	**363,671**	**361,322**	**(12,653)**	**348,669**

(2) Including factored receivables in an amount of €80 million (see Note 8.3).

4.4. BREAKDOWN OF TRADE RECEIVABLES BETWEEN AMOUNTS PAST DUE AND AMOUNTS NOT PAST DUE AT 31 AUGUST 2012

	Amounts not past due	Amounts past due < 12 months	Amounts past due > 12 months	Total
Trade receivables	248,061	57,507	2,424	307,992
Impairment		(10,030)	(2,424)	(12,454)
TOTAL TRADE RECEIVABLES	**248,061**	**47,477**	**0**	**295,538**

4.5. CASH AND CASH EQUIVALENTS 29,721

	31 Aug. 2012 Gross	31 Aug. 2012 Impairment	31 Aug. 2012 Net	31 Aug. 2011 Gross	31 Aug. 2011 Impairment	31 Aug. 2011 Net
Cash	29,564		29,564	12,875		12,875
Marketable securities	157		157	212		212
TOTAL CASH AND CASH EQUIVALENTS	**29,721**		**29,721**	**13,087**		**13,087**

The Group's cash and cash equivalents are primarily in euros.

NOTE 5 **Equity**

5.1. SHARE CAPITAL 122,674

	31 Aug. 2011	Decrease	Increase	31 Aug. 2012
Shares	122,674,371			122,674,371
Number of shares outstanding	122,674,371			122,674,371
Par value	€1	-		€1
Share capital in €	**122,674,371**			**122,674,371**

At 31 August 2012 the Company's share capital was composed of 122,674,371 fully paid-up shares with a par value of €1 each. In accordance with the Company's articles of association, these shares are divided into two different categories, as follows:

- 3,000,000 preference shares; and
- 119,674,371 ordinary shares

The preference shares carry certain specific rights, notably the right to receive a preferred dividend of €3 million whenever the shareholders decide to pay a dividend for a given year at the Annual General Meeting.

5.2. TRANSACTIONS RECOGNISED DIRECTLY IN EQUITY

5.2.1. Translation reserve 335

The main translation differences at 31 August 2012 resulting from the conversion into euros of the financial statements of foreign subsidiaries were as follows:

CURRENCY	31 Aug. 2011	Change	31 Aug. 2012
Miscellaneous foreign currencies	370	(35)	335
TOTAL	**370**	**(35)**	**335**

5.2.2. Fair value reserve (1,804)

Amounts recorded in the fair value reserve correspond to gains and losses on interest rate hedging instruments which will subsequently be recycled to the income statement.

	31 Aug. 2011	Change	31 Aug. 2012
Financial instruments fair value reserve (net of tax)	(686)	(1,118)	(1,804)
TOTAL	**(686)**	**(1,118)**	**(1,804)**

NOTE 6
Long- and short-term provisions

6.1. LONG-TERM PROVISIONS 6,122

	Employee benefits	Long-service awards and other	Equityaccounted companies	TOTAL
31 August 2010	5,196			5,196
Translation differences				
Inter-item transfers		425	531	956
Changes in accounting methods and Group structure				
Additions (net of reversals)	(1,269)	157		(1,112)
31 August 2011	3,927	582	531	5,040
Translation differences				
Inter-item transfers and other			257	257
Changes in accounting methods and Group structure	(10)	(36)		(46)
Direct impact on equity				
Additions (net of reversals)	1,240	(369)		871
31 August 2012	**5,157**	**177**	**788**	**6,122**

An addition to provisions for statutory retirement bonuses was recorded in FY 2011-2012 in accordance with IAS 19 due to a decrease in the applicable discount rate to 2.94% at 31 August 2012 from 4.72% one year earlier.
Details of the actuarial assumptions used to calculate these obligations are provided in Note 2.2.2.b.

The "Equity-accounted companies" column relates to the Group's share in the negative net equity of entities over which the Group exercises significant influence. See Note 18 – "List of consolidated companies".

