FINANCIAL ANNUAL REPORT 2016

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1. SYNERGIE GROUP'S ACTIVITY AND SIGNIFICANT EVENTS IN 2016

SYNERGIE: a benchmark European player in resources management

The SYNERGIE Group is now a benchmark player in Human Resources Management and the fifth-largest company in this segment in Europe. It generated nearly 50% of its consolidated turnover for 2016 in international markets.

A leader in France and operating in 15 countries (Europe, Canada and Australia) through a network of 640 agencies, the Group is increasingly active in specialised tertiary sectors, cutting-edge industries such as aeronautics and renewable energy, construction and public works, market research, retail, services and new information and communications technologies, drawing on its comprehensive knowledge of the needs of every user.

The SYNERGIE Group is therefore one of the leading specialists in temporary employment, recruitment, out-placement, social engineering, consultancy and training. Each of these businesses demands flexibility, effectiveness and competitiveness to meet the requirements of its clients, whom it serves as a genuine, trusted partner. Its 2,990 permanent employees work day-to-day to place more than 63,000 fulltime equivalent (FTE) staff in France and abroad.

Key figures (consolidated data)

In € million	2016	2015	change
Turnover	**1,991.8**	**1,798.9**	**+10.7%**
Current operating profit (1)	100.2	92.7	**+8.1%**
Operating profit	**96.0**	**89.0**	**+7.9%**
Financial result	(2.8)	0.4	
Profit before tax	93.2	89.0	**+4.7%**
Net profit of consolidated companies	**65.0**	**60.1**	**+8.3%**
of which Group share	64.1	59.5	**+7.8%**

(1) *Current operating profit before amortisation and impairment of intangible assets*

SYNERGIE, a European Company

Through its markets, clients and offices, SYNERGIE Group has a strong international dimension.

As part of a strategic review to improve its organisation, the company decided to change its legal form to more clearly reflect its European dimension vis-à-vis its employees, clients and other partners.

During its Combined Shareholders' Meeting of 23 June 2016, SYNERGIE therefore adopted the form of a European Company, pursuant to the provisions of EC Regulation No. 2157/2001 dated 8 October 2001 on the status of a European Company and Article L. 225-245-1 of the French Commercial Code.

This is entirely justified by SYNERGIE's international dimension and more particularly its strong economic presence in the European Union. As other major companies have discovered, such a status will allow it to benefit from the advantages of a recognised common EU-wide legal and corporate form.

This legal status may be of symbolic importance in the majority of countries in which it is present, consistent with its economic reality.

Changes in European legislation

The legislative environment continues to favour temporary employment agencies (TEAs), due to changes in legislation since the mid-2000s, meaning that we can be reasonably confident about the outlook for the sector in the medium and long term. Similar underlying trends are taking shape in Europe, leading TEAs to expand their services to all business sectors.

Moreover, the European Directive on Temporary Agency Work was definitively adopted in October 2008 by the European Parliament and written into the Lisbon Treaty, with a deadline for transposition into national law by the Member States of 5 December 2011.

This directive is designed to safeguard temporary workers through compliance with the principle of equal treatment, to provide a minimum effective level of protection for temporary workers, and to promote temporary employment more effectively in some States.

Restrictions and prohibitions on the use of temporary workers are now very limited (see Article 4 of the Directive) and the principle of equal treatment is applied from day one of the assignment period (Article 5).

Although the directive has not yet been evenly implemented across the 28 countries of the European Union, several countries have benefited from its transposition and boosted growth in temporary employment.

Prohibitions on maximum assignment periods have been lifted, as have prohibitions on certain sectors and the over-limitation of the use of temporary employment, amongst other things.

The law of 17 July 2015 modified Article L.1251-35 of the Labour Code to allow the option of renewing contracts twice instead of once.

Recommendations by the EU institutions, designed to loosen up the employment market whilst maintaining a fair balance between flexibility and security, have paved the way for a new outlook for growth in the temporary employment market within the Union.

1.1 Temporary employment activity of SYNERGIE and its French subsidiaries in France

1.1.1 Human resources management in France in 2016

Total turnover generated by temporary employment agencies (TEAs) in France increased by 6.8% compared with 2015, with an average of 600,000 FTE temporary workers (source: DARES).

According to data from PRISM'EMPLOI, the TEA trade union, these trends were seen across almost all French regions, albeit to varying degrees.

However, temporary employment maintained its presence in all economic sectors, with agencies becoming "employment agencies" involved in all areas relating to flexible human resources management and thus embodying the gradual transferral of the mission of Pôle Emploi (the French government employment agency) towards the temporary sector.

Legislative changes

Lastly, the importance of two legal provisions, effective from 2013, should also be emphasised.

Firstly, the implementation of the Tax Credit for Competitiveness and Employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* or *CICE*):

This credit, which was designed to increase business competitiveness, amounts to 7% of gross compensation not exceeding 2.5 times the French growth-linked guaranteed minimum wage (SMIC) (originally 4% in 2013 and then 6% between 2014 and 2016).

It applies to corporation tax for the year in question and the three following years.

It has to be used in line with competitiveness and employment objectives: investment, research and innovation, training, recruitment, prospecting new markets, environmental and energy transition and replenishment of working capital.

Secondly, the law of 14 June 2013, known as the Employment Security Act, which resulted in the creation of 20,000 open-ended contracts within three years ("open-ended contracts for temporary workers"), has increased the appeal of temporary employment among managers and highly qualified technicians; open-ended contracts for temporary workers were effectively implemented only from 2015.

The minimum duration of part-time contracts was fixed at 24 hours a week as of 1 July 2014 (temporary work contracts were also excluded from this provision).

In a favourable legislative environment for temporary work, and bolstered by the European Directive, the French civil service also opened up to temporary employment with the law of 3 August 2009.

The three main bodies concerned (government, regional and health public services) represent nearly 5 million employees in total, offering TEAs new opportunities that could eventually lead to 100,000 to 150,000 employees being placed in temporary jobs.

A question mark hung over the recruitment of temporary staff in certain sectors of the civil service in 2015 but confirmation was provided by the government in March 2016.

1.1.2 SYNERGIE in France

The Group maintained a high overall level of activity in France, generating annual turnover of €1,033 million, up +11.8% on 2015, surpassing the one-billion-euro threshold for the first time.

Strategic investments made over a period of several years continued to produce benefits:

- Including accelerated expansion in the aeronautics market, which is growing rapidly and requires large numbers of highly qualified, specialised personnel.

  Aeronautics has an excellent long-term outlook, prompting aircraft manufacturers and their partners to boost their workforces substantially. SYNERGIE has consequently strengthened its expertise, relaunching its regional jobs fairs and capturing hundreds of candidates.

  In 2016, SYNERGIE became the leading partner in France of the world leader in aeronautics, AIRBUS.

- A stronger shipbuilding activity, galvanised by orders for builders and their sub-contracts in the Saint Nazaire region, one of the group's traditional strongholds.

- The development of Open Centers.

This innovative employment concept, mainly focused on tertiary-sector businesses, has led to:

- The optimisation of skills sourcing due to the sharing of sector expertise, enabling the potential of each candidate to be better exploited.

- A broad-based response to all the needs of individual companies or public institutions, which can use it to conduct full recruitment sessions.

- This model, which was first implemented in Paris in late 2008, was then extended to other major cities in France (such as Nantes, Toulouse, Lyon, Bordeaux and Marseilles) and abroad (Milan, Ghent, Antwerp and Madrid).

- The diversification of placement, training and disability activities also continued.

- Services to the public sector were stepped up.

  Positive responses to consultations on public procurement, for which a specialist unit was created, increased rapidly, generating turnover of more than €17.6 million in 2016 (+42%).

A client base of SMEs/SMIs and key accounts

SYNERGIE has developed a highly proactive strategy to win new clients, particularly in its core market of SMEs and SMIs, which still represent nearly 60% of the Group's turnover, and has multiplied partnerships with European "key account" clients.

Significant events:

SYNERGIE's digital transformation continues

Since 2015, the digital transformation has been a strategic priority for SYNERGIE; in 2016 it ramped up the number of initiatives in this area in order to create value in respect of its temporary employees and candidates, its clients and also the general public.

For clients seeking to improve their productivity while at the same time reducing their costs, SYNERGIE created a proprietary web services platform on which clients can use a personalised portal to enter their personnel requirements, manage their placement contracts and the working hours of placed personnel, preview their invoices, and access a certain number of reports.

For applicants, 86% of whom use their smartphone to look for jobs, SYNERGIE invested in a revamp of **synergie.fr** in particular to set up "Responsive", a website designed for mobile phone access. This new website will be operational in 2017. It will offer optimised features for job searches, with a powerful search engine, online job application in just a few clicks, the option to receive automatic alerts on offers that correspond to the candidate's search details, and the geolocation of job offers proposed by SYNERGIE.

SYNERGIE is also pursuing improvements in the management of job applicants and clients via a new tool that rapidly matches the skills of registered candidates with companies' requirements.

This project was launched in 2016 as part of a participative process similar to the overhaul of the services offering in 2014/2015, because SYNERGIE believes it is essential to place permanent teams at the center of its organisation and to include them in the selection of internal tools.
Fifty representatives from all of SYNERGIE's business lines came together during workshops to help define specifications and see the presentations of the service providers selected.

This new applicant management software, which was selected at the end of 2016, will come into operation in September 2018, since it will take some time to complete the technical rollout and oversee the necessary change management among users.

Lastly, concerning the public in general, SYNERGIE created a new website, **synergie.com**, with the aim of boosting its reputation among investors. SYNERGIE has also developed its presence on social networks by creating “Entreprises” pages on the main platforms and providing guidance to its employees on ways to promote the group. They participate in training by “online reputation” specialists and in photo sessions that they can post on social networks to build an attractive profile and convey a good image.

Comprehensive service provision

The new services offering which was launched in 2015 was designed to provide an innovative response to the dematerialisation requirements of some clients; work on diversity continued, and services proposals were made to support young people, seniors and people with disabilities, amongst others.

Similarly, the HR consultancy services range was expanded, mainly in the area of skills management, training and job interviews, after the latest training reform.

This global offering, enhanced by the recruitment of around fifty consultants, began to show results in 2016, with beneficial effects on the group’s activity and profitability.

1.2 The Group’s international activity: a presence in 15 countries

SYNERGIE registered a positive performance across all of the Group’s markets, enabling it to generate record turnover of €958.7 million in international markets.

This latter activity accounted for nearly 48% of the Group’s total operations in 2016, and represents a real driver of growth and profits.

In 2016, most of the Group’s subsidiaries based outside of France outperformed their respective markets.

These achievements have been further boosted by SYNERGIE’s strong integration at European level, allowing it to capture new key accounts year after year.

The unit dedicated to the detachment of qualified personnel between European countries, “Global Cross Sourcing by SYNERGIE”, the first of its kind for a French group, makes use of SYNERGIE’s multi-category expertise to assign temporary workers transnationally, thus providing a response to an important challenge in the employment market: the need for skills, and the need to increase fluidity in the assignment of qualified personnel from supply countries (chiefly eastern and southern Europe) to demand countries (northern Europe, as well as Australia, Africa and Asia).

1.2.1 In Southern Europe

Activity in southern Europe increased as follows:

- Sharp growth throughout the region;
- Particularly high growth in Italy.

In this context, activity grew again, by more than 15%, even though the penetration rate for temporary work remained below 2% of the working population in the three countries that make up "southern Europe", suggesting strong prospects for growth in the short term.

In € million	2016	2015
Turnover	**433.9**	**376.3**
Current operating profit	13.1	9.4
Financial result	(0.4)	(0.4)
Net profit of consolidated companies	**8.7**	**5.7**

Italy

Turnover, which was generated from a mixed client base of key accounts and SMIs/SMEs on the French model, increased by 17.2% during the year, to €248.4 million.

It benefited from legislative changes initiated by the Italian government from 2015, which were completed with new provisions in 2016 that will also have a positive effect, with open-ended temporary contracts becoming more widespread.

This trend, also boosted by a steady increase in the creation of new agencies, helped to generate an increase in operating profitability of 3.6% of turnover (versus 2.8% in 2015).

Spain

Having benefited from sharp growth in 2014 and 2015, the local subsidiary continued to show progress with further double-digit growth in turnover to €155.8 million, and an increase in operating profitability in absolute value (€3.7 million) and as a percentage of turnover (2.4%).

Portugal

Like Spain, Portugal saw continued growth despite a high comparison base, maintaining profitability of around €0.4 million.

1.2.2 In Northern and Eastern Europe

The Group saw growth of +4.2% in northern and eastern Europe in 2016, underpinned by contrasting trends.

In € million	2016	2015
Turnover	**482.2**	**462.6**
Current operating profit	22.1	18.8
Financial result	(0.4)	(0.6)
Net profit of consolidated companies (*)	**11.6**	**10.0**

(*) Excluding goodwill impairment

Belgium / Luxembourg

Turnover in the Belgium/Luxembourg region hit a new record high of €246.8 million (up +15.2%), confirming strong activity on SYNERGIE's third-largest market.
The recruitment of consultants to develop high value added activities was clearly a success.

Operating profit came in at €16.4 million, making a contribution of €10.6 million to Group net profit.

The Netherlands

Turnover reached €36.9 million in 2016 (compared with €31.9 million in 2015, i.e. up +15.4%) in a strong market.

This performance benefited all our activities, with the Dutch subsidiaries seeing a sharp increase in operating profit, and a very positive environment for the transport and logistics segments and for the secondment of personnel from Eastern Europe.

United Kingdom

Revenue came in at €115.5 million, down in relation to 2015 (-13% on a like-for-like basis).

The decline in activity was particularly notable in the first half of the year due to the termination of our collaboration with certain "key account" clients in 2015, in a highly competitive environment.

All of the operating profit (€1.1 million) was generated in the second half of the year, and the outlook improved, with a significant increase in seconded personnel during the first few months of 2017 and negotiations underway with potential new "key accounts".

Germany

SYNERGIE PERSONAL DEUTSCHLAND generated turnover of nearly €37 million, similar to its 2015 level, with a current operating margin of nearly €2 million.

FY 2016 saw the integration of Bavarian company CAVALLO from February, strengthening our presence across the Rhine and providing an opportunity to become a major player in southern Germany, where activity remains very strong.

This new subsidiary, which made full-year turnover of €25 million, saw growth in both activity and profitability.

SYNERGIE has shown that it aims to continue strengthening its coverage in Germany through successive acquisitions, with a presence in northern Germany, notably in Hamburg, the cradle of the aeronautics industry.

Switzerland

SYNERGIE SUISSE recorded turnover of €20.0 million, down compared with 2015.

The diversification of its client base, which until now has mainly comprised the building and public works sector, and the growing share of the placement activity, should help to revive profits in 2017.

Eastern Europe

The Czech and Slovakian subsidiaries generated total turnover of €4.1 million in 2016, higher than that of 2015, with consolidated operating profit for the region close to breakeven.

The share of temporary employment showed substantial growth and benefits from a strong outlook.

1.2.3 International markets outside Europe

Canada

Against a tense economic backdrop, notably in Quebec where the bulk of the subsidiary's activity is generated, turnover came out at €31.4 million (-1.1% on a like-for-like basis), but with profitability improving in relation to 2015.

The correlated ramp-up of large accounts covered by SYNERGIE HUNT INTERNATIONAL thanks to its nationwide presence, and the development of niche markets and targeted activities suggest there will be a return to strong profitability as of 2017.

Australia

The Australian subsidiary created in 2012, which jointly develops activity for the placement of highly qualified personnel from Europe and for the more traditional temporary and permanent placement segments, accelerated its development with the integration of B2B ENGINEERING which was acquired in the fourth quarter of 2015, whose presence in gas and oil activities for which it assigns highly qualified workers completes the range of services offered to the Australian client base.

2. CONSOLIDATED FINANCIAL STATEMENTS AND CORPORATE FINANCIAL STATEMENTS

The consolidated and corporate financial statements at 31 December 2016 were approved by the Board of Directors on 5 April 2017.

Pursuant to EU Regulation 1606/2002 of 19 July 2002, companies listed on any regulated market in a Member State must present their consolidated financial statements using the IFRS (International Financial Reporting Standards) guidelines as adopted by the European Union.

2.1 Group consolidated financial statements

2.1.1 2016 scope

The scope of the consolidated entities is shown in Note 3 to the financial statements.

Swiss company CAVALLO SUISSE INVEST AG and its German subsidiary CAVALLO PERSONALMANAGEMENT GmbH were acquired in full on 16 February 2016 and incorporated into the consolidation scope as of that date.

CAVALLO PERSONALMANAGEMENT GmbH generates annual turnover of around €25 million and operates around fifteen offices mainly in Bavaria, which means that SYNERGIE can now look to double its presence in the most dynamic states in southern Germany.

2.1.2 Statement of financial position

SYNERGIE's consolidated statement of financial position reads as follows:

In assets

- goodwill remained moderate (€69.6 million);
- the €3.8 million increase in other intangible assets corresponds to the acquisition of the German company, net of amortisation on clients and brands acquired;
- property, plant and equipment in support of the Group's activity for €36.6 million, showing a slight increase;
- an increase in the "Clients" item linked to the sharp increase in activity over the last two months of the year;
- a very high cash position of €59.5 million.

In liabilities

- an increase in shareholders' equity to €370.4 million (of which the Group share was €366.7 million);
- a decrease in non-current liabilities relating to borrowings to finance investments (€1.6 million);
- a current liabilities increase in relation to activity.

2.1.3 Income statement

Consolidated highlights by region

In € million	Turnover		Current operating profit (1)	
	2016	2015	2016	2015
France	**1,033.1**	**924.0**	**64.7**	**64.7**
Italy	248.4	212.0	8.9	5.9
Spain	155.8	137.1	3.7	3.0
Portugal	29.7	27.2	0.4	0.5
Southern Europe	**433.9**	**376.3**	**13.1**	**9.4**
Belgium, Luxembourg	246.8	214.3	16.4	13.0
The Netherlands	36.9	31.9	1.8	1.4
Germany	59.0	37.7	3.2	2.3
United kingdom	115.5	151.7	1.1	2.6
Switzerland	20.0	23.8	(0.4)	(0.5)
Eastern Europe	4.1	3.2	(0.1)	0.0
Northern and Eastern Europe	**482.2**	**462.6**	**22.1**	**18.8**
Canada / Australia	**42.6**	**36.0**	**0.4**	**(0.2)**
Total International	**958.6**	**874.9**	**35.5**	**28.0**
TOTAL	**1,991.8**	**1,798.9**	**100.2**	**92.7**

(1) *Current operating profit before amortization and impairment of intangible assets (Ebita)*

Turnover

SYNERGIE registered a positive performance in all of its markets, enabling it to generate record turnover of €2 billion, with a network that now stands at 640 establishments, split as follows:

France	308
Northern Europe	173
Southern Europe	133
Canada / Australia	26

Placement and other human resources activities (e.g. training, outsourcing, etc.) contributed 1.4% of total turnover, with a higher margin potential than our traditional activities.

Current operating profit before amortisation and impairment of intangible assets

In € million	2016 (H1)	2016 (H2)	2016	2015
Turnover	**942.8**	**1,049.0**	**1,991.8**	**1,798.9**
Current operating profit (*)	42.8	57.4	100.2	92.7
As % of revenue	**4.5%**	**5.5%**	**5.0%**	**5.2%**

(*) *Current operating profit before amortization and impairment of intangible assets (Ebita)*

Ebita	2016 % of revenue	2015 % of revenue
France	6.2%	7.0%
Southern Europe	3.0%	2.5%
Northern and Eastern Europe	4.6%	4.1%
Canada / Australia	0.8%	-0.7%
Consolidated SYNERGIE	**5.0%**	**5.2%**

In France, in a highly competitive market, SYNERGIE carried out new investments (development of IT tools, websites, training of permanent and temporary staff), partly financed by the CICE competitiveness and employment tax credit.

