BIM
ENTREPRENDRE&INVESTIR


FINANCIAL REPORT 2016.2017


AMAC TERRES DE VACANCES

NOVÉTUDE SANTÉ

eliorgroup

CONTENTS

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

1. CONSOLIDATED FINANCIAL STATEMENTS

AT SEPTEMBER 30, 2017

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1.A CONSOLIDATED INCOME STATEMENT

(in € thousands)	Note	Year ended Sept. 30, 2017	Year ended Sept. 30, 2017
Revenue	**6.1**	**71,078**	**63,436**
Purchase of raw materials and consumables		(6,742)	(5,704)
Personnel costs	6.3	(25,643)	(23,569)
Other operating expenses		(25,227)	(21,622)
Taxes other than on income		(2,480)	(3,070)
Depreciation, amortization and provisions for recurring operating items		(8,662)	(6,965)
Recurring operating profit	**6.2**	**2,324**	**2,507**
Share of profit of equity-accounted investees	6.2	24,264	29,941
Recurring operating profit including share of profit of equity-accounted investees		**26,588**	**32,448**
Non-recurring operating income and expenses	6.5	(3,850)	66,186
Operating profit including share of profit of equity-accounted investees		**22,738**	**98,635**
Financial expenses	6.4	(21,305)	(51,673)
Financial income	6.4	4,566	1,515
Profit before income tax		**5,998**	**48,477**
Income tax	6.6	(1,057)	(6,263)
Profit from continuing operations		**4,942**	**42,213**
Profit for the period		**4,942**	**42,213**
Profit attributable to owners of the parent		4,341	44,445
Profit attributable to non-controlling interests		600	(2,232)

1.B CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)	Note	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Profit for the period		**4,942**	**42,213**
Share of other comprehensive income/(expense) of equity-accounted investees that will not be reclassified to profit or loss		***1,043***	***(1,497)***
Remeasurement of defined benefit liability		***(346)***	***70***
- o/w amount recognized in other comprehensive income/(expense)		*(481)*	*105*
- o/w tax impact		*135*	*(35)*
Total items that will not be reclassified to profit or loss		**697**	**(1,427)**
Share of other comprehensive income/(expense) of equity-accounted investees that may be subsequently reclassified to profit or loss		***453***	***(2,646)***
Derivative financial instruments		***1,379***	***(423)***
- o/w amount recognized in other comprehensive income/(expense)		*1,938*	*(635)*
- o/w tax impact		*(559)*	*212*
Total items that may be subsequently reclassified to profit or loss		**1,832**	**(3,069)**
Total other comprehensive income/(expense)		**2,529**	**(4,495)**
Total comprehensive income for the period		**7,470**	**37,717**
Attributable to:			
- Owners of the parent		6,887	39,924
- Non-controlling interests		584	(2,207)

The consolidated statement of comprehensive income includes (i) profit for the period and (ii) other comprehensive income and expenses which correspond to:

- Bim's share of the other comprehensive income/(expense) of Elior Group, which represented net income of €453 thousand for the year ended September 30, 2017 (versus a net expense of €2,646 thousand for the year ended September 30, 2016) and broke down as a positive €1,791 thousand from the fair value remeasurement of financial instruments less a negative €1,338 thousand in currency translation adjustments.
- Income of €1,379 thousand, net of tax, arising from the fair value remeasurement of interest rate swaps set up by the Group's holding company for the Hotels business (versus a €423 thousand expense for the year ended September 30, 2016).
- A net of tax expense of €346 thousand, arising on the remeasurement of the Group's defined benefit liability as a result of changes in actuarial assumptions (versus €70 thousand in income, net of tax, for the year ended September 30, 2016).

1.C CONSOLIDATED BALANCE SHEET

ASSETS

(in € thousands)	Note	Sept. 30, 2017	Sept. 30, 2016
Goodwill	6.7	104,508	106,540
Intangible assets	6.8	10,389	10,077
Property, plant and equipment	6.9	98,290	96,937
Non-current financial assets	6.10	2,579	3,681
Investments in equity-accounted investees	6.11	473,032	380,687
Non-current derivative financial instruments	6.21	13,936	11,158
Deferred tax assets	6.15	4,952	6,818
Total non-current assets		**707,688**	**615,896**
Inventories		177	245
Trade and other receivables	6.12	26,936	22,319
Current income tax assets		283	392
Other current assets	6.13	2,069	2,199
Cash and cash equivalents	6.14	34,484	60,506
Assets classified as held for sale	6.16	3,249	4,222
Total current assets		**67,197**	**89,883**
TOTAL ASSETS		**774,884**	**705,779**

EQUITY AND LIABILITIES

(in € thousands)	Note	Sept. 30, 2017	Sept. 30, 2016
Share capital		3,947	4,036
Reserves and retained earnings		289,965	305,347
Equity attributable to owners of the parent		**293,912**	**309,383**
Non-controlling interests		12,014	15,016
Total equity	**6.17**	**305,926**	**324,399**
Long-term provisions	6.18	1,710	2,369
Post-employment benefit obligations	6.19	1,560	929
Long-term debt	6.20	398,032	304,684
Non-current derivative financial instruments	6.21	1,517	4,253
Deferred tax liabilities	6.15	2,893	3,471
Other non-current liabilities	6.22	12,487	15,854
Total non-current liabilities		**418,200**	**331,560**
Trade and other payables		16,747	18,362
Short-term debt	6.20	7,753	7,227
Current income tax liabilities		189	254
Other current liabilities	6.23	26,069	23,977
Total current liabilities		**50,759**	**49,820**
TOTAL EQUITY AND LIABILITIES		**774,884**	**705,779**

1.D CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousands)	*Share capital*	*Share premium and other reserves*	*Profit for the period*	*Equity attributable to owners of the parent*	*Non-controlling interests*	*Total equity*
At September 30, 2015	**4,036**	**249,867**	**20,637**	**274,541**	**22,745**	**297,286**
Total comprehensive income for the period		(4,521)	44,445	39,924	(2,207)	37,716
Appropriation of prior-period profit		20,637	(20,637)	-	-	0
Dividends paid		(1,000)	-	(1,000)		(1,000)
Share-based payments (IFRS 2)		696		696		696
Other movements		(4,778)	-	(4,778)	(5,521)	(10,300)
At September 30, 2016	**4,036**	**260,902**	**44,445**	**309,383**	**15,017**	**324,399**
Total comprehensive income for the period		2,545	4,341	6,887	584	7,471
Appropriation of prior-period profit		44,445	(44,445)	-		-
Capital reduction	(89)	(16,911)		(17,000)		(17,000)
Dividends paid		(1,000)		(1,000)		(1,000)
Share-based payments (IFRS 2)		3,295		3,295		3,295
Other movements		(7,653)		(7,653)	(3,586)	(11,239)
At September 30, 2017	**3,947**	**285,624**	**4,341**	**293,912**	**12,014**	**305,926**

For the year ended September 30, 2017, "Other movements" primarily included the following:

- Put options written over non-controlling interests in operations other than Elior Group, representing €1,100 thousand recognized in consolidated reserves and €445 thousand recognized in non-controlling interests.
- Acquisitions of non-controlling interests, representing a negative €8,753 thousand recognized in consolidated reserves and a negative €4,031 thousand recognized in non-controlling interests.

For the year ended September 30, 2016, "Other movements" primarily included the following:

- Bim's share of other movements in Elior Group's equity, representing a negative €451 thousand and recognized in "Equity attributable to owners of the parent".
- Put options written over non-controlling interests in the Group's other operations, representing a negative €1,476 thousand recognized in consolidated reserves and a negative €599 thousand recognized in non-controlling interests.
- Acquisitions of non-controlling interests, representing a negative €2,841 thousand recognized in consolidated reserves and a negative €4,922 thousand recognized in non-controlling interests.

1.E CONSOLIDATED STATEMENT OF CASH FLOWS

(in € thousands)	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Recurring operating profit including share of profit of equity-accounted investees	**26,588**	**32,448**
Depreciation, amortization and provisions for recurring operating items	8,662	6,965
Consolidated EBITDA	**35,250**	**39,413**
Share of Elior Group's profit	(24,264)	(29,941)
EBITDA excluding Elior Group	**10,986**	**9,472**
Elimination of non-cash items included in EBITDA:		
- Personnel costs recognized on post-employment benefit obligations	142	94
- Portion of subsidies included in profit	(66)	(13)
- Gains and losses on disposals of non-current assets	21	550
Other income and expenses with an impact on operating cash flow	(2,665)	(21,963)
Change in working capital	(2,263)	702
Cash generated from/(used in) operations before income tax	**6,155**	**(11,158)**
Income tax paid	149	(1,567)
Net cash generated from/(used in) operating activities	**6,304**	**(12,725)**
Effect of changes in scope of consolidation	(83,208)	4,325
Purchases/sales of non-controlling interests (with no change in control)*	(10,066)	(8,289)
Purchases of property, plant and equipment and intangible assets	(8,478)	(19,809)
Investment subsidies received	-	612
Change in loans and advances granted	1,099	(2,592)
Proceeds from sale of non-current assets	153	154
Dividends received from equity-accounted investees	15,195	13,001
Net cash generated from/(used in) investing activities	**(85,305)**	**(12,598)**
Movements in share capital of the parent	(17,000)	-
Proceeds from borrowings	163,646	342,278
Repayments of borrowings	(83,748)	(278,334)
Proceeds from and repayments of shareholder loans	(139)	(62)
Dividends paid to owners of the parent	(1,000)	(1,000)
Interest paid	(8,971)	(7,644)
Interest received	1	7
Net cash generated from/(used in) financing activities	**52,789**	**55,244**
Net increase/(decrease) in cash and cash equivalents	**(26,211)**	**29,921**
Cash and cash equivalents at beginning of period	60,410	30,490
Cash and cash equivalents at end of period	**34,199**	**60,411**

* These items have been reclassified to cash flows from investing activities in the consolidated financial statements for the year ended September 30, 2017 whereas they were included in cash flows from financing activities in the published consolidated financial statements for the year ended September 30, 2016.

The main movements in cash and cash equivalents are described in Note 6.24.

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

1.F NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

F1. GENERAL INFORMATION

Bim SAS (also referred to as "Bim" or «the Company») is domiciled in France and its registered office is located at 54 avenue de Marceau, 75008 Paris.

These consolidated financial statements for the fiscal year ended September 30, 2017 cover the Company and its subsidiaries (together referred to as «the Bim Group" or "the Group») as well as the Group's investments in equity-accounted investees.

The Group operates in four different business sectors.

As the Bim Group forms part of the Sofibim Group, which publishes consolidated financial statements prepared in accordance with IFRS, it has no legal obligation to publish its own consolidated financial statements. However, it has elected to prepare a set of IFRS consolidated financial statements covering its own scope of consolidation.

F2. BUSINESS OVERVIEW AND SIGNIFICANT EVENTS OF THE YEAR

Private Higher Education for the Healthcare Sector - The Novetude Santé group - www.novetude.com

This business comprises 21 private higher education establishments that provide healthcare training to 12,000 students per year. It offers 10 preparatory courses for competitive national entrance exams in the medical, para-medical and social fields and also has vocational training colleges (six osteopathy colleges and two colleges that provide optical sciences and dietitian courses), and three establishments offering continuing professional education.

Revenue generated from this business rose 2,9% year on year to €33,193 thousand in fiscal 2016-2017, led by the contribution from the International Center of Osteopathy (CIDO) in Saint-Etienne, France, which the Group acquired in September 2016. However, recurring operating profit decreased to €1,432 thousand from €1,987 thousand and EBITDA declined sharply, to €2,687 thousand from €3,048 thousand (see Note 6.2).

In September 2017, the Group strengthened its national coverage in France by acquiring Centre Epsilon («Epsilon») – a well-known private college in Paris that offers preparatory training for the competitive exam that students in a range of medical professions in France are required to take after a one-year university foundation course (PACES). For its fiscal year ended June 30, 2017, Epsilon generated revenue of €1,590 thousand.