6.2. SHORT-TERM PROVISIONS 19,534

	Other short-term provisions	TOTAL
31 August 2010	26,917	26,917
Translation differences		
Inter-item transfers	(990)	(990)
Changes in accounting methods and Group structure	173	173
Additions (net of reversals)	(6,829)	(6,829)
31 August 2011	19,271	19,271
Translation differences		
Inter-item transfers	(130)	(130)
Changes in accounting methods and Group structure	(241)	(241)
Additions (net of reversals)	634	634
31 August 2012	**19,534**	**19,534**

NOTE 7 # Non-current tax assets and liabilities

7.1. MAIN SOURCES OF DEFERRED TAXES BY NATURE

	31 Aug. 2012	31 Aug. 2011
Deferred tax assets	**47,568**	**47,929**
Employee benefits	1,766	1,352
Financial instruments	975	473
Temporary differences	2,479	2,169
Tax loss carryforwards	42,885	44,582
Other sources of deferred tax assets	(537)	(647)
Deferred tax liabilities	**145**	**190**
CVAE		
Other sources of deferred tax liabilities	145	190
TOTAL	**47,423**	**47,739**

In accordance with IAS 12.74, deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority on the same taxable entity.
Deferred tax liabilities relate to the Group's non-French subsidiaries.

The year-on-year change in this item essentially corresponds to the following:
Increase:
- Increase in the Group's obligations concerning statutory retirement bonuses and other temporary differences (€0.85 million in deferred tax assets).
- Impact of the application of IAS 39 for hedging instruments (€0.50 million in deferred tax assets).

Decrease:
- Utilisation of tax loss carryforwards of (i) €3 million for the TFN Val tax group and (ii) €1.9 million for Eurogem, representing a total €1.7 million in deferred tax assets.

7.2. RECOVERY PERIODS FOR DEFERRED TAX ASSETS

	Recovery within 2 years	Recovery in 2 to 5 years	Recovery in 5 to 10 years	Total
Deferred tax assets (in €m)	5.06	12.43	30.11	**47.60**

The recovery periods for deferred tax assets are based on the Group's taxable profit forecasts at 31 August 2012.

7.3. TAX BASE OF UNRECOGNISED DEFERRED TAX ASSETS

	31 Aug. 2012	31 Aug. 2011
Tax consolidation	18,320	17,135
Tax loss carryforwards of companies not included in the tax group	1,055	1,055
Other		
TOTAL	**19,375**	**18,190**

NOTE 8 # Long- and short-term financial liabilities

8.1. BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

FINANCIAL LIABILITIES	Short-term Due within 1 year	Long-term Due in 1 to 5 years	Long-term Due beyond 5 years	Total 31 Aug. 2012
Bonds		112,701		112,701
Bank borrowings	42,883	68,412	47	111,342
Finance lease liabilities	4,109	6,989	714	11,812
Other borrowings	2,310	2,455		4,765
Loans from subsidiaries and associates	517	2,067		2,584
Factoring loans	67,817			67,817
TOTAL interest-bearing borrowings	**117,636**	**192,624**	**761**	**311,021**
AT 31 AUGUST 2011	**185,456**	**19,631**	**105,064**	**310,151**

At 31 August 2012, all of the Group's covenants were respected.
In 2009, the Group set up long-term financing comprising senior debt and mezzanine bonds for the purpose of acquiring VPNM and Eurogem.
The senior debt agreement is subject to a number of standard covenants concerning certain financial ratios (leverage ratio, net interest coverage etc.). These ratios are calculated at each six-month interim reporting date. Cross default clauses have also been put in place between the senior debt and the mezzanine bonds.
If, at a given measurement date, one or more of these covenants have been breached, the senior creditors can call for early repayment of the senior debt.
This was the case at 31 August 2011 as the Group was in breach of a number of these covenants. Consequently, as required under IFRS, at that date the Group reclassified the debt concerned under short-term financial liabilities. However, the terms of the senior debt agreement were renegotiated in 2012 with the senior creditors who contractually waived their right to call for early repayment of the senior debt.
The financial instruments used by the Group to hedge its variable-rate borrowings are described in Note 15.
The effective interest rate for FY 2011-2012 was 8.40% compared with 8.99% in FY 2010-2011.

8.2. CONFIRMED CREDIT LINES

	Confirmed lines	Utilised lines
Bonds	90,000 excluding capitalised interest	90,000 excluding capitalised interest
Bank borrowings	111,342 *	111,342
Factoring loans	80,000	67,817
TOTAL	**281,342**	**269,159**

** : Bank borrowings include a revolving credit facility whose maximum drawdown was reduced to €20 million in FY 2011-2012 from €40 million previously. This facility had been fully drawn down at the year-end.*

8.3. FACTORING

As mentioned in Note 2.2.1 b), several of the Group's subsidiaries sell their trade receivables on a monthly basis under factoring contracts. The sold receivables are not derecognised as the Group does not transfer substantially all the risks and rewards of ownership of the receivables to the factoring companies.
They are therefore kept on the balance sheet under "Trade receivables" with the recognition of a corresponding short-term financial liability.

At 31 August 2012, a short-term liability of €67.8 million was recognised with respect to this €80 million factoring programme. The corresponding liability recognised at 31 August 2011 was €35.9 million.

The Group has been mandated by the factoring companies to manage on their behalf the recovery of the receivables that have been sold to them.

NOTE 9 # Change in net debt

9.1. MOVEMENTS IN NET DEBT

	31 Aug. 2011	Movements	31 Aug. 2012
Cash and cash equivalents	13,087	16,634	29,721
Short-term bank loans and overdrafts	(3,300)	(241)	(3,541)
Net cash and cash equivalents(1)	**9,787**	**16,393**	**26,180**
Long-term financial liabilities	(124,695)	(68,712)	(193,407)
Short-term portion of long-term financial liabilities	(185,456)	67,820	(117,636)
Financial instruments(2)	(1,377)	(1,456)	(2,833)
Debt	**(311,528)**	**(2,348)**	**(313,876)**
Net debt	**(301,741)**	**14,045**	**(287,696)**

(1) Net cash and cash equivalents as analysed in the statement of cash flows.

(2) Fair value hedges of debt.

9.2. MAIN CHANGES DURING THE PERIOD

Net debt at 31 August 2011	**(301,741)**
- Cash generated from operations before financial expenses and tax	63,131
- Change in operating working capital	11,195
- Income tax paid (including CVAE)	(12,563)
- Net cash used in investing activities	(15,639)
- Dividends paid	(3,000)
- Finance costs, net	(24,771)
- Impact of minority puts	2,965
- Finance leases	(5,716)
- Changes in Group structure	94
- Other (financial instruments etc.)	(1,651)
Net debt at 31 August 2012	**(287,696)**

NOTE 10 # Other current liabilities

10.1. OTHER CURRENT LIABILITIES

	31 Aug. 2012	31 Aug. 2011 restated	Error correction(1)	31 Aug. 2011
Customer prepayments	**914**	**2,839**		**2,839**
Current tax liabilities	**5,294**	**3,234**		**3,234**
Trade payables	**105,965**	**93,994**		**93,994**
Other current liabilities	**269,888**	**254,534**		**248,097**
Employee-related liabilities and accrued payroll taxes	137,178	129,127		129,127
Other accrued taxes	102,606	99,667		99,667
Other current payables	22,384	22,266	6,437	15,829
Deferred income	7,720	3,474		3,474

(1) See Note 2.3.

10.2. SHORT-TERM BANK LOANS AND OVERDRAFTS 3,541

The Group's short-term bank loans and overdrafts – which are mainly denominated in euro – amounted to €3,541 thousand at 31 August 2012 compared with €3,300 thousand one year earlier.

10.3. FINANCIAL INSTRUMENTS 2,833

The Group's total liability related to the remeasurement of financial instruments amounted to €2,833 thousand at 31 August 2012 versus €1,377 thousand at 31 August 2011 (see Note 15).

NOTE 11 Segment reporting

The Group's business activities are monitored by its chief operating decision maker as described in Note 2.4, which also sets out the Group's segment reporting principles.

Based on these principles, the Group's segment information is as follows:

Year ended 31 Aug. 2012 (in millions of euros)	**By operating segment**				
	Cleaning	**Multi-technical**	**International**	**Other**	**Group Total**
Revenue	636.2	407.4	125.8	3.5	**1,172.9**
Recurring operating profit before depreciation, amortisation, impairment and provisions	61.5	24.2	8.4	(25.5)	**68.6**

Year ended 31 Aug. 2011* (in millions of euros)	**By operating segment**				
	Cleaning	**Multi-technical**	**International**	**Other**	**Group Total**
Revenue	611.1	371.8	96.6	0.9	**1,080.5**
Recurring operating profit before depreciation, amortisation, impairment and provisions	72.3	19.7	6.6	(33.1)	**65.4**

** The segment information reported for each operating segment for FY 2010-2011 has been restated to take into account the error corrections described in Note 2.3.*

The Group's chief operating decision maker does not monitor any other indicators for the operating segments presented above.

NOTE 12 Recurring operating profit

operating profit

12.1. OPERATING PROFIT

	Year ended 31 Aug. 2012	Year ended 31 Aug. 2011 restated (2)
Revenue	1,172,945	1,080,509
Purchases consumed (including outsourcing)	(214,515)	(167,293)
External charges	(133,132)	(128,387)
Payroll costs	(742,902)	(696,655)
Taxes other than on income (1)	(18,396)	(22,109)
Other recurring operating income and expenses:		
- Other income	11,520	12,016
- Other expenses	(6,950)	(12,663)
RECURRING OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION, IMPAIRMENT AND PROVISIONS	**68,570**	**65,418**
Depreciation and amortisation, net	(17,790)	(17,997)
Provisions and impairment losses, net	(1,755)	5,552
RECURRING OPERATING PROFIT	**49,025**	**52,973**
Other operating income (3)	3,294	
Other operating expenses		
OPERATING PROFIT	**52,319**	**52,973**

(1) CVAE is included within "Income tax expense" in the income statement.
(2) Error correction (see Note 2.3).
(3) "Other operating income" corresponds to the proceeds from the sale of the Hygiene and Fire Safety businesses as well as the carrying amount of these businesses' divested non-current assets.

NOTE 13 # Finance costs, net
& other financial income and expenses

13.1. BREAKDOWN OF FINANCE COSTS, NET (24,771)

	Year ended 31 Aug. 2012	Year ended 31 Aug. 2011
Financial expenses	(24,948)	(25,657)
Financial income	177	97
FINANCE COSTS, NET	**(24,771)**	**(25,560)**

Analysis:		
- Net interest on borrowings	(15,193)	(18,075)
- Capitalised interest	(8,867)	(6,927)
- Interest on finance leases	(711)	(558)
- Charges related to financial instruments		
Sub-total	(24,771)	(25,560)

13.2. BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES (694)

	Year ended 31 Aug. 2012	Year ended 31 Aug. 2011
Dividends received from non-consolidated companies	11	132
Net (additions to)/reversals of provisions for financial items	(39)	167
Waivers of current accounts, gains and losses on disposals of non-consolidated shares and other financial assets, net interest other than on debt, foreign exchange gains and losses, and other	(666)	(359)
OTHER FINANCIAL INCOME AND EXPENSES	**(694)**	**(60)**

NOTE 14 Income tax expense

14.1. BREAKDOWN OF THE NET TAX CHARGE

	Year ended 31 Aug. 2012			Year ended 31 Aug. 2011		
	France	Other countries	Total	France	Other countries	Total
Current income taxes	(589)	(1,754)	(2,343)	(376)	(1,209)	(1,585)
Deferred taxes	(1,005)	65	(940)	2,094	(77)	2,017
CVAE	(12,487)		(12,487)	(11,295)		(11,295)
TOTAL	**(14,081)**	**(1,689)**	**(15,770)**	**(9,577)**	**(1,286)**	**(10,863)**

14.2. RECONCILIATION BETWEEN THEORETICAL AND EFFECTIVE TAX CHARGE (TAX PROOF)

	Year ended 31 Aug. 2012	Year ended 31 Aug. 2011
Profit for the period before income tax and CVAE	26,855	27,588
CVAE	(12,487)	(11,295)
Pre-tax profit	14,368	16,293
Theoretical tax rate	34.43 %	34.43 %
Theoretical tax charge	**(4,947)**	**(5,610)**
Net impact of the recognition/non-recognition of tax loss carryforwards	1,104	2,828
Permanent differences	1,855	2,395
Taxes not based on taxable income		(58)
Temporary differences not generating deferred taxes	(1,748)	
Other (difference between French and foreign tax rates etc.)	453	877
Total differences	**(3,283)**	**432**
CVAE	(12,487)	(11,295)
Total current and deferred taxes	(15,770)	(10,863)

Under new French tax legislation, tax losses carried forward are only available to offset against €1 million of taxable profit, plus 60% of taxable profit for the year exceeding that amount.
The portion that cannot be offset in a given year may, however, be carried forward to subsequent years in which the losses will be offset subject to the same conditions (i.e., offset against €1 million in taxable profit + 60% of taxable profit for the year > €1 million).
In the case of a tax consolidation group, this rule is applicable at the level of the head of the tax group.
The Atalian Group has three tax groups.
The corporate income tax expense recorded by the Group for the year ended 31 August 2012 totalled €465 thousand. This tax solely concerns the TFN Val tax group, whose taxable profit for the year was €4,375 thousand.
The second tax group – headed by La Financière Atalian – did not record any corporate income tax expense as the taxable profit figure was less than €1 million for the tax group as a whole.
The third tax group – headed by TFN SI – recorded a tax loss for the year.

NOTE 15 **Financial instruments**

For information purposes, the table below shows the aggregate of notional amounts outstanding at 31 August 2012 of each type of financial instrument used, with a breakdown by residual maturity for interest rate instruments and by currency for exchange rate instruments.

15.1. INTEREST-RATE HEDGES

Analysis by maturity. In thousands of euros

Expiry date	Year ended 31 Aug. 2012	2013 to 2017	Total 31 Aug. 2012	Total 31 Aug. 2011
Interest-rate swaps				
on financial assets				
on financial liabilities (1)		70,000	70,000	85,750
Future Rate Agreements				
on financial assets				
on financial liabilities				
Caps/Floors				
on financial assets				
purchase of caps on financial liabilities	30,000	11,143	41,143	31,572
tunnels on financial liabilities		30,000	30,000	52,724

(1) Of which fixed rate payer: 70,000

For renewable interest-rate hedges, the amounts are indicated in the column corresponding to the longest maturity.

During 2011-2012, changes in the value of financial instruments reduced equity by €1,119 thousand net of deferred taxes.
The impact on financial income for the year was €250 thousand and a deferred tax expense of €86 thousand was recognised.

At 31 August 2012, the Group had €231,296,000 in variable-rate borrowings. Of this amount, €141,143,500 was hedged by the Group's financial instruments (swaps, caps and floors).

15.2. VALEUR DE MARCHE DES INSTRUMENTS DE COUVERTURE

At 31 August 2012, the market value of the Group's portfolio of hedging instruments was a negative **€2,830 million.** This amount results from (i) the net present value of forward transactions that hedge the interest rate risk arising on commercial transactions and (ii) the net present value of interest-rate swaps that hedge the Group's borrowings.

This market value breaks down as follows by type of hedge:

- Fair value hedges: **€0.0 million**,
- Cash flow hedges: **€(2,830) million**,
- Hedges of a net investment in a foreign operation: **€0.0 million**.

In the event of a 0.50% increase or decrease in the yield curve, the market value of the Group's portfolio of hedging instruments would increase to a negative €1.704 million or decrease to a negative €3.879 million, respectively.

The above calculations were performed either by the Group or by the bank counterparties with which the Group set up the hedges concerned.

NOTE 16 # Off-balance sheet commitments

The notes below provide a summary of the Group's guarantee commitments, miscellaneous contractual commitments and finance lease commitments.

See Note 8 for further details of commitments given and received under financing contracts.

16.1. GUARANTEE COMMITMENTS

	31 Aug. 2012	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Pledges, mortgages and collateral				
Guarantees and endorsements given	9,878	988	8,890	0
TOTAL guarantee commitments given	**9,878**	**988**	**8,890**	**0**
Pledges, mortgages and collateral				
Guarantees and endorsements received				
TOTAL guarantee commitments received	**0**	**0**	**0**	**0**

16.2. MISCELLANEOUS CONTRACTUAL COMMITMENTS

	31 Aug. 2012	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Discounted trade notes	0			
Other	0			
TOTAL miscellaneous contractual commitments given	**0**	**0**	**0**	**0**
Discounted bills	0			
Commitments from factoring companies (1)	80,000	80,000		
TOTAL miscellaneous contractual commitments received	**80,000**	**80,000**	**0**	**0**

(1) Of which €67.8 million have been used.

16.3. COLLATERAL GRANTED

The Group has granted the following collateral as guarantees for the payment/repayment of financial obligations:

1 . Collateral granted by La Financière Atalian:

- Pledge of La Financière Atalian shares representing 50.01% of the Company's capital

2 . Collateral granted by Atalian:

- Pledges of receivables
- Pledge of CA, CIC, BNP Paribas, LCL, Banque Palatine, HSBC, BP, and Crédit du Nord bank accounts
- Pledge of shares in Groupe TFN Pôle Sécurité, Ingénièrie des services, and International and TFN Val

NOTE 17 Headcount

17.1. AVERAGE NUMBER OF EMPLOYEES (FULL-TIME EQUIVALENT)

	Year ended 31 Aug. 2012	Year ended 31 Aug. 2011
France:		
- Managers	673	536
- Supervisors	1,760	1,617
- Other	22,246	19,248
Total - France	**24,679**	**21,401**
International employees	8,132	9,418
TOTAL average number of employees	**32,811**	**30,819**

NOTE 18 List of consolidated companies

COMPANY	% CONTROL 31 Aug. 2012	% INTEREST 31 Aug. 2012	Consolidation method
FULLY CONSOLIDATED COMPANIES			
CORPORATE DIVISION			
ATALIAN (TFN DÉVELOPPEMENT)	100.00	100.00	FC
ATALIAN SERVICES PARTAGÉS	100.00	100.00	FC
ATALIAN SERVICES FINANCIERS	100.00	100.00	FC
ATALIAN SERVICES COMPTABLES	100.00	100.00	FC
ATALIAN SERVICES DES RESSOURCES HUMAINES	100.00	100.00	FC
ATALIAN SERVICES INFORMATIQUES ET QUALITÉ	100.00	100.00	FC
ATALIAN DIRECTION RELATIONS CLIENTS (formerly TFN SERVICES RELATIONS CLIENTS)	100.00	100.00	FC
ATALIAN DÉVELOPPEMENT CLIENTS (formerly ATALIAN DIRECTION DES RELATIONS CLIENTS)	100.00	89.74	FC
TFN VAL	89.74	89.74	FC
SCI RICHWILLER	99.80	99.80	FC
SCI ST JEAN D'ILLIAC	99.50	99.50	FC
SCI SAINT APOLLINAIRE	99.95	99.95	FC
SCI PESSAC	90.00	89.87	FC
SCI ALPHA DU CENTAURE II	85.00	85.00	FC
ATALIAN AIRPORT SERVICES	100.00	100.00	FC
TFN LOGISTIK	33.33	33.33	PROP
ATALIAN SERVICE PAYE	100.00	100.00	FC
ATALIAN SERVICES SÉCURITÉ ET QUALITÉ	100,00	100.00	FC

CLEANING DIVISION			
ATALIAN PÔLE PROPRETÉ	100.00	100.00	FC
TECHNIQUE FRANCAISE DU NETTOYAGE (TFN)	100.00	100.00	FC
LA MAINTENANCE PARIS (LMP)	100.00	100.00	FC
LA RAYONNANTE	99.88	99.88	FC
RIP	100.00	100.00	FC
DRX	100.00	100.00	FC
TNEX	100.00	100.00	FC
TFN PROPRETÉ (formerly VPNM)	100.00	89.74	FC
TFN IDF (formerly VPNM Ile de France)	100.00	89.74	FC
TFN Appros et Techniques (formerly VPNM Appros et Techniques)	100.00	89.74	FC
TFN Sud Est (formerly VPNM Sud Est)	100.00	89.74	FC
COMATEC	100.00	89.74	FC
EPPSI	100.00	89.74	FC
USP NETTOYAGE	100.00	89.74	FC
TFN P NORD NORMANDIE	100.00	89.74	FC
TFN P OUEST	100.00	89.74	FC
TFN P SUD OUEST	100.00	89.74	FC
TFN P EST	100.00	89.74	FC
TFN PROPRETE CENTRE	100.00	90.00	FC
TRANSPORT/LOGISTICS DIVISION			
TFN AFFRÈTEMENT ET LOGISTIQUE	100.00	100.00	FC
PARISIENNE D'AFFRÈTEMENT ET DE MESSAGERIE (PAM)	100.00	100.00	FC
Groupe STAR	100.00	89.74	FC
STAR SARL	100.00	89.74	FC
MUNOZ EURL	100.00	89.74	FC
LOGISMARK	100.00	89.65	FC
CONDIMARK	100.00	89.65	FC
TFN PROPRETE LOGISTIQUE	100.00	100.00	FC
TECHNICAL DIVISION			
ATALIAN PÔLE TECHNIQUE	100.00	100.00	FC
TFN BÂTIMENT	100.00	100.00	FC
EL ALE	100.00	89.74	FC
SCI AMPÈRE LA MAINE	99.90	99.90	FC
SCI OPALI	99.00	98.90	FC
SECURITY DIVISION			
ATALIAN SÛRETÉ	99.43	99.43	FC
HÔTESSE ET GROOMS DE PARIS (HGDP) (formerly Lancry Hotesses)	100.00	99.43	FC
LANCRY PROTECTION SÉCURITÉ (LPS)	100.00	99.43	FC
LANCRY FORMATION	100.00	99.43	FC
SCI CHAPELLE 2000	99.80	99.46	FC
HYGIENE DIVISION			
ATALIAN HYGIÈNE	100.00	100.00	FC
CELT HYGIÈNE	100.00	100.00	FC

LANDSCAPING DIVISION			
ATALIAN PÔLE ESPACES VERTS	99.76	99.76	FC
PINSON PAYSAGE	100.00	99.76	FC
ARPAJA	100.00	99.76	FC
SUPERSOL	100.00	99.76	FC
PINSON MIDI PYRÉNNÉES (formerly PAYSAGES ET ENVIRONNEMENTS SARL)	100.00	89.74	FC
PINSON PAYSAGE RHONE ALPES (formerly PROST PAYSAGE)	100.00	89.74	FC
PINSON PAYSAGE NORD (formerly SNBM)	100.00	100.00	FC
PHYTO ENVIRONNEMENT	100.00	89.74	FC
FIRE SAFETY DIVISION			
ATALIAN PÔLE SÉCURITÉ INCENDIE (SI)	78.29	78.29	FC
SOPRO BAT	99.95	78.29	FC
SPF	100.00	78.29	FC
INTERNATIONAL DIVISION			
FR-ATALIAN INTERNATIONAL	100.00	100.00	FC
FR-ANSWER PLUS GLOBAL SERVICES	50.00	50.00	FC
BE-DEPLO SCHOONMAK	84.11	84.11	FC
BE-MISTER CLEAN SERVICES	100.00	84.11	FC
BE-ATALIAN INTERNATIONAL BELGIQUE	83.00	83.00	FC
BE-ALGEMEEN GEWOUBEN ONDERHOUD MAATSCHAPPIJ	100.00	84.11	FC
BE-ATALIAN CLEANING SERVICES (formerly Multiservices)	51.00	42.33	FC
BE-TFN CLEANING SERVICES	95.00	78.85	FC
CZ-ATALIAN CZ sro (tfn formerly Jana)	94.40	94.40	FC
CZ-ZETA HOLDING	80.00	75.52	FC
CZ-ATALIAN EKOLOGICKY SERVIS (Zeta CZ)	80.00	75.52	FC
CZ-PRAHA FACILITIES MANAGEMENT	100.00	94.40	FC
CZ-ATALIAN SERVIS CZ sro (formerly TFN SECURITY)	100.00	94.40	FC
CZ-KAF	80.00	75.52	FC
ES-POLE INTERNATIONAL TFN ESPANA	100.00	100.00	FC
ES-MARTONET	100.00	100.00	FC
ES-NETEGES MARESME	100.00	100.00	FC
HU-TFN HUNGARIA	99.80	99.80	FC
HU-MTO HUNGARIA	100,00	99,98	FC
HU-ATALIAN GLOBAL SERVICES HUNGARY (formerly BSZF)	100.00	100.00	FC
HU-ATALIAN FACILITY MANAGEMENT & GLOBAL SERVICES (formerly BFM)	100.00	100.00	FC
HU-ATALIAN GLOBAL SERVICES & SECURITY (formerly Escort)	100.00	100.00	FC
HU-KESMARK	100.00	100.00	FC
HR-TFN HRVATSKA	100.00	100.00	FC
HR-EKUS	88.00	88.00	FC
HR-KADUS PRIVREMENO ZAPOSLJAVANJE	88.00	88.00	FC
LU-AVISIA PROPRETE	100.00	100.00	FC
LU-ATALIAN INTERNATIONAL	100.00	100.00	FC
LU-GENIE THERM	76.75	76.75	FC
LU-CITY ONE Luxembourg	50.00	50.00	FC
RO-ATALIAN ROMANIA (formerly TFN Servicii)	100.00	100.00	FC
RO-IQ REAL ESTATE	100.00	100.00	FC
SK-ATALIAN (TFN Slovaquia merged into TEST Slovaquia)	100.00	94.40	FC
SK-CI SERVIS	31.00	29.00	EM
PL-TFN POLSKA	100.00	100.00	FC
PL-MTO	100.00	100.00	FC
PL-POL-K ATALIAN	90.00	90.00	FC
MU-ANSWERPLUS LIMITED	80.50	80.50	FC

MA-ATALIAN MAROC	100.00	100.00	FC
MA-VIP SURVEILLANCE	70.00	70.00	FC
SERVICE ENGINEERING DIVISION			
ATALIAN PÔLE INGÉNIERIE DES SERVICES	100.00	100.00	FC
MAINTENANCE TECHNIQUE OPTIMISÉE (MTO)	100.00	100.00	FC
MTO LIBAN	99.14	99.14	FC
ALSACE CLIMATISATION	100.00	100.00	FC
ATC	100.00	89.74	FC
EUROGEM	100.00	100.00	FC
FACILMAP	100.00	100.00	FC
IMOP	100.00	100.00	FC
ISIS FACILITIES	100.00	100.00	FC
MTO INDUSTRIES ET SERVICES (formerly TFN INDUSTRIES)	100.00	100.00	FC
PAINTING, PARQUET FLOORING AND OTHER FLOOR COVERINGS DIVISION			
ATALIAN PÔLE PPR	100.00	100.00	FC
BATIMMO	100.00	100.00	FC
SERVOPTIM JEAN LETUVE	100.00	100.00	FC
O2TL	100.00	100.00	FC
GERMOT ET CRUDEMAIRE	100.00	100.00	FC
PROPORTIONATELY CONSOLIDATED COMPANIES			
N/A			
COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
CITY SERVICES	50.00	50.00	EM
CITY ATL TOULOUSE SERVICES	50.00	50.00	EM
CITY TRAVEL	50.00	45.00	EM
CITY ATALIAN FERROVIAIRE	49.00	44.00	EM

NOTE 19 Statutory auditors' fees

19.1. BREAKDOWN OF FEES PAID TO THE STATUTORY AUDITORS

Fees paid by the Group to the Statutory Auditors and members of their networks for their audit of the consolidated financial statements of La Financière Atalian and its subsidiaries can be analysed as follows.

	Year ended 31 August 2012					Year ended 31 August 2011				
	Bugeaud	PWC	KPMG	Other	Total	Bugeaud	PWC	KPMG	Other	Total
Statutory audit work	700	700	106	30	1,536	750	750	250	100	1,850
Other services					0	48	150		0	198
TOTAL	**700**	**700**	**106**	**30**	1,536	**798**	**900**	**250**	**100**	2,048

PWC: PriceWaterHouseCoopers Audit SA

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