Since the comparison base was linked to a particularly high ratio in 2015, there was a ramp up of key accounts, and complementary insurance became mandatory for temporary employees, with a social security contribution in force since 1 January 2016 in France (impact of €4 million), SYNERGIE's current operating profit in France came out at the same level as in 2015 (€64.6 million).

In international markets, the outperformance recorded in the Benelux countries and in southern Europe contributed significantly to the upswing in overall profitability, with current operating profit of €35.6 million compared with €28 million in 2015.

Consequently, consolidated current operating profit came out at €100.2 million, with a ratio in relation to turnover of 5.0%.

The successful integration of the German subsidiary CAVALLO is of particular note. Consolidated as from mid-February 2016, the company saw both turnover and profitability increase compared with the previous financial year.

Impairment for bad debt was reduced to just 0.1% of turnover.

Depreciation and amortisation (€6.7 million) increased by 17% in relation to 2015 due to significant investment by the Group over the last few years, notably in IT.

Operating profit

The following items explain the transition from current operating profit to operating profit in 2016:

- amortisation of intangible assets relating to acquisitions came to €2.6 million, up in relation to 2015 (€1.9 million), due to the acquisition in Germany in February 2016;
- goodwill impairment related to the UK subsidiary in the amount of €0.9 million following an impairment test;
- non-recurring items that were not material in 2016 (€0.7 million) and in 2015 (€0.1 million).

Financial result

The cost of financial debt was €0.5 million, showing a significant improvement in relation to 2015.

The impact of Brexit on the euro/pound sterling exchange rate at 31 December 2016 gave rise to a foreign exchange loss of €2.3 million while a foreign exchange profit of €1.2m had been recognised at 31 December 2015.

It should be noted that this expense is primarily linked to a change in provision based on the pound sterling exchange rate at the year-end.

Profit before tax

All of this gave rise to earnings before tax of €93.2 million (versus €89.4 million in 2015).

Net profit

Due to the CVAE (a company value added contribution), i.e. €14.0 million related to the French subsidiaries, on the one hand and corporate income tax and deferred tax on the other, the consolidated net earnings reached a record €65.0 million (Group share of €64.1 million), confirming the relevance of the strategic choices made in France and in the other countries in which the Group operates.

2.2 Corporate financial statements of SYNERGIE

2.2.1 Financial position

The statement of financial position at 31 December 2016 shows:

In assets

- no change in capitalised assets at €102.2 million;
- an increase in working capital, due to strong activity in the final two months of the year and taking account of the increase in the CICE;
- a surplus cash flow of €29.1 million, representing a decrease in relation to 2015 due to the working capital requirements generated over the last few months of the year.

In liabilities

- a high level of shareholders' equity of €296.9 million after dividend payments (€14.6 million);
- an increase in the provision for foreign exchange risk to €4.1 million;
- financial debt mainly comprising the current accounts of subsidiaries with surplus cash flow, since SYNERGIE SE acts as a central treasury department;
- an increase in long-term operating payables relating to activity in the final months of the year.

In accordance with the law, we would like to point out that supplier credit (excluding training and invoices not yet received) was 39 days on average in 2016, with past due dates breaking down as follows at the year-end:

In € thousand	2016	2015
not past due	**528**	397
less than 30 days	425	498
between 30 and 60 days	45	5
between 60 and 90 days	17	30
between 90 and 120 days	15	1
more than 120 days	63	167
Total	**1,093**	**1,098**

2.2.2 Income statement

In € million	2016	2015
Turnover	**1,013.8**	**906.3**
Operating result	49.7	52.2
Financial result	5.2	7.6
Net profit	**51.8**	**50.4**

SYNERGIE SE recorded net profit of €51.8 million with turnover surpassing the billion euro threshold for the first time: €1,013.8 million versus €906.3 million in 2015 (+11.9%). SYNERGIE SE's contribution to the Group's activity, representing 52% of business volumes handled, is still the largest: however, the balance is shifting year on year towards the foreign subsidiaries.

The following should be noted:

- the significant impact of the CICE competitiveness and employment tax credit on operating profit and the impact retention rate, which decreased in 2016;
- the impact of the key accounts/SMEs and SMIs mix;
- the weight of the temporary employee complementary health insurance which was implemented in January 2016, in the amount of €4 million;
- a financial profit of €5.2 million, including dividends amounting to €7.5 million;
- an insignificant exceptional loss of €0.3 million.

Dividend payouts by some subsidiaries to SYNERGIE SE of €7.5 million in 2016, compared with €6.3 million in 2015, had no effect on the consolidated financial statements.

2.2.3 Appropriation of earnings

In view of the results set out below and given that SYNERGIE's financial structure has been further strengthened, the projected appropriation of earnings is as follows:

Net profit for the year	€51,793,135.74
Retained earnings from previous years	€94,100,612.30
Available profit	€145,893,748.04
Distributable profit	**€145,893,748.04**
Reserve for treasury shares (reversal of appropriation)	(€136,936.65)
Dividends	€14,617,200.00
Retained earnings	**€131,413,484.69**

A dividend payout totalling €14,617,200 will be proposed. The dividend, to be paid out no later than 23 June 2017, will be €0.60 for each of the 24,362,000 shares.

The amount paid out is subject, for natural persons resident in France for tax purposes, to the progressive income tax scale after an allowance of 40% of the gross amount (*Article 158.3.2 of the French General Tax Code*). At the same time, since 1 January 2013, there has been a 21% payment on account, not exempting the balance of income from tax, withheld at source, under the conditions set forth in Article 117-*quater* of the French General Tax Code.

Distribution of dividends

Pursuant to the law, it should be noted that the respective dividends for the last three years were as follows:

Financial year	Overall dividend	Unit dividend	Unit dividend relative to 24,362,000 shares
2013	€7,308,600	€0.30	€0.30
2014	€9,744,800	€0.40	€0.40
2015	€14,617,200	€0.60	€0.60

The dividends paid in 2014, 2015 and 2016 were eligible for the 40% allowance specified in Article 158 of the French General Tax Code.

2.3 Financing

2.3.1 Financing of SYNERGIE

At 31 December 2016, SYNERGIE SE had a positive net cash position of €83.3 million (adjusted for current accounts vis-à-vis the Group's subsidiaries) compared with €112.7 million at the end of 2015.

SYNERGIE SE also provides part of the working capital requirements of some subsidiaries by making current account contributions, and also provides guarantees to local banks.

2.3.2 Financing of the Group

In € million	2016	2015
Consolidated shareholder's equity	**370.4**	**322.1**
Net cash position	33.3	64.9
Financial debt	(16.2)	(17.7)
Cash position net of any debt	**17.1**	**47.2**
Cash position including CICE	**111.8**	**105.8**
Self-financing capacity	38.8	41.1
Change in working capital requirement	(43.5)	2.0
"Industrial" investments excluding changes in scope	6.0	7.5
Cost of net debt/revenue	0.03%	0.04%

The working capital requirement relating to activity increased by €43.5 million, due to sharp growth in activity over the last two months of the year, an increase in client payment times linked to the contribution by key accounts and southern Europe (impact of €17 million), and the introduction of monthly payments for pension fund contributions in France (impact of €7 million).

Available cash covered current investments, the acquisition of German company CAVALLO and dividend payouts (€14.6 million).

As shown in the consolidated statement of cash flows, the combined effects of these factors resulted in a very strong net cash position of €33.3 million.

The cash position net of any debt plus payable CICE stood at €111.8 million.

Shareholders' equity stood at €370.4 million, demonstrating the soundness of the SYNERGIE Group and ensuring its financial independence and European status. In the absence of debt, it also allows for the planning of new acquisitions without risk.

3. EVENTS AFTER THE REPORTING PERIOD AND OUTLOOK

3.1 Significant events after the reporting period

No significant events likely to affect the financial statements took place after the end of the 2016 reporting period.

3.2 Outlook in France and abroad

Legislative environment

Legislation continues to change under the European Directive, offering more flexibility in employment whilst also making it more secure ("flexicurity"). Negotiations on this subject between governments and social partners continued in 2016.

In France, the provisions governing open-ended contracts for temporary employees which were implemented in 2014, and their ramp-up from September 2015, underpinned the temporary employment sector and the professional careers of employees in this category.

The French presidential election provided the profession with an opportunity to press home to the main candidates the importance of recognising the major role of temporary employment in helping to include young people in the work place and in providing the necessary employment flexibility for all companies, particularly during work peaks.

The work by the profession over the past years to secure flexibility in partnership with union bodies has thus been recognised by all of the main candidates, which is important in securing the future of this activity sector.

Macroeconomic context

Converging monetary policies, low interest rates and the fall in energy prices are all positive factors that should put the global economy back on a more secure footing in terms of growth.

With a 1.4% increase in GDP in France in 2017 and of 1.6% in the eurozone, according to OECD forecasts, the economic recovery should continue in Europe.

Once again, this bodes well for the development of a flexible workforce and offerings in human resources management: double-digit growth and a marked improvement is expected in 2017 in the majority of the European subsidiaries.

The SYNERGIE Group

The first few months of the year once again brought confirmation of SYNERGIE's strength, with amplification of the trend in the fourth quarter of 2016 giving rise to particularly strong growth over the first two months, both in France (+13.4%) and internationally (+21.3%). The Group thus posted growth of 17.4% at the end of February 2017.

Against this backdrop, the Group continued to roll out activity in strong-growth geographical areas and activity sectors, particularly outside of France, while at the same time actively pursuing its targets in northern Europe mainly, both in countries where it is already present (Germany, Netherlands, Belgium, etc.) and in new countries (Scandinavia, Austria, etc.), with the goal of achieving turnover of €2.2 billion in 2017.

The Group also took all necessary measures to consolidate its sourcing, in particular with plans for a dedicated structure in Poland.

4. CORPORATE GOVERNANCE

4.1 Board of Directors

The Board of Directors

SYNERGIE's Board of Directors has four members, appointed for six years, including one female director (25% of the total number of directors). SYNERGIE is presently in compliance with the law of 27 January 2011 relating to the "balanced representation of women and men on the Board of Directors and the Supervisory Board and professional gender equality". (Article L.225-18-1 of the French Commercial Code).

The current directors are:

Daniel AUGEREAU	Chairman
Nadine GRANSON	Director
Yvon DROUET	Director
Julien VANEY	Director

Since the mandates of Daniel AUGEREAU, Yvon DROUET and Nadine GRANSON will expire at the end of the next General Meeting, you will be asked to renew their term of officer for another six-year period, until the Shareholders' Meeting convened in 2023 to approve the financial statements for the year ended 31 December 2022.

Further details are provided in the Chairman's report on corporate governance and internal control.

4.2 Corporate officers

The following are details of the total fixed and non-recurring remuneration and benefits in kind paid to each corporate officer during the financial year.

The data in the following tables are in thousands of euro.

Summary of compensation, options and shares assigned to each executive director

	2016	2015
Compensation payable for the year		
Daniel AUGEREAU	654	565
Yvon DROUET	201	185
Julien VANEY	250	180
Nadine GRANSON	193	124
Valuation of options granted during the year	**-**	**-**
Valuation of performance shares granted during the year	-	-
TOTAL	**1,298**	**1,054**

Summary table for each executive director

Daniel AUGEREAU	2016		2015	
	payable	paid	payable	paid
- fixed compensation	420	420	380	380
- variable compensation	220	220	172	172
- one-off compensation	-	-	-	-
- directors' fees	-	-	-	-
- benefits in kind	14	14	13	13
TOTAL	**654**	**654**	**565**	**565**

Yvon DROUET	2016		2015	
	payable	paid	payable	paid
- fixed compensation	159	159	158	158
- variable compensation	39	39	24	24
- one-off compensation	-	-	-	-
- directors' fees	-	-	-	-
- benefits in kind	2	2	2	2
TOTAL	**201**	**201**	**185**	**185**

Julien VANEY	2016		2015	
	payable	paid	payable	paid
- fixed compensation	250	250	180	180
- variable compensation	-	-	-	-
- one-off compensation	-	-	-	-
- directors' fees	-	-	-	-
- benefits in kind	-	-	-	-
TOTAL	**250**	**250**	**180**	**180**

Nadine GRANSON	2016		2015	
	payable	paid	payable	paid
- fixed compensation	187	187	110	110
- variable compensation	6	6	14	14
- one-off compensation	-	-	-	-
- directors' fees	-	-	-	-
- benefits in kind	-	-	-	-
TOTAL	**193**	**193**	**124**	**124**

Table of directors’ fees: None

Stock options granted to each executive director during the year: None

Stock options exercised by each executive director during the year: None

Performance shares granted to each executive director: None

Performance shares becoming available to each executive director during the year: None

4.3 Proposed approval of the remuneration policy comprising the principles and criteria for calculating, dividing and awarding the different remuneration components of the corporate officers

Pursuant to Article L. 225-37-2 of the French Commercial Code, the Board of Directors submitted for the approval of the Shareholders' Meeting the principles and criteria used to calculate, divide and award the fixed, variable and nonrecurring components of the total remuneration and benefits in kind payable to the corporate officers in respect of their mandates for financial year 2017, which comprises the remuneration policy.

These principles and criteria which were approved by the Board of Directors are presented in the report stipulated in the aforementioned article. Pursuant to Article L. 225-100 of the French Commercial Code, the amounts resulting from the implementation of these principles and criteria will be submitted for approval at the Shareholders' Meeting convened to approve the financial statements for 2017.

We propose that you approve the principles and criteria as set out in this report.

5. RISK MANAGEMENT

Risk management, a major focus for management

Information on risks and uncertainties relating to the Group's activities is provided below. For more information on the controls established and action taken to prevent these key risks, please see the Chairman's Report on Corporate Governance and Internal Control.

5.1 Management of financial risk

Interest rate risk

All the loans being repaid as at 31 December 2016 were taken out at fixed rates of interest. In view of the significant fall in rates in 2016, the interest rates on the largest loans were renegotiated in early 2017.

The average interest rate on the Group's loans fell to 2.55% in 2016.

Currency risk

Activity outside of the eurozone accounted for 9.1% of consolidated turnover as at 31 December 2016 (compared with 11.9% as at 31 December 2015).

Our expansion in the UK through successive acquisitions since December 2005, partly financed by current account contributions, and changes in the UK currency, have made the Group more sensitive to exchange rate fluctuations.

The impact of Brexit on the euro/pound sterling exchange rate at 31 December 2016 gave rise to a financial expense reflecting the impact of a change in provision in line with the exchange rate at the year-end.

A study is underway on the impact of currency hedging on the different products which could be proposed by the Banks, bearing in mind that at 31 March 2017 the euro/pound sterling exchange rate had not changed in relation to 31 December 2016 and acquisitions of subsidiaries outside the eurozone are now financed locally.

Currency prices against the euro

1 euro = Price	reporting period		12 months average	
	2016	2015	2016	2015
Pound sterling	0.8562	0.7339	0.8227	0.7242
Canadian dollar	1.4188	1.5116	1.4589	1.4251
Swiss franc	1.0739	1.0835	1.0909	1.0646
Czech crown	27.0210	27.0230	27.0423	27.2695
Australian dollar	1.4596	1.4897	1.4852	1.4837

Liquidity and credit risks

As the cash position is positive and no debt exists, liquidity and credit risks are regarded as insignificant.

The option of making use of CICE financing by transferring debt to a financial institution strengthens the Group's financial situation in respect of these risks.

Share and Investment risks

SYNERGIE implements a very prudent policy in managing its financial investments.

The investments made are in very short-term money market SICAVs (open-end investment companies), most bought and sold within the same month, for which there is no risk, as well as forward accounts of up to one month. Only term accounts remained at 31 December 2016.

Treasury shares are managed under both the liquidity contract and the share buyback programme..

5.2 Management of non-financial risks

The reputation of SYNERGIE and its subsidiaries, their positioning as generalist players and the business volumes they handle mean that they can respond to calls for tenders from national and international clients (key accounts) to continue their development and steadily increase their market share.

The Group has market share of around 5% in France and between 1% and 3% in the many European countries where it has a strong presence (Belgium, Italy, Spain and Portugal).

For all practical purposes, we emphasise that the Group has not been subject to sanction by the Competition Council for anti-competitive practices.

Client risk

The Group retains its independence vis-à-vis its clients, with only two clients contributing more than 1% to its consolidated turnover.

This means that work on optimising receivables management takes place daily. On this point, we have been raising awareness among our employees for several years about the notion of "client risk" and managing payment delays.

Processes for freezing authorised amounts outstanding, relating to client risk as estimated by the Credit Management service, and incorporated into trade and sales force software, are effective aids in making decisions about and containing this risk.

By employing these methods, the Group ensures that its sales can grow in a secure environment.

Economic risk

The victory of the UK referendum to leave the European Union (“Brexit”) on 23 June 2016 could have a negative impact on the economy, the financial markets and the international foreign exchange markets. Legal uncertainties have already emerged concerning the flow of European personnel into the United Kingdom.

Nevertheless, the UK subsidiary contributed just 5.8% of SYNERGIE Group’s consolidated turnover in 2016 (8.4% in 2015).

The financial risks have already been studied, with the economic risks set out in Note 5.2 of the notes to the consolidated financial statements (impact of changes in discount rates and of growth and Ebit on future cash flows).

Brand-related risk

As part of its branding policy, the Group may grant the use of its trademarks and graphic representations to its subsidiaries through negotiated licence agreements.

Our image policy has thus caused us regularly to file new brands and slogans to adjust our identity to economic developments and our internationalisation.

In addition, the Group is required to conduct an active policy of defending the "SYNERGIE" brand, when third parties in particular use the term "SYNERGIE" to refer to a part of the business which, without being similar or related, can target protected services or otherwise more directly competing activities relating to temporary work or human resources management. The Paris Regional Court thus ruled on 4 April 2007 that "SYNERGIE" is a universally recognised brand in France.

Sponsorship of various sports is a media channel that has enhanced awareness of the brand.

Lastly, it should be specified that most of the European temporary employment subsidiaries are developing the SYNERGIE brand.

Legal and tax-related risk

Internal control, in legal terms, is based on the precautionary principle, which relies on a responsible attitude on the part of each employee and on upstream intervention on major issues, as well as active resolutions of disputes downstream.

The Group’s external consultants and lawyers are selected according to qualitative criteria and the optimum cost/time ratio. The implementation of these criteria is regularly reviewed.

Corporate legislation specific to temporary employment

Most of the Group’s turnover is generated from temporary employment, which is subject - in France and in the other eurozone countries in which we operate - to specific legislation. The main features of this legislation, which is similar in the various States, enable our activity to be integrated into national economies to enhance flexibility in the labour market.

This context, illustrated by the significant progress made in recent years and the widespread increase in temporary employment legislation in the European Union, attests to the long-term nature of the activity.

The opening of temporary employment agencies and other HR service companies in the key areas concerned (France, Italy and Belgium) has strengthened this position.

It should also be remembered that French, Italian, Spanish, Portuguese, Swiss and Luxembourg legislation requires the submission of a guarantee from a financial institution as security for payment of the salaries of temporary workers and the associated social security contributions.

Given the structure of the income statement and the predominance of salary and social security contribution items within the operating accounts, all social measures and decisions with a direct impact on salaries (e.g. legislation on working hours and changes to the SMIC in France) or social security contributions (various reductions and the CICE in particular, changes in contribution rates, etc.) could affect the Company's financial statements.

Therefore, the effects of the implementation of the European Directive on Temporary Agency Work in each country are carefully monitored, as legislation is harmonised progressively.

We are not aware of any other legislative changes in our key areas of operation in Europe that could have a significant impact on the Group's financial statements.

Information technology risk

In a context where IT and new technologies represent a major support for business development, the Group constantly adapts its software and architectures to accommodate requests from governments and clients.

Moreover, significant changes in the administrative computer system have prompted the Group to pay particular attention to the centralisation and preservation of the information collected; accordingly, there is an ongoing focus on assessing IT risks that could affect information and accounting data, and the associated procedures are continually updated.

To ensure the permanence and the physical safety of its management tools, particularly its programmes and computer data, the Company has completed a backup and information recovery plan for SYNERGIE SE's administrative headquarters.

The foreign subsidiaries have data backup procedures and operating systems in place to ensure the longevity of their computer systems.

Technological risk

The Group's activity is not exposed to any technological risk pursuant to Article L.225-102-2 of the French Commercial Code.

Environmental risk

As a provider of services, the Group is not exposed to any significant environmental risk.

However, as part of the provisions of Article R.225-105 et seq. of the French Commercial Code, the Group presents to the Shareholders' Meeting a Report on Social and Environmental Responsibility, including, in particular, its complete environmental policy, in accordance with the provisions of Article L.225-102-1 of the French Commercial Code.

Insurance and risk coverage

Exceptional risks are covered by insurance programmes negotiated by Executive Management. These programmes ensure an appropriate level of coverage. They are subscribed through first-rate international insurance companies that benefit in turn from reinsurance coverage.

The insurance programmes mainly cover the following operating risks:

- the financial consequences of any implication of the civil liability of Group companies;
- specific areas such as multiline premises insurance, insurance for car fleets and IT equipment, insurance for managers and corporate officers.

6. LIFE OF SYNERGIE STOCK

6.1 General information and changes in the stock

Share capital

The share capital of SYNERGIE SE is €121,810,000, divided into 24,362,000 shares with a par value of €5.

There are no transferable securities likely to give direct or indirect access to the Company's capital.

Listing

SYNERGIE is listed on Compartment B of Euronext Paris under ISIN code FR0000032658.

During the year, the share price moved between a low of €21.15 (12 February 2016) and a historical high of €35.00 (30 December 2016).
The previous year's closing price as at 31 December 2015 was €26.59.

On average, 6,101 securities were traded per session in 2016, compared with 11,184 in 2015.

The Company's market capitalisation was €761,028,277 at 31 December 2016, based on the average share price over the last 60 sessions of the year.

SYNERGIE joined the SRD Long on 24 December 2013 and entered the MSCI Small Cap Index on 25 November 2014.

Liquidity of the stock

A liquidity contract, pursuant to the AMAFI (French financial market association) charter, was signed on 28 January 2007 between the Company (the issuer) and Oddo Midcap (the intermediary).

The share's liquidity remained at an average of €170 thousand per day.

Trading of shares and voting rights

SYNERGIE shares may be freely traded and there are no statutory limitations on the exercise of voting rights.

Double voting rights are assigned, in respect of the percentage of share capital they represent, to all shares that are fully paid up and are proven to have been registered in the name of the same shareholder for a period of at least two years, as well as registered shares granted free of charge to shareholders in the event of a capital increase through incorporation of reserves, profits or share premiums, by virtue of old shares for which they have this right.

The transformation to a European Company did not have any effect on the rights of the Company's shareholders. The financial commitment of each shareholder will remain limited to that which they had subscribed for before the Company's transformation, which does not affect the voting rights of any of the shareholders; in particular, the statutory provisions on double voting rights remain unchanged.

Shareholders' agreement

To the best of the Company's knowledge, no shareholders' agreement exists.

Schedule of financial announcements

PUBLICATION OF FINANCIAL INFORMATION	ANNUAL PROVISIONAL	QUARTERLY (Q1)	HALF-YEAR	QUARTERLY (Q3)
Provisional date (*)	05 April 2017	26 April 2017	13 September 2017	25 October 2017
PUBLICATION OF REVENUE	**QUARTERLY (Q1)**	**QUARTERLY (Q2)**	**QUARTERLY (Q3)**	**QUARTERLY (Q4)**
Provisional date (*)	26 April 2017	26 July 2017	25 October 2017	31 January 2018
INVESTOR INFORMATIONS	**Ordinary Shareholders' Meeting**	**ANALYSTS' MEETING 1**	**ANALYSTS' MEETING 2**	**DIVIDEND PAYMENT**
Provisional date (*)	14 June 2017	06 April 2017	14 September 2017	23 June 2017

(*) after stock market hours

6.2 Shareholding structure

Percentage of share capital held by shareholders with a significant interest

Pursuant to the law, we hereby inform you that SYNERGIE INVESTMENT, directly controlled by HB COLLECTOR and indirectly controlled by Henri BARANDE, held 70.93% of the share capital and 83.41% of the exercisable voting rights at 31 December 2016.

To the best of the Company’s knowledge, no other public shareholder holds more than 5% of the share capital.

Treasury stock

At 31 December 2016, 357,563 treasury shares were held, including 5,100 under the liquidity contract and 352,463 as part of the share buyback programme as approved by the Combined Shareholders’ Meeting of 23 June 2016.

6.3 Share buyback programme

It should be noted that, pursuant to Article L.225-209 of the French Commercial Code, SYNERGIE has set up a share buyback programme.

At the Combined Ordinary and Extraordinary Shareholders’ Meeting of 14 June 2017, a proposal will be submitted to renew, for a period of 18 months, the necessary powers granted to the Board of Directors to purchase, on one or more occasions and at times that it deems appropriate, shares of the Company up to a limit of 4% of the number of shares making up the share capital, i.e. 974,480 shares based on the current share capital.

This authorisation renders null and void the authorisation granted to the Board of Directors by the Combined Ordinary and Extraordinary Shareholders’ Meeting of 23 June 2016.

It will enable the Company to:

- intervene through an investment services provider in the context of a liquidity contract in accordance with the AMAFI ethics charter;
- release securities when rights attached to transferable securities are exercised, conferring entitlement to the granting of the Company’s shares;
- cancel shares when necessary.

The Company has also undertaken never to exceed ownership of 4% of its share capital, either directly or indirectly. Shares already held by the Company will be taken into account when calculating this threshold.

The acquisition, sale, transfer or exchange of shares may be carried out by any means, including on the market or over the counter, and at any time (except in case of a public exchange offer), in compliance with the regulations in force. The part of the buyback programme conducted through block trading may represent the entire programme.

Number of securities and percentage of the share capital held by SYNERGIE at 31 March 2017:

At 31 March 2017, SYNERGIE's share capital comprised 24,362,000 shares.
At this date, the Company held 363,490 treasury shares, representing 1.49% of the share capital.

Breakdown by purpose of equity securities held directly or indirectly:

At 31 March 2017, the treasury shares held by SYNERGIE broke down as follows:

- 11,027 shares purchased to stimulate the market;
- 352,463 shares purchased with the aim of using them later for payment or exchange as part of external growth operations.

Maximum percentage of the Company's capital that can be repurchased – characteristics of the equity securities:

4% of the share capital, i.e. 974,480 ordinary shares. As the treasury shares held at 31 March 2017 numbered 363,490, the remaining number of shares that can be bought back is 610,990, i.e. 2.51% of the share capital.

Maximum purchase price and maximum authorised amount of funds:

The maximum purchase price proposed is €52 per share.

The maximum amount allocated to acquisitions may not exceed €31,771,480, on the basis of 610,990 shares.

These terms, which are subject to approval by the Combined Ordinary and Extraordinary Shareholders' Meeting, will be authorised until the date of renewal by the Annual Shareholders' Meeting and for a maximum period of 18 months as of the aforementioned Shareholders' Meeting.

The Board of Directors will be authorised during this period to buy and/or sell shares of the Company under the conditions established. It may cancel the shares within a maximum period of 24 months.

Share buybacks are usually financed using the Company's own resources, or through debt for additional requirements exceeding its self-financing capacity.

Report on previous buyback programme

Pursuant to Article L.225-209 of the French Commercial Code, we would like to report on the buyback operations carried out.

The Combined Ordinary and Extraordinary Shareholders' Meeting of 23 June 2016 authorised the Board of Directors, with the power of delegation, to implement a share buyback programme for a period of 18 months, i.e. until 22 December 2017.

The following tables provide details of the operations carried out under this buyback programme.

Summary table

Declaration by the issuer on transactions carried out on its own securities: from 04 April 2016 to 31 March 2017	
Percentage of own share capital held, directly or indirectly	1.49%
Number of shares cancelled in previous 24 months	0
Number of securities in the portfolio	363,490
Carrying value of the portfolio	€3,733,702.09
Market value of the portfolio (1)	€13,463,669.60

(1 based on the closing share price at 31 March 2017

Cumulative gross flows			Open positions on date of issue of programme details					
	Purchases	Sales	call			put		
Number of securities	129,915	128,550	Calls purchased	Puts sold	Forward purchases	Calls sold	Puts purchased	Forward sales
of which under liquidity contract	129,915	128,550						
Average transaction price	31.21	31.06				NONE		
Amount	€4,053,946.58	€3,992,487.92						

The flows mentioned took place under the liquidity contract with the aim of stimulating the market.

6.4 Employee savings schemes

Pursuant to Article L.225-102 of the French Commercial Code, we hereby specify that no employee of the Company holds shares of our Company as part of the collective securities management schemes governed by the Code.

7. OTHER INFORMATION AND LEGAL REMINDERS

Agreements covered by Articles L225-38 et seq. of the French Commercial Code

Our Statutory Auditors will read out their report on the agreements duly authorised by the Board of Directors for the year ending 31 December 2016.

Corporate, social and environmental information

This information is presented in a specific report.

Report of the Chairman of the Board of Directors on the internal control and risk management procedures

In accordance with the provisions set out in the last paragraph of Article L.225-37 of the French Commercial Code, the Chairman of the Board of Directors has prepared a special report on the conditions of preparation and organisation of the work of the Board and on the internal control procedures and risk management procedures implemented by the Company.

Delegation of power concerning capital increases

In accordance with the provisions of Article L.225-100 of the French Commercial Code, we hereby inform you that the Shareholders' Meeting granted no delegations of competence or delegations of power to the Board of Directors concerning capital increases.

Acquisitions of equity interest during the year

The table of subsidiaries and equity affiliates is presented in Note 3 to the consolidated financial statements.

During the past year, our Company did not acquire or increase any capital stake or voting rights in companies whose registered office is located in France.

Non-tax-deductible expenses

Non-tax-deductible expenses pursuant to Article 39-4 of the French General Tax Code came to €99 thousand and the corresponding tax to €34 thousand.

Breakdown of the results in the corporate financial statements of SYNERGIE SE for the last five years:

In € thousand	2012	2013	2014	2015	2016**
Net profit after tax	10,319	35,967	44,648	50,392	51,793
Initial retained earnings (*)	2,081	4,683	31,646	58,615	94,101
Available profit	12,400	40,651	76,294	109,006	145,894
Reserves	516	1,798	8,079	509	(137)
Dividends	7,309	7,309	9,745	14,617	14,617
Retained earnings after appropriation	4,576	31,544	58,470	93,881	131,413

(*) The "Initial retained earnings" item for financial years 2012 to 2016 includes dividends not distributed attached to treasury shares.

(**) According to the appropriation of profit proposed to the Combined Shareholders' Meeting of 14 June 2017.

Research and development

Due to its activity, SYNERGIE SE is not exposed to research and development costs, but benefited from "business" IT applications, which it provided to the Group's French subsidiaries.

In order to pursue and develop their activities, each subsidiary must independently carry out development and innovation projects to adapt to regulatory change, respond to client expectations, optimise the management of CV libraries and the performance of the temporary employment payroll/invoicing application, by incorporating new modules.

It should be specified that these are experimental developments using new technologies and do not constitute fundamental applied research.

8. TABLE OF RESULTS OVER THE PAST FIVE YEARS

	2012	2013	2014	2015	2016
Capital at end of year					
Share capital (in €K)	121,810	121,810	121,810	121,810	**121,810**
Number of ordinary shares in issue (A)	24,362,000	24,362,000	24,362,000	24,362,000	**24,362,000**
Maximum number of future shares to be created through share subscriptions reserved for employees.	(B)	(B)	(B)	(B)	**(B)**
Operation and results for the year (in €K)					
Operating and financial income	833,451	859,925	904,340	931,186	**1,040,906**
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	18,769	37,381	46,775	58,795	**57,984**
Income tax	3,021	4,323	3,424	8,071	**2,934**
Employee profit-sharing owed for the year	-	-	-	1,130	**-**
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	10,319	35,967	44,648	50,392	**51,793**
Distributed profit	7,309	7,309	9,745	14,617	**14,617**
Earnings per share (in €)					
Profit after tax and employee profit-sharing but before depreciation, amortisation and provisions	0.63	1.36	1.78	2.04	**2.26**
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	0.42	1.48	1.83	2.07	**2.13**
Dividend per share*	0.3	0.3	0.4	0.6	**0.60**
Personnel					
Average workforce during the year	23,143	23,220	23,947	24,818	**27,761**
Payroll amount (€K)	562,967	574,853	607,773	628,469	**708,732**
Social security contributions and social benefits	178,434	165,980	167,159	159,542	**185,007**

(*) Proposed to the Combined Shareholders' Meeting of 14 June 2017.

(A) Securities registered for a period of at least two years carry double voting rights.

(B) The share subscription offer reserved for some categories of employees lapsed on 28 April 1990.

CONSOLIDATED FINANCIAL STATEMENTS OF THE SYNERGIE GROUP

FINANCIAL DATA

- CONSOLIDATED STATEMENT OF FINANCIAL POSITION BEFORE APPROPRIATION
- CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- STATEMENT OF CASH FLOWS
- STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
- NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE INCOME STATEMENTS

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION BEFORE APPROPRIATION

Assets In € thousand	Note No.	31/12/2016	31/12/2015
Goodwill	5	68,472	73,454
Other intangible assets	6	17,664	13,829
Property, plant and equipment	7	36,562	35,206
Non-current financial assets	8	100,013	64,089
Deferred tax assets	9	1,597	2,204
Non-current Assets		**224,308**	**188,782**
Trade receivables	10	478,671	404,815
Other receivables	11	28,516	23,083
Cash and cash equivalents	12	59,513	87,187
Current Assets		**566,700**	**515,084**
Total Assets		**791,008**	**703,866**

Liabilities In € thousand	Note No.	31/12/2016	31/12/2015
Share capital	13	121,810	121,810
Issue and merger premiums		-	-
Reserves and carryforwards		180,846	138,473
Consolidated profit		64,080	59,480
Non-controlling interests		3,668	2,378
Sharehoders' equity		**370,403**	**322,140**
Provisions and payables for employee benefits	14	3,710	5,006
Non-current borrowings	16	12,262	13,882
Deferred tax liabilities	9	5,213	3,980
Non-current Liabilities		**21,185**	**22,868**
Provisions for current risks and charges	15	1,837	1,764
Current borrowings	16.2	3,953	3,858
Current bank debt	16.3	26,165	22,314
Trade payables	17	15,334	11,993
Tax and social security payables	18	344,878	312,088
Other payables	18	7,253	6,841
Current Liabilities		**399,420**	**358,858**
Total Liabilities		**791,008**	**703,866**

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2.1 Consolidated income statement

In € thousand	Note No.	31/12/2016	31/12/2015
REVENUE	**19**	**1,991,759**	**1,798,904**
Other income		2,372	2,081
Purchases		(55)	(87)
Personnel costs	20,1	(1,780,100)	(1,601,908)
External expenses		(63,804)	(60,725)
Taxes and similar levies		(40,629)	(35,908)
Depreciation and amortisation		(6,674)	(5,680)
Provisions	20,2	(2,107)	(3,634)
Other expenses		(564)	(315)
CURRENT OPERATING PROFIT BEFORE AMORTISATION AND IMPAIRMENT OF INTANGIBLE ASSETS		**100,198**	**92,727**
Amortisation of intangible assets related to acquisitions	5,2	(2,579)	(1,860)
Impairment of intangible assets related to acquisitions	5,2	(850)	(1,800)
CURRENT OPERATING PROFIT		**96,769**	**89,067**
Other operating income and expenses	20,3	(729)	(76)
OPERATING PROFIT		**96,040**	**88,991**
Income from cash and cash equivalents		757	699
Cost of gross financial debt		(1,276)	(1,415)
COST OF NET FINANCIAL DEBT	**21**	**(518)**	**(716)**
Other financial income and expenses	21	(2,329)	1,154
Share of equity-accounted companies		-	-
NET PROFIT BEFORE TAX		**93,193**	**89,429**
Tax expense	22	(28,180)	(29,376)
CONSOLIDATED NET PROFIT		**65,013**	**60,053**
Group share		**64,080**	**59,480**
Non-controlling interests		**933**	**573**
Earnings per share (in €) (*)	**23**	**2,63**	**2,44**
Diluted earnings per share (in €) (*)	**23**	**2,63**	**2,44**

(*) Group net profit divided between 24,362,000 shares.

2.2 Statement of net profit and gains and losses recognised directly in shareholders' equity

In € thousand	31/12/2016	31/12/2015
Net profit	**65,013**	**60,053**
Gains and losses resulting from translation of the financial statements of foreign subsidiaries	(2,209)	1,230
Liquidity contract	92	112
Subtotal of recyclable gains and losses	**(2,117)**	**1,342**
Actuarial differences net of tax	(53)	54
Subtotal of non-recyclable gains and losses	(53)	54
Total gains and losses recognised directly in shareholders' equity	**(2,170)**	**1,396**
Net comprehensive income	**62,843**	**61,449**
Group share of total comprehensive income	62,058	61,438
Non-controlling interests' share of total comprehensive income	785	11

3. STATEMENT OF CASH FLOWS

In € thousand	Note No.	31/12/2016	30/12/2015
Consolidated net profit		65,013	60,053
Derecognition of expenses and income without an impact on cash or not related to business activity		(25)	43
Depreciation, amortisation and provisions	25.2	10,103	9,340
Cost of financial debt	21.3	518	716
Deferred tax position	22.1	(162)	(1,187)
Other expenses and income not generating short-term flows (*)		(36,599)	(27,899)
CASH FLOW		**38,848**	**41,066**
Change in working capital requirement	25.1	(43,523)	2,043
NET CASH FLOW FROM OPERATING ACTIVITIES		**(4,675)**	**43,109**
Purchases of fixed assets	25.3	(6,016)	(7,458)
Sales of fixed assets		808	49
Impact of changes in scope (and price supplements)	2	(5,500)	(1,549)
CASH FLOW RELATING TO INVESTMENT ACTIVITIES		**(10,708)**	**(8,958)**
Dividends paid out to shareholders of the Parent Company		(14,397)	(9,600)
Dividends paid out to minority shareholders of the consolidated companies		(270)	(180)
Purchase of treasury shares		137	(3)
Loan issues	16.6	175	977
Loan repayments	16.6	(1,268)	(1,126)
Cost of net financial debt	21	(518)	(716)
NET CASH FLOW FROM FINANCING ACTIVITIES		**(16,141)**	**(10,649)**
CHANGE IN NET CASH POSITION		**(31,524)**	**23,502**
Opening cash position	16.3	64,872	41,370
Closing cash position	16.3	33,348	64,872

(*) Portion of the 2016 CICE not attributable in 2017.

4. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousand	Capital	Capital reserves	Treasury securities	Consoli-dated reserves	Gains and losses recognised directly in shareholders' equity	Total Group share	Non-controlling interests	Total
Position at 01/01/2015	**121.810**	**9.443**	**(3.617)**	**137.729**	**3.326**	**268.691**	**1.939**	**270.630**
Appropriation of earnings n-1		2,232	-	(2,232)	-	**-**	-	-
Dividends		**-**	-	(9,600)	-	**(9,600)**	(180)	(9,780)
Transactions on treasury shares		**-**	(3)	**-**	112	**109**	-	109
Overall net profit for the year		**-**	-	59,480	-	**59,480**	573	60,053
Currency translation adjustment		**-**	**-**	**-**	1,220	**1,220**	11	1,231
Change in scope		**-**	-	(190)	54	**(136)**	35	(101)
Position at 31/12/2015	**121,810**	**11,675**	**(3,620)**	**185,187**	**4,711**	**319,764**	**2,378**	**322,142**
Position at 01/01/2016	**121,810**	**11,675**	**(3,620)**	**185,187**	**4,711**	**319,764**	**2,378**	**322,142**
Appropriation of earnings n-1		506	-	(506)	-	**-**	-	-
Dividends		-	-	(14,397)	-	**(14,397)**	(270)	(14,667)
Transactions on treasury shares		-	137	-	92	**229**	-	229
Overall net profit for the year		-	-	64,080	-	**64,080**	933	65,013
Currency translation adjustment		-	-	-	(2,158)	**(2,158)**	(154)	(2,312)
Change in scope		-	-	(729)	(53)	**(782)**	780	(2)
Position at 30/12/2016	**121,810**	**12,181**	**(3,483)**	**233,634**	**2,593**	**366,735**	**3,668**	**370,403**

5. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE INCOME STATEMENTS

NOTE 1

Accounting principles and methods

1.1 Overview

The consolidated financial statements at 31 December 2016 were approved by the Board of Directors on 05 April 2017.

Pursuant to EU Regulation 1606/2002 of 19 July 2002, companies listed on a regulated market in a Member State must present their consolidated financial statements using the IFRS (International Financial Reporting Standards) guidelines as adopted by the European Union.

1.2 Accounting principles and methods applicable to the financial statements

1.2.1 General principles of consolidation

All of the accounts of companies included in the consolidation scope have an accounting closure date of 31 December, with the exception of Swiss company CAVALLO SUISSE INVEST AG, which was only recently integrated.

The financial statements are presented in thousands of euro unless otherwise specified.

1.2.2 Consolidated methods

SYNERGIE SE owns, directly or indirectly, more than 50% of the voting rights of all of its fully consolidated subsidiaries.

Inter-company transactions, receivables and payables, income and expenses are derecognised from the consolidated financial statements. The consolidated reserves are not affected in the event of a merger between Group companies or of deconsolidation.

1.2.3 Use of estimates

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions that affect the amounts reported in these financial statements.

This mainly concerns the valuation of intangible assets and the calculation of provisions for risks and charges. Actual results may differ from these assumptions and estimates.

1.2.4 Goodwill

The "Goodwill" item includes intangible assets recognised under "Business intangibles" in the corporate financial statements and the goodwill recognised as part of the consolidation process.

It represents the unidentifiable difference between the acquisition cost and the Group share of the fair value of the identifiable assets and liabilities at the date when control is taken, insofar as the Group has accounted for all of its acquisitions using the "partial goodwill" method.

The measurement of identifiable assets and liabilities, and therefore of goodwill, takes place at the date of first consolidation. However, on the basis of additional analysis and expert opinion, the

Group may revise these valuations in the 12 months following the acquisition. Any revisions may only be based on elements identified at the close of the last financial year.

Goodwill is not amortised, pursuant to IFRS 3 - "Business Combinations", but is tested for impairment if there are indications of impairment, and at least once a year, pursuant to IAS 36. In accordance with the same standard, acquisition costs arising from the purchase of a company have not been activated since 2010.

1.2.5 Other intangible assets

Intangible assets are recognised using the historical cost model.

Research costs

According to IAS 38 - "Intangible Assets", research costs are recognised as expenses in the year in which they are incurred.

Development costs

In order to pursue and develop their activities, each subsidiary must independently carry out development and innovation projects to adapt to regulatory change, respond to client expectations, and optimise the management of CV libraries and the performance of the temporary employment payroll/invoicing application.

It should be specified that these are experimental developments using new technologies and do not constitute fundamental applied research.

Development costs relate to software created in-house: it is mandatory that they are capitalised as intangible assets when the company can demonstrate:

- its intention and its financial and technical capacity to carry the development project to completion;
- its ability to use the intangible asset;
- the availability of adequate technical and financial resources to complete and sell the asset;
- that it is probable that the future economic benefits associated with the development expenditure will flow to the entity;
- and that the cost of this asset can be reliably determined.

Other development costs (creation of non-commercial website, expansion of client base, etc.) are booked as expenses in the year in which they are incurred.

Software is amortised on a straight-line basis over its estimated useful life. Systems design and programming costs, and the costs of establishing user documentation, are regarded as development costs.

Other intangible assets acquired

According to IAS 38 - "Intangible Assets", an asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

An acquired fixed asset is recognised as soon as it is identifiable and its cost can be reliably measured.

The client bases and brands of acquired companies are valued using the discounted cash flow method, pursuant to IFRS 3 - "Business Combinations".

As client bases have a definite useful life, they are amortised. Brands may or may not be amortised, depending on whether or not they have a definite useful life.

1.2.6 Property, plant and equipment

Pursuant to IAS 16 - "Property, plant and equipment", the gross value of property, plant and equipment corresponds to its acquisition or production cost, including the cost of acquiring buildings.

Property, plant and equipment are recognised using the historical cost model.

Fixed assets acquired under finance leases are accounted for in the same way (Note 7.2).

Depreciation is mainly calculated on a straight-line basis according to useful life; the depreciable bases reflect the residual amounts confirmed by expert opinion.

The useful lives used are generally as follows:

Type of asset	Straight-line duration
Intangible assets	
Concessions, patents and similar rights	1 to 5 years
Client base	10 years
Property, plant and equipment	
Buildings	20 to 80 years
Fixtures and fittings	7 to 10 years
Equipment and tools	5 years
General facilities	7 years
Transport equipment	5 years
Office equipment	5 years
Computer equipment	5 years
Furniture	10 years

Given the Group's activity and the tangible assets held, no significant items were identified, except for those relating to its subsidiary SYNERGIE PROPERTY.

1.2.7 Impairment of elements of fixed assets

Pursuant to IAS 36 - "Impairment of Assets", the value-in-use of property, plant and equipment and intangible assets with a definite useful life is tested as soon as there is any indication of impairment. The test is performed at least once a year for assets with an indefinite useful life.

The value-in-use of each of these assets is calculated as the present value of the future cash flows to be derived from the CGUs (cash-generating units) to which they belong.

Cash flows are estimated using the methods described in Note 5.

When this amount is lower than the net carrying amount of the asset, an impairment loss is recorded in operating profit.

CGUs are homogeneous groups of assets, the continuous use of which generates cash inflows that are substantially independent of those generated by other groups of assets. They are mainly determined on a geographical basis, according to the markets in which our Group operates.

1.2.8 Trade payables and recognition of income

Trade receivables are booked at their nominal value.

If events in progress make the recovery of these receivables uncertain, varying levels of impairment are booked, according to the nature of the risk (delayed settlement or disputed debt, compulsory administration or liquidation of assets), normal settlement differences in the various countries where the Group operates, the situation of each client and the portion covered by insurance.

The Company's income is registered as and when the Group's service of providing personnel is carried out. This procedure means that the rules of separation for financial years can be strictly applied.

Services relating to recruitment, excluding temporary employment, are booked in advance. This activity is still not significant at the Group level.

1.2.9 Tax expense

Tax expense includes payable income tax and deferred tax on temporary differences between value for tax purposes and consolidated value, as well as adjustments made as part of the consolidation process.

It also includes CVAE, the French value-added contribution for businesses, and various similar taxes (e.g. IRAP in Italy).

When the short-term outlook of the Group companies permits, deferred tax assets whose recovery is probable are recognised.

Deferred tax relating to the capitalisation of tax losses has been restated so as to apply to the companies the tax rate applicable to companies governed by common law known at the reporting date. Deferred tax assets and liabilities arising from temporary differences are recognised, for the French companies, using the liability method, also including the social security contribution of 3.3%.

They correspond to the impact of differences between the recognition of some types of income and expenses and taking them into account in determining taxable profit.

Tax losses are only taken into account in determining unrealised tax assets when they are very likely to be offset against future taxable profits.

Deferred tax assets and liabilities are not discounted, pursuant to IAS 12.

The CICE was analysed in relation to IAS 19 and IAS 20; it was consequently booked as a deduction under staff costs.

1.2.10 Cash and cash equivalents

Cash and cash equivalents mainly consist of liquid items whose fair value does not change significantly, such as cash in bank current accounts and units of money market UCITS, provided that they fulfil the conditions established by the AFTE and AFG and validated by the AMF.

1.2.11 Provisions

In accordance with IAS 37 - "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when the Company has a current obligation resulting from a past event, when it is probable that an outflow of resources representing economic benefits will be required to settle the obligation, and the amount thereof can be reliably estimated.

When the expected timing of the provision is more than one year, the amount of the provision is discounted.

1.2.12 Pensions and similar commitments

In accordance with IAS 19 - "Employee Benefits", in the context of defined benefit plans, pensions and similar commitments are evaluated using a calculation that takes into account wage growth, assumptions of life expectancy and workforce turnover.

These evaluations, which relate to severance payments in France, are carried out at least once a year.

1.2.13 Treasury shares

All treasury shares held by the Group are registered at acquisition cost and deducted from shareholders' equity, pursuant to IAS 32. Any profit from the sale of treasury shares is credited directly to shareholders' equity.

1.2.14 Segment information

Pursuant to IFRS 8 - "Operating Segments", information on operating segments has been organised according to the reporting elements presented to the chief operating decision maker. The distinction is based on the Group's internal organisational systems and management structure. This information is provided in Note 24.

1.2.15 Methods used to translate the financial statements of the foreign subsidiaries

The currency used to prepare the consolidated financial statements is the euro.

The method used to translate the financial statements of foreign subsidiaries prepared in foreign currencies is the closing rate method, which entails translating statement of financial position items, excluding shareholders' equity, at the closing currency rate and the income statement at the average rate for the period. Resulting translation gains or losses are recorded in shareholders' equity.

1.2.16 Financial instruments

As part of the financial information required by IFRS 7, and pursuant to IAS 39, the Group's financial instruments are booked as follows:

In € thousand	IAS 39 category	Note No.	2016 carrying amount	Amortised cost	Fair value by income	Fair value by shareholders' equity	2016 fair value
ASSETS							
Trade receivables		10					
Client receivables and related accounts	Loans & receivables		478,671	X			478,671
Other financial assets				X			
Held-to-maturity assets	Loans & receivables						
Cash and cash equivalents	Fair value by income	12	59,513		X		59,513
LIABILITIES							
Financial borrowings		16					
Loans and other borrowings	Financial liabilities at amortised cost		42,380	X			42,380
Trade payables		17					
Trade payables and related accounts	Financial liabilities at amortised cost		15,334	X			15,334
Payable on equity investments					X		
Other financial liabilities	Financial liabilities at amortised cost			X			

X: IAS 39 accounting treatment used.

There are no money market UCITS listed on an active market (Level 1) recorded under cash equivalents.

Financial instruments, except for cash and cash equivalents, are, under IFRS 7, regarded as Level 3 data; they mainly comprise trade receivables, loans and borrowings.

Due to the short deadlines for receivables payment, the fair value of client receivables is similar to their par value.

Cash equivalents are short-term investments and the risk of a change in their value is low. These cash investments are measured at fair value, and unrealised or realised gains or losses are recognised in the financial result; fair value is measured using the market price at year-end.

The statement of changes in the impairment of financial assets is as follows:

In € thousand	2015	Allocations	Reversals	2016
Non-current financial assets	13	-	6	7
Client receivables	17,399	4,056	7,479	13,976
Other receivables	1,214	42	228	1,028
Cash and cash intruments	-	-	-	-
Other current financial assets	-	-	-	-
TOTAL	**18,626**	**4,098**	**7,714**	**15,010**

1.3 Changes in the published standards, amendments and interpretations and adaptation to SYNERGIE

New standards or interpretations and the consequences for SYNERGIE

- Throughout 2016, the European Union enacted various regulations adopting amendments to existing standards and interpretations. The application of these amendments had no significant impact for the Group, either because they related to standards that did not concern SYNERGIE over the current year (IAS 41 - "Biological assets", IFRS 5 - "Non-current assets held for sale and discontinued operations", IFRS 11 - "Joint arrangements", etc.), or because the subjects covered by the amendments to standards currently applied within SYNERGIE had no significant impact (Contributions paid by employees or third parties in the context of IAS 19, etc.).

- On 13 January 2016, the IASB published its new standard on leases, IFRS 16. This standard, which has not yet been adopted by the European Union, will be applicable to financial years starting on or after 1 January 2019. It requires that lessees recognise all leases on the balance sheet, with only a few exceptions. Given the large number of leases taken out by the Group, this standard is likely to have a significant impact on the structure of the consolidated statement of financial position, and to a lesser degree on that of the consolidated statement of comprehensive income. For this reason, a legal watch was established in 2016 to assess the rules applicable under this standard. A meeting was held in November 2016 to define an action plan for the application of this standard within the Group. It was decided to establish a list in 2017 of all contracts that may require adjustment, to identify areas of potential difficulty due to the legal nature of these contracts (notably for the foreign subsidiaries), examine the IT solutions required for processing, and establish a first estimate of the impact of this standard on the main aggregates of the financial statements. In 2018, priority is to be placed on carrying out the necessary modifications to the information system for application of the standard in 2019.

- In a regulation dated 22 September 2016, the European Union adopted the new standard concerning revenue recognition, IFRS 15, which was published by the IASB in May 2014. This standard will apply to financial years starting on or after 1 January 2018 with the option of early application in 2017. Given SYNERGIE Group's activity, the type of income it receives and the way it conducts its invoicing, the impact of this standard on the Group is likely to be insignificant. In fact, turnover should continue to be recognised on a continuous basis insofar as the clients benefit immediately from the services of the temporary employees. The other specific aspects of the standard that could have an impact on the information system will undergo a more in-depth examination during the second half of 2017 (existence of contracts with different components, volume processing of end-of-year discounts, processing of contract award and execution costs, etc.). An initial investigation of these elements, however, indicates that there is not likely to be a need for substantial changes in the way they are recognised.

- In a regulation dated 22 November 2016, the European Union adopted the new standard in financial instruments, IFRS 9. This standard will also apply to financial years starting on or after 1 January 2018. In relation to SYNERGIE Group's financing structure, the impact of this standard on the Group and its financial statements is likely to be immaterial. A more in-depth impact study will be carried out during the second half of 2017.

Disclosure of interests in other entities pursuant to IFRS 12

All entities within the scope of consolidation are controlled by SYNERGIE SE, with a percentage of voting rights of no less than 70% held by the parent company.

In the absence of any agreement, contract or local legal measure limiting the exercise of control, all of these companies have been regarded as controlled within the meaning of IFRS 10 and have been fully consolidated.

The Group is not party to any joint arrangement likely to be accounted for under IFRS 11. SYNERGIE is not a stakeholder in any structured entity and does not meet the criteria for investment companies under the regulatory provisions.

During this financial period, SYNERGIE has not sold any equity interest entailing a loss of control of a subsidiary. There is no significant percentage of non-controlling interests (equity interests that do not confer control) in any subsidiary.

NOTE 2

Changes in the scope of consolidation

Acquisition of CAVALLO SUISSE INVEST and its German subsidiary CAVALLO PERSONALMANAGEMENT

Swiss company CAVALLO SUISSE INVEST AG and its German subsidiary CAVALLO PERSONALMANAGEMENT GmbH were acquired in full on 16 February 2016 and incorporated into the consolidation scope as of that date.

This acquisition had the following main effects:

- On the statement of financial position as at 31 December 2016

Goodwill: €5,027 thousand

- On the 2016 consolidated income statement:

Turnover: €22,566 thousand
Net profit: €439 thousand

A cash outflow of €5,500 thousand was recorded over the financial year.

Creation of Swiss Company SYNERGIE INDUSTRIE & SERVICES

Swiss company SYNERGIE INDUSTRIE & SERVICES, which is wholly-owned by SYNERGIE SUISSE, was created in November 2016; it did not operate any activity during the financial year.

Sale of 25% of ACORN GLOBAL RECRUITMENT

UK Company ACORN GLOBAL RECRUITMENT Ltd sold 25% of its shares without any material impact on the consolidated financial statements. It continues to be 75% owned by the UK holding company ACORN (SYNERGIE) UK.

NOTE 3

Information on the consolidated companies

Information on the consolidated companies is provided in the table below, it being specified that the ISGSY economic interest grouping, which is fully controlled by the Group companies, covers general-interest administrative services.