Hotels - Compagnie Hôtelière de Bagatelle group - www.cie-bagatelle.com/hotels

The Group's Hotels business corresponds to a portfolio of properties located in central Paris comprising five four-star boutique hotels and one five-star hotel – Le Roch Hotel & Spa located in the first arrondissement for which fiscal 2016-2017 was the first full year of operations following the hotel's opening in July 2016.

Revenue for the Hotels business jumped 54.7% in fiscal 2016-2017 to €13,483 thousand, led by the significant contribution from the new Le Roch Hotel & Spa (€4,661 thousand) as well as the continuing recovery of the sector as a whole following a period of lower guest numbers in the aftermath of the Paris terrorist attacks.

Although this business once again reported a recurring operating loss in fiscal 2016-2017 (€839 thousand versus €1,597 thousand for the previous fiscal year) EBITDA rose sharply, to €2,186 thousand from €610 thousand (see Note 6.2).

Outdoor Hospitality - the Compagnie de Bel Air group - www.cie-belair.com

At September 30, 2017, the Group's Outdoor Hospitality business comprised six high-end campsites in France.
Revenue generated by this business climbed €1,836 thousand, or 8.3%, to €24,255 thousand in fiscal 2016-2017. The Toreilles Plage campsite – which was acquired in October 2015 – reported a revenue hike of €1,031 thousand, or 34.3%, reflecting the completion of the refurbishment work carried out following the acquisition. The Verdon Parc campsite also performed well, registering €3,519 thousand in revenue despite the decision to stop the Yelloh! Village franchise.

Overall, fiscal 2016-2017 was a year of transition for the Outdoor Hospitality business, marked by measures taken to strengthen the sales and marketing team, the implementation of new information systems, an overhaul of the business's websites and the introduction of the new "AMAC'" brand, all of which affected sales and margins.

As a result, recurring operating profit came in on a par with the previous year, at €6,090 thousand versus €6,019 thousand, whereas EBITDA rose 8.1% to €10,471 thousand from €9,682 thousand (see Note 6.2).

As well as running the above-mentioned six campsites that it owns, during the summer of 2017 the Group operated another campsite – the Chardons Bleus in La Turballe in the Loire-Atlantique region of France – under a management agreement, generating revenue of €324 thousand. The Group may acquire this campsite in fiscal 2017-2018 if a number of conditions precedent are met.

On July 21, 2017 the Group signed a memorandum of understanding with a view to acquiring the Domaine Soleil Plage campsite, subject to a number of conditions precedent being met. Located in Vitrac (6 km from Sarlat), this five-star site – which is extremely well-equipped and is set in grounds of 10 hectares – is one of the best in the Dordogne region and has direct access to the Dordogne river. It currently has a total of 257 pitches, which is ultimately expected to increase to 350.
Finally, on June 29, 2017 Compagnie de Bel Air adopted a new trade name – "AMAC".

Catering - Elior - www.eliorgroup.com

This business comprises Bim's associate, Elior Group, which is the holding company of the Elior group and is accounted for by the equity method in Bim's consolidated financial statements.

Founded in 1991, Elior Group is one of the world's leading operators in the catering and support services industry. It has one core business – catering – and is structured around three main activities: contract catering, concession catering and services, with three major brand names: Elior, Areas and Elior Services. It operates in 16 countries, primarily in the eurozone, the United States and the United Kingdom. For the year ended September 30, 2017, it generated €6,422 million in consolidated revenue, up 8.9% on fiscal 2015-2016, with 3.6% organic growth excluding the impact of voluntary contract exits.

The Elior Group closing share price was €22.40 at September 30, 2017, representing a 9.9% increase on the €20.38 closing price one year earlier.

Significant events of fiscal 2016-2017 relating to the Group's interest in Elior Group SA and BIM SAS's financing

Transactions affecting Bim's percentage interest in Elior Group SA

- **Acquisition of 3,491,620 Elior Group SA shares**

On April 7, 2017, Bim SAS entered into a forward purchase contract with Crédit Agricole Corporate and Investment Bank (CACIB) covering 4.5 million Elior Group shares. The contract was unwound on June 12, 2017 with the delivery to Bim SAS of 3,765,084 Elior Group shares for a total amount of €81,904 thousand.

- **Capital increase carried out by Elior Group SA**

Elior Group SA carried out a capital increase during fiscal 2016-2017 by issuing 107,310 new shares, which diluted the Bim Group's ownership interest in Elior Group by 0.01%.

Following all of the above transactions, the Bim Group's ownership interest in Elior Group increased from 20.51% at September 30, 2016 to 22.67% at September 30, 2017, and its percentage of voting rights rose from 25.14% to 27.31%.

- **Equity swap structured financing arrangement**

Also on April 7, 2017 Bim SAS entered into a prepaid forward contract with CACIB combined with a swap contract, together constituting a five-year equity swap financing arrangement amounting to €75 million and secured by an initial pledge of 5,586,592 Elior Group shares. The first drawdown was repaid on September 29, 2017 using the proceeds from the Euro Private Placement («Euro PP»), but the arrangement is still in force, representing an available credit facility of €75 million.

- **Euro private placement ("Euro PP")**

On September 29, 2017 Bim carried out an €85 million Euro PP which was placed with European institutional investors. It was made up of two tranches: (i) a €70 million tranche maturing in September 2024 and paying interest of 4.002% and (ii) a €15 million tranche paying 3.716% interest. Bim has pledged 7,375,272 Elior Group shares as collateral for the Euro PP and the overall debt is subject to a covenant based on the LTV ratio. The proceeds from the placement were primarily used to repay the April 2017 drawdown made under the equity swap financing arrangement.

F3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Compliance Statement

In accordance with EC Regulation no. 1606/2002 dated July 19, 2002, the Group's IFRS consolidated financial statements for the fiscal year ended September 30, 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board (IASB) and adopted by the European Union's Accounting Regulatory Committee. The IFRS and related interpretations adopted by the European Union can be viewed on the website of the European Financial Reporting Advisory Group at https://www.efrag.org/Endorsement.

The Group's IFRS consolidated financial statements cover its operations, results and cash flows for the year ended September 30, 2017, which corresponds to the fiscal year-end of Bim SAS and its subsidiaries.

These consolidated financial statements were approved for issue by the Company's Chairman on January 11, 2018. They will only be definitive after approval by shareholders at the March 30, 2018 Annual General Meeting.

The significant accounting policies described below were used to prepare the consolidated financial statements at September 30, 2017 as well as the comparative information presented for the year ended September 30, 2016.

New standards and interpretations adopted by the European Union and applied by the Group as from October 1, 2016

None.

Standards, amendments and interpretations published by the IASB but not early adopted by the Group

The main standards, amendments and interpretations that have been published by the IASB but whose application was not yet mandatory in the year ended September 30, 2017 are as follows:

- IFRS 9, "Financial Instruments", effective for annual periods beginning on or after January 1, 2018 (adopted by the EU in November 2016).
- IFRS 15, «Revenue from Contracts with Customers», effective for annual periods beginning on or after January 1, 2018 (adopted by the EU in September 2016).
- IFRS 16, «Leases», effective for annual periods beginning on or after January 1, 2019 (adopted by the EU in October 2017).

The Group did not early adopt any standards or amendments in the year ended September 30, 2017. It is currently analyzing the potential impacts of the above new standards and as these analyses currently stand:

- The application of IFRS 15 is not expected to have a significant impact on the Group's consolidated financial statements.
- Based on the first phase of the analysis related to financial instruments – which did not include trade receivables – the application of IFRS 9 is not expected to have a significant impact on the consolidated financial statements. The second analysis phase concerning the impact of IFRS 9 on trade receivables has not yet been completed.

Basis of Measurement

The consolidated financial statements have been prepared using the historical cost convention, except for available-for-sale financial assets and financial instruments which are measured at fair value

Functional and Presentation Currency

The consolidated financial statements are presented in euros, which is the Company's functional currency. All amounts are rounded to the nearest thousand euros unless otherwise specified. Due to rounding, the totals in some of the tables presented may differ slightly from the sum of the items included in the breakdowns of those totals.

3.1 CONSOLIDATION METHODS

Subsidiaries

Subsidiaries are all entities over which the Group directly or indirectly exercises control. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When assessing the existence of control, potential voting rights held by the Group or its subsidiaries are taken into account if they are immediately exercisable or convertible.

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

Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group owns between 20% and 50% of an entity's voting rights.

Investments in associates are accounted for using the equity method (equity-accounted investees). Under this method, the investment is initially recognized at cost, which includes transaction costs. The Group's investment in associates includes goodwill identified on acquisition, which may be subsequently written down for impairment in value where necessary. After initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income or expense of equity-accounted investees, until the date on which significant influence ceases.

Any increases in the Group's percentage interest in an associate which do not affect the significant influence exercised by the Group over that associate are accounted for using a «partial remeasurement» method. Under this method, the additional portion of the associate's identifiable net assets is remeasured at fair value and then additional goodwill is calculated on the additional interest acquired.

Any decreases in the Group's percentage interest in an associate which do not affect the significant influence exercised by the Group are recognized in the income statement in an amount corresponding to the difference between the proceeds of the sale and the cost of the investment derecognized.

Shares in companies over which the Group does not exercise significant influence are classified as «Available-for-sale financial assets» (see Note 3.14).

Elimination of Intra-Group Transactions

Intra-group balances and any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.
Unrealized gains arising from transactions between equity-accounted investees and fully consolidated companies are eliminated against the investment to the extent of the Group's interest in the equity-accounted investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2 INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

The Group's intangible assets mainly correspond to «Leasehold rights» acquired from former lessors within the hotels and campsites business sectors.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, except for the leasehold rights related to The Chess Hotel as this asset has been deemed as having an indefinite useful life in view of the following factors: (i) the Group has a near-certain right to renew its lease as the hotel has its own separate clientele, (ii) renewing the lease is not likely to result in excessive costs, (iii) the amount of "eviction" compensation payable to the Group if its lease is not renewed is highly dissuasive, and (iv) the company intends to keep the hotel premises at their current location for an indefinite period.

Goodwill

Business combinations are accounted for in accordance with the acquisition method. Under this method:

- The identifiable assets acquired and liabilities assumed are measured at fair value on the date when control is transferred to the Group (apart from in exceptional cases).
- Any non-controlling interest in the acquiree is recognized on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the identifiable net assets of the acquiree (which itself is measured at fair value, apart from in exceptional cases).

At the date of a business combination, goodwill is measured as the excess of (i) the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and (for a business combination carried out in stages) the acquisition-date fair value of any equity interest previously held in the acquiree, over (ii) the fair value of the identifiable net assets acquired.

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In the event of a bargain purchase – i.e. if the total consideration transferred, non-controlling interests recognized and previously held interest measured at fair value is less than the fair value of the net assets of the acquiree – the difference is recognized directly in the income statement.

Any adjustments to the fair values provisionally assigned to the assets or liabilities of an acquiree are accounted for as retrospective adjustments to goodwill if they are recognized within twelve months of the acquisition date and where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. Beyond this twelve-month measurement period, the impacts of any such fair value adjustments are recognized directly in profit or loss, unless they correspond to error corrections.

Subsequent to initial recognition, goodwill is carried at cost less any accumulated impairment losses. Goodwill is not amortized. The following principles also apply to business combinations:

- Any contingent consideration is measured at fair value at the acquisition date, and any subsequent adjustments to the fair value of the contingent consideration made after the measurement period are recognized in profit or loss.
- Acquisition-related costs are expensed as incurred.
- Changes in the Group's percentage interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.3 PROPERTY, PLANT AND EQUIPMENT

In accordance with IAS 16, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. They are depreciated using the straight-line method, over their estimated useful lives.
Borrowing costs have been included in the cost of property, plant and equipment in accordance with IAS 23.

