



CONSTRUCTIONS INDUSTRIELLES DE LA MÉDITERRANÉE (CNIM)

Société anonyme having a Management Board and a Supervisory Board with share capital of €6,056,220

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Reference Document including the Annual Financial Statement and the Corporate Social and Environmental Responsibility Report 2015

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This Reference Document was filed with the Autorité des marchés financiers (French Financial Markets Regulator - AMF) on April 11, 2016, pursuant to Article 212-13 of its General Regulation. It may be used in support of a financial operation in the presence of an operating circular approved by the AMF. This document has been drawn up by the issuer and is binding upon its signatories.

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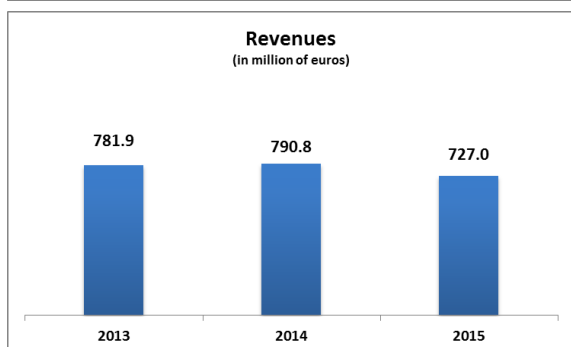
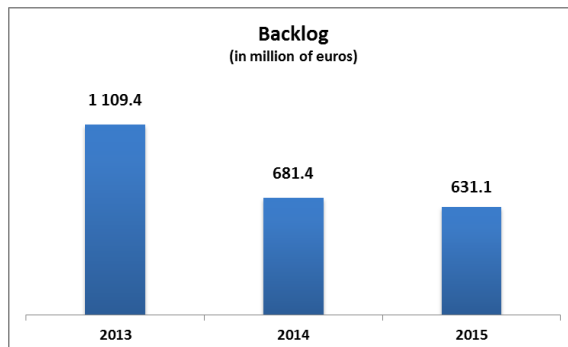
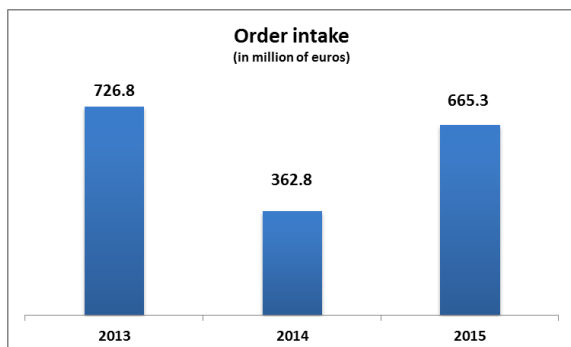
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1 ACTIVITIES, MARKETS, RESULTS, STRATEGY AND OUTLOOK^(AFS)

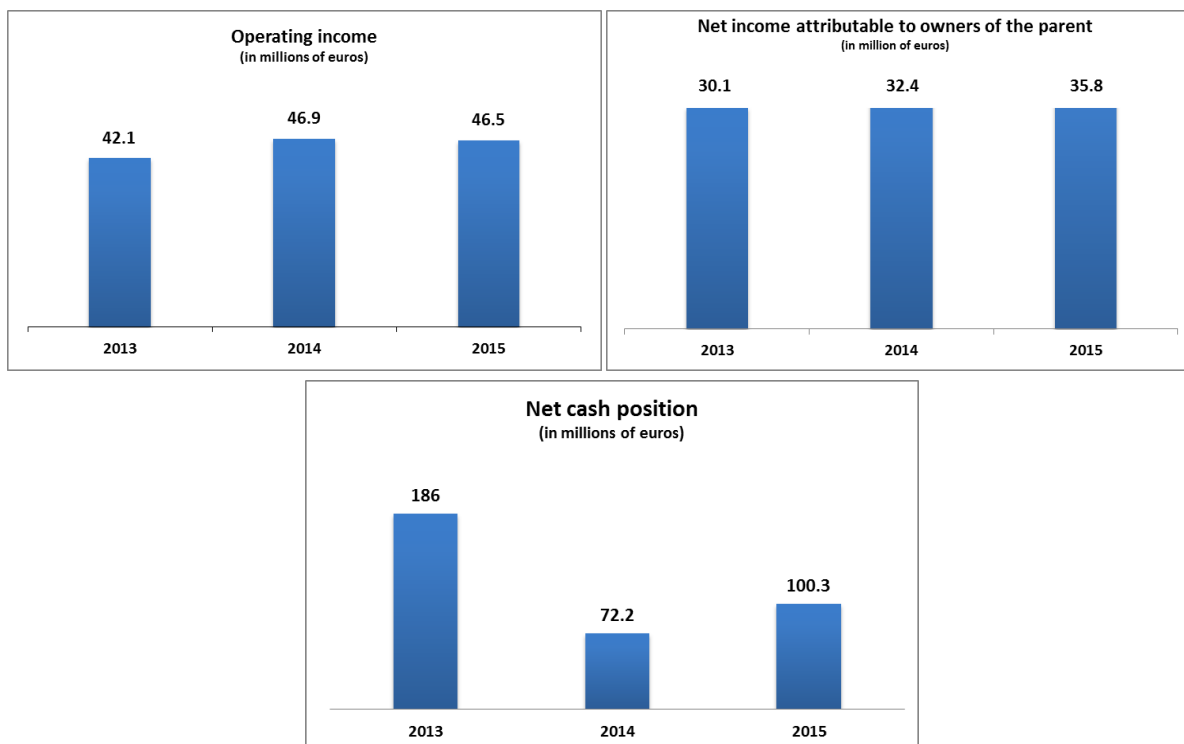
1.1 Key figures

The figures in Section 1 are presented in € millions.



In 2015, 61.3 % of Group revenues were achieved from exports.

A breakdown of revenue by Sector is presented in Section 1.4.3.2. A geographical breakdown is presented in point 1.4.3.1.



Detailed information for all key figures is presented and discussed in Sections 1.4 to 1.6.

1.2 Activities and markets, R&D, strategies and outlook, key events and highlights of 2015

This part of the registration document consists in a general overview of the Group and describes its activities by Sector by introducing the various product ranges and services, the markets in which the Sectors are developing, the R&D programs and the industrial and commercial strategies implemented, as well as their competitive positions.




1.2.1 General overview of the Group

The CNIM Group develops, designs and manufactures turnkey industrial solutions with high technological content and provides expertise, services and operating capability in the areas of environment, energy (thermal, nuclear and renewables), defense and industry. Thermal and mechanical engineering, robotics, instrumentation and control systems, machining large-scale parts, ergonomics, software services and solutions for IT security and big data are just a few of the skills on which CNIM's capacity to innovate is based.

Founded over one hundred and sixty years ago, the Group has a family shareholder base that guarantees stability for future development. CNIM employs 3,000 staff and achieved revenues of €727.0 million in 2015, of which 61.3 % derived from exports. CNIM shares trade on the Paris Euronext market, and it is classed as an "Intermediate-sized enterprise", a category of companies characterized by their performance in the international arena, their entrepreneurial capacity and their commercial prowess which make a notable contribution to the growth and competitiveness of the French economy.

The Group is divided into three Sectors, and a brief overview of each one is provided in table form hereafter.

The Group has first-rate industrial facilities, with a main site located at La Seyne-sur-Mer in the Var and four other specialized sites in France and elsewhere in the world; see 1.2.1.3.

Environment	Innovation & Systems	Energy
Organization, products and services		
 <p>Share of 2015 revenues</p> <ul style="list-style-type: none"> - Construction of waste-to-energy and biomass-to-energy centers - Operation and maintenance of waste-to-energy and biomass-to-energy centers - Flue gas and bottom ash treatment systems and incineration residue recovery systems - Construction of concentrated solar power plants 	 <p>Share of 2015 revenues</p> <p>The Innovation & Systems Sector comprises:</p> <ul style="list-style-type: none"> - the Industrial Systems Division, which is made up of CNIM Industrial Systems, a unit of CNIM SA based at La Seyne-sur-Mer, and the operating subsidiaries CTE (China), CNIM Singapore and Babcock Wanson Morocco; - Bertin Technologies and its subsidiaries. <p>The Industrial Systems Division operates as a designer and equipment and services supplier for:</p> <ul style="list-style-type: none"> - defense; - nuclear / Large Scientific Instruments; - industry; <p>and offers subcontracted manufacturing services.</p> <p>Bertin Technologies and its subsidiaries operate in four major fields of activity:</p> <ul style="list-style-type: none"> - consultancy and innovative engineering; - development and supply of instrumentation systems and equipment; - software services and solutions for IT security and big data; <p>research and development services for the pharmaceutical/biotech industry.</p>	 <p>Share of 2015 revenues</p> <p>CNIM BABCOCK SERVICES Refurbishment of thermal power plants, modernization and upgrading of control systems and equipment, maintenance of nuclear installations.</p> <p>BABCOCK WANSON SUBSIDIARIES Maintenance services, operational assistance, boiler rental, design and construction of boilers and other plant and systems for industrial boiler houses, such as water treatment, effluent thermal oxidizers.</p>
Markets		
<p>Customers: local authorities, plant operators, public service contractors, private investors and public or private service companies.</p> <p>Markets: Strategy of commercial development in countries which are actively pursuing policies:</p> <ul style="list-style-type: none"> - to build up their waste-to-energy strategies; - to refurbish and upgrade existing facilities; - to reduce emissions into the air and recover incineration residues; - to develop solar energy. 	<p>Customers: large customers in France and internationally.</p> <p>Markets: defense and security, maritime, space, nuclear power, environment and life sciences.</p>	<p>Customers: power companies and the agri-food, chemicals, petrochemicals, paper and pharmaceutical industries.</p> <p>Markets: CNIM Babcock Services The market of CNIM Babcock Services is defined by maintenance contracts for large customers mainly in France: "GICs" (large facilities classified for environmental risk), waste recovery plants, combustion-based and nuclear power plants.</p> <p>Babcock Wanson subsidiaries They cover a large geographic area (France, Italy, the UK, Spain, Portugal, Morocco, Tunisia and Poland).</p>

Outlook		
<p>Major export growth, aimed at the North American and Asian markets in addition to traditional markets.</p> <p>Obtaining value from new and existing business lines, with a recurring revenue stream such as:</p> <ul style="list-style-type: none"> - plant operation; - high quality services; - treatment of waste incineration residues (ash and clinker), including the extraction of precious metals and light metals such as aluminum and copper; - flue-gas and waste-water treatment. - The Environment Sector positions itself in major export markets through partnerships with established local operators. <p>Solar energy (concentrated solar power)</p> <p>The geographic zones referred to are the sunniest in the world, with growth prospects in the Middle East, South America, India and China.</p>	<p>Defense:</p> <ul style="list-style-type: none"> - Adapting the portfolio to match the Armed Forces' new requirements, with investments in cybersecurity in France and strong international growth in systems for the land-based and maritime projection of military force; - strong international growth thanks to a unique range of equipment and systems to counter nuclear, radiological, biological and chemical (NRBC) threats for the Armed Forces and civilian security. <p>Nuclear power and large scientific instruments:</p> <ul style="list-style-type: none"> - The targeted market is the French and international nuclear plant refurbishment market and projects for the construction of new plants; - strategy of development in Large Scientific Instruments and Research Reactors. <p>Industry: development objective in the Space and Oil & Gas Sectors.</p> <p>Pharma and biotech:</p> <ul style="list-style-type: none"> - Stepping up international growth towards the US and Asian markets; - development in the area of over-the-counter (OTC) medication and pharmaceutical development for biotech molecules as part of the formulation of new medications. 	<p>CNIM Babcock Services</p> <ul style="list-style-type: none"> - Local expertise and services provided by CNIM Babcock Services ensure the maximum uptime of customers' equipment; - CNIM Babcock Services assists its customers in their energy transition approach by providing environmental compliance services; - CNIM Babcock Services continues to diversify in the maintenance of nuclear plants. <p>Babcock Wanson subsidiaries</p> <p>Continuation of the strategy of developing innovative services based on products designed and built in house.</p>

1.2.1.1 Strategy and outlook

As an independent intermediate-sized enterprise, CNIM operates across the whole life cycle of high-added-value technical and industrial equipment.

Its strategy is based on:

- a diverse range of specialisms and a presence in the fields of the environment, energy, defense and security, making it relatively independent of economic cycles;
- the quality of its engineering and design department and industrial resources;
- innovation – the engine of the Group's growth – maintained by high levels of expertise and leading to selectivity in capital spending;
- growth of recurring business over the long term;
- improving competitiveness and profitability to ensure financing needs are met.

The strategies adopted for each Sector in accordance with the Group's general policies are described in the sectoral overviews on pages 14 to 40.

1.2.1.2 Research and Development

Innovation at the heart of its projects

For CNIM, innovation is a response to the technological challenges presented by its customers in the private and public sectors. It is the keystone of its technological leadership, its competitiveness and its development. The Group's achievements are often world firsts.

In the CNIM Group, there are two types of R&D activity:

- research carried out on behalf of customers (this forms a significant part of Bertin Technologies' activities in particular);
- self-financed R&D programs, which are described by Sector on pages 14 to 40.

For CNIM Group, innovation involves:

- a continuous improvement program aimed at optimizing existing equipment;
- the development of uniquely designed and constructed new products;
- a dynamic intellectual property policy with a portfolio of 137 groups of patents and 109 trademarks;
- the development of civil applications from defense projects;
- partnerships with research organizations in France and internationally;
- full participation in the development of major competitiveness clusters in France;
- the development of services aimed at optimizing customers' facilities, enabling them to improve equipment uptime and control their operating costs and environmental impact.

R&D programs are carried out at the level of each Sector which determine what action needs to be taken for their own technological areas within the framework of the Group's innovation strategy. These actions are described in the sectoral overviews.

1.2.1.3 First rate industrial facilities

CNIM has made the strategic choice to concentrate on the design, manufacturing and operational maintenance of large-scale, high-precision mechanical and thermal equipment.

These technical items are manufactured in small or medium quantities for the defense, nuclear and energy industries in factories equipped with state-of-the-art machinery.

Engineers work closely with production in integrated project teams. Such close collaboration explains the strength of the value chain provided to our clients, as well as the continuous improvement in the execution of our projects.

On CNIM's main industrial site at La Seyne-sur-Mer in the Var, you can find all the professions from the Environment, Innovation & Systems, and Energy Sectors:

- stages of development: R&D, engineering and design, systems and process engineering, dimensioning, calculations, automated systems, instrumentation and control systems;
- construction: clean room activities, machining, welding, boiler-making, set-up/assembly, quality control;
- services: work site coordination and monitoring, commissioning and operational maintenance, client training.

With a view to constantly improving its production facilities, CNIM invested in this site in 2013 by constructing of a new high-bay factory building and renovating an existing building for the construction of large-scale, high-precision industrial parts. As a result of these improvements, the site's production capacity has increased by more than 30%.

The Group's other industrial facilities are as follows:

- Babcock Wanson's Nérac site designs and manufactures industrial burners and fire-tube boilers;
- Babcock Wanson's Milan site is dedicated to industrial thermal oil and coil-type steam boilers as well as volatile organic compound incinerators;
- Babcock Wanson Morocco's Casablanca provides efficient and competitive production/assembly/boilermaking capacity to customers within and outside the Group;
- mechanical equipment for Chinese nuclear plants is manufactured at the Gaoming site in China.

In 2015, the La Seyne-sur-Mer, Gaoming and Casablanca sites jointly carried out several contract manufacturing agreements for industrial customers. Such services are important to ensure that facilities and personnel remain competitive and able to develop into new industries.

Bertin Technologies' research laboratories and multi-disciplinary capabilities complete this package aimed at industrial innovation.

1.2.1.4 Key success factors

The different Sectors presented all share:

- mechanical and heating engineering capabilities, which form the historical basis of our activities and are combined with first-rate industrial facilities;
- the experience and capacity to lead complex projects;
- opportunities in high- technology industries (with an important design component, quantitatively and qualitatively).

Moreover, the Group has favored a mix of businesses that makes it possible:

- to cover the whole value chain (R&D, design, equipment manufacturing, installation of the finished product, maintenance and services);
- to weather the effects of cyclical variations in each Sector.

1.2.1.5 Segment information

This information can be found in Section I.4 "Group results".

Information required under IFRS is presented in the notes to the 2015 consolidated accounts (Note 5, Section 5.1 "Consolidated financial statements at December 31, 2015").

Comprehensive information on subsidiaries and other holdings is provided in this document in:

- Section 5.2 of the financial statements (Note 26 to the 2015 CNIM SA Financial Statements);
- Note 3 "Scope of consolidation" to the 2015 consolidated financial statements;
- Structure of the main Group companies, point 1.2.8.

1.2.2 Key events and highlights of 2015

A. CNIM Group

- The “Industrial Joint Venture Companies” SPI fund, financed by the future Investment Program and operated by Bpifrance, announced its initial investment on June 24, 2015, alongside CNIM, in SUNCNIM. Majority-owned by CNIM, SUNCNIM develops and provides the turnkey construction of concentrated solar power plants for export. This initial investment by the SPI fund is fully in keeping with its investment proposition by accelerating the industrialization of a potentially leading technology in the global thermo-solar energy production market, which is still developing. It will allow a strong industrial position to be captured and aims to create significant direct and indirect employment in France. SUNCNIM will also make a direct contribution towards environmental and energy transition by producing renewable energy and using clean storage technology.
- Bertin Technologies acquired GO Albert France with the trademark AMI Software on May 18, 2015. This company joins the Bertin IT division — an entity dedicated to IT security and big data. This union of digital monitoring and cyberintelligence specialists therefore creates a major player in the processing of Open Source information (internet watch, in particular), with international ambitions supported by the entire CNIM Group.

B. Environment Sector

- In 2015, the Construction business was marked by the completion of projects in Cardiff (Wales), Ridham Dock (Kent) and Shrewsbury (Shropshire) in the UK.
- In France, SYCTOM — the metropolitan agency for household waste in Paris — awarded CNIM the contract to design, construct and operate its future selective collection sorting plant for the capital. Located in the new Clichy-Batignolles area (17th district), this completely automated, large-capacity plant will recycle the waste of more than 900,000 residents. It will be completed in 2019 and will employ 80 people, 35 of whom are on integration contracts.
- In June 2015, CNIM received from Viridor the Notice to Proceed with the construction work of the Beddington Energy Recovery Facility (ERF) located in Croydon, in the suburban area to the south of London. Work started on July 1, with completion expected in March 2018. The facility is being built in partnership with the civil engineering firm Lagan, and is fitted with two units having a capacity of 17.6 t/h, giving a treatment capacity of 275,000 tonnes of waste per annum. It will generate 24 MWe. VapoLAB® flue-gas treatment will be provided by LAB (a CNIM subsidiary).
- In 2015, LAB obtained a contract in the incineration ash treatment field, in Washington State, USA. LAB has a BOO (Build, Own, Operate) contract for the Roosevelt facility, which will be commissioned in the first quarter of 2016. Equipped with the RecuLAB™ NF process, it will be able to process up to 180,000 tonnes per annum of discharged fresh ash. The extracted metals will then be sold on the local market or exported to Europe. In Switzerland, LAB operates a waste-to-energy plant and is updating the residual ash processing unit by installing a RecuLAB™Au module with the capacity to process 20 tonnes of fresh ash every hour. The customer will operate this new unit under a specific agreement. The high-quality metal concentrate thus recovered will be marketed through LAB’s distribution channels in Europe or Canada. The facility should be commissioned in February 2016.

C. Innovation & Systems Sector

- The contract for the manufacture of radial plates for the ITER reactor is progressing at a nominal rate. Four other contracts relating to various components of the ITER reactor were awarded to CNIM in 2015, including one in partnership with the subsidiary Bertin Technologies.
- In December 2015, the French General Directorate for Armament (DGA) awarded CNIM a contract for the refurbishment of the French Army’s motorized floating bridges (PFM). A PFM is a system providing continuous (bridge) and discontinuous (door or ferry) crossings at operational level (essentially logistical crossings carried out in the rear zone).
- Petrofac, the world’s leading provider of services to the oil and gas industry, has chosen Bertin Technologies to provide and install a remote gas detection system called Second Sight® at the Jazan site, managed by Saudi Aramco in the Arabian Peninsula. This solution is capable of detecting and monitoring the

development of explosive gas clouds in real time. This contract marks the beginning of a new era in the prevention of chemical threats at industrial sites, particularly in the oil and gas industry.

D. Energy Sector

- In 2015, the third-largest independent chemical company in the world, entrusted CNIM Babcock Services with the revamping of one of its boilers located at the Berre l'Étang site — one of the largest petrochemical complexes in southern France. The contract related to the changeover from fuel oil to natural gas operation. The aim was not only to comply with the future environmental restrictions (NOx), but also to reduce its energy bill and greenhouse gas emissions. The objective has been achieved as CO2 emissions have been reduced by 60 kt/year, with SOx and NOx discharges being cut by 50% in terms of concentration and dust by 80%. The new boiler was commissioned on February 17, 2015 in the presence of the senator-mayor of Berre l'Étang, which provided this company with the opportunity to express its satisfaction with CNIM Babcock Services' performance.
- TdF boiler (France) for Michelin, installation of a BWR100 steam boiler through the intermediary of Bouygues Énergie& Services. The technical level of the Babcock Wanson offer has allowed this customer to be won back.
- Services (Democratic Republic of the Congo) for Total, bespoke repair and revamping of a boiler on a platform off the coast of Pointe-Noire.

1.2.3 Environment Sector

1.2.3.1 Profile

CNIM has developed a specific range dedicated to the fields of:

- household, industrial and biomass waste-to-energy recovery;
- flue-gas and ash treatment;
- production of concentrated solar power energy.

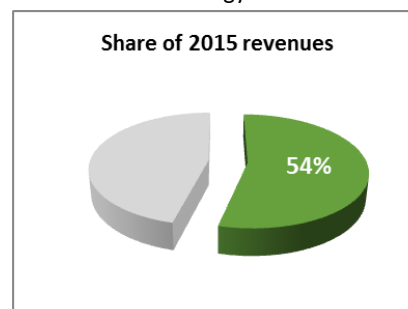
The Group provides its public and private customers with a turnkey offer of design, construction and operation in strict compliance with regulatory and environmental impact management standards.

CNIM is one of the leading European specialists in the waste-to-energy and biomass-to-energy fields. Recovery means:

- transforming waste into electric energy and heat (urban district heating, industrial processes);
- extracting materials from waste that can be reused in productive cycles.

(in € millions)

Environment Sector Revenues		
2013	2014	2015
528.1	514.7	390.6



1.2.3.2 Products and services

In the waste treatment field, CNIM operates at different levels:

- energy recovery;
- sorting and recycling;
- composting;
- treatment of flue gas resulting from the waste incineration process;
- treatment of residue (ash and bottom ash) resulting from waste incineration:
 - inerting;
 - extraction of metals;
- treatment of specific waste types such as hospital waste, water treatment plant sludge or green algae in Brittany.

In tandem, CNIM has developed a range in the field of construction and operation of concentrated solar power plants.

A. Construction of waste-to-energy and biomass-to-energy centers

CNIM designs, builds and commissions turnkey waste-to-energy and biomass-to-energy plants, using proprietary technologies that comply with the strictest performance and environmental impact management standards and are integrated within a multi-channel approach.

B. Operation and maintenance of waste-to-energy and biomass-to-energy centers

CNIM operates and maintains waste-to-energy and biomass-to-energy centers. The Group also provides operational assistance, overhaul, environmental compliance and maintenance services with a view to optimizing equipment performance, improving operational availability and reducing operating costs.

C. Flue gas and bottom ash treatment systems and incineration residue recovery systems

CNIM's subsidiaries LAB SA and LAB GmbH design, build, install and commission treatment systems for the flue gases produced by waste-to-energy and biomass-to-energy plants, power plants and industrial boiler houses. They also provide refurbishment and maintenance services for flue gas treatment systems, using their expertise to improve performance at existing facilities.

They also offer treatment systems for the ash and clinker produced by waste incineration, enabling ferrous metals, non-magnetic light metals (e.g. aluminum and copper) and precious metals to be extracted and facilitating disposal.

All processes used comply with European "Best Available Techniques".

D. Construction of concentrated solar power plants

CNIM has developed systems based on harnessing solar energy through an array of Fresnel mirrors. This technology provides an effective, economical, ecological and sustainable solution that meets storage requirements. Combined with CNIM's expertise as an industrial supplier, it ensures a highly competitive leveraged cost of electricity (LCOE) in this market. CNIM is positioning itself as a turnkey supplier of concentrated solar power plants.

CNIM offers:

- overall project design, construction and commissioning;
- construction of the solar field, receptor and power generation system.

As well as its applications in power generation, this technology can also be used for providing process steam for industrial uses (enhanced oil recovery and hybrid fossil fuel power stations).

1.2.3.3 The market in 2015

A. Construction of waste-to-energy and biomass-to-energy centers

CNIM has developed its activity in France where the Group has constructed half of the existing facilities. In tandem, the market covers numerous European countries that have implemented a program for the construction of waste-to-energy centers, namely the UK and central Europe.

Beyond the traditional areas, CNIM is shifting its business activity towards the Near and Middle East, as well as Asia, where CNIM has had initial success in Baku (Azerbaijan) following the construction of a plant that treats 500,000 tonnes of waste a year; this plant is currently operated by CNIM, which has signed a 20-year operation and maintenance contract.

CNIM has built 163 plants (283 processing lines) in Europe and Asia.

B. Operating and maintaining waste-to-energy and biomass-to-energy centers

CNIM operates plants in France, the UK and Azerbaijan and provides environmental upgrading and improvement services worldwide. The market concerns the waste-to-energy units constructed by CNIM and covered by an operation contract, as well as the units built by other operators whose expiring concessions offer opportunities for the Group. The Group currently operates eight waste-to-energy centers (including one equipped with a waste sorting center), one organic waste recovery center (with waste sorting and green algae treatment) and one biomass-to-energy plant.

C. Flue gas and bottom ash treatment systems and incineration residue recovery systems

Since 1963, LAB has completed over 400 contracts in 20 countries.

The market comprises several European countries, primarily France, the UK, Scandinavia, Finland, Germany, Switzerland and central Europe.

In Europe, LAB works:

- within the framework of CNIM turnkey construction projects;
- independently on facilities constructed by other builders;
- as a supplier of services for the treatment of ash, clinker and incineration residues, including metals recovery;
- as a supplier of maintenance and refurbishment services.

LAB's marine scrubber range is now market-ready and the company now intends to devote resources to the commercial development of this business area. The first contract in this field was received in 2015.

In 2015, LAB obtained two contracts in the incineration ash treatment field, one in Washington State, USA, the other in the Zurich region in Switzerland.

D. Construction of concentrated solar power plants

Following the construction of the Llo plant in the Pyrénées-Orientales (France), the markets concerned by this activity will be those in the sunniest areas of the world. CNIM is positioning itself as a producer of steam through the solar resource and developing a strong business activity in the Middle East and South America.

1.2.3.4 Market position (internal sources)

A. Construction of waste-to-energy and biomass-to-energy centers

Three competitors share the market with CNIM: Hitachi Zosen-Inova, Stein-Mueller, Babcock & Wilcox Volund. Other players are Doosen Lentjes GmbH, Keppel-Seghers Technology and Standardkessel. Other companies such as Vinci Environnement and Altawest-Inova (in France) are active in the market on a more occasional basis. Some local competitors also operate in this market.

B. Operation and maintenance of waste-to-energy and biomass-to-energy centers

The main competitors in France are Suez Environnement, Veolia Environnement, TIRU, Urbaser and IDEX.

C. Flue gas and bottom ash treatment systems and incineration residue recovery systems

Competitors of various types operate in the market:

- suppliers of turnkey recovery centers with flue gas treatment capabilities – Hitachi Zosen Inova, Steinmüller Babcock, Babcock & Wilcox Volund (and its subsidiary Götaverken Miljö), Dosan Lentjes, Andritz, Valmet and Vinci Environnement;
- engineering firms specializing in flue gas treatment systems – ALSTOM/General Electric, Götaverken Miljö AB, Inova Groupe Altawest, Hamon;
- firms specializing in flue gas treatment systems with their own manufacturing capacity – Lühr, Disa, Redecam, Ecoinstall, Indutec, Turbfilter, Area Impianti, ATS, Radscan

D. Construction of concentrated solar power plants

In the steam production market, the competition is fragmented as it consists of local operators or operators that use specific industrial applications (oil & gas, process steam, boosters for electrical power plants). This mainly includes Sener, Abengoa, Bright Source and ABB.

1.2.3.5 R&D and new products

A. Construction of waste-to-energy and biomass-to-energy centers

CNIM is positioning itself in major export markets and working on streamlining the waste-to-energy process by taking the geographic distance of its customers and locally forged industrial partnerships into account.

The Group capitalizes on the particularly abundant feedback in the UK where it has completed numerous plants in recent years and where constructions are currently under way. This feedback allows it to streamline the yield obtained from the waste-to-energy process (simplification of the boiler, improvement in energy and steam production performance).

The main priorities for R&D in the Environment Sector in 2015 are the following:

- use of new anti-corrosion materials on the hottest components of a waste combustion boiler;
- development of a cleaning concept adapted to all the exchange surfaces of the boiler without water consumption (considerably adapted to the future markets referred to in the Middle East and Asia).

B. Flue gas and bottom ash treatment systems and incineration residue recovery systems

The Environment sector has developed its own catalog of procedures. LAB holds 54 groups of patents, 39 of which are extended to abroad, mainly in Europe, and 25 trademarks, 24 of which are extended to abroad. LAB files on average 6-7 patents per year, more than two thirds of which are immediately put to use in its products and construction projects. These enable it to avoid dependency on third-party technologies and offer a range of processes that can be implemented in standard or customized configurations.

Its presence on the ground, in close contact with the customers it serves, enables it to anticipate their process, product and service needs.

LAB's expert staff analyze and coordinate these needs in order to develop the right products to meet them. They have significant material resources at their disposal in the form of the LAB Test Center and its mobile on-site investigation units, of which DemoLAB® is the best example.

The final stage before inclusion in the LAB process catalog is industrialization, i.e. moving from a prototype installation to a reliable high-performance industrial product.

LAB has developed a wet scrubbing technology, marketed under the DeepBlueLAB® brand, that responds to the needs of the shipping industry for flue gas depollution systems. Perfecting this new product required LAB to comply with existing environmental directives and also take account of specific factors concerning the space available aboard ships and the technical preferences of the shipowners.

C. Construction of concentrated solar power plants

- eLlo

Modeling and design studies for the Llo plant continued. This has included the incorporation of a new medium-term energy storage design involving various types of saturated steam or superheated steam turbines, which should make Llo the first Fresnel solar plant to be able to store power for a significant period of time, equivalent to several hours of full-power turbine operation. This significant advance will allow Fresnel technology to demonstrate its ability to meet the needs of electricity grids and thus serve as a complement to intermittent energy sources such as wind and photovoltaics.

- Development of superheated steam

Various ways exist to cut the cost of producing electricity. One relates to production cost – this is the purpose of developing the mobile workshop. A second relates to maintenance costs – it is to this end that the new fully automatic cleaning robot has been developed. The third relates to improving the yield obtained from the facility; in a thermodynamic cycle, this involves raising the temperature of the steam. To this end, a Fresnel receptor has been developed for use with superheated steam which uses the same mirror modules as for saturated steam. This research was carried out as part of a university thesis tutored by CNIM on improving power plant thermodynamic yields through the use of high-temperature steam and high-performance storage systems.

CNIM has also conducted dynamic operational power plant simulations, with successful operational testing under cloudy conditions with the use of the APPROS software.

CNIM is developing research partnerships with a number of French universities such as the University of Aix-Marseille, as well as with French research laboratories such as Armines and Promes and universities abroad such as the Technical University of Vienna in Austria, with which CNIM has collaborated on solar power towers and dynamic operation simulation methods. SUNCNIM also files patents on a regular basis.

- **Development of the offer**

SUNCNIM is working on expanding its offer to provide technical solutions tailored to sectors other than electricity generation, particularly in the thermal energy supply sector.

This sector combines several types of activities in the mining and chemical industries, as well as in the oil industry.

To respond as best as possible to these notably different uses, whether in terms of the restrictions applicable to the installation site (e.g. desert conditions) or the type of use (e.g. daily or round-the-clock supply, low or high pressure levels, potentially poor feed water quality), SUNCNIM has developed specific solutions that will enable it to offer a bespoke solution for these applications.

SUNCNIM holds six groups of patents, three of which are extended to abroad, and three trademarks, one of which is extended to abroad.

1.2.3.6 Advantages

CNIM's advantages include:

- its particularly flexible business approach (industrial partnerships, civil engineering, business partnerships, developers and operators adapted to local markets);
- its ability to adapt to the specific requirements of local markets;
- its industrial expertise (Martin grid);
- its historical expertise as a supplier;
- and its capacity for technological innovation in order to offer solutions that are always competitive, while also guaranteeing reliable operation.

In a highly competitive environment, CNIM's ability to establish joint project operation companies and offer financing solutions for certain projects that combine construction with a plant operation contract is an indispensable asset.

Project financing allows:

- new turnkey contracts to be won;
- new operation and maintenance contracts to be won, which also generates feedback and thus helps to improve the technologies and procedures employed by the Group throughout the design and construction stages;
- CNIM to take minority shareholdings in the joint venture companies established to run the projects, enabling it to monitor both the contracts and their financing. This possibility of participating in project financing is entirely dependent on the specific nature of the local market and operators present.

LAB's long-standing experience gained in numerous countries and its complete portfolio of technologies ranging from dry treatment to wet treatment, including SCR technology and condensation units, are its main advantages.

1.2.3.7 Strategy and outlook

A. Construction of waste-to-energy and biomass-to-energy centers

In the French market, CNIM is continuing to generate business from the refurbishment of waste recovery centers which need to be updated or in some cases rebuilt to improve their energy efficiency and environmental performance. The customers are local authorities keen to keep older facilities running over the long term.

The Environment Sector has continued its strategy of commercial development in countries which are actively pursuing policies to build up their waste-to-energy strategies, in which field CNIM can supply design, construction and operating expertise:

- in Europe: mainly in the UK;
- in the Gulf countries and Asia.

CNIM selects projects and markets with extreme care in order to avoid any exposure to unmanageable risks.

B. Operation and maintenance of waste-to-energy and biomass-to-energy centers

The plant operation business, which now covers waste processing plants built both by CNIM and other constructors, represents a strategic growth area for the Group. CNIM is continuing its business efforts in this field which ensures recurring revenues thanks to long-term contracts (5-20 years). This positioning is justified by the Group's expertise as a constructor.

C. Flue gas and bottom ash treatment systems and incineration residue recovery systems

LAB's strategy is to continue to defend and enhance its position in the international markets for waste-to-energy, biomass-to-energy and thermal plants, with an ongoing focus on its traditional markets in Scandinavia and western and central Europe.

LAB is also examining growth opportunities in markets farther afield such as the United States, the Middle East and East Asia.

During 2015, confirmation of the growth prospects in these new markets was provided by the commissioning of vessels equipped with marine scrubbers and the construction of the first plants for treating incinerator bottom ash.

D. Construction of concentrated solar power plants

Various successful contracts in France notwithstanding, this will essentially be an export market, owing to the requirement for intense direct sunshine. The key areas for business opportunities concern mainly the Middle East, South America, India and China.

1.2.3.8 Activity in 2015

A. Construction of waste-to-energy and biomass-to-energy centers

In 2015, the Construction business was marked by the completion of projects in Cardiff (Wales), Ridham Dock (Kent) and Shrewsbury (Shropshire) in the UK. In France, SYCTOM — the metropolitan agency for household waste in Paris — awarded CNIM the contract to design, construct and operate its future selective collection sorting plant for the capital. Located in the new Clichy-Batignolles area (17th district), this completely automated, large-capacity plant will recycle the waste of more than 900,000 residents. It will be completed in 2019 and will employ 80 people, 35 of whom on integration contracts.

- **New orders for waste-to-energy and biomass-to-energy centers**

South London, Beddington, UK

- Client: VIRIDOR. Delivery scheduled for March 2018.
- Features: The facility is being built in partnership with the civil engineering firm Lagan, and is fitted with two units having a capacity of 17.6 t/h, giving a treatment capacity of 275,000 tonnes of waste per annum. It will generate 24 MWe. VapoLAB® flue-gas treatment will be provided by LAB (a CNIM subsidiary).

- **Completion of waste-to-energy and biomass-to-energy centers**

Ridham Dock, Kent, UK

- Client: MVV Umwelt.
- Features: this cogeneration plant, which will be fueled by contaminated biomass, is being built in partnership with the civil engineering firm Clugston. It is fitted with one unit, generating 25.5 MWe. Its design also allows for the possibility of supplying steam to a nearby industrial company. VapoLAB® flue-gas treatment will be provided by LAB (a CNIM subsidiary).
- Delivery scheduled for August 2015.

Shrewsbury, Shropshire, UK

- Client: Veolia Environmental Services.
- Features: the facility is being built in partnership with the civil engineering firm Clugston. It is fitted with one unit having a capacity of 12 t/h, for an overall treatment capacity of 100,000 tonnes of household waste per annum. It will generate 8 MWe. VapoLAB® flue-gas treatment will be provided by LAB (a CNIM subsidiary).
- Delivery scheduled for May 2015.

Trident Park, Cardiff, Pays de Galles, UK

- Client : VIRIDOR.
- Features: this is the first plant of its kind in Wales. It was built in partnership with the civil engineering firm Lagan, and is fitted with two units having a capacity of 23 t/h, giving a treatment capacity of 350,000 tonnes of waste per annum. It generates 34 MWe. VapoLAB® flue-gas treatment is provided by LAB (a CNIM subsidiary).
- Delivery scheduled for March 2015.

- **Ongoing design and production contracts for turnkey waste-to-energy plants**

Leeds, Yorkshire, UK

- Client : Veolia Environmental Services.
- Features: the facility is being built in partnership with Clugston, which is in charge of the civil engineering side of things. It will treat a total of 214,000 tonnes of household waste per annum, including 50,000 tonnes of recycled waste coming from a sorting plant integrated into the site (the operation of which Veolia has directly entrusted to the German company WTT). It is fitted with one unit having a waste capacity of 20.5 t/h, and will generate 15.5 MWe. SecoLAB® flue-gas treatment will be provided by LAB (a CNIM subsidiary). This WEP will contribute significantly to the county's objective of recycling over 60 % of its waste.
- Delivery scheduled for May 2016.

Wilton, Middlesbrough, UK

- Client : Sita-Sembcorp-Itochu.
- Features: the facility is being built in partnership with Clugston, which is in charge of the civil engineering side of things. It will be fitted with two units having a capacity of 29.2 t/h, giving an annual capacity of 470,000 tonnes. It will produce 50 MWe. Flue-gas treatment will be of VapoLAB® type. Waste will be transported by train from the west coast of the UK (Merseyside, near Liverpool) to the east coast (Middlesbrough, to the south of Newcastle). The plant is located in a sizable industrial estate, and all or part of the steam produced by the plant will power the processes of various industrial companies present in the estate.
- Delivery scheduled for August 2016.

Estrées-Mons, Somme, France

- Client: CBEM (joint-venture company).
- Delivery scheduled for April 2015. Plant operated provisionally by CNIM in 2015. The final operation is scheduled for early 2016.
- Features: this power plant is fueled by clean biomass (wood from forest exploitation, sawmill by-products, wood from energy crops, shredded wood used in packaging and wood from the maintenance of green

areas). It will generate 13 MWe, and will supply energy in the form of steam to a nearby industrial company, which it will use in its processes.

B. Operation and maintenance of waste-to-energy and biomass-to-energy centers

From an operational perspective, the French market is starting to present many opportunities arising, on the one hand, from the requirements of upcoming regulations for promoting energy recovery and, on the other, from the need to upgrade and refurbish the installations affected by expiring outsourced public service contracts. Responding to calls for tender was therefore stepped up in 2015 and opportunities started to materialize.

The Group currently operates eight waste-to-energy centers (including one equipped with a waste sorting center), one organic waste recovery center (with waste sorting and green algae treatment) and two biomass-to-energy plants.

- **Operation of waste-to-energy plants : work currently underway**

Bakou, Azerbaïdjan

- Client: Azeri Ministry of the Economy and Industry/Tamiz Shahar for the operation phase.
- Continuation of work that started in June 2013. Launch of contractual operation phase in December 2015 for a 20-year period.
- Features: two units having a capacity of 33 t/h, which can treat, in total, 500,000 tonnes of municipal waste and 10,000 tonnes of hospital waste per annum. The plant is big enough to export 231,500 MWh of electricity per annum to the grid (with a waste calorific value of 8,500 MJ/t), which corresponds to the electricity consumed by 50,000 homes. With the plant replacing the use of landfill, over one tonne of CO₂ is saved for every tonne of waste incinerated, giving a total reduction of at least 500,000 tonnes of CO₂ per annum.

Estrées-Mons, Somme, France

- Client: CBEM (joint-venture company).
- Delivery scheduled for April 2015. Plant operated provisionally by CNIM in 2015. The final operation is scheduled for early 2016.
- Features: this power plant is fueled by clean biomass (wood from forest exploitation, sawmill by-products, wood from energy crops, shredded wood used in packaging and wood from the maintenance of green areas). It will generate 13 MWe, and will supply energy in the form of steam to a nearby industrial company, which it will use in its processes.

Nesle, Somme, France

- Client: Kogeban (joint-venture company).
- Delivered in 2014. Run by CNIM.
- Features: the unit fueled by clean biomass (wood from forest exploitation, sawmill by-products, wood from energy crops, shredded wood used in packaging and wood from the maintenance of green areas) is now in operation. The power it generates is enough to meet the needs of a town of 5,000 houses; three million tonnes of CO₂ will be saved over twenty years. Each year, 130 GWh of electricity and 300 GWh of heat energy will be able to be generated from 250,000 tonnes of biomass, and used by an industrial company.

Plouharnel, Morbihan, France

- Client: AQTA (Auray Quiberon Terre Atlantique).
- CNIM has operated the plant since December 2014. A feasibility study (firm tranche) for the installation of an energy recovery facility and an electricity generation facility was commissioned in 2014 and 2015.
- Features: the incinerator, which treats 31,500 tonnes of waste per annum, was built in the early 1970s and does not have a waste-to-energy facility. CNIM has been tasked with operating and modernizing the plant and with performing the work needed to implement waste-to-energy treatment.

Saint-Pantaléon de Larche, Corrèze, France

- Client: SYTTOM 19.

- CNIM has been running the plant since 2013, and has replaced the previous flue-gas treatment process with a modern, patented treatment process that is capable of improving environmental performance while reducing the amount of resources consumed (75,000 m3 of water saved per annum).
- Features: the facility, which is able to treat up to 70,000 tonnes of waste per annum, was built in the early 1970s. It is fitted with three energy recovery units, which supply energy to an industrial company and heat municipal greenhouses. A new dry flue-gas treatment system has recently come into service (work carried out in late 2013), which has seen NOx emissions drop from 200 mg/Nm3 to 80 mg/Nm3 and resulted in the 'R1' energy efficiency rating being obtained. In 2014, CNIM was awarded the contract to build and operate an electricity generation unit to add to the WEP's existing facility for energy recovery in the form of heat (work carried out in 2014). This facility has been in production since early 2015.

Thiverval, Yvelines, France

- Client: SIDOMPE.
- CNIM built the waste-to-energy plant and has been operating it since 1973; CNIM has also been running the sorting plant since July 1, 2008 (when it opened).
- Features: the waste-to-energy plant was built in the early 1970s, and originally there were just two incineration units, with boilers subsequently being installed in 1986 (supply of urban heating to around 5,000 homes). Between 1991 and 1994, a third unit with a turbo-alternator for generating electricity was built, and the existing units were modernized. The treatment capacity is now 200,000 tonnes per annum. The sorting plant was put into operation in 2008, and its treatment capacity is now 30,000 tonnes per annum.

Pluzunet, Côtes d'Armor, France

- Client: SMITRED.
- CNIM has been operating the waste-to-energy plant since 2007.
- Features: the waste-to-energy plant, which treats 57,000 tonnes of waste per annum, was put into operation in 1997. This facility is fitted with a boiler and a turbo-alternator, capable of generating around 17 GWh of electricity per annum and also heat energy which is used for heating horticultural and vegetable greenhouses.

Lantic, Côtes d'Armor, France

- Client: KERVAL.
- CNIM has been operating the waste-to-energy plant since 2009. CNIM modernized the site in 2009, and a year later built a unit for treating green algae, having a capacity of 20,000 tonnes per annum.
- Features: the waste-to-energy plant, which receives around 35,000 tonnes of waste per annum, was put into operation in 1999. This facility is fitted with two micro-biological treatment units and a non-hazardous waste storage facility. The compost produced (around 10,000 tonnes per annum) is approved for use in organic agriculture.

Stoke-on-Trent, Midlands, UK

- Client: Hanford Waste Services.
- CNIM built the waste-to-energy plant and has been operating it since 1999 through its subsidiary MES Environmental Ltd.
- Features: 210,000 tonnes of household waste are treated per annum via two units having a capacity of 12 t/h, generating 98,000 MWh of electricity per annum.

Wolverhampton, Midlands, UK

- Client: Wolverhampton Waste Services.
- CNIM built the waste-to-energy plant and has been operating it since 1999 through its subsidiary MES Environmental Ltd.
- Features: 110,000 tonnes of household waste are treated per annum via two units having a capacity of 7 t/h, generating 45,000 MWh of electricity per annum.

Dudley, Midlands, UK

- Client: Dudley Waste Services.
- CNIM built the waste-to-energy plant and has been operating it since 1999 through its subsidiary MES Environmental Ltd.
- Features: 90,000 tonnes of household waste are treated per annum via two units having a capacity of 6 t/h, generating 36,000 MWh of electricity per annum.

C. Flue gas and bottom ash treatment systems and incineration residue recovery systems

In 2015, LAB continued and accelerated its efforts to branch out from being Europe's number-one flue-gas treatment specialist and become a genuine global figurehead in the engineering, construction and services sectors, capable of offering its clients – waste-to-energy companies, energy producers and industrial firms – integrated solutions for reducing their emissions into the air, water and ground.

In the 'Plant Construction' business, LAB has successfully held on to its status as one of the most innovative and competitive providers of flue-gas treatment solutions. As an indication of its ability to adapt to the latest market trends, the orders that it has received from clients operating in the energy sector have, for the first time, eclipsed those received from those operating in the waste treatment sector. In addition, over the course of 2015 the company gained a number of highly specialist business contacts regarding the provision of marine scrubbers and plants for treating incinerator bottom ash.

The 'Environmental Services' business has also received a record-breaking number of orders. This was due both to the extremely sustained levels of activity of its LAB Service Division, and also to the first orders that it has received for its patented additive Tracelock®: used by many clients to stabilize the ash and dust resulting from flue gas treatment, Tracelock® converts these waste products, which are classified as hazardous, into non-hazardous waste.

The 'Operation' business, which now also incorporates the construction and operation of bottom ash treatment plants following the acquisition of Geodur in 2013, continued to develop strongly in 2015. This development can be seen through the first contracts that have been signed, and the first plant constructed by LAB in line with this business model should become operational in 2016.

By combining a strong presence, cutting-edge technological solutions, competitiveness and expertise, LAB is particularly well-positioned in its new market sectors.

- **Major orders and ongoing contracts in 2015 with the parent company CNIM in relation to turnkey design and production of waste-to-energy or biomass recycling plants**

Waste treatment

- Leeds: SecoLAB® and SNCR DeNOx flue-gas treatment.
- Wilton, Middlesbrough: VapoLAB® and SNCR DeNOx flue-gas treatment.
- Ridham Dock, Kent: VapoLAB® and SNCR DeNOx flue-gas treatment.
- Beddington, South London: VapoLAB® flue-gas treatment with injection of slaked lime and activated carbon.

Biomass treatment

- Estrées-Mons, France: SecoLAB® flue-gas treatment.
- Treatment of flue gas generated by heat power plant for urban network
- CPCU Bercy, France: DeNOx SCR flue-gas treatment
- **Major orders and ongoing projects contracted directly by LAB in 2015**

Waste treatment

- Nordforbraending – Hoersholm, Denmark: SecoLAB® flue-gas treatment with condenser, water treatment, heat pumps.
- ARC – Amagerforbraending, Denmark: GraniLAB® flue-gas treatment with condenser, water treatment, heat pumps.
- MVV – Plymouth, UK: BicarLAB® flue-gas treatment.
- Gloucester EfW – UBB Gloucestershire Construction JV, UK: SecoLAB® flue-gas treatment.

- Saint Saulve – Ecovalor, France: study for modernization of the flue-gas treatment.

Electricity generation:

- Localstyrelsen – Longyearbyen, Norway: GraniLAB® flue-gas desulfurization with seawater scrubber.
- CEH – Paroseni, Romania: flue-gas desulfurization process by means of a wet scrubber using milk of lime (Limestone FGD).
- Veolia/Dalkia – Trebovice, Czech Republic: SecoLAB® flue-gas treatment.
- Solvay – Tavaux, France: SecoLAB® flue-gas desulfurization.
- BWE - Aarhus, Denmark: BicarLAB® flue-gas treatment with a condensation unit and SCR DeNOx.
- Albioma – Le Gol, Réunion, France: flue-gas desulfurization by means of wet treatment for a coal-fired plant.

Marine scrubbers

- STX France: wet flue-gas treatment for three vessels of Brittany Ferries (Mont Saint-Michel, Armorique and Pont Aven).

Incineration ash treatment

- KVA Linthgebiet Niederurnen, Switzerland: ash treatment and metals recovery (20 tonnes/h).
- Roosevelt, USA: ash treatment (180,000 tonnes/year).

Stabilization/solidification of incinerator bottom ash and dust resulting from flue-gas treatment

- Posco – Krakow, Poland: StabiLAB® treatment of flue-gas cleaning residues from household waste incineration.
- Fujimen – Fukushima, Japan: Tracelock® treatment of flue-gas cleaning residues from household waste incineration.
- MPWIK – Warsaw, Poland: Tracelock® treatment of flue-gas cleaning residues from household waste incineration.

1.2.4 Innovation & Systems Sector

1.2.4.1 Profile

The Innovation & Systems Sector comprises:

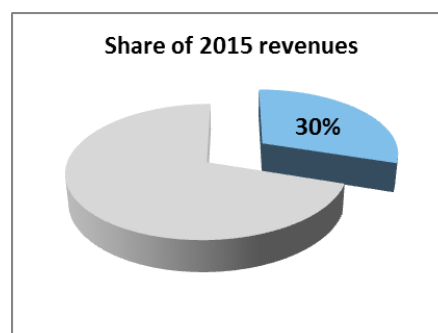
- the Industrial Systems Division, which is made up of CNIM Industrial Systems, a unit of CNIM SA based at La Seyne-sur-Mer, and the operating subsidiaries CTE (China), CNIM Singapore and Babcock Wanson Morocco.
- Bertin Technologies and its subsidiaries.

It has mainly French and international large customers in the defense and security, maritime, space, nuclear, environmental and life sciences industries.

(in € millions)

Innovation & Systems - Revenues		
2013*	2014	2015
142.4	162.9	217.6

(*) Note: Revenue at January 1, 2014 has been restated to reflect the transfer of Babcock Wanson Morocco from the Energy Sector to Innovation & Systems.



1.2.4.2 Products and services

A. Industrial Systems Division

The Industrial Systems Division provides a unique range of services offering technological expertise and the supply of innovative equipment and systems. It also performs manufacturing subcontracting contracts for various industrial sectors.

These products and services are based on multidisciplinary technical competencies and first-rate manufacturing and systems integration resources.

This Division is a designer and supplier of equipment and services for:

a) Defense

- **Deterrence**

CNIM has been particularly active in the field of strategic missile launch systems for ballistic nuclear submarines for more than 50 years.

- **Bridging systems**

CNIM has been developing systems for bridging ravines and waterways for armies worldwide for many years and offers two product lines:

- motorized floating bridge (PFM);
- the Modular Assault Bridge, developed under the SPRAT (rapid bridge installation system) program under the auspices of the French General Directorate for Armament (DGA). The SPRAT delivers exceptional performance and is supplied to the French army.

- **Maritime projection of force**

CNIM has designed and built from its own funds the prototype of the L-CAT® landing catamaran, a transforming vessel with a number of civilian or military applications. CNIM's ambition is to develop and promote a complete range of ships based on this design and on the four EDA-R (Rapid Amphibious Landing Craft) vessels supplied to the French Navy between 2011 and 2012, for which CNIM now carries out the maintenance.

b) Nuclear power and large scientific instruments

- **In the civilian nuclear cycle: upstream (enrichment), nuclear power production and downstream (dismantling and storage)**

CNIM is active throughout the nuclear cycle, i.e. from fuel enrichment and nuclear power generation through to dismantling and waste reprocessing:

- enrichment: packing and weighing stations;
- nuclear power production: fuel handling and evacuation systems for nuclear plants, special elevators, etc.;
- dismantling, waste processing and waste storage.

- **Large scientific programs**

CNIM has been providing systems design and construction services under the Laser Megajoule (LMJ) program for CEA/DAM for more than ten years. CNIM now acts more as an assistant as regards LMJ's operation. At the same time, CNIM is considerably building up contracts for the design and production of components and systems integrated in the future ITER reactor in Cadarache.

c) Industry and manufacturing subcontracting

The site at La Seyne-sur-Mer operates in the energy, aeronautical and space industries, notably through contracts for the manufacture of high added value parts.

The Chinese subsidiary CTE provides production services to the Chinese market and to the site at La Seyne-sur-Mer. CTE also continues to produce escalators and parts under metro contracts for supply to Singapore and China.

The subsidiary Babcock Wanson Morocco provides boiler-making services to the African market and under sub-contracts to other units in the Group.

B. Bertin Technologies and its subsidiaries

Bertin has close to 730 employees, two-thirds of whom are high-level engineers and management staff. Its operations cover four major fields of activity:

- consultancy and innovative engineering;
- development and supply of instrumentation systems and equipment;
- software services and solutions for IT security and big data;
- research and development services for the pharmaceutical/biotech industry.

1.2.4.3 The market in 2015

A. Industrial Systems Division

a) Defense

- **Deterrence**

CNIM has been designing and building missile launch tubes for ballistic nuclear submarines since 1961. Today, CNIM provides very high added value technology services and equipment for the M51 program and has a medium and long-term approach on this subject, in terms of both implementation and R&D.

- **Bridging systems (systems for crossing wet or dry gaps)**

The main characteristics of this market are:

- a context of global reduction in financing on the European land armament market;
- a consolidating market in western countries, potentially offering major export opportunities that could soon result in contracts.

- **Maritime projection of force**

In naval business, the target market for landing craft and coastal patrol boats (main applications: defense and civilian security) provides sales opportunities in numerous countries. As part of the sale of projection and command vessels (Bâtiments de Projection et de Commandement - BPC) by DCNS to the Egyptian Navy completed in 2015, CNIM will also deliver two EDA-R adapted to this customer's requirements in 2016.

b) Nuclear power and large scientific instruments

- **Civil nuclear power**

CNIM is positioning itself in two types of market, that of new nuclear facilities and that of refurbishing the existing French nuclear park ("extensive refurbishment" project designed to prolong the operating life of nuclear power stations in the EDF park). The fact that CNIM is involved throughout the whole nuclear cycle (from fuel enrichment to waste storage) is a major advantage. The "extensive refurbishment" project is being implemented at a slower pace than expected, as is the EPR project in the UK, which should, however, be launched in 2016 following a change in the capital structure.

- **Large scientific instruments**

- Laser Mégajoule (LMJ): this CEA (French Atomic Energy and Alternative Energies Commission) program, with a strong technology focus, is for the long term (2000-2025). CNIM and its subsidiary Bertin Technologies have been involved in the LMJ in a design, manufacturing and maintenance capacity since the start and operate directly at the LMJ site near Bordeaux.
- The ITER research reactor: there are a number of services that have yet to be performed by the manufacturers and CNIM is already a major provider of on-site design, manufacturing and integration services at Cadarache for the ITER ORG bodies and the European agency in charge of the program, F4E.

B. Bertin Technologies and its subsidiaries

Bertin Technologies targets sectors in which the technological issues are highly complex – defense and security, energy and the environment and life sciences – with the aim of achieving international growth.

- **Systemes & instrumentation :**

Bertin Instruments and Saphymo operate in the following markets:

- technological developments on request (defense, nuclear power, space, large scientific equipment, hospital waste treatment, environment);
- maintenance and calibration services.

- **Information technology:**

Bertin IT, Vecsys and AMI Software operate in the following markets:

- cybersecurity;
- cyberintelligence;
- speech processing;
- strategic intelligence.

It should be noted that Vecsys, the French speech-processing leader, targets two markets:

- cyberdefense, which displays strong growth;

- civilian “big data” using applications aimed, for example, at greater productivity of contact centers for different operators worldwide, thanks to the automated processing of telephone conversations.

- **Pharma & biotech :**

Bertin Pharma aims to grow in France and internationally thanks to its expanded palette of services. Following the acquisition in 2014 of the Johnson & Johnson Santé Beauté France site near Bordeaux, Bertin Pharma is developing in the OTC market, which is currently observing sharp growth.

Bertin Pharma operates in the following markets:

- products and studies for pharmaceutical R&D;
- dosage kits and biological reagents.
- Services:
 - translational research;
 - pre-clinical and clinical studies;
 - pharmaceutical development;
 - analysis of drug candidates and bioanalysis;
 - biosecurity.

- **Consultancy & Engineering**

The Expertise and Innovative Processes department operates in:

- technological management consultancy;
- multiphysical and modeling expertise;
- process engineering;
- risk management.

Bertin Ergonomie operates in the ergonomics and human factor market:

- ergonomics of complex systems;
- expertise in risks associated with human factors.

1.2.4.4 Market position (internal sources)

Generally, in the defense and nuclear power sectors, CNIM's industrial competitors may be direct competitors, partners, customers or even suppliers themselves, depending on the business context. Examples: DCNS, Thales, Areva, Airbus Defence and Space.

- **French deterrent force**

For the LMJ program, the main competitors or partners are large industrial prime contractors in the defense sector or SMEs/midcap companies specializing in mechanical engineering.

- **Systems for the land-based projection of force**

Present in this field are the main systems manufacturers of land armaments (General Dynamics, RheinMetall and Nexter) and SMEs/midcap companies specializing in mechanical engineering.

- **Maritime projection of force**

Present in this field are the main defense systems manufacturers (Navantia, Lockheed Martin, DCNS, etc.), as well as local shipbuilders.

- **Nuclear energy and large scientific instruments**

There are two types of operator in this market:

- on the one hand, large machine manufacturers: Skoda, Reel, Cegelec, Daher, DCNS, Areva, Rolls Royce, Eiffage CM, NFM, etc.;

- on the other, nuclear operators: Vinci/Nuvia, Onet, SPIE Nucléaire, Areva/STMI, etc.

Large scientific instruments: Alstom, Areva, Ansaldo, Cegelec, DCNS, Airbus Defence and Space, MAN and Mitsubishi.

- **Industry**

European industrial SMEs and midcap companies manufacturing high added value mechanical parts.

- **Bertin Technologies and its subsidiaries**

The operators vary significantly between sectors:

- in defense and security: the large industrial prime contractors such as Thales, EADS, Nexter, DCNS and SAFRAN, and international equipment manufacturers such as Brücker, Smith Engineering, etc.;
- in equipment for life sciences: international competition specializing in this field (large industrial firms and distributors).

- **Bertin Pharma**

Companies active in this field include both:

- large international Pharma services groups (large Anglo-Saxon Clinical Research Organizations - CROs);
- local SMEs specializing in individual pharmaceutical R&D services (drug formulation, toxicology, immunology, pre-clinical trials, etc.).

Bertin Pharma also draws on its historical close partnership with the Life Sciences Division of the CEA (French Atomic Energy and Alternative Energies Commission) and the Bordeaux Institute of Industrial Pharmacy.

1.2.4.5 R&D and new products

A. Industrial Systems Division

Research work performed in the Industrial Systems Division is aimed at maintaining state-of-the-art capabilities and developing proprietary technologies and products for the Division's target markets. This includes inter alia research in the following areas:

- systems for the maritime projection of force: naval architecture and designs derived from the L-CAT®;
- offshore wind farm support boats;
- bridging systems: innovative systems for bridging ravines and waterways;
- nuclear power programs: research and design studies for systems for the handling, transportation and storage of spent fuel, as well as the development of innovative materials;
- large scientific instruments: research into the assembly, welding and machining processes for the manufacturing of large-scale parts to meet very narrow dimensional tolerances and achieve faster production times.

CNIM is moreover continuing its research efforts into metallic and composite materials and industrial processes such as welding technology.

B. Bertin Technologies and its subsidiaries

Bertin Technologies undertakes research and development projects for customers as well as proprietary research projects aimed at developing skills and technologies in the key markets in which it operates.

Bertin Technologies organizes an “Experts” network, the goal of which is not only to promote technical excellence and to boost its profile in the scientific and industrial communities but also to identify, develop and get the most out of scientific and technical talent in its own workforce.

Bertin Technologies can also draw on outstanding scientific and industrial partnerships for both internal and joint projects. With their multi-sector, cross-disciplinary expertise, Bertin Technologies and its subsidiaries are thus involved in some ten French competitiveness clusters, including System@tic (information & communications technology), SCS (Secure Communication Solutions), Capenergies (energy with low greenhouse gas emissions), Mer PACA (sustainable development and safety in the Mediterranean), Risks (environmental, commercial, technical risks etc.), Pégase (air and space) and Medicen (innovative technology for health and new medical treatments).

Bertin Technologies is a member of the ASRC (association of contract research organizations) and is designated as a "contractual research structure" by BPI France.

Bertin Pharma is a member of the AFSSI (French Association of Service and Innovation Companies in Life Sciences).

1.2.4.6 Advantages

- International growth drawing on all the CNIM Group's core skills;
- expanding the portfolio of proprietary technologies;
- developing original designs such as:
 - L-CAT® which is already used by the French Navy and for export;
 - the WindKeeper project for a specially designed maintenance and safety vessel for offshore wind farms;
- the start of numerous publicly funded R&D programs and the development of new products;
- a perfect command of leading-edge technology and large-scale project management together with an ability to adapt to the varying needs of our customers;
- knowledge transfer between the different businesses.

1.2.4.7 Strategy and outlook

A. Defense

In response to strategic reorientation, as visible in France's Military Programming Act, the CNIM Group is adapting its defense portfolio to match the Armed Forces' new requirements, with investments in cybersecurity in France and strong international growth in systems for the land-based and maritime projection of military force.

Bertin Technologies is also continuing its strong international growth thanks to its unique range of equipment and systems to detect nuclear, radiological, biological and chemical (NRBC) threats for the Armed Forces and civilian security.

B. Nuclear power and large scientific instruments

CNIM continues to deploy its strategy of growth in Large Scientific Instruments and Research Reactors such as ITER and JHR. With its subsidiary Bertin Technologies, CNIM is targeting the French and international nuclear refurbishment market and projects for the construction of new plants.

C. Industry

CNIM and Bertin Technologies are capitalizing on their multidisciplinary approach and expertise in the design and manufacture of equipment subjected to harsh environments, in order to grow in the Space and Oil & Gas industries.

D. Pharma and biotech

By pursuing the development of partnerships with public research bodies and private companies, and by combining its reagents and bioanalysis resources with Bertin Technologies' laboratory equipment, Bertin Pharma is intensifying its international expansion in line with the shift of the pharma industry giants toward American and Asian markets.

Bertin Pharma's key growth areas are mainly in the field of OTC medication and pharmaceutical development for biotech molecules as part of the formulation of new drugs.

E. Developing synergies

Pooling CNIM's and Bertin Technologies' sales and technical teams and the multidisciplinary capabilities of their staff enables the Group to offer differentiating design services for nuclear systems, large scientific instruments and defense, as illustrated by the ITER and the Laser Mégajoule projects and the refurbishment of the PFM.

The biodefense contracts awarded by the DGA in 2015 to Bertin Technologies, together with the support of its subsidiary Bertin Pharma, confirm Bertin's leading position in this field and, more generally, in that of NRBC.

Boiler manufacturing capabilities at La Seyne-sur-Mer for Energy and Environment Sector applications are also complemented by facilities at Babcock Wanson's Moroccan subsidiary.

1.2.4.8 Activity in 2015

A. Industrial Systems Division

a) Defense and maritime

- **Deterrence**

Program for replacing the M45 missile with the M51 missile

The M51 program has been undertaken as part of CNIM's long-standing role as the sole supplier of the missile launch tubes for France's ballistic nuclear submarines. This role, which it has held ever since France opted to go down the nuclear deterrence route in the 1960s, is a result of CNIM's ongoing commitment to designing high-performance systems while keeping to increasingly tighter budgets.

In 2015, CNIM assembled missile launch tubes on the Triomphant in Brest and won a new contract to replace the tubes on the Terrible.

- **Maritime projection**

CNIM was to deliver two L-Cat® to Russia in 2015. Following the change in the geopolitical situation, these two L-Cat® will be delivered to Egypt in 2016.

- **Land-based projection and special vehicles**

Transporting obsolete chemical weapons

CNIM has been contracted to transport obsolete chemical weapons for the French Directorate-General for Armaments (DGA) since July 2011. This requires not only four vehicles for transporting the obsolete chemical weapons, but also two systems for loading/unloading that vehicle.

The design phase took place in 2011 and 2012, after which a prototype and then a first series were produced in 2012 and 2013. The DGA approved the system for transporting obsolete chemical weapons in July 2014.

Following this success, 2015 saw the completion of three series vehicles for transporting obsolete chemical weapons, with a view to being delivered to the DGA and the Civil Security Division in early 2016.

Refurbished motorized floating bridge (PFM)

La Direction Générale de l'Armement (DGA) a notifié à CNIM en décembre 2015 un contrat pour la rénovation des PFM pour l'Armée Française. Le PFM est considéré comme un moyen de franchissement continu (pont) et discontinu (portière ou ferry) de niveau opératif (franchissements essentiellement logistiques réalisés en zone arrière).

- **Maritime systems**

CNIM Group's wide-ranging expertise means that it can offer equipment and services adapted to the needs of the maritime market:

- special vessels that can operate in difficult conditions: L-CAT®, WindKeeper;
- clean and cost-effective on-board equipment: scrubbers, absorption chillers, boilers;
- secure transfer systems for passengers;
- related top-of-the-range services: ergonomics, consultancy & modeling, integrated logistical support, market research, etc.

WindKeeper® is a vessel for providing support and maintenance for offshore wind farms that is in the process of being studied at CNIM, in partnership with the owner Compagnie Maritime Chambon. Thanks to its high level of stability at sea, innovative equipment and efficient transfer bridging, WindKeeper® can transfer maintenance technicians to wind farms even when waves are very high.

b) Nuclear power and large scientific instruments

CNIM designs, builds and installs mechanical systems for every stage in the nuclear power generation process. The accident in Fukushima has led to major nuclear programs in both France and abroad being suspended. Nevertheless, CNIM has capitalized on this transitional phase to plan for the future by continuing to invest in its industrial resources

and its teams' technical expertise, with a view to bidding in future calls for tenders relating to the front end of the fuel cycle, nuclear electricity production, dismantling and waste storage.

ITER experimental reactor (Nuclear fusion)

ITER is an international scientific experiment aimed at demonstrating the technological feasibility of fusion energy, with a view to its industrial and commercial exploitation. The contracts awarded to CNIM since 2009 are a reflection of the Group's strategic decision to position itself as a long-term supplier under this program.

Manufacture of radial plates

Radial plates are mechanical structures made of stainless steel weighing 5.5 tonnes or 9.8 tonnes depending on the model. They constitute the backbone for the eighteen toroidal field coils required to keep the plasma confined in the ITER vacuum chamber. In 2012, the EU's Fusion For Energy (F4E) agency, which is responsible for the contributions made by European countries to the ITER project, awarded the manufacturing contract for 70 radial plates to the Franco-Italian consortium SIMIC-CNIM.

So that it could start manufacturing the plates, in 2013 CNIM took steps to put the finishing touches to its industrial facilities. After having been installed and approved, these facilities are operational. The manufacturing contract is progressing on a nominal basis.

Mechanical Handling Equipment for In-Vessel Assembly

The ITER Organization awarded the Mechanical Handling Equipment for In-Vessel Assembly (MHE) contract to CNIM in December 2015. This involves studying, producing and approving the resources that will be used during the ITER project for the assembly of the reactor's internal components.

In-Vessel Viewing System

F4E has used the CNIM-Bertin partnership for the supply of the In-Vessel Viewing System (IVVS), a remotely operated metrology and visual inspection system that can operate in the vacuum chamber of the reactor between two plasmas. Experience gained from Laser Mégajoule contracts has been vital as it has enabled the CNIM Group to demonstrate unique expertise in metrology and remotely operated systems in harsh environments. Thanks to the IVVS contract, the CNIM Group is positioning itself as the leader in the study and production of complex systems.

Manufacture of poloidal field coils

The poloidal field coils are the six superconducting magnets installed horizontally in the ITER machine. Of these, four are too large (up to 25 meters in diameter) to be manufactured far from ITER. CNIM will manufacture and test them in a building already constructed by F4E a few meters from the ITER reactor building. Signed with F4E in December 2015, the PF Coils Manufacturing contract opens up new possibilities for CNIM in terms of working on the ITER site.

The JHR project – Jules Horowitz Reactor (JHR)

The experimental Jules Horowitz Reactor is a Large Scientific Instrument. It is intended to study the behavior of fuels and materials for nuclear power plants in order to help to make existing nuclear reactors safer and perform at optimal levels, and also to develop the reactors of tomorrow. It will also produce radioelements for nuclear medicine (medical imaging). This European research project into nuclear energy includes agreements with Japan and India.