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			2016	2015	2016	2015	2016	2015
PARENT COMPANY								
SYNERGIE S.E.	PARIS 75016	329 925 010						
FRENCH SUBSIDIARIES								
AILE MÉDICALE	PARIS 75016	303 411 458	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE CONSULTANTS	PARIS 75016	335 276 390	100.00	100.00	100.00	100.00	FULL	FULL
DIALOGUE & COMPÉTENCES	PARIS 75016	309 044 543	100.00	100.00	100.00	100.00	FULL	FULL
INTERSEARCH France	PARIS 75016	343 592 051	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INSERTION	PARIS 75016	534 041 355	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE PROPERTY	PARIS 75016	493 689 509	100.00	100.00	100.00	100.00	FULL	FULL
JOINT SUBSIDIARIES								
I.S.G.S.Y.	PARIS 75016	382 988 076	100.00	100.00	100.00	100.00	FULL	FULL
FOREIGN SUBSIDIARIES								
SYNERGIE ITALIA SPA	TURIN Italy		85.00	85.00	85.00	85.00	FULL	FULL
SYNERGIE BELGIUM	ANVERS Belgium		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE s.r.o	PRAGUE Czech Republic		98.85	98.85	98.85	98.85	FULL	FULL
SYNERGIE TEMPORARY HELP	PRAGUE Czech Republic		98.00	98.00	98.00	98.00	FULL	FULL
SYNERGIE TEMPORARY HELP SLOVAKIA	BRATISLAVA Slovakia		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (SIES)	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SIES SUBSIDIARIES								
SYNERGIE TT	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE E.T.T.	PORTO Portugal		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE Travail Temporaire	ESCH/ALZETTE Luxembourg		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE PARTNERS	ESCH/ALZETTE Luxembourg		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HUNT INTERNATIONAL	MONTRÉAL Canada		100.00	100.00	100.00	100.00	FULL	FULL
ACORN (SYNERGIE) UK	NEWPORT United Kingdom		94.67	94.67	94.67	94.67	FULL	FULL
SYNERGIE PERSONAL DEUTSCHLAND	KARLSRUHE Germany		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE (SUISSE)	LAUSANNE Switzerland		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HUMAN RESOURCES	SCHIJNDEL Netherlands		100.00	100.00	100.00	100.00	FULL	FULL

(1) *SIREN no.: ID number for French national companies register.*

(2) *Consolidation method: full consolidation, abbreviated to FULL, or equity method, abbreviated to EM.*

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			2016	2015	2016	2015	2016	2015
SYNERGIE PRAGUE SUBSIDIARY								
SYNERGIE SLOVAKIA	BRATISLAVA Slovakia		78.00	78.00	77.10	77.10	FULL	FULL
SYNERGIE ITALIA SPA SUBSIDIARY								
SYNERGIE HR SOLUTIONS	TURIN Italy		100.00	100.00	85.00	85.00	FULL	FULL
SYNERGIE TT SUBSIDIARY								
SYNERGIE HUMAN RESOURCE SOLUTIONS	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HRS SUBSIDIARY								
SYNERGIE OUTSOURCING SL	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE E.T.T. SUBSIDIARY								
SYNERGIE OUTSOURCING	PORTO Portugal		100.00	100.00	100.00	100.00	FULL	FULL
ACORN (SYNERGIE) UK SUBSIDIARIES								
ACORN RECRUITMENT	NEWPORT United Kingdom		100.00	100.00	94.67	94.67	FULL	FULL
ACORN LEARNING SOLUTIONS	NEWPORT United Kingdom		70.00	70.00	66.27	66.27	FULL	FULL
EXXELL	NEWPORT United Kingdom		90.00	90.00	85.20	85.20	FULL	FULL
ACORN GLOBAL RECRUITMENT	NEWPORT United Kingdom		75.00	75.00	71.00	71.00	FULL	FULL
CONCEPT STAFFING	NEWPORT United Kingdom		100.00	100.00	94.67	94.67	FULL	FULL
S H R BV SUBSIDIARIES								
SYNERGIE LOGISTIEK	SCHIJNDEL Netherlands		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INTERNATIONAL RECRUITMENT BV	SCHIJNDEL Netherlands		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE BELGIUM SUBSIDIARY								
SYNERGIE SERVICES	ANVERS Belgium		100.00	100.00	100.00	100.00	FULL	FULL
ACORN GLOBAL RECRUITMENT SUBSIDIARY								
SYNACO GLOBAL RECRUITMENT pty	ADELAÏDE Australia		95.00	95.00	67.45	89.93	FULL	FULL
SYNACO GLOBAL RECRUITMENT pty SUBSIDIARY								
B2B ENGINEERING	ADELAÏDE Australia		100.00	100.00	67.45	89.93	FULL	FULL
SYNERGIE PERSONAL DEUTSCHLAND SUBSIDIARY								
CAVALLO SUISSE INVEST AG	ERMATINGEN Switzerland		100.00		100.00		FULL	
CAVALLO SUISSE INVEST AG SUBSIDIARY								
CAVALLO PERSONALMANAGEMENT	ANSBACH Germany		100,00		100,00		GLOB	
SYNERGIE SUISSE SUBSIDIARY								
SYNERGIE INDUSTRIE & SERVICES	MILVIGNES Switzerland		100,00		100,00		GLOB	

[1] *SIREN no.: ID number for French national companies register.*

[2] *Consolidation method: full consolidation, abbreviated to FULL, or equity method, abbreviated to EM.*

NOTE 4

Unconsolidated companies

The Group owned no company that was not consolidated at 31 December 2016.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

NOTE 5

Goodwill and other intangible assets relating to acquisitions

5.1 Change in goodwill

In € thousand	2015	Increase	Decrease	2016
Goodwill on securities	67,267	-	4,630	62,637
Business	6,187	-	352	5,835
Net consolidation excess	**73,454**	**-**	**4,982**	**68,472**

The decrease in goodwill stems from a translation adjustment of €2,650 thousand, impairment of €850 thousand, and the impact of a share buyback option which matured. The decrease in business intangibles is linked to goodwill.

5.2 Amortisation and impairment of intangible assets related to acquisitions

The methods used to evaluate brands and client bases are described in Note 1.2.5. The recoverable value of the CGUs was calculated on the basis of their value-in-use.

The following method was used to calculate value in use:

- Projected growth flows for 2017 based on the operational budgets of the various management-approved CGUs which were established by the local management;
- Projected cash flows based on the four-year financial budgets approved by management, taking account of the economic outlook in the regions concerned;
- Beyond five years, future cash flow projections are extrapolated with a constant growth rate of 2%;
- The cash flows are then discounted using different rates for different CGUs. The Group discount rates used are determined on the basis of a rate that takes account of a risk-free rate (iBoxx) and a market risk premium; an additional risk premium may be applied if a significant inflation differential is recorded with the French rate or for some small subsidiaries with more concentrated client bases.

Discount rates after tax are applied to cash flows after tax. Their use results in the determination of recoverable amounts comparable to those obtained using a pre-tax rate on pre-tax cash flows, as required by IAS 36.

The different parameters used are summarised in the following table:

CGU	Rate at 4 and 5 years	Rate beyond 5 years	Discount rate	EBIT
United Kingdom	2%	2%	8.64%	change according to country and year
The Netherlands	5%	2%	7.29%	
France Temporary Recruitment	5%	2%	5.73%	
France HRM	5%	2%	7.73%	
Australia	5%	2%	8.32%	
Belgium	5%	2%	8.07%	
Switzerland	5%	2%	7.52%	
Italy	5%	2%	8.05%	
Spain	5%	2%	9.71%	
Portugal	5%	2%	8.16%	
Canada	5%	2%	7.10%	
Germany	5%	2%	7.82%	
Other	5%	2%	7.82%	

The decision by the UK to leave the European Union ("Brexit") in a referendum held on 23 June 2016 did not have a significant impact on the activity levels of our UK subsidiaries in 2016, as the decrease was primarily linked to non-renewable contracts established in 2015.

Based on estimated potential future impacts, a discount rate of 8.64% was applied for the UK versus 9.47% at 31 December 2015, limited growth is anticipated incorporating a probability rate for major contracts currently being negotiated and which are expected to impact 2017 and subsequent years, and growth limited to 2% from the fourth year.

A sensitivity analysis was performed to establish the consequences of changing the above parameters on goodwill impairment, testing:

- a 1% reduction in the growth rate;
- a 0.5% increase in the discount rate.

A 0.5% increase in the discount rate together with a decrease in the growth rate to infinity of 1%, would result in additional impairment of €7,084 thousand, breaking down as follows:

In € thousand	
France Southern Europe Northern and Eastern Europe Canada / Australia	7,084
TOTAL	**7,084**

- A reduction in the EBIT rate.

An additional impairment of €2,073 thousand would be recognised if the EBIT rate declined by 5%, breaking down as follows:

In € thousand	
France Southern Europe Northern and Eastern Europe Canada / Australia	2,073
TOTAL	**2,073**

The impact of impairment following a decrease in the discount rate, growth rate or EBIT rate concerns only the UK activities.

The impact on the asset accounts of amortisation and impairment of intangible assets related to acquisitions is as follows:

In € thousand	2016	2015
Amortisation of intangible assets related to acquisitions	2,579	1,850
Impairment of intangible assets related to acquisitions	-	-
Goodwill impairment	817	1,769
Amortisation and impairment of intangible assets related to acquisitions	**3,396**	**3,619**

Moreover, the impact on the income statement is €2,579 thousand for amortisation of intangible assets linked to acquisitions and €850 thousand for impairment concerning the UK alone.

In accordance with paragraph 134 of IAS 36, information regarding the carrying amounts of intangible assets with an indefinite useful life as well as the key assumptions used to determine these values is provided below.

The carrying amounts of these assets after recognition of impairment are as follows:

CGU In € thousand	**Goodwill**
Germany	18,018
United-Kingdom	17,143
The Netherlands	11,001
France	7,193
Belgium	6,493
Switzerland	1,752
Canada	2,129
Italy	2,773
Spain	521
Other	1,450
TOTAL	**68,472**

NOTE 6

Other intangible assets

Changes in the gross values break down as follows:

In € thousand	2015	Entries into scope	Increase (*)	Decrease	2016
Software and licences	8,476	8	412	763	8,133
Client base	29,603	7,133	97	1,310	35,523
Brands	4,803	-	89	231	4,661
Rights to leases	629	-	-	-	629
TOTAL	**43,511**	**7,141**	**598**	**2,304**	**48,946**

(*) Of which translation gains of €1,132 thousand

Changes in amortisation break down as follows:

In € thousand	2015	Entries into scope	Increase (*)	Decrease	2016
Software and licences	6,321	7	880	698	6,510
Client base	15,725	624	1,876	558	17,667
Brands	1,261	-	1	42	1,220
Rights to leases	-	-	-	-	-
TOTAL	**23,307**	**631**	**2,757**	**1,298**	**25,397**

(*) Of which translation gains of €650 thousand

Changes in impairment break down as follows:

In € thousand	2015	Entries into scope	Increase (*)	Decrease	2016
Software and licences	-	-	-	-	-
Client base	5,016	-	9	382	4,643
Brands	1,347	-	-	116	1,231
Rights to leases	12	-	-	-	12
TOTAL	**6,375**	**-**	**9**	**498**	**5,886**

(*) Of which translation gains of €489 thousand

The net values break down as follows:

In € thousand	2016	2015
Software and licences	1,623	2,155
Client base	13,213	8,862
Brands	2,210	2,195
Rights to leases	617	617
TOTAL	**17,663**	**13,829**

The "Brands" item represents the brands identified by the Group.

The client bases and brands of acquired companies are likely to be amortised on a straight-line basis over their estimated useful life, under the conditions described in Note 1.2.5.

NOTE 7

Property, plant and equipment

7.1 Breakdown of item by category

The changes include translation gains or losses and break down as follows:

Gross values

In € thousand	2015	Entries into scope	Increase	Decrease	2016
Land, buildings and technical facilities	22,293	-	196	600	21,889
Fixtures, furniture, office equipment & computer equipment	39,950	156	7,970	6,072	42,004
TOTAL	**62,243**	**156**	**8,166**	**6,672**	**63,893**
of which fixed assets under finance leases	12,494	-	2,562	2,550	12,506

Depreciation and amortisation

In € thousand	2015	Entries into scope	Increase	Decrease	2016
Land, buildings and technical facilities	1,591	-	304	251	1,644
Fixtures, furniture, office equipment & computer equipment	25,447	116	5,729	5,604	25,688
TOTAL	**27,038**	**116**	**6,033**	**5,855**	**27,332**
of which fixed assets under finance leases	4,409	-	2,858	2,495	4,772

Net values

In € thousand	2016	2015
Land, buildings and technical facilities	20,245	20,702
Fixtures, furniture, office equipment & computer equipment	16,316	14,503
TOTAL	**36,561**	**35,205**
of which fixed assets under finance leases	7,734	5,785

7.2 Finance leases

The accounting treatment of assets held under a finance lease mainly relates to computer equipment, passenger vehicles and office equipment.

The gross value of these types of fixed assets was €10,506 thousand at year-end, and the net amount was €7,734 thousand.

Assets held under finance leases were subject to a depreciation charge of €2,858 thousand. Financial charges on these leases came to €155 thousand.

7.3 Breakdown of net property, plant and equipment by currency area

In € thousand	2016	2015
Eurozone	35,493	33,966
Outside eurozone	1,068	1,239
TOTAL	**36,561**	**35,205**

NOTE 8

Non-current financial assets

8.1 Breakdown of statement of financial position

In € thousand	2016 gross amounts	Provisions	2016 net amounts	2015 net amounts
Investments in associates	-	-	-	-
Other equity investments	-	-	-	-
Other fixed investments	54	7	48	54
Loans	14	-	14	14
Other financial assets	99,952	-	99,952	64,022
TOTAL	**100,020**	**7**	**100,013**	**64,089**

Other fixed investments relate to equity interests of less than 20%.

Other financial assets consist mainly of estimated 2014, 2015 and 2016 CICE (Tax Credit for Competitiveness and Employment) receivables not attributable to corporation tax in 2017 and whose transfer was not confirmed at the start of 2017, as well as security deposits on commercial rents.

These receivables are discounted in accordance with the utilisation outlook and the rate of bank refinancing for this type of receivable.

8.2 Change in non-current financial assets (gross value)

In € thousand	2015	Entries into scope	Increase	Decrease	2016
Other equity investments	-	-	-	-	-
Other fixed investments	67	-	-	13	54
Loans and other	64,036	-	43,955	8,025	99,966
TOTAL	**64,103**	**-**	**43,955**	**8,038**	**100,020**

The increase in other non-current financial assets in 2016 mainly comprises the CICE receivable created in 2016 after attribution to corporation income tax for the year.

NOTE 9

Deferred tax

In € thousand	2016	2015	Change
Deferred tax assets created for:			
Tax loss carry forwards	12	212	(200)
Temporary differences	1,585	1,992	(407)
Total unrealised tax assets	**1,597**	**2,204**	**(607)**
Unrealised tax liabilities	5,213	3,980	1,233
TOTAL	**(3,616)**	**(1,776)**	**(1,840)**

Activated tax losses amounting to €12 thousand have the following respective horizons:

In € thousand	2017	2018	Total
Synaco Global Recruitment	7	-	7
STH Slovakia	5	-	5
TOTAL	**12**	**-**	**12**

For the sake of prudence, some tax losses that could be carried forward at the standard rate have not been retained. The corresponding tax saving would have amounted to €1,493 thousand, including €256 thousand relating to 2016.

Timeline of non-activated losses by expiry date:

In € thousand	
2017	27
1 year << 5 years	235
> 5 years	780
Unlimited	451
TOTAL	**1,493**

Deferred tax liabilities totalling €5,213 thousand mainly relate to brands and client bases net of amortisation since acquisition (€3,862 thousand) and accelerated depreciation (€911 thousand).

NOTE 10

Trade receivables

Trade receivables and related accounts break down as follows:

In € thousand	2016	2015
Clients	481,381	411,399
Unbilled revenue	11,266	10,815
Impairment	(13,976)	(17,399)
TOTAL	**478,671**	**404,815**

The methods used to value trade receivables are described in Note°1.2.8.
Client risk is limited as only two clients represent more than 1% of Group turnover.

The breakdown of trade receivables by payment delay is as follows:

In € thousand	2016	2015
Amount of client receivables due, not impaired		
Past due, less than 90 days	64,658	54,328
Past due, between 90 and 180 days	5,970	5,595
Past due, more than 180 days	8,989	8,874
TOTAL	**79,617**	**68,797**

NOTE 11

Statement of maturities of current assets at year-end

In € thousand	Net amounts		< 1 year		> 1 year	
	2016	2015	2016	2015	2016	2015
Current assets						
Bad and doubtful debts	4,474	3,701	-	-	4.474	3.701
Other client receivables	474,197	401,114	474,197	401,114	-	-
SUBTOTAL 1	**478,671**	**404,815**	**474,197**	**401,114**	**4,474**	**3,701**
Personnel and related accounts	956	554	953	550	3	4
Social security and other benefits	16,526	12,494	16,526	12,494	-	-
Income tax (1)	1,738	1,996	1,738	1,994	-	2
Other levies	1,812	1,349	1,812	1,349	-	-
Sundry debtors	3,117	2,835	3,075		42	11
Prepaid expenses	4,366	3,855	4,366	3,855	-	-
SUBTOTAL 2	**28,516**	**23,083**	**28,471**	**20,242**	**45**	**17**
TOTAL	**507,187**	**427,898**	**502,668**	**421,356**	**4,519**	**3,718**

(1) Income tax mainly corresponds to advance payments for social security contributions (France)

Changes in the impairment of financial assets are mentioned in Note 1.2.16.

NOTE 12

Current financial assets and cash

In € thousand	2016	2015
Current financial assets		
Cash and cash equivalents		
Investments in securities	-	55,916
Term deposits	7,425	13,597
Available cash	52,088	17,674
TOTAL	**59,513**	**87,187**

Pursuant to IAS 7, term deposits (€7.4 million) were classified as cash and cash equivalents due to their liquidity (option of sale at any time) and the lack of a risk of loss.

They are measured at fair value at the year-end.

NOTE 13

Shareholders' equity

13.1 Share capital

At 31 December 2016, the share capital was made up of 24,362,000 shares with a par value of €5.

The shares have double voting rights attached if they have been registered for at least two years.

13.2 Treasury shares

The stock's liquidity is stimulated by an investment services provider under a liquidity contract, pursuant to the ethical charter of the AMAFI (French Financial Markets Association) recognised by the AMF;

At 31 December 2016, SYNERGIE held two categories of treasury shares:

- shares purchased under the liquidity contract (5,100 shares, or 0.02% of the share capital);
- shares purchased under the share buyback programme approved by the Combined Shareholders' Meeting of 23 June 2016 (352,463 shares, or 1.45% of the share capital).

Sales in 2016 generated a capital gain of €92 thousand, which was entered in reserves.

The value of treasury shares deducted from shareholders' equity was €3,483 thousand at 31 December 2016.

NOTE 14

Provisions and payables for employee benefits

14.1 Breakdown of provisions

In € thousand	2016	2015	variation
Retirement severance payment	3,160	2,843	317
Severance payments in Germany	346	339	7
Severance payments (trattamento di fine rapporto) in Italy	198	198	0
Total provisions for employee benefits	**3,704**	**3,380**	**325**
Employee profit-sharing + 1 year	6	1,626	(1,620)
TOTAL	**3,710**	**5,005**	**(1,295)**

All provisions and payables for employee benefits above were discounted.

14.2 Information on employee benefits

The provision for permanent employee pension commitments in France shows the following features:

- a young population;
- a discount rate (based on iBoxx indices);
- partial coverage by retirement savings previously paid out.

A change of +0.5% in the discount rate has an effect of -€148 thousand on the provision estimate and a change of -0.5% has an effect of +€195 thousand. Employee benefits for foreign subsidiaries, other than those covered by provisions, are not material.

In € thousand	2016	2015
Present value of rights	3,163	2,854
Rights covered by financial assets	(3)	(10)
NET COMMITMENT RECOGNISED	**3,160**	**2,844**

The retirement benefits paid out in 2016 amounted to €270 thousand, compared with €88 thousand in 2015.

Due to legislative changes in France, the provision was estimated from 2010 based on an average retirement age of 65 years.

At 31 December 2016, the change in the provision for retirement benefits in France broke down as follows:

In € thousand	2016
Cost of services rendered	171
Financial cost	58
Actuarial difference (1)	80
Change in retirement savings coverage	8
Subotal	**317**
Other changes (Germany, Italy)	7
TOTAL	**324**

(1) *The actuarial difference net of tax was - €53 thousand.*

NOTE 15

Provisions for current risks and charges

15.1 Breakdown of provisions

In € thousand	2015	Change in scope	Increase	Decrease	2016
Provisions for litigation	779	-	563	518	824
Other provisions for risks	982	-	98	69	1,010
Total provisions for risks	**1,761**	**-**	**661**	**587**	**1,834**
Other provisions for charges	3	-	-	1	3
TOTAL	**1,764**	**-**	**661**	**588**	**1,837**

15.2 Use of provisions

Reversals of provisions include €408 thousand of provisions used.

NOTE 16

Loans and borrowings

16.1 Non-current loans and borrowings

Breakdown by category and repayment date

In € thousand	Amounts		1yr << 5 yrs		> 5 yrs	
	2016	2015	2016	2015	2016	2015
Loans and borrowings						
Banks	7,245	8,395	4,984	4,927	2,261	3,468
Finance Leases	5,017	5,487	3,871	5,487	1,146	-
Other loans and borrowings	-	-	-	-	-	-
TOTAL	**12,262**	**13,882**	**8,855**	**10,414**	**3,407**	**3,468**

At 31 December 2016, total gross borrowings were recognised at amortised cost using the effective interest rate, calculated by taking into account the issue costs and the issue premiums identified and associated with each liability.

Finance leases

The reconciliation between total future minimum payments under the lease and their present value is as follows:

Minimum future payments: €7,734 thousand
Discount: €94 thousand
Present value: €7,640 thousand

16.2 Current loans and borrowings

In € thousand	Amounts	
	2016	**2015**
Loans and borrowings		
Banks	1,307	1,250
Finance Leases	2,623	2,586
Other loans and borrowings	23	22
TOTAL	**3,953**	**3,858**

16.3 Current bank debt and net cash

In € thousand	Amounts	
	2016	**2015**
Current bank debt		
Bank debt	26,120	22,278
Accrued interest	45	36
Total	**26,165**	**22,314**
Cash and cash equivalents	59,513	87,187
Net cash position	**33,348**	**64,872**

16.4 Breakdown by currency area and maturity of loan agreements and other borrowings

In € thousand	Amounts				< 1 yr		1 yr << 5 yrs		> 5 yrs	
	2016	**%**	**2015**	**%**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Euro	16,216	100%	17,724	100%	3,953	3,842	8,856	10,414	3,407	3,468
Other	-	0%	16	0%	-	16	-	-	-	-
TOTAL	**16,216**	**100%**	**17,740**	**100%**	**3,953**	**3,858**	**8,856**	**10,414**	**3,407**	**3,468**

16.5 Breakdown by nature of interest rates and maturity of loan agreements and other borrowings

In € thousand	Amounts				< 1 yr		1 yr << 5 yrs		> 5 yrs	
	2016	**%**	**2015**	**%**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Fixed	8,576	53%	9,667	54%	1,330	1,272	4,985	4,927	2,261	3,468
Other	7,640	47%	8,073	46%	2,623	2,586	3,871	5,487	1,146	-
TOTAL	**16,216**	**100%**	**17,740**	**100%**	**3,953**	**3,858**	**8,856**	**10,414**	**3,407**	**3,468**

16.6 Breakdown of interest-bearing loans and borrowings

Nominal amount	Interest rate at issue /nominal	Interest rate actual	Due date	Remaining principal due 2016 (€ thousand)	Remaining principal due 2015 (€ thousand)
Loan €1 M (12/2010)	2.93%	2.93%	dec-25	657	720
Loan €1,7 M (02/2011) (**)	2.75%	2.75%	dec-25	1,118	1,226
Loan €4,3 M (09/2012) (**)	2.91%	2.91%	sept-22	2,639	3,055
Loan €1,57 M (05/2014)	2.60%	2.60%	may-24	1,203	1,348
Loan €1,5 M (12/2014)	2.00%	2.00%	dec-24	1,223	1,362
Other property loans				1,713	1,934
Total property loans				**8.552**	**9.645**
Finance leases (cumulative)				7,640	8,073
Miscellaneous				23	22
TOTAL (*)				**16,216**	**17,740**

(*) The balance of loans is shown without interest.

(**) Rate renegotiated in early 2017.

All of the loans outstanding at 31 December 2016 were intended to finance real estate acquisitions (duration 7-15 years) and related works (7 years).

The finance leases have durations of 3 to 5 years, with the exception of the lease relating to the registered office of the Italian subsidiary that was contracted in 2015, which has a duration of 12 years.

The total amount of repaid debt maturities during 2016 was €1,268 thousand.

16.7 Exposure to interest rate, currency and liquidity risks

The Group's Finance department centralises financing and management of exchange rates, interest rates and counterparty risk.

16.7.1 Interest rate risk

The analysis of sensitivity to interest rate risk carried out at 31 December 2016 highlights the following points:

- The Group's fixed-rate financing has not been affected by changes in interest rates. Other short-term assets and financial liabilities are seldom sensitive to interest rate changes (usually short-term maturities);
- In the absence of material cash flow hedging using interest rate instruments or net investment in a foreign entity, interest rate fluctuations have no direct effect on Group shareholders' equity.

16.7.2 Foreign exchange risk

SYNERGIE had financial debt mainly denominated in euro at 31 December 2016, except for current bank debt in the UK, Switzerland and Australia.

The closing prices against the euro were as follows:

Currency	2016	2015
Pound sterling	0.8562	0.7339
Canadian dollar	1.4188	1.5116
Swiss franc	1.0739	1.0835
Australian dollar	1.4596	1.4897
Czech crown	27.0210	27.0230

The exposure to foreign exchange risk of the statement of financial position relating to current accounts in foreign currency contributed to the foreign subsidiaries breaks down as follows at 31 December:

In € thousand	Amounts	Zone		Other
		Pound sterling	Canadian dollar	currencies
2016 monetary assets	20,566	17,106	993	2,467
2015 monetary assets	22,397	19,955	1,065	1,377

The analysis of sensitivity to foreign exchange risk carried out at 31 December 2016 resulted in the following observation:

- based on market data at the reporting date, the short-term effect on the 2016 result of a change of +/- 10% in all respective currencies in relation to the euro was +/- €2,057 thousand.

16.7.3 Liquidity risk

The Group's financing policy is based on the pooling of external financing and a net cash surplus at 31 December 2016.

This results in insignificant liquidity risk.

The SYNERGIE Group has not been subject to bank covenants since the conclusion of its last medium-term loans in October 2013.

NOTE 17

Trade payables and related accounts

Trade receivables and related accounts break down as follows:

In € thousand	2016	2015
Suppliers	8,485	5,490
Invoices to be received	6,849	6,503
TOTAL	**15,334**	**11,993**

NOTE 18

Statement of maturities of other current liabilities

	Amounts		< 1 year		1 year << 5 years		> 5 years	
	2016	2015	2016	2015	2016	2015	2016	2015
Suppliers	15,334	11,993	15,102	11,881	232	80	-	32
Personnel	147,668	132,479	147,634	131,345	-	-	34	1 134
Social bodies	93,050	90,985	92,938	90,859	112	90	-	36
Income taxe	960	3,919	960	3,919	-	-	-	-
Other levies	103,200	84,707	103,134	84,633	66	53	-	21
Subtotal 1	**360,212**	**324,081**	**359,768**	**322,636**	**409**	**223**	**34**	**1.223**
Payables on fixed assets	739	1,820	712	1,820	27	-	-	-
Other payables	6,471	5,021	6,379	4,917	92	74	-	30
Prepaid income	43	-	42	-	1	-	-	-
Subtotal 2	**7,253**	**6,841**	**7,133**	**6,737**	**120**	**74**	**-**	**30**
TOTAL	**367,465**	**330,923**	**366,901**	**329,373**	**529**	**297**	**34**	**1.253**

Commitments to repurchase non-controlling interests were recorded as payables on fixed assets for €1,367 thousand at 31 December 2015, with a contra-entry under "Non-controlling interests", with the difference added to goodwill, as these commitments relate to business groupings created before 2011. The buyback option matured on 31 March 2017.

The commitment was therefore neutralised in the financial statements.

Price supplements on subsidiaries acquired have also been included in payables on fixed assets in the amount of €270 thousand.

NOTES TO THE INCOME STATEMENT

NOTE 19

Revenue

Turnover exclusively comprises billing for human resources management services.

At 31 December 2016, it included billing for business activities other than temporary employment (placement of permanent employees, outsourcing, training, etc.) of €27,040 thousand, or 1.4% of consolidated turnover.

For the time being, however, these activities are still being developed by the Group and as such are not material and do not represent a distinct business segment.

NOTE 20

Operating expenses

20.1 Personnel costs

Personnel costs included in current operating profit comprise the following elements:

In € thousand	2016	2015
Wages and salaries	1,409,001	1,273,747
Social security contributions	371,098	328,161
TOTAL	**1,780,100**	**1,601,908**

20.2 Other information on operating expenses

Allocations to provisions are shown with unrecoverable expenses added and reversals of provisions deducted.

Transfers of expenses were entered in income statement items according to the nature of the expenses.

20.3 Other information on operating profit

Non-recurring income and expenses are shown under other income and expenses.

NOTE 21

Financial result

The financial result breaks down as follows:

In € thousand	2016	2015
Income from transferable securities		14
Income from receivables	755	685
Financial income	**757**	**699**
Interests on finance leases	(259)	(207)
Bank and miscellaneous charges	(760)	(915)
Interest on loans	(237)	(259)
Interests on employee profit sharing	(20)	(33)
Cost of gross financial debt	**(1,276)**	**(1,415)**
Cost of net financial debt	**(518)**	**(716)**
Translation gains or losses	(2,347)	1,157
Other income and expenses	18	(3)
Other income and expenses	**(2,329)**	**1,154**
TOTAL	**(2,847)**	**438**

NOTE 22

Income tax

22.1 Tax expense

The tax expense recognised in the income statement breaks down as follows:

In € thousand	2016	2015
Income tax	13,809	17,562
Deferred tax	(162)	(1,187)
Total Income tax	**13,647**	**16,376**
CVAE (France)	13,960	12,484
IRAP (Italy)	572	516
TAX ON PROFIT	**28,180**	**29,376**
of which corporation tax payable	13,809	17,562

22.2 Effective tax rate and tax analysis

The gap between the amount of income tax calculated at the normal tax rate in France and the effective tax amount is explained as follows:

In € thousand	2016	2015
Profit before tax expense	**93,193**	**89,429**
Profit before tax after CVAE and IRAP	**78,660**	**76,428**
Tax rate in force (in France)	34,43%	38,00%
Theoretical tax	**27,083**	**29,043**
CICE	(13,400)	(13,251)
Differences in tax rates abroad	(1,125)	(947)
Goodwill impairment	293	432
Effect of permanent differences (*)	34	36
Non-activated tax losses	256	362
Exceptional contribution distributed revenues	432	302
Consolidation entries without tax and miscellar	75	398
Total Income tax (Notes 22.1)	**13,647**	**16,375**
Effective tax rate	**17,3%**	**21,4%**

(*) Permanent differences correspond to non-deductible expenses and non-taxable income

NOTE 23

Earnings per share

Earnings per share are determined by dividing annual consolidated net profit, Group share, by the number of corresponding shares at 31 December.

There are no dilutive instruments that could change net profit and the number of shares used, except for the share buyback programme, whose impact was not material in 2015 or 2016.

	2016	2015
Net profit (Group share)	€64,080 thousand	€59,480 thousand
Number of share	24,362,000	24,362,000
Number of treasury share	357,553	364,489
Number of basic share	24,004,447	23,997,511
Earning per share (*)	€2.63	€2.44
Diluted earnings per share (*)	€2.63	€2.44

(*) divided by 24,362,000 shares

NOTE 24

Segment information

24.1 Information by region

24.1.1 Assets

In € thousand	Fixed assets		Total assets	
	2016	2015	2016	2015
France	129.017	92.888	482.438	454.953
Belgium	11.933	11.615	82.889	68.179
Other Northern and Eastern Europe	62.658	62.815	104.871	81.638
Italy	5.994	5.867	71.632	58.698
Spain, Portugal	8.288	8.382	38.630	30.792
Canada, Australia	4.724	4.993	10.547	9.606
TOTAL	**222.614**	**186.560**	**791.007**	**703.866**

France is broken down into four regions.

The regional split was changed between 2015 and 2016 to take account of changes in the internal organisation.

In € thousand	Fixed assets		Total assets	
	2016	2015	2016	2015
South-East	1.697	1.649	58.141	53.373
South-West	1 962	1.281	67.357	52.073
North-West	1.924	1.677	103.172	76.808
Île-de-France, Center, East	2.188	1.734	55.705	44.154
Non allocated	121.246	86.547	198.063	228.545
TOTAL	**129.017**	**92.888**	**482.438**	**454.953**

24.1.2 Income statement items

In € thousand	Revenue		Operating profit [1]	
	2016	2015	2016	2015
France	1,033,116	923,992	64,716	64,736
Belgium	238,153	207,011	15,851	12,633
Other Northern and Eastern Europe	244,043	255,607	6,222	6,206
Italy	248,428	212,019	8,935	5,944
Spain, Portugal	185,459	164,243	4,120	3,446
Canada, Australia	42,559	36,032	354	(237)
TOTAL	**1,991,759**	**1,798,904**	**100,198**	**92,728**

(1) *Before depreciation, amortisation and impairment*

In € thousand	Depreciation and amortisation		Impairment	
	2016	2015	2016	2015
France	3,496	2,622	623	352
Belgium	1,709	1,440	(295)	(196)
Other Northern and Eastern Europe	2,672	2,240	252	474
Italy	232	263	1,251	2,832
Spain, Portugal	712	631	127	104
Canada, Australia	431	342	30	88
TOTAL	**9,253**	**7,539**	**1,987**	**3,655**

Giving for France:

In € thousand	Revenue		Operating profit	
	2016	2015	2016	2015
South-East	223,733	227,181	8,886	10,101
South-West	262,612	223,901	14,669	13,626
North-West	367,367	312,516	19,264	16,761
Île-de-France, Center East	188,663	164,095	6,510	6,277
Non allocated	(9,259)	(3,702)	15,387	17,971
TOTAL	**1,033,116**	**923,992**	**64,716**	**64,736**

In € thousand	Depreciation and amortisation		Impairment	
	2016	2015	2016	2015
South-East	202	242	20	23
South-West	166	150	46	26
North-West	239	245	14	16
Île-de-France, Center East	355	150	8	36
Non allocated	2,534	1,835	536	252
TOTAL	**3,496**	**2,622**	**623**	**352**

NOTE 25

Notes to the statement of cash flows

25.1 Change in working capital requirement

The change in operating working capital requirements breaks down as follows:

In € thousand	Change	
	2016	**2015**
Clients	(73,856)	(18,482)
Other receivables	(5,433)	1,012
Increase in working capital	**(79,289)**	**(17,470)**
Provisions for risks and charges	73	174
Suppliers	3,341	575
Tax and social security/payables	32,790	19,851
Other payables	(439)	(1,087)
Increase in current liabilities	**35,766**	**19,513**
Change in WCR	**(43,523)**	**2,043**

The increase in the working capital requirement at 31 December 2016 is linked to strong activity over the last few months of the year, the impact of key accounts and southern Europe on the average payment time of clients, and the introduction of monthly payments for pension fund contributions in France.

25.2 Depreciations, amortisation and provisions

Depreciation, amortisation and provisions do not include current operating provisions.

25.3 Purchases of fixed assets

Purchases of fixed assets include:

- Intangible assets (software, licences and client base excluding translation gains and losses) for €412 thousand (see Note 6);
- Property, plant and equipment (excluding finance leases) for €5,604 thousand (see Note 7.1).

OTHER INFORMATION

NOTE 26

Group workforce

26.1 Workforce in 2016

	2016	2015
Permanent employees:		
- Managers	581	554
- White collar	2,410	2,015
TOTAL	**2,991**	**2,569**
Temporary employees seconded to placements by the Group	54,333	48,814
GRAND TOTAL	**57,324**	**51,383**

The permanent effects are those shown at the year-end, all categories included.

Temporary employees are shown as full-time equivalent.

26.2 Comparison

Managers		White collar		Blue collar		TOTAL	
2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
911	823	14,018	12,694	42,395	37,866	57,324	51,383

NOTE 27

Information on related parties

Information relating to the members of the administration and management bodies of the consolidating company, according to their roles in the consolidated companies, is provided below.

27.1 Overall compensation

The overall remuneration of the members of the Group's administrative and management bodies in 2016 was €1,320 thousand, breaking down as follows:

In € thousand	Gross	Social security contribution
Wages and short-term benefits	1,298	433
Post-employment benefits	22	-
Other long-term benefits	-	-
Share-based payments	-	-
TOTAL	**1,320**	**433**

27.2 Pension commitments

There is no commitment of this kind for the benefit of the administrative and management bodies, apart from the indemnities provided for under the collective agreement for salaried directors, i.e. €22 thousand, subject to a provision described in Note 14.2.

27.3 Loans and advances

At the end of 2016, no loans and advances had been granted to members of the administrative and management bodies.

27.4 Other information

Information relating to the members of the administration and management bodies of the Company, according to their roles in related companies, is provided below.

SCI Les Genêts 10: rents and property charges amount to €569 thousand, the security deposit to €76 thousand, the closing balance is zero and the due dates of the leases on premises are, respectively, 30 September 2018 and 15 January 2021, with renewal by tacit agreement of car park rentals.

SCI Daphné: Rents and property charges amount to €39 thousand, and the security deposit €13 thousand. The lease matures on 10 May 2019. The balance was zero at the year-end.

Relationships with subsidiaries are concluded under arm's length conditions.

NOTE 28 Tax consolidation

SCOPE OF TAX CONSOLIDATION OF THE SYNERGIE GROUP IN 2016

SYNERGIE
SYNERGIE CONSULTANTS
DIALOGUE & COMPÉTENCES
AILE MÉDICALE
INTERSEARCH FRANCE
SYNERGIE PROPERTY

The tax consolidation regime had no material effect on the annual financial statements.

NOTE 29 Contingent commitments and liabilities

29.1 Commitments received and contingent assets

Banks guaranteed SYNERGIE and some of its temporary employment subsidiaries in respect of its clients for €73,729 thousand in France and €20,390 thousand for the foreign subsidiaries at 31 December 2016.

29.2 Commitments given and contingent liabilities

Provision is made for retirement benefits and for other post-employment benefits granted to personnel.

Discounted bills
There were no pending discounted bills as at 31 December 2016.

Assets pledged as collateral
The collateral supporting the loans taken out by the Group with banks is negligible.

Commitments on operating leases
The timeline showing minimum rent commitments and converted according to cash disbursed and closing exchange rates, not discounted and indexed to the last known rates, as of January 2017, is as follows:

In € thousand	< 1 yr	1 yr << 5 yrs	> 5 yrs	2016	2015
Commitments on operating leases France	3,787	2,613	-	6,400	5,341
Commitments on operating leases foreign subsidiaries	4,261	9,876	1,222	15,358	14,534
TOTAL	**8,048**	**12,489**	**1,222**	**21.758**	**19,875**

Payments recognised as expenses under operating leases amounted to €13,504 thousand in 2016.

No shares of the Company have been pledged.

At the end of the years shown, no other significant commitment had been entered into, and no contingent liabilities existed (other than those provisioned or mentioned in Note 15) that are likely to significantly affect the assessment of the financial statements.

No event, other than those already mentioned, is likely to alter the above assertion.

NOTE
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Events after 31 December 2016

No event likely to bring into question the 2016 financial statements took place after the reporting date.

NOTE 31

Statutory Auditors' fees

The Statutory Auditors' fees borne by the Group are as follows:

In € thousand	FIGESTOR				JM AUDIT & CONSEILS			
	Amount (pre-tax)		%		Amount (pre-tax)		%	
	2016	2015	2016	2015	2016	2015	2016	2015
Audit								
☐ Statutory audit, certification, review of individual and consolidated accounts								
❍ Issuer	222	218	85	86	222	218	100	100
❍ Fully consolidated subsidiaries	37	35	14	14				
☐ Other work and services directly related to the task of the Statutory Auditor								
❍ Issuer	1		0	~		~		~
❍ Fully consolidated subsidiaries	1		0	~		~		~
Subtotal	**261**	**253**	**100**	**100**	**222**	**218**	**100**	**100**
Other services rendered by the networks to the fully consolidated subsidiaries								
☐ Legal, fiscal, social, other		~		~		~		~
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**261**	**253**	**100**	**100**	**222**	**218**	**100**	**100**

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

Under the terms of the assignment entrusted to us by your Shareholders' Meeting, we hereby present our report for the financial year ended 31 December 2016 on:

- our audit of the consolidated financial statements of SYNERGIE, as attached to this report;
- the justifications for our assessments;
- the specific verification stipulated by law.