The useful lives of the components of buildings are as follows:

- Structural elements: 38 to 40 years
- Roofing: 15 to 38 years
- Façades: 25 to 38 years
- Elevators: 15 years
- Fixtures and fittings: 15 to 38 years
- Furniture: 2 to 10 years

The main useful lives applied for other items of property, plant and equipment are as follows:

- Teaching equipment: 5 years
- Miscellaneous fixtures and fittings: 10 years
- Vehicles: 4 to 5 years
- Office and IT equipment: 3 to 10 years
- Furniture: 10 years

The useful lives and residual values of items of property, plant and equipment are reviewed at each fiscal year-end.

3.4 LEASES

Leases where the Group is Lessee

Leases that transfer substantially all the risks and rewards of ownership to the Group are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Other leases are classified as operating leases and the leased assets are not capitalized. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Leases where the Group is Lessor

The Group rents out certain assets as a lessor under operating leases. The assets concerned are recognized in the balance sheet and the rental income is recognized in revenue on a straight-line basis over the period of the leases (see Note 3.13).

3.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group reviews the value of goodwill, intangible assets and property, plant and equipment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. Where such an indication exists an impairment test is carried out.

In addition, goodwill, intangible assets with indefinite useful lives and intangible assets in progress are tested for impairment at least annually, in the fourth quarter of each fiscal year. For the purpose of impairment testing, assets are grouped together in cash-generating units (CGUs), which correspond to the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group's CGUs correspond to each hotel, campsite or educational establishment.

Goodwill arising on a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. In accordance with this principle, the Group carries out goodwill impairment tests at the following levels:

- Groups of CGUs corresponding to each of the two activities within the Education business, i.e. osteopathy colleges and preparatory classes.
- A group of CGUs corresponding to the Outdoor Hospitality business as a whole.
- Individual CGUs corresponding to each hotel for the Hotels business.

An impairment loss is recognized if the carrying amount of a CGU (or group of CGUs) is higher than its recoverable amount. However, if an impairment loss represents less than 10% of the carrying amount it is only recognized if the loss is identified during two consecutive fiscal years. Recoverable amount represents the higher of value in use and fair value less costs of disposal.

In practice, the Group systematically calculates the value in use of its CGUs and also has data enabling it to track the market value of its campsites and hotels.

In order to determine value in use, the Group projects the future cash flows that it expects to derive from each CGU. These projections are based on five-year revenue forecasts for the Group which factor in either a moderate increase or stability in operating margins over time, depending on the business activity and establishment concerned. Cash flow projections beyond this five-year period are estimated by extrapolating the projections using a long-term growth rate that depends on the business activity concerned (see below).

Future cash flows are discounted based on weighted average cost of capital, which also depends on the business activity concerned. The Group uses a post-tax discount rate applied to post-tax cash flows.

The main assumptions used for the impairment tests performed were as follows:

	Perpetuity growth rate		Discount rate	
	Sept. 30, 2017	Sept. 30, 2016	Sept. 30, 2017	Sept. 30, 2016
Outdoor Hospitality	2.00%	2.00%	8.50%	8.50%
Osteopathy colleges	1.80%	1.50%	11.00%	11.75%
Preparatory classes	1.80%	1.50%	11.00%	11.75%
Hotels	1.97%	2.00%	6.67% to 8.57%	7.25% to 8.50%

The other main assumptions used for the impairment tests performed at September 30, 2017 are set out below.

- Assumptions about average annual growth rates for consolidated revenue for the first five years of the business plan:
  - 4.55% for the Education business, with 5.77% growth for Osteopathy colleges whose business is being boosted by higher class numbers following accreditations received as well as by price increases, and 3.17% growth for Preparatory classes.
  - 4.37% for the Outdoor Hospitality business, with particularly marked revenue growth expected between 2018 and 2020 due to the Group's investments in new mobile homes and moves to upscale its campsites.
  - Between 3.5% and 5.01% for the Hotels business, partly reflecting a basis of comparison effect because Hotels revenue decreased by an exceptional near-20% in 2016 and did not return to pre-2015 levels in 2017.

- Assumptions about movements in EBITDA margins:
  - A 5.2 point increase for the Education business (5.4 points for Osteopathy colleges and 2.1 points for Preparatory classes).
  - A 6-point increase (from 46.4% to 52.4%) for the Outdoor Hospitality business, reflecting the Group's measures to upscale the accommodation, facilities and services at its campsites, as well as the program to purchase mobile homes.
  - A rise of between 1.9 and 13.2 points for the Hotels business, depending on the hotels concerned, with an average 2.6 point increase for the four-star hotels.

The impairment tests performed at September 30, 2017 showed that one hotel had a recoverable amount that was lower than its carrying amount, for the second consecutive year (representing €443 thousand). Consequently the goodwill related to this hotel was written down by this amount.

The values in use of the Group's other hotels and the Outdoor Hospitality business were higher than their carrying amounts at September 30, 2017.

In the Education business, the recoverable amount of the "Preparatory classes» group of CGUs was €3.133 million lower than its carrying amount and a corresponding impairment loss was therefore recognized.

Sensitivity of the Recoverable Amount of Groups of CGUs to Changes in Assumptions

In accordance with IAS 36, the Group carried out sensitivity tests on the results of the impairment tests performed, using different assumptions for the discount rates, long-term growth rates and projected cash flows, as set out below.

The sensitivity tests were based on applying the following three changes to the assumptions used for the impairment tests:

- a 100 basis-point decrease in the long-term growth rate; or
- a 5% decrease in projected net cash flows based on the duration of the relevant business plans and on the terminal value; or
- a 50 basis-point increase in the discount rate.

The sensitivity tests carried out using the above three criteria did not identify any probable scenarios in which the recoverable amounts of the CGUs would be lower than their carrying amount for the Hotels business, apart from for two hotels for which the impairment losses would amount to between €447 thousand and €1,096 thousand.

The tests performed for the Education business showed that the three changes in assumptions would result in impairment losses of €1,529 thousand, €1,034 thousand and €1,366 thousand respectively for the «Preparatory classes» group of CGUs.

Finally, the sensitivity tests performed for the Outdoor Hospitality business showed that the three changes in assumptions would result in the assets' value in use (deemed to be their recoverable amount for the purposes of the tests) falling below their carrying amounts by (i) €10,164 thousand in the event of a 100 basis-point decrease in the long-term growth rate, (ii) €4,589 thousand in the event of a 5% decrease in projected net cash flows, and (iii) €6,958 thousand in the event of a 50 basis-point increase in the discount rate.

3.6 INVENTORIES

In accordance with IAS 2, inventories are measured at the lower of cost and net realizable value.

3.7 NON-DERIVATIVE FINANCIAL ASSETS

The Group classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

The Group's financial assets correspond to cash and cash equivalents, trade and other receivables, loans, and shares in non-consolidated companies. They are recognized on the trade date and are accounted for as follows:

- Cash and cash equivalents are generally measured at fair value with gains or losses arising from changes in fair value recognized in profit or loss.
- "Loans and receivables" – which include trade and other receivables, guarantees and deposits and miscellaneous loans and receivables – are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortized cost using the effective interest method. Where difficulties arise in recovering receivables, impairment losses are recognized on the basis of forecasts of the amounts expected to be received.
- Available-for-sale financial assets include shares in non-consolidated companies and investments in hedge funds. They are initially recognized at fair value (plus any directly attributable transaction costs) when fair value can be measured reliably, or otherwise at cost. Subsequent to initial recognition they are measured at fair value, and any gains or losses arising from changes in fair value – other than impairment losses – are recognized in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss. If there is objective evidence that a financial asset classified as available for sale has become impaired, an impairment loss is recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. Such objective evidence includes a significant and prolonged decline in the fair value of the asset to below its cost. Investments in non-consolidated companies that are not quoted in an active market and whose fair value cannot be reliably measured are stated at cost less any impairment losses.

Cash and cash equivalents consist of cash in hand, current bank accounts, and units in money-market funds which can be sold at short notice, are readily convertible into cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents whose movements are analyzed in the statement of cash flows are presented net of bank overdrafts.

3.8 NON-DERIVATIVE FINANCIAL LIABILITIES

Recognition and Measurement of Non-Derivative Financial Liabilities

The Group's non-derivative financial liabilities correspond to short- and long-term debt, trade and other payables and put options written over non-controlling interests. These liabilities are recognized on the trade date.

Short- and long-term debt and trade and other payables are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortized cost using the effective interest method.

When the Group acquires control of a subsidiary it may write a put option over the shares in that subsidiary held by a minority shareholder, which if exercised, obliges the Group to purchase those shares. In the consolidated financial statements, the financial liability arising from the put option is initially recognized at the present value of the option exercise price (determined in accordance with the applicable contractual provisions), with a corresponding adjustment to equity attributable to owners of the parent. The financial liability is subsequently measured at amortized cost using the effective interest method, with any remeasurement gains or losses recognized in equity.

When a financial instrument does not explicitly establish a contractual obligation to deliver cash to another entity but rather will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments, the financial instrument is considered to be an equity instrument and must be accounted for as such (i.e. with no remeasurement subsequent to initial recognition). Consequently, the preference shares issued by Group subsidiaries have been recognized as equity instruments because they correspond to non-controlling interests that meet the applicable recognition criteria as they (i) do not include a contractual obligation to deliver cash or another financial asset to another entity, (ii) only carry discretionary dividends, and (iii) do not require a settlement in a variable number of Group shares. The equity instruments issued by the Group are presented in Note 6.17.

If a financial instrument will or may be settled in the Group's own equity instruments but does not meet the conditions of exchange set out above, it is classified as a derivative instrument and measured at fair value through profit or loss (see below). The Group's derivative instruments are presented in Note 6.21.

Recognition and Measurement of Derivatives

Interest Rate and Foreign Currency Instruments

In accordance IFRS 13, the Group estimates the fair value of its interest rate and currency swaps.

The method used for recognizing changes in the fair value of these derivatives depends on (i) whether there is formal designation and documentation of a hedging relationship in compliance with the criteria in IAS 39, and (ii) the type of hedge used:

- If there is no hedging relationship within the meaning of IAS 39, changes in the fair value of the derivatives are recorded in the income statement.
- The effective portion of changes in the fair value of derivatives that qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement.
- Changes in the fair value of derivatives that qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Call Options over Non-Controlling Interests

In connection with certain specific investment transactions carried out by the Group, the holders of non-controlling interests in several Group subsidiaries have granted the Group call options over the shares they own. These call options are measured at fair value through profit or loss.

3.9 EMPLOYEE BENEFITS

The Group recognizes and measures employee benefits in accordance with IAS 19R. Employee benefits include short-term benefits (wages and salaries, vacation pay, bonuses, etc.) as well as post-employment benefits.

The only post-employment benefits in place within the Group are statutory retirement bonuses, which are determined in accordance with the applicable collective bargaining agreements. Statutory retirement bonuses correspond to benefits under defined benefit plans and are accounted for as such in the consolidated financial statements.

The Group measures its post-employment benefit obligations by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting that amount to its present value. The discount rate applied is determined by reference to the interest rates on high-quality corporate bonds that have the same terms to maturity as the terms of the obligations. The calculation is performed using the projected unit credit method.

The main actuarial assumptions used in fiscal 2016-2017 and 2015-2016 were as follows:

	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Discount rate	1.55%	0.80%
Estimated future increase in salaries	1% to 2%	1% to 2%

The cost of defined benefit plans comprises three different components, recognized as follows:

- Service cost, which is recognized in personnel costs. This component comprises (i) the cost of services rendered during the period, (ii) past service cost resulting from amendments or curtailments to a plan (which is recognized in full in the income statement in the period in which the amendment or curtailment occurs), and (iii) gains and losses on plan settlements.