In 2014, Areva TA awarded CNIM a contract to manufacture large components for the cell block forming the core of the Jules Horowitz Reactor (JHR). This manufacturing contract will call on CNIM's skills and expertise in the fields of electron-beam welding and machining of large-scale components, in which it will also need to be extremely precise. In 2015, the machining work on the component designs and the initial aluminum and stainless steel welding were carried out at La Seyne-sur-Mer.

Megajoule Laser (LMJ) Program

The French Atomic Energy and Alternative Energies Commission (CEA), and more specifically its Military Applications Division (DAM), has been involved in the preparatory phase of the Megajoule Laser (LMJ) since 1999. In 2003, it awarded CNIM Group a contract for chamber and integration equipment, and in 2009 a second contract for a laser beam focusing and frequency conversion system.

The LMJ is a major installation of the Simulation program. It is used to study the behavior of materials in extreme conditions and, thanks to the addition of the PETAL Laser, it is the most powerful industrial laser known.

The CNIM Group has been assisting the CEA/DAM in the operation of previously delivered systems since 2015.

- **Electro-nuclear industry**

Secure handling systems for EPRs

In 2015, CNIM's Chinese subsidiary, CTE, delivered the trolley for transferring spent fuel from the Taishan nuclear power plant to the Chinese customer, CNPEC. Constructed, assembled and tested in China, the complete system includes the trolley and the components inserted into concrete interfaced with the pool for storing the spent fuel. This is a major development for China in the system designed and produced by CNIM in the 1980s for the 1,300 and 1,400 MW nuclear power plants. The system's largest component is a trolley that weighs 55 tonnes and is 8 meters high and 5 meters wide.

c) Construction projects (La Seyne-sur-Mer and subsidiaries)

CNIM, which has been manufacturing the structures of the nozzles for the lateral boosters of the Ariane V launcher for over twenty years, has won the contract for manufacturing the structures of the first-stage nozzles of the Vega launcher which places small satellites in orbit at attractive prices. This long-term contract is evidence of Safran-Herakles' renewed confidence in CNIM and in its ability to manufacture non-standard components. In 2014, CNIM manufactured and delivered the first of the first-stage nozzles for the P80 engine of the European launcher Vega.

China: In addition, CTE, which has entered into its eleventh year of existence, CNIM's Chinese subsidiary is completing the production of escalators under the contract for supplying equipment to the Singapore metro network. In early 2015, it also won a contract to supply escalators for the Canton metro network.

Morocco: CNIM's industrial site in Casablanca provides services in the fields of boiler-making and pressure equipment for the African market and on behalf of the Group.

B. Bertin Technologies and its subsidiaries

a) Systems and instrumentation

Petrofac chooses the Second Sight® gas detection system

Petrofac, the world's leading provider of services to the oil and gas industry, has chosen Bertin Technologies to provide, install and commission a gas detection system called Second Sight® at the Jazan site, managed by Saudi Aramco in the Arabian Peninsula. This solution is capable of detecting and monitoring the development of explosive gas clouds. This contract marks the beginning of a new era in the prevention of chemical threats at industrial sites, particularly in the oil and gas industry.

Egypt awards the installation of a national radioactivity monitoring network to Saphymo, a subsidiary of Bertin Technologies

Thanks to its 2,000 sensors and 100 or so monitoring networks spread across more than 30 countries, Saphymo has achieved an initial major success in the Middle East. This contract with the Egyptian State provides for the installation of a radioactivity monitoring network on its territory: in the event of a radiological incident, stations warning about the condition of air and water installed at strategic sites will enable rapid crisis management, even in poor environmental conditions.

Three fiber-optic space systems for weather and climate forecasts until 2045

Airbus Defence & Space has entrusted Bertin Technologies with the study and production of a fiber-optic system. It will be mounted on a satellite in the IASI-NG atmospheric sounding instrument that Airbus Defence & Space will supply to CNES as part of METOP-SG, the European program for forecasting the weather and monitoring the climate between 2020 and the mid-2040s.

b) Information technology

Minerva, a mutual solution for all Deutsche Telekom subsidiaries

By equipping itself with a centralized platform, Deutsche Telekom is initiating, together with its subsidiaries, a common approach to facilitate access to all free or chargeable sources of information. As a reference tool, AMI Enterprise Intelligence has been selected to support a company portal that provides its employees with strategic data on various fields. Several hundred users spread throughout Europe will use the information analyzed by the platform.

c) Pharma and biotech

Bertin Pharma and LX Repair: understanding the repair of DNA by balancing the activity of enzymes responsible

In collaboration with LX Repair, a start-up resulting from the CEA, Bertin Pharma has designed a kit aimed at pharmaceutical and cosmetics companies, which will be sold worldwide through its distributor network. This tool will provide a better understanding of the mechanisms that form certain types of cancer. It will also participate in the development of new neurological, genotoxic (cancer) and anti-ageing treatments.

Dualtab®: from customer requirement to innovative concept

Dualtab® is the brand name of a technology patented by Bertin Pharma that offers a tablet consisting of a layer to be sucked and an orodispersible layer. The objective is to combine active substances with excipients to improve patients' adherence to the treatment. For example, a sensory effect can be used to mask a bad taste. In terms of family medication, Dualtab® is mainly aimed at numerous ENT treatments: no more coughs, sore throats and other problems!

d) Consultancy & innovative engineering

A laboratory for designing future digital usage

Bertin Ergonomie offers a new space for innovation, UXLab, located in the Paris region and dedicated to the digital transformation of usage through user experience. From the idea stage to experimentation on mock-ups, its multidisciplinary team comprising cognitive ergonomics, UX, design, sociology and IT specialists assists with the digital transformation of systems (aeronautical, automotive, etc.), control command, business applications in the tertiary sector, and public services.

Urabaila®, the marine turbine designed by Bertin Technologies opened on the Adour

Opened on November 4, 2015 by Alain Rousset, President of the Aquitaine region, the Urabaila® marine turbine generates electricity by using the estuary tidal or river currents. Bertin Technologies, the designer and project manager, developed this prototype in only two years, in partnership with specialized companies and laboratories in the Aquitaine and PACA (Provence-Alpes-Côte d'Azur) regions.

A competitive and environmentally-friendly steel complex

Supported by the Spanish engineering firm, IDOM, CELSA France planned to add a hot rolling mill to its steelworks, thereby creating one of the most competitive complexes in Europe. As the installation is Classified for the Protection of the Environment, Bertin Technologies filed the regulatory application, which is essential for obtaining the operating permit.

1.2.5 Energy Sector

1.2.5.1 Profile

CNIM offers its customers an extensive range of equipment, systems, expertise and services that ensures rational energy management. The Group's work is centered around an overall approach encompassing energy efficiency and reducing the environmental impact of its clients. Its teams are involved in all types of fuel: fossil, waste, biomass and nuclear.

Its customers are energy producers, local authorities and industries of all kinds, especially chemicals, petrochemicals, agri-food, paper, pharmaceuticals, plant operators and major service providers.

The Energy Sector encompasses:

- CNIM Babcock Services;
- Babcock Wanson.

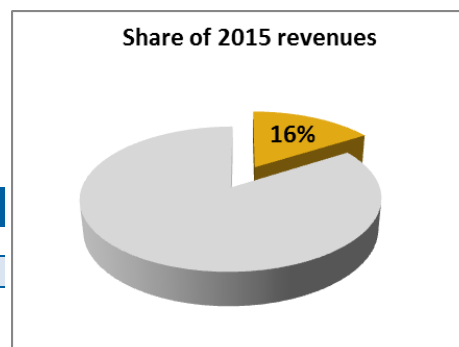
(in € millions)

Energy Sector Revenues		
2013*	2014	2015
111.4	113.3	118.8

(*) Note: Revenue at January 1, 2014 has been restated to reflect the transfer of Babcock Wanson Morocco from the Energy Sector to Innovation & Systems.

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1.2.5.2 Products and services

A. CNIM Babcock Services

As the most important organization in the refurbishment of thermal power plants in France, CNIM Babcock Services provides its customers – mainly in France and on occasion abroad – with the comprehensive know-how of a manufacturer whose activities cover design, production, operational monitoring and performance feedback for boilers of all types, brands and fuels.

The company has a very broad range of services on offer:

- maintenance work on nuclear power plants;
- environmental compliance and switching fuel types;
- maintenance and assembly work on large scientific instruments;
- maintenance and refurbishment of thermal power plant boilers, industrial power boilers (including fuel oil, gas, coal and biomass) and waste-to-energy plants;
- consultancy and expert assessment;
- operational performance optimization to improve energy efficiency, equipment management and environmental performance;
- supply of spare parts;
- turnkey construction and refurbishment of boiler houses.

CNIM Babcock Services takes a clear position at the beginning of each project and gains the trust of its customers for the duration, whilst constantly making sure they are satisfied with the quality provided to them. Its organizational structure, with seven branches in France, enables it to react very quickly, often with very short construction times which necessitate rigorous control over human and material resources. The company thus guarantees continuity of production to its customers, thanks to optimized thermal power plants that comply with environmental standards. A central department meanwhile takes charge of large-scale and international projects.

B. Babcock Wanson

A services group that sells its own products, Babcock Wanson is a leading international operator in the industrial boiler houses sector. Its extremely broad range of services, systems and equipment provides bespoke solutions for industrial customers within an overall approach of improving energy efficiency and reducing environmental impact:

- industrial boilers and burners, water treatment, control and adjustment systems;
- gaseous effluent and deodorizing thermal oxidizers marketed under the Incinex® brand;
- design and installation of steam or thermal fluid boiler houses;
- operating assistance, maintenance contracts, refurbishment and upgrading, energy optimization, breakdowns, training, renting all types of industrial boilers and spare parts.

With a well-established presence worldwide, Babcock Wanson has sold more than 100,000 industrial boilers and entered into 1,000 boiler rental and 5,000 maintenance contracts.

1.2.5.3 The market in 2015

A. CNIM Babcock Services

CNIM Babcock Services' market is defined by maintenance contracts for large customers – in France, 184 "GICs" (Large Combustion Plants) and 119 waste recovery plants, as well as combustion-based and nuclear power plants – which provides a significant volume of recurring sales.

As the number of power boilers worked on by CNIM Babcock Services falls or changes following the closure of major sites or the switch to gas in the case of large combustion plants, CNIM Babcock Services has in recent years observed a significant increase in the number of maintenance contracts for thermal power plants and signed the first contracts for nuclear power plants. Consequently, since 2012, it has performed its first nuclear power plant work. To this end, it obtained CEFRI (French standard for radio-protection management systems) certification.

In a related area requiring works to be completed in accordance with cleanliness and time constraints, the company is now performing assembly services on the Laser Mégajoule (LMJ) site, as well as maintenance work on the RES experimental reactor at Cadarache.

CNIM Babcock Services has also developed international services contracts with large energy operators which generate recurring revenues.

B. Babcock Wanson

Babcock Wanson covers a large geographic area (France, Italy, the UK, Spain, Portugal, Morocco, Tunisia and Poland.)

In Europe, following a period of major decline between 2006 and 2009, boiler sales have continued to stabilize, which started three years ago. The competition has focused on a few operators, which has enabled the most go-ahead companies in the sector to grow. In 2015, the business was sustained by exports, thus compensating for the sluggish European market.

1.2.5.4 Market position (internal sources)

A. CNIM Babcock Services

Depending on the market type, CNIM Babcock Services faces competitors from a variety of different backgrounds: manufacturers (CMI, Ansaldo, Babcock Borsig, Altawest), large generalist maintenance companies such as Endel or Camom, or manufacturing subcontractors.

B. Babcock Wanson

Babcock Wanson benefits from a unique strategic market position, thanks to the combination of:

- the manufacture of industrial boilers and burners, as well as a range of services related to this equipment;
- its Europe-wide network of technicians.

As far as its customers are concerned, a drop in their energy consumption and making savings are guaranteed.

Different competitors are faced in the two areas of the business:

- products: Bosch (Germany), Viessmann Group (Germany), Bono (Italy), Clayton and Cochran (United Kingdom);
- services: the competition is very diversified, ranging from small local repair companies to large operators.

1.2.5.5 R&D and new products

A. Babcock Wanson

The main research emphasis is placed on improving energy and environmental performance, focusing on the development of innovative, economical and environmentally friendly solutions.

- **Product solutions**

As part of the call for R&D Cortea projects (expertise, reduction at source and treatment of emissions in the air): the Demoxya project led by Babcock Wanson with the support of ADEME for the construction of a burner with very low NOx emissions. As the findings are consistent with the expected targets (NOx discharges less than 60 mg/Nm³), the project is now in the industrialization phase.

- **Service solutions**

With the development of smart boilers connected via a webservices platform, BW e-Manage, comprising several applications:

- the online BW e-View service allows customers to monitor their facilities in real time 24 hours a day from any location;
- the BW e-Water application for tracking and managing water treatment in real time was added in 2015. By monitoring key variables in their equipment and measuring fuel consumption on an ongoing basis, customers can improve energy efficiency by anticipating and reacting to changes.

Other applications that allow customers to streamline their boiler house management will be added to this webservices platform over the next few years.

- **Longer-term research program:**

The EMR'Stock project led by Babcock Wanson aims to offer innovative solutions for storing and recovering energy. The principle involves collecting unused surplus energy, converting it into heat if necessary, and then storing it at very high temperatures. This energy will meet the heat requirements or will be reprocessed into electricity for the network; it will have the advantage of being the most economical in terms of cost. In 2016, EMR'Stock will complete CNIM's construction of an industrial prototype, Therm'Stock.

1.2.5.6 Advantages

A. CNIM Babcock Services

- CNIM Babcock Services' capacity to work on the modernization of large combustion installations in Europe;
- increased activities of CNIM Babcock Services in nuclear energy and energy transition;
- international partnerships for the management of decommissioning of thermal power plants.

B. Babcock Wanson

The pursuit of the Babcock Wanson strategy based on expanding services and selling own products. Babcock Wanson has command of all boiler house facilities through its combined offering of products (industrial boilers and burners, gaseous effluent thermal oxidizers, water treatment) and innovative services (maintenance, refurbishment, rental, energy efficiency, operational assistance and training). This means that industrial customers gain a real benefit from the overall optimization of their operations.

1.2.5.7 Strategy and outlook

A. CNIM Babcock Services

- Local expertise and services provided by CNIM Babcock Services ensure the maximum uptime of customers' equipment;
- CNIM Babcock Services assists its customers in their energy transition approach by providing environmental compliance services;

- CNIM Babcock Services continues to diversify in the maintenance of nuclear plants.

B. Babcock Wanson

Babcock Wanson's positioning, in relation to both the high technical content of its products and the associated services, helps to reinforce its position as a European leader in its field.

Babcock Wanson's aims are to actively participate in reducing its customers' energy consumption and to help them reduce their environmental footprint. The strategy based on the technological development of its equipment helps to lower fuel consumption, while its reliability ensures that operating costs are significantly reduced. Babcock Wanson responds to the expectations of its customers with dynamic service and by understanding their businesses. Sustainable customer presence and a guarantee of quality are established through its policy of linking tangible supplies of equipment, spare parts, maintenance services and rentals, etc. with intangible supplies such as digital services, operating modes, ongoing performance optimization and maintenance support.

Babcock Wanson's business model is based on the sale of brand-new equipment. The range of related services, particularly appreciated by industrial customers for the performance generated, is a factor in the commercial development of equipment.

1.2.5.8 Activity in 2015

A. CNIM Babcock Services

Sales in 2015 were 19% down on 2014, mainly owing to deferred decisions.

2015 was particularly marked by:

- initial orders in the nuclear industry executed completely independently and successfully;
- delivery under the world's third largest independent chemical company contract executed completely independently concerning the modernization of a refinery boiler in southern France (Berre-L'Etang, France) and its environmental compliance;
- management of a highly technical contract concerning the experimental reactor (RES) in Cadarache (Bouches-du-Rhône, France).

- **Major orders and completed projects in 2015**

Nuclear energy

- Work to replace rubber buffers located under the 850 tonne tank of the RES in Cadarache (Bouches-du-Rhône, France) with steel shims.
- As part of the assembly work carried out at the LMJ site, the CEA has exercised an option for the fitting of two additional chains. This new order executed in synergy with CNIM Industrial Systems will be delivered in 2016.
- In synergy with Saphymo, modification of the placement of C3 pedestrian gantries of the southern access to CNPE in Chinon (Indre-et-Loire, France).

Urban heating

- CNIM Babcock Services, assisted by LAB Service and in partnership with Actemium, was commissioned in 2014 by the Compagnie Parisienne de Chauffage Urbain (CPCU) to refit four boilers to run on gas and diesters at the CPCU Bercy boiler house (Gare de Lyon). CNIM Babcock Services fulfilled the order in 2015; it will be delivered in 2016.

Thermal power plants

- Renewal of all leak contracts at EDF and EON.
- New international contracts for thermal power plants.

Nuclear power plants

- At the EDF Paluel site (Seine-Maritime, France), welding work carried out for the constructor in a controlled zone for the four elements of the AAF iodine trap.

Petrochemicals

- **France:** delivery under the world's third largest independent chemical company contract executed completely independently concerning the modification of a refinery boiler at Berre l'Etang (Bouches-du-Rhône, France) and its environmental compliance;
- **International:**
 - in Senegal: For ICS, performance of the refurbishment contract for the recovery boiler located behind the sulfur furnace;
 - Caribbean zone: CNIM Babcock Services is assisting a national electricity producer in the refurbishment and maintenance of its main thermal power plant. Technical audits performed to determine the condition of equipment, recommendation for action to be taken and supply of essential spare parts for the unit's operation.

Paper

- Thorough maintenance of the boiler at the Gascogne Paper plant in Mimizan (Landes, France) for its APAVE certification.

B. Babcock Wanson

2015 was marked by the implementation of a globalized structure at international level and by the deployment of a strategy based on differentiated products and innovative services. Business has been steady, with revenue rising by 12% compared with 2014. The particularly dynamic sale of equipment in 2015 exceeded the targets set. The sale of services met the expected targets. Babcock Wanson's results are on the increase in all the countries in which it operates.

The following should be emphasized:

- the sharp growth in sales of small and medium-sized boilers in France and in the countries covered by Babcock Wanson's subsidiaries. Thanks to enhanced performance of the manufacturing processes at the Nérac plant and to the re-engineering of its products, Babcock Wanson offers a range of efficient boilers and burners from both an economical and a technical point of view;
 - large sales of burners owing to the application of European standards concerning boiler discharges. Thanks to its R&D program, Babcock Wanson offers burners that use the best technology available;
 - significant growth in sales of thermal fluid boilers intended for process applications driven by the dynamic business in the agri-food and bitumen sectors in the UK and Italy in particular.
 - service activities progressing very well, thanks not only to a strategy focused on innovative services, but also to the successful integration of Technic Fluides, a service provider located in the south of France, acquired by Babcock Wanson in 2014.
- **Major orders and completed projects in 2015**

Flue gas tube and burners

- Poland: for Mlekovita, the dairy industry leader, turnkey construction of an 8t/h boiler house with optional supply of a second 8t/h boiler.
- Spain: for Intercova Aromaticas, supply of a BWD 60 fire-tube boiler to produce steam for its aromas and medicinal plants distillation process.
- France: for Michelin, installation of a BWR100 steam boiler through the intermediary of Bouygues Énergie & Services. The technical level of the Babcock Wanson offer has allowed this customer to be won back.
- UK: for Saica Preston, leader in the manufacture of corrugated cardboard, supply by Babcock Wanson Spain, in collaboration with Babcock Wanson UK and through the intermediary of Baviera Steam Systems, of a BWD 60-type fire-tube boiler.

Coiled tube boilers and oxidizers

- Poland: for the rendering company Struda, supply of an 8,000 m³/h Incinex (three oxidation towers).
- France: via the STX shipyard, order for a regenerative oxidizer with three ceramic towers and roto-concentrator. This is the second STX contract for this type of installation.
- Italy: via Ammann Italy, one of the leading bitumen producers in Europe, order for a fifteenth skid-mounted TPC thermal oil boiler.

- Saudi Arabia: sale of two VOC oxidizers to treat polluted air from the rendering units of a new industrial center.

Services

- France: Roquette in Vic-Sur-Aisne (Aisne) has selected Babcock Wanson to revamp and install TA230 burners on two SEUM boilers.
- Democratic Republic of the Congo: for Total, bespoke repair and revamping of a boiler on a platform off the coast of Pointe-Noire.

1.2.6 Principal changes since year end

None.

1.2.7 Patents, licenses and trademarks

The CNIM Group holds a portfolio of 137 groups of patents, 94 of which are extended to abroad, and 109 trademarks.

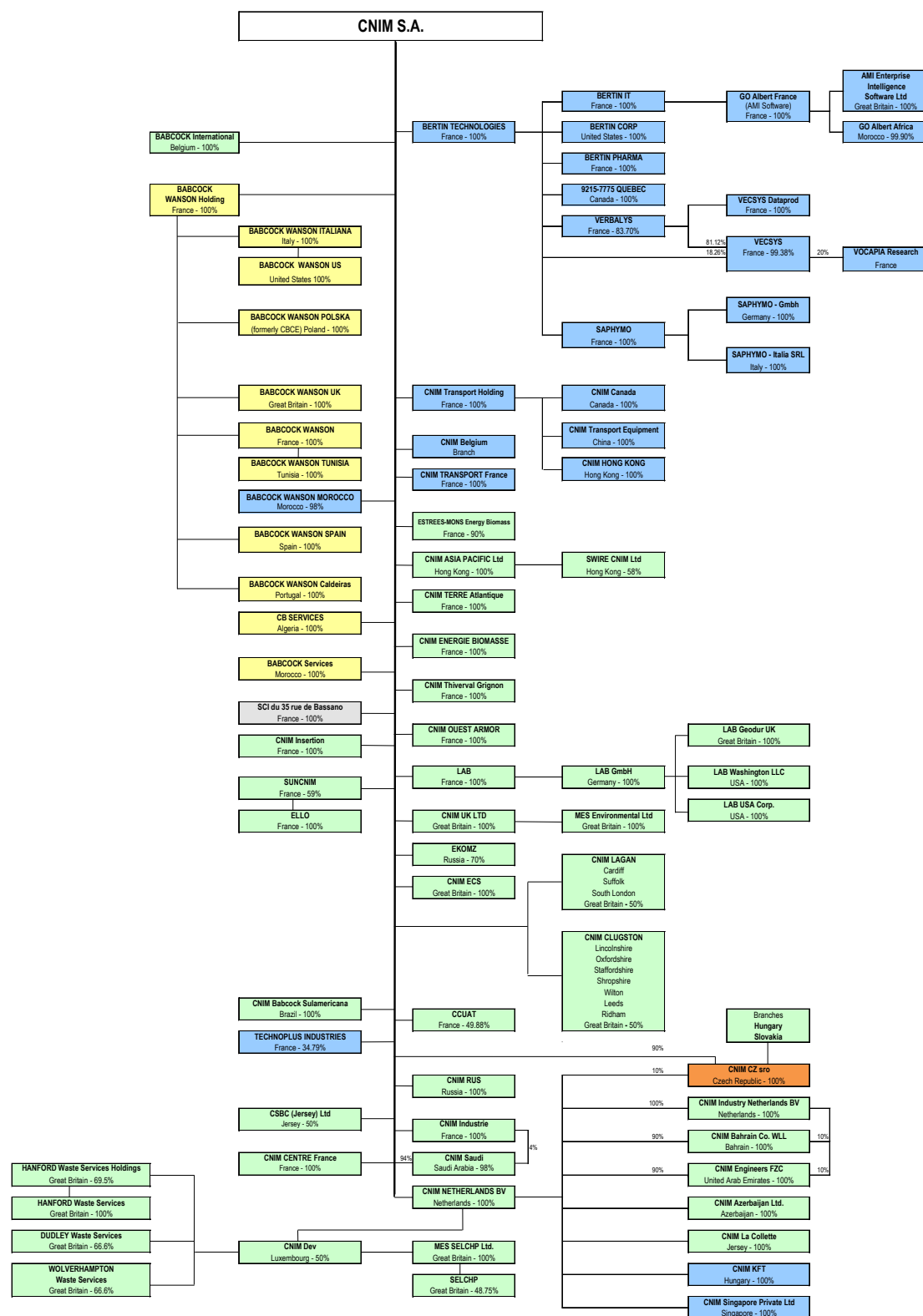
These patents cover the Company's three sectors and in particular flue gas treatments, residue treatments, activities performed by the Industrial Systems Division and those carried out by the Solar Energy Division.

The CNIM Group's portfolio is divided between the parent company and the various Group subsidiaries, as specified below:

- CNIM holds 36 groups of patents and 28 trademarks (16 of which are proprietary and 12 are managed on behalf of wholly owned subsidiaries);
- majority-owned by CNIM, SUNCNIM owns six groups of patents and three trademarks;
- wholly owned by CNIM, LAB owns 54 groups of patents and 25 trademarks;
- Bertin and its subsidiaries own 41 groups of patents and 53 trademarks.

The Group does not earn any revenues of consequence using patents owned by third parties.

1.2.8 Principal companies in the CNIM Group at December 31, 2015



● : Environment Sector
 ● : Innovation & Systems Sector
 ● : Energy Sector
 ● : Property companies
 ● : In liquidation

The Group's subsidiaries are listed by Sector in Note 3 to the 2015 Consolidated Financial Statements.

Financial information on the Group's main subsidiaries is provided mainly in:

- Note 15 to the 2015 Consolidated Financial Statements (equity affiliates);
- Note 27 to the 2015 CNIM SA Financial Statements (parent company's subsidiaries and other holdings).

No companies were proportionately consolidated in 2015.

Jointly owned companies mainly comprise:

Environment:

- joint ventures established to perform waste recovery plant contracts in partnership with a civil engineering firm, which cede the relevant shares of the contract back to each partner¹;
- company under joint control with the investment firm Cube: CNIM Development, which holds investments in project companies in the UK;
- company under joint control with Novergie: CCUAT (operation of waste recovery plant in France), dormant company;
- undertaking controlled by the Company, formed with the Industrial Joint Venture Companies (SPI) fund: SUNCNIM S.A.S. (turnkey construction of concentrated solar power plants);
- undertaking controlled by the Company, formed with the Caisse Des Dépôts et Consignations (Deposits and Consignments Fund): ELLO S.A.S. (construction and operation of a power plant generating electricity from concentrated solar power energy).

Innovation & Systems:

- company majority-owned by AVA Conseil: Technoplus Industries.

Details of land and buildings held by the Group's main subsidiaries are provided in Section 1.6.1 of the registration document.

The bulk of the assets, especially real estate, are owned by the parent company of the Group.

1.3 Risk prevention and management

The Company has conducted a review of the risks which could have a significant unfavorable effect on its activity, its financial position or its results (or on its ability to achieve its objectives) and considers that there are no other significant risks apart from those presented here.

The report from the Chairman of the Supervisory Board on internal control and risk management procedures (4.3) describes the approach adopted by the Group.

This section sets out the prevention and management measures taken in respect of the principal business risks.

1.3.1 Industrial and environmental risks

1.3.1.1 Exposure

The Group's activities, whether during construction, maintenance, or plant operation by the company or by a third party, are subject to risks of:

- **personal injury**, which may occur as the result of a design error, inadequate safety arrangements during manufacture or assembly, or the consequences of a fault during operations. Protective measures, along with the rate of accidents at work, which is extremely low in comparison to the national average, are set out in the Social and Environmental Responsibility Report in Section 3.2.4; these measures include the prevention of occupational diseases and psychosocial risks;

¹ Under these joint ventures, which exclusively concern projects in the United Kingdom, the company is responsible for issuing performance bonds on the contract to the end customer. In consideration, the company receives matching counter-guarantees from its partners based on their respective scope of duties.

- **events resulting in damage to the environment** (for example, accidental discharges in excess of permitted limits) due to a design fault, failure of maintenance or an operational error. No event resulting in accidental or chronic pollution has been recorded for several years, no provisions have been allocated for this purpose and no claims on the insurance policies have been made in this area.

1.3.1.2 Prevention and management measures

A breakdown is presented in the Social and Environmental Responsibility Report, 3.2 – A – B – C – D.

These risks are spread across numerous locations and construction sites, which reduces their individual criticality.

The Group sets particularly high standards for accident prevention, adherence to fundamental workplace safety rules, and the protection of health and the environment:

- authority limits set by the Management Board via its Chairman are adhered to;
- each company site has a Health and Safety Officer and procedures are laid down in good time in partnership with personnel representatives;
- appropriate safety and risk prevention measures are taken at each construction site and for all work performed on client premises;
- production resources conform to required safety standards;
- observation of psychosocial risks is established as required;
- an inquiry is held into the causes of every accident or physical incident and prevention and training solutions are proposed in order to minimize the likelihood of the risks materializing;
- no effort is spared to ensure that legal requirements are observed;
- the majority of facilities and sites take pro-active steps to obtain and retain certifications such as MASE (French corporate safety improvement manual) or OHS 18 001 (British standard to assist companies in identifying and preventing occupational health and safety risks).

1.3.2 General business risks

1.3.2.1 Exposure

As a result of the diversity of the businesses and sectors in which the Group works, the main business risks are:

- 1) Risks encountered during the sales, negotiation and contracting phase of business agreements.
- 2) Risks encountered during the performance of contracts.
- 3) Risks occurring after contract performance.
- 4) Risks linked to the technology content of the services/products provided.
- 5) Risks linked to the macroeconomic environment.

Risk factors 2, 3 and 4 also concern high-value, longer-term contracts such as servicing of existing installations or plant operation activities. Actual loss may be caused to the customer due to a delay in starting, unavailability of its facilities or inadequate performance. All the measures taken to minimize exposure cannot completely eliminate the probability, as unlikely as it may be, of a dispute occurring due to harm caused to a client. The Group is therefore particularly vigilant in relation to contractual terms and conditions, so as to prevent risks and contain their financial consequences. The provisions recorded in the balance sheet are indicated in the Notes to the Consolidated Financial Statements in Section 21. The Group holds insurance policies (see paragraph H of the same Section); the Group has never been ordered to pay compensation in excess of the coverage provided by its insurance policies. However, the Group cannot exclude the possibility that it could be held liable for an amount that is higher than the coverage provided by its insurance in the event of a failure to observe its contractual commitments.

The average excess for the years 2013 to 2015 inclusive amounted to €1,925,000 per annum..

1.3.2.2 Prevention and management measures

A. Risks during the pre-contract phase

All sales-related agreements, such as agency and partnership agreements, are subject to strict rules on the delegation of signing authority. Moreover, a procedure to select and monitor agents and/or consultants, "Procedure for the selection and monitoring of agents" was disseminated in October 2013 throughout the companies of the Group. The Sector CEOs are responsible for the promotion and implementation of this procedure in their respective Sectors.

Each CNIM division or subsidiary attached to a Sector and under the responsibility of the Sector CEO draws up its own technical and sales bids.

These include:

- a technical draft which chiefly sets out the type of equipment to be supplied, the scope of the supplies and the guarantees offered to the client(s);
- a fixed-price commercial bid (price, price adjustment, payment terms, etc.) based on data in the technical draft and data controlled and provided by the Finance Department on hourly labor costs and overhead absorption factors.

Bid review procedures, specific to each Sector, division or subsidiary, allow it to be verified that sales and technical risks have been analyzed and that instructions regarding contract terms, breaking even and margins are complied with. Major and/or specific high-risk projects are presented to the Chairman of the Management Board.

The bid review procedures identify and assess risks in respect of:

- finance;
- policies/countries (export projects) - see Section F below;
- contracts (including limits of liability) and legal matters;
- project issues;
- specifications and quality requirements for products and/or services;
- product performance;
- manufacturing capacity to make the product;
- lead times and penalties;
- commissioning;
- operation.

B. Risks encountered during contract performance

CNIM undertakes projects which may be of substantial size and take several years to complete.

After an order is received, the Chief Executive of the Sector or subsidiary concerned performs (or formally delegates the performance of) a contract review based on a review of the bid, contract terms and objectives associated with the contract.

Every contract is placed under the responsibility of a project manager, who serves as the client contact and is responsible to the Chief Executive of the Sector/subsidiary for ensuring that contractual obligations are met.

In addition to the risks addressed during the contract bid review, deficiencies may appear in relation to design, purchases or suppliers/subcontractors or possible co-contractors, manufacturing, transport or construction which pose risks of additional costs and delays and may impact the profitability of the contract.

Projects are organized, and monitoring and control processes put in place, in such a way as to identify and mitigate these risks; the parent company and all subsidiaries are subject to a quarterly Sector-by-Sector and contract-by-contract review. These quarterly reviews take place in the presence of the Chairman of the Management Board, the Chief Executive of the Sector concerned, the relevant management controller, the Finance Department and the project manager or Subsidiary Manager.

C. Risks occurring after contract performance

After delivery, costs that may arise during the guarantee period are covered by provisions recorded in the financial statements (see Note 22 to the 2015 consolidated financial statements).

D. Risks linked to the technology content of the services/products

Various aspects of the Group's organization limit technology risks:

- the Group's technology and R&D strategy avoids dependence on third-party patents;
- bid and contract reviews (see above) which take into consideration the following technical points: product or service definitions; quality/completion of the product or service; product performance; industrial capacity to make the product;
- Quality procedures which includes design reviews and monitoring programs;
- the personnel training policy, particularly for start-up or operating phases.

E. Risks linked to the macroeconomic environment

The diversity of business areas and customers and the growing portion of sales derived from recurring service work limit cyclical effects on revenues.

F. Geopolitical risks

Some projects are located in countries which present a geopolitical risk. Such projects are subject to specific measures, primarily to ensure the safety of the personnel involved.

L'analyse des risques pays est incluse dans le paragraphe 1.3.3 "Risques juridiques".

1.3.3 Legal risks

1.3.3.1 Exposure

Most legal risks are contract-related risks, as outlined in point 1.3.2.

As the Group has a large number of subsidiaries, it must also ensure that all of them comply with applicable national legislation and regulations.

The Group has not been convicted of any offenses in relation to this risk. Provisions for contractual disputes and other risks are listed in Note 22 to the 2015 Consolidated Financial Statements.

- 1) Litigation provisions mainly relate to contract performance issues such as: technical implementation, client reservations, non-compliance with schedules or technical performances that may incur penalties, requests for additional work or replacement of components;
- 2) issues relating to partners, suppliers and subcontractors such as: claims for damages or requests for value-added services or non-fulfillment of obligations;
- 3) early termination issues that may result in the Group being required to pay compensation for termination.

Provisions set aside as at Thursday, December 31, 2015 mainly relate to case 1, within the context of either settlement negotiations or disputes in the pre-trial phase.

Furthermore, neither CNIM nor any of its subsidiaries has or has been — particularly during the last twelve months — party to government, legal or arbitration proceedings that are likely to call these evaluations into question.

1.3.3.2 Prevention and management measures

The Group's Legal Department is responsible for implementing all preventive measures aimed at avoiding lawsuits and claims against Group companies, and in particular for:

- overseeing the establishment and updating of general terms of purchasing and sale;
- opining on any document liable to commit the Company and/or its subsidiaries, in particular bids and contracts, whether directly or through instructions or standard documents;

- managing, in conjunction with the Company's and/or its subsidiaries' lawyers in France and abroad, all third-party claims for which the Group may be held liable and conducting defense or appeals before the relevant judicial bodies, whether courts or arbitration tribunals;
- periodically examining the various legal cases, developments therein, risks incurred, insurance cover and the accounting provisions recorded.

A specific meeting, involving the Group Finance Director and, where necessary, the Sector Chief Executive concerned, is held several times a year to analyze developments in losses and legal disputes and their consequences at Group level and also, where appropriate, to determine the accounting provisions to be recorded as well as the preventive or corrective measures required.

Particular attention is paid to risks relating to competition law, representation or business introduction contracts, and anti-corruption law. In this regard, a selection procedure for sales agents/consultants and an ethical charter were circulated in October 2013 and February 2014 respectively. This ethical charter formalizes the translation of CNIM's values and the principles that each employee of the Company and its subsidiaries must comply with as part of their work. The Group Legal Department is also responsible for ensuring that each subsidiary complies with all legal filing requirements.

1.3.4 Financial risks

1.3.4.1 Foreign exchange risk

A. Operational foreign exchange risk

a) Exposure

The foreign exchange risk associated with calls to tender is the financial risk to which Group companies are exposed when they respond to a bid in a currency other than the Group's functional currency. This risk occurs when the bid is tendered, lasts for as long as the bid is valid and materializes only if the bid becomes a contract. This risk becomes real (or certain) when the contract is signed.

b) Risk mitigation

In accordance with the Group policy on operational management of the transactional currency risk during the quoting and contract phases:

A full analysis of foreign exchange risk is conducted for each project during the tender period, in consideration of cash inflows and outflows by currency.

Every commercial effort is made to obtain natural hedging by aiming to balance projected foreign currency receipts and disbursements.

Where the tender phase involves residual exposure to foreign exchange risk, any hedging, based on the estimated probability of the contract being won and market conditions, is obtained via specific export insurance policies (Coface-type policies) or via options classed as financial derivatives.

For each contract order, residual exposure to foreign exchange risk, determined by currency, is hedged by the use of forward contracts. These instruments are used to hedge highly probable or certain cash flows.

Foreign exchange hedge contracts for Group companies are taken out by the Group's Finance/Treasury department and overseen by the Group Finance Director in line with completion projections for foreign currency receipts and disbursements, as notified by the project manager or the chief financial officer of the subsidiary or Sector in question.

Throughout the performance of each contract in question, the hedge portfolio is adjusted as a result of individual oversight of residual exposures to foreign exchange risk.

B. Financial foreign exchange risk

At Thursday, December 31, 2015, no external financial debt had been contracted in a currency other than the contracting subsidiary's functional currency.

C. Foreign exchange risk associated with net investment in foreign operations

The foreign exchange risk associated with net investment in foreign operations corresponds to the translation risk (balance sheet) generated by the consolidation of subsidiaries with a different functional currency from that of the parent company.

The Group continues to have little exposure to this risk, given that preponderance in its consolidated net assets of integrated subsidiaries whose functional currency is the euro.

As a result, the Group has no hedges in place for net investment in foreign operations.

The impact of foreign exchange rate fluctuations, referred to in 1.3.4.1 – B and 1.3.4.1 – C above, on the Group's consolidated financial statements is stated in point 1.5.2.4 of the registration document.

1.3.4.2 Interest rate risk

A. Debt

Variable-rate loans where there is no definite intention to draw are not hedged.

Variable-rate debt represented an immaterial amount at December 31, 2015 (cf. Note 21.A to the 2015 Consolidated Financial Statements.)

B. Cash and cash equivalents

The Group's cash management policy aims to obtain a slightly higher yield than the money market while still maintaining high levels of liquidity for managed assets, mainly invested in short-term interest-bearing products.

The Group has no investments in shares or bonds.

1.3.5 Counterparty risk

1.3.5.1 Exposure

Counterparty risk corresponds to the loss that the Group could incur if counterparties failed to fulfill their contractual obligations.

The Group is exposed to counterparty risk:

- within the context of its operational activities:
 - risk associated with trade receivables from customers;
 - risk associated with partners, subcontractors and suppliers;
- within the context of its investment and hedging activities.

Please note that the level of concentration of the customer portfolio is linked to the progress of major contracts and is not, therefore, reproducible year-on-year.

1.3.5.2 Risk mitigation

A. Credit risk associated with trade receivables from customers

Depending on the geopolitical risk assessment, guarantees may be taken out in relation to turnkey contracts with public-sector purchasers to cover the risk of:

- market disruption before they expire, owing to default by the buyer, a political event or a natural catastrophe;
- non-payment;
- abusive calls to the benefit of the purchaser on bank guarantees that are payable on first demand.

Within the context of its private contracts:

- prior to signing, the Group carries out a credit risk assessment, in particular by consulting information provided by companies specializing in the provision of business data. During the contract phase, the risk of non-payment is mitigated by:

- the negotiation of suitable payment methods such as standby letters of credit and/or documentary credits;
- the negotiation of payment terms (down payments and progress payments according to the production process to cover the cost price);
- obtaining guarantees from customers' parent companies;
- some Group subsidiaries have traditional credit insurance policies covering them for losses sustained in the event of non-payment of their trade receivables.

Past-due trade receivables are followed up systematically and ranked according to lateness of payment based on the aging of client arrears.

In 2015, and as at the date of this registration document, no significant arrears had been recorded for one or more of the Group's customers.

B. Counterparty risk associated with partners, subcontractors and suppliers

CNIM's selection process for partners, subcontractors and suppliers includes a risk assessment, the results of which may lead:

- to a decision not to sign a contract with one or other partner, subcontractor or supplier;
- to requests for bank guarantees to be issued for the third parties in question;
- to payment terms being adapted according to the risks incurred.

Despite this process, technical or financial defaults on the part of partners, subcontractors or suppliers may occur, incurring additional obligations for the Group that are liable to impact on its results.

C. Counterparty risk associated with cash investments and hedging activities

The Group is exposed to counterparty risk on the investment of its cash surpluses and via the use of derivative contracts to hedge foreign exchange and interest rate risks. In this last instance, the counterparty risk corresponds to the fair value of instruments contracted with a counterparty, if positive.

The Group minimizes the counterparty risk by systematically limiting the choice of bank counterparties to leading financial institutions.

1.3.6 Liquidity risk

Liquidity risk corresponds to the Group's ability to access the financial resources required in order to meet its commitments.

The Company conducted a specific review of its liquidity risk and considers itself to be in a position to meet its maturities.

In this respect, the Group considers itself to have a low level of exposure to liquidity risk. In fact, at December 31, 2015:

- the Group's net cash position (cash and cash equivalents net of financial debt) stood at €100.3 million, as opposed to €72.2 million at December 31, 2014;
- the Group also has a €120 million medium-term borrowing facility, none of which had been drawn down as of December 31, 2015, nor had been drawn down as at the date of filing of this registration document. As the Group had gross cash of €138.4 million (€109.3 million at December 31, 2014), available liquidity at December 31, 2015 stood at €258.4 million (as opposed to €229.3 million at December 31, 2014);
- finally, as mentioned in Note 21.A to the 2015 Consolidated Financial Statements, the medium-term facility referred to above is subject to the following covenant in relation to the consolidated financial statements: net debt must be less than 2.5 times EBITDA. This covenant was complied with as at the end of 2015.

A full analysis of borrowing and financial debts is shown in Note 21 to the 2015 Consolidated Financial Statements.

1.3.7 IT and asset risks

1.3.7.1 Exposure

As with all companies, IT network and data storage security are now crucial issues. It is essential to avoid accidental data loss and extended network downtime, not only to ensure the continuity of operations or financial software but also to protect against any malevolent act, whatever its aim.

CNIM sets, measures and achieves extremely high availability objectives for networks and applications and high standards of data integrity in its IT systems.

1.3.7.2 Prevention and management measures

The head of each location is responsible for taking all preventive and corrective measures required at each location to protect and preserve the Company's assets and real estate. Such measures include servicing, maintenance, caretaking, monitoring, etc.

The Company has taken out an insurance policy on behalf of itself and all CNIM Group companies to cover the whole of the Group's real estate, fixed assets, merchandise and stock.

This policy covers major risks such as fire, explosion, lightning strike, storm, hail, landslide, water damage, vandalism and natural disaster along with consequential business interruption losses.

Maximum overall insurance cover amounted to €150 million. Deductibles are dependent on contract size.

Particular attention is paid to protection and continuity measures for IT systems:

- all systems include redundancies and systematic safeguards, and ensuring their availability is the primary focus of the IT Systems Department;
- the Company has appointed an IT Security Manager who is responsible for the security policy and its application, both in terms of ensuring the physical and data security of the IT system and in terms of regulatory compliance;
- risks relating to data confidentiality or cyber-attacks are specially monitored;
- all staff are made aware of the IT security charter and have a duty to comply with it. In addition, various documents raising awareness of IT security have been distributed to staff;
- the Company has also appointed an IT and personal freedom representative.

1.3.8 Fraud risk

In common with any company, CNIM is likely to be a victim of internal or external fraud. This risk is mainly minimized by the following prevention measures:

- sessions to raise awareness of the risk of fraud covering the exposed functions;
- under the responsibility of the Group Finance Department, circulation, in all the Group entities, of a specific warning about any attempted fraud suffered by one of the entities;
- procedure for selecting and monitoring agents and consultants - see point 1.3.2.2 A) above;
- ethical charter;
- ethical warning line, i.e. possibility of flagging any violation or suspected violation of the ethical charter to the Group Legal Director;
- purchasing code of conduct;
- internal, manual, semi-manual or automated controls (separation of incompatible functions, delegation of signing authority, double signatures, etc.) incorporated in all the operational processes contributing to the production of accounting and financial information;
- protection and information systems continuity measures - see point 1.3.7.2 above.

1.3.9 Insurance

To prevent information from being used in ways harmful to the interests of the Group and its shareholders, particularly in connection with legal disputes, the Group takes care to maintain strict confidentiality over the amount of premiums and terms of indemnity, especially with regard to liability insurance.

- Material damage policies: the level of cover for material damage policies is set in line with the assets to be insured or, where this is not possible, at a maximum level representing a catastrophe scenario, up to the limits offered in the contract.
- Site insurance: most of the time, the amounts covered are equal to the contract value.
- Liability insurance: liability policies insure losses incurred by third parties for which Group companies may be liable. As these companies vary substantially in terms of business type and size, the amounts insured are set in accordance with the risks entered into.

The Group considers that the current insurance policies are appropriate to its exposure profile, given the possibilities available in the insurance market in terms of capacity, scope of cover and terms. The policies described above include, in accordance with the constraints of the market, exclusions and/or limitations. They are liable to change in accordance with changes in market conditions or in the risks faced by the Group.

1.3.10 Human Resources

Risks associated with employee health and safety are dealt with in point 1.3.1 of this same section.

Skills availability is crucial for the Group owing to its wide-ranging business activities which require varied and specific skills and the organization of major projects requiring teams to be assembled by given deadlines.

Initiatives launched in relation to recruitment, training, mobility, labor relations and career management, and the results of such initiatives, are outlined in the social and environmental responsibility report, 3.1 – 3.2 – 3.3 – 3.4 – 3.5.

1.4 Group results

1.4.1 Highlights of the period under review

During the first half of 2015, the Group finalized the acquisition of the following companies linked to the Innovation & Systems Sector:

- Saphymo, as of January 1, 2015
- AMI Software, as of May 17, 2015

These acquisitions strengthen Bertin's development capabilities as regards two key activities:

- NRBC equipment, the Saphymo product range, French key operator in terms of instrumentation solutions for detecting and measuring ionizing radiation, which allows Bertin to offer a broad range of equipment in the field of protection against nuclear, bacteriological and chemical threats;
- IT, the merger of AMI Software, a digital monitoring specialist, and Bertin IT, a cybersecurity and voice recognition expert, enables the Group to position itself as a major player in Open Source Intelligence.

These two companies generated revenue of €23.1 million as at the acquisition date of December 31, 2015.

On December 1, 2015, the Group transferred its "Solar" business to a dedicated company, SUNCNIM, in the form of a partial transfer of assets. On this same date, the "Industrial Joint Venture Companies" SPI fund, financed by the future investment program and operated by Bpifrance, acquired a stake in SUNCNIM and will eventually make an investment of €25 million in this business, mainly so that SUNCNIM can build a 9 MW power plant in France — SUNCNIM's first commercial contract.

As at December 31, 2015, CNIM had a 58.8% stake in SUNCNIM. Therefore, the "Solar" business remains fully consolidated in the Group's financial statements.

1.4.2 Activity

1.4.2.1 Order intake

(in € millions)

	2015	2014	2013
Environment	292.1	107.0	481.2
Innovation & Systems	257.9	131.1	136.4
Energy	115.3	124.7	109.2
Group	665.3	362.8	726.8

Compared with 2014, the Group's order intake rose sharply in 2015 for the Environment and Innovation & Systems Sectors.

The detailed breakdown of the order intake within each sector by product line in 2013-2015 is as follows:

a) Environment

(in € millions)

	2015	2014	2013
Turnkey plants	173.9	1.7	377.5
Flue gas treatment systems	29.1	35.7	39.9
Operation	89.1	69.6	63.8
Total Environment	292.1	107.0	481.2

- **Turnkey plants: 173.9 million euros**

Orders for turnkey contracts are recorded on receipt of the instruction to commence work and not on signing; by nature they do not present a linear trend.

In 2015, the Group recorded an order for the turnkey construction of the waste-to-energy plant in South London (UK), as well as addenda to current contracts.

- **Flue gas treatment systems (LAB): 29.1 million euros**

In this business, two orders for flue gas desulfurization systems on board vessels were received, creating growth prospects for the Group in this new market.

As regards the flue gas treatment systems for the household waste-to-energy plants, the following contracts were entered into in 2015: Albioma – Le Gol (France) and Meyer Werft (Germany).

- **Plant operation and renovation: 89.1 million euros**

Orders received in this business area rose by 28% compared with 2014.

As of December 31, 2015, the Group operated the following waste-to-energy and biomass-to-energy plants:

- France: Thival (78), Pluzunet and Lantic (22), Saint-Pantaléon de Larche (19), Plouharnel (56), Nesle and Estrées-Mons (80);
- UK: Stoke-on-Trent, Wolverhampton, Dudley;
- Azerbaijan: Baku.

b) Innovation & Systems

(in € millions)

	2015	2014	2013
Industrial Systems Division	162.7	80.4	83.3
Bertin subsidiaries	95.2	50.7	53.1
Total Innovation & Systems	257.9	131.1	136.4

- **Industrial Systems Division: 162,7 million euros**

The order intake level in the Industrial Systems Division was high in 2015, with the main contracts obtained in this business concerning:

- equipment relating to the ITER program;
- equipment installation in relation to nuclear deterrence;
- equipment in relation to land-based projection (Motorized Floating Bridges)
- supply of 220 escalators for the Canton metro network (China) to be delivered between 2015 and 2017.

- **Bertin sub group : 95,2 million euros**

The breakdown by business is as follows:

- Systems and Instrumentation: 61 %
- Information technology: 10 %
- Consultancy: 14 %
- Pharma: 15 %

The increase in orders relates mainly to the “Systems and Instrumentation” business; Petrofac, the leading provider of services to customers in the oil and gas industry, authorized Bertin Technologies to supply, install and commission Second Sight[®], a unique remote gas leak detection system on the site of the Saudi Aramco refinery in Jazan (Saudi Arabia).

The impact of acquisitions (Saphymo, AMI Software) on the annual order intake is €25.6 million.

Orders in 2015 were up by 37.3% for companies in the Bertin sub-group, excluding the effects of first consolidation.

c) Energy

(in € millions)

	2015	2014	2013
CNIM Babcock Services	24.7	36.1	34.1
Babcock Wanson subsidiaries	90.6	88.6	75.1
Total energy	115.3	124.7	109.2

- **CNIM Babcock Services: 24.7 million euros**

CNIM Babcock Services' order intake for 2015 was fairly low (€24.7 million), mainly owing to the lack of large-scale environmental compliance or high-power boiler modernization projects, some of which were postponed.

- **Sociétés Babcock Wanson: 90.6 million euros**

Orders received by the Babcock Wanson companies rose by 2.3% on 2014, notably in England and Poland.

1.4.2.2 Order backlog

Movement in the backlog of each of the Group's three sectors over the last three years is as follows:

(in € millions)

	Backlog at 01-01-2015	2015			Backlog at 12-31-2015	Orders/Revenues	Backlog in months of revenue
		Effect of changes in scope of consolidation	Orders	C.A			
Environment	386.1		292.1	390.6	287.6	0.75	8.8
Innovation & Systems	254.0	11.3	257.9	217.6	305.6	1.19	16.9
Energy	41.3		115.3	118.8	37.9	0.97	3.8
Group	681.4	11.3	665.3	727.0	631.1	0.92	10.4

The amount of the changes in the scope of consolidation corresponds to the backlog transferred by Saphymo and AMI Software on the acquisition date. The backlog for the Innovation & Systems Sector rose by 20.3% in 2015, 15.9% if the impact of the changes in the scope of consolidation is disregarded.

The Group's backlog stood at €631.1 million as at December 31, 2015.

1.4.3 Consolidated results

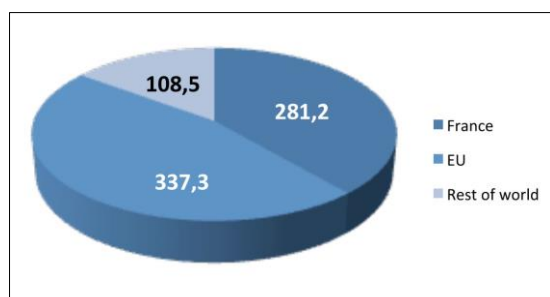
The consolidated income statement for the Group for 2014 and 2015 is set out below:

(in € millions)

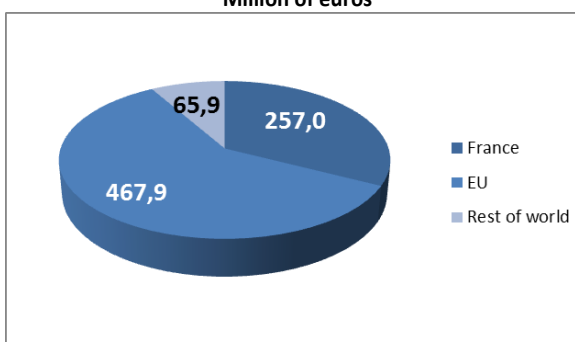
	2015	2014
Revenues	727.0	790.8
EBITDA	63.8	62.7
Operating income	46.5	46.9
Share in net income from associates	3.3	3.7
Operating income including share in net income from associates	49.8	50.6
Total financial income/(loss)	2.9	0.9
Result before income tax	52.7	51.5
Income tax expense	(17.6)	(19.5)
Net income/(loss) for the year	35.0	32.0
Income/(loss) attributable to non-controlling interests	(0.8)	(0.4)
Net income attributable to owners of the parent	35.8	32.4

1.4.3.1 Revenues by geographical region

2015 – France: 38.7 % Export: 61.3 %
Million of euros



2014 – France: 32.5 % Export: 67.5 %
Million of euros



Exports continue to remain extremely important to the Group, with revenues from outside France, principally in Europe, representing 61.3% of the total.

1.4.3.2 Revenues and operating income

(in € millions)

	2015					2014				
	Revenues	EBITDA	EBITDA/ Revenues	Op. income	Op. margin	Revenues	EBITDA	EBITDA/ Revenues	Op. income	Op. margin
Environment	390.6	39.2	10.0%	36.7	9.4%	514.7	52.3	10.2%	49.8	9.7%
Innovation & Systems	217.6	24.1	11.1%	11.5	5.3%	162.9	5.8	3.6%	(5.2)	-3.2%
Energy	118.8	0.5	0.4%	(1.7)	-1.4%	113.3	4.5	4.0%	2.3	2.0%
Group	727.0	63.8	8.8%	46.5	6.4%	790.9	62.6	7.9%	46.9	5.9%

Following reclassification of the Solar Energy Division in the Environment Sector in 2014

Overall Group revenues have fallen by 8.1% relative to 2014. By sector:

- Environment -24.1%
- Innovation & Systems +33.6% (+19.4% excluding change in scope of consolidation)
- Energy +4.9 %

The Group's operating margin was 6.4% in 2015, as opposed to 5.9% in 2014.

a) Environment Sector

The Environment Sector generated revenues of €390.6 million in 2015, which represented a drop following the high level of activity in 2014 when six plants were completed.

As the sector does not require investment in property, plant and equipment, EBITDA is close to operating income.

At 9.4%, the Sector's operating margin remains high.

b) Innovation & Systems Sector

Revenues for the Innovation & Systems Sector rose sharply relative to 2014 across all businesses:

- Industrial Systems Division +21.9%
- Bertin sub-group +58.0% with an impact of €23.1 million relating to acquisitions in the period, or a year-on-year increase of +14.3%.

This sector is characterized by a marked capacity for innovation, with a track record of major development programs and a strong industrial base which provide the means to associate innovation potential with capacity to deliver industrial implementation.

It therefore requires more capital expenditure, and depreciation thus plays a significant part in the income statement.

The sector achieved EBITDA of €24.1 million (11.1% margin on revenue).

Innovation & Systems made an operating profit of €11.5 million in 2015, as compared to a loss of €5.2 million in 2014.

This very favorable change results from the following factors:

- As regards the Industrial Systems Division, the risks relating to an export contract that penalized the 2014 financial statements, in view of the uncertainty about the lack of authorization to export equipment on the 2014 reporting date, were removed during the first half of 2015. The contracts won by this Division proceed on a nominal basis.
- As regards the companies of the Bertin sub-group, the year-on-year increase in revenues had a favorable impact on profit.

c) Energy Sector

The two businesses in this Sector (through "CNIM Babcock Services" and "Babcock Wanson") recorded contrasting trends in relation to their results:

- CNIM Babcock Services:
 - Revenues down by 18.3%
 - Operating loss unfavorably marked by:
 - difficulties in performing several contracts
 - drop in activity in view of the order intake level
- Babcock Wanson:

- growth in revenues by 14.6%
- significant upturn in the operating margin

The activities of the three sectors are very different:

- turnkey installations and operation of waste-to-energy plants in the field of thermal energy for Environment;
- development and production of mid range mechanical engineering products for Innovation & Systems,
- contracts with a low individual value for Energy — including a significant service element in the field of thermal energy.

These differences in the nature of the activities carried out within each of the sectors make it impossible to undertake a meaningful comparative analysis of the differences between their results.

1.4.3.3 Share in net income from associates

(in € millions)

	2015	2014
Share of net income of equity-accounted associates	3.3	3.7

Income from associates in 2015 was €3.3 million, this figure deriving essentially from associates operating in the Environment Sector.

1.4.3.4 Financial income

(in € millions)

	2015	2014
Net financial income/expense	0.2	0.3
Foreign exchange	3.6	0.3
Other	(0.9)	0.3
Financial income	2.9	0.9

Net financial income for 2015 comprised:

- Interest income on cash: 0.2 million euros
- Foreign exchange gains (losses): +3.6 million euros This foreign exchange effect is related to Azerbaijan's decision to switch to a floating exchange rate on December 21, 2015, as the billing of the CNIM subsidiary in this country is expressed in euro.
- Other financial income/expenses, mainly incorporating impairment of financial assets: (0.9) million euros

1.4.3.5 Income tax

(in € millions)

	2015	2014
Income tax expense	(17.6)	(19.5)

Tax, including the enterprise added value contribution (*cotisation sur la valeur ajoutée des entreprises*) represented 35.7 % of pre-tax income, excluding income from associates.

1.4.3.6 Net income

Changes in the consolidated net income attributable to owners of the parent, excluding minority interests (which primarily concern Vecsys, a subsidiary of Bertin Technologies, and SUNCNIM), were as follows:

(in € millions)

	2015	2014
Net income attributable to owners of the parent	35.8	32.4

At 4.9% of revenues, Group net income rose by 10.5% compared with 2014.

1.4.4 Definitions

“Order intake”:

- Contracts for the supply of turnkey plants are recorded as orders at the start of operations;
- Contracts for recurring services, such as the operation of waste recovery plants, are recorded as orders in the year to which each part relates, either at the start of the year or on the date of signing.

“Backlog”:

The backlog at a given date corresponds to revenues not yet entered into the accounts in relation to recorded orders, i.e. total contract revenue less revenue recognized over the course of the contract.

“EBITDA”: Defined as:

- Operating income;
- excluding depreciation;
- excluding impairments of non-current assets;
- excluding gains and losses of disposals of non-current assets.

“Free Cash Flow”: Defined as:

- EBITDA;
- plus change in working capital;
- less capital expenditure (net of disposals);
- less income taxes.

“Gross Cash” : Equal to cash as shown on the asset side of the balance sheet, i.e. the sum of:

- cash equivalents;
- cash.

“Net Cash Position” : The calculation of the net cash position is stated in section 1.6.5. It corresponds to the net total of the following items:

- Gross cash
- Current and non-current financial liabilities (cf. Note 21 to the consolidated financial statements)

1.5 Investments and significant property, plant and equipment

1.5.1 The Group's principal fixed assets

Movements in fixed assets by sector were as follows:

	Environment		Innovation & Systems		Energy		Group	
	12.31.2015	12.31.2014	12.31.2015	12.31.2014	12.31.2015	12.31.2014	12.31.2015	12.31.2014
Intangible assets	8.0	6.4	15.7	9.1	0.6	0.6	24.3	16.2
Goodwill	31.2	31.2	17.7	12.7	3.0	3.0	51.9	46.9
Property, plant and equipment	12.6	8.0	39.0	41.9	19.3	20.6	70.9	70.6
Non-current financial assets	8.3	7.8	2.0	1.2	1.1	1.4	11.4	10.5

Following reclassification of the Solar Energy Division in Environment in 2014

Note: Non-current financial assets as stated above do not include shares in the net assets of associates. Holdings in associates relate principally to the Environment sector and are set out in detail in note 15 to the consolidated financial statements. The changes in items compared with 2014 are commented on in note 1.6.2.

1.5.1.1 Environment Sector

This sector is characterized by low levels of property, plant and equipment along with a main business as a turnkey supplier of household waste-to-energy plants.

The major part of the Group's financial investments take the form of equity holdings and subordinated loans in joint-venture plant operating companies. Such companies purchase waste-to-energy plants from CNIM and then subcontract operation of the plant back to the Group.

The Group's holdings in these companies have been consolidated using the equity method (see chapter 5. "Financial Statements", Note 15 to the consolidated financial statements).

1.5.1.2 Innovation & Systems Sector

This sector is characterized by:

- a strong capacity for innovation, with a track record in major development programs such as the Landing Catamaran;
- a strong industrial base, including the site at La Seyne-sur-Mer and the plant in China and Morocco, enabling this innovation to be coupled with the resources for industrial production. Innovation & Systems thus accounts for the largest share of the Group's property, plant and equipment (held chiefly by CNIM SA, CNIM Transport Equipment and Babcock Wanson Morocco).

The production staff and equipment at the Group's site at La Seyne-sur-Mer are capable of large-scale precision manufacturing, high speed machining, conventional and specialist welding (particularly electron beam welding), boilermaking and working with synthetic materials such as composites and polyurethane.

1.5.1.3 Energy Sector

The network of Babcock Wanson subsidiaries, integrated in the Energy Sector, includes two manufacturing facilities specialized by product line: in Nérac in Lot-et-Garonne (Babcock Wanson France) and in Milan in Italy (Babcock Wanson Italy), with the other companies in the sub-group focusing on the distribution/installation/maintenance of equipment, together with the associated engineering.

The two manufacturing facilities account for a significant amount of property, plant and equipment.

Details of goodwill are set out in Note 12 to the 2015 consolidated financial statements.

Property, plant and equipment includes the following land and buildings:

	LAND			BUILDINGS	
	Location		Area	Industrial buildings	Offices
	Country	City	(m ²)	(m ²)	(m ²)
Babcock Services	Morocco	Casablanca	132,248		
Babcock Wanson France	France	Nérac (47)	47,000	12,200	1,000
	France	Chevilly-Larue (94)	3,600		2,200
Babcock Wanson Italiana	Italy	Cavenago Brianza	24,000	15,000	
	Italy	Agrate Brianza	11,700		
Babcock Wanson UK	UK	Borehamwood	6,700	3,223	1,184
Bertin Technologies	France	Tarnos (40)	9,362		956
	France	Aix (13)	4,693		3,086
Bertin Pharma	France	Martillac (33)	6,800	930	570
CNIM Transport Equipment	China	Gaoming		19,515	
SCI du 35 rue de Bassano	France	Paris, 8th <i>arrondissement</i>			1,155
CNIM	France	Brégaillon (83)	81,000	15,950	9,195
		Lagoubran (83)	197,000	27,030	770
		Mouissègues (83)	40,000	17,000	1,000
		La Seyne-sur-Mer (83)	318,000	59,980	10,965

CNIM Transport Equipment – CTE (Gaoming, China) has a fifty-year lease on a site of 39,315 m². The rights under the lease are recorded as an intangible asset with a net book value of CNY 7,699,998 / €1,090,320 at December 31, 2015.

Details of the classification of companies by Sector are set out in note 3 to the consolidated financial statements.

1.5.2 Group capital expenditure

(in € millions)

	Environment			Innovation & Systems			Energy			Total		
	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013
Intangible assets	3.8	0.8	2.2	3.9	2.8	2.0	0.2	3.0	1.7	8.0	6.6	5.9
Property, plant and equipment	7.1	1.8	1.5	3.0	5.2	12.9	1.0	2.7	2.9	11.1	9.8	17.3
Financial assets	0.0	0.5	0.1	0.2	0.0	0.0	0.0	0.0	0.4	0.2	0.5	0.5
Total	10.9	3.1	3.8	7.1	8.0	14.9	1.2	5.7	5.0	19.2	16.9	23.7

Following reclassification of the Solar Energy Division in the Environment Sector in 2014

The change in tangible fixed assets for the Environment Sector is related to capital expenditure in the US for the Geodur business (processes for recycling incineration residues from household waste by extraction of non-ferrous metals), as well as by carrying out work on real estate at the Group's head office, broken down into different sectors.

Industrial fixed assets for the Innovation & Systems Sector were less significant in 2015 than in 2014.

The continued capital expenditure on intangible assets is a manifestation of the Group's efforts to expand.

1.5.3 Capital expenditure program

At December 31, 2015, the Group was not engaged in any capital expenditure program, with the exception of:

- expenditure required year by year in connection with the maintenance of its various manufacturing facilities;
- the major renovation, aimed at optimizing the use of space, of the head office at 35 rue de Bassano, Paris 75008, at a total cost of around €5 million;
- the construction in the US of an initial facility for recycling incineration residues from household waste by extraction of non-ferrous metals.

1.6 Group financing - Cash

The Group's cash flows in 2014 and 2015 are summarized as follows:
(in € millions)

	2015	2014
Net income for the year	35.0	32.0
Expenses and income with no cash effect	37.0	66.7
Net cash from operations (before changes in working capital and before cost of debt and income tax)	72.1	98.7
Income tax and changes in working capital	(20.3)	(90.8)
Net cash flows from operating activities	51.8	7.9
Net cash flows from investing activities	(3.6)	(11.9)
Dividends paid (cf. Note 1.7.4)	(15.4)	(103.2)
Proceeds from /repayment of borrowings	(7.6)	23.8
Treasury shares	(0.0)	(5.4)
Net cash flows from financing	(23.0)	(84.7)
Interest paid	0.2	0.3
Net foreign exchange differences	5.0	(0.8)
Net cash flow	30.4	(89.2)
Cash at year end*	136.9	106.6
Cash at start of year*	106.6	195.8
Net cash flow	30.4	(89.2)

* Gross cash less bank overdrafts

1.6.1 Net cash from operations (before changes in working capital and before cost of debt and income tax)

Net cash from operations (before changes in working capital and before cost of debt and income tax)

Cash flow from operations (before changes in working capital and before cost of debt and income tax) was €72.1 million in 2015, compared with €98.7 million in 2014.

This positive change is the result of:

- improvements in the Group's operational profitability, with a rise in operating margins from 5.9 % in 2014 to 6.4 % in 2015, and;
- a lower allocation to provisions for charges and guarantee costs, owing to the increase in the backlog

1.6.2 Changes in working capital

The Group's working capital was negative at the start and end of each of the last three years, and thus represents a resource.

WCR items are detailed below for December 31, 2014 and 2015.

(in € thousands)

	2015	2014	Change in working capital (balance sheet items)	Change in working capital (cash flow)*
Assets				
Inventories and work-in-progress	40.8	38.6	2.2	(1.7)
Advances and down payments on orders to suppliers	3.8	12.2	(8.4)	(8.9)
Trade and other receivables (including accrued income)	174.6	223.7	(49.1)	(45.6)
Accrued income from contracts in progress	51.6	84.5	(32.9)	(26.6)
Prepaid expenses	7.3	9.3	(2.0)	(1.2)
Other receivables (tax, social security etc.)	49.5	55.2	(5.8)	(6.5)
Sub-total	327.6	423.5	(95.9)	(90.5)
Liabilities				
Advances and down payments received from customers	(10.1)	(8.8)	(1.3)	(0.2)
Suppliers	(117.3)	(149.4)	32.1	36.3
Deferred income	(137.1)	(178.6)	41.5	44.1
Social security and tax payables	(73.2)	(86.4)	13.2	16.1
Other payables	(8.7)	(7.4)	(1.4)	(5.2)
Sub-total	(346.4)	(430.5)	84.2	91.1
Working capital	(18.8)	(7.0)	(11.7)	0.5

* Changes in working capital as per the cash flow statement include exchange rate differences and changes in the scope of consolidation.

The Group's working capital represented a resource of €18.8 million as at December 31, 2015.

Due to the nature of its business, in which long term contracts play a significant role, the Group may experience significant fluctuations in its working capital on account of the timings of customers' payments and the schedule of contracted work.

1.6.3 Investments

The Group's investments are set out in section 1.5.2 of the reference document.

1.6.4 Dividends

During 2015, the Group paid a dividend of €5.35 per share in accordance with the resolution passed at the Annual General Meeting of June 3, 2015. This dividend was paid on July 2, 2015, resulting in a payment, net of the effects of treasury shares, of €15.4 million.

1.6.5 Group cash position

Changes in the Group's net cash position were as follows:

(in € millions)

	2015	2014
Cash equivalents	67.3	79.8
Cash	71.1	29.5
Gross cash	138.4	109.3
Non-current financial liabilities	(16.9)	(5.6)
Current financial liabilities	(21.2)	(31.5)
Net cash position	100.3	72.2

Compared with December 31, 2014, the Group's net cash position was up by €28.1 million.

1.6.6 Debt

(in € millions)

	12.31.2015			12.31.2014
	Non-current financial liabilities	Current financial liabilities	Total	
Loan facility for the investment in the joint venture company Kogeban		0.5	0.5	1.2
Loan facility for the investment in the joint venture company Estrées-Mons	1.4	0.6	2	2.6
Loan facility for the acquisition of Vecsys (Bertin sub-group)		0.1	0.1	0.6
Loan to finance R&D projects in Saphymo France	1.2	0.4	1.6	-
Loan to finance investments in AMI France	0.3	0.1	0.4	-
Loan to finance work in SCI Bassano	2.5	0.5	3	-
Short-term financing: CNIM Singapore		4.5	4.5	11.2
Advance of the capitalizable CDC - Ello		0.6	0.6	-
Repayable advances	5.8	1.4	7.2	4.4
Assignments of receivables	5	7.2	12.2	13.2
Finance leases, others	0.7	3.7	4.4	1.2
Sub-total	16.9	19.7	36.6	34.4
Bank overdrafts, current accounts		1.5	1.5	2.7
Total	16.9	21.2	38.1	37.1

The Group's indebtedness remained stable in 2015, with the following main changes:

- less drawing on the financing facility for a contract in Singapore;
- increase in repayable advances collected as part of the Group's development programs;
- establishing a loan to finance renovation work on CNIM's head office, for an amount of €5 million, with €3 million drawn down as at December 31, 2015;
- in the changes in the scope of consolidation, the indebtedness of companies acquired during the period under review.

The maturity dates of non-current financial liabilities and a detailed breakdown of the annual repayments on medium-terms loans are provided in note 21 to the consolidated financial statements.

Covenants:

- The loan facilities financing CNIM's investments in Kogeban and Estrées-Mons are subject to two six month covenants linked to the consolidated financial statements. Both covenants were fulfilled at 2015 closure,

the Group's net cash being positive: the ratio of net debt to equity was less than 0.8 and net debt/EBITDA was less than two;

- the loan facility granted to Bertin Technologies for the acquisition of Vecsys is subject to an annual covenant linked to the financial statements of the Bertin sub-group. The covenant was fulfilled at 2015 closure: consolidated net debt/EBITDA was less than 2;
- the 2014 medium-term loan is subject to a six-monthly covenant linked to the consolidated financial statements: net debt must be less than 2.5 times EBITDA. The covenant was fulfilled at 2015 closure, the Group's net cash being positive;
- the loan to finance work at CNIM's head office is covered by the same covenant as that for the medium-term loan in 2014.

The financial payables of associates are set out in detail in note 15.C to the consolidated accounts. These relate to project financing arrangements for companies established for the construction and operation of household waste recycling plants. The lenders have no recourse to the CNIM Group or other parties.

Available liquidity

(in € millions)

	12.31.2015	12.31.2014
Gross cash	138.4	109.3
Medium term credit facility	120.0	120.0
Amount of facility drawn down	-	-
Sub-total	258.4	229.3

1.6.7 Equity

Movements in Group equity were as follows:

(in € millions)

	2015	2014
As at January 1	127.6	204.3
Net income for the year	35.8	32.4
Dividends paid	(15.4)	(103.2)
Others: currency translation differences, changes in scope of consolidation	4.0	(5.9)
As at December 31	152.0	127.6

The change in the "Others" item in 2015 is mainly the result of:

- in 2014, own shares acquired during the financial year;
- in 2015, the Industrial Joint Venture Companies fund's contribution to SUNCNIM and currency translation differences.

1.6.8 Other elements

- The contract bank guarantees listed in note 25 to the consolidated financial statements represent to guarantees issued in relation to contract performance. The principal types of guarantee issued are as follows:
- return of down payment, covering the risk to the customer that CNIM might fail to carry out the contract notwithstanding the down payment. The validity period of these guarantees depends on the affectation of down payments as defined in the contractual invoicing and payment schedule;
- performance, covering the risk for the customer that CNIM might fail to honor its undertakings on the timing of delivery or performance. The validity period of these guarantees depends on the contractual performance schedule (generally around three years for contracts for turnkey household waste recovery plants in the Environment Sector);

- warranties covering the period following project handover which address the risk to the customer that CNIM might not fulfill post-delivery equipment contractual guarantees. The validity period of these guarantees depends on the length of the contractual guarantee period.

1.7 Financial statements of CNIM SA

1.7.1 Results

The principal items in the 2014 and 2015 income statements are shown below:

(in € millions)

	2015	2014
Revenues	384.7	541.5
Operating income	13.4	16.8
Financial income	33.5	7.8
Exceptional income	0.9	1.5
Income before tax and profit-sharing	47.9	26.1
Profit-sharing	(0.2)	(0.3)
Income tax expense/(income)	4.1	(2.2)
Net income (CNIM SA)	51.7	23.6
Net income margin	13.40%	4.40%

The Company's revenues fell by 28.9% compared with 2014, which was a record year in terms of business for the Environment Sector, with six household waste-to-energy plants completed.

Operating profit for 2015 was 3.4% of revenues (€13.4 million), compared with 3.1% in 2014.

Net financial income of €33.5 million includes €36.8 million in financial returns on equity interests (see Note 19 to the CNIM SA financial statements).

Net income, at €51.7 million, represented 13.4% of revenues.

1.7.2 Cash

The Company's cash flows are summarized below:

(in € thousands)

	2015	2014
Net income for the year	51.7	23.6
Expenses and income with no cash effect	4.0	29.8
Net cash from operations (before changes in working capital and before cost of debt and income tax)	55.7	53.4
Movements in working capital	(12.6)	(31.5)
Net cash flows from operating activities	43.2	21.9
Net cash flows from investing activities	(16.3)	(7.0)
Dividends paid	(15.5)	(103.9)
Proceeds from /repayment of borrowings	(1.8)	6.9
Other	7.1	(5.4)
Net cash flows from financing	(10.2)	(102.4)
Net cash flow	16.6	(87.5)
Cash at year end	37.1	20.4
Cash at start of year	20.4	107.8
Net cash flow	16.6	(87.4)

The Company's cash position improved thanks to effective cash-flow management related to the business and dividends received from subsidiaries.

1.7.3 Other elements

1.7.3.1 Supplier payment terms

As at December 31, 2015

(in € thousands)

	Total supplier balance	Not yet due	Due and payable	0-30 days	30-60 days	Over 60 days
French suppliers	19,965	14,009	5,956	1,759	1,293	2,904
	100%	70%	30%	9%	6%	15%
of which orders prior to January 1, 2009	7,393	6,052	1,341	365	412	564
of which Group French suppliers	130		130			130
of which disputes	0		0			
Total	12,442	7,957	4,485	1,394	881	2,210
Foreign suppliers	23,245	5,843	17,402	2,068	4,716	10,618
	100%	25%	75%	9%	20%	46%
of which Group foreign suppliers	9,400	639	8,761	587	1,430	6,744
Total	43,210	19,852	23,358	3,827	6,009	13,522
	100%	46%	54%	9%	14%	31%
of which Group suppliers	16,794	6,691	10,103	952	1,842	7,308

As at December 31, 2014

(in € thousands)

	Total supplier balance	Not yet due	Due and payable	0-30 days	30-60 days	Over 60 days
French suppliers	43,226	20,523	22,703	12,334	5,374	4,995
	100%	47%	53%	29%	12%	12%
of which orders prior to January 1, 2009	-	-	-	-	-	-
of which Group French suppliers	6,720	2,831	3,889	1,802	1,782	305
of which disputes	989		989			989
Balances	35,517	17,692	17,825	10,532	3,592	3,701
Foreign suppliers	61,153	29,474	31,679	12,340	8,594	10,745
	100%	48%	52%	20%	14%	18%
of which Group foreign suppliers	20,620	9,373	11,247	5,079	821	5,347
Total	104,379	49,997	54,382	24,674	13,968	15,740
	100%	48%	52%	24%	13%	15%
of which Group suppliers	27,340	12,204	15,136	6,881	2,603	5,652

2 SHAREHOLDERS, STOCK MARKET LISTING

2.1 Shareholders

2.1.1 Share capital and voting rights

2.1.1.1 Amount of subscribe capital

CNIM's share capital of €6,056,220 is divided into 3,028,110 shares with a nominal value of €2 each, fully paid up and forming a single class. Shares are either registered or bearer shares, at the election of the shareholder.

Le capital de CNIM est réparti tel qu'indiqué au 2.1.1.7 ci-dessous et à la Note 20 de l'annexe aux comptes consolidés, pour la part en autocontrôle, pour l'exercice clos au 31 décembre 2015.

2.1.1.2 Shares not representing company capital

At the date of filing, there are no securities in issue that do not represent share capital in the Company.

2.1.1.3 Shares held by the issuer itself

At the Ordinary and Extraordinary General Meeting of June 3 2015 (Sixth Resolution), the Management Board was authorized, in accordance with Article L. 225-209 of the Commercial Code, to purchase shares up to a total of 10% of the Company's share capital.

This authorization is valid for a term of eighteen months from the date of the aforesaid General Meeting.

The maximum unit purchase price is €200 per share, subject to adjustments linked to any changes made to the Company's share capital. The overall total amount allocated to the share repurchase program therefore cannot exceed €60,562,200.

The objectives of the share repurchase program are:

- to enable these shares to be canceled by way of a reduction in share capital;
- to retain them and reissue them in the context of acquisitions and mergers;
- to stimulate the market in CNIM shares;
- to enable free shares to be allocated for the benefit of employees or directors of the Company or the CNIM Group under the terms of Articles L. 225-197-1 et seq. of the Commercial Code;
- to grant stock options to the employees or directors of the Company or the CNIM Group under the terms of Articles L. 225-179 et seq. of the Commercial Code.

The last two objectives require the Supervisory Board to give its prior approval and determine the relevant conditions.

Purchases are executed via an investment services provider within the framework of a liquidity and market stimulation agreement for the shares.

The repurchase transactions thus authorized must be executed in accordance with the conditions and obligations imposed by Articles L. 225-209 to L. 225-212 of the Commercial Code, by Regulation (EU) no. 2273/2003 of December 22 2003, by Article L. 451-3 of the Monetary and Financial Code and in the provisions of the General Regulations of the Autorité des Marchés Financiers (Financial Markets Authority) concerning:

- the volume purchased (for transactions affecting the market price);
- the amount of the purchase price;
- and abstention periods.

In particular, they must not represent more than 25% of the average daily volume of shares traded on the market, evaluated on the basis of the average daily volume over the twenty trading days preceding the purchase price, nor must they be executed at a price higher than that of the most recent independent transaction.

Information required under Article L. 225-211 of the Commercial Code appears in note 20 to the consolidated financial statements.

Use was made of this authorization in December 2015. Babcock Wanson Holding S.A.S., a 100% subsidiary of the Company, directly held 20,087 of the Company's shares, representing approximately 0.66% of the share capital. These shares were included in the calculation of the number of treasury shares.

Babcock Wanson Holding S.A.S. had held these 20,087 shares in the Company since June 7 2000, when the general meeting of the Company's shareholders resolved to grant these shares to Babcock Entreprise (subsequently renamed Babcock Wanson Holding S.A.S. in May 2002) in consideration for the contribution to the Company by the latter of its business in the "design, manufacturing, sale, reconditioning, maintenance and after-sales of industrial power boilers and heat recovery and cogeneration boilers". It had become apparent that this indirect holding by the Company of its own shares was a relic of the past which was no longer of any benefit to the Group. In consequence of the above, the Parties reached an agreement, finalizing on December 1 2015 the acquisition by the Company of the aforesaid 20,087 shares for a total price of €1,685,299.30, i.e. €83.90 per share. The shares thus purchased have been classified as part of the Company's holding of treasury shares.

At the Ordinary and Extraordinary General Meeting of June 3 2015 (Seventh Resolution), the Management Board was authorized to reduce the share capital by canceling shares held by the Company in its own capital.

The Management Board, in accordance with the provisions of Article L. 225-209 of the Commercial Code, was authorized to cancel, by its own decision, on one or more occasions, all or some of the shares that the Company holds or may hold in treasury as a result of exercising the various authorizations to purchase shares granted to the Management Board in the General Meeting, up to a limit of 10% of the share capital per twenty-four month period;

This authorization is valid for a term of eighteen months from the date of the aforesaid General Meeting.

The General Meeting also delegated to the Management Board, along with the capacity to sub-delegate insofar as permitted by law, all powers necessary to carry out the reduction(s) in share capital arising from cancellations authorized by the twelfth resolution, to cause the necessary accounting entries to be made, to attribute the difference between the purchase price and the nominal value of the canceled shares to any balance sheet position for issue premiums or available reserves, to make corresponding amendments to the bylaws and, generally, to complete all necessary formalities.

2.1.1.4 Convertible securities, exchangeable securities or securities with warrants

At the date of filing, there are no securities in issue giving access to the Company's capital.

2.1.1.5 Acquisition rights and/or obligations in relation to capital authorized but not issued

All delegations and authorizations granted to the Management Board by the Ordinary and Extraordinary General Meeting of June 3 2015 are summarized in the Management Board's 2013 annual report.

2.1.1.6 Movements in share capital

The company share capital set out in 2.1.1.1 above has not changed over the last three years.

2.1.1.7 Allocation of share capital and voting rights

As previously reported, on July 17 2014, Soluni, the Company's largest shareholder, purchased the entire holdings of Compagnie Nationale de Navigation ("CNN") and Martin GmbH für Umwelt- und Energietechnik ("Martin GmbH"), which respectively amounted to 566,010 shares (18.69% of the share capital) and 310,518 shares (10.25% of the share capital), in total representing 28.94% of the Company's share capital.

Following the acquisition of the aforesaid holdings and the ensuing simplified public tender offer, Soluni directly held 1,708,633 shares in the company as at December 31 2015 representing 2,538,402 voting rights, i.e. 56.43% of the Company's share capital and 57.89% of the voting rights. Details of holdings in the Company's share capital as at December 31 2015 are provided below.

(i) The list of holders of registered shares as at December 31 2015 shows that on that date the Company's largest shareholder was:

At 12.31.2015	No. of shares	%	No. of voting rights	% Theoretical	% Exercisable
Soluni SA	1,708,633	56.43 %	2,538,402	57.89 %	59.97 %
Total	1,708,633	56.43 %	2,538,402	57.89 %	59.97 %

As at December 31 2015, the grouping made up of Soluni SA, Mrs. Christiane Dmitrieff and the other members of the Dmitrieff family (including Mr. Nicolas Dmitrieff) held 1,712,733 shares representing 56.56% of the share capital and 60.17% of the exercisable voting rights (58.08% of the theoretical voting rights).

On the basis of the information available to the Company, the share capital and voting rights at December 31 2014 and December 31 2015 were distributed as follows:

CNIM shareholder base at December 31 2014						
Shareholders	No. of shares	No. of theoretical voting rights	No. of exercisable voting rights	% of share capital	% of theoretical voting rights ⁽¹⁾	% of exercisable voting rights ⁽²⁾
Soluni S.A.	1,708,633	2,538,402	2,538,402	56.43%		59.88%
Mrs. Christiane Dmitrieff	1,295	2,590	2,590	0.04%	0.06%	0.06%
Other members of the Dmitrieff family	2,804	5,608	5,608	0.09%	0.13%	0.13%
Dmitrieff family group ⁽³⁾	1,712,732	2,546,600	2,546,600	56.56%	57.99%	60.08%
Franeli S.A.	452,650	755,571	755,571	14.95%	17.21%	17.82%
Frel S.A.	1,700	3,400	3,400	0.06%	0.08%	0.08%
Mr. François Herlicq	11,315	19,293	19,293	0.37%	0.44%	0.46%
Herlicq family group ⁽⁴⁾	465,665	778,264	778,264	15.38%	17.72%	18.36%
Treasury shares (held by subsidiary)	20,087	20,087	-	0.66%	0.46%	-
Treasury shares (held by parent)	125,531	125,531	-	4.15%	2.86%	-
Liquidity contract (Exane BNP Paribas)	6,538	6,628	-	0.22%	0.15%	-
Sub-total	152,246	152,246	-	5.03%	3.47%	-
CNIM Participation (employee shareholders)	98,171	167,642	167,642	3.24%	3.82%	3.95%
Public	599,296	746,393	746,393	19.79%	17.00%	17.61%
TOTAL	3,028,110	4,391,145	4,238,899	100.00%	100.00%	100.00%

⁽¹⁾ This number is calculated on the basis of the totality of shares with voting rights, including non-voting shares, in accordance with Article 223-11 of the General Regulation of the Financial Markets Authority on the calculation of movement across voting rights thresholds.

⁽²⁾ For information: number calculated net of non-voting shares.

⁽³⁾ Soluni is controlled by Mrs. Christiane Dmitrieff through Arnina, a company in which she is the majority shareholder and which is managed by Mr. Nicolas Dmitrieff.

⁽⁴⁾ The sub-group made up of Franeli, FREL and Mr. François Herlicq is mainly held by the Herlicq family.

CNIM shareholder base at December 31 2015						
Shareholders	No. of shares	No. of theoretical voting rights	No. of exercisable voting rights	% of share capital	% of theoretical voting rights ⁽¹⁾	% of exercisable voting rights ⁽²⁾
Soluni S.A.	1,708,633	2,538,402	2,538,402	56.43%	57.89%	59.97%
Mrs. Christiane Dmitrieff	1,295	2,590	2,590	0.04%	0.06%	0.06%
Other members of the Dmitrieff family	2,805	5,609	5,609	0.09%	0.13%	0.13%
Dmitrieff family group⁽³⁾	1,712,733	2,546,601	2,546,601	56.56%	58.08%	60.16%
Franeli S.A.	452,650	755,571	755,571	14.95%	17.23%	17.85%
Frel S.A.	1,700	3,400	3,400	0.06%	0.08%	0.08%
Mr. François Herlicq	12,065	20,080	20,080	0.40%	0.46%	0.47%
Herlicq family group⁽⁴⁾	466,415	779,051	779,051	15.40%	17.77%	18.40%
CNIM Participation (employee shareholders)	97,640	167,111	167,111	3.22%	3.81%	3.95%
Treasury shares (held by parent)	145,618	145,618	-	4.81%	3.32%	-
Liquidity contract (Exane BNP Paribas)	6,216	6,216	-	0.21%	0.14%	-
Sub-total	151,834	151,834	-	5.01%	3.46%	-
Public	599,488	740,259	740,259	19.80%	16.88%	17.49%
TOTAL	3,028,110	4,384,856	4,233,022	100.00%	100.00%	100.00%

⁽¹⁾ This number is calculated on the basis of the totality of shares with voting rights, including non-voting shares, in accordance with Article 223-11 of the General Regulation of the Financial Markets Authority on the calculation of movement across voting rights thresholds.

⁽²⁾ For information: number calculated net of non-voting shares.

⁽³⁾ Soluni is controlled by Mrs. Christiane Dmitrieff through Arnina, a company in which she is the majority shareholder and which is managed by Mr. Nicolas Dmitrieff.

⁽⁴⁾ The sub-group made up of Franeli, FREL and Mr. François Herlicq is mainly held by the Herlicq family.

(ii) Employees

Under the Company Savings Plan, 97,640 shares in the Company (3.22% of the share capital) at December 31 2015 were held by staff via FCPE CNIM Participation (the employee shareholding fund).

CNIM shareholder base at February 29 2016						
Shareholders	No. of shares	No. of theoretical voting rights	No. of exercisable voting rights	% of share capital	% of theoretical voting rights ⁽¹⁾	% of exercisable voting rights ⁽²⁾
Soluni S.A.	1,708,633	2,538,402	2,538,402	56.43%	57.89%	59.98%
Mrs. Christiane Dmitrieff	1,295	2,590	2,590	0.04%	0.06%	0.06%
Other members of the Dmitrieff family	2,805	5,609	5,609	0.09%	0.13%	0.13%
Dmitrieff family group ⁽³⁾	1,712,733	2,546,601	2,546,601	56.56%	58.08%	60.17%
Franeli S.A.	452,650	755,571	755,571	14.95%	17.23%	17.85%
Frel S.A.	1,700	3,400	3,400	0.06%	0.08%	0.08%
Mr. François Herlicq	12,065	20,080	20,080	0.40%	0.46%	0.47%
Herlicq family group ⁽⁴⁾	466,415	779,051	779,051	15.40%	17.77%	18.41%
CNIM Participation (employee shareholders)	94,480	163,951	163,951	3.12%	3.74%	3.87%
Treasury shares (held by parent)	145,618	145,618	-	4.81%	3.32%	-
Liquidity contract (Exane BNP Paribas)	7,195	7,195	-	0.24%	0.16%	-
Sub-total	152,813	152,813	-	5.05%	3.49%	-
Public	601,669	742,403	742,403	19.87%	16.93%	17.54%
TOTAL	3,028,110	4,384,819	4,232,006	100.00%	100.00%	100.00%

⁽¹⁾ This number is calculated on the basis of the totality of shares with voting rights, including non-voting shares, in accordance with Article 223-11 of the General Regulation of the Financial Markets Authority on the calculation of movement across voting rights thresholds.

⁽²⁾ For information: number calculated net of non-voting shares.

⁽³⁾ Soluni is controlled by Mrs. Christiane Dmitrieff through Arnina, a company in which she is the majority shareholder and which is managed by Mr. Nicolas Dmitrieff.

⁽⁴⁾ The sub-group made up of Franeli, FREL and Mr. François Herlicq is mainly held by the Herlicq family.

2.1.1.8 Movements across the disclosure thresholds during the financial year (Article L.233-13 of the Commercial Code)

None.

2.1.2 Voting rights

The Company's bylaws provide that a double voting right is conferred on all fully paid-up shares for which it can be shown that they have been registered for at least two years in the name of the same shareholder under the conditions prescribed by law.

The bylaws do not provide for any restriction on the exercise of voting rights or on transfers of shares. The Company's bylaws provide, however, that any individual or legal entity, acting alone or in concert with others, who passes the threshold of 2.5% of the share capital or voting rights or a multiple of this percentage is obliged to declare the total number of shares in their possession to the Company in accordance with the said bylaws within fifteen days of passing the threshold by registered letter with advice of receipt.

Non-compliance with this obligation is punishable by the withdrawal of voting rights from those shares exceeding the percentage which should have triggered a declaration, for a period of two years following the date on which the situation was regularized by the due submission of a declaration. This sanction only applies in the event of a request, recorded in the minutes of the General Meeting, by one or more shareholders holding at least 2.5% of the Company's share capital or voting rights.

No agreement in force has been brought to the Company's attention pursuant to Article L. 233-11 of the Commercial Code.

2.1.3 Control of the company

Prior to July 16, 2014, none of the shareholders listed in section 2.1.1.7 of this registration document controlled the Company in the sense of Article L. 233-3 of the Commercial Code. Since July 17, 2014, Soluni has controlled the company in the sense of Article L. 233-3 of the Commercial Code.

This assumption of control was a consequence of the acquisition by Soluni on July 17, 2014 of the entire holdings in CNIM SA of Compagnie Nationale de Navigation and Martin GmbH für Umwelt und Energietechnik, that is, a total 876,528 CNIM shares representing 28.94% of the Company's share capital. This acquisition gave rise to the filing of a simplified public tender offer with the AMF (see section 2.1.1.7).

To the best of the Company's knowledge, none of the shareholders have declared that they are acting in concert.

The Company has taken no specific action, other than the appointment of independent directors, to avoid abusive exercise of control.

The report on internal controls included in this registration document sets out the arrangements for the preparation and conduct of the work of the Supervisory Board.

2.1.4 Agreements with potential to lead to a change of control

None.

2.1.5 Shareholders agreements

None.

2.1.6 Dutreil undertakings

Two separate joint undertakings to retain CNIM stock were made by private contract on December 21 2015 between Soluni SA and Mr. Nicolas Dmitrieff on the one part and the members of the Herlicq family group on the other. The first of these agreements is a joint undertaking to retain shares in CNIM for a period of two years in application of Article 885 I *bis* of the General Tax Code, while the second is a joint undertaking to retain shares in CNIM for a period of two years in application of Article 787 B of the General Tax Code.

These undertakings were publicly announced by the AMF on January 8 2016 under number 216C0072.

2.2 Stock market listing

2.2.1 Listing

CNIM shares trade on a single regulated market: Euronext Paris.

CNIM shares are the only listed securities issued by the Company.

CNIM shares are included in the CAC All Shares index.

2.2.2 Movements in the share price

Price:

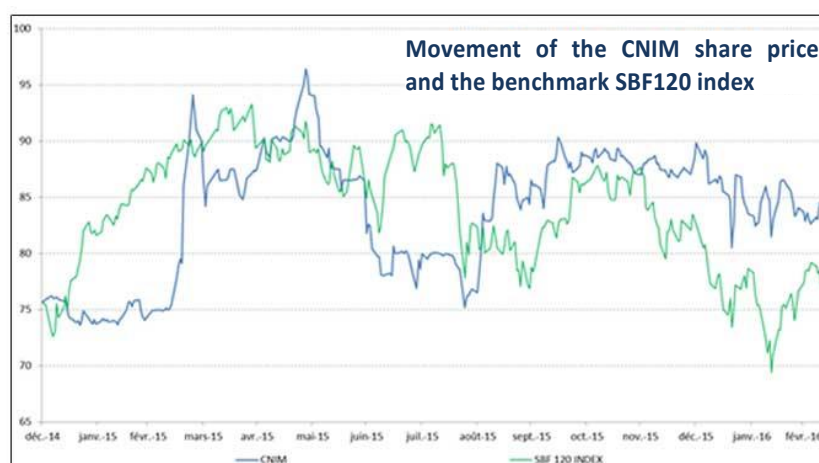
- At 12.31.2014: €75.65
- At 12.31.2015: €89.81

Annual extremes in 2015:

- High: €97.00 on May 27 2015
- Low: €72.50 on August 24 2015

Movement between 12.31.2014 and 12.31.2015:

- CNIM: +18.72%;
- SBF 120: +9.03%;
- CAC 40: +8.53%.



2.3 Dividends: policy and distribution record

The General Meeting of shareholders on June 3 2015 resolved to pay a dividend of €5.35 per share for the year ending December 31 2014, representing a total cash distribution of €16,200,388.50.

Over the last three financial years, the value of dividends and the number eligible for the 40% reduction (in tax) were as follows:

(in €)	2014	2013	2012
No. of shares	3,028,110	3,028,110	3,028,110
Dividend	5.35	35.00 ⁽¹⁾	3.40

(1) The amount of €35 represents the sum of the dividend of €5 resolved upon at the Annual General Meeting of May 21 2014 and the exceptional dividend of €30 resolved upon by the General Meeting of September 8 2014.

In the light of the Company's results, it has been decided that a proposal will be put to the Ordinary and Extraordinary General Meeting of the Company on May 24 2016 for the distribution of a dividend of €5.90 per share in respect of the 2015 financial year. The dividend will be paid in cash on July 4, 2016.

3 CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT

Introduction

Since 2012, the CNIM Group has provided, in addition to its management reports, an annual report on the social and environmental impact of its activities, referred to as the Corporate Social and Environmental Responsibility (CSER) Report.

A significant proportion of CNIM's activities and of its proposed development are founded on its capacity for innovation in environmental matters: energy production from waste or biomass, improvement of energy efficiency at its industrial facilities, reduction in air pollutant emissions, renewable energy. For these activities, the Group's current and future commercial success is therefore directly linked to the challenges of sustainable development and the CSER.

With its strong commitment to health, safety and the environment, the Group is mobilizing all of its staff and making them aware of their responsibilities in the face of these major challenges, using corporate social responsibility as a means of adding momentum to its progress.

By implementing a CSER initiative of its own volition, CNIM aims to pursue its economic development, ensuring that balanced and sustainable relationships are maintained with all of its partners and stakeholders.

3.1 The people of CNIM

3.1.1 About us

3.1.1.1 Total staff and breakdown of employees

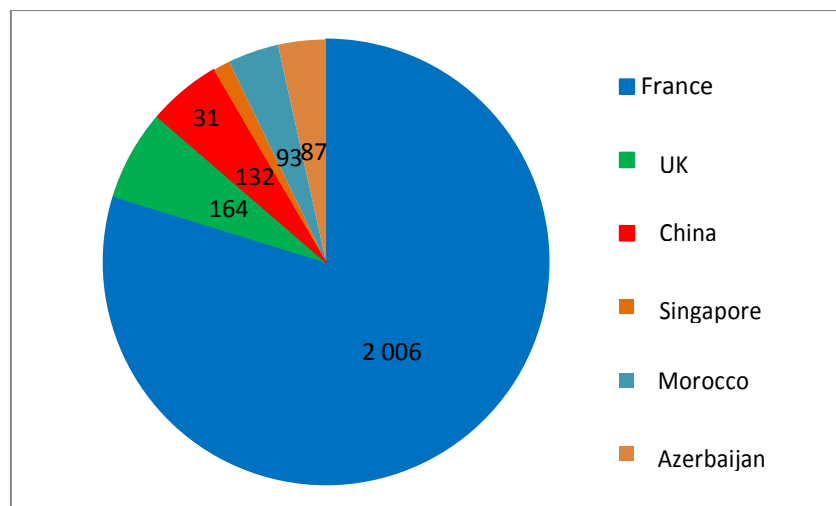
Total staff* and breakdown of employees by company, by gender and by geographical area

	Men	Women	Total	
BABCOCK WANSON France	83%	17%	335	13%
BERTIN PHARMA (1)	41%	59%	36	1%
BERTIN Technologies	65%	35%	369	15%
CNIM CENTRE France	100%	0%	23	1%
CNIM ENERGIE BIOMASSE	97%	3%	29	1%
CNIM Insertion	68%	32%	26	1%
CNIM OUEST ARMOR	96%	4%	29	1%
CNIM SA	81%	19%	1019	41%
CNIM Terre Atlantique	100%	0%	16	1%
CNIM THIVERVAL GRIGNON	81%	19%	16	1%
LAB SA	81%	19%	84	3%
CNIM Singapore	85%	15%	31	1%
BABCOCK WANSON Maroc	89%	11%	93	4%
CNIM Transport Equipment	88%	12%	132	5%
VECSYS	79%	21%	24	1%
CNIM AZERBAIJAN	94%	6%	87	3%
MES Environmental Ltd	91%	9%	108	4%
BABCOCK WANSON UK	86%	14%	56	2%

⁽¹⁾ Montigny-le-Bretonneux site only.

*Average total number of employees.

On a like-for-like basis, staff numbers have fallen by 3.9% relative to 2014. The proportion of women in the workforce has risen by 0.5 percentage points since 2014, again on a like-for-like basis. More than four-fifths of the Group's total workforce are covered by the CSER report. Over 80% of the staff covered are based in France, with the rest distributed evenly between the UK, Asia, Morocco and Azerbaijan. 19% of the Group's staff are female, but it should be noted that this figure is lower because of the number of waste processing sites.



Proportion of executives, employees and blue collar workers in the average total number of employees

	Engineers and executives (Managers)	Employees, technicians and supervisors (White-collar staff)	Workers (Blue-collar staff)
BABCOCK WANSON France	48%	38%	14%
BERTIN PHARMA*	62%	38%	0%
BERTIN Technologies	84%	16%	0%
CNIM CENTRE France	13%	42%	45%
CNIM ENERGIE BIOMASSE	7%	53%	40%
CNIM Insertion	0%	4%	96%
CNIM OUEST ARMOR	19%	41%	40%
CNIM SA	56%	25%	19%
CNIM Terre Atlantique	6%	0%	94%
CNIM THIVERVAL GRIGNON	15%	55%	29%
LAB SA	86%	14%	0%
CNIM Singapore	14%	25%	61%
BABCOCK WANSON Maroc	15%	25%	60%
CNIM Transport Equipment	24%	26%	50%
VECSYS	56%	44%	0%
CNIM AZERBAIJAN	37%	23%	40%
MES Environmental Ltd	13%	10%	76%
BABCOCK WANSON UK	11%	53%	37%
Combined total	50%	26%	24%

The CNIM Group is mainly made up of engineers and executives, who come from very different backgrounds: companies such as LAB and Bertin are made up of over 80% engineers and executives, while others, particularly the operating divisions, have a lower number because of the nature of their business. Almost one worker in four is a manual worker, which demonstrates the importance of industrial relations to the Group.

Proportion of staff employed under fixed-term / permanent contracts*

	Fixed-term	Permanent
BABCOCK WANSON France	4%	96%
BERTIN PHARMA*	15%	85%
BERTIN Technologies	6%	94%
CNIM CENTRE France	0%	100%
CNIM ENERGIE BIOMASSE	3%	97%
CNIM Insertion	96%	4%
CNIM OUEST ARMOR	3%	97%
CNIM SA	2%	98%
CNIM Terre Atlantique	7%	93%
CNIM THIVERVAL GRIGNON	0%	100%
LAB SA	0%	100%
CNIM Singapore	0%	100%
BABCOCK WANSON Maroc	0%	100%
CNIM Transport Equipment	33%	68%
VECSYS	8%	92%
CNIM AZERBAIJAN	9%	91%
MES Environmental Ltd	0%	100%
BABCOCK WANSON UK	0%	100%
Combined total	6%	94%

**Statistics for December in the reference year, in accordance with French legislation on company accounts.*

Less than 6% of CNIM Group employees are employed on fixed-term contracts. This proportion is mainly due to CTE and to CNIM Insertion, which offers fixed term employment integration contracts to almost all its staff. Excluding these subsidiaries, which have their own specific way of operating, the percentage of fixed-term contracts falls to 3.16%. By comparison, the rate of fixed-term/temporary contracts in France (source INSEE: Q3 2015) is 7.4%.

3.1.1.2 Turnover

A. Hirings

	Men	Women	Total	
< 25 years	15%	4%	73	19%
25-29 years	16%	6%	83	22%
30-34 years	11%	6%	67	17%
35-39 years	6%	2%	31	8%
40-44 years	10%	2%	47	12%
45-49 years	4%	2%	25	6%
50-54 years	2%	1%	12	3%
55-59 years	5%	3%	33	9%
≥ 60 years	4%	0	14	4%
TOTAL	73%	27%	385	100%

Almost 6 out of 10 new hirings were of staff aged under 35. 1 out of every 4 new hirings is female.

The Group is also attentive to skills and expertise, and does not discriminate on the basis of age: 15% of staff recruited in 2015 were aged 50 or above.

B. Departures

	Men	Women	Total		Departure rate
< 25 years	8%	1%	46	9%	2%
25-29 years	13%	5%	91	18%	4%
30-34 years	13%	4%	87	17%	4%
35-39 years	7%	1%	41	8%	2%
40-44 years	9%	3%	58	12%	2%
45-49 years	6%	1%	36	7%	2%
50-54 years	6%	1%	35	7%	1%
55-59 years	7%	3%	50	10%	2%
≥ 60 years	10%	2%	59	12%	3%
Total	79%	21%	503	100%	21%

The age groups with the highest turnover rates were those at the top and bottom of the age pyramid. These two categories represent over half of all departures. This is explained by two factors: the youngest are the principal group employed under fixed-term contracts. At the other extreme, retirement is the most common cause of departure.

	Men	Women	Total		Departure rate
Involuntary departures	16%	3%	87	18%	4%
Voluntary departures	36%	8%	206	43%	9%
Retirement	8%	2%	47	10%	2%
End of contract	20%	8%	137	29%	6%
Total	79%	21%	477	100%	20%

Fewer than one in five departures was due to termination of the contract by the employer. Twenty-nine people made transfers within the Group in 2015.

3.1.1.3 Remuneration and changes in remuneration

The annual payroll for 2015, including wages and social security contributions as recorded in the accounts of the 18 companies covered by the report, is €162.1 million.

On a like-for-like basis, the annual payroll fell by 1.6% from 2014 to 2015. This change is due to the 3.9% fall in the size of the workforce over the same period. In 2015, the average wage bill per employee fell within the reporting area owing to the inclusion of the Morocco and Azerbaijan subsidiaries in the scope of analysis. Excluding these companies in order to obtain a like-for-like comparison produces an annual average wage bill per employee for 2015 of €67,400, i.e. a 2% increase over the previous year.

The increase in the total wage bill from 2014 to 2015 is due to the inclusion of three additional companies in the scope of the CSER report, which has led to a 4.2% increase in the number of staff covered.

3.1.2 Organization of work

3.1.2.1 Working time

In accordance with the agreement on gender equality at work signed in 2012, a "Charter on Work-Life Balance" was produced at the end of 2013 by a working group comprising Management and the representative labor union organizations of CNIM SA.

The aim of this charter is to foster employees' work-life balance, while taking business constraints into consideration.

In terms of the organization of working time, managers are encouraged to pay attention to the following matters:

- for meetings, avoid scheduling them at late hours and allow travel to take place during working hours;
- adhere to the notice periods regarding changes to working time, except in exceptional or urgent circumstances;
- ensure adherence to the time slots during which portable business communication tools must not be used, except where justified by exceptional circumstances;
- implement a system of delegation during holidays, to ensure optimum cover for staff absences.

The charter was rolled out in early 2014 for all staff, through various internal channels.

3.1.2.2 Breakdown of contracts: full-time, part-time

	Full-time	Part-time
BABCOCK WANSON France	96%	4%
BERTIN PHARMA*	88%	13%
BERTIN Technologies	92%	8%
CNIM CENTRE France	100%	0%
CNIM ENERGIE BIOMASSE	100%	0%
CNIM Insertion	100%	0%
CNIM OUEST ARMOR	97%	3%
CNIM SA	96%	4%
CNIM Terre Atlantique	100%	0%
CNIM THIVERVAL GRIGNON	100%	0%
LAB SA	94%	6%
CNIM Singapore	100%	0%
BABCOCK WANSON Maroc	100%	0%
CNIM Transport Equipment	100%	0%
VECSYS	64%	36%
CNIM AZERBAIJAN	100%	0%
MES Environmental Ltd	93%	7%
BABCOCK WANSON UK	96%	4%
Combined total	96%	4%

4% of Group staff are employed part-time. This figure is far below the national average (source INSEE, Q3 2015) which stands at 11.8%. The great majority of part-time contracts are a matter of employee choice. The norm is for staff to be hired on full-time contracts.

3.1.2.3 Absenteeism

Group-wide, the absenteeism rate for companies within the scope of the CSER report remained constant at 4.9%.

3.2 Staff health and safety

3.2.1 A priority of the Management Board

The CNIM Group sets particularly high standards for accident prevention, adherence to fundamental workplace safety rules, the protection of health and conservation of the environment:

- the delegation of responsibilities by the Chairman of the Management Board is implemented;
- appropriate safety and risk prevention measures are taken at each construction site and for all work performed on client premises;
- an inquiry is held into the causes of every accident or physical incident, and prevention and training solutions are proposed in order to further reduce risks;
- all steps are taken to ensure that legal provisions are respected.

This commitment by the Management Board translates into the close involvement of all Group staff at all levels of seniority, and recognition through numerous certifications, in relation both to quality, health and safety, as well as preservation of the environment.

	COMPANY	SITES / ACTIVITIES	CERTIFICATE					
			QUALITY	HEALTH & SAFETY			ENVIRONMENT	
			ISO 9001	OHSAS 18001	MAS E	Other	ISO 14001	Other
ENVIRONMENT SECTOR	CNIM SA	Paris	o				o	
	LAB SA	Lyon and La Seyne-sur-Mer	o	o	o		o	
	CNIM THIVERVAL GRIGNON	Waste processing site		o			o	
		Thiverval Grignon sorting center		o			o	
	CNIM OUEST ARMOR	Waste processing site at Pluzunet		o			o	
		Waste composting and green algae processing site at Lantic		o			o	
	CNIM CENTRE France	Saint-Pantaléon de Larche waste processing site		o			o	
	CNIM TERRE ATLANTIQUE	Waste processing site at Plouharnel					o	
	MES ENVIRONMENTAL LTD	Waste processing site at Dudley	o	o		RoSPA	o	
		Waste processing site at Stoke-on-Trent	o	o		RoSPA	o	
		Waste processing site at Wolverhampton	o	o		RoSPA	o	
INNOVATION & SYSTEMS SECTOR	CNIM SA	La Seyne-sur-Mer	o	o				
	CNIM SA	Paris				CEFRI		
	CNIM Transport Equipment	Foshan (China)	o					
	CNIM Singapore	Singapore	o	o		BizSafe Star	o	
	BERTIN TECHNOLOGIES	Montigny-le-Bretonneux, Aix-en-Provence, Tarnos	o	o			o	
		Énergie Process Environnement - Tarnos	o	o	o		o	OPQIBI
ENERGY SECTOR	CNIM SA - Babcock Services	La Plaine-Saint-Denis	o			CEFRI		
		Saint-Herblain	o		o			
		Le Barp	o		o			
		Gardanne	o		o			
		Chassieu	o		o			
		Illzach	o		o			
		Villepinte	o		o			
		Wattrelos	o		o			
	BABCOCK WANSON FRANCE	Nérac	o		o			
		Chevilly-Larue	o		o			
		Heillecourt	o		o			
		Chassieu	o		o			
		Vern-sur-Seiche	o					

Note: new certifications obtained in 2015 are shown in yellow.

CNIM Terre Atlantique recently became part of the CNIM Group.

In 2015, having regard to the scope of the consolidation applied, 81% of Group staff were represented on mixed management/employee health and safety committees set up to supervise and provide opinions on health and safety at work programs.

3.2.2 Health and safety: a shared concern

Below are some of the examples of operational measures for 2015 taken with a view to achieving the set objectives and involving all staff in the improvement of health and safety.

First Health and Safety at Work Day

In April 2015, the Risk Prevention Cluster at the La Seyne-sur-Mer site held its first Health and Safety Day. The aim of the event was to raise awareness of risk prevention among both shop floor and office staff. The simple and effective interactive workshops enabled participants to get actively involved and enhanced their awareness of various types of risk such as road safety, health and safety (via demonstrations on using a defibrillator) and how to identify and react to potential hazards in their working environment.

Construction of the Trident Park plant: a model site in terms of safety

Delivered on time and on budget, the Trident Part plant at Cardiff, UK, is now operational under the management of our customer Viridor. Built in collaboration with the Lagan civil engineering firm, the construction site for the plant was one of the safest in the world, with just one accident during 1,600,000 hours of work by over 600 employees.

New Travel Policy

A new Travel Policy was drawn up and implemented for CNIM SA during 2015, which is due to be rolled out to the rest of the Group. This set of simple, easily applied rules aims to take account of staff health and safety aspects and encourage travelers and managers to act responsibly, while also complying with tax and social welfare regulations. It also aims to determine the right level of services, optimize the number of journeys made, reduce costs and control expenditure.

3.2.3 Expenditure on health and safety

CNIM is investing in the safety of its employees. These investments operate at three levels:

- to ensure the reliability and safety of production facilities and tools for employees;
- to provide them with the personal protective equipment (PPE) they require;
- to provide them with the professional training necessary for their safety.

This investment is made in consultation with the joint management/employee health and safety committees.

Expenditure of €1.76 million was spent on health and safety in 2015, which equates to €700 per employee. This very high figure, a 20% increase over 2014, reflects the importance that the Group gives to the safety of its workforce.

3.2.4 Accidents at work and work related illness

- **Frequency rate = 18.50 (number of accidents involving time off work x 1 million/number of hours worked)**

The CNIM Group performs particularly well on risk prevention, as proved by the accident rate, which is significantly lower than the national average for France (22.9 in 2014. Source: Assurance Maladie). This is the result of efforts invested by all involved on a daily basis over a number of years in order to prevent any accidents at work from occurring.

- **Severity rate = 0.52 (number of days lost x 1,000/number of hours worked).**

The accident severity rate was 0.52 for 2015, while the national average for France was 1.4 in 2014 (source: Assurance Maladie). This rate – almost three times lower than the national average – is all the more remarkable given the significant proportion of staff working in factories, as itinerant site workers and on customers' premises.

- **Work-related illnesses recorded in 2015: 2 (work-related illnesses reported by staff in 2014).**

3.3 Development of skills

3.3.1 Training policies implemented

The CNIM Group training policy is directly in line with its business development strategy and its forward-planning policy on jobs and skills management. It has three focal points:

- technical or occupational training courses aimed at developing and maintaining the technical skills of Group staff. Such training relates primarily to core competencies in the Environmental, Energy and Industrial Systems fields, covering such areas as engineering, defense, mechanics and industrial automation. Support functions such as Procurement, Legal and Quality also receive training. In 2015, over 1,500 hours of language training was also provided in the form of e-learning or face-to-face lessons.
- safety training, which represents close to a quarter of our total training investment. These training courses go beyond the minimum legal requirements and include training in e.g. working in confined spaces.
- Corporate training courses aimed at supporting our managers, project leaders and sales staff via multi-day modules jointly designed with external partners. The Management program, which will run until 2017, thus comprises five days of training per person split into four modules, half of which are delivered internally. Almost 100 managers – about a third of the Group's management personnel – followed the program in 2015. Two other programs, containing modules on complex sales and project management, have also been organized for sales personnel, project leaders or staff interacting with customers.

In organizational terms, the emphasis has been placed on delivery through a variety of teaching methods with a “blended learning” approach that combines classroom teaching with distance learning modules.

As in every year, the use of experts from within the Group to teach more specific modules on e.g. operational safety, nuclear power and production software contributed toward raising the skills of our workforce. Currently, the Group has almost 100 internal trainers who have completed the course on “Taking and leading an in-house training course”. This one-day course enables them to wear their trainer's hat more comfortably, especially as regards their teaching skills and the oversight of interns.

Some staff members wishing to change specialism have also benefited from occupational training periods that include both in-house and external training in their new chosen field. During 2015, seven employees followed this route, each under a dedicated specialist mentor.

- **CNIM Babcock Services – passing on expertise through mentoring programs**

CNIM Babcock Services is convinced that the future can be planned for more effectively when knowledge and skills are passed on, and has introduced a mentoring scheme to this end. Six mentors were each assigned an assembly or welding technician as a protégé and given one year to tutor them. This initiative has demonstrated that one year spent in a working environment can save the equivalent of five years of traditional training.

- **The Bertin Technologies Expert Panel**

Created in 2012 by the General Management of Bertin Technologies, the priority aim of the Expert Panel is to support research, development and innovation for technological products and services within the Innovation & Systems division, and the whole of the CNIM Group.

The Panel's actions have a strong external focus, as can be seen from the number of collaborations involving the world of academic research and industry. The Panel aims to be proactive in establishing the Group's role in national and European R&D programs.

The Expert Panel is also involved in defining the Group's strategy, and in putting together its multi-partner and multidisciplinary offers.

The Panel ensures that experience is built on and provides coaching to technical staff, encourages the sharing of best scientific and technological practice, and implements R&D collaborations with different units within the Group. It also provide intra-Group assistance to help overcome scientific and technical stumbling blocks.

- **Passepro : skills assessment and value enhancement tool for CNIM Babcock Services staff**

Since September 2016, staff at CNIM Babcock Services (CBS) have benefited from a new skills assessment and enhancement tool in the form of the Progress Passport (Passepro). The Passepro is a booklet which staff now take with them to construction sites: drawn up jointly by the employee and his/her line manager, it lists the employee's current skills and those that he/she expects to acquire in the coming year. Employees arriving at a new site present their Passepro to the site head or director of works, who assigns them to a job appropriate to their skills. This makes it easier to obtain practical experience in new skills set as targets, on which the site manager provides feedback. In the year after, the staff member's line manager will see from the various comments recorded on the Passepro whether the skills can be regarded as having been acquired. If the answer is yes, they are approved and clearly marked as acquired on the Passepro. This formal validation of staff members' progress areas enhances their employability. This tool is another step taken by CBS toward improving awareness and recognition of its employees' skills.

- **Training module for managers**

To respond successfully to the changes and strategic challenges facing the Group, CNIM's Human Resources Department has put in place a five-day development program targeted at all Group managers, which will run over a period of three years. The aim is to help the career development of the Group's managerial staff, from management trainee to team leader and from service manager to director. The first 100 managers, drawn from every unit within the Group, followed the course in 2015, each taking four separate modules on the "CNIM Spirit", management and leadership skills, social law and financial matters.

3.3.2 Number of training hours

In 2015, over 45,000 hours of training were provided, giving an average of 18 hours per employee. Collectively, the training measures are utilized to develop staff skills.

3.3.3 Staff appraisal and career development interviews

In 2015, 88% of staff falling within the scope of the analysis received an appraisal and career development interview. This type of interview is generally uncommon in English-speaking countries.

3.4 Diversity management

3.4.1 Measures adopted to promote gender equality

Composition of the governing bodies in 2015:

- the Management Board currently comprises three members, all of whom are male;
- the CNIM Supervisory Board comprises thirteen members, of whom ten are men and three are women.

The CNIM Group wishes to bring governance of the business in line with French Act No. 2011-103 of January 27, 2011 concerning gender equality in the workplace and balanced representation at executive level. The new law will come into force on January 1, 2017.

- **CNIM takes another step toward gender equality at work**

The distribution of jobs within the CNIM Group shows that the vast majority of female staff work in support functions such as communications, HR and finance. Although the percentage of women in engineering and managerial positions has virtually doubled in just under ten years, shop floor staff are still almost exclusively male. CNIM's commitment to diversity was demonstrated in particular last year by a campaign at the La Seyne-sur-Mer site to promote technical and engineering careers to female students at a technical education college, with the goal of boosting their interest in industrial occupations. Collective agreements aimed at guaranteeing gender equality at work have also been signed with trade union representatives in the various units of the Group. These agreements contain undertakings with respect to recruitment, careers, occupational training and work-life balance and are renegotiated every three years.

3.4.1.1 Proportion of women in the CNIM Group

	Men	Women
< 25 years	80%	20%
25-29 years	70%	30%
30-34 years	77%	23%
35-39 years	77%	23%
40-44 years	78%	22%
45-49 years	81%	19%
50-54 years	85%	15%
55-59 years	89%	11%
≥ 60 years	86%	14%
Total	80%	20%

The proportion of women in the French metal-working industry was 21% in 2010 (Source: UIMM data, July 2013); the proportion of women in the CNIM Group is close to this average. The current trend clearly signals an increase in the proportion of women in the workforce: the proportion of women is higher than average in the youngest age groups, and in 2015 one in four new recruits was female.

Only in the 50+ age groups is the proportion of women below the national average. The rates in age groups between 25 and 50 are more or less equal to the average for the metal-working sector.

3.4.1.2 Proportion of women in the engineering and executive workforce (managers)*

	Men	Women
< 25 years	67%	33%
25-29 years	62%	38%
30-34 years	74%	26%
35-39 years	76%	24%
40-44 years	75%	25%
45-49 years	80%	20%
50-54 years	91%	9%
55-59 years	92%	8%
≥ 60 years	91%	9%
Total	79%	21%

**Statistics for December in the reference year, in accordance with French legislation on company accounts.*

The proportion of women working as engineers and executives decreases progressively with age. However, the trend in the youngest age groups is positive here too: more than one third of the Group's engineers and executives in the under-30 category are women.

3.4.1.3 Proportion of women in the white collar workforce (employees, technicians and supervisors)*

	Men	Women
< 25 years	84%	16%
25-29 years	77%	23%
30-34 years	79%	21%
35-39 years	79%	21%
40-44 years	81%	19%
45-49 years	83%	17%
50-54 years	78%	22%
55-59 years	86%	14%
≥ 60 years	79%	21%
Total	81%	19%

*Statistics for December in the reference year, in accordance with French legislation on company accounts.

Unlike for engineers and executives, the number of women working as employees, technicians and supervisors remains nearly constant in each age group.

3.4.1.4 Indices based on the median monthly salary of men and women, by age group and category

	Engineers and executives (Managers)		Employees, technicians and supervisors (White-collar staff)		Workers (Blue-collar staff)	
	Men	Women	Men	Women	Men	Women
< 25 years	169	166	121	104	106	NS
25-29 years	188	175	135	132	110	NS
30-34 years	219	212	144	145	110	100
35-39 years	247	249	155	155	105	NS
40-44 years	281	257	159	146	124	NS
45-49 years	299	278	165	154	136	NS
50-54 years	309	277	179	145	141	NS
55-59 years	326	287	174	151	140	-
≥ 60 years	389	338	192	144	161	-
TOTAL	266	227	152	144	123	100

100 is the lowest median value by category and gender.

The gender wage gap is 7%. This compares to a wage gap of 15.2% between men and women in France as a whole (Source: EUROSTAT, data for 2013).

The Group is attentive to all gender issues, and staff remuneration in particular, which is the subject of a special action plan envisaged in the agreement on gender equality at work signed by management and staff in France.

In order to prevent gender discrimination, the Group takes part in annual pay surveys. The surveys put the Group's pay levels in perspective compared to the rest of the market, to ensure fair pay for the same level of responsibility, without gender distinctions. A special action plan has also been included in the agreement on gender equality at work signed by management and labor in France.

3.4.2 Anti-discrimination policy

The generation contract enables the CNIM Group to prepare for the future by recruiting and training today the generation who will be responsible for future projects, while fostering transfer of the knowledge and skills acquired by our most experienced members of staff.

Accordingly, CNIM, Babcock Wanson France, Bertin Technologies and LAB have made quantified commitments in their company-level agreements relating to:

- the number of trainees taken on each year;
- the proportion of young people aged under thirty among new recruits;
- the number of employees aged over fifty in the workforce;
- the recruitment of employees aged over fifty;
- listening to any specific request relating to health and the organization of working time.

- **Measures to promote the employment and integration of disabled people**

The CNIM Group has fifty-six disabled employees, representing 2.2% of the workforce, and seven disabled people were recruited in 2015.

Committed to non-discrimination and equal opportunities for disabled employees, the Group reaffirms its willingness to continuously strive to promote the appointment, retention, training and development of disabled people. To achieve this objective, a specific action plan for disabled workers was implemented in 2013. Its aims are:

- to encourage Group employees with a disability to speak out;
- to adopt a proactive approach to the recruitment of disabled people;
- responsible purchasing: a voluntary initiative to use sheltered workshops (enterprises in which 80% of staff are disabled).

All of the Group's French personnel, staff representative bodies and company doctors have been included in this commitment.

- **Disabled workers: positive results from the local site agreements**

A local agreement to support the employment of disabled workers was signed in 2014 with all social partners at the La Seyne-sur-Mer site. The first positive results could be seen in early 2015, thanks to the involvement of managerial staff, support services (Prevention, HR, general services), the Health, Safety and Working Conditions Committee and the occupational physician. The measures put in place included making systematic references to the fact that all positions were open to disabled applicants, the signing of a partnership agreement with Cap Emploi in the Provence-Alpes-Côte d'Azur regions and the reintegration of two staff members after prolonged absences with adjustments to their work stations and hours, as well as training initiatives, the implementation of a monitored job retention plan where an employee has become unfit for their current position and the implementation of a cooperation plan with organizations for the employment of the disabled. The use of organizations for the employment of the disabled has been substantially increased thanks to action taken by the Procurement department.

3.5 Promotion of social dialog

3.5.1 Respecting freedom of association and the right to collective bargaining

- **Staff representation within the Group**

Staff are represented within the CNIM Group in a variety of bodies.

Four members of the Central Works Council (CWC) are appointed to represent staff on the CNIM SA Supervisory Board. Three members of the CWC are also appointed, along with three deputies, to the Supervisory Board of the CNIM Participation fund. A further director is also appointed to the the CNIM SA Supervisory Board to represent employee shareholders. Two members of the CWC are also elected to attend General Meetings of CNIM shareholders.

Finally, the Group Works Council comprises ten appointed staff representatives, representing the four labor union confederations present at the Group. Without substituting for the representative bodies of individual entities in the CNIM Group, the Group Council acts as an advisory body on Group strategy. It is designed to be a forum for discussion and debate, thereby ensuring the reciprocal sharing of information between Group management and staff representatives. Going beyond its legal obligations, CNIM Group management has made a Group-level agreement whereby all trade unions representing staff members can nominate a union representative. These measures reflect CNIM's desire to promote constructive labor relations across the widest possible range of issues.

3.5.2 Organization of labor relations

The Group is committed to the quality of labor relations within the different companies that form a part of it. By establishing common principles, and then bargaining where necessary, different subjects are broached with management and labor in order to accommodate the special features and the diversity of the Group. Employee safety is an absolute priority. Health and safety in the workplace thus continues to be a focus area for ongoing measures with ambitious targets, and labor relations have an important role to play in this respect. All the Health, Safety and Working Conditions Committees (CHSWC) within the various companies are focused on this issue.

In a multi-activity group like CNIM, labor relations are organized at all legal levels of the business: group (Group Works Council), company (Central Works Council) and site (Employee Representatives; Works Council; Health, Safety and Working Conditions Committee). Site-level meetings take place monthly, with extraordinary meetings being held to respond to exceptional requests, address particular topics or consult the representatives on specific projects.

Regular negotiations are also held with trade unions, enabling dialog to be held on a wide range of subjects such as work/life balance, combating discrimination, working hours, salaries and profit-sharing. As well as responding to staff concerns reported by the representatives, labor relations constitutes a vital route for supporting change management, the quality of life at work and the Group's needs to adapt to its markets.

Over 80% of staff are covered by one of the following collective labor agreements:

- the Collective labor agreement on the metalworking industry (at both national and regional level);
- the Collective labor agreement on the waste industry;
- the National collective labor agreement on executives, engineers and equivalent employees of companies managing thermal and air conditioning plant operations;
- the national collective labor agreement on blue-collar workers, employees, technicians and supervisors of thermal plant operations;
- the Collective labor agreement on engineering firms/engineering consultancies/consultancy firms;
- the Collective labor agreement on shipping.

3.5.3 Collective labor agreements signed in 2015

The CNIM Group has good labor relations with management and labor. This enabled agreements to be signed in three main areas in 2015: staff pay, the improvement of working conditions and agreements on working arrangements.

List of occupational pay agreements signed in 2015:

- mandatory annual bargaining rounds: CNIM SA, Babcock Wanson France, Bertin Technologies, Bertin Pharma and LAB SA;
- voluntary profit-sharing scheme: Babcock Wanson France;
- statutory profit-sharing scheme: CNIM SA;
- workplace savings scheme: CNIM SA;

List of occupational agreements signed in 2015 on the improvement of working conditions:

- gender equality: Babcock Wanson France and Bertin Technologies;

List of occupational agreements signed in 2015 on working arrangements:

- adjustment and reduction of working hours: Bertin Technologies;
- working hours for employees, technicians and supervisors: CNIM Babcock Services;

- summer timetable: Babcock Wanson Nérac;
- on-call arrangements: Babcock Wanson Chevilly and Bertin Pharma;
- travel: Bertin Technologies;
- paid vacation and sick child leave: Bertin Pharma;
- granting of rest days: Bertin Technologies;

Agreements have also been signed on the make-up of the Central Works Council and the CNIM Group Works Council.

No new agreement was signed in 2015 at Group level relating specifically to health and safety at work.

3.6 Our environmental commitment

Under Article L-225-102-1, “where subsidiaries or controlled companies have locations in France and constitute classified facilities subject to authorization or registration, the information provided shall relate to each of them where this information is not of an aggregatable nature.”

Given impossibility of aggregating all of the sites, the choice has consequently been made to publish detailed data in accordance with the law; it is not possible to provide comment relative to previous years.

Numerical environmental data is thus presented as follows:

- aggregate data for non-French companies, companies in France which do not contain classified facilities subject to authorization or registration and French-based facilities that are not classified or not subject to authorization;
- aggregate data for French facilities classified under the A2771 régime;
- detailed data for the Babcock Wanson Nérac site;
- detailed data for the CNIM La Seyne-sur-Mer site (see section 3.13.2).

3.6.1 General policy on environmental management, and QSE policy

Within the framework of the sustainable development policy and its environmental responsibility, the Group has adopted a preventive approach toward the environmental impact of its activities, as it has for all the risks that it must manage.

Environmental management is closely linked to the preventive measures undertaken in relation to health and safety at work.

Legislative and technological surveillance, training, information and communication with its employees and external contacts (customers, suppliers, subcontractors and authorities) are the basis for the Group Quality, Health, Safety and Environment policy.

Several subsidiaries or sites of the Group have for a number of years made an effort to reduce the ecological footprint of their activities, whether they are production, research or engineering sites.

Each company has a Health, Safety and Environment Director who ensures that legislation is observed and preventive measures are implemented in relation to:

- noise pollution;
- waste treatment;
- land pollution;
- air pollution;
- the control of hazardous products.

All provisions are monitored, documented and their compliance with the legislation and the regulatory framework can be demonstrated at any time.

All of these matters are also discussed at meetings of the Health and Safety Committees of the various companies.

In 2015, the Group did not incur any fines or non-pecuniary penalties for failure to comply with environmental legislation and regulations.

The Group's know-how is used to improve the energy efficiency of the facilities designed, made, maintained or operated by the Group in all its activities and in the Environment and Energy Management department in particular. The Group is keen to improve the reliability and performance of its products and services in terms of energy efficiency and reduction in emissions so as to allow its customers to achieve their own objectives.

These arrangements have placed the Group in a position where it has not had to pay any compensation during this financial year in respect of court decisions relating to environmental matters, and has not had to make any provisions for risk in this regard.

Management of the Environmental Sector of CNIM considers sustainable development to be the fundamental challenge in the forthcoming decades.

To contribute to this global objective, the Environment Sector is setting up a progress system of its own volition which structures and formalizes its actions for economically effective, socially equitable and ecologically sustainable development.

The objective of the Environmental Sector Management is to eliminate, as far as is reasonably possible, all health and safety risks as well as nuisances that could be caused by its activities or facilities to personnel on the site or third parties.

It endeavors in its operations to promote the Best Available Techniques (BAT) in environmental protection, energy efficiency and residue reduction. The processes developed are optimized from the design stage onward in order to limit resource consumption (energy, water, reagents, etc.), minimize residues (flue-gas cleaning residues from household waste incineration, catalysts used, etc.) and recover by-products (scraps, bottom ash, process water, etc.) while maintaining a high level of performance.

During construction activities, an effort is made in relation to building waste management and limiting environmental impact in accordance with local legislation in force and good practice as established by European regulations.

- **Bertin Technologies management system QSE certified in 2015**

An example of the continuous improvement measures undertaken by Group's various divisions and subsidiaries is the quality program followed by Bertin Technologies since its foundation in 1999. In May 2003, Bertin Technologies was certified under ISO 9001 for the first time. In May 2015, Bertin Technologies took a further step forward, obtaining threefold certification under ISO 9001 (Quality), OHSAS 18001 (Safety) and ISO 14001 (Environment) for its sites at Montigny, Aix and Tarnos.

Implementing a QSE management system aims to:

- enable the company to think holistically about QSE issues, the creation of a QSE management system being an innovative step that affects organization, conduct, competencies and communications;
- respond in a simpler and more coherent way to customer desires and demands, especially in relation to calls for tenders;
- improve the company's image in the eyes of its staff, future recruits, customers, partners and suppliers;
- protect staff and managers;
- gain a more detailed understanding of the legal documents applying to our business;
- comply with the CNIM Group's Health, Safety and Environmental commitments;
- identify and efficiently reduce costs in areas such as electricity, gas, travel and paper use. Simple measures have been taken in Bertin Technologies;
- be able to conduct its own energy audits (which are now mandatory for companies employing over 250 persons under Decree no. 2013-1121 of December 4, 2013). Bertin Technologies also carries out energy audits for other entities in the Group.

Bertin Technologies' QSE Policy is described in its QSE Manual and is divided into four areas:

- customer satisfaction;
- employee satisfaction;
- company sustainability;
- a continuous improvement program.

3.6.2 Employee training and information on environmental protection

In 2015, nine Group companies were certified under ISO 14001; a total of 17 sites thus incorporate environmental issues into their management systems (see section 3.2.1). Almost a thousand employees are thus regularly trained in and/or familiarized with the various continuous improvement programs that aim to enhance our ability to anticipate and counteract environmental risks.

3.6.3 Provisions and guarantees for environmental risks

A regulatory watch and compliance assessments are conducted in the Group's various sectors and subsidiaries so as to minimize risks. No risks were identified after these assessments, and therefore no provision has been made in the accounts for environmental risks.

In terms of guarantees for environmental risks, the CNIM Group has an "environmental breaches and damage" insurance policy that covers losses incurred by third parties and damage to the environment. The guaranteed amounts vary depending on the type of insurance cover provided in the contract.

3.7 Limiting our environmental impact and working to reduce that of our customers

In 2015, CNIM and its subsidiaries invested €1.4 million in limiting our environmental impact or working to reduce that of our customers.

3.7.1 Waste management and waste reduction measures

3.7.1.1 Waste management

Waste from waste-to-energy centers (WEC waste)

WEC waste France	OUTGOING TONNAGES	
	TYPE	(T)
	Bottom ash and fly ash	59,377
	Flue-gas cleaning residues from household waste incineration and salts	5,900
	Ferrous metals	4,236
	Other	73

Reuse of waste: all 59,377 tonnes of waste incineration bottom ash was reused in road engineering processes.

WEC waste outside France	OUTGOING TONNAGES	
	TYPE	(T)
	Bottom ash and fly ash	175,422
	Flue-gas cleaning residues from household waste incineration and salts	33,683
	Ferrous metals	8,689
	Other	6,713

Waste from CNIM Environment Division sites

CNIM SA: Environment Division sites*	OUTGOING TONNAGES	
	TYPE	(T)
	Bottom ash	-
	NHIW	318
	Timber	275
	Metal	113
	Cardboard	0
	Special industrial waste	2
	Other	4

*Sites included: Shropshire, Leeds, Wilton, Ridham Dock, Estrées-Mons

Waste from third-party sites*

THIRD-PARTY SITES	OUTGOING TONNAGES	
	TYPE	(T)
	Scrap metal	6.6
	Paper/cardboard	3.5
	Timber	1
	Chemical products	0.7

*Note: the quantities of waste from some third-party sites are not known.

Waste from the BWF Nérac site

TYPE OF WASTE	Qty (T)
Flame cutting	94.98
Scrap metal	67.95
NHW	47.48
Timber	23.18
Cardboard	15.62
Rubble	12.28
Waste water	9.93
Swarf	6.52
Rockwool	3.14
Non-chlorinated decantable pasty substances	2.05
Soiled materials	1.68
Non-chlorinated solvents	0.45
Ink cartridges	0.16
Dilute liquid inorganic bases	0.40
Aerosols	0.06
Total	285.88

Over 96% of waste was directed toward the following channels:

- for use mainly as fuel or another way in which to produce energy;
- for the recycling or recovery of metals and metallic compounds;
- for the recycling or recovery of other inorganic materials.

3.7.1.2 Measures taken to improve waste recycling and reuse

- **Ash treatment: recovery and reuse of all metal residues within ash**

Since acquiring the technology and assets of Geodur Recycling AG in April 2013, LAB has offered solutions and services in relation to bottom ash treatment and the recovery of ferrous, non-ferrous and precious metals. There are two specific metal extraction processes: RecuLAB™ NF, a dry process that enables non-ferrous metals to be extracted from coarse particulates and RecuLAB™ Au, a wet process that allows precious metals such as gold and silver to be recovered from fine particulates.

LAB has recently signed two contracts to build plants utilizing these two processes in Washington state, USA and in the Zurich region in Switzerland.

- **Reuse of IT equipment and third-party waste**

Since 2014, the CNIM Group has signed two partnership agreements with organizations for the employment of the disabled, respectively concerning the recycling or reconditioning of used IT equipment and screens for all French subsidiaries and the sorting and recycling of third-party site waste.

This agreement helps the CNIM Group to contribute to the circular economy, by:

- reducing the Group's environmental impact by reducing waste and the associated CO₂ emissions;
- transforming waste into resources, thus limiting the consumption of raw materials;
- favoring reuse.

In 2015, 5.6 tonnes of material were recycled under the agreement relating to IT equipment, of which 70% was recycled. On an environmental level:

- 162 tonnes of fuel
- 130 teCO₂
- and 342,000 liters of water

were saved, more than double the amount for 2014.

In 2015, 10 tonnes of paper and cardboard were collected under the agreement on the collection, sorting and recycling of third-party waste. On an environmental level:

- 170 trees
- 5.5 teCO₂
- 300,000 liters of water
- and 40,000 kWh

were saved.

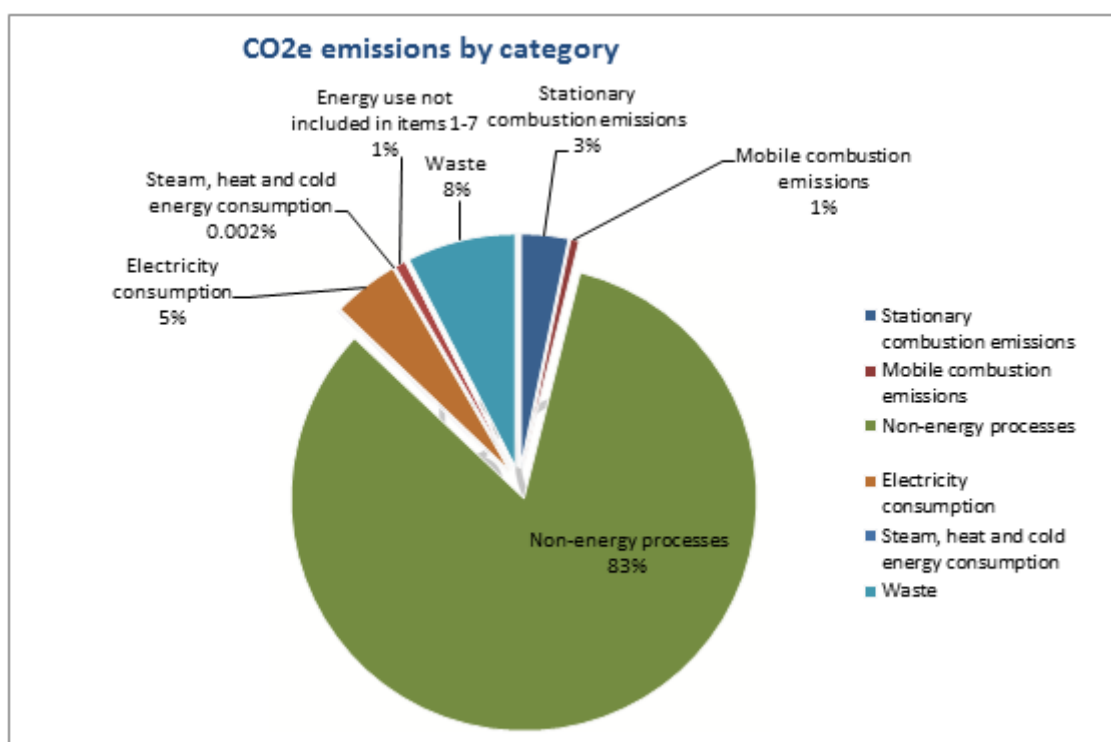
3.7.2 Greenhouse gases and measures to reduce and purify air emissions

3.7.2.1 Greenhouse gas emissions

Aggregate scope 1 and 2 greenhouse gas emissions in 2015 for non-French companies, companies in France which do not include classified facilities subject to authorization or registration and French-based facilities that are not classified or not subject to authorization were 347,192 teCO₂, with uncertainty of 25%.

			Values							Avoided emissions
Emissions categories	Numbers	Emissions headings	Greenhouse gas emissions						Total (t CO ₂ e)	
			CO ₂ (tonnes)	CH ₄ (tonnes)	N ₂ O (tonnes)	Other gases (tonnes)	Total (t CO ₂ e)	CO ₂ b (tonnes)	Uncertainty (t CO ₂ e)	
Direct greenhouse gas emissions	1	Stationary combustion emissions	12,296	1	0	0	12,498	0	487	
	2	Mobile emissions	2,257	0	0	0	2,279	97	118	
	3	Emissions from non-energy processes	279,750	0	61	437	315,228	392,790	87,152	
	4	Fugitive emissions	0	0	0	0	228	0	68	
	5	Biomass emissions (soils and forests)	0	0	0	0	0	0	0	
		Sub-total	294,302	1	61	437	330,201	392,887	87,153	
Indirect emissions associated with energy	6	Indirect emissions associated	0	0	0	0	17,283	0	1,479	
	7	Indirect emissions associated with steam, heat or cold energy consumption	0	0	0	0	8	0	2	
		Sub-total	0	0	0	0	17,291	0	1,479	
Other indirect greenhouse gas emissions	8	Energy-related emissions not included in items 1-7	2,079	25	4	0	2,530	97	90	
	9	Purchased goods and services	0	0	0	0	0	0	0	
	10	Capital property	0	0	0	0	0	0	0	
	11	Waste	27,727	38	0	0	28,625	0	9,252	
	12	Upstream goods transport	0	0	0	0	0	0	0	
	13	Journeys/travel	0	0	0	0	0	0	0	
	14	Tax exemption	0	0	0	0	0	0	0	
	15	Upstream leasing	0	0	0	0	0	0	0	
	16	Investments	0	0	0	0	0	0	0	
	17	Visitor and customer transport	0	0	0	0	0	0	0	
	18	Upstream goods transport	0	0	0	0	0	0	0	
	19	Use of products sold	0	0	0	0	0	0	0	
	20	End-of-life of products sold	0	0	0	0	0	0	0	
	21	Tax exemption	0	0	0	0	0	0	0	
	22	Downstream leasing	0	0	0	0	0	0	0	
	23	Commuting	0	0	0	0	0	0	0	
	24	Other indirect emissions	0	0	0	0	0	0	0	
		Sub-total	29,806	61	0	0	31,554	97	9,252	

Note CO₂b: CO₂ of organic origin (biomass and organic waste), chemically identical to fossil-origin CO₂ but reported differently in the carbon account. It is classified as short-cycle carbon, unlike fossil-origin CO₂.



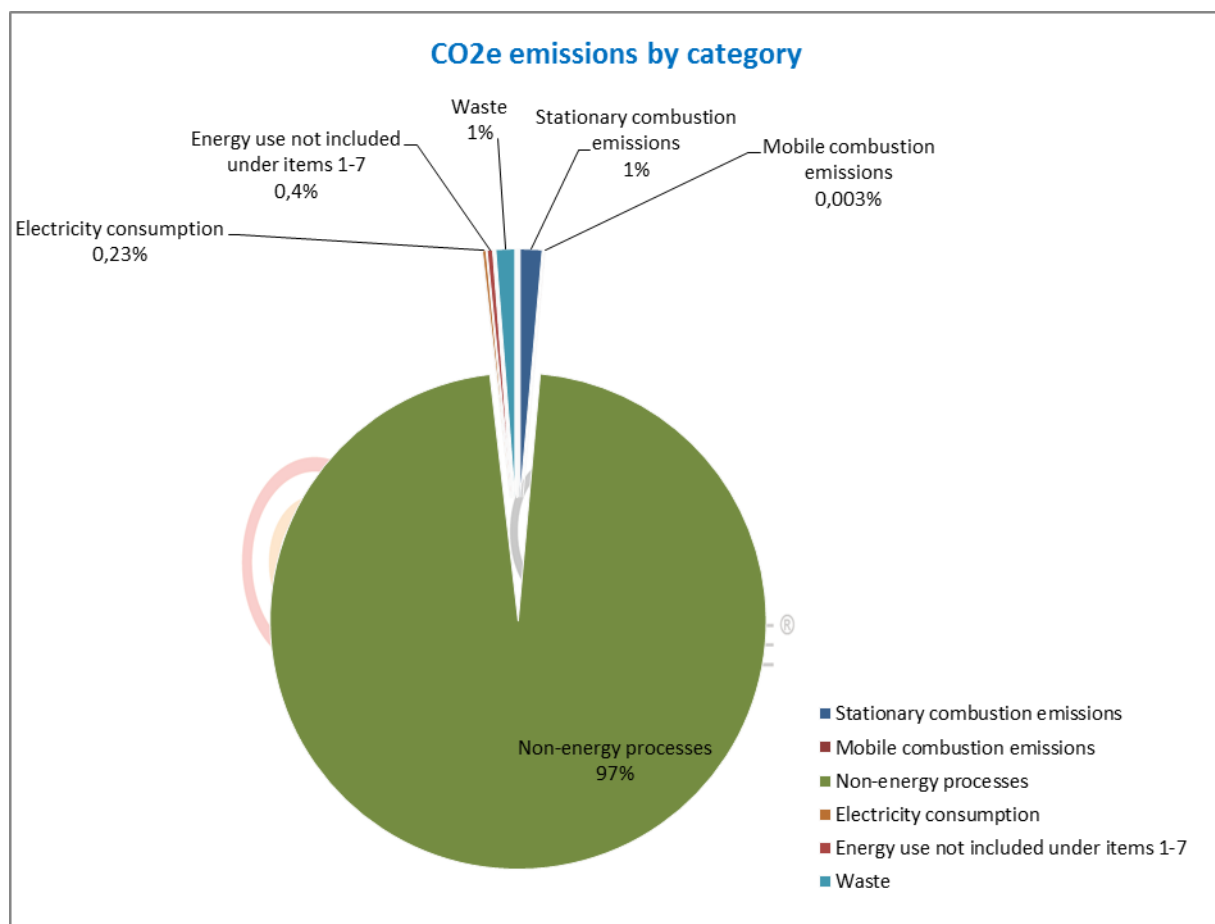
Scope 1 and 2 greenhouse gas emissions in 2015 for consolidated sites under the A2771 régime were 109,368 teCO₂, with uncertainty of 23%.

			Values							Avoided emissions	
Emissions categories	Numbers	Emissions headings	Greenhouse gas emissions					Total (t CO2e)	CO2 b (tonnes)	Uncertainty (t CO2e)	Total (t CO2e)
			CO2 (tonnes)	CH4 (tonnes)	N2O (tonnes)	Other gases (tonnes)	Total (t CO2e)				
Direct greenhouse gas emissions	1	Stationary combustion emissions	1,561	0	0	0	1,578	5		45	
	2	Mobile emissions	3	0	0	0	3	0		0	
	3	Emissions from non-energy processes	96,380	0	11	195	107,531	135,881		25,420	28,939
	4	Fugitive emissions	0	0	0	0	0	0		0	0
	5	Biomass emissions (soils and forests)	0	0	0	0	0	0		0	0
		Sub-total	97,944	0	11	195	109,113	135,886		25,420	28,939
Indirect emissions associated with energy	6	Indirect emissions associated	0	0	0	0	255	0		12	0
	7	Indirect emissions associated with steam, heat or cold energy consumption	0	0	0	0	255	0		12	0
		Sub-total	0	0	0	0	255	0		12	0
Other indirect greenhouse gas emissions	8	Energy-related emissions not included in items 1-7	221	2	0	0	395	0		10	0
	9	Purchased goods and services	0	0	0	0	0	0		0	0
	10	Capital property	0	0	0	0	0	0		0	0
	11	Waste	1,330	2	0	0	1,373	0		434	0
	12	Upstream goods transport	0	0	0	0	0	0		0	0
	13	Journeys/travel	0	0	0	0	0	0		0	0
	14	Tax exemption	0	0	0	0	0	0		0	0
	15	Upstream leasing	0	0	0	0	0	0		0	0
	16	Investments	0	0	0	0	0	0		0	0
	17	Visitor and customer transport	0	0	0	0	0	0		0	0
	18	Upstream goods transport	0	0	0	0	0	0		0	0
	19	Use of products sold	0	0	0	0	0	0		0	0
	20	End-of-life of products sold	0	0	0	0	0	0		0	0
	21	Tax exemption	0	0	0	0	0	0		0	0
	22	Downstream leasing	0	0	0	0	0	0		0	0
	23	Commuting	0	0	0	0	0	0		0	0
	24	Other indirect emissions	0	0	0	0	0	0		0	0
		Sub-total	1,551	4	0	0	1,759	0		434	0

Scope 1 and 2 greenhouse gas emissions in 2015 for the BWF Nérac site were 1,251 teCO₂, with uncertainty of 5%.

The Carbon Accounting method estimates the emissions avoided by a certain activity. In the case of CNIM, this activity is waste reprocessing.

Note on avoided emissions: emissions that would have been generated in order to produce the same quantity of energy or raw material according to conventional production methods (national energy mix).



In 2015, CNIM Group sites outside France enabled emissions of 152,863 teCO₂ to be avoided for non-French sites and 28,939 teCO₂ for French sites consolidated under the A2771 régime (this does not include the BWF Nérac site).

	Emissions factor	Non-French sites
	kgCO ₂ e/MWh	MWh
Electricity sold in the UK	505	159,209
Electricity sold in Azerbaijan	473	153,197
Emissions avoided (teCO₂)		152,858

	Emissions factor	Sites consolidated under the A2771 régime
	kgCO ₂ e/MWh	MWh
Electricity sold in France	56	33,742
Heat sold in France	279	96,953
Emissions avoided (teCO₂)		28,939

3.7.2.2 Measures taken to reduce and purify air emissions

- **LAB R&D**

LAB files on average 6-7 patents per year, more than two thirds of which are immediately put to use in its products and construction projects. These enable it to avoid dependency on third-party technologies and offer a range of processes that can be implemented in standard or customized configurations.

LAB's expert staff analyze and coordinate these needs in order to develop the right products to meet them. They have significant material resources at their disposal in the form of the LAB Test Center and its mobile on-site investigation units, of which DemoLAB® is the best example.

The final stage before inclusion in the LAB process catalog is industrialization, i.e. moving from a prototype installation to a reliable high-performance industrial product.

LAB has developed a wet scrubbing technology, marketed under the DeepBlueLAB® brand, that responds to the needs of the shipping industry for flue gas depollution systems. Perfecting this new product required LAB to comply with existing environmental directives and also take account of specific factors concerning the space available aboard ships and the technical preferences of the shipowners.

- **LAB marine scrubbers for three Brittany Ferries vessels**

On January 1 2015, the European Directive on reducing the amount of sulfur emitted by marine vessels in ECA (Emission Control Area) regions took effect. The French ferry constructor STX has opted to fit LAB's flue-gas washing technology (marine scrubbers) to three Brittany Ferries vessels in order to bring them into line with the new standards. These are the very first scrubbers to be made of composite material, which makes them lighter, easier to repair and highly competitive. There is an overall global market of around 1,000 ships that will need to be equipped to comply with the Directive.

- **Babcock Wanson France**

Babcock Wanson is in the final stages of the Demoxya (Development and Demonstration of Very Low Nitrogen Oxide Emission Burners) project. Demoxya is a 30-month program led by Babcock Wanson in partnership with Bertin Technologies and the Institut Prime, a research unit of the CNRS (National Center for Scientific Research). Its goal is to work on various issues with the theme of improving the efficiency of gas and domestic oil burners. The two main objectives are:

- to improve energy efficiency by increasing the burners' modulation rate;
- to reduce nitrogen oxide emissions (NOx) from combustion systems that run on fossil fuels.

Demoxya aims to develop increasingly energy-efficient, eco-friendly solutions. The program has already led to the market launch of the new Modulo+ burner, which offers a record modulation rate (from 1 to 12) and NOx levels below the regulatory limits.

- **A 100% natural gas boiler for the world's third largest independent chemical company**

In 2015, the world's third largest independent chemical company, awarded CNIM Babcock Services the contract to revamp a boiler located at the Berre l'Étang cluster, one of the largest petrochemical complexes in the south of France. The contract required the boiler to be converted from fuel oil to natural gas. The aim was not only to comply with future environmental (NOx) limits, but also to cut both energy bills and greenhouse gas emissions. This aim was achieved: CO₂ emissions have been cut by 60 kt/year, the concentration of SOx and NOx emissions has been halved and particulates have been cut by 80%. The new boiler was inaugurated on February 17 2015 in the presence of the Senator and Mayor of Berre l'Étang, an occasion at which this company expressed its satisfaction with the performance of CNIM Babcock Services.

- **CNIM Mouv'**

CNIM Mouv', the company travel plan launched by CNIM at its La Seyne-sur-Mer site in 2014, continued in 2015. Its objective is to promote alternative forms of transport in order to reduce travel costs, CO₂ emissions and the stress of daily commuting. In 2015, a cycle parking area was installed along with a new pedestrian entrance. Developed in partnership with ADEME, the Toulon West Business Development Association, the Var road safety agency, the police, SNCF and others along with the city of La Seyne-sur-Mer, CNIM Mouv' aims to encourage staff to use bikes, motorcycles, public transport and car sharing. CNIM Mouv' also aims to raise awareness of road safety and the importance of sharing the road with all users. Many staff at the site have joined in with the plan, which is fully in line with the Group's CSER policy and its desire to create the right conditions to enable staff to rethink their approach to the daily commute.

3.7.3 Sustainable use of resources

3.7.3.1 Water consumption and measures taken to reduce it

Based on the 2015 scope of analysis, the CNIM Group's total water consumption was 602,744 m³, 307,325 m³ of which (51%) was recycled. The total breaks down as follows:

	Quantity Non-French sites* (m ³)	Quantity Consolidated sites under the A2771 régime (m ³)	Quantity BWF Nérac site (m ³)	Total
Quantity of water consumed (meter)	167,971	123,822	3,626	295,419
Quantity of recycled water in total consumption	169,591	137,065	669	307,325
Total	337,562	260,887	4,295	602,744

The recycled water is:

- either rainwater;
- or pumped directly from a cleaning station to be reused in the waste-to-energy process (with administrative authorization);
- or is the result of the reuse of water within the industrial process.

The Thiverval-Grignon and Pluzunet waste-to-energy plants in France and the CNIM Azerbaijan plant are all zero discharge sites at which all water (industrial and rainwater) is fully reused in the process. In 2015, work was also carried out to eliminate all water discharges at the CNIM Centre France site, thus making it the Group's fourth zero discharge site.

3.7.3.2 Consumption of raw materials and efficiency measures

CNIM Group's purchases mainly relate to semi-finished items, complete functions, intellectual creative services and on-site services. This means that the raw materials component is limited and, as the Group's historical core business is boilermaking, it mostly consists of metallic raw materials (tubes, sheet metal, and so on).

The optimization of raw material consumption is a major issue for its waste-to-energy plant construction business as, on average, this type of plant requires 1,000 tons for the frame, 1,500 tons for the boiler and 250 tons for the

pipework. The material consumption optimization process is systematically followed for the purchase of tubes, tanks, refractory materials, pipework and thermal insulation and is conducted in three stages:

- selection of the optimum material, which should represent the best compromise between the dimensioning (flow rate, pressure and temperature), conditions of use and price;
- optimization of the installed thicknesses, in accordance with the Pressure Equipment Directive (PED) construction code and the classes of lines;
- the cutting of the boiler, which must take transport dimensions into account;
- the lead time which, depending on the case, will allow, or preclude ordering finite lengths from steel producers, as opposed to receiving standard lengths that will result in more waste.

All metallic waste is sold for reuse. For example, 602 tonnes of scrap steel, stainless steel and aluminum was recycled from the La Seyne-sur-Mer production site in 2015.

3.7.3.3 Energy consumption

Data	Unit	Quantity Non-French sites*	Quantity Consolidated sites under the A2771 régime	Quantity BWF Nérac site
City gas for heating and processes	kWh	43,933,484	4,282,000	4,754,511
Ordinary domestic fuel	L	657,770	249,223	73,210
Mobile sources of petrol fuel (light and heavy vehicles)	L	799,521	2,825	-
Non-road diesel	L	6,038	25,680	-
Mobile sources of petrol fuel	L	21,218	-	-
Forklift (LPG) gases	kg	1,430	-	-
Process gases (Acetylene)	m ³	1,529	111	901
Electricity	kWh	75,284,246	7,490,196	1,264,121
Heating network	kWh	33,000	-	-

* Non-French companies, companies in France which do not include classified facilities subject to authorization or registration and French-based facilities that are not classified or not subject to authorization

• Energy audit for CNIM SA and Bertin Technologie

In 2015, CNIM SA and Bertin Technologies carried out an energy audit in line with Directive (EU) 2012/27/UE and the EN 16 247 standard. The audits confirmed that steps had already been under way for several years to control energy consumption at the main sites. Following this structured approach enabled opportunities to improve energy efficiency to be identified, as well as the capital expenditure that would be required and the payback period for the investments. At the La Seyne-sur-Mer site, opportunities for improvement are ranked so as to provide a basis for discussion when setting the annual capital investment budget.

3.7.3.4 Development of services helping to improve our customers' energy efficiency

• R1 energy efficiency level achieved at Saint-Pantaléon de Larche, France

CNIM has been running the Saint-Pantaléon plant since 2013, since when it has replaced the previous flue-gas treatment process with a modern, patented LAB treatment process that improves environmental performance while reducing the amount of resources consumed, saving 7,500 m³ of water a year.

The facility, which can treat up to 70,000 tonnes of waste per annum, was built in the early 1970s. It is fitted with three energy recovery units, which supply energy to an industrial company and heat municipal greenhouses. The introduction of the new dry flue-gas treatment system has cut NO_x emissions from 200 mg/Nm³ to 80 mg/Nm³, enabling the R1 energy efficiency rating to be achieved.

In 2014, CNIM was awarded the contract to build and operate an electricity generation unit to add to the WEC's existing facility for energy recovery in the form of heat (work carried out in 2014). This facility has been in operation since 2015.

- **CNIM wins contract to install a cold generation system aboard a Petrofac ship**

In 2015, Petrofac, a leading international service provider in the oil & gas industry, tasked CNIM with designing, manufacturing and putting into service a highly energy efficient cold generation system. Made up of two tailor-made absorption chillers, this highly environment-friendly system will be installed aboard Petrofac's new deepwater derrick lay vessel, which is scheduled to come into service in 2017. Using absorption chillers to cool process equipment is an industry first. CNIM's absorption chillers will produce cold by recovering waste heat from the engines without increasing fuel consumption or greenhouse gas emissions, which represents a real advantage over conventional fuel-guzzling compression chillers. Unlike compression chillers, CNIM's absorption chillers also require no toxic refrigerants or CFCs.

- **Energy efficiency: a strategic focus of Babcock Wanson**

To help its customers control their energy costs and environmental footprint, Babcock Wanson has made energy efficiency an integral part of the development of its products and services. The strategy is three-fold: streamlining consumption, optimizing existing products and using innovative technologies.

For boiler room operation, Babcock Wanson offers steam production optimization solutions and enables high plant availability rates to be achieved.

Boiler house yields are linked to the quality of the equipment they employ. Thanks to the continuous improvement of its products, Babcock Wanson is able to offer an overall solution made up of high energy yield sub-assemblies (burners, water treatment reducing the blowdown rate etc.).

In 2015, Babcock Wanson developed R-Eco, a new energy recovery system which preheats the combustion air required by the burner while limiting NOx emissions. This new technology allows yields of over 98% to be achieved. The solution is especially useful in industries where the installation of condensing economizers is not possible.

Babcock Wanson also offers smart boiler houses which assure clients increasing levels of safety and reliability while giving them real control over their energy consumption and environmental impact. This takes the form of an application suite that can be consulted on any browser, linking together equipment and service offerings. The e-View application allows facility operation to be tracked in real time, provides alerts if problems occur and produces regular reports with recommendations for improving performance, while e-Water makes it easier to analyze and monitor water quality in the boiler houses. These products, to which other tools are set to be added, provide better facility management and the intelligent maintenance of steam production.

- **EMR'Stock: Babcock Wanson's innovative and economical solution for large scale energy storage**

CNIM and its subsidiary Babcock Wanson aim to offer electricity producers the ability to store and recover large quantities of energy at highly competitive prices. The EMR'Stock solution aims to match energy production to consumption by offering a system that converts surplus energy production into storable heat. Stored at high temperatures, the heat can be converted back to electricity later on and returned to the grid when it is most needed. Babcock Wanson and its partners possess all the expertise required to overcome the technical obstacles, allowing thermal storage to be achieved at a competitive cost. Working together with CNIM and Bertin Technologies, the CEA (France's Atomic Energy Authority), Cap Ingelec and ICnergie, Babcock Wanson aims to present a pilot storage system using standardized 20 MWh modules by 2018. The project's R&D is being funded partly by the Region of Aquitaine and the BPI (a French business funding and development body).

3.7.4 Contributing to the development of renewable energy use

3.7.4.1 Solar energy

- **SUNCNIM: a new joint venture established with the BPI**

CNIM invested in SUNCNIM in 2015 along with the SPI ("Industrial project companies") fund, which is financed by the French Future Investments Program and operated by the funding and development bank Bpifrance. SUNCNIM, in which CNIM is the majority shareholder, will develop and build turnkey concentrated solar power plants for export. Concentrated solar power is well suited to desert regions that lack water and are prone to frequent sandstorms. The technology uses no polluting fluids and SUNCNIM is currently unique in offering automated mirror cleaning that uses

just one liter of water per square meter per year. The 100% recyclable power station requires only basic materials such as steel and glass that are recyclable and readily obtainable in any location. As great importance is attached by the future customers to local job creation, the mirror casings will be made on site from patented SUNCNIM molds. SUNCNIM concentrated solar power plants will be able to operate autonomously or be connected to existing fossil-fuel generation facilities, where they can reduce costs and cut fossil fuel use. The SPI fund's investment in SUNCNIM provides funding for the construction of the Llo power station in the Eastern Pyrenees in France. This 9-megawatt facility, which will have a 3-hour energy storage capability, will provide SUNCNIM with a powerful initial project which will enable it to triumph in new markets.

- **Maximizing solar energy production with Bertin Technologies software**

With its solar power facilities totaling 70 MW, Albioma is a leading player in the solar power sector in France's overseas territories. In order to improve the integration of intermittent energy sources into insular electricity grids, the French Energy Regulatory Commission (CRE) has imposed a certain number of rules, with penalties for transgressions, which restrict the production profile of solar farms. Operators now need to control their production in order to comply with the restrictions and limit battery deterioration. Bertin Technologies has addressed this problem for Albioma by equipping the solar plant in Saint-Leu on the island of Réunion with its Energy Management System (EMS). This energy-saving software uses weather forecasts to control electricity generation and storage in real time.

3.7.4.2 Biomass

European Directive 2009/28/EC of April 23 2009 on the promotion of the use of energy from renewable sources defines the biodegradable fraction of industrial and municipal waste as being biomass, and biomass as one of the non-fossil sources of renewable energy. As more than half of the carbon content of municipal waste is non-fossil in origin, half of the energy derived from its combustion is thus considered to be renewable energy.

CNIM is building two biomass cogeneration facilities which treat clean biomass obtained from forestry, sawmill by-products and woodchips from packaging materials or park and garden maintenance). CNIM will operate both facilities for twenty years after completion.

- **Estrées-Mons, France:** CNIM has been running the plant on a provisional basis in 2015. Full operation is expected to begin in early 2016. The plant is a power generation facility fueled by clean biomass. It generates 13 MW of electricity and supplies energy in the form of process steam to a local industrial company.
- **Nesle, France:** The CNIM-operated plant is a power generation facility fueled by clean biomass. Generating enough electricity to supply a town of 5,000 homes, it will enable three million tonnes of CO₂ to be saved over a twenty-year period. Each year, 130 GWh of electricity and 300 GWh of heat energy will be able to be generated from 250,000 tonnes of biomass, and used by an industrial company.

CNIM also treats contaminated biomass, as in the project at Ridham Dock in Kent (UK) on behalf of MVV Environment Ltd., the British subsidiary of the German Group MVV Umwelt.

- **Ridham Dock, UK:** Fueled by contaminated biomass, this cogeneration plant was built as a joint venture with the civil engineering firm Clugston. It is fitted with one unit, generating 25.5 MWe. Its design also allows for the possibility of supplying steam to a nearby industrial company. VapoLAB® flue-gas treatment will be provided by LAB (a CNIM subsidiary). It was delivered in 2015.

In the composting field, CNIM has developed and installed a green algae treatment process based on the principle of dehydration through hot air ventilation (the hot air being produced by a wood-fired generator). This method eliminates odors and suppresses toxic gas emissions (hydrogen sulfide).

- **Lantic, France:** after taking over the operation of the waste-to-energy plant in 2009, CNIM first upgraded the site in 2009 before building a green algae treatment unit with a capacity of almost 25,000 tonnes per annum in 2010. The waste-to-energy plant takes in around 35,000 tonnes of waste per annum. The site features two microbiological treatment units and a non-hazardous waste storage facility. The compost produced (around 10,000 tonnes per annum) is approved for use in organic agriculture.

Energy recovery from household and similar waste implemented by CNIM for half a century now allows the recovery of unavoidable energy as it is available and used little or not at all, or lost in the case of landfilling. Using this energy instead of traditional forms of energy saves reserves of the latter.

In 2015, the sites operated by the CNIM Group thus produced and sold 346,148 MWh of electricity and 96,953 MWh of heat, broken down as follows:

	Non-French sites	Sites consolidated under the A2771 régime
	MWh	MWh
Electricity sold outside France	312,406	
Electricity sold in France		33,742
Heat sold in France		96,953

3.7.5 Noise reduction measures

In 2015, 100% of the decibel readings taken complied with the regulations.

Complaints from local residents:

- one complaint received in relation to a non-French site;
- no complaints received for sites consolidated under the A2771 régime;
- no complaints received in relation to the BWF Nérac site.

All complaints from local residents are examined and responded to.

The number of complaints received from local residents is much lower than in 2014. This improvement is all the more remarkable given the inclusion of additional sites in the 2015 reporting scope.

The waste-to-energy facilities designed and built by CNIM comply with the most stringent regulatory requirements in terms of noise levels and odor emissions. The unloading areas are kept at a lower pressure than the rest of the building, so that odorous particles are aspirated by the fan which supplies aspirated air into the hall. They are thus destroyed by combustion.

On the Lantic site, every possible step is taken to ensure that the compost fermentation process produces as little odor pollution as possible. Part of the green waste is ground and sifted to produce a plant compost. This is then mixed with raw compost from household waste to be matured in boxes. The compost ferments in special boxes that are each equipped with their own air-supply and -extraction system. The boxes also have air ventilation tiles that are supplied with outside air by a fan and an independent air network. The foul air aspirated from the boxes is channeled toward a biofilter that deals with any odors.

For the treatment of green algae, the process consists in treating these algae, which are mainly composed of water, using a drying process in ventilated boxes. After they have been structured by green waste sifting refuse, they are confined in boxes into which air is blown at high speed. The risk of fermentation is eliminated by maintaining an adequate oxygen level, as a result of which the H₂S content becomes negligible. The foul air is again aspirated into a biofilter.

3.7.6 Measures taken to conserve biodiversity

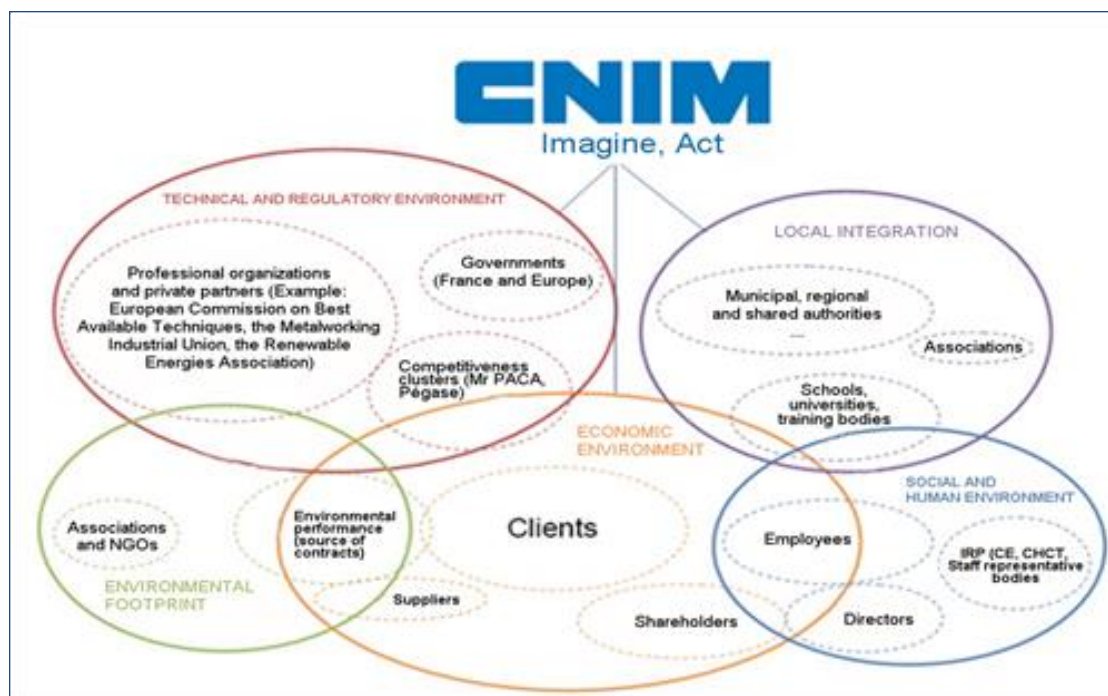
All construction or extension projects involving industrial waste-to-energy conversion or energy production sites undergo prior environmental assessments to identify the preventive measures to be taken to reduce the new site's environmental footprint. These assessments systematically include biodiversity analysis and conservation.

3.8 CNIM's social engagement

3.8.1 Map of stakeholders

Based on its strategic goals, in 2013 the CNIM Group embarked on the identification and ranking² of its stakeholders.

This map, which is supplemented by the identification of the forms of dialog, the level of influence and the mutual expectations of all of the stakeholders, should allow the Group to more effectively prioritize its listening and communication efforts with regard to those with the largest impact.



3.8.2 Impact of the Company's activity on the local economy

Due to its positioning in high-tech, innovative industrial markets, the CNIM Group buys few standard or catalog products. A limited number of suppliers are able to meet all of our technical and quality requirements and these suppliers operate on a national or international scale.

The strong construction site focus, whether this means the installation of complex systems on site for CNIM Industrial Systems, the construction of waste-to-energy facilities or flue gas treatment plants for the Environment Sector, or the service activities of CNIM Babcock Service and Babcock Wanson France, also makes it necessary to have local subcontractors.

For these reasons it was decided to measure CNIM's territorial, economic and social impact on a national scale.

- €376.7 million in France;
- €64.6 million in the UK;
- €19.8 million in China;
- €14.8 million in Azerbaijan;
- €8.4 million in Morocco;
- and €2 million in Singapore.

² The size of the bubbles reflects this ranking.

(in € thousands)

France		-	376,672
	Payroll (including social security contributions)	-	145,370
	Taxes and duties	-	16,659
	Purchases	-	214,643
UK		-	64,581
	Payroll (including social security contributions)	-	10,599
	Taxes and duties	-	981
	Purchases	-	53,001
China		-	19,839
	Payroll (including social security contributions)	-	1,854
	Taxes and duties		65
	Purchases	-	18,051
Azerbaijan		-	14,816
	Payroll (including social security contributions)	-	3,037
	Taxes and duties	-	5,864
	Purchases	-	5,915
Morocco		-	8,394
	Payroll (including social security contributions)	-	1,982
	Taxes and duties	-	184
	Purchases	-	6,228
Singapore		-	2,058
	Payroll (including social security contributions)	-	1,081
	Taxes and duties	-	62
	Purchases	-	915

3.8.3 Consideration of subcontractors and suppliers from a social and environmental viewpoint

Based on the scope of reporting, the Group's purchases were €401.4 million in 2015.

For the reasons given above, the CNIM Group has decided to adopt a purchasing policy by subsidiary and/or business sector, according to a sector-based approach. This micro-economic approach was preferred to a global, Group-wide one, which would have lost some of its effectiveness owing to the consolidation of businesses and subsidiaries that are too different in size.

Each sector and/or subsidiary defines its supplier qualification process according to the nature of its business:

- the supplier pre-qualification questionnaire used by CNIM SA and Babcock Wanson France contains questions about the company's quality, safety and environmental certification and, for service providers, about the accreditation of staff or the verification of equipment that may present a safety risk;
- LAB has for its part set up a process of end-of-construction evaluation of its main suppliers which, since 2013, has taken into account Health, Safety and Environment criteria, and their ISO 14001 and OHSAS 18001 certification.

All of these criteria are considered when selecting a supplier, which is a process that is adapted to the variety of the Group's businesses and the size of the organizations that must implement it.

3.8.4 Contribution to the competitiveness clusters

The CNIM Group and its subsidiaries are fully involved with competitiveness clusters, which aim to structure the R&D activities within a region around specific themes. The Group is represented in a number of clusters, in particular:

- the Cap Énergies cluster, whose purpose is to control energy consumption and work on the shift toward non-greenhouse-gas-generating energy sources;
- the EMC2 cluster, which works on advanced production technologies.
- the Mediterranean Sea cluster, an international landmark in the maritime and coastal sector;
- the Optitec cluster, which is at the cutting edge of optics, photonics and image processing;
- the Routes des Lasers cluster, active in photonics;
- the Systematic cluster, active at the crossroads of eight company-level technological markets (transport, energy, telecoms, security, health, smart cities, information technology and the factory of the future) and two general technological fields (free software and complex systems).

3.8.5 Involvement in trade associations and unions

CNIM is very actively involved in numerous trade and environmental associations and unions. The CNIM Group is represented in the following bodies, in which it plays an active part:

- SNIDE (French National Union of Designers and Builders in the Waste Industries);
- ESWET (European Suppliers of Waste-to-Energy Technology);
- SVDU (National Syndicate for Treatment and Recovery of Urban and Assimilated Waste);
- FNADE (French Federation for Pollution Control and Environmental Activities);
- FEAD (European Federation for Pollution and Environmental Activities);
- CEWEP (Confederation of European Waste-to-Energy Plants);
- AMORCE (National Association of Communities, Associations and Businesses for Waste, Energy and Heating Network Management);
- SER (Authority on Renewable Energy);
- FBE (France Biomasse Énergie);
- ASTEE (Scientific and Technical Association for Water and the Environment);
- ISWA (International Solid Waste Association);
- the ADEME International Club (ADEME: French Environment and Energy Management Agency);
- MEDEF International (MEDEF: French employers' federation).
- CNIM UK and MES Environmental are also members of the ESA (Environmental Services Association).

The Group is also active

- **within the context of its shipbuilding activities:**
 - in GICAN (French Marine Industries Group), where CNIM acts as vice-chair of the scientific & technical and mid-sized enterprise/SME committees. CNIM also takes part in the GICAN-led Océan 21 structuring program for the French shipbuilding business.
 - in the Cluster Maritime Français (CMF).
- **within the context of its defense and terrestrial security activities:**
 - in GICAT (French Defense and Land and Air/Land Security Industries Group).
- **within the context of its nuclear activities:**
 - in AIFEN (French Association of Nuclear Exporters), which represents over 300 French businesses and major organizations (GIIN, Nucleopolis, PFCE, PFME and PNB) covering the entire nuclear cycle;
 - in the GIIN (Confederation of the Nuclear Industry), a spokesman body for industry associations and organizations in the nuclear sector;
 - in the SFEN (French Nuclear Energy Association);
 - in PFCE (China-France Electricity Partnership). PFCE aims to promote the long-term involvement of French midcaps and SMEs in the construction of the Chinese nuclear program;

- in the PFME (France Global Electricity Partnership), which brings together suppliers to EDF's French nuclear program.
- **within the context of its NBC threat detection activities:**
 - in the GIE Défense NBC, which brings together the main French businesses active in the NRBCE (nuclear, radiation, biological, chemical and explosive) sector;
- **within the context of its cybersecurity activities:**
 - in Hexa Trust, an association of experts in IT security, cybersecurity and digital trust which responds to the needs of companies, governments and public and private organizations seeking to benefit from innovative French solutions for the full range of their IT security requirements.
 - in CLUSIF (French IT Security Club);
 - in CECyF (French Center of Expertise on Cybercrime);
 - in the SystemX IRT (technological research institute);
 - in the ACN (Digital Trust Alliance).

CNIM takes part in the “Factories and People” initiative

During 2015, the French mid-sized businesses association METI organized a nationwide initiative aimed at highlighting 35 businesses that embodied the spirit of French industry, in which the CNIM Group was a participant. Focusing on the industrial processes, products and know-how in which France excels, the initiative consisted of an exhibition of photography that aimed to provide an informative presentation of French industry as pugnacious, modern, innovative and successful. The project unfolded in three stages: in September, following a launch at the Petit Palais, the most important images were displayed along the Seine in Paris. The pictures were then exhibited across France over a two-month period. A “Factories and People” book was then made available in bookshops in December.

Horizon 2020

Horizon 2020 (“H2020”) is Europe's new framework program for research and innovation. Its aim is to fund scientific and industrial projects. It has three pillars: scientific excellence, industrial leadership and societal challenges. With a budget of €79 billion, Horizon 2020 was launched on January 1, 2014, for a period of 7 years.

The CNIM Group and its subsidiaries aspire to achieve a leading position in the last two pillars, specifically through projects in the following areas:

- energy, especially the development and full-scale demonstration of renewable energy sources such as concentrated solar power and energy storage;
- the physical and digital security of Society and citizens;
- the digital transformation industry and the factories of the future;
- health;
- space –global surveillance and launch vehicles.

Following on from the projects won in 2015, the CNIM Group is continuing its involvement in this program, whose international and collaborative dimensions chimes with the Group's own outlook.

3.8.6 Local integration

3.8.6.1 Action to promote integration

CNIM Insertion

Since 2009 and the creation of the Thiverval Grignon (Yvelines, France) sorting center, whose operating contract was awarded to CNIM, CNIM Insertion has offered social support and employment to people in difficulty to facilitate their integration into the economy. The undertaking is a company for the integration of workers through economic activity whose status has been accredited by the State. The people in question are hired for a maximum of 24 months, trained as sorting operators and helped with their social difficulties, and especially with their search for employment, as this activity is only one stage in their journey and is a stepping stone on the path to long-term employment. CNIM Insertion's mission comprises numerous positive outcome objectives, as the reintegration process can be counted a

success only when the person has been able to find a job or take a training course that matches their aspirations and skills. Since its formation in 2009, CNIM Insertion has assisted 190 people.

Since obtaining State certification in 2009, CNIM Insertion received AFAQ EI/ETTI approval in 2013: it is the first integration enterprise in Ile-de-France to obtain AFNOR certification, which aims to validate the social practices of sheltered employment companies.

In 2015, sixty people have benefited from a contract with CNIM Insertion, with a "positive outcome" rate of 52% for those leaving the organization, this being measured by the successful obtaining of a fixed-term or permanent job or training leading to a qualification.

Paris chooses CNIM for its new city-based waste sorting center

Syctom has selected a CNIM-led consortium involving several partners to design, build and run (for a two-year period) a waste sorting plant to be sited in the Clichy-Batignolles industrial zone. The plant will enter service in 2019 and employ 80 staff, of whom 35 will be employed under reintegration contracts, almost twice as many than at Thiverval-Grignon. The process will incorporate the latest in automated sorting technology, such as the optical sorting of plastics and paper and mechanical fractioning, so as to limit the amount of work done by hand and allow operatives to focus on quality control. The center will have a capacity of around 40,000 tonnes per year and will process the waste of 900,000 residents.

3.8.6.2 Collaboration with teaching establishments

- **Teaching partnership between CNIM and SeaTech**

Multiple areas of synergy exist between CNIM and SeaTech, a Toulon-based school of engineering specializing in marine science and technology, including training in mechanical engineering trades and the sharing of the technical and manufacturing issues of tomorrow. CNIM is involved in the running of the school and plays an active part in developing teaching. As part of this involvement, the Group offered four groups of third-year students the chance to do something outside the normal run of academic learning, namely to conduct a role-playing exercise based on responding to a call for tenders in which CNIM played the customer. The students had five months in which to submit a technical and financial tender, exhibit a 3D model and present their tender to a panel made up of four academic staff and six CNIM employees. The panel convened in February 2015 and paid tribute to the creativity, methodology and team spirit showed by each of the groups. This cooperative exercise will be continued in 2015-16.

Many interns and people on professional training and apprenticeship contracts were hired in 2015:

	Consolidation
Trainees recruited	21
Career development contracts offered during the year	7
Apprentices recruited during the year	5

3.8.6.3 Partnership initiatives

- **Partnership on the Business and Neighborhoods Charter**

CNIM La Seyne-sur-Mer has signed a partnership agreement on the Business and Neighborhoods Charter, undertaking alongside local government to promote access to employment for residents of inner-city districts in cases of equal ability, thereby assisting the economical, social and cultural development of priority districts in the city in relation to education, career choice, employment, training and so on. CNIM has thus undertaken firstly to take in three students from schools in the priority education network and secondly to present the careers it offers and/or lead job interview simulations at educational establishments in the priority education zone. CNIM also has an internal social law training program for managers which includes a module on discriminatory language in recruitment communications.

3.9 Ethics and fair practices

3.9.1 Action to prevent corruption

3.9.1.1 The Group's ethics charter

The Management Board has decided to introduce a Group-wide ethics charter to formalize the values that each Group employee must observe in their work. Its purpose is to cover the following issues: respect for people and their work;

- respect for health, safety and the environment;
- respect for laws and regulations;
- fairness and integrity;
- transactions involving CNIM shares;
- use of the Company's property.

3.9.1.2 The Group's purchasing code of conduct

The CNIM Group drew up and implemented its purchasing code of conduct in 2013.

This code of conduct:

- concerns buyers and all of the Group's employees likely to have an influence on purchasing;
- defines the behavioral rules and ethical standards to be complied with during purchasing;
- draws employees' attention to the impact that their relationships with suppliers and partners may have on the Group's image;
- clarifies the concept of conflicts of interest.

3.9.1.3 Raising staff awareness of fraud risks

In 2013, a first fraud risk awareness-raising session was organized for managers. In 2014, awareness-raising efforts were continued for staff involved in procurement and contracting during a training session on Purchasing Fundamentals, which included ethical guidelines to be followed. Since 2014, the Management training program has also included a fraud risk familiarization component. In total, 392 staff members – almost one employee in six – have undergone training or familiarization measures to date, and an action plan is scheduled for 2016 which aims to increase this number significantly.

3.9.1.4 Management of agents and consultants

Finally, the CNIM Group also has a procedure for selecting and monitoring agents and/or consultants, which covers the following aspects:

- selection criteria;
- search for applicants, which is based, amongst other things, on an information questionnaire to be completed by the agent;
- approval of the choice of agent;
- drafting of the agent's contract;
- monitoring and archiving of the documentation.

3.10 Respect for human rights

3.10.1 Our values

The Company's values are excellence, creativity, commitment and trust. They are based on respect for individuals, the law and the internal rules in force within the Company.

Excellence:	<ul style="list-style-type: none"> - of our professional skills and expertise; - of our industrial tools; - of our collective achievements and services.
Creativity:	<ul style="list-style-type: none"> - of our solutions to anticipate and meet the expectations of our customers; - of our teams to put forward powerful and competitive solutions.
Commitment:	<ul style="list-style-type: none"> - to Group shareholders over the long term; - to our customers, by offering them quality, flexibility and performance; - to our partners, by developing balanced and lasting relationships; - to our employees, by helping them to achieve their ambitions.
Trust:	<ul style="list-style-type: none"> - to consolidate our relations with our employees; - to underpin our customer relations; - at the heart of our activities to achieve greater success with responsibility and enthusiasm.

3.10.2 Other action taken to promote human rights

Aside from the action taken in relation to:

- health and safety conditions in the workplace;
- respect for dialog between employees and management;
- the combating of discrimination;
- entitlement to teaching and training;
- and the duty of vigilance exercised by the Group with regard to the payment of social security contributions by its suppliers and subcontractors,

previously described in the report, no other action was taken by CNIM Group to promote human rights in 2015.

3.11 Methodology of the CNIM Group's CSER report for 2015, External opinion on fairness

To ensure the transparency and reliability of the data disclosed, the CNIM Group engaged DNV GL Business Assurance to audit its corporate, environmental and social information.

The scope is fixed as at December 31 of the financial year.

Change in the scope of analysis: legal entities included in the 2015 report.

	2012	2013	2014	2015
BABCOCK WANSON France	o	o	o	o
BABCOCK WANSON Maroc				o
BABCOCK WANSON UK			o	o
BERTIN PHARMA*			o	o
BERTIN TECHNOLOGIES	o	o	o	o
CNIM AZ				o
CNIM Centre France		o	o	o
CNIM Énergie Biomasse		o	o	o
CNIM Insertion			o	o
CNIM Ouest Armor	o	o	o	o
CNIM SA	o	o	o	o
CNIM Singapore			o	o
CNIM Terre Atlantique				o
CNIM Thiverval Grignon	o	o	o	o
CNIM Transport Equipment			o	o
LAB SA	o	o	o	o
MES Environmental Ltd		o	o	o
VECSYS			o	o

* The entities selected for reporting consolidate the performance and impact of the industrial facilities where they are responsible for operational technical control, including facilities operated on behalf of third parties.

Only the Montigny site is included for Bertin Pharma.

Note: the white area identifies the scope of the consolidation area each year.

These companies account for more than 88% of the Group's consolidated revenues and cover 84% of its headcount over 39 sites. The companies in the analysis are covered from one year to the next, in order to enable the full consolidation of all subsidiaries in the long term.

The list of entities falling within the scope of the Group Corporate Social and Environmental Responsibility (CSER) Report was suggested by the Group CSER Manager and approved by the Management Board and General Management of the subsidiaries concerned.

The Group CSER Manager is responsible for collecting and consolidating data, writing the report and coordinating the action plans implemented within each Sector or subsidiary.

In environmental terms, the scope covers all waste sorting, treatment and recovery center operating business throughout the world.

Under Article L-225-102-1, "where subsidiaries or controlled companies have locations in France and constitute classified facilities subject to authorization or registration, the information provided shall relate to each of them where this information is not of an aggregatable nature."

Given impossibility of aggregating all of the sites, the choice has consequently been made to publish detailed data in accordance with the law; it is not possible to provide comment relative to previous years.

Numerical environmental data (section 3.7) is thus presented as follows:

- aggregate data for non-French companies, companies in France which do not include classified facilities subject to authorization or registration and French-based facilities that are not classified or not subject to authorization: Babcock Wanson France, Babcock Wanson Maroc, Babcock Wanson UK, Bertin Pharma, Bertin Technologies, CNIM AZ, CNIM Insertion, CNIM SA, CNIM Singapore, CNIM Transport Equipment, LAB SA, MES Environmental, Vecsys
- aggregate data for French facilities classified under the A2771 régime; CNIM Centre France, CNIM Ouest Armor Pluzunet, CNIM Terre Atlantique, CNIM Thiverval Grignon WEC;
- detailed data for the Babcock Wanson Nérac site;
- detailed data for the CNIM La Seyn-sur-Mer site (see section 3.13.2).

With regard to the data published in this report, the following facts should be noted:

- for 2015, methods of estimation were defined for data that were not available, to ensure that all of the information required could be delivered within the specified deadlines. Unknown water consumption figures for certain CNIM SA third-party sites were therefore estimated based on the consumption figures for sites of a similar size. These estimates account for less than 1% of the total;
- The CNIM Group is concerned about what happens to the waste material produced by its activities and can provide indicators about the recovery of its waste. To this end, it relies on the definitions of 'waste' and 'recovery' established by the local regulations.
- CO₂ emissions were calculated based on the V7.2 spreadsheet program of the *Association Bilan Carbone* (French Carbon Accounting Association), with emission factors from the Carbon Database, with the exception of that published for the Vélizy-Villacoublay heating network. The emissions factors used are 326 kg eq. CO₂/tonne for the incineration of household waste (excluding transport, which does not form part of the scope) and 128 kg eq. CO₂/tonne for landfill waste disposal for hazardous industrial waste;
- Acetylene gas is used by many Group companies and subsidiaries. It was not referenced in the Carbon Database, and was added to the carbon account as follows: density 1.1 kg/m³, emission factor 3.38 kg.CO₂/kg (based on stoichiometric ratios).
- Calculation of uncertainty: as most emissions are due to the incineration of household waste, all these emissions depend directly on the household waste incineration emission factor. These values are not independent, as in previous years the uncertainties were added together.
- When calculating its direct greenhouse gas emissions, the CNIM Group includes the CO₂ from the vehicles owned, leased or hired by the Group and used within the context of its industrial and business activities.

On the next few pages you will find the table of correspondence between the forty-two questions contained in Law No. 2012-557 of April 24 2012 relating to companies' social and environmental transparency obligations and the CNIM Group's CSER report for 2015.

Topic	Type of information provided by CNIM	With indicator	GR / EFFAS correspondence	See section:
A. Employment				
1. Total workforce and breakdown of employees by gender and by geographical area	Indicator	Total average workforce and geographical breakdown of employees by gender and by category	LA1 / S03-01	See 3.1.1.1
2. Recruitment and dismissal	Indicator	Turnover with breakdown of employees by age, gender and reason for departure	LA2 / S01-01	See 3.1.1.2
3. Remuneration and changes in remuneration	Indicator			See 3.1.1.3
B. Organization of work				
1. Organization of working time	Text and indicator	Breakdown of contracts: full-time, part-time		See 3.1.2
2. Absenteeism	Indicator		LA7	See 3.1.2.3
C. Labor relations				
1. Organization of labor relations	Text and indicator	Percentage of salaried employees covered by a collective labor agreement	LA4	See 3.5.2
2. Summary of collective agreements	Text			See 3.5.3
D. Health and Safety				
1. Health and safety conditions in the workplace	Text			See 3.2
	Indicator	Percentage of workforce represented by an HS Committee	LA6 / S09-02	See III.2.1
	Indicator	Sum of expenditure on safety throughout the business	LA6 / S09-02	See 3.2.3
2. Summary of agreements with labor unions or personnel representatives on health and safety at work	Text			See 3.5.3
3. Accidents at work, particularly frequency and severity, as well as work-related illness	Indicator		LA7 / S04-02 / S04-04	See 3.2.4
E. Training				
1. Training policies implemented	Text			See 3.3.1
2. Total number of training hours	Indicator		LA10 / LA12 / S02-02	See 3.3.2
F. Equal treatment				
1. Measures adopted to promote gender equality	Text and indicator	Proportion of women in the workforce	LA13 / S10-01 / S10-02	See 3.4.1
	Indicator	Median male/female salaries	LA14	
2. Measures taken to promote the employment and integration of disabled people	Text and indicator	Proportion of disabled workers and number of disabled workers hired during the year		See 3.4.2
3. Policy on combating discrimination	Text			See 3.4.2
G. Promotion and observance of the provisions of the fundamental conventions of the International Labor Organization on:				
1. respecting freedom of association and the right to bargain collectively	Text			See 3.5.1
2. the elimination of discrimination in respect of employment and occupation	Text			See 3.4.2
3. the elimination of forced or compulsory labor	Text			See 3.10
4. the abolition of child labor				

Topic	Type of information provided by CNIM	With indicator	GR / EFFAS correspondence	See section:
A. General policy on the Environment				
1. Organization of the company regarding environmental issues and the related assessment or certification measures	Text			See 3.6.1
	Indicator	No. of ISO 14,001-certified sites		See 3.2.1
	Indicator	Total fines (of a significant amount) due to breach of legislation and environmental regulations	EN 28	See 3.6.1
	Indicator	Total non-financial penalties for breach of legislation and environmental regulations	EN 28	See 3.6.1
2. Training and information for employees on environmental protection	Text			See 3.6.2
3. Resources dedicated to the prevention of environmental risks and pollution	Text			
	Indicator	Investments made to reduce pollution	EN 30	See 3.7
4. Total provisions and guarantees for risks in relation to the environment, provided that such information would not seriously damage the company in an ongoing dispute	Text			See 3.6.3
B. Pollution and waste management				
1. Measures to prevent, reduce or redress emissions in the air, water and ground	Text			See 3.7.2.2
2. Measures to prevent, recycle and eliminate waste	Text and indicator	Total weight of incoming and outgoing waste	EN22 / E104-01	See 3.7.1
3. Noise and any other forms of pollution specific to an activity	Text and indicator	Proportion of regulatory-compliant decibel recordings; number of complaints from those in the vicinity		See 3.7.5
C. Sustainable use of resources				
1. Water consumption and water supply based on local constraints	Indicator	Volume of water consumed, of which recycled	EN8 / EN10 / E28-02	See 3.7.3.1
2. Consumption of raw materials and measures taken to use them more efficiently	Text			See 3.7.3.2
3. Energy consumption Measures taken to improve energy efficiency Measures taken to improve use of renewable energy	Indicator	Direct energy consumption, according to primary energy source	EN3 / EN4 / EN5 / EN6 / EN7 / E01-01	See 3.7.3.3
	Text			See 3.7.3.4
	Text			See 3.7.4
4. Land use	Not applicable	There are no material issues for the Group to report		
D. Climate change				
1. Greenhouse gas emissions	Indicator	Total direct or indirect emissions of greenhouse gases, by weight (teq CO2)	EN16 / EN17 / E02-01	See 3.7.2.1
2. Adapting to the consequences of climate change	Text	Initiatives to reduce greenhouse gas emissions; reductions obtained		See 3.7.2.2
E. Protection of biodiversity				
1. Measures taken to conserve or develop biodiversity	Text			See 3.7.6

Topic	Type of information provided by CNIM	With indicator	GRI / EFFAS correspondence	See section:
A. Territorial, economic and social impact of the company's activity				
1. in relation to employment and regional development	Text	Territorial economic impact of the company's activity		See 3.8.2
	Indicator			
2. on neighbors or local residents	Text			See 3.8.6
B. Relations with stakeholders such as employment associations, employment organizations, training establishments, etc.				
1. Conditions for dialog with the above organizations	Text			See 3.8.6.2
2. Partnership or Sponsorship actions	Text			See 3.8.6.3
C. Subcontractors and suppliers				
1. Taking social and environmental issues into account through purchasing policy	Text			See 3.8.3
2. Importance of subcontracting and consideration of social and environmental responsibility	Indicator	Group Purchasing	HR2	
D. Fair practice				
1. Action taken to prevent corruption	Text			See 3.9
2. Measures adopted for consumer health and safety	Text	Se chapter on action taken to reduce emissions into the air		See 3.7.2
3. Other action taken to promote human rights	Text			See 3.10

3.12 Growth of the Group's total workforce

	12.31.2011	12.31.2012	12.31.2013	12.31.2014	12.31.2015
Group workforce	2,660	2,772	2,831	2,914	3,000

3.13 Detailed data for CNIM SA

Under the terms of Law 2012-557 of April 24 2012, CNIM SA (excluding the consolidated subsidiaries) is also required to issue a corporate responsibility report. The decision taken was to include in this chapter all the indicators and detailed figures applying only to the company CNIM SA.

3.13.1 The people of CNIM

Hiring

	Men	Women	Total	
Under 25 years	11%	2%	12	13%
25 - 29 years	8%	3%	10	11%
30 - 34 years	7%	7%	12	13%
35 - 39 years	2%	2%	4	4%
40 - 44 years	18%	2%	18	20%
45 - 49 years	2%	2%	4	4%
50 - 54 years	1%	2%	3	3%
55 - 59 years	13%	11%	22	24%
60 years and over	6%	0%	5	6%
Combined total	68%	32%	90	100%

Departures

	Men	Women	Total	
Under 25 years	5%	0%	11	5%
25 - 29 years	10%	4%	30	14%
30 - 34 years	12%	3%	31	15%
35 - 39 years	4%	1%	12	6%
40 - 44 years	10%	3%	27	13%
45 - 49 years	6%	1%	14	7%
50 - 54 years	10%	0%	22	11%
55 - 59 years	13%	5%	36	17%
60 years and over	9%	3%	24	12%
Combined total	78%	22%	207	100%

	Men	Women	Total	
Involuntary departures	42	6	48	5%
Voluntary departures	41	10	51	5%
End of contract	16	5	21	2%
Retirement	45	18	63	6%
Combined total	144	39	183	18%

Remuneration and changes in remuneration

The financial statements of CNIM SA disclose a total annual payroll for 2015 of €80.7 million, including wages and social security contributions.

Absenteeism

The absenteeism rate in CNIM SA was 6%, slightly above the rate in 2014.

Staff health and safety

In 2015, 100% of CNIM SA staff were represented on mixed management/employee health and safety committees set up to supervise and provide opinions on health and safety at work programs.

Expenditure on health and safety

CNIM SA's expenditure on health and safety was €427,600 in 2015, i.e. €420 per worker.

Accidents at work and work-related illness

- Frequency rate: 17.37

(Number of accidents with time of work x 1 million/number of hours worked)

- Severity rate: 0.40

(Number of days lost x 1,000/number of hours worked)

- Work-related illnesses recorded in 2014: 2

(Work-related illnesses reported by staff in 2015).

Number of training hours

In 2015, 21,256 hours of training were provided to CNIM SA employees, giving an average of 21 hours per employee.

Staff appraisal and career development interviews

In 2015, 84% of staff received an appraisal and career development interview.

Proportion of women in CNIM SA*

	Women	Men
Under 25 years	17%	83%
25 - 29 years	29%	71%
30 - 34 years	24%	76%
35 - 39 years	22%	78%
40 - 44 years	22%	78%
45 - 49 years	18%	82%
50 - 54 years	14%	86%
55 - 59 years	11%	89%
60 years and over	21%	79%
Combined total	20%	80%

*Statistics for the month of December in the reference year, in accordance with French legislation on company accounts.

Indices based on the median monthly salary of men and women, by age group and category

	ENGINEERS AND EXECUTIVES		SUPERVISORS		WORKERS		TOTAL	
	Men	Women	Men	Women	Men	Women	TOTAL M	TOTAL W
Under 25 years	167	NS	101	NS	114	NS	111	110
25-29 years	205	204	143	150	129	-	158	184
30-34 years	242	224	157	151	132	-	208	214
35-39 years	272	252	185	173	136	-	227	242
40-44 years	304	270	203	160	132	-	251	238
45-49 years	324	309	208	178	143	-	241	239
50-54 years	348	311	208	170	149	-	265	188
55-59 years	349	249	211	171	145	-	245	200
60 years and over	446	348	220	143	154	-	392	205
TOTAL	300	252	184	158	138	NS	227	211

100 is the lowest median value by category and gender.

The gender wage gap between the men and women of CNIM SA is 7.70%.

Measures to promote the employment and integration of disabled people

The CNIM Group has thirty disabled employees, representing 2.9% of the workforce. One disabled person was recruited in 2015.

Organization of labor relations

100% of salaried employees are covered by a collective labor agreement.

3.13.2 Our environmental commitment

Employee training and information on environmental protection

The Environment Division has been ISO 14001 certified since 2013. Over 300 employees, 200 of them based at the La Seyne-sur-Mer site, consequently receive regularly training and/or familiarization in relation to the various continuous improvement measures, thus enhancing our ability to anticipate and counteract environmental risks.

Waste management

CNIM SA: Environment Division sites*	OUTGOING TONNAGES	
	TYPE	(T)
	Bottom ash	-
	NHIW	318
	Timber	275
	Metal	113
	Cardboard	0
	Special industrial waste	2
	Other	4

*Sites included: Shropshire, Leeds, Wilton, Ridham Dock, Estrées-Mons.

CNIM LA SEYNE-SUR-MER	OUTGOING TONNAGES	
	TYPE	(T)
	Scrap steel	320.3
	Stainless steel	252.1
	D.I.B	122.7
	Soapy water	63.9
	Timber	63.4
	Cutting oil	57.0
	Aluminum and aluminum scrap	29.8
	Sand	26.3
	Paints/resins/mastic/glue	11.1
	Paper and cardboard	9.5
	Photographic developer and fixer for incineration	7.9
	Non-cleanable soiled packaging	7.5
	Metal or plastic packaging	7.2
	Black oil	6.4
	Non-halogenated solvents	3.3
	Soiled absorbent materials	2.7
	Computer equipment (WEEE except monitors)	1.5
	Screens	0.9
	Coal dust	0.7
	Lab disposables	0.5

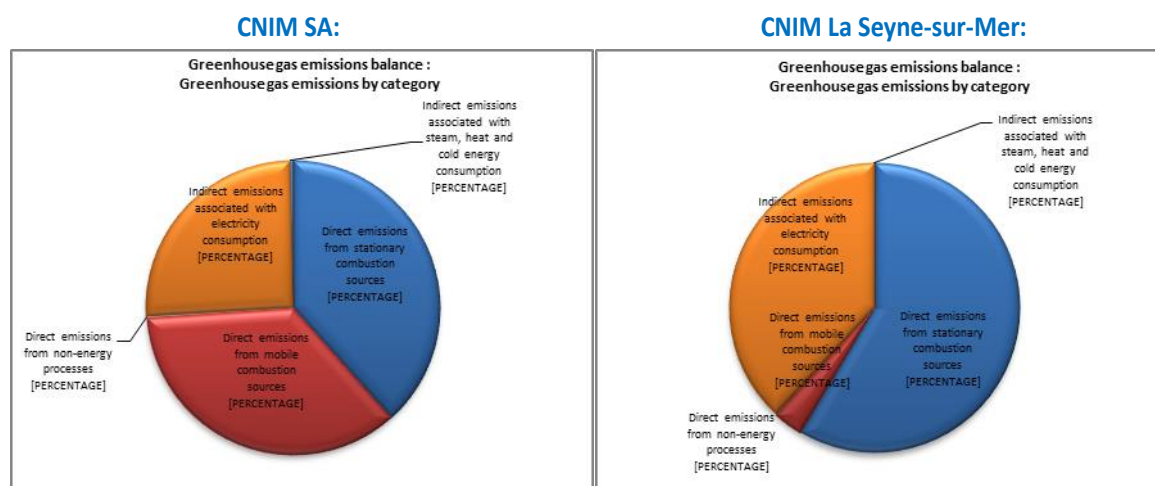
All metallic waste is sold for reuse. In 2015, 602 tonnes of scrap steel, stainless steel and aluminum was recycled.

Greenhouse gas emissions

In 2015, consolidated greenhouse gas emissions for scopes 1 and 2 were 2,235 tCO₂, with uncertainty of 5.5%. Of this amount, 1,394 tCO₂ related to CNIM LS, with uncertainty of 6%.

			Values								
			Greenhouse gas emissions							Avoided emissions	
Emissions categories	Numbers	Emissions headings	CO2 (tonnes)	CH4 (tonnes)	N2O (tonnes)	Other gases (tonnes)	Total (t CO2e)	CO2 b (tonnes)	Uncertainty (t CO2e)	Total (t CO2e)	
Direct greenhouse gas emissions	1	Stationary combustion emissions	844	0	0	0	857	0	40	0	
	2	Mobile emissions	788	0	0	0	795	44	57	0	
	3	Emissions from non-energy processes	0	0	0	1	3	0	1	0	
	4	Fugitive emissions	0	0	0	0	0	0	0	0	
	5	Biomass emissions (soils and forests)									
		Sub-total	1,632	0	0	1	1,655	44	70	0	
Indirect emissions associated with energy	6	Indirect emissions associated with electricity consumption	0	0	0	0	572	0	53	0	
	7	Indirect emissions associated with steam, heat or cold energy consumption	0	0	0	0	8	0	2	0	
		Sub-total	0	0	0	0	580	0	53	0	
Other indirect greenhouse gas emissions	8	Energy-related emissions not included in items 1-7	288	2	0	0	523	-44	23	0	
	9	Purchased goods and services	0	0	0	0	0	0	0	0	
	10	Capital property	0	0	0	0	0	0	0	0	
	11	Waste	0	0	0	0	0	0	0	0	
	12	Upstream goods transport	0	0	0	0	0	0	0	0	
	13	Journeys/travel	0	0	0	0	0	0	0	0	
	14	Tax exemption	0	0	0	0	0	0	0	0	
	15	Upstream leasing	0	0	0	0	0	0	0	0	
	16	Investments									
	17	Visitor and customer transport	0	0	0	0	0	0	0	0	
	18	Upstream goods transport	0	0	0	0	0	0	0	0	
	19	Use of products sold	0	0	0	0	0	0	0	0	
	20	End-of-life of products sold	0	0	0	0	0	0	0	0	
	21	Tax exemption	0	0	0	0	0	0	0	0	
	22	Downstream leasing	0	0	0	0	0	0	0	0	
	23	Commuting	0	0	0	0	0	0	0	0	
	24	Other indirect emissions	0	0	0	0	0	0	0	0	
	Sub-total	288	2	0	0	523	-44	23	0		

Distribution of CO₂e emissions by category:



Water consumption

CNIM SA's total water consumption in 2015 was 35,523m³, of which 33,259m³ related to CNIM La Seyne-sur-Mer.

Energy consumption

Data	Unit	Quantity (CNIM SA):	Quantity (CNIM La Seyne-sur-Mer)
City gas for heating and processes	kWh	4,387,594	4,339,191
Ordinary domestic fuel	L	6,129	
Mobile sources of petrol fuel (light and heavy vehicles)	L	226,270	5,651
Non-road diesel	L	12,784	6,746
Mobile sources of petrol fuel	L	1632	1,632
Forklift (LPG) gases	kg	9,843	9,843
Process gases (Acetylene)	m ³	626	7
Electricity	kWh	9,268,971	8,786,219
Heating network	kWh	33,000	

Noise reduction measures

In 2015, 100% of the decibel readings on the sites of CNIM SA complied with the regulations. No complaints were received from local residents.

3.13.3 CNIM's social engagement

Impact of the company's activity on the local economy

The local, economic and social impact of CNIM SA in terms of pay, taxes and duties amounted to €370.2 million (France).

France		370,193
	Payroll (including social security contributions)	234,704
	Taxes and duties	7,459
	Purchases	128,031

(K€)

Consideration of subcontractors and suppliers from a social and environmental viewpoint

The purchases of CNIM SA amounted to €234.7 million in 2015.

Number of interns and people on professional training and apprenticeship contracts hired in 2014

	Consolidation
Trainees recruited	1
Career development contracts offered during the year	2
Apprentices recruited during the year	

Raising staff awareness of fraud risks

In 2015, 23 employees of CNIM SA participated in the Management training program, which included a fraud risk familiarization component. A further 72 staff had already received training in this area in previous years.

This training program will continue in 2016, and a specific action plan is in place to significantly increase the number of staff trained in this subject.

3.14 Opinion on the fairness of the data

External opinion of DNV GL – Business Assurance France.
Year ended December 31 2015.

DNV·GL

VERIFICATION REPORT

External opinion of DNV GL - Business Assurance France Year ended 12/31/2015

Introduction

DNV GL – Business Assurance France, accredited by COFRAC under no. 3-1091 (the scope of which is available at www.cofrac.fr) was instructed following the request of CNIM (Constructions industrielles de méditerranée) to undertake work verifying the information presented in the company's corporate, environmental and social responsibility report included in the financial report entitled "CNIM Group Corporate Social and Environmental Responsibility Report" (referred to below as "the report") and to express an opinion as to the fairness of the data in accordance with the provisions of Decree no. 2012-557 of April 24 2012 (Law Grenelle II of July 12 2010).

The CNIM Group is responsible for the collection, analysis, consolidation and presentation of the corporate, environmental and social information contained in the report concerned. In conducting our task of verification, we are responsible only to the Management of the CNIM Group pursuant to the terms of reference agreed with the latter.

Our role is to issue conclusions on the basis of this information, attesting that the information is included in the report or highlighting those pieces of information that are omitted and are not accompanied by explanations, and producing an opinion as to the fairness of the information presented.

Scope of the verification

The scope of our verification work that has been agreed with the CNIM Group covers the following aspects:

- Undertaking an analysis of the context and policies with regard to sustainable development and the associated corporate, environmental and social consequences;

- Verifying the compliance of the information communicated with the legislative and regulatory rules, in particular those resulting from the Law Grenelle II of July 12, 2010, Decree no. 557 applicable from April 24, 2012, and the Order of May 13, 2013, and, in particular:

- attesting to the inclusion in the report of the information provided for by Article R. 225-105-1 or, in the case of omissions, of an explanation as provided for in the third paragraph of Article R. 225-105 of the Commercial Code;
- Expressing an opinion as to the fairness of the information, in particular by examining the collection process with reference to how exhaustive and consistent the information is.

Methodology of the verification

The qualitative information and quantitative data contained in the report were examined in accordance with the requirements of Decree no. 2012-557 of April 24, 2012 and the Order of May 13, 2013.

During the work conducted by our auditors at the Company's premises in France and China on February 24-29, 2016, which was supplemented by a documentary review of the final version of the report, we studied the various elements that went into the reporting and carried out the following tasks:

- Analysis of the reliability, level of deployment and appropriation of the reporting protocol for quantitative data, information flows and rules for risk control and management;
- Study of the fairness of the data and the sources relating to the declarations, constituting the information contained in the report;
- Examination and review of the documents, files and all information communicated and made available by the company;

- Holding of 15 individual or group interviews with more than thirty representatives of the company at different levels of seniority, in particular with people responsible for reporting within the following entities:
 - CNIM SA, La-Seyne-sur-Mer;
 - CNIM Centre France – WEP, Brive;
 - CNIM Thiverval-Grignon – WEP, Thiverval-Grignon;
 - CNIM TE, Canton
- These sites account for 47% of the final aggregated social data and 16-18% of the final aggregated environmental data.
- Carrying out, in accordance with our procedures, for the most important information:
 - sampling tests, consistency and verification checks of the data on the basis of documentary evidence for the following quantitative data: Working hours arrangements; health and safety at work; freedom of association and right to collective bargaining; implemented training policies; company arrangements for taking account of environmental issues; resources devoted to preventing environmental risk and pollution; measures taken to prevent, reduce or compensate for discharges into the air, water and soil; measures taken to prevent, recycle and eliminate waste; water, raw material and energy consumption; measures taken to prevent corruption.
 - verifications on the basis of documentary evidence and interviews with their authors in respect of qualitative information.

Conclusions

Attestation of inclusion

We attest to the inclusion in the CNIM report of all of the information provided for in the list drawn up under the responsibility of the Management of CNIM on the basis of Decree no. 557 of April 24, 2012 and in respect of the scope of the verification which was entrusted to us. Regarding the data for which no indicator is provided, the reasons set out in report appear to be acceptable with regard to the company's activity and its impact.

Opinion on the fairness of the information communicated in the corporate, social and environmental and responsibility report included in the CNIM Group financial report:

- With respect to the quantitative information, the tests carried out revealed no material errors of such a nature as to cast doubt on the fairness of the information;
- with respect to the qualitative information, the interviews that we were able to conduct did not indicate any discrepancies or unjustified claims in the final version of the report presented to us;

Improving the reliability of information

Our mission report contains recommendations for improvement made to the company's management. These do not, however, affect our conclusions regarding the report submitted for verification.

Expertise and independence of DNV GL – Business Assurance France

DNV GL is a world leader in services relating to contributions to sustainable development, including report verification services.

DNV GL – Business Assurance France was not involved in the preparation of the information or data contained in this report, except for that relating to this Opinion. DNV GL – Business Assurance France provides assurance of total impartiality with regard to the work that we have carried out and total independence with regard to the parties interviewed during the verification process.

On behalf of DNV GL,

**Marc-Antoine
HORENFELD**
Verification Control
Manager

Jean-Christophe CARRAU
Verification Manager

Lyon, March 3, 2016

DNV GL – Business Assurance France understands verification to mean the process described by Article L. 225-102-1 of the Commercial Code (Law Grenelle II of July 12, 2010) which results in the issuing of an opinion within the meaning of said legislative text.

4 CORPORATE GOVERNANCE

4.1 Management Board and Supervisory Board

The Company is a *société anonyme* (corporation) having a Management Board and a Supervisory Board. Its shares are listed in France on Euronext Paris. It is subject to French laws and regulations.

Until December 31, 2012, the Company adhered to the AFEP-MEDEF corporate governance code.

Given its status as a midcap and the benefit that it would have for the Company, the Company studied the provisions of the MiddleNext code and considered that this was more suitable. Under those circumstances, at its meeting of March 28, 2013, the Supervisory Board decided thenceforth to adhere in relation to corporate governance to the MiddleNext corporate governance code for small and midcaps in its entirety (recommendations R1 to R15), with all of the recommendations contained in said code being followed. The report of the Chairman of the Supervisory Board on internal control and risk management procedures is now drawn up on the basis of this Code.

As a complement to the legal and regulatory provisions and the bylaws of the Company, the Supervisory Board has also set out internal rules for itself that are intended to specify the details of its operation. For the purposes of drawing up these internal rules, it consequently adhered to the MiddleNext corporate governance code for small and midcaps.

The tables below set out the names of the members of the Management Board and Supervisory Board on the date of filing of this registration document, their age, the date of their first appointment, the date of expiry of the offices occupied by them within the Company, the principal role that they perform outside of the Company and any offices held by them in any companies over the last five years.

The offices held by the persons listed below are given as of December 31, 2015 on the basis of information that is updated or known on the date of filing of this registration document at the *Autorité des Marchés Financiers*.

4.1.1 Composition of the Management Board

The members of the Management Board can be contacted at the registered office of CNIM, 35, rue de Bassano, 75008 Paris. From February 17, 2014, they can be contacted at the company's temporary address: 63, avenue des Champs-Élysées, 75008 Paris.

Since the resignation of Mrs. Catherine Delcroix from the Management Board on December 31, 2014, the Management Board of the Company has been made up of three members, including the Chairman. The term of office of the members of the Management Board is four years.

Mr. Nicolas Dmitrieff

Born April 8, 1970; French national

Business address: 35, rue de Bassano - 75008 Paris

Chairman of the Management Board

Assumed position: July 27, 2009

Term of office expires on the date of the General Meeting ruling on the 2015 financial statements

Other offices held

France

Chairman CNIM Transport Holding SAS, CNIM Transport France SAS

Chairman of the Board of Directors Babcock Wanson SA
CNIM Representative, Manager SCI du 35 rue de Bassano

CNIM Representative, Chairman SUNCNIM SAS, CNIM1, CNIM2, CNIM3, CNIM4, CNIM5

Director Babcock Wanson France, LAB SA, Bertin Technologies SAS, Bertin Pharma

Abroad

Director CNIM Hong Kong Ltd, CNIM Transport Equipment, CNIM Singapore Private Ltd, CNIM Engineers FZC, CNIM Bahrain Co. WLL, CNIM Asia Pacific Ltd

Manager Arnina (non-Group company)

Permanent CNIM Representative, Member CNIM Saudi

Terms of office that have expired over the last five years

France

Chairman of the Management Board Anteriority SA (non-Group company, until June 10, 2010)

Director Biotec Centre (until May 24, 2010), Ellipse Pharmaceuticals (until May 24, 2010), Pantech (until December 26, 2011)

Abroad

Chairman Cnimex (until March 19, 2010)

Director CNIM Canada (until July 5, 2010), CNIM Technology FZC (until August 14, 2012)

Mr. Stefano Costa

Born August 19, 1946; Italian national

Business address: 35, rue de Bassano - 75008 Paris

Member of the Management Board

Assumed position: June 9, 2005

Term of office expires on the date of the General Meeting ruling on the 2015 financial statements.

Other offices held

France

Chairman of the Board of Directors LAB SA

Abroad

Director, Co-manager LAB GmbH

Director MESE Ltd, MES Selchp Ltd, DWS Ltd, HWS Ltd, WWS Ltd – HWS Holdings Ltd, CNIM Development, CNIM ECS Ltd, CNIM UK Ltd, SELCHP Ltd, CNIM Azerbaijan Ltd, CNIM Bahrain Co. WLL, CNIM Asia Pacific Ltd

Terms of office that have expired over the last five years

France

Abroad

Director Energonut SPA (until December 14, 2011), CNIM Clugston (Lincolnshire) Ltd (until September 20, 2011), CNIM Clugston (Staffordshire) Ltd (until September 20, 2011), CNIM Lagan (Suffolk) Ltd (until December 15, 2011),

CNIM Clugston (Oxfordshire) Ltd (until March 8, 2012), CNIM Lagan (Cardiff) Ltd (until April 12, 2012), CNIM Clugston (Shropshire) Ltd (until July 31, 2012), CNIM Clugston (Ridham) Ltd (until March 15, 2013), CNIM Clugston (Leeds) Ltd (until October 1, 2013), CNIM Clugston (Wilton) Ltd (until March 4, 2014), CNIM Lagan (South London) Ltd (until February 5, 2013).

Mr. Philippe Demigné

Born on April 30, 1961; French national

Business address: 35, rue de Bassano - 75008 Paris

Member of the Management Board

Assumed position: September 1, 2009

Term of office expires on the date of the General Meeting ruling on the 2015 financial statements

Other offices held

France

Chief Executive Officer CNIM Transport France SAS

Chairman, Director Bertin Technologies SAS, Bertin Pharma SAS, Bertin IT, Verbalys SA, Vecsys SA, Saphymo SAS, Go Albert France SAS

Vice-Chairman of the Supervisory Board Sitia SA (non-Group company)

Abroad

Chairman, Director Babcock Wanson Maroc, CNIM Canada Inc., CNIM Transport Equipment 9215-7775 Québec Inc., Bertin Corp, CNIM Hong Kong, CNIM Singapore Private Ltd, AMI Enterprise Intelligence Software Ltd

Manager Go Albert Africa SARL

Terms of office that have expired over the last five years

France

Chairman, Director Biotec Centre (until May 24, 2010), Ellipse Pharmaceuticals (until May 24, 2010), SPI Bio (until May 24, 2010)

Co-manager, not referred to in the bylaws, not a member IDPS SARL (until May 24, 2010)

Abroad

Chairman & CEO Pantech SA (until December 26, 2011)

Manager, not referred to in the bylaws, not a member Bertin Services Aerospace SNC (until November 14, 2011)

The non-Group companies in which the members of the Management Board hold offices are not listed companies.

4.1.2 Composition of the Supervisory Board

The CNIM Supervisory Board comprises fourteen members, of whom ten are men and four are women. Out of these fourteen members, seven members who are natural or legal persons represent the Dmitrieff and Herlicq families and three members of the Supervisory Board have been considered independent having regard to the criteria laid down by the MiddleNext Code. Members of the Supervisory Board have a term of office of six years. The information relating to the operation of the Supervisory Board is inserted in 4.3 of this registration document.

It should be noted that, at its meeting of March 28, 2013, the Supervisory Board chose to adhere to the MiddleNext corporate governance code for small and midcaps in its entirety (recommendations R1 to R15). At that same meeting, the Supervisory Board decided to set out internal rules for itself that were intended to specify the details of its operation, as a complement to the legal and regulatory provisions and the bylaws of the Company, and to adhere to the MiddleNext corporate governance code for small and midcaps for the purposes of drawing up these rules. The internal rules of the Supervisory Board are available on the Company's website (www.cnim.com).

Mr. Vsevolod Dmitrieff

Born August 16, 1922

French national

Chairman of the Supervisory Board

Assumed position: November 28, 2002

Term of office expires on the date of the General

Meeting ruling on the 2017 financial statements

Other offices held

France

Director Soluni (non-Group company)

Permanent CNIM Representative on the Supervisory Board LAB SA

Abroad

Director CNIM Hong Kong Ltd

Permanent CNIM Representative on the Supervisory Board Société monégasque d'assainissement (SMA) (non-Group company)

Deputy Director SCI Socilas (non-Group company)

Terms of office that have expired over the last five years

France

Member of the Supervisory Board Anteriority SA (until June 10, 2010)

Abroad

Director CNIM Canada (until July 5, 2010), CNIM España

Mr. François Canellas

Born April 20, 1936

French national

Vice-Chairman of the Supervisory Board

Assumed position: June 22, 2006

Term of office expires on the date of the General Meeting ruling on the 2018 financial statements

Other offices held

(all of these offices relate to CNIM Group companies)

France

Director Babcock Wanson SA, LAB SA

Abroad

Director CNIM Hong Kong Ltd

Terms of office that have expired over the last five years

France None

Abroad

Director Babcock International (until May 26, 2010), SELCHP (until March 15, 2010)

Mr. Richard Armand

Born January 23, 1938

French national

Independent Member of the Supervisory Board (pursuant to the criteria of the MiddleNext Code)

Assumed position: November 28, 2002

Term of office expires on the date of the General Meeting ruling on the 2017 financial statements

Other offices held

France None

Abroad None

Terms of office that have expired over the last five years

France

Member of the Supervisory Board of Solving International

Abroad None

Mrs. Christiane Dmitrieff

Born January 26, 1935

French national

Member of the Supervisory Board

Assumed position: November 28, 2002

Term of office expires on the date of the General Meeting ruling on the 2019 financial statements

Other offices held

France

Chairman & CEO Soluni SA (non-Group company)

Abroad

Deputy Director SCI Socilas (non-Group company), SCI Sonathan (non-Group company), SCI Les Granges (non-Group company)

Terms of office that have expired over the last five years

France None

Abroad None

Ms. Lucile Dmitrieff

Born January 6, 1967

French national

Member of the Supervisory Board

Assumed position: September 1, 2009

Term of office expires on the date of the General Meeting ruling on the 2019 financial statements

Other offices held

France

Director Soluni (non-Group company)

Abroad None

Terms of office that have expired over the last five years

France None

Abroad None

Mrs. Sophie Dmitrieff

Born June 21, 1964

French national

Member of the Supervisory Board

Assumed position: November 30, 2015

Term of office expires on the date of the General Meeting ruling on the 2020 financial statements

Other offices held

France

Director Soluni (non-Group company)

Abroad None

Terms of office that have expired over the last five years

France None

Abroad None

FREL SA, represented by

Ms. Agnès Herlicq

Born June 9, 1963

French national

Member of the Supervisory Board

Assumed position: November 28, 2002

Term of office expires on the date of the General Meeting ruling on the 2018 financial statements

Other offices held by Ms. Herlicq in a personal capacity

France

Chief Executive Officer FREL SA (non-Group company)

Director FRANELI SA (non-Group company)

Abroad None

Terms of office that have expired over the last five years

France

Manager of an SARL HerBP (non-Group company) (until December 29, 2014)

Au Service du Client (non-Group company) (until February 13, 2014)

Abroad None

Mr. André Herlicq

Born April 30, 1961

French national

Member of the Supervisory Board

Assumed position: November 28, 2002

Term of office expires on the date of the General Meeting ruling on the 2019 financial statements

Other offices held

France **Co-manager** SCI Phanies (non-Group company)

Abroad None

Terms of office that have expired over the last five years

France None

Abroad None

Mr. Stéphane Herlicq

Born May 12, 1962

French national

Member of the Supervisory Board

Assumed position: September 1, 2009

Term of office expires on the date of the General Meeting ruling on the 2019 financial statements

Other offices held by Mr. Herlicq in a personal capacity

France

Chairman Sanitval SAS, Pliq-One SAS

Manager Nelo SARL

Abroad None

Terms of office that have expired over the last five years

France

Manager Pliq-One SARL (until December 17, 2014)

Abroad None

JOHES SAS represented by

Mr. Jean-François Vauray

Born November 22, 1949

French national

Independent member of the Supervisory Board (pursuant to the criteria of the MiddleNext Code)

Assumed position: November 28, 2002

Term of office expires on the date of the General Meeting ruling on the 2015 financial statements

Other offices held by Mr. Jean-François Vauray in a personal capacity

France

Chairman JOHES SAS (non-Group company)

Chairman of the Monitoring Committee H&A (non-Group company),
Robodrill Holding SAS (non-Group company)

Member of the Monitoring Committee Sikinos (Arelec) SAS (non-Group company)

Member of the Strategic Committee Teeo (non-Group company), BF Holding (non-Group company), Base Innovation (non-Group company)

Member of the Board of Directors Automatic Sea Vision (non-Group company), Uge (non-Group company)

Vice-Chairman GS Group

Permanent representative of GS Group

on the Board of Directors Greensolver

Manager Cure Energie Production (non-Group company)

Abroad None

Terms of office that have expired over the last five years

France

Chairman Ciclad Participations SAS (non-Group company) (until July 2011)

Chief Executive Officer Ciclad Gestion SAS (non-Group company) (until July 2011)

Valens SAS (until July 2011)

Director Siraga SA (non-Group company) (until the end of 2012)

GPL Industrie (non-Group company) (until end 2013)

Chairman of the Supervisory Committee

Axicorp SAS (until end 2012)

Member of the Supervisory Committee

Cari Finance SAS (until January 2010)

DP Logiciels SAS (non-Group company) (until end 2013)

Director, Member of the Strategic Committee, Member of the Appointments and Remuneration Committee, Member of the Safety Committee

Entrepose Contracting SA (non-Group company) (until March 2013)

Permanent representative of JOHES SAS

on the Supervisory Board Superba (non-Group company) (until September 2014)

Abroad None

Mr. Jean-Pierre Lefoulon

Born October 19, 1932

French national

Independent member of the Supervisory Board (pursuant to the criteria of the MiddleNext Code)

Assumed position: November 28, 2002

Term of office expires on the date of the General Meeting ruling on the 2015 financial statements

Other offices held

France

Director Advicenne (non-Group company)

Member of the Policy and Supervisory Board

Crédit Municipal de Lille (non-Group company)

Abroad None

Terms of office that have expired over the last five years

France

Chairman Value Invest (non-Group company)

Director Matis (non-Group company)

Member of the Policy and Supervisory Board

Crédit Municipal de Paris (non-Group company)

Abroad None

Mr. Johannes Martin

Born September 26, 1954

German national

Member of the Supervisory Board

Assumed position: October 22, 2009

Term of office expires on the date of the General Meeting ruling on the 2017 financial statements

Other offices held

France None

Abroad

Chairman, Manager Martin GmbH für Umwelt- und Energietechnik (non-Group company)

Chief Executive Officer Josef Martin Feuerungsbau GmbH (non-Group company), Ituma GmbH (non-Group company), Martin Vermögensverwaltungs GbR (non-Group company)

Chairman of the Board of Directors Martin GmbH für Umwelt- und Energietechnik (non-Group company)

Terms of office that have expired over the last five years

France

Permanent representative of Martin GmbH für Umwelt- und Energietechnik on the Supervisory Board CNIM SA (until October 22, 2009)

Abroad

Chief Executive Officer

Martin Familien GmbH & Co.KG (non-Group company)

Martin Vermögensverwaltungs GmbH & Co. KG (non-Group company) (until April 1, 2014)

Martin GmbH für Umwelt- und Energietechnik represented by

Mr. Ludwig von Mutius

Born June 16, 1949

German national

Member of the Supervisory Board

Assumed position: January 29, 2004

Term of office expires on the date of the General Meeting ruling on the 2019 financial statements

Other offices held by Mr. Ludwig von Mutius in a personal capacity

France None

Abroad

Member of the Board of Directors

Martin AG für Umwelt- und Energietechnik (non-Group company)

Terms of office that have expired over the last five years

France None

Abroad **Chairman of the Board of Directors** Martin GmbH für Umwelt- und Energietechnik (non-Group company) (until May 2015)

Chief Executive Officer, Manager Martin GmbH für Umwelt- und Energietechnik (non-Group company) (until November 2015)

Mr. Fabrice Finelle

Representing the employee shareholders of the Company

Born July 27, 1964

French national

Member of the Supervisory Board (until August 21, 2015)

Assumed position: May 24, 2012

Mr. Alain Sonnette

Representing the employee shareholders of the Company

Born November 5, 1961

French national

Member of the Supervisory Board

Assumed position: November 30, 2015

Term of office expires on the date of the General Meeting ruling on the 2020 financial statements

Mr. François Herlicq

Honorary member of the Supervisory Board

Other offices held

France

Chairman of the Board of Directors

FREL SA (non-Group company)

Chairman & CEO

FRANELI SA (non-Group company)

Abroad None

Terms of office that have expired over the last five years

France None

Abroad None

4.1.3 Biographies of the members of the Management Board and Supervisory Board

Management Board

Nicolas Dmitrieff

After studying at the University of Paris IV-Sorbonne, Nicolas Dmitrieff founded Alpaga SA (1995-1999) (partner) and was then Associate Director of B2L (BBDO Group) (1999-2000).

Founder of Anteriority SA (2000-2004), member of the Supervisory Board, project executive, Chairman of the Strategic Committee and member of the Audit Committee (2004-2009) of CNIM SA. He was appointed Chairman of the Management Board in 2009.

Stefano Costa

Stefano Costa began his career as a nuclear engineer in a research center and worked for a number of years on boiling-water reactors; he then moved to Canada to join Atomic Energy of Canada Limited. He later became Chief Executive Officer of the Nuclear Division of the Danish "Ansaldo Volund" Group, which at the time was part of the Italian "Finmeccanica" Group.

He joined the CNIM Group in 2001, where he is a member of the Management Board and General Manager of the Environment Department.

Philippe Demigné

Philippe Demigné is a graduate of the École Polytechnique (1982) and holds an MBA from INSEAD (1992). He has held the position of Chairman of Bertin Technologies since 1999. Following the purchase of

Bertin Technologies by the CNIM Group in 2009, Philippe Demigné took over as head of the Group's Advanced Systems Division, since renamed CNIM Industrial Systems. He is also a member of the Management Board of CNIM.

Supervisory Board

Vsevolod Dmitrieff

Engineer at Société languedocienne de recherches et d'exploitations minières (1946-1953), engineer at the Mines Office of Overseas France (1953-1957), Head of Technical Services (1957) then Technical Director (1961-1966) of Compagnie sénégalaise des phosphates de Taïba, Manager (1966), Manager assigned to the Chairman (1969), Director (1970), Deputy Managing Director (1972), Vice-Chairman (since 1978), Vice-Chairman/Managing Director (1980-1981), Chairman/Managing Director (1981-2002), then Chairman of the Supervisory Board of CNIM.

François Canellas

François Canellas, a marine civil engineer, also holds a Masters in economic sciences. He began his career at CNIM in 1964 and since then has held various managerial and supervisory positions. Under his leadership, CNIM has over the years become one of the main players in the field of waste treatment. François Canellas has also launched new industrial activities in

the field of mechanical and thermal engineering, at the same time expediting the reorganization, development and therefore the autonomy of the Group. Deputy Managing Director from 1983 to 1997, when he became Managing Director, he was then appointed Chairman of the Management Board in 2002. In 2006 he was appointed Vice-Chairman of the Supervisory Board, Chairman of the Audit Committee and a member of the Strategic Committee.

Richard Armand

A former student at the École Polytechnique, an engineer of the Corps des Mines (State Mining Engineering Corps) and special student at the University of Harvard, Richard Armand began his career in the Mines Service of Metz in 1964. From 1967 to 1974 he was successively deputy Managing Director, Director of Careers and Deputy Managing Director of the Management Consultancy Division of Société d'économie et de mathématiques appliquées (SEMA). From 1974 to 1978 he performed the roles of Sub-Director, then Deputy Director of Société Générale, with responsibility for developing business with large groups. From 1978 to 1998, he performed a number of roles at Pechiney: Director of Human Resources and Communications, Director of the Metals and New Materials sector, Chairman of Produits chimiques Ugine-Kuhlmann (PCUK), Chairman of Compagnie européenne du zirconium (Cezus). From 1987 to 1998, he was a member of the Executive Committee at Pechiney. He retired in 1998 and was then, until 2005, delegate-general for the association Entreprises pour l'environnement (EPE).

Christiane Dmitrieff

The daughter of the founder of CNIM, André Herlicq, Mrs. Christiane Dmitrieff was a member of the Management Board of CNIM from 1996 to 2002. She has been a member of the Supervisory Board since 2002.

Lucile Dmitrieff

Graduate of ENSBA (Paris Higher National School of Fine Arts). Lucile Dmitrieff works as a therapist.

Sophie Dmitrieff

After completing a Masters in geography and then graduating from ESSEC Business School, Sophie Dmitrieff performed a number of roles (internal auditing, project financing, management control) within various CNIM Group companies between 1992 and 2001. In 2003, she set up the Peruvian NGO Econtinuidad Peru, which she stills manages today.

André Herlicq

Mr. André Herlicq has been a member of the Supervisory Board of CNIM since 2002.

Stéphane Herlicq

Having graduated from the École Centrale of Paris in 1985, with a specialism in Construction, Stéphane

Herlicq began his career at Olivetti. After eight years working for the constructor, in 1996 he returned to the service sector with Steria, where he developed the first CRM facilities for banks and the Telecoms sector. In 2000, he was appointed Technical Director for Southern Europe / Middle East in an American start-up. From 2002 to 2006, he worked in Copenhagen as CEO of Steria Denmark, and then he was appointed Director of Steria Nice. In 2009, he bought Sanitval, a local SME specializing in climate control, and has been its Chairman since then.

Jean-Pierre Lefoulon

A graduate of the École Polytechnique, the École Supérieure des Télécommunications and the Conservatoire National des Arts et Métiers, Jean-Pierre Lefoulon began his career at the Paris Telecommunications Directorate (1958-1961), and then, in succession, performed the roles of consulting engineer at BNCI, specializing in the financing of large-scale industrial plant for export, and then continued his career at BNP as secretary general of the International Division, secretary general of Banexi (the bank's merchant bank) and finally Director of Monetary and Financial Affairs, at the same time acting as a director for a number of subsidiaries of BNP.

Johannes Martin

Having graduated from the Technical University of Berlin as an environmental sciences engineer in 1983, Johannes J. E. Martin began his career at Martin GmbH für Umwelt- und Energietechnik in Munich, Germany. He started as a project engineer, with responsibility for the company's activities in Switzerland. In 1986, Johannes Martin assumed responsibility for R&D activities and for adding a new department to the company's structures. In 1987, he assumed responsibility for the technology department, including construction, start-up, after-sales service and R&D. Since 1991, Johannes Martin has occupied the position of Managing Director of the company.

Alain Sonnette

The holder of a BAC F1 qualification, Alain Sonnette began his career at ALSTOM-Le BOURGET, where he worked in the design office. Between 1983 and 1998, he was a General Installation designer at BABCOCK ENTREPRISE in La Courneuve, before being made group head. In 1998, he became group head at CNIM's site in La Seyne-sur-Mer. In 2003, he took charge of the design office of CNIM's Environment Division at La Seyne-sur-Mer.

Since 2005, Alain Sonnette has headed up the design office of CNIM General Installation's Environment Division at La Seyne-sur-Mer and Saint Aubin (91).

Jean-François Vaury

A graduate in mathematics from École normale supérieure, Jean-François Vaury began his professional life at the Schlumberger Group as an engineer in the field of oil exploration in the Middle East, and then in the Group's human resources department in the United States. He returned to France in 1980 and joined the Boston Consulting Group as a strategy consultant, and

then the private equity group IDI, and in 1988 created the company Ciclad, which specialized in the organization and financing of the transfer of SMEs and the management of associated investment funds. In 2011, he transferred control of Ciclad to a group of employees. He provides support to the purchasers of Ciclad while moving into the Renewable Energies Sector.

4.1.4 Convictions, bankruptcies, conflicts of interest and other information

On the basis of the declarations made by the members of the Management and Supervisory Boards of the Company, to the best of the Company's knowledge, over the last five years, (i) there has not been any conviction for fraud issued against a member of the Management Board or Supervisory Board of the Company, (ii), no member of the Management Board or Supervisory Board of the Company has been associated with any bankruptcy, sequestration or liquidation, (iii) no accusation and/or sanction of an official public nature has been pronounced against these persons by statutory or regulatory authorities (including designated professional bodies), and (iv) no member of the Management Board or Supervisory Board of the Company has been prohibited by a court from acting in the capacity of a member of a management or supervisory body of an issuer or from being involved in the management or conducting of the business of an issuer.

To the best of the Company's knowledge, on the date of registration of the present registration document, no situation exists which could give rise to a conflict between the duties of the members of the Management Board or Supervisory Board to the Company and their private interests and/or other duties. In addition to the provisions of the Commercial Code that apply with regard to regulated agreements, the Supervisory Board's internal rules provide that all members of the Supervisory Board are obliged to inform the Supervisory Board of any situation representing a conflict of interests, even a potential one, and must abstain from participating in votes on any deliberations by the Supervisory Board in respect of which he or she would have such a conflict of interests.

No service contract providing for the granting of benefits under the terms of such a contract exists between any member of the Management Board or Supervisory Board and the Company or its subsidiaries. No arrangement or agreement entered into with the principal shareholders exists.

Furthermore, to the best of the Company's knowledge, no restrictions exist that have been agreed by the members of the Supervisory Board in relation to the assignment of any stakes they hold in the share capital of the Company.

Finally, as the composition of the Supervisory Board appropriately reflects the shareholding of the reference shareholder, consisting of the Dmitrieff family group, in the Company, familial connections exist between certain members of the Supervisory Board and of the Management Board:

- Mr. Nicolas Dmitrieff, Chairman of the Management Board, is the son of Mrs. Christiane Dmitrieff and of Mr. Vsevolod Dmitrieff, who are respectively a member of the Supervisory Board and the Chairman of the Supervisory Board;
- Ms. Lucile Dmitrieff, a member of the Supervisory Board, is the sister of Mr. Nicolas Dmitrieff;
- Mrs. Sophie Dmitrieff, a member of the Supervisory Board, is also the sister of Mr. Nicolas Dmitrieff;
- Ms. Agnès Herlicq, permanent representative of FREL SA and a member of the Supervisory Board, is the sister of Messrs. André and Stéphane Herlicq, who are both members of the Supervisory Board. Agnès Herlicq, André Herlicq and Stéphane Herlicq are cousins of Sophie, Lucile and Nicolas Dmitrieff.

There is no familial connection between the other members of the Management Board or of the Supervisory Board.

4.1.5 Functioning of the Supervisory Board and of the committees of which it is composed

Please refer to Chapter 4.3.2.

4.2 Remuneration of the corporate officers

The information on the remuneration of the Company's corporate officers included in this section of the registration document is in accordance with AMF recommendation 2014-14 of December 2, 2014, and in particular Annex 2 thereof. The members of the Management Board, with the exception of the Chairman, have retained the benefit of their employment contracts which predate their appointment to the Management Board. They thus benefit from remuneration comprising a fixed and a variable component. As each of the two members of the Management Board, Mr. Stefano Costa and Mr. Philippe Demigné, is in charge of a business sector, the variable component of their respective remuneration is fixed by the Supervisory Board on the basis of the results of the sector of which they are in charge. The Chairman of the Management Board is remunerated for his duties as Chairman of the Management Board. This remuneration comprises a fixed and a variable component, the amount of the latter being determined on the basis of the Group's net income.

The Chairman of the Management Board also receives a benefit in kind, in the form of a directors' and officers' unemployment insurance policy.

The members of the Management Board, as officers of the company, also benefit (in the same manner as "Unclassified" employees as defined by the National Collective Agreement for the Metalworking Industry) from a supplementary defined-benefit pension scheme (Article 39 of the General Tax Code) and from a supplementary defined-contribution pension scheme (Article 83 of the General Tax Code).

Except as stated above, no member of the Management Board receives any benefit in kind, share subscription option, share purchase option or free allocation of shares, nor does any member benefit from indemnities payable or liable to become payable on cessation or change of duties or from indemnities in relation to a non-competition clause.

The members of the Supervisory Board each receive €8,000 in annual attendance fee payments for participating in the meetings of the Supervisory Board.

The members of the Audit and Strategic Committees each receive a fixed annual payment of €20,000 for their participation in these committees.

The Chairman of the Supervisory Board receives an annual payment of €250,008 and the Vice-Chairman of the Supervisory Board receives an annual payment of €150,000.

4.2.1 Amount of remuneration of the company's executive corporate officers

4.2.1.1 Remuneration of the members of the Management Board

The members of the Management Board, with the exception of the Chairman, have retained the benefit of their employment contracts which predate their appointment to the Management Board, and are therefore remunerated in that capacity and not in their capacity as officers.

Summary table of remuneration, options and shares granted to each executive corporate officer

	2014 financial year	2015 financial year
Nicolas Dmitrieff (Chairman of the Management Board)		
Remuneration due in respect of the financial year (details below)	€1,003,616	€1,051,852
Value of the multi-annual variable remuneration granted during the financial year	n/a	n/a
Value of options granted during the financial year (details below)	n/a	n/a
Value of free shares granted during the financial year (details below)	n/a	n/a
Total	€1,003,616	€1,051,852
Stefano Costa (Member of the Management Board)		
Remuneration due in respect of the financial year (details below)	€777,162	€1,095,132
Value of multi-annual variable remuneration granted during the financial year	n/a	n/a
Value of options granted during the financial year (details below)	n/a	n/a
Value of free shares granted during the financial year (details below)	n/a	n/a
Total	€777,162	€1,095,132
Philippe Demigné (Member of the Management Board)		
Remuneration due in respect of the financial year (details below)	€422,246	€447,676
Value of the multi-annual variable remuneration granted during the financial year	n/a	n/a
Value of options granted during the financial year (details below)	n/a	n/a
Value of free shares granted during the financial year (details below)	n/a	n/a
Total	€422,246	€447,676

Summary table of remuneration of each executive corporate officer

Nicolas Dmitrieff (Chairman of the Management Board)	2014 financial year		2015 financial year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Salary ⁽¹⁾		€379,782		€393,039
Annual variable remuneration ^{(1) (2)}		€601,540		€648,400
Multi-annual variable remuneration		none		none
Exceptional remuneration		none		none
Attendance fees		none		none
Benefits in kind ⁽³⁾		€22,294		€10,413
Total		€1,003,616		€1,051,852

⁽¹⁾ Gross before tax.

⁽²⁾ Variable remuneration, fixed by decision of the Supervisory Board of April 7, 2011, equal to 2% of the consolidated net income of the Group.

⁽³⁾ Contributions for corporate officers' and pension insurance, Article 83.

Stefano Costa (Member of the Management Board)	2014 financial year		2015 financial year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Salary ⁽¹⁾		€260,231		€270,010 ⁽¹⁾
Annual variable remuneration ^{(1) (2)}		€500,000		€800,000 ⁽³⁾
Multi-annual variable remuneration		none		none
Exceptional remuneration ⁽¹⁾		€4,916 ⁽⁴⁾		€10,228 ⁽⁴⁾
Attendance fees		none		none
Benefits in kind ⁽⁵⁾		€12,015		€14,894
Total		€777,162		€1,095,132

⁽¹⁾ Gross before tax.

⁽²⁾ Variable remuneration granted by the Supervisory Board and linked to the overall performance of the Environment Sector (such as growth in orders received, growth of revenue, growth of operating income).

⁽³⁾ This amount includes the annual variable remuneration due in respect of the 2014 financial year, equating to €500,000, and an advance on the annual variable remuneration due in respect of the 2015 financial year, authorized by the Supervisory Board of the Company at its meeting of November 26, 2015, equating to €300,000.

⁽⁴⁾ Payment in respect of paid holidays on PERCO (collective pension savings plan).

⁽⁵⁾ Pension contributions, Article 83.

Philippe Demigné (Member of the Management Board)	2014 financial year		2015 financial year	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Salary ⁽¹⁾		€260,231		€270,010
Annual variable remuneration ^{(1) (2)}		€150,000		€175,000
Multi-annual variable remuneration		none		none
Exceptional remuneration ⁽¹⁾		none		€2,666 ⁽⁴⁾
Attendance fees		none		none
Benefits in kind ⁽³⁾		€12,015		none
Total		€422,246		€447,676

(1) Gross before tax.

(2) Variable remuneration granted by the Supervisory Board and linked to the overall performance of the Innovation & Systems Sector (such as growth in orders received, growth of revenue, growth of operating income).

(3) Pension contributions, Article 83.

(4) Payment in respect of paid holidays on PERCO (collective pension savings plan).

Executive corporate officers	Employment contract ⁽¹⁾		Supplementary pension plan		Indemnities or benefits due or likely to be due on cessation or change of duties ⁽³⁾		Indemnities relating to a non-competition clause	
	Yes	No	Yes ⁽²⁾	No	Yes	No	Yes	No
Nicolas Dmitrieff, Chairman of the Management Board Beginning of term of office: 7/27/2009 End of term of office: General Meeting ruling on the financial statements of the financial year ending December 31, 2015		X	X			X		X
Stefano Costa, Member of the Management Board Beginning of term of office: 6/9/2005 End of term of office: General Meeting ruling on the financial statements of the financial year ending December 31, 2015	X		X			X		X
Philippe Demigné Member of the Management Board Beginning of term of office: 9/1/2009 End of term of office: General Meeting ruling on the financial statements of the financial year ending December 31, 2015	X		X			X		X

(1) The Chairman of the Management Board does not have an employment contract with the Company. The other members of the Management Board have retained the benefit of their employment contracts which predate their appointment.

(2) This is a funded pension plan. The Company pays (every quarter) contributions of 8% of gross annual remuneration – capped at 8 times the social security ceiling (i.e. €24,345.60 for 2015) – into an individual account opened with Generali. The beneficiary selects the asset management profile for this account (dynamic, balanced, Euro funds, European equities, international bonds, etc.). He retains an entitlement to the amounts invested even if he leaves the company in the meantime. It is possible to exit in the form of a 60% or 100% joint and survivor pension entitlement.

(3) No termination benefits are expressly provided for in the employment contracts of the members of the Management Board who have retained the benefit of their employment contracts or in favor of the Chairman of the Management Board, who has no employment contract with the Company. The only termination benefits that would be due under an employment contract are those provided for in the National Collective Bargaining Agreement for the metal industry, which applies to the Company.

4.2.1.2 Remuneration of the members of the Supervisory Board

Table of attendance fees and other remuneration received by non-executive corporate officers

Non-executive corporate officers	Amounts paid during the 2014 financial year	Amounts paid during the 2015 financial year
Vsevolod Dmitrieff		
Attendance fees	€8,000	€8,000
Other remuneration	€270,008	€290,008
François Canellas		
Attendance fees	€8,000	€8,000
Other remuneration	€190,000	€190,000
Richard Armand		
Attendance fees	€8,000	€8,000
Other remuneration	€20,000	€20,000
Christiane Dmitrieff		
Attendance fees	€8,000	€8,000
Other remuneration	None	None
Lucile Dmitrieff		
Attendance fees	€8,000	€8,000
Other remuneration	None	None
Sophie Dmitrieff (appointed by the General Meeting of November 30, 2015)		
Attendance fees	N/A	None
Other remuneration	N/A	None
André Herlicq		
Attendance fees	€8,000	€8,000
Other remuneration	€20,000	€20,000
Stéphane Herlicq		
Attendance fees	€8,000	€8,000
Other remuneration	€20,000	€20,000
Jean-Pierre Lefoulon		
Attendance fees	€6,000	€8,000
Other remuneration	€20,000	€20,000
FREL SA		
Attendance fees	€8,000	€8,000
Other remuneration	€20,000	€20,000
JOHES SA		
Attendance fees	€8,000	€8,000
Other remuneration	€20,000	€20,000
Johannes Martin		
Attendance fees	€8,000	€8,000
Other remuneration	None	None
Martin GmbH für Umwelt- und Energietechnik		
Attendance fees	€8,000	€8,000
Other remuneration	None	None
Fabrice Finelle (resigned on August 21, 2015)		
Attendance fees	None	None
Other remuneration	⁽¹⁾	⁽¹⁾
Alain Sonnette (appointed by the General Meeting of November 30, 2015)		
Attendance fees	None	None
Other remuneration	⁽¹⁾	⁽¹⁾
Total	€674,008	€696,008

⁽¹⁾ The salary paid to the member of the Supervisory Board who represents the employee shareholders and who has an employment contract with the Company or one of its subsidiaries is not disclosed.

Options to subscribe for or purchase shares

No options to subscribe for or purchase shares have been granted to the executive corporate officers by the issuer or by any company in the Group.

Summary table of remuneration, options and shares granted to each executive corporate officer

	2014 financial year	2015 financial year
Nicolas Dmitrieff (Chairman of the Management Board)		
Remuneration due in respect of the financial year (details below)	€1,003,616	€1,051,852
Value of the multi-annual variable remuneration granted during the financial year	n/a	n/a
Value of options granted during the financial year (details below)	n/a	n/a
Value of free shares granted during the financial year (details below)	n/a	n/a
Total	€1,003,616	€1,051,852
Stefano Costa (Member of the Management Board)		
Remuneration due in respect of the financial year (details below)	€777,162	€1,095,132
Value of the multi-annual variable remuneration granted during the financial year	n/a	n/a
Value of options granted during the financial year (details below)	n/a	n/a
Value of free shares granted during the financial year (details below)	n/a	n/a
Total	€777,162	€1,095,132
Philippe Demigné (Member of the Management Board)		
Remuneration due in respect of the financial year (details below)	€422,246	€447,676
Value of the multi-annual variable remuneration granted during the financial year	n/a	n/a
Value of options granted during the financial year (details below)	n/a	n/a
Value of free shares granted during the financial year (details below)	n/a	n/a
Total	€422,246	€447,676

No options to subscribe for or purchase shares have been granted to the executive corporate officers by the issuer or by any company in the Group. Therefore, no options to subscribe for or purchase shares have been exercised during the financial year.

Options to subscribe for or purchase shares exercised during the financial year by each executive corporate officer

Name of executive corporate officer	No. and date of plan	Number of options exercised during the financial year	Exercise price
Nicolas Dmitrieff	No. Date:	none	
Stefano Costa	No. Date:	none	
Philippe Demigné	No. Date:	none	
Total		none	

No options to subscribe for or purchase shares have been granted to the executive corporate officers by the issuer or by any company in the Group.

History of grants of options to subscribe for or purchase shares - Information on options to subscribe for or purchase shares

Date of meeting	Plan no. 1	Plan no. 2	Plan no. 3	Etc.
Date of the Management Board meeting				
Total number of shares that can be subscribed for or purchased and number thereof that can be subscribed for or purchased by:	none			
Nicolas Dmitrieff	none			
Stefano Costa	none			
Philippe Demigné	none			
Date from which options can be exercised				
Expiry date				
Subscription or purchase price				
Procedural arrangements for exercise (where the plan comprises a number of tranches)				
Number of shares subscribed for on [...] (most recent date)	none			
Total number of options to subscribe for or purchase shares that have been canceled or have lapsed	none			
Options to subscribe for or purchase shares remaining at the end of the financial year	none			

No options to subscribe for or purchase shares have been granted to employees who are not corporate officers by the issuer or by any company in the Group.

Options to subscribe for or purchase shares granted to the top ten employee beneficiaries who are not corporate officers and options exercised by them.

	Total number of options granted / shares subscribed for or purchased	Weighted average price	Plan no. 1	Plan no. 2
Options granted during the financial year by the issuer and any company involved with the granting of the options to the ten employees of the issuer and of any company involved with the granting of the options who were granted the greatest numbers of options (overall information)	none			
Options held with regard to the issuer and the companies referred to above that have been exercised during the financial year by the ten employees of the issuer and of any company involved with the granting of the options who bought or subscribed for the greatest numbers of options (overall information)	none			

4.2.1.3 Grants of free shares

No shares have been granted free of charge to the corporate officers by the issuer or by any company in the Group.

Shares granted free of charge by the General Meeting of Shareholders during the financial period to each corporate officer by the issuer and by any company in the Group (list of names)

	No. and date of plan	Number of shares granted during the financial year	Value of shares on the basis of the method adopted for the consolidated financial statements	Date of acquisition	Date of availability	Conditions of performance
Nicolas Dmitrieff	No. Date:	none				
Stefano Costa	No. Date:	none				
Philippe Demigné	No. Date:	none				
Total		none				

No shares have been granted free of charge to the corporate officers by the issuer or by any company in the Group.

Shares granted free of charge that have become available for each corporate officer

	No. and date of plan	Number of shares that have become available during the financial year	Conditions of acquisition
Nicolas Dmitrieff	No. Date:	none	
Stefano Costa	No. Date:	none	
Philippe Demigné	No. Date:	none	
Total		none	

No shares have been granted free of charge to the corporate officers by the issuer or by any company in the Group.

History of grants of free shares

Information regarding shares granted free of charge

Date of meeting	Plan no. 1	Plan no. 2	Plan no. 3	Etc.
Date of the Management Board meeting				
Total number of shares granted free of charge, and number thereof granted to:	none			
Nicolas Dmitrieff	none			
Stefano Costa	none			
Philippe Demigné	none			
Date of acquisition of shares	none			
Date of the end of retention period	none			
Number of shares subscribed for on [...] (most recent date)	none			
Total number of shares that have been canceled or have lapsed	none			
Shares granted free of charge remaining at the end of the financial year	none			

4.2.2 Pension commitments entered into for the benefice of corporate officers

In 1987, the Company set up a defined benefit plan for “non-classified” senior executives and salaried managers, as defined by the National Collective Bargaining Agreement for the Metal Industry, as well as for corporate officers.

The plan covers all employees who meet the following conditions on the day they retire:

- they must be either a non-classified executive, as defined by the National Collective Bargaining Agreement for the Metal Industry, or a corporate officer;
- they must be at least 60 years old;
- they must end their career at CNIM, and liquidate their pensions resulting from common-law schemes.

The benchmark remuneration used for calculating the supplementary pension is the average of the three highest gross annual salaries earned over the last seven civil years of employment, adjusted according to changes in the ICHT-IME index (hourly labor cost index for the metal-working and engineering industries).

This supplementary pension confers a right to a pension equal to 0.80% of the benchmark remuneration per year of service; it is capped at 15% of the benchmark remuneration in the event of liquidation at 60 years of age, increased by 0.8% every year, without ever exceeding 25% of the benchmark remuneration.

A supplementary defined contribution plan (funded plan) was subscribed to with an insurance company. This plan was fully financed by the employer with an 8% contribution based on gross annual remuneration, capped at 8 times the French annual social security ceiling, which is paid into an individual account by the insurance company. The beneficiary selects the asset management profile for this account.

The total amount of the general and specific pension of “non-classified” personnel and corporate officers may not exceed 65% of the benchmark remuneration.

This supplementary retirement plan for “non-classified” senior executives and corporate officers was approved in its entirety by the Supervisory Board on October 27, 2005.

Payments made to the defined benefit plan for all of the beneficiaries of the plan totaled €500,000 in 2015, these payments not being individualized.

The associated social security contributions and tax payments represented a sum of €120,000.

As at December 31, 2015, the estimated amounts for the annual pensions under the supplementary defined benefit plan stood, for the corporate officers, at:

- Nicolas Dmitrieff: €147,278
- Stefano Costa: €103,528
- Philippe Demigné: €64,568

These amounts are calculated on the basis of number of years of service as at December 31, 2015, and current remuneration.

These amounts are only theoretical, since they do not take account of the eligibility conditions that need to be fulfilled, such as the beneficiary being at least 60 years old upon their retirement, or having to finish their career at CNIM.

No payment was made to the defined contribution plan in 2015.

The amounts for the pensions linked to the defined contribution plan have not been estimated for the corporate officers, given the absence of any information on the asset management profile retained by each beneficiary.

4.3 Report of the Chairman of the Supervisory Board on internal control and risk management procedures³ (AFS)

In accordance with the provisions of Article L. 225-68 of the Commercial Code, I have the honor, in this present report, of providing you with a report on the composition of the Supervisory Board of CNIM (the "Company") and on the application of the principle of the equal representation of women and men within it, on the conditions under which the work of the Supervisory Board was prepared and organized and on the internal control and risk management procedures put in place by the Company, and to present to you the rules decided upon by the Supervisory Board for the determination of the remuneration and benefits of any nature that are awarded to the corporate officers.

4.3.1 Composition of the Supervisory Board

The Supervisory Board is currently composed of fourteen members:

Mr. Vsevolod Dmitrieff, Chairman of the Board;

Mr. François Canellas, Vice-Chairman of the Board;

Mr. Richard Armand;

Mrs. Christiane Dmitrieff;

Mrs. Sophie Dmitrieff;

Ms. Lucile Dmitrieff;

FREL SA, whose permanent representative is **Ms. Agnès Herlicq**;

Mr. André Herlicq;

Mr. Stéphane Herlicq;

Mr. Jean-Pierre Lefoulon;

Martin GmbH für Umwelt- und Energietechnik, whose permanent representative is **Mr. Ludwig von Mutius**;

JOHES SAS, whose permanent representative is **Mr. Jean-François Vaury**;

Mr. Johannes Martin;

Mr. Alain Sonnette⁴.

You will find, as an annex to the present report, a list of the roles performed within the Company by the members of the Supervisory Board, the dates on which their terms of office commenced and expire, and the roles and offices performed and held by each of them in other companies.

There are three independent members of the Supervisory Board:

Mr. Richard Armand;

Mr. Jean-Pierre Lefoulon;

JOHES, represented by **Mr. Jean-François Vaury**.

It is noted that independence is characterized by an absence of material financial, contractual or familial relationships that are liable to have an effect on independence of judgment.

Under the terms of the provisions of the internal rules of the Company's Supervisory Board, the following criteria are taken into account for the purposes of assessing the independence of members of the Board:

³ Until December 31, 2012, the Company adhered to the AFEP-MEDEF corporate governance code.

As of March 28, 2013, the Supervisory Board resolved in relation to corporate governance matters to adhere to the MiddleNext corporate governance code for small and midcap companies.

⁴ Mr. Alain Sonnette was appointed by the General Meeting of Shareholders of November 30, 2015 as the member of the Supervisory Board who represents the employee shareholders, following the departure from the Company, in August 2015, of Mr. Fabrice Finelle who had previously occupied this position.

- not being an employee or an executive corporate officer of the Company or of a company in its Group and not having been so during the last three years;
- not being a material client of or supplier or banker to the Company or its Group, or one for which the Company or its Group represents a material part of its business;
- not being a reference shareholder of the company;
- not having close familial connections with a corporate officer or a reference shareholder of the Company;
- not having been the Company's auditor during the last three years.

It is asserted that the Board may, subject to the requirement to justify its position, consider that one of its members is independent even if he does not meet all of these criteria or, conversely, that one of its members who does meet all of the criteria is not independent.

With regard to the principle of the equal representation of women and men on the Board, the question of the appointment of equally qualified women shall be asked each time that a director is appointed, with it being specified that the proportion of women on the Company's Supervisory Board is currently 30 %.

4.3.2 Conditions under which the work of the Supervisory Board is prepared and organized

4.3.2.1 Conditions under which the work of the Board is prepared

The Chairman and Vice-Chairman of the Board are responsible for convening the Supervisory Board and for leading its discussions.

The Board has established within itself two committees, the roles of which are to assist it with certain specific tasks.

Each committee has a scrutinizing, analytical and preparatory role in respect of certain matters considered by the Board which fall within its sphere of competence, and a scrutinizing role in respect of subjects or projects which the Board or its Chairman submits to it for examination. It has no decision-making powers. In its sphere of competence, it issues recommendations, proposals or opinions, as the case may be. It has consultative powers and acts under the authority of the board, of which it is an emanation.

The current names and duties of these committees are set out below, with it being specified that each of these committees furthermore examines any question falling within the sphere of its competences that is submitted to it.

4.3.2.2 Audit Committee

This committee monitors:

- the process by which the financial information is prepared;
- the effectiveness of the internal control and risk management systems;
- the statutory audit of the consolidated financial statements by the Auditors;
- the independence of the Auditors.

More specifically, the duties of the Audit Committee are:

1 – With regard to the financial statements:

- to examine the annual and half-yearly financial statements;
- to examine the appropriateness and consistency of the accounting policies used to prepare the company financial statements and the consolidated financial statements;
- to examine the extent of the consolidation and, where appropriate, the reasons why certain companies audited were not included in the consolidation;
- to monitor the process by which the financial information is prepared.

It is stated that its role in this respect does not consist in going into the detail of the financial statements but rather it consists in monitoring the processes which contribute to their preparation and assessing the validity of the methods chosen for the treatment of significant transactions.

2 – With regard to the effectiveness of the internal control and risk management systems:

- to obtain an understanding of the results of internal and/or external audit work carried out on this subject in order to ensure, where necessary, that appropriate action plans have been put in place.

3 –With regard to monitoring the rules relating to the independence and objectivity of the Auditors:

- to examine questions relating to appointment, renewal or dismissal of the Company's Auditors and to the amount of fees to be fixed for performance of the duties associated with the statutory audit;
- to supervise the rules for the use of the Auditors for works other than statutory auditing and, more generally, to ensure that the principles which guarantee the independence of the Auditors are complied with;
- to examine each year with the Auditors the amounts of the audit fees paid by the Company and its subsidiaries to the entities of the networks to which the Auditors belong;
- to examine the conclusions of the Auditors and their recommendations as well as the follow-up actions given to them.

The Audit Committee is currently composed of four members: Mr. François Canellas (Chairman), Mr. Vsevolod Dmitrieff, FREL SA, whose permanent representative is Ms. Agnès Herlicq, and Mr. Jean-Pierre Lefoulon. All four are members of the Supervisory Board.

The Audit Committee met four times during the 2015 financial year. The following subjects were placed on the agendas of those meetings:

- review of the half-yearly and annual financial statements;
 - presentation of the financial statements by the Finance Department;
 - debrief by the Auditors with regard to the work they have carried out;
- debrief by the Auditors about their tasks relating to the evaluation of internal control;
- presentation of the annual internal audit plan approved by the Management Board and of the main conclusions in relation to the tasks carried out in connection with this annual audit plan;
- analysis of the independence of the Auditors.

The Company is compliant with the recommendations of the AMF, in its "final report on the Audit Committee" of July 22, 2010, with regard to the following points:

- appointment and composition of the Audit Committee;
- definition by the internal rules of the Supervisory Board of the principles in accordance with which the Audit Committee operates;
- communication to the Audit Committee, within the time limit, and detailed presentation, in the presence of the Auditors, of the key elements of financial communication, following approval by the Management Board;
- communication by General Management of the annual audit plans approved by the Management Board, and debrief, in the presence of the Auditors, in relation to the internal audit tasks carried out in connection with these annual plans;
- review by the Audit Committee of the report of the Chairman of the Supervisory Board on internal control and risk management procedures.

4.3.2.3 Strategic Committee

The main task of this committee is to assist the Supervisory Board in defining the overall strategic direction of the Company and its subsidiaries, in terms of both business lines and geographical coverage. In particular, the Strategic Committee analyzes development plans and plans for acquiring holdings in other companies, for making divestments and for establishing partnerships on a long-term or short-term basis.

It is currently composed of Mr. Vsevolod Dmitrieff, who is its Chairman, Messrs. Richard Armand, Stéphane Herlicq, André Herlicq, and François Canellas, and the company JOHES, whose permanent representative is Mr. Jean-François Vaury.

The Strategic Committee met once during the 2015 financial year.

4.3.2.4 Conditions under which the work of the Supervisory Board is organized

The functioning of the Supervisory Board is governed by internal rules.

These internal rules can be consulted on the Company's website.

The Supervisory Board meets at least once a quarter. On each occasion, it hears the report of the Management Board on the management of the Company.

It met four times during the 2015 financial year, on March 19, June 3, August 31 and November 26 respectively. 100%, 85%, 100% and 92% of the members of the Supervisory Board were present at these meetings, respectively. During these meetings, in addition to hearing the report of the Management Board on the operation of the Company, the following points in particular were raised:

- annual overall authorizations given to the Management Board subject to the limits set out in the bylaws;
- examination of the company financial statements and consolidated financial statements drawn up by the Management Board;
- the report of the Supervisory Board to the General Meeting;
- the report of the Chairman of the Supervisory Board on internal control and risk management procedures;
- examination of the financial statements for the first six months of the year;
- examination of agreements subject to regulation;
- reporting by the Management Board on capital spending and financial transactions carried out during the financial year and authorized in advance;
- authorizations to provide guarantees on behalf of subsidiaries;
- examination of the proposed investment in a joint venture with an institutional investor, formalized through the conclusion of an investment protocol;
- examination of the proposed partial contribution of the assets of one of the Company's businesses to a new organization, the terms of that contribution, and the remuneration thereof;
- authorization for the signing of a loan agreement for financing the work at the Company's head office;
- authorization for the signing of a framework agreement for issuing pledges and guarantees;
- approval of the setting-up of new companies.

In accordance with the provisions of Article L. 823-17 of the Commercial Code, the Auditors are, in particular, invited to all meetings of the Supervisory Board which examine the annual and half-yearly financial statements.

The representatives of the Works Council are invited to all meetings of the Board. They attended all meetings of the Board held during the financial year ended December 31, 2015.

The Supervisory Board may confer special authorities of any kind for one or more defined matters upon one or more of its members.

In addition to the powers conferred on it by law and by the Company bylaws, the Supervisory Board examines the following transactions, which can only be performed by the Management Board with the prior agreement of the Supervisory Board:

- issues of securities, of whatever kind, liable to entail a change to the share capital;
- material transactions liable to affect the strategy of CNIM or the CNIM Group or to change the financial structure of its sphere of activity, whereby the assessment of materiality shall be made by the Management Board on its own liability;
- transactions in excess of an amount set each year by the Supervisory Board regarding:
 - any capital spending decisions affecting fixed assets as recorded in the balance sheet;
 - any barter or part-exchange transactions relating to goods, stocks or securities;
 - involvement in the establishment of any company, subscription to any issue of shares, stocks or bonds, excluding treasury transactions;
 - the grant or acceptance of any loans, credit or advances.

The sale of real estate, the full or partial sale of holdings in other enterprises and the establishment of sureties and charges, pledges or guarantees shall also be subject to authorization by the Supervisory Board under the terms set by the Commercial Code.

The annual total amount of attendance fees which is fixed, where appropriate, by the General Meeting of shareholders, is distributed by the Board between the members of the Supervisory Board in accordance with the level of diligence of the members of the Board and the time that they devote to their duties.

It is noted that the General Meeting of shareholders held on June 3, 2015 fixed the total amount of attendance fees to be distributed for the 2015 financial year at €104,000.

Pursuant to the provisions of its internal rules, at its meeting of March 10, 2016, the Supervisory Board resolved to pay attendance fees, in respect of the 2015 financial year, of (i) €8,000 to Mrs. Christiane DMITRIEFF, Mrs. Lucile

DMITRIEFF, Mr. Vsevolod DMITRIEFF, Mr. François CANELLAS, Mr. Richard ARMAND, Mr. Stéphane HERLICQ, Mr. André HERLICQ and Mr. Jean-Pierre LEFOULON, and to the companies FREL and MARTIN GmbH, and (ii) €6,000 to Mr. Johannes MARTIN and to the company JOHES, it being specified that Mr. Fabrice Finelle, before leaving the Company, had informed the Council that he had chosen to waive his fees.

4.3.3 Internal control and risk management

Risk management aims to cover all activities, processes and assets of the Company. It comprises a set of tools, behaviors, procedures and actions that are tailored to the Company's own characteristics and those of all of its subsidiaries which are aimed at allowing managers to keep risks at an acceptable level.

Internal control is a system that is defined and implemented by the Company and which aims to ensure:

- the application of the instructions and policies laid down by the Management Board;
- the proper functioning of the Company's internal processes, in particular of the processes aimed at safeguarding its assets;
- the reliability of the financial information;
- compliance with laws and regulations.

And which, in general terms, contributes to control of the Company's activities, to the effectiveness of its operations and to the efficient use of its resources.

The systems for risk management and internal control thus complement each other with regard to controlling the activities of the Company.

Nevertheless, however well-designed and applied the systems for risk management and internal control are, like any control system they cannot provide an absolute guarantee that these risks will be completely eliminated.

4.3.3.1 Risk evaluation and management processes

A. Risk mapping

Risk mapping has been carried out, in three stages:

- survey of the main internal or external risks that may constitute an obstacle to reaching the Group's goals;
- analysis and evaluation of the risks in accordance with a qualitative scale of how critical they are, taking into account their financial, human or reputational impact and how likely they are to occur;
- dealing with risks in a manner that seeks to keep them within acceptable limits by removing them, reducing them, transferring them or accepting them.

B. Risk management

Risk mapping has allowed the main risk factors specific to the Group to be specified. These risks can be divided into five main families:

- industrial and environmental risks;
- general business risks;
- legal risks;
- financial risks;
- IT and asset risks.

If one or more of these risks should materialize, this could affect the business, the financial situation, the profits and the development of the Group. All of the risk factors are set out in detail in Chapter 1.3.1.3 of the Management Board's report.

4.3.3.2 Internal control procedures

A. Bodies involved in internal control

a) Management board

The Management Board ensures the existence of an internal control system for accounting and finance, and organizes its supervision. This system aims to produce reliable accounting and financial information and to provide a true and fair representation of the profits and financial situation of the Company on a timely basis. To this end, the Management Board ensures that the system addresses the following points:

- the organization and the scope of responsibilities of the accounting and finance functions so that the Group is equipped with systems for risk identification and control that are capable of guaranteeing the reliability of the accounting and financial information published by the parent company;
- the formalization and circulation of accounting rules and procedures (standards and procedures manuals);
- duties regarding the retention of information, data and IT operations that directly or indirectly contribute to the compilation of accounting and financial statements;
- the existence of measures aimed at ensuring the retention and security of information, data and IT operations that directly or indirectly contribute to the compilation of accounting and financial statements (continuity plans, in particular as regards IT, archiving in compliance with regulatory obligations, etc.);
- regular examination of the adequacy of the above systems and the resources available to the accounting and financial functions (in terms of personnel, of IT and other resources, etc.).

The Management Board ensures that a management system is in place to analyze and control the main identifiable risks potentially impacting the preparation of the accounting and financial information published by the Company.

Specifically, it ensures that the standards and procedures circulated within the Company take account of changes in the Group's needs and in its environment (in particular, its regulatory environment).

It supervises the definition of a management control system adequate to ensure that published accounting and financial information is reliable, and ensures that it is implemented. Specifically:

- it ensures that any non-accounting IT system that may be used for business management purposes is reconciled to the accounting IT system;
- it also ensures the quality of forecasts that are published or used for the valuation of assets or liabilities or for any other published accounting or financial information.

This requires the management control system to be organized in such a way that it is adequate to meet these needs and ensures the quality of those information and forecasts.

The Management Board supervises the definition of processes for recording major transactions, such as acquisitions or disposals of businesses, restructuring, or the conclusion of key contracts, in the accounts and for validating such entries, and ensures that they are implemented.

It ensures that year-end procedures exist in respect of accounts regarded as sensitive (accounting treatment of revenues, valuation of key assets).

The Management Board compiles the year-end financial statements (including the note thereto). To this end, it:

- specifies and explains the main year-end options and estimates where it is required to take a view;
- discloses changes in accounting principles and informs the Supervisory Board thereof;
- analyzes key financial indicators (gearing ratios, liquidity, available funds, hedging) and identifies and explains factors affecting changes in earnings;
- prepares the company and consolidated year-end financial statements, with accompanying commentary and analyses by the Finance Department;
- establishes the financial communications strategy (indicators, methods, etc.) and suggests or prepares the wording of financial press releases.

As the body responsible for preparing the financial statements and implementing accounting and financial internal control systems, the Management Board holds discussions with the Auditors:

- It ensures that the Auditors have reviewed the accounting principles chosen and any accounting options that have a material impact on the presentation of the financial statements;

- It takes note of the scope and methods employed by the Auditors. It is also informed of the conclusions of the Auditors' work on the financial statements and their work on reviewing the internal control in so far as it relates to the operational and IT processes that contribute to the production of the accounting and financial information;
- Where applicable, it ensures that the Auditors are informed of major internal control weaknesses identified during the year that may potentially have a material impact on published accounting and financial information.

b) The Supervisory Board

The Supervisory Board oversees the Management Board on an ongoing basis. In so doing, it verifies in particular with the Management Board that management and control systems are adequate to ensure the reliability of the financial information published by the Company and provide a true and fair representation of the earnings and financial position of the Company and Group.

To exert this control:

- preparatory work is carried out by the Audit Committee;
- the Board is informed of the essential characteristics of the Company's and the Group's management systems, in particular risk monitoring systems, management control systems and financial and cash monitoring systems;
- where applicable, it is informed of changes in accounting policies and accounting elections made by the Company where these have a material impact on the presentation of the financial statements;
- it ensures the adequacy of the process for selecting the Auditors, in particular as regards their competence and independence;
- it is informed of material events occurring in connection with the business and of its cash position;
- furthermore, it is informed of major capital investment, disposal and financing plans;
- the Supervisory Board also receives assurance from the Auditors that they have had access to all information necessary for the fulfillment of their duties;
- it is informed of the manner in which the Auditors performed their work and of the conclusions of that work;
- it receives assurance from the Auditors that they have carried out sufficient work by the year end to be in a position to communicate all material observations.

B. Processes for managing accounting and financial information

Such management is provided by the Finance Department and by the Management Board.

a) Principles

In order to ensure overall cohesion in this process, the Company ensures that:

- the separation of functions is designed so as to allow independent checks to be made. This separation of functions demands the separation of tasks and functions relating to operational matters, the safeguarding of assets and their recording in the financial statements;
- the names of persons who may enter contractual commitments on behalf of the Company and the required approval levels for commitments of each type are listed and made available to the persons in charge of accounting entries so that they may ensure that the transactions have been properly approved;

with respect to the preparation of the consolidated financial statements, the Company ensures that an organized and documented process exists to ensure the consistency of published consolidated financial and accounting data;

- documentation exists to establish the accounting and control principles for transactions and associated cash flows and communicate them within the Company;
- the information flows enable:
 - economic events to be captured without exception for each upstream process;
 - data to flow centrally to the accounting department on a regular basis;
 - accounting data to be kept consistent;
 - the operation of these information flows is subject to controls;
 - a timetable for preparing accounting and financial information is circulated within the Group for the purposes of the parent company's published financial statements;

- every employee involved in the process of compiling accounting and financial information has access to the information needed to apply, operate and/or monitor the internal control system;
- the Finance Department has the authority to enforce accounting rules;
- procedures exist to verify that the controls put in place are followed;
- a manual of accounting procedures specifies the accounting rules and principles used within the Group;
- compliance monitoring enables changes in the Company's environment to be identified and anticipated;
- specific controls are established in areas identified as sensitive from an accounting perspective.

b) Organization and security of IT systems

The following processes serve to control the components of the accounting information resource:

- the accounts are maintained using IT systems with a clear and structured organization in which systems and data are physically and virtually secure;
- the organization and functioning of the entire IT system is subject to specific rules regarding access to the approval system for accounting entries and year-end procedures, data storage and the approval of individual entries;
- procedures and controls exist to ensure the proper and secure use, maintenance and updating of accounting and management systems (and the scope thereof) and of systems feeding directly or indirectly into them;
- key controls exist in the IT system (blocking of duplicated entries, entry limits and restricted access for certain transactions);
- the Company is in a position to meet specific obligations towards the tax authorities:
 - the storage of processed data is performed by IT applications which are used to establish accounting records or to support events transcribed in documents which are reviewed by the tax authorities;
 - in documentation terms: a description exists of the administration rules for data and files used in the IT systems which have an effect on the compilation of the accounting and tax profits and tax declarations.

c) Organization of the accounting and management function

Organization of the accounting and management function is based on the precision and completeness of the information available to all parties within the business. This relies in particular on the simultaneous recording of data in general and analytical (i.e. management) accounts: specifically external expenses, receipts and the allocation of labor costs in proportion to the time spent on different contracts.

• Accounting and management reporting

Timing and organization of closing of accounts

The Group and its parent company are organized so as to publish half-yearly financial statements as at June 30 and December 31. The main means of ensuring that accounting information is relevant and that financial statement publication schedules are adhered to are the circulation of procedures regarding year-end closing, and the periodic critical analysis of the elements constituting the income and ongoing litigation and disputes.

Cycle of income forecasts and management analyses

The Group reviews the main elements constituting its income four times a year. These reviews relate to commercial forecasts, the evaluation of the forecast outcomes of contracts, operating costs and, consequently, the income forecasts for the parent company and the subsidiaries. This includes a review of every material contract, conducted in the presence of the Chairman of the Management Board.

Standardization of Group accounting

The parent company circulates year-end closure instructions to the consolidated companies, specifying in particular the timetable for the closing of the accounts and the schedule for the feeding back of the consolidation packages and other information necessary for the consolidation of the accounts. On the basis thereof, every Group company (including the parent) establishes its own detailed procedure.

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards in force in the European Union (Note 1 to the Consolidated Financial Statements).

- **Planning/formalization of accounts closing procedures**

Pre-closing control procedures and treatment of correcting entries

Prior to each closing of the accounts, the accounts functions ensure that all information has been recorded and that all pre-closing procedures have been carried out, including: bank reconciliations, physical inventory counts, forecasts to completion for all contracts and a critical evaluation of all ongoing litigation and disputes.

Preparation for the closing of the accounts also encompasses a detailed analysis of all accounts related to third parties (suppliers, clients, internal and external personnel).

The parent company also ensures that all divisions with a decentralized accounting function and all subsidiaries have sufficient human and material resources to provide accurate and timely financial statements to their auditors and their parent company.

In advance of the preparation of the Group's consolidated financial statements, each company communicates with each other company in order to eliminate all intra-Group supplies.

Documenting accounting estimates and elections

The Company works on long-term contracts for which the revenue and income are recognized according to the percentage of completion method. Forecasts to completion are essential for determining the results for the financial year. For the purposes of preparing the financial statements, and following the periodic forecasts mentioned above, an income forecast is therefore drawn up for each contract concerned. A similar document is provided for all ongoing litigation and disputes, including the opinion of the Legal Department or the lawyer in charge of the case.

External audit

An interim external audit is carried out prior to the annual year-end close in order to test internal control procedures and analyze the forecasts to completion for long-term contracts in progress at the year end.

The external auditors set out the conclusions of their work on auditing the accounts and reviewing the internal control at summary meetings, organized firstly at subsidiary level and then at Group level, to the Group Finance Department, the Audit Committee and the Management Board.

The work supporting the analysis presented in this report involves testing:

- compliance with the Group's management rules;
- the safeguarding of assets;
- the prevention and detection of fraud and error;
- the fairness and completeness of accounting entries;
- the preparation on a timely basis of reliable accounting and financial information.

Having had regard to all of the procedures described, the Chairman of the Supervisory Board considers that he has reasonable assurance as to the quality of the Group's internal control.

C. Compliance with laws and regulations

The laws and regulations in force set standards of behavior which the Group incorporates into its compliance targets.

The Group Legal Department assists and advises certain entities in the Group on a case by case basis and ensures:

- legal monitoring in order to ascertain the various rules applicable to the Group;
- provision of information to the relevant employees about those rules which specifically relate to them;
- oversight of the major acquisition projects or litigation cases that may have an impact on the Group.

D. Procedures relating to commitments and taking on new business

The Group's Legal Department is responsible for implementing all preventive measures aimed at avoiding lawsuits and claims against Group companies, and in particular for:

- overseeing the establishment and updating of general terms of purchasing and sale;
- opining on any document liable to commit the Company and/or its subsidiaries, in particular bids and contracts, whether directly or through instructions or standard documents;
- managing, in conjunction with the Company's French and foreign lawyers, all third-party claims for which the Group may be held liable and conducting defenses or appeals before the relevant judicial bodies, whether courts or arbitration tribunals;

- periodically examining the various legal cases, developments therein, risks incurred, and the adequacy of insurance cover and accounting provisions.

The Group's Legal Department relies on external counsel whenever it considers it to be appropriate.

Furthermore, a specific meeting, involving the Finance Director and, where necessary, the Sector Chief Executive concerned, is held several times a year to analyze developments in losses and legal disputes and their consequences at Group level and also, where appropriate, to determine the accounting provisions to be recorded as well as the preventive or corrective measures required.

Particular attention is paid to risks relating to competition law, representation or business introduction contracts, and anti-corruption law.

The Legal Department is also responsible for ensuring that each subsidiary complies with all legal filing requirements.

E. Information and communications

In order to be effective, the internal control system must be the subject of adequate communications for the purposes of its implementation by all of the Group's staff. Internal control is all the more important given that it is based on conduct and integrity rules that are upheld by the governing bodies and communicated to all employees. Specifically, it cannot be reduced to a purely formalistic system that could allow serious failures in the Group's ethical standards, principles of internal control and values to occur at the margins.

4.3.4 Principles and rules decided upon the Supervisory Board in order to determine the remuneration and benefits of any nature awarded to the corporate officers

The members of the Management Board, with the exception of the Chairman, have retained the benefit of their employment contracts which predate their appointment to the Management Board. They thus benefit from remuneration comprising a fixed and a variable component. As each of the two members of the Management Board, Mr. Stefano Costa and Mr. Philippe Demigné, is in charge of a business sector, the variable component of their respective remuneration is fixed by the Supervisory Board on the basis of the results of the sector of which they are in charge. The Chairman of the Management Board is remunerated for his duties as Chairman of the Management Board. This remuneration comprises a fixed and a variable component, the amount of the latter being determined on the basis of the Group's net income.

The Chairman of the Management Board also receives a benefit in kind, in the form of a directors' and officers' unemployment insurance policy.

The members of the Management Board also benefit (in the same manner as "Unclassified" employees as defined by the National Collective Agreement for the metal industry) from a supplementary defined-benefit pension scheme (Article 39 of the General Tax Code) and from a supplementary defined-contribution pension scheme (Article 83 of the General Tax Code).

Except as stated above, no member of the Management Board receives any benefit in kind, share subscription options, share purchase options or free allocation of shares, nor does any member benefit from indemnities payable or liable to become payable on cessation or change of duties or from indemnities in relation to a non-competition clause.

The members of the Supervisory Board receive attendance fees, the total amount of which is fixed each year by the Supervisory Board, up to the limit of the amount allocated for this purpose by the General Meeting of shareholders.

In addition, the members of the Audit Committee and the Strategic Committee each receive extraordinary remuneration, the amount of which is decided upon by the Supervisory Board in compliance with the provisions of Article L. 225-86 of the Commercial Code.

Finally, the Chairman and the Vice-Chairman of the Supervisory Board each receive a salary, the amount of which is decided upon by the Supervisory Board.

4.3.5 Specific arrangements relating to the attendance of shareholders at General Meetings

All shareholders have the right to attend General Meetings and to participate in the deliberations, under the terms prescribed by law.

If the Management Board so resolves at the time of calling a General Meeting, shareholders may participate in that meeting by videoconferencing or by any other means of telecommunication (including the internet) permitting their identification, insofar as permitted by the applicable regulations. Where applicable, this option shall be mentioned in the notice of the meeting and the invitation.

Shareholders participating in the meeting by videoconferencing or by electronic means of communication permitting their identification shall be deemed present for the purpose of calculating the quorum and majority.

Any shareholder who fulfills the conditions required to participate in a meeting may have himself represented by a proxy insofar as permitted by law.

Shareholders may also vote by post or, if the Management Board so decides, remotely by electronic means, insofar as permitted and in the manner determined by law and regulations, by sending in their voting and proxy forms for any General Meeting either in paper form or, if the Management Board has so decided, by electronic means of communication, it being specified that this option shall be, where applicable, mentioned in the notice of the meeting and the invitation.

In addition, a double voting right is conferred on all fully paid-up shares for which it is demonstrated that they have been registered in the name of the same shareholder for at least two years, under the terms prescribed by law.

4.3.6 Other elements

In relation to corporate governance, the Company adheres to the provisions of the MiddleNext corporate governance code for small and midcap companies, with it being stated that the Supervisory Board has obtained an understanding of the points requiring vigilance that are set out in that document. This code can be consulted on the Company's website.

The information listed in Article L. 225-100-3 of the Commercial Code is published in the management report incorporating the management of the Group.

The Chairman of the Supervisory Board

4.4 Report of the Supervisory Board on the Report of the Management Board

Ladies and Gentlemen,

The Management Board of our Company has invited you to an Ordinary and Extraordinary General Meeting in accordance with the law and the bylaws in order to report to you on the situation and the activity of our Company during the financial year ended December 31, 2015 and to submit the financial statements for that year and the allocation of the profit for your approval.

We remind you that, in accordance with Article L. 225-68 of the Commercial Code, the Supervisory Board must present its observations on the Report of the Management Board and on the financial statements for the period to the Annual General Meeting. We state that the Management Board has communicated the annual financial statements, the consolidated financial statements and the Report of the Management Board to the Supervisory Board in accordance with the provisions of Article L. 225-68 of the Commercial Code.

Having verified and reviewed the annual financial statements and the Report of the Management Board, we consider that these documents do not give rise to any particular observations.

We hope that all of the proposals made to you by the Management Board in its report meet with your approval and that you will adopt the resolutions submitted to you.

The Supervisory Board

4.5 Statutory Auditors' Report

4.5.1 Statutory Auditors' report, prepared in accordance with Article L.225-235 of the French Commercial Code, on the report prepared by the Chairman of the Supervisory Board of CNIM

(For the year ended December 31, 2015)

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

To the Shareholders,

Constructions Industrielles de la Méditerranée (CNIM)

35 rue de Bassano

75008 PARIS - FRANCE

In our capacity as Statutory Auditors of Constructions Industrielles de la Méditerranée (CNIM) and in accordance with Article L.225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-68 of the French Commercial Code for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by Article L.225-68 of the French Commercial Code, in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report sets out the other information required by Article L.225-68 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

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

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

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of accounting and financial information set out in the report prepared by the Chairman of the Supervisory Board in accordance with Article L.225-68 of the French Commercial Code.

Other information

We hereby attest that the Chairman of the Supervisory Board's report sets out the other information required by Article L.225-68 of the French Commercial Code.

Neuilly-sur-Seine, March 9, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit
Édouard DEMARCQ

Deloitte & Associés
Stéphane MENARD

4.5.2 Attestation of the Statutory auditors

Attestation of the statutory auditors on the information disclosed pursuant to Article L. 225-115 4° of the French Commercial Code (Code de commerce) relating to the total amount of compensation paid to the highest paid individuals during the year ended December 31, 2015

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2015

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

To the Shareholders,

In our capacity as statutory auditors of your Company and pursuant to Article L. 225-115 4° of the French Commercial Code (Code de commerce), we have prepared this attestation on the information relating to the total amount of compensation paid to the highest paid individuals for the year ended December 31, 2015, appearing in the attached document.

This information was prepared under the responsibility of your Chief Financial Officer. Our role is to attest to this information.

Pursuant to our statutory audit engagement, we audited the annual financial statements of your Company for the year ended December 31, 2015. Our audit was conducted in accordance with professional standards applicable in France, and was planned and performed solely for the purpose of issuing an opinion on the annual financial statements taken as a whole and not on any individual items of the accounts used to determine the total amount of compensation paid to the highest paid individuals. Accordingly, our audit tests and samples were not made with this objective and we do not express any opinion on any components of the accounts taken individually.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. Our examination, which constitutes neither an audit nor a limited review, consisted in performing the necessary reconciliations between the total amount of compensation paid to the highest paid individuals and verifying that the information agrees with the items used to prepare the annual financial statements for the year December 31, 2015.

On the basis of our procedures, we have nothing to report on the consistency of the total amount of compensation paid to the highest paid individuals contained in the attached document and amounting to €4,376,081 with the accounting records used to prepare the annual financial statements for the year December 31, 2015.

This attestation replaces the certificate of accuracy attesting to the total amount of compensation paid to the highest paid individuals within the meaning of Article L. 225-115 4° of the French Commercial Code.

Neuilly-sur-Seine, 9 March 2016

The Statutory Auditors

Deloitte & Associés
Stéphane MENARD

PricewaterhouseCoopers Audit
Édouard DEMARCQ

4.6 Share repurchase program

Please refer to 2.1.1.3 of this registration document.

5 FINANCIAL STATEMENTS

All amounts shown are in thousands of euros, unless otherwise stated.

5.1 Consolidated financial statements at December 31, 2015^(AFS)

5.1.1 Consolidated Balance Sheet

5.1.1.1 ACTIF

(in € thousands)

ASSETS	Note	Dec. 31, 2015	Dec. 31, 2014
NON-CURRENT ASSETS			
Intangible assets	11	24,305	16,164
Goodwill	12	51,874	46,872
Property, plant and equipment			
Land		13,762	13,555
Buildings		21,428	22,130
Technical facilities, equipment and tooling		20,586	24,363
Other		7,438	7,520
Assets in progress		7,641	2,995
Advances and down payments		0	0
Property, plant and equipment	13	70,855	70,563
Non-current financial assets			
Financial assets	14	11,433	10,462
Investments in equity-accounted associates	15	52,419	52,280
Non-current financial assets		63,851	62,742
Deferred tax assets		16,279	14,776
TOTAL NON-CURRENT ASSETS		227,165	211,117
CURRENT ASSETS			
Inventories and work in progress	16	40,814	38,604
Advances and down payments made		3,820	12,175
Trade and other receivables	17	174,579	223,660
Accrued income from contracts in progress	17	51,630	84,522
Other receivables	17	52,405	55,292
Cash	19	138,402	109,270
Prepaid expenses	17	7,261	9,280
TOTAL CURRENT ASSETS		468,911	532,803
ASSETS HELD FOR SALE		0	0
TOTAL CONSOLIDATED ASSETS		696,075	743,920

5.1.1.2 EQUITY AND LIABILITIES

(in € thousands)

EQUITY AND LIABILITIES	Note	Dec. 31, 2015	Dec. 31, 2014
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital		6,056	6,056
Additional paid-in capital		7,237	7,237
Retained earnings		102,923	81,903
Net income for the period		35,791	32,420
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	20	152,007	127,616
Non-controlling interests - Retained earnings		8,572	(352)
Non-controlling interests - Net income/(loss)		(752)	(406)
Non-controlling interests		7,820	(759)
NON-CURRENT LIABILITIES			
Borrowings and debt	21	16,894	5,585
Non-current derivatives	21	(0)	(0)
Non-current financial liabilities		16,894	5,585
Provisions for retirement and other employee benefits	23	36,226	34,730
Non-current provisions	22	45,530	39,509
Deferred tax liabilities	9.C	663	1,048
NON-CURRENT LIABILITIES		99,312	80,872
CURRENT LIABILITIES			
Advances and down payments received from customers		10,098	8,751
Trade accounts payable	19	119,474	150,909
Social security and tax payables (excl. current inc. tax payable)		73,303	86,677
Current tax liabilities		5,115	7,317
Current financial liabilities	21	21,207	31,545
Current provisions	22	61,929	65,017
Other liabilities		8,730	7,367
Deferred income	18	137,078	178,607
CURRENT LIABILITIES		436,935	536,190
TOTAL CONSOLIDATED EQUITY AND LIABILITIES		696,075	743,920

5.1.2 Consolidated Income Statement

(in € thousands)

	NOTE	2015	2014
Revenues	5	726,990	790,781
Increase in semi-finished and finished goods		199	10,036
Operating grants		14,384	13,045
Other operating income		11,011	8,729
Purchases and change in inventories		(348,819)	(414,179)
Other external expenses		(110,518)	(104,753)
Taxes other than income taxes		(8,623)	(8,551)
Wages and salaries		(141,091)	(130,994)
Social security contributions		(56,906)	(53,371)
Employee profit sharing expense		(1,050)	(733)
Personnel costs		(199,047)	(185,098)
Depreciation and amortization expense		(16,971)	(15,202)
Change in provisions		(10,124)	(30,073)
Other operating expenses		(11,363)	(17,320)
Recurring operating income		47,118	47,415
Non-recurring operating income (expense)	7	(629)	(501)
OPERATING INCOME	5	46,489	46,914
Share of net income from equity-accounted associates	15	3,266	3,669
OPERATING INCOME AFTER SHARE OF NET INCOME FROM EQUITY-ACCOUNTED ASSOCIATES		49,755	50,583
Financial income		1,128	1,176
Financial expenses		(902)	(820)
Cost of net debt	8	226	356
Foreign exchange differences	8	3,644	266
Other financial income (expense)	8	(936)	299
TOTAL FINANCIAL INCOME		2,934	921
PRETAX INCOME		52,689	51,504
Income tax expense	9	(17,650)	(19,490)
NET INCOME		35,039	32,014
INCOME FROM DISCONTINUED OPERATIONS			
TOTAL NET INCOME		35,039	32,014
Attributable to non-controlling interests		(752)	(406)
Attributable to owners of the parent		35,791	32,420
Earnings per share attributable to owners of the parent		12.2	11.1
Diluted earnings per share attributable to owners of the parent		12.2	11.1
Net income		12.2	11.1

5.1.3 Consolidated Statement of Comprehensive Income

(in € thousands)

	2015	2014
Net income for the period	35,039	32,014
<u>Other comprehensive income items that may not be reclassified to net income (before income tax)</u>		
- Re measurement of defined benefit liability (asset)	889	(7,525)
<u>Income tax relating to other comprehensive income items that may not be reclassified to net income</u>	(58)	2,344
<u>Other comprehensive income items that may be reclassified to net income (before income tax)</u>		
- Foreign operations - foreign currency translation differences	(5,056)	4,966
- Gains (losses) on re measuring available-for-sale financial assets		
- Effective portion of changes in fair value of cash flow hedging instruments	(600)	(615)
<u>Income tax relating to other comprehensive income items that may be reclassified to net income</u>		
- Gains and losses on re measuring available-for-sale financial assets		
- Effective portion of changes in fair value of cash flow hedging instruments	62	223
<u>Equity-accounted associates - share of other comprehensive income that may be reclassified to net income</u>	320	162
Total comprehensive income for the year	30,596	31,568
Attributable to non-controlling interests	(934)	(425)
Attributable to owners of the parent	31,529	31,994

5.1.4 Consolidated Statement of Changes in Equity

(in € thousands)

	Equity attributable to owners of the parent									Non-controlling interests	TOTAL
	Share capital	Additional paid-in capital	AFS revaluation reserve	Hedging reserve	Reserve for retirement benefits	Other reserves	Foreign currency translation reserve	Net income for the year	Total		
At January 1, 2014	6,056	7,237	158	(9)	(4,191)	163,301	1,637	30,077	204,266	(422)	203,844
Appropriation of 2013 net income						30,077		(30,077)	0		0
Dividend distribution						(103,180)			(103,180)	(0)	(103,180)
2014 net income								32,420	32,420	(406)	32,014
Other comprehensive income				(230)	(5,177)		4,981		(426)	(19)	(445)
2014 comprehensive income	0	0	0	(230)	(5,177)	0	4,981	32,420	31,994	(425)	31,568
Change in equity interests without loss of control						(82)			(82)	88	6
Cancellation of treasury share transactions						(5,380)			(5,380)		(5,380)
Other											0
At December 31, 2014	6,056	7,237	158	(239)	(9,369)	84,736	6,618	32,420	127,617	(759)	126,858
Appropriation of 2014 net income						32,420		(32,420)	0		0
Dividend distribution						(15,380)			(15,380)		(15,380)
2015 net income								35,791	35,791	(752)	35,039
Other comprehensive income				(254)	1,025		(5,032)		(4,261)	(182)	(4,443)
2015 comprehensive income	0	0	0	(254)	1,025	0	(5,032)	35,791	31,529	(934)	30,596
Change in consolidation scope ⁽¹⁾						7,884			7,884	9,863	17,747
Cancellation of treasury share transactions						(18)			(18)		(18)
Other ⁽²⁾						375			375	(350)	25
At December 31, 2015	6,056	7,237	158	(493)	(8,344)	110,017	1,586	35,791	152,007	7,820	159,826

(1) Non-controlling interests of SAPHYMO Italia

(2) IFRIC 21 (attributable to owners of the parent) and obligations to purchase securities held by Saphymo Italia minority shareholders

5.1.5 Consolidated Statement of Cash Flows

(in € thousands)	2015	2014
Total net income from continuing operations	35,039	32,014
Net income for the period	35,039	32,014
Adjustments for:		
Negative goodwill	0	(933)
Share of net income from equity-accounted associates	(3,266)	(3,669)
Depreciation, amortization and provisions	22,514	51,758
Gains or losses on disposals	355	408
Net cash from operations before changes in working capital and after cost of debt and income tax	54,642	79,578
Income tax expense	17,650	19,490
Cost of net debt	(227)	(356)
Net cash from operations before changes in working capital and before cost of debt and income tax	72,064	98,712
Change in working capital requirements (including personnel expenses)		
Inventories	1,698	(11,710)
Advances and down payments made	8,948	14,174
Trade and other receivables	79,897	(29,608)
Advances and down payments received	175	(6,202)
Trade accounts payable and other current operating liabilities	(91,251)	(39,030)
Total	(532)	(72,377)
Income tax paid (incl. French value-added business tax (CVAE))	(19,754)	(18,409)
Net cash flow from operating activities (A)	51,778	7,926
Acquisition of property, plant and equipment and intangible assets	(19,065)	(15,025)
Acquisition of companies/operations net of cash acquired ⁽¹⁾	(4,071)	(800)
Disposal of equity interests without loss of control ⁽²⁾	17,500	
Acquisition of financial assets		(496)
Net change in advances and loans granted	(1,529)	1,123
Disposal of property, plant and equipment and intangible assets	25	57
Dividends received from equity-accounted associates	3,503	3,217
Net cash flow used in investing activities (B)	(3,636)	(11,924)
Dividends paid by the parent company	(15,402)	(103,180)
Proceeds (payments) arising from the sale (purchase) of treasury shares	(17)	(5,353)
Proceeds from borrowings	14,089	13,120
Repayment of borrowings	(16,528)	(2,506)
Interest paid	234	286
Other financing transactions ⁽³⁾	(5,139)	13,210
Net cash flow used in financing activities (C)	(22,765)	(84,423)
Effect of movements in exchange rates (D)	4,987	(829)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS A+B+C+D	30,364	(89,250)
Cash equivalents	67,274	79,789
Cash	71,127	29,482
Cash and cash equivalents	138,401	109,271
Bank overdrafts	(1,460)	(2,694)
Closing cash and cash equivalents	136,941	106,577
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,364	(89,250)

(1) Mainly relates to the impact of the acquisition of SAPHYMO and AMI (see Note 12)

(2) Equity interests of the SPI investment fund (Bpifrance) contributed to SUNCNIM (see Note 4)

(3) Debt related to sales of receivables (see Note 21)

5.1.6 Notes to the consolidated financial statements

The notes are an integral part of the consolidated financial statements for the year ended December 31, 2015.

NOTE 1 - Basis of preparation and significant accounting policies

A. Applicable standards

The consolidated financial statements cover the 12-month periods ended December 31, 2015 and December 31, 2014.

CNIM's consolidated financial statements for 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union at December 31, 2015.

They were approved by the Management Board on March 7, 2016.

CNIM is a limited liability company (*société anonyme*), whose registered office is located at 35, rue de Bassano, Paris, France.

The IFRS framework comprises the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the SIC and IFRIC interpretations that are mandatory for the year ended December 31, 2015.

CNIM's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRIC and SIC interpretations adopted by the European Union at December 31, 2015. The IFRS can be consulted on the European Commission's website at: http://ec.europa.eu/internal_market/accounting/ias_en.htm

a) Standards applicable as of January 1, 2015

The consolidated financial statements have been prepared on the same basis as at December 31, 2014, with the exception of the following newly-adopted standards, amendments and interpretations:

- IFRIC 21 – Levies;
- Annual Improvements to IFRS (2011-2013 cycle).

The Group's application of the above interpretations and amendments did not have a material impact on the financial statements and did not require the restatement of comparative data. The effect of IFRIC 21 at January 1, 2015 (i.e., €0.4 million) has been recognized in equity.

b) New IFRS eligible for early adoption in 2015

CNIM has not adopted early any of the new IFRS or amendments published by the IASB that are not yet effective. Management believes that none of the new standards, amendments and interpretations of existing standards that are mandatory for accounting periods beginning on or after January 1, 2016 will have a material impact on the consolidated financial statements:

- Amendment to IAS 16/IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization;
- Amendment to IAS 19 - Defined Benefit Plans: Employee Contributions;
- Annual improvements to IFRS (2010-2012 cycle);
- Amendment to IAS 1 - Disclosure Initiative.

c) New IFRS not yet adopted by the European Union

The consolidated financial statements at December 31, 2015 do not include the effect of the following standards and amendments not yet adopted by the European Union:

- IFRS 9 - Financial Instruments;
- IFRS 15 - Revenue from Contracts with Customers;
- IFRS 16 - Leases.

A review of these standards is currently ongoing to measure their potential effect on the consolidated financial statements.

B. Accounting policies and bases of measurement

a) Consolidation methods

- **Consolidation scope**

The companies over which the Group exercises exclusive control are fully consolidated. Control is presumed to exist when the Group holds more than 50% of the voting rights of the entity and there is no specific agreement or rights granted to another party that materially affect the Group's power to govern the entity's financial and operating policies.

Companies controlled jointly with other investors are accounted for by the equity method. Joint control implies the existence of an agreement whereby strategic decisions require the unanimous approval of all investors.

Entities over which CNIM exercises significant influence are accounted for by the equity method. Significant influence is presumed to exist if the Group holds at least 20% of the voting rights.

Entities are consolidated or deconsolidated from the date on which control is effectively obtained or relinquished.

In accordance with revised IAS 27, from January 1, 2010, additional interests acquired or sold subsequent to a business combination that do not result in control or loss of control over the entity in question are recognized as equity transactions. Before January 1, 2010, in the absence of specific guidelines under IFRS, the Group recognized the difference between the cost of an acquisition and the carrying amount of the non-controlling interests acquired as goodwill, and the difference between the proceeds of disposal and the carrying amount of the non-controlling interests sold in the income statement.

- **Reporting date**

All the companies have been consolidated on the basis of their financial statements at December 31, 2015.

b) Accounting for business combinations

Business combinations have been accounted for in accordance with IFRS 3, which applies prospectively for accounting periods beginning on or after July 1, 2009.

At the acquisition date, which is the date on which the Company obtains control of the acquired business:

- The identifiable assets acquired and liabilities assumed are measured at fair value (i.e., fair value of the net assets acquired and liabilities assumed).
- The acquisition cost corresponds to the fair value of the consideration transferred by the acquirer – plus, in the case of partial acquisitions, the amount of non-controlling interests acquired and valued either on the basis of the share of net assets acquired (including fair value adjustments) or the overall enterprise value (choice made on a case-by-case basis for each business combination) – and the fair value of any previously-held equity interests.
- Acquisition-related costs (transaction costs) are recognized as expenses in the period in which they are incurred and the services received.
- Contingent consideration is measured at fair value (and re measured subsequently, with any impact recognized in the income statement), even if it is unlikely that an outflow of resources will be required to settle the obligation.
- Goodwill is measured as the difference between the cost of the business combination and the fair value of the net assets acquired and liabilities assumed.

For business combinations achieved in stages, the equity interest held prior to the acquisition of control is re measured at fair value on the date on which control is obtained and the corresponding gain or loss is recognized in the income statement.

Provisional goodwill may be adjusted within 12 months of the acquisition date in order to account for the final estimate of the fair value of net assets acquired and liabilities assumed. After the 12-month period, any adjustments to goodwill are recognized directly in the income statement.

- **Business combinations prior to January 1, 2010**

Business combinations prior to January 1, 2010 were recognized as described previously in accordance with revised IFRS 3, with the exception of the following:

- costs directly related to the acquisition were included in the acquisition cost.
- contingent consideration was also recognized as part of the acquisition cost if it was probable that an outflow of resources would be required to settle the obligation, and the obligation could be measured reliably. Any adjustments to contingent consideration after the measurement period impacted goodwill.
- minority interests (non-controlling interests under revised IFRS 3) could only be recognized based on the fair value of the net assets acquired.
- business combinations achieved in stages (step acquisitions) were recognized at cost at the date of each transaction. Gains or losses resulting from the re measurement to fair value of previously-held equity interests were recognized in equity.

c) Translation of the financial statements of foreign entities

The Group's financial statements are prepared in euros, which is the functional and presentation currency of the parent company.

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

- Assets and liabilities are translated into euros at the exchange rate at the reporting date.
- Income and expenses and items presented in the statement of cash flows are translated at the average exchange rate for the reporting period.
- Foreign currency translation differences arising on (i) differences between the exchange rate at the reporting date for prior and current reporting periods; and (ii) differences between average and reporting-date exchange rates for the current reporting period, are recognized in the foreign currency translation reserve in consolidated equity.

d) Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates effective at the transaction dates.

At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated into euros at the closing exchange rate. Resulting foreign currency translation gains or losses are recognized in net financial income or expense.

Specific accounting treatment is required for hedging operations that qualify for hedge accounting (including natural hedges). Hedge accounting principles are described below in section q).

e) Property, plant and equipment

Property, plant and equipment is recognized at amortized cost, equivalent to historical or production cost, less accumulated depreciation and impairment.

Borrowing costs directly attributable to the acquisition, construction or production of property, plant and equipment are capitalized.

In accordance with IAS 17, assets financed by a lease contract which, in substance, transfers virtually all risks and rewards incidental to ownership of the asset to the lessee are accounted for as finance leases. At the inception of the lease, they are capitalized in property, plant and equipment with a matching liability in borrowings and debt. The asset is recognized at the lower of the fair value of the leased property and the present value of the minimum future lease payments. Lease payments are broken out into principal and interest expense over the term of the lease in order to obtain a constant periodic rate of interest on the outstanding balance.

Property, plant and equipment is broken out by main component and depreciated on a straight-line basis over the expected useful life of each asset. Assets classified as "civil engineering buildings" are deemed to have a residual value equivalent to 10% of their historical cost.

Assets held under finance leases are depreciated over their expected useful lives if ownership is certain to be transferred to the Group at the end of the lease. Otherwise, they are depreciated over the shorter of their useful life and the lease term.

The main estimated useful lives are:

	Term
Civil engineering buildings	30 years
Building improvements	10 years
Roads	20 years
Equipment and tooling	10 years
Movable equipment (gantry cranes, bridges, cranes)	5-8 years
Small equipment	8 years
Tooling	5 years
Control equipment	8 years
Transport equipment (vehicles)	4 years
Small handling equipment	5 years
Furniture and office equipment	5-10 years
Safety equipment	4 years
IT equipment	2-5 years

f) Intangible assets

Intangible assets are carried at fair value, historical cost or production cost, depending on how they are acquired.

Borrowing costs directly attributable to the acquisition, construction or production of intangible assets are capitalized.

The carrying amount is net of accumulated amortization and impairment.

Intangible assets principally comprise patents, IT software and research and development costs.

- **Research and development costs**

Research and development costs are expensed as incurred.

Development costs

- that cannot be separated from contracts are not capitalized. They are included in the cost of the contracts.
- that can be separated from contracts may be capitalized if they meet the six criteria set out in IAS 38, paragraph 21, and notably the criterion that the expected future economic benefits attributable to the project will flow to the entity.

Intangible assets are amortized on a straight-line basis over their expected useful lives.

The main useful lives are:

- concessions, patents and licenses: 5-10 years;
- software: 3-5 years;
- development costs: 5 years.

The useful lives of concessions, patents and licenses is the shorter of the legal protection period and their economic lives.

g) Goodwill impairment tests

Goodwill is not amortized but is tested for impairment at least once a year or more if events or changes in circumstances indicate that there is a risk of impairment. For impairment testing purposes, goodwill is allocated to cash-generating units (CGUs), defined as the smallest group of identifiable assets that generates cash inflows that are largely independent of the cash inflows of other groups of assets.

A CGU represents the lowest level within the entity at which goodwill is monitored for internal management purposes.

The Group has identified the following cash-generating units:

- two CGUs for the Environment operating segment, comprising: “Environment - Construction” and “Environment - Operations”;
- two CGUs for the Innovation & Systems operating segment, comprising: “CNIM Industrial Systems” and “Bertin”;
- two CGUs for the Energy operating segment, comprising: “CNIM Babcock Services” and “Babcock Wanson”.

Impairment testing entails comparing the recoverable amount of each CGU to which goodwill has been allocated with its carrying amount. The recoverable amount is the higher of value in use, calculated by discounting future cash flows to present value, and fair value, which is calculated using the following method:

- Expected future cash flows from operating activities for the current and subsequent two years, plus projected normative cash flows for years four and five, net of normative income tax.
- The discount rate reflects the weighted average cost of capital per CGU; factoring in the risk-free rate, a market risk premium, a size premium and a premium for the low liquidity of the related shares.
- The discount rate is an after-tax rate and is applied to after-tax cash flows, which results in the same amount as if a pre-tax discount rate were applied to pre-tax operating cash flows, as required under IAS 36.
- The recoverable amount is the sum of the discounted operating cash flows and discounted terminal value, calculated on the basis of normative cash flows representing long-term business activity using a perpetual growth rate.

If the resulting recoverable amount of a CGU is less than its carrying amount, the carrying amount is written down to the recoverable amount and the corresponding impairment loss is recognized immediately in the income statement, first as a reduction in goodwill and subsequently as a reduction in other assets in proportion to their respective carrying amounts.

Goodwill impairment may not be reversed.

h) Non-current financial assets

The accounting principles for recognizing, measuring and presenting financial assets and liabilities are defined by IAS 39 — Financial Instruments: Recognition and Measurement, IAS 32 — Financial Instruments: Presentation and IFRS 7 — Financial Instruments: Disclosures.

Financial assets include available-for-sale financial assets, held-to maturity investments, financial assets measured at fair value through the income statement, and loans and receivables. Derivatives are classified as financial assets at fair value through profit or loss and guarantee deposits on derivative instruments are recognized as loans and receivables at amortized cost.

• Available-for-sale financial assets

Available-for-sale financial assets mainly comprise non-consolidated equity investments and are recognized at fair value.

However, if their fair value cannot be determined reliably and if no impairment risk has been identified, they are recognized at cost.

Changes in fair value are recorded directly in equity unless there is an indication that there is a significant or prolonged decline in fair value, in which case an impairment loss is recognized in the income statement.

An impairment loss is recognized if the enterprise value or equity investment value is less than the carrying amount.

• Loans and receivables

These include loans and receivables related to non-consolidated equity investments.

On initial recognition, loans and receivables are measured at fair value plus any directly attributable transaction costs.

At each reporting date, loans and receivables are measured at amortized cost using the effective interest rate method.

An impairment loss is recognized in the income statement when the estimated recoverable amount of the loan or receivable is less than its carrying amount.

i) Inventories and work in progress

Inventories are carried at the lower of cost, measured using the weighted average cost method, and net realizable value.

The carrying amount of work in progress includes all production costs except for selling, general, administrative and financing costs.

The cost of inventories and work in progress is determined based on normal production conditions, excluding the potential impact of subnormal capacity usage.

Net realizable value corresponds to the estimated selling price less costs to sell.

j) Construction contracts

Revenue and profit on construction contracts in progress are accounted for using the percentage-of-completion method.

Revenue at completion includes the initial contract price plus any modifications, claims and other contractually substantiated adjustments.

Revenue and profit are recognized as costs are incurred based on percentage of completion and estimated cost at completion.

Profit is only recognized if estimated costs and revenue at completion can be determined reliably.

Stage of completion is determined by measuring the contract costs incurred to date over estimated total costs at completion.

A provision is recognized in non-current liabilities for all estimated losses at completion when identified, less any losses already recorded.

On contract completion, any outstanding expenses are provisioned as current liabilities on the balance sheet.

In accordance with IAS 11, construction contracts are presented as follows on the balance sheet:

- Amounts received from the customer before the related work is performed are presented in "Advances and down payments received".
- For each construction contract, revenue recognized on a percentage-of-completion basis (less provisions for losses at completion), less progress billings is reported:
 - a.in assets as "Accrued income from contracts in progress" if the amount is positive,
 - b.in liabilities under "Deferred income" if the amount is negative.

k) Government grants

The Group receives financial assistance for its research and development work, mainly in the form of research tax credits.

Research tax credits and similar tax incentives in other countries are recognized as government grants. Research tax credits for eligible capitalized development costs received during the period and recognized as income may be partially deferred to subsequent periods.

l) Other current receivables payables

On initial recognition, receivables and payables (excluding financial assets and liabilities) are measured at fair value, plus any transaction costs directly attributable to the acquisition or issue of the asset or liability. They are subsequently measured at amortized cost. Fair value corresponds to face value when discounting is not material.

In accordance with IAS 39 – paragraphs 58 and 59, at each reporting date, the Group assesses whether there is any objective indication that a financial asset or group of financial assets are impaired.

If there is an objective indication of impairment, the amount of the loss is calculated as the difference between the carrying amount of the asset(s) and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred), which are discounted at the financial asset's original effective interest rate.

Impairment loss is recognized in the income statement when the recoverable amount of the loan or receivable is less than its carrying amount.

m) Cash and cash equivalents

Cash and cash equivalents comprise:

- cash at bank (bank accounts, petty cash, etc.);
- investments maturing in less than three months, held for the purpose of meeting short-term cash commitments that are not subject to a significant risk of change in value. Such investments include funds classified as euro money market funds by the French securities market regulator (AMF) with a return approximating capitalized Eonia.

n) Provisions

A provision is recognized when the following conditions are met:

- the Group has a legal or constructive obligation toward a third party resulting from a past event;
- the amount of the obligation can be reliably estimated; and
- it is probable that it will result in an outflow of resources.

Provisions mainly comprise the following:

- provisions for ongoing litigation and disputes established on the basis of the Group's best estimate of the risk of an outflow of resources;
- provisions for guarantees given to customers measured on a statistical basis in view of expenses incurred in the past in similar circumstances;
- provisions for losses at completion;
- provisions for outstanding expenses on completed contracts;
- provisions for defined benefit pension plans.

Provisions for expenses on contracts in progress are classified as current liabilities. Other provisions are recognized as non-current liabilities.

o) Current and deferred tax

The line item "Income tax expense" includes current and deferred income tax payable (or tax credits).

Tax is recognized in the income statement or in equity if it relates to items that are recognized directly in equity.

Deferred tax assets and liabilities are recognized for each entity based on:

- temporary deductible or taxable differences between the carrying amount and tax bases of assets and liabilities;
- tax losses and tax credits carried forward that may be utilized.

Temporary deductible differences, tax loss and tax credit carry-forwards are only recognized as deferred tax assets if it is probable that future taxable profit will be available against which they can be utilized. To assess this probability, the following items are taken into consideration:

- previous tax results;
- forecast tax results;
- proportion of non-recurring expenses included in past tax losses.

In accordance with the liability method, the tax rate used to calculate deferred taxes is the estimated or known rate applicable when the temporary difference is expected to reverse, based on the appropriate tax category.

Deferred tax assets and liabilities are offset when they relate to taxes levied by the same tax authority, i.e., as part of the consolidated tax group, or at entity level if the entity in question is not part of the consolidated tax group.

The CNIM Group classifies French value-added business tax (CVAE) as income tax, in accordance with IAS 12.

Consequently, this tax has been presented in "Income tax expense" since January 1, 2010, along with the related deferred tax assets and liabilities.

p) Employee benefits

In compliance with the laws and customs of the countries in which it operates, the Group contributes to pension, early retirement and retirement benefit plans.

For basic social security and other defined contribution plans, the expense for the period corresponds to the contributions paid. As the Group's obligation is limited to the contributions paid in each accounting period, no provisions are recognized for these plans.

For defined benefit plans, the provision is determined as described below and is recognized under "Provisions for retirement and other employee benefits" on the consolidated balance sheet.

The Group uses the projected unit credit method to determine the present value of its benefit obligations. Under this method, each period of service gives rise to an additional unit of benefit entitlement, with each unit measured separately to calculate the final obligation. The calculation factors in assumptions such as life expectancy, employee turnover, the discount rate, future salary increases and return on plan assets.

Qualifying plan assets are measured at fair value at the end of the reporting period and are presented as a deduction from the obligation.

Actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions are recognized as "Other comprehensive income items that may not be reclassified to net income" under reserves in consolidated equity, in accordance with amended IAS 19.

Provisions for long-service awards and other long-term benefits paid during the working lives of employees are determined using actuarial methods comparable to those used to measure pension obligations. They are recognized in "Provisions for retirement and other employee benefits" on the consolidated balance sheet. Actuarial gains and losses arising on provisions for long-service awards are recognized in the income statement.

q) Derivative financial instruments and hedge accounting

The Group uses derivatives to:

- hedge its exposure to risk from fluctuations in exchange rates on firm commitments and highly probable forecast transactions, through currency forward contracts;
- hedge its variable-rate borrowings at fixed rates using interest rate swaps if the Company's exposure to the associated risks is deemed to be material.

Both types of derivatives are cash flow hedges that minimize the impact of changes in future cash flows on net income.

Derivatives are initially recognized at fair value. They are subsequently re measured at fair value at each reporting date, with any changes in fair value recognized in the income statement.

When the derivative instruments qualify for hedge accounting, changes in fair value of the effective portion of the hedge are recognized in equity that may be reclassified to the income statement; while the ineffective portion of the hedge is recognized in the income statement in net financial income or expense. Cash flow hedge reserves are reclassified to the income statement in the period in which the hedged item affects income.

For certain contracts, exchange rate risk may be hedged by matching cash inflows and cash outflows in the same currency (i.e., natural hedging). In such cases, the cash and other net monetary assets allocated to the contract denominated in a given foreign currency and used to finance future expenditure denominated in the same currency, may qualify as foreign currency cash flow hedges. Any foreign exchange gains or losses on the re measurement of these monetary assets at the reporting date exchange rate are recognized in equity and reclassified to the income statement when the hedged items affect income.

r) Treasury shares

Purchases of treasury shares are recorded as a deduction from equity on the basis of their acquisition cost.

Proceeds from the disposal of treasury shares are recognized directly in equity and do not affect net income for the period.

s) Earnings per share

Earnings per share are calculated by dividing net income attributable to the owners of the parent by the weighted average number of shares outstanding in the period.

Diluted earnings per share are obtained by dividing net income attributable to the owners of the parent by the weighted average number of shares outstanding, adjusted for the maximum impact of converting potentially dilutive shares.

t) Segment information

In accordance with IFRS 8, the Group's operating segments are the following:

- **Environment**

This segment includes the following product and service lines:

- construction of waste-to-energy processing plants for household waste and biomass;
- installation of smoke processing equipment;
- operation and renovation of waste processing centers;
- design and construction of thermodynamic solar power plants.

- **Energy**

This segment includes the following product and service lines:

- maintenance and refurbishment of industrial boilers, household waste processing plants, installation and refurbishment of boiler rooms, and upgrading to standards via CNIM Babcock Services (CBS);
- manufacture of industrial boilers, air and water treatment systems and associated services via the Babcock Wanson division.

- **Innovation & Systems**

This segment includes the following product and service lines:

- technological study services and provision of technical expertise on projects (involving high-level engineers);
- provision of services for pharmaceutical research and development and distribution of biotechnology products;
- provision of on-board mechanical and electronic services;
- advanced systems: complex systems, advanced equipment and technology for the defense and space industries and scientific research;
- transport: design, manufacturing, installation and maintenance of heavy and conventional escalators.

Each operating segment manufactures products and provides services with technical, industrial and commercial synergies. The segments are composed of the CGUs described in section g).

The Chairman of the Management Board, who is the chief operating decision maker, analyzes the Group's performance based on information prepared by each operating segment. The other three members of the Board are Chief Operating Officers, each responsible for one of the segments reported.

u) Contingent liabilities

An obligation is a contingent liability if the amount cannot be estimated with sufficient reliability or if it is unlikely that it will give rise to an outflow of resources. Contingent liabilities are not recognized unless they are identified in a business combination as part of the acquired business's identifiable assets and liabilities.

v) Non-current assets held for sale and discontinued operations

At the reporting date, when it is highly probable that non-current assets or groups of related assets and liabilities will be sold, they are designated as non-current assets or groups of assets held for sale. Their disposal is deemed to be highly probable if, at the reporting date, there is a firm plan to actively market the assets for sale at a sales price that is reasonable in relation to their fair value in order to locate a buyer and finalize the sale within one year.

Non-current assets or groups of assets held for sale are presented as separate line items in the financial statements. They cease to be depreciated/amortized and are subsequently measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets or groups of assets intended to be shut down rather than sold constitute non-current assets to be retired and not held for sale.

When non-current assets to be sold, held for sale or retired correspond to one or more segments or geographical regions and are part of a single, coordinated plan, they are classified as discontinued operations and the related cash flows are presented separately in the income statement.

w) Service concession arrangements

IFRIC 12 – Service Concession Arrangements, deals with public service concession arrangements where:

- the grantor controls or regulates the services to be supplied by the operator, determines to whom they should be supplied and at what price;
- the grantor has control over the licensed infrastructure at the end of the agreement;

In exchange for constructing the infrastructure, the operator receives:

- either a financial asset when it is in possession of an unconditional right to receive cash amounts,
- or an intangible asset representing the right to invoice users of the licensed service, when it has no guarantee of the total amount to be received.

The Group entities concerned by IFRIC 12 are the UK companies HWS, DWS and WWS, which have built household waste-to-energy processing plants and are remunerated by public authorities (local councils) based on a processing price per metric ton and minimum contractual tonnage.

As these contracts are hybrid, the minimum contractual tonnage component is recognized as a financial asset and the component relating to quantities processed over the minimum tonnage is recognized as an intangible asset.

- adjustments to the financial asset reflect revenue received that reduces the receivable.
- adjustments to the intangible asset reflect straight-line amortization over the concession period.

NOTE 2 – Main estimates used

The CNIM Group may use estimates and assumptions which affect the carrying amounts of assets and liabilities, income and expenses and information related to contingent assets and liabilities. Actual future results may differ significantly from these estimates.

The underlying estimates and assumptions are drawn up on the basis of past experience and other factors considered reasonable given the circumstances. They are therefore used as a basis for exercising the judgment necessary for determining asset and liability carrying amounts that cannot be obtained directly from other sources. Actual values may differ from estimated amounts.

The main sources of significant accounting estimates and judgments relate to transactions concerning construction contracts (profit margin at completion), the assessment of the Group's potential exposure to litigation with third parties, estimates of the recoverable amounts of goodwill and the assessment of deferred tax assets arising from tax losses carried forward.

In terms of estimates for construction contracts, profit at completion is forecast and monitored for each contract, with profit recognized on a percentage-of-completion basis in relation to profit at completion.

In terms of litigation, the Group regularly monitors and analyses main ongoing litigation and recognizes the provisions it deems necessary.

Goodwill is tested for impairment at least once a year using the method described in section B g) and when there is an indication of impairment.

NOTE 3 – Consolidation scope

A. Changes in consolidation scope

During the financial year, the Group acquired the following two companies, which have been integrated into the Innovation & Systems segment:

- Saphymo, on January 1, 2015;
- AMI, on May 17, 2015.

The Group contributed its solar energy business to the specialized company SUNCNIM, which was 58.8% owned and controlled at December 31, 2015.

Consequently, its ownership interest in ELLO decreased from 100% to 58.8%

B. Fully-consolidated companies at December 31, 2015

COMPANY	HEADQUARTERS	% CONTROL
Environment		
Babcock International	Belgium	100%
CNIM Azerbaijan	Azerbaijan	100%
CNIM Asia Pacific ⁽¹⁾	Hong Kong	100%
CNIM SWIRE ⁽¹⁾	Hong Kong	58%
CNIM CZ Sro	Czech Republic	100%
CNIM ECS	United Kingdom	100%
CNIM Engineers	United Arab Emirates	100%
CNIM Insertion	France	100%
CNIM Netherlands BV	Netherlands	100%
CNIM Netherlands Industrie	Netherlands	100%
CNIM Ouest Armor	France	100%
CNIM Centre France	France	100%
CNIM RUS	Russia	100%
CNIM Saoudi	Saudi Arabia	98%
CNIM Thiverval Grignon	France	100%
CNIM Terre Atlantique	France	100%
EKOMZ	Russia	70%
ELLO ⁽¹⁾	France	58.8%
Estrée Mons Energie Biomasse	France	85%
LAB	France	100%
LAB GmbH	Germany	100%
LAB Geodur UK	United Kingdom	100%
LAB USA Holding	United States	100%
LAB Washington ⁽²⁾	United States	100%
MES Environmental	United Kingdom	100%
CNIM La Collette	United Kingdom	100%
CNIM UK	United Kingdom	100%
CEB-Kogeban	France	100%
CNIM Bahrain	Bahrain	100%
SUNCNIM ⁽¹⁾	France	58.8%

COMPANY	HEADQUARTERS	% CONTROL
Innovation & Systems		
AMI SOFTWARE (Go Albert France) ⁽²⁾	France	100%
AMI SOFTWARE (Go Albert Africa) ⁽²⁾	Morocco	100%
AMI SOFTWARE (Go Albert UK) ⁽²⁾	United Kingdom	100%
Babcock Wanson Maroc	Morocco	99.80%
Bertin Corp	United States	100%
Bertin Pharma	France	100%
Bertin Technologies	France	100%
Bertin IT	France	100%
CNIM Canada	Canada	100%
CNIM KFT	Hungary	100%
CNIM Hong Kong	Hong Kong	99.99%
CNIM Singapore	Singapore	100%
CNIM Transport Equipment	China	100%
CNIM Transport Holding	France	100%
CNIM Transport France	France	100%
SAPHYMO Italia ⁽²⁾	Italy	63%
SAPHYMO France ⁽²⁾	France	100%
SAPHYMO GmbH ⁽²⁾	Germany	100%
Verbalys	France	83.7%
Vecsys	France	86.16%
Vecsys Dataprod	France	83.7%
Energy		
Babcock Services	Morocco	100%
Babcock Wanson	France	100%
Babcock Wanson Caldeiras	Portugal	100%
Babcock Wanson Espana	Spain	100%
Babcock Wanson Italiana	Italy	100%
Babcock Wanson Holding	France	100%
Babcock Wanson Tunisie	Tunisia	100%
Babcock Wanson UK	United Kingdom	100%
Babcock Wanson USA	United States	100%
CNIM Babcock Services	Algeria	100%
CNIM Babcock Polska	Poland	100%
Other		
CNIM Industrie	France	100%
9215-7775 Quebec	Canada	100%
SCI du 35 rue de Bassano	France	100%

(1) Incorporated in 2015

(2) Acquisitions

C. Equity-accounted associates at December 31, 2015

COMPANY	HEADQUARTERS	% CONTROL
Environment		
CCUAT	France	49.88%
CSBC	Jersey	50%
Dudley Waste Services Ltd	United Kingdom	33.33%
Hanford Waste Services Holding Ltd	United Kingdom	34.75%
MES SELCHP	United Kingdom	50%
SELCHP	United Kingdom	24.38%
Wolverhampton Waste Services Ltd	United Kingdom	33.33%
CNIM Development	Luxembourg	50%
Innovation & Systems		
Technoplus Industries	France	34.79%

All equity-accounted associates are jointly controlled, except for Technoplus Industries, over which the Group exercises significant influence.

NOTE 4 - Significant events of the period

During the first half of 2015, the Group acquired the following two companies, which have been integrated into the Innovation & Systems segment:

- Saphymo, on January 1, 2015;
- AMI, on May 17, 2015.

These acquisitions have strengthened Bertin's development capacity in two key activities:

- CBRN threat detection equipment: with the products developed by Saphymo, French leader in instrumentation systems for detecting and monitoring ionizing radiation, Bertin Systems can now offer a broad range of CBRN risk protection equipment.
- Information technology: the alliance between the market intelligence expert, AMI Software, and Bertin IT, which is specialized in cyber security and voice recognition, has positioned Bertin as a major provider of open-source intelligence.

The two acquisitions generated revenues of €23.1 million in 2015 (from the acquisition date until December 31).

The Group contributed its solar energy business to the specialized company SUNCNIM. The investment fund SPI (Société de projets industriels), which is financed by the French government's investment program and managed by Bpifrance, will ultimately invest €25 million in the business (including €17.5 million contributed at December 31, 2015). This will enable SUNCNIM to build a 9-megawatt power station in France, launching SUNCNIM's commercial activity.

At December 31, 2015, SUNCNIM was 58.8% controlled by CNIM. Net income from the solar energy business is still fully consolidated in the Group's financial statements.

NOTE 5 – Segment information(*)

IFRS segment information reviewed by the Group's chief operating decision maker is presented below.

(in € thousands)	Environment		Innovation & Systems		Energy		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenues	390,640	514,660	217,607	162,860	118,744	113,261	726,990	790,781
Operating income (loss)	36,742	47,758	11,501	(5,242)	(1,753)	4,398	46,489	46,914
Net income from equity-accounted associates	3,263	3,554	3	115			3,266	3,669
Operating income (loss) after share of net income from equity-accounted associates	40,005	51,312	11,504	(5,127)	(1,753)	4,398	49,755	50,583

	Environment		Innovation & Systems		Energy		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Intangible assets	7,964	6,448	15,742	9,094	599	621	24,305	16,163
Goodwill	31,171	31,171	17,741	12,739	2,962	2,962	51,874	46,872
Property, plant and equipment	12,639	7,973	38,956	41,948	19,261	20,642	70,856	70,563
Non-current financial assets	8,305	7,801	2,006	1,246	1,121	1,415	11,432	10,462

	Dec. 31, 2015				Dec. 31, 2014			
	France	United Kingdom	Rest of the world	Total	France	United Kingdom	Rest of the world	Total
Revenues ⁽¹⁾	281,158	228,137	217,695	726,990	256,982	377,090	156,709	790,781

	Dec. 31, 2015				Dec. 31, 2014			
	France	United Kingdom	Rest of the world	Total	France	United Kingdom	Rest of the world	Total
Intangible assets	21,002	178	3,125	24,305	14,020	25	2,118	16,163
Property, plant and equipment	46,630	3,279	20,947	70,856	49,413	3,200	17,950	70,563
Non-current financial assets	9,909	1,060	463	11,433	9,174	940	348	10,462

(1) Geographical breakdown is based on the country in which contracts are performed.

(*) Data presented after the reclassification of the Solar Energy division from the Energy segment to the Environment segment.

NOTE 6 – Research & Development costs

(in € thousands)	2015	2014
Research and development expenses recognized in expenses ⁽¹⁾	10,155	8,630
Capitalized research and development expenses ⁽²⁾	7,217	3,804

(1) Including amortization of capitalized development programs.

(2) See Note 11.

NOTE 7 – Other non-recurring income (expenses)

(in € thousands)

	2015	2014
Negative goodwill ⁽¹⁾		933
Other ⁽²⁾	(629)	(1,434)
Total non-recurring income (expense)	(629)	(501)

(1) Acquisition of the business assets of Johnson & Johnson Santé Beauté France (Martillac site).

As the acquisition was made for the symbolic sum of €1, recognition of the assets at fair value generated negative goodwill.

(2) In 2014, an impairment loss of €1 million was recognized for the Bertin CGU.

NOTE 8 – Financial income (expense)

A. Cost of net debt

(in € thousands)

	2015	2014
Interest income from cash equivalents	99	329
Other interest and similar income	1,029	846
Other financial income	0	0
Total financial income	1,128	1,176
Interest and financial expense	(902)	(820)
Total cost of debt	(902)	(820)
Total cost of net debt	226	356

B. Other financial income and expense

(in € thousands)

	2015	2014
Foreign exchange gains	22,737	6,226
Foreign exchange losses	(19,093)	(5,960)
Other financial income and expense		
Net foreign exchange gains	3,644	266
Other ⁽¹⁾	(936)	299
Total other financial income and expense	2,708	565

⁽¹⁾ Equity investment income and allowances/reversals of provisions for impairment of financial assets.

Foreign exchange gains in 2015 reflect Azerbaijan's decision to change to a floating exchange rate on December 21, 2015, as CNIM's subsidiary invoices in euros.

NOTE 9 – Income tax expense

A. Breakdown of current/deferred tax

(in € thousands)

	2015	2014
Current tax expense	(18,578)	(17,625)
Deferred tax income (expense)	928	(1,866)
Total	(17,650)	(19,40)

B. Reconciliation of effective and theoretical income tax expense

(in € thousands)

	2015	2014
Operating income	46,489	46,914
Financial income	2,934	921
Consolidated pretax income	49,423	47,835
Theoretical income tax expense at the tax rate in effect in France (34.43%)	(17,016)	(16,470)
Effect of differences in local income tax rates	2,659	1,152
Impact of tax loss carry forwards	(1,109)	(1,075)
Taxes not levied on a specific tax base ⁽¹⁾	(2,386)	(2,626)
Research tax credits ⁽²⁾	4,648	4,005
Non-deductible taxes ⁽³⁾	(722)	(3,254)
Other permanent differences ⁽⁴⁾	(3,823)	(1,231)
Other	99	9
Effective income tax expense	(17,650)	(19,490)
Effective income tax rate	35.71%	40.74%

(1) Mainly French value-added business tax (CVAE)

(2) Impact of tax credits recognized in operating income and exempt from tax

(3) Mainly the 3% tax on dividends

(4) Mainly additional tax contributions, eliminated tax on dividends, tax provision

C. Breakdown of deferred taxes

a) Deferred tax assets

(in € thousands)	Dec. 31, 2015			Dec. 31, 2014
	< 1 year	> 1 year	TOTAL	TOTAL
Temporary differences between tax and accounting base of assets and liabilities	9,203	0	9,203	8,666
Provisions for retirement benefits	821	10,366	11,187	10,420
Recognition of tax loss carry forwards	3,291		3,291	2,365
Other (incl. French value-added tax [CVAE])	610	935	1,545	1,503
TOTAL	13,925	11,301	25,226	22,954
Impact of offsetting assets/liabilities by tax entity			(8,947)	(8,178)
TOTAL			16,279	14,776

"Other" mainly includes deferred tax assets relating to finance leases, French value-added business tax (CVAE) and harmonization adjustments.

Tax losses carried forward: Deferred tax assets are recognized for tax losses carried forward when their use in subsequent reporting periods is deemed probable. Potential tax savings from unrecognized tax losses are estimated at €16.1 million.

b) Deferred tax liabilities

(in € thousands)	Dec. 31, 2015			Dec. 31, 2014
	< 1 year	> 1 year	TOTAL	TOTAL
Temporary differences between tax and accounting base of assets and liabilities	(359)	0	(359)	(233)
Temporary differences between items recognized on a percentage-of-completion basis and upon contract completion	(1,207)		(1,207)	(1,637)
Elimination of internal margins	0	(4,857)	(4,857)	(4,406)
Tax-driven provisions	0	(1,876)	(1,876)	(1,833)
Other	(799)	(512)	(1,311)	(1,117)
TOTAL	(2,365)	(7,245)	(9,610)	(9,226)
Impact of offsetting assets/liabilities by entity			8,947	8,178
TOTAL			(663)	(1,048)

NOTE 10 – Earnings per share

Basic earnings per share

(in € thousands)

	2015
Net income attributable to owners of the parent	35,791
Weighted average number of ordinary shares ⁽¹⁾	2,927,778
Earnings per share	12.22

Diluted earnings per share

(in € thousands)

	2015	2014
Net income attributable to owners of the parent	35,791	32,420
Weighted average number of ordinary shares ⁽¹⁾	2,927,778	2,931,500
Weighted average number of ordinary shares used to calculate diluted earnings per share	2,927,778	2,931,500
Diluted earnings per share	12.22	11.1

(1) Number of shares excluding treasury shares (see Note 20.E). There are no dilutive equity instruments.

NOTE 11 – Intangible assets

(in € thousands)	Capitalized development costs	Concessions, patents and licenses	Other intangible assets	Intangible assets in progress	2015	2014
Gross value at Jan. 1	12,470	9,733	21,147	5,324	48,674	42,003
Acquisitions and increases	2,321	213	1,427	4,009	7,970	6,610
Disposals and retirements	(544)	(10)	(207)		(760)	(78)
Reclassifications	4,435	118	147	(4,522)	178	(72)
Change in consolidation scope ⁽¹⁾	11,305	257	244	5,191	16,997	0
Foreign currency translation adjustments	0	92	43	(2)	134	210
Gross value at Dec. 31	29,987	10,403	22,802	10,000	73,193	48,674
Accumulated amortization at Jan. 1	8,666	8,712	15,131	0	32,510	28,487
Additions	2,838	184	1,713	0	4,736	3,941
Reversals	(543)	(10)	(161)	0	(713)	(78)
Reclassifications	3,936	81	(37)	(3,980)	0	0
Change in consolidation scope ⁽¹⁾	7,872	219	183	3,980	12,254	0
Foreign currency translation adjustments	0	72	30	0	101	161
Accumulated amortization at Dec. 31	22,770	9,259	16,860	0	48,888	32,510
Carrying amount at Jan. 1	3,804	1,020	6,016	5,324	16,164	13,516
Carrying amount at Dec. 31	7,217	1,145	5,942	10,000	24,305	16,164
Impairment losses	0	0	0	0	0	0
Reversals of impairment	0	0	0	0	0	0

⁽¹⁾ The change in consolidation scope relates to Saphymo (€2,684 thousand net) and the AMI Software group (€2,058 thousand net)

NOTE 12 - Goodwill

A. Change in carrying amount

(in € thousands)

	Dec. 31, 2015	Dec. 31, 2014
At January 1 (carrying amount)	46,872	45,572
Increase	5,002	2,300
Impairment		(1,000)
At December 31 (carrying amount)	51,874	46,872

The increase in goodwill at December 31, 2015 reflects the acquisition of Go Albert France (AMI), Go Albert UK and Go Albert Africa, Saphymo France, Saphymo Italia and Saphymo GmbH.

At the acquisition date, the re measured assets and liabilities of both acquired companies were as follows:

	AMI Software	Saphymo	Total
Purchase price of shares	3,293	750	4,043
Of which amount paid	2,593	750	3,343
Assets			
Non-current assets	2,094	4,097	6,191
Deferred tax assets	50	1,786	1,836
Inventories		3,258	3,258
Trade and other receivables	1,460	8,124	9,584
Other current assets	580	1,995	2,575
Net cash	(573)	(14)	(587)
Liabilities			
Non-current financial liabilities	588	2,549	3,137
Non-current provisions	146	1,557	1,703
Trade accounts payable	548	4,314	4,862
Other current financial liabilities	0	6,019	6,019
Other current liabilities	1,609	6,209	7,818
Net assets acquired (including non-controlling interests)	720	(1,402)	(682)
Share of net assets acquired attributable to non-controlling interests	0	(277)	(277)
Share of net assets acquired attributable to owners of the parent	720	(1,679)	(959)
Goodwill	2,573	2,429	5,002

Breakdown by CGU

	Gross	Impairment	Carrying amount
Environment - Construction CGU	31,171	0	31,171
Environment - Operation CGU	0	0	0
Environment	31,171	0	31,171
Bertin CGU	16,441	1,000	15,441
CNIM Industrial Systems (CSI) CGU	2,300	0	2,300
Innovation & Systems	18,741	1,000	17,741
Babcock Wanson CGU	3,962	1,000	2,962
CNIM Babcock Services (CBS) CGU	0	0	0
Energy	3,962	1,000	2,962
TOTAL	53,874	2,000	51,874

B. Impairment tests

Impairment testing methods and the related assumptions are described in Note 1.B.g).

The main assumptions used for calculating the value in use of each CGU (except Bertin) were as follows:

- weighted average cost of capital of 10%;
- perpetual growth rate of 2%.

The value in use of the Bertin CGU was calculated using a weighted average cost of capital of 10.7% and a perpetual growth rate of 2%.

For all CGUs (except Bertin), no impairment of goodwill would be recognized if value in use were calculated using:

- a discount rate increased by one hundred base points;
- a growth rate reduced by one hundred base points;
- forecast normative net income in year five reduced by 5%.

Applying one of these assumptions would result in recognizing an impairment loss of less than €0.5 million for the Bertin CGU.

NOTE 13 – Property, plant and equipment

(in € thousands)

	Land	Buildings	Technical facilities, equipment and tooling	Other PP&E	PP&E in progress and advances and down payments	2015	2014
Gross value at January 1	13,935	67,900	88,117	30,044	2,995	202,991	193,593
Acquisitions and increases	43	1,124	2,506	1,778	5,644	11,096	9,839
Disposals and retirements	(121)	(8,844)	(1,121)	(1,282)	(4)	(11,372)	(2,223)
Reclassifications (1)	0	176	636	104	(1,093)	(177)	72
Change in consolidation scope	4	150	1,304	1,285	4	2,747	0
Foreign currency translation adjustments	165	453	572	(67)	96	1,219	1,711
Gross value at December 31	14,027	60,960	92,014	31,861	7,641	206,504	202,991
Accumulated depreciation at January 1	380	45,770	63,754	22,524	(0)	132,428	121,979
Additions	3	2,210	7,407	2,636	0	12,255	11,248
Reversals	(117)	(8,691)	(1,026)	(1,280)	0	(11,115)	(1,683)
Change in consolidation scope	0	57	861	602	0	1,520	0
Foreign currency translation adjustments	0	187	433	(59)	0	561	884
Accumulated depreciation at December 31	266	39,532	71,428	24,423	(0)	135,648	132,428
Carrying amount at January 1	13,555	22,130	24,363	7,520	2,995	70,563	71,614
Carrying amount at December 31	13,762	21,428	20,586	7,438	7,641	70,856	70,563
Impairment losses	0	0	0	0	0	0	0
Reversals of impairment	0	0	0	0	0	0	0

NOTE 14 – Non current financial assets

(in € thousands)

	Dec. 31, 2015	Dec. 31, 2014
Gross value	18,494	35,750
Impairment	(7,061)	(25,287)
Carrying amount	11,433	10,462

The change in gross value and impairment was mainly due to the winding up of Wanson Benede in 2015. The company's securities had been fully provisioned (€19,371 thousand).

The impairment amount includes an additional impairment charge of €1,174 thousand relating to CEB-KOGEBAN.

(in € thousands)

	Dec. 31, 2015						Dec. 31, 2014
	Acquisition cost	Impairment	Carrying amount of equity interests	% direct or indirect interest	Current account shareholder advances with indefinite repayment term	Total	Total
SMA	63	0	63	3%		63	63
Vecsys Research	804		804	20%		804	804
Foster Wheeler Fakop	1,051	161	890	8.41%		890	890
Kogeban	1,867		1,867	10.87%	1,573	3,440	3,339
Cogénération Biomasse d'Estrées-Mons	613		613	7%	2,762	3,375	3,060
Other ⁽¹⁾	6,507	5,684	823		22	844	645
Total available-for-sale financial assets	10,903	5,845	5,058		4,357	9,415	8,799
Loans	329	0	329			329	30
Other non-current financial assets (deposits and guarantees)	1,731	42	1,689			1,689	1,633
Total	12,963	5,887	7,076		4,357	11,433	10,462

(1) including a €673 thousand long-term investment by MESE.

NOTE 15 – Investments in equity accounted associates

A. Year on-year change

(in € thousands)

	2015	2014
At January 1	52,281	50,591
Share of net income from equity-accounted associates	3,266	3,669
Foreign currency translation adjustments	1,338	1,831
Dividends	(3,503)	(3,217)
Change in consolidation scope	0	7
Re classifiable reserves	320	162
Other ⁽¹⁾	(1,283)	(762)
SUB-TOTAL	52,419	52,281

(1) Including change in the CNIM Development participating loan recognized by CNIM Netherlands.

B. Revenues – Net income

(in € thousands)

Breakdown of investments in equity-accounted associates	Carrying amount	Revenues (100% interest)	Net income (loss) (100% interest)	% interest	Share of net income (loss)	Carrying amount	Revenues (100% interest)	Net income (loss) (100% interest)	% interest	Share of net income (loss)
CNIM Développement ⁽¹⁾	32,069	0	3,384	50.00%	1,692	29,769	0	3,583	50.00%	1,792
CCUAT	216	0	310	49.88%	154	61	(30)	(62)	49.88%	(31)
CSBC	7	0	(5)	50.00%	(2)	9	0	(9)	50.00%	(5)
DWS	3,261	11,939	191	33.33%	64	3,013	11,134	(122)	33.33%	(41)
HWS Holding Ltd	7,219	21,675	(1,409)	34.75%	(490)	6,993	19,483	(99)	34.75%	(34)
MES SELCHP	609	0	(9)	50.00%	(5)	3,763	0	(7)	50.00%	(4)
SELCHP	1,074	54,015	7,486	24.38%	1,825	899	47,111	7,780	24.38%	1,896
Technoplus Industries	4,779	7,044	8	34.79%	3	4,796	14,693	329	34.79%	115
WWS Ltd	3,185	12,893	77	33.33%	26	2,977	11,442	(59)	33.33%	(20)
Total	52,419				3,266	52,280				3,669

(1) Including receivables relating to investments in DWS, HWS, and WWS.

CNIM Development, which manages the investments and subordinated loans of the companies it holds, generated financial income of €3,188 thousand in 2015 and €3,804 thousand in 2014.

Dividends received from CNIM Development in 2015 amounted to €5 million.

C. Balance sheet - Debt

(in € thousands)

Breakdown of investments in equity-accounted associates	Dec. 31, 2015			Dec. 31, 2014		
	Carrying amount	Total balance sheet (100% interest)	Debt (100% interest)	Carrying amount	Total balance sheet (100% interest)	Debt (100% interest)
CNIM Développement ⁽¹⁾	32,069	74,191	50,939	29,769	67,020	46,365
CCUAT	216	1,135	0	61	1,196	0
CSBC	7	1,981	27	9	1,906	26
Dudley Waste Services Ltd	3,261	14,297	13,675	3,013	14,859	14,511
Handford Waste Services Holding Ltd	7,219	36,712	27,303	6,993	41,683	31,283
MES SELCHP	609	1,557	0	3,763	7,781	0
SELCHP	1,074	66,914	41,412	899	69,960	42,945
Technoplus Industries	4,779	25,512	0	4,796	26,048	3
Wolverhampton Waste Services Ltd	3,185	14,949	14,646	2,977	15,473	15,422
Total	52,419			52,280		

(1) Including receivables related to investments in DWS, HWS, and WWS.

NOTE 16 - Inventories

(in € thousands)

	Raw materials	Purchased goods	Finished goods	Work in progress	Total
Gross value at Dec. 31, 2014	22,038	1,926	4,578	17,388	45,931
Impairment at Dec. 31, 2014	6,242	347	344	394	7,327
Carrying amount at Dec. 31, 2014	15,797	1,579	4,233	16,995	38,605
Gross value at Dec. 31, 2015	22,956	2,667	4,311	19,408	49,342
Impairment at Dec. 31, 2015	7,252	355	373	548	8,528
Carrying amount at Dec. 31, 2015	15,704	2,312	3,938	18,859	40,814

NOTE 17 – Trade and other receivables

Trade and other receivables

(in € thousands)

Trade and other receivables	Dec. 31, 2015	Dec. 31, 2014
Trade accounts receivable, not yet due	103,042	129,963
Trade accounts receivable past due by:		
less than one month	16,985	14,093
between 1 and 3 months	11,929	13,987
between 3 and 6 months	5,809	5,519
between 6 and 12 months	5,790	1,702
more than 1 year	9,315	24,798
Gross trade accounts receivable	152,869	190,062
Impairment	(11,287)	(7,062)
Net trade accounts receivable	141,582	183,000
Accrued revenue	32,997	40,660
Trade and other receivables	174,579	223,660
Accrued income from contracts in progress	51,630	84,522
SUB-TOTAL	226,209	308,182

Receivables more than six months past due are provisioned, unless there is specific evidence that there is no collection risk (generally, settlement of a technical issue).

Other operating receivables

(in € thousands)

Other operating receivables	Dec. 31, 2015	Dec. 31, 2014
Amounts due from personnel	474	537
Amounts due from government and other public authorities	49,060	51,128
Miscellaneous receivables	2,880	3,295
Derivative financial instruments	427	789
Impairment of other receivables	(436)	(457)
SUB-TOTAL	52,404	55,292
Prepaid expenses	7,261	9,280
TOTAL RECEIVABLES	285,875	372,754

NOTE 18 – Construction contracts

(in € thousands)

At December 31, 2015	Construction contracts	Other	Total
Revenue ⁽¹⁾	333,473	393,517	726,990
Advances and down payments received ⁽²⁾	2,162	7,936	10,098
Retentions ⁽³⁾	9,666		9,666
Accrued income ⁽⁴⁾	25,675	25,955	51,630
Deferred income ⁽⁴⁾	107,066	30,012	137,078
Provisions for losses at completion	9,072		9,072

At December 31, 2014	Construction contracts	Other	Total
Revenue ⁽¹⁾	594,520	196,261	790,781
Advances and down payments received ⁽²⁾	6,114	2,637	8,751
Retentions ⁽³⁾	17,346		17,346
Accrued income ⁽⁴⁾	60,178	24,344	84,522
Deferred income ⁽⁴⁾	151,906	26,701	178,607
Provisions for losses at completion	8,167		8,167

(1) Revenue on contracts not yet completed is determined using the percentage-of-completion method.

(2) Down payments received from customers.

(3) Amounts of progress billings that are not paid until the satisfaction of contractual conditions.

(4) For contracts in progress: percentage-of-completion revenue recognized to date less progress billings. The amount is an asset if positive and a liability if negative.

NOTE 19 – Financial instruments

Financial assets

(in € thousands)

	Note	Dec. 31, 2015	Dec. 31, 2014
Available-for-sale financial assets	14	9,415	8,799
Loans and receivables at amortized cost			
Other non-current financial assets (deposits and guarantees, loans)	14	2,018	1,662
Trade and other receivables	17	174,579	223,660
Accrued income from contracts in progress	17	51,630	84,522
Financial assets at fair value through net income			
Cash		71,127	29,482
Cash equivalents		67,274	79,789
Derivatives (forward sales)		427	789
Total financial assets		376,471	428,702

Cash equivalents

The Group's cash management policy aims to obtain a return on investment slightly above that of the money market, while preserving a high degree of liquidity in terms of assets managed, which are mostly invested in short-term interest rate products with minimal counterparty risk.

The CNIM parent company centralizes cash in euros through a cash pooling system for the Group's French companies in order to optimize management of investments and overdrafts.

The carrying amount of financial assets reflects the best available estimate of their fair value.

Financial liabilities

(in € thousands)

	Note	Dec. 31, 2015	Dec. 31, 2014
Borrowings and debt	21	16,894	5,585
Current derivatives (forward sales)		89	957
Trade accounts payable		119,474	150,909
Other current financial liabilities	21	21,207	31,545
Total financial liabilities		157,664	188,996

Except for derivatives recognized at fair value, financial liabilities are measured using the amortized cost method. Other current financial liabilities correspond to bank overdrafts.

Derivatives comprise forward purchases/sales of foreign currency (primarily sales) and forex swaps.

The Group has classified these derivatives as Level 2 financial assets as there are no observable prices or other market data to determine fair value (identical amounts/terms).

The fair value of the derivatives is estimated using bank measurements or pricing models based on data available at the reporting date.

NOTE 20 - Equity

A. Share capital

At December 31, 2015, share capital amounted to €6,056,220 divided into 3,028,110 fully paid shares with a par value of €2. There were no changes over the year.

B. Form of shares

The shares are either registered or bearer shares, at the shareholder's discretion.

C. Voting rights

Registered shares carry double voting rights once they have been held for two years.

At December 31, 2015, there were 1,356,746 registered shares with double voting rights.

D. Crossing of thresholds

The Company's by-laws provide for disclosure when each threshold of 2.5% of capital and voting rights is crossed.

E. Treasury shares

As part of a share buyback program approved at the Annual General Meeting on June 3, 2015, the Company renewed a liquidity agreement with Exane. Treasury share data for 2015 are presented in the following table:

	CNIM	BWH	Exane	Total
Number of shares at January 1, 2015	125,532	20,087	6,538	152,157
Number of shares purchased in 2015	-	-	17,626	17,626
Average purchase price	-	-	84.75	84.75
Number of shares sold in 2015	-	-	17,628	17,628
Intercompany transactions	20,087	(20,087)	-	-
Average sales price	76.87	-	85.18	85.18
Number of treasury shares at December 31, 2015	145,619	-	6,536	152,155
Weighted average number of treasury shares	-	-	-	100,332
Weighted average number of ordinary shares	-	-	-	2,927,778
Total number of shares	-	-	-	3,028,110

F. Dividends proposed

A dividend of €5.90 per share will be proposed at the Annual General Meeting on May 24, 2016.

A dividend of €5.35 per share, approved at the Combined Annual and Extraordinary General Meeting on June 3, 2015, was paid on July 2, 2015.

NOTE 21 - Borrowings and debt

A. Breakdown of current and non-current financial liabilities

(in € thousands)

	Dec. 31, 2015			Dec. 31, 2014
	Non-current financial liabilities	Current financial liabilities	Total	
Loan to invest in the Kogeban special purpose entity	0	534	534	1,173
Loan to invest in the Estrées Mons special purpose entity	1,400	600	2,000	2,600
Loan for the acquisition of Vecsys (Bertin sub-group)	0	125	125	625
Loan to fund R&D projects in Saphymo France	1,216	356	1,572	0
Loan for investments in AMI France	320	80	400	0
Loan to fund work at SCI Bassano	2,458	542	3,000	0
Short-term financing - CNIM Singapore	0	4,540	4,540	11,200
Capitalizable advance - ELLO	0	649	649	0
Refundable advances	5,792	1,392	7,184	4,354
Sales of receivables	4,985	7,203	12,188	13,211
Adjustments to finance leases, other	723	3,728	4,451	1,273
Sub-total	16,894	19,749	36,643	34,436
Bank overdrafts and short-term bank loans		1,458	1,458	2,694
Total	16,894	21,207	38,101	37,130

Borrowings and debt due in less than one year are recorded under current financial liabilities.

- The Group took out a 6-year medium-term credit line (multi-currency) of €120 million in December 2014. It had not been drawn down at December 31, 2015.

The credit line is subject to a covenant calculated based on the consolidated financial statements, limiting the net debt to EBITDA ratio to 2.5. The covenant conditions were met at the reporting date.

- During the financial year, the Company took out a fixed-rate €5 million loan, repayable over five years, to finance renovation work at the Group's headquarters (SCI Bassano). €3 million had been drawn down at December 31, 2015.
- The same applies to Kogeban.
- The loan taken out in April 2013 to invest in Estrées Mons is a floating rate loan repayable over five years.

B. Breakdown of foreign currencies

(in € thousands)

Borrowings and debt	Dec. 31, 2015	Euros	Foreign currency	Dec. 31, 2014
Less than one year	21,207	13,273	7,934	34,713
1-5 years	16,752	16,752		2,417
More than 5 years	142	142		0
TOTAL	38,101	30,167	7,934	37,130

Foreign currency	Equivalent value (in € thousands)	
Moroccan dirhams	MAD	941
Pounds sterling	GBP	2,420
Singapore dollars	SGD	4,573

NOTE 22 - Provisions (excluding retirement and other employee benefit obligations)

(in € thousands)

	Provisions at Dec. 31, 2014	Additions	Reversals (utilizations)	Reversals (surplus)	Foreign currency translation adjustments	Change in consolidation scope	Provision s at Dec. 31, 2015
Provisions for litigation	9,019	1,476	(1,841)	(642)	0	62	8,074
Provisions for losses at completion	8,166	5,431	(4,012)	(82)	26	0	9,529
Other contingency provisions	22,055	22,506	(8,123)	(5,188)	(3,667)	175	27,757
Other liability provisions	269	46	(187)	0	0	40	169
Total other non-current provisions	39,509	29,459	(14,162)	(5,912)	(3,641)	277	45,530
Provisions for guarantees	33,064	16,951	(11,955)	(10,324)	(206)	338	27,867
Accruals on completed contracts	31,953	19,050	(9,651)	(7,508)	217	0	34,062
Total current provisions	65,017	36,001	(21,607)	(17,832)	11	338	61,929
Total provisions	104,526	65,461	(35,769)	(23,745)	(3,629)	615	107,459

Provisions for losses at completion

When a loss at completion is expected on a construction contract, the loss to date is recognized as an expense based on percentage of completion and the loss beyond percentage of completion is accrued under "Provisions for losses at completion".

Other contingency provisions

"Other contingency provisions" mainly include provisions for penalties and customer claims.

Provisions for guarantees

Provisions for guarantees are recognized either based on an analysis of expenses incurred in the past on similar projects, or by applying a percentage of the sales price.

As the Group is involved in various business activities, more than one method is required.

For the main business activity generating provisions for guarantees (the construction of new plants in the Environment operating segment), a rate of 2% of the contract price is applied. This rate was determined based on an analysis of all guarantee expenses incurred for the business activity as a whole, given the strong technical similarity between contracts. The rate may be increased if a specific problem is identified.

For contracts in the Innovation & Systems operating segment with highly specific technical characteristics, the method for analyzing past expenses on similar contracts is used, resulting in rates ranging from 0.5% to 1.5% of revenues.

Provisions for accruals on completed contracts

When a contract has been completed and accepted by the customer, any outstanding expenses relating to the contract are recorded under "Provisions for accruals on completed contracts".

Provisions for accruals on completed contracts have a very short maturity and are utilized within 12 months of contract completion.

NOTE 23 - Retirement and other employee benefits

(in € thousands)

	Dec. 31, 2014	Change in consolidation scope	Additions	Reversals (utilizations)	Reclassified to reserves	Reclassifications ⁽¹⁾	Foreign currency translation adjustments	Dec. 31, 2015
Provisions for long-service awards	581		0	(38)				543
Provisions for retirement benefits	34,149	1,425	2,005	(1,420)	(889)	130	283	35,683
Total	34,730	1,425	2,005	(1,458)	(889)	130	283	36,226

(1) Amount recognized under financial assets.

A. Retirement benefit obligations

a) Overview of Group pension plans

The Group has the following pension plans:

France

- A plan providing for a lump-sum payment upon retirement based on the number of years of service and final salary at retirement;
- A supplementary defined contribution plan for senior executives. Contributions are expensed in the reporting period. As there is no commitment for the Group beyond the contributions made, no provisions are recognized.
- A supplementary defined benefit plan for employees retiring in senior executive positions after 60 years of age. A provision is accrued for the resulting benefit obligation.

Italy

- A plan providing for a lump-sum payment upon retirement based on the number of years of service and final salary at retirement. Following legislative changes in 2007, this plan was transformed into a defined contribution plan. The provision in the financial statements relates to rights vested prior to the plan amendment.

UK

Employees are members of a defined benefit pension plan.

Morocco

Employees are entitled to a retirement benefit paid by the employer at retirement.

Former employees are also covered by a healthcare insurance policy.

(in € thousands)

	Dec. 31, 2015				Dec. 31, 2014
	France	United Kingdom	Other	Total	Total
The amounts recognized in the balance sheet are determined as follows:					
Value of obligation	31,683	18,567	1,829	52,079	49,175
Fair value of plan assets	(505)	(16,019)		(16,524)	(15,025)
Liability recognized at the reporting date	31,178	2,676	1,829	35,683	34,149
Asset recognized at the reporting date		128		128	
Changes in obligations over the reporting period relating to defined benefit plans are detailed below:					
Value of the obligation at the beginning of the reporting period	28,006	19,560	1,609	49,175	39,836
Change in consolidation scope ⁽¹⁾	1,426	0	0	1,426	0
Foreign currency translation adjustments	0	1,222	1	1,223	1,216
Current service cost	1,934	196	688	2,818	2,409
Interest cost	590	697	37	1,324	1,466
Tax	(120)			(120)	0
Employee contributions		49	0	49	65
Benefits paid	(2,310)	(814)	(512)	(3,636)	(3,639)
Actuarial gains and losses	2,157	(2,343)	6	(180)	7,822
Value of the obligation at the reporting date	31,683	18,567	1,829	52,079	49,175
The table below shows changes in plan assets over the reporting period:					
Value of plan assets at the beginning of the reporting period	4	15,021	0	15,025	13,705
Foreign currency translation adjustments	0	919	0	919	958
Expected return on plan assets	1	541	0	542	615
Employer contributions	500	600	0	1,100	1,214
Employee contributions	0	50	0	50	65
Plan settlements/benefits paid	0	(814)	0	(814)	(1,705)
Administrative costs		(83)	0	(83)	(58)
Actuarial gains and losses	0	(215)	0	(215)	232
Value of plan assets at the reporting date	505	16,019	0	16,524	15,025
The components of pension expense are as follows:					
Current service cost	1,934	196	688	2,818	2,409
Interest cost	590	697	37	1,324	1,466
Return on plan assets	(1)	(541)	0	(542)	(615)
Administrative costs	0	(83)	(83)	(166)	58
Settlement effects	0	0	0	0	0
Expense for the period	2,523	269	642	3,434	3,319

(1) The change in consolidation scope relates to Saphymo France and AMI France.

The average weighted term of the obligation is eleven years.

The Company estimates that it will pay €0.6 million in retirement benefits in 2016.

Defined benefit contributions for 2016 are estimated at €2.1 million.

b) Actuarial assumptions

The main assumptions used to calculate the provisions for Group pension plans are as follows:

	Dec. 31, 2015		Dec. 31, 2014	
	France	UK	France	UK
Discount rate	2.0%	3.7%	2.0%	3.4%
Future salary increase rate, excluding inflation	1.0%	0%	1.0%	0.0%
Inflation rate	2.0%	1.9%	2.0%	2.2%
Mortality table	INSEE TGH05-TGF05 table	S1PMA/S1PFA, CMI 2012 ⁽¹⁾	INSEE TGH05-TGF05 table	S1PMA/S1PFA, CMI 2012 ⁽¹⁾

(1) with long-term increase in life expectancy of 1.5% for men and 1% for women.

c) Breakdown of plan assets

The main asset categories and expected returns are as follows :

	Breakdown	
	Dec. 31, 2015	Dec. 31, 2014
Equities	65%	64%
Bonds	14%	14%
Government bonds	16%	17%
Other	4%	5%
Total	100%	100%

d) Sensitivity of the retirement obligation to changes in discount rate

An overall 0.25% increase in the discount rate would lower the retirement obligation by 3.2% in France and 3.8% in the UK.

B. Obligations for long-service awards

The Group's French companies pay a bonus when granting long-service awards. The bonus is based on the number of years of service in the company. The provision at December 31, 2015 amounted to €543 thousand.

The provision for long-service awards at December 31, 2015 was calculated using actuarial methods based on assumptions regarding the age of employees when they are granted the long-service bonuses, mortality (INSEE table TGH-TGF 2005), the number of years of service and personnel turnover. An inflation rate of 2% and discount rate of 2% (including inflation) were used.

NOTE 24 – Leases

A. Finance leases

Non-current assets held under finance leases that are similar to a purchase combined with a loan are recognized as assets.

The amounts relating to finance lease arrangements were as follows:

(in € thousands)

	Dec. 31, 2015	Dec. 31, 2014
Gross value	9,102	9,102
Depreciation/amortization	(7,701)	(7,403)
Carrying amount	1,401	1,700
Lease payments	117	175
Interest expense	(11)	(29)
Depreciation and amortization expense	(299)	(376)
Net impact	(193)	(230)

Dec. 31, 2015	Lease payments for the period	Liabilities	< 1 year	1-5 years	More than 5 years
Property, plant and equipment	117	482	109	373	0
TOTAL	117	482	109	373	0

Dec. 31, 2014	Lease payments for the period	Liabilities	< 1 year	1-5 years	>5 years
Property, plant and equipment	175	588	102	486	0
TOTAL	175	588	102	486	0

B. Operating leases

(in € thousands)

Dec. 31, 2015	Lease payments for the period	Minimum future lease payments	< 1 year	1-5 years	>5 years
Property, plant and equipment					
Buildings	2,690	6,122	1,874	4,247	0
Equipment and tooling	176	588	244	344	0
IT equipment	0	40	16	24	0
Transport equipment	1,298	2,007	938	1,069	0
Furniture and office equipment	304	360	187	173	0
TOTAL	4,469	9,117	3,260	5,857	0

Dec. 31, 2014	Lease payments for the period	Minimum future lease payments	< 1 year	1-5 years	>5 years
Intangible assets	136	480	136	344	
Property, plant and equipment					
Buildings	2,741	7,625	2,607	5,018	0
Equipment and tooling	0	0	0	0	0
IT equipment	18	79	18	61	0
Transport equipment	1,283	1,799	865	935	0
Furniture and office equipment	196	563	212	351	0
TOTAL	4,374	10,547	3,837	6,710	0

NOTE 25 – Off-balance sheet commitments

(in € thousands)

	Dec. 31, 2015	Dec. 31, 2014
<u>Commitments given:</u>		
Contract bank guarantees	330,439	445,303
Other pledges and guarantees given to financial institutions	0	0
<u>Commitments received:</u>		
Bonds received from suppliers	129,220	129,404

NOTE 26 – Contingent liabilities

There were no material contingent liabilities at December 31, 2015.

NOTE 27 – Related parties

(in € thousands)

1) Sales of goods and services	Dec. 31, 2015	Dec. 31, 2014
* Equity-accounted associates	28,237	24,578
2) Purchases of goods and services		
* Equity-accounted associates	3,336	2,896
* Other	-	-
* Martin GmbH	0	19,431
3) Operating receivables and payables		
§ Amounts due from related parties:		
* Equity-accounted associates	2,146	2,069
§ Amounts due to related parties:		
* Equity-accounted associates	355	369
* Martin GmbH	0	11,212
4) Loans granted		
* Equity-accounted associates	34,255	32,277

5) Senior management				
	Management bodies			
	2015		2014	
	Management Board	Supervisory Board	Management Board	Supervisory Board
Financial commitments	-	-	-	-
Retirement benefit commitments	6,968	-	-	-
Advances and loans granted	-	-	-	-
Short-term benefits	2,610	696	2,610	674

All managers with senior executive status over 60 years of age are entitled to a supplementary defined benefit pension plan.

Senior executives do not have any stock options.

Transactions with related parties were carried out under normal market conditions.

NOTE 28 - Risk management

A. Financial risk

a) Foreign exchange risk

- Operational foreign exchange risk

Exposure

Foreign exchange risk on tender offers corresponds to the financial risk borne by Group companies when tendering in currencies other than their functional currency. Although this risk arises when the bid is submitted and persists throughout its validity period, it only materializes when the offer turns into a contract. The risk becomes real (or certain) when the contract is signed.

Risk mitigation

In compliance with the Group's operating risk management policy with regard to transactional foreign exchange risk in the tendering and contract phases:

The Group carries out a comprehensive analysis of foreign exchange risk for each project during the tendering phase, taking into account forecast cash inflows and outflows in each currency.

All commercial efforts are made to hedge the amounts naturally by balancing out forecast receipts and disbursements by foreign currency.

Where there is residual foreign exchange exposure during the tender phase, any hedging based on the estimated probability of winning the tender and market conditions is carried out using specific export insurance policies (with insurers such as Coface), or by using derivative instruments in the form of options.

For each contract booked, the residual foreign exchange exposure is hedged using forward contracts determined on a currency by currency basis. These derivatives are used to hedge highly probable or certain future cash flows.

Group companies' foreign currency hedges are contracted by the Group Financing and Treasury Department, under the responsibility of the Group Chief Financial Officer, based on forecast foreign currency receipts and disbursements on completion as reported by the project manager or finance director of the subsidiary or division concerned.

During the entire execution phase of each contract, residual foreign exchange exposures are monitored individually and the hedging portfolio is adjusted accordingly, in compliance with the Group's internal procedures.

- **Financial foreign exchange risk**

At December 31, 2015, no external borrowings were contracted by Group companies in currencies other than the functional currency of the entity concerned.

- **Foreign exchange risk - net investments in foreign operations**

Foreign exchange risk related to net investments in foreign operations corresponds to the balance sheet translation risk arising in consolidated subsidiaries whose functional currency is different from that of the parent company.

At December 31, 2015, in view of the preponderance of consolidated entities whose functional currency is the euro, the Group had little exposure to this risk.

Consequently, the Group had no hedges for net investments in foreign operations.

b) Interest rate risk

- **Debt**

Variable-rate loans that are not certain to be drawn down are not hedged.

At December 31, 2015, the amount of variable-rate debt not hedged by interest rate swaps converting variable to fixed rates of interest was not material (see Note 21.B).

- **Cash and cash equivalents**

The Group's cash management policy aims to obtain a return on investment slightly above that of the money market, while preserving a high degree of liquidity in terms of assets managed, which are mostly invested in short-term interest rate products.

B. Counterparty risk

a) Exposure

Counterparty risk is the risk of losses that the Group may bear in the event that a counterparty defaults on its contractual obligations.

The Group is exposed to counterparty risk:

- in its ordinary operations:
 - risk relating to trade receivables from customers,
 - risk relating to partners, sub-contractors and suppliers;
- in its investment and hedging activities.

The concentration of the customer portfolio is affected by the percentage of completion of the Group's main contracts and therefore changes from year to year.

b) Risk mitigation

• Credit risk relating to trade receivables

According to the assessment of geopolitical risk, turnkey contracts performed for public entities may be guaranteed to cover:

- the risk of the contract being terminated after acceptance of the order and before delivery (pre-shipment/manufacturing risk);
- the risk of non-payment of outstanding amounts due once the contract has been delivered (post-shipment risk);
- the risk of the unfair calling of market bonds.

In the case of private sector contracts:

- prior to signing contracts, the Group analyzes credit risk, notably by consulting information from companies specialized in providing commercial data for contracting purposes. Non-payment risk is mitigated by:
 - the negotiation of appropriate payment forms, i.e., standby letters of credit and/or documentary letters of credit;
 - the negotiation of payment terms;
 - obtaining guarantees from the customer's parent company.

Some Group subsidiaries have traditional credit insurance contracts that insure against losses arising from the non-payment of trade receivables.

Trade receivables that are past due are followed up systematically and progressively based on their due dates and the aged trial balance.

• Counterparty risk relating to partners, sub-contractors and suppliers

CNIM performs a risk analysis during the process of selecting partners, sub-contractors and suppliers, the results of which may lead to:

- a refusal to contract with a given partner, sub-contractor or supplier;
- a request for the third party concerned to provide bank guarantees;
- an adjustment of the payment terms in line with the risks borne.

Despite this process, the technical failure or financial default of a partner, sub-contractor or supplier could occur, resulting in additional obligations that may have an impact on the Group's earnings.

• Counterparty risk relating to investment and hedging activities

The Group is exposed to counterparty risk on its cash investments and the derivative financial instruments used to hedge foreign exchange and interest rate risk. In the case of derivative financial instruments, counterparty risk corresponds to the fair value of the instruments contracted with a counterparty, where the fair value is positive.

The Group mitigates counterparty risk by systematically restricting the choice of banking counterparties to leading banks and financial institutions.

C. Liquidity risk

Liquidity risk is the risk that the Group will have insufficient financial resources to meet its obligations.

The Group has carried out a specific review of its liquidity risk and believes that it is able to meet its future obligations as they fall due.

Accordingly, the Group deems that it is not significantly exposed to liquidity risk. At December 31, 2015:

- consolidated net cash (cash and cash equivalents less net debt) totaled €100.3 million compared with €72.2 million at December 31, 2014;
- the Group had a €120 million medium-term credit facility that had not been drawn down. With cash and cash equivalents of €138.4 million, the Group's liquid resources totaled €258.4 million at December 31, 2015, compared with €229.3 million at December 31, 2014;
- as mentioned in Note 21.A, the above-mentioned medium-term credit facility is subject to a default clause (financial covenant) based on the consolidated financial statements. The Group was in compliance with the covenant at December 31, 2015.

NOTE 29 - Statutory auditors' fees

(in € thousands)

	Deloitte				PWC			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%

Audit:

- Statutory audit, certification, review of parent company and consolidated financial statements:

CNIM	162	32%	174	38%	162	41%	163	42%
Consolidated subsidiaries	291	58%	248	54%	229	58%	183	47%
Total	453	90%	422	92%	391	98%	346	89%

- Other engagements and services directly related to the statutory audit engagement:

CNIM		0%	9	2%	2	1%	30	8%
Consolidated subsidiaries	23	5%	24	5%	0	0%	2	1%
Total	23	5%	33	7%	2	1%	32	8%
Total audit	476	94%	455	99%	393	99%	378	97%

Other engagements and services:

- Legal, tax, payroll-related services

	30	6%	3	1%	4	1%	11	3%
Total other services	30	6%	3	1%	4	1%	11	3%
Total	506	100%	458	100%	397	100%	389	100%

NOTE 30 - Subsequent events

None.

5.2 Parent company financial statements at December 31, 2015 ^(AFS)

5.2.1 Balance sheet

5.2.1.1 ASSETS

(in € thousands)

ASSETS	Note	Dec. 31, 2015			NET Dec. 31, 2014
		GROSS	Acc. depr., amort. & prov.	NET	
NON-CURRENT ASSETS					
Intangible assets	4	45,836	16,932	28,905	31,189
Land		2,878	266	2,612	2,575
Buildings		31,131	21,245	9,886	10,882
Technical facilities, equipment and tooling		45,728	33,985	11,742	15,927
Other		10,911	8,146	2,764	3,273
Assets in progress		504		504	968
Property, plant and equipment	5	91,151	63,642	27,509	33,625
Non-current financial assets					
Non-consolidated equity investments		162,310	44,950	117,360	111,477
Receivables related to equity investments		18,323	4,560	13,763	10,786
Other non-current financial assets		20,868	5,848	15,020	13,330
Non-current financial assets	6	201,501	55,357	146,144	135,594
Total non-current assets		338,489	135,931	202,557	200,408
Inventories and work in progress		15,915	3,933	11,983	14,800
Advances and down payments made on orders		643	15	628	2,732
Operating receivables					
Trade and other receivables	7	103,070	2,901	100,169	198,340
Other receivables	7	134,651	24,699	109,952	95,647
Marketable securities	8	67,231		67,231	77,654
Cash		17,598		17,598	5,819
Prepaid expenses	9	18,206		18,206	24,102
Total current assets		357,314	31,548	325,766	419,094
Expenses to be allocated to future reporting periods	9	1,038		1,038	1,302
Unrealized exchange losses	15	708		708	1,592
TOTAL		697,549	167,479	530,069	622,395

5.2.1.2 EQUITY AND LIABILITIES

(in € thousands)

EQUITY AND LIABILITIES	Note	Dec. 31, 2015	Dec. 31, 2014
Equity			
Share capital		6,056	6,056
Additional paid-in capital		7,237	7,237
Legal reserve		606	606
Retained earnings		31,223	23,090
Net income for the period		51,742	23,621
Tax-driven provisions	11	5,957	7,786
Equity	10	102,822	68,395
Provisions for contingencies and liabilities	12	54,167	60,940
Borrowings and debt			
Bank borrowings and debt	13	8,438	10,884
Other borrowings and debt	13	154,307	157,169
Total borrowings and debt		162,745	168,053
Advances and down payments received		844	4,908
Operating liabilities			
Trade accounts payable	13	73,759	136,962
Social security and tax payables	13	40,348	63,301
Total operating liabilities		114,107	200,263
Other liabilities	13	2,218	1,423
Total liabilities		117,169	206,594
Deferred income	14	91,005	115,864
Unrealized exchange gains	14	2,161	2,550
TOTAL		530,069	622,395

5.2.2 Income Statement

(in € thousands)

	Note	2015	2014
OPERATING INCOME			
Revenues	17	384,717	541,507
Capitalized production		1,313	3,497
Increase in semi-finished and finished goods		(2,786)	10,007
Operating grants		(17)	29
Reversal of depreciation, amortization and provisions		39,537	26,097
Expense transfers	17	5,036	2,557
Other operating income		1,001	1,273
TOTAL OPERATING INCOME		428,802	584,967
OPERATING EXPENSES			
Purchases and change in inventories		(224,464)	(356,973)
Other external expenses		(52,005)	(52,542)
Taxes other than income taxes		(7,022)	(7,842)
Personnel expenses			
Wages and salaries		(56,619)	(59,852)
Social security contributions		(24,189)	(26,298)
Depreciation and amortization expense		(8,652)	(9,127)
Change in provisions		(34,751)	(41,986)
Other operating expenses		(7,687)	(13,532)
TOTAL OPERATING EXPENSES		(415,388)	(568,152)
OPERATING INCOME		13,413	16,815
FINANCIAL INCOME			
Income from marketable securities		157	402
Income from loans and receivables and other financial income		1,628	1,549
Reversals of provisions and expense transfers		1,511	7,470
Foreign exchange gains		790	1,174
Income from equity investments		36,780	10,871
TOTAL FINANCIAL INCOME		40,865	21,467
FINANCIAL EXPENSE			
Amortization allowances and provisions for financial items		(4,653)	(11,262)
Interest and financial expense		(935)	(917)
Foreign exchange losses		(1,745)	(1,473)
TOTAL FINANCIAL EXPENSE		(7,333)	(13,652)
NET FINANCIAL INCOME	18	33,533	7,815
PRETAX INCOME		46,946	24,630
Non-recurring income		2,357	32,700
Non-recurring expenses		(1,419)	(31,167)
NON-RECURRING INCOME, NET	20	938	1,534
Employee profit sharing expense		(205)	(285)
Income tax	21	4,063	(2,257)
NET INCOME		51,742	23,621

5.2.3 Statement of Cash Flows

(in € thousands)

	2015	2014
Net income	51,742	23,621
Adjustments for		
Depreciation, amortization and provisions	3,723	29,400
Gains or losses on disposals	251	406
Net cash from operations	55,717	53,427
Inventories and work in progress	2,818	(10,313)
Advances and down payments made	2,104	2,475
Change in trade and other receivables	98,171	(24,565)
Other receivables and adjustment accounts	5,769	17,334
Advances and down payments received	(4,063)	(6,408)
Change in operating liabilities	(103,832)	31,061
Change in other liabilities	(13,526)	(41,098)
Change in working capital	(12,559)	(31,515)
Net cash flow from operating activities (A)	43,158	21,912
Acquisition of non-current assets	(10,406)	(12,764)
Change in loans to subsidiaries	231	10,397
Disposal of non-current assets	3	
Impact of restructuring (capital increase)	(6,089)	(4,587)
Net cash flow used in investing activities (B)	(16,262)	(6,954)
Dividends paid	(15,488)	(103,883)
Proceeds from borrowings	6,860	8,161
Repayment of borrowings	(8,692)	(1,270)
Change from use of BPI funding	8,756	
Disposal (acquisition) of treasury shares	(1,685)	(5,366)
Net cash flow used in financing activities (C)	(10,250)	(102,358)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS A+B+C	16,647	(87,399)
Closing cash and cash equivalents		
Marketable securities and treasury shares	67,231	77,698
Cash	17,598	5,819
Bank overdrafts	(686)	(648)
Current accounts with subsidiaries	(47,048)	(62,421)
	37,095	20,448
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,647	(87,399)

5.2.4 Notes to the parent company financial statements

NOTE 1 - Consolidation scope

CNIM SA is the parent company of the CNIM Group.

NOTE 2 - Accounting policies and methods

The financial statements for the year ended December 31, 2015 have been prepared and presented in accordance with French generally accepted accounting principles and the provisions of Regulation 2014-03 of the French accounting standards board on the new Chart of Accounts. They also comply with the principle of prudence, and have been prepared on an accrual basis, assuming that the company is a going concern. Items have been recorded in the accounts on the basis of the historical cost method.

A. Intangible assets and property, plant and equipment

Intangible assets are recognized at acquisition cost.

a) Intangible assets

	Term
Capitalized R&D costs	5 years
Concessions, patents, licenses	5-10 years
Software	3 years

Concessions, patents and licenses are amortized over a period that is shorter than their legal protection period.

Business goodwill only results from goodwill acquired and is not amortized. It is recognized at acquisition cost and may be impaired if its value in use (calculated by discounting the future cash flows to present value) falls below its historical cost.

b) Property, plant and equipment

- **Measurement**

Property, plant and equipment is recognized at acquisition cost. Property, plant and equipment acquired in foreign currency is converted into euros based on the exchange rate effective at the transaction date. In accordance with the component approach, the Company uses different depreciation periods for each major component of an asset whenever the useful life of a component differs from that of the main asset to which it relates.

- **Depreciation**

Depreciation is calculated using the straight-line method based on the assets' useful lives as indicated below.

The Company uses the following useful lives for depreciation purposes:

Depreciation periods

	Useful life		Useful life
Civil engineering buildings ⁽¹⁾	30 years	Control equipment	8 years
Building improvements	10 years	Transport equipment (vehicles)	4 years
Roads	20 years	Small handling equipment	4 years
Equipment and tooling	10 years	Furniture and office equipment	5-10 years
Movable equipment (gantry cranes, bridges, cranes)	5-10 years	Safety equipment	4 years
Small equipment	8 years	IT equipment	2-5 years
Tooling	5 years		

⁽¹⁾ Valeur résiduelle : 10% de la valeur brute

B. Non current financial assets

Non-current financial assets are recognized at their acquisition cost, excluding ancillary expenses.

a) Equity investments

Equity investments and other non-current financial assets are estimated at their value in use, which is assessed based on management's most recent profitability forecasts, the Company's share of the net assets, and the revalued net assets at the reporting date. If their value in use exceeds their carrying amount, the latter is not modified; however, if their carrying amount exceeds their value in use, an impairment provision is recognized. When net equity is negative and CNIM SA has undertaken to provide financial support to the subsidiary, a provision equal to the share of net equity is recorded.

b) Receivables relating to equity investments

Receivables relating to equity investments are recognized on the balance sheet at their historical cost. An allowance is recognized for impairment when there is a collection risk.

c) Portfolio investments

Portfolio investments are recognized on the balance sheet at their acquisition cost. They may be impaired based on their net asset value and business outlook.

C. Measurement of inventories and work in progress

a) Inventories

Inventories are carried at their weighted average cost. An impairment loss is recognized when their carrying amount exceeds their estimated net realizable value or when the Company believes that it may not be able to use part of the inventories.

b) Work in progress

The carrying amount of work in progress includes all components of their cost except for selling, general, administrative and finance costs, which are expensed as incurred.

D. Construction contracts

Revenue and profit on construction contracts in progress are accounted for using the percentage-of-completion method.

Revenue is recognized on the basis of percentage completion, which is calculated using the latest estimate of the total contract price multiplied by the actual stage of completion of the contract.

Stage of completion is determined by measuring the contract costs incurred to date over estimated total costs at completion.

When contract margins are expected to be negative, a provision for loss at completion is recorded in non-current liabilities.

On contract completion, only outstanding expenses remain on the balance sheet, as a provision in current liabilities.

Amounts received before construction contract work is performed are presented in "Advances and down payments received".

Costs incurred, plus profit recognized less progress billings is calculated. If the net amount is positive, it corresponds to amounts due from the customer and is reported in the line item "Trade and other receivables". If the amount is negative, it reflects amounts due to the customer and is reported in the line item "Deferred income".

For purposes of consistency with the consolidated financial statements, advances and down payments received from customers for work performed have been netted against amounts due from customers in assets.

E. Receivables and payables

Receivables and payables are carried at their nominal amount.

Doubtful receivables are written down, as appropriate, based on collection risk assessment.

F. Marketable securities

Marketable securities are recorded at cost. Their fair value is determined based on their average price in the last month of the reporting period for publicly traded securities, the most recent known purchase price for money market funds, and the most recent net asset value for securities held in mutual funds. A provision for impairment is recognized for unrealized losses; unrealized gains are not recognized.

Accrued interest is recognized only if it can be identified (i.e., on fixed rate treasury bonds, certificates of deposit or term accounts).

G. Provisions for contingencies and liabilities

Provisions mainly comprise the following:

a) Provisions for contingencies

- 1) provisions for ongoing litigation and disputes established on the basis of the Group's best estimate of the risk borne;
- 2) provisions for guarantees given to customers are recognized either based on a statistical analysis of expenses incurred in the past on similar projects, or by applying a percentage of the sales price.
- 3) When a loss at completion is expected on a construction contract, the loss to date is recognized as an expense based on percentage of completion, and the loss beyond percentage of completion is accrued in "Provisions for losses at completion".
- 4) Other provisions for contingencies: this line item includes provisions for subsidiaries' negative net assets, other than impaired assets such as current accounts and trade receivables. The line item also include provisions for foreign exchange risk.

b) Provisions for liabilities

Not all accrued expenses relating to completed contracts are recognized at the delivery date. Any outstanding accrued expenses are recorded under "Provisions for accruals on completed contracts".

Provisions for accruals on completed contracts have a very short maturity and are almost fully utilized within 12 months of the delivery date.

c) Provisions for long-service awards

The company pays a bonus when granting long-service awards. The bonus is based on the number of years of service in the company.

The provision for long-service awards at December 31, 2015 was calculated using actuarial methods based on assumptions regarding the age of employees when they are granted the long-service awards, mortality (INSEE table TGH-TGF 2005), the number of years of service, personnel turnover, an inflation rate of 2% and a discount rate of 0%. The provision at December 12, 2015 amounted to €505 thousand.

H. Advances received on contracts in progress

This line item relates exclusively to advances and payments received from customers in relation to contracts in progress.

I. Transactions denominated in foreign currencies

Expenses and income denominated in foreign currencies are accounted for at the exchange rate effective at the transaction date, or at the project contract rate for project-related hedges. Balance sheet items including receivables, payables and cash denominated in foreign currencies are translated at the reporting date exchange rate. Any resulting translation differences are recognized on the balance sheet in unrealized exchange gains or losses. A provision for contingencies is recognized for unrealized exchange losses on unhedged transactions.

J. Research and development costs

Research and development costs are expensed when incurred.

Development costs are recognized as intangible assets when they meet the following recognition criteria:

- technical feasibility of completing the asset for sale or use has been established;

- intention to complete the asset and use or sell it;
- ability to use or sell the asset;
- ability to demonstrate how the asset will generate future economic benefits;
- availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- ability to reliably measure the expenditure attributable to the intangible asset.

Development costs that cannot be separated from contracts are not capitalized.

K. Consolidated tax group

The consolidated tax group applies the principle of neutrality whereby tax savings accrue to CNIM, as head of the tax group, which has no commitment to return savings to tax-consolidated subsidiaries when they recover profitability.

L. Payroll tax credit CICE

A payroll tax credit to promote competitiveness and employment (CICE) was introduced in France in 2013 based on compensation paid during a given year. CNIM SA has recognized this tax credit as a deduction from social security and related payroll contributions. The tax credit was pre-financed in 2015.

M. Retirement benefit obligations

Retirement benefits due to all employees on the payroll at December 31, 2015 amounted to €10,343 thousand. The obligation has not been recognized in the parent company financial statements.

Retirement benefits are calculated using actuarial methods, based on retirement age, mortality (INSEE TH00-02 - TF00-02 [death] tables), the number of years of service and personnel turnover assumptions. They also take into account a salary increase rate of 1%, an inflation rate of 2% and a discount rate of 3%.

All employees with senior executive status over 60 years of age are entitled to a supplementary defined benefit pension plan.

NOTE 3 – Significant events of the period

In connection with its solar energy business development projects, the company contributed part of its solar division assets to SUNCNIM. The transaction, which was performed based on the carrying amount of the assets with retroactive effect as of January 1, 2015, resulted in the creation of SUNCNIM securities for €5,918 thousand (See Note 6).

NOTE 4 - Intangible assets

(in € thousands)

Type of fixed asset	Value at Jan. 1, 2015	Increases due to acquisitions	Decreases due to disposals or retirements	Value at Dec. 31, 2015
Gross value				
Start-up costs	-			-
Concessions, patents, licenses	3,554			3,554
Other intangible assets	9,570	1,344	92	10,822
Business goodwill ⁽¹⁾	23,343			23,343
Capitalized development costs	6,005		1,172	4,833
Assets in progress	5,323	2,327	4,366	3,284
TOTAL GROSS VALUE	47,795	3,671	5,630	45,836
Accumulated amortization/impairment				
Start-up costs	-			-
Concessions, patents, licenses	3,163	6		3,169
Other intangible assets	7,565	998	92	8,472
Business goodwill	457			457
Capitalized development costs	5,420		587	4,833
TOTAL ACCUMULATED AMORTIZATION/IMPAIRMENT	16,606	1,004	678	16,932
CARRYING AMOUNT	31,189	2,667	4,952	28,904

(1) Business goodwill comprises:

Business goodwill - Babcock	5,903
Business goodwill - SACOM	347
Business goodwill - ALFA-LAVAL (BE)	457
Business goodwill - Cittic merger	76
Business goodwill - BTP/BTA merger deficit	1,629
Business goodwill - Maromme Agency	120
Business goodwill - CNIM Environnement asset transfer	12,500
Business goodwill - CNIM Transport France	10
Business goodwill – INVEN	2,300
	<u>23,343</u>

NOTE 5 – Property, plant and equipment

(in € thousands)

Type of fixed asset	Value at Jan. 1, 2015	Increases due to acquisitions	Inter-account transfers	Decreases due to disposals or retirements	Impairment losses (+) , Impairment reversals (-)	Value at Dec. 31, 2015
Gross value						
Land and improvements	2,955	43		121		2,878
Buildings						
- On owned land	18,120	48		183		17,985
- On third-party land						
- General facilities, fixtures, building improvements	21,319	286	176	8,634		13,147
<i>Buildings</i>	39,439	334	176	8,818	0	31,132
Technical facilities, equipment and tooling	45,959	1,287	515	2,035		45,727
Other property, plant and equipment						
- General facilities, fixtures and improvements	0					0
- Transportation and handling equipment	930	30		10		951
- Office and IT equipment, furniture	10,240	792	43	1,114		9,960
- Reusable packaging and miscellaneous						
<i>Other property, plant and equipment</i>	11,170	822	43	1,124	0	10,911
Assets in progress	968	504	(968)			504
Advances and down payments	0					0
TOTAL GROSS VALUE	100,491	2,990	(234)	12,097	0	91,151
Accumulated depreciation/impairment						
Land and improvements	380	3		117		266
Buildings						
- On owned land	13,577	179		174		13,582
- On third-party land						
- General facilities, fixtures, building improvements	14,980	1,174		8,491		7,663
<i>Buildings</i>	28,557	1,353	0	8,665	0	21,245
Technical facilities, equipment and tooling	30,032	4,642		714	25	33,985
Other property, plant and equipment						
- General facilities, fixtures and sundry improvements	0					0
- Transportation and handling equipment	835	59		23		871
- Office and IT equipment, furniture	7,061	1,328		1,113		7,275
- Reusable packaging and miscellaneous						
<i>Other property, plant and equipment</i>	7,896	1,387	0	1,137	0	8,146
TOTAL ACCUMULATED DEPRECIATION/IMPAIRMENT	66,865	7,384	0	10,632	25	63,642
CARRYING AMOUNT	33,627	(4,394)	(234)	1,465	(25)	27,509

NOTE 6 – Non-current financial assets

(in € thousands)

Type of fixed asset	Gross amount at Dec. 31, 2014	Increases	Decreases	Gross amount at Dec. 31, 2015
Gross value				
Equity investments ⁽¹⁾	156,427	5,933	(50)	162,310
Receivables related to equity investments ⁽²⁾	12,817	5,727	(220)	18,323
Other non-current financial assets				
Portfolio investments ⁽³⁾	3,538			3,538
Other non-current investments	5,637			5,637
Loans	30	2		32
Treasury shares ⁽⁴⁾	9,508	1,685		11,194
Deposits and guarantees	478		(10)	467
Other non-current financial assets	19,190	1,687	(10)	20,867
TOTAL GROSS VALUE	188,435	13,347	(281)	201,501
IMPAIRMENT				
Equity investments	44,950			44,950
Receivables related to equity investments ⁽⁵⁾	2,031	2,529		4,560
Portfolio investments	168			168
Other non-current investments	5,637			5,637
Loans	0			0
Treasury shares	13		(13)	0
Deposits and guarantees	42			42
Other non-current financial assets	5,860	0	(13)	5,847
TOTAL IMPAIRMENT	52,841	2,529	(13)	55,357
CARRYING AMOUNT	135,594	10,818	(268)	146,144

⁽¹⁾ Equity investments:

The significant increase relates to:

SUNCNIM: capital increase in connection with a partial contribution of assets on December 1, 2015, with retroactive effect as of January 1, 2015: €5,918 thousand

⁽²⁾ Receivables related to equity investments:

Increase primarily related to additional loans granted to SCI Bassano: +€3,746 thousand

Capitalization of accrued interest on the SCI Bassano loan: +€115 thousand

Additional loans and capitalization of accrued interest with Kogeban: +€1,274 thousand

Capitalization of accrued interest on CBEM loans: +€315 thousand

⁽³⁾ Portfolio investments

5,471 Foster Wheeler Fakop shares (€1,051 thousand), accounting for 10.96% of share capital. The shares were written down by €161 thousand.

21,487 Kogeban securities (€1,867 thousand), accounting for 10.87% of share capital.

21,487 CBEM securities (€613 thousand), accounting for 7% of share capital.

⁽⁴⁾ Treasury shares:

A total of 145,618 shares were included in non-current financial assets at December 31, 2015.

⁽⁵⁾ Impairment of receivables related to equity investments:

- Impairment of the loan granted to Kogeban: +€1,193 thousand

- Impairment of the loan granted to CNIM Canada: +€1,336 thousand

A. Equity investments: gross and carrying amounts

(in € thousands)

	Gross	Impairment	Carrying amount	% interest
CNIM Netherlands	31,000		31,000	100%
CNIM Ouest Armor	40		40	100%
CNIM CTG	40		40	100%
CNIM Saoudi	1,328	1,328	0	94%
CNIM RUS	0		0	100%
EKOMZ	2		2	70%
Babcock Wanson Holding	30,615		30,615	100%
Babcock Wanson Italiana	1		1	0%
Babcock Wanson Maroc	5,717	5,716	1	98%
CNIM CZ SRO (formerly CBCE)	3,135	3,090	45	92%
CCUAT	82		82	50%
CNIM UK/Martin E. S.	2,371		2,371	100%
Babcock International	1,800		1,800	100%
CNIM Industrie	60	60	0	100%
Babcock Services	5,661		5,661	100%
CB Services	11	11	0	100%
CTH	23,427	22,427	1,000	100%
CTF	12,302	12,302	0	100%
CTIPE	4	4	0	100%
Dauphine	1	1	0	100%
Bertin Technologies	15,492		15,492	100%
CSBC	1	1	0	50%
LAB	18,500		18,500	100%
Technoplus Industries	4,500		4,500	35%
SCI 35 rue de Bassano	8		8	100%
SMA	63		63	3%
CNIM Babcock Sulamerica	6	6	0	100%
CNIM Insertion (formerly Stoma)	51		51	100%
CNIM E.C.S	1		1	100%
Sommudimec	4	4	0	0%
CNIM Centre France	40		40	100%
CEB	40		40	100%
CTA	40		40	100%
EMEB	34		34	85%
CNIM Asia Pacific Ltd	1		1	100%
CNIM 1 to CNIM 5 ⁽¹⁾	13		13	100%
SUNCNIM	5,919		5,919	59%
TOTAL	162,310	44,950	117,361	

⁽¹⁾ New dormant companies incorporated in 2015, each with share capital of €2,500

B. Receivables related to equity investments

(in € thousands)

	Gross	Impairment	Carrying amount
SCI 35 rue de Bassano	7,994		7,994
CNIM Canada	3,367	3,367	0
BW Maroc	1,432	0	1,432
Kogeban	2,747	1,193	1,554
CBEM (Estrée Mons)	2,762		2,762
Total	18,302	4,560	13,742

NOTE 7 – Maturity of receivables

(in € thousands)

Receivables	Gross amount	Dec. 31, 2015		
		Due date < 1 year	Due date 1-5 years	Due date >5 years
Receivables on non-current assets				
Receivables related to equity investments	18,323		18,323	
Loans	32	8	24	
Deposits and guarantees (portion of other non-current financial assets)	467	151	316	
TOTAL 1	18,823	159	18,663	0
Trade and other receivables				
Doubtful receivables	0	0		
Trade notes receivable	0	0		
Other trade accounts receivable ⁽¹⁾	103,070	103,070		
TOTAL 2	103,070	103,070	0	0
Other operating receivables				
Amounts due from personnel	226	226		
Amounts due from social security organizations	216	216		
Amounts due from government and other public authorities	31,132	31,132		
Miscellaneous accounts receivable	3,928	3,928		
Group and associates	99,149	99,149		
TOTAL 3	134,651	134,651	0	0
Prepaid expenses	18,206	18,206		
TOTAL RECEIVABLES	274,750	256,087	18,663	0

(1) Of which related parties: €16,936 thousand and accrued income: €33,621 thousand

NOTE 8 – Marketable securities

(in € thousands)

	Dec. 31, 2015 Number of securities	Dec. 31, 2015 Amount	Dec. 31, 2014 Amount
Treasury shares (liquidity agreement)	6,536	555	538
2004 CASH INVESTMENT	-	-	826
CAAM	261	57,445	67,058
BNP PM	36	834	-
Banque Postale	1	10	10
HSBC	441	8,363	9,241
SG MONETAIRE PLUS	1	24	24
TOTAL	7,276	67,231	77,698
Impairment of treasury shares:		-	(44)
- Purchase price of treasury shares		555	538
Market value		555	495
Unrealized capital gain on marketable securities after tax		5	5

NOTE 9 – Adjustment accounts (Assets)

(in € thousands)

	Dec. 31, 2015	Dec. 31, 2014
Prepaid expenses ⁽¹⁾	18,206	24,102
Expenses to be allocated to future reporting periods ⁽²⁾	1,038	1,302
Unrealized exchange losses	708	1,592
Total	19,952	26,995

(1) Prepaid expenses result chiefly from the percentage of completion of contracts in progress.

(2) Recognition over a six-year period of management and service fees paid by the Company in connection with the rollover of its medium-term credit facility

NOTE 10 – Changes in equity

(in € thousands)

	Dec. 31, 2014	Prior year net income appropriation	Dividend distribution	Dividends on treasury shares	Change in tax-driven provisions	Net income for the period	Dec. 31, 2015
Share capital	6,056						6,056
Additional paid-in capital	7,237						7,237
Legal reserve	606						606
Retained earnings	23,090	7,421		713			31,224
Tax-driven provisions and grants	7,785				(1,828)		5,957
Equity before net income appropriation	44,774	7,421	0	713	(1,828)		51,080
Net income for the period	23,621	(7,421)	(15,487)	(713)		51,742	51,742
TOTAL	68,395	0	(15,487)	0	(1,828)	51,742	102,822

At December 31, 2015, share capital amounted to €6,056,220 divided into 3,028,110 fully paid shares with a par value of €2. There were no changes over the year. See Note 18 for details on dividend payments.

NOTE 11 – Tax driven provisions

(in € thousands)

Type	Amount at Dec. 31, 2014	Increases Additions in 2015	Decreases Reversals in 2015	Amount at Dec. 31, 2015
Accelerated depreciation/amortization ⁽¹⁾	5,325	852	1,754	4,423
Investment grants ⁽²⁾	2,461		926	1,535
TOTAL	7,786	852	2,680	5,957

(1) Accelerated depreciation/amortization is used mainly for software and tooling

(2) Investment grants are mainly used for research and development projects.

Note 12 – Provisions for contingencies and liabilities, and asset impairment

(in € thousands)

Items	Provisions at Dec. 31, 2014	Increases in 2015	Reversals in 2015 (utilizations)	Reversals in 2015 (surplus)	Provisions at Dec. 31, 2015
Provisions for contingencies					
Provisions for litigation	7,199	876	1,522	372	6,181
Provisions for guarantees	19,401	12,666	6,148	7,587	18,332
Provisions for unrealized exchange losses	988	482	988		482
Provisions for losses at completion	6,841	1,803	2,851		5,794
Other contingency provisions ⁽¹⁾	7,569	1,440	2,165	4,000	2,844
Total contingency provisions	41,998	17,267	13,673	11,959	33,634
Provisions for liabilities					
Provisions for long-service awards	549		44		505
Accrued expenses on completed contracts	18,393	15,058	7,548	5,874	20,028
Total provisions for liabilities	18,942	15,058	7,592	5,874	20,533
Total provisions for contingencies and liabilities	60,940	32,325	21,265	17,833	54,167
Provisions for asset impairment					
Intangible assets and PP&E	457	25			482
Equity investments	46,981	2,529			49,510
Other non-current financial assets	5,860			13	5,848
Total financial assets	53,299	2,554		13	55,840
Raw material inventories	4354	142		73	4,423
Trade accounts receivable	2286	2,740	2,117		2,909
Advances and down payments made on orders	15				15
Other receivables	23,375	1,639	315		24,700
Marketable securities	44	3		47	0
Total provisions for current assets	30,074	4,524	2,432	120	32,047
Total provisions for asset impairment	83,373	7,078	2,432	132	87,886
Total provisions for contingencies, liabilities and asset impairment	144,313	39,403	23,697	17,965	142,053
Operating items	-	34,750	39,542		-
Financial items	-	4,653	1,510		-
Non-recurring items	-		610		-
Total	-	39,403	41,662		-

⁽¹⁾ Risk relating to an export contract that adversely affected the Group's financial statements in 2014 (due to uncertainties as no export license had been obtained for the equipment at December 31, 2014) was extinguished during the first half of 2015.

NOTE 13 – Borrowings and debt

(in € thousands)

	Gross amount	Maturity of liability		
		Less than 1 year	1-5 years	More than 5 years
Bank overdrafts	686	686		
Other bank loans and borrowings ⁽¹⁾	7,753	3,894	3,859	
Bank borrowings and debt	8,438	4,580	3,859	
Miscellaneous non-Group borrowings and debt ⁽²⁾	10,895	3,781	7,114	
Current account liabilities (Group)	143,411	143,411		
Miscellaneous borrowings and debt	154,307	147,192	7,114	
Trade accounts payable (3)	72,409	72,409		
Social security and tax payables	40,348	40,348		
Payables related to asset acquisitions	1,350	1,350		
Other liabilities	2,218	2,218		
Total	279,070	268,097	10,973	

(1) Breakdown of bank loans and borrowings:

Loan for the investment in the Kogeban special purpose entity: €533 thousand

Loan for the investment in the Cogénération Biomasse Estrées Mons special purpose entity: €2,000 thousand

Loan for financing renovation work at SCI Bassano: €3,000 thousand

CTE loan: €2,219 thousand

(2) Factoring of tax receivables to BPI: €8,756 thousand and repayable advances of €2,138 thousand. The current portion comprises the factoring of the 2012 research tax credit.

(3) Of which related parties for €19,560 thousand due within one year.

NOTE 14 – Adjustment accounts (Liabilities)

(in € thousands)

	Dec. 31, 2015	Dec. 31, 2014
Deferred income ⁽¹⁾	91,005	115,864
Unrealized exchange gains	2,161	2,550
TOTAL	93,166	118,414

(1) Mainly for construction contracts.

NOTE 15 – Unrealized exchange gains and losses

(in € thousands)

	Dec. 31, 2015	Dec. 31, 2014
Unrealized exchange losses	708	1,592
Provisions for contingencies	(482)	(988)
Net	226	604

Provisions are only recognized for unrealized exchange losses relating to unhedged transactions.

NOTE 16 – Accrued expenses

(in € thousands)

	Dec. 31, 2015	Dec. 31, 2014
Trade accounts payable	33,133	32,583
Social security and tax payables	18,993	21,248
Other liabilities	0	0
Total	52,126	53,831

NOTE 17 – Revenues – Increase in semi finished and finished goods

(in € thousands)

	2015	2014
Revenues (production sold)		
France	159,745	159,415
Export	224,973	382,092
Total revenues	384,717	541,507
Increase in semi-finished and finished goods		
France	2,786	10,007
Export		
Total increase in semi-finished and finished goods	2,786	10,007
Total	387,503	551,514

Breakdown of revenues by operating segment

(in € thousands)

	2015	2014
Environment	246,222	412,026
Innovation & Systems	107,577	93,264
Energy	30,918	36,217
Total	384,717	541,507

Breakdown of revenues by geographic area

(in € thousands)

	2015	2014
France	152,507	159,415
United Kingdom	187,529	341,483
Rest of Europe	30,321	37,777
Asia	11,865	497
Other	2,495	2,335
Total	384,717	541,507

Expense transfers

(in € thousands)

	2015	2014
Expense transfers		
Insurance indemnities	5,036	2,557

NOTE 18 – Financial income

(in € thousands)

	2015	2014
Dividends received from investments ⁽¹⁾	36,780	10,871
Proceeds from disposals of marketable securities	157	402
Interest on non-current financial assets	1,545	1,291
Interest on receivables	83	258
Reversals of provisions for exchange losses	988	922
Reversals of other provisions	522	6,548
Foreign exchange gains	790	1,174
TOTAL FINANCIAL INCOME	40,865	21,467
Provisions for exchange losses	482	988
Charges to provisions ⁽²⁾	4,171	10,273
Interest on current accounts and short-term investments	634	636
Other financial expenses	225	109
Net expenses on disposal of marketable securities	75	172
Foreign exchange losses	1,745	1,473
TOTAL FINANCIAL EXPENSE	7,333	13,651
NET FINANCIAL INCOME	33,532	7,816

⁽¹⁾ Breakdown of « Dividends received from investments »

LAB dividends	16,019
Babcock International dividends	600
Technoplus dividends	54
COA dividends	220
BW Holding dividends	12,858
CNIM ECS dividends	857
MESE dividends	2,769
CNIM UK dividends	3,403

36 780

⁽²⁾ This item principally includes charges to provisions related to:

CNIM Saudi current account for 918 k€

CTF current account for: 683 k€

CNIM Canada loan: 1,355 k€

NOTE 19 - Net financial income from related companies

Amounts billed to subsidiaries

(in € thousands)

Interest	2015
Bertin Pharma	63
Bertin Technologies	333
BW Maroc	36
BWE	12
CBCE Polska	1
CCF	31
CEB	3
CNIM Canada	39
CNIM Engineers	144
CNIM Insertion	1
CTH	183
SCI Bassano	139
Total	985

Dividends	2015
Technoplus Industrie	54
LAB	16,019
BWI	0
Babcock International	599
BWH	12,858
COA	220
CNIM UK	6,171
CNIM ECS	858
Total	36,779

Amounts billed by subsidiaries

Financial expense	2015
BW France	(68)
BW UK	(34)
BW Caldeiras	(2)
BWH	(28)
CNIM Insertion	(0)
CNIM Engineers	
CNIM Netherlands	(38)
CNIM UK	(8)
CTE	(91)
CTG	(44)
COA	(7)
LAB	(228)
LAB GmbH	(102)
MESE	(31)
Total	(680)

Impairment of current accounts and loan balances

(in € thousands)

CNIM Saoudi	(918)
CB Services	(6)
CTF	(683)
CNIM Canada	(1,355)
Total	(2,978)

Other related party disclosures

Transactions with related parties were carried out under normal market conditions.

NOTE 20 – Non-recurring income

(in € thousands)

	2015	2014
Reversal of depreciation, amortization and provisions ⁽¹⁾	2,355	32,700
Disposal of property, plant and equipment and intangible assets	3	-
Total non-recurring income	2,358	32,700
Charges to depreciation, amortization and provisions ⁽¹⁾	843	1,136
Carrying amount of property, plant and equipment and intangible assets sold	268	406
Other	308	29,625
Total non-recurring expenses	1,419	31,167
NON-RECURRING INCOME, NET	939	1,533

(1) Mainly concerned accelerated depreciation/amortization in 2015.

NOTE 21 – Income tax expense**1-Consolidated tax group**

(in € thousands)

	Contribution to consolidated tax group net income (loss)	Contribution to Group tax	Tax due not concerning consolidated tax group
CNIM - head of tax group	3,961	1,339	713
Contribution of subsidiaries after use of tax carry-forwards arising prior to tax consolidation: loss-making subsidiaries	(9,873)	(3,400)	
Profit-making subsidiaries	17,991	6,195	5,959
Consolidated net income	12,079		
Consolidated income tax expense		4,134	6,672
Tax savings		(2,538)	

2- Breakdown of income tax expense

(in € thousands)

	Profit (loss) before income tax and employee profit sharing expense		Income tax					Net income		
	Accounting	Tax	Theoretical	Tax on dividends	Tax savings	Research tax credit and other	Due	Theoretical	Profit sharing	Accounting
Recurring										
France	44,670	1,823	750	464	(2,538)	(3,667)	(4,990)	43,920	205	49,455
International	2,276	2,276	533				533	1,742		1,742
Non-recurring	938	1,181	394		0	0	394	545	0	545
Total	47,884	5,280	1,677	464	(2,538)	(3,667)	(4,063)	46,207	205	51,742
France	45,609	3,004	1,144	464	(2,538)	(3,667)	(4,596)	44,464	205	50,000
International	2,276	2,276	533				533	1,742		1,742
Total	47,884	5,280	1,677	464	(2,538)	(3,667)	(4,063)	46,207	205	51,742

3- Taxable and deductible temporary differences

(in € thousands)

Nature of temporary differences	Amount
Taxable temporary differences	
- Accelerated depreciation/amortization	4,423
- Unrealized gains on marketable securities	2
Total	4,425
Corporate income tax at 34.43 % - Deferred tax liability	1,524
Deductible temporary differences	
Provisions and expenses not deductible in the year of recognition	
Unrealized gains already taxed	
- Social security compensation tax for 2015	323
- Employee profit sharing accrual for 2015	205
- Other provisions	2,259
- Provisions for losses at completion	5,794
- Unrealized exchange gains	1,575
Total	10,156
- Corporate income tax at 34.43 % - Deferred tax asset	3,497

4--Effect of tax treatment on net income

(in € thousands)

Net income for the period	51,742
Charges to tax-driven provisions	843
Reversals of tax-driven provisions	(1,745)
Decrease in income tax due to provisions	(320)
Increase in income tax due to provision reversals	663
Net income excluding effect of tax treatment	51,183

NOTE 22 – Finance lease commitments

(in € thousands)

Line items	Acquisition cost	Depreciation expense ⁽¹⁾		Carrying amount
		for the period	accumulated	
Equipment and tooling	1,500	150	1,200	300

⁽¹⁾ Depreciation that would have been recognized if the related items had been acquired (on a straight-line basis over 10 years).

Line items	Lease payments		Outstanding lease payments	Residual purchase price
	for the period	cumulative balance		Total due
Equipment and tooling	0	1605	0	0

NOTE 23 – Off-balance sheet commitments

(in € thousands)

Commitments given		2015	2014
Market bonds		305,329	423,495
<i>including guarantees given on behalf of subsidiaries</i>	Subsidiaries		
	BWF	105	-
	CCF	567	567
	CNIM Canada	245	-
	CNIM Singapore	3,398	2,970
	COA	131	131
	CTA	200	-
	CTE	4,954	-
	CTG	112	123
	Engineers FZC	-	60,381
	CTF	-	49
	LAB GmbH	12,454	11,000
	LAB SA	26,484	18,683
	MESE	3,864	-
	Vecsys	803	-
Total guarantees given on behalf of subsidiaries		53,316	93,902

Commitments received		2015	2014
Bonds received from suppliers		106,666	115,229

Reciprocal commitments 2015					
Currency	Type of contract	Amount	Guaranteed rate	Currency	+/- 1 year
Foreign currency forward purchases					
CAD	Forward purchase	720,000.00	1.4408	EUR	-1 year
CNY	Forward purchase	1,481,870.00	7.2703	EUR	-1 year
JPY	Forward purchase	3,265,000.00	139.15	EUR	-1 year
SEK	Forward purchase	1,550,000.00	9.058	EUR	-1 year
Foreign currency forward sales					
GBP	Forward sale	6,549,896.64	0.7408	EUR	-1 year
GBP	Forward sale	10,599,793.23	0.7428	EUR	+1 year
SGD	Forward sale	8,468,679.46	4.9192	CNY	-1 year
DKK	Forward sale	239,255,963.05	7.4483	EUR	-1 year
DKK	Forward sale	14,461,931.50	7.442	EUR	+1 year
USD	Forward sale	3,348,571.53	1.1123	EUR	-1 year
USD	Forward sale	490,827.98	1.1227	EUR	+1 year
Loans and borrowings with subsidiaries					
CAD	Forward sale	400,000.00	1.45	EUR	+1 year
CNY	Forward purchase	16,000,000.00	7.3654	EUR	-1 year
Option purchased					
CNY	Option purchased	6,400,000.00	6.85	EUR	-1 year

2014 Reciprocal commitments					
Currency	Type of contract	Amount	Guaranteed rate	Currency	+/- 1 year
Foreign currency forward purchases					
CNY	Forward purchase	308,004.00	7.75223	EUR	-1 year
JPY	Forward purchase	22,855,000.00	139.7643	EUR	-1 year
JPY	Forward purchase	3,265,000.00	139.15	EUR	+1 year
NOK	Forward purchase	2,863,108.00	8.8867	EUR	-1 year
SEK	Forward purchase	10,787,400.00	8.8829	EUR	-1 year
SEK	Forward purchase	1,550,000.00	9.058	EUR	+1 year
Foreign currency forward sales					
GBP	Forward sale	6,877,000.00	0.8466	EUR	-1 year
SGD	Forward sale	11,930,191.98	5.15997	CNY	-1 year
SGD	Forward sale	6,516,159.01	5.0379	CNY	+1 year
DKK	Forward sale	149,340,000.00	7.44765	EUR	-1 year
DKK	Forward sale	177,082,523.00	7.44471	EUR	+1 year
USD	Forward sale	205,114.70	1.2687	EUR	+1 year
Loans and borrowings with subsidiaries					
CAD	Forward sale	400,000.00	1.47	EUR	-1 year
CNY	Forward purchase	10,000,000.00	7.77	EUR	-1 year
GBP	Forward purchase	4,000,000.00	0.79648	EUR	-1 year
SGD	Forward purchase	15,000,000.00	1.6489	EUR	-1 year
SGD	Forward sale	15,000,000.00	1.688	EUR	-1 year

Post-employment benefits	2015	2014
Retirement benefits due to all employees in service	10,343	10,960

NOTE 24 - Headcount

Breakdown of average headcount

	Salaried personnel Average workforce	Personnel contracted to the Company (temporary staff)
Engineers and managerial-grade employees (cadres)	572	1
Non-managerial grade employees	254	3
Manual workers	200	15
Total	1,026	19

NOTE 25 – Management compensation

(in € thousands)

	2015			2014		
	Total	Management bodies		Total	Management bodies	
		Management Board	Supervisory Board		Management Board	Supervisory Board
Financial commitments	-	-	-	-	-	-
Retirement benefits	6,968	6,968				
Advances and loans	-	-	-	-	-	-
Remuneration	3,306	2,610	696	3,284	2,610	674

NOTE 26 – Subsidiaries and equity investments

(in € thousands)

in thousands)

Financial disclosures	FR/INT	Share capital	Retained earnings & net income (loss) (before net income appropriation)	Net income	Equity interest (%)	Carrying amount of securities held		Outstanding loans and advances granted by the Company	Dividends
						Gross	Net		
Subsidiaries and equity investments									
A. DETAILED INFORMATION ON SUBSIDIARIES AND EQUITY INVESTMENTS									
1. Subsidiaries (equity interest > 50%)									
Babcock Services	INT	5,937	(392)	(8)	100.00	5,661	5,661	1,082	0
Babcock International	INT	920	128	82	99.90	1,800	1,800	0	600
Bertin Technologies	FR	3,000	26,971	148	100.00	15,492	15,492	8,276	0
BWH	FR	28,212	(9,722)	12,978	100.00	30,615	30,615	0	12,858
CB Services	INT	9	(261)	(30)	100.00	11	0	0	0
CNIM CZ SRO (formerly CBCE)	INT	89	394	(473)	91.67	3,135	45	0	0
CNIM Industrie	FR	39	(32)	(4)	100.00	60	0	10	0
CNIM Insertion	FR	38	57	40	100.00	51	51	134	0
CNIM Netherlands	INT	1,500	38,452	9,596	100.00	31,000	31,000	0	0
CNIM Russia	INT	0	3	0	100.00	0	0	5	0
CNIM Saoudi	INT	1,223	(12,733)	(1,726)	94.00	1,328	0	0	0
CNIM UK	INT	2,187	(5,717)	5,970	100.00	2,371	2,371	0	6,172
CNIM Ouest Armor	FR	40	908	149	100.00	40	40	0	220
CNIM Transport France	FR	5,794	(18,610)	455	100.00	12,302	0	0	0
CNIM Thiverval Grignon	FR	40	3,388	1,064	100.00	40	40	0	0
CNIM Transport Holding	FR	6,710	(5,669)	1,401	100.00	23,427	1,000	14,660	0
Ekonz	INT	1	0	0	70.00	2	2	0	0
LAB	FR	2,750	3,054	11,749	100.00	18,500	18,500	0	16,019
SCI 35, rue Bassano	FR	8	(130)	(354)	100.00	8	8	7,995	0
CNIM Centre France	FR	40	(1,030)	248	100.00	40	40	1,874	0
CNIM Energie Biomasse	FR	40	(434)	(288)	100.00	40	40	1,004	0
CNIM Terre Atlantique	FR	40	0	231	100.00	40	40	0	0
Estrée Mons Energie Biomasse	FR	34	40	(12)	85.00	34	34	0	0
ECS	INT	1	688	366	100.00	1	1	0	858
SUNCNIM	FR	213	23,138	(2,813)	58.80	5,919	5,919	2,593	0
Babcock Wanson Maroc	INT	1,050	(1,050)	4	98.00	5,717	0	1,431	0
CNIM Asia Pacific	INT	1	0	(2)	100.00	1	1	6	0
CNIM 1	FR	3	0	0	100.00	3	3	0	0
CNIM 2	FR	3	0	0	100.00	3	3	0	0
CNIM 3	FR	3	0	0	100.00	3	3	0	0
CNIM 4	FR	3	0	0	100.00	3	3	0	0
CNIM 5	FR	3	0	0	100.00	3	3	0	0
2. Other equity investments (equity interest between 10% and 50%)									
CCUAT	FR	153	(30)	310	49.88	82	82	0	0
Technoplus Industrie	FR	7,012	5,641	218	34.79	4,500	4,500	0	54
GENERAL INFORMATION ON ALL SUBSIDIARIES AND EQUITY INVESTMENTS									
1. Subsidiaries (> 50% interest)									
a) French subsidiaries (all)	FR	47,011	21,929	24,992		106,623	71,834	36,546	29,097
b) Foreign subsidiaries (all)	INT	12,918	19,512	13,779		51,027	40,881	2,524	7,630
2. Equity investments									
a) In French companies (all)	FR	7,165	5,611	528		4,582	4,582	0	54
b) In foreign companies (all)	INT	0	0	0		0	0	0	0

Amounts for non-French companies have been converted into euros at the exchange rate effective at December 31, 2015, with the exception of revenues and net income (loss), which were converted at the average exchange rate for the reporting period.

NOTE 27 – Subsequent events

None.

NOTE 28 – Five-year financial summary

(in € thousands)

	2011 (44th year) 12 months	2012 (45th year) 12 months	2013 (46th year) 12 months	2014 (47th year) 12 months	2015 (48th year) 12 months
1. Financial position at reporting date					
Share capital	6,056	6,056	6,056	6,056	6,056
Number of shares issued	3,028,110	3,028,110	3,028,110	3,028,110	3,028,110
Number of bonds convertible into shares					
2. Results of operations					
Revenues	374,542	469,943	551,933	541,507	384,717
Pretax income before employee profit sharing, depreciation, amortization and provisions	34,672	33,794	50,080	23,523	49,337
Income tax	1,978	8,284	(3,083)	(2,257)	4,063
Employee profit sharing	0	(561)	(402)	(285)	(205)
Net income after employee profit sharing, depreciation, amortization and provisions	20,548	15,770	35,359	23,621	51,742
Dividends paid	10,296	10,088	103,883	16,200	-
3. Earnings per share					
Net income after profit sharing but before depreciation, amortization and provisions	12.1	13.71	15.39	6.93	19.1
Net income after profit sharing, depreciation, amortization and provisions	6.79	5.21	11.68	7.8	17.09
Dividend per share	3.4	3.33	34.31	5.35	-
4. Personnel					
Average headcount for the period	1027	1,050	1,097	1,096	1,026
Total payroll costs	54,019	56,280	59,691	59,852	56,619
Total payroll-related benefits (social security, welfare, etc.)	25,831	26,819	27,233	27,435	25,153

6 2016 GENERAL MEETING

6.1 Report of the Management Board on the resolutions proposed to the Ordinary and Extraordinary General Meeting of May 24, 2016(AFS¹)

Ladies and Gentlemen,

We have brought you together in Ordinary and Extraordinary General Meeting in order to submit for your approval, in addition to the approval of the Company and Consolidated Financial Statements for the year ended December 31, 2015 and the other points mentioned in the Management Report on the financial year:

(i) as a matter of ordinary business:

- a. the renewal of the memberships of Mr. Vsevolod Dmitrieff, Mr. François Canellas and Mr. Johannes Martin, which, subject to the adoption of the resolution on reducing, with immediate effect, the term of office of the members of the Supervisory Board from 6 years to 4 years, would expire early,
- b. the appointment of Mrs. Sigrid Duhamel and Mr. Louis-Roch Burgard as new members of the Supervisory Board,
- c. and a proposal to authorize your Management Board to purchase shares in the Company up to a limit of 10% of the share capital,

(ii) and as a matter of extraordinary business:

- a. a proposal to authorize the Management Board to reduce the share capital by canceling shares held in treasury by the Company in connection with the share repurchase program,
- b. and the reduction to four years, with immediate effect for offices currently held, of the term of office of the members of the Supervisory Board, which is currently fixed at six years. If this resolution is adopted, Article 15 of the bylaws shall be amended accordingly.

The formalities for calling the meeting have been duly performed and all the documents prescribed by law have been made available to you under the applicable conditions and with the applicable notice.

- **Appointment of Ms. Sigrid Duhamel as a member of the Supervisory Board**

We submit for your approval the appointment of Ms. Sigrid Duhamel as a member of the Supervisory Board.

Ms. Sigrid Duhamel was born in Paris on December 1, 1965, is a graduate of the École Spéciale des Travaux Publics, and holds an MBA from the INSEAD Business School.

She started her career as an engineer at Bouygues Construction, before overseeing M&A operations first at Carrier (1996-1999) and then at Cap Gemini. She worked as a consultant for Eric Salmon & Partners between 2000 and 2004, and then moved to London, where she was made a senior director at Tishman Speyer, in charge of its European business development. In 2009, she became director of international realty development operations at Carrefour Property, before joining PSA Peugeot Citroën as group realty director in 2011. Ms. Sigrid Duhamel has been the Chairwoman of the French subsidiary of CBRE Global Investors since December 2014.

Subject to the adoption of the resolution on reducing the term of office of the members of the Supervisory Board from 6 years to 4 years, Ms. Sigrid Duhamel would be appointed for a term of four (4) years, which would expire at the end of the Ordinary General Meeting that shall be called to rule on the financial statements for the financial year ending December 31, 2019.

- **Appointment of Mr. Louis-Roch Burgard as a member of the Supervisory Board**

We submit for your approval the appointment of Mr. Louis-Roch Burgard as a member of the Supervisory Board

Mr. Louis-Roch Burgard was born in Paris on December 16, 1969, and is a graduate of the Paris Institute of Political Studies, the University of Paris-Dauphine, the ECSP Business School and the École nationale d'administration. He is a finance inspector.

Since 2015, Mr. Louis-Roch Burgard has been the Managing Director of the LBO - Mid Cap White Knight team of the LBO France Private Equity fund. Before joining LBO France, he was the Chairman of VINCI Concessions and a member of VINVI's Executive Committee, in which role he was in charge of all investments for developing the group's concessions, encompassing greenfield operations (LGV SEA, Moscow - St. Petersburg freeway, projects in Germany and the USA, and more besides) and purchase and sale transactions (airports in Portugal, sale of VINCI Park). Prior to that, he held various operational management positions at VINCI Énergies.

Subject to the adoption of the resolution on reducing the term of office of the members of the Supervisory Board from 6 years to 4 years, Mr. Louis-Roch Burgard would be appointed for a term of four (4) years, which would expire at the end of the Ordinary General Meeting that shall be called to rule on the financial statements for the financial year ending December 31, 2019.

The appointment of Mrs. Sigrid Duhamel and Mr. Louis-Roch Burgard to the Supervisory Board would allow the Company to benefit from their vast experience both in the industrial sector and in major, world-renowned groups.

Mrs. Sigrid Duhamel and Mr. Louis-Roch Burgard have stated in advance that they accept these roles, and that they fulfill the legal and regulatory requirements for performing them.

Shareholders may have the information on the aforementioned candidates as prescribed under Article R 225-83(5) of the Commercial Code sent directly to them or to the Company's temporary address at 63 avenue des Champs-Élysées, 75008 Paris. They may also access this information on the Company's website.

- **Authorization of the Management Board to purchase shares in the Company up to a limit of 10% of the share capital**

Authorization was given to the Management Board to purchase shares in the Company by the General Meeting of June 3, 2015 for a term of eighteen months. It will therefore expire before the date of the General Meeting which will be called to rule on the financial statements for the current year.

We consequently propose, so that the Management Board may have the capacity to purchase shares in the Company at any time, that you grant, in compliance with the provisions of Article L. 225-209 of the Commercial Code, renewed authorization to the Management Board, with the capacity to delegate insofar as permitted by law, to have the Company purchase its own shares, it being specified that this renewed authorization shall supersede, to the extent that it remains unexercised, any other authorization to the same effect, and in particular the authorization conferred on the Management Board by the sixth resolution of the General Meeting of June 3, 2015.

We propose that you limit this authorization to 302,811 shares.

The Management Board shall exercise this authorization in accordance with the legal and regulatory conditions applicable at the time of exercise, in particular the conditions and obligations imposed by Articles L. 225-209 to L. 225-212 of the Commercial Code, by Regulation (EU) no. 2273/2003 of December 22, 2003, by Article L. 451-3 of the Monetary and Financial Code and by the provisions of the General Regulations of the *Autorité des Marchés Financiers* (AMF).

This authorization may be used for the purposes of:

- ensuring liquidity and stimulating the market in the shares via an investment services provider acting, completely independently, within the framework of a liquidity agreement which conforms to the principles regarding liquidity agreements detailed in the code of ethics established by the French Financial Markets Association (AMAFI) dated March 8, 2011, as appended to the AMF decision of March 21, 2011 amending the AMF decision of October 1, 2008;
- granting shares upon the exercise of rights attaching to securities that may be converted into shares in the Company;
- attributing shares to employees or officers of the Company or companies in its Group under the terms and in the manner prescribed by law, in particular in connection with sharing in the profits of the expansion of the business or with share option programs, by granting free shares under the terms of Articles L. 225-197-1 et seq. of the Commercial Code or under the conditions prescribed by Articles L. 3332-1 et seq. of the Labor Code;
- retaining shares for subsequent reissue in payment or exchange for acquisitions and mergers, up to the limit of 5% of share capital prescribed under Paragraph 6 of Article L. 225-209 of the Commercial Code;
- canceling shares, subject to authorization being granted in Extraordinary General Meeting;

- undertaking any market practice permitted by the *Autorité des Marchés Financiers*, and more generally carrying out any other transaction which complies with the law in force.

The purchase, sale or transfer of these shares may be carried out, provided that the law is respected, by any means, on one or several occasions, in the market or outside the market (specifically, over the counter, including by means of derivative financial instruments) and at any time, including during a takeover bid. No limit shall be placed on the portion of the program that may be conducted via block trades, which portion may represent the entirety of the program.

Specifically, the Company may in consequence of this authorization purchase its own shares in or outside the market at a maximum price of €200 per share, whereby this amount may be adjusted by the Management Board in the event of operations affecting the Company's share capital, in particular where capital is increased by capitalizing reserves by either issuing free additional shares or increasing the nominal value of shares.

The maximum amount of funds dedicated to carrying out the share purchase program shall be €60,562,200, and the total amount of shares held in treasury may not exceed 10% of share capital, as required by law.

We propose that you grant this authorization for a term of eighteen months.

We propose that you grant the Management Board all powers to implement this authorization, in particular the power to choose the timing for commencing a repurchase program and to determine its nature, and also to allocate or reallocate the shares acquired to the various purposes pursued subject to the applicable legal and regulatory conditions, it being specified that the Management Board may, insofar as permitted by law, delegate to its Chairman or, with the assent of the Chairman, to one or more of its other members, the powers necessary to carry out the program, and in particular the power to place any stock market orders, conclude any agreements regarding in particular the keeping of records of share purchases and sales, effect all formalities, measures and declarations vis-à-vis the *Autorité des Marchés Financiers* and any other body and, generally, to do whatever may be necessary.

The Management Board shall inform the Annual General Meeting of transactions executed, in accordance with applicable regulations.

- **Reduction of the term of office of the members of the Supervisory Board, and corresponding amendments to the bylaws**

It is proposed to the General Meeting to reduce to four (4) years, with immediate effect, the term of office of the members of the Supervisory Board, which is currently fixed at six (6) years. If this resolution is adopted, Article 15 of the bylaws shall be amended accordingly.

We believe that a term of 4 years would be better suited to the specifics of the Company and its activities, and also better meet the requirement of fostering the greatest and most effective levels of commitment amongst the members of the Supervisory Board as they perform their duties.

- **Authorization of the Management Board to reduce share capital by canceling shares held in treasury**

As the authorization given to the Management Board to cancel shares held in treasury, which was granted by the General Meeting of June 3, 2015, was given for a period of eighteen months, it will thus expire before the date of the General Meeting which will be called to rule on the financial statements for the current year.

We consequently propose, so that the Management Board may thus have the capacity to cancel these shares at any time, that you grant the Management Board, in compliance with the provisions of Article L. 225-209 of the Commercial Code, renewed authorization to cancel, by its own decision, on one or more occasions, all or part of the shares that the Company holds or may hold in treasury as a result of the various authorizations to purchase shares granted to the Management Board by the General Meeting, it being specified that it would be decided that this renewed authorization shall supersede, to the extent that it remains unexercised, any other authorization to the same effect, and in particular the authorization conferred on the Management Board by the seventh resolution of the General Meeting of shareholders of June 3, 2015.

This authorization shall be limited to 10% of the share capital per twenty-four month period.

We propose that you delegate to the Management Board, along with the capacity to subdelegate insofar as permitted by law, all powers necessary to carry out the reduction(s) in share capital arising from cancellations thus authorized, to cause the necessary accounting entries to be made, to attribute the difference between the purchase price and the nominal value of the canceled shares to any balance sheet position for issue premiums or available reserves, to make corresponding amendments to the bylaws and, generally, to complete all necessary formalities.

We propose that you grant this authorization for a term of eighteen months.

Your Auditors will prepare a report in accordance with the provisions of Article L. 225-209 of the Commercial Code.

Lastly, we propose that you confer all powers to accomplish all formalities regarding publication, filing and any other pertinent matters on the bearer of the original, an extract or a copy of the minutes to be drawn up of the General Meeting.

Under the above conditions, we propose that you adopt the resolutions the text of which is submitted for your approval.

The Management Board

6.2 Resolutions proposed to the Ordinary and Extraordinary General Meeting of May 24, 2016^(AFS)

- **Ordinary business**

First resolution:

Approval of the 2015 company financial statements

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken note of the Management Report, of the Report of the Supervisory Board, of the Report of the Chairman of the Supervisory Board as provided for under Article L. 225-68 of the Commercial Code, of the Report of the Auditors on the annual financial statements for the year ended December 31, 2015, and of the Report of the Auditors on the Report of the Chairman of the Supervisory Board as provided for under Article L. 225-68 of the Commercial Code, approves, in the form in which they have been presented, the annual financial statements for the year ended December 31, 2015 disclosing net income of €51,742,351.40, as well as the transactions recorded in those financial statements and summarized in those reports, approves the amount of expenses and charges not deductible from profits subject to corporation tax as referred to in Article 39-4 of the General Tax Code, which amount to €18,035, and the corresponding tax of €6,853.30, and consequently discharges the Management Board and the members of the Supervisory Board from the performance of their duties for the financial year then ended.

Second resolution:

Approval of the 2015 consolidated financial statements

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken note of the Management Report, of the Report of the Supervisory Board, of the Report of the Chairman of the Supervisory Board as provided for under Article L. 225-68 of the Commercial Code, of the Report of the Auditors on the consolidated financial statements for the year ended December 31, 2015, and of the Report of the Auditors on the Report of the Chairman of the Supervisory Board as provided for under Article L. 225-68 of the Commercial Code, approves, in the form in which they have been presented, the consolidated financial statements for the year ended December 31, 2015, drawn up in accordance with the provisions of Articles L. 233-16 *et seq.* of the Commercial Code, disclosing net income attributable to owners of the parent of €35,790,665, as well as the transactions recorded in those financial statements and summarized in those reports.

Third resolution:

Allocation of net income

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken note of the Management Report, noting that the statutory reserve is fully constituted and that, including profit brought forward, distributable profit stands at €62,483,732.46, resolves to distribute a dividend of €17,865,849, that is to say a dividend of €5.90 per share for each of the 3,028,110 shares comprising the share capital, for the year ended December 31, 2015, it being specified that the amount corresponding to the dividends that the Company cannot collect for shares held in treasury and remaining in treasury on the dividend payment date shall be credited to profits carried forward, resolves that this dividend shall be taken from the distributable profit, resolves that the sum of €40,000,000.00 shall be taken from the distributable profit for allocation to the account "Other reserves" and that the remainder of the distributable profit shall be allocated to profits carried forward, and resolves that the dividend shall be paid from July 4, 2016.

The dividend will entitle individuals resident for tax purposes in France to a 40% deduction in accordance with the provisions of Article 158/3/2 of the General Tax Code.

It is recalled that dividends distributed in respect of the previous three financial years were as follows:

(in €)	2014	2013	2012
No. of shares	3,028,110	3,028,110	3,028,110
Dividend	5.35	35.00	3.40

Fourth resolution:

Regulated agreements

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken note of the special Report of the Auditors on agreements referred to under Article L. 225-86 of the Commercial Code and ruling on that report, approves each of the agreements there mentioned in turn, in accordance with the terms of Article L. 225-88 of the said code.

Fifth resolution:

Determination of attendance fees

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having heard the reading of the Management Report, takes note of the attendance fees paid to the members of the Supervisory Board for the last three financial years, which total:

- €94,000 for the 2013 financial year, paid in July 2014;
- €96,000 for the 2014 financial year, paid in July 2015;
- €92,000 for the 2015 financial year, to be paid in July 2016,

approves, insofar as necessary, these amounts, and resolves to set the overall amount of attendance fees that can be paid to members of the Supervisory Board in remuneration for their activity at €125,000, it being specified that this resolution applies to the current financial year and shall be maintained for subsequent years until otherwise resolved.

Sixth resolution:

Renewal of the membership of the Supervisory Board of Mr. Vsevolod Dmitrieff

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken note of the Management Report, notes that, subject to the adoption of the twelfth resolution submitted before it on this day concerning the reduction, with immediate effect, of the term of office of the members of the Supervisory Board from six (6) to four (4) years, the membership of the Supervisory Board of Mr. Vsevolod Dmitrieff, resident at 7 avenue Princesse Alice, Sun Tower, 98000 Monaco, shall expire early at the end of this General Meeting and, subject to the adoption of said twelfth resolution, resolves to renew his membership of the Supervisory Board for a term of four (4) years, which shall therefore expire at the end of the General Meeting called to rule on the financial statements for the financial year ending December 31, 2019.

Mr. Vsevolod Dmitrieff has to date stated that he would accept the renewal of his membership and that he fulfills the legal and regulatory requirements for performing it.

Seventh resolution:

Renewal of the membership of the Supervisory Board of Mr. François Canellas

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken note of the Management Report, notes that, subject to the adoption of the twelfth resolution submitted before it on this day concerning the reduction, with immediate effect, of the term of office of the members of the Supervisory Board from six (6) to four (4) years, the membership of the Supervisory Board of Mr. François Canellas, resident at 1 bis rue Vaneau, 75007 Paris, shall expire early at the end of this General Meeting and, subject to the adoption of said twelfth resolution, resolves to renew his membership of the Supervisory Board for a term of four (4) years, which shall expire at the end of the General Meeting called to rule on the financial statements for the financial year ending December 31, 2019.

Mr. François Canellas has to date stated that he would accept the renewal of his membership and that he fulfills the legal and regulatory requirements for performing it.

Eighth resolution:

Renewal of the membership of the Supervisory Board of Mr. Johannes Martin

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken note of the Management Report, notes that, subject to the adoption of the twelfth resolution submitted before it on this day concerning the reduction, with immediate effect, of the term of office of the members of the Supervisory Board from six (6) to four (4) years, the membership of the Supervisory Board of Mr. Johannes Martin, resident at 62 Ina Seidel Bogen, D81929 Munich, Germany, shall expire early at the end of this General Meeting and, subject to the adoption of said twelfth resolution, resolves to renew his membership of the Supervisory Board for a term of four (4) years, which shall expire at the end of the General Meeting called to rule on the financial statements for the financial year ending December 31, 2019.

Mr. Johannes Martin has to date stated that he would accept the renewal of his membership and that he fulfills the legal and regulatory requirements for performing it.

Ninth resolution:

Appointment of Mrs. Sigrid Duhamel as a member of the Supervisory Board

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken note of the Management Report, resolves to appoint Mrs. Sigrid Duhamel, born in Paris on December 1, 1965, resident at 1 rue de Villersexel, Paris (75007), as a member of the Supervisory Board, for a term of four (4) years, subject to the adoption of the twelfth resolution, which shall therefore expire at the end of the Ordinary General Meeting that shall be called to rule on the financial statements for the financial year ending December 31, 2019.

Mrs. Sigrid Duhamel has to date stated that she would accept this role and that she fulfills the legal and regulatory requirements for performing it.

Tenth resolution:

Appointment of Mr. Louis-Roch Burgard as a member of the Supervisory Board

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken note of the Management Report, resolves to appoint Mr. Louis-Roch Burgard, born in Paris (75015) on December 16, 1969, resident at 146 rue Perronet, Neuilly-sur-Seine (92200), as a member of the Supervisory Board, for a term of four (4) years, subject to the adoption of the twelfth resolution, which shall therefore expire at the end of the Ordinary General Meeting that shall be called to rule on the financial statements for the financial year ending December 31, 2019.

Mr. Louis-Roch Burgard has to date stated that he would accept this role and that he fulfills the legal and regulatory requirements for performing it.

Eleventh resolution:

Authorization of the Management Board to purchase shares in the Company up to a limit of 10% of the share capital

The General Meeting, ruling on the conditions required for the quorum and majority of Ordinary General Meetings, having taken account of the Report of the Management Board, authorizes the Management Board, with the capacity to delegate insofar as permitted by law, in accordance with Article L. 225-209 of the Commercial Code, to have the Company purchase its own shares up to a limit of 302,811 shares, in accordance with the legal and regulatory conditions applicable at the time of its action and in particular the conditions and obligations imposed by Articles L. 225-209 to L. 225-212 of the Commercial Code, by Regulation (EU) no. 2273/2003 of December 22, 2003, by Article L. 451-3 of the Monetary and Financial Code and by the provisions of the General Regulations of the *Autorité des Marchés Financiers*, resolves that this authorization may be used with a view to:

- ensuring liquidity and stimulating the market in the shares via an investment services provider acting, completely independently, within the framework of a liquidity agreement which conforms to the principles regarding liquidity agreements detailed in the code of ethics established by the French Financial Markets Association (AMAFI) dated March 8, 2011, as appended to the AMF decision of March 21, 2011 amending the AMF decision of October 1, 2008;
- granting shares upon the exercise of rights attaching to securities that may be converted into shares in the Company;

- attributing shares to employees or officers of the Company or companies in its Group under the terms and in the manner prescribed by law, in particular in connection with sharing in the profits of the expansion of the business or with share option programs, by granting free shares under the terms of Articles L. 225-197-1 et seq. of the Commercial Code or under the conditions prescribed by Articles L. 3332-1 et seq. of the Labor Code;
- retaining shares for subsequent reissue in payment or exchange for acquisitions and mergers, up to the limit of 5% of share capital prescribed under Paragraph 6 of Article L. 225-209 of the Commercial Code;
- canceling shares, subject to authorization being granted in Extraordinary General Meeting;
- undertaking any market practice permitted by the *Autorité des Marchés Financiers*, and more generally carrying out any other transaction which complies with the law in force;
- resolves that the purchase, sale or transfer of these shares may be effected, provided that the regulations in force are respected, by any means, once or several times, in the market or outside the market (in particular over the counter and including by the means of derivative financial instruments) and at any time, in particular during a takeover bid; that the portion of the program that may be conducted via block trades shall not be limited and may represent the entirety of the program;
- resolves that the Company may, pursuant to this authorization, purchase its own shares in or outside the market at a maximum price of €200 per share, whereby this amount may be adjusted by the Management Board in the event of operations affecting the Company's share capital, in particular where capital is increased by capitalizing reserves by either issuing free additional shares or increasing the nominal value of shares; notes that, in accordance with the law, the total number of shares held by the Company may not exceed 10% of the share capital; resolves that the maximum amount of funds allocated for the execution of this share purchase program shall be €60,562,200; resolves to grant the Management Board all powers to implement this authorization, in particular the power to choose the timing for commencing a repurchase program and to determine its nature, and also to allocate or reallocate the shares acquired to the various purposes pursued subject to the applicable legal and regulatory conditions, it being specified that the Management Board may, insofar as permitted by law, delegate to its Chairman or, with the assent of the Chairman, to one or more of its other members, the powers necessary to carry out the program, and in particular the power to place any stock market orders, conclude any agreements regarding in particular the keeping of records of share purchases and sales, effect all formalities, measures and declarations vis-à-vis the *Autorité des Marchés Financiers* and any other body and, generally, to do whatever may be necessary;
- resolves that the Management Board shall inform the Annual General Meeting of transactions executed, in accordance with applicable regulations, resolves that this authorization shall be valid for a term of eighteen months from the date of this Meeting, and that it shall supersede, to the extent that it remains unexercised, any prior authorization to the same effect, and in particular the authorization conferred by the sixth resolution of the General Meeting of the Company of June 3, 2015.

• **Extraordinary business**

Twelfth resolution:

Amendment of the provisions of Article 15 of the bylaws relating to the composition and functioning of the Supervisory Board

The General Meeting, ruling on the conditions required for the quorum and majority of Extraordinary General Meetings, having taken account of the Report of the Management Board, resolves to replace paragraph 4 of Article 15 of the bylaws with the following paragraph:

“4. Members of the Supervisory Board shall serve for four (4) years.”

Thirteenth resolution:

Authorization of the Management Board to reduce share capital by canceling shares held in treasury

The General Meeting, ruling on the conditions required for the quorum and majority of Extraordinary General Meetings, having taken account of the Report of the Management Board and the Special Report of the Auditors:

- authorizes the Management Board, in accordance with the provisions of Article L. 225-209 of the Commercial Code, to cancel, by its own decision, on one or more occasions, all or some of the shares that

the Company holds or may hold in treasury as a result of exercising the various authorizations to purchase shares granted to the Management Board in General Meeting, up to a limit of 10% of the share capital per twenty-four month period;

- delegates to the Management Board, along with the capacity to subdelegate insofar as permitted by law, all powers necessary to carry out the reduction(s) in share capital arising from cancelations authorized by this resolution, to cause the necessary accounting entries to be made, to attribute the difference between the purchase price and the nominal value of the canceled shares to any balance sheet position for issue premiums or available reserves, to make corresponding amendments to the bylaws and, generally, to complete all necessary formalities;
- grants this authorization for a term of eighteen months;
- resolves that with effect from this date, this authorization shall supersede, to the extent that it remains unexercised, any prior authorization to the same effect, and in particular the authorization conferred by the seventh resolution of the General Meeting of the Company of June 3, 2015.

- **Ordinary and extraordinary business**

Fourteenth resolution

The General Meeting confers all powers to effect all formalities regarding filing, publication and any other pertinent matters on the bearer of an original, a copy or an extract of these minutes.

6.3 Statutory auditor's report on the consolidated financial statements^(AFS)

For the year ended 31 December 2015

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report also includes information relating to the specific verification of information given in the management report.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2015, on:

- I. the audit of the accompanying consolidated financial statements of CNIM Company;
- II. the justification of our assessments;
- III. the specific verification required by law.

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

I. Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

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

Note 2 to the consolidated financial statements mentions the significant judgments and estimates adopted by your Group. In connection with our audit, we believe that these judgments and estimates mainly concern:

- The methods used to implement impairment tests for non-current assets and specifically, goodwill;
- The method used to recognize revenue and the margin on contracts in progress involving an estimate of the probable margin on completion and the contract's percentage of completion.

Our work consisted in assessing the data and assumptions serving as a base for these estimates, reviewing, through tests, the calculations performed by your Group and verifying that the notes to the financial statements provide an appropriate disclosure.

As part of our assessments, we verified the reasonableness of these estimates.

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

III. Specific verification

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

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

Neuilly-sur-Seine, 9 March 2016

The statutory auditors

French original signed by:

Deloitte & Associés
Stéphane MENARD

PricewaterhouseCoopers Audit
Édouard DEMARCQ

6.4 Statutory auditor's report on the financial statements^(AFS)

For the year ended 31 December 2015

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying financial statements of CNIM Company;
- the justification of our assessments;
- the specific verification and information required by law.

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

I - Opinion on the financial statements

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

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - Justification of our assessments

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

- As described in Note 2.B to the financial statements, "Non-current financial assets," the impairment of equity investments of subsidiaries is determined by taking into account the net worth held, the net asset value and the expected profitability outlook.
- As described in Note 2.D to the financial statements, "Construction contrats," your company recognizes the revenue and margin on contracts in progress using the percentage of completion method. This method involves estimating the margin on completion and the contract's percentage of completion.

Our work consisted in assessing the data and assumptions serving as a base for these estimates, reviewing, through tests, the calculations performed by your company and verifying that the notes to the financial statements provide an appropriate disclosure.

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

III - Specific procedures and disclosures

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

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

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine, 9 March 2016

The statutory auditors

French original signed by:

Deloitte & Associés
Stéphane MENARD

PricewaterhouseCoopers Audit
Édouard DEMARCO

6.5 Statutory Auditors' special report on related-party agreements and commitments

Constructions Industrielles de la Méditerranée (CNIM)

(Annual General Meeting for the approval of the financial statements for the year ended December 31, 2015)

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

In our capacity as Statutory Auditors of Construction Industrielles de la Méditerranée (CNIM), we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-58 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R.225-58 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements and commitments authorized during the year

In accordance with Article L.225-88 of the French Commercial Code, we were informed of the following agreements and commitments authorized by the Supervisory Board.

1. Amendment to the employment contract of Stefano Costa, member of the Management Board

This amendment modifies the fixed portion of his remuneration, raising it to a gross monthly amount of €20,770, and the variable portion, which has been set at €500,000 for the year ended December 31, 2014. It also makes housing available to Stefano Costa by granting him a benefit in kind.

This amendment was authorized by the Supervisory Board at the meeting of March 19, 2015. In accordance with French law, we inform you that the prior approval granted by the Supervisory Board does not include the reasons as to why the agreement is beneficial for the Company, as required by Article L.225-86 of the French Commercial Code.

2. Amendment to the employment contract of Stefano Costa, member of the Management Board

This amendment modifies the variable portion of his remuneration, authorizing the payment of an advance on said gross variable remuneration in an amount of €300,000. This advance replaces the variable portion of his remuneration provided for in his employment contract in respect of the year ended December 31, 2015, it being specified that, at its meeting in March 2016, the Board will review the possibility of granting Stefano Costa an additional payment based on his performance during the year ended December 31, 2015.

This amendment was authorized by the Supervisory Board at the meeting of November 26, 2015. In accordance with French law, we inform you that the prior approval granted by the Supervisory Board does not include the reasons as to why the agreement is beneficial for the Company, as required by Article L.225-86 of the French Commercial Code.

3. Amendment to the employment contract of Philippe Demigné, member of the Management Board

This amendment modifies the fixed portion of his remuneration, raising it to a gross monthly amount of €20,770, and the variable portion, which has been set at €175,000 for the year ended December 31, 2014.

This amendment was authorized by the Supervisory Board at the meeting of March 19, 2015. In accordance with French law, we inform you that the prior approval granted by the Supervisory Board does not include the reasons as to why the agreement is beneficial for the Company, as required by Article L.225-86 of the French Commercial Code.

4. Group central services agreement with Soluni

Persons concerned: Nicolas Dmitrieff (member of the Management Board); Christiane Dmitrieff, Lucile Dmitrieff and Vsevolod Dmitrieff (members of the Supervisory Board).

The purpose of the agreement is to provide Soluni with bookkeeping and cash management services. In consideration of these services, CNIM is paid fees that consist of the rebilling of internal and, if applicable, external costs incurred to carry out said services. Internal costs are billed on a pro rata basis according to time spent and also include an additional 5% service and handling fee.

Premise: "Entering into this agreement with Soluni would allow the companies to pool their skilled staff resources."

The agreement came into force in 2015 and CNIM was paid €28,965.14.

The signature of this agreement was authorized by the Supervisory Board at the meeting of March 19, 2015.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved in previous years

In accordance with Article R.225-57 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the Annual General Meeting in previous years, remained in force during the year ended December 31, 2015.

1. Commercial assistance agreement with LAB S.A. and amendment to the agreement

Persons concerned: Nicolas Dmitrieff and Stefano Costa (members of the Management Board); François Canellas and Vsevolod Dmitrieff (members of the Supervisory Board).

In consideration of the commercial assistance provided by the Company and the exclusive rights granted by the Company to LAB S.A. to process and treat smoke generated by the new plants that the Company has built, it was agreed that LAB S.A. would pay the Company a fee amounting to 6% of revenues for plant compliance procedures and 3% of revenues for new plants.

This agreement was authorized by the Supervisory Board on October 27, 2005.

Subsequent to the signature of this agreement, it became apparent that LAB S.A. could be conducted to carry out certain of the procedures that were part of the initial agreement through its subsidiary LAB GmbH. In such a case, CNIM and LAB S.A. wished to specify in an amendment to the commercial assistance agreement that the fees paid to CNIM under this agreement would be paid directly by the subsidiary concerned.

The signature of this amendment was authorized by the Supervisory Board on November 24, 2011.

Pursuant to this agreement and its amendment, CNIM received the following fees in 2015:

- pursuant to the commercial assistance agreement with LAB S.A.:
 - revenue recorded (excl. VAT) during the year: €729,000,
 - cash receipts (excl. VAT) during the year: €648,950;
- pursuant to the commercial assistance agreement with LAB GmbH:
 - revenue recorded (excl. VAT) during the year: €76,000,
 - cash receipts (excl. VAT) during the year: €145,000.

2. Cross-licensing patent agreements between the Company and LAB S.A.

Persons concerned: Nicolas Dmitrieff and Stefano Costa (members of the Management Board); François Canellas and Vsevolod Dmitrieff (members of the Supervisory Board).

As CNIM and LAB S.A. each have a certain number of patents and related trademarks, it became apparent for business reasons that each company could promote and propose to its clients the patents belonging to the other

company. Accordingly, CNIM and LAB S.A. decided to sign cross licensing patent agreements. These agreements also provide for the impacts of a decrease in the Company's shareholding in LAB S.A. to below 50%.

These agreements were authorized by the Supervisory Board on April 7, 2011.

No fees will be paid by either company under these agreements.

3. Insurance contract covering unemployment on loss of a corporate office entered into in favor of Nicolas Dmitrieff, Chairman and member of the Management Board

So that he may benefit from insurance covering unemployment on loss of a corporate office in the event of dismissal, the Company has entered into an insurance contract in favor of Nicolas Dmitrieff to enable him to benefit from the necessary social security coverage in such an event.

The signature of this insurance contract was authorized by the Supervisory Board on October 27, 2005 in favor of the former Chief Executive Officer then in office.

The continuation of this insurance contract in favor of Nicolas Dmitrieff was authorized by the Supervisory Board on October 22, 2009.

Pursuant to this agreement, the Company recorded and paid a total of €10,413.54 in 2015.

4. Defined contribution and defined benefit pension plans established by your Company in favor of certain "non-classified" executives

Persons concerned: Nicolas Dmitrieff, Philippe Demigné and Stefano Costa (members of the Management Board).

In 1987, CNIM set up a defined benefit plan for "non-classified" senior executives and salaried managers, as defined by the National Collective Bargaining Agreement for the metal industry, as well as for Corporate Officers.

This defined benefit plan was modified by removing the benchmark remuneration ceiling and by allowing the retiring employee to choose, at the retirement date, the percentage of the pension to be granted to the surviving spouse.

A supplementary defined contribution plan was subscribed to with an insurance company. This plan was fully financed by the employer with an 8% contribution based on gross annual remuneration, capped at eight times the French annual social security ceiling.

The total amount of the general and specific pension of "non-classified" personnel may not exceed 65% of the benchmark remuneration.

These supplementary retirement plans for "non-classified" executives and Corporate Officers were authorized in their entirety by the Supervisory Board on October 27, 2005.

These retirement plans remained in force in 2015.

Payments made in respect of the defined benefit plan totaled €500,000 in 2015.

No payments were made in respect of the defined contribution plan in 2015.

5. Cooperation agreement with Martin GmbH für Umwelt und Energietechnik

Company and person concerned: Martin GmbH and Johannes Martin (member of the Supervisory Board).

Since 1970, CNIM has been working with Martin GmbH in the area of household waste incineration plants. The combustion system is provided by Martin GmbH and the rest of the plant by CNIM (including energy recovery, power generation, electrical installation and the control system, as well as the lead contractor services).

A new cooperation agreement was signed on June 9, 2005. It specifies the territories covered under the agreement and the respective responsibilities of CNIM and Martin GmbH (remuneration for engineering and the Martin combustion system).

This new agreement was previously authorized by the Supervisory Board on January 27, 2005 and signed for a 10-year period to take into consideration the terms of client contracts.

This agreement remained in force in 2015. During 2015, the Company recorded total expenses of €6,641,794.55 (excl. VAT) in relation to the contract and paid a total of €17,305,612.63 (excl. VAT) to Martin GmbH.

6. Remuneration paid to members of the Strategy and Audit Committees

Persons concerned: François Canellas, Agnès Herlicq, J-P Lefoulon, Vsevolod Dmitrieff, Richard Armand, JF Vaury, Stéphane Herlicq and André Herlicq (members of the Supervisory Board).

The general principle that remuneration be paid to members of the Strategy and Audit Committees was accepted by the Supervisory Board at the meeting of October 28, 2004.

This resolution remained in force in 2015. During 2015, overall remuneration totaling €200,000 was paid in this regard.

7. Terms of tax and social security exemptions for the defined contribution and defined benefit pension plans established by the Company in favor of certain “non-classified” executives

Person concerned: Nicolas Dmitrieff (Chairman and member of the Management Board).

In order to comply with the circular of September 25, 2013 issued by the Ministry of Social Affairs and Health, it was necessary to reconfirm by way of a resolution of the Supervisory Board that the Board authorized the officer of the Company, Nicolas Dmitrieff, to benefit from social benefit, pension and health insurance schemes in the “non-classified” category to which he belongs, in order that the Company may benefit from the tax and social security exemptions applicable to those pension, social benefit, and health insurance plans.

All supplementary retirement plans (defined benefit and defined contribution) for “non-classified” managerial staff and Corporate Officers were authorized by the Supervisory Board at the meeting of October 27, 2005.

At its meeting on November 28, 2013, the Supervisory Board therefore authorized the officer of the Company, Nicolas Dmitrieff, to benefit from social benefit, pension and health insurance plans in the “non-classified” category to which he belongs, and authorized the corresponding signature of amendments to the existing policies with the Generali insurance company.

8. Agreement between the Company and CNIM Singapore Private Ltd

Persons concerned: Nicolas Dmitrieff and Philippe Demigné (members of the Management Board).

Your Company decided to entrust the development and marketing of the Innovation & Systems Sector product range in the ASEAN region to its subsidiary, CNIM Singapore Private Ltd, with the goal of drawing on a regional base that, in particular, can provide commercial assistance and ensure the marketing of the Innovation & Systems Sector product range in the region. Under the terms of the service agreement entered into with CNIM Singapore Private Ltd, the Company will pay its subsidiary in consideration for the expenses incurred and services rendered to secure contracts signed by the Company. The amount paid will be equal to 7% of the value of the contracts secured, it being specified that advances of up to €535,000 for each twelve-month period may be paid to CNIM Singapore Private Ltd.

The signature of this agreement was authorized by the Supervisory Board on March 20, 2014.

The agreement delivered results in 2015 and CNIM Singapore Private Ltd was paid €506,000.

9. Loan agreement between the Company and SCI du 35 rue de Bassano

Person concerned: Nicolas Dmitrieff (Chairman and member of the Management Board).

SCI du 35 rue de Bassano ("the SCI") decided to renovate the building it owns at 35, rue de Bassano, 75008 Paris. The SCI contacted the Company which agreed to loan up to a maximum of €3,300,000 to the SCI to finance the renovations. The SCI will draw down the loan as required.

The loan bears interest at a fixed annual rate of 2.96% and is repayable over a period of ten years with an 18-month deferral, i.e., from December 31, 2016.

The signature of this agreement was authorized by the Supervisory Board on March 20, 2014.

SCI made two draw-downs totaling €3,000,000 in 2015.

Capitalized interest in respect of 2015 amounted to €18,670.98.

10. Amendment to an agreement between your Company and SCI du 35 rue de Bassano for current account advances

Person concerned: Nicolas Dmitrieff (Chairman and member of the Management Board).

Under an agreement dated December 30, 1994, the Company granted SCI du 35 rue de Bassano ("the SCI") a current account advance of €6,402,858.72 to acquire the building located at 35, rue de Bassano, 75008 Paris. Under the terms of an amendment dated July 13, 2007, the parties agreed to modify the repayment methods of the current account advance.

Following a new loan taken out by the SCI to finance the renovation of the building located at 35, rue de Bassano, 75008 Paris, the Company and the SCI decided to convert the current account advance balance to a €4 million medium-term loan with a fixed rate of 3.42%, repayable over 15 years.

The signature of this amendment was authorized by the Supervisory Board on March 20, 2014.

Capitalized interest in respect of 2015 amounted to €115,019.44.

Neuilly-sur-Seine, March 9, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

Édouard Demarcq

Deloitte & Associés

Stéphane Menard

7 ADDITIONAL INFORMATION

7.1 General information

7.1.1 Legal and commercial name of the issuer

Company name: Constructions Industrielles de la Méditerranée (CNIM).

7.1.2 Place of registration and registration number of the issuer

The Company is registered in the Paris Trade and Companies Register under number B 662 043 595. The APE code (principal activity code) of the Company is: 2821Z.

7.1.3 Date of incorporation and lifetime of the issuer

The lifetime of the company shall be ninety-nine years from July 20, 1966, the date of its definitive foundation, except in the event of early dissolution or extension.

The Company was registered on October 4, 1966 in the Paris Trade and Companies Register.

7.1.4 Domicile and legal form of the issuer, legislation governing its activities, country

The Company is a *société anonyme* [corporation] with a Management Board and Supervisory Board under French law, governed by the French Commercial Code (*Code de commerce*).

Its registered office is located at 35 rue de Bassano, 75008 Paris. As from February 17, 2014, the temporary address of the Company is 63 avenue des Champs-Élysées, 75008 Paris.

The Company's telephone number is as follows: +33 (0)1 44 31 11 00.

7.1.5 Supplementary information in relation to Section 21 of the AMF Regulations

Please refer to 7.2 below.

7.1.6 Details of the auditors

A. Principal auditors

a) PricewaterhouseCoopers Audit

63 rue de Villiers 92200 Neuilly-sur-Seine (France).

Member of the Versailles Regional Association of Statutory Auditors.

Appointed by the General Meeting of May 29, 2013.

Date of expiry of current engagement: following the General Meeting ruling on the 2018 financial statements.

Signatory: Édouard Demarcq

b) Deloitte & Associés

185 avenue Charles de Gaulle 92200 Neuilly-sur-Seine cedex (France).

Member of the Versailles Regional Association of Statutory Auditors.

Appointed by the General Meeting of May 29, 2013.

Date of expiry of current engagement: following the General Meeting ruling on the 2018 financial statements.

Signatory: Stéphane Ménard

B. Alternate auditors

a) PricewaterhouseCoopers Entreprises

63 rue de Villiers 92200 Neuilly-sur-Seine (France).

Member of the Versailles Regional Association of Statutory Auditors.

Appointed by the General Meeting of May 29, 2013.

Date of expiry of current engagement: following the General Meeting ruling on the 2018 financial statements.

b) BEAS

7-9 Villa Houssay 92524 Neuilly-sur-Seine cedex (France).

Member of the Versailles Regional Association of Statutory Auditors.

Appointed by the General Meeting of May 29, 2013.

Date of expiry of current engagement: following the General Meeting ruling on the 2018 financial statements.

7.2 Bylaws

The Company's bylaws are available on its website (www.cnim.com) and have been updated pursuant to the resolutions of the General Meeting of Shareholders of May 29, 2013.

7.2.1 Object of the company (Article 2 of the bylaws)

The object of the Company, in France and abroad, comprises:

- the performance of studies, the provision of know-how, and the design, manufacturing, construction, assembly, installation, commissioning, operation and maintenance of equipment, systems and industrial facilities in the fields of the Environment, Energy, Defense and Industry;
- the supply of all services associated with the above types of facilities, equipment and systems;
- the taking of interests, in whatsoever form, in all companies or enterprises with a similar or related object or which are of such a nature as to promote or develop, directly or indirectly, the activities forming the object of the Company;
- and, more generally, the performance of any civil, industrial, commercial or financial transactions relating to movable property or real estate that are directly or indirectly linked, wholly or partially, to any of the aforesaid activities, or to any similar or related activities that may prove useful to them or likely to facilitate their performance, expansion or development.

7.2.2 Provisions of the bylaws concerning the supervisory and management bodies of the company (Articles 13-17 of the bylaws)

Article 13 of the bylaws

1. The Company shall be managed by a Management Board which shall perform its duties under the supervision of the Supervisory Board.
2. The Management Board shall comprise a minimum of two and a maximum of seven members, all of them physical persons.

3. The Management Board shall be appointed for a term of four years by the Supervisory Board, which shall appoint the Chairman of the Management Board from among the members of the Management Board and which may also confer the power to represent the Company to one or more other members of the Management Board, who shall then bear the title of Chief Executive Officers. Their remuneration shall be determined by the Supervisory Board. The duties of the Management Board shall end at the close of the General Meeting of shareholders called to rule on the financial statements of the previous financial year and held in the year in which its term of office expires.

4. The age limit for performing the duties of a member of the Management Board shall be seventy years. When a member of the Management Board reaches this age, he is deemed to have resigned.

The Management Board shall meet whenever the interests of the company require it.

Members of the Management Board may be called to board meetings by any means.

6. Resolutions of the Management Board shall be passed by a simple majority of its members.

7. Members of the Management Board may be dismissed by the General Meeting or by the Supervisory Board.

Article 14 of the bylaws

The Management Board shall be invested with the most extensive possible powers to act in the name of the Company in all circumstances; it shall exercise them within the limits of the Company's object and subject to those powers expressly attributed by law or the bylaws to the Supervisory Board and to Shareholders' Meetings.

The Chairman of the Management Board shall represent the Company in its relations with third parties. He shall have the most extensive possible powers to act in the name of the Company, subject to compliance with the Company's object and to those powers which the law expressly reserves to the Supervisory Board and to Shareholders' Meetings.

The Supervisory Board may also confer the same power of representation on one or more other members of the Management Board, who shall then bear the title of Chief Executive Officers.

The Chairman of the Management Board and the Chief Executive Officer(s) shall be authorized to partially deputize the powers conferred on them to any special agents they may appoint.

The Management Board shall present a report to the Supervisory Board at least once every quarter.

Article 15 of the bylaws

1. The Supervisory Board shall comprise a minimum of three and a maximum of eighteen members, who shall be appointed in ordinary General Meeting.

2. A legal entity may be appointed as a member of the Supervisory Board. Upon its appointment or co-optation, it shall be obliged to appoint a permanent representative who shall be subject to the same terms and obligations and who shall bear the same civil and criminal liability as he would if he were a member of the Supervisory Board in his own name, without prejudice to the joint liability of the legal entity he represents.

3. Each member of the Supervisory Board must be the owner of at least one share throughout the term of his service.

4. Members of the Supervisory Board shall serve for six years.

5. Any member of the Supervisory Board appointed as a replacement for another shall remain in position throughout the remainder of the term of office of his predecessor.

6. Any member may be re-elected on expiry of his term.

7. At any annual Ordinary General Meeting, no more than half the members of the Supervisory Board may have reached the age of seventy during the financial year on the financial statements of which the Meeting has been called to rule. If this proportion of one half needs to be re-established, the oldest member or members of the Supervisory Board shall be deemed to have resigned from office, such resignation taking effect at the end of the meeting ruling on the financial statements of the financial year during which the proportion was exceeded, unless the proportion of one half has already been re-established. Notwithstanding the above, if the oldest member or members of the Supervisory Board hold(s) or has/have held the position of Chairman of the Board of Directors or of the Supervisory Board in the Company, they shall remain in position and the next oldest member or members of the Supervisory Board shall be deemed to have resigned from office. These provisions shall also apply to the permanent representatives of legal entities that are members of the Supervisory Board, without ending their term of office but instead obliging them immediately to nominate a new permanent representative.

8. Where, at the end of a financial year, the proportion of the share capital held – within the context set out under the provisions of Article L. 225-102 of the Commercial Code – by the staff of the Company and of related companies within the meaning of Article L. 225-180 of the said Code exceeds 3%, a member of the Supervisory Board shall be appointed in Ordinary General Meeting as a representative of the employee shareholders, in the manner prescribed by current regulations and by these bylaws.

9. Candidates for the position of employee shareholder member of the Supervisory Board shall be appointed in accordance with the following terms:

a) Where the right to vote attaching to the shares held by the employees or by the collective investment schemes of which they are members is exercised by the members of the supervisory board of those collective investment schemes, the candidates shall be nominated by the board from among the schemes' members.

b) Where the right to vote attaching to the shares held by the employees (or by the collective investment schemes of which they are members) is exercised by the employees directly, candidates shall be nominated at the consultative meeting provided for under Article L. 225-106 of the Commercial Code, either by the employee shareholders meeting specifically for that purpose or via a written consultation. Only candidates presented by a group of shareholders representing at least 5 % of the shares held by those employees who exercise their right to vote individually shall be admitted.

10. The procedures for nominating candidates, to the extent that they are not defined in the legal and regulatory provisions in force or in these bylaws, shall be decreed by the Chairman of the Supervisory Board, in particular as concerns the timetable for the nomination of candidates.

11. A list of all validly nominated candidates shall be drawn up. This must contain at least two candidates and indicate for each candidate the name of his substitute in the event that he should vacate his office for any reason. The list of candidates shall be appended to the notice calling the General Meeting of shareholders called to nominate the member of the Supervisory Board representing employee shareholders.

12. The member of the Supervisory Board representing employee shareholders shall be appointed in ordinary General Meeting in accordance with the terms applying to all appointments of members of the Supervisory Board. The Supervisory Board shall present the list of candidates to the General Meeting. Whichever of the aforesaid candidates receives the largest number of votes from the shareholders present or represented at the ordinary General Meeting shall be designated as the member of the Supervisory Board representing employee shareholders.

13. This member shall not be taken into account when determining the minimum or maximum number of members of the Supervisory Board as prescribed under Article L. 225-69 of the Commercial Code.

14. The term of office of the member of the Supervisory Board representing employee shareholders shall be six years. Nevertheless, his position shall end automatically and the member of the Supervisory Board representing employee shareholders shall be deemed to have resigned from office in the event that he ceases to be an employee of the Company (or of a related company or economic interest group as defined under Article L. 225-180 of the Commercial Code) or to be a member of a collective investment scheme at least 90% of whose assets are composed of shares in the Company. The Supervisory Board may validly meet and deliberate prior to the date of the appointment or replacement of the member of the Supervisory Board representing employee shareholders.

15. Should the member of the Supervisory Board representing employee shareholders vacate his position for any reason, his substitute shall immediately assume office for the remainder of his predecessor's term of office.

16. The provisions under paragraph 8 of this Article shall not apply where, at the end of a financial year, the percentage of share capital held by the staff of the Company and of related companies as defined under Article L. 225-180 above, in the context set out in the provisions of Article L. 225-102 above, represents less than 3% of the share capital, it being specified that the term of office of any member of the Supervisory Board representing employee shareholders who was appointed pursuant to paragraph 8 shall expire on its normal date.

17. The provisions of paragraph 3 of this Article shall not apply to the member of the Supervisory Board representing employee shareholders.

18. The Supervisory Board shall appoint from among its members a Chairman and Deputy Chairman, who must be physical persons and who shall remain in office until expiry of their membership of the Supervisory Board.

19. Members of the Supervisory Board shall be called to meetings of the Board by any means, including orally, by the Chairman or Deputy Chairman.

20. Resolutions shall be passed subject to the rules prescribed by law regarding quorum and majority.

21. An internal rule may provide that members of the Supervisory Board participating in a Board meeting by a means of videoconferencing or telecommunication that allows them to be identified and enables them to participate effectively be deemed present for the calculation of quorum and majority, subject to compliance with regulations in force.

Article 16 of the bylaws

The Supervisory Board shall oversee the Management Board on an ongoing basis. In this regard, it may at any time of year conduct checks and controls that it deems appropriate and have documents communicated to it that it considers necessary to the accomplishment of its task.

In addition to the sale of real estate, the full or partial sale of holdings in other enterprises and the establishment of sureties and charges, pledges or guarantees, which shall be subject to authorization by the Supervisory Board under the terms set by the Commercial Code, the following transactions may only be made by the Management Board with the prior consent of the Supervisory Board:

- issue of securities, of whatsoever kind, liable to entail a change to the share capital;
- material transactions liable to affect the strategy of CNIM or the CNIM Group or to change its financial structure or its sphere of activity, whereby the assessment of materiality shall be made by the Management Board on its own liability;
 - transactions exceeding an amount set each year by the Supervisory Board regarding:
 - any capital spending decisions affecting fixed assets as recorded in the balance sheet;
 - any barter or part-exchange transactions relating to goods, stocks or securities;
 - involvement in the establishment of any company and subscription to any issue of shares, stocks or bonds, excluding treasury transactions;
 - the grant or acceptance of any loans, borrowings, credit or advances.

The Management Board may delegate the powers it has received from the Supervisory Board within the limits permitted by law and regulations.

The Supervisory Board may confer special authorities of any kind for one or more defined purposes upon one or more of its members.

It may resolve to create subcommittees, the composition and powers of which it shall determine and which shall perform their activities under its responsibility.

Article 17 of the bylaws

Any agreement made directly or via an intermediary between the Company and a member of the Management Board or Supervisory Board, a shareholder holding over 10% of the voting rights or, in the case of a shareholder which is a company, its controlling company as defined in Article L. 233-3 of the Commercial Code must be submitted for prior approval to the Supervisory Board.

The same shall apply to agreements in which one of the persons referred to above has an indirect interest.

Agreements between the company and an enterprise shall also be subject to prior approval if a member of the Management Board or Supervisory Board of the company is the owner, general partner, executive manager, director, member of the supervisory board or, more generally, a manager of that enterprise.

Nevertheless, the foregoing measures do not apply to agreements concluded under normal terms in respect of ongoing transactions.

7.2.3 Rights, privileges and restrictions associated with shares (Articles 8-11 of the bylaws)

Article 8 of the bylaws

Shares shall be either registered or bearer shares, at the election of the shareholder.

They confer the right to registration under the conditions and in the manner prescribed by law.

The Company or its authorized representative may at any time request any body or intermediary, insofar as permitted by laws and regulations in force, to reveal the identity of the holders of shares conferring the immediate or eventual right to vote at its General Meetings, as well as the number of shares held by each holder and, where applicable, any constraints as may attach to the shares.

Article 9 of the bylaws

Shares may be freely sold and transferred in accordance with the legislative and regulatory provisions.

Article 10 of the bylaws

Each share confers a right in the profits and assets, and in the surplus on liquidation, in proportion to the fraction of the share capital it represents.

It confers the right to participate, to the extent permitted by law and by the bylaws, in General Meetings of the shareholders and to vote on resolutions.

All shareholders have the right to be informed about the progress of the Company and to obtain communication of certain Company documents at the times and to the extent provided for by law and by the bylaws.

Possession of a share automatically entails adherence to the bylaws of the Company and to resolutions passed in General Meeting.

Shareholders are liable for the company's liabilities up to the nominal value of the shares they possess.

The rights and obligations attaching to shares follow the share as it passes from hand to hand, and sale or assignment shall encompass all dividends not yet payable or due but unpaid, as well as, where applicable, the share in the reserves.

The heirs, creditors or legal beneficiaries of a shareholder may not demand the assets of the Company be placed under court seal, request their division or licitation, or intervene in any way in the company's administration. They may, in order to exercise their rights, have reliance on the company's accounts and on resolutions passed in General Meeting.

Whenever it is necessary to possess a certain number of shares in order to exercise a right, it shall be incumbent on owners not in possession of this number to arrange the requisite grouping of shares.

Article 11 of the bylaws

The shares are indivisible from the point of view of the Company.

Nevertheless, where a share is subject to a usufruct, the right to vote attached to that share shall belong to the holder of the usufruct in ordinary General Meetings and to the bare owner in extraordinary General Meetings.

Co-owners of indivisible shares shall be represented at General Meetings by one of their number or by a sole proxy; in the event of disagreement, the proxy shall be designated by the President of the Commercial Court provisionally ruling on the request of the first co-owner to submit an application.

Where shares have been pledged, the right to vote shall be exercised by the owner.

The right of the shareholder to obtain communication of company documents belongs equally to each of the co-owners of indivisible shares, and both to the bare owner and the holder of a usufruct.

7.2.4 Shares required to modify the rights of shareholders

None.

7.2.5 General meetings (Article 19 of the bylaws)

Article 19 of the bylaws

1. General Meetings shall be called in accordance with the terms, forms and notice periods prescribed by law.
2. Meetings shall take place at the head office or at any other location in the same *département* specified in the invitation.

All shareholders have the right to attend General Meetings and to participate in the deliberations, under the terms prescribed by law.

If the Management Board so resolves at the time of calling a General Meeting, shareholders may participate in that meeting by videoconferencing or by any other means of telecommunication (including the internet) permitting their identification, insofar as permitted by the applicable regulations. Where applicable, this option shall be mentioned in the notice of the meeting and the invitation.

Shareholders participating in the meeting by videoconferencing or by electronic means of communication permitting their identification shall be deemed present for the purpose of calculating the quorum and majority.

Any shareholder who fulfills the conditions required to participate in a meeting may have himself represented by a proxy insofar as permitted by law.

Shareholders may also vote by post or, if the Management Board so decides, remotely by electronic means, insofar as permitted and in the manner determined by law and regulations, by sending in their voting and proxy forms for any General Meeting either in paper form or, if the Management Board has so decided, by electronic means of communication, it being specified that this option shall be, where applicable, mentioned in the notice of the meeting and the invitation.

The voting right attaching to the shares is proportional to the share capital they represent. Nevertheless, a double voting right is conferred on all fully paid-up shares which are shown to have been registered in the name of the same shareholder for at least two years, insofar as permitted by law.

Meetings shall be chaired by the Chairman of the Supervisory Board or, in his absence, by a member of the Supervisory Board specially nominated to this end by the Board.

The duties of scrutineers shall be fulfilled by the two members of the meeting having the largest number of votes and accepting that duty.

The meeting committee shall designate the meeting secretary, who may be chosen from outside the shareholders.

An attendance list shall be maintained as prescribed by law.

Copies or extracts of the minutes of the Meetings shall be certified, in accordance with the law.

7.2.6 Provisions liable to affect control

None.

7.2.7 Crossing threshold amounts (Article 12 of the bylaws)

Article 12 of the bylaws

Any individual or legal entity acting alone or in concert with others who comes to possess a number of shares representing more than 2.5% of the share capital or voting rights of the Company or more than any multiple from 1 to 13 of this percentage (the obligation ceases to apply beyond the threshold of 32.5% of the share capital or voting rights) shall be bound to declare it to the Company by registered letter with advice of receipt sent to the head office and informing it of the total number of shares and voting rights he possesses, within fifteen stock-market trading days of the attribution to his account of the shares enabling him to cross the threshold in question.

This declaration must be made in accordance with the above terms on every occasion that the aforementioned thresholds are crossed, whether upwards or downwards.

Non-compliance with this obligation is punishable by the withdrawal of voting rights from those shares exceeding the percentage that was not duly declared for all shareholders' meetings until the expiry of a period of two years from the date on which the due notification was received, it being specified that this sanction shall only apply in the event

of a request, recorded in the minutes of the General Meeting, by one or more shareholders holding at least 2.5% of the Company's share capital or voting rights.

7.2.8 Changes to share capital (Article 7 of the bylaws)

Article 7 of the bylaws

The share capital may be increased, reduced or partially liquidated insofar as permitted by law and regulations.

7.3 Documents on display

Information published or made public over the last twelve months (April 2014 to April 2015)

a) Regulatory information

All regulatory information is published by CNIM Group via a distributor as part of its financial communication and is available on its website, www.cnim.com.

This includes all mandatory financial documents filed with the AMF in accordance with Article L. 451-1-2 (revised) of the Monetary and Financial Code, as resulting from the transposition into national law of the European Transparency Directive (Directive 2004/109/EC):

- Monthly information on the total number of voting rights and shares comprising the Company's share capital;
- Information on operations affecting the Company's securities;
- Information on Auditors' fees;
- Monthly declarations of transactions in own shares;

b) Financial press releases

- Quarterly revenues;
- Half-yearly financial statements;
- Annual financial statements;
- Backlog for the financial year;

c) Financial publications and information

- Registration document;
- Annual financial report;
- Half-yearly financial report;
- Quarterly information;
- Financial calendar.

d) Other documents

- Description of share repurchase programs;
- Report of the Chairman of the Supervisory Board on internal control and risk management;
- Means used to distribute or make available documents issued in advance of General Meetings.

The Company's bylaws are available on its website (www.cnim.com) and have been updated pursuant to the resolutions of the General Meeting of Shareholders of May 29, 2013.

During the period of validity of this registration document, the following documents (or copies thereof) may be consulted at the Company's temporary address, 63 avenue des Champs-Élysées, 75008 Paris:

- the deed of incorporation and the bylaws of the Company;
- all reports, letters and other documents, historical financial information, valuations and opinions issued by an expert at the request of the Company of which any part is included in or referred to in this registration document;
- the historical financial information of the Company and its subsidiaries for each of the two financial years preceding the publication of this registration document.

7.4 Responsible person^(AFS)

7.4.1 Responsible person for the registration document

Mr. Nicolas Dmitrieff, Chairman of the Management Board.

7.4.2 Declaration by the responsible person for the registration document

I declare, having taken all reasonable steps to this end, that the information contained in this registration document is true and accurate to the best of my knowledge and contains no omissions that would alter its meaning.

I declare, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and provide a true picture of the assets and liabilities, the financial position and the income of the company and of all of the entities included within the consolidation, and that the Management Board's report featuring in Section 1 provides an accurate reflection of the changes in the business, income and financial position of the company and of all of the entities included within the consolidation, as well as a description of the principal risks and uncertainties with which they are faced.

I have obtained a completion of work letter from the statutory auditors of the financial statements, in which they state that they have verified the information on the financial position and the financial statements disclosed in this document and that they have read the document in its entirety.

The historical financial information presented in this registration document is the subject of a report by the statutory auditors, featuring in the financial section of this document. It is recalled that as regards the 2013 financial year, the statutory auditors, without prejudice to the opinion that they gave in their report on the consolidated financial statements, have drawn attention to Note 1.1.1 to the consolidated financial statements, which sets out the effects of applying IAS 19 to commitments in respect of employee benefits with effect from January 1, 2013.

Done in Paris, April 11, 2016

Nicolas Dmitrieff
Chairman of the Management Board

8 HISTORY

CNIM Group has been forged over the course of a long history, which began with the foundation *Forges et chantiers de la Méditerranée* (FCM) in 1856. This history is testimony to the Group's ability to transform in order to continue to achieve its ambitions without neglecting its long-term commitments.

The various technological, industrial and human milestones in the Group's history are shown below:

1856

Founding of the shipyard at La-Seyne-sur-Mer in the Var. Throughout its existence, the shipyard was to remain at the forefront of shipbuilding techniques, building not only warships and liners for France, Japan and many other countries, but also the first submarine. La-Seyne-sur-Mer is still the Group's main industrial site today.

1917

The first tanks roll out of the La-Seyne-sur-Mer plant and the Renault works.

1961/1965

CNIM plays a part in the construction of the first serially produced missile launch tubes for France's ballistic nuclear submarines.

The Group remains actively involved in this field, and plays a vital role in the modernization of these missile launch systems.

1966

As orders for new ships decline, FCM is taken over by the Herlicq industrial equipment group, changing its name to *Constructions navales et industrielles de la méditerranée*, or CNIM for short. Activity levels are restored with the construction of specialized vessels such as methane carriers and offshore drilling platforms. Diversification into other industrial sectors, which has been ongoing for several years, is actively continued.

1982/1986

The French government merges the shipyards at Dunkirk, La Ciotat and La-Seyne-sur-Mer to form Normed. CNIM, now known as *Constructions industrielles de la méditerranée*, opts to grow its business in energy (waste-to-energy plants and boilers) and mechanical engineering (submarine missile launch systems for the Strategic Ocean Force, pontoon bridging systems for the Engineering Corps, components for the nuclear industry, escalators for subways, rail stations and airports).

1987

On June 30, CNIM is listed on the Second Market of the Paris Stock Exchange.

CNIM now begins development work on the new M51 missile launch system and invests a large portion of its equity in equipping itself with the resources needed to work with the new materials used.

1989/1990

CNIM acquires two companies specializing in industrial boilers: Babcock Entreprise (1989) and Wanson (1990), merging them to form Babcock Wanson.

2001/2002/2003

CNIM purchases LAB SA, a European leader in flue-gas treatment, in 2001 and takes over Alstom's waste-to-energy business in 2002.

In 2000, France takes sole charge of the European assault bridge project, which is based on a vehicle-mounted bridge developed by CNIM's Eurobridge subsidiary. In 2003, CNIM builds three bridges, each with a twelve-meter span, at its own expense to demonstrate the viability and reliability of the project.

In mid-2002, the consortium formed by Thales and CNIM wins the general contract to supply and fit equipment to the Megajoule Laser chamber.

2005

CNIM lays the foundation stone of a new 20,000 m² factory in Gaoming, China, near Foshan in the province of Canton.

2008/2009

CNIM acquires Bertin Technologies together with its subsidiaries, as well as healthcare firms Biotec Centre and IDPS. The Group also purchases a shareholding in Technoplus Industries, a subsidiary of Areva TA.

The Group refocuses on its core activities and closes the Transport Division, which specialized in escalators and moving walkways.

2010/2011

Ellipse, Spi-Bio, Biotec Centre and IDPS, the four Bertin Technologies subsidiaries specializing in pharmaceutical R&D, merge to form Bertin Pharma. Bertin Technologies purchases Vecsys, a company specializing in automated speech processing with expertise in voice-stream processing, on-board software and industrial IT.

CNIM's pilot concentrated solar power plant comes on stream at the La-Seyne-sur-Mer site.

2012

CNIM is selected as Intermediate-Size Enterprise of the Year for 2012. This award, conferred by *l'Usine Nouvelle* magazine at the *Assises de l'Industrie* conference, was given in honor of our "tenacity, innovation, youthfulness of spirit and successful model of diversification".

In 2012, CNIM completes its 160th waste-to-energy plant. The 160 installations boast a total of 280 thermal waste processing lines.

2013

The Group's Stuttgart-based subsidiary LAB GmbH agrees to purchase a portfolio of ongoing projects, technologies and assets from the Swiss company Geodur Recycling AG. The move enables LAB to expand its technological portfolio and offer new solutions and services in relation to the stabilization and solidification of fly ash and particulates, bottom ash treatment and the recovery of non-ferrous metals.

2014

- The Dmitrieff family's holding company, SOLUNI S.A., assumes control of CNIM in July 2014 by purchasing the entire shareholdings of CNN and Martin GmbH. This transaction caused SOLUNI's shareholding to rise from 27.40% at December 31, 2013 to 56.43% at December 31, 2014. CNIM thus now has a strong and stable shareholder base, which will further bolster the implementation of the Group's long-term development strategy. This consolidation is proof of the Dmitrieff family's belief in CNIM.
- Bertin Pharma acquires the Aquitaine site of Johnson & Johnson Health & Beauty France (JJHBF), which specializes in the formulation and production of clinical batches of over-the-counter drugs. This takeover is accompanied by a partnership agreement, whereby Bertin Pharma will conduct R&D work on behalf of JJHBF. Bertin Pharma thus gains access to a fast-growing market, namely that of over-the-counter drugs.

- CNIM acquires the cooling units and absorption heat pumps business of the German company INVEN. This acquisition makes it possible to develop a new business centered on the design, production and supply of innovative turnkey systems for recovering heat and energy. INVEN's technology uses low-temperature discharges in order to extract heat from them and produce cold or heat, thereby reducing its users' reliance on fossil fuels.
- Negotiations are held concerning the acquisition of Saphymo by Bertin Technologies, which has become the only French industrial company to offer a complete range that encompasses not only equipment for detecting and identifying nuclear, radiological, biological and chemical (NRBC) threats for the defense and security industries, but also equipment for monitoring levels of ionizing radiation for the nuclear industry. This transaction is finalized on January 1, 2015.

2015

- The SPI ("Sociétés de projets industriels" - Industrial Joint Ventures) fund, financed by the Investments for the Future program and run by Bpifrance, announces its first investment, alongside CNIM, in the company SUNCNIM in June 2015. SUNCNIM, which is majority-owned by CNIM, develops and builds turnkey concentrated solar power plants for export.
- Bertin Technologies acquires the company GO Albert France and its AMI Software brand in May 2015, and incorporates it into Bertin IT. With the digital monitoring and cyberintelligence specialists of both entities joining forces, a major player in the field of open-source data processing (in particular Internet monitoring) is created, with its international ambitions supported by the whole of CNIM Group.

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Incorporation by reference

In accordance with Article 28 of Regulation (EC) No. 809/2004, the following information is incorporated by reference into this registration document:

- the consolidated financial statements and annual financial statements for the years ended December 31, 2014 and December 31, 2013 and the Statutory Auditors' reports in relation thereto as included respectively in registration document No. R.15-020 and registration document No. R.14-024, filed with the *Autorité des marchés financières* on April 21, 2015 and April 28, 2014 respectively;
- the commentary on activities during the years ended December 31, 2014 and December 31, 2013 as included respectively in chapters I.5/I.6/I.7/I.8 of registration document No. R.14-024 and registration document No. R.14-024, filed with the *Autorité des marchés financières* on April 21, 2015 and April 28, 2014 respectively.



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662 043 595 Paris Trade & Companies Register