The consolidated financial statements were approved by your Board of Directors. We are required 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 that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit entails reviewing, through testing or other selection methods, the evidence supporting the amounts and disclosures contained in the consolidated financial statements. It also entails assessing the accounting standards employed, the significant estimates used and the overall presentation of the financial statements. We believe that the audit evidence we have obtained forms a sufficient and appropriate basis for our opinion.

We hereby certify that the consolidated annual financial statements are, in respect of the IFRS as adopted in the European Union, honest and sincere and provide a fair representation of the assets, financial position and results of the grouping formed by the consolidated entities.

II. JUSTIFICATION OF ASSESSMENTS

Pursuant to Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- Notes 1.2.4, 1.2.5, 1.2.7 and 5 of the notes to the financial statements specify the procedures for measuring the value-in-use of goodwill and intangible assets with an indefinite useful life. We verified the appropriateness of the approach used, the coherence of all assumptions used, and the resulting valuations;

- Note 1.2.8 of the notes to the financial statements sets out the methods used to recognise income implemented by the Group to ensure compliance with the principle of independent financial years. As part of our assessment of the accounting rules and principles followed by your group, we verified the appropriateness of the accounting policies used and we ensured that they had been applied correctly.

The assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We also specifically verified, pursuant to the professional standards applicable in France, the information provided on group management in the report.
We have no observations to make as to their sincerity and consistency with the consolidated financial statements.

Paris, 14 April 2017
The Statutory Auditors
Registered members of the Compagnie Régionale de Paris

JM AUDIT ET CONSEILS	**FIGESTOR**
Abdoullah LALA	Pierre LAOT Laurent GUEZ

CORPORATE FINANCIAL STATEMENTS

FINANCIAL DATA

- STATEMENT OF FINANCIAL POSITION OF SYNERGIE SE BEFORE APPROPRIATION
- INCOME STATEMENT OF SYNERGIE SE
- STATEMENT OF CASH FLOWS OF SYNERGIE SE
- NOTES TO THE STATEMENT OF FINANCIAL POSITION AND THE INCOME OF SYNERGIE SE

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF SYNERGIE SE

FINANCIAL DATA

1. STATEMENT OF FINANCIAL POSITION OF SYNERGIE SE BEFORE APPROPRIATION

ASSET	NOTE		2016		2015
In € thousand	No.	GROSS	IMP^{NT}	NET	NET
FIXED ASSETS					
Intangible assets					
Concessions, patents, licences and brands		5,788	4,349	1,439	1,936
Business intangibles, rights to leases		3,574	207	3,367	3,367
Assets under construction		378		378	105
TOTAL INTANGIBLE ASSETS	4	**9,740**	**4,557**	**5,184**	**5,407**
Property, plant and equipment					
Land					110
Buildings		658	489	169	470
Other property, plant and equipment		16,502	10,899	5,603	3,918
TOTAL PROPERTY, PLANT AND EQUIPMENT	3	**17,160**	**11,388**	**5,773**	**4,498**
Long-term investments					
Equity interests		86,301	2,601	83,700	83,700
Receivables related to equity interests		2,274	69	2,205	532
Other fixed investments		16	7	9	9
Loans		14		14	14
Other long-term investments		5,270	3	5,267	5,191
TOTAL LONG-TERM INVESTMENTS	5	**93,874**	**2,679**	**91,195**	**89,446**
TOTAL FIXED ASSETS	9	**120,775**	**18,624**	**102,151**	**99,352**
WORKING CAPITAL					
Advances, downpayments made on orders		905		905	780
Client receivables and related accounts	6/10	249,464	7,505	241,959	200,447
Other receivables	10/11	183,810	257	183,553	142,854
Investments in securities	12	2,325		2,325	65,816
Available cash		26,783		26,783	496
TOTAL WORKING CAPITAL		**463,287**	**7,762**	**455,525**	**410,393**
PREPAYMENTS AND ACCRUED INCOME					
Prepaid expenses		831		831	817
Unrealised exchange loss	8/18	4,095		4,095	1,278
Deferred charges				-	-
TOTAL ASSETS		**588,987**	**26,386**	**562,602**	**511,840**

LIABILITIES In € thousand	NOTE No.	2016	2015
EQUITY			
Capital	13.1	121,810	121,810
Issue, merger and contribution premiums		-	-
Legal reserve	13.2	12,181	11,675
Regulated reserves		3,620	3,617
Other reserves		11,000	11,000
Retained earnings		94,101	58,615
PROFIT FOR THE YEAR		**51,793**	**50,392**
Regulated provisions		2,393	2,609
SHAREHOLDERS' EQUITY	13	**296,898**	**259,718**
PROVISIONS FOR RISKS AND CHARGES			
Provisions for risks		5,657	2,800
Provisions for charges		-	-
TOTAL PROVISIONS FOR RISKS AND CHARGES	7/14	**5,657**	**2,800**
PAYABLES			
Bank loans and other bank borrowings	15	44	1,092
Other loans and borrowings	15	17,079	27,071
Supplier payables and related accounts		5,987	5,698
Tax and social security payables		233,457	212,995
Payables on fixed assets and related accounts	17	462	43
Other payables		2,883	2,350
TOTAL PAYABLES	16	**259,912**	**249,249**
PREPAYMENTS AND ACCRUED INCOME			
Prepaid income		-	-
Unrealised exchange gain	8/18	134	73
TOTAL LIABILITIES		**562,602**	**511,840**

2. INCOME STATEMENT OF SYNERGIE SE

In € thousand	NOTE No.	2016	2015
Operating result			
Output of services		1,013,810	906,283
Operating subsidies		159	204
Reversals of depreciation and amortisation, transfers of expenses		14,311	12,799
Other income		3,409	3,074
TOTAL OPERATING INCOME	19/20	**1,031,689**	**922.360**
Operating expenses			
Other purchases and external expenses		39,144	37,785
Taxes and similar levies		44,177	38,652
Wages and salaries	21	708,732	628,469
Social security contributions		185,007	159,542
Depreciation and amortisation of fixed assets		1,792	1,695
Provisions for impairment of current assets		1,343	1,130
Provisions for risks and charges		-	-
Other expenses		1,746	2,889
TOTAL OPERATING EXPENSES		**981,941**	**870,162**
OPERATING RESULT		**49,748**	**52,198**
Financial income			
From equity interests		8,244	7,303
From other transferable securities and receivables on fixed assets		-	-
From other interest and similar income		284	346
Reversals of provisions and transfers of expenses		678	1,142
Positive exchange rate differences		9	22
Net income from the sale of investments in securities		3	15
TOTAL FINANCIAL INCOME		**9,217**	**8,826**
Financial expenses			
Depreciation, amortisation and provisions		3,685	931
Interest and similar expenses		271	307
Negative exchange rate differences		22	0
TOTAL FINANCIAL EXPENSES		**3,979**	**1,239**
FINANCIAL RESULT	22	**5,239**	**7,587**
OPERATING RESULT BEFORE TAX		**54,986**	**59,786**
Extraordinary income			
On management operations		-	506
On capital operations		800	181
Reversals of provisions and transfers of expenses		1.361	982
TOTAL EXTRAORDINARY INCOME		**2,161**	**1,670**
Extraordinary expenses			
On management operations		131	30
On capital operations		1,111	601
Extraordinary depreciation, amortisation and provisions		1,179	1,233
TOTAL EXTRAORDINARY EXPENSES		**2,420**	**1,864**
EXTRAORDINARY PROFIT	23	**(259)**	**(194)**
Income tax	24	2,934	8,071
Employee profit-sharing		-	1,130
Total income		**1,043,067**	**932,856**
Total expenses		**991,274**	**882,465**
NET PROFIT		**51,793**	**50,392**

3. STATEMENT OF CASH FLOWS OF SYNERGIE SE

In € thousand	**2016**	**2015**
Net profit	**51,793**	**50,392**
Derecognition of expenses and income without an impact on cash or not related to		
- Capital gains from sales	(66)	565
- Depreciation, amortisation and provisions (net of reversals)	2,293	(59)
- Other income and expenses that do not generate short-term cash flows (1)	(36,117)	(27,987)
SELF-FINANCING CAPACITY	**17,903**	**22,911**
Change in the working capital requirement relating to business activity	(37,311)	9,959
NET CASH FLOWS GENERATED BY BUSINESS ACTIVITY (2)	**(19,408)**	**32,870**
Purchases of property, plant and equipment and intangible assets	(2,970)	(2,461)
Sales of property, plant and equipment and intangible assets	619	-
Purchases of long-term investments	-	(191)
Sales of long-term investments	-	-
NET CASH FLOWS RELATING TO INVESTMENT OPERATIONS	**(2,351)**	**(2,652)**
Dividends paid out to shareholders	(14,397)	(9,600)
Capital increase in cash	-	-
Loan issues	-	-
Loan repayments	-	-
NET CASH FLOWS RELATING TO FINANCING OPERATIONS	**(14,397)**	**(9,600)**
CHANGE IN CASH POSITION	**(36,156)**	**20,618**
Opening cash position	65,221	44,603
Closing cash position	29,064	65,221

(1) *Portion of the CICE 2016 not imputable in 2016.*

(2) *Dividends received from subsidiaries are regarded as flows related to business activity*

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION AND THE INCOME OF SYNERGIE SE

SIGNIFICANT EVENTS

Conversion to a European Company

The Shareholders' Meeting of 23 June 2016 approved a change in the company's legal form to a European Company (Societas Europaea) with a Board of Directors.

The CICE

The French Tax Credit for Competitiveness and Employment (CICE), implemented as of January 2013 and calculated on wages lower than or equal to 2.5 times the French growth-linked guaranteed minimum wage (SMIC), to which a coefficient of 6% has been applied since 2014, was implemented for social security contributions pursuant to the recommendations of the French national accounting standards body (the Autorité des Normes Comptables).

The CICE receivable is recognised under "Income tax" in the statement of financial position (in the "Other receivables" item). The CICE amount not attributed in 2017 is allocated beyond one year.

A rate of 7% will be applied from 2017.

Brexit

The UK's decision to leave the European Union (*"Brexit"*) in a referendum on 23 June 2016 gave rise to a significant variation in the euro/pound sterling exchange rate which is reflected in the financial statements as a provision for financial impairment of €2,822 thousand.

ACCOUNTING PRINCIPLES, RULES AND METHODS

NOTE 1

Application of general principles

The annual financial statements are prepared in accordance with French accounting rules, pursuant to the provisions of ANC Regulation No. 2016-07 of 4 November 2016, amending Regulation No. 2014-03 of 5 June 2014 relating to French GAAP and approved by the decree of 26 December 2016 (and published in the *Journal Officiel* on 28 December).

NOTE 2

Valuation of fixed assets

2.1 Options taken by the Company

Property, plant and equipment and intangible assets are valued at their acquisition cost (purchase price and ancillary costs). The Company took the option of incorporating acquisition expenses into the acquisition costs of equity investments acquired. By contrast, for property, plant and equipment and intangible assets, as well as financial assets other than equity investments, the Company opted for expensing.

The Company opted not to capitalise borrowing costs under eligible assets.

2.2 Fixed assets by components

In view of the nature of the fixed assets held by the Company, no component was regarded as significant enough to justify separate accounting and a specific depreciation and amortisation schedule.

NOTE 3

Useful life of fixed assets

TYPE OF ASSET	Useful life	Conventional useful life
Intangible assets		
Concessions, patents and similar rights	5 years	1 to 3 years
Business intangibles	-	-
Property, plant and equipment		
Buildings	20 to 30 years	20 to 30 years
Fixtures and fittings	-	-
Technical facilities	-	-
Equipment and tools	5 years	5 years
General facilities	7 years	5 to 7 years
Transport equipment	5 years	5 years
Office equipment	5 years	4 years
Computer equipment	5 years	3 years
Furniture	10 years	10 years

The difference between the accounting duration and the fiscal duration was subject to accelerated depreciation and recorded as a regulated provision.

NOTE 4

Intangible assets

The item "Concessions, patents, licences and brands" comprises the SYNERGIE brand and software.

The item "Business intangibles, leasehold rights" comprises the business in its strictest sense and the leasehold rights associated with the agencies under operation.

Intangible assets that indicate a loss in value are tested for impairment.

Business intangibles are assumed to have an unlimited duration and consequently are not amortised; pursuant to Article 214-5 of French GAAP, impairment tests are performed at the year-end, as a result of which no impairment was recognised.

“Assets under construction” in the amount of €377 thousand correspond to software development of €228 thousand and fixtures and fittings of €149 thousand.

NOTE 5

Long-term investments

The gross value of equity investments corresponds to their acquisition cost. This cost does not include any commitments given.

Equity investments are valued, pursuant to Article 221-3 of the French GAAP, according to their value-in-use. This value, which corresponds to the amount that the company would be willing to pay to obtain the equity interest if it had to purchase it, is mainly determined based on future cash flows and the benefits of being present in the region or the business field in which the subsidiary operates.

Note 34 shows the table of subsidiaries and equity interests.

Purchase of treasury shares

Under a liquidity contract, SYNERGIE SE:

- purchased 137,192 shares at an average price of €27.113,
- sold 144,118 shares at an average price of €27.395.

At 31 December 2016, SYNERGIE SE held:

- through this contract, 5,100 treasury shares purchased at an average price of €34.10, i.e. €174 thousand,
- 352,463 shares purchased, not as part of the liquidity contract, at an average price of €9.39, i.e. €3,309 thousand, representing 1.45% of the share capital.

These shares are registered as long-term investments, as stipulated by the French GAAP (article 221-6).

The share price at 31 December 2016 was €35.

NOTE 6

Receivables and recognition of income

6.1 Client receivables

Trade receivables are booked at their nominal value.

When current events make the recovery of these receivables uncertain, they are impaired according to the nature of the risk (delayed settlement or disputed debt, compulsory administration or liquidation of assets).

The Company's income is registered as and when its service of providing personnel is carried out. This procedure means that the rules of separation for financial years can be strictly applied.

6.2 Other receivables

When the gross value of receivables from subsidiaries is challenged by a significant existing gap between the value of the equity investments and the portion of the shareholders' equity of the subsidiary held by SYNERGIE SE, impairment may not be recognised if the subsidiary concerned meets one or other of the conditions mentioned above in Note 5.

NOTE 7

Provisions

In accordance with Article 214-25 of the French GAAP, a provision is recognised when the Company has an obligation towards a third party which will probably or certainly require an outflow of resources to this third party with no, at least equivalent, compensation expected from the latter. The amount of the provision is approved after the Company's Boards have been consulted.

NOTE 8

Foreign currency transactions

Expenses and income in foreign currencies are recorded at their exchange value at the date of the transaction. Payables, receivables and cash in foreign currencies are recorded in the statement of financial position at their exchange value at year-end.
The difference arising from the discounting of payables and receivables in foreign currencies to this year-end price is taken to the statement of financial position under "Translation gains or losses". A full provision is made for unrealised exchange losses that are not offset.

NOTES TO THE STATEMENT OF FINANCIAL POSITION OF SYNERGIE SE

NOTE 9

Fixed assets

Gross amount

In € thousand	Amounts at 01/01/2016	Increase	Decrease	Amounts at 31/12/2016
Intangible assets				
Concessions, patents, licences and brands	6,240	157	608	5,789
Business intangible rights to leases	3,574			3,574
Assets under construction	105	345	72	378
Total intangible assets	**9,919**	**502**	**680**	**9,741**
Property, plant and equipment				
Land	110	-	110	-
Buildings	1,133	-	475	658
Facilities, equipment and tools	-			-
Other property, plant and equipment	15,475	2,959	1,933	16,501
Total property, plant and equipment	**16,718**	**2,959**	**2,518**	**17,159**
Long-term investments				
Loans to subsidiaries and associates	86,041	2,659	126	88,574
Other fixed investments	23	-	7	16
Loans	14	-	0	14
Other financial assets	5,191	4,104	4,025	5,270
Total financial assets	**91,269**	**6,763**	**4,158**	**93,874**
TOTAL	**117,906**	**10,224**	**7,356**	**120,774**

Intangible assets

The €157 thousand increase in “Concessions, patents, licences and brands” corresponds solely to the purchase of software.

The €608 thousand decrease in intangible assets also concerns software.

Property, plant and equipment

The increase in the "Other property, plant and equipment" item includes:

– €7 thousand relating to technical facilities;
– €2,301 thousand in fixtures and fittings relating to openings, transfers and refurbishments of agencies or Open Centers;
– €28 thousand relating to transport equipment;
– €622 thousand in purchases of new office equipment and furniture.

The decrease in the "Other property, plant and equipment" item results from:

– €1,415 thousand in fixtures and fittings relating to openings, transfers and refurbishments of agencies or Open Centers;
– €28 thousand relating to transport equipment;
– €490 thousand in purchases of new office equipment and furniture.

Financial assets

The increase in the gross value of “Equity interests and related receivables” corresponds to an increase in the stake in the subsidiary INTERSEARCH FRANCE for €860 thousand, an increase in the receivables on STH Slovaquie of €60 thousand and on SYNACO GLOBAL RECRUITMENT of €1,613 thousand.

Depreciation, amortisation and impairment

In € thousand	Amounts at 01/01/2016	Increase	Decrease	Amounts at 31/12/2016
Intangible assets				
Concessions, patents, licences and brands	4,304	603	558	4,349
Business intangible rights to leases	207	-	12	195
Total intangible assets	**4,511**	**603**	**570**	**4,544**
Property, plant and equipment				
Buildings	662	62	236	488
Facilities, equipment and tools	-	-	-	-
Other property, plant and equipment	11,559	1,127	1,786	10,900
Total property, plant and equipment	**12,221**	**1,189**	**2,022**	**11,388**
TOTAL	**16,732**	**1,792**	**2,592**	**15,932**
Financial assets				
Loans to subsidiaries and associates	1,741	860	-	2,601
Other fixed investments	82	3	7	78
Other financial assets	-	-	-	-
Total financial assets	**1,823**	**863**	**7**	**2,679**
TOTAL	**18,555**	**2,655**	**2,599**	**18,611**

NOTE 10

Receivables

In € thousand	2016 Gross amounts	Provisions depreciation & amortisation	2016 net amounts	2015 net amounts
Client receivables and related accounts	249,464	7,505	241,959	200,447
Other receivables	183,810	257	183,553	142,855
TOTAL	**433,274**	**7,762**	**425,512**	**343,301**

Receivables from training organisations account for €10,818 thousand of the "Other receivables" item.

Receivables in foreign currencies are valued at the closing price, with the difference compared with the initial price allocated to translation gains or losses (Note 18).

NOTE
11

Statement of maturities of receivables at year-end

In € thousand	Gross amount		Up to one year		Beyond one year	
	2016	2015	2016	2015	2016	2015
Fixed assets						
Receivables related to equity interests	2,274	601	-	-	2,274	601
Loans	14	14	14	14	-	-
Other long-term investments	5,270	5,191	-	-	5,270	5,191
Total fixed assets	**7,558**	**5,805**	**14**	**14**	**7,544**	**5,792**
Working capital						
Bad and doubtful debts	11,760	12,322	-	-	11,760	12,322
Other client receivables	237,703	196,989	237,703	196,989	-	-
Personnel	127	54	120	47	7	7
Social bodies	13,762	8,124	13,737	8,099	25	25
Income tax	95,587	58,619	964	-	94,623	58,619
Value-added tax	800	863	800	863	-	-
Other tax	3,532	3,091	-	9	3,532	3,081
Group and associates	69,583	72,097	69,567	71,408	16	689
Sundry debtors	418	936	203	721	215	215
Total working capital	**433,272**	**353,096**	**323,094**	**278,136**	**110,178**	**74,959**
Prepaid expenses	831	817	831	817	-	-
TOTAL	**441,661**	**359,718**	**323,939**	**278,967**	**117,722**	**80,751**

Under receivables, accrued income amounted to €26,850 thousand at 31 December 2016, breaking down as follows:

In € thousand		
Client receivables and related accounts, of which:		**9,237**
Clients - unbilled revenue outside Group	5,857	
Clients - unbilled revenue within Group	3,380	
Other receivables, of which:		**17,613**
Suppliers - assets to be received outside Group	172	
Suppliers - assets to be received within Group	10	
Personnel - income to be received	127	
Social bodies - income to be received	2,944	
Training bodies - income to be received	10,818	
State - Levies	3,532	
Other receivables	10	

NOTE 12

Investments

In € thousand	2016	2015
Investments in securities	-	55,494
Deposits and term accounts	2,325	10,321
TOTAL	**2,325**	**65,816**

Deposits and term accounts have terms of up to one month.

NOTE 13

Shareholders' equity

13.1 Share capital

At 31 December 2016, the share capital comprised 24,362,000 shares at €5 each, i.e. a total of €121,810 thousand.

13.2 Change in shareholders' equity

In € thousand	Capital	Premiums	Reserves and carry-forward	Result	Regulated provisions	2016 TOTAL	2015 TOTAL
Opening shareholders' equity	121,810		84,907	50,392	2,609	259,718	218,943
Capital reduction						-	-
Appropriation of 2015 earnings			35,995	(50,392)		(14,397)	(9,600)
Profit of the year				51,793		51,793	50,392
Changes in regulated provisions					(216)	(216)	(16)
Closing shareholders' equity	**121,810**	**-**	**120,902**	**51,793**	**2,393**	**296,898**	**259,718**

During 2016, dividends amounting to €14,617 thousand were paid out while undistributed dividends attached to treasury shares were carried forward in the amount of €220 thousand, giving a net pay-out of €14,397 thousand.

The item "Reserves and carryforwards" includes a "Regulated reserve" of €3,620 thousand, corresponding to the reserve for treasury shares.

NOTE 14

Provisions for risks and charges

In € thousand	2015	Increase	Decrease	2016
Social and tax risks	1,386	541	371	1,556
Other risks	1,414	2,827	140	4,101
TOTAL	**2,800**	**3,368**	**511**	**5,657**

At 31 December 2016, the provision for foreign exchange risk was €4,095 thousand, which was included under other risks.

NOTE 15

Loans and borrowings

In € thousand	2016	2015
Long-term bank loans and other bank borrowings	-	-
Current bank debt and bank overdrafts	44	1,092
Miscellaneous borrowings	17,079	27,071
TOTAL	**17,123**	**28,163**

The Company has not held bank debt since October 2013.

NOTE 16

Statement of maturities of payables at year-end

In € thousand	Gross amounts		<1 yr		1 ayr <<5 yrs		>5 yrs	
	2016	2015	2016	2015	2016	2015	2016	2015
Other bank borrowings:								
Borrowings - up to 1 yr	44	1,092	44	1,092	-	-	-	-
Borrowings - more than 1 yr	-	-		-	-	-	-	-
Miscellaneous borrowings	1,612	2,451	1,611	792	1	1,659	-	-
Group and associates	15,467	24,620	15,467	24,620	-	-	-	-
Trade payables and related accounts	5,987	5,698	5,987	5,698	-	-	-	-
Tax and social security payables	233,457	212,995	233,457	211,865	-	-	-	1,130
Payables on fixed assets and related accounts	462	43	462	43	-	-	-	-
Other payables	2,883	2,350	2,883	2,350	-	-	-	-
Subtotal	**259,912**	**249,248**	**259,911**	**246,460**	**1**	**1,659**	**-**	**1,130**
Prepaid income	-	-	-	-	-	-	-	-
TOTAL	**259,912**	**249,248**	**259,911**	**246,460**	**1**	**1,659**	**-**	**1,130**

The average period for supplier settlement is 39 days.

The expenses payable for 2016, including under payables, represent €55,809 thousand, breaking down as follows:

In € thousand		
Bank loans and other bank borrowings		**44**
Of which interest accrued on loans	44	
Bank charges		
Loans and borrowings		**10**
Of which interest accrued on employee profit-sharing	10	
Trade payables		**5,005**
Of which suppliers - invoices not yet received outside the Group	4,143	
Suppliers - invoices not yet received within the Group	400	
Suppliers of fixed assets	462	
Tax and social security payables		**50,358**
Of which personnel and related accounts	12,967	
Social bodies	10,911	
State - Levies	26,480	
Other payables		**392**
Clients - accrued credit notes outside Group	383	
Clients - accrued credit notes within Group	9	

NOTE 17

Payables on fixed assets

In € thousand	2016	2015
Payables on equity investments	-	-
Payables to suppliers (property, plant and equipment	462	43
TOTAL	**462**	**43**

NOTE 18

Unrealised translation gains and losses

Unrealised translation gains and losses correspond to exchange rate differences between the euro and local currencies, calculated at the date of approval of the balance of the current accounts of the subsidiaries ACORN (SYNERGIE) UK, ACORN RECRUITMENT (United Kingdom), SYNERGIE HUNT INTERNATIONAL (Canada), SYNERGIE (SUISSE), and SYNACO GLOBAL RECRUITMENT (Australia).

Full provision was made for the unrealised exchange loss of €4,095 thousand. It essentially concerns ACORN (SYNERGIE) UK and ACORN RECRUITMENT. The unrealised exchange gain of €133 thousand relates to SYNERGIE HUNT INTERNATIONAL for €54 thousand and SYNERGIE SUISSE for €79 thousand.

NOTES TO THE INCOME STATEMENT OF SYNERGIE SE

NOTE 19

Breakdown of revenue

In € thousand	2016	2015
Revenue France	1,010,900	902,603
Revenue exported	2,910	3,680
TOTAL	**1,013,810**	**906,283**

Turnover generated in France includes billing for placement activity in the amount of €4,077 thousand.

NOTE 20

Other income, reversals of provisions and transfers of expenses

In € thousand	2016	2015
Capitalised production costs	218	-
Operating subsidies	159	204
Reversals on depreciation, amortisation and provisions	2,703	3,653
Transfers of expenses	11,608	9,146
Brand royalties	3,113	3,069
Other income from ordinary operations	79	5
TOTAL	**17,880**	**16,077**

The "Transfers of expenses" item breaks down as follows:

In € thousand	2016	2015
Transfers of expenses on compensation	9,795	7,763
Transfers of expenses on insurance	499	400
Transfers of expenses on purchases not held in inventory	35	57
Transfers of expenses on leases	355	642
Transfers of expenses on other services	924	283
TOTAL	**11,608**	**9,146**

NOTE 21

Personnel costs

In € thousand	2016	2015
Wages and benefits	708,732	628,469
Social security contributions	185,007	159,542
Employee profit-sharing	-	1,130
TOTAL	**893,739**	**789,140**

The CICE is included in social security contributions.

NOTE 22

Financial result

In € thousand	2016	2015
Dividends	7,470	6,321
Interest on current accounts of subsidiaries	601	770
Interest on long/medium-term bank loans	(11)	(12)
Interest on profit-sharing	(19)	(32)
Net financial expense on short-term banking and miscellaneous transactions	(6)	-
Income from investments in securities	215	196
Other financial income	72	164
Allocations and reversals of provisions on securities	(860)	(238)
Allocations and reversals of provisions on current account	673	(689)
Allocations and reversals on translation gains or losses	(2,817)	1,137
Foreign exchange gains (losses)	(13)	22
Discounts granted	(66)	(52)
FINANCIAL RESULT	**5,239**	**7,588**

NOTE 23

Extraordinary profit

In € thousand	2016	2015
Extraordinary expenses		
On management operations	(131)	(30)
On capital operations	(1,111)	(601)
Extraordinary depreciation, amortisation and provisions	(1,179)	(1,233)
Total extraordinary expenses	**(2,421)**	**(1,864)**
Extraordinary income		
On management operations	-	506
On capital operations	800	181
Reversals of provisions and transfers of expenses	1,361	982
Total extraordinary income	**2,161**	**1,670**
EXTRAORDINARY PROFIT	**(260)**	**(194)**

NOTE 24

Income tax

In € thousand	2016	2015
On profit from ordinary operations	3,430	8,101
On extraordinary profit	(86)	(59)
On profit-sharing	(389)	-
Tax consolidation result	(21)	29
TOTAL	**2,934**	**8,071**

NOTE 25

Deferred tax position

An unrealised receivable of €582 thousand is shown temporarily (social solidarity contribution, profit-sharing and unrealised exchange gain for the year), corresponding to tax credits on non-deductible expenses.

An unrealised payable of €824 thousand also exists, relating to regulated provisions.

OTHER INFORMATION ON SYNERGIE SE

NOTE 26

Information on the members of the administrative and management bodies

Information relating to the members of the administrative and management bodies of SYNERGIE SE is provided below.

26.1 Compensation

The compensation of directors is €301 thousand.

26.2 Pension commitments

At the end of 2016, no commitment had been made by SYNERGIE SE in relation to pensions and related benefits for members of the administrative and management bodies.

26.3 Loans and advances

At the end of 2016, no loans and advances had been granted to members of the administrative and management bodies.

NOTE 27

Information on related parties

Information relating to the members of the administrative and management bodies of the Company, according to their roles in related companies, is provided below.

SCI Les Genêts 10: rents and property charges amount to €569 thousand, the security deposit to €76 thousand, the closing balance is zero and the due dates of the leases on premises are, respectively, 30 September 2018 and 15 January 2021, with renewal by tacit agreement of car park rentals.

SCI Daphné: Rents and property charges amount to €39 thousand, and the security deposit €13 thousand. The lease matures on 10 May 2019. The balance was zero at the year-end.

Relationships with subsidiaries are concluded under arm's length conditions.

NOTE 28

Company workforce at year-end

	Permanent employees	Temporary employees	2016	2015
Manager and similar	365	302	667	574
White collar	836	8,753	9,589	6,100
Blue collar	-	17,505	17,505	18,144
TOTAL	**1,201**	**26,560**	**27,761**	**24,818**

The permanent effects are those shown at the year-end, all categories included.

Temporary employees are shown as full-time equivalent.

NOTE 29

Tax consolidation

SYNERGIE SE opted for the tax consolidation regime with some of its subsidiaries as of 1 January 1991; the option was renewed in 2000 for an indefinite period.

Tax consolidation scope in 2016:

– SYNERGIE SE	(representing the only company liable for tax vis-à-vis the tax authorities)
– DIALOGUE & COMPÉTENCES	(included from 1993)
– AILE MÉDICALE	(included from 2000)
– SYNERGIE CONSULTANTS	(included from 2000)
– INTERSEARCH FRANCE	(included from 2012)
– SYNERGIE PROPERTY	(included from 2012)

Under tax consolidation, tax savings associated with losses are regarded as an immediate gain.

Given the tax position of the consolidated subsidiaries, tax consolidation profits likely to be reversed at year-end are negligible.

NOTE 30

The CICE

SYNERGIE has primarily used the CICE to fund investment, training and recruitment and to replenish working capital.

NOTE 31

Off-balance-sheet commitments

In € thousand	2016	2015
Commitments given		
Discounted bills	-	930
Counterparty guarantees for temporary employment	9,841	8,610
Supplementary commitments on securities purchases	-	1,367
Guarantees on mortgages	8,552	9,645
Commercial leases (rents to expiry)	5,732	5,063
TOTAL	**24,125**	**25,615**
Commitments received		
BNP guarantee	72,186	70,266
of INTERSEARCH if return to better fortunes after 2009, 2010 and 2011 debt waiver	715	715
of DIALOGUE & COMPETENCES if return to better fortunes after 2011 debt waiver	1,724	1,724
TOTAL	**74,625**	**72,705**

The 2016/2017 temporary employment guarantee, based on turnover of €1,008,622 thousand, should amount to €80,690 thousand.

In € thousand	2016	2015
Commitments relating to finance leases		
Gross fixed assets	3,937	4,650
Accumulated depreciation and amortisation	1,840	1,705
Allocations in the year	1,356	1,053
Reversals in the year	1,221	25
Increase in commitments in the year	525	3,023
Decrease in commitments in the year	1,300	999
Outstanding charges	2,267	3,042

Over 2016, the breakdown of commitments within one year and from one to five years on leases and finance leases amounted to €1,060 thousand and €1,208 thousand respectively.

Retirement benefits and severance payments for Company personnel were estimated at €2,970 thousand, including social security contributions.
The capital represented with an insurance company covered €3 thousand of this commitment at 31 December 2016.

NOTE 32

Contingent commitments and liabilities

At the end of the years shown, no other significant commitment had been entered into, and no contingent liabilities existed (other than those provisioned or mentioned in Note 14) likely to significantly affect the assessment of the financial statements.

NOTE 33

Information on related companies or companies connected through equity interests

In € thousand	Related companies	Companies connected through equity interest
Advances and downpayments on fixed assets	-	-
Equity interests	83,700	-
Related receivables	2,207	-
Loans	-	-
Other financial assets	2	-
Advances and downpayments on orders	-	-
Client receivables and related accounts	3,832	-
Other receivables	69,567	-
Avaluable cash	-	-
Subscribed capital called but not paid	-	-
Convertible bond loans	-	-
Other bond loans	-	-
Bank loans	-	-
Other loans and borrowings	15,467	-
Advances on orders received	-	-
Trade payables and related accounts	531	-
Payables on fixed assets and related accounts	-	-
Other payables	45	-
Income from equity interests	7,470	-
Other financial income	774	-
Financial expenses	174	-
Debt waivers	880	-

NOTE 34

Table of the subsidiaries and equity interests of SYNERGIE SE in the year ended 31.12.2016

SYNERGIE SE is the consolidating company of the Group in which the subsidiaries mentioned below are consolidated.

In € thousand **COMPANIES**	**Capital**	**Shareholders' equity other than capital**	**% of capital held**	**Gross inventory value**	**Net inventory value**
1/ French subsidiaries					
AILE MÉDICALE	72	2,065	100%	1,886	1,886
SYNERGIE PROPERTY	5,000	397	100%	5,000	5,000
2/ Foreign subsidiaries					
SYNERGIE ITALIA (Italy)	2,500	9,901	85%	3,437	3,437
SYNERGIE BELGIUM (Belgium)	250	32,303	99%	7,911	7,911
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain) [1]	40,000	24,699	100%	64,561	64,561
3/ Comprehensive information on other securities whose gross value does not exceed 1 % of SYNERGIE's CAPITAL					
Other subsidiaries and equity interests				3,506	905
TOTAL				**86,301**	**83,700**

[1] *SIES is a holding company with equity interests in the Group's other foreign subsidiaries*

In € thousand **COMPANIES**	**Loans and advances**	**Guarantees given**	**2016 revenue**	**2016 net profit**	**Dividends received by SYNERGIE in 2016**
1/ French subsidiaries					
AILE MÉDICALE	-	-	20,213	901	-
SYNERGIE PROPERTY	1,351	4,047	963	338	-
2/ Foreign subsidiaries					
SYNERGIE ITALIA (Italy)	11,307		247,856	5,954	1,530
SYNERGIE BELGIUM (Belgium)		1,232	231,953	10,156	5,940
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (Spain)	757	1,630	-	(61)	-
3/ Comprehensive information on other securities whose gross value does not exceed 1 % of SYNERGIE's CAPITAL					
Other subsidiaries and equity interests	71,857	11,484			-
TOTAL	**85,272**	**18,393**			**7,470**

NOTE 35

Events after the reporting period

No significant events after the reporting period and before the date of preparation of the financial statements are likely to affect the above assertion.

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS OF SYNERGIE SE

To the Shareholders,

Under the terms of the assignment entrusted to us by your Shareholders' Meeting, we hereby present our report for the financial year ended 31 December 2016 on:

- our audit of the annual financial statements of SYNERGIE, as attached to this report,
- the justifications for our assessments,
- the specific verifications and information stipulated by law.

The annual financial statements were approved by your Board of Directors. We are required 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 that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit entails reviewing, through testing or other selection methods, the evidence supporting the amounts and disclosures contained in the financial statements. It also entails assessing the accounting standards employed, the significant estimates used and the overall presentation of the financial statements. We believe that the audit evidence we have obtained forms a sufficient and appropriate basis for our opinion.

We hereby certify that the financial statements are, in respect of French accounting rules and principles, honest and sincere and provide a fair representation of the results of operations in the past year and the financial position and assets of the company at the end of that year.

II. JUSTIFICATION OF ASSESSMENTS

Pursuant to Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters for which information is provided in the notes:

- The section entitled "Significant events" sets out the methods used to account for the French Tax Credit for Competitiveness and Employment (CICE). We verified that this accounting method was appropriate.
- Note 5 of the notes to the financial statements sets out the methods used to calculate the value-in-use of equity investments. In the context of our work, we verified the appropriateness of the approach used, the coherence of all assumptions used, and the resulting valuations.
- Note 6 of the notes to the financial statements provides details of the methods used to recognise turnover and to evaluate receivables. We verified that the assumptions were appropriate and reviewed the calculation methods employed.

The assessments were made in the context of our audit of the annual financial statements taken as a whole, and therefore contributed to the formation of our opinion expressed in the first part of this report.

III. VERIFICATIONS AND SPECIFIC INFORMATION

We also carried out specific verifications required by law, in accordance with the professional standards applicable in France.

We have no observations to make as to the sincerity and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the documents sent to shareholders on the financial position and the annual financial statements.

We verified the consistency of the information provided pursuant to Article L.225-102-1 of the French Commercial Code on compensation and benefits paid to corporate officers and any commitments made in their favour, with the financial statements or with the data used to prepare the financial statements, and, where appropriate, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we hereby certify that this information is accurate and fair.

Pursuant to the law, we ascertained that information relating to the acquisition of controlling interests and the identity of the holders of share capital or voting rights has been provided to you in the management report.

Paris, 14 April 2017

The Statutory Auditors

Registered members of the Compagnie Régionale de Paris

JM AUDIT ET CONSEILS	FIGESTOR
Abdoullah LALA	Pierre LAOT Laurent GUEZ

DECLARATION FROM THE PERSON IN CHARGE OF THE ANNUAL FINANCIAL STATEMENT

I certify that, to my knowledge, the annual financial statements were prepared in compliance with the applicable accounting standards and provide a fair view of the assets, financial position and results of the Company and of all companies included in the consolidation.

The management report therefore includes a fair picture of business developments, results and financial position of the Company and of all companies included in the consolidation, as well as a description of the principal risks and uncertainties they face.

Paris on April 14, 2017

Daniel AUGEREAU

Chairman and Managing Director