- Interest expense or income, which is recognized under "Other financial income and expenses", and is calculated by applying the discount rate to the net defined benefit liability or asset.
- Gains and losses on the remeasurement of the defined benefit liability, which are recognized in other comprehensive income (under items that will not be reclassified to profit or loss). These correspond to actuarial gains and losses arising as a result of experience adjustments and changes in actuarial assumptions. Experience adjustments are the effects of differences between the previous actuarial assumptions and what has actually occurred.

3.10 PROVISIONS

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", provisions recorded by the Group are intended to cover liabilities of uncertain timing or amount. These liabilities represent a present legal or constructive obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. They include compensation estimated by the Group and its legal counsel for litigation, claims and disputes brought by third parties. The provisions are discounted when the effect of the time value of money is material.

3.11 INCOME TAX

The income tax expense for the period comprises current and deferred tax.

Other than in exceptional cases, deferred tax is recognized in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured using the liability method, based on the tax rates that are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. The effect of changes in tax rates is recognized in the income statement except when the changes relate to items recognized in other comprehensive income or directly in equity. Deferred taxes are not discounted.

In May 2006 and March 2009, the IFRS Interpretations Committee (IFRIC) confirmed that for a tax to fall within the scope of application of IAS 12, it must be calculated on the basis of taxable profit – with the term «taxable profit» implying a notion of a net rather than a gross amount – and that the net amount of taxable profit can be different from the profit figure used for financial reporting purposes. The Group considers that the French CVAE contribution does not meet these criteria or those set out in IAS 12 and has therefore elected to recognize this contribution under operating expenses.

3.12 SHARE-BASED PAYMENTS

The Group has entered into cross put and call option agreements with a number of minority shareholders. These instruments have been classified as cash-settled share-based payments.

In accordance with IFRS 2, "Share-based Payment", the call options have been recognized as a liability at their grant-date fair value with the related expense recorded over the vesting period of the options. The liability is remeasured to fair value at the end of each fiscal year.

As required under IFRS 2, the fair value of the options is determined based on valuation techniques that take into account the options' characteristics.

3.13 REVENUE

The Group's revenue is generated by its three main businesses:

- Hotels (mid- and high-end Parisian hotels)
- Outdoor Hospitality (campsites)
- Education (private higher education for the healthcare sector)

Revenue from the above businesses – corresponding to income arising on the sale of goods and services in the course of the Group's ordinary activities – is recognized in accordance with IAS 18, «Revenue», at the fair value of the consideration received or receivable.

Hotels and Outdoor Hospitality

The Group recognizes the revenue generated from hotels and outdoor hospitality services on the date corresponding to the customer's reservation, irrespective of whether the customer actually stays, as the income generated by the reservation is definitively acquired by the Group on that date.

Education

The Group recognizes the revenue it generates from services in the education sector at the time the lessons are actually delivered.

3.14 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In accordance with IFRS 5, a component of an entity (corresponding to operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity), is classified as a discontinued operation when it has either been disposed of or is classified as held for sale. In order for a component to be classified as held to sale it must (i) represent a separate major line of business or geographical area of operations, (ii) be part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or (iii) be a subsidiary acquired exclusively with a view to resale.

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

On initial classification as held for sale, non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated/amortized when they are classified as held for sale or when they form part of a disposal group classified as held for sale, and associates classified as held for sale cease to be accounted for by the equity method.

3.15 RECURRING OPERATING PROFIT

Recurring operating profit represents total income less total expenses before (i) non-recurring operating income and expenses, (ii) financial income and expenses, (iii) profit/(loss) from discontinued operations, and (iv) income tax. In accordance with recommendation 2013-01 issued by the French National Accounting Board (ANC), the Group has elected to present "Share of profit of equity-accounted investees" within recurring operating profit.

3.16 NON-RECURRING OPERATING INCOME AND EXPENSES

This item consists of income and expenses that are not considered as generated or incurred in the ordinary course of business, and mainly includes impairment of goodwill and other non-current assets, non-recurring significant restructuring costs, costs incurred during debt restructuring, acquisition costs of consolidated subsidiaries, and gains and losses on disposals of assets or investments in consolidated companies or equity-accounted investees.

3.17 SEGMENT REPORTING

The Group does not have any debt or equity instruments that are traded in a public market and it does not file, and is not in the process of filing, its consolidated financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instrument in a public market. Consequently, it is not obliged to provide the disclosures required under IFRS 8. However, the Group has chosen to present (in Note 6.2) information broken down by business segment, i.e. the Hotels business, the Outdoor Hospitality business, the Education business and the Catering business (via Elior Group, an associate of Bim SAS).

The Group uses EBITDA as a performance indicator for internal reporting purposes. EBITDA corresponds to recurring operating profit including share of profit of equity-accounted investees, before depreciation, amortization and provisions for recurring operating items.

The Group only operates in France.

F4. USE OF ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements requires Management of both the Group and its subsidiaries to use certain estimates and assumptions that may have an impact on the reported values of assets and liabilities at the balance sheet date and on items of income and expense for the period.

These estimates and assumptions – which are based on historical experience and other factors believed to be reasonable in the circumstances – are used to assess the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates.

Significant items that were subject to such estimates and assumptions include impairment tests for goodwill and other assets (Notes 3.5, 6.7 and 6.8), provisions for litigation and post-employment benefit obligations (Note 6.19), and deferred taxes (Note 6.15).

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is provided in Notes 3.8 and 3.12 concerning the classification of financial instruments, equity and share-based payments.

F5. CHANGES IN THE SCOPE OF CONSOLIDATION

The most significant transactions affecting the Group's scope of consolidation in the year ended September 30, 2017 were as follows:

- The Group acquired Centre Epsilon in the Education sector, which generated goodwill amounting to €1,224 thousand.
- The Group made a €320 thousand adjustment to the goodwill recognized on the prior-period acquisition of Le Relais de Torreilles Plage
- The Group bought out a number of non-controlling interests in companies operating in the Hotels business. These transactions – which are considered to be transactions between owners – had an aggregate €8,753 thousand negative impact on equity.
- The Group's ownership interest in Elior Group SA increased from 20.51% at September 30, 2016 to 22.67% at September 30, 2017 and its percentage of voting rights rose from 25.14% to 27.31%. See Note 6.11 for further details on these changes.

The most significant transactions affecting the scope of consolidation in the year ended September 30, 2016 were as follows

- The Group acquired Le Relais de Toreilles Plage – the company that operates the Les Dunes campsite at Toreilles, France. This acquisition generated goodwill amounting to €8,702 thousand.
- On August 31, 2016, the Group purchased all of the shares in the International Center of Osteopathy (CIDO) in Saint-Etienne, France, which generated €2,215 thousand in goodwill.
- On October 7, 2015, Collège Ostéopathique de Provence Aix-Marseille (COP Aix-Marseille) carried out a €72 thousand capital increase by issuing 71,616 new shares with a par value of €1 each, paid up in cash. The Group took up all of the shares making up the issue, which raised its interest in COP Aix-Marseille from 46.52% to 51% (constituting a controlling interest). This step-acquisition of control resulted in the recognition of €1,252 thousand in goodwill and €568 thousand in non-recurring income for fiscal 2015-2016.
- The Group bought out a number of non-controlling interests in companies operating in the Education business. These transactions – which are considered to be transactions between owners – had an aggregate €333 thousand impact on equity.
- The Group sold its entire interest in L'Institut d'Ostéopathie des Professionnels de Santé (IOPS) for a token amount of €1, representing a €22 thousand capital loss.
- The acquisitions and sales of Elior Group shares carried out during fiscal 2015-2016 are described in Note 2.

F6. NOTES TO THE INCOME STATEMENT AND BALANCE SHEET

6.1 REVENUE

Consolidated revenue – which is generated exclusively in France – climbed €7,642 thousand, or 12.05%, to €71,078 thousand in the year ended September 30, 2017 from €63,436 thousand for the year ended September 30, 2016.

The main growth driver was the Hotels business, whose revenue surged €4,766 thousand, or 54.7%, to €13,483 thousand. This performance was led by the recovery in the Parisian hotels sector overall as well as the first full-year impact of Le Roch Hôtel & Spa, which opened in July 2016. Excluding Le Roch Hôtel & Spa, revenue for the Hotels business was up by more than 6% year on year.

The Group's other businesses also contributed to the overall revenue increase (see Note 6.2 for further details).

6.2 INFORMATION BY BUSINESS SEGMENT

Recurring operating profit breaks down as follows by business segment:

- Year ended September 30, 2017

(in € thousands)	Holding Company	Catering	Education	Hotels	Outdoor Hospitality	Consolidated total
Revenue	148	-	33,193	13,483	24,255	**71,078**
Recurring operating profit/(loss)	(4,359)	-	1,432	(839)	6,090	**2,324**
EBITDA	(4,358)	24,264	2,687	2,186	10,471	**35,250**
Workforce (number of FTE)	4	-	258	102	137	**501**
Share of profit of equity-accounted investees	-	24,264	-	-	-	**24,264**

- Year ended September 30, 2016

(in € thousands)	Holding Company	Catering	Education	Hotels	Outdoor Hospitality	Consolidated total
Revenue	60	-	32,240	8,717	22,419	**63,436**
Recurring operating profit/(loss)	(3,880)	-	1,978	(1,597)	6,019	**2,507**
EBITDA	(3,869)	29,941	3,048	610	9,682	**39,413**
Workforce (number of FTE)	5	-	235	76	121	**437**
Share of profit of equity-accounted investees	-	29,941	-	-	-	**29,941**

The tables below provide a breakdown of non-current assets, bonds, bank borrowings and cash and cash equivalents by business segment:

- Year ended September 30, 2017

(in € thousands)	Holding Company	Catering	Education	Hotels	Outdoor Hospitality	Consolidated total
Goodwill	-	-	25,088	16,096	63,325	**104,508**
Intangible assets	-	-	829	8,915	645	**10,389**
Property, plant and equipment	3	-	7,858	45,820	44,610	**98,290**
Other non-current financial assets	1,500	-	975	76	28	**2,579**
Investments in equity-accounted investees	-	473,032	-	-	-	**473,032**
Total non-current assets	**1,503**	**473,032**	**34,750**	**70,907**	**108,607**	**688,799**
Bank borrowings (excl. overdrafts)	324,608	-	380	20,535	59,978	**405,500**
Cash and cash equivalents	15,110	-	3,444	2,226	13,418	**34,199**

- Year ended September 30, 2016

(in € thousands)	Holding Company	Catering	Education	Hotels	Outdoor Hospitality	Consolidated total
Goodwill	-	-	26,997	16,539	63,004	**106,540**
Intangible assets	-	-	613	8,936	528	**10,077**
Property, plant and equipment	2	-	7,458	48,447	41,030	**96,937**
Other non-current financial assets	1,500	-	942	1,222	17	**3,681**
Investments in equity-accounted investees	-	380,687	-	-	-	**380,687**
Total non-current assets	**1,502**	**380,687**	**36,011**	**75,144**	**104,578**	**597,921**
Bank borrowings (excl. overdrafts)	230,703	-	1,074	22,744	57,294	**311,815**
Cash and cash equivalents	41,483	-	4,706	2,317	11,904	**60,410**

6.3 PERSONNEL COSTS AND WORKFORCES

Personnel costs amounted to €25,643 thousand in fiscal 2016-2017 versus €23,569 thousand the previous year, reflecting a decrease in the ratio of labor costs to revenue (from 37.2% to 36.1%).

The Company's workforce at September 30, 2017 and September 30, 2016 was as follows:

	At Sept. 30, 2017	At Sept. 30, 2016
Managers and supervisors	254	231
Other employees	247	206
Total workforce	**501**	**437**

6.4 FINANCIAL INCOME AND EXPENSES

(in € thousands)	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
IInterest expense on debt	(10,553)	(11,907)
Other financial expenses	(10,651)	(39,063)
Amortization and provisions for financial assets	(101)	(703)
Financial expenses	**(21,305)**	**(51,673)**
Income from investments	205	172
Other financial income	3,824	811
Reversals of amortization and provisions forfinancial assets	536	532
Financial income	**4,566**	**1,515**
Net financial expense	**(16,740)**	**(50,158)**

For the year ended September 30, 2017, other financial income and expenses primarily corresponded to the effect of remeasuring financial instruments recognized at fair value and related to:

- The Group's secured exchangeable bonds (an €8,590 thousand expense).
- The financial asset recognized in connection with collars (€2,779 thousand in income).

The €200 million worth of secured bonds exchangeable for 8.88 million Elior Group shares that were issued by Bim on October 28, 2015 at a price of €22.52 were recognized at fair value for the first time at March 30, 2016 with fair value remeasurements recognized in the financial statements since that date. Following the Elior Group dividend payment in April 2017, the exchange ratio of the bonds was increased to 1.0014, which means that the bonds are now exchangeable for a total of 8.893 million Elior Group shares.

At September 30, 2017, Bim accounted for 39.2 million Elior Group shares by the equity method in its consolidated financial statements and consequently the value of these shares on the assets side of the balance sheet has not been remeasured in line with the rise in the Elior Group share price. The carrying amount of these shares in the consolidated financial statements was €473.0 million at September 30, 2017, representing €12.07 per share compared with a market value of €22.40 per share (based on the closing price at that date).

6.5 NON-RECURRING OPERATING INCOME AND EXPENSES

For the year ended September 30, 2017, «Non-recurring operating income and expenses» represented a net expense of €3,850 thousand and mainly included goodwill impairment losses relating to (i) the "Preparatory classes" CGU (€3,133 thousand) and (ii) a hotel (€443 thousand).

For the year ended September 30, 2016, «Non-recurring operating income and expenses» represented net income of €66,186 thousand and mainly included:

- The €69,070 thousand disposal and dilution gain recognized in relation to the Group's investment in Elior Group (see Note 2).
- €1,079 thousand in costs related to restructuring the financing of the Outdoor Hospitality business.
- €490 thousand in acquisition costs for the campsite at Torreilles.
- €370 thousand in other non-recurring expenses arising on the closure of Le Roch Hôtel & Spa during its refurbishment works.
- €1,121 thousand in additional restructuring costs for the Education business.
- A €568 thousand gain recognized on the step acquisition of a controlling interest in Collège Ostéopathique de Provence.

6.6 INCOME TAX

(in € thousands)	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Current taxes	4	(1,149)
Deferred taxes	(1,060)	(5,114)
TOTAL	**(1,057)**	**(6,263)**

Reconciliation between theoretical income tax expense and actual income tax expense:

(in € thousands)	Year ended Sept. 30, 2017		Year ended Sept. 30, 2016	
	Base	Tax impact	Base	Tax impact
Profit before income tax	5,998		48,477	
Share of profit of equity-accounted investees	(24,264)		(29,941)	
Profit before income tax and share of profit of equity-accounted investees	(18,265)		18,536	
Theoretical income tax (expense)/benefit		6,088		(6,382)
Effect of different tax rates		(837)		182
Share of costs on dividends and net proceeds from sales of equity interests		(266)		(458)
Goodwill impairment		(1,192)		-
Untaxed disposal and dilution gains		770		21,524
Fair value adjustments on bonds exchangeable for Elior Group shares		(2,863)		(10,588)
Ceiling on recognition of deferred tax assets		(3,785)		(10,346)
Other		1,029		(195)
Net income tax (expense)/benefit		**(1,057)**		**(6,263)**

At September 30, 2017, the Group applied a ceiling on the recognition of deferred tax assets recoverable by offsetting prior-period losses against future taxable profit. This ceiling was based on the same five-year earnings projections contained in the business plans of the Group's various businesses as those used for calculating value in use for the impairment tests performed on non-financial assets (see Note 3.5).

(in € thousands)	Education	Hotels	Outdoor Hospitality	Total
Value at September 30, 2015	**23,501**	**16,539**	**54,302**	**94,341**
Acquisitions	3,497	-	8,702	12,199
Value at September 30, 2016	**26,998**	**16,539**	**63,004**	**106,540**
Acquisitions	1,224	-	320	1,544
Impairment	(3,133)	(443)		(3,576)
Value at September 30, 2017	**25,089**	**16,096**	**63,325**	**104,508**

Movements in goodwill in the year ended September 30, 2017 included the following:

- A €320 thousand increase due to the adjustment of goodwill relating to Le Relais de Torreilles Plage, which was acquired during fiscal 2015-2016 (see Note 5).
- A €1,224 thousand addition as a result of the acquisition of Centre Epsilon (see Note 5).
- A €3,133 thousand impairment loss recognized against the goodwill relating to the "Preparatory classes" CGU (see Note 3.5).
- A €443 thousand impairment loss recognized against the goodwill relating to a hotel (see Note 3.5).

The €12,199 thousand year-on-year increase in goodwill in the year ended September 30, 2016 reflected (i) the acquisition of Le Relais de Torreilles Plage, (ii) the acquisition of a controlling interest in Collège Ostéopathique de Provence Aix-Marseille ("COP Aix-Marseille"), and (iii) the purchase of CIDO (see Note 5).

6.8 INTANGIBLE ASSETS

(in € thousands)	Concessions, patents and similar rights	Leasehold rights	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross amount at September 30, 2015	**1,336**	**9,714**	**258**	**-**	**11,307**
Acquisitions	244	-	93	26	363
Disposals/retirements	(207)	-	(30)	-	(237)
Other movements	394	-	-	-	394
Gross amount at September 30, 2016	**1,767**	**9,714**	**321**	**26**	**11,827**
Acquisitions	167	-	176	-	343
Disposals/retirements	(21)	-	(25)	-	(46)
Other movements	56	19	2	(26)	51
Gross amount at September 30, 2017	**1,968**	**9,733**	**474**	**-**	**12,175**
Accumulated amortization and impairment losses at September 30, 2015	**(852)**	**(403)**	**(98)**	**-**	**(1,353)**
Additions	(152)	(48)	(28)	-	(228)
Reversals due to asset disposals/retirements	204	-	-	-	204
Other movements	(372)	-	-	-	(372)
Accumulated amortization and impairment losses at September 30, 2016	**(1,172)**	**(451)**	**(126)**	**-**	**(1,749)**
Additions	(199)	(48)	187	-	(60)
Reversals due to asset disposals/retirements	18	-	25	-	44
Other movements	(23)	-	3	-	(20)
Accumulated amortization and impairment losses at September 30, 2017	**(1,376)**	**(499)**	**90**	**-**	**(1,785)**
Carrying amount at September 30, 2016	**595**	**9,263**	**195**	**26**	**10,078**
Carrying amount at September 30, 2017	**593**	**9,234**	**564**	**-**	**10,389**

The Group's intangible assets essentially comprise leasehold rights related to The Chess Hotel building. Other movements in the year ended September 30, 2016 primarily related to the acquisition of a controlling interest in COP Aix-Marseille (see Note 5).

6.9 PROPERTY, PLANT AND EQUIPMENT

(in € thousands)	Land	Buildings	Technical installations	Other items of property, plant and equipment	Assets under construction	Prepayments to suppliers of property, plant and equipment	Total property, plant and equipment
Gross amount at September 30, 2015	**19,120**	**37,494**	**3,513**	**38,703**	**4,457**	**-**	**103,288**
Acquisitions	733	4,632	545	15,621	5,368	102	27,001
Disposals/retirements	-	(143)	(140)	(2,337)	-	-	(2,620)
Other movements	3,202	2,729	300	10,507	(9,176)	-	7,563
Gross amount at September 30, 2016	**23,055**	**44,712**	**4,219**	**62,494**	**649**	**102**	**135,233**
Acquisitions	407	1,550	787	7,626	198	4	10,571
Disposals/retirements	-	(730)	(386)	(496)	-	-	(1,612)
Other movements	-	(100)	0	532	(767)	(41)	(377)
Gross amount at September 30, 2017	**23,462**	**45,433**	**4,620**	**70,156**	**79**	**65**	**143,815**
Accumulated depreciation and impairment losses at September 30, 2015	**(987)**	**(12,793)**	**(2,429)**	**(16,265)**		**-**	**(32,474)**
Additions	(185)	(2,149)	(294)	(4,243)			(6,872)
Reversals due to asset disposals/retirements	-	143	121	2,187			2,451
Other movements	-	(307)	(270)	(824)			(1,401)
Accumulated depreciation and impairment losses at September 30, 2016	**(1,173)**	**(15,106)**	**(2,871)**	**(19,146)**			**(38,296)**
Additions	(230)	(2,400)	(317)	(5,757)			(8,704)
Reversals due to asset disposals/retirements	-	605	364	614			1,583
Other movements	1	97	0	(206)			(108)
Joint operation							
Accumulated depreciation and impairment losses at September 30, 2017	**(1,403)**	**(16,804)**	**(2,824)**	**(24,494)**	**-**	**-**	**(45,525)**
Carrying amount at September 30, 2016	**21,883**	**29,606**	**1,349**	**43,348**	**649**	**102**	**96,937**
Carrying amount at September 30, 2017	**22,059**	**28,629**	**1,796**	**45,662**	**79**	**65**	**98,290**

At September 30, 2017 and 2016 the carrying amounts of property, plant and equipment acquired under finance leases were €13,329 thousand and €10,633 thousand respectively.

The amount recorded in "Other movements" in the year ended September 30, 2017 primarily reflects the scrapping of assets corresponding to an eating area that is being entirely refurbished at the Torreilles Plage campsite. This campsite was acquired in fiscal 2015-2016 and the amount of goodwill recognized on the acquisition was adjusted in fiscal 2016-2017 (see Note 6.7).

(in € thousands)	Sept. 30, 2017	Sept. 30, 2016
Loans, guarantees and other receivables	2,070	1,975
Investments in non-consolidated companies and other long-term equity interests	510	1,706
Non-current financial assets	**2,579**	**3,681**

6.11 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES (ASSOCIATES)

Elior Group

In both of the fiscal years presented in these consolidated financial statements the Group exercised significant influence over the holding company of the Elior group.

The Group's ownership interest in Elior Group increased from 20.51% at September 30, 2016 to 22.67% at September 30, 2017, following:

- The acquisition on April 7, 2017 of 3,765,084 Elior Group shares for an aggregate price of €81,904 thousand.
- A 0.01% dilution in Bim's interest as a result of Elior Group SA issuing 107,310 new shares, none of which were taken up by Bim.

The carrying amount of the Elior Group shares held by Bim (accounted for by the equity method) totaled €473,032 thousand at September 30, 2017 compared with €380,687 thousand at September 30, 2016.

(in € thousands)	Sept. 30, 2017	Sept. 30, 2016
Amount at beginning of period	380,687	313,590
Dividends paid	(15,054)	(13,000)
Capital increase and share transactions	81,708	54,504
Share of profit of equity-accounted investees	24,264	29,941
Other movements	1,427	(4,348)
Amount at end of period	**473,032**	**380,687**

"Other movements" include the Group's share of (i) Elior Group's other comprehensive income/(expense) for the period, which represented an expense of €1,496 thousand in fiscal 2016-2017 and an expense of €4,143 thousand for fiscal 2015-2016, and (ii) changes in Elior Group's equity.

A summarized consolidated balance sheet and income statement for the Elior group is presented below (in millions of euros).

(in € millions)	Sept. 30, 2017	Sept. 30, 2016
Non-current assets	3,991	3,782
Current assets	1,202	1,335
Total assets	5,193	5,117
Non-current liabilities	1,931	2,099
Current liabilities	1,644	1,461
Total liabilities	3,575	3,560
Total equity	1,618	1,557
o/w non-controlling interests	*55*	*41*
Amortization of Elior Group goodwill applied in Bim's consolidated financial statements prior to the transition to IFRS	(286)	(286)
Share held by the Group	290	252
Goodwill	183	128
Value of Elior Group shares	**473**	**381**

(in € millions)	Year ended at Sept. 30, 2017	Year ended at Sept. 30, 2016
Revenue	6,422	5,896
Operating profit	258	281
Profit for the period	117	139
o/w attributable to non-controlling interests	3	3
Profit attributable to the Bim Group	**24**	**30**

6.12 TRADE AND OTHER RECEIVABLES

(in € thousands)	Sept. 30, 2017		Sept. 30, 2016	
	Gross	Net	Gross	Net
Trade receivables	21,732	21,337	17,108	16,822
Prepayments to suppliers	133	133	70	70
Employee-related receivables	50	49	62	62
Tax receivables (other than income tax)	5,198	5,198	4,020	4,020
Current accounts	44	44	5	5
Miscellaneous receivables	1,290	174	2,791	1,340
Total trade and other receivables	**28,447**	**26,936**	**24,056**	**22,319**

6.13 OTHER CURRENT ASSETS

(in € thousands)	Sept. 30, 2017	Sept. 30, 2016
Prepaid expenses	2,056	2,186
Financial receivables	13	13
Other current assets	**2,069**	**2,199**

6.14 CASH AND CASH EQUIVALENTS

(in € thousands)	Sept. 30, 2017	Sept. 30, 2016
Marketable securities	398	27,276
Cash	34,086	33,230
Cash and cash equivalents presented in the balance sheet	**34,484**	**60,506**
Bank overdrafts used (included in short-term debt in the balance sheet)	(285)	(95)
Net cash and cash equivalents presented in the statement of cash flows	**34,199**	**60,410**

6.15 DEFERRED TAXES

The deferred tax balances recorded in the consolidated balance sheet at September 30, 2017 and 2016 break down as follows by type of temporary difference:

(in € thousands)	Sept. 30, 2017	Sept. 30, 2016
Non-deductible provisions	(234)	(234)
Provisions for post-employment benefit obligations	437	311
Fair value adjustments	455	1,421
Share acquisition costs	272	572
Leasehold rights	(2,415)	(2,970)
Recognition of tax loss carryforwards	5,217	5,776
Other temporary differences	(1,672)	(1,530)
Total	**2,059**	**3,347**
- Deferred tax assets	4,952	6,818
- Deferred tax liabilities	(2,893)	(3,471)
Total	**2,059**	**3,347**

Tax losses not recognized as deferred tax assets at September 30, 2017 and 2016 amounted to €12,770 thousand and €11,400 thousand respectively. No deferred tax assets have been recognized in relation to these tax losses as their recovery is not deemed to be probable within five years. Tax losses can be carried forward indefinitely.

6.16 ASSETS HELD FOR SALE OR HELD FOR DISTRIBUTION TO OWNERS AND DISCONTINUED OPERATIONS

On March 9, 2016, the Group approved a plan drawn up by the shareholders of El Rancho and Caraux & Associés to sell these companies or their assets.

At September 30, 2016, as the relevant recognition criteria under IFRS 5 had been met, the shares and assets of El Rancho and Caraux & Associés were reclassified to "Assets classified as held for sale" in Bim's consolidated balance sheet.

At September 30, 2017, as the sale process was still under way, these shares and assets were once again classified as held for sale. The value of the assets decreased significantly during the year, from €4,222 thousand to €3,249 thousand, following the sale of a key site and the subsequent partial repayment of loans granted by Bim.

6.17 EQUITY

1/ Share Capital of the Parent Company (Bim SAS)

At September 30, 2017, Bim SAS's share capital was made up of 394,675,961 shares with a par value of €0.01 each, compared with 403,576,485 shares (with a par value of €0.01) at September 30, 2016.

The Group's strategy is to keep a solid capital base in order to maintain the trust of investors and creditors and support future business development.

2/ Put Options over Non-Controlling Interests

The Group has written put options over non-controlling interests in a number of its subsidiaries. The value of the liabilities recognized for these options is presented in Note 6.22 and their effect on the Group's equity is explained in the comments below the statement of changes in equity.

6.18 LONG-TERM PROVISIONS

(in € thousands)	Provisions for claims and litigation	Other provisions for contingencies	Other provisions for charges	Total long-term provisions
Long-term provisions at September 30, 2016	**605**	**1,591**	**173**	**2,369**
Additions	105	790	59	954
Reversals	(202)	(1,319)	(101)	(1,648)
Long-term provisions at September 30, 2017	**543**	**1,037**	**130**	**1,710**

Long-term provisions primarily correspond to provisions for contingencies recognized in relation to the Education business following the restructurings launched as from 2014.

6.19 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group's post-employment benefit obligations are described in Note 3.9 above.

Movements in this item break down as follows for fiscal 2016-2017 and fiscal 2015-2016:

(in € thousands)	
At September 30, 2015	**571**
Service cost	94
Interest expense	14
Actuarial (gains) and losses	105
Newly-consolidated company	145
At September 30, 2016	**929**
Service cost	142
Interest expense	7
Actuarial (gains) and losses	481
At September 30, 2017	**1,560**

6.20 DEBT

(in € thousands)	Sept. 30, 2017	Sept. 30, 2016
Long-term bank borrowings	387,862	296,001
Short-term bank borrowings	7,753	7,227
Total bank borrowings	**395,616**	**303,228**
- Fixed-rate bank borrowings	325,154	235,284
- Variable-rate bank borrowings	70,462	67,944
Finance lease liabilities	**10,169**	**8,684**
Total debt	**405,785**	**311,911**

The majority of the €395,616 thousand worth of total bank borrowings recognized at September 30, 2017 corresponds to bonds issued by Bim SAS, i.e. the secured bonds exchangeable for Elior Group SA shares issued in November 2015 and the Euro PP carried out on September 29, 2017 (see Note 2), which respectively represented €236,030 thousand and €84,236 thousand (net of issue costs). The balance primarily comprises financing set up for acquisitions in the Hotels and Outdoor Hospitality businesses.

Financial Covenants

The main loans taken out by the Bim Group include covenants based on the loan-to-value, or LTV, ratio (net debt/revalued non-current assets). This ratio is calculated each month for the Group's new bond debt (the Euro PP) and at each annual and half-yearly reporting date for both (i) the equity swap financing arrangement entered into by Bim SAS in April 2017 (which was undrawn at September 30, 2017) and (ii) the €75 million loan taken out by Financière de Bel Air SAS in June 2016, of which €50 million had been drawn down at September 30, 2017.

Financière de Bel Air SAS's €75 million loan is also subject to a covenant based on the leverage ratio (net debt/EBITDA) of the Outdoor Hospitality business, calculated at each annual reporting date.

Early repayment of the borrowings concerned could be triggered in the event of non-compliance with the above covenants. All of the covenants applicable at September 30, 2016 and September 30, 2017 were respected by the Group.

6.21 DERIVATIVE FINANCIAL INSTRUMENTS

At September 30, 2017, derivative financial instruments recognized under liabilities corresponded to interest rate hedges.

Derivatives recognized on the assets side of the balance sheet related to prepaid forward sales of Elior Group shares hedged by collars (covering at total of 8 million shares).

1/ Prepaid Forward Sales Hedged by Collars

On February 1, March 22 and June 23, 2016, the Group put in place three structured loans in the form of prepaid forward sales of Elior Group shares hedged by collars. These transactions led to the sale of 4,348,000 Elior Group shares and the recognition of a derivative instrument for which fair value remeasurements amounting to €13,936 thousand were recorded at September 30, 2017 (versus €11,158 thousand at September 30, 2016).

2/ Interest Rate Swaps, Currency Swaps and Forward Currency Contracts

The Group's derivative financial instruments are accounted for in accordance with IAS 39 using the method described in Note 3.8.

At September 30, 2017 and September 30, 2016, a portion of the Group's debt was hedged by interest rate swaps.

The impacts of the Group's derivative financial instruments are presented in the table below:

(in € thousands)	Sept. 30, 2017			Sept. 30, 2016	
	Hedging period	Notional amount	Fair value	Notional amount	Fair value
Interest rate hedging instruments					
LAMARTINE CHB	From Oct. 9, 2013 through Dec. 31, 2021	354	(12)	437	(21)
SCI ST ROCH	From Oct. 7, 2013 through July 5, 2023	7,280	(701)	7,980	(1,017)
BIM	From Dec. 15, 2014 through June 11, 2019	60,000	(639)	60,000	(1,135)
BIM	From June 15, 2015 through June 11, 2019	38,750	(365)	38,750	(657)
BIM	From Nov. 13, 2020 through Nov. 13, 2025	50,000	199	50,000	(1,423)
Total		**156,384**	**(1,517)**	**157,167**	**(4,253)**

Hedge accounting has only been applied to the interest rate hedges set up for SCI Saint Roch and some of the interest rate hedges set up for Bim. The Group's other hedging instruments have been accounted for at fair value through profit or loss.

The Group's overall hedging rate is presented in the description of financial risk management provided in Note 6.27 below.

6.22 OTHER NON-CURRENT LIABILITIES

At September 30, 2017, other non-current liabilities primarily included:

- €9,339 thousand in liabilities relating to acquisitions of securities, which correspond to the put options written by the Group over non-controlling interests (see Note 6.17). These liabilities amounted to €9,103 thousand at September 30, 2016. The characteristics of the put options are summarized in the table below:

Type of securities	Number of securities	Start date of exercise period	Expiration of exercise period
Shares	2,552,500	July 22, 2011	July 22, 2021
Shares	1,170,000	Dec. 14, 2012	n/a
Shares	859,733	Jan. 29, 2015	July 31, 2018
Shares	1,313,057	Jan. 18, 2016	Jan. 31, 2019
Shares	20,000	Sept. 26, 2017	Sept. 30, 2022
Bonds redeemable in shares (ORA)	3,495,000	July 22, 2011	July 22, 2021

- €2,591 thousand in liabilities relating to holders of non-controlling interests who are Group employees (€6,128 thousand at September 30, 2016). The Group has entered into cross put and call option agreements with certain employees, with the number of shares under option contingent on the achievement of financial performance conditions based on an internal rate of return. The options are exercisable if all of the underlying shares are sold, or in the event they are not all sold, after the seventh anniversary of the signature date of the agreement. In view of the contractual provisions of the agreements, the Group considers that these options correspond to cash-settled share-based instruments in accordance with the criteria in IFRS 2. At September 30, 2017 only one of these options was still outstanding, which was granted in 2014, is not subject to a vesting period and has an exercise period expiring on October 31, 2024. The expenses recognized in the income statement for these instruments corresponded to €242 thousand in fiscal 2016-2017 and €622 thousand in fiscal 2015-2016.

6.23 OTHER CURRENT LIABILITIES

At September 30, 2017, this item totaled €26,069 thousand (versus €23,977 thousand at September 30, 2016) and primarily corresponded to deferred income related to the Education business, in which customers make payments in advance.

6.24 CONSOLIDATED CASH FLOWS

The main movements in cash and cash equivalents in the year ended September 30, 2017 were as follows:

- €6,304 thousand in net cash generated from operating activities, reflecting:
  - EBITDA (excluding the Group's share of Elior Group's profit) amounting to €10,986 thousand, or €11,083 thousand after the elimination of non-cash items.
  - A €2,263 thousand cash outflow arising from the change in working capital, mainly attributable to the Education business.
  - A €2,665 thousand cash outflow from "Other income and expenses with an impact on cash generated from/(used in) operations", primarily breaking down as €710 thousand related to restructuring measures in the Education business, €422 thousand for financial commissions and securities transaction fees paid by the Holding company, and €1,170 thousand in premiums paid on collars.
- An €83,208 thousand negative effect of changes in scope of consolidation, breaking down as (i) €81,905 thousand for the purchase of Elior Group shares by Bim SAS and (ii) €1,303 thousand corresponding to the acquisition price of Centre Epsilon acquired by the Group's Education business (net of that entity's existing cash at the acquisition date).
- A €10,066 thousand net cash outflow arising from purchases and sales of non-controlling interests in companies controlled by the Group, breaking down as:
  - An €11,849 thousand outflow for the buyout of the remaining non-controlling interests in the Hotels business.
  - A €1,782 thousand inflow corresponding to the acquisition by non-controlling interests of a stake in the Outdoor Hospitality business through the purchase from Bim SAS of bonds redeemable in shares issued by Holding Bel Air Investissements.
- A net cash outflow of €8,478 thousand for purchases of property plant and equipment and intangible assets, mainly relating to (i) refurbishment of Le Roch Hôtel & Spa (€1,713 thousand), (ii) outlay on campsite infrastructure (€4,727 thousand), and (iii) investments in colleges in the Education business (€1,940 thousand).
- €15,195 thousand in dividends received from Elior Group.
- A €17,000 cash outflow recorded under "Movements in share capital", relating to BIM SAS's buyback and cancelation of its own shares.
- €163,646 thousand in proceeds from borrowings, essentially corresponding to (i) €158,935 thousand (net of issuance costs) raised by BIM SAS to finance the purchase of Elior Group shares through the €75 million in equity swap financing set up in April 2017 (refinanced in September 2017 via the €85 million Euro PP), (ii) €4,303 thousand worth of bank borrowings taken out by the Outdoor Hospitality business (representing the last drawdown on the €50 million structured financing loan set up in June 2016), and (iii) €386 thousand worth of bank borrowings taken out by the Hotels business.
- An €83,748 thousand cash outflow for repayments of the following borrowings: (i) €75 million in equity swap financing, repaid using the proceeds from the Euro PP (see above), (ii) the last early repayments of the borrowings taken out prior to the June 2016 structured financing set up for the Outdoor Hospitality business, representing an outflow of €5,986 thousand, (iii) scheduled repayments under borrowing programs put in place for the Hotels business (€2,078 thousand), and (iv) borrowings taken out for the Education business (€685 thousand).
- Cash and cash equivalents at September 30, 2017 presented in the cash flow statement include authorized bank overdrafts used at the reporting date, which were recognized in current financial liabilities in the balance sheet in an amount of €285 thousand (€95 thousand at September 30, 2016).

6.25 OFF-BALANCE SHEET COMMITMENTS

Guarantees Given/Received

(in € thousands)	Sept. 30, 2017	Sept. 30, 2016
Guarantees given for borrowings	495,484	411,533
Commitments given related to operating activities	**495,484**	**411,533**
Capital expenditure commitments	-	-
Commitments given related to financing activities	**-**	**-**
Sellers' warranties		
Commitments given related to changes in scope of consolidation	**-**	**-**
Total commitments given	**495,484**	**411,533**

Guarantees given for borrowings correspond to:

- Mortgages on land or buildings purchased.
- Pledges of business bases or shares in non-consolidated companies.

Commitments Given under Operating Leases

At September 30, 2017, the Group's total commitments under operating leases – based on the residual terms of the leases concerned – stood at €23,111 thousand (corresponding to leases of buildings used in the Group's operations), and broke down as follows by maturity:

- Due in less than one year: €4,901 thousand
- Due between 1 and 5 years: €11,421 thousand
- Due beyond 5 years: €6,789 thousand

6.26 RELATED PARTY TRANSACTIONS

On February 13, 2014 a current account agreement was entered into between Bim SAS and the holding company of the themed catering group El Rancho, of which Bim SAS is a shareholder (non-consolidated company). Interest on the cash advance granted under this current account agreement amounts to 10% and the advance expires on December 31, 2018. On June 28, 2017, a loan agreement was entered into between these same parties, in which Bim SAS undertook to grant El Rancho a loan representing a principal amount of €461 thousand with a graduated interest rate varying between 1% for the first year of the loan to 10% for the last year. In connection with the bankruptcy reorganization plan put in place for El Rancho and approved by the commercial court on December 16, 2015, Bim SAS granted a further two loans (for the purpose of financing the plan), representing an aggregate €2,566 thousand with a fixed interest rate of 7%. The outstanding amount repayable on these loans had decreased to €876 thousand at September 30, 2017. Finally, on July 4, 2017 Bim SAS granted El Rancho another loan, amounting to €300 thousand, with an annual interest rate of 2% until October 2017 and 5% from October 1, 2017 through December 31, 2017.

On August 3, 2016 Bim SAS took up €500 thousand worth of shares issued by the e-commerce start-up Afrimarket. These shares were acquired in addition to the €1 million worth of convertible bonds that Bim SAS has held since January 2015 issued by Yako, the holding company of the founders of Afrimarket.

6.27 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Exposure to Foreign Exchange Risk

The Group only operates in France and all of its external financing is denominated in euros. .

Exposure to Interest Rate Risk

The Group is exposed to the risk of fluctuations in interest rates on certain variable-rate debt whose rates are indexed to the Euro Interbank Offered Rate ("Euribor") plus a margin.

In order to manage interest rate risk, the Group has set up interest rate swaps. These hedging instruments help to mitigate the impact that the Group's variable-rate debt may have on cash. Hedges set up using options are referred to as "optional hedges" and other hedges are referred to as "firm hedges". The net amount of firm hedges set up does not exceed the amount of the Group's debt for a given period. The rates at which the Group's debt is hedged (against the 3-month Euribor) were as follows at September 30, 2017 and 2016:

Interest rate hedging instruments	Sept. 30, 2017	Sept. 30, 2016
OOI VIII (Mayotte)	-	0.89%
OI X (Verdon)	-	1.05%
LAMARTINE CHB	1.36%	1.36%
SCI ST ROCH	2.18%	2.18%
BIM	0.30%	0.39%

At September 30, 2017, the sensitivity of the Group's finance costs to a 1% increase in market interest rates was approximately a decrease of €0.36 million taking into account the interest rate hedges in place (corresponding to fixed-rate borrower swaps on a notional amount of €106.4 million). This amount does not include the €50 million forward-start interest rate swap entered into by the Group which takes effect in 2020.

At September 30, 2016, the sensitivity to a 1% increase in market interest rates was a decrease of €0.23 million of the interest charge.

Exposure to Interest Rate Risk

The Group manages liquidity risk by maintaining adequate reserves, bank loan facilities and reserve borrowing facilities, by drawing up forecast cash flows, carefully monitoring actual cash flows by comparing them against the forecasts, and matching the maturity profiles of financial assets and financial liabilities wherever possible. It also puts in place hedging instruments and systems to track the value of its assets in order to ensure compliance with financial covenants.

The Group's financial assets and liabilities at September 30, 2017 and 2016 can be analyzed as follows by maturity:

- At September 30, 2017:

	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Financial liabilities				
Borrowings	7,753	292,572	105,460	405,785
Derivative financial instruments	-	1,517	-	1,517
Other financial liabilities	26,069	12,487	-	38,556
Financial assets				
Trade and other receivables	26,936	-	-	26,936
Derivative financial instruments	-	13,936	-	13,936
Other financial assets	2,069	2,579	-	4,648
Net position before hedging	**4,818**	**290,060**	**105,460**	**400,338**

- At September 30, 2016:

	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Financial liabilities				
Borrowings	7,227	134,815	169,870	311,911
Derivative financial instruments	-	4,253	-	4,253
Other financial liabilities	23,977	15,854	-	39,831
Financial assets				
Trade and other receivables	22,319	-	-	22,319
Derivative financial instruments	-	11,158	-	11,158
Other financial assets	2,199	3,681	-	5,879
Net position before hedging	**6,686**	**140,083**	**169,870**	**316,638**

Exposure to Credit and Counterparty Risk

Credit and/or counterparty risk is the risk that a party to a contract with the Group will fail to meet its obligations in accordance with agreed terms, leading to a financial loss for the Group.

The main financial instruments that could expose the Group to concentrations of counterparty risk are cash and cash equivalents, investments and derivatives. The Group's maximum exposure to credit risk corresponds to the carrying amount of all of the financial assets recognized in the consolidated financial statements, net of any accumulated impairment losses.

The Group only enters into hedging agreements with leading financial institutions and it currently considers that the risk of any of these counterparties defaulting on their contractual obligations to be very low as the financial exposure of each of these financial institutions is limited.

Fair Value of Financial Assets and Liabilities

The table below presents the Group's financial assets and liabilities by category as well as their carrying amounts and fair values and the account headings in which they are included in the consolidated balance sheet. It also classifies financial instruments carried at fair value in accordance with the levels of the IFRS fair value hierarchy as follows:

- Level 1: Quoted instruments in an active market.
- Level 2: Instruments whose fair value is determined using observable inputs other than quoted prices included within Level 1.
- Level 3: Instruments whose fair value is determined using valuation techniques based on unobservable inputs.

(in € thousands)			Sept. 30, 2017		Sept. 30, 2016	
Financial assets	Carried at amortized cost	Fair value hierarchy level	Carrying amount	Fair value	Carrying amount	Fair value
HHedge funds		Level 3	-	-	0	-
Investments in non-consolidated companies		(**)	510	510	1,706	1,706
Other non-current financial assets	√	Level 2	2,070	2,070	1,975	1,975
Derivative financial instruments		(*)	13,936	13,936	11,158	11,158
Trade and other receivables	√	(*)	26,936	26,936	22,319	22,319
Other current assets	√	(*)	2,055	2,055	2,199	2,199
Cash and cash equivalents		Level 1	34,484	34,484	60,506	60,506
Total financial assets			**79,991**	**79,991**	**99,863**	**99,863**
Financial liabilities						
Other non-current liabilities	√	Level 3	12,487	12,487	15,854	15,854
Long- and short-term debt	√	Level 2	405,785	405,785	311,911	311,911
Derivative financial instruments		Level 2	1,517	1,517	4,253	4,253
Trade and other payables	√	(*)	16,747	16,747	18,362	18,362
Other current liabilities	√	(*)	26,069	26,069	23,977	23,977
Total financial liabilities			**462,606**	**462,606**	**374,357**	**374,357**

(*) The fair values of current assets and liabilities were not measured as their carrying amounts correspond to a reasonable approximation of their fair values.
(**) Investments in non-consolidated companies are measured at cost as their fair values cannot be estimated reliably.

6.28 SIGNIFICANT EVENTS AFTER THE REPORTING

Education (Novetude Santé)

In October 2017, the Novetude Santé group acquired Hippocrate-ECN, a leading player in seminars, conferences and courses for preparing for the competitive exam for medical school internships. Hippocrate-ECN – which generates annual revenue of around €1 million – will join Novetude Santé's "Conférence Hermès" sub-group.

Hotels

Following a legal reorganization of the equity interests held in the Group's Hotels business, Collection Bagatel SAS took over from Cie Hôtelière de Bagatelle's as the business's holding company. Since October 1, 2017, Collection Bagatel SAS and the majority of its subsidiaries have joined the tax group headed by Sofibim SAS.

Outdoor Hospitality

It is highly probable that AMAC will complete its acquisition of the "Soleil Plage" campsite in January 2018 as the conditions precedent are close to being met.

Elior Group

In July 2017 it was announced that Mr. Philippe Salle was leaving his post as Chairman and Chief Executive Officer of Elior Group and that Mr. Gilles Cojan would become the Group's Chairman after Mr. Salle's departure. Mr. Philippe Guillemot was appointed as Chief Executive Officer on December 5, 2017.

Following the warning issued by Elior Group on November 27, 2017 in relation to its EBITDA margin for fiscal 2016-2017, and the release of its financial statements on December 6, 2017, Elior Group's share price dropped sharply, closing at €17 on December 6, 2017. This was 24% lower than the September 30, 2017 price of €22.40, despite higher-than-expected organic growth.

However, in view of Elior Group's fundamental market outlook and unwavering business strategy driven by Bim SAS in its role as leading shareholder, this group still has robust value creation prospects. In line with this, on November 30 Elior Group announced that it had made a new acquisition in the United States: CBM Managed Services, a leading provider of catering services to correctional facilities. Operating in 29 states, CBM Managed Services caters for a total of 350 correctional facilities and generates $70 million in annual revenue.

Elior Group's investors are now waiting for the visibility that Mr. Philippe Guillemot will give when he presents his action plan in early summer 2018.

In light of these factors, Bim SAS – Elior Group's leading shareholder – remains confident in Elior Group's fundamental outlook.

Finally, Bim SAS has the necessary assets, financial instruments and financing lines to cover its commitments and cash management needs.

6.29 FEES PAID TO THE STATUTORY AUDITORS

In the year ended September 30, 2017, a total of €460 thousand was recorded in the income statement for fees paid to the Statutory Auditors in relation to fully-consolidated companies (versus €292 thousand in fiscal 2015-2016). The full amount of these fees concerned statutory audits of financial statements.

6.30 LIST OF CONSOLIDATED COMPANIES

Company	% interest at Sept. 30, 2017	Consolidation method in FY 2016-2017	% interest at Sept. 30, 2016	Consolidation method in FY 2015-2015	Principal activity	Address	Functional currency
BIM SAS	100.00%	FULL	100.00%	FULL	Holding company	54 avenue Marceau 75008 Paris	Euro
Bim Invest I (1)	100.00%	FULL	-	-	Holding company	54 avenue Marceau 75008 Paris	Euro
Elior Group SA	22.67%	EQUITY	20.51%	EQUITY	Catering	11 allée de l'arche 92032 Paris la Défense cedex	Euro
CHB Invest II	100.00%	FULL	100.00%	FULL	Holding company	8 rue Christophe Colomb 75008 Paris	Euro
CHB Invest III	100.00%	FULL	100.00%	FULL	Holding company	8 rue Christophe Colomb 75008 Paris	Euro
Novetude Santé	100.00%	FULL	100.00%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
Novetude Santé Pro	95.78%	FULL	95.78%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
Ostéopathie Fi	100.00%	FULL	100.00%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
Collège Ostéopathique de Provence Aix-Marseille	51.00%	FULL	51.00%	EQUITY	Education	50 rue Louis Grobet 13001 Marseille	Euro
Collège Ostéopathique Sutherland Atlantique	100.00%	FULL	100.00%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
Novetude Edition	100.00%	FULL	100.00%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
Réseau Franc'osteo	100.00%	FULL	100.00%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
Centre International d'Ostéopathie	100.00%	FULL	100.00%	FULL	Education	rue Pablo Neruda 42100 Saint Etienne	Euro
Hippocrate Phi	95.78%	FULL	95.78%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
SCI Jacques Rigollier	95.78%	FULL	95.78%	FULL	Education	103 rue Bataille 69008 Lyon	Euro
Hippocrate Phi IV	95.78%	FULL	95.78%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
Centre Epsilon SASU (2)	76.62%	FULL	-	-	Education	9 rue du Château d'eau75010 Paris	Euro
GES Groupe d'Enseignement Supérieur - ESOL	51.59%	FULL	51.59%	FULL	Education	6 rue Notre Dame 54000 Nancy	Euro
Cape Sup Droit	95.78%	FULL	95.78%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
GIE Novetude Santé	100.00%	FULL	100.00%	FULL	Education	4-10 rue Mozart 92110 Clichy	Euro
I.S.I.S	95.78%	FULL	95.78%	FULL	Education	1B Avenue des tilleuls & 12 bld de la Corniche 74200 Thonon les Bains	Euro
Institut Toulousain D'Ostéopathie	100.00%	FULL	100.00%	FULL	Education	90 rue du village d'entreprises 31670 Labege	Euro
Hôtel Platine	100.00%	FULL	92.59%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
Collection Bagatel SAS	100.00%	FULL	92.58%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
Collection Bagatel SNC (3)	100.00%	FULL	-	-	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
CHB Invest IV	100.00%	FULL	82.00%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
SCI Rue Robert Keller	100.00%	FULL	92.59%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro

Company	% interest at Sept. 30, 2016	Consolidation method in FY 2015-2016	% interest at Sept. 30, 2015	Consolidation method in FY 2014-2015	Principal activity	Address	Functional currency
Hôtel Vice Versa (formerly Croix Nivert CHB)	100.00%	FULL	82.00%	FULL	Hotels	213 rue de la Croix Nivert 75015 Paris	Euro
Croix Nivert SCI 213	100.00%	FULL	82.00%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
Hôtel Les Plumes	100.00%	FULL	82.00%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
SCI 10 Rue Lamartine	100.00%	FULL	82.00%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
The Chess Hôtel	100.00%	FULL	82.00%	FULL	Hotels	6 rue du Helder 75009 Paris	Euro
Octant Invest XII	100.00%	FULL	82.00%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
Hôtel les Théatres	100.00%	FULL	82.00%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
SCI 28 Rue St Roch	100.00%	FULL	92.59%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
Le Roch Hôtel & Spa	100.00%	FULL	92.59%	FULL	Hotels	8 rue Christophe Colomb 75008 Paris	Euro
Holding Bel Air Investissements	97.00%	FULL	97.00%	FULL	Outdoor Hospitality	54 avenue Marceau 75008 Paris	Euro
Financière de Bel Air	92.15%	FULL	92.1%	FULL	Outdoor Hospitality	8 rue Christophe Colomb, 75008 Paris	Euro
AMAC	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb, 75008 Paris	Euro
Octant Invest VI	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
Octant Invest VII	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
Octant Invest VIII	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
Octant Invest X	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
La Grande Métairie de Carnac	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
Société Civile Immobilière de la Grande Métairie	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	La Grande Métairie 56340 Carnac	Euro
Aquatique Club Camping la Pinède	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
SCI La Pinède	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
Mayotte Vacances Camping Village	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
SCI Mayotte Sol	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	Camping Mayotte Vacances Quartier Mayotte 40600 Biscarrosse	Euro
Verdon Parc	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	Chemin de la Paludette 04800 Greoux les Bains	Euro
SCI Verdon Parc	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
SAS Camping la Plage d'Argens	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
SCI Camping la Plage d'Argens	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
CBA Invest I	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
CBA Invest II	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
CBA Invest III	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
Les Chardons Bleus	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro
Le Relais de Torreilles Plage	87.54%	FULL	87.54%	FULL	Outdoor Hospitality	8 rue Christophe Colomb 75008 Paris	Euro

(1) Acquired then assets fully transferred to Bim SAS during the year
(2) Acquired during the year
(3) Created during the year

FULL: Fully consolidated companies
EQUITY: Companies accounted for by the equity method
All of the Group's companies use the euro as their functional currency.

1.G STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

BIM

Société par Actions Simplifiée (French Private Limited Liability Company)
Registered Office: 54, avenue Marceau - 75008 Paris
Share capital: €.3.946.759,61

This is a translation into English of the statutory auditor's report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditor's report includes information required by European regulation and French law, such as information about the appointment of the statutory auditor or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Dear Shareholders,

Opinion

In compliance with the engagement entrusted to us by your shareholders, we have audited the accompanying consolidated financial statements of Bim S.A.S. for the year ended 30 september 2017.

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 30 september 2017 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.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st october 2016 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors..

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

At each closing date, the Company systematically performs impairment tests on goodwill, in accordance with the methods described in Note 3.5 "Impairment of Non-Financial Assets" to the consolidated financial statements. We examined the methods used for impairment testing as well as the cash flow forecasts and assumptions used and verified that Note 3.5 to the consolidated financial statements provides appropriate disclosures thereon.

Verification of the Management Report and of the Other Documents Provided to Shareholders

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Chairman.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Chariman.

Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Paris La Défense, on the 12th February 2018

French original signed by François Caubrière




2. PARENT COMPANY FINANCIAL STATEMENTS

AT SEPTEMBER 30, 2017

2.A BALANCE SHEET

ASSETS *(in euros)*	Gross	Depr., amort. & provisions	Net Sept. 30, 2017	Net Sept. 30, 2016
Intangible assets	11,000	(11,000)		
Property and equipment	26,473	23,620	2,852	1,753
Long-term investments:				
- Investments in subsidiaries and affiliates	783,980,714	12,929,175	771,051,539	698,741,634
- Other long-term investment securities	1,000,000		1,000,000	1,004,446
- Loans	1,378,873		1,378,873	2,664,446
Total fixed assets	**786,397,0**	**6012,963,795**	**773,433,264**	**702,412,280**
Receivables:				
- Trade receivables				1,913
- Other receivables	60,741,243		60,741,243	38,953,614
Cash and cash equivalents:				
- Marketable securities	398,425		398,425	27,254,597
- Cash on hand and at bank	17,806,768		17,806,768	18,494,564
Prepaid expenses	37,681		37,681	35,016
Total current assets	**78,984,118**		**78,984,118**	**84,739,706**
Debt issuance costs	4,077,237		4,077,237	4,374,478
TOTAL ASSETS	**869,458,416**	**12,963,795**	**856,494,620**	**791,526,466**

EQUITY AND LIABILITIES *(in euros)*	Sept. 30, 2017	Sept. 30, 2016
Share capital	3,946,759	4,035,764
Share premium account	278,168,888	295,079,883
Legal reserve	403,576	576,313
Retained earnings	141,763,684	129,390,239
Profit/(loss) for the period	**(1,988,159)**	**13,200,707**
Total equity	**422,294,749**	**442,282,909**
Provisions for contingencies	1,603,499	600,000
Provisions for charges		
Total provisions	**1,603,499**	**600,000**
Borrowings:		
- Bonds	289,405,866	204,389,063
- Bank borrowings and overdrafts	137,555,113	137,554,291
- Other borrowings	3,297,157	4,467,989
Operating payables:		
- Trade payables	1,942,021	1,661,799
- Accrued taxes and payroll costs	324,572	400,314
Other payables:		
- Amounts due to suppliers of fixed assets		
- Miscellaneous payables	71,639	170,099
Deferred income		
Total payables	**432,596,371**	**348,643,556**
TOTAL EQUITY AND LIABILITIES	**856,494,620**	**791,526,466**

2.B INCOME STATEMENT

	Year ended at Sept. 30, 2017			Year ended at Sept. 30, 2016
	France	Export	Total	
Net revenue	1,079,000		1,079,000	1,151,440
Other income			148,000	60,056
Total operating income			**1,227,000**	**1,211,496**
Other purchases and external charges			4,825,838	5,293,593
Taxes other than on income			378,439	481,407
Wages and salaries			731,949	803,907
Payroll taxes			229,909	226,007
Other operating expenses:				
- Depreciation and amortization expense			1,362,866	2,793,072
- Additions to provisions for impairment of fixed assets				
- Additions to provisions for impairment of current assets				
- Additions to provisions for contingencies and charges				
- Miscellaneous expenses			1,913	47,951
Total operating expenses			**7,530,917**	**9,645,941**
Operating profit/(loss)			**(6,303,917)**	**(8,434,444)**
Financial income			**16,530,796**	**14,630,640**
Income from investments in subsidiaries and affiliates			15,194,569	13,000,498
Income from other long-term investment securities and long-term loans			137,546	180,026
Other interest income			1,195,627	1,325,895
Provision reversals and expense transfers				104,664
Foreign exchange gains			3,053	19,556
Net gains on sales of marketable securities				
Financial expenses			**15,555,045**	**8,185,614**
Amortization and provisions – financial assets			7,914,248	600,000
Interest expense			7,636,153	7,562,423
Foreign exchange losses			4,643	23,190
Net losses on sales of marketable securities				
Net financial income			**975,751**	**6,445,026**
Profit/(loss) before non-recurring items and tax			**(5,328,165)**	**(1,989,418)**
Non-recurring income			**14,822,027**	**30,629,228**
From revenue transactions				
From capital transactions			14,822,027	30,629,228
Exceptional provision reversals and expense transfers				
Non-recurring expenses			**11,482,021**	**15,412,630**
On revenue transactions			374	
On capital transactions			11,481,647	15,412,630
Exceptional additions to depreