REGISTRATION DOCUMENT 2015

INCLUDING THE ANNUAL FINANCIAL REPORT

contents

REGISTRATION DOCUMENT 2015

INCLUDING THE ANNUAL FINANCIAL REPORT

An international engineering and innovation consultancy group operating in **19 countries** with nearly **12,000 employees**.

For **50 years** Assystem has been an industry-reference partner for the largest global industrial groups.

This Registration Document was filed with the AMF, the French Financial Market Authority, on 13 April 2016 in compliance with Article 212-13 of its General Regulations.

It may be used in support of a financial operation if accompanied by a prospectus validated by the AMF.

This document was prepared by the issuer and under the responsibility of its signatories.

The English language version of this Reference Document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein the original language version of the document in French takes precedence over this translation.

A NEW PATH TO GROWTH

MESSAGE FROM THE CHAIRMAN AND CEO

DOMINIQUE LOUIS

THE YEAR OF RECOVERY

There is no doubt that 2015 was a year of recovery for Assystem. Thanks to the revival of the nuclear sector and the upturn in the automotive industry, and despite the effect of the transition period that our Group – and its competitors – had to deal with in the aviation sector from mid-2014 to late 2015, Assystem's results in 2015 were a clear improvement on the previous year. The past year marked a return to organic growth, a significant improvement in margins, and a strong increase in free cash flow for the Group.

Performance was driven by the sound health of our business in France, the significant boost in our German operations, and the positive contribution of the Saudi firm Radicon, acquired in early 2015.

The upturn in the Group's fortunes is also down to exogenous factors such as the United Nations Climate Change Conference (COP 21) held in Paris in late 2015. The new climate change agreement, signed by the 195 countries represented, aims to pursue efforts to limit the rise in global temperatures to 1.5°C, and is having positive repercussions on a significant portion of our business. COP 21 recognized nuclear power as a source of energy of the future for the planet and placed connected modes of transport at the heart of environmental policies in order to significantly reduce greenhouse gas emissions and consequently the effects of climate change.

Despite the gloomy outlook stirred up by a turbulent globalized economy, Assystem is steering a steady course in 2016. The Group is well placed to meet the challenges of its customers in every industry. The number of orders from Airbus and aircraft component manufacturers and the increase in the global aircraft fleet are boosting our optimized production and supply chain engineering business and the emergence of new services. The automotive industry is going through a period of sustained expansion into lucrative avenues such as new vehicle models and optimized motoring solutions.

In this context of robust innovation, our engineering centre in Romania continues to play a driving role for manufacturers and in the coming years will increasingly serve as a base of services for Europe and the Middle East. Our 50 years of expertise in the nuclear industry, which we celebrate this year, will enable us to soon offer high added-value packaged services to players in the industry. On the whole, we have the good fortune of working in industries with good medium- and long-term prospects and we will seize every opportunity that comes our way. The Group remains attentive to its strategic markets and endeavours to be sufficiently agile to respond to any challenges that may arise. Accordingly, we nurture flexible working structures and adaptable mindsets.

Our sole significant acquisition boosting external growth was that of Radicon at the very beginning of the year. To keep a balance between organic and external growth in 2016, we are looking at carrying through a few targeted acquisitions that have been carefully selected geared to carefully pre-established geographic and business sector criteria.

The digitization of our business and that of our customers, and the productivity gains it brings to methods of working, will remain a key factor to which all of our teams are committed. Indeed, the introduction of new technologies in the industry is creating a new playing field by enabling all players to be more competitive and efficient. With the right timing – neither too soon nor too late – the Group will make specific investments in this area in 2016 and the years to come.

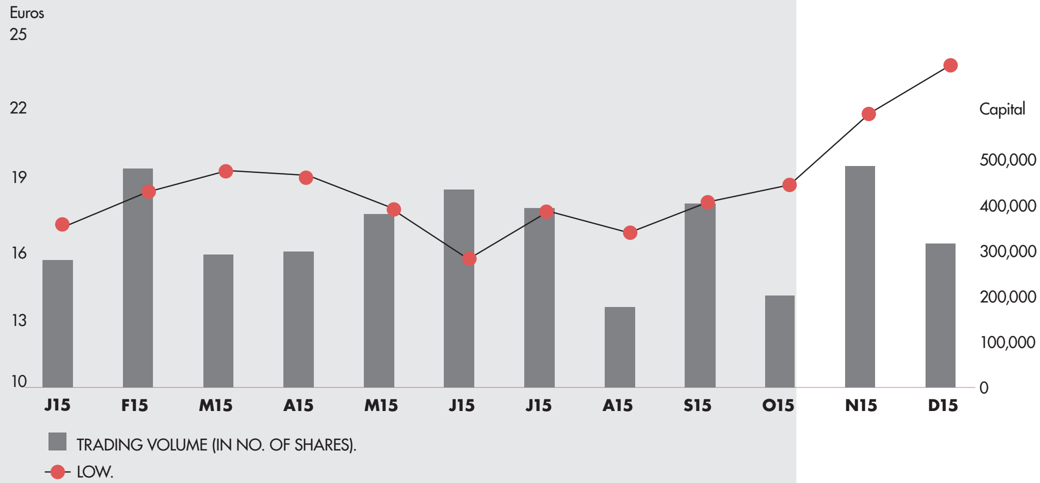
Beyond digital transformation, Big Data will revolutionize all economies in an interconnected world. The exponential growth in the amount of data collected and analyzed will unleash the potential of technologies and lead to the emergence of new economic models. Assystem is positioning itself to reap the benefits of Artificial Intelligence and Big Data and is busy designing and building plant, equipment, hardware and systems that will increasingly determine the success of its customers' products and services. We are pursuing these objective with a keen awareness of our corporate responsibility and our creative obligation towards the greater good.

In conclusion, I wish to thank all stakeholders in the life and development of our Group for their commitment and trust now and in the long term.

Dominique Louis

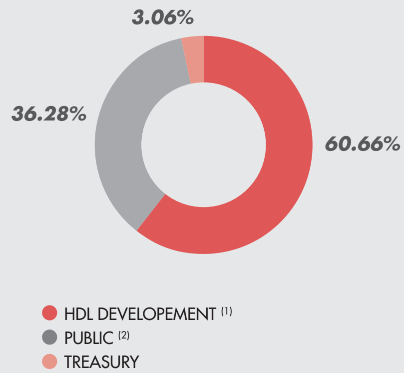
KEY FIGURES FOR 2015

AVERAGE PRICE AND MONTHLY TRADING VOLUMES OF THE ASSYSTEM SHARE IN 2015



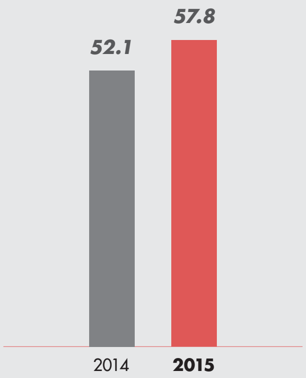
NYSE Euronext Compartiment.
Code: ISIN FR0000074148:
Continuous trading, no deferred settlement – CAC All-Tradable index value.

BREAKDOWN OF CAPITAL AS OF 31/12/2015



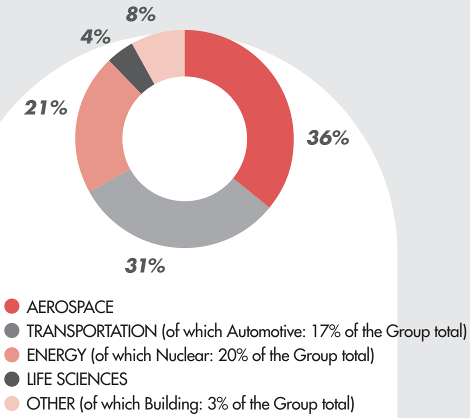
(1) HDL Developement is a holding company controlled by Dominique Louis, Chairman and CEO, through HDL in particular which is itself the holder of 0.23% of the share capital of Assystem.
(2) Includes 0.23% held by HDL.

EARNINGS BEFORE INTEREST AND TAXES *
(IN MILLION OF EUROS)



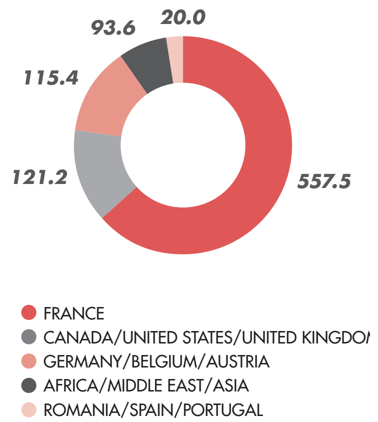
* Earnings Before Interest and Taxes (EBIT) including the share of profit (loss) of associated businesses.

BREAKDOWN OF REVENUE FOR 2015 BY BUSINESS SEGMENT

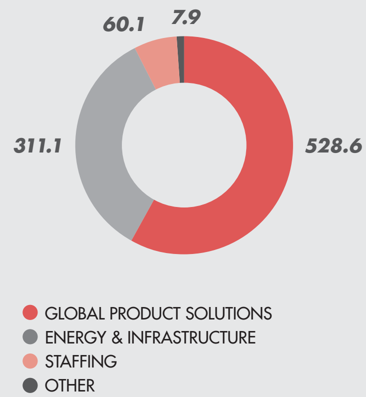


CHANGES IN REVENUE BY GEOGRAPHICAL REGION
(IN MILLION OF EUROS)

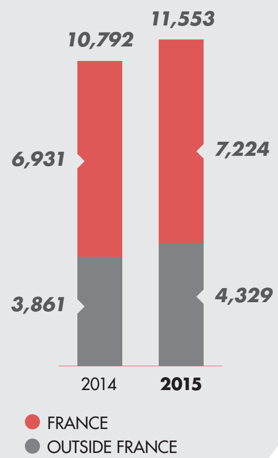
REVENUE FOR 2015 BY COUNTRY
(IN MILLION OF EUROS)



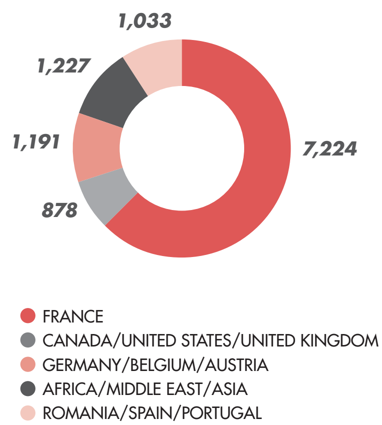
REVENUE FOR 2015 BY DIVISION
(IN MILLION OF EUROS)



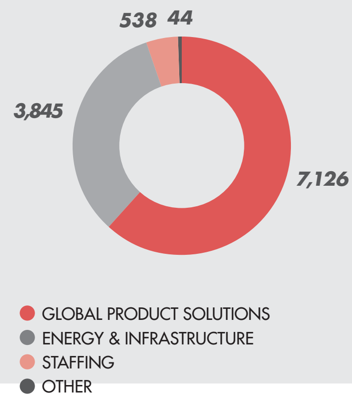
STAFF TURNOVER (FRANCE/OUTSIDE FRANCE)



STAFF IN 2015 BY COUNTRY



STAFF IN 2015 BY DIVISION



1

PRESENTATION OF THE GROUP

1.1 HISTORY

FROM 1966 TO 1995, THE NUCLEAR YEARS

The Assystem Group's history began in 1966 with the creation in France of the Atem company, by a team of nuclear engineers and technicians specialising in the commissioning of industrial units. Its development was supported by the major nuclear equipment programme decided by the French State after the first oil crisis in 1973.

In the 1980s, Atem began to diversify into project management, mainly in industrial automation and IT and for sectors such as automotive, steel, space and defence.

In 1989, along with Cogema, Atem created the Alphatem company, dedicated at the start to the testing and commissioning of Cogema's investments (in the Hague for irradiated fuel reprocessing and in the Gard for the Melox factory that produces MOX fuel assemblies).

In 1994, Atem and Alphatem merged to create the company Assystem, which went public in the Second Market in Paris in 1995.

FROM 1996 TO 2003, THE DIVERSIFICATION OF BUSINESSES

From 1996, the end of the investment cycle in the construction of new industrial facilities (nuclear power stations and reprocessing plants) in the nuclear industry in France and the rest of the world marked the start of a new era for Assystem: the Company diversified into product design and development for the aeronautics and automotive sectors (acquisition of Studia in France), whilst retaining its skills and specificity in the nuclear sector.

FROM 2003 TO 2015, INTERNATIONAL DEVELOPMENT

In 2003, the merger with Brime Technologies allowed Assystem to penetrate the new technologies sector and opened the door to the internationalisation of its activities.

Several significant acquisitions transformed the Group and allowed it to expand its customer portfolio. The Inbis Ltd company in the United Kingdom (industrial engineering group working for the aeronautics, automotive and nuclear industries), then SKI and Atena in Germany were acquired in 2004 and 2005.

In 2008, Assystem's installation in India was consolidated by the creation of Silver Atena, bringing together Silver Software (India), a company specialising in embedded safety critical systems, and Atena (Germany).

In 2010, Assystem joined forces with the British engineering company, Atkins, to create N.triple.a, an engineering company specialising in the nuclear sector and dedicated to international projects.

In 2011 and 2012, Assystem acquired Berner & Mattner (embedded systems for the automotive industry in Germany) and the MPH Group (nuclear engineering in France and staffing of consultants specialising in the Oil & Gas and Industry in the Middle East and Africa).

The Middle East presence was strengthened in January 2015 with the acquisition of the Radicon entity, an engineering company of 400 people based in Al Khobar and Riyad, Saudi Arabia. This acquisition enabled Assystem to double its presence in the Arabic Gulf region and gain market share in the infrastructure, energy and transport sectors. The General Management offices for its Energy & Infrastructure division have been based in Dubai since September 2013.

ASSYSTEM TODAY: 50 YEARS SERVING INNOVATION

Our business: industrial engineering

Assystem is a reference engineering partner for the largest global industrial groups. Design and develop the products and services of the future, build and ensure optimal use of their investments throughout their life cycle, coordinate and ensure the realisation of their projects and infrastructure: at the heart of industry for fifty years, Assystem's engineering teams make a difference and build trust.

Our mission: enable our customers to move into Growth for the Future

Cleaner energy, lighter aeroplanes, forms of electric transport for the wider population... these are the many challenges that Assystem's customers take up every day and for which nearly 12,000 employees commit and provide their talent, their methodologies and their convictions.

Our value added: a commitment to excellence

Assystem's teams are trained to listen, master and grow skills, to know how to adapt to the challenges inherent in innovation, to risk management, to complexity, and to make our customers' objectives the result of our shared projects. With subsidiaries in 19 countries, they work each day worldwide to share their expertise, optimise know-how and bring our customers' and partners' projects to life.

50 YEARS OF EXPERTISE

NEARLY 12,000 EMPLOYEES

A GLOBAL PRESENCE AND SUBSIDIARIES IN 19 COUNTRIES

(Belgium, Canada, France and overseas territories, Germany, India, Malaysia, Morocco, Nigeria, Portugal, Qatar, Romania, Russia, Saudi Arabia, Singapore, Spain, Switzerland, United Arab Emirates, United Kingdom, USA)

MORE THAN €900 MILLION IN REVENUE

REGISTERED OFFICE: PARIS (FRANCE)

1.2 BUSINESS OVERVIEW AND GROUP STRATEGY

Assystem operates in the engineering market through three divisions:

- **Global Product Solutions** which represents 58% of the Group's revenue;
- **Energy & Infrastructure** which represents 34% of the Group's revenue;
- **Staffing** which represents 7% of the Group's revenue.

Global Product Solutions (GPS), specialising in outsourced research and development on behalf of industrial customers working mainly in the Aerospace and Automotive sectors, operates throughout the product life cycle: from functional analysis to commissioning, *via* design, industrialisation and management of the supplier chain.

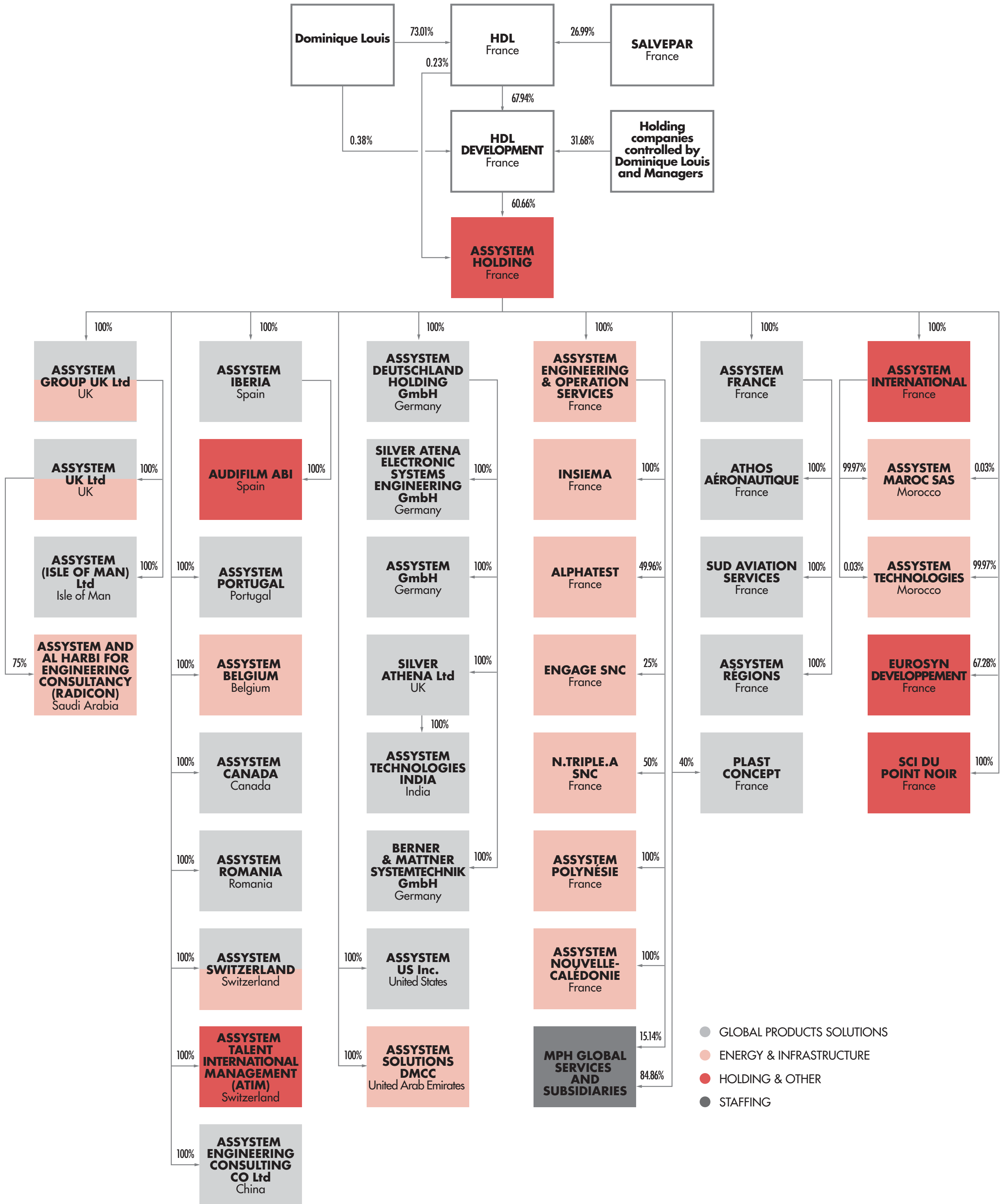
Energy & Infrastructure (E&I) brings value to industrialists, utilities and contractors in nuclear, conventional energy, transport infrastructure, life sciences and other complex infrastructures, from its experience acquired thanks to a long history in the nuclear industry, and in infrastructure engineering in complex environments and/or with stringent safety requirements.

The **Staffing** division provides the Oil & Gas sector and other major industrialists with specialist consultants mainly in the Middle East, Africa and Asia.

The Group focuses its development efforts on its GPS and E&I divisions. For these two divisions, the strategy put in place consists of:

- combining organic and external growth in a balanced way;
- consolidating the internationalisation of its business activities;
- developing new services for the existing customer base which it also expands, in particular by acquiring additional skills by hiring employees and/or acquiring companies with these skills;
- ensuring the competitiveness of customer offerings through an appropriate mix of resources based in Western Europe and elsewhere in the world.

1.3 SIMPLIFIED ORGANISATIONAL CHART FOR THE ASSYSTEM GROUP AS AT 31 DECEMBER 2015



2

CORPORATE GOVERNANCE

The Company refers to the AFEP-MEDEF Code of Corporate Governance which can be viewed on the MEDEF website at www.medef.com. Chapter 8 of this document also refers to this Code.

Under the "*Comply or Explain*", rule set out in Article L. 225-37 of the French Commercial Code and Article 25.1 of the AFEP-MEDEF Code, in general the Company feels that its practices conform to the recommendations of the Code, it being made clear that some such recommendations have nonetheless been shelved. Those recommendations not followed, as well as the reasons why, are described at the beginning of the sub-chapters in question.

On 22 May 2014, Assystem became a public limited company with a Board of Directors chaired by Dominique Louis, Chairman and CEO.

The Board is guided in its work by its Rules of Procedure which define its modes of organization and operation and set out the precepts related to the Securities Trading Code of Conduct which were adopted by the Board on 9 February 2015. The Board regularly reviews its Rules of Procedure in order to ensure that they always conform to the laws and regulations in force.

This governance structure is the industry benchmark and is in line with the recommendations of the Code and with SBF 250 best practices; it offers a form of governance that is tightly structured around Management acting under the oversight of two independent directors whose presence acts as a counterweight. The balance of power thus sought is further enhanced by the fact that the powers of the Chairman and CEO and the deputy managing director are constrained by the Rules of Procedure and the nominating decisions made by the Board.

This governance structure is also intended to simplify the decision-making process, accelerate the implementation of Assystem Group's strategy, strengthen the Board's accountability, and create closer ties between the Board and executive management.

The Board moreover formed an Audit Committee and a Nominations and Remuneration Committee, each with its own rules of procedure. These two Committees, whose meetings are not attended by the Chairman and CEO, further enhance the balance of powers.

As at 31 December 2015, the Group's Management team was headed by Dominique Louis (Chairman and CEO) and comprised Philippe Chevallier (Deputy CEO and CFO), Stéphane Aubarbier (Executive Vice-President, Energy & Infrastructure), David Bradley (Executive Vice-President, Global Product Solutions) and Gérard Brescon (Executive Vice-President, Human Resources).

In this section, Chapter 2.1 deals with the Board of Directors and Chapter 2.2 discusses the remuneration of executive directors.

2.1 THE BOARD OF DIRECTORS

2.1.1 MEMBERS OF THE BOARD OF DIRECTORS

2.1.1.1 General information

NUMBER OF DIRECTORS

In accordance with Article L. 225-17 par. 1 of the French Commercial Code, the Board comprises a minimum of three and a maximum of eighteen members elected for a renewable three-year term.

As at 31 December 2015, the Board comprised four members, namely:

- Dominique Louis, Chairman and CEO;
- Gilbert Lehmann, independent director [1], Chairman of the Audit Committee and member of the Nominations and Remuneration Committee;
- Miriam Maes, independent director1, member of the Audit Committee and Chairwoman of the Nominations and Remunerations Committee;
- Salvepar, a company whose permanent representative is Vincent Favier, director and member of the Audit Committee and the Nominations and Remuneration Committee.

To date, the Board comprises no members representing employees. However, in accordance with the Act of 17 August 2015 (known as the *Rebsamen* Act) requiring the management bodies of public limited companies to include employee representatives, an Extraordinary General Meeting is to be convened in 2017 within six months of the closing of the 2016 financial year to modify the Articles of Association in order to specify whether the Board will include one or more employee directors and how they will be appointed. The director(s) representing employees will take up their position(s) within six months of the Extraordinary General Meeting.

Gilbert Vidal stepped down from the Board on 5 June 2015 and was not replaced at that time. Moreover, at the Board meeting of 27 February 2015, he was replaced as deputy managing director by Philippe Chevallier for a three-year term, effective from 5 June 2015. In order to align the duration of the term of office with the duration of the severance pay mentioned in section 2.2.2.2 of this Chapter, the Board, at its meeting of 9 March 2016, decided by unanimous vote to extend Philippe Chevallier's term as Deputy CEO and CFO until the Annual General Meeting in 2020 called to approve the parent company and consolidated financial statements for the year ending 31 December 2019.

GENDER BALANCE ON THE BOARD OF DIRECTORS

As at 31 December 2015, the Board's composition complied with the provisions applicable on that date of Act no. 2011-103 of 27 January 2011 relating to gender equality in the workplace and in particular to gender balance on Boards of Directors.

Furthermore, the Board wished to comply in advance with the provisions applicable in 2017 of the aforementioned Act, namely, that either men or women should each make up at least 40% of the Board. To this effect, Virginie Calmels was co-opted to the Board at its meeting of 9 March 2016. Her appointment will be put to the Annual General Meeting for ratification on 24 May 2016.

Virginie Calmels is the deputy mayor of Bordeaux in charge of the Economy, Employment and Sustainable Growth, the Vice-President of the Bordeaux Metropolitan Area, a regional councillor, and group chair in the Aquitaine-Limousin-Poitou-Charentes region in France.

In addition to being an elected official, Virginie Calmels is the chairwoman of the Supervisory Board of Euro Disney, a director and the chairwoman of the Remunerations Committee of Iliad (Free), and a director and member of the Audit Committee of Technicolor. She is also the founder and chairwoman of SHOWer company and the vice chairwoman of the Centre for Long Term Strategic Studies (CEPS) in France.

Virginie Calmels began her career as an auditor at Salustro Reydel. Among other positions she was CFO of the Dutch startup Sky Gate BV (1999); CFO, COO and Co-Deputy CEO of Canal+ (2000-2002); CEO (from 2003) and chairwoman (from 2007) of Endemol France and COO (from 2012) of Endemol Monde. She left Endemol Monde in 2013.

A French national, Virginie Calmels is a chartered accountant and an auditor; she is a graduate of Toulouse Business School and of the Advanced Management Program at INSEAD.

INDEPENDENT DIRECTORS

The AFEP-MEDEF Code sets out the following criteria for a director to be deemed independent:

- is not, and in the past five years has not been, an employee or executive director of the Company, or an employee or director of its parent company or a firm it controls;
- is not an executive director of a firm in which the Company is a corporate director, either directly or indirectly, or in which an employee appointed as such or an executive director of the Company (current or less than five years ago) is a director;

(1) Independent member as defined by the AFEP-MEDEF Code.

- is not a customer, supplier, investment banker or commercial banker:
  - that is material for the Company or the Group,
  - for which the Company or the Group represents a significant portion of the entity's business.

The Board discusses and assesses whether or not directors have a significant relationship with the Company or the Group and sets out the criteria leading to its final assessment in the Registration Document; these are:

- has no close family ties with an executive director;
- has not been a statutory auditor of the Company in the past five years;
- has not been a director of the Company for more than 12 years.

The AFEP-MEDEF Code further specifies that directors who represent major shareholders of the Company may be deemed independent if they do not have a controlling interest in the Company. If a shareholder owns 10% or more of the Company's capital or voting rights, the Board should systematically review whether the director representing them may be deemed independent in view of the Company's capital structure and any potential conflicts of interest.

At its meeting on 9 March 2016, on a recommendation by the Nominations and Remuneration Committee meeting that same day, the Board assessed its members in regard to each of these criteria.

The findings of the Board are set out in the table below:

	Dominique Louis	Miriam Maes	Gilbert Lehmann	Salvepar (V. Favier)
Is not, and in the past five years has not been, an employee or executive director of the Company, or an employee or director of its parent company or a firm it controls		x	x	
Is not an executive director of a firm in which the Company is a corporate director, either directly or indirectly, or in which an employee appointed as such or an executive director of the Company (current or less than five years ago) is a director	x	x	x	x
Is not a customer, supplier, investment banker or commercial banker: • that is material for the Company or the Group • or for which the Company or the Group represents a significant portion of the entity's business	x	x	x	
Has no close family ties with an executive director	x	x	x	x
Has not been a statutory auditor of the Company in the past five years	x	x	x	x
Has not been a director of the Company for more than 12 years		x	x [1]	x
Does not represent a shareholder with a controlling interest in the Company or in its parent company		x	x	
Director's position	Not independent	Independent	Independent	Not independent

(1) *Gilbert Lehmann met this criteria at the time of his appointment and at 31 December 2015. However, he will have been a director for more than 12 years at the end of his current term. In compliance with the AFEP-MEDEF Code, the Board will review his independent directorship only once his current term expires at the Annual General Meeting called in 2017 to approve the consolidated and parent company financial statements for 2016.*

The composition of the Board, the Audit Committee and the Nominations and Remunerations Committee thus complies with the AFEP-MEDEF Code which specifies that:

- the share of independent directors on the Board must be at least one third in companies with controlling shareholders and at least one half in other companies – as at 31 December 2015, two out of four directors were independent;
- the share of independent directors on the Audit Committee must be at least two thirds – at 31 December 2015, two out of three members (Gilbert Lehmann and Miriam Maes) were independent (Salvepar is not independent);
- the majority of members of the Nominations and Remuneration Committee must be independent – at 31 December 2015, two out of three members (Gilbert Lehmann and Miriam Maes) were independent (Salvepar is not independent).

RESPONSIBLE DIRECTORS

Conflicts of interest

The Company is not aware of any potential conflict of interests between executive and non-executive directors' duties to Assystem and their own personal interests and/or other obligations.

Furthermore, to the best of the Company's knowledge, none of its executive directors:

- has been convicted of fraud in the past five years;
- has been associated with a bankruptcy, receivership or liquidation in the past five years;
- has been publicly and officially incriminated and/or sanctioned by statutory or regulatory authorities (including professional bodies);
- has been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from taking part in the management or conduct of the business of any issuer in the past five years.

Lastly, there are no family ties between the members of the Board.

Securities trading Code of Conduct and prevention of insider trading

In compliance with the recommendations set out in the AMF General Regulation, members of the Board are required to disclose any trades they carry out in the Company's securities and to refrain from trading in any Assystem securities they hold personally during the closed periods specified in the regulation.

The modes of application are described in the revised Securities Trading Code of Conduct approved by the Board at its meeting of 9 February 2015, each executive director having declared in writing to have read it; moreover, every year the Company informs its executive directors of the dates on which it intends to publish quarterly or half-yearly information and the associated closed periods.

This process applies to the Group's senior executives who have access to confidential information, whether they are considered "permanent" or "occasional" insiders.

Accordingly, the Company has compiled a list of insiders in accordance with Article L. 621-18-4 of the French Monetary and Financial Code. The details of "permanent insiders" on this list are systematically updated twice a year (on 31 July and 31 December) and details of "occasional insiders" are added to the list whenever necessary (*e.g.* when a one-off or specific project requires the involvement of persons who will have access to inside information during the time they work on that project).

CHANGES ON THE BOARD

Apart from the changes mentioned in Chapter 2.1.1.1 above, no changes occurred in 2015 and none are expected in 2016.

2.1.1.2 Information on executive directors

Provisions of the AFEP-MEDEF Code not applied	Explanation
The AFEP-MEDEF Code recommends the staggering of terms of office in order to avoid re-electing all directors at the same time and to promote a smooth transition of directors.	Members of the Board of Directors of Assystem are elected for a three-year term but these terms are not staggered. Consequently, all of the Board's members were re-elected in May 2014. The Company's position was based on the underlying principles of the Articles of Association and the Rules of Procedure governing the Board's composition. As Assystem has a majority shareholder, the above principles guarantee fair and collective representation of all shareholders and the best interests of the Company, particularly in view of the presence of independent directors. It was therefore not considered useful to stagger terms of office.
The AFEP-MEDEF Code recommends that directors use their directors' fees to purchase a significant number of shares in the Company.	Implementation of this recommendation will be included as an agenda item at a Board meeting in 2016.

DOMINIQUE LOUIS
Chairman and CEO and director of Assystem

Born in 1951

French national

Date appointed: 22 May 2014

End of office/post currently held: 22 May 2017

Business address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

As at 31 December 2015, the holder of an indirect interest in the Company's share capital as described in Chapter 1 section 1.3 and page and in Chapter 7, section 7.2.2 of this Registration Document.

Biography

- A qualified engineer (ENSEM), Dominique Louis began his career as a test engineer with Atem, a company specialising in industrial and nuclear engineering. Some years later he created R'Data and then Alphatem, a subsidiary formed jointly with Cogema. Assystem came into being following the amalgamation of Atem, R'Data and Alphatem.
- In 1995, he oversaw the IPO of Assystem which then had 3,000 engineers and technicians and generated revenue of €250 million.
- Assystem's exit from the nuclear sector in the late 1990s was a prelude to a transformation of its business as it diversified into the aviation and automotive industries and expanded internationally. Since then, Dominique Louis has sought to grow Assystem into a European engineering firm operating on a global scale in the infrastructure and outsourced R&D industries.
- Dominique Louis is also Vice-President of the think tank *Entreprise et Progrès* and a Knight of the Legion of Honour.

LIST OF DOMINIQUE LOUIS'S OFFICES AND POSTS AT 31 DECEMBER 2015

Offices and posts	Group company
Offices and posts held in France	
Chairman & CEO and a director	Assystem SA *
Offices and posts held outside France	
Director	Assystem Solutions DMCC
Offices and posts	**Non-Group company**
Offices and posts held in France	
Permanent representative of HDL, Chairman	HDL Development
Chairman	HDL SAS
Chairman	Entreprises en Croissance SAS (EEC)
Chairman	CEFID SAS
Joint Legal Manager – Chairman of the Management Board	H2DA Sarl
Legal Manager	SCI Les Grives Comtadines
Offices and posts held outside France	
None	

* *Listed company.*

LIST OF DOMINIQUE LOUIS'S EXPIRED OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
Chairman of the Management Board	Assystem SA *
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
None	
Offices and posts held outside France	
Director	Samuel Créations (Switzerland)

* *Listed company.*

PHILIPPE CHEVALLIER
Deputy CEO and CFO

Born in 1958

French national

Date appointed: 5 June 2015

End of office/post currently held: Annual General Meeting called in 2020 to approve the parent company and consolidated financial statement for 2019

Business address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

At 31 December 2015, held no Company shares.

Biography

- A graduate of ESSEC Business School and Sciences Po, Philippe Chevallier began his career at Usinor (later ArcelorMittal) where he was head of financing and director in charge of mergers & acquisitions.
- He was then head of finance and administration for 12 years at Elior where he managed refinancing and changes in equity as well as acquisitions and disposals. After a stint as a senior advisor at the financial consulting firm June Partners, he was appointed CFO and General Counsel at Assystem on 5 January 2015 with a view to furthering the Company's growth.
- Since 5 June 2015, Philippe Chevallier has been Deputy CEO and CFO of Assystem.

LIST OF PHILIPPE CHEVALLIER'S OFFICES AND POSTS AS AT 31 DECEMBER 2015

Offices and posts	Group company
Offices and posts held in France	
Deputy CEO and CFO	Assystem SA *
Chairman	Assystem International
Chairman	ASG Assistance Sécurité et Gardiennage
Offices and posts held outside France	
Chairman and director	Assystem Canada Inc
Director	Assystem Talent International Management
Director	Assystem Group UK
Director	Assystem Solutions DMCC
Director	Assystem GmbH
Offices and posts	**Non-Group company**
Offices and posts held in France	
None	
Offices and posts held outside France	
None	

* *Listed company.*

LIST OF PHILIPPE CHEVALLIER'S EXPIRED OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	**Group company**
Offices and posts held in France	
None	
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Member of the Supervisory Board	Elior Participations
Legal Manager	Elior Concessions Services
Chairman	Elior FA3C
Chairman	Elior Trésorerie
Chairman	Elior Gestion
Chairman	Elior Concessions Marketing
Chairman	Elior Data Concessions
Chairman	Elior Data
Chairman	Bercy Services I
Chairman	Bercy Services II
Chairman	Bercy Services XX
Chairman	Elior Services à la Personne ESP
Chairman	Société de Conception et de Réalisation de Restaurants
Chairman	Ansamble Investissements
Offices and posts held outside France	
Director	Elior Ristorazione
Director	Elior Investimenti
Director	Gemeaz Elior
Director	Grande Vitesse Catering
Director	MyChef Ristorazione Commerciale
Director	Areas
Director	Serunion

GILBERT LEHMANN

Director of Assystem, Chairman of the Audit Committee and member of the Nominations and Remuneration Committee

Born in 1945

French national

Date appointed: 22 May 2014

End of office/post currently held: Annual General Meeting called in 2017 to approve the financial statements for 2016

Business address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris.

As at 31 December 2015, the holder of two Company shares.

Biography

- After obtaining a degree in economics and graduating from Sciences Po, Gilbert Lehmann worked in a number of positions in the public banking sector before joining the Framatome Group in 1983, where he successively served as Director of Financing and Corporate Treasury, CFO (from 1990 to 1996) and Deputy CEO (from 1996 to 2001). He was then appointed Deputy CEO of Areva when the Company was incorporated in 2001, a post he held until 2008.
- In addition, he has held several directorships in listed companies in France and the United States.
- He serves on the Board of Directors of Cadogan PLC and also chairs Cadogan PLC's Audit Committee. He was also a member of Assystem's Supervisory Board from 2003 to 2014.

LIST OF GILBERT LEHMAN'S OFFICES AND POSTS AT 31 DECEMBER 2015

Offices and posts	Group company
Offices and posts held in France	
Director, Chairman of the Audit Committee and member of the Nominations and Remuneration Committee	Assystem SA *
Offices and posts held outside France	
None.	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Managing Partner	Gilbert Lehmann Conseil
Offices and posts held outside France	
Chairman of the Audit Committee and a director	Cadogan Plc (London) *

* *Listed company.*

LIST OF GILBERT LEHMAN'S EXPIRED OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
Member of the Supervisory Board	Assystem SA *
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Deputy Chairman of the Board of Directors and member of the Audit Committee	Eramet *
Director	Framapar *
Director	CNS
Chairman of the Supervisory Board	Lina's Developpement
Offices and posts held outside France	
Director	St Microelectronics Holding BV
Chairman and a director	Sepi – Switzerland

* *Listed company.*

MIRIAM MAES

Director of Assystem, member of the Audit Committee and Chairwoman of the Nominations and Remuneration Committee

Born in 1956

Dutch national

Date appointed: 22 May 2014

End of office/post currently held: Annual General Meeting called in 2017 to approve the financial statements for 2016

Business address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

As at 31 December 2015, the holder of no Company shares.

Biography

- Miriam Maes holds a Business Administration degree from Nyenrode Business Universiteit in the Netherlands; of her 30 years with multinationals, more than 20 have been spent managing national and international profit centres.
- She was in charge of B2B operations for Unilever, ICI and the Marmon Group (owned by the Pritzker family).
- In 2002 Miriam Maes joined the energy sector, first as a member of the European Executive team at Texas Utilities (TXU) and then as CEO in charge of non-regulated networks and decentralised energy business at EDF.
- In 2007 she became Chairwoman and CEO of Foresee, a consulting firm specialising in sustainable development and energy management for businesses.
- In 2010 she was appointed as an adviser to the British Secretary of State for Energy & Climate Change with the specific task of supporting the British government's public sector energy and carbon emissions reduction programmes.
- Since 2011 she has been a member of the Supervisory Board, a member of the Audit Committee and the Chairwoman of the Nominations and Remuneration Committee of Assystem.
- In 2013 Miriam Maes became a director of Naturex and a member of its Remuneration Committee, and a director of Villmorin & Cie and the chairwoman of its Audit Committee.
- She has been a director of Elia Group since 2011 and was elected as the chairwoman of its Board of Directors on 26 June 2014.
- Lastly, Miriam Maes was elected as a non-executive director representing the Dutch government on the Boards of Directors of Urenco from October 2015 and of the Port of Rotterdam Authority from 1 January 2016.

LIST OF HER OFFICES AND POSTS AS AT 31 DECEMBER 2015

Offices and posts	**Group company**
Offices and posts held in France	
Director, member of the Audit Committee and Chairwoman of the Nominations and Remuneration Committee	Assystem SA *
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Director and member of the Remuneration Committee	Naturex*
Director and the Chairwoman of the Audit Committee	Vilmorin & Cie *
Offices and posts held outside France	
Chairwoman	Elia Asset BV – Brussels (Belgium) *
Chairwoman	Foresee – London (UK)
Chairwoman	Elia System Operator Bv
Non-executive director and member of the Audit Committee	Urenco and Ucn

* *Listed company.*

LIST OF MIRIAM MAES'S EXPIRED OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
Member of the Supervisory Board	Assystem SA *
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
None	
Offices and posts held outside France	
Chairwoman	Sabien Technology Group Ltd (UK)
Non-executive director	Elia System Operator – NV
Non-executive director	Elia Asset – NV
Non-executive director	Kiwi Power Ltd

* *Listed company.*

SALVEPAR, REPRESENTED BY VINCENT FAVIER

Director of Assystem, member of the Audit Committee and of the Nominations and Remuneration Committee; represented on Assystem's Board and Committees by Vincent Favier

Public limited company with share capital of €57,332,896 – Registered office in Paris (75008) – 32, rue de Monceau – Registered in the Paris Trade and Companies Registry under no. 552 004 327

Date appointed: 22 May 2014

End of office/post currently held: Annual General Meeting called in 2017 to approve the financial statements for 2016

Business address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

As at 31 December 2015, the holder of an indirect interest in the Company's share capital as described in Chapter 1.3 of this Registration Document.

- Salvepar, a Tikehau Group company, is an investment firm listed on the Euronext Paris stock exchange (code SY); it supports mid-cap companies with the aim of reinforcing the stability of their shareholder structure and accelerating their growth. Salvepar seeks to acquire minority interests in listed or unlisted companies, favouring companies with international projects or international growth perspectives.

LIST OF SALVEPAR'S OFFICES AND POSTS AS AT 31 DECEMBER 2015

Offices and posts	Group company
Offices and posts held in France	
Director, member of the Audit Committee and of the Nominations and Remuneration Committee	Assystem SA *
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Director	HDL Development SAS
Director	Afica – Affinage Champagne Ardennes
Director	Eren Renewable Energy SA
Member of the Supervisory Board	Financière Spie Batignolles
Director	Favi – Le Laiton Injecté
Member of the Supervisory Board and the Audit Committee	Spie Batignolles
Director	Lippi Management
Member of the Supervisory Board	Asten Santé
Director	Derives Resiniques et Terpéniques
Chairman	Zéphyr Investissement
Chairman	Salvepar Sequoia Investissement
Offices and posts held outside France	
Director	Just Group Holdings Pte LTD

* *Listed company.*

LIST OF SALVEPAR'S EXPIRED OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
Member of the Supervisory Board	Assystem SA *
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Member of the Supervisory Board	Aviation Latécoère *
Member of the Supervisory Board	Touax *
Non-voting Board member	Le Noble Age *
Member of the Supervisory Board	Lohr SA
Offices and posts held outside France	
None	

* *Listed company*

VINCENT FAVIER

Permanent representative of Salvepar on the Board of Directors, the Audit Committee and the Nominations and Remuneration Committee of Assystem

Born in 1968

French national

Business address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

As at 31 December 2015, the holder of no Company shares.

Biography

- A graduate of the *École Centrale de Lyon* and HEC Paris, Vincent Favier began his career as a strategy consultant with Olivier Wyman, where he worked until 1999.
- He subsequently became director of business development and equity interests and a member of the Management Committee at Worms & Cie until 2005 before joining Amber Capital as managing director with responsibility for investment in listed companies and private equity in France.
- From January 2013 to March 2015 he was director of investments and equity interests at Tikehau Capital Advisors. Since April 2015 he has been CEO of Ecoslops, a firm that transforms marine oil residues into fuel.

LIST OF VINCENT FAVIER'S OFFICES AND POSTS AT 31 DECEMBER 2015

Offices and posts	Group company
Offices and posts held in France	
Permanent representative of Salvepar	Assystem *
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Permanent representative of Tikehau Capital Partners	HDL Développment SAS
Director	Salvepar *
CEO and a director	Ecoslops
Legal Manager	Croissance et Finances
Offices and posts held outside France	
None	

* *Listed company.*

LIST OF VINCENT FAVIER'S EXPIRED OFFICES AND POSTS HELD IN THE PAST FIVE YEARS

Offices and posts	Group company
Offices and posts held in France	
Permanent representative of Salvepar	Assystem *
Offices and posts held outside France	
None	
Offices and posts	**Non-Group company**
Offices and posts held in France	
Director	Groupe Flo SA *
Permanent representative of Salvepar, member of the Supervisory Board and member of the Audit Committee	Spie Batignolles
Permanent representative of Salvepar, member of the Supervisory Board	Financière Spie Batignolles
Director	Financière Flo Sas
Offices and posts held outside France	
None	

* *Listed company.*

2.1.2 CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

2.1.2.1 General information on the duties and work of the Board of Directors

In compliance with the Company's Articles of Association and its own Rules of Procedure, the Board meets as often as required in the interests of the Company and at least four times a year.

The Board determines the strategic, economic and financial agendas for Assystem's business activities and oversees their implementation. On the initiative of its Chairman, it examines all matters relating to the proper running of Assystem and makes all decisions regarding the Company within the limits of the corporate purpose and subject to the powers expressly granted to Shareholders' Meetings. In particular, this covers all Assystem's strategic decisions.

Furthermore, the Board is free to decide who is in charge of the Company and how their duties are to be carried out; this person, accountable to the Board, may be the Chair of the Board or another natural person appointed by the Board as Chief Executive Officer.

As mentioned at the beginning of this Chapter, the Board has set up two specialised Committees with consultative powers tasked with studying and preparing some of its deliberations; these Committees are:

- an **Audit Committee** responsible for assisting the Board in carrying out its financial and audit-related duties and responsibilities. To this end, its tasks include:
  - examining the interim and annual parent company and consolidated financial statements, management reports and trading and earnings statements,
  - verifying compliance with the accounting standards applied to the parent company and consolidated financial statements,
  - ensuring that the internal procedures for compiling and verifying data are properly applied,
  - inspecting the quality and relevance of the information disclosed to shareholders,
  - examining how the Company selects its Statutory Auditors, particularly in respect to which auditors are selected and their fees, so that the necessary observations may be made,
  - analysing the annual audit plans drawn up by the Statutory Auditors,
  - examining the Board's annual report on the Group's risk exposure, particularly concerning financial and litigation risks, and significant off-balance sheet commitments;
- a **Nominations and Remuneration Committee** responsible for submitting proposals to the Board on the election and re-election of Board members and the appointment of any future general managers and members of the Audit Committee. It is kept informed by the Chairman of the Board of the appointment of other Group executives. Furthermore, the Committee makes recommendations to the Board on the amount of directors' fees to be submitted for approval at the Annual General Meeting and how these fees should be distributed among Board members. In addition, the Committee may submit proposals to the Board on the remuneration of certain executive directors and may, at the request of the Chairman of the Board, issue an opinion on methods for calculating remuneration for Company executives.

In order for it to properly perform its duties, prior to meetings the Board is regularly and fully informed of matters submitted to it covering all items on the agenda and the running of the Company in particular. In this respect, the Board's Rules of Procedure specify that:

- it is up to the Chairman of the Board to decide on the agenda for each Board meeting and to transmit the same in due time and by all appropriate means to Board members;
- information on the items on the agenda must be sent within a reasonable time to members before Board and Committee meetings;
- in exceptional cases the Board is authorised to hold its meetings by videoconference or any other means of telecommunication.

In compliance with the AFEP-MEDEF Code, the Board conducts an annual review of its modes of operation, its organization and its composition. A formal review must also be carried out every three years at least.

As such, on 9 February 2016, a self-assessment questionnaire on the Board was submitted to its members. The questionnaire covered the Board's organisation and operation, the relationship between the Board and Management, an appraisal of governance, and an evaluation of individual contributions to the work of the Board and its Committees. In general, all directors thought that the Board's organisation was appropriate and in line with best practices. They felt that the presentations made and the conduct of debates bore witness to the spirit of cooperation and equality on the Board. All directors thought that relations between Management and the Board were good, and most directors reckoned they had a good understanding of the Company's business and challenges. Directors thought that exchanges and contacts outside of Board meetings between directors and between the Board and Management were regular and of good quality.

Directors identified areas for improvement which were debated at the Board meeting of 9 March 2016 and included:

- transmitting documents for Board meetings earlier;
- holding even more frequent exchanges with operations staff to better monitor strategy and the running of the Company.

2.1.2.2 Work of the Board of directors in 2015

THE BOARD OF DIRECTORS

The Board met eight times in 2015 with an average attendance rate of 97.5%.

It mainly dealt with:

- the recurring matters of annual and consolidated financial statements, interim financial statements, quarterly revenue, off-balance sheet commitments, earnings and trading forecasts, the re-election of Board members (details below), the remuneration of executives, the renewal/approval of related party agreements, the self-assessment of Board members, the distribution of directors' fees, sureties, deposits, and guarantees;
- increases in share capital by placing on record the exercise of stock warrants following the Board's use of the authorisation given it by the Annual General Meeting;
- changes in the Group's strategy and planned external growth.

More specifically the Board:

- on 19 January 2015, approved and authorised the signing of rider 1 to the credit agreement signed on 16 December 2013;
- on 27 February 2015, (i) removed Gilbert Vidal as deputy managing director effective from 5 June 2015, (ii) authorised the payment to Gilbert Vidal of €800,000 in executive severance pay on the basis of the fulfilment of performance conditions, and (iii) appointed Philippe Chevallier as Deputy CEO and CFO to replace Gilbert Vidal effective from 5 June 2015 for a three-year term;
- on 6 March 2015, approved the annual and consolidated financial statements for the year ended 31 December 2014 as well as the terms of the management report;
- on 5 June 2015, (i) noted the removal of Gilbert Vidal as deputy managing director effective from said date, (ii) took note of the resignation of Gilbert Vidal as a director of the Company and from all his posts at Assystem, and (iii) took note of the ending of the employment contract of Philippe Chevallier and set his remuneration as Deputy CEO and CFO;
- on 7 September 2015, approved and authorised the signing of rider 2 to the credit agreement signed on 16 December 2016.

THE AUDIT COMMITTEE

The Audit Committee met seven times in 2015 with an attendance rate of 100%.

It mainly dealt with:

- the recurring matters of the forecast budget for the year, changes in cash flow, the annual and consolidated financial statements (see below), the analysis of risk and provisions, and the examination of the draft report of the Chairman of the Board on the work of the Board and internal control procedures;
- the review of all draft financial communications and dossiers for presentation to the SFAF (French Society of Financial Analysts).

More specifically the Audit Committee:

- on 29 January 2015, examined the 2015 budget and presented the conclusions of the tax audit of Assystem France and AEOS;
- on 9 February 2015, examined the draft financial press release on 2014 revenue;
- on 6 March 2015, examined the presentation of the annual and consolidated financial statements for 2014, examined the calculation of the variable remuneration of Group executives for 2014, examined the summary of the audit and internal control for 2014, and examined the proposed audit and internal control for 2015;
- on 29 April 2015, examined the reporting at 31 March 2015 and the draft financial press release on Q1 2015 revenue;
- on 29 July 2015, examined the draft financial press release on HY1 2015 revenue;
- on 7 September 2015, examined the Group consolidated financial statements and the interim financial report at 30 June 2015, and examined the draft press release on the interim results at 30 June 2015 and the related SFAF presentation;
- on 3 November 2015, the Audit Committee examined the draft financial press release on Q3 2015 revenue.

THE NOMINATIONS AND REMUNERATION COMMITTEE

The Committee met four times in 2015 with an attendance rate of 100% in order to:

- on 27 February 2015, examine the proposed (i) removal of Gilbert Vidal as deputy managing director and payment of severance pay to him on the basis of the (non)fulfilment of performance conditions, and (ii) appointment of Philippe Chevallier as Deputy CEO and CFO;
- on 6 March 2015, examine and approve (i) the calculation of the variable remuneration of members of the Executive Committee for 2014, (ii) the independence criteria of Board members based on the AFEP-MEDEF Code, (iii) the ten highest remunerations in the Group, and (iv) the budget for directors' fees for 2015;
- on 29 April 2015, examine and approve (i) the criteria for determining the variable remuneration of the five members of the Group's Management team for 2015, (ii) the change in the terms of employment of Philippe Chevallier following his appointment as Deputy CEO and CFO from 5 June 2015, and (iii) the distribution of directors' fees for 2015;
- on 3 November 2015, examine the distribution of directors' fees for 2015.

2.2 REMUNERATION AND BENEFITS IN KIND GRANTED BY THE COMPANY AND OTHER GROUP ENTITIES IN 2015 TO MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES IN OFFICE

Recommendation of the AFEP-MEDEF Code not applied by Assystem	Explanation
Supplementary pension schemes with defined benefits must be subject to the condition that the beneficiary is an officer or employee of the Company when claiming his or her pension rights pursuant to the applicable rules.	Not applicable as pension schemes are based on defined contributions and not on defined benefits.
Hedging instruments for free shares.	To be applied in 2016.

2.2.1 REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The remuneration of directors in the form of directors' fees takes into account their attendance at Board and Committee meetings on the one hand and their level of responsibility on the other.

Following the new governance structure approved by shareholders at the Combined Ordinary and Extraordinary General Meeting held on 22 May 2014, the Board, at its first meeting on 22 May 2014, indicated that the rules governing the distribution of directors' fees would remain unchanged and specified that only independent directors would be remunerated.

However, at its meeting of 29 April 2015, the Board, after a close study of Vincent Favier's situation following his appointment as CEO of Ecoslops from 6 April 2015, authorised that he should also be remunerated in his capacity as Salvepar's permanent representative.

The Combined Ordinary and Extraordinary General Meeting of 22 May 2015 set the total amount of directors' fees paid out to members of the Board at €155,000 for 2015.

At its meeting of 3 November 2015, the Board approved the distribution of directors' fees proposed by the Nominations and Remuneration Committee. These fees were paid on 2 December 2015.

Details of the remunerations paid in 2014 and 2015 for those two years are provided in the following table:

Company	Title	Paid in 2014 for 2014 *(in euros)*	Paid in 2015 for 2015 *(in euros)*
Michel Combes	Chairman of the Supervisory Board until 22 May 2014	28,796.93	–
Stanislas Chapron	Member of the Supervisory Board and Chairman of the Remuneration Committee until 22 May 2014	14,398.46	–
Gilbert Lehmann	Chairman of the Audit Committee and Deputy Chairman of the Supervisory Board until 22 May 2014 Director, Chairman of the Audit Committee and member of the Nominations and Remuneration Committee since 22 May 2014	47,638.95	63,409.00
Armand Carlier	Member of the Supervisory Board, the Audit Committee and the Remuneration Committee until 22 May 2014	14,398.46	–
Pierre Guenant	Member of the Supervisory Board and the Audit Committee until 22 May 2014	11,998.98	–
Miriam Maes	Member of the Supervisory Board and the Remuneration Committee until 22 May 2014 Director, Chairwoman of the Nominations and Remuneration Committee and member of the Audit Committee since 22 May 2014	34,119.72	49,318.00
Martine Griffon-Fouco	Member of the Supervisory Board until 10 February 2014	2,111.77	–
Bruno Angles	Member of the Supervisory Board until 22 May 2014	9,598.98	–
Salvepar	Director, member of the Audit Committee and member of the Nominations and Remuneration Committee	N/A	42,273.00
Vincent Favier	Permanent representative of SALVEPAR	–	–
TOTAL PROVISIONS		**163,062.25**	**155,000.00**
Other remuneration			
Martine Griffon-Fouco	Services agreement *	30,081.65	–

* *Lobbying services and development support for stakeholders in the energy and nuclear industry and support for key account development teams.*

2.2.2 REMUNERATION OF EXECUTIVE DIRECTORS

At 31 December 2015, the Company's executive directors were:

- Dominique Louis, Chairman and CEO since 22 May 2014;
- Philippe Chevallier, Deputy CEO and CFO since 5 June 2015.

Gilbert Vidal was deputy managing director until 5 June 2015 (see Chapter 2.1.1.1 above).

2.2.2.1 Dominique Louis

Following the formation of HDL Development and its successful takeover bid for Assystem shares, two related party agreements were signed:

- on 1 April 2014, HDL and HDL Development signed a services agreement in relation to HDL's remuneration as Chairman of HDL Development. In this respect, HDL's remuneration amounted to €200,000 in 2015;
- on 1 April 2014, HDL and HDL Development signed a services agreement under which HDL undertook to handle strategy definition, management, organisation and control of the Assystem Group on behalf of HDL Development.

This agreement, amended on 1 October 2014, provided for fixed remuneration of €348,000 for HDL in 2015. In addition to this fixed portion, HDL receives a variable portion based on Earnings Before Interest and Taxes (EBIT) and free cash flow generated for Assystem. The variable portion due to HDL in respect of this agreement amounted to €752,376 in 2015.

In compliance with Articles L. 225-47 and 225-53 of the French Commercial Code, at its 22 May 2014 meeting the Board set the gross annual remuneration payable to Mr. Dominique Louis in his capacity as Chairman of the Board of Directors of Assystem at €50,000. Accordingly, in 2015 Dominique Louis was paid this sum, divided into monthly amounts.

No stock options or performance shares were awarded to Dominique Louis in either 2014 or 2015.

2.2.2.2 Philippe Chevallier

At its meeting of 5 June 2015, the Board decided unanimously to renew the components of Philippe Chevallier's remuneration henceforth linked to his executive duties as Deputy CEO and CFO as follows:

- gross fixed annual remuneration of €288,750;
- gross variable annual remuneration of no more than €260,000 depending on the achievement of objectives set each year;
- benefits in kind, namely a company car and GSC insurance cover for executive directors.

At its meeting of 9 March 2016, the Board decided unanimously to modify the components of Philippe Chevallier's remuneration, effective from 1 January 2016, linked to his executive duties as Deputy CEO and CFO as follows:

- gross fixed annual remuneration of €315,000;
- gross variable annual remuneration of no more than €300,000 depending on the achievement of objectives set each year.

At its meeting of 9 March 2016, the Board also granted Philippe Chevalier severance pay amounting to five hundred thousand euros (€500,000) in the event of his dismissal as deputy managing director before the Annual General Meeting called to approve the parent company and consolidated financial statements for 2019.

This severance pay is nonetheless conditional on:

- on the one hand there being no gross or wilful misconduct as defined by labour law and corporate jurisprudence;
- on the other, meeting the performance criteria assessed at the level of Assystem Group, namely the certification, without reservations and within the legal deadlines, of the consolidated financial statements throughout his term, and reaching an average ROCE (after tax payable) of at least 6% over the last three financial years.

In compliance with Articles L. 225-42-1 and L. 225-40 of the French Commercial Code, this severance pay will be submitted to the Annual General Meeting to be held on 24 May 2016 for approval.

2.2.2.3 Gilbert Vidal

On 22 May 2014, the members of the Board decided unanimously to renew the components of Gilbert Vidal's remuneration linked to his executive duties as deputy managing director, namely:

- gross fixed annual remuneration of €262,500;
- gross variable annual remuneration of no more than €260,000, of which:
  - €200,000 depending on the achievement of objectives set each year,
  - and €60,000 at the Board of Directors' discretion;
- continued participation in the free share award plan of 13 March 2012;
- benefits in kind, namely a company car and GSC insurance cover for executive directors signed previously and effective from 1 March 2009;
- a defined contribution company pension plan under which the Group pays an annual contribution of 2.2% of the beneficiary's basic remuneration. (Article 83).

Moreover, under Articles L. 225-38 and L. 225-42-1 of the French Commercial Code, at its meeting of 22 May 2014, the Board authorised severance pay of €800,000 due, except in cases of gross or wilful misconduct, to Gilbert Vidal in the event of his dismissal, taking into account changes in the scope of the Company, increases in his remuneration since the severance pay amount was first set, and new duties assumed.

At its meeting of 22 May 2014, the Board also renewed the performance conditions tied to the severance pay; these conditions will be assessed at Group level and are:

- the certification, without major reservations and within the legal deadlines, of the consolidated financial statements of the five years preceding his departure from the Company;
- an average ROCE of at least 6% over the last three financial years.

At its meeting of 27 February 2015, the Board decided to remove Gilbert Vidal from his post as deputy managing director; nonetheless, he was asked to remain at his post during and for the requirements of a transition period lasting until the evening of 5 June 2015, which Mr. Gilbert Vidal agreed to do. At the same meeting, the Board authorised the payment to Gilbert Vidal of severance pay of €800,000 on the basis of the fulfilment of the performance conditions mentioned above. Furthermore, the Board decided to give Gilbert Vidal, for a period of one year from 5 June 2015, health insurance cover similar to that which he enjoyed at the Company.

The Board of Directors' decision of 27 February 2015 was published on the Company's website.

On 5 June 2015, the Board noted the removal of Mr. Gilbert Vidal as deputy managing director.

Mr. Gilbert Vidal received no variable remuneration for 2015.

On 1 September 2015, GV Finance Conseils, represented by Gilbert Vidal, and Assystem SA signed an assistance and services agreement for the provision of legal, tax and M&A consulting services over the period 1 September 2015 to 26 February 2016 for a total lump sum of seventy-seven thousand five hundred euros (€77,500).

TABLE 1 – SUMMARY OF REMUNERATION DUE AND STOCK OPTIONS AND PERFORMANCE SHARES AWARDED TO EACH EXECUTIVE DIRECTOR

Dominique Louis **Chairman and Chief Executive Officer**	**2014**	**2015**
Remuneration paid for the year (detailed in table 2)	€179,833	€253,600
Valuation of multiyear variable remuneration granted during the year	None	None
Valuation of options granted during the year (detailed in table 4)	None	None
Valuation of performance shares awarded during the year (detailed in table 6)	None	None
TOTAL PROVISIONS	**€179,833**	**€253,600**

Philippe Chevallier **Deputy CEO and CFO from 5 June 2015**	**2014**	**2015**
Remuneration paid for the year (detailed in table 2)	–	€296,855
Valuation of multiyear variable remuneration granted during the year	–	None
Valuation of options granted during the year (detailed in table 4)	–	None
Valuation of performance shares awarded during the year (detailed in table 6)	–	None
TOTAL PROVISIONS	**–**	**€296,855**

Gilbert Vidal **Deputy managing director until 5 June 2015**	**2014**	**2015**
Remuneration paid for the year (detailed in table 2)	€391,100	€1,184,915
Valuation of multiyear variable remuneration granted during the year	None	None
Valuation of options granted during the year (detailed in table 4)	None	None
Valuation of performance shares awarded during the year (detailed in table 6)	None	None
TOTAL PROVISIONS	**€391,100**	**€1,184,915**

TABLE 2 – SUMMARY OF THE REMUNERATION OF EACH EXECUTIVE DIRECTOR

Dominique Louis **Chairman and Chief Executive Officer**	**Amounts for 2014**		**Amounts for 2015**	
	Due	**Paid**	**Due**	**Paid**
Fixed remuneration *(paid by HDL in respect of his role as Chairman of HDL Development and by Assystem in respect of his role as Chairman of the Board of Directors of Assystem)*	€177,033	€177,033	€250,000	€250,000
Variable remuneration	None	None	None	None
Exceptional remuneration	None	None	None	None
Directors' fees	None	None	None	None
Benefits in kind	€2,800	€2,800	€3,600	€3,600
TOTAL PROVISIONS	**€179,833**	**€179,833**	**€253,600**	**€253,600**

Philippe Chevallier **Deputy CEO and CFO from 5 June 2015**	**Amounts for 2014**		**Amounts for 2015**	
	Due	**Paid**	**Due**	**Paid**
Gross fixed remuneration	–	–	€288,750	€288,750
Variable remuneration	–	–	€239,200 paid in 2016 for 2015	None
Exceptional remuneration	–	–	None	None
Directors' fees	–	–	None	None
Benefits in kind	–	–	€8,105	€8,105
TOTAL PROVISIONS	**–**	**–**	**€536,055**	**€296,855**

Gilbert Vidal **Deputy managing director until 5 June 2015**	**Amounts for 2014**		**Amounts for 2015**	
	Due	**Paid**	**Due**	**Paid**
Gross fixed remuneration	€262,500	€262,500	€114,347	€114,347
Variable remuneration	€230,000 paid in 2015 for 2014	€125,000 paid in 2014 for 2013	None	€230,000 paid in 2015 for 2014
Exceptional remuneration	None	None	€864,500*	€839,000
Directors' fees	None	None	None	None
Benefits in kind	€3,600	€3,600	€1,568	€1,568
TOTAL PROVISIONS	**€496,100**	**€391,100**	**€980,415**	**€1,184,915**

* *Including €800,000 in severance pay as mentioned above and €64,500 under the services agreement mentioned above.*

TABLE 3 – ATTENDANCE FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE OFFICERS

See section 2.2.1 of this Registration Document.

TABLE 4 – STOCK OPTIONS AWARDED DURING THE YEAR TO EACH EXECUTIVE DIRECTOR

None.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE DIRECTOR

None.

TABLE 6 – PERFORMANCE SHARES AWARDED TO EACH EXECUTIVE DIRECTOR IN ACCORDANCE WITH THE LAWS AND REGULATIONS IN FORCE AT THE AWARD DATE

Financial year 2014: none.

Financial year 2013: none.

Financial year 2012:

Performance shares awarded during the year to each executive director	Plan date	Number of performance shares awarded in 2012	Valuation of the shares at the share price listed on the award decision date	Vesting date	Number of vested shares	End of lock-up period
Gérard Brescon	13/03/2012	12,000	€180,720	14 March 2015, subject to the achievement of annual performance targets over a three-year period (2011, 2012, 2013) and the beneficiary still forming part of the Group at the vesting date.	10,480 (1)	14/03/2017
Stéphane Aubarbier	13/03/2012	18,000	€271,080	14 March 2015, subject to the achievement of annual performance targets over a three-year period (2011, 2012, 2013) and the beneficiary still forming part of the Group at the vesting date.	15,720 (1)	14/03/2017
Gilbert Vidal	13/03/2012	12,000	€180,720	14 March 2015, subject to the achievement of annual performance targets over a three-year period (2011, 2012, 2013) and the beneficiary still forming part of the Group at the vesting date.	10,480 (1)	14/03/2017
David Bradley	13/03/2012	15,000	€225,900	14 March 2015, subject to the achievement of annual performance targets over a three-year period (2011, 2012, 2013) and the beneficiary still forming part of the Group at the vesting date.	13,100 (1)	14/03/2017
Martine Griffon-Fouco	13/03/2012	3,000	€45,180	14 March 2015, subject to the achievement of annual performance targets over a three-year period (2011, 2012, 2013) and the beneficiary still forming part of the Group at the vesting date.	– (2)	N/A

(1) The performance criteria set out within the framework of the performance share plan of 13 March 2012 were only partially fulfilled.
(2) The resignation of Mrs Griffon-Fouco rendered her performance share award of March 2012 null and void.

Financial year 2011: None.

TABLE 7 – PERFORMANCE SHARES WHOSE LOCK-UP PERIOD ENDED DURING THE YEAR FOR EACH EXECUTIVE DIRECTOR

None.

TABLE 8 – AWARD OF STOCK OPTIONS

None.

TABLE 9 – STOCK OPTIONS AWARDED TO AND EXERCISED BY THE GROUP'S TEN EMPLOYEES (OTHER THAN EXECUTIVE DIRECTORS) WHO RECEIVED THE LARGEST NUMBER OF OPTIONS

None.

TABLE 10

	Employment contract		Supplementary pension scheme		Entitlement to compensation in the event of termination of or change in duties		Entitlement to compensation under non-competition clause	
Executive director	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Dominique Louis								
Chairman and Chief Executive Officer *Start of term of office: 22/05/2014* *End of term of office: 22/05/2017*		No		No		No		No
Philippe Chevallier								
Deputy managing director and CFO *Start of term of office: 05/06/2015* *End of term of office: GM 2020 called to approve 2019 financial statements*	Yes until 05/06/2015			No	Yes in the event of termination at Assystem's initiative except in the event of termination for gross or wilful misconduct Amount set at €500,000 [1]			No
Gilbert Vidal								
Deputy managing director *Start of term of office: 01/06/2014* *End of term of office: 05/06/2015*		No	Yes, Article 83 of the General Tax Code, defined contribution company pension plan		Yes in the event of termination at the employer's initiative except in the event of termination for gross or wilful misconduct Amount set at €800,000			No

(1) Will be submitted for approval to the next GM on 24 May 2016. This severance pay will be due in the event of any unmotivated termination at the Company's initiative before the Annual General Meeting of 2020, which will be called to approve the consolidated financial statements for the 2019 financial year.

3

MANAGEMENT REPORT

3.1 BUSINESS OVERVIEW

3.1.1 ASSYSTEM'S MARKET AND BUSINESS SEGMENTS

3.1.1.1 Market trends

Assystem operates in the engineering market. The role of engineering is to study, design and manufacture all or part of an industrial component or civil engineering structure.

Assystem teams assist major industrial companies to reduce their projects' costs and deadlines, optimise their manufacturing, development and commercialisation processes, and make it possible to design and produce innovations right around the world.

According to a Xerfi study [1], in France the revenues of companies specialising in engineering and technical design rose once more in 2015 (+2.7%). Technological advancement and regulatory changes continued to create substantial needs for specialised engineering in industry and services. In particular there was strong demand from automotive manufacturers and OEMs in the areas of reduction of greenhouse gas emissions and connected cars. However, activity was sluggish in the aeronautics sector, where development of new aircraft such as the A400M, A350 and A320neo is reaching completion. The main engineering firms in the construction industry experienced a slower increase in business in 2015 (+0.5% for the panel), mainly driven by the signature of project management contracts abroad.

The major groups fared better than VSEs. Since they are approved engineering suppliers, they enjoy special relations with key account customers, guaranteeing recurring revenue. In addition, their diversified positioning on several markets and international presence meant they were able to avoid a sudden slump in business activity. The leading companies have therefore accelerated their development abroad, attracted by the dynamism of German and American industry and the growth potential of countries in the Middle East and Asia.

Competition within the profession is sure to intensify. Operators will have to deal with the mounting strength of increasingly diverse players. This situation results in targeted acquisitions aiming to become stronger on markets with high potential, combined with intensive partnership and external growth operations abroad.

In Europe, the average business operating margin for the 300 largest companies improved somewhat from 4.5% to 4.7% between 2013 and 2014 [2]. The revenue per employee has also increased, up from €118,000 in 2013 to €122,000 in 2014. According to the latest studies published by the European Federation of Engineering Consultancy Associations (EFCA), the different member countries are conveying a feeling that the sector is "on the road to recovery". Greece is the only country where the situation has deteriorated. Most member countries are expecting to see order books filling up for the next six months, and to once more enjoy stronger profit growth in 2016. The year was marked by continued consolidation, with the purchase of Grontmij by Sweco in Europe, propelling the Group into 6th place in the ranking of European engineering firms.

ASSYSTEM'S POSITIONING

Assystem began as Atem, founded in 1966 by engineers of the French nuclear programme. This business accounted for the majority of its revenue up until the end of the twentieth century. Atem then merged with Alphatem, jointly-owned by Dominique Louis and Cogema, to create Assystem which went public in 1995. Shortly after its stock market flotation the Company then diversified, with the acquisition of an engineering firm specialising in aeronautics and automotive in 1996, which launched the outsourced R&D business. This business drove the Group's growth as from the year 2000, especially following its merger with Brime Technologies. A series of international acquisitions followed, positioning Assystem among the top 15 European engineering groups in 2015 [2], and as the 2nd largest independent nuclear engineering group worldwide [3].

Assystem teams operate in two major lines of business: outsourced R&D, operated by the Global Product Solutions, division and complex infrastructure engineering, operated by the Energy & Infrastructure division. The Group is a major player in the nuclear, automotive and aeronautics engineering markets where it is highly reputed for its specialist know-how.

On the outsourced R&D market, Assystem focuses exclusively on services for industrial customers. To a great extent these customers are European champions among the leaders in the worldwide market, for whom the Group provides services throughout a product's life cycle – from functional analysis to commissioning, including design, industrialisation and supply chain management. Its main competitors in this fragmented market are French companies such as Altran and Alten, as well as Akka, Sogeti and Segula.

Supplier panel restrictions that have been applied at global level for the past several years by major purchasers are still in force and have led to a gradual general trend towards fixed-price services that is favoured by large companies such as Assystem. Today, roughly 60% of Assystem

(1) Source: Xerfi France, Services d'ingénierie, d'étude et de conseil technique Analyse du marché – January 2015.
(2) Source: Ranking of the top 300 groups in architecture and engineering consulting by The Consulting Engineering and Architectural Groups – A Swedish and International survey, December 2015.
(3) Source: The Top 150 Global Design Firms – Engineering News Record, 2016.

services (excluding Staffing activities) are provided at a fixed price, reflecting the high esteem in which its teams are held by customers due to their capacity to lead projects, develop their know-how and reliably and recurrently deliver high productivity. This underlying trend has been accompanied by internationalisation in the way services are produced within Assystem, backed up by the increasing strength of customer interface centres, specialised skills and production at the best cost according to customer requirements.

Assystem brings added value to industrial companies, utilities and contractors in nuclear energy, conventional energy, transport infrastructures, life sciences and other complex infrastructures thanks to its history in the nuclear industry, and therefore its experience in restricted environments with strong safety requirements. The main role of its experts is in particular to help major players in the energy industry (operators and equipment manufacturers) to manage their industrial investments at every step of the process – from design through to construction, commissioning and conservation in operational conditions. Assystem's competitors in this market are above all British and North American groups such as Atkins (which is also Assystem's partner through the Engage companies and the "n.triple.a" joint venture), CH2MHill, Amec and Jacobs Engineering, as well as French groups including Egis, Systra and Ingérop.

The Energy & Infrastructure division has strong prospects for growth in France and abroad, especially in Saudi Arabia, where at the beginning of 2015 it finalised the acquisition of an engineering company called Radicon Gulf Consult. With a local workforce of 400 people, Assystem-Radicon represents not only a strategic geographical presence for Assystem, but also a significant input of skills in the infrastructure field.

A limited proportion of Assystem's revenue also originates from providing consultants specialised in Oil & Gas and Industry, essentially in the Middle East, Africa and Asia. This activity, known as staffing in the engineering world, is mainly inherited from an acquisition carried out in 2012 (MPH Global Services) to which Assystem's pre-existing staffing activities were added. Its main market, the Oil & Gas sector (representing more than 75% of its revenue in 2015) was hit hard by the plunge in oil prices throughout 2015. MPH Global Services is working to diversify its customer portfolio in order to cope with this situation.

3.1.1.2 Assystem's organisation

Assytem's organisation is structured around two main divisions: Global Product Solutions (58.2% of consolidated revenue in 2015) and Energy & Infrastructure (34.3% of consolidated revenue in 2015). Staffing activities (6.6% of consolidated revenue in 2015) were previously included in the Energy & Infrastructure division, but in 2015 they were constituted as a separate division.

3.1.2 COMMENTS ON THE GROUP'S OVERALL ACTIVITY DURING THE PREVIOUS YEAR AND SIGNIFICANT EVENTS OF THE YEAR 2015

3.1.2.1 Cash flows from the Group's operating activities

Assystem's consolidated revenue in 2015 was €907.7 million. It recorded solid growth over the year, up by 4.7%. Growth accelerated considerably in the second half year (up by 7.6%) and the 4th quarter (up by 9.6%).

Consolidated organic growth, at a constant exchange rate, was up by 2.0%. Excluding the impact of negative growth in Staffing business, it stands at +4.3% (of which +1.4% linked to the change in parity between the Pound sterling and the Euro).

On 31 December 2015, Assystem had 11,553 employees, an increase of 761 employees compared to 31 December 2014 and of 286 employees on a like-for-like basis.

The Company's main employee-related information and more broadly, its Corporate Social Responsibility (CSR) actions and key indicators are provided in Chapter 4 of this document.

3.1.2.2 Significant events

GLOBAL PRODUCT SOLUTIONS

In Aerospace, the Group recorded a return to growth in the second half year, with an acceleration in activities linked to the production process and supply chain optimisation.

Automotive growth was robust. The cross-functional organisation set up to make the most of the European market's dynamism has been a success. The opening of a second engineering site in Romania is a concrete affirmation of our increasingly strong activities in this country. The acquisition of Plast Concept in France in the 4th quarter (a company specialising in plasturgy engineering) has enriched the skills and offerings of Assystem's mechanical engineering activities.

ENERGY & INFRASTRUCTURE

In 2015, Nuclear activities underwent a marked and sustained recovery with an acceleration in growth in the second half year, buoyed by the business with EDF in France and the United Kingdom.

The other activities (transport and building infrastructures, conventional energy, life sciences) remained stable on a like-for-like basis, in a somewhat sluggish economic environment in France.

Integration of the Saudi company Radicon, acquired in January 2015, which generated €30 million of revenue in the year 2015, contributed to strong growth in these activities.

3.2 GROUP RESULTS

The presentation of the Group's revenue and results was modified as follows for the year 2015, and the 2014 data was adjusted to allow comparability:

- **Presentation of revenue and results in three Cash Generating Units (CGU) as defined by the IFRS:**
  - Global Product Solutions (outsourced R&D activities);
  - Energy & Infrastructure (complex infrastructure engineering activities);
  - Staffing (activities making available consultants specialised in Oil & Gas and Industry around the world).

The management expenses that can be directly attached to these three CGUs are allocated to them.

The revenue and the operating profit from certain activities not included in these CGUs, as well as the Group's central costs, are now classified under the heading "Holding company and Miscellaneous".

- **Change in the aggregate Earnings Before Interest and Taxes (EBIT).** It now includes the Share of profit (loss) from partner companies (Engage, N3A et Alphatest).

3.2.1 KEY FIGURES

In millions of euros	2015	2014
Main income statement items		
Revenue	907.7	866.6
Earnings Before Interest and Taxes (EBIT) (1)	57.8	52.1
As a % of revenue	6.4%	6.0%
Operating results	39.5	36.2
Consolidated profit for the period (2)	27.9	21.9
Profit for the period attributable to owners of the parent	27.2	21.8
Main cash flow items		
Free cash flow (3)	44.8	31.7
As a % of revenue	4.9%	3.7%
Main balance sheet items		
Net cash position (4)	198.8	221.9
Data per share *(€)*		
Undiluted net profit per share	0.93	0.89
Diluted net profit per share (5)	0.93	0.89
Dividend (6) (in euros)	0.80	0.75

(1) Earnings Before Interest and Taxes (EBIT) including the share of profit (loss) of the associated businesses (€0.3 million in 2014 and €0.5 million in 2015).
(2) Of which the share attributable to the non-controlling interests: €0.1 million in 2014 and €0.7 million in 2015, i.e. profit attributable to owners of the parent of €21.8 million in 2014 and €27.2 million in 2015.
(3) Net cash generated from operating activities diminished by operating investments, net of disposals.
(4) Cash and cash equivalents net of financial debts and adjusted for the fair value of hedging derivatives.
(5) In 2015 and 2014, the diluted earnings per share as calculated are not representative. They would be greater than the basic earnings per share. In compliance with IAS 33, diluted earnings per share are considered as equal to basic earnings per share, i.e. €0.93. and €0.89 respectively.
(6) For the year 2015, as it will be proposed to the General Shareholders' Meeting which will take place on 24 May 2016.

3.2.2 REVENUE BY DIVISION AND INVOICING RATE

In millions of euros	2015	2014	Total Variation	Organic Variation*
Group	907.7	866.6	4.7%	2.0%
Group excluding Staffing	847.6	789.4	7.4%	4.3%
Global Product Solutions	528.6	504.6	4.8%	4.6%
Energy & Infrastructure	311.1	277.7	12.0%	3.8%
Staffing	60.1	77.2	(22.2)%	(22.2)%
Miscellaneous	7.9	7.1	–	–

* *At current exchange rate.*

The 2015 revenue from Global Product Solutions is €528.6 million, (58.2% of the consolidated revenue). It is up by 4.8%, of which 4.6% is organic at the current exchange rate, and +0.2% is the scope effect.

The 2015 revenue from Energy & Infrastructure is €311.1 million, (34.3% of consolidated revenue). It is up by 12.0%, of which 3.8% is organic at the current exchange rate, and +8.2% is the scope effect (integration of the Saudi company Radicon on 1 January 2015).

Staffing activities (€60.1 million revenue in 2015, *i.e.* 6.6% of the consolidated revenue) suffered negative growth of -22.2% due to difficulties in the Oil & Gas sector which is their main market.

The Group's operational billing rate for 2015 was 90.3% (*versus* 90.7% in 2014). This rate corresponds, in a given period, to the ratio of total hours billed to total hours worked by billable staff.

3

3.2.3 RESULTS OF OPERATIONS AND FINANCIAL SITUATION

3.2.3.1 Operating profit before non-recurring items (EBITA)

Earnings Before Interest and Taxes (EBIT) stood at €57.8 million, representing 6.4% of revenue (compared with €52.1 million and 6.0% respectively, in 2014).

EARNINGS BEFORE INTEREST AND TAXES (EBIT)*

In millions of euros	2015	As a % of revenue	2014	As a % of revenue
Group	57.8	6.4%	52.1	6.0%
Global Product Solutions	38.8	7.3%	35.1	7.0%
Energy & Infrastructure	25.7	8.3%	22.2	8.0%
Staffing	1.4	2.3%	2.2	2.9%
Holding company and Miscellaneous	(8.1)	–	(7.4)	–

* *Earnings Before Interest and Taxes (EBIT) including the share of profit (loss) of associated businesses (in consolidated €0.5 million in 2015 and €0.3 million in 2014).*

The Global Product Solutions EBIT is up by €3.7 million at €38.8 million, *i.e.* an operating margin of 7.3% compared to 7.0% in 2014.

Profit and margin grew strongly in the Automotive sector.

In Aerospace, they underwent the effect of a substantial reduction in income from the research tax credit, due to a change in the business mix. At the year-end, renewed growth in revenue and gradual adaptation to the new business mix resulted in a marked improvement in both profit and margin.

Energy & Infrastructure EBIT is up €3.5 million at €25.7 million, *i.e.* an operating margin of 8.3% compared to 8.0% in 2014.

Profit and margin have benefited from the positive effect of the Radicon acquisition, growth in this business activity and a continued high margin level in Nuclear business. The somewhat sluggish context for other activities in France, has had a slightly negative impact on the trend for these two indicators.

Staffing EBIT is €1.4 million compared to €2.2 million in 2014, *i.e.* an operating margin of 2.3% in 2015 compared to 2.9% in 2014. The reduction in fixed costs has made it possible to limit the effect the fall in volume has had on the results.

The central costs of the Group ("Holding"), net of the results from the activities grouped under "Miscellaneous" are -€8.1 million in 2015 compared to -€7.4 million in 2014.

3.2.3.2 Operating profit

The consolidated operating profit, once non-operating income and expenses have been taken into account, stands at €39.5 million.

Non-operating income and expenses represent a net expense for 2015 of (€18.3) million.

They include:

- an impairment expense of (€7.0) million on assets committed to Staffing activities;
- a provision for a net amount of (€5.3) million, allocated to a tax dispute;
- restructuring costs amounting to (€3.4) million;
- expenses relating to acquisitions and sales, and to allocations of free shares and performance shares for (€2.6) million.

3.2.3.3 Net financial result

The 2015 financial result represents income of €1.0 million compared to an expense of (€5.7) million in 2014.

The €6.7 million improvement in the financial result compared to 2014 mainly originates from exchange rate gains (+€2.4 million compared to December 2014) and financial expense associated with the buyout of Ornane which had an impact on the 2014 accounts to the extent of -€8.8 million.

3.2.3.4 Profit for the period

The effective tax rate for the year was 32.75%, representing an income tax expense of (€13.1) million.

The profit attributable to owners of the parent is €27.2 million taking into account a positive financial result of €1.0 million, a tax expense of (€13.1) million, a contribution to the result from discontinued operations amounting to €0.5 million and a share of net consolidated profit (loss) attributable to non-controlling interests of (€0.7) million.

3.2.3.5 Net financial position

The Group had a net cash position of €198.8 million on 31 December 2015, compared with €166 million on 30 June 2015 and €221.9 million on 31 December 2014.

A breakdown of this positive swing is provided in the table below:

In millions of euros	
Net cash position (as at 31 December 2014)	221.9
EBITDA	68.1
Variation in operating Working Capital Requirement	6.0
Corporate tax disbursed	(9.5)
Operating investments, net	(7.5)
Other flows	(12.3)
Free cash flow	*44.8*
Purchases	(38.2)
Share capital movements	(29.7)
NET CASH POSITION (ON 31 DECEMBER 2015)	**198.8**

Consolidated free cash flow for 2015 is +€44.8 million compared to +€31.7 million for 2014, *i.e.* a 41% increase. It benefits from the very good performance from operating WCR, resulting in particular from the five-day reduction in DSO on a like-for-like basis. It represents 78% of the Earnings Before Interest and Taxes (EBIT) and 4.9% of revenue for the year.

Acquisitions during the year were mainly linked to Radicon (€31.6 million, including €4.2 million in respect of the minority shareholder's current account) and the buyout of minority shareholders in MPH Global Services (€5.8 million).

The (29.7) million of flows relating to movements on total equity include (€16.2) million of dividends paid to Assystem shareholders, (€7.2) million of coupons paid to holders of Odirnane bonds and (€6.3) million for the buy-back of treasure shares, net of increase in capital resulting from the exercising of BSAAR stock warrants.

3.2.4 OUTLOOK

In a context of buoyant markets in the Automotive, Aerospace and Nuclear divisions, Assystem's objectives for 2016 are:

- organic growth in revenue at a constant exchange rate in excess of 3.5%;
- renewed growth in operating margin;
- free cash flow greater than 4% of revenue.

3.2.5 EVENTS AFTER THE REPORTING DATE

A tax audit conducted by the Federal administration was completed in February 2015 at MPH Nigeria. The adjustment notification has not yet been received, but potential adjustment amounts are covered by the provisions recorded in the MPH Nigeria balance sheet at the time Assystem acquired it in 2012. At this stage, the Group considers that no additional provision is necessary.

3.3 ASSYSTEM SA PARENT COMPANY FINANCIAL STATEMENTS

The Company continued to carry out its role as the head of the Group in 2015.

The Company's operating income for the year totalled €12.4 million as in 2014, and was derived from management services and expertise provided to the subsidiaries of the Assystem Group.

Profit for the period amounted to €93.2 million in 2015 compared to a profit of €14.0 million in 2014.

The balance sheet total stands at €631.1 million as at 31 December 2015, up by €69.7 million compared to 31 December 2014.

The Company had no employees as at 31 December 2015.

3.3.1 EQUITY INVESTMENTS IN NEW SUBSIDIARIES

During the year 2015, Assystem SA acquired the following holdings, previously held by other companies in the Group:

- 99.99% of shares in SCI du Pont Noir, acquired for €1,065 thousand;
- 100% of shares in Assystem Avenir purchased for €33 thousand;
- acquisition of 0.03% of the capital of Assystem Morocco for €130.

In addition, Assystem SA acquired 40% of shares in the Plast Concept company on 17 November 2015 for an amount of €2,498 thousand.

As at 31 December 2015, Assystem SA either directly or indirectly held 100% of the shares and voting rights of its main operating subsidiaries, which are as follows:

- Assystem France, SAS incorporated under French law and its subsidiaries;
- Assystem Engineering and Operation Services, SAS incorporated under French law and its subsidiaries;
- Assystem International, SAS incorporated under French law;
- Assystem Investissements, SAS incorporated under French law;
- Assystem UK, incorporated under English law, and its subsidiaries,
- Assystem Iberia, incorporated under Spanish law;
- Assystem Portugal, incorporated under Portuguese law;
- Assystem Deutschland Holding and its subsidiaries (Assystem Gmbh, Berner & Mattner and Silver Atena), incorporated under German law;
- Assystem Romania, incorporated under Romanian law;
- Assystem Belgium, incorporated under Belgian law;
- MPH Global Services, incorporated under French law, and its subsidiaries;
- Assystem Canada, incorporated under Canadian law;
- SCI du Pont Noir, incorporated under French law.

3.3.2 INCREASE IN SHARE CAPITAL OR REINFORCEMENT OF THE AMOUNT OF HOLDINGS IN CERTAIN SUBSIDIARIES

In addition, in May 2015 Assystem SA carried out an increase in the capital of its French subsidiary Assystem International, of which it is the sole shareholders, for a total amount of €700 thousand. This operation was performed by issuing 35,000 actions with a nominal value of €20 each.

The minority shareholders of MPH Global Services held an option to sell concerning 19.25% of the capital of this subsidiary of Assystem SA. In June 2015, this option was taken up and Assystem SA acquired the securities for the amount of €5,750 thousand. The Assystem Group now holds 100% of the shares in MPH Global Service SAS.

3.3.3 DISPOSAL OF SUBSIDIARY SHARES

In March 2015, Assystem SA sold to its subsidiary Assystem France all of the shares in its French subsidiary Assystem Innovation SAS, for the sale price of €3,744 thousand.

The balance of this operation was a capital loss of €2,713 thousand for Assystem SA.

3.3.4 OUR SUPPLIERS' PAYMENT TIMES

Pursuant to Article D. 441-4 of the French Commercial Code, the following table shows the breakdown as at 31 December 2015 of the balance of trade payables by expiry date (in thousands of euros).

Due dates *(in thousands of euros)*	**Due in 0-30 days**	**Due in 31-60 days**	**Due beyond 60 days**	**Overdue payables**	**Total liabilities**
At 31/12/2014					
Trade payables (401 – 403)	490	–	–	–	490
Fixed assets (404 – 405)	5	–	–	–	5
TOTAL PROVISIONS	**495**	**0**	**0**	**0**	**495**
At 31/12/2015					
Trade payables (401 – 403)	1,090	25	–	25	1,140
Fixed assets (404 – 405)		–	–	–	–
TOTAL PROVISIONS	**1,090**	**25**	**0**	**25**	**1,140**

3.3.5 NON-TAX DEDUCTIBLE EXPENSES

In compliance with the provisions of Articles 223 (iv) and (v) of the General Tax Code, we hereby state that the expenses concerned by Article 39–4 of the said Code reached the sum of €35,648 in 2015, generating a tax of €13,546.

3.4 REMUNERATION OF COMPANY OFFICERS

Remuneration of Company officers is detailed in Chapter 2 of this document.

3.5 RELATED PARTY AGREEMENTS AND COMMITMENTS

The related party agreements and commitments are detailed in Chapters 2 and 6 of this document.

3.6 INFORMATION CONCERNING ADMINISTRATIVE BODIES

Information about the administrative bodies is available in Chapter 2 of this document.

3.7 INFORMATION ABOUT THE CAPITAL

Chapter 7 of this document contains all the information concerning changes to the capital, the crossing of thresholds, executive director security operations, the summary table of delegations currently valid granted by the GM, items likely to be applicable in the event of a public bid, the dividends and the share buyback programme.

3.8 DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES

The description of the main risks and uncertainties is available in Chapter 5 of this document.

3.9 CORPORATE RESPONSIBILITIES

All the information relating to Assystem's corporate responsibility is available in Chapter 4 of this Registration Document and is an integral part of the management report.

3.10 FIVE-YEAR FINANCIAL SUMMARY FOR ASSYSTEM SA

Year	2011	2012	2013	2014	2015
I. Capital at year-end					
Share capital	20,387,724	20,734,278	19,326,066	22,154,831	22,218,216
Number of shares issued	20,387,724	20,734,278	19,326,066	22,154,831	22,218,216
Number of shares that may be issued for conversion of convertible bonds	4,181,818	4,181,818	4,181,818	6,837,098	6,861,795
II. Results of operations					
Net revenue	10,657,852	11,125,335	11,427,562	12,371,760	11,342,261
Profit before tax, depreciation, amortisation and provisions	1,658,777	21,233,801	26,215,004	14,194,383	50,292,852
Corporate income tax	4,946,636	1,011,224	2,250,236	3,230,075	5,315,395
Earnings per share after tax, depreciation, amortisation and provisions	4,434,216	26,409,431	25,589,684	14,033,557	93,212,545
Dividends paid	8,430,934	7,787,732	9,908,478	16,226,024	*
III. Per share data					
Earnings per share after tax but before depreciation, amortisation and provisions	0.32	1.61	1.47	0.79	2.50
Earnings per share after tax, depreciation, amortisation and provisions	0.22	1.27	1.32	0.63	4.20
Dividend per share	0.45	0.45	0.45	0.75	*
IV. Employee data					
Headcount	1	1	1	1	0
Total payroll	517,817	493,731	307,438	523,093	1,468,064
Social security contributions	401,869	431,163	241,251	355,854	578,586

* *At the next GM, shareholders will be asked to approve a dividend of €0.80 per share.*

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2015 CORPORATE SOCIAL RESPONSIBILITY REPORT (CSR)

Assystem's commitment to Corporate Social Responsibility (CSR) complies with the principles set out in the United Nations Global Compact and is overseen by the Company's highest level of management.

It is evidenced in fundamental documents like "The Manifesto for the Growth to Be" * – which has been Assystem's overarching guide in terms of sustainable development since 2011 – and the Company's Ethical Charter. In addition, it is embodied in the Group's continuous improvement system of management.

Assystem's CSR approach is conducted in three main areas:

- anticipating the social and environmental challenges of customers and factoring these into the services on offer;
- ensuring the professional and personal development of its engineers and building their employability;
- participating in the development of society at large through its vision and expertise and the social and economic role it plays.

The Group must deal with the long-term crises affecting society. Its fundamental principles are: "rethinking the production processes, distribution systems and consumption habits".

The challenges and expectations of its stakeholders need to be taken into account so that "the Growth to Be" ensures that "having" contributes to greater "well-being":

- **employees:** reconciling their aspiration for professional fulfilment with job security. Assystem's aim is to promote lifetime employability for its people and therefore provide them with continuing education as well as mobility opportunities between different business sectors and geographic areas.
- **shareholders:** Ensuring that value is a long-term notion rather than over-focussing on the short term, and demonstrating that sustainable growth leads to enhanced profitability.
- **clients:** encouraging creativity, innovation and networking.
- **society at large:** setting an example, showing a sense of responsibility and taking into account social, ecological, economic and financial issues.

4.1 REPORTING SCOPES AND KEY INDICATORS

In 2011, Assystem drew up a list of key indicators used to assess the impact of its activity on its environment and its stakeholders. These indicators are regularly monitored and are subject to an annual reporting process. In line with the Group's CSR policy, they are constantly enhanced and improved. They serve as an addition to the Group's key figures disclosed on pages 4 and 5 The reporting period for HR and environmental information corresponds to the financial year.

The HR data published in the table below is taken from the annual HR report drawn up by Assystem's Human Resources Department based on the situation as at 31 December 2015. The reporting scope for HR data covers the entire workforce of all the Group's globally consolidated companies, except INSIEMA and MPH Global Services, which account for less than 10% of Assystem's total headcount. It takes into account the relevance and consistency of the indicators in relation to the Group's main activities.

Total headcount at the year-end includes employees on open-ended contracts, fixed-term contracts, open-ended contracts for specific projects, work-study students and similar contracts, but does not include interns, temporary staff or subcontractors.

The absence rate includes absences due to illness, maternity, paternity and workplace accidents.

The total absence rate per country and then for the Group and the severity and frequency rates of workplace accidents are calculated using weighted average figures based on the headcount at the end of the year.

Training data includes internal and external training as well as distance learning (*e.g.* e-learning).

Greenhouse gas emissions are calculated on the basis of a carbon footprint report prepared for Assystem's establishments in France (excluding INSIEMA, MPH International and Eurosyn, which represent 7% of the workforce in France).

This carbon footprint report took into account direct and indirect emissions related to energy (gas and electricity). The report also includes the impact of work-related travel. The Group plans to extend the reporting scope for greenhouse gas emissions to entities in other countries.

The emission factors cited by the French Environment and Energy Agency (ADEME) (Version 7.1.06) were used to calculate greenhouse gas emissions.

* *Documents available on the Company's website.*

Where no kilometric data or information on fuel consumption is available the number of kilometres travelled by car or by plane during business trips is calculated based on financial amounts.

2015 CSR INDICATORS

	2015	2014	GRI equivalent *(Global Reporting Initiative)*
Revenue	€907.7 M	€866.6 M	G4-9/G4-10
Total headcount [1]	11,553	10,792	G4-9
Social indicators [2]			
% permanent contracts	89%	94%	G4-10 (b)
% women	22%	23%	G4-10 (a)
% employees aged over 45 years	20%	20%	G4-LA12 (a)
% disabled employees	2%	2%	G4-LA12 (a)
Average age *(in years)*	34.2	35.6	G4-LA12 (a)
Number of hires	2616	2,240	G4-LA1 (a)
Number of redundancies	381	399	G4-LA1 (b)
Absence rate *(in number of days off work per 100 days worked)*	3.51	3.48	G4-LA6 (a and b)
Lost time injury frequency rate *(in number of accidents per million hours worked)*	2.51	3.83[5]	G4-LA6 (a and b)
Work-related accident severity rate *(in number of days off work per 1,000 hours worked)*	0.08	0.12[5]	G4-LA6 (a and b)
Number of employees trained during the year	6,187	4,666	G4-LA9 (a)
Total number of training hours	273,961	179,035	G4-LA9 (a)
Average duration of training courses *(in hours)*	44.3	38	G4-LA9 (a)
Environmental indicators [3]			
Greenhouse gas (GHG) emissions *in MTCDE* [4]	7,217	7,154	G4-EN15 (b)
Emissions of MTCDE per person per year	1.16	1.16	G4-EN15 (b)
Km per person of work-related car travel	4,805	4,886	G4-EN30 (a)
Km per person of work-related air travel	1,637	1,856	G4-EN30 (a)

(1) Group headcount not including British contractors of which there are 915.
(2) Concern Group workforce as defined in Note 1 excluding INSIEMA and MPH Global Services, representing a combined headcount of 1,007 people.
(3) Concern Assystem in France (excluding INSIEMA, MPH International and Eurosyn); the version of the emission factors is 7.1.06 from 15 July 2013.
(4) CO_2 ton equivalent.
(5) Rate including data for Assytem in France, the United Kingdom, Belgium and Switzerland.

Distribution of workforce by geographical area is available on page 5 of this document.

The Group's personnel costs are disclosed in Chapter 6 (Consolidated financial statements, payroll costs).

Movements in subcontracting costs are disclosed in Chapter 6, Note 29 on page 119 of this document.

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4.2 STAKEHOLDER MAPPING

ASSYSTEM AND ITS SPHERE OF INFLUENCE

	Stakeholders		Assystem's influence on stakeholders	Stakeholders' influence on Assystem
Institutional stakeholders	**Public authorities**	Local and regional authorities (regions, departments, municipalities, Chambers of Commerce and Industry, urban communities, etc.)	*Participates in economic growth (revenue, corporate income tax and other taxes), contributes to employment, promotes businesses, local debates*	*Subsidies, public procurement contracts, development projects, legal provisions, social and environmental services (e.g. public transport)*
		French State and other governments	*Contributes to employment, participates in economic growth (revenue, corporate income tax and other taxes), promotes engineering*	*Legal provisions, regulations, public procurement contracts, subsidies, long-term outlook*
Community stakeholders	**Civic society**	Charities, associations and NGOs	*Sponsorships, support for local initiatives, partnerships, factoring their interests into projects*	*Reputation, recommendations from NGOs, sustainable development requirements*
		Media	*Financial contribution, source of technical articles, miscellaneous information (including CSR)*	*Reputation of and information on Assystem*
	Academia	Schools, universities	*Needs and expectations in terms of training and skills, partnerships, attractiveness of Assystem and its businesses, funding through apprenticeship taxes, contribution to training and education*	*Skills, matching needs with training content/market, recognition of diplomas*
		Scientific community	*Information on Assystem's projects, funding and promoting research, contributing to R&D*	*R&D projects, appraisals, developing innovation*
	Our clients	Public and private clients	*Quality of services, proximity, continuity of service, innovation capacity*	*Economic contribution, selecting suppliers based on CSR criteria, expectations in terms of projects (certifications, labels and resources allocated to sustainable development)*
Economic stakeholders	**Our financial partners**	Shareholders	*CSR risk management, Assystem's image, generating lasting growth and dividends*	*CSR objectives, Board of Directors' decisions, human investment, contribution of capital/credibility, allocation of profits*
		Banks	*Financing and cash requirements*	*Advice, financial support*
	Professional organisations		*Providing concrete information on CSR, promoting businesses, legitimacy of federation, contributing via attendance/feedback (e.g. CSR Club), financial participation*	*Practical information on CSR, promoting businesses, organising the collective CSR process and objectives, various support tools*
	Our business partners	Subcontractors and co-contractors	*Generating long-term business activity, ability to help business partners make progress in terms of sustainable development, selecting co-contractors (reliability)*	*Quality of services, contributing specific knowledge, contributing to Assystem's sustainable development*
		Certification and labelling organisations	*Helping draw up and update the applicable guidelines and standards*	*Publication and promotion of standards, protection of designations, requirements related to standards and guidelines*
Employee-related stakeholders	**Our employees**		*Remuneration, social benefits, image, skills development, employability, ethics awareness, working conditions, health and safety, work-life balance*	*Quality of work, working/health/safety conditions, innovation, capitalisation and transfer of knowledge, compliance with ethical standards and confidentiality requirements, eco-responsible behaviour*
	Our consultants and outside partners		*Contributing business/employability, knowledge acquisition, working conditions, awareness-raising on ethics/non-discrimination, occupational health and safety, collective resources to protect the environment*	*Adjusting workforce to requirements, compliance with ethical standards, eco-responsible behaviour*
	Labour representatives		*HR information, social dialogue*	*Staff representation, protecting employees interests, requirements in terms of non-discrimination/working conditions/social benefits*

This mapping is based on the work carried out in 2013 by SYNTEC "Ingénierie *Ingénierie & RSE : Les sociétés d'ingénierie et la Responsabilité Sociétale de l'Entreprise"*, Club RSE, August 2013.

4.3 CORPORATE GOVERNANCE

Since 22 May 2014 Assystem has been a public limited liability company with a Board of Directors. This method of administration provides a form of governance that is more closely aligned with management, while ensuring adequate oversight by independent directors.

The Company also has two Committees that contribute to governance: the Audit Committee, which helps the Board of Directors exercise its roles and responsibilities in the areas of finance and auditing, and the Remuneration and Appointments Committee, which submits proposals to the Board of Directors concerning the appointment and remuneration of members of the Board or senior management. In compliance with Act no. 2011-103 of 27 January 2011 concerning balanced representation of women and men on Boards of Directors and gender equality, the Board of Directors on 31 December 2015 comprised one woman out of a total of four directors, *i.e.* 25%. Since then, the percentage of women directors has been raised to 40% with the co-opting of another director, Virginie Calmels, on 9 March 2016 (see Chapter 2 of this Registration Document).

Overseen by its Chairman and major shareholder, Dominique Louis, Assystem's management team is mainly made up of engineers who hold or used to hold operational positions in the Company. This is concrete evidence that within the Group, responsibility is based on expertise and initiative.

Assystem senior management attaches great importance to the efficiency of its decision-making process and circulation of information within the Group. This concern stems in particular from a decentralised management structure, equally relevant in the context of the Company's increasingly international development.

4.4 HUMAN RIGHTS: RESPECTING FUNDAMENTAL FREEDOMS

4.4.1 HUMAN RIGHTS AND THE FUNDAMENTAL PRINCIPLES OF THE INTERNATIONAL LABOUR ORGANISATION (ILO)

Embedding the principles of the United Nations Global Compact into our business

Assystem's policies and business methods are rooted in ethical conduct and underpinned by strong commitments and measures that involve the entire Group. The Group has signed up to the UN Global Compact, which has established ten universal principles covering human rights, labour rights, environmental protection and anti-corruption measures. Within the Group these ten principles are translated into strict requirements regarding behaviour and business practices, which are overseen by the Board of Directors, enacted in an Ethical Charter and applied at all levels.

UN GLOBAL COMPACT CROSS-REFERENCE TABLE

Human rights	
Principles of the Global Compact	Sources
Businesses should support and respect the protection of internationally proclaimed human rights; and	• COP 2013, 2014 and 2015 • Renewal of Global Compact (page 46 of report) • Certificates of compliance with ILO principles (page 50 of report)
make sure that they are not complicit in human rights abuses	• COP 2013, 2014 and 2015 • Ethical Charter (page 50 of report) • Ensuring good working conditions (pages 53 and 54 of report)
Labour	
Principles of the Global Compact	Sources
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	• COP 2013, 2014 and 2015 • Ensuring good working conditions (pages 53 and 54 of report)
The elimination of all forms of forced or compulsory labour	• COP 2013, 2014 and 2015
The effective abolition of child labour and	• COP 2013, 2014 and 2015
The elimination of discrimination in respect of employment and occupation.	• COP 2013, 2014 and 2015- • Promoting equality, diversity and equal opportunities (pages 50, 51, 52, 58 of report)
Environment	
Principles of the Global Compact	Sources
Businesses should support a precautionary approach to environmental challenges	• COP 2013, 2014 and 2015 • Environmental certification (pages 55 of report)
Undertake initiatives to promote greater environmental responsibility	• COP 2013, 2014 and 2015 • Supporting sustainable mobility and greener transport (pages 55, 56 of report) • Sustainable engineering (page 56 of report)
Encourage the development and diffusion of environmentally friendly technologies	• COP 2013, 2014 and 2015 • Innovating for society (page 56 of report)
Anti-corruption	
Principles of the Global Compact	Sources
Businesses should work against corruption in all its forms, including extortion and bribery	• COP 2013, 2014 and 2015 • Ethical Charter (page 51, 57 of report)

Compliance with international standards

Assystem undertakes to apply the international legislative framework, *i.e.*: the OECD guidelines, ILO agreements, as well as UN guidelines (Enterprises and Human rights). Along the same lines, the Group has engaged upon a continuous improvement process with respect to CSR for its international operations based on ISO 26000.

2015 NEWS

- Assystem has been a member of the UN Global Compact since the end of 2011 and its Communications on Progress (COP) form a key aspect of its overall continuous improvement process.
- In 2015, the Group reviewed all of its Group and local procedures to ensure their overall consistency and in relation to the principles set out above. This body of documentation now gives concrete expression to the Company's Ethical Charter with a Code of Conduct and the corresponding procedures detailing specific practices that will be described in detail throughout this report (business conduct, anti-corruption, commercial practices, etc.).
- Assystem management has validated this approach as well as the creation of an Ethics Committee responsible for implementing and enforcing these principles. It also acts as a regulatory body, observing and correcting practices not consistent with the established principles and procedures if the pre-existing legal, HR or managerial bodies have been unable to do so. This Committee is made up of representatives from the Management Committees of the Group's operational divisions, the Human Resources Department, the Legal Department and the Communication Department.
- In addition, in 2016 and 2017 Assystem aims to raise the awareness of all managerial teams (roughly 300 people) concerning compliance with the Group's principles and procedures in this sphere, by organising relevant training courses, and then to assess the effectiveness of the actions undertaken.

4.4.2 PROMOTING DIVERSITY, GENDER EQUALITY AND EQUAL OPPORTUNITIES

Promoting diversity and gender equality

Diversity and gender equality are an inherent part of Assystem's values.

The Group aims to be among the most exemplary engineering firms in these fields and for several years has been conducting a proactive policy through concrete actions in its recruitment, partnerships, employee agreements and community initiatives. For each action there are targeted objectives.

Gender diversity is one of the areas Assystem is most committed to. Assystem is aiming to broaden recruitment pools, maintain gender equality in the Company, and promote the value of mixed teams and thereby the value of women's contribution and progress in management functions in particular.

In France in 2015, Assystem celebrated the 5th anniversary of its internal network *Femmes d'Énergie* (Women of Energy) a source of inspiration and promotion of an ambitious HR policy.

The figures bear witness:

- 30% of new hires were women in 2015 compared to 22% in 2010. This result goes beyond the objectives signed with personnel representatives which sets the hiring rate of women in the Company at 25%, bearing in mind nevertheless that engineering schools find it difficult to achieve this quota;
- three times more female managers between 2010 and 2015;
- in all, an increase from 17% to 22% in the number of women in the Company in France.

Other additional actions:

- introduction of a Work-Life Balance Charter;
- implementation of manager awareness-raising programmes on the benefits of gender diversity;
- management of female talents;
- specific training and mentoring actions, etc.

Today the network consists of 400 male and female employees and benefits from strong territorial presence, with 40 local offices. It is headed by a Committee made up of a representative of the Group's management team, representatives of the operational divisions, the Human Resources Department and the Communication Department.

Assystem also strives to develop the careers of older people and capitalise on their experience. In 2015, they accounted for 20% of the overall workforce. The Company has set up a career management system aimed at helping older employees maintain and enhance their skills and to pass their know-how on to the younger generation. In France, this system is accompanied by specific "late-career" interviews which help older employees redefine their medium-term professional objectives.

In 2013, Assystem signed a company-wide agreement with representatives of French trade unions regarding the "Generation Contract" (a new type of contract introduced in France in 2013 to encourage the employment of young people and knowledge-transfer from older employees). This agreement aims to promote the recruitment of young job-seekers and capitalise on senior employees' experience by focusing on the transmission of know-how and skills. It sets out the induction and integration process for new employees, the conditions under which interns can be employed, and the Company's commitments in terms of employing older people and helping them maintain their employment. Pursuant to the agreement Assystem has undertaken to do its utmost to agree to requests for part-time positions expressed by senior employees and has put in place a process for inter-generational cooperation in order to create "technical expertise" units as part of the Group's internal training centre, the Assystem Institute.

2015 NEWS

In 2015, Assystem continued to implement and promote its commitments to diversity, both internally and externally.

- The Company has made new commitments to the Company's employee organisations in France and elsewhere to increase the proportion of women in recruitment processes and in management with objectives in terms of figures and dates.
- The "Women of Energy" network has been extended to two new countries: Belgium and the United Kingdom, and will continue to expand outside France whenever and wherever relevant. The network's 5th anniversary was an opportunity to assess the need to strengthen certain areas of progress. In 2016 a new roadmap will be defined, in particular to reinforce feminisation of management which has made strong progress but essentially remains confined to junior management.
- Assystem has also set itself the objective of formally defining a charter for transmission of know-how and skills, embodied within the Assystem Institute, thus defining and emphasising the value of each person's role and responsibilities.
- After being considered one of the 100 favourite companies for engineering students (Universum ranking) and taking 14th position (out of 130) in the category "Company with a strong culture for diversity and integration of minorities" in 2014, in 2015 for the second consecutive year Assystem was ranked as one of top 10 engineering companies that are "great to work for" (Statista ranking of best employers for the Capital magazine).

Making disabilities into workplace assets

Motivated by the same ambitions as for equal opportunities, Assytem's objectives for integration of people with disabilities aim to position the Company as an example in its business sector. Since 2007, Assystem has had a proactive policy in place for promoting the employment of people with disabilities. The financial and human resources devoted to this area have grown steadily over the past few years with the implementation of a "Mission Handicap" project in 2007 and the signature in 2013 of a company-wide agreement in France with the Department of Labour and labour-management representatives.

As a result, in the French engineering sector Assystem is a pioneer as an employee of people with disabilities. The rate of employment of people with disabilities stood at 2.44% in 2015, whereas it was 0.8% in 2007.

The "Mission Handicap" project focuses on several different areas:

- helping people with disabilities remain in employment through employability management programmes;
- recruiting people with disabilities;
- sub-contracting to the protected and adapted sector: promoting external or internal services;
- providing employees with information on disabilities and raising awareness;
- partnerships in the Assystem Innovation Factory in particular concerning the in-house exoskeleton project, Handroid.

The Group adapts this policy to each country where it operates always with the same objective: exchange of best practices through commitments according to local legislation and the characteristics of the local market.

2015 NEWS

- Assystem successfully continued its awareness-raising programme for Group managers and employees.
- On the basis of an initial evaluation of the agreement signed in 2013, the Group has defined new initiatives:
  - associating clients more closely, achieved through specific actions such as the organisation of events related to handisport, or involvement with associations such as Hanvol, which brings together the main players in the world of aeronautics;
  - developing the involvement of its engineers in research and innovation projects with the aim of improving quality of life for people with disabilities.
- In 2016, Assystem is going to renew the agreements signed with its French industrial partners to continue the actions already begun.

4.5 WORKING CONDITIONS AND RELATIONS: A PEOPLE-FOCUSSED APPROACH

4.5.1 DEVELOPING HUMAN RESOURCES

Supporting young people

Providing opportunities to young graduates and supporting the careers of talented young people are key commitments for Assystem.

The Group has set itself the objective of recruiting roughly one quarter of young graduates; they represented 27% of new hires in 2015. In all countries where the Group is present, integration programmes and development plans have been set up to support new hires taking their first steps in the Company.

It is for this reason that the Leo programme was created in France in 2012. Every year 100 interns work for Assystem and benefit from a specific induction and tutoring system. 70% of the Leo programme interns are hired after their work placements. In Romania, where the workforce increased during 2015 from 586 to 808 people (up by 40%), different induction programmes are proposed lasting 1 to 2 months, depending on their activities, to help new hires understand the Company's policies and organisation, its technical projects and its working methods.

Providing training today to meet the needs of tomorrow

Developing and constantly upgrading skills and giving our people the keys to success are vital for guaranteeing the long-term excellence of our savoir-faire.

The Group's objective is to offer all its employees a training path according to their skills, adapted to their missions and to the needs expressed by the client – Company – employee trio.

The Assystem Institute is Assystem's in-house training centre. Originally created in 2009 to facilitate employee mobility from the Automotive to the Nuclear sector, its purpose is to organise skills acquisition paths, enable employees to progress, update knowledge according to technological advancement and guarantee transfer of knowledge between generations.

Other training facilities exist, particularly within the Assystem Training Lab, to contribute to professional development of teams: remote training modules (e-learning), the "buddy" system, mentoring, external training courses, etc. are made available to training managers to assist managers and employees in implementing the training plans reviewed every year at *ad hoc* interviews.

Promoting internal mobility

The large number and wide variety of positions available within the Group's different business sectors and geographical locations are a particular asset as they are able to offer employees motivating career prospects. Mobility – whether it be promotion or moving to a new sector or even a new country – is encouraged as the system helps employees to continuously progress and also achieve sustainable employability.

Assystem has set itself the objective of streamlining mobility processes by improving the visibility of positions vacant within the Company, the identification of employees' individual aspirations and the overcoming of any obstacles. Mobility is led by dedicated employees within the Human Resources Department, who strive to ensure these objectives are achieved. The Assystem Institute plays a key role in facilitating employee mobility by providing training courses adapted to individual career paths.

2015 NEWS

- Today the Assystem Institute is divided into six entities: the Assystem Nuclear Institute, the Assystem Aerospace Institute, the Assystem Automotive Institute, the Assystem Systems Institute, the Assystem Project Management Institute and the latest addition in 2015, the Assystem Life Sciences Institute.
- In 2015, Assystem Management decided to take the Group to another level to achieve its ambitions in terms of human capital development by having an overall, optimal medium-term vision of the Group's skills. The aim is to simultaneously identify, assess, promote, protect, adapt, transmit and develop talents within the Company. This skills management strategy developed and led jointly by the Technical Departments and the Human Resources Department is based on a centralised dynamic tool shared throughout the Group called SWAP (for Strategic Workforce Assystem Planning), which also enables employees to be active players in their career path.
- Set-up of an International Mobility Flash.

4.5.2 HEALTH AND SAFETY

Preventing and anticipating current and future risks

Health and safety in the workplace are priorities for the Group which pays particular attention to preventing the most serious risks.

Assystem has set itself the objective of reinforcing its practices in the area of Occupational Health and Safety (OHS) by deploying Health and Safety management systems aligned with international standards, such as OHSAS 18001. This applies to all the most exposed sites, initially in Europe, in order to optimise management of Health and Safety risks and improve working conditions. At present roughly 20% of the Group's workforce are covered by OHS certification. The objective is to achieve coverage of 35% of the workforce by 2018.

Over the years, Assystem's business activities have tended to include more engineering projects comprising general contracting and prime contracting support, particularly in the nuclear sector within which Assystem, as the leading independent nuclear engineering firm (ENR 2015 Ranking), is duty-bound to play a ground-breaking role.

This business development, together with the ever-more stringent requirements of clients and the French Nuclear Safety Authority, led

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the Group to adopt an ambitious, proactive policy to reinforce its management of nuclear risks.

Assystem has demonstrated how seriously both it and its subcontractors take their responsibilities in this area by drawing up a Nuclear Risk Management Charter in 2014. This charter comprises four underlying principles:

- stringent application of clients' legal provisions on security, supported by internal control measures adapted to each situation;
- continuous improvement of processes and a focus on training;
- taking into account social and human factors;
- exchanges based on trust and vigilance to ensure transparency.

These principles broken down into commitments are monitored using indicators and undergo an annual joint assessment by the teams and clients in the relevant sector.

The facts show that the greatest proven risk for Assystem is road accidents. They represent 60% of all accidents in France. The Management has decided to completely rethink its awareness-raising and prevention policy in order to significantly reduce this figure, initially in France. An evaluation has been conducted of risk behaviours and the measures that can be envisaged. Actions will be launched in 2016.

2015 NEWS

- Assystem has published a revised and supplemented Health & Safety guide for its French employees and is preparing an electronic version for its Global Intranet. Dissemination of this guide was supported locally by the network of Quality correspondents and the CHSCT [1].
- To begin the task of improving OHS practices, an OHSAS 18001 certification campaign was launched to cover 100% of the Assystem E&I workforce.
- In the Middle East, Assystem has taken on a Health and Safety director to set up an effective management system due to the considerable Health, Safety and Environment challenges inherent with Oil & Gas projects.
- Specific action has been implemented as part of the Group's development in the Middle East in order to integrate and up-skill all the teams, in particular those from Assystem-Radicon in Saudi Arabia.

Protecting employees' health and working environment

In order to ensure the health of employees, it is important to manage risks related to their working environment and the consulting profession itself, frequently on client sites. Stress, isolation and the irregular pace of life when employees go on assignments are sources of psychosocial risks.

In France, since 2011, 415 people have been trained in recognition and prevention of psychosocial risks in management practices. A joint commission meets twice a year to ensure that difficult situations are monitored and to oversee the corresponding indicators.

At Assystem, the culture of industrial dialogue and health and safety is ensured by the CHSCT which monitors employees' working conditions.

4.5.3 WORKING CONDITIONS

Encouraging an environment that promotes well-being at work

Assystem does not only seek to prevent risks. The Group's objective is to offer the best possible work environment, convinced that happy employees are motivated and productive. The objectives take on different forms depending on countries and cultures, but are always the same: to ensure a balance between private life and work, to assist employees in their personal lives (parenthood, illness, accidents), and to capitalise on new technologies in order to offer flexibility and time-saving measures.

2015 NEWS

- At the end of the year, Assystem launched an initial pilot project to set up home-working within the Group. It relates to an eligible group of 1,000 employees, and should concern about 15% of the Group. It is planned to make an interim assessment during 2016 in order to extend the project to the entire workforce, at least in France, in the subsequent months.
- Caretaker experiments have also been conducted during the year and will no doubt continue.
- Finally, Romania published its annual employee satisfaction barometer for the second consecutive year, opening the way in 2016 for this tool to be made available to all the Group's employees.

Promoting and managing social dialogue

Assystem takes care to foster open social dialogue with its employee representatives and trade unions with a view to promoting responsible operating methods and practices. It aims to make industrial relations a means to achieve progress within the Company.

2015 NEWS

Social dialogue was particularly frequent in France in 2015 due in particular to the elections of personnel representatives, the creation of a new legal and corporate entity (Assystem Régions, subsidiary of Assystem France), and the signing of several agreements on disabilities, gender equality, health insurance (*Contrat Responsable*), work-life balance, etc. A hundred or so meetings were held with the trade unions and/or personnel representatives.

(1) Health, Safety and Working Conditions Committee.

4.6 THE ENVIRONMENT: CONSERVING RESOURCES

The Group's carbon footprint report for 2015 confirmed that its energy consumption has a low impact on the environment: In France, 93% of the Group's carbon emissions stem from business travel and 7% from the use of natural gas and electricity. Each of Assystem's employees in France produces 1.16 metric tonnes of CO_2 equivalent.

The Group achieved its first objective of a 15% reduction set in 2011 over three years, and has now set a new objective: a 5% reduction in its carbon footprint (compared to 2014) over the period 2015 to 2017.

4.6.1 WASTE AND ENERGY MANAGEMENT

Energy performance and environmental management

Assystem is aiming to deploy a dynamic energy performance management system throughout the Group by multiplying audits and setting improvement objectives. This has been the case in France since 2011. Any assessment of work areas incorporates an equation comprising economic, social and environmental factors.

Assystem has also ensured that all sites where the 14001 standard is relevant have obtained this certification: workshop in Preston (United Kingdom), systems laboratories in France and Germany.

Finally, as far as possible, the Group has chosen to buy or rent office space in low energy consumption buildings. This is the case at Bangalore in India for example. At Iasi in Romania where it was necessary to refurbish dilapidated premises, new solutions were implemented such as a heat pump. In addition, the objective of promoting home-working (see above) goes hand in hand with a new approach to the possibilities for optimising use of space and reducing the resulting travel.

Sorting and recycling of waste are the responsibility of collective infrastructures that the Group's activities fit into. Local teams put in place the procedures and the means necessary to use them, backing up these procedures and means by implementing information and awareness-raising campaigns about the necessary everyday actions.

2015 NEWS

- External energy audits were carried out by Germany in accordance with 2012/27/EU and EN16247, and the United Kingdom with ESOS. Initial lessons have been learned as a result and action plans will now be put in place and communicated in 2016.

4.6.2 ENSURING RESPONSIBLE MOBILITY

Assystem has set itself four environmental objectives regarding sustainable mobility:

- as far as possible, prefer remote meetings to physical travel;
- continue to reduce and optimise business travel, especially by organising car sharing in France;
- promote less polluting vehicles (such as hybrids) and electric vehicles in the car sharing fleet and company car fleet;
- encourage car-pooling within and between companies on our main sites.

2015 NEWS

- In 2015 Assystem launched a multi-year investment plan in new collaborative IT tools to make it easier to satisfy employees' preference for virtual rather than physical meetings. The system is centred on France, is being deployed in 2016 in Germany and the United Kingdom and aims to be available in all countries where the Group operates.
- Travel optimisation plans have been defined, often in partnership with local authorities, for all the Group's largest sites. Information and awareness-raising campaigns and special event days have been organised to promote innovative solutions to employees. As a result of all these actions, innovative solutions have been put in place, helping not only to reduce the Company's carbon footprint but also to satisfy employees.

4.6.3 PROMOTING SUSTAINABLE ENGINEERING

Innovating to help society at large

The challenges of sustainable development are encouraging industrial players to implement virtuous dynamics covering both financial and environmental performance. As an engineering company, Assystem is contributing to this movement and to making innovation a driver to bring about a sustainable world. The Group's objective is to develop the skills that will be necessary tomorrow, to satisfy the demands of its clients faced with these global challenges, and to encourage employees to take initiatives contributing to these goals. By investing 3 to 5% of consolidated revenue in R&D, Assystem places the emphasis on seeking creative long-term solutions that are economical in their use of resources.

The Assystem Innovation Factory (AIF) is an experimental laboratory that develops innovative projects, provides overall coordination and is part of a participative innovation process involving the whole Group.

2015 NEWS

- In June 2015, Assystem took over leadership of a European consortium for the development of "Scissor", the first European cybersecurity project relating to industrial systems. This project is part and parcel of the European Union Horizon 2020 programme and has been allocated €4 million of funding by the Commission. Scissor comprises nine partners and will undergo full scale testing on a smart grid on the Italian island of Favignana.
- Among other innovations, at the Paris Air Show Assystem presented a new process for manufacturing composite materials that reduces aircraft weight and optimises the manufacturing costs of airframes. Assytem's engineers have applied this technology to drones, developing a central section of a drone wing that reduced its weight by 40% and afforded a 20% cost saving. This Cellular Core Technology makes it possible to design and fabricate airframe components in a single operation, that sometimes require 24 passes, thanks to an internal and external mould produced by means of 3D printing. At present it is used on airframe components but it is also applicable to any other industry.
- Assystem was awarded the 2015 National Engineering Prize for Energine, a new generation engine developed by its own engineers in partnership with the FEMTO-ST institute. This innovative engine can be integrated into an industrial process that gives off heat in order to convert it into electricity. It makes it possible to recover the heat from a vehicle's exhaust in order to reduce its fuel consumption or to achieve high efficiency levels in housing, service sector buildings, etc.

Encouraging the entire engineering sector to support sustainable development

Assystem is actively involved in initiatives launched by the engineering sector with a view to promoting its activities and sharing best practices related to safety and security.

In France, Assystem's membership of the CSR Club set up by the SYNTEC Ingénierie professional federation demonstrates its determination to put in place a continuous improvement process for sustainable development and help ensure that the whole sector makes progress on CSR issues. CSR Club members meet every quarter to examine how to get to grips with and implement CSR principles in the engineering sector. The CSR Club puts together qualitative and quantitative indicators for the engineering sector aimed at meeting all of the challenges of sustainable development.

Other studies are being carried out with other professional federations and clients with a view to collectively contributing to thoughts on these subjects.

2015 NEWS

- Assystem participates in dialogues with the stakeholders and its main competitors, organised within SYNTEC, in order to unify practices in the engineering world by sharing industry-wide benchmarks. The purpose of these dialogues is to meet the expectations of stakeholders and make the sector more dynamic.

Imagining tomorrow's cities today

The engineering sector is currently experiencing the merging of two worlds that previously co-existed in parallel civil engineering and embedded intelligence. Capitalising on the fact it belongs to the worlds of infrastructures and products, in 2014 Assystem published a white paper "Urbanisation, mobility and the environment: the viewpoints of an engineering firm" concerning the major challenges inherent in tomorrow's smart cities, and the role of an engineering firm in bringing about these changes. To open the debate on these challenges, the Group also launched a series of workshops on smart cities, organised in partnership with La Villa Numeris (a think tank specialising in digital matters) on Assystem's new premises in Issy-les-Moulineaux, the first municipality in France to have created a district smart grid.

The first workshop, which took place on 24 September 2014, dealt with the topic of smart mobility. Several other workshops were held in 2015 on the theme of tomorrow's smart cities, exploring the challenges of cybersecurity and data protection, energy transition and the contribution of the digital model.

4.7 BUSINESS ETHICS: BEING A FAIR AND RESPONSIBLE PLAYER ON THE MARKETS

4.7.1 PROMOTING ETHICAL CONDUCT

Ensuring fair business practices is one of the Group's key priorities. The Code of Conduct in force since 2006 has been backed up by a Code of Conduct incorporating specific business ethics policies and procedures: invitations and gifts, export regulations, the prevention of conflicts of interest, anti-corruption measures, etc. are all included in an activity organised by an Ethics and Training Committee, targeted initially at vunerable employees and managers. This system backs up existing local policies and the contractual commitments specific to a sector or certain customers. The objective is to guarantee that the Group's practices are consistent in a world that is increasingly homogeneous in this respect, while complying with local legislation and allowing for individual initiatives.

2015 NEWS

- Assystem was audited by Ecovadis, an independent non-financial ratings agency, for its CR practices (Corporate Responsibility) and obtained a score of 60/100, which means it features amongst the top ten engineering firms in terms of social, environmental and business ethic practices. The Group's objective is to be numbered among the top 2% of companies by the end of 2016.

4.7.2 ENSURING RESPONSIBLE PURCHASING

Assystem has a responsible purchasing policy that underlines the importance of the value chain as well as its responsibility towards subcontractors and suppliers. As part of this policy Assystem also reminds its subcontractors and suppliers of their commitments and responsibilities regarding sustainable development and compliance with international standards. It is for this reason that in France the Group has joined the e-automation platform in order to verify that it suppliers meet all the legal requirements. Assystem undertakes to assist them thanks to an evaluation system enabling constant monitoring of improvements.

Lastly, Assystem has set up partnerships with numerous ESATs (French organisations that help disabled people back into work) and EAs (sheltered workshops). Thanks to these partnerships, people with disabilities provide the Company with a range of subcontracted services including garden maintenance, envelope filling, digitisation, industrial services, secretarial tasks and waste treatment. In 2015, Assystem used the services of over 20 different EAs and ESATs in France. Information and promotional campaigns are regularly organised targeting potential customers. A catalogue of identified and proven service providers is available for employees to consult on the Company's Intranet.

4.8 COMMITMENTS TO THE COMMUNITY: SHARED INTERESTS

4.8.1 DEVELOPING FUTURE TALENTS

In France

In line with its long-standing commitment to help student engineers, Assystem has decided to support schools and universities by organising a range of different initiatives with a view to playing a role in the training of tomorrow's engineers.

Assystem has entered into a partnership with the INSA Group which is aimed at helping student engineers start their careers. The idea is to ensure that each and every student has a chance to succeed by providing support to the initiatives organised by the INSA foundations (in Lyon and Toulouse) to promote diversity and equal opportunities.

In 2012, the Group signed up to the "*Cordées de la réussite Convention Diversité*" programme with the INSA foundation in Lyon. Through this programme student grants and mentoring schemes are put in place, and disabled students are given the opportunity to undertake work experience.

2015 NEWS

- INSA Lyon

Assystem participated with INSA Lyon in two actions aimed at boosting "the engineer's responsibilities to society": a programme of conferences and case histories developed by INSA Lyon to help students/future managers behave in a socially responsible manner. And the second involved Assystem participating in conferences and round tables organised during the "Quinzaine du Handicap", a two-week event aimed at raising awareness about disability in the workplace.

- INSA Toulouse

Assystem is a benefactor member of the INSA foundation in Toulouse. As part of this commitment, the Group offers internships, apprenticeship contracts and jobs to students.

In addition, specialists from the Group give classes and submit practical case studies and research and innovation projects to the students. In 2015, Assystem once again took part in the school's "48 hours to innovate" initiative.

- INSA Rouen

In 2013, an academic "Commissioning & Engineering" chair was created as both the Group and the school felt that it would help students meet market requirements. This chair focuses on the engineering skills required during the commissioning phase (including testing) which is a decisive stage in any industrial project. To complement the theoretical teaching given to the students concerned, Assystem also offers them opportunities to do internships in order to better prepare them for the reality of a career in engineering.

International

The Group is also increasingly undertaking initiatives with engineering schools and universities outside France, especially in the United Kingdom, Canada and Germany.

In the United Kingdom, Assystem has entered into partnerships with a good number of universities. These include Bristol, Lancaster and the University of the West of England (UWE). The Group proactively recruits graduates and its aim is to design specific courses in conjunction with these universities. The Group is also a partner of the Royal Aeronautical Society and The Institution of Mechanical Engineers (IMechE).

In the United States, Assystem has partnerships in place with the Wichita State University (WSU) and the National Institute for Aviation Research (NIAR) which are aimed at identifying and recruiting graduates for projects dedicated to the local market (20 graduates recruited in 2013). In Germany, contacts are being built up through visits to universities and the Group's participation in forums (particularly with the *Hochschule Esslingen*).

4.8.2 CONTRIBUTING TO REGIONAL DEVELOPMENT

Reinforcing the Group's regional presence

Assystem's objective is to be a recognised and constructive player in territories where the Group operates. This is a particularly crucial aspect for Assystem when it has a strong presence in the local economy.

Assystem is a services company providing intellectual services *via* its employees. Its main impact on a territory consists of the jobs it offers. It is a major recruiter, offering opportunities to young graduates and embedding a focus for economic and social development in the local employment area. Assystem conducts specific actions for job-seekers in certain countries (in France *via* its subsidiary Athos in Toulouse, in Germany in Hamburg and in Bavaria), consisting of vocational retraining programmes in partnership with local authorities. Finally, in Saudi Arabia, where it is a matter of national importance, the Radicon subsidiary aims to recruit more than 20% of Saudi nationals in its teams.

Assystem also plans to contribute to territorial development in interaction with clusters and university centres. Assystem's teams are firmly implanted locally and regularly take part in these clusters' activities, contributing the Group's key skills. Just to mention a few examples, this is the case for the Descartes/Efficacity cluster for sustainable cities, where Assystem participated in an "intermodal station", the Burgundy nuclear cluster which labelled the Nuc-Track project, the *Vallée de l'énergie* cluster on energy efficiency, and the Ingéra cluster dedicated to engineering in the Rhône-Alpes region, of which Assystem is one of the founding members.

2015 NEWS

- In 2015 Assystem was one of the leading recruiters in France according to the annual ranking published by Challenges magazine, and 30th in the sector of industry and services to industry (*L'Usine Nouvelle magazine*, January 2016).
- Assystem now offers schools the Group works with on a regular basis a toolbox to promote innovation within their institution: partnership on specific projects, creativity days, innovation management session, etc. This toolbox has been presented to the Group's campus managers and tested with a number of target schools. A brochure has also been produced and proactive actions have been organised that should increase in scale so as to lead to long-term actions in future years.
- In 2015 Assystem launched the Assystem Innovation Factory virtual gallery. First and foremost it is for internal use. Its aim is to publicise research work and projects conducted by teams in the Group's different sectors and countries. The content of the exhibition rooms is periodically renewed to highlight particularly successful projects. One room focuses on activites linked to innovation in a more day-to-day manner, and visitors' books are available to make comments and interact. This gallery is in addition to the Company's social network.

4.8.3 INVESTING IN SOCIETY

Assystem draws on the latest standards of its profession and the broader business world in order to shape its vision of CSR practices. In line with this, in 2014 the Group continued to roll out a wide variety of initiatives both in France and abroad with a view to responding to some of the major challenges faced by today's society.

Playing a role with decision-makers

Through its Chairman and Chief Executive Officer, Dominique Louis, Assystem participates in the *Entreprise et Progrès* think-tank. The aim of this group, which since 1970 has been bringing together leaders of the main French companies, is to maintain a constructive dialogue with political decision-makers and economic players, aiming to put *"People at the heart of enterprise, and enterprise at the heart of society"*.

Corporate sponsorship

- Sports sponsorship

Since 2012, Assystem has been a proud supporter of the Racing Métro 92 rugby schools and the social initiatives they undertake in favour of youngsters. These schools promote the personal development and integration of young people through rugby and aim to train around one thousand pupils under the age of 21 in facilities that are dedicated to teaching this sport. This sponsorship deal was renewed for a two-year period in 2015.

- Cultural and educational sponsorship

In 2015, Assystem made a commitment to work with the *École des Mines de Nantes* engineering school to jointly support the MERITE project for two years (MERITE is a French acronym standing for "Using experience of industrial and technical realities to help schools"). The aim of this project bringing together scientists and educational experts from nine higher education institutions in the west of France, in collaboration with the Nantes and Rennes education authorities (school inspectors and teachers), is to "once more give numerous children a hunger for learning, self-confidence, the joy of creating and innovating, and to restore technological culture to its rightful position".

Charity and community work

Solidarity is a shared value disseminated worldwide. Assystem supports and assists its employees in their community work. These initiatives are usually decided and managed at a local level so that they address the concerns of the communities to which the employees concerned belong. This is the case in Canada, where initiatives are taken to support Cancer NGO and ENA aerospace school, and in the United Kingdom, where help is given to CLIC Sargent, a cancer charity for children and young people.

Some of the information required by the implementing decree for Article 225 of the Grenelle II Act has not been included in this CSR report because it is not relevant to the activities carried out by the Assystem Group. The following themes have not been covered:

- resources devoted to the prevention of environmental risks and pollution;
- measures to prevent, reduce or repair environmentally damaging discharges into the air, water and soil;
- measures to prevent, recycle and eliminate waste;
- noise pollution and all other forms of pollution specific to an activity;
- water consumption and water supply according to local constraints;
- the consumption of raw materials and measures taken to improve their efficiency;
- land use;
- adapting to the consequences of climate change;
- measures taken to protect or develop biodiversity;
- measures taken in favour of consumer health and safety.

No provisions or guarantees for environmental risks have been recognised on the liabilities side of the Group's balance sheet.

4.9 REPORT BY ONE OF THE STATUTORY AUDITORS, DESIGNATED AS A THIRD-PARTY INDEPENDENT BODY, ON THE HR, ENVIRONMENTAL AND CONSOLIDATED SOCIETAL INFORMATION GIVEN IN THE MANAGEMENT REPORT

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended 31 December 2015

To the shareholders,

In our capacity as Statutory Auditor of ASSYSTEM, appointed as an independent third-party body, accredited by the COFRAC under number 3-1048 [1], we hereby present our report on the consolidated HR, environmental and societal information for the year ended 31 December 2015 (hereinafter referred to as the "CSR Information") presented in the management report in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

Responsibility of the Company

The Board of Directors is responsible for drawing up a management report that includes the CSR Information specified in Article R. 225-105-1 of the French Commercial Code, in compliance with the guidelines used by the Company (the "Guidelines"), which are available from the Company's head office and summarised in the management report.

Independence and quality control

Our independence is defined by regulations, the Code of Ethics for our profession and the provisions of Article L. 822-11 of the French Commercial Code.

We have also set up a quality control system that includes policies and documented procedures to ensure compliance with rules of ethics, professional standards and the applicable laws and regulations.

Responsibility of the Statutory Auditor

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is presented in the management report or that the exclusion of any information is explained pursuant to paragraph 3 of Article R. 225-105 of the French Commercial Code (Attestation of completeness of CSR Information);
- express a moderated assurance conclusion on the fact that the CSR Information is presented fairly, in all material aspects, in compliance with the Guidelines (Opinion on the fair presentation of CSR Information).

Our work required the skills of four people and took place between January and April 2016 lasting approximately four weeks. We called upon our CSR experts to assist us in our work.

We conducted the procedures below in compliance with professional standards applicable in France, with the Order dated 13 May 2013 establishing the manner in which the independent third-party body must carry out its work, and, concerning our opinion on the fair presentation of CSR Information, with ISAE 3000 [2].

(1) The scope of which is available at www.cofrac.fr.
(2) ISAE 3000 – Insurance commitments other than audits or reviews of historical financial information.

1. Attestation of completeness of CSR Information

NATURE AND SCOPE OF OUR PROCEDURES

On the basis of interviews with the managers of the relevant departments, we reviewed the Company's sustainable development strategy with respect to the social and environmental impact of its activities and its societal commitments and, if applicable, any initiatives or programmes it has implemented as a result.

We compared the CSR Information included in the management report with the list provided in Article R. 225-105-1 of the French Commercial Code.

If certain consolidated information was excluded, we verified that an explanation was provided, in compliance with Article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, *i.e.* the Company as well as its subsidiaries as defined in Article L. 233-1 and the companies it controls as defined by Article L. 233-3 of the French Commercial Code with the limits specified in the methodological note presented in Chapter 4.1 of the reference document included in the management report.

CONCLUSION

Based on these procedures and taking into account the limitations mentioned above, we attest that the management report includes the required CSR Information.

2. Opinion on the fair presentation of CSR Information

NATURE AND SCOPE OF OUR PROCEDURES

We conducted roughly ten interviews with the people responsible for preparing CSR Information in departments in charge of data collection processes and, where appropriate, those responsible for internal control procedures and risk management, in order to:

- assess the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account best practices in the industry, if applicable;
- verify that a data collection, compilation, processing and quality control process has been implemented to ensure the completeness and consistency of the CSR Information, and review the internal control and risk management procedures involved in the preparation of the CSR Information.

We determined the nature and scope of our tests and quality control processes based on the type and importance of the CSR Information with respect to the characteristics of the Company, the social and environmental impacts of its activities, its sustainable development strategy, and industry best practices.

For the CSR information we considered to be the most important [(1)]:

- concerning the consolidating company, we consulted documentary sources and conducted interviews to corroborate qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures for quantitative information and verified the calculation and the consolidation of data on a sample basis, and we verified that this information was coherent and consistent with the other information in the management report;
- concerning the representative sample of sites selected [(2)] on the basis of their business activity, their contribution to consolidated indicators, where they operate and a risk analysis, we conducted interviews to verify the proper application of procedures and performed substantive tests, using sampling techniques, to verify calculations and reconcile data with supporting documents. The selected sample represents on average 29% of the total workforce and between 37% and 43% of the quantitative environmental information presented.

(1) ***Quantitative and qualitative HR information:*** *workforce (of which % permanent contracts, % women, % employees aged over 45 years, % disabled employees); number of hires; number of redundancies; absenteeism rate; frequency rate of work-related accidents; severity rate of work-related accidents; number of employees trained during the year; total number of training hours; organisation of social dialogue, training policy; workplace health and safety conditions – HSE management system; ethical governance.*

Quantitative and qualitative environmental information: *greenhouse gas emissions in MTCDE, greenhouse gas emissions in MTCDE per person and per year, km per person of work-related car/plane/train travel; prevention, recycling and elimination of waste.*

Quantitative and qualitative societal information: *adhesion to and annual renewal of the UN Global Compact, Work-Life balance.*

(2) The establishments at Saint Priest, Saint Herblain, Issy-les-Moulineaux and Saint-Quentin-en-Yvelines and Assystem UK for HR information.

For the rest of the consolidated CSR information, we assessed whether it was consistent with our knowledge of the Company.

Lastly, and if appropriate, we assessed the adequacy of the justifications provided to explain the entire or partial exclusion of certain information.

We consider that the sampling methods and sizes of the samples used, based on our professional judgement, enable us to form a moderated assurance conclusion; a higher level of assurance would have required more extensive verification. Due to the use of sampling techniques and other inherent limitations of the functioning of any information or internal control system, the risk of non-detection of a material misstatement in the CSR Information cannot be completely eliminated.

CONCLUSION

Based on our work, we did not identify any material misstatement that causes us to believe that the CSR Information, taken as a whole, has not been fairly presented, in accordance with the Guidelines.

Neuilly-sur-Seine, 11 April 2016
One of the Statutory Auditors,
Deloitte & Associés

Albert AÏDAN
Partner

Julien RIVALS
Partner, Sustainable Development

5

RISK FACTORS

Assystem conducts its business in an ever-changing environment. The Group is therefore exposed to risks which, if they materialise, could have a significant adverse effect on its business, financial position or earnings. It considers that there are no significant risks to which it is exposed other than those described below.

This Chapter presents the risk factors to which the Group could be exposed: risks relating to the economic environment, operational risks, legal risks and financial risks.

For each risk factor covered details are given about its type and impact as well as the risk reduction measures put in place.

Please refer to Chapter 8.1 of this Registration Document for a description of the Group's risk identification and management procedures.

The Group has drawn up a map of its major risks in order to fine-tune the analysis of these risks in terms of the likelihood of their occurrence and their net impact (*i.e.* after taking into account the risk reduction measures put in place by the Group which form part of its internal control system). The risk factors described below correspond to the elements included in the mapping of the Group's major risks.

5.1 RISKS RELATED TO THE ECONOMIC ENVIRONMENT

Type	Impact	Risk reduction measures
Risk that the markets and geographic areas in which the Group operates may have a dilutive effect on margins.	Erosion of gross margin and, *ultimately*, of operating profit.	Close monitoring of ongoing projects and new business by the management of the division concerned and provision of regular information to members of the management team. Review of gross margins for ongoing projects and new business.
Risk that contracts entered into do not generate sufficient margins.	Negative impact on gross margin *and*, ultimately, on operating profit.	Defined process for selection of projects and submission of bids (financial review of key project elements in particular: envisaged revenue, forecast margin, margin on completion for fixed-price projects) and authorisation by designated managers. Contract review process (conducted monthly within the different Business *Units and* subsidiaries, and quarterly at Group level for contracts representing revenue in excess of a threshold adapted to the activity and size of the said Business Units *and subsidiaries* or that inherently comprise certain risk factors, such as a large number of hours, a multi-year period, the technology used, etc.).
Risk of (partial or total) non-recovery of trade receivables.	Negative impact on realisable and available assets and on operating profit.	Client creditworthiness investigations conducted when new contracts are taken on, and renewed regularly for contracts or clients already in the portfolio. Members of the Group's accounting teams carry out the credit management function in order to regularly monitor the collection of trade receivables, track progress in the collection of outstanding receivables, and issue the necessary reminders.
Risk that investments made are not useful, are not properly authorised or do not generate the expected returns.	Negative impact on cash flow and operating profit.	Procedure defined and applied for prior authorisation of recurring capital expenditure (primarily for software). This procedure sets out the authorised signatories within the operating entity and requires the signature of one or even two members of the management team for capital expenditure in excess of a given threshold. Capital expenditure represents a little more than 1% of the Group's consolidated revenue, which is normal in Assystem's sector of activities, and limits issues associated with this expenditure. Investments relating to the acquisition of equity investments and external growth are systematically brought to the attention of the Board of Directors for consultation, once they have been assessed by the management team and operations personnel.

5.2 RISKS LINKED TO THE ACTIVITY

Type	Impact	Risk reduction measures
Risk that fixed-price contracts may lead to excess non-billable hours.	Negative impact on revenue and gross margin, *and* ultimately, on operating profit.	Contract review process (conducted monthly within the different Business *Units and* subsidiaries abroad, and quarterly at Group level, with the involvement of the CFO and the Executive Vice-President in charge of HR Development for contracts representing revenue in excess of a threshold adapted to the activity and size of the said Business Units and subsidiaries or that have certain inherent risk factors, such as a large number of hours, a multi-year period, the technology used, etc.). These contract reviews are used to assess the progress of projects under way and all the identified risks in order to define and implement appropriate action plans (both for customers and in-house). The Group's project management process is widely *publicised and* rigorously formalised with a view to ensuring that project-related risk management is deeply embedded in the Group's culture. In this respect, the Group's Project Management *Handbook is regularly* updated and distributed to all project management players within the organisation. Ad hoc training is organised and specific audits are conducted on a selection of projects covering all of the Group's areas of business.
Risk that business activities engaged in with one or more major clients may decline or cease altogether.	Negative impact on revenue and operating profit.	The business conducted with the Group's ten leading clients involves varied skills in diverse business sectors, which consequently significantly curbs the potential impact in terms of dependence. The Group's strong position with its clients (notably as their top-ranking provider) considerably reduces this risk by ensuring its business volumes in the medium and long term. In addition, the use of subcontracting and the implementation of training courses with a view to redeveloping skills also enable changes in workloads to be managed.
Risk that the operational non-billing rate (the TNFO) exceeds the threshold of 10%.	Negative impact on operating profit.	As a key operating indicator for the Group, the TNFO is included in the periodic reporting reviewed by members of the management team. If the TNFO diverges from the established threshold, members of the management team take the appropriate decisions, notably in terms of interoperability of resources, in order to lower the TNFO within a very short time span. TNFO is determined as follows: Total unbilled hours of billable staff/Total hours worked by billable staff.
Risk that net staff turnover is not effectively managed and that the turnover rate is such that the replacement of resources cannot be ensured during the period.	Negative impact on project performance and revenue.	Staff turnover management is placed under the ultimate responsibility of the Group's Executive Vice-President in charge of HR Development. Annual recruitment plans are established on the basis of a turnover rate of 20 to 25% and changes in the rate during the period are regularly measured, analysed and monitored. The Group maintains a close-knit relationship with several engineering schools in France and abroad (particularly by taking part in school-company forums), which gives it access to a substantial pool of skills and resources. Staff turnover is measured as follows: Staff departures during the year/Average headcount during the year.
Risk that clients may relocate their business or projects to areas where the Group does not operate.	Negative impact on revenue, on continued relationships with clients, and on operating profit.	The Group strives to emphasise its ability to provide its services in the geographic areas in which clients may choose to locate their business. The Group already has two engineering centres serving business relocations, one in Romania, and the other in India. Clients in the automotive sector who operate part of their business in Romania, are already supported by Assystem for projects and operations conducted in that country. In the Aeronautics sector, the service level agreement renewed in 2015 with a major client comprises increased use of the Indian production base, due to be gradually implemented. With regard to development in the Asia-Middle East-Africa region, in 2013 we installed the Executive Management Department for the Group's Energy & Infrastructure division in Dubai. Supplementary development actions began in this zone in 2014 and continued in 2015, in particular via the acquisition of the Saudi company Radicon, which has a higher operating profitability level than the average level observed for the Group as a whole. The Group is gradually covering the development costs of the activity generated in the area through the operating profitability achieved in the contracts entered into, thanks to a combination of the effects of its local presence and its global skills (including by Radicon, in synergy with the rest of the Group).
The risk that contracts entered into do not generate sufficient margins to cover the development costs in geographical areas where the Group has little or no presence.	Negative impact on operating profit.	

5.3 LIQUIDITY AND MARKET RISKS

The Group has its own organisation enabling it to manage all market risks in a centralised manner; interest rate risk, exchange rate risk, counterparty risk and liquidity risks it is exposed to.

Within the Finance Department, Group Treasury operates on the financial markets as the Group's financial risk management body. This unit is organised in a manner that ensures the segregation of tasks.

Every month, Group Treasury presents reports to the Deputy Chief Executive Officer & Chief Financial Officer on the positions and results of its management in compliance with the principles and policies put in place by the Group's senior management team. Most Group entities use common software programs (Taïga, Kyriba or Swaps). These tools help to secure flows and enable more reliable reporting, in accordance with Group standards.

Type	Impact	Risk reduction measures
Risk of a failure to effectively control finance costs (interest rate risk).	Negative impact on financial expenses.	To reduce this risk, whenever necessary the Group puts in place appropriate hedging measures, using derivative financial instruments depending on market conditions, validated by the Deputy CEO & Chief Financial Officer. In this case the financial instruments used are primarily swap *contracts*. On 31 December 2015 the Company reported cash flow that was considerably higher than its debt and therefore uses no rate hedging. At end-December 2015, the Group's external debt essentially consisted of fixed-rate bonds (Ornane). Odirnane bonds, themselves at a fixed rate, are considered to be equity instruments in the Group's consolidated financial statements.
Risk of a failure to effectively control foreign-currency flows and the valuation of subsidiaries outside the Eurozone (exchange rate risk), given the geographical diversity of the Group's establishments and operations.	Negative impact on equity and/or consolidated profit due to exchange rate volatility.	The Group monitors offerings and contracts in foreign currencies in order to safeguard operating margins related to these contracts denominated in foreign currencies. The hedge mechanisms put in place when a risk is identified mainly correspond to forward purchase or sale contracts, whose amounts and maturities are matched with the underlying exposure. To hedge currency operations within the Group, the Group makes use *of* cash swaps. The Group's balance sheet risk essentially relates to euro/sterling and euro/US dollar exchange rates (or euro/Saudi Riyal, bearing in mind that when this document was released the US dollar/Saudi Riyal exchange rate was virtually fixed).
Risk of default by a financial counterparty.	Negative impact on consolidated profit.	The Group undertakes counterparty review and monitoring procedures which are approved by the management team. In 2014, it notably increased the number of front-running banking institutions it uses for investments, hedges and borrowings.
Risk of inability to meet financial commitments (liquidity risk).	Negative impact on the cost of debt and on the Group's image.	Assystem has put in place: • a liquidity optimisation process based on centralised cash management with monthly reports submitted to the Deputy Chief Executive Officer & Chief Financial Officer; • a system for proactively managing its debt. The Group has access to a €120 million credit facility (unused as at 31 December 2015) with a sufficient maturity to finance its operating requirements. Assystem has carried out a specific review of its liquidity risk and is in a position to deal with upcoming due dates.
Risk of lack of control over the number of shares to be delivered on the redemption of Ornane and Odirnane bonds.	Dilutive effect on capital.	Contractual provisions are in place giving the Group the possibility of only paying in the form of shares the amount due in excess of the nominal amount of the bond issues. This limits the risk of the Company's capital being diluted. In view of the Assystem share price at 31 December 2015, no significant dilution is expected in respect of these instruments.
Complexity of the Ornane bonds.	Highly volatile financial income.	Ornane bonds are an instrument with two components (a bond and a financial derivative). The change in fair value of the derivative is recorded as a net financial result. This accounting treatment has no cash effect and has an inverse impact as compared with changes in the share price. Given the impact of the high volatility of this item in the income statement, Assystem has elected to record changes in fair value of the Ornane's derivative component in a separate line within financial income and expenses. The Ornane debt was substantially reduced in 2014, with three partial redemptions bringing the number of Ornane bonds outstanding to 1,234,858 as at 31 December 2015, thereby reducing the impact this variation has on the net financial result on a like-for-like basis.
Risk of a breach of a financial covenant triggering early repayment of borrowings.	Negative cash impact.	The Group's revolving credit facility includes a clause that requires compliance with a financial ratio (covenant). This ratio is consolidated net financial debt/consolidated EBITDA. It is calculated each half-year based on the last twelve months. Non-compliance with the covenant entitles the lenders to require early repayment of the outstanding amount under the facility. As at 31 December 2015, the ratio was below the ceiling provided for in the covenant. The Ornane and Odirnane bonds are not subject to any covenants.

In addition, excess cash flow and asset sale clauses, the conditions of application for which are assessed based on the consolidated scope of the HDL Development Group, of which Assystem is a part, on an annual basis (subject to reinvestment capacities concerning asset sales), are such as to activate an obligation of early repayment of the loan that HDL Development obtained as part of a contract concluded with a set of banks on 16 December 2013. If the conditions of application of these clauses were to be fulfilled, which is not the case for the year 2015, at the Company's General Shareholders' Meeting HDL Development might have to propose distribution of a dividend per share sufficient to enable it to honour its repayment obligations, with the dividends attributable to it. It is specified that the excess cash flow and asset sales referred to by the corresponding clauses would necessarily be generated or carried out by Assystem, insofar that HDL Development does not have any direct or indirect operating activity separate from that of Asssytem, and does not hold any significant assets other than Assystem shares.

5.4 EMPLOYEE-RELATED RISKS

Type	Impact	Risk reduction measures
Risk that the Group's available skills do not match client and market requirements.	Negative impact on the Group's image and revenue.	The Group devotes considerable efforts in terms of management time, employment working hours and cash for in-service training of its engineers. In particular it has developed structures dedicated to specific sectors or occupations within an in-house training institute, the Assystem Institute. Skills reviews are conducted annually for all engineers, which help detect any training requirements for acquiring new skills or honing existing skills. In addition, annual recruitment campaigns specifically target the skills required for successful performance of the Group's current and future projects.
Risk of losing key skills needed for the Group to be able to operate and develop.	Negative impact on the Group's image and revenue.	Key persons are identified within each of the Group's operating entities as well as in its head office and support functions. Succession plans have been drawn up or are being prepared for all of these key persons. In addition, the measures taken to ensure the continuity of our internal control process and the continuous improvement approach of which this process forms part are notably aimed at ensuring the continuity of our processes and operations independently of the persons in charge of them, thus decreasing the risk of dependence on key persons.

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5.5 RISKS RELATED TO IT SYSTEMS

Type	Impact	Risk reduction measures
Risk that data is not available or is corrupted.	Inability to pursue projects, negative impact on the Group's image and revenue.	In view of the Group's high dependence on information systems (for the execution of client projects as well as for its own needs) and the decentralisation of the IT function, risks related to information systems are very closely scrutinised. Business continuity and recovery plans have been established and tested in all of our operating units. Access to information systems is also strictly controlled, especially for employees who use remote access (although the number of these employees is limited). Lastly, access to restricted client areas (engineering platforms installed on Group premises) is strictly controlled in line with our clients' security policies.

5.6 LEGAL, REGULATORY AND TAX RISKS

Type	Impact	Risk reduction measures
Risk of lack of control over the legal and tax aspects of the Group's business and operations in a context of globalisation, and lack of regulatory compliance.	Negative impact on the Group's image and operating profit.	The contract acceptance process systematically includes a legal and tax review. These reviews are used to ensure, in particular, that there are no conditions that are unacceptable for the Group. The definition and formal classification of these conditions are notified to all line managers. The Group has also introduced quarterly risk reports for France that are submitted to the finance, legal/insurance, accounting/tax and Management Control Departments.
Risk that changes to French or foreign tax regulations, or their interpretation by the relevant authorities, may be contrary to the Group's interests or may restrict the Group's ability to organise or develop its business.	Negative impact on operating profit and/or consolidated profit.	The Group's Tax Department, in conjunction with operations staff, carries out ongoing monitoring of changes to tax regulations of relevance to the Group and their corresponding interpretations. Where necessary, it suggests ways of adapting the Group's organisation and its business in order to mitigate the impacts of such changes.

Legal dispute with ASG

In 2015, in the legal dispute between the ASG company and the Acergy (now Subsea 7) and Iska Marine companies, due to an incident occurring in January 2010 (fire outbreak on board a vessel, the Acergy Falcon, placed in dry dock in Brest for maintenance operations), a development occurred in 2015 with the submission by the judicial expert of the definitive judicial expert report. To date and as for the previous years, notwithstanding the judicial expert's submitted report indicating that mistakes may have been made by the ASG company, consequently holding ASG co-liable without quantification for the occurrence and extent of the incident, Assystem considers that no concrete element is able to establish the notion that the ASG company may have made any mistake, or that its liability could necessarily be engaged, either totally or partially. In addition, the Group confirms, as in previous years, that in the event liability is proven, this incident would be covered by the Group's third party liability insurance policies.

Tax inspection

FRANCE

At the end of 2014, Assystem France received notification of a €13.5 million tax reassessment relating to research tax credit amounts. This reassessment is based on a general position taken by the French tax authorities which is applicable to all of the French companies concerned. Assystem entirely disputes the validity of the reassessment, based notably on expert opinions expressed at the end of 2014 and repeated at the end of 2015. Nevertheless the Group has decided to make provision in its 2015 accounts for 50% of the disputed amount (*i.e.* € 6.8 million) in view of the changes in jurisprudence in 2015 concerning subjects of a similar nature. In addition, the Group made provision in its 2014 accounts for €2.0 million for procedural costs to be paid with respect to this dispute. The estimate of these costs was revised in 2015 at €0.5 million and the corresponding provision was consequently revised to stand at €1.5 million.

NIGERIA

A tax assessment conducted by the Federal administration was completed in February 2015 at MPH Nigeria. The adjustment notification has not yet been received, but the potential adjustment amounts are covered by the provisions recorded in the MPH Nigeria balance sheet at the time Assystem acquired it in 2012. At this stage, the Group considers that no additional provision is necessary.

At the date of this Registration Document, the Group is not aware of any other governmental, judicial or arbitration proceedings, including any pending or potential proceedings, that could have or have had in the last 12 months, a significant impact on the financial situation or profitability of the Company and/or the Group.

5.7 INDUSTRIAL AND ENVIRONMENTAL RISKS

Due to the nature of its activities, the Group has no significant direct impact on the environment. In the nuclear sector, the Group provides only knowledge-based services and is not authorised to operate any nuclear facilities as defined in the applicable regulations. The Group's environmental policy and measures are described in Chapter 4 of this Registration Document on Corporate Social Responsibility (CSR).

5.8 RISKS RELATED TO ACQUISITIONS

Type	Impact	Risk reduction measures
Risk that acquired companies may not generate operating profit in line with the Groups objectives and expectations.	Dilutive effect on gross margins and operating profit. Group profitability/ performance objectives not met.	A post-acquisition support plan is drawn up for companies that are newly-acquired by the Group. One of our priorities after acquiring a company is to implement our reporting systems so that we can quickly monitor changes in results and generation of cash flow and take any appropriate corrective measures.

The Group has not identified any other significant risks to date.

5.9 INSURANCE STRATEGY

The Group's insurance strategy includes a proactive risk prevention and protection approach and the coverage of major risks in all fields of engagement and for all the activities performed.

To cover these risks, Assystem has contracted a professional and operating liability insurance policy for its French and international subsidiaries.

The professional liability insurance policy acts as umbrella insurance providing protection against any losses and amounts of claims that are not covered – or not fully covered – by the local insurance policies of Group entities located outside France.

The Group has signed specific insurance policies for its aeronautics and space business covering property damage and consequential losses.

The Group's main insurance policies were renewed in 2015 with the same conditions as were previously applicable.

6

FINANCIAL STATEMENTS

6.1 CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

In millions of euros	Notes	31/12/2015	31/12/2014 (*)
Goodwill	7.8	147.2	124.5
Intangible assets	9	3.7	4.6
Property, plant and equipment	9	17.5	17.6
Investment property	10	1.4	1.4
Equity-accounted investees	11	0.7	1.0
Available-for-sale financial assets	12	0.2	0.2
Other non-current financial assets	13	11.8	10.7
Deferred tax assets	24	10.5	11.0
Non-current assets		193.0	171.0
Trade receivables	14	298.2	280.5
Other receivables	14	66.3	56.5
Income tax receivable		1.1	4.0
Other current assets	16	0.5	0.1
Cash and cash equivalents	15	233.8	252.2
Current assets		599.9	593.3
TOTAL ASSETS		**792.9**	**764.3**

(*) The figures reported at 31 December 2014 have been restated to reflect the retrospective application of IFRIC 21.

EQUITY AND LIABILITIES

In millions of euros	Notes	31/12/2015	31/12/2014 (*)
Share capital	17	22.2	22.1
Share premium		80.3	79.7
Consolidated reserves	17	144.6	135.7
Equity instruments (**)	17	158.4	158.4
Profit for the period attributable to owners of the parent		27.2	21.8
Equity attributable to owners of the parent		432.7	417.7
Non-controlling interests	7 and 23	(0.1)	7.2
Total equity		432.6	424.9
Bond debt	18	26.4	25.6
Other long-term debt and non-current financial liabilities	19	4.5	0.3
Fair value of derivatives	16 and 19	2.1	0.7
Pension and other post-employment benefit obligations	21	23.5	24.3
Long-term provisions	20	7.3	2.3
Contingent liabilities related to share acquisitions	23	1.0	2.0
Non-current liabilities		64.8	55.2
Trade payables		55.3	47.2
Due to suppliers of non-current assets		0.9	0.7
Accrued taxes and payroll costs		180.0	171.3
Income tax liabilities		3.9	1.8
Short-term debt and other current financial liabilities	19	2.2	3.7
Liabilities related to share acquisitions	23	3.6	6.4
Short-term provisions	20	7.0	9.7
Other current liabilities	23	42.6	43.4
Current liabilities		295.5	284.2
TOTAL EQUITY AND LIABILITIES		**792.9**	**764.3**

(*) The figures reported at 31 December 2014 have been restated to reflect the retrospective application of IFRIC 21.
(**) Odirnane bonds.

The accompanying notes form an integral part of the consolidated financial statements.

6.1.2 CONSOLIDATED INCOME STATEMENT

In millions of euros	Notes	2015	2014
Revenue		**907.7**	**866.6**
Payroll costs	28	(644.8)	(631.9)
Other operating income and expenses	29	(193.8)	(171.6)
Taxes other than on income		(1.5)	(1.8)
Depreciation, amortisation and provisions for recurring operating items, net	30	(10.3)	(9.5)
Operating profit before non-recurring items (EBITA)		**57.3**	**51.8**
Share of profit of equity-accounted investees		0.5	0.3
EBITA including share of profit of equity-accounted investees		**57.8**	**52.1**
Non-recurring income and expenses	31	(18.3)	(15.9)
Operating profit		39.5	36.2
Net financial income (expense) on cash and debt	32	4.0	1.8
Fair value remeasurement of the derivative embedded in Ornane bonds	33	(1.4)	1.3
Other financial income and expenses	33	(1.6)	(8.8)
Profit from continuing operations before tax		40.5	30.5
Income tax expense	34	(13.1)	(8.6)
Profit from continuing operations		**27.4**	**21.9**
Profit from discontinued operations	39	0.5	–
Consolidated profit for the period		27.9	21.9
Attributable to: Owners of the parent (*)		27.2	21.8
Non-controlling interests		0.7	0.1

(*) Excluding the fair value remeasurement of the derivative embedded in Ornane bonds (net of tax), profit for the period attributable to owners of the parent amounted to €28.1 million for 2015 and €21.0 million for 2014.

In euros	Notes	2015	2014
Basic earnings per share	35	0.93	0.89
Diluted earnings per share (**)	35	0.93	0.89
Basic earnings per share from continuing operations		0.91	0.89
Diluted earnings per share from continuing operations (**)		0.91	0.89
Basic earnings per share from discontinued operations		0.02	–
Diluted earnings per share from discontinued operations		0.02	–

(**) The diluted earnings per share figures for 2014 and 2015 would be higher than basic earnings per share. In accordance with IAS 33, diluted earnings per share is therefore considered to be the same as basic earnings per share, i.e. €0.93 for 2015 and €0.89 for 2014.

The accompanying notes form an integral part of the consolidated financial statements.

6.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	2015	2014
Consolidated profit for the period		27.9	21.9
Items of other comprehensive income that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liability	21	3.6	(5.8)
Income tax effect		(1.2)	2.1
Remeasurement of the defined benefit liability (net)		2.4	(3.7)
Items of other comprehensive income that may be reclassified subsequently to profit or loss			
Gains and losses on hedging instruments	16	0.3	(0.1)
Income tax effect		(0.1)	–
Gains and losses on hedging instruments (net)		0.2	(0.1)
Currency translation differences		6.8	3.4
Total other comprehensive income (expense)		9.4	(0.4)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**37.3**	**21.5**
Total comprehensive income attributable to owners of the parent		36.5	21.3
Profit for the period attributable to owners of the parent		27.2	21.8
Other comprehensive income (expense) attributable to owners of the parent		9.3	(0.5)
Total comprehensive income attributable to non-controlling interests		0.8	0.2
Profit for the period attributable to non-controlling interests		0.7	0.1
Other comprehensive income attributable to non-controlling interests		0.1	0.1

The accompanying notes form an integral part of the consolidated financial statements.

6.1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of euros	Notes	2015	2014
Cash flows from operating activities			
EBITA including share of profit of equity-accounted investees		57.8	52.0
Depreciation, amortisation and provisions for recurring operating items, net		10.3	9.5
EBITDA		68.1	61.5
Change in operating working capital requirement, of which:		6.0	(2.0)
Change in operating working capital requirement – Trade receivables		*0.5*	*(5.3)*
Change in operating working capital requirement – Trade payables		*5.0*	*7.7*
Change in operating working capital requirement – Other		*0.5*	*(4.4)*
Income tax paid		(9.5)	(12.6)
Other movements		(12.3)	(6.9)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**52.3**	**40.0**
Cash flows from investing activities			
Acquisitions of property, plant and equipment and intangible assets, net of disposals, of which:		(7.5)	(8.3)
Acquisitions of property, plant and equipment and intangible assets	*9*	*(7.7)*	*(8.3)*
Proceeds from disposals of property, plant and equipment and intangible assets	*9*	*0.2*	*–*
Acquisitions of shares in consolidated companies, net of sales, of which:		(34.0)	(1.9)
Acquisitions of shares in consolidated companies	*7*	*(34.8)*	*(1.9)*
Proceeds from sales of shares in consolidated companies		*0.8*	*–*
Loans granted by the Group to non-consolidated companies	13	–	(0.1)
Loans repaid to the Group by non-consolidated companies	13	0.1	0.2
NET CASH USED IN INVESTING ACTIVITIES		**(41.4)**	**(10.1)**
Cash flows from financing activities			
Net financial income received (expenses paid)	32	3.9	(1.6)
Repayments of borrowings and movements in other financial liabilities	19	(1.7)	(115.5)
Dividends paid to owners of the parent	36	(16.2)	(10.0)
Other movements in equity of the parent company		(6.3)	57.9
Issue of equity instruments (*)		–	158.4
Coupon paid on equity instruments (*)		(7.2)	–
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		**(27.5)**	**89.2**
Net increase (decrease) in cash and cash equivalents		(16.6)	119.1
Net cash and cash equivalents at beginning of year	15	250.5	131.2
Effect of non-monetary items and changes in exchange rates	39	(0.5)	0.2
Net increase (decrease) in cash and cash equivalents		(16.6)	119.1
Net cash and cash equivalents at year-end	15 and 19	233.4	250.5

(*) Odirnane bonds.

The accompanying notes form an integral part of the consolidated financial statements.

6.1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of euros	Share capital	Share premium	Remeasurement of defined benefit liability	Hedging reserves	Translation reserve	Total other comprehensive income (expense)	Profit for the period	Other reserves	Equity attributable to owners of the parent	Non-controlling interests	Total equity
At 1 January 2014	19.3	51.1			(7.7)	(7.7)	27.1	98.9	188.7	7.1	195.8
Retrospective application of IFRIC 21								0.6	0.6		0.6
Dividends paid to owners of the parent								(9.9)	(9.9)	(0.1)	(10.0)
Capital increases paid up in cash	2.8	28.6							31.4		31.4
Share-based payments and free share awards								0.7	0.7		0.7
Treasury share transactions								26.5	26.5		26.5
Issue of equity instruments (*)								158.4	158.4		158.4
Total comprehensive income			(3.7)	(0.1)	3.3	(0.5)	21.8		21.3	0.2	21.5
Appropriation of prior-period profit							(27.1)	27.1			
Appropriation of items of other comprehensive income that will not be reclassified to profit or loss			3.7			3.7		(3.7)			
At 31 December 2014	22.1	79.7		(0.1)	(4.4)	(4.5)	21.8	298.6	417.7	7.2	424.9
Dividends paid to owners of the parent								(16.2)	(16.2)		(16.2)
Coupons on Odirnane bonds								(7.2)	(7.2)		(7.2)
Capital increases paid up in cash	0.1	0.6							0.7		0.7
Share-based payments and free share awards								0.3	0.3		0.3
Treasury share transactions								(6.5)	(6.5)		(6.5)
Total comprehensive income			2.4	0.2	6.7	9.3	27.2		36.5	0.8	37.3
Appropriation of prior-period profit							(21.8)	21.8			
Appropriation of items of other comprehensive income that will not be reclassified to profit or loss			(2.4)			(2.4)		2.4			
Acquisitions of subsidiaries with non-controlling interests										(1.4)	(1.4)
Transactions with non-controlling interests without change of control (**)								7.4	7.4	(6.7)	0.7
AT 31 DECEMBER 2015	**22.2**	**80.3**		**0.1**	**2.3**	**2.4**	**27.2**	**300.6**	**432.7**	**(0.1)**	**432.6**

(*) Odirnane bonds: During 2014 the Group carried out a €160 million issue of Odirnane bonds (perpetual bonds redeemable in cash and/or in new or existing shares), which are classified as equity instruments (see Note 3 – Basis of preparation and summary of significant accounting policies). In accordance with IFRS, the proceeds from the bond issue – which amounted to €160 million less €1.6 million in issuance costs net of tax – were recognised in consolidated reserves.

(**) The non-controlling shareholder of Assystem SA's subsidiary, MPH Global Services, held a put option over 19.25% of the capital of that company. This option was exercised in June 2015 and Assystem SA acquired the shares concerned for €5.8 million, resulting in a €0.2 million impact on "Other financial income and expenses". In the consolidated financial statements the transaction led to a €7.2 million reclassification from "Non-controlling interests" to "Equity attributable to owners of the parent".

6.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

NOTE 1 GENERAL INFORMATION

The Assystem Group (hereinafter also referred to as the "Group") is an international leader in the field of engineering.

The Group's parent company is Assystem (hereinafter also referred to as the "Company") – a French public limited company (*société anonyme*) whose registered office is located at 70, boulevard de Courcelles, 75017 Paris, France.

The consolidated financial statements for the year ended 31 December 2015, as well as the accompanying notes, were approved by Assystem's Board of Directors on 9 March 2016. However, these financial statements will only be considered definitive after approval by the Company's shareholders at the Annual General Meeting scheduled to be held on 24 May 2016.

The consolidated financial statements reflect the accounting position of Assystem and its subsidiaries. They are presented in millions of euros, rounded to the nearest hundred thousand.

NOTE 2 SIGNIFICANT EVENTS OF THE YEAR

The following significant event took place in 2015:

Acquisition of Radicon Gulf Consult (Radicon)

On 15 January 2015, the Group completed the acquisition of 75% of the share capital of the Saudi engineering company Radicon Gulf Consult (Radicon) – a leading company in the field of design, engineering and services in Saudi Arabia – for €17.9 million. In connection with this acquisition, the Group granted Radicon a shareholder's loan of €11.9 million, taking over an existing shareholder's loan granted by the seller. Ali K. Al-Harbi – Radicon's founder – still holds a 25% interest in Radicon and is still the creditor of a €4.2 million shareholder's loan.

The disclosures relating to this acquisition that are required under IFRS 3R are set out in Note 7 below – Business combinations.

NOTE 3 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

In accordance with Regulation 1606/2002/EC of the European Parliament and Council dated 19 July 2002, the consolidated financial statements of the Assystem Group for the year ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and related interpretations as adopted by the European Union at that date. These financial statements present two years of data.

IFRSs as adopted by the European Union differ in certain respects from IFRSs as issued by the IASB. The Group nevertheless ensured that the financial information for the reported periods would not have been substantially different had it applied IFRSs as issued by the IASB.

New standards and interpretations effective from 1 January 2015

The only new standard or interpretation which was effective from 1 January 2015 and had an impact on the Group's financial statements was IFRIC 21, "Levies". IFRIC 21 provides guidance on when to recognise a liability to pay a levy imposed by a government that is accounted for in accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets". It notably clarifies when such liabilities should be recognised, with recognition based on the obligating event and the obligating event defined as the activity that triggers the payment of the levy in accordance with the relevant legislation. However, IFRIC 21 does not deal with how to account for costs arising from the recognition of a liability to pay a levy.

The main impact on the consolidated financial statements of applying IFRIC 21 is the effect for each interim reporting period of a change in the timing of the recognition of levies in the income statement. The principal levy concerned is the *contribution sociale de solidarité des sociétés* applicable in France ("C3S"). The application of IFRIC 21 therefore had no impact on the Group's annual results or the consolidated income statement for 2014, and its impact on the consolidated statement of financial position at 31 December 2014 was not material (an increase in consolidated reserves of approximately €0.6 million after tax).

Standards and amendments issued by the IASB but not yet effective at 31 December 2015

The Group did not early adopt any of the new standards or amendments listed below which may affect it but whose application was not mandatory at 1 January 2015:

- IFRS 15, "Revenue from Contracts with Customers"
- IFRS 9, "Financial Instruments"
- Amendments to IAS 1, "Disclosure Initiative"
- Amendments to IAS 19, "Defined Benefit Plans: Employee Contributions"
- Annual Improvements to IFRSs (2010-2012 and 2012-2014 cycles)

The Group is currently assessing the impacts and practical consequences of applying the above standards and amendments.

Year-on-year comparisons

The presentation of the financial statements was changed at 31 December 2015. Consequently, the presentation of the 2014 financial statements has also been changed in order to enable meaningful year-on-year comparisons.

The changes in presentation made to the consolidated income statement are as follows:

- Reversals of used provisions – which were previously deducted from the related recognised expense – are now recorded in a new line, "Depreciation, amortisation and provisions for recurring operating items, net". Additions to and reversals of provisions related to current assets are also recorded in this new line.

For illustrative purposes, the expense lines that impact "Operating profit before non-recurring items (EBITA)" are shown below before and after the change in presentation.

In millions of euros	**2014 reported**
Payroll costs	(631.3)
Taxes other than on income	(1.8)
Depreciation and amortisation	(8.7)
Net additions to provisions for contingencies and charges	(3.0)
Other operating income and expenses	(170.0)
TOTAL OPERATING EXPENSES	**(814.8)**

In millions of euros	**2014 restated**
Payroll costs	(631.9)
Other operating income and expenses	(171.6)
Taxes other than on income	(1.8)
Depreciation, amortisation and provisions for recurring operating items, net	(9.5)
TOTAL OPERATING EXPENSES	**(814.8)**

- A new sub-total called "EBITA including share of profit of equity-accounted investees" has been added, which corresponds to the aggregate of "Operating profit before non-recurring items (EBITA)" and "Share of profit of equity-accounted investees".

Basis of consolidation

FULLY-CONSOLIDATED SUBSIDIARIES

Companies over which the Group exercises control are consolidated. IFRS 10 has introduced a single model of control based on three criteria: "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". Previously, control was defined in IAS 27 as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Assets, liabilities, income and expenses of consolidated subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group until the date the Group ceases to control the subsidiary. All inter-company transactions and balances are eliminated on consolidation. Non-controlling interests are presented separately in the financial statements.

JOINT VENTURES AND JOINT OPERATIONS

Joint arrangements are classified into two types: joint ventures and joint operations. The Group determines the type of joint arrangement in which it is involved by considering its rights and obligations in the arrangement, assessed based on the structure and legal form of the arrangement, the contractual terms agreed to by the parties to the arrangement and, when relevant, other facts and circumstances.

A joint venture is a joint arrangement whereby the parties with joint control ("joint venturers") have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties with joint control ("joint operators") have rights to the assets and obligations for the liabilities of the arrangement.

Joint arrangements that qualify as joint ventures are accounted for using the equity method (equity-accounted investees).

For joint operations, each of the joint operators must recognise the assets and the liabilities (and income and expenses) relating to its interest in the joint operation.

Translation of foreign companies' financial statements and foreign-currency denominated transactions

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, *i.e.* in which the entity mainly generates and expends cash. This currency is called the "functional currency".

The consolidated financial statements are presented in euros, which is the Group's presentation currency.

TRANSACTIONS AND BALANCES

Foreign-currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when included in other comprehensive income as the effective portion of qualifying cash flow hedges and qualifying net investment hedges.

TRANSLATION OF FINANCIAL STATEMENTS OF SUBSIDIARIES

The financial statements of foreign subsidiaries whose functional currency is not the euro are translated into euros as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement presented are translated at average exchange rates, with this average representing a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates (except in the event of significant exchange rate fluctuations).

All resulting exchange differences are recognised in other comprehensive income in a separate line.

Goodwill arising on the acquisition of a foreign entity is recognised in the entity's functional currency and translated into euros at the closing rate.

Business combinations

Business combinations which occurred between 1 January 2004 and 31 December 2009 were recognised in accordance with the requirements of the previous version of IFRS 3.

Since 1 January 2010, business combinations have been recognised based on the requirements of the revised version of IFRS 3 (IFRS 3R). In accordance with IFRS 3R, when an entity over which the Group exercises exclusive control is consolidated for the first time:

- the identifiable assets acquired and liabilities assumed are measured at fair value on the date when control is transferred to the Group. When the Group acquires a business, it assesses the assets and liabilities (including client contracts and portfolios) for appropriate classification and designation
- any non-controlling interest in the acquiree is recognised on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the identifiable net assets of the acquiree.

At the date of a business combination, goodwill is measured as the excess of:

- the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and, for a business combination achieved in stages, the acquisition-date fair value of any equity interest previously held in the acquiree, over
- the acquisition-date fair value of the identifiable net assets acquired.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value ("full goodwill method") or at the proportionate share of the acquiree's identifiable net assets ("partial goodwill method").

The initial accounting for business combinations must be completed within one year of the acquisition date (the "measurement period"). During this measurement period, the Group retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect any new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

Any gain on a bargain purchase (negative goodwill) is recognised in profit immediately.

Subsequent to initial recognition, goodwill is carried at cost less any accumulated impairment losses (see the section entitled "Goodwill" below).

Additionally, the following principles apply to business combinations:

- any contingent consideration is measured at fair value at the acquisition date, and any subsequent changes in the fair value of the contingent consideration are recognised in profit or loss;
- acquisition-related costs are expensed as incurred;
- in accordance with IFRS 10, when the proportion of the equity in a subsidiary held by non-controlling interests changes, the Group recognises directly in "Equity attributable to owners of the parent" any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received.

GOODWILL

In accordance with IFRS 3R, goodwill is not amortised but is tested for impairment at least once a year.

For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs. A CGU corresponds to the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The level of CGU used for the goodwill impairment tests depends on the characteristics of the business, market or geographic segment of each operation.

The Group carries out impairment tests at each year-end and whenever there is an indication of impairment in order to estimate the CGU's recoverable amount. Recoverable amount corresponds to the higher of the CGU's fair value less costs of disposal and its value in use (the present value of the future cash flows expected to be derived from the CGU). When the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognised and is deducted to the extent possible from the carrying amount of the goodwill allocated to the CGU.

If a subsidiary is sold, the goodwill allocated to that subsidiary is taken into account in determining the proceeds of the sale.

Goodwill arising on the acquisition of fully-consolidated companies is presented in a separate line of the financial statements. Goodwill related to equity-accounted investees is shown in "Equity-accounted investees".

Intangible assets

In accordance with IAS 38, "Intangible Assets", an intangible asset is recognised only if the cost of the asset can be measured reliably and it is probable that the expected future economic benefits attributable to the asset will flow to the Group.

The Group's intangible assets mainly correspond to software, which are non-current assets with a finite useful life. These assets are amortised on a straight-line basis over their useful lives, ranging between three and five years depending on the type of asset concerned:

- management software: 5 years
- production software: 3 to 5 years
- office automation software: 1 to 3 years

For internally-generated intangible assets, development costs are capitalised when they meet the recognition criteria in IAS 38, *i.e.* when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The cost of an internally-generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Selling, administrative and other general overhead expenditure are not components of the cost of an internally-generated intangible asset. Following initial recognition, these assets are amortised over their estimated useful lives.

Intangible assets are measured at amortised cost (historical cost on initial recognition plus any amortisable costs recognised subsequently and less any accumulated amortisation and impairment losses).

Property, plant and equipment

In accordance with IAS 16, an asset is classified as property, plant and equipment if it is held for use in the production or supply of goods or services, or for administrative purposes. These assets are recognised in the consolidated statement of financial position if it is likely that the future economic benefits attributable to the asset will flow to the Group and if the cost of the asset can be measured reliably. Property, plant and equipment are depreciated on a straight-line basis over their useful lives, as follows:

- fixtures, fittings and facilities: 3 to 10 years
- vehicles: 3 to 5 years
- office and IT equipment: 3 to 5 years
- furniture: 10 years

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

Subsequent costs are included in the carrying amount of an asset or recognised as a separate component if it is probable that the future economic benefits attributable to that asset corresponding to those costs will flow to the Group and the cost of the asset can be measured reliably. Repair and maintenance costs are expensed in the period they are incurred.

The depreciable amount of property, plant and equipment is determined after deducting residual value if this value is deemed material. If significant parts of an item of property plant and equipment have different useful lives and therefore different depreciation periods they are accounted for as separate items (major components) of property, plant and equipment.

Investment property

IAS 40 defines investment property as property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes.

Investment property is measured at fair value and any gains or losses arising from changes in fair value are recognised directly in the income statement.

Finance leases

Assets acquired under finance leases which transfer substantially all the risks and rewards of ownership of the asset to the lessee are recognised as non-current assets in the consolidated statement of financial position.

Financial assets

In accordance with IAS 32 and 39, financial assets are measured according to the asset category to which they belong. Regular purchases and sales of financial assets are recognised on the trade date, corresponding to the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs. Transaction costs on financial assets at fair value through profit or loss are expensed as incurred.

For a description of derivative financial instruments please see the specific section below.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They typically arise when an entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for their long-term portion. They are initially recognised at fair value and subsequently measured at amortised cost determined by the effective interest method. An impairment loss is recognised for any difference between the recoverable amount of the asset (the present value of estimated future cash flows discounted at the financial asset's original effective interest rate) and its amortised cost on the reporting date. These impairment losses are recognised in profit or loss and can be reversed in a subsequent period in the event of a favourable change in circumstances.

AVAILABLE-FOR-SALE (AFS) FINANCIAL ASSETS

This category includes shares in non-consolidated companies. They are measured at fair value, and any gains or losses arising from changes in fair value – other than impairment losses – are recognised in other comprehensive income until the asset is derecognised. Impairment losses are recognised in profit or loss. For listed shares, fair value corresponds to the market price. Shares whose fair value cannot be measured reliably are recognised at historical cost.

On each reporting date, the fair value of AFS financial assets is calculated and recorded in the statement of financial position. An impairment loss is recognised in profit or loss if there is an objective indication that the asset is impaired, such as a significant or prolonged decline in value. Impairment losses recognised against AFS financial assets may only be reversed when the assets are derecognised.

Treasury shares

In accordance with IAS 32, shares in the Group's parent company held by itself or any of its subsidiaries are recognised at cost as a deduction from equity. No fair value gains or losses are recognised on these shares. Post-tax gains or losses arising on the disposal of treasury shares are recognised directly in equity.

Trade receivables

This item includes:

- services invoiced but not yet paid for;
- services completed but not yet invoiced, measured at the sale price;
- work-in-progress measured at cost price.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. An impairment loss is recognised if there is objective evidence that the Group will be unable to collect all the contractual amounts due. The amount of the impairment loss recognised corresponds to the difference between the amount recorded under assets and the fair value of the discounted future cash flows.

Cash and cash equivalents

The "Cash and cash equivalents" line in the statement of financial position includes cash (cash in hand and demand deposits) and cash equivalents (highly liquid short-term investments readily convertible into a known amount of cash and subject to an insignificant risk of a change in value).

Cash and cash equivalents do not include investments in listed shares, investments with an initial maturity of more than three months and no option of early divestment, and bank accounts subject to restrictions (blocked accounts).

Net cash and cash equivalents presented in the statement of cash flows corresponds to cash and cash equivalents less bank overdrafts.

Debt and other financial liabilities

GENERAL PRINCIPLES

Debt and other financial liabilities are initially recognised at fair value less transaction costs, and are subsequently measured at amortised cost determined by the effective interest method. They are classified as "current" when the Group is required to settle them within twelve months after the reporting date and as "non-current" when the settlement is due beyond those twelve months.

BONDS REDEEMABLE IN CASH AND/OR IN NEW OR EXISTING SHARES (ORNANE BONDS)

An Ornane bond is similar to a convertible bond (Océane), whereby investors benefit from the Group's share price performance through the allocation of an outperformance premium representing the difference between the market price at the maturity date and the face value of the bond.

The number of shares that the Group may be required to issue as a result of its Ornane bonds depends on the share price and type of settlement option exercised. Consequently, the conversion option embedded in the Ornane bonds does not meet the criteria in IAS 32 to be recognised as a derivative in equity, as the derivative will not be settled by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. As a result, this conversion option has to be recognised as a derivative at fair value through profit or loss.

IAS 39 allows the issuer to choose between either of the following two accounting treatments:

- separate recognition of the derivative, resulting in the recognition of:
  - a debt component (the host contract), recognised at amortised cost,
  - an embedded derivative, recognised at fair value through profit or loss; or
- the fair value option, whereby all of the Ornane is recognised at fair value, with changes in fair value recognised through profit or loss.

The Group has chosen the first option, and therefore recognises the embedded derivative of the Ornane bonds separately. Given its characteristics, the embedded derivative cannot be measured reliably and separately, and consequently its fair value is determined as the difference between the fair value of the hybrid contract and that of the debt component. The fair value of the embedded derivative is determined by an external expert based on the Cox-Ross-Rubinstein model. Gains or losses arising on changes in fair value of the derivatives embedded in outstanding Ornane bonds at the reporting date are recognised in the income statement under "Fair value remeasurement of the derivative embedded in Ornane bonds".

The Ornane issuance costs have been allocated in full to the debt component.

PERPETUAL BONDS REDEEMABLE IN CASH AND/OR IN NEW OR EXISTING SHARES (ODIRNANE BONDS)

An Odirnane bond is a perpetual instrument without a maturity date, given that its holders do not have a redemption option. The instruments are redeemable in the event that the Company is liquidated, in which case payment would include accrued coupons and any deferred coupons. Payment of the coupons is at Assystem's discretion and may be deferred when Assystem does not approve a dividend payment. If coupons are not paid, they remain due and take the form of arrears on which interest is paid at the rate applied for the purpose of calculating the bond coupons.

The rate of the coupons on the Odirnane bonds has been set at 4.5% until 17 July 2021, and then as from that date a floating rate will apply corresponding to the 6-month Euribor plus a margin of 800 basis points (step-up clause). In the event of a change of control of the Company or an event that reduces the Company's free float to below 25%, the annual nominal rate will be stepped up by 500 basis points.

Bondholders have the option to convert their bonds into shares. The issuer may, however, redeem the bonds in cash, and if the conversion value exceeds the nominal value of the bonds, both in cash and treasury shares of a variable number, or in shares only, by applying the conversion ratio.

In certain cases defined in the securities note dated 9 July 2014, Assystem may redeem the Odirnane bonds by buying them back for a pre-defined price (corresponding to their nominal value plus accrued coupons and any arrears). In addition, Assystem may at any time, buy back all or some of the outstanding bonds on the market from the bondholders, at a price to be agreed upon.

The Group has recognised the Odirnane bonds as equity instruments in view of the fact that:

- there is no contractual obligation to repay the nominal amount except if the Company is liquidated, as IAS 32 states that the issuer's requirement to settle the obligation in the event of liquidation does not prevent classification as an equity instrument; and
- the coupon payments to bondholders:
  - either depend on the issuer's liquidation – as indicated above, the obligation for the issuer to proceed with payment in the event of liquidation does not establish the existence of a debt within the meaning of IAS 32;
  - are under the issuer's control (dividend payment, purchase of treasury shares or equivalent, early redemption decided by the issuer, decision regarding the next coupon payment on the bonds, etc.).

The Group's long record of dividend payments on ordinary shares – which automatically triggers the payment of coupons on the instruments – does not call into question the absence of a contractual obligation within the meaning of IAS 32.

Lastly, the "step-up" clause under which the amount of the coupons is increased significantly after a certain date if the instruments have not been bought back by the issuer beforehand, and the clause related to late payment interest on the coupons (which is capitalised and accrues at the same interest rate as applicable to the bonds), correspond to economic constraints and not contractual obligations pursuant to IAS 32 and its current interpretations.

In view of the characteristics of the instruments and the facts detailed above, Assystem has no contractual obligation to make payments in respect of these perpetual debt instruments.

The various options described above do not prevent the Odirnane bonds from being classified as equity instruments.

Other non-current liabilities

Put options over non-controlling interests (contingent liabilities relating to share acquisitions)

The Group may write put options over non-controlling interests in certain of its subsidiaries. The exercise price may be fixed or based on a pre-determined formula.

The Group records a financial liability for the put options over the non-controlling interests in the entities concerned. This liability is initially recognised at the present value of the exercise price and at the end of subsequent reporting periods it is measured by reference to the fair value of the shares that would potentially have to be purchased if the exercise price is based on fair value. Subsequent changes in the fair value of the put are recognised in financial income or expenses.

Derivative instruments

The Group uses derivative instruments to manage and reduce its exposure to changes in interest rates and foreign exchange rates.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. The method of recognising the resulting fair value gains or losses depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedged item.

On inception of a hedge, the Group documents the relationship between the hedged item and the hedging instrument. The Group also documents its estimates both on inception and prospectively to determine the effectiveness of the hedge in offsetting changes in fair value or cash flows attributable to the hedged risk.

FAIR VALUE HEDGES

Fair value hedges are used to hedge the Group's exposure to changes in fair value of a recognised asset or liability (or an identified portion of such an asset or liability) or a firm commitment to purchase or sell an asset at a pre-defined price, that is attributable to a particular risk and could affect profit. Changes in fair value are recognised in the income statement.

CASH FLOW HEDGES

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit.

The Group applies cash flow hedge accounting when the following conditions are met:

- there is formal designation and documentation of the hedging relationship;
- the hedge is highly effective; and
- the forecast transaction that is the subject of the hedge is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit.

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 and the ineffective portion is recognised in the income statement. If the hedging instrument expires, or is sold, cancelled or exercised, the gain or loss initially recognised in other comprehensive income continues to be recorded separately in other comprehensive income until the forecast transaction occurs. If the commitment no longer exists or the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that had been recognised directly in other comprehensive income is reclassified to profit.

Provisions

In accordance with IAS 37, a provision is recorded when 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 the obligation can be measured reliably.

Where the effect of the time value of money is material, provisions are discounted using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a financial expense.

Employee benefit obligations

The Group accounts for defined benefit and defined contribution post-employment benefit plans in accordance with the laws and practices of each country in which it operates.

DEFINED CONTRIBUTION PLANS

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all of the benefits relating to the services rendered by employees prior to retirement.

The actuarial risk (that benefits will cost more than expected) and the investment risk (that plan assets will be insufficient to meet expected benefits) is not borne by the employer entity.

Contributions to government plans and other defined contribution plans are recognised as an expense for the period in which they are due. No provision is recorded as the Group's obligation is limited to its contributions to the plans.

DEFINED BENEFIT PLANS

All post-employment benefit plans other than defined contribution plans correspond to defined benefit plans. Under defined benefit plans the entity's obligation is to provide the agreed benefits to current and former employees. The employer entity may either:

- pay contributions to a separate entity (a fund), but must pay further contributions (or pay unfunded benefits) if the fund does not hold sufficient assets to pay all of the benefits relating to the services rendered by employees; or
- pay the benefits itself, funding them out of its own assets.

Consequently, under defined benefit plans the employer entity bears both the actuarial risk and the investment risk.

In accordance with IAS 19, "Employee Benefits", actuarial valuations of post-employment benefit obligations under defined benefit plans are made using the projected unit credit method, based on assumptions for mortality rates, staff turnover and future salary projections.

The net defined benefit liability recognised at the reporting date corresponds to the present value of the defined benefit obligation – *i.e.* the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods – less the fair value of plan assets.

Actuarial gains and losses are recognised in other comprehensive income.

Deferred taxes

Deferred taxes are recognised using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences, apart from in the exceptional cases referred to in IAS 12.

Deferred tax assets are recognised for the carryforward of unused tax losses and unused tax credits and deductible temporary differences only to the extent that it is probable that the Group will have sufficient future taxable profit against which the unused tax losses, tax credits or temporary differences can be utilised.

The following elements are taken into account when estimating whether the Group will have sufficient future taxable profit to recover deferred tax assets:

- forecasts of future taxable profits;
- non-recurring expenses included in past losses and which will not be incurred again in the future;
- past history of taxable profit for prior years.

A deferred tax liability is recognised for taxable temporary differences relating to equity-accounted investees even if it is probable that there will be undistributed profits (as the Group does not control the investee it cannot determine its profit distribution policy), unless there is an agreement requiring that that the profits of the equity-accounted investee will not be distributed in the foreseeable future.

When a deferred tax asset or liability relates to an item that is recognised directly in equity, then the related deferred tax is also recognised directly in equity.

Deferred tax assets and liabilities are offset only when the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Deferred tax assets and liabilities are not discounted.

Stock options – Share-based payment

In accordance with IFRS 2, "Share-based Payment", when the Group receives services from employees as consideration for share-based payments the fair value of the employee services received in exchange for the grant of the share-based payments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the benefits granted to the employees concerned under stock option plans or free share/performance share plans. The expense is recognised on a straight-line basis over the vesting period. For stock options, the fair value of the options is determined using the Black & Scholes pricing model.

Although the share-based payment expense – which is recognised as a non-recurring expense in the consolidated income statement – reduces profit for the period, it has no impact on total equity.

Revenue recognition

Revenue corresponds to the gross inflows of economic benefits received or receivable by the Group during the period on its own account which arise from ordinary operating activities and result in increases in equity.

The applicable standards require that revenue be measured at the fair value of the consideration received or receivable. In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable.

The Group recognises its revenue in the period in which the services are rendered. Revenue for the Group comprises:

- invoices issued or to be issued for services rendered;
- the valuation at cost price of services for which the Group has undertaken works and for which it is certain that it will receive an order from the client; and
- commissions on business for which the Group acts as an agent.

Depending on the type of transaction involved, the criteria for determining the stage of completion of services rendered can at a given date include:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed; or
- the proportion that costs incurred to date bear to the estimated total costs of the transaction.

The criteria applied are left to the discretion of the operating unit's manager who chooses those that are best suited to the project.

The Group's services are valued based on the following:

- **time and materials contracts:** the valuation of services rendered under these contracts depends on the resources used. Revenue is determined on a time-spent basis, agreed on with the client, and corresponding to an aggregate resulting from the multiplication of an hourly or daily rate.
- **fixed-price contracts:** services rendered under these contracts are valued based on the percentage of completion method as defined in IAS 11
- **provisions for losses on completion:** a provision is recognised when it is probable that contract costs will exceed contract revenue. The amount of the provision is calculated by reference to the stage of completion less the loss already recognised, and it is recorded under "Depreciation, amortisation and provisions for recurring operating items, net".

Government grants and tax credits

Government grants are recognised in the income statement on a systematic basis over the periods necessary to match them with the costs that they are intended to compensate. They are recognised either:

- as a deduction from the corresponding expense if the grant is intended to compensate an identified cost, or
- as a decrease in other operating expenses if the grant is for general purposes.

Tax credits relating to operating expenses (research tax credits, etc.) are recognised in operating profit as a deduction from the expenses to which they relate, using the same accounting treatment as for government grants.

Operating profit before non-recurring items (EBITA)/ Operating profit

A new sub-total called "EBITA including share of profit of equity-accounted investees" has been added to the income statement in 2015, which corresponds to the aggregate of "Operating profit before non-recurring items (EBITA)" and "Share of profit of equity-accounted investees".

Operating profit before non-recurring items (EBITA) corresponds to operating profit before:

- share-based payment expense (performance shares/free shares and stock options);
- acquisition- and divestment-related expenses (external fees associated with external growth transactions and divestments);
- capital gains or losses arising on business divestments;
- income and expenses related to unusual, atypical and infrequent events, mainly comprising restructuring costs, asset impairment losses (including goodwill impairment), and other material income and expenses.

Net financial income (expense) on cash and debt and other financial income and expenses

Net financial income (expense) on cash and debt (hereinafter "Finance costs, net") corresponds to all income and expenses arising during the period on items making up net debt, including gains and losses on interest rate and currency hedges on debt.

Cash and debt consist of (i) cash and cash equivalents and current and non-current derivatives (included in other financial assets) on the assets side of the statement of financial position, and (ii) bond debt, other debt and financial liabilities, and the fair value of derivatives on the liabilities side.

Changes in the fair value of the above-mentioned categories of financial assets and liabilities are not included in "Finance costs, net" and instead are recognised in "Other financial income and expenses".

"Other financial income and expenses" corresponds to income and expenses that are non-operational (*e.g.* financial income arising from the main business of the Company, a subsidiary or a division and associated with a commercial activity) and which are not included in "Finance costs, net".

They consist mainly of dividends from non-consolidated companies, impairment of AFS financial assets, gains and losses on the disposal of AFS financial assets, impairment and losses on disposals of other current and non-current financial assets, the effect of discounting provisions, changes in the fair value of financial assets and liabilities, foreign exchange gains and losses on operating assets and liabilities, and miscellaneous financial income and expenses.

Basic earnings per share and diluted earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the parent (after deducting coupons on the Odirnane bonds – see below) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting (i) profit for the period attributable to owners of the parent for the impact of all dilutive potential ordinary shares, net of the related tax, and (ii) the weighted average number of ordinary shares outstanding by assuming conversion into ordinary shares of all dilutive instruments outstanding.

Treasury shares deducted from consolidated equity are not taken into account in the calculation of basic or diluted earnings per share.

The Group's dilutive instruments are as follows:

- Ornane bonds (the issuer can choose to settle the debt component and the embedded derivative either in cash or in new and/or existing shares);
- Odirnane bonds (the issuer can choose to settle the equity instrument either in cash or in new and/or existing shares);
- free shares.

Dilutive instruments are only taken into account if their dilutive impact reduces earnings per share or increases loss per share. In accordance with IAS 33, if diluted earnings per share is higher than basic earnings per share it is considered to be non-representative and is reduced to the same amount as basic earnings per share.

Assets held for sale and discontinued operations

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is considered to be the case when (i) the asset (or disposal group) is available for immediate sale in its present condition; and (ii) its sale is highly probable. When such an asset or disposal group represents a material amount it is presented separately from other assets or groups of assets. Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

A discontinued operation is defined as a significant component of an entity (with a "component of an entity" comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity) that has either been disposed of, or is classified as held for sale and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Income statement and cash flow items of discontinued operations are presented separately for all of the periods disclosed in these financial statements when they represent material amounts.

NOTE 4 MAIN SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that can affect the reported amounts of certain assets and liabilities and income and expenses. The impact of any changes in estimates is accounted for on a prospective basis. The estimates are made by Management based on the going concern principle using information available at the reporting date. They may change, however, due to circumstances or new information that could require a reconsideration of the context in which they were prepared. Actual results may therefore differ from the estimates.

The random nature of certain estimates may make it difficult to ascertain the Group's economic outlook, particularly in relation to asset impairment tests (see Note 8 – Goodwill).

The accounting items that are the most exposed to the risk of estimation uncertainty are described below.

Revenue recognition

As described in Note 3 – Basis of preparation and summary of significant accounting policies, revenue is recognised at the fair value of the consideration received or receivable for the services rendered by the Group.

Revenue generated from long-term service contracts is accounted for in accordance with IAS 11. The stage of completion of projects and revenue amounts are determined using numerous estimates based on cost-monitoring and past experience. Estimates and assumptions may be adjusted throughout the term of the contract and could have a significant impact on future profit.

Provisions for losses on completion of contracts and project warranty costs

Provisions for expected losses on engineering contracts can be recognised in accordance with the percentage of completion method, in accordance with IAS 18 and IAS 11 (see the "Revenue recognition" section in Note 3 – Basis of preparation and summary of significant accounting policies). When it becomes probable that total contract costs will exceed total contract revenue a provision is immediately recognised for the related loss, after deducting any previously recognised losses. However, the loss actually recognised on completion of the contract may differ from the amounts originally provisioned, and may have an impact on future profit.

Figures relating to provisions are presented in Note 20 – Provisions and contingent liabilities.

Impairment of trade receivables

An impairment loss is recognised on trade receivables if the present value of future amounts to be collected is less than their nominal value. The amount of the impairment loss recognised takes into account the age of the receivable and the debtor's capacity to honour its obligations. A lower recoverability rate than estimated or a default by a major client could adversely affect future profit.

Figures relating to impairment of trade receivables are presented in Note 14 – Trade receivables.

Deferred taxes

Deferred tax assets are recognised for the carryforward of unused tax losses and unused tax credits and deductible temporary differences only to the extent that it is probable that the Group will have sufficient future taxable profit against which the unused tax losses, tax credits and temporary differences can be utilised.

In assessing whether it will have sufficient future taxable profit to recover deferred tax assets the Group takes into account forecasts of future taxable profits, non-recurring expenses included in past losses and which will not be incurred again in the future, and its past history of taxable profit for prior years.

Figures for deferred taxes related to unused tax losses and temporary differences are presented in Note 24 – Deferred taxes.

Goodwill impairment

The estimates used in the assumptions for calculating goodwill impairment and the related sensitivity analyses are set out in Note 8 – Goodwill.

Employee benefit obligations

The estimates used in the assumptions for calculating employee benefit obligations and the related sensitivity analyses are set out in Note 21 – Employee benefit obligations.

Derivative embedded in the Ornane bonds

The derivative embedded in the Ornane bonds is measured using the Cox-Ross-Rubinstein model whose calculation assumptions are based on estimates.

NOTE 5 FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks in its use of financial instruments:

- credit risk;
- market risk;
- liquidity risk.

This note includes information on the Group's exposure to each of the above risks and those resulting from early repayment clauses related to covenants, as well as its risk management and measurement procedures, objectives and policy. Quantitative information is provided in the other notes to these consolidated financial statements.

The Board of Directors defines and oversees the Group's risk management framework.

The Group's risk management policy is aimed at (i) identifying and analysing the risks to which the Group is exposed, (ii) defining limits for these risks, and (iii) implementing controls. The risk management policy and systems are regularly reviewed in order to factor in changes in the Group's market conditions and operations.

Through its management and training procedures and rules, the Group seeks to foster a constructive, rigorous control environment in which staff members have an effective understanding of their roles and duties.

The Group's Audit Committee is responsible for ensuring that the Group's risk management policy and procedures are effectively applied and for verifying that the Group's risk management framework is appropriate in light of the risks to which it is exposed.

Credit risk

Credit risk represents the risk of the Group incurring a financial loss if a client or counterparty to a financial instrument fails to fulfil its contractual obligations.

The Group's maximum credit risk exposure corresponds to the carrying amount of its financial assets:

	Carrying amount	
In millions of euros	31/12/2015	31/12/2014
Available-for-sale financial assets	0.2	0.2
Other non-current financial assets	11.8	10.7
Trade receivables	298.2	280.5
Other receivables	66.3	56.5
Cash and cash equivalents	233.8	252.2
TOTAL	**610.3**	**600.1**

CUSTOMER CREDIT RISK

In view of the quality of its client portfolio, Management considers that the Group has limited customer credit risk. Beyond a defined threshold and when they are of an unusual nature, business contracts are systematically validated by the Group's Legal Affairs and Insurance Department in order to identify, assess and address related risks prior to any firm and final commitment being entered into.

The following table shows movements in impairment losses on trade receivables in 2014 and 2015.

In millions of euros	2015	2014
Beginning of year (amount recorded in the statement of financial position)	7.7	7.9
Impairment losses recognised/reversed during the year	0.1	(0.4)
Currency translation differences	0.8	0.2
Effect of changes in scope of consolidation	4.0	–
YEAR-END (AMOUNT RECORDED IN THE STATEMENT OF FINANCIAL POSITION)	**12.6**	**7.7**

The €4 million recognised under "Effect of changes in scope of consolidation" in 2015 relates to trade receivables that were written down in full at the beginning of the year when Radicon was acquired.

The amount of impairment losses recognised by the Group represents its estimate of losses incurred in relation to trade receivables. This corresponds to specific losses associated with significant individual risks. The Group does not record any write-downs of trade receivables for losses incurred but not yet identified and which are determined by reference to past payment data.

Based on past experience and taking into account its trade receivables recovery policy, the Group believes that the amount of impairment losses recognised for the year is in line with the risks to which it is exposed.

The table below provides a breakdown of late payments for "Trade receivables" as a whole as well as the impairment losses recorded for disputed receivables and client defaults:

	Gross		Impairment		Gross		Impairment	
In millions of euros	2015	%	2015	%	2014	%	2014	%
Not past due	261.3	84.1%	–	–	241.5	83.8%	–	–
Up to 30 days past due	19.4	6.2%	–	–	21.9	7.6%	–	–
Between 31 and 60 days past due	9.5	3.1%	–	–	7.2	2.5%	0.1	1.3%
Between 61 and 180 days past due	7.8	2.5%	–	–	7.8	2.7%	0.8	10.4%
More than 181 days past due	12.8	4.1%	12.6	100.0%	9.8	3.4%	6.8	88.3%
TOTAL	**310.8**	**100.0%**	**12.6**	**100.0%**	**288.2**	**100.0%**	**7.7**	**100.0%**

OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

The Group's other current and non-current financial assets include, *inter alia*, guarantee deposits granted to entities with which the Group enters into real-estate lease arrangements. These deposits are returned to the Group at the end of the lease. The Group generally enters into lease arrangements with leading real-estate market operators and therefore the corresponding credit risk is very limited.

Other current and non-current financial assets also include amounts granted as loans by the Group as its contribution to the *effort à la construction* French government housing scheme. These loans are repayable by public bodies after a 20-year period and are discounted.

OTHER RECEIVABLES

This item mainly includes recurring operating receivables (tax and employee-related receivables).

CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents stood at €233.8 million at 31 December 2015. The majority of cash investments – corresponding to units in SICAV money-market funds and term accounts – are centralised at the level of Assystem SA.

Market risk

Market risk corresponds to the risk of fluctuations – such as in exchange rates and interest rates – affecting the Group's profit. Management of market risk is aimed at managing risk exposure and keeping it within acceptable limits, while optimising the profitability-to-risk relationship.

INTEREST RATE RISK

Interest rate risk is managed by the Group's Treasury Department which centralises the subsidiaries' cash surpluses and shortfalls and sets up any requisite external financing. The Group is not exposed to interest rate risk, given that Ornane bondholders are paid a fixed coupon of 4%, and Odirnane bondholders are paid a fixed coupon of 4.5%.

EXCHANGE RATE RISK

Owing to the geographic diversity of its establishments and operations, the Group is exposed to fluctuations in exchange rates. Exchange rate volatility may affect Group equity and/or profit.

The Group monitors offerings and contracts in foreign currency in order to safeguard its operating margins on major contracts denominated in foreign currency. The hedges set up when exchange rate risk is identified are mainly forward sales or purchases whose amounts and maturities are matched to the underlying exposure.

For hedges of intra-Group financing in foreign currency the Group uses currency swaps.

The Group is also exposed to risks arising on the translation into euros of the financial statements of foreign subsidiaries denominated in local currency. These risks mainly relate to the EUR/GBP, EUR/USD and EUR/SAR exchange rates (at the date of this Registration Document, the SAR was pegged to the USD at a fixed rate).

The net assets of UK subsidiaries denominated in GBP are set out in the table below:

In millions of GBP	
Non-current assets	20.0
Current assets	49.7
Total assets	69.7
Non-current liabilities	23.2
Current liabilities	11.8
Total liabilities	35.0
NET ASSETS	**34.7**

COUNTERPARTY RISK

The Group is exposed to counterparty risk on transactions carried out on financial markets in connection with its risk management and cash management policies. However, borrowings, derivative-based hedges and investments are set up through top-ranking banking institutions approved by the Board of Directors. In 2014 the number of top-ranking banking institutions with which the Group invests, borrows, and sets up hedges was increased, and its main banks are now Société Générale, CIC Nord-Ouest, LCL, CA-CIB, HSBC, BNP Paribas and Commerzbank. The measurement of the Group's derivative instruments does not have a significant impact on the assessment of its credit risk.

The Group Treasury Department reports on a monthly basis to the Deputy Chief Executive Officer & Chief Financial Officer on the Group's cash positions and the performance of the department's cash management strategy, which is in line with the principles and policies set by Executive Management. Shared software (Taïga, Kyriba and Swaps) has been put in place in the majority of the Group's entities, which helps secure cash flows and ensure reliable reporting in accordance with Group standards.

Liquidity risk

The Group Treasury Department is responsible for managing liquidity risk and it provides the Group's subsidiaries with appropriate short or long-term financing resources.

The Group optimises its liquidity by managing the cash surpluses and requirements of its subsidiaries on a centralised basis. This is carried out through cash-pooling agreements and intra-group loans and borrowings in compliance with local regulations. When the consolidated cash position corresponds to a surplus, it is managed in line with the objective of maintaining liquidity while optimising returns.

External financing is also managed centrally by the Treasury Department, with a view to optimising costs.

To ensure the Company's business development and liquidity, Assystem SA uses diverse sources of financing. At 31 December 2015 this financing amounted to €307.2 million and included:

- €160 million in Odirnane bonds;
- €27.2 million in Ornane bonds;
- a revolving credit facility of up to €120 million, which was not drawn at the year-end.

The undrawn portion of the Group's medium-term credit facilities was as follows at 31 December 2015:

In millions of euros	Currency	Financing inception date	Amount in original currency	Euro equivalent	Amount drawn down	Amount available	Interest rate	Expiry date
France (revolving credit)	EUR	16 December 2013	120.0	120.0		120.0	Euribor (drawdown in the reference currency) + margin (1)	31 December 2019
United Kingdom (2)	GBP	–	9.6	13.2		13.2	TSB base rate + 2%	

(1) Lending margin depending on the leverage ratio (net debt/EBITDA), with a minimum level of 0.60%.
(2) Facility contingent on outstanding trade receivables.

The contractual residual maturities of the Group's financial liabilities break down as follows (including interest payments). For the purpose of cash flow projections, the Group used the 3-month Euribor at 31 December for each year plus the credit spread for floating-rate financial liabilities.

In millions of euros	Carrying amount at 31/12/2015	Contractual cash flows	Due within 1 year	Due in 1-5 years	Due beyond 5 years
Bond debt	26.4	29.4	1.1	28.3	–
Bank borrowings	0.5	0.5	0.5	–	–
Finance lease liabilities	0.4	0.4	0.2	0.2	–
Ornane embedded derivative and sundry financial liabilities	7.5	7.5	1.1	2.2	4.2
Other non-current liabilities	1.0	1.0	–	1.0	–
Bank overdrafts	0.4	0.4	0.4	–	–
Trade payables	55.3	55.3	55.3	–	–
Other current liabilities (1)	11.9	11.9	11.9	–	–
Operating leases (2)	–	49.7	14.8	30.9	4.0
TOTAL CONTRACTUAL OBLIGATIONS	**103.4**	**156.1**	**85.3**	**62.6**	**8.2**

In millions of euros	Carrying amount at 31/12/2014	Contractual cash flows	Due within 1 year	Due in 1-5 years	Due beyond 5 years
Bond debt	25.6	30.5	1.1	29.4	–
Bank borrowings	0.1	0.1	0.1	–	–
Finance lease liabilities	0.3	0.3	0.1	0.2	–
Ornane embedded derivative and sundry financial liabilities	2.5	2.5	1.8	0.7	–
Other non-current liabilities	2.0	2.0	–	2.0	–
Bank overdrafts	1.7	1.7	1.7	–	–
Trade payables	47.2	47.2	47.2	–	–
Other current liabilities (1)	17.1	17.1	17.1	–	–
Operating leases (2)	–	51.5	17.6	28.7	5.2
TOTAL CONTRACTUAL OBLIGATIONS	**96.5**	**152.9**	**86.7**	**61.0**	**5.2**

(1) Excluding accrued taxes and payroll costs and deferred income.
(2) Off-balance sheet commitments.

Early repayment risks arising from covenants

The revolving credit facility includes a covenant requiring compliance with a financial ratio (net debt/EBITDA), which had to be less than or equal to 2.75 at 31 December 2015. This ratio is calculated annually based on the Group's net debt figure at the end of the year concerned and consolidated EBITDA for that year. If the Group fails to comply with the covenant the lender may demand early repayment of the borrowings. At 31 December 2015, the Group's net debt/EBITDA ratio was below the ceiling specified in the facility agreement.

NOTE 6 SCOPE OF CONSOLIDATION

Company name	Country	Registration number	Percentage interest	Consolidation method
French companies				
Assystem SA	France	412076937	Parent	FC
Alphatest	France	400741740	49.84	EM
ASG	France	387943764	100	FC
Assystem Avenir	France	790420509	100	FC
Assystem Calédonie	France	B1294156	100	FC
Assystem EOS	France	444159164	100	FC
Assystem Expert	France	509768917	100	FC
Assystem France	France	322118605	100	FC
Assystem Régions	France	352268973	100	FC
Assystem International	France	429159106	100	FC
Assystem Investissements	France	808637607	100	FC
Assystem Polynésie	France	TPI15249B	100	FC
Athos Aéronautique	France	415173210	100	FC
Engage	France	521686857	25	EM
Eurosyn Développement SAS	France	383335205	67.28	FC
Extra Capital	France	523477339	100	FC
Holistia	France	481683969	100	FC
Insiema	France	572004372	100	FC
MPH Global Services	France	499137610	100	FC
MPH International	France	332022334	100	FC
N Triple A	France	531136687	50	EM
Plast concept	France	401395001	100	FC
SCI du Pont Noir	France	309112381	100	FC
Sica	France	572123040	99.67	FC
Sud Aviation Services	France	538097981	100	FC

Company name	Country	Registration number	Percentage interest	Consolidation method
International companies				
Assystem Deutschland Holding GmbH	Germany		100	FC
Assystem GmbH	Germany		100	FC
Silver Atena Electronic Systems Engineering GmbH	Germany		100	FC
Berner & Mattner Systemtechnik GmbH	Germany		100	FC
Radicon	Saudi Arabia		75.00	FC
Berner & Mattner Systemtechnik GesmbH	Austria		100	FC
Assystem Iberia	Spain		100	FC
Audifilm SA	Spain		100	FC
Assystem Portugal	Portugal		100	FC
Assystem Italia	Italy		100	FC
TFSI	Guernsey		100	FC
Assystem Romania	Romania		100	FC
Plast concept Romania	Romania		100	FC
Assystem Canada	Canada		100	FC
Assystem UK and subsidiaries	United Kingdom		100	FC
Silver Atena Ltd	United Kingdom		100	FC
Silver Atena UK Ltd	United Kingdom		100	FC
Specialist Services Ltd	United Kingdom		100	FC
Assystem Engineering Consulting Co Ltd	China		100	FC
Assystem India Private Limited	India		100	FC
Assystem Technology India Private Limited	India		100	FC
Silver Software Development Centre Private Ltd	India		100	FC
Assystem Belgium	Belgium		100	FC
Assystem Maroc SAS	Morocco		100	FC
ASM Technologies	Morocco		100	FC
MPH Cifal Russia	Russia		51.00	FC
MPH HRCFM	Abu Dhabi		100	FC
MPH Technical Services LLC	Abu Dhabi		100	FC
GNRS	Dubai		100	FC
MPH Consulting Services DMCC	Dubai		100	FC
Assystem Solutions DMCC	Dubai		100	FC
MPH Technical Services LLC	Qatar		100	FC
MPH Technical Services	Nigeria		100	FC
MPH Yemen Limited	Yemen		50.00	EM
MPH Singapore	Singapore		100	FC
MPH Technical Services Malaysia	Malaysia		100	FC
MPH Congo	Republic of Congo		100	FC
Assystem US Inc.	United States		100	FC
Assystem Australia	Australia		100	FC
Assystem Switzerland	Switzerland		100	FC
Assystem Talent International Management	Switzerland		100	FC

FC: Fully consolidated.
EM: Accounted for by the equity method.

Relations between Assystem SA (the parent) and its subsidiaries are described in Assystem SA's individual financial statements (the "Parent company financial statements").

NOTE 7 BUSINESS COMBINATIONS

2015

RADICON GULF CONSULT (RADICON)

Radicon – which is based in Al Kobar and Riyadh in Saudi Arabia and employs 400 people – contributed €30.1 million to the Group's revenue and €2.8 million to consolidated profit in 2015.

The fair values of the net assets acquired in this business combination are shown in the table below.

In millions of euros	Carrying amount of net assets acquired	Fair value of net assets acquired	Adjustments within the IFRS measurement period
Intangible assets	–	–	–
Property, plant and equipment	0.1	0.1	–
Available-for-sale financial assets	1.0	1.0	–
Other non-current assets	–	–	–
Deferred tax assets	1.0	1.0	–
Trade receivables	11.2	11.2	–
Other receivables	1.9	1.9	–
Income tax receivable	–	–	–
Other current assets	0.3	0.3	–
Cash and cash equivalents	2.4	2.4	–
Total assets	17.9	17.9	–
Provisions	1.3	1.3	–
Employee benefit obligations	–	–	–
Financial liabilities	16.1	16.1	–
Trade payables	2.8	2.8	–
Other liabilities	2.8	2.8	–
Income tax liabilities	0.4	0.4	–
Total liabilities	23.4	23.4	–
NET ASSETS	**(5.5)**	**(5.5)**	**–**
Non-controlling interest	(1.4)	(1.4)	–
NET ASSETS ACQUIRED	**(4.1)**	**(4.1)**	**–**

Goodwill related to the acquisition, as determined using the partial goodwill method, breaks down as follows:

In millions of euros	Final allocation of the purchase price
Portion of the purchase price paid in cash and cash equivalents	(17.9)
TOTAL PURCHASE PRICE	**(17.9)**
Fair value of net assets acquired	(4.1)
GOODWILL	**(22.0)**

The non-controlling interest in Radicon was measured based on the proportionate share of the acquiree's net assets still held by the minority shareholder.

The cash inflows and outflows relating to the acquisition of Radicon break down as follows:

In millions of euros	
Cash and cash equivalents	2.4
Bank overdrafts	–
Net cash acquired	2.4
Purchase price of Radicon's shares	(17.9)
Shareholder's loan granted	(11.9)
NET CASH OUTFLOW	**(27.4)**

In accordance with IFRS 3R, the Group completed the initial accounting for the acquisition within one year of the date it acquired control of Radicon, *i.e.* by 15 January 2016.

No other significant business combinations took place in 2015.

Cash flows related to acquisitions of shares in consolidated companies were as follows in 2015 and 2014:

In millions of euros	2015	2014
Acquisition of Sud Aviation shares	(0.4)	(1.9)
Acquisition of Radicon shares	(27.4)	–
Acquisition of Plast Concept shares	(1.1)	–
Payment on exercise of the put on non-controlling interests in MPH Global Services	(5.8)	–
Acquisition of available-for-sale financial assets	(0.1)	–
ACQUISITIONS OF SHARES IN CONSOLIDATED COMPANIES	**(34.8)**	**(1.9)**

2014

No significant business combinations took place in 2014.

NOTE 8 GOODWILL

In millions of euros	2015	2014
Beginning of year	124.5	119.8
Effect of changes in scope of consolidation	26.2	4.3
Impairment losses	(7.0)	–
Currency translation differences	3.5	0.4
Year-end	147.2	124.5
Gross value at year-end	173.2	141.9
Accumulated impairment losses at year-end	(26.0)	(17.4)

The effect of changes in scope of consolidation in 2015 corresponds to the goodwill generated on the following acquisitions:

- Plast concept (deemed to be a non-material business combination at Group level);
- Radicon (see Note 7 – Business combinations).

The Group's three operating segments are now as follows: Global Product Solutions (outsourced R&D); Energy & Infrastructure (complex infrastructure and engineering);·Staffing (worldwide assignment of consultants specialised in Oil & Gas and other industrial sectors). These three segments correspond to the three cash-generating units (CGUs) that are now used by the Group and which comply with the IFRS definition of CGUs.

The Group tests goodwill for impairment once a year or whenever there is an objective indication that it may be impaired.

The allocation of the carrying amount of goodwill by cash-generating unit (CGU) is shown below:

	31/12/2014	31/12/2015				
In millions of euros	Carrying amount	Effect of changes in scope of consolidation	Impairment losses recognised during the year	Currency translation differences	Carrying amount	Accumulated impairment losses at year-end
Global Product Services	89.9	4.2	–	0.4	94.5	13.5
Energy & Infrastructure	14.5	22.0	–	3.1	39.6	5.5
Staffing	20.1	–	(7.0)	–	13.1	7.0
TOTAL	**124.5**	**26.2**	**(7.0)**	**3.5**	**147.2**	**26.0**

The impairment losses recognised in 2015 concern the “Staffing” CGU. Although measures have been put in place to diversify this CGU’s operations, both in terms of geographic coverage and business sectors, in view of its outlook the Group recorded a €7 million impairment loss against the CGU’s assets during the year, which was recognised in “Non-recurring income and expenses”.

The recoverable amount of the CGUs was calculated based on their value in use. In order to determine value in use, the Group projects the future cash flows that it expects to derive from each CGU. These projections are based on five-year budgets and cash flows beyond this five-year period are estimated by extrapolating the projections using a perpetuity growth rate (see below). This growth rate must not exceed the medium- to long-term average growth rate for the industry as a whole. Future cash flows are discounted based on the weighted average cost of capital (WACC) of each business segment.

The cash flows used were based on budget forecasts established by the operating management teams of each CGU when drawing up their medium and long-term strategy. The Group applied a normative cost of debt weighted for the Group as a whole and a cost of equity specific to each country in order to determine the WACC (see table below).

The table below presents the main factors used for modelling the assumptions used for the impairment tests:

2015		
CGU	Perpetuity growth rate used for extrapolating future cash flows beyond the projection period	Discount rate
Global Product Services	1.50%	8.0%
Energy & Infrastructure	1.50%	8.2%
Staffing	1.00%	10.2%

If any impairment is identified based on the calculation of discounted future cash flows and/or market values of the assets concerned, or if there is a change in market conditions or in the cash flows that were originally estimated, then previously recognised impairment losses may need to be revised or modified.

A 1% (100 basis points) increase in the WACC rates used for the impairment tests carried out on the Global Product Services and Energy & Infrastructure CGUs would not result in the recognition of an impairment loss for these CGUs.

The Staffing CGU was identified as having a recoverable amount lower than its carrying amount in 2015, which led to the recognition of a €7 million impairment loss. Sensitivity analyses were performed to measure the impact of changes in the main assumptions used for calculating the impairment loss.

The table below shows the difference between the recoverable amount and carrying amount of the Staffing CGU, with brackets indicating where the scenario concerned would lead to an impairment loss and the figure presented corresponding to the amount of the impairment loss (in millions of euros).

		Sensitivity to changes in WACC and perpetuity growth rates				
In millions of euros		WACC *(%)*				
		(1.0)%	(0.5)%	0.0%	0.5%	1.0%
Perpetuity growth rate *(%)*	0.5%	(4.8)	(6.4)	(7.8)	(9.0)	(10.2)
	1.0%	(3.7)	(5.4)	(7)*	(8.3)	(9.5)
	1.5%	(2.4)	(4.3)	(5.9)	(7.4)	(8.7)

		Sensitivity to changes in EBITDA, WACC and perpetuity growth rates				
In millions of euros		Normative EBITDA rate *(%)*				
		(1.0)%	(0.5)%	0.0%	0.5%	1.0%
Perpetuity growth rate *(%)*	0.5%	(9.7)	(8.6)	(7.8)	(7.1)	(6.6)
	1.0%	(8.8)	(7.8)	(7)*	(6.2)	(5.7)
	1.5%	(7.9)	(6.8)	(5.9)	(5.3)	(4.8)
		(1.0)%	(0.5)%	0.0%	0.5%	1.0%
		WACC *(%)*				

* *Actual scenario, based on Management’s best estimate, used for measuring goodwill* impairment.

NOTE 9 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets

In millions of euros	Development costs	Software	Assets in progress	Other	Total
Carrying amount at 1 January 2014	0.8	3.5	0.4	0.3	5.0
Additions	–	1.4	0.5	–	1.9
Amortisation	(0.2)	(2.1)	–	(0.1)	(2.4)
Currency translation differences	0.1	–	–	–	0.1
Other movements	–	0.6	(0.6)	–	–
CARRYING AMOUNT AT 31 DECEMBER 2014	**0.7**	**3.4**	**0.3**	**0.2**	**4.6**
Gross value at 31 December 2014	1.7	45.5	0.3	0.3	47.8
Accumulated amortisation and impairment losses at 31 December 2014	1.0	42.1	–	0.1	43.2
Carrying amount at 1 January 2015	0.7	3.4	0.3	0.2	4.6
Additions	–	1.7	0.2	–	1.9
Effect of changes in scope of consolidation	–	0.1	–	–	0.1
Impairment losses	(0.5)	–	–	–	(0.5)
Amortisation	(0.3)	(2.2)	–	–	(2.5)
Currency translation differences	0.1	–	–	–	0.1
Other movements	–	0.4	(0.4)	–	–
CARRYING AMOUNT AT 31 DECEMBER 2015	**–**	**3.4**	**0.1**	**0.2**	**3.7**
Gross value at 31 December 2015	1.9	48.9	0.1	0.3	51.2
Accumulated amortisation and impairment losses at 31 December 2015	1.9	45.5	–	0.1	47.5

Property, plant and equipment

In millions of euros	Land, buildings, and fixtures and fittings	IT equipment	Other	Total
Carrying amount at 1 January 2014	9.2	6.3	3.6	19.1
Additions	1.3	2.4	1.2	4.9
Effect of changes in scope of consolidation	–	–	–	–
Depreciation	(2.0)	(3.6)	(0.8)	(6.4)
Disposals and retirements	(0.3)	–	–	(0.3)
Currency translation differences	0.2	0.1	–	0.3
Other movements	–	0.1	(0.1)	–
CARRYING AMOUNT AT 31 DECEMBER 2014	**8.4**	**5.3**	**3.9**	**17.6**
Gross value at 31 December 2014	18.4	53.3	9.8	81.5
Accumulated depreciation and impairment losses at 31 December 2014	10.0	48.0	5.9	63.9
Carrying amount at 1 January 2015	8.4	5.3	3.9	17.6
Additions	1.6	1.8	1.5	4.9
Effect of changes in scope of consolidation	–	0.3	0.7	1.0
Depreciation	(2.1)	(3.1)	(1.2)	(6.4)
Disposals and retirements	(0.1)	(0.1)	–	(0.2)
Currency translation differences	0.3	0.2	0.1	0.6
Other movements	0.1	0.3	(0.4)	–
CARRYING AMOUNT AT 31 DECEMBER 2015	**8.2**	**4.7**	**4.6**	**17.5**
Gross value at 31 December 2015	20.3	58.7	12.2	91.2
Accumulated depreciation and impairment losses at 31 December 2015	12.1	54.0	7.6	73.7

The carrying amount of property, plant and equipment acquired under finance leases in the past two years is as follows:

In millions of euros	31/12/2015	31/12/2014
Carrying amount of property, plant and equipment acquired under finance leases	0.2	0.2

Cash flows related to acquisitions of property, plant and equipment and intangible assets were as follows in 2015 and 2014:

In millions of euros	2015	2014
Movements in operating loans and guarantee deposits	(1.2)	(1.0)
Acquisitions of business bases	–	(1.8)
Acquisitions of intangible assets	(1.9)	(1.9)
Acquisitions of property, plant and equipment	(4.9)	(4.9)
Movements in amounts due to suppliers of non-current assets	0.3	1.3
ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**(7.7)**	**(8.3)**

NOTE 10 INVESTMENT PROPERTY

The building recognised under "Investment property" at 31 December 2015 corresponds to a fully-owned property located in Equeurdreville, France, which is measured at fair value. It was valued in February 2014 by an independent valuer who has no legal ties with the Group and has the required qualifications to conduct such a valuation. In compliance with IFRS, the valuation method used was based on analysing recent transactions involving similar assets in the same market, as well as a return-based approach. Major market trends were also taken into consideration.

The fair value measurement was classified as level 3 in the IFRS fair value hierarchy in view of the inputs used for valuing the asset.

At 31 December 2015, the value of the investment property was €1.4 million.

There have been no significant changes in the substance of the lease contract on the property since the last valuation was performed.

NOTE 11 JOINT VENTURES (EQUITY-ACCOUNTED INVESTEES)

The application of IFRS 11 had an impact on the consolidated financial statements, as it required the Group to account for the companies Engage, N3A and MPH Yemen Limited by the equity method as from 1 January 2014 along with Alphatest which was already accounted for by this method in prior years.

As from 2015 the income statement line "Share of profit of equity-accounted investees" is presented after "Operating profit before non-recurring Items (EBITA)", and a new sub-total is presented – "EBITA including share of profit of equity-accounted investees". The companies whose profit is included in this line all have operations that are closely connected with those of the Group.

Equity accounted investees

In millions of euros	2015	2014
Beginning of year	1.0	1.9
Dividends	(0.5)	(0.5)
Share of profit	0.5	0.3
Non-recurring expenses	–	(0.8)
Other movements	(0.3)	0.1
YEAR-END	**0.7**	**1.0**

MPH Yemen Limited

In 2014 a €0.8 million non-recurring expense was recorded in relation to the Group's joint venture MPH Yemen Limited, in view of the geopolitical environment in Yemen. This corresponded to a full write-down of the Group's investment in this joint venture, which was not reversed in 2015.

N3A

In 2013, in view of N3A's negative net worth (amounting to €0.9 million for the Group's share), the Group fully wrote down the loan granted to this joint venture – representing an amount of €0.8 million – and set aside an additional €0.1 million provision for liabilities, reducing the value of its investment in the entity to zero. As N3A returned to profit in 2014 and 2015 (with the Group's share of profit totalling €0.1 million and €0.2 million respectively), provision reversals in corresponding amounts were recognised in "Share of profit of equity-accounted investees".

The Group's holdings in joint ventures are as follows:

				Carrying amount (in millions of euros)	
Company	**Country**	**% interest**	**% voting rights**	**31/12/2015**	**31/12/2014**
Engage	France	25	25	0.2	0.3
Alphatest	France	49.84	49.84	0.5	0.7
N3A	France	50	50	–	–
MPH Yemen Limited	Yemen	50	50	–	–

The aggregate revenue and income statement and balance sheet items of equity-accounted investees are as follows:

In millions of euros	**2015**	**2014**
Revenue	49.5	44.9
Consolidated profit (1)	1.5	1.1
Other comprehensive income	0.1	–
TOTAL COMPREHENSIVE INCOME	**1.6**	**1.1**
(1) Of which:		
Depreciation/amortisation expense	(0.2)	(0.1)
Interest expenses	–	–
Income tax expense	(0.1)	(0.3)

In millions of euros	**31/12/2015**	**31/12/2014**
Non-current assets (2)	0.7	0.9
Current assets	23.1	24.0
Non-current liabilities (3)	(2.1)	(0.4)
Current liabilities (4)	(19.6)	(21.9)
NET ASSETS	**2.1**	**2.6**
Of which:		
(2) Cash and cash equivalents	(11.1)	(9.8)
(3) Non-current financial liabilities	(1.6)	–
(4) Current financial liabilities	(1.0)	(1.6)

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NOTE 12 AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	Gross value 2015	Gross value 2014
Beginning of year	4.8	4.8
Additions	–	–
Effect of changes in scope of consolidation	–	–
Disposals	–	–
YEAR-END	**4.8**	**4.8**

In millions of euros	Impairment 2015	Impairment 2014
Beginning of year	4.6	4.6
Impairment losses recognised in the income statement	–	–
YEAR-END	**4.6**	**4.6**
CARRYING AMOUNT AT YEAR-END	**0.2**	**0.2**
Of which, unlisted securities	0.2	0.2

The following table provides a breakdown of available-for-sale financial assets:

		31/12/2015	31/12/2014
In millions of euros	% interest	Carrying amount	Carrying amount
Polyform & other	25.0%	0.1	0.1
Alyotech	9.0%	–	–
ST Group	18.8%	–	–
Eradma	4.0%	0.1	0.1
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS		**0.2**	**0.2**

NOTE 13 OTHER NON-CURRENT FINANCIAL ASSETS

The increase in the fair value of "Other loans and guarantee deposits" in 2014 and 2015 was due to a marked fall in the rate used for discounting the loans granted in connection with the Group's contribution to the *effort à la construction* French government housing scheme.

In millions of euros	Loans to non-consolidated companies	Other loans and guarantee deposits	Total
CARRYING AMOUNT AT 31 DECEMBER 2014	**–**	**8.5**	**8.5**
Accumulated impairment losses at 31 December 2014	1.3	–	1.3
Carrying amount at 1st January 2014	–	8.5	8.5
Increases	0.1	1.5	1.6
Changes in fair value	–	1.2	1.2
Repayments	(0.2)	(0.5)	(0.7)
Other movements	0.1	–	0.1
CARRYING AMOUNT AT 31 DECEMBER 2014 – RESTATED	**–**	**10.7**	**10.7**
Accumulated impairment losses at 31 December 2014	1.6	–	1.6
Carrying amount at 1st January 2015	–	10.7	10.7
Increases	–	1.4	1.4
Changes in fair value	–	(0.1)	(0.1)
Repayments	(0.1)	(0.2)	(0.3)
Other movements	0.1	–	0.1
CARRYING AMOUNT AT 31 DECEMBER 2015	**–**	**11.8**	**11.8**
Accumulated impairment losses at 31 December 2015	1.6	–	1.6

NOTE 14 TRADE AND OTHER RECEIVABLES

Trade receivables

In millions of euros	31/12/2015	31/12/2014
Trade receivables	237.5	221.9
Accrued revenue and work-in-progress	73.3	66.3
GROSS VALUE	**310.8**	**288.2**
Impairment	(12.6)	(7.7)
CARRYING AMOUNT	**298.2**	**280.5**

Other receivables

In millions of euros	31/12/2015	31/12/2014
Supplier prepayments	0.5	1.4
Employee-related receivables	1.2	1.3
Tax receivables	53.3	43.3
Other current receivables	5.8	5.0
Prepaid expenses	6.3	5.9
Gross value	67.1	56.9
Impairment	(0.8)	(0.4)
CARRYING AMOUNT	**66.3**	**56.5**

NOTE 15 CASH AND CASH EQUIVALENTS

In millions of euros	31/12/2015	31/12/2014
Cash	36.2	43.1
Cash equivalents	197.6	209.1
TOTAL	**233.8**	**252.2**

The units in "SICAV" money-market funds and the term accounts held by the Group correspond to cash equivalents within the meaning of IAS 7, "Statement of Cash Flows". No restrictions have been placed on the use of the Group's bank accounts.

NOTE 16 DERIVATIVE INSTRUMENTS

Currency derivatives

See the "Exchange rate risk" sections of Note 5 – Risk management for further details of the Group's currency hedges.

	2015			2014	
In millions of euros	Assets	Liabilities	Change in fair value	Assets	Liabilities
Currency hedges – CFH *	0.2	–	0.3	–	(0.1)
TOTAL	**0.2**	–	**0.3**	–	**(0.1)**
Short-term portion	0.2		–	–	(0.1)
Change in cash flow hedge reserve	–	–	0.3	–	–

* *Cash Flow Hedge.*

Derivatives embedded in the Ornane bonds

The derivatives embedded in the Ornane bonds are recognised under "Fair value of derivatives" on the liabilities side of the consolidated statement of financial position.

In millions of euros	2015	2014
Beginning of year	0.7	6.9
Financial impact of Ornane buybacks	–	(4.9)
Change in fair value of outstanding Ornane bonds recognised through profit	1.4	(1.3)
YEAR-END	**2.1**	**0.7**

NOTE 17 SHARE CAPITAL, SHARES AND ODIRNANE BONDS

Shares

	Ordinary shares	
Number of shares	2015	2014
Beginning of year	22,154,831	19,326,066
Exercise of BSAAR stock warrants	63,385	2,828,765
Treasury shares	(680,149)	(388,117)
YEAR-END	**21,538,067**	**21,766,714**
Number of shares issued and fully paid up	22,218,216	22,154,831
Par value *(in euros per share)*	1.00	1.00

At 31 December 2015, Assystem SA's shares broke down as follows:

- number of shares with single voting rights: 21,970,104;
- number of shares with double voting rights: 248,112.

Each share gives its holder the same rights to dividend payments.

Stock warrants (BSAAR)

There were 170,698 BSAAR 2015 stock warrants outstanding at 31 December 2014, exercisable at a price of €11.10 per warrant on the basis of one share for one warrant. During 2015:

- 63,385 warrants were exercised for newly-issued shares;
- 105,057 warrants were exercised for existing shares.

The expiry date for the exercise of the BSAAR stock warrants was 9 July 2015.

The maximum potential number of shares at 31 December 2015 that could be issued on conversion of instruments carrying rights to Assystem's capital, as a result of the holders exercising those rights, is summarised in the table below:

Number of shares issued and fully paid up			Potential maximum number of shares
TOTAL SHARES	ORNANE BONDS (*)	ODIRNANE BONDS (**)	TOTAL SHARES
22,218,216	1,259,555	5,602,240	29,080,011

(*) As mentioned in the diluted earnings per share section of Note 3 – Basis of preparation and summary of accounting policies), the maximum dilution assumption used at 31 December 2015 corresponds to the redemption at par in shares of the 1,234,858 issued and outstanding Ornane bonds at the year-end based on a conversion ratio of 1.02 shares for one bond.

(**) As mentioned in the diluted earnings per share section of Note 3 – Basis of preparation and summary of accounting policies), the maximum dilution assumption used at 31 December 2015 corresponds to the redemption at par in shares of the 5,602,240 issued and outstanding Odirnane bonds at the year-end based on a conversion ratio of one share for one bond.

Treasury shares

	Treasury shares	
Number of shares	2015	2014
Beginning of year	388,117	1,829,333
Purchase of treasury shares	829,777	515,270
Sale of treasury shares	(373,988)	(1,850,206)
Treasury shares granted on the exercise of BSAAR stock warrants	(105,057)	–
Treasury shares granted to employees and officers	(58,700)	(106,280)
YEAR-END	**680,149**	**388,117**
Value of treasury shares recognised in equity *(in € millions)*	(12.3)	(6.6)

Odirnane bonds

In the second half of 2014, the Group issued perpetual bonds redeemable in cash and/or in new or existing shares (Odirnane bonds). The method used to account for these Odirnane bonds and the bonds' general characteristics are described in Note 3 – Basis of preparation and summary of significant accounting policies. The bonds' main financial characteristics are set out in the table below:

	Amount issued	Number of bonds issued	Maturity at issue date	Annual nominal coupon from 17/07/2014 to 16/07/2021	Annual nominal coupon as from 17/07/2021 *	Post-tax issuance costs charged against the value of the instruments	Value recognised in consolidated reserves
Odirnane bonds	€160 million	5,602,240	Perpetual	4.5%	6-month Euribor + 800 basis pts	1.6	158.4

* *Step-up clause.*

NOTE 18 BOND DEBT

Ornane bonds

On 6 July 2011, the Group issued bonds redeemable in cash and/or in new or existing shares (Ornane bonds) for an aggregate €92 million. The method used to account for these Ornane bonds and the bonds' general characteristics are described in Note 3 – Basis of preparation and summary of significant accounting policies. The bonds' main financial characteristics are set out in the table below:

	Amount issued	Number of bonds outstanding at 31 December 2015	Maturity at issue date	Coupon	Coupons paid during the year	Debt component at issue date	Expenses charged in accordance with the effective interest method	Embedded derivative at issue date
Ornane bonds	92.0	1,234,858	01/01/2017	4.0%	1.1	79.3	1.9	10.8

At 31 December 2015, 1,234,858 Ornane bonds were still outstanding, representing a total nominal amount of €27.2 million.

In millions of euros	2015	2014
Beginning of year	25.6	84.5
Ornane redemptions	–	(64.8)
Amortised cost	0.8	5.9
YEAR-END	**26.4**	**25.6**

The €1.4 million change in fair value of the outstanding Ornane bonds is detailed in Note 33 – Other financial income and expenses.

The rate applied for calculating the debt component and embedded derivative at the issue date was 6.63%.

NOTE 19 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

In millions of euros	Beginning of year	Increases	Repayments	Currency translation differences	Change in fair value	Effect of changes in scope of consolidation	Other movements	Year-end
Bank borrowings	–	0.1	–	–	–	–	(0.1)	–
Finance lease liabilities	0.2	–	–	–	–	0.1	(0.1)	0.2
Sundry financial liabilities	0.1	–	–	1.8	–	15.0	(12.6)	4.3
Long-term derivative instruments	0.7	–	–	–	1.4	–	–	2.1
Total non-current financial liabilities	1.0	0.1	–	1.8	1.4	15.1	(12.8)	6.6
Bank borrowings	0.1	–	(0.6)	0.1	–	0.8	0.1	0.5
Finance lease liabilities	0.1	–	(0.2)	–	–	0.2	0.1	0.2
Sundry financial liabilities	1.7	–	(1.0)	0.1	–	–	0.3	1.1
Bank overdrafts	1.7	–	(1.3)	–	–	–	–	0.4
Short-term derivative instruments	0.1	–	–	–	–	–	(0.1)	–
Total current financial liabilities	3.7	–	(3.1)	0.2	–	1.0	0.4	2.2
Bank borrowings	0.1	0.1	(0.6)	0.1	–	0.8	–	0.5
Finance lease liabilities	0.3	–	(0.2)	–	–	0.3	–	0.4
Sundry financial liabilities	1.8	–	(1.0)	1.9	–	15.0	(12.3)	5.4
Long-term derivative instruments	0.7	–	–	–	1.4	–	–	2.1
Short-term derivative instruments	0.1	–	–	–	–	–	(0.1)	–
Bank overdrafts	1.7	–	(1.3)	–	–	–	–	0.4
TOTAL	**4.7**	**0.1**	**(3.1)**	**2.0**	**1.4**	**16.1**	**(12.4)**	**8.8**

The €4.2 million increase in "Sundry financial liabilities" corresponds to the amount recognised on the acquisition of Radicon in relation to the loan granted to that company by its minority shareholder. The reclassification within this item from "Changes in scope of consolidation" to "Other movements" primarily reflects the €11.9 million shareholder's loan that the Group granted as part of the Radicon acquisition by taking over an existing shareholder's loan (see Note 7 – Business combinations).

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NOTE 20 PROVISIONS AND CONTINGENT LIABILITIES

Provisions

In millions of euros	Beginning of year	Additions	Reversals (used provisions)	Reversals (unused provisions)	Other movements	Year-end
Restructuring costs	2.1	–	(1.0)	(0.5)	(0.3)	0.3
Employee-related risks and tax risks	–	6.8	–	–	–	6.8
Other	0.2	0.1	(0.1)	(0.1)	0.1	0.2
Total long-term provisions	2.3	6.9	(1.1)	(0.6)	(0.2)	7.3
Guarantees for fixed-fee projects and losses on completion	1.2	0.8	(0.1)	(0.8)	(0.1)	1.0
Restructuring costs	2.5	1.6	(3.4)	–	0.3	1.0
Employee-related risks and tax risks	2.6	1.6	(0.5)	(0.8)	–	2.9
Other	3.4	0.9	–	(2.2)	–	2.1
Total short-term provisions	9.7	4.9	(4.0)	(3.8)	0.2	7.0
Guarantees for fixed-fee projects and losses on completion	1.2	0.8	(0.1)	(0.8)	(0.1)	1.0
Restructuring costs	4.6	1.6	(4.4)	(0.5)	–	1.3
Employee-related risks and tax risks	2.6	8.4	(0.5)	(0.8)	–	9.7
Other	3.6	1.0	(0.1)	(2.3)	0.1	2.3
TOTAL PROVISIONS	**12.0**	**11.8**	**(5.1)**	**(4.4)**	**–**	**14.3**

The year-on-year change in provisions for restructuring costs relates to the items in Note 31 – Non-recurring income and expenses.

Contingent liabilities

ASG LEGAL DISPUTE

ASG is involved in a legal dispute with Acergy (since renamed Subsea 7) and Iska Marine concerning a fire that occurred in January 2010 aboard a ship, the Acergy Falcon, which was dry-docked in Brest for maintenance at the time. The main development in this case in 2015 was that the court-appointed expert filed his assessment report, which stated that ASG was at fault in a number of respects and therefore that it is jointly liable for the occurrence and extent of the fire, although the degree of its liability was not quantified. Despite the findings of this report, as in prior periods, Assystem still considers that there is no evidence that ASG was at fault or that it will necessarily be held fully or partially liable. In addition, as in previous periods, the Group confirms that in the event ASG is held liable, this claim would be covered under the Group's third-party liability insurance policies.

TAX INSPECTIONS

France

In late 2014 Assystem France received notification of a €13.5 million tax reassessment relating to research tax credits. This reassessment is based on a general position taken by the French tax authorities which is applicable to all of the French companies concerned. Assystem is disputing the grounds of the reassessment in their entirety, based notably on the opinions of legal experts initially issued in 2014 and reiterated in late 2015. However the Group decided to set aside a provision in its 2015 financial statements representing 50% of the disputed amount (*i.e.* €6.8 million), in view of changes in case law in 2015 related to similar disputes. The Group had already recognised a €2.0 million provision in its 2014 financial statements to cover the estimated costs of the procedure, but these costs were re-estimated at €0.5 million in 2015 and €1.5 million of the provision was therefore reversed.

Nigeria

In February 2016 a tax inspection carried out by the Nigerian tax authorities on MPH Nigeria was completed. The final tax reassessment notice has not yet been received, but the potential reassessed amounts are covered by provisions recognised in MPH Nigeria's balance sheet when it was acquired by Assystem in 2012. At this stage of the procedure, the Group does not consider that any additional provisions need to be set aside.

At the date these consolidated financial statements were approved for issue there were no other governmental, legal or arbitration proceedings (including any such proceedings that were pending or threatened of which it was aware), which may have, or have had in the past 12 months, significant effects on the financial position or profitability of the Company or the Group.

NOTE 21 EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations consist mainly of statutory retirement bonuses payable in accordance with the Syntec collective bargaining agreement applicable in France. These bonuses correspond to vested entitlements determined based on length of service.

Net liability recognised in the statement of financial position

In millions of euros	31/12/2015	31/12/2014
Present value of funded or partially-funded post-employment benefit obligations	24.9	25.8
Fair value of plan assets	(1.4)	(1.5)
PROVISION RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION	**23.5**	**24.3**

Impact on the income statement

In millions of euros	2015	2014
Current service cost	(2.2)	(2.0)
Interest expense	(0.4)	(0.3)
Amount recognised in the income statement	(2.6)	(2.3)
Amount recognised in “Depreciation, amortisation and provisions for recurring operating items, net”	(2.2)	(2.0)
Amount recognised in “Other financial income and expenses”	(0.4)	(0.3)
AMOUNT RECOGNISED IN THE INCOME STATEMENT	**(2.6)**	**(2.3)**

Change in the net liability recognised in the statement of financial position

In millions of euros	2015	2014
Net liability at beginning of year	24.3	17.2
Current service cost	2.2	2.0
Interest expense	0.4	0.3
Remeasurement of the defined benefit liability recognised in equity	(3.6)	5.8
Currency translation differences	0.2	–
Effect of changes in scope of consolidation	1.5	–
Benefits paid	(1.6)	(1.1)
Benefits paid directly by the fund	0.1	0.1
NET LIABILITY AT YEAR-END	**23.5**	**24.3**

The actuarial gains and losses recognised directly in other comprehensive income relate to the change in the discount rate applied (2.5% for France and Germany in 2015 *versus* 1.3% in 2014). The composite rate applied for 2015 was determined based on the Bloomberg and Iboxx rates.

Present value of the post-employment benefit obligation

In millions of euros	2015	2014
Present value of the post-employment benefit obligation at beginning of year	25.8	18.8
Service cost	2.2	2.0
Interest expense	0.4	0.3
Remeasurement of the defined benefit liability recognised in equity	(3.6)	5.8
Currency translation differences	0.2	–
Effect of changes in scope of consolidation	1.5	–
Benefits paid	(1.6)	(1.1)
PRESENT VALUE OF THE POST-EMPLOYMENT BENEFIT OBLIGATION AT YEAR-END	**24.9**	**25.8**

Plan assets

In millions of euros	2015	2014
Fair value of plan assets at beginning of year	1.5	1.6
Benefits paid	(0.1)	(0.1)
FAIR VALUE OF PLAN ASSETS AT YEAR-END	**1.4**	**1.5**

Plan assets are mainly split between two funds representing €0.8 million and €0.6 million respectively.

Actuarial assumptions

	2015	2014
France		
Discount rate	2.5%	1.3%
Projected rate of salary increases	2.5%	2.5%

Defined contribution plans

	2015	2014
Amount expensed for defined contribution plans	22.3	21.4

Sensitivity analysis

The liability recognised for statutory retirement bonuses payable in accordance with the Syntec collective bargaining agreement is calculated based on actuarial assumptions related to the following: mortality rate, staff turnover, future salaries, discount rate and expected return on plan assets. Changes in these assumptions can impact the liability to a greater or lesser extent.

The Group has chosen to present a sensitivity analysis for the discount rate applicable for France, since any change in this assumption could significantly affect the related liability:

	1% decrease	0.5% decrease	0.5% increase	1% increase
Impact on equity (in millions of euros)	2.3	1.2	(1.3)	(2.7)
Impact on equity (%)	0.5%	0.3%	(0.3)%	(0.6)%
Impact on net post-employment benefit obligation (%)	(9.8)%	(5.1)%	5.5%	11.5%

NOTE 22 OTHER NON-CURRENT LIABILITIES

Contingent liabilities related to share acquisitions

In millions of euros	2015	2014
Beginning of year	2.0	6.4
Effect of changes in scope of consolidation	–	2.0
Effect of unwinding the discount	–	2.1
Changes in fair value recognised in the income statement	(1.0)	(2.5)
Reclassification to other current liabilities	–	(6.0)
YEAR-END	**1.0**	**2.0**

"Changes in fair value recognised in the income statement" correspond to the new estimate of the contingent consideration recorded in connection with the acquisition of Sud Aviation.

NOTE 23 LIABILITIES RELATED TO SHARE ACQUISITIONS AND OTHER CURRENT LIABILITIES

Liabilities related to share acquisitions

In millions of euros	31/12/2015	31/12/2014
MPH Global Services non-controlling interest put option	–	6.0
Additional purchase price consideration for Plast concept	3.6	–
Other	–	0.4
TOTAL	**3.6**	**6.4**

The non-controlling shareholder of Assystem SA's subsidiary, MPH Global Services, held a put option over 19.25% of the capital of that company, which was valued at €6 million at 31 December 2014 (non-controlling interest put option). This option was exercised during the first half of 2015 and Assystem SA acquired the shares concerned for €5.8 million, resulting in a €0.2 million impact on "Other financial income and expenses".

The Group recognised a financial liability in 2015 related to contingent consideration for the acquisition of Plast concept, valued at €3.6 million.

Other current liabilities

In millions of euros	31/12/2015	31/12/2014
Amounts owed to clients	6.0	7.6
Other operating payables	1.4	2.4
Deferred income	35.2	33.4
TOTAL	**42.6**	**43.4**

NOTE 24 DEFERRED TAXES

Deferred taxes presented in the statement of financial position are grouped by tax units. However, the table below uses the presentation by type of deferred tax.

Net deferred taxes presented in the statement of financial position

In millions of euros	31/12/2015	31/12/2014
Deferred tax assets		
Recoverable within 1 year	4.9	4.9
Recoverable beyond 1 year	7.4	8.3
	12.3	13.2
Deferred tax liabilities		
Due within 1 year	0.7	1.4
Due beyond 1 year	1.1	0.8
	1.8	2.2
NET DEFERRED TAXES	**10.5**	**11.0**
of which recoverable within one year	4.2	3.5
of which recoverable beyond one year	6.3	7.5

Movements in deferred tax assets and liabilities break down as follows:

In millions of euros	2015	2014
Beginning of year	11.0	5.8
Effect of changes in scope of consolidation	1.0	–
Assets held for sale or included in a disposal group	–	–
Year-on-year changes recognised in the income statement	(0.8)	3.1
Deferred taxes recognised in other comprehensive income	(1.3)	–
Deferred taxes recognised in equity	0.5	2.1
Currency translation differences	0.1	–
Other	–	–
YEAR-END	**10.5**	**11.0**

Deferred tax assets

In millions of euros	Employee profit-sharing	Provision for statutory retirement bonuses	Tax loss carryforwards	Depreciation, amortisation and provisions	Derivative instruments	Discounting of receivables and payables	Other	Total
At 1 January 2014	1.2	4.8	1.5	0.2	–	1.0	0.3	9.0
Year-on-year changes recognised in the income statement	(1.0)	0.7	0.5	1.2	–	(0.3)	1.0	2.1
Deferred taxes recognised in other comprehensive income	–	2.1	–	–	–	–		2.1
At 31 December 2014	0.2	7.6	2.0	1.4	–	0.7	1.3	13.2
Effect of changes in scope of consolidation	–	–	–	1.0	–	–	–	1.0
Year-on-year changes recognised in the income statement	0.4	(0.4)	(0.5)	(0.3)	0.5	(0.1)	(0.6)	(1.0)
Deferred taxes recognised in other comprehensive income	–	(1.2)	–	–	(0.1)	–	–	(1.3)
Currency translation differences	–	–	–	0.1	–	–	–	0.1
Other	–	–	–	–	0.3	–	–	0.3
AT 31 DECEMBER 2015	**0.6**	**6.0**	**1.5**	**2.2**	**0.7**	**0.6**	**0.7**	**12.3**

Deferred tax liabilities

In millions of euros	Fair value of property	Ornane restatement	Treasury shares	Revenue recognition by stage of completion	Other	Total
At 1 January 2014	0.6	0.2	0.9	1.3	0.2	3.2
Year-on-year changes recognised in the income statement	–	0.1	(0.4)	(0.9)	0.2	(1.0)
At 31 December 2014	0.6	0.3	0.5	0.4	0.4	2.2
Year-on-year changes recognised in the income statement	–	(0.3)	0.2	(0.1)	–	(0.2)
Deferred taxes recognised in equity	–	–	(0.5)	–	–	(0.5)
Other	–	0.3	–	–	–	0.3
AT 31 DECEMBER 2015	**0.6**	**0.3**	**0.2**	**0.3**	**0.4**	**1.8**

Unrecognised deferred tax asset bases

Deductible temporary differences, unused tax losses and unused tax credits whose recoverability is probable broke down as follows at 31 December 2015 and 2014:

In millions of euros	31/12/2015	31/12/2014
Tax losses	8.3	7.3
Temporary differences	0.7	2.7
TOTAL	**9.0**	**10.0**

The potential tax savings relating to tax losses and temporary differences for which no deferred tax assets have been recognised amounted to €0.7 million at 31 December 2015.

NOTE 25 ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

Accounting classification of financial assets and liabilities

FINANCIAL ASSETS

The tables below show the carrying amounts and fair values of the Group's financial assets over the past two years:

	31/12/2015				
In millions of euros	Carrying amount	Available-for-sale financial assets	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Fair value
Investment property	1.4	–	–	1.4	1.4
Available-for-sale financial assets	0.2	0.2	–	–	0.2
Other financial assets	11.8	–	11.8	–	11.8
Trade receivables	298.2	–	298.2	–	298.2
Other receivables (*)	5.5	–	5.5	–	5.5
Other current assets	0.5	–	0.3	0.2	0.5
Cash and cash equivalents	233.8	–	200.2	33.6	233.8
TOTAL	**551.4**	**0.2**	**516.0**	**35.2**	**551.4**

	31/12/2014				
In millions of euros	Carrying amount	Available-for-sale financial assets	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Fair value
Investment property	1.4	–	–	1.4	1.4
Available-for-sale financial assets	0.2	0.2	–	–	0.2
Other financial assets	10.7	–	10.7	–	10.7
Trade receivables	280.5	–	280.5	–	280.5
Other receivables (*)	6.0	–	6.0	–	6.0
Other current assets	0.1	–	0.1	–	0.1
Cash and cash equivalents	252.2	–	214.6	37.6	252.2
TOTAL	**551.1**	**0.2**	**511.9**	**39.0**	**551.1**

(*) Excluding employee-related receivables, tax receivables and prepaid expenses.

FINANCIAL LIABILITIES

The tables below show the carrying amounts and fair values of the Group's financial liabilities over the past two financial years:

	31/12/2015				
In millions of euros	Carrying amount	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Derivatives	Fair value
Bond debt	26.4	26.4	–	–	26.4
Other debt and non-current and current financial liabilities	6.7	6.7	–	–	6.7
Fair value of derivatives	2.1	–	–	2.1	2.1
Contingent liabilities related to share acquisitions	1.0	–	1.0	–	1
Trade payables	55.3	55.3	–	–	55.3
Due to suppliers of non-current assets	0.9	0.9	–	–	0.9
Liabilities related to share acquisitions	3.6	–	3.6	–	3.6
Other current liabilities (*)	7.4	7.4	–	–	7.4
TOTAL	**103.4**	**96.7**	**4.6**	**2.1**	**103.4**

	31/12/2014				
In millions of euros	**Carrying amount**	**Financial liabilities at amortised cost**	**Financial liabilities at fair value through profit or loss**	**Derivatives**	**Fair value**
Bond debt	25.6	25.6	–	–	25.6
Other debt and non-current and current financial liabilities	4.0	3.9	–	0.1	4.0
Fair value of derivatives	0.7	–	–	0.7	0.7
Contingent liabilities related to share acquisitions	2.0	–	2.0	–	2.0
Trade payables	47.2	47.2	–	–	47.2
Due to suppliers of non-current assets	0.7	0.7	–	–	0.7
Liabilities related to share acquisitions	6.4	0.4	6.0	–	6.4
Other current liabilities (*)	10.0	10.0	–	–	10.0
TOTAL	**96.6**	**87.8**	**8.0**	**0.8**	**96.6**

(*) Excluding deferred income.

Fair value hierarchy

The Group uses the fair value hierarchy established in IFRS which categorises financial instruments into three levels based on the inputs to valuation techniques used to measure their fair value as recognised in the statement of financial position. These levels are as follows:

- level 1: financial instruments for which there are quoted prices in an active market.
- level 2: financial instruments whose fair value measurement is based on observable market inputs other than quoted prices included in level 1.
- level 3: financial instruments whose inputs are unobservable (*i.e.* inputs whose value does not result from the price of observable market transactions for the same instrument or from observable market data available at the reporting date) or inputs which are only partially observable. This level notably applies to (i) unlisted equity securities, which are valued at their purchase price plus transaction costs as there is no active market for them, and (ii) the derivatives embedded in the Ornane bonds (see Note 16 – Derivative instruments).

At 31 December 2015, the fair value hierarchy levels for the Group's financial instruments were as follows:

	31/12/2015			
In millions of euros	**Level 1 – Market price**	**Level 2 – Observable market inputs**	**Level 3 – Unobservable inputs**	**Total**
Investment property	–	–	1.4	1.4
Available-for-sale financial assets	–	–	0.2	0.2
Currency derivatives	–	0.2	–	0.2
Cash equivalents	33.6	–	–	33.6
TOTAL	**33.6**	**0.2**	**1.6**	**35.4**
Ornane embedded derivatives	–	–	2.1	2.1
Contingent liabilities related to share acquisitions	–	–	1.0	1.0
Liabilities related to share acquisitions	–	–	3.6	3.6
TOTAL	**–**	**–**	**5.7**	**5.7**

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NOTE 26 SHARE-BASED PAYMENT

Free share awards with or without performance conditions

	2011 plan (1)	2011 plan (2)	2012 plan (3)	2012 plan (4)	2012 plan (5)	2014 plan (6)	2014 plan (7)	2014 plan (8)	2014 plan (9)	2015 plan (10)
Award date	13/04/2011	29/11/2011	13/03/2012	13/03/2012	07/11/2012	24/03/2014	12/05/2014	22/05/2014	07/07/2014	29/04/2015
End of lock-up period	13/04/2015	31/03/2016	13/03/2017	13/03/2017	07/11/2016	24/03/2018	12/05/2018	22/05/2018	07/07/2018	29/04/2018
	Number of free shares	Number of performance shares	Number of performance shares	Number of free shares	Number of free shares	Number of free shares	Number of free shares	Number of free shares	Number of free shares	Number of free shares
Outstanding at 1 January 2014	2,500	107,400	49,780	1,000	40,636	–	–	–	–	–
Shares awarded during the year	–	–	–	–	–	9,000	6,000	500	1,500	–
Shares not awarded due to non-achievement of performance conditions	–	(13,224)	–	–	–	–	–	–	–	–
Shares forfeited during the year	–	(3,027)	–	–	(3,235)	–	–	–	–	–
Shares delivered during the year	–	(68,879)	–	–	(37,401)	–	–	–	–	–
Outstanding at 31 December 2014	2,500	22,270	49,780	1,000	–	9,000	6,000	500	1,500	–
Share price at delivery date for shares delivered during the year	–	*€22.25 Price at delivery date*	–	–	*€16.02 Price at delivery date*	–	–	–	–	–
Shares awarded during the year	–	–	–	–	–	–	–	–	–	2,500
Shares not awarded due to non-achievement of performance conditions	–	–	–	–	–	–	–	–	–	–
Shares forfeited during the year	–	–	–	–	–	–	–	–	–	–
Shares delivered during the year	(2,500)	(2,620)	(49,780)	(1,000)	–	–	–	–	–	–
OUTSTANDING AT 31 DECEMBER 2015	**–**	**19,650**	**–**	**–**	**–**	**9,000**	**6,000**	**500**	**1,500**	**2,500**
Share price at delivery date for shares delivered during the year	*€19.86 Price at delivery date*	*€17.37 Price at delivery date*	*€19.87 Price at delivery date*	*€19.87 Price at delivery date*	–	–	–	–	–	–

(1) Awards decided by the Management Board on 13 April 2011 using the shareholder authorisation given at the Extraordinary General Meeting of 15 May 2008. The vesting period is either two or four years from the award date. Full vesting is subject to the beneficiary forming part of the Group during the entire vesting period. If beneficiaries opt for the two-year vesting period then this is followed by a two-year lock-up period.

(2) Awards decided by the Management Board on 29 November 2011 using the shareholder authorisation given at the Extraordinary General Meeting of 5 May 2010. The vesting period is either two years and four months or four years and four months from the award date. Awarded shares will vest in successive tranches of one third, provided that (i) the beneficiary still forms part of the Group at the end of the vesting period and (ii) the annual performance targets relating to operating profit have been reached, except for the first one-third tranche. If the beneficiary opts for the vesting period of two years and four months then this is followed by a two-year lock-up period.

(3) Awards decided by the Management Board on 13 March 2012 using the shareholder authorisation given at the Extraordinary General Meeting of 5 May 2010. The vesting period is three years from the award date. Awarded shares will vest in successive tranches of one third, provided that (i) the beneficiary still forms part of the Group at the end of the vesting period and (ii) the annual performance targets relating to consolidated operating margin have been reached, except for the first one-third tranche. A two-year lock-up period applies after the vesting period.

(4) Awards decided by the Management Board on 13 March 2012 using the shareholder authorisation given at the Extraordinary General Meeting of 5 May 2010. The vesting period is three years from the award date. Awarded shares will vest in successive tranches of one third, provided that the beneficiary still forms part of the Group at the end of the vesting period. A two-year lock-up period applies after the vesting period.

(5) Awards decided by the Management Board on 7 November 2012 using the shareholder authorisation given at the Extraordinary General Meeting of 5 May 2010. These awards were made in connection with the three-year company agreement signed by the Group's subsidiary Assystem EOS regarding the profit sharing premium system introduced in the French Act of 28 July 2011. The vesting period is two years from the award date. Full vesting is subject to the beneficiary forming part of the Group during the entire vesting period. A two-year lock-up period applies after the vesting period.

(6) Awards decided by the Management Board on 24 March 2014 following the decision of the Supervisory Board on 10 March 2014 to reduce the performance share entitlement of certain beneficiaries under the 13 March 2012 free share award plan. The vesting period is either two or four years from the award date. Full vesting is subject to the beneficiary forming part of the Group during the entire vesting period. If beneficiaries opt for the two-year vesting period then this is followed by a two-year lock-up period.

(7) Awards decided by the Management Board on 12 May 2014 following the decision of the Supervisory Board on 10 March 2014 to reduce the performance share entitlement of certain beneficiaries under the 13 March 2012 free share award plan. The vesting period is either two or four years from the award date. Full vesting is subject to the beneficiary forming part of the Group during the entire vesting period. If beneficiaries opt for the two-year vesting period then this is followed by a two-year lock-up period.

(8) Awards decided by the Board of Directors on 22 May 2014 using the shareholder authorisation given at the Annual General Meeting of 22 May 2014. The vesting period is either two or four years from the award date. Full vesting is subject to the beneficiary forming part of the Group during the entire vesting period. If beneficiaries opt for the two-year vesting period then this is followed by a two-year lock-up period.

(9) Awards decided by the Board of Directors on 7 July 2014 using the shareholder authorisation give at the Annual General Meeting of 22 May 2014. The vesting period is either two or four years from the award date. Full vesting is subject to the beneficiary forming part of the Group during the entire vesting period. If beneficiaries opt for the two-year vesting period then this is followed by a two-year lock-up period.

(10) Awards decided by the Board of Directors on 29 April 2015 using the shareholder authorisation give at the Annual General Meeting of 22 May 2014. The vesting period is two years from the award date. Full vesting is subject to the beneficiary forming part of the Group during the entire vesting period. A two-year lock-up period applies after the vesting period.

Share-based payment expense

Share-based payment expense for 2015 and 2014 was as follows:

In millions of euros	2015	2014
Share-based payment expense	(0.3)	(0.7)

The fair value of free shares awarded with or without performance conditions was as follows:

	2015	2014
Weighted average fair value of free shares awarded during the year *(in euros per share)*	19.40	22.17

NOTE 27 SEGMENT REPORTING

Operating segments are components of the Group about which separate financial information is available that is evaluated regularly by Group management in deciding how to allocate resources and in assessing performance. The Group now has three operating segments: Global Product Solutions (outsourced R&D), Energy & Infrastructure (complex infrastructure and engineering) and Staffing (worldwide assignment of consultants specialised in Oil & Gas and other industrial sectors).

The main accounting policies used for operating segments are as follows:

- each segment has its own resources and may share certain resources with other segments to create synergies. This sharing takes the form of a reallocation of costs or by contractual relations between different legal entities;
- management costs that are directly attributable to these three operating segments are allocated to each segment concerned;
- the indicator, "EBITA including share of profit of equity-accounted investees", excludes non-recurring income and expenses.

Assets allocated by operating segment and geographic region correspond to operating assets used by each region in its operating activities and which are directly attributable to the segment or can be allocated to the segment on a reasonable basis. These assets do not include investment property, available-for-sale financial assets, other non-current financial assets, deferred tax assets, income tax receivable, other current financial assets, or cash and cash equivalents.

2015

In millions of euros	GPS	E&I	Staffing	Holding & misc.	Inter-segment	Group total from continuing operations
Revenue	530.1	318.6	60.6	7.9	(9.5)	907.7
O/w inter-segment revenue	(1.5)	(7.5)	(0.5)	–	9.5	–
TOTAL EXTERNAL REVENUE	**528.6**	**311.1**	**60.1**	**7.9**	**–**	**907.7**
Operating profit (loss) before non-recurring items (EBITA)	38.8	25.2	1.4	(8.1)	–	57.3
	7.3%	*8.1%*	*2.3%*		–	*6.3%*
Share of profit of equity-accounted investees	–	0.5	–	–	–	0.5
EBITA including share of profit of equity-accounted investees	38.8	25.7	1.4	(8.1)	–	57.8
Non-recurring income and expenses	(5.9)	(0.9)	(7.8)	(3.7)	–	(18.3)
OPERATING PROFIT (LOSS)	**32.9**	**24.8**	**(6.4)**	**(11.8)**	**–**	**39.5**
Assets allocated by operating segment	305.1	157.6	40.2	30.0		532.9
Unallocated assets					260.0	260.0
TOTAL CONSOLIDATED ASSETS	**305.1**	**157.6**	**40.2**	**30.0**	**–**	**792.9**

2014

In millions of euros	GPS	E&I	Staffing	*Holding* & misc.	Inter-segment	Group total from continuing operations
Revenue	506.0	281.1	77.9	7.2	(5.6)	866.6
O/w inter-segment revenue	(1.4)	(3.4)	(0.7)	(0.1)	5.6	
TOTAL EXTERNAL REVENUE	**504.6**	**277.7**	**77.2**	**7.1**	**–**	**866.6**
Operating profit (loss) before non-recurring items (EBITA)	35.1	21.9	2.2	(7.4)	–	51.8
	7.0%	*7.9%*	*2.8%*		–	*6.0%*
Share of profit of equity-accounted investees	–	0.3	–	–	–	0.3
EBITA including share of profit of equity-accounted investees	35.1	22.2	2.2	(7.4)	–	52.1
Non-recurring income and expenses	(10.1)	(1.0)	(1.0)	(3.8)	–	(15.9)
OPERATING PROFIT (LOSS)	**25.0**	**21.2**	**1.2**	**(11.2)**	**–**	**36.2**
Assets allocated by operating segment	300.2	117.9	45.7	19.9	–	483.7
Unallocated assets					280.6	280.6
TOTAL CONSOLIDATED ASSETS	**300.2**	**117.9**	**45.7**	**19.9**	**280.6**	**764.3**

Geographic breakdown of Group revenue and assets, based on the geographic location of consolidated companies:

2015

In millions of euros	France	Europe excluding France	Asia – Middle East – Africa	Other regions	Holding & misc.	Inter-segment	Unallocated assets	Group total
TOTAL EXTERNAL REVENUE	**557.5**	**249.6**	**93.6**	**7.0**	**–**	**–**	**–**	**907.7**
Assets allocated by geographic region	296.4	130.3	79.7	3.0	23.5	–	–	532.9
Inter-segment assets	36.7	4.8	1.8	–	6.7	(50.0)	–	–
Unallocated assets	–	–	–	–	–	–	260.0	260.0
TOTAL CONSOLIDATED ASSETS	**333.1**	**135.1**	**81.5**	**–**	**30.2**	**–**	**–**	**792.9**

2014

In millions of euros	France	Europe excluding France	Asia – Middle East – Africa	Other regions	Holding & misc.	Inter-segment	Unallocated assets	Group total
TOTAL EXTERNAL REVENUE	**534.1**	**246.1**	**79.2**	**7.2**	**–**	**–**	**–**	**866.6**
Assets allocated by geographic region	298.7	131.5	36.0	3.3	14.2	–	–	483.7
Inter-segment assets	5.1	4.6	1.9	0.1	12.2	(23.9)	–	–
Unallocated assets	–	–	–	–	–	–	280.6	280.6
TOTAL CONSOLIDATED ASSETS	**303.8**	**136.1**	**37.9**	**–**	**26.4**	**–**	**–**	**764.3**

NOTE 28 PAYROLL COSTS

In millions of euros	2015	2014
Wages and salaries	(504.0)	(495.1)
Retirement plan contributions	(22.3)	(21.4)
Social security contributions	(114.6)	(111.5)
Employee profit-sharing	(3.9)	(3.9)
TOTAL	**(644.8)**	**(631.9)**

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NOTE 29 OTHER OPERATING INCOME AND EXPENSES

In millions of euros	2015	2014
Outsourced operations and purchases for contracts	(98.1)	(74.7)
Cost of premises	(22.1)	(21.0)
IT expenses	(8.3)	(8.3)
Vehicle costs	(13.0)	(12.0)
Advertising and public relations	(3.7)	(5.0)
Fees and commissions	(7.1)	(9.9)
Travel expenses and entertainment allowances	(19.5)	(21.0)
Miscellaneous	(22.0)	(19.7)
TOTAL	**(193.8)**	**(171.6)**

NOTE 30 DEPRECIATION, AMORTISATION AND PROVISIONS FOR RECURRING OPERATING ITEMS, NET

In millions of euros	2015	2014
Depreciation and amortisation expense	(8.9)	(8.7)
Net change in provisions	(1.4)	(0.8)
TOTAL	**(10.3)**	**(9.5)**

NOTE 31 NON-RECURRING INCOME AND EXPENSES

In millions of euros	2015	2014
Impairment losses	(7.0)	(0.7)
Net provision for tax dispute	(5.3)	(2.0)
Restructuring costs and provisions	(3.4)	(11.6)
Share-based payment expense (free shares/stock options)	(0.3)	(0.7)
Company acquisition costs and other	(2.3)	(0.9)
TOTAL NON-RECURRING INCOME AND EXPENSES	**(18.3)**	**(15.9)**

The impairment losses recognised in "Non-recurring income and expenses" in 2015 relate to the "Staffing" CGU.

The amount recorded under "Net provision for tax dispute" reflects the Group's decision to set aside a provision in its 2015 financial statements for 50% of the disputed amount (*i.e.* €6.8 million out of a total €13.5 million) relating to a tax reassessment notified to Assystem France in late 2014 by the French tax authorities concerning research tax credits. The Group made this decision in light of changes in case law in 2015 related to similar disputes. Assystem is contesting the grounds of the reassessment in their entirety, based notably on the opinions of legal experts initially issued in 2014 and reiterated in 2015. The Group had already recognised a €2.0 million provision in its 2014 financial statements to cover the estimated costs of the procedure but these costs were re-estimated at €0.5 million in 2015 and €1.5 million of the provision was therefore reversed (see Note 20 – Provisions).

NOTE 32 NET FINANCIAL INCOME (EXPENSE) ON CASH AND DEBT

In millions of euros	2015	2014
Bond debt – Ornane bonds	(1.1)	(2.5)
Medium and long-term credit facilities	(1.0)	(0.8)
Interest expense	**(2.1)**	**(3.3)**
Income from cash investments	1.9	3.3
Currency translation impact	4.2	1.8
NET FINANCIAL INCOME (EXPENSE) ON CASH AND DEBT	**4.0**	**1.8**

NOTE 33 OTHER FINANCIAL INCOME AND EXPENSES

In millions of euros	2015	2014
Fair value remeasurement of the derivative embedded in Ornane bonds	(1.4)	1.3
TOTAL FAIR VALUE REMEASUREMENTS OF ORNANE BONDS	**(1.4)**	**1.3**

In millions of euros	2015	2014
Discounting effect	(0.6)	(1.2)
Amortised cost of financial liabilities	(0.7)	(6.2)
Financial expense for buyback of Ornane bonds	–	(4.3)
Net profit (loss) arising from financial liabilities designated as at fair value through profit or loss	0.3	2.5
Miscellaneous financial income and expenses	(0.6)	0.4
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**(1.6)**	**(8.8)**

NOTE 34 INCOME TAX

Income tax recognised during the year

In millions of euros	2015	2014
Current tax	(12.3)	(11.7)
Deferred taxes	(0.8)	3.1
Total recognised in the income statement	(13.1)	(8.6)
Tax payable on treasury shares	0.5	(1.7)
Tax payable on Odirnane costs	–	1.0
Tax recognised in other comprehensive income	(1.3)	2.1
Total recognised directly in equity	(0.8)	1.4
Current tax	(11.8)	(12.4)
Deferred taxes	(2.1)	5.2
TOTAL FOR THE YEAR	**(13.9)**	**(7.2)**

Income tax recognised in the income statement during the year

In millions of euros	2015	2014
Current tax	(12.3)	(11.7)
Related to the year	(12.7)	(11.6)
Related to prior years	0.4	(0.1)
Deferred taxes	(0.8)	3.1
Related to the year	(0.8)	3.1
Related to prior years	–	–
TOTAL RECOGNISED IN THE INCOME STATEMENT	**(13.1)**	**(8.6)**

Nature of deferred taxes recognised in the income statement during the year

In millions of euros	2015	2014
Related to temporary differences and other	(0.3)	2.6
Related to tax losses	(0.5)	0.5
TOTAL RECOGNISED IN THE INCOME STATEMENT	**(0.8)**	**3.1**

Tax proof

The table below reconciles the Group's actual income tax expense to the theoretical income tax expense that would apply based on the tax rate of the consolidated companies:

In millions of euros	2015	2014
Profit before tax from continuing operations (excluding share of profit of equity-accounted investees)	40.0	30.2
Theoretical income tax rate	38.00%	38.00%
Theoretical income tax expense	(15.2)	(11.5)
Permanent differences	6.4	10.0
Differences arising from applying different taxation rates	2.1	0.2
Other taxes	(6.0)	(7.0)
Income or expense relating to changes in tax rates or the imposition of new taxes	(0.9)	0.4
Adjustments recognised during the year for prior years	0.5	(0.1)
Benefits arising from tax losses and temporary differences not recognised in prior periods	0.5	0.9
Impact of tax losses and temporary differences not used during the year	(0.5)	(1.5)
Total adjustments	2.1	2.9
Actual income tax expense	(13.1)	(8.6)
EFFECTIVE INCOME TAX RATE	**32.75%**	**28.48%**

The amount shown under "Other taxes" mainly comprises the Corporate Value-Added Contribution (CVAE) for French subsidiaries.

NOTE 35 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares.

As specified in the Odirnane indenture, Assystem SA is required to pay coupons on the Odirnane bonds when it pays a dividend. Consequently, for the purpose of calculating basic earnings per share, profit for the period attributable to owners of the parent is adjusted to exclude the Odirnane coupons.

	2015	2014
Profit attributable to owners of the parent	27.2	21.8
Coupons on Odirnane bonds (convertible into shares)	(7.2)	(3.3)
Basic earnings attributable to owners of the parent	20.0	18.5
Weighted average number of ordinary shares outstanding during the year	21,595,143	20,751,174
BASIC EARNINGS PER SHARE *(in euros)*	**0.93**	**0.89**

Diluted earnings per share

Diluted earnings per share is determined by adjusting the weighted average number of ordinary shares outstanding during the period for the impact of all dilutive potential ordinary shares. Dilutive potential ordinary shares correspond to:

- free share awards with or without performance conditions;
- redemption of the Ornane bonds in shares;
- redemption of the Odirnane bonds in shares.

In 2015 and 2014 diluted earnings per share would have been higher than basic earnings per share. Consequently, in accordance with IAS 33, diluted earnings per share for these two years is considered to be the same as basic earnings per share, *i.e.* €0.93 and €0.89 respectively.

The Group's potentially dilutive instruments are as follows:

- all free shares with or without performance conditions that have not yet been delivered, representing 39,150 shares (see Note 26 – Share-based payment);
- shares issued to redeem the Ornane bonds, representing 1,259,555 shares based on a conversion ratio of 1.02 shares for one bond;
- shares issued to redeem the Odirnane bonds, representing 5,602,240 shares based on a conversion ratio of one share for one bond.

NOTE 36 DIVIDEND PER SHARE

	2016 *	2015	2014
Date of dividend payout from prior-year profit	By 30/06/2016	23/06/2015	26/06/2014
Date on which dividend payout on prior-year profit was proposed to shareholders at the AGM	24/05/2016	22/05/2015	22/05/2014
Total dividend *(in millions of euros)* paid out from prior-year profit *	NC	16.2	9.9
Dividend per share *(in euros)* paid out from prior-year profit	0.80	0.75	0.45

* *Subject to shareholder approval at the AGM.*

NOTE 37 OFF-BALANCE SHEET COMMITMENTS

At 31 December 2015, Management considered that there were no existing commitments, other than those described below, that would be likely to have a material impact on the current or future financial position of the Assystem Group.

Operating leases

The table below shows minimum future lease payments due under non-cancellable leases:

In millions of euros	Due in less than 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Minimum future lease payments at 31 December 2015	14.8	30.9	4.0	49.7
Real estate	10.6	24.7	4.0	39.3
Other	4.2	6.2	–	10.4
Minimum future lease payments at 31 December 2014	17.6	28.7	5.2	51.5
Real estate	11.9	24.0	5.2	41.1
Other	5.7	4.7	–	10.4

Other commitments

	Commitments given		Commitments received		
In millions of euros	Deposits, guarantees and sureties	Collateral	Deposits, guarantees and sureties	Guarantees given for payments relating to the sale of securities	Unused credit facilities
Holding company	6.7	–	–	–	120.0
France	2.3	–	–	–	–
Spain	0.2	–	–	–	–
United Kingdom	–	–	–	–	13.2
Germany	2.0	–	–	–	–
AMEA	2.8	–	1.4	–	–
Other	0.1	–	–	–	–
TOTAL	**14.1**	**–**	**1.4**	**–**	**133.2**

NOTE 38 RELATED PARTY INFORMATION

The Group classifies its related parties into three categories:

- members of Assystem's Board of Directors who are corporate officers of Assystem SA (executive directors);
- HDL Development, which owns 61.87% of Assystem's exercisable voting rights and provides the Group with business management services;
- Radicon's minority shareholder (other related party).

Transactions with related parties break down as follows:

Remuneration and benefits granted to executive directors

In millions of euros	2015	2014
Salaries and other short-term benefits (*)	(0.9)	(0.7)
Directors' fees	(0.2)	(0.1)
Share-based payment	–	(0.2)
TOTAL	**(1.1)**	**(1.0)**

(*) This corresponds to the direct remuneration (including payroll taxes) paid to the members of the Board of Directors in their capacity as executive directors.

Transactions recognised in the income statement

In millions of euros	2015	2014
Joint ventures	5.6	4.8
Revenue	**5.6**	**4.8**
Joint ventures	1.6	1.2
Other related parties – HDL Development	0.6	0.4
Other operating income	**2.2**	**1.6**
Joint ventures	(0.7)	–
Other related parties – HDL Development	(1.8)	(1.3)
Other related parties – Minority shareholders	(0.3)	(0.5)
Other operating expenses	**(2.8)**	**(1.8)**

Transactions recognised in the statement of financial position

In millions of euros	31/12/2015	31/12/2014
Joint ventures	2.9	2.4
Parent company – HDL Development	–	0.5
Trade receivables	**2.9**	**2.9**
Joint ventures	1.0	–
Other current receivables	**1.0**	–
Joint ventures	0.8	0.8
Loan – Short-term portion	**0.8**	**0.8**
Joint ventures	–	–
Parent company – HDL Development	0.9	1.6
Trade payables	**0.9**	**1.6**
Joint ventures	–	0.7
Other related parties – Minority shareholders	–	0.2
Financial liabilities – Current	–	**0.9**
Other related parties – Minority shareholders	–	6.0
Other liabilities – Current	–	**6.0**
Long-term debt and non-current financial liabilities	4.2	–
Other liabilities – Non-current	**4.2**	–

A €0.6 million impairment loss has been recognised against the loan granted to N3A in light of N3A's negative net equity position (see Note 11 – Joint ventures).

Material off-balance sheet commitments

SNC Engage has issued guarantees representing a total amount of €19.3 million, which have been counter guaranteed by its shareholders in proportion to their interests in the Company. Consequently, Assystem has guaranteed 25% of the overall amount (in proportion to its interest in Engage), corresponding to €4.8 million.

NOTE 39 DISCONTINUED OPERATIONS

In accordance with IFRS 5, the Group has restated the income statements and statements of cash flows published in prior years for operations that have now been discontinued.

"Profit from discontinued operations" recorded in the income statement relates to the Group's Italian operations, which have been classified as discontinued. This item breaks down as follows:

In millions of euros	2015	2014
Current operating depreciation, amortisation and provisions	0.5	–
PROFIT FROM DISCONTINUED OPERATIONS	**0.5**	**–**

NOTE 40 NET DEBT

Net debt corresponds to gross debt (bond debt, other current and non-current financial liabilities and derivatives recorded under current and non-current liabilities) less cash and cash equivalents and derivatives recorded under current and non-current assets.

Net debt breaks down as follows:

		Maturity schedule						
In millions of euros	At 31/12/2015	2016	2017	2018	2019	2020	>5 years	Portion due beyond 1 year
Bond debt	26.4	–	26.4	–	–	–	–	26.4
Bank borrowings	0.5	0.5	–	–	–	–	–	–
Other borrowings, derivatives and finance lease liabilities (*)	7.9	1.3	2.2	0.1	0.1	–	4.2	6.6
Bank overdrafts	0.4	0.4	–	–		–	–	–
GROSS DEBT	**35.2**	**2.2**	**28.6**	**0.1**	**0.1**	**–**	**4.2**	**33.0**
Breakdown by due date (%)	99%	6%	81%	–	–	–	12%	94%
Cash	36.2	36.2	–	–	–	–	–	–
Cash equivalents	197.6	197.6	–	–	–	–	–	–
Derivatives	0.2	0.2	–	–	–	–	–	–
Cash, cash equivalents and derivatives recorded under assets	234.0	234.0	–	–	–	–	–	–
NET DEBT	**(198.8)**	**(231.6)**	**28.6**	**0.1**	**0.1**	–	**4.2**	**33.0**

(*) The Group has valued the option component of the Ornane bonds (i.e. the derivative component) at €2.1 million, repayable in 2017.

The table below shows a breakdown of net debt by currency, converted at the closing rates:

In millions of euros	At 31/12/2015	Euro	Pound sterling	US dollar	Canadian dollar	Romanian new leu	Swiss franc	Dubai-Abu Dhabi dirham	Saudi Arabian Riyal	Other currencies
Bond debt	26.4	26.4	–	–	–	–	–	–	–	–
Bank borrowings	0.5	–	–	–	–	–	–	–	0.5	–
Other borrowings, derivatives and finance lease liabilities	7.9	3.2	–	–	–	–	–	0.3	4.4	–
Bank overdrafts	0.4	0.4	–	–	–	–	–	–	–	–
Gross debt	35.2	30.0	–	–	–	–	–	0.3	4.9	–
Breakdown by currency (%)	100%	85%	–	–	–	–	–	1%	14%	–
Cash	36.2	19.7	5.5	3.2	0.3	1.2	0.4	0.7	4.3	0.9
Cash equivalents	197.6	197.6	–	–	–	–	–	–	–	–
Derivatives	0.2	0.2	–	–	–	–	–	–	–	–
Cash, cash equivalents and derivatives recorded under assets	234.0	217.5	5.5	3.2	0.3	1.2	0.4	0.7	4.3	0.9
NET DEBT	**(198.8)**	**(187.5)**	**(5.5)**	**(3.2)**	**(0.3)**	**(1.2)**	**(0.4)**	**(0.4)**	**0.6**	**(0.9)**

NOTE 41 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In February 2016 a tax inspection carried out by the Nigerian tax authorities on MPH Nigeria was completed. The final tax reassessment notice has not yet been received, but the potential amounts are covered by provisions recognised in MPH Nigeria's balance sheet when it was acquired by Assystem in 2012. At this stage of the procedure, the Group does not consider that any additional provisions need to be set aside.

6.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report also includes information relating to the specific verification of information given in the management report.

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

Year ended 31 December 2015

To the shareholders,

In accordance with the tasks assigned to us by the General Meeting, we hereby present our report for the year ended 31 December 2015 on:

- the audit of the consolidated financial statements of Assystem, as enclosed in the present report;
- the justification of our assessments; and
- the specific verifications required by law.

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

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require us to perform procedures to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit consists of examining, by sampling or using other selection methods, the evidence supporting the amounts and data contained in these consolidated financial statements. It also involves an assessment of the accounting principles and significant estimates used and an evaluation of the overall presentation of the financial statements. We believe that our audit provides a sufficient and reasonable basis for our opinion.

We certify that in respect of the IFRS adopted by the European Union, the consolidated financial statements for the financial year are appropriate, accurate and give a true and fair view of the net assets, financial situation and results of all persons and entities within the scope of consolidation.

Without qualifying our opinion expressed above, we draw your attention to Note 3 – "Basis of preparation and summary of significant accounting policies" and Note 27 – "Segment reporting to the consolidated financial statements" which outline the effects of the first-time adoption of IFRIC 21 "Levies", the changes in presentation applied to the income statement, and evolution in operating segments.

II. Justification of assessments

Pursuant to Article L. 823-9 of the French Commercial Code governing the justification of our assessments, we draw the following matters to your attention:

- The Group performs goodwill impairment tests at least annually using the methods and procedures set out in Note 3 – "Basis of preparation and summary of significant accounting policies to the consolidated financial statements", in the section "Business combinations" and in Note 8 – "Goodwill" to the consolidated financial statements. We examined the methods and procedures used for implementing the impairment test as well as the assumptions and calculations made, and verified that the Notes 3 and 8 to the consolidated financial statements disclose the appropriate information;
- Note 20 – "Provisions and contingent liabilities" to the consolidated financial statements describes the nature of the main disputes that the Company is exposed to and the methods and procedures used by the Company to estimate the amount of the relevant provisions. Our work consisted in evaluating the data used and assumptions made, reviewing the calculations carried out by the Company, examining the procedures used by Management for adopting these estimates, and verifying that Note 20 makes the required disclosure.

As Note 4 – "Main sources of estimation uncertainty to the consolidated financial statements mentions", the estimates, assumptions and judgement applied are based on the information available or circumstances existing on the date when the financial statements were approved and may not reflect actual future events.

The assessments we made are part of our audit of the consolidated financial statements as a whole and have therefore contributed to our opinion expressed in the first part of this report.

III. Specific verification

In compliance with the professional standards applicable in France, we also performed the specific verifications required by law of the disclosures relating to the Group given in the management report.

We have no qualification to make regarding their accuracy or consistency with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, 11 April 2016
Statutory Auditors

KPMG Audit *Division of KPMG SA*	Deloitte & Associés
Éric ROPERT *Partner*	Albert AÏDAN *Partner*

6.3 PARENT COMPANY FINANCIAL STATEMENTS

6.3.1 BALANCE SHEET

ASSETS

	31/12/2015			31/12/2014
In thousands of euros	Gross	Depreciation, amortisation and provisions	Net	Net
Intangible assets	743	644	99	99
Property, plant and equipment	4,423	3,429	994	1,311
Shares in subsidiaries and affiliates	334,564	20,084	314,480	275,250
Loans	47,007	1,891	45,116	12,518
Other long-term investments	12,318	–	12,318	6,610
Long-term investments	393,889	21,975	371,914	294,378
Fixed assets	399,055	26,048	373,007	295,789
Operating receivables	55,643	995	54,648	53,743
Marketable securities	165,411	–	165,411	209,109
Cash at bank and on hand	37,015	–	37,015	2,492
Prepaid expenses	95	–	95	227
Unrealised foreign exchange losses	902	–	902	13
Current assets	259,066	995	258, 071	265,584
TOTAL ASSETS	**658,121**	**27,043**	**631,078**	**561,374**

EQUITY AND LIABILITIES

In thousands of euros	31/12/2015	31/12/2014
Share capital	22,218	22,155
Share premium	80,264	79,624
Legal reserve	2,191	2,191
Untaxed reserves and other reserves	4,158	4,158
Retained earnings	135,791	137,983
Profit for the period	93,213	14,034
Total equity	337,835	260,144
Provisions for contingencies and charges	1,941	2,333
Convertible bonds	191,587	191,548
Bank borrowings	163	1,638
Other borrowings and financial liabilities	87,824	91,734
Trade payables	8,287	9,076
Accrued taxes and payroll costs	2,271	3,730
Due to suppliers of fixed assets	1	6
Other payables	497	497
Unrealised foreign exchange gains	672	667
Total liabilities	291,302	298,896
TOTAL EQUITY AND LIABILITIES	**631,078**	**561,374**

6.3.2 INCOME STATEMENT

In thousands of euros	2015	2014
Revenue	11,344	12,372
Reversals of provisions; expense transfers	1,031	72
Operating income	12,375	12,444
Purchases and external charges	(17,111)	(18,886)
Taxes other than on income	(338)	(145)
Wages and social security contributions	(2,047)	(879)
Directors' fees	(186)	(173)
Depreciation, amortisation and provisions for impairment in value	(270)	(237)
Net additions to provisions for contingencies and charges	–	(1,020)
Operating expenses	(19,952)	(21,340)
Operating profit (loss)	(7,577)	(8,896)
Financial income	118,223	35,468
Financial expenses	(16,782)	(11,856)
Net financial income	101,441	23,612
Profit from recurring operations	93,864	14,717
Net non-recurring expense	(5,966)	(3,914)
Income tax	5,315	3,230
PROFIT FOR THE PERIOD	**93,213**	**14,034**

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6.3.3 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The notes below relate to the balance sheet at 31 December 2015 – prior to the appropriation of profit for the period – and the income statement for the year then ended. The Company ended the year with total assets of €631,078 thousand and profit for the period amounting to €93,213 thousand.

The financial year covered a period of twelve months from 1 January to 31 December 2015.

All amounts are presented in thousands of euros unless otherwise specified.

NOTE 1 SIGNIFICANT EVENTS OF THE YEAR

Changes in holdings in subsidiaries and affiliates

ACQUISITIONS OF SHARES IN NEW SUBSIDIARIES

During 2015, Assystem SA acquired the following shares in subsidiaries, which were previously owned by other Group companies:

- 99.99% of the shares in SCI du Pont Noir, purchased for €1,065 thousand;
- all of the shares in Assystem Avenir, purchased for €33 thousand;
- 0.03% of the shares in Assystem Maroc, purchased for €130.

In addition, on 17 November 2015 Assystem SA acquired 40% of the shares in Plast Concept for an aggregate €2,498 thousand.

ACQUISITION OF ADDITIONAL SHARES IN EXISTING SUBSIDIARIES

In May 2015, Assystem SA took up 35,000 shares issued by its French subsidiary, Assystem International, of which it is the sole shareholder. The shares had a par value of €20 each and the total cost of the transaction came to €700 thousand.

The minority shareholder of Assystem SA's subsidiary, MPH Global Services, held a put option over 19.25% of that company's capital. This option was exercised in June 2015 and Assystem SA acquired the shares concerned for an aggregate €5,750 thousand. Since that date the Assystem Group has owned all of the shares in MPH Global Services SAS.

SALE OF SHARES IN SUBSIDIARIES

In March 2015, Assystem SA sold all of its shares in its French subsidiary Assystem Innovation SAS to Assystem France. The sale price was €3,744 thousand and the transaction gave rise to a €2,713 thousand disposal loss for Assystem SA.

Treasury shares

At 31 December 2015, the fair value of Assystem's treasury shares was calculated based on the average market price of Assystem's shares for the last month of the year. As this average market price was higher than the average purchase price of the treasury shares, no provision for impairment was recognised against these shares at 31 December 2015.

In view of the six free share award plans in place at end-December 2015, a €554 thousand contingency provision was recognised in the balance sheet at that date.

Change in the Assystem Group's ownership structure

The Assystem Group is controlled by HDL Development [1], which held 60.66% of the Company's capital at 31 December 2015 and 61.87% of its exercisable voting rights.

Convertible bonds

At 31 December 2015 the Company's bond debt was unchanged from one year previously, corresponding to:

- €160 million in Odirnane bonds;
- €27.2 million in Ornane bonds.

Available bank borrowings

At 31 December 2015, the Company still had access to a €120 million revolving credit facility set up in order to finance the Group's general funding requirements. No drawdowns were made on this facility in 2015.

Change in share capital and issue premiums

On 6 January 2015, the Board of Directors placed on record a €19 thousand capital increase (with an issue premium of €194 thousand) resulting from the exercise of stock warrants in December 2014.

On 9 February 2015, the Board of Directors placed on record an €0.5 thousand capital increase (with an issue premium of €5 thousand)

(1) HDL Development is a company that is 68.90%-controlled by HDL, which itself is controlled as follows: (i) 73.01% by Dominique Louis (Chairman and CEO of Assystem), (ii) 20.25% by the company Salvepar, (iii) 3.37% by the Tikehau Capital Partners fund, and (iv) 3.37% by the Tikehau Preferred Capital fund. The remaining ownership interests in HDL Development are held by the following parties: CEFID (15.81%), H2DA (12.58%), EEC (0.73%), Gérard Brescon (0.48%), David Bradley (0.42%), Dominique Louis (0.39%), Michel Combes (0.21%) and Stéphane Aubarbier (0.48%).

resulting from the exercise of stock warrants in the period from 1 January to 31 January 2015.

On 1 April 2015, the Board of Directors placed on record a €12 thousand capital increase (with an issue premium of €120 thousand) resulting from the exercise of stock warrants in March 2015.

On 6 May 2015, the Board of Directors placed on record a €1 thousand capital increase (with an issue premium of €10 thousand) resulting from the exercise of stock warrants in the period from 1 April to 30 April 2015.

On 5 June 2015, the Board of Directors placed on record a €15 thousand capital increase (with an issue premium of €154 thousand) resulting from the exercise of stock warrants in the period from 1 May to 31 May 2015.

On 15 July 2015, the Board of Directors placed on record a €35 thousand capital increase (with an issue premium of €351 thousand) resulting from the exercise of stock warrants in the period from 1 June to 30 June 2015.

The Company's share capital totalled €22,218,216 at 31 December 2015.

Significant events after the reporting date

No significant events requiring adjustments to the financial statements as presented in these notes took place between 31 December 2015 and the date on which these financial statements were approved for issue by Assystem SA's Board of Directors.

Risk factors

ASG is involved in a legal dispute with Acergy (since renamed Subsea 7) and Iska Marine concerning a fire that occurred in January 2010 aboard a ship, the Acergy Falcon, which was dry-docked in Brest for maintenance at the time. The main development in this case in 2015 was that the court-appointed expert filed his assessment report, which stated that ASG was at fault in a number of respects and therefore that it is jointly liable for the occurrence and extent of the fire, although the degree of its liability was not quantified. Despite the findings of this report, as in prior periods, Assystem still considers that there is no evidence that ASG was at fault or that it will necessarily be held fully or partially liable. In addition, as in previous periods, the Group confirms that in the event ASG is held liable, this claim would be covered under the Group's third-party liability insurance policies.

NOTE 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Assystem's parent company financial statements have been prepared in accordance with French generally accepted accounting principles including the principle of segregation of accounting periods. They are presented on a going concern basis and accounting policies have been applied consistently from one year to the next.

Accounting entries are based on the historical cost convention.

Fixed assets

Property, plant and equipment are stated at cost, corresponding to either purchase cost (including incidental expenses but excluding transaction costs), or production cost.

Interest on borrowings specifically used to finance property, plant and equipment is not included in production cost.

Intangible assets are carried at cost, excluding financial expenses, which are not capitalised.

Depreciation and amortisation is determined on a straight-line basis over the estimated useful lives of the assets concerned as follows:

- Software 1 to 5 years
- Patents 4 years
- Fixtures and fittings 5 to 10 years
- Vehicles 3 to 5 years
- Office equipment 3 to 5 years
- Office furniture 5 to 10 years
- Buildings 20 years

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Shares in subsidiaries and affiliates

Shares in subsidiaries and affiliates are stated at historical cost or contribution value.

Disposals of these shares are measured on the basis of cost price and capital gains or losses are calculated using the book value of the shares sold.

A provision for impairment in value is recognised when the purchase cost of the shares is higher than their value in use, which is assessed independently based on either:

- projected future cash flows, or
- the multiples method, using comparisons with other companies operating in the same sector.

If there is no available data, value in use is calculated based on Assystem's equity in the underlying net assets of the entities concerned.

Transaction costs on acquisitions of shares in subsidiaries and affiliates

These costs are expensed as incurred.

For tax purposes they are added back in the year in which the shares are acquired and then deducted over a period of five years as from the acquisition date.

Other long-term investments

Other long-term investments are recognised at their nominal value.

Receivables

Receivables and payables are stated at nominal value. Provisions are recorded to cover any risk of non-recovery of receivables. The majority of the receivables recognised by the Company correspond to amounts due from related companies.

Debt issuance costs

Debt issuance costs are fully expensed in the year in which they are incurred.

Marketable securities

Marketable securities are stated at the lower of cost (excluding incidental expenses) and fair value.

Foreign currency transactions

Income and expenses denominated in foreign currency are translated into euros using the transaction-date exchange rates. Payables, receivables and cash and cash equivalents denominated in foreign currency are translated using the exchange rates prevailing at the year end. Foreign exchange gains and losses resulting from the translation of these assets and liabilities at year-end exchange rates are recognised in the balance sheet under "Unrealised foreign exchange gains" or "Unrealised foreign exchange losses". A provision for contingencies is recognised for the full amount of any unrealised foreign exchange losses that are not offset by unrealised foreign exchange gains.

Retirement bonuses

N/A.

Provisions for contingencies and charges

Provisions for contingencies and charges are recognised in compliance with French GAAP.

Provisions for employment tribunal claims

These provisions are measured on a case-by-case basis taking into account the risk concerned and the reasons for the claim.

Provisions for risks relating to subsidiaries

A provision is recognised for subsidiaries in relation to which the Company is exposed to a risk.

The preparation of financial statements involves the use of estimates and assumptions that may affect the carrying amounts of certain items in the balance sheet and/or income statement as well as the disclosures in the notes.

Assystem regularly reviews these estimates and assumptions and adjusts them where necessary to take into account past experience and other factors believed to be reasonable in light of the prevailing economic conditions.

As the estimates, assumptions and judgement applied are based on the information available or circumstances existing on the date when the financial statements were prepared they may not reflect actual future events.

The main estimates made concern provisions for contingencies and charges and the assumptions used mostly relate to the preparation of business plans utilised for assessing the value of shares in subsidiaries and affiliates.

NOTE 3 NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

3.1 Change in the gross value of fixed assets

In thousands of euros	Gross value at beginning of year	Increase in gross value	Decrease in gross value	Gross value at year-end
Intangible assets	658	93	8	743
Property, plant and equipment	4,622	37	236	4,423
Long-term investments	351,291	60,371	17,773	393,889
TOTAL	**356,571**	**60,501**	**18,017**	**399,055**

At 31 December 2015, intangible assets broke down as €697 thousand in software, €15 thousand corresponding to a fully-amortised patent, €28 thousand in goodwill (which has been written down in full), and €3 thousand in assets in progress. Of the €93 thousand year-on-year increase in intangible assets, €87 thousand related to the purchase of new software.

Property, plant and equipment broke down as €3,465 thousand in buildings, fixtures and fittings, €690 thousand in office furniture and equipment, €261 thousand in works of art, and €7 thousand in assets under construction.

Year-on-year changes in long-term investments mostly relate to the purchases of shares in subsidiaries and affiliates referred to in Note 1 above, as well as new loans granted to subsidiaries and the treasury share transactions described in section 3.2 below.

3.2 Long-term investments

The year-on-year change in long-term investments was as follows:

In thousands of euros	Gross value at beginning of year	Increase in gross value	Decrease in gross value	Gross value at year-end
Shares in subsidiaries and affiliates (1)	331,024	10,046	6,506	334,564
Loans to subsidiaries and affiliates (2)	13,657	35,341	1,991	47,007
Deposits and guarantees	12	–	3	9
Treasury shares	6,598	14,984	9,273	12,309
TOTAL	**351,291**	**60,371**	**17,773**	**393,889**

(1) The year-on-year increase in "Shares in subsidiaries and affiliates" was due to:
- *the purchase of a 19.25% interest in MPH Global Services (€5,750 thousand);*
- *the acquisition of 40% of Plast Concept (€2,498 thousand);*
- *the subscription in cash of shares issued by Assystem International (€700 thousand);*
- *the acquisitions of the following companies from Group subsidiaries: SCI du Pont Noir (€1,065 thousand) and Assystem Avenir (€33 thousand).*

The year-on-year decrease relates to:
- *the derecognition from long-term investments of Assystem Innovation shares (representing a historic amount of €6,457 thousand), following the sale of these shares to Assystem France;*
- *the liquidation of (i) the Anthélys entities (whose shares represented a gross value of €40 thousand) and (ii) Assystem Polska (whose shares represented a gross value of €11 thousand).*

(2) The following loans were granted to Group subsidiaries during 2015:
- *€30,640 thousand loan to Assystem UK in connection with the acquisition of Radicon Gulf Consult in January 2015;*
- *a €596 thousand loan to Assystem UK Abu Dhabi (a branch of Assystem UK based in Abu Dhabi);*
- *a €548 thousand loan to Assystem US.*

The total amount of loan repayments during the year 2015 came to €816 thousand.

The amounts shown above were translated into euros using the exchange rates prevailing on the inception dates of the loans. The impact of translating these loans using year-end exchange rates corresponded to an aggregate €2,382 thousand.

The table below shows a summary of movements in treasury shares during 2015:

Treasury share transactions *(in thousands of euros)*	**Number of shares**	**Value**
Number of treasury shares at 31 December 2014	388,117	6,598
Purchases	829,777	14,984
Sales *	537,745	9,273
Number of treasury shares at 31 December 2015	680,149	12,309

* *Including treasury shares delivered on the exercise of 105,057 BSAAR stock warrants.*

Change in depreciation and amortisation

Amortisable fixed assets *(in thousands of euros)*	**Amount at beginning of year**	**Increases**	**Decreases**	**Amount at year-end**
Amortisation				
Start-up costs and R&D expenses	–	–	–	–
Other intangible assets	531	85	–	616
SUB-TOTAL	531	85	–	616
Depreciation				
Buildings on own land	1,884	–	–	1,884
Other buildings, fixtures and fittings	297	49	–	346
General fixtures	483	244	211	516
Furniture, IT and office equipment	459	44	8	495
SUB-TOTAL	3,123	337	219	3,241
TOTAL	**3,654**	**422**	**219**	**3,857**

NOTE 4 LIST OF SUBSIDIARIES AND AFFILIATES

Subsidiaries *(in thousands of euros)*	**Share capital**	**Other equity (including profit for 2015)**	**% ownership interest**	**Gross book value of shares held**	**Net book value of shares held**	**Loans and advances granted (excluding tax consolidation, current accounts and intra-Group term accounts)**	**Net revenue**	**Profit for the period**	**Dividends received**	**Provisions recognised against shares**	**Provisions recognised for intra-Group current accounts and loans**	**Provisions recognised for risks relating to subsidiaries**
1- Subsidiaries												
Eurosyn	40	1,790	67.28%	1	1	–	6,255	1,189	572	–	–	–
Assystem Deutschland Holding GmbH	25	34,861	100%	33,585	33,585	9,492	–	455	–	–	–	–
Assystem Iberia	2,465	2,584	100%	10,447	2,735	1,900	9,708	552	–	7,712	–	–
Assystem Portugal	155	28	100%	505	–	–	2,147	38	–	505	–	–
Assystem Italia	200	(173)	100%	1,720	–	108	–	9	–	1,720	108	73
Assystem Canada	8,943	2,289	100%	8,271	1,798	–	4,791	233	–	6,473	–	–
ASG	76	373	100%	432	373	–	–	(58)	1,000	59	–	–
Assystem France	26,655	108,649	100%	126,544	126,544	–	281,524	57,217	30,000	–	–	–
Assystem Engineering and Operation Services	3,217	47,854	100%	97,058	97,058	–	209,887	13,532	20,000	–	–	–
Assystem Romania	1	5,491	100%	1,201	1,201	–	22,240	3,609	1,500	–	–	–
SCI du Pont Noir	322	361	100%	1,065	1,065	–	–	(27)	–	–	–	–
Assystem International	700	386	100%	2,240	386	–	–	(8)	–	1,854	–	–
Assystem UK	474	38,482	100%	19,084	19,084	26,325	117,053	2,857	11,033	–	–	–
Assystem Belgium	19	938	99.99%	18	18	–	8,757	273	593	–	–	–
MPH Global Services	15,805	35,675	84.86%	27,821	27,821	–	–	107	–	–	–	–
Assystem Expert	15	9	100%	40	9	–	–	(6)	–	31	–	–
Extra Capital	52	36	100%	632	–	–	–	(6)	–	632	–	–
ASM Technologies	27	(193)	100%	14	–	–	173	(12)	–	14	–	–
Assystem Brime Engineering Consulting	1,194	NC	100%	1,041	–	–	NC	NC	–	1,041	–	357
Assystem Australia	0	(352)	100%	–	–	296	–	(25)	–	–	297	55
Assystem Avenir	40	27	100%	33	27	–	–	(6)	–	6	–	–
Assystem Maroc SAS	27	67	0.03%	–	–	–	86	13	–	–	–	–
Assystem US	1	(350)	100%	1	1	752	2,588	(163)	–	–	752	
Assystem Switzerland	81	(12)	100%	83	83	462	2,680	260	–	–	–	–
Eradma		NC	4.04%	120	120	–	NC	NC	–	–	–	–
Assystem Solutions DMCC	20	(107)	100%	20	–	2,854	–	(98)	–	20	–	–
ATIM	81	69	100%	81	69	500	–	23	–	12	–	–
Assystem Investissements	10	5	100%	10	5	–	–	(4)	–	5	–	–
Plast Concept	120	1,860	40%	2,498	2,498	–	887	162	–	–	–	–
	–	–	–	334,564	314,480	42,689	–	–	64,698	20,084	1,157	485

In 2015 Assystem set aside provisions for impairment in value against the shares held in certain subsidiaries following impairment tests carried out at 31 December 2015 in accordance with the accounting policies described above.

NOTE 5 PROVISIONS

In thousands of euros	Amount at beginning of year	Increases	Decreases	Amount at year-end
Provisions for foreign exchange losses	13	902	13	902
Other provisions for contingencies and charges [1]	2,320	934	2,215	1,039
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	**2,333**	**1,836**	**2,228**	**1,941**
Provisions for impairment in value of intangible assets	28	–	–	28
Provisions for impairment in value of property, plant and equipment	188	–	–	188
Provisions for shares in subsidiaries and affiliates [2]	55,774	4,679	40,369	20,084
Provisions for loans [3]	1,139	752		1,891
Sub-total: Provisions for fixed assets	57,129	5,431	40,369	22,191
Provisions for impairment in value of trade receivables	199	–	–	199
Provisions for impairment in value of current accounts of subsidiaries [4]	3,091	–	2,686	405
Provisions for impairment in value of sundry debtors [5]	391	–	–	391
Sub-total: Provisions for current assets	3,681	–	2,686	995
TOTAL PROVISIONS FOR IMPAIRMENT IN VALUE	**60,810**	**5,431**	**43,055**	**23,186**
TOTAL PROVISIONS	**63,143**	**7,267**	**45,283**	**25,127**

(1) Other provisions for contingencies and charges at 31 December 2015 consisted of (i) a €554 thousand provision recorded to cover the probable costs that the Company will incur in respect of the current free share award plans, and (ii) provisions for risks relating to subsidiaries, concerning Assystem Shanghai, Assystem Australia and Assystem Italy and amounting to €357 thousand, €55 thousand and €73 thousand respectively.

(2) The shares in the following subsidiaries were written down by the following amounts in 2015:

- *Assystem Iberia: €2,562 thousand;*
- *Assystem Canada: €1,591 thousand;*
- *Assystem International: €413 thousand.*

Reversals of provisions for shares in subsidiaries and affiliates related to the following companies:

- *Assystem France (€37 million). This provision was originally recognised in 2009 following the partial asset transfer carried out by Assystem France to one of its sister companies, Assystem Engineering and Operation Services. It was reversed in 2015 because the current outlook for Assystem France is such that the discounted future cash flows are now estimated to represent more than the gross carrying amount of the shares in this subsidiary recorded in Assystem SA's balance sheet.*
- *Assystem Innovation (€3,358 thousand), following the sale of the shares concerned.*
- *Assystem Polska (€11 thousand), following this company's liquidation.*

(3) The loan granted to a Canadian subsidiary has been written down in full. During 2015, the loan granted to Assystem US was written down by €752 thousand.

(4) Following a debt waiver granted to Assystem Solutions DMCC, Assystem SA reversed the entire amount of the €2,437 thousand provision previously recognised in relation to this subsidiary's current account. In addition, a €248 thousand provision reversal was recorded under this item following the liquidation of Assystem Polska.

(5) This provision concerns dividends not received from a Moroccan subsidiary.

NOTE 6 RECEIVABLES

In thousands of euros	Gross amount	Up to one year	More than one year
Receivables related to fixed assets			
Loans	47,007	–	47,007
Other long-term investments	11	–	11
Treasury shares [1]	12,309	12,309	–
Sub-total	59,327	12,309	47,018
Operating receivables			
Trade receivables	7,342	7,342	–
Prepaid and recoverable payroll taxes	39	39	–
Prepayments to suppliers	3	3	–
Prepaid and recoverable income tax	37,825	37,825	–
Prepaid and recoverable VAT	1,247	1,247	–
Receivables due from the Group and shareholders (current accounts)	8,659	8,659	–
Sundry debtors	526	526	–
Sub-total	55,641	55,641	–
Prepaid expenses [2]	95	95	–
TOTAL	**115,063**	**68,045**	**47,018**

(1) Representing 680,149 Assystem SA shares.
(2) Prepaid expenses mainly comprise commissions.

NOTE 7 ACCRUED INCOME

- Accrued trade receivables: €6,211 thousand
- Tax receivables: €419 thousand
- Employee-related receivables: €39 thousand
- Dividends receivable: €399 thousand
- Accrued interest receivable: €515 thousand

NOTE 8 BREAKDOWN OF MARKETABLE SECURITIES

Category *(in thousands of euros)*	Beginning of year	Purchases	Sales	Year-end
Term accounts	171,512	214,389	254,096	131,805
Units in SICAV money-market funds	37,597	232,364	236,355	33,606
TOTAL	**209,109**	**446,753**	**490,451**	**165,411**

Marketable securities comprise term accounts and units in SICAV money-market funds.

The portfolio is valued at purchase price.

NOTE 9 PREPAID EXPENSES AND DEFERRED INCOME

Prepaid expenses and deferred income only relate to operating activities.

NOTE 10 SHARE CAPITAL

The Company's share capital totalled €22,218,216 at 31 December 2015 made up of shares with a par value of €1 each.

Composition of share capital

	Number of shares
1 – Shares outstanding at beginning of year	22,154,831
2 – New shares issued during the year	63,385
3 – Shares cancelled during the year	–
4 – Shares outstanding at year-end	22,218,216

Statement of changes in equity

In thousands of euros	2015	2014
Amount at beginning of year	260,144	224,616
Profit for the period	93,213	14,034
Dividend payouts/contribution premium repayments	(16,226)	(9,912)
Changes in capital		
• increase	63	2,829
• decrease	–	–
Changes in share premium account, reserves, retained earnings and untaxed provisions		
• increase	14,675	54,169
• decrease	(14,034)	(25,590)
Amount at year-end *	337,835	260,144

* *Including €84,422 thousand in premiums and reserves other than the legal reserve, representing an amount 7 times higher than the purchase cost of the treasury shares owned.*

NOTE 11 OTHER DISCLOSURES

At 31 December 2015, the Company had three categories of dilutive instruments:

- free shares. The dilutive impact of these instruments corresponded to 39,150 shares at the year-end;
- shares in settlement of the Ornane bonds, representing 1,259,555 (conversion ratio of 1.02 shares for one bond);
- shares in settlement of the Odirnane bonds, representing 5,602,240.

The conversion rules applicable to the Ornane and Odirnane bonds are described in Note 12.

NOTE 12 LIABILITIES

In thousands of euros	Gross amount	Due within 1 year	Due in one to five years	Due beyond five years
Convertible bonds	191,587	4,420	27,167	160,000
Bank borrowings	163	163	–	–
Other borrowings and guarantees	31	31	–	–
Trade payables	8,287	8,287	–	–
Employee-related liabilities	561	561	–	–
Accrued payroll taxes	263	263	–	–
Accrued income taxes	840	840	–	–
Other accrued taxes	607	607	–	–
Due to suppliers of fixed assets	1	1	–	–
Intra-Group financial liabilities	87,792	87,792	–	–
Other payables	497	497	–	–
Unrealised foreign exchange gains	672	672	–	–
TOTAL LIABILITIES	**291,302**	**104,135**	**27,167**	**160,000**

Intra-Group financial liabilities relate to cash pooling current accounts, for which corresponding assets are recorded under cash and cash equivalents in the balance sheet. Assystem SA is the head of the Group's cash pool and centralises the euro-denominated cash of certain subsidiaries.

In thousands of euros	Beginning of year	Increases	Decreases	Year-end
Ornane bonds	27,167	–	–	27,167
Odirnane bonds	160,000	–	–	160,000
Accrued coupons	4,381	4,420	4,381	4,420
TOTAL CONVERTIBLE BONDS	**191,548**	**4,420**	**4,381**	**191,587**
Bank overdrafts	1,620	–	1,472	148
Accrued interest	18	–	3	15
TOTAL BANK BORROWINGS	**1,638**	**–**	**1,475**	**163**
Deposits and guarantees received	31	–	–	31
Current accounts with subsidiaries	91,703	–	3,910	87,793
TOTAL OTHER BORROWINGS AND FINANCIAL LIABILITIES	**91,734**	**–**	**3,910**	**87,824**

Debt-related income and expenses	Expenses	Income
Bond debt:		
Ornane bonds	(1,087)	–
Odirnane bonds	(7,239)	–
Other borrowings	(9)	–
Current accounts with subsidiaries (*)	(99)	288

(*) Financial income and expenses relating to interest on current accounts and intra-Group cash pooling.

6

The characteristics of the bonds constituting Assystem SA's bond debt are set out below.

Characteristics of the Ornane bonds

In July 2011, Assystem SA issued Ornane bonds (redeemable in cash and/or in new or existing shares), with a maturity date of 1 January 2017.

The Group may opt for either of the following repayment procedures:

	Share price less than or equal to bond nominal value	Share price higher than bond nominal value
Option 1	Redemption in new and/or existing shares	Face value and overperformance premium paid in new and/or existing shares
Option 2	Redemption in cash	Face value redeemed in cash and overperformance premium paid in new and/or existing shares

The Ornane bonds are not subject to any bank covenants, and no collateral was given in connection with the financing.

Characteristics of the Odirnane bonds

The Company's Odirnane bonds (perpetual bonds redeemable in cash and/or in new or existing shares) are perpetual hybrid instruments, given that holders do not have a redemption option. The instruments are redeemable in the event that the Company is liquidated, in which case payment would include accrued coupons and any deferred coupons. Payment of the coupons is at Assystem's discretion and may be deferred when Assystem does not approve a dividend payment. If coupons are not paid, they remain due and take the form of arrears on which interest is paid at the rate applied for the purpose of calculating the bond coupons.

In July 2014 Assystem SA issued Odirnane bonds with a fixed coupon of 4.50% until 17 July 2021 and a floating-rate coupon as from 17 July 2021, corresponding to the 6-month Euribor plus a margin of 800 basis points (step-up clause). In the event of a change of control of the Company or an event relating to the Company's free float, the annual nominal rate will be stepped up by 500 basis points.

Bondholders have the option to convert their bonds into shares. The issuer may, however, redeem the bonds in cash, and if the conversion value exceeds the nominal value, both in cash and treasury shares of a variable number, or in new and/or existing shares only, by applying the conversion ratio.

In certain cases defined in the securities note dated 9 July 2014, Assystem may redeem the Odirnane bonds by buying them back for a pre-defined price (corresponding to their nominal value plus accrued coupons and any arrears). In addition, Assystem may at any time, buy back all or some of the outstanding bonds on the market from the bondholders, at a price to be agreed upon.

Characteristics of the Odirnane bonds (cont.)

	Ornane bonds
Issue date	July 2011
Nominal value	€22
Amount issued *(in millions of euros)*	92
Maturity	1 Jan. 2017
Fixed coupon	4%
Term	1 Jan. of each year
Duration	5.5 years
Number of Ornane bonds outstanding at 31/12/2015	1,234,858
Conversion ratio	1.02
Total nominal amount at 31/12/2015	€27,166,876
Code	FR0011073006

	Odirnane bonds
Issue date	July 2014
Nominal value	€28.56
Amount issued *(in millions of euros)*	160
Maturity	Open-ended
Fixed rate (until July 2021)	4.50%
Floating rate (as from July 2021)	6-month Euribor + 800 basis points
Term	17 July of each year
Duration	Open-ended
Number of bonds issued	5,602,240
Conversion ratio	1
Total nominal amount at 31/12/2015	€159,999,974
Code	FR0012032712

NOTE 13 DEFERRED CHARGES

- Accrued trade payables: €3,966 thousand
- Accrued taxes and payroll costs: €2,146 thousand
- Accrued interest on borrowings: €4,435 thousand

NOTE 14 OFF-BALANCE SHEET COMMITMENTS

Guarantees

In thousands of euros

Commitments given	Amount
Sureties and guarantees	6,662
Commitments received	**Amount**
Unused revolving credit facility	120,000

Reciprocal commitments

In thousands of euros

		Payments due by period		
Bonds	Total	Due within one year	Due in one to five years	Due beyond five years
Operating leases				
• vehicles	87	52	36	–
• premises	1,290	430	–	–
TOTAL	**1,377**	**482**	**36**	**–**

Derivative financial instruments

The Company uses currency hedges (mainly in the form of forward sales or purchases) in order to safeguard its operating margins on major contracts denominated in foreign currency. It also uses currency swaps to hedge significant intra-Group financing in foreign currency.

The fair value of all of the Company's hedges in place at 31 December 2015 amounted to €239 thousand.

Disclosure relating to acquisitions

On 17 November 2015, Assystem SA acquired 40% of the shares in Plast Concept for €2,498 thousand. The Company has undertaken to purchase the remaining 60% interest by 30 April 2017 based on a price of €3 million, which will be adjusted depending on Plast Concept's net cash position at the acquisition date.

NOTE 15 REVENUE

Revenue comprises income received for administrative, management and specialist services, which are mainly provided to Assystem Group subsidiaries.

It would not be relevant to provide a breakdown of revenue by business segment or by geographical region.

NOTE 16 EXECUTIVE REMUNERATION

Assystem SA's executives do not have employment contracts and instead receive remuneration in their capacity as corporate officers.

NOTE 17 EXPENSE TRANSFERS

- Miscellaneous reimbursements: €2 thousand
- Benefits in kind: €10 thousand

NOTE 18 FINANCIAL INCOME AND EXPENSES

Financial income *(in thousands of euros)*	**2015**
Financial income from investments in subsidiaries and affiliates	**64,707**
Dividends received	64,707
Income from other securities and receivables recognised as fixed assets	**864**
Loan interest	864
Other interest income	**486**
Income from marketable securities	24
Income related to Group cash management	288
Other financial income	174
Provision reversals and expense transfers	**44,262**
Reversal of provisions for foreign exchange losses	13
Reversal of provisions for long-term investments (*)	44,249
Positive foreign exchange differences	**6,281**
Foreign exchange gains	6,281
Proceeds from sales of marketable securities	**1,623**
Proceeds from sales of marketable securities	1,623
TOTAL FINANCIAL INCOME	**118,223**

Financial expenses	**2015**
Amortisation and provisions recognised under financial expenses	**(7,267)**
Additions to provisions for contingencies and charges relating to financial assets (*)	(6,365)
Additions to provisions for foreign exchange losses	(902)
Interest expense	**(8,840)**
Interest on borrowings, of which:	(8,326)
Ornane bonds	*(1,087)*
Odirnane bonds	*(7,239)*
Bank overdraft charges	(9)
Expenses related to Group cash management	(99)
Other financial expenses	(406)
Negative foreign exchange differences	**(675)**
Foreign exchange losses	(675)
TOTAL FINANCIAL EXPENSES	**(16,782)**
NET FINANCIAL INCOME	**101,441**

(*) These amounts correspond to additions to and reversals of (i) provisions recognised for the Company's treasury share portfolio and (ii) the provisions for impairment in value of shares in subsidiaries and subsidiaries' current accounts described in Note 5 above.

NOTE 19 NON-RECURRING INCOME AND EXPENSES

Non-recurring income *(in thousands of euros)*	**2015**
Non-recurring income from capital transactions	5,307
Proceeds from disposals of property, plant and equipment	14
Proceeds from disposals of long-term investments [1]	4,784
Disposal gains on issued treasury shares	509
TOTAL NON-RECURRING INCOME	**5,307**

Non-recurring expenses	**2015**
Non-recurring expenses on management transactions	(2,991)
Other non-recurring management expenses [2]	(2,991)
Non-recurring expenses on capital transactions	(8,130)
Net value of divested property, plant and equipment	(18)
Gross value of divested long-term investments [1]	(6,508)
Losses on treasury share buybacks [3]	(1,604)
Exceptional additions to depreciation and amortisation	(152)
TOTAL NON-RECURRING EXPENSES	**(11,273)**
NET NON-RECURRING EXPENSE	**(5,966)**

(1) Proceeds from sales of shares in the following companies:
- *Assystem Innovation: €3,744 thousand*
- *Eurosyn: €1 million*
- *Anthélys: €40 thousand*

Gross value of divested long-term investments
- *Assystem Innovation: €6,457 thousand*
- *Assystem Polska: €11 thousand*
- *Anthélys: €40 thousand*

(2) Including €2,741 thousand relating to the waiver of Assystem Solutions DMCC's current account and €248 thousand in expenses recorded on the liquidation of Assystem Polska.
(3) Including €581 thousand related to the exercise of BSAAR stock warrants and €981 thousand for the delivery of free shares.

NOTE 20 INCOME TAX

In thousands of euros	Before tax	Tax	After tax
Profit from recurring operations	93,864	13,540	80,324
Net non-recurring expense	(5,966)	(18,855)	12,889
Profit for the period	87,898	(5,315)	93,213

Analysis of income tax

The breakdown of income tax between the portion related to profit from recurring operations and the portion related to non-recurring items was determined by applying a theoretical income tax rate of 38% to profit for the period. The effect of tax consolidation has been included in the portion related to non-recurring items.

Tax consolidation

Assystem is the head of a tax group that includes the following entities: Assystem France, Assystem Engineering and Operation Services, SCI Pont Noir, Assystem Régions, ASG, Athos Aéronautique, Assystem International, Insiema, Assystem Expert, Extra Capital, Holistia, Assystem Avenir, Assystem Investissements and Sud Aviation Services.

Under the tax consolidation agreement, the methods for calculating the income tax due by each entity in the tax group are determined based on the applicable tax rules in force at the reporting date and as if each entity were taxed on a stand-alone basis.

In 2015 Assystem SA recognised a 10.70% exceptional tax contribution which is determined based on the amount of income tax due by the tax group as the tax group's revenue exceeded €250 million.

Deferred taxes

Deferred tax liabilities (calculated at a rate of 38%) *(in thousands of euros)*	2015 tax base	Amount of tax
Deferred charges	–	–
TOTAL DEFERRED TAX LIABILITIES	**–**	**–**

Deferred tax assets (calculated at a rate of 38%)	2015 tax base	Amount of tax
C3S corporate social solidarity contribution payable	1	–
Unrealised foreign exchange gains	672	255
Provisions for impairment in value	189	72
Acquisition-related expenses	86	33
Other expenses	230	87
TOTAL DEFERRED TAX ASSETS	**1,178**	**448**

NOTE 22 RELATED-PARTY TRANSACTIONS AND BALANCES

	Gross amount *(In thousands of euros)*
Shares in subsidiaries and affiliates	334,443
Loans	45,868
Trade receivables	6,659
Other receivables (o/w €8,659 thousand under current accounts with subsidiaries)	9,058
Called, unpaid capital	(1)
Other borrowings and financial liabilities	(87,792)
Trade payables	(5,176)
Other payables	(497)
Financial income from investments in subsidiaries and affiliates	64,707
Other financial income	1,152
Financial expenses	(99)

Assystem has not identified any other transactions with related parties that were entered into on non-arm's length terms or which could materially impact the financial statements.

Consequently, no additional disclosures are required pursuant to Article R. 123-198 11 of the French Commercial Code.

NOTE 23 INFORMATION ON THE CONSOLIDATING ENTITY

Assystem SA is the consolidating parent company of the Assystem Group.

6.4 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

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

Year ended 31 December 2015

To the shareholders,

In accordance with the tasks assigned to us by the General Meeting, we hereby present our report for the year ended 31 December 2015 on:

- the audit of the accompanying annual financial statements of the company Assystem;
- the justification of our assessments; and
- the specific verifications and disclosures required by law.

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

I. Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require us to perform procedures to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit consists of examining, by sampling or using other selection methods, the evidence supporting the amounts and disclosures given in these annual financial statements. It also involves an assessment of the accounting principles and significant estimates used and an evaluation of the overall presentation of the financial statements. We believe that our audit provides a sufficient and reasonable basis for our opinion.

In our opinion, the annual financial statements are appropriate, accurate and give a true and fair view of the income from the Company's operations in the period elapsed as well as its financial position and net assets at the end of this period in accordance with French accounting principles and standards.

II. Justification of assessments

Pursuant to Article L. 823-9 of the Commercial Code governing the justification of our assessments, we draw the following matters to your attention:

Regarding the valuation and impairment of shares in subsidiaries and affiliates, of which the principles are described in Note 2 – "Basis of preparation and summary of significant accounting policies" to the financial statements ("shares in subsidiaries and affiliates"), in assessing the accounting rules and principles used by your Company, we reviewed the methods for implementing the impairment tests and assumptions made, and verified that Note 2 discloses the appropriate information.

The assessments we made are part of our audit of the annual financial statements as a whole and have therefore contributed to our opinion expressed in the first part of this report.

III. Specific verifications and disclosures

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

We have no qualification to make regarding the accuracy or consistency with the annual financial statements of the disclosures made in the Board of Directors' management report or in the documents addressed to the shareholders with regard to the financial position and annual financial statements.

Regarding the disclosures made pursuant to Article L. 225-102-1 of the French Commercial Code on the compensation and benefits paid to executive directors and the commitments granted in their favour, we verified their consistency with the financial statements or with the data used for preparing these financial statements and, where appropriate, with the information gathered by your Company from the companies controlling your Company or controlled by it. On the basis of our audit, we certify that this information is accurate and fairly presented.

In accordance with the law, we obtained reasonable assurance that the management report contains the appropriate disclosures as to the acquisition of investments and controlling interests and the identity of the shareholders.

Paris-La Défense and Neuilly-sur-Seine, 11 April 2016
Statutory Auditors

KPMG Audit *Division of KPMG SA*	Deloitte & Associés
Éric ROPERT *Partner*	Albert AÏDAN *Partner*

6.5 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

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

General Meeting called to approve the financial statements for the year ended 31 December 2015

To the shareholders,

In our capacity as the Statutory Auditors of your Company, we hereby present our report on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms, conditions and the reasons for the company's interest of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R.225-31 of the French Commercial Code concerning the implementation, during the year, of the agreements and commitments already approved by the General meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING

Agreements and commitments authorised during the past financial year

In accordance with Article L.225-40 of the French Commercial Code, we have been advised of certain related party agreements and commitments which received prior authorization from your Board of Directors.

RIDER 1 TO THE AGREEMENT BETWEEN HDL DEVELOPMENT SAS AND ASSYSTEM SA FOR THE REBILLING OF SERVICES FOR STRATEGY DEFINITION, ORGANISATION AND CONTROL OF THE ASSYSTEM GROUP

Interested party: Dominique Louis, Chairman of the Board of Directors of your Company and Chairman of HDL Development SAS, of the company Salvepar SA, and director of HDL Development SAS and of your Company.

Nature and terms and conditions: At its meeting of 6 March 2015, your Board of Directors authorised the signing of Rider 1 to the agreement between HDL Development SAS and Assystem SA for the rebilling of services for strategy definition, management, organisation and control of the Assystem Group provided by HDL SAS for HDL Development SAS. Your Board of Directors has justified the signing of this agreement stating the importance of the strategic service performance provided. This service performance is remunerated according to the following terms and conditions:

- a fixed fee amounting to €348,000;
- a variable fee based on Earnings Before Interest and Taxes (EBIT) and Free Cash Flow generating ability.

At its meeting of 9 March 2016, your Board of Directors approved the variable fee due to HDL SAS for an amount of €752,376 at 31 December 2015.

The remuneration paid by your Company under the present agreement amounts to €1,100,376 (excluding tax).

CANCELLATION OF DEBT HELD BY ASSYSTEM SA IN FAVOUR OF ITS SUBSIDIARY ASSYSTEM SOLUTION DMCC

- **Interested party**: Dominique Louis, Director of Assystem Solution DMCC and Chief Executive Officer of your Company, and Philippe Chevallier, Director of Assystem Solution DMCC and Chief Financial Officer of your Company since 5 June 2015.
- **Nature and terms and conditions**: at its meeting of 30 December 2015, your Board of Directors authorised the cancellation in favour of your subsidiary Assystem Solution DMCC of debt amounting to 11,000,000 AED in 2015. The Board of Directors has considered that this cancellation enabled compliance with local regulatory obligations.

The expense relating to this debt cancellation was recorded at €2,741,382 in your Company's financial statements.

SERVICE AGREEMENT BETWEEN ASSYSTEM SA AND ASSYSTEM SOLUTION DMCC

Interested parties: Dominique Louis, Director of Assystem Solution DMCC and Chairman and CEO of your Company, and Gilbert Vidal, Director of Assystem Solution DMCC, Chief Financial Officer and director of your Company up until 5 June 2015, replaced by Philippe Chevallier, appointed Chief Financial Officer of your Company and Director of Assystem Solution DMCC as from this same date.

Nature and terms and conditions: on 7 November 2014, your Company signed a services agreement with Assystem Solution DMCC under which your subsidiary provides operating management services for the E&I (Energy & Infrastructure) division.

Your Board of Directors of 7 November 2014 authorised this agreement in recognition of the expertise of the persons providing the services and the strategic importance of these services.

At its meeting of 29 April 2015, your Board of Directors, indicating that it was following the recommendations of the Remuneration Committee, authorised the change to how the variable fee payable for these services is calculated; the cap remains unchanged.

The fees payable for these services comprise:

- a fixed gross annual fee paid in AED equivalent to €409,000;
- a variable fee due to Assystem Solution DMCC, capped at €377,000, based on Earnings Before Interest and Taxes (EBIT) and Free Cash Flow generating ability.

At its meeting of 9 March 2016, your Board of Directors approved the variable fee due in 2015 for an amount of €346,840.

The fees paid by your Company under this agreement for 2015 amounted to €797,515 (excluding tax), of which €450,675 was fixed and €346,840 was variable.

SERVICE AGREEMENT BETWEEN ASSYSTEM SA AND ASSYSTEM UK

Interested party: Gilbert Vidal, Director of Assystem UK, Chief Financial Officer and Director of your Company until 5 June 2015, replaced by Philippe Chevallier, appointed Chief Financial Officer of your Company and director of Assystem UK as from this same date.

Nature and terms and conditions: on 7 November 2014, your Company signed a service agreement with Assystem UK under which your subsidiary provides operating management services for the GPS (Global Product Solutions) division to your Company.

Your Board of Directors of 7 November 2014 justified the signing of this agreement in recognition of the expertise of the persons providing the services and the strategic importance of these services.

Rider 1 of 1 January 1 2015, authorised by your Board of Directors at its meeting of 1 January 2015, modified the amount of the fixed fee payable to Assystem UK for these services to £267,835 excluding expenses.

Moreover, at its meeting of 29 April 2015, following the recommendations of the Remuneration Committee, your Board of Directors authorised the change to how the variable fee payable for these services is calculated. The cap on the variable fee remains unchanged.

The variable fee due to Assystem UK and capped at €360,000 is based on Earnings Before Interest and Taxes (EBIT) and Free Cash Flow generating ability.

At its meeting of 9 March 2016, your Board of Directors approved the variable fee due in 2015 for an amount of €239,200 excluding expenses.

The fees paid by your Company under this agreement for 2015 amounted to €727,855, of which €460,421 was fixed and €267,434 was variable.

AGREEMENTS AND COMMITMENTS AUTHORISED SINCE YEAR-END

We were advised of the following agreements and commitments, authorised since the end of the preceding financial year and that were subject to prior authorisation by your Board of Directors.

SEVERANCE PAY DUE IN THE EVENT OF THE TERMINATION OF PHILIPPE CHEVALIER'S DUTIES BEFORE TERM

Interested party: Philippe Chevallier, Chief Financial Officer since 5 June 2015.

Nature and terms and conditions: at its meeting of 9 March 2016, your Board of Directors approved severance pay of €500,000 to Philippe Chevallier, Chief Financial Officer from 5 June 2015, in the event of his dismissal without reason before the General Meeting called in 2020 to approve the financial statements for 2019. The Board of Directors justified this severance pay by the very nature of Philippe Chevallier's duties as Chief Financial Officer.

This severance pay is nonetheless conditional on:

- the certification, without reservations and within the legal deadlines, of the consolidated financial statements throughout his term;
- reaching an average ROCE (after tax payable) of at least 6% over the last three financial years.

It is noteworthy that the severance payment will not be owed in the event of gross negligence or misconduct.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed that the agreements and commitments below, already approved in the previous financial years by the General Meeting, remained in effect over the last financial year.

COMPONENTS OF THE FEES PAID TO GILBERT VIDAL FOR HIS DUTIES AS CHIEF FINANCIAL OFFICER

Interested party: Gilbert Vidal, Director and Chief Financial Officer of your Company until 5 June 2015.

Nature and terms and conditions: Gilbert Vidal had a contract of employment with your Company from the 1 February 2008, which ended 31 May 2014. From that date, Gilbert Vidal was remunerated in respect of his executive duties as Chief Financial Officer.

In connection with Gilbert Vidal's corporate duties as Chief Financial Officer, at its meeting of 22 May 2014, your Board of Directors approved the payment to him of remuneration and benefits in kind attached to said corporate duties until 5 June 2015.

The fees and benefits in kind comprise:

- A gross annual fee of €262,500;
- A variable fee composed of:
  - A fee component capped at €200,000 based on Assystem's Free Cash Flow generating ability,
  - A fee component capped at €60,000 based on individual performance assessed by the Board of Directors;
- A company vehicle;
- Maintenance of the GSC corporate officer insurance;
- Renewal of the retirement contract Article 83 providing for an annual contribution of 2.2% of the base compensation.

At its meeting of 27 February 2015, your Board of Directors approved the dismissal of Gilbert Vidal as Chief Financial Officer effective from 5 June 2015.

The total remuneration due by your Company to Gilbert Vidal in respect of his executive duties for 2015 amounted to €115,915, of which €114,347 consisted of fixed remuneration due for the period from 1 January to 5 June 2015 and €1,568 consisted of benefits in kind. He received no variable remuneration for 2015.

SEVERANCE PAY DUE IN THE EVENT OF THE TERMINATION OF GILBERT VIDAL'S DUTIES PRIOR TO TERM

Interested party: Gilbert Vidal, Director and Chief Financial Officer of your Company until 5 June 2015.

Nature and terms and conditions: Gilbert Vidal had an employment contract with your Company from 1 February 2008 until 31 May 2014. From 1 June 2014 to 5 June 2015, Gilbert Vidal was remunerated in respect of his executive duties as Chief Financial Officer.

Your Board of Directors of 22 May 2014 approved the payment of severance pay in the event of the termination of Gilbert Vidal's duties prior to term at your Company's initiative, amounting to €800,000 considering the change in the consolidation scope of your Company and its subsidiaries, the increase in the fees paid to Gilbert Vidal since the time his previous contractual severance pay was fixed, as well as his new duties.

This payment is subject to the following performance conditions assessed at the Assystem Group level:

- Certification, without major reservations and within the statutory deadlines, of the financial statements of the five years preceding his departure from the Company;
- A mean ROCE of at last 6% in the three years preceding his departure from the Company.

It is noteworthy that the severance payment will not be owed in the event of gross negligence or misconduct.

At its meeting of 27 February 2015, your Board of Directors approved the dismissal of Gilbert Vidal and the payment to him of severance pay amounting to €800,000.

The amount of severance paid to Gilbert Vidal for 2015 in respect of his dismissal amounted to €800,000.

SERVICE AGREEMENT BETWEEN ASSYSTEM SA AND ASSYSTEM UK

Interested party: Gilbert Vidal, Director of Assystem UK, Chief Financial Officer and Director of your Company up until 5 June 2015, replaced by Philippe Chevallier, appointed Chief Financial Officer of your Company and Director of Assystem UK as from this same date.

Nature and terms and conditions: on 7 November 2014, your Company signed a service agreement with Assystem UK under which your subsidiary provides operating management services for the GPS (Global Product Solutions) division to your Company.

Your Board of Directors of 7 November 2014 authorised this agreement in recognition of the expertise of the persons providing the services and the strategic importance of these services. The fees payable for these services for 2014 comprise:

- a gross annual fee of €350,000;
- a variable fee capped at €360,000 based on Assystem's Free Cash Flow generating ability.

At its meeting of 6 March 2015, your Board of Directors approved the amount of the variable fee due to Assystem UK for 2014.

This agreement was amended by your Board of Directors at its meetings of 1st January and 29 April 2015

SERVICE AGREEMENT BETWEEN ASSYSTEM SA AND ASSYSTEM SOLUTION DMCC

Interested party: Dominique Louis, Director of Assystem Solution DMCC and Chairman and Chief Executive Officer of your Company, and Gilbert Vidal, Director of Assystem Solution DMCC, Chief Financial Officer and director of your Company up until 5 June 2015, replaced by Philippe Chevallier, appointed Chief Financial Officer of your Company and director of Assystem Solution DMCC as from this same date.

Nature and terms and conditions: on 7 November 2014, your Company signed a services agreement with Assystem Solution DMCC under which your subsidiary provides operating management services for the E&I (Energy & Infrastructure) division.

Your Board of Directors of 7 November 2014 authorised this agreement in recognition of the expertise of the persons providing the services and the strategic importance of these services. The fees towards for these services comprise the following:

- a gross annual fee of €409,000;
- a variable fee capped at €377,000 based on Assystem's Free Cash Flow generating ability.

At its meeting of 6 March 2015, your Board of Directors approved the amount of the variable fee due to Assystem Solution DMCC for 2014.

This agreement was amended by your Board of Directors at its meeting on 29 April 2015.

Paris-La Défense and Neuilly-sur-Seine, 11 April 2016
Statutory Auditors

KPMG Audit *Division of KPMG SA*	Deloitte & Associés
Éric ROPERT *Partner*	Albert AÏDAN *Partner*

7

INFORMATION ABOUT THE COMPANY AND SHARE CAPITAL

Further information on the detailed description of the Company's businesses and strategy can be found in Chapter 1 of this Registration Document.

7.1 GENERAL INFORMATION ABOUT THE ISSUER

Company name and address

Company name: Assystem

Registered office: 70, boulevard de Courcelles, 75017 Paris, France

Telephone: +33 (0)1 55 65 03 00

Fax: +33 (0)1 55 65 00 49

www.assystem.com

All Company documents may be inspected free of charge at the Company's registered office.

Statutory Auditors

The audit of the Company's accounts is carried out by two Statutory Auditors designated in compliance with Article L. 225-228 of the French Commercial Code.

Date of incorporation and duration

Date of Company incorporation: 26 April 1997

Date of Company expiry: 27 May 2096

Registration

The Company is registered with the Paris Trade and Companies Registry under the identification number 412 076 937.

French business classification (NAF) code: 7010 Z (head office activities).

Legal form and applicable legislation

At the Combined Ordinary and Extraordinary General Meeting held on 22 May 2014, the shareholders modified the Company's administration and management structure.

Originally incorporated in the form of a Public Limited Company (*société anonyme*) with a Management Board and a Supervisory Board, Assystem adopted at that date the form of a Public Limited Company with a Board of Directors, governed by the provisions of Book II of the French Commercial Code and by its Articles of Association (see Chapter 2).

Corporate purpose

Under the terms of Article 2 of its Articles of Association, the corporate purpose may be summarized as:

- acquiring equity interests – by way of subscription, contribution, purchase or otherwise – and exercising any and all associated rights, in any enterprise operating in a technological, technical, IT, electronic or mechanical field, and more specifically:
  - consultancy, research and engineering,
  - training, support and maintenance,
  - systems and network operation and facilities management,
  - development and distribution of products, equipment, hardware and software;
- effectively leading the Group and determining its overall strategy;
- participating in any operation related to its corporate purpose, by creating new companies, subscribing for or purchasing shares, taking part in mergers or joint ventures, or by any other means;
- carrying out any financial, commercial, industrial or civil business activity or transaction involving movable or immovable assets, which may be directly or indirectly associated with the Company's corporate purpose or which may be likely to further its development, on the Company's own account or on behalf of third parties, or through any form of participation whatsoever.

The Company's role with regard to its subsidiaries

Assystem is a holding company whose assets are essentially composed of equity securities. The operational assets are held by the Company's subsidiaries.

Assystem directly or indirectly provides services for companies in its Group, in particular in the financial, accounting and general or administrative management areas.

The list of consolidated companies as at 31 December 2015 can be found in Chapter 6 (Note 6 of consolidated financial statements). To usefully complete this data, a simplified organisational chart of the Assystem Group can be found in Chapter 1.3 of this Registration Document.

The financing for Group subsidiaries is carried out in a centralised way. This operating mode enables Group subsidiaries to benefit from the favourable market conditions obtained by Assystem from lenders, and to compensate the lender and borrower positions of the different units.

As at 31 December 2015, the Assystem Group had a net cash position of €198.8 million.

Financial year

The financial year of a duration of twelve months commences on the 1st of January and ends 31 December.

Profit distribution

Profit or loss for the year represents the difference between total income and total expenses, including charges to and reversals from depreciation, amortisation and provisions.

Five percent of profit for the year, less any losses carried forward from previous years, is allocated to the legal reserve, until such time as that reserve represents one-tenth of the Company's share capital. Further transfers are made on the same basis if the legal reserve falls to below one tenth of the share capital.

Profit available for distribution consists of profit for the year less any losses brought forward from previous years and less any transfer to the legal reserve in application of the law or Articles of Association, plus any earlier losses. On the recommendation of the Board of Directors, the General Meeting determines the share of profit to be allocated to shareholders in the form of a dividend, and that to be allocated to general or special reserves, with the remaining balance being allocated to retained earnings.

However, excluding the case of a capital reduction, no dividend may be granted to shareholders when the equity is or will become after this dividend less than the amount of capital increased by the reserves that the Articles of Association authorise to be paid.

Shareholders may also decide to pay a dividend out of available reserves either to provide or complete a dividend, or as an exceptional payment.

In this case, the related resolution must stipulate the reserve accounts from which the dividend is to be deducted.

However, dividends are deducted in priority from distributable profit.

The revaluation reserve may not be distributed, but all or part of it may be incorporated into the Company's capital.

Dividend limitation periods

Any dividends not claimed within five years of the date of their payment revert to the French State.

Establishment assuring the Company's financial service

Since 11 February 2016, the registrar and paying agent is Société Générale Securities Services, 32 rue du Champ de Tir – CS 30812 – 44308 NANTES CEDEX 3.

Assystem share market

Assystem shares are listed on compartment B of Euronext Paris: ISIN code: FR 0000074148.

They are included in the values of the CAC All-Tradable index and the MID & SMALL 190 index.

They are eligible for equity savings schemes (PEA) and the deferred settlement service (SRD).

General Meetings

The specific procedures relating to shareholder participation in General Meetings are described in Article 19 of the Articles of Association.

General Meetings are held at the Registered office or any other location specified in the convening notice.

The right to participate is governed by the current legal and regulatory provisions and in particular, the accounting registration of the shares in the name of the shareholder or the intermediary recognised on their behalf at midnight (Paris time) on the second working day preceding the General Meeting, or in the registered share account held by the Company, or in the bearer security account held by the accredited intermediary.

If a shareholder cannot personally attend the General Meeting, he or she may chose between the following three options, each time subject to the conditions stipulated by law and regulations:

- give a proxy under the conditions authorised by law and regulations;
- vote by correspondence; or
- send a proxy to the Company without indicating how they wish to vote.

Subject to the conditions stipulated by the current law and regulations, the Board of Directors may organise the participation and vote by shareholders at General Meetings by videoconference or by means of telecommunication that enable their identification. If the Board of Directors decides to use this option for a given General Meeting, it must indicate this Board decision in the meeting and/or convening notice.

The shareholders taking part in General Meetings by videoconference or by any other means of telecommunication as indicated above, depending on the choice of the Board of Directors, are considered to be in attendance for the purposes of forming a quorum or majority.

General Meetings are chaired by the Chairman of the Board of Directors, or in his or her absence, by the CEO, by a deputy managing director if he or she is a director, or by a director specifically delegated for this purpose by the Board. Failing this, the General Meeting elects its own Chairman.

The duties of scrutineers are performed by the two shareholders in attendance and accepting such duties, who hold the largest number of votes. The officers appoint the Secretary, who need not be a shareholder.

An attendance sheet is kept under the conditions provided for by law.

The Ordinary General Meeting that meets following the first meeting notice can only validly deliberate if the shareholders present or represented hold at least one fifth of the shares with voting rights. The Ordinary General Meeting on its second call can validly deliberate whatever the number of shareholders present or represented.

Ordinary General Meeting decisions are taken by the majority of votes by shareholders present or represented.

The Extraordinary General Meeting that meets following the first meeting notice can only validly deliberate if the shareholders present or represented hold at least one quarter of the shares with voting rights. The Extraordinary General Meeting that meets following the second meeting notice can only validly deliberate if the shareholders present or represented hold at least one fifth of the shares with voting rights.

Extraordinary General Meeting decisions are taken by the majority of two-thirds of shareholders present or represented.

Copies of or extracts from the minutes for the General Meeting shall be certified by the Chairman of the Board of Directors, by a director carrying out the duties of CEO or by the Meeting Secretary.

Ordinary and Extraordinary General Meetings exercise their respective authority under the conditions stipulated by law.

Voting rights

There are no statutory limitations to voting rights. In the event of Assystem shares held by a usufructuary, the corresponding voting rights belong to the usufructuary for all Ordinary, Extraordinary or Special General Meetings.

Double voting rights

All fully-paid shares registered in the name of the same holder for at least two years carry double voting rights.

In addition, in the event of an increase in share capital by capitalising reserves, profit or share premiums, double voting rights are granted from their issue to free registered shares awarded to a shareholder on the basis of shares already held which bear this entitlement.

This double voting right may be cancelled following a decision of the Extraordinary General Meeting and after informing the Special Meeting of beneficiary shareholders.

It may also be cancelled if the shares are converted to bearer shares or transferred to another shareholder, save as provided for in Article L. 225-124 of the French Commercial Code in the case of inheritance or *inter vivos* gifts to a spouse or other eligible family member.

Existence and crossing of disclosure thresholds that must be declared to the Company

In addition to the obligations when crossing disclosure thresholds stipulated by the law, a physical or legal person, whether acting alone or in concert (under the meaning of Article L. 223-10 of the French Commercial Code), that directly comes to hold a number of shares representing 2% or more of the Company's share capital or voting rights or a multiple thereof, is required to inform the Company of the total number of shares and voting rights that they hold, by registered mail with return receipt requested, within four trading days from the crossing of the threshold.

The same disclosure formalities must also be followed each time a shareholder's interest is reduced to below any 2% threshold as explained above.

The shareholder that fails to comply with these formalities will be stripped of voting rights, as provided for under Article L. 233-14 of the French Commercial Code, for the shares in excess of the undeclared portion, at the request – indicated in the General Meeting minutes – of one or several shareholders, present or represented at the General Meeting and holding at least 2% of the share capital (or voting rights).

This provision completes the legal provision of Article L. 233-7 of the French Commercial Code on declarations when crossing disclosure thresholds.

No other provision in the Articles of Association affects the rights of shareholders which can only be modified by conditions stipulated by law.

Shareholder identification

In compliance with the provisions of Article L. 228-2 of the French Commercial Code, the Company may, at any time, ask the central securities clearing body for the identity of holders of securities carrying immediate or future voting rights at Shareholders' Meetings, the number of shares held by each one, and if necessary, the restrictions associated with the shares.

Material contracts

To date, Assystem has not signed any significant contracts other than those signed as a normal part of its business, that would confer a significant obligation or commitment upon the whole Group.

Situation of dependence

To date, Assystem's activity does not depend on patents belonging to third parties or production processes belonging to third parties, and does not depend on specific procurement contracts.

Existence of agreements whose implementation could lead to a change of control of the Company or could have the effect of delaying, postponing or preventing a change in control

To the Company's knowledge, to date, no agreements are known that, if implemented, could result in a change in control.

There are no arrangements to date in a constitutive act, Articles of Association, charter or ruling, that could delay, postpone or prevent a change in control.

Agreements signed by the Company that are modified or end in the event of a change in control of the Company

The contracts signed with holders of "Ornane" and "Odirnane" bonds provide that in the event of a change of control of the Company they can request the redemption of their bonds at any time. The baseline control is by Dominique Louis directly and by the companies that he heads or controls (HDL Development SAS, HDL SAS, EEC, CEFID SAS).

To ensure the Company's business development and liquidity, Assystem has significant financial capabilities including:

- consolidated cash, after reduction of consolidated debt, that amounted to €198.8 million as at end December 2015;
- a revolving credit facility of up to €120 million with maturity December 2019, which was not drawn at the year-end.

Measures taken by the Company to ensure the absence of abusive control

The Company is controlled as defined under Article L. 233-3 of the French Commercial Code, as shown in the shareholder breakdown table in section 7.2.2.

The measures taken by the Company to avoid control being exercised in an abusive way are described in this Registration Document:

- Chapter 8 of the Registration Document: internal control;
- section 2.1.1.1 of Chapter 2 of the Registration Document: existence of independent directors within the Board of Directors and specialist Committees;
- sub-section 2.1.1.1 of Chapter 2: section on "Conflict of Interests".

7.2 INFORMATION ON THE SHARE CAPITAL

7.2.1 ASSYSTEM AND ITS SHAREHOLDERS

2016 FINANCIAL CALENDAR

11 February 2016	after stock market closure	2015 revenue release
14 March 2016	after stock market closure	2015 annual results release
15 March 2016	8:30 am	Presentation of 2015 annual results
28 April 2016	after stock market closure	Q1 2016 revenue release
24 May 2016	9:30 am	General Shareholders' Meeting
28 July 2016	after stock market closure	Q2 2016 revenue release
13 September 2016	after stock market closure	First-half 2016 results release
14 September 2016	8:30 am	Presentation of first-half 2016 results
8 November 2016	after stock market closure	Q3 2016 revenue release

All shareholders have access to full, transparent and clear information, which is tailored to their specific needs and provides an objective assessment of Assystem's growth strategy and results. This financial communication policy aims to ensure that all shareholders have information in compliance with usual business practices.

A wide variety of public documents, including those published with regard to regulatory information, cover the Company's activity, strategy and financial information: Registration Document, half-year financial report, Company Articles of Association, Board of Directors internal regulations. All these documents are easily available on the Group's internet site www.assystem.com, in French and English.

The Assystem company publishes in the *Bulletin des Annonces Légales Obligatoires* (BALO) (Official Bulletin of Legal Notices) and under regulated information the periodic and annual information required from a listed company.

The financial information is completed by press releases for the financial community and, more generally, the public on subjects of significant importance to understand the Company's strategy. It also holds periodic meetings for financial analysts and economic journalists to explain, in an interactive way, the Group's challenges, products and results.

The annual report presented and filed as a Registration Document with the AMF as well as the half-yearly report on the accounts are widely available within the financial community.

7.2.2 ASSYSTEM'S SHARE CAPITAL

All the Company's shares represent the share capital.

As at 31 December 2015, the Company's share capital amounted to €22,218,216 divided into 22,218,216 shares with a par value of €1 each.

The breakdown of Assystem's share capital and voting rights as at 31 December 2015 is indicated in the table hereafter, on the understanding that for this Registration Document and in compliance with AMF recommendation no. 2009-16 amended on 17 December 2013, the total number of theoretical voting rights and the exercisable voting rights in the General Meeting, excluding the shares which do not have voting rights such as treasury shares, are indicated.

AS AT 31 DECEMBER 2015

	Shares	%	Actual voting rights	%	Theoretical voting rights	%
HDL Development	13,478,407	60.66	13,478,407	61.87	13,478,407	59.99
Public	8,059,660	36.28	8,307,772	38.13	8,501,612	36.98
Treasury stock	680,149	3.06	0	0	680,149	3.03
TOTAL PROVISIONS	**22,218,216**	**100**	**21,786,179**	**100**	**22,466,328**	**100**

The table with the change in the ownership structure over the last three years is available in section 7.2.1.5.

At the date this Registration Document was filed, the Company was controlled by HDL Development [(1)].

For the record, Dominique Louis, founder and key shareholder of Assystem, launched a takeover bid *via* HDL Development [(1)] (Trade and Companies Register number 798 774 600), during the first quarter 2014, which enabled him to reinforce his position in the shareholding structure of the Company he founded and developed and to provide it with a stable and long-term controlling shareholder.

This shareholding structure will help guarantee the Company's independence and sustainability, both in terms of its capacity to continue to implement its industrial development strategy in the long term in those market cycles where it has a distinct competitive edge – particularly in the nuclear and aeronautics sectors – and in its commitment to pursue a responsible HR policy with regard to its employees.

As at 31 March 2016, HDL Development held 13,478,407 shares, i.e. 60.66% of the share capital and 74,94% of Assystem voting rights (given the acquisition of double voting rights on 27 February and on 31 March 2016).

Pledged shares of the Company and its subsidiaries (as at 31 December 2015)

Shareholder	Beneficiary	Pledge start date	Pledge expiry date	Conditions for releasing pledge	Number of issuer's shares pledged	% of the issuer's capital pledged
HDL Development	CACEIS	16/12/2013	31/03/2019	Loan repayment	7,245,853	32.61

Crossing of disclosure thresholds

During 2015, no crossing of legal disclosure thresholds was declared.

Furthermore, the following crossing of statutory disclosure thresholds were declared during 2015:

Shareholder	Date threshold crossed	Reason	Above/ below		Reference capital	Reference voting rights	Number of securities owned	Percentage of capital	Percentage of voting rights	
Norges Bank	10/09/2015	Disclosure on behalf of controlled companies	Above	Articles of Association threshold of 2% of the capital	22,218,216	21,442,853	449,813 shares	2.02%	2.06%	Letter to the issuer dated 14 September 2015

To the Company's knowledge and at the date this Registration Document was established, no other shareholder holds directly or indirectly, alone or in concert, more than 2% of the Company's share capital or voting rights.

Transactions in the Company's securities carried out by executives (on the basis of disclosures submitted to the AMF by the Company's executives)

Person or entity	Comments	Date	Description of financial instrument	Type of transaction	Number of securities	Average price
HDL	Legal entity linked to Dominique Louis, CEO	from 02/01/2015 to 28/01/2015	Shares	Acquisition	21,098	17.44

(1) HDL Development is 67.94%-controlled by HDL, which is itself 73.01%-controlled by Dominique Louis, Chairman and CEO of Assystem, with interests of 20.25% held by Salvepar, 3.37% by the Tikehau Capital Partners fund and 3.37% by the Tikehau Preferred Capital fund. The remaining capital of HDL Development is held as follows: 15.57% by Cefid, 12.40% by H2DA, 0.71% by EEC, 0.79% by Gérard Brescon, 0.73% by David Bradley, 0.39% by Dominique Louis, 0.20% by Michel Combes and 0.79% by Stéphane Aubarbier and 0.17% by Group managers.

7.2.3 SHARE PERFORMANCE

Assystem shares are listed on compartment B of the Euronext Paris market of NYSE Euronext.

In 2015, Assystem's share price recorded a 28.11% increase. It reached €24.02 at the end of 2015 compared to €17.27 at the end of 2014.

The average price for the Assystem share over 2015 was €20.07 with a high of €24.48 on 29 December 2015 and a low of €15.75 on 30 June 2015.

Average monthly trading volumes for 2015 were 354,457 shares and €6,624,013 .

7.2.3.1 Stock market price and trading volumes (Source: Euronext)

Date	High	Date of High	Low	Date of Low	Closing price	Trading volume (in no. of shares)	Capital
January 2015	17.5	05/01/2015	17.2	28/01/2015	17.3	286,780	4,989,847
February 2015	18.9	27/02/2015	17.1	03/02/2015	18.7	493,174	8,938,234
March 2015	20.0	24/03/2015	18.5	04/03/2015	19.6	300,025	5,846,251
April 2015	20.3	16/04/2015	19.2	30/04/2015	19.4	306,040	6,055,470
May 2015	19.3	04/05/2015	17.7	27/05/2015	18.1	391,268	7,162,846
June 2015	18.1	01/06/2015	15.7	30/06/2015	15.9	446,349	7,602,659
July 2015	17.9	30/07/2015	15.9	01/07/2015	17.9	404,100	6,868,618
August 2015	18.2	04/08/2015	16.2	24/08/2015	17.0	180,950	3,097,894
September 2015	19.1	10/09/2015	16.5	04/09/2015	18.3	414,835	7,664,310
October 2015	19.2	27/10/2015	18.2	01/10/2015	19.0	206,489	3,881,644
November 2015	22.2	26/11/2015	18.6	03/11/2015	22.0	499,449	10,003,926
December 2015	24.4	29/12/2015	21.0	08/12/2015	24.0	324,147	7,376,457

Source: Euronext – This document is supplied for information only and does not release the Company from its legal obligations in any way.
Code: FR0000074148: ISIN.
Continuous trading, no deferred settlement – CAC All-Tradable index value.

7.2.3.2 Trading data

	31/12/2015	31/12/2014
Market capitalisation at the end of the period	€533 M	€388 M
Share price		
• Highest	€24.48	€23.91
• Lowest	€15.75	€15.41
Share price at the end of the period (in euros)	€24.03	€17.50

7.2.3.3 Dividends

Year	Number of shares remunerated	Dividends paid with respect of the financial year
2012	20,157,082	€0.45 per share
2013	22,018,839	€0.45 per share
2014	21,634,698	€0.75 per share
2015	21,304,807	€0.80 per share

Any dividends not claimed within five years of the date of their payment revert to the French State (Article 2224 of the French Civil Code).

At the Annual General Meeting of 22 May 2015, the shareholders approved the payment of a dividend of €0.75 attributable to each share forming the Company's share capital (excluding treasury shares).

At the next Annual General Meeting to be held on 24 May 2016, a dividend payment of €0.80 per share will be proposed.

7.2.3.4 Dividend policy

Assystem's dividend policy is determined by its corporate governance bodies, based on the Group's dividend payment capacity, financial position and financing requirements.

Dividend payouts may change with respect to previously paid amounts, and in all circumstances will be made only in line with the Group's business plan.

7.2.3.5 Data per share

In euros	31/12/2015	31/12/2014
Diluted earnings per share (Group share)	0.93	0.89

The calculation of the average weighted number of shares after dilution used to determine the data per share is explained in Note 35 to the consolidated financial statements.

7.2.4 ADDITIONAL INFORMATION ON SHARE CAPITAL

Authorised share capital

The table below summarises the statement of current financial authorisations, as voted by the General Meeting of 22 May 2015 and their use during 2015.

Authorisation	Maximum amount of capital increase/reduction	Duration	GM at which the Extraordinary resolution was approved	Use in 2015
To reduce the Company's capital through the cancellation of shares purchased under share buyback programmes.	Cancellation capped at 10% of the shares making up the Company's share capital at the transaction date	18 months (up to 22/11/2016)	22/05/2015 (18th resolution)	No
To increase the Company's capital through the issuance of shares and/or securities carrying rights to shares, with pre-emptive subscription rights.	Maximum nominal amount of capital increase(s): €10,000,000	26 months (up to 22/07/2017)	22/05/2015 (19th resolution)	No
To increase the Company's capital through the issuance of shares and/or securities carrying rights to shares, without pre- emptive subscription rights	Maximum nominal amount of capital increase(s): €7,000,000	26 months (up to 22/07/2017)	22/05/2015 (20th resolution)	No
To increase the Company's capital through the issuance of shares and/or securities carrying rights to shares, without pre-emptive subscription rights, by way of a private placement.	Maximum nominal amount of capital increase(s): €2,000,000	26 months (up to 22/07/2017)	22/05/2015 (21st resolution)	No
To set the issue price for issues of shares and/or securities carrying rights to shares carried out without pre-emptive subscription rights, subject to a ceiling of 10% of the Company's capital as well as the ceilings provided for at the GM.	10% of the Company's share capital per 12-month period, and subject to the ceilings provided for at the GM	26 months (up to 22/07/2017)	22/05/2015 (22nd resolution)	No
To increase the amount of issues carried out with or without pre-emptive subscription rights pursuant to the 19th to 21st resolutions.	Up to 15% of the original issue	26 months (up to 22/07/2017)	22/05/2015 (23rd resolution)	No
To set a blanket ceiling for the overall amount by which the Company's capital may be increased (pursuant to the 19th to 21st resolutions and the 23rd resolution).	€10,000,000 maximum nominal amount for issues of shares and €180,000,000 maximum nominal amount for issues of debt securities	26 months (up to 22/07/2017)	22/05/2015 (24th resolution)	No
To increase the Company's capital by capitalising share premiums, reserves, profit or other eligible items.	Maximum nominal amount of capital increase: €20,000,000	26 months (up to 22/07/2017)	22/05/2015 (25th resolution)	No
To award free shares (existing or newly-issued shares).	3% increase in the nominal amount of the Company's capital at the award date Including 1% of the nominal amount for shares issued without performance conditions to certain employees (excluding executive directors)	38 months (up to 22/07/2018)	22/05/2015 (26th resolution)	Yes Board of Directors meeting 29 April 2015: 2,500 free shares awarded to an employee vesting period: 29 April 2015- 29 April 2017 lock-up period: 29 April 2017- 29 April 2019
To issue BSAAR or BSA stock warrants (without pre-emptive subscription rights) to employees and officers of the Company and its subsidiaries.	€500,000, representing a maximum total of 500,000 shares, i.e. 2.25% of the Company's capital	18 months (up to 22/11/2016)	22/05/2015 (27th resolution)	No
To issue stock options to employees and/or corporate officers.	€664,600, representing a maximum total of 664,660 shares, i.e. 3% of the Company's capital Including 1% of the nominal amount for shares issued without performance conditions to certain employees (excluding executive directors)	38 months (up to 22/07/2018)	22/05/2015 (28th resolution)	No
To set a blanket ceiling on the amount of the issues carried out pursuant to the 26th, 27th and 28th resolutions.	Ceiling: 1,829,320 shares	Same period as that in the resolution concerned	22/05/2015 (29th resolution)	No
To increase the Company's capital through shares and/or securities carrying rights to shares issued by the Company to members of a Company or Group savings plan.	Maximum nominal amount of 2% of the Company's capital at the issue date	26 months (up to 22/07/2017)	22/05/2015 (30th resolution)	No
To use shareholder authorisations in force to increase the Company's capital during a takeover bid for the Company's shares.		18 months (up to 22/11/2016)	22/05/2015 (31st resolution)	No

Potential share capital

Potential share capital comprises stock warrants, performance shares, Ornane and Odirnane bonds.

7.2.5 STOCK WARRANTS

Following the notice of 5 June 2015, Euronext Paris informed that the 2,256 stock warrants issued by the Company (ISIN code FR0010630590), maturing on 9 July 2015 and which had not been exercised, had been removed from the Euronext Paris market.

ABSAAR 2015 *	
ISIN code	FR 0010630590
Listed on	Euronext Paris
Issue date	9 July 2008 (exercisable from 12 July 2010 to 9 July 2015)
Number of warrants at issue	3,250,000
ISIN code	FR0010630590
Number of shares per warrant	1
Strike price	€11.10
Start of forced exercise period	09/07/2013
Forced exercise price	€15.54
Expiry date	09/07/2015
Maximum capital increase at issue	€36.1 M
Number of warrants outstanding at 09/07/2015	2,256
Price at 31 December 2014	€6

* *The BSAAR 2015 stock warrants were created following the issue by Assystem between 24 and 30 June 2008 of debt with a nominal amount of €65,000,000 represented by 130,000 OBSAAR (bonds with stock warrants attached) to which said warrants were attached. (see the prospectus approved by the AMF under number 08–128 on 13 June 2008).*

7.2.6 ORNANE BONDS (BONDS REDEEMABLE IN CASH AND/OR IN NEW OR EXISTING SHARES)

On 6 July 2011, the Company issued 4,181,818 bonds redeemable in cash and/or in new or existing shares (Ornane) with the following features:

Ticker	ISIN code	Issue date	Maturity	Strike ratio	Issue price	Number of Ornane bonds
ASSYSTORN4%JAN17	FR0011073006	06/07/2011	01/01/2017	1 Ornane for 1 share	€22.00	4,181,818

- total nominal amount: €91,999,996;
- coupon: annual nominal rate of 4% payable in arrears on 1st January each year, i.e. €0.88 per Ornane per year;
- fully redeemable at maturity at par. The redemption procedures and the potential dilutive impact are detailed in the management report and in the notes to the consolidated financial statements;
- share allotment entitlement: bondholders are entitled to allotments of new and/or existing shares under the conditions set out in the Securities Note approved by the AMF on 28 June 2011 under no. 11–268.

Holders of Ornane bonds were informed by Euronext notice on 17 July 2015 that following the payment on 24 June 2015 of the ordinary dividend of €0.75 per share to Company shareholders, the new conversion rate from 24 June 2015 went from 1 to 1.02 Assystem shares for 1 Ornane.

As at 31 December 2015, a total of 1,234,858 Ornane 2017 bonds remained outstanding.

For further information see Notes 2.4.4.5, 18 and 35 to the consolidated financial statements in Chapter 6.1 of this Registration Document.

7.2.7 ODIRNANE BONDS

On 9 July 2014, the Company issued 5,602,240 Odirnane bonds representing a total amount of €159,999,974.40.

Total issue amount	€160 million
Issue date	09/07/2014
Maturity	Perpetual
Number of bonds issued	5,602,240
Number of bonds as at 31/12/2015	5,602,240
Nominal value (with 30% premium) (1)	€28.56
Interest rate set until 16 July 2021 (2)	4.5%

(1) Reference price of €21.97.
(2) From 17 July 2021, the bonds will bear interest at an annual nominal rate equal to the six-month Euribor plus 800 base points, payable half-yearly in arrears on 17 July and 17 January each year, and for the first time, if applicable, on 17 January 2022, subject to any suspension of interest payments.

The Odirnane bonds are admitted to trading on Euronext Paris (ISIN code FR0012032712).

The purpose of the Odirnane bond issue was:

(i) to extend the maturity of the Group's debt through the buyback and redemption of the Ornane 2017 bonds, whose value on the issue date was in the region of €89 million, and to further reduce the Group's dependency on bank borrowings for its financial resources in order to maintain financial flexibility;

(ii) to fund the Group's general financing needs and its acquisition projects and;

(iii) to reinforce the balance sheet structure as a result of the equity classification of the issue, in accordance with IFRS.

The nominal value of each Odirnane bond was set at €28.56, representing a premium of 30% in relation to the reference Assystem share price of €21.97 as quoted on Euronext Paris.

The Odirnane bonds were issued at par value on 17 July 2014, which was also the settlement and delivery date. The bonds constitute direct, general, unconditional, unsubordinated and unsecured commitments for the Company.

From the issue date until 16 July 2021, the Odirnane bonds will bear interest at an annual nominal rate of 4.50%, payable annually in arrears on 17 July of each year (the "Annual Interest Payment Date"), and for the first time on 17 July 2015, subject to any suspension of interest payments.

As from 17 July 2021, the Odirnane bonds will bear interest at an annual nominal rate equal to the six-month Euribor plus 800 base points, payable half-yearly in arrears on 17 January and on 17 July of each year, and for the first time, if applicable, on 17 January 2022, subject to any suspension of interest payments.

Bondholders may exercise their right to redeem their bonds in shares at any time from 40 days following the issue date until the 18th trading day preceding 17 July 2021.

The AMF approved the Prospectus for the Odirnane issue under no. 14–380 dated 9 July 2014.

For further information see Notes 2.33, 5, 17, 35 and 36 to the consolidated financial statements in Chapter 6.1 of this Registration Document.

7.2.8 STOCK OPTIONS

No stock options were awarded in 2015.

7.2.9 FREE SHARE AND PERFORMANCE SHARE AWARDS

During 2015, the Board of Directors awarded the following free shares and performance shares:

	04/2015 plan
Date of GM	22/05/2014
Date of award	29/04/2015
Number of free shares or performance shares awarded	2,500 *
Number of beneficiaries	1
Vesting date	29/04/2017
End of lock-up period	29/04/2019
Number of free shares or performance shares vested	0
Number of free shares not yet vested	2,500

* *Shares granted to a condition of presence.*

The table below provides a summary of the free share and performance share plans put in place by the Group (see Note 26 of Chapter 6.1):

	04/2011 plan		10/2011 plan	11/2011 plan	03/2012 plan		11/2012 plan	03/2014 plan	05/2014 plan	05/2014 plan	07/2014 plan
Date of GM	15/05/2008		05/05/2010	05/05/2010	05/05/2010		05/05/2010	22/05/2013	22/05/2013	22/05/2014	22/05/2014
Date of award (Management Board)	13/04/2011		28/10/2011	29/11/2011	13/03/2012		07/11/2012	24/03/2014	12/05/2014	22/05/2014	07/07/2014
Number of free shares or performance shares awarded	20,500		43,360	108,900	60,000	1,000	46,393	9,000 *	6,000 *	500 *	1,500 *
Number of beneficiaries	1	3	1,707	57	5	1	2,006	2	1	1	3
Vesting date	14/04/2013	14/04/2013	29/10/2013	31/03/2014	14/03/2015	13/03/2014	08/11/2014	24/03/2016	12/05/2016	22/05/2016	7/7/2016
End of lock-up period	14/04/2015	14/04/2015	29/10/2015	31/03/2016	14/03/2017	13/03/2016	08/11/2016	24/03/2018	12/05/2018	22/05/2018	7/7/2018
Number of free shares or performance shares vested	0	18,000	33,599	91,176	49,780	1,000	37,401	0	0	0	0
Number of free shares not yet vested	2,500	0	0	0	0	0	0	9,000	6,000	500	1,500

* *Share awards subject to a single condition, i.e. that the beneficiary still forms part of the Group at the vesting date.*

7.2.10 TRANSACTIONS CARRIED OUT BY THE COMPANY ON ITS TREASURY SHARES DURING THE FINANCIAL YEAR (ARTICLE L. 225-211 OF THE FRENCH COMMERCIAL CODE)

The General Meeting of 22 May 2015 authorised the implementation of a share buyback programme that substituted for that authorised by the tenth resolution of the General Meeting of 22 May 2014.

7.2.11 SHARE BUYBACK PROGRAMME (ESTABLISHED IN ACCORDANCE WITH ARTICLE 241–2 OF THE AMF GENERAL REGULATIONS)

In compliance with the provisions of Article L. 225-209 of the French Commercial Code, at the Ordinary General Meeting held on 22 May 2015, Assystem's shareholders granted the Company an eighteen-month authorisation to buy back its own shares, expiring on 22 November 2016.

This authorisation superseded the previous authorisation granted for the same purpose at the Ordinary General Meeting of 22 May 2014.

A document describing the share buyback programme implemented by the Board of Directors at its meeting of 22 May 2015 was filed electronically with the French securities regulator (AMF) and published electronically by Hugin InPublic (a professional distributor on the AMF list).

The shares bought back under the programme may not represent over 10% of the Company's capital and the maximum purchase price set by the Company's shareholders was €30 (excluding costs) for an overall ceiling fixed at €45,000,000.

The shares purchased under the buyback programme may be used for the following purposes:

- to maintain the liquidity of the Company's shares under a liquidity contract entered into with an investment services provider that complies with a Code of Conduct recognised by the AMF;
- to honour obligations associated with stock option and/or free share plans, employee savings schemes or other share allotments made to employees and officers of the Company or related companies;
- for allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for the Company's shares;
- to be held and subsequently used in exchange or as payment in connection with external growth transactions;
- for subsequent cancellation,
- or more generally, for any purpose authorised by law or any market practice that may be permitted by the market authorities, provided that in such a case the Company notifies its shareholders by way of a press release;

In the event of a corporate action, such as the capitalisation of reserves and a bonus share allotment, a stock split or reverse stock split, the prices indicated above will be adjusted accordingly.

If the Company buys back its own shares without subsequently cancelling them, this may have an impact on its taxable earnings if the shares are then sold or transferred at a different price than their purchase price.

7.2.12 CHANGE IN SHARE BUYBACKS IN 2015

The table below provides a summary of Assystem's use of its share buyback programmes during 2015:

Balance of treasury shares held at 31/12/2014	**388,117**
Number of shares used per end purpose	
Liquidity contracts and share buyback mandate:	
• Shares purchased under the liquidity contract	+343,326
• Shares purchased under the share buyback mandate	+486,451
• Shares sold under the liquidity contract	-373,988
• Shares cancelled during the year	0
Sales outside of liquidity contracts	-105,057
For granting shares to salaried employees or Company officers:	
• Shares delivered under free or performance share award plans	-58,700
• Shares delivered under stock option plans	0
Acquisitions:	
• Shares used to finance acquisitions	0
Shares cancelled:	
• Shares cancelled during the year	0
• Shares cancelled during the past 24 months	0
Balance of treasury shares held at 31/12/2015	**680,149**
Value of shares held at 31/12/2015 at the average purchase price	
Additional information:	
• Average purchase price	18.06
• Average sale price	13.04
• Transaction costs	€190,002

7.2.13 LIQUIDITY CONTRACT

On 1st of December 2007, Assystem entered into a liquidity contract with Oddo that complies with the AMAFI Code of Conduct recognised by the AMF.

These purchases promote the liquidity of shares, to implement, honour or cover share option or free share programmes or other share allotments made to employees and officers of the Group.

At 31 December 2015, the liquidity account held the following assets:

- 9,906 shares;
- €1,215,082.64 in cash.

7.2.14 SHARES HELD BY THE COMPANY (OUTSIDE OF LIQUIDITY CONTRACTS)

On 22 December 2014, the Company appointed Exane BNP Paribas to acquire by 30 June 2015 on Euronext Paris, in successive purchases, either on the open market or in block trades, a maximum of 300,000 Assystem shares at a maximum price per share equal to the lower of the following amounts:

- €20 (twenty euros);
- the higher of either the last quoted share price or the best offer price posted in the central order book when the trade is executed.

On 25 June 2015, the Company renewed this mandate up to 11 January 2016 for a maximum of 500,000 Assystem shares at the same maximum price per share as indicated above.

During 2015, Exane BNP Paribas purchased 486,451 shares within the framework of the indicated successive mandates.

7.2.15 CHANGE IN THE OWNERSHIP STRUCTURE OVER THE LAST THREE YEARS

The table below describes the change in Assystem's share capital over the last three years, showing:

- the deliberative body and the date the meeting was held,
- the type of transaction,
- the exact amount of capital increase or reduction in euros,
- the issue premium,
- the number of shares issued/cancelled and
- the new amount of share capital.

GM/Management Board/Board of Directors decision	Type of transaction	Capital Increase/ reduction	Issue premium	Number of shares issued/cancelled	New amount of share capital
22 May 2013	Capital reduction through cancellation of treasury shares	€(1,564,168)	€(19,576,044.58)	(1,564,168)	€19,170,110
1 July 2013	Capital increase following the exercise of stock warrants (BSA) from 1 January to 30 June 2013	€49,730	€502,273	49,730	€19,219,840
3 December 2013	Capital increase following the exercise of stock warrants (BSA) from 1 July to 30 November 2013	€79,002	€797,920.20	79,002	€19,298,842
3 January 2014	Capital increase following the exercise of BSA stock warrants from 30 November to 31 December 2013	€27,224	€274,962.40	27,224	€19,326,066
6 March 2014	Capital increase following the exercise of stock warrants (BSA) from 1 January to 28 February 2014	€140,278	€1,416,807.80	140,278	€19,466,344
2 April 2014	Capital increase following the exercise of stock warrants (BSA) from 1 March to 31 March 2014	€1,000	€10,100.00	1,000	€19,467,344
15 May 2014	Capital increase following the exercise of stock warrants (BSA) from 1 April to 15 May 2014	€2,654,415	€26,809,591.50	2,654,415	€22,121,759
2 July 2014	Capital increase following the exercise of stock warrants (BSA) from 16 May to 30 June 2014	€10,604	€107,100.40	10,604	€22,132,363
5 September 2014	Capital increase following the exercise of stock warrants (BSA) from 1 July to 31 August 2014	€801	€8,090.10	801	€22,133,164
3 October 2014	Capital increase following the exercise of stock warrants (BSA) from 1 September to 30 September 2014	€225	€2,272.50	225	€22,133,389
7 November 2014	Capital increase following the exercise of stock warrants (BSA) from 1 October to 31 October 2014	€2,215	€22,371.50	2,215	€22,135,604
6 January 2015	Capital increase following the exercise of stock warrants (BSA) from 1 December to 31 December 2014	€19,227	€194,192.70	19,227	€22,154,831
9 February 2015	Capital increase following the exercise of BSA stock warrants from 1 January to 31 January 2015	€506	€5,110.60	506	€22,155,337
1 April 2015	Capital increase following the exercise of stock warrants (BSA) from 1 February to 31 March 2015	€11,847	€119,654.70	11,847	€22,167,184
5 June 2015	Capital increase following the exercise of stock warrants (BSA) from 1 to 31 May 2015	€15,294	€154,469.40	15,294	€22,183,478
15 July 2015	Capital increase following the exercise of stock warrants (BSA) from 1 to 30 June 2015	€34,738	€350,853.80	34,738	€22,218,216

According to the data brought to the Company's knowledge, the Company's ownership structure at the end of the last three financial years was as follows:

AT 31 DECEMBER 2015

	Shares	%	Actual voting rights	%	Theoretical voting rights	%
HDL Development	13,478,407	60.66	13,478,407	61.87	13,478,407	59.99
Public	8,059,660	36.28	8,307,772	38.13	8,501,612	36.98
Treasury stock	680,149	3.06	0	0	680,149	3.03
TOTAL PROVISIONS	**22,218,216**	**100**	**21,786,179**	**100**	**22,466,328**	**100**

AT 31 DECEMBER 2014

	Shares	%	Actual voting rights	%	Theoretical voting rights	%
HDL Development	13,478,407	60.84	13,478,407	61.32	13,478,407	60.25
Public	8,288,307	37.41	8,501,612	38.68	8,501,612	38.01
Treasury stock	388,117	1.75	0	0	388,117	1.74
TOTAL PROVISIONS	**22,154,831**	**100**	**21,980,019**	**100**	**22,368,136**	**100**

AT 31 DECEMBER 2013

	Shares	%	Actual voting rights	%	Theoretical voting rights	%
D. Louis/HDL Group	5,546,475	28.70	5,840,497	29.65	5,840,497	27.13
• HDL SAS	3,438,466	17.79	3,553,466	18.04	3,553,466	16.51
• EEC SAS	59,090	0.31	59,090	0.30	59,090	0.27
• CEFID SAS	1,020,607	5.28	1,020,607	5.18	1,020,607	4.74
• H2DA/DL	1,028,312	5.32	1,207,334	6.13	1,207,334	5.61
Extended concert group (*)	114,738	0.59	229,476	1.17	229,476	1.07
Extended concert group + (**)	222,459	1.15	376,272	1.91	376,272	1.75
Supervisory Board	347,159	1.80	681,979	3.46	681,979	3.17
Employee mutual fund (FCP)	215,540	1.12	430,100	2.18	430,100	2.00
Public	11,050,362	57.17	12,137,599	61.63	12,137,599	56.38
Treasury stock	1,829,333	9.47	0	0.00	1,829,333	8.50
TOTAL PROVISIONS	**19,326,066**	**100**	**19,695,923**	**100**	**21,525,256**	**100**

(*) Stéphane Aubarbier, Gérard Brescon, Michel Combes.
(**)Gilbert Vidal, David Bradley, Martine Griffon Fouco.

7.3 STATUTORY AUDIT AND FEES PAID BY THE GROUP FOR STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

7.3.1 STATUTORY AUDIT

In compliance with French commercial law, the certification of Assystem's consolidated and parent company financial statements is carried out by Statutory Auditors who, through members of their network, examine all fully consolidated subsidiaries.

For the financial year 2015, the remuneration for KPMG with respect of audit missions amounted to €1,559 thousand, the remuneration for Deloitte & Associés with respect of audit missions amounted to €712 thousand.

The detailed table of fees recorded by Assystem and its fully consolidated subsidiaries in 2015 for missions entrusted to the Statutory Auditors can be found below.

7.3.2 STATUTORY AUDITOR

	Start date of first mandate	Expiry date for mandate
Statutory Auditors		
KPMG Represented by Eric Ropert Tour Egho, 2 avenue Gambetta – CS 60055 92066 Paris-La Défense	30 April 2009	Annual General Meeting called to approve the financial statements for the year ending 31 December 2020.
Deloitte & Associés Represented by Albert Aidan 185, avenue Charles-de-Gaulle – BP 136 92200 Neuilly-sur-Seine, France	12 May 2011	Annual General Meeting called to approve the financial statements for the year ending 31 December 2016.
Substitutes		
SALUSTRO REYDEL Tour Egho, 2 avenue Gambetta – CS 60055 92066 Paris-La Défense	22 May 2015	Annual General Meeting called to approve the financial statements for the year ending 31 December 2020.
BEAS 195 avenue Charles de Gaulle 92200 Neuilly-sur-Seine, France	12 May 2011	Annual General Meeting called to approve the financial statements for the year ending 31 December 2016.

7.3.3 STATUTORY AUDITORS' FEES

	Deloitte & Associés				KPMG			
	Amount before tax		%		Amount before tax		%	
In thousands of euros	2015	2014	2015	2014	2015	2014	2015	2014
Audit								
Statutory audits, certification and examination of corporate and consolidated financial statements								
Issuer	201	146	28	22	202	146	13	16
Fully consolidated subsidiaries	451	411	63	61	505	416	32	46
Audit-related work								
Issuer	61	121	9	18	852	335	55	37
Fully consolidated subsidiaries	–	–			–	–		
Sub-total	712	678	100	100	1,559	897	100	100
Other services provided by the networks to fully consolidated subsidiaries								
Legal and tax advisory services								
Legal and tax advisory services	–	–			–	–		
Other	–	–			–	–		
Specify if > 10% of audit fees	–	–			–	–		
Sub-total	–	–			–	–		
TOTAL LIABILITIES	**712**	**678**	**100**	**100**	**1,559**	**897**	**100**	**100**

8

REPORTS OF THE BOARD OF DIRECTORS

8.1 REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

On the preparation and organisation of the Board of Directors' work and the Company's internal control and risk management procedures

To the shareholders,

Pursuant to the provisions of the Financial Security Act no. 2003-706 of 1 August 2003, I have the pleasure, as Chairman of the Board of Directors, to report to you on the preparation and organisation of the Board's work, the Company's internal control and risk management procedures and the implementation of recommendations contained in the AFEP-MEDEF Corporate Governance Code for Listed Companies, revised in November 2015.

This report, together with the 2015 management report, has been prepared in accordance with Article L. 225-37 of the French Commercial Code and was presented to the Board of Directors on 9 March 2016. The Statutory Auditors have prepared a report setting out their comments on the information contained in this report regarding internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

Finally, pursuant to French Act no. 2011-103 of 27 January 2011 concerning the balanced representation of men and women on Boards of Directors and gender equality in the workplace, I hereby disclose that women represented 25% of the members of Assystem's Board of Directors at 31 December 2015.

The Board wished to comply in advance with the provisions applicable in 2017 of the aforementioned Act, namely, that men and women should each make up at least 40% of the Board. To this effect, Virginie Calmels was co-opted to the Board at its meeting of 9 March 2016. Her appointment will be put to the General Meeting of Shareholders for ratification on 24 May 2016.

8.1.1 CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS – CORPORATE GOVERNANCE

See Chapter 2 – Corporate Governance, section 2.1.2.

8.1.1.1 The Board of Directors

See Chapter 2 – Corporate Governance, section 2.1

Offices and posts held by members of Assystem's Board of Directors at 31 December 2015

See Chapter 2 – Corporate Governance, section 2.1.1.

Offices and posts held by members of Assystem's Board of Directors in the past five years (1 January 2011 to 31 December 2015)

See Chapter 2 – Corporate Governance, section 2.1.1.2.

8.1.1.2 Securities trading Code of Conduct

See Chapter 2 – Corporate Governance, section 2.1.1.1.

8.1.1.3 Conflicts of interest

See Chapter 2 – Corporate Governance, section 2.1.1.1.

8.1.1.4 Remuneration and benefits in kind granted by the Company and other group entities during 2015 to members of the administrative, management and supervisory bodies in office

8.1.1.4.1 REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

See Chapter 2 – Corporate Governance, section 2.2.1.

8.1.1.4.2 REMUNERATION OF EXECUTIVE DIRECTORS

Remuneration of Dominique Louis

See Chapter 2 – Corporate Governance, section 2.2.2.

Remuneration of Philippe Chevallier

See Chapter 2 – Corporate Governance, section 2.2.2.

Remuneration of Gilbert Vidal

See Chapter 2 – Corporate Governance, section 2.2.2.

8.1.2 IMPLEMENTATION OF THE RECOMMENDATIONS CONTAINED IN THE AFEP-MEDEF CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES (AS REVISED IN NOVEMBER 2015)

The Assystem Group has elected to apply the recommendations contained in the AFEP-MEDEF Corporate Governance Code for Listed Companies (as revised in November 2015).

The Group has not identified any areas of non-compliance with this Code, apart from those described in Chapter 2 on Corporate Governance. In addition, it has assessed the Board of Directors' work, based on a questionnaire completed by each Board member, the results of which are detailed in section 2.1.2.1.

The application of the recommendations and provisions concerning the remuneration of directors (executive and non-executive) is described in Chapter 2 – Corporate Governance.

8.1.3 INTERNAL CONTROL PROCEDURES

The Group's internal control system comprises a combination of resources, procedures, behavioural standards and actions adapted to the specific features of each Group company and to the Group as a whole. This overall system:

- helps the Group manage its business activities, the effectiveness of its operations and the efficient use of its resources;
- is designed to enable the Group to appropriately factor in the significant risks to which it is exposed (operational, financial and compliance-related risks).

The purpose of internal control is to ensure:

- compliance with the applicable legislation and regulations;
- the application of instructions and guidelines stipulated by the Board of Directors;
- the smooth functioning of each entity's internal procedures, in particular those designed to take into account risks encountered in their activity and consequently, safeguard assets;
- the reliability of financial information.

However, internal control cannot provide an absolute guarantee that Assystem's objectives will be met, as any internal control system has inherent limitations. These limitations are due to various factors, such as uncertainties in the external environment, the exercise of judgment, or the cost/benefit relationship of setting up new control mechanisms.

The Group's internal control system concerns all fully consolidated subsidiaries controlled by the Group.

The summary information set out in this report relating to Assystem's internal control procedures is centred on significant elements that could have an impact on the financial and accounting information published by the Group.

The Assystem Group has chosen to apply the internal control framework recommended by the AMF in its recommendation no. 2015-01 issued on 12 January 2015.

The existing internal control procedures in place within the Group, and in particular those relating to the preparation and processing of accounting and financial information, are broken down on the basis of the five main components of internal control (see paragraph 3.3 of this Chapter).

This report also describes the procedures developed in order to identify, analyse and manage risks.

See the risk factors section in Chapter 5 for further information on the Group's risks.

8.1.3.1 Internal control players and organisation of internal control procedures

The Company has a full set of measures in place intended to control and reduce any risks that could prevent it from achieving its objectives. These measures take the form of procedures, instructions, supervisory arrangements, authorisations, delegations of responsibility, etc.

This system covers the entire scope of the Group: divisions, business units, legal entities, countries, divisions, departments and services and covers all business processes. It forms an integrated framework.

Assystem's Board of Directors is ultimately responsible for ensuring that the internal control system is implemented properly and functions effectively.

Since it is responsible for initiating and spearheading the Group's clearly-expressed strategy of deploying an integrated internal control system, Assystem's management team is the system's owner. However, all Group players are part-owners in the sense that they are the agents and custodians of the system.

Assystem's various operations are carried out by project teams that work closely with their clients in order to deliver appropriate solutions in a rapid timeframe.

In order to ensure the requisite responsiveness and enable each profit centre manager to take the necessary decisions a decentralised organisational structure has been put in place within the operating units.

The table below summarises the main roles and responsibilities of each category of internal control player.

Internal control player	Internal control roles and responsibilities
Board of Directors	• initiates and spearheads the internal control system by relaying clear information and guidelines; • is responsible for deploying the internal control system across the Group and ensuring that it functions effectively; • ensures that the internal control system is in line with the Group's business strategy and risk portfolio.
Audit Committee	• ensures that the Group has a consistent internal control system that is compatible with its overall business strategy and risk profile; • approves the internal control system and is regularly informed of the findings of audits and the recommendations implemented; • consults the management team in order to form an opinion on the construction and effectiveness of the internal control system; • ensures the effective functioning of the risk management process related to the preparation of financial information.
General Management	• the Group's General Management pilots the strategy, fixes the targets for the consolidated entities, allocates the necessary resources for their achievement and monitors proper functioning.
Operations Committees	• operations Committees are held each month between the Group's General Management and the management team for each division to review all management indicators. Specific attention is paid to development programmes for the different parameters of quality, economic performance and respecting deadlines.
Finance Department	• the Finance and Treasury Department, the Management Control Department, the Quality Department, the Legal Affairs Department, and the regional and country financial directors play a central role in internal control due to their cross-disciplinary skills.
Operations management	• is responsible for deploying the internal control system within the scope of its remit (i.e. BU, legal entity, country, department, service) and ensuring that it functions correctly; • ensures that the internal control system is aligned with the structure, strategy, tactics and organisation of its scope of remit.
Operations and support staff	• are actively involved in implementing the internal control system; • carry out work and operations in compliance with the established internal control system; • inform management of any malfunctions and help establish remedial measures.

This system also involves the participation of external players, including the Statutory Auditors. It is not part of the legal engagement of the Statutory Auditors to assume ownership of the internal control and risk management systems. Their responsibility is to review these systems and to issue an independent opinion on their suitability. Each year the Statutory Auditors perform a Group audit as part of their legal engagement to certify the consolidated financial statements and to audit the separate financial statements of Group companies. In compliance with French commercial law, the certification of Assystem's consolidated and parent company financial statements is carried out by two Statutory Auditors, who jointly examine all the financial statements, the methods used for their preparation and specific internal control procedures related to the preparation of financial and accounting information. The Statutory Auditors present their observations concerning the Chairman's report and the internal control procedures relating to the preparation and processing of accounting and financial information, and they certify that the other information required by law has been disclosed.

8.1.3.2 Internal control objectives

The Group's internal control system aims to provide appropriate and reasonable assurance of:

- the reliability of financial information;
- compliance with the applicable legislation and regulations;
- the proper functioning of internal processes, such as those used to safeguard the Company's business and assets;
- the application of instructions and guidelines stipulated by the Board of Directors.

More generally, it helps the Group manage its business activities and ensure the effectiveness of its operations and the efficient use of its resources.

In line with the above, the internal control system has five main objectives which can be summarised as follows:

Objective	Reasonable assurance
Finance	That the financial information produced and published is reliable.
Compliance	That the applicable laws, regulations, standards and all other obligations are respected.
Operations	That operations, activities and processes work effectively and efficiently.
Integrity	That assets (human, tangible and intangible) are secure and protected.
Strategy	That the Group's strategy and the resources implemented to deploy it serve objectives of growth, profitability and sustainability of activities.

8.1.3.3 Components of the internal control system

The main procedures of the internal control system, in particular those relating to the preparation and processing of accounting and financial information, are described in the section that follows on "Organisation, responsibilities, operating procedures and tools".

8.1.3.3.1 ORGANISATION, RESPONSIBILITIES, OPERATING PROCEDURES AND TOOLS

Organisation

By and large, the Group's organisational structure is largely decentralised, which by definition results in a high degree of delegation. The delegation of operational, functional and legal responsibilities to Assystem's Company officers and managers requires an internal control system adapted to this type of organisation. Thus, the internal control system and information systems that the Group has chosen to implement contribute to monitoring its operations whilst respecting the principles of decentralisation and delegation.

Delegations of authority and responsibilities are drawn up in writing after approval by management.

The Group's Code of Conduct, validated by the Board of Directors, is available to all employees.

Responsibilities

The responsibilities assigned to employees are set out in writing in job descriptions which are validated by their line managers and supplemented, where applicable, by delegations of authority. Job descriptions help to clarify the nature of the work and transactions for which the employees are responsible by clearly setting out the type and method of supervision applicable and by integrating, where required, the internal control dimension by setting out their responsibilities related to complying with and updating procedures, etc.

The delegations of authority describe the permanent or temporary transfer of responsibilities and chiefly relate to the departments involved in financial transactions (incurring and authorising capital expenditure, ceilings set regarding procurement, supplier payments, etc.). The bank signing powers put in place at local level must reflect these delegations of authority as closely as possible.

Having suitable resources to achieve its objectives is essential for the Group, owing, in particular, to the high levels of staff turnover. The human resources managers play a key role in guaranteeing this suitability. In conjunction with the operating divisions, they draw up staff training plans and coordinate annual performance appraisals during which the achievements for the past year are reviewed, targets for the following year are set and the skills that need to be acquired or consolidated are identified.

Operating procedures

Business operating procedures

The Group has a quality management system (QMS) for operations in place in France, the United Kingdom and in Germany, which are the three main countries in which the Group operates, available on the Group's intranet. The QMS is also applicable to other significant countries for the Group's business. This system includes a map of business processes and a set of related procedures and instructions. The quality managers use this system to carry out periodic audits aimed at assessing whether the applicable quality standards are being complied with.

Pre-sales and client contracts

Pre-sales and client contract processes are defined in the QMS.

Before any bid is submitted, an internal decision-making process takes place on whether or not to actually respond to the client's invitation to tender. If the decision is positive, a technical and commercial bid is drawn up and is then subject to validations concerning its technical, financial, and legal aspects.

Performing services and reviewing ongoing projects

Contracts are managed by project managers. Monthly reviews involving an examination of the project's technical status, related costs and revenues, cash flow curve and margin on completion are organised, at an operational level, around major fixed-fee projects. In addition, within the Group, a task force (essentially made up of operations managers) conducts periodic audits covering all of the Group's business units. Already strengthened at the end of 2014, this team will once again be reinforced at the start of 2016 with the addition of new auditors specially trained for this purpose.

This project management system has been reinforced *via* the creation of the Project Management Community, which now provides a forum for around 500 of the Group's leading project managers to exchange ideas, share experiences and achieve continuous improvement. Created simultaneously to strengthen the project culture within the Group, the Project Management Institute provides a specific and structured training course each year, allowing the development and assessment of project managers' skills. In 2015, a new "Earned Value Management" training scheme was added to the catalogue.

The risk analysis procedure created in 2013 has now been completely rolled out across all existing offerings and contracts. Around 50 project managers are trained every year in this procedure.

Project reviews are also organised on a quarterly basis at the Group's head office in the presence of the Deputy Chief Executive Officer & Chief Financial Officer and the Executive Vice-President in charge of HR development. These reviews relate to projects that represent amounts exceeding a certain threshold (variable depending on the scopes and countries) as well as projects that have specific characteristics or are exposed to specific risks. They are used to assess the technical and financial progress of projects and update the understanding of associated risks, and if needed, define appropriate action plans and determine the ways and means to implement them (both for clients and in-house).

Human resources, recruitment, and payroll management

Human resource requirements are determined by line management, and the corresponding recruitment procedures are defined and managed by each country's Human Resources Department. Overall budgets for remuneration increases are managed at the level of each operating entity and each country and are reviewed and validated by the management team.

Administrative procedures

Sales

All customer account openings in France are subject to an enquiry to assure the client's solvability (supported by a monitoring process to alert the Company to any major changes in solvability). All customer accounts are integrated into a recovery procedure based on adapted reminder scenarii.

For this, the Company uses customer account and recovery management software in France. This application is engaged at different levels from the moment the invoice is issued: pre-reminders before the due date, reminders, identification of payment delays, identification of disputes and monitoring of their resolution, inventory of payment promises (and verification of invoice payment at the announced dates).

Similar procedures, adapted on a case-by-case basis to the specific businesses and countries, are implemented in the Group's other entities abroad. The resources thus engaged to prevent client risks and to improve the effectiveness of trade receivables recovery allow the Group, as far as possible, to limit losses on the latter, and ensure good generation of operational cash flow.

In addition, strict internal rules applicable to all consolidated entities state, depending on the type of projects (mainly time and materials, work packages and fixed rate) and activites, stipulate the revenue recognition procedures.

The Group has implemented reinforced General Conditions of Service, which are systematically integrated into responses to calls for tender.

Real estate

The expression of needs in the search for new premises is formalised by each operational manager, validated by the appropriate Business Unit director and transmitted to the Group's general services and/or the country for processing and examination of the corresponding business case. The study of the project and the dimensioning and cost of premises selected come under the responsibility of the General Management.

The Procurement and General Resources Department then intervenes at the different levels of negotiation to ensure the monitoring of leases in France, and if necessary outside of France. Regular budgetary reviews on premises, both inside and outside of France, enable a regular exchange of information to take place between the General Services and Management Control Departments to update data on the existing premises and analyse on-going and future projects.

Delegations of authority

The principles of delegations of authority implemented meet a triple objective:

- raise awareness of operational directors on their responsibilities in terms of health and safety;
- create a power of representation for the Assystem Group for the benefit of operational directors;
- fix a precise framework within which the operational directors' authority is exercised (including the possibility for sub-delegation).

The delegations mainly concern commitments directly linked to operational areas (hiring of consultants or sales managers, signature of customer contracts, dispute management, etc).

Bank signatures are only partly delegated, in France and abroad, and for limited amounts.

Budgeting and management control

The Group's different operational units draft and present their strategy and annual budget to the General Management. The Group's annual budget is then approved by the Audit Committee and the Board of Directors.

The Group Finance Department carries out a monthly analysis and cross-check of the content of key reporting indicators in order to identify any variation from forecasts and detect any significant shortfalls (notably in terms of the gross margin on contracts, operating gross margin and the operational non-billing rate and client payment times), and propose remedial measures if required.

Purchases

Purchasing procedures are subject to independent controls:

- issue of the need by the internal client;
- purchase of the material or service by the concerned department (general services, IT…);
- validation of the service and/or delivery by the concerned service;
- validation of the payment authorisation and invoice by the Accounting Department based on the different documents.

Payment of invoices is organised by the Accounting Department, which ensures that upstream controls have been carried out and by survey also checks the information that enabled the invoices to be validated.

The Group has strengthened its General Purchase Conditions.

Consolidation

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), based on accounting data prepared under the responsibility of the heads of its operating units.

Points of particular significance for the Group are dealt with centrally. For example, the Group Finance Department reviews the accounting processing of disposals and acquisitions and the regular tests carried out on the value of the Company's assets.

Accounting

The Group Finance Department coordinates the accounts closure processes and sends out any necessary memorandums and instructions to all consolidated entities. In addition, it meets regularly with the Statutory Auditors in order to present specific and significant transactions carried out during the year and the accounting options selected.

Financing and cash management

The Group has put in place a centralised management system for cash and investments, *via* a cash pool set up for entities in Eurozone countries and has implemented other cash centralisation procedures for the other entities. The Board of Directors defines the cash management policy on a yearly basis with the overall aim of guaranteeing the liquidity and security of investments.

Currency and interest rate hedges as well as the counterparties for these hedges are centralised at the level of Assystem SA. The number of banks used for these instruments is limited.

The Group has chosen Swift Net to ensure that its financial messaging is secure. Combined with its cash management software in Saas mode, this solution provides an optimised system for centrally managing the Group's cash on a day-to-day basis and for minimising financial risk by offering a fully integrated management solution for cash and payments.

The Group monitors real and forecast cash flows for each subsidiary on a monthly basis, in France and in other countries. These reviews cover the forecasts for the main cash flows related to operating, financing and investing activities.

In 2015, the Group deployed a web-based system for cash flow consolidation, reporting and analysis for most of the Group's consolidated entities, which provides specific responses for highly operational issues:

- building and structuring processes for monitoring "sliding" and updated cash flow forecasting;
- standardising and simplifying the reporting and data collection processes;
- analysing, for a given period, gaps between actual and forecast figures;
- easily dealing with the other issues that arise from the Group's activities (cash pooling, inter-company transactions, multiple currencies, identification of cash and non-cash flows).

Financial commitments

Financial commitments – including off-balance sheet commitments – require prior approval. In addition, as part of the accounts closure process, the operating units are required to list all of the commitments they have given and received.

Capital expenditure

A capital expenditure authorisation procedure covering all capex categories is applicable to all Group subsidiaries. Given the Group's business, these expenditures are limited and mainly concern computer hardware and software.

Insurance

The list of insurable risks and the risk coverage policy are managed by the Group Legal Affairs Department. Assystem's Human Resources Department is responsible for overseeing the specific insurance programmes applicable to employee expatriation assignments (to and from France). Entities held by MPH Global Services SAS and which operate in the Middle East and Africa have their own insurance programme for their expatriation assignments.

Legal disputes

Legal disputes involving Assystem SA and its subsidiaries are monitored and reported on a continuous basis by the Group's Legal Affairs Department in conjunction with legal experts within the operating divisions and/or countries. The financial impact of legal disputes is analysed by the finance directors of each operating division and if required by the Group's Finance Department.

Legal management of subsidiaries and equity interests

In 2015, the Corporate Legal Affairs Department deployed the Enablon software for managing its subsidiaries and equity interests in France, Germany, Spain, UK and the Middle East, enabling it to:

- set up a cross-functional and centralised management system for holdings and subsidiaries, covering financial, legal, accounting and tax issues;
- possess software with an integrated data security function;
- introduce a fast, reliable and powerful tool, which can support the Group's international growth strategy and deal with the increasing complexity of its operations, made available to all support functions (consolidation, accounting, cash management, tax, country-level finance directors, legal experts, etc.).

Disposals – Acquisitions

The identification of acquisition targets and their pre-qualification is initiated by a dedicated department and/or the operational divisions concerned, then validated by the General Management and the Finance Department.

Following operational, financial, HR, tax and legal audits, whose aim is to validate the compatibility of targets with the business model, the financial performance and identification of possible risks, acquisition proposals are presented to the Board of Directors for approval.

Acquired companies are immediately integrated into the Group's operational and management reporting process. Depending on their size, the Group's information systems are deployed to guarantee the reliability of financial information.

Asset or securities disposals are validated by the Board of Directors and the General Management and are subject to management and monitoring at Group level, in liason with the operational divisions concerned.

Communication of results

The preparation and validation of press releases and investor presentations concerning the Group's results are governed by a specific procedure involving the Group's executive management team, the Finance Department, the Communications Department and the Statutory Auditors. Draft earnings releases are submitted to the Audit Committee and the Board of Directors for review.

The Group implements all reasonable means to provide regular, reliable, clear and transparent information to its shareholders and to financial analysts.

Information is provided through press releases, by the quarterly publication of the Group's revenue and by the half-yearly and yearly publication of its financial results.

Twice yearly, the Group organises "SFAF" meetings, when publishing its financial results, and four times per year, telephone conferences when publishing its quarterly revenue figures.

Tools

The Group has put in place a set of key indicators which enable it to monitor project management. These indicators are monitored during quarterly project reviews carried out with operations by the Deputy CEO & Chief Financial Officer and the Executive Vice-President in charge of HR development. The Group's financial reporting also includes a series of indicators and aggregates which allow for a finely-tuned analysis of the performance of the various subsidiaries and business units. In addition to these indicators, the Group also specifically monitors its indirect costs, billable staff time and billing rates. All of the tools implemented are also rounded out by the Group's internal control measures.

8.1.3.3.2 INTERNAL COMMUNICATION

The intranet and the reporting and consolidation system are the two centralised communication channels used by the Group to relay key information that is necessary for the people concerned to exercise their responsibilities.

The Group's intranet includes the QMS manual and the main procedures applicable at local level The procedures concern IT, human resources and business management.

All of the subsidiaries are equipped with the reporting and consolidation system (LINK), It is the platform for the financial information published by the Group. An accounting guide is distributed to all Group subsidiaries to ensure that information is submitted in a standardised fashion.

The Group communicates with its subsidiaries by circulating memorandums and procedures in order to ensure that matters affecting the Group as a whole, such as investments, cash management, the monitoring of trade receivables, etc., are dealt with in a consistent manner.

Lastly, subsidiaries are responsible for setting up and maintaining information systems that are compatible with the Group's objectives in terms of reporting financial information and managing projects. At this stage, the Group has not opted to implement a common management information system for all its subsidiaries as the nature of its activities does not require it. It is, however, attentive to the harmonisation of the labels and content of its key performance indicators for comparable activities, in order to carry out transversal analyses (in particular project profitability analyses) on the same basis and to facilitate skills exchanges between business units and countries.

8.1.3.3.3 IDENTIFYING, ANALYSING AND MANAGING RISKS

The Group attaches critical importance to effectively managing its risks.

The main categories of risk to which the Group is exposed, to a greater or lesser extent, are as follows:

- financial risks;
- contractual risks;
- employee-related risks;
- market-related risks;
- risks relating to IT systems.

The "Risk factors" chapter of this Registration Document describes the Group's main risks as well as the measures implemented to manage them.

The quarterly project reviews help to identify the various risks involved in ongoing projects and to decide on any actions to be taken to reduce them. These reviews – which mainly relate to fixed-fee projects – are carried out using check-lists and enable the following areas to be dealt with:

- recognition of revenue in line with the financial progress of the contract;
- margin on completion;
- contractual risks and related reserves and provisions;
- cash flows.

Monthly project reviews are also organised inside business units. These reviews cover a virtually exhaustive spectrum of ongoing projects.

The General Management team, the operating divisions and the Human Resources Departments are responsible for assessing employee-related risks; These risks mainly stem from the high levels of staff turnover that are a characteristic feature of the engineering and consultancy industries.

A member of the general management team is in charge of developing human resources within the Group. Working closely with all the relevant parties, he defines the key aspects of the Group's human resources policy and the main priorities of annual recruitment campaigns. Our human resources teams also work closely together in order to effectively manage the risks relating to periods between contracts and to the transfer of skills from one sector to another.

Because the Group has a diversified client base and works in different business sectors it is able to satisfactorily balance the risks relating to the markets in which it operates. In this respect, the General Management team meets regularly to debate the changes that have occurred or may occur in the Group's economic and commercial environment and decide on measures to be implemented to take them into account.

Management and operational IT systems are vital for the Group to carry out its activities. In order to effectively deal with the risks relating to these systems, the Group has established a series of procedures intended to guarantee the security of systems and information as well as data integrity and the continuity of operations. These key procedures include a business continuity plan.

The risk mapping procedure implemented by the Group covers the different categories of major risks to which the Group is exposed and measures these risks in terms of impact and vulnerability (*i.e.* net exposure to risks after taking existing controls and risk reduction measures into account).

Assystem has opted for a "top-down" approach to allow the Group's management to obtain an overall view of the risks to which the Group is exposed. This overall view emerges as a result of discussions with members of the management team and with Assystem's key operations and corporate support managers. The discussions are based on an inventory of the main risk factors, an assessment of their potential impact and likelihood of occurrence, and cover the following main themes:

- business/operations;
- contract and project management;
- HR/people and skills management;
- finance;
- legal and fiscal compliance;
- results and performance;
- image and reputation.

For each of the above categories, the main risks have been identified, defined and assessed in terms of their impact and probability of occurrence.

The following criteria are used to assess the impact of identified risks and lielihood of occurrence.

Impact

For risks whose consequences can be measured in monetary terms, the impact on the consolidated operating results is determined in accordance with the following scale.

Magnitude	Monetary impact on operating results
Very low	Less than €1 M
Low	Between €1 M and €3 M
Medium	Between €3 M and €5 M
High	Between €5 M and €8 M
Very high	Over €8 M

The consequences of risks that affect the Group's image and reputation cannot be measured in monetary terms and are therefore assessed based on potential fallout in terms of media coverage and/or crisis management.

Magnitude	Non-monetary impact in terms of media coverage and/or crisis management
Very low	No specific media coverage
Low	Local media coverage; crisis unit limited to local managers
Medium	Regional media coverage; crisis unit involving local managers and BU/divisional directors
High	National media coverage; crisis unit involving the Group's management bodies
Very high	International media coverage; crisis unit involving the Group's management bodies and direct referral to the Board of Directors

Probability

The probability of risks occurring is measured by reference to the past occurrence of comparable and/or similar events, according to the following scale:

Extent	Occurrence of comparable/similar events in the past
Improbable (less than 5%)	Never occurred in the past 5 years
Unlikely (between 5% and 15%)	Occurred once or twice in the past 5 years
Possible (between 15% and 30%)	Occurred once a year in the past 5 years
Very possible (between 30% and 90%)	Occurred more than once a year in the past 5 years
Certain (over 90%)	The risk is the result of non-compliance

The various risks thus assessed are positioned on a map with two axes (impact and probability), which is then used to rank them as follows:

- **high probability/significant impact**: priority risks which require attention and monitoring by the Board of Directors. These risks are placed under the direct responsibility of one or more members of the Board of Directors, who are tasked with ensuring that a related action plan is in place and that the resulting measures taken effectively reduce the level of risk;
- **high probability/low to medium impact**: risks requiring that the Board of Directors is regularly informed in order to provide it with a reasonable assurance of the successful functioning of controls aimed at reducing the possibility of risks occuring;
- **low to medium probability/low to medium impact**: risks requiring that the Board of Directors is regularly informed in order to provide it with reasonable assurance of the successful functioning of controls aimed at mitigating the impact in the event that the risks occur;
- **low probability/low impact**: non-priority risks requiring that the Board of Directors is periodically informed in order to provide it with reasonable assurance of the successful functioning of controls aimed at containing the risks in this category or completely eliminating them.

8.1.3.3.4 CONTROL ACTIVITIES IN LINE WITH OBJECTIVES

In view of the Group's high degree of decentralisation and its policy of delegating powers and responsibilities, the scope of the controls implemented is defined by each subsidiary's management team based on the Group's underlying internal control framework.

The main purpose of the controls performed is to reduce the major risks to which the Group is exposed.

The principal categories of control activities cover the following areas:

- contract authorisation: the Group has established delegation principles which give the appropriate managers the necessary powers to authorise contracts.

  The controls performed cover each contract phase:

  - selection of invitations to tender,
  - submission of bids,
  - definition of billing rates and pricing,
  - contract riders;
- contract review: the Legal Affairs Department conducts an independent review of major contracts before they come into force. In particular, the Legal Affairs Department is responsible for defining the general terms and conditions of services, which are stated on client invoices;
- time-management and billing: each subsidiary verifies the time entered into the applications used for this purpose. The controls carried out ensure that time is correctly allocated to ongoing projects and also trigger client invoicing;
- payments: the Group has introduced a dual signature policy for means of payment. In line with this policy, the Company defines thresholds for the authorisation of subsidiaries' expenses based on categories of authorised signatories. Secured financial messaging swaps guarantee compliance with this principle. In order to reinforce the supervision and control of certain geographically distanced subsidiaries, the Group Treasury Department receives details of monthly expenses incurred;
- budget and budgetary adjustments: each subsidiary presents the budget that it has drawn up for the current financial year to the members of the Executive Committee who authorise budgets. The same procedure applies to budget adjustments that are made during the year;
- periodic results and reporting: periodic results are reported every month *via* the reporting and consolidation application (LINK). The Group Finance Department conducts a critical review of these results and obtains from the relevant subsidiaries any further information that it may need to fully understand them.

The Group also places particular importance on the appropriate segregation of tasks in order to strengthen the controls undertaken in relation to critical transactions, particularly payments.

In small-sized entities, the appropriate segregation of tasks is sometimes difficult to achieve owing to the entity's organisational structure. In such cases, specific controls are put in place, essentially in the form of increased supervision by management which conducts an independent review of critical transactions for control and authorisation purposes.

8.1.3.3.5 ONGOING MONITORING OF THE INTERNAL CONTROL PROCESS

Overseeing the internal control process is one of the primary duties of the Board of Directors and the Audit Committee as well as of the Group's support departments and operating divisions.

The Group's executive management team defines the Group's overall internal control principles and ensures that they are correctly applied.

The Audit Committee examines the main reports related to the accounts as well as those concerning internal control.

The internal control process is also assessed by local management (managing directors and finance directors) by way of letters issued by these executives certifying compliance with the applicable procedures for preparing the financial statements and other information provided in connection with the preparation of the annual accounts.

8.1.3.3.6 2016 ACTION PLAN

The Group has made internal control part of a continuous improvement plan with the aim of enhancing the operational effectiveness of its processes. In this respect, the action plan drawn up for 2016 includes specifically the following points:

- ongoing review of the risk map;
- priority review of recently-acquired subsidiaries. For example, in 2015, the Radicon company, acquired in January 2015, was integrated through the combined action of the head office, the Energy & Infrastructure division teams, and local teams. A strategic Committee was set up every month within the Company, in the presence of shareholders, thus usefully completing the operational Committees, to which an Assystem representative is systematically associated. In addition, an audit of the opening balance and methods for recognising revenue was carried out during 2015 in order to identify the risks at the beginning of the year, to provision them and to apply the Group's overall rules and methods to Radicon.

Paris, 9 March 2016

Dominique Louis

Chairman of the Board of Directors

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8.2 STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS COMPILED PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L.225-235 of French company law on the report prepared by the Chairman of the Board of Directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

Year ended 31 December 2015

To the Shareholders,

As the Statutory Auditors of Assystem and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby present to you our report on the report drawn up by your Company's Chairman in compliance with the provisions of Article L. 225-37 of the French Commercial Code for the financial year ended December 31, 2015.

The Chairman is responsible for preparing a report for submission to the Board of Directors for its approval, detailing the internal control and risk management procedures put in place within the Company and providing the other information required by Article L. 225-37 of the French Commercial Code relating, in particular, to corporate governance policy.

It is our responsibility to:

- present you with our observations on the information contained in the Chairman's report regarding internal control and risk management procedures related to the preparation and processing of accounting and financial information; and
- certify that the report contains the other information required by Article L. 225-37 of the French Commercial Code, it being stipulated that we are not responsible for verifying the accuracy of such information.

We have performed our work in compliance with the professional standards applicable in France.

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

The professional standards applicable to Statutory Auditors require that we perform the necessary procedures to verify the accuracy of the information contained in the Chairman's report on internal control and risk management procedures related to the preparation and processing of accounting and financial information.

Specifically, these procedures consist of:

- familiarising ourselves with the internal control and risk management procedures related to the preparation and processing of accounting and financial information underlying the information contained in the Chairman's report as well as relevant existing documentation;
- familiarising ourselves with the work involved in the preparation of this information and the relevant existing documentation;
- ascertaining whether any significant failures in internal controls related to the preparation and processing of accounting and financial information that we may have identified in our work have been disclosed appropriately in the Chairman's report.

Based on our audit, we have no particular observations to make concerning the information on the Company's internal control and risk management procedures related to the preparation and processing of accounting and financial information as set out in the report of the Chairman of the Board of Directors drawn up pursuant to the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We hereby certify that the report of the Chairman of the Board of Directors contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris-La Défense and Neuilly-sur-Seine, 11 April 2016
Statutory Auditors

KPMG Audit *Division of KPMG S.A.*	Deloitte & Associés
Éric ROPERT *Partner*	Albert AÏDAN *Partner*

8.3 SPECIAL REPORT ON THE ALLOCATION OF FREE SHARES AND PERFORMANCE SHARES

8.3.1 FREE SHARE AND PERFORMANCE SHARE AWARDS (ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE)

GENERAL MEETING OF 24 MAY 2016

To the shareholders,

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, we have prepared the following report on free shares and/or performance shares awarded (i) to officers and certain employees of the Company, and (ii) by Assystem subsidiaries.

8.3.2 FREE SHARE AND PERFORMANCE SHARE AWARDS DECIDED BY THE COMPANY'S MANAGEMENT BOARD

In the year ended 31 December 2011

The Management Board, using the authorisation granted by the Extraordinary General Meeting of 5 May 2010, in its 15th resolution:

- awarded 20,500 performance shares to salaried Group employees at its meeting of 13 April 2011;
- awarded 43,360 performance shares to salaried Group employees at its meeting of 28 October 2011;
- awarded 108,900 performance shares to salaried employees of Group companies in France and abroad at its meeting of 29 November 2011.

The vesting periods under these free share plans ended on 14 April 2013, 29 October 2013 and 30 November 2013 respectively and the applicable lock-up periods ended on 14 April 2015, 29 October 2015 and 31 March 2016 respectively.

In the year ended 31 December 2012

The Management Board, using the authorisation granted by the Extraordinary General Meeting of 5 May 2010, in its 15th resolution:

- awarded 60,000 performance shares to members of the Company's Management Board (with the exception of the Chairman) at its meeting of 13 March 2012. These shares will vest after a period of three years subject to the beneficiaries still forming part of the Group at that date and to the achievement of the applicable performance conditions (with each condition accounting for one third of the vested shares).
- awarded 1,000 free shares to salaried employees of Group companies in France at its meeting on 13 March 2012 [(1)];
- awarded 46,393 performance shares to salaried employees of the Group at its meeting on 7 November 2012 [(1)].

The vesting periods under these plans ended on 14 March 2015 and 8 November 2014 respectively and the applicable lock-up periods will end on 8 November 2016 and 14 March 2017 respectively.

In the year ended 31 December 2013

No free shares or performance shares were awarded in 2013.

In the year ended 31 December 2014

The Management Board, using the authorisation granted by the Extraordinary General Meeting of 22 May 2013, in its 19th resolution:

- awarded 9,000 free shares to salaried employees of Group companies in France at its meeting on 24 March 2014 [(1)];
- awarded 6,000 free shares to salaried employees of Group companies in France at its meeting on 12 May 2014 [(1)].

(1) These free shares will only vest if the beneficiary still forms part of the Group at the vesting date.

8.3.3 FREE SHARE AND PERFORMANCE SHARE AWARDS DECIDED BY THE COMPANY'S BOARD OF DIRECTORS

In the year ended 31 December 2014

The Board of Directors, using the authorisation granted by the Extraordinary General Meeting of 22 May 2014, in its 25th resolution:

- awarded 500 free shares to salaried employees of Group companies in France at its meeting on 22 May 2014 (1);
- awarded 1,500 free shares to salaried employees of Group companies in France at its meeting on 7 July 2014 (1).

The vesting periods under the performance share plans concerned will end on 24 March, 12 May, 22 May and 7 July 2016 respectively and the applicable lock-up periods will end on 24 March, 12 May, 22 May and 7 July 2018.

In the year ended 31 December 2015

The Board of Directors, using the authorisation granted by the Extraordinary General Meeting of 22 May 2014 in its 25th resolution, awarded 2,500 free shares to an employee of a Spanish subsidiary of the Assystem Group at its meeting on 29 April 2015 (1).

The vesting period for this free share plan will end on 29 April 2017 and the lock-up period will end on 29 April 2019.

8.3.4 FREE SHARES AND PERFORMANCE SHARES AWARDED BY RELATED COMPANIES AS DEFINED IN ARTICLE L. 225-197-2 OF THE FRENCH COMMERCIAL CODE DURING THE YEAR ENDED 31 DECEMBER 2015

None.

8.3.5 FREE SHARES AND PERFORMANCE SHARES AWARDED BY CONTROLLED COMPANIES AS DEFINED UNDER ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE

None.

8.4 SPECIAL REPORT ON STOCK OPTIONS

None.

Paris, 9 March 2016

Dominique Louis

Chairman and Chief Executive Officer

(1) These free shares will only vest if the beneficiary still forms part of the Group at the vesting date.

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NOTES

9.1 STATEMENT BY THE PERSONS RESPONSIBLE FOR THE 2015 REGISTRATION DOCUMENT

We hereby state that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

We hereby state that to the best of our knowledge, the financial statements have been prepared in compliance with applicable accounting standards and provide a fair view of the net assets, the financial situation and the income of the Company and of all consolidated companies, and that the management report given in the present Registration Document as mentioned in the cross-reference table given on pages 192 and 193 of the present Registration Document presents a true picture of the development of the business, the income and the financial situation of the Company and of all the consolidated companies together with a description of the main risks and uncertainties to which they are exposed.

We obtained a completion letter from the Statutory Auditors confirming that they have read the whole of the Registration Document and verified the information about the Group's financial position and the accounts contained therein.

The historical financial information presented in this document is covered in the Statutory Auditors' reports provided on pages 128/129 and 149. The Statutory Auditors also prepared reports related to the information for 2014 and 2013 incorporated by reference into this document.

The Statutory Auditors' report on the consolidated financial statements for 2015, as set out on page 128/129 of this Registration Document, is a certification that [contains an unqualified opinion with an observation on Note 3 – Basis of preparation and summary of significant accounting policies and Note 27 – Segment reporting to the consolidated financial statements which outline the effects of the first-time adoption of IFRIC 21 "Levies", the changes in presentation applied to the income statement, and changes in operating segments]. The Statutory Auditors' report on the parent company financial statements for 2015, as set out on page 149 of this Registration Document, [contains an unqualified opinion with no observations].

The reports on the consolidated and parent company financial statements for the years ended 31 December 2014 and 2013, incorporated by reference into this Registration Document, are set out in the Registration Documents filed with the AMF on 17 April 2015 under number D. 15-0376 and on 15 April 2014 under number D. 14-0346, respectively. These reports contain an unqualified opinion with no observations, except for the report on the consolidated financial statements for 2014, which contains an observation on the change of accounting method described in Note 3 – Basis of preparation and summary of significant accounting policies to the consolidated financial statements and which shows the impact of the first-time application of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities".

Paris, 12 April 2016

Dominique Louis

Chairman and CEO of Assystem SA

Philippe Chevallier

Person in charge of financial information
Deputy CEO & Chief Financial Officer

9.2 CROSS-REFERENCE TABLE

CROSS-REFERENCE TABLE FOR THE ITEMS OF ANNEX I OF EUROPEAN COMMISSION REGULATION (EC) NO. 809/2004

The cross-reference table below indicates where in this Registration Document the information mentioned in the various items of Annex I of European Commission Regulation (EC) no. 809/2004 of 29 April 2004 can be found.

Information		Chapters	Pages
9	Operating and financial review	3	36
9.1	Financial situation	3	37
9.2	Operating profit (loss)	3	36 to 38
9.2.1	*Factors affecting the issuer's income from operations*	*3*	*36 to 38*
9.2.2	*Explanation of the reasons for significant changes in net sales and/or revenues*	*3*	*36 to 38*
9.2.3	*Presentation of economic, governmental, fiscal, monetary or political policies or factors that have affected, or could affect, the issuer's operations*	*Message from the Chairman, 3*	*2, 3, 36 to 38*
10	Capital resources		
10.1	Information concerning the Company's capital resources	3	39, 40
10.2	Sources, amounts and a description of the issuer's cash flows	3	39, 40
10.3	Information on the issuer's borrowing conditions and financial structure	7	39, 40
10.4	Information regarding any restrictions on the use of capital resources that could impact the issuer	3	39, 40
10.5	Anticipated sources of funds made necessary for the Company to fulfil its commitments	3	39, 40
11	Research and development, patents and licences	3, 4, 6	36, 37, 159
12	Information regarding trends	3	36, 37
12.1	Most significant trends in production, sales and inventory, and costs and selling prices, since the end of the last financial year	3	36, 37
12.2	Known trends, uncertainties, requests, commitments or events that are reasonably likely to have a material influence on the issuer's prospects for at least the current financial year	Message from the Chairman, 3	2, 3, 36 – 38
13	Profit forecasts or estimates	N/A	N/A
14	Administrative, management and Supervisory Boards and senior management	2	
14.1	Information concerning members of the Company's administrative and management bodies	2	15
14.2	Conflicts of interest within administrative, management, and supervisory bodies and senior management	2	17
15	Remuneration and benefits	2	29 – 34
15.1	Amount of remuneration paid and benefits in kind	2	29 – 34
15.2	Total amounts set aside or otherwise accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	2	29 – 34
16	Board and senior management practices	2	
16.1	Expiry dates of current terms of office	2	18 – 26
16.2	Information about members of the administrative and management bodies' service contracts with the issuer	2	30 – 31
16.3	Information about the issuer's Audit Committee and Remuneration Committee	2	27 – 28
16.4	Statement of compliance with the corporate governance system	2, 7	14
17	Employees	Key numbers	5
17.1	Headcount	3	5, 37
17.2	Shareholdings and stock options	8	185 – 186
17.3	Arrangements for involving employees in the capital of the issuer	8	185 – 186
18	Major shareholders	Key numbers	4
18.1	Shareholders holding more than 5% of the share capital	7	161
18.2	Existence of different voting rights	7	161, 158
18.3	Ownership or control of the issuer	7	161
18.4	Arrangements whose implementation may result in a change in control of *the issuer*	7	159
19	Related party transactions	7, 6.5	150 – 153
20	Financial information concerning the issuer's assets and liabilities, financial position, and profits and losses	6	

Information		Chapters	Pages
20.1	Historical financial information	6	
20.2	Pro forma financial information	N/A	N/A
20.3	Financial statements	6	71 – 148
20.4	Auditing of historical annual financial information	6	71 – 148
20.5	Last financial year-end date	6	71 – 148
20.6	Interim and other financial information	N/A	N/A
20.7	Dividend policy	7	163
20.8	Legal and arbitration proceedings	5	68
20.9	Significant changes in the issuer's financial or trading position	3	41
21	Additional information		
21.1	Share capital	7	161
21.1.1	*Amount of issued capital and information about each class of share capital*	*7*	*161*
21.1.2	Number and characteristics of shares not representing capital	7	161
21.1.3	*Number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer*	*7*	*161*
21.1.4	*Amount of any convertible securities, exchangeable securities or securities with warrants*	*7*	*165*
21.1.5	*Information about and terms of any acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase the capital*	*7*	*165 – 168*
21.1.6	*Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option*	*7*	*161*
21.1.7	*History of share capital for the period covered by the historical financial information*	*7*	*170*
21.2	Memorandum and Articles of Association	7	156
21.2.1	*Corporate purpose*	*7*	*156*
21.2.2	Provisions with respect to the administrative, management and supervisory bodies	2	15
21.2.3	*Description of the rights, preferences and restrictions attached to each class of shares*	*7*	*158*
21.2.4	*Description of the action necessary to amend the rights of shareholders*	*7*	*157 – 158*
21.2.5	*Conditions governing how Ordinary and Extraordinary General Meetings are called*	*7*	*157 – 158*
21.2.6	*Provisions that would have an effect of delaying, deferring or preventing a change in control of the issuer*	*7*	*159*
21.2.7	*Provisions governing the threshold above which shareholder ownership must be disclosed*	*7*	*161*
21.2.8	*Condition governing changes in the capital*	*7*	*158*
22	Major contracts	7	159
23	Third party information, statements by experts and declarations of interest	N/A	N/A
24	Documents available to the public	7	160, 156
25	Information on holdings	3, 6	41, 137

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CROSS-REFERENCE TABLE FOR INFORMATION REQUIRED IN THE MANAGEMENT REPORT

The cross-reference table below indicates where in this Registration Document the information contained in Assystem's management report in compliance with the laws and regulations in force and in particular Articles L. 225-100 *et seq.* of the French Commercial Code can be found.

Subjects		Chapters	Pages
1	**Information about the Company's business**	**3**	
1.1	Overview of the business (in particular progress made and difficulties encountered) and the results of the Company, each subsidiary and the Group as a whole	3	38 – 40
1.2	Analysis of the business, results, financial position and specifically the debt of the Company and of the Group	3	38 – 40
1.3	Outlook of the Company and/or Group	3	41
1.4	Key financial and non-financial indicators of the Company and the Group	3	38 – 40
1.5	Significant events after the reporting date affecting the Company and the Group	3	41
1.6	Indications as to the use of financial instruments including financial risks, market risks, credit risks, liquidity risks and cash flow risks of the Company and of the Group	5	65 – 66
1.7	Main risks and uncertainties of the Company and the Group	5	63 – 69
1.8	Information about R&D at the Company and the Group	3	36 – 37
2	**The Company's legal, financial and tax information**		
2.1	Choice made between the two modes of exercising senior management in case of change	2	14
2.2	Breakdown and change in the ownership structure	7	170
2.3	Name of controlled entities holding treasury stock and share of the capital they hold	7	170
2.4	Significant stakes acquired during the year in companies registered in French territory	3	41
2.5	Notice of stakes of over 10% in other publicly traded companies; disposal of cross holdings	7	170
2.6	Share repurchases and sales of treasury stock	3	40
2.7	Involvement of employees in the share capital	8	167
2.8	Overview of elements likely to have an impact in the event of a takeover bid	7	161
2.9	Summary table of authorisations currently in force granted by the GM to the Board of Directors concerning capital increases	7	164
2.10	Mention of any adjustments made to: shares giving access to the capital and stock options in case of share buy-backs; shares giving access to the capital in case of financial transactions.	7	167
2.11	Amount of dividends paid out over the past three financial years	7	163
2.12	Amount of non-tax-deductible expenses and expenditures	3	42
2.13	Term of payment and breakdown of trade payables and receivables by due date	3	42
2.14	Injunctions or fines for anti-competitive practices	N/A	N/A
2.15	Agreements between an executive director, or a shareholder with more than 10% of voting rights, and a subsidiary (excluding current agreements)	6.5	150

In accordance with Article 28 of European Commission Regulation (EC) no. 809/2004 of 29 April 2004, the following information is incorporated by reference into this Registration Document:

- the consolidated financial statements of the year ended 31 December 2014, the accompanying notes, the Statutory Auditors' report and the related management report presented from page 82 to 140 and on page 141 respectively of the Registration Document filed with the AMF (Financial Markets Authority) on 17 April 2015 under the number D. 15-0376;
- the consolidated financial statements of the year ended 31 December 2013, the accompanying notes, the Statutory Auditors' report and the related management report presented from page 76 to 132 and on page 133 respectively of the Registration Document filed with the AMF (Financial Markets Authority) on 15 April 2014 under the number D. 14-0364.

Subjects		Chapters	Pages
3	Information concerning executive directors	2	
3.1	List of offices and posts held by each executive director in any entity during the year	2	18 – 21
3.2	Remuneration and benefits of any kind paid during the year to each executive director by the Company, entities it controls and its parent company	2	30 – 32
3.3	Commitments related to the taking up, relinquishment or change of duties	2	34
3.4	When stock options are awarded, information on the basis of which the Board of Directors decided to: • either forbid executives from exercising their options during their term of office; • or require executives to hold and register all or part of the shares issued from exercised options during their term of office (and specify the ratio in question)	N/A	N/A
3.5	Summary of transactions in the Company's securities carried out by executives and related parties	2	30
3.6	When free shares are awarded, information on the basis of which the Board of Directors decided to: • either forbid executives from selling the free shares awarded to them during their term of office; • or require executives to hold and register part of the free shares awarded to them during their term of office (and specify the ratio in question)	N/A	N/A
4	CSR information about the Company	4	
4.1	Consideration of the social and environmental impact of the Company's business and its societal commitments to sustainable development, the circular economy, antidiscrimination and the furthering of diversity in the workplace	4	55, 58
4.2	Information about hazardous activities	N/A	N/A
5	Other information	N/A	
5.1	The amount of incidental loans due within less than two years granted by the Company on an ancillary basis to micro-enterprises, SMEs or middle-market companies with whom it has economic ties justifying such loans	N/A	N/A
5.2	Information about payments made to the authorities of each State or Territory in which the Company exercises the following business activities: exploring or prospecting or discovering or extracting or mining oil & gas, coal and brown coal, ores, stone and sand and clay, inorganic minerals and mineral fertilizer, peat, salt, and any other mineral resources, and logging virgin forests	N/A	N/A

CROSS-REFERENCE TABLE FOR INFORMATION REQUIRED IN THE ANNUAL FINANCIAL REPORT

The cross-reference table below indicates where in this Registration Document the information contained in Assystem's annual financial report in compliance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222–3 of the General Regulation of the AMF can be found.

CROSS-REFERENCE TABLE FOR SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

The cross-reference table below indicates where in this Registration Document the social, environmental and societal information required by Article R. 225-105-1 of the French Commercial Code can be found. (Chapter 4)

Subjects		Pages
2	Environmental information	50
2.1	General environmental policy	50
2.1.1	*Organisational measures to take into account environmental issues in business activities and any environmental evaluation and certification processes*	*50*
2.1.2	*Training and information provided to employees on environmental protection*	*50*
2.1.3	*Resources devoted to the prevention of environmental risks and pollution*	*59*
2.1.4	*Amount of provisions and guarantees in place for environmental risks*	*59*
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2.2.1	*Measures to prevent, reduce or clean up discharges into air, water and soil which seriously affect the environment*	*N/A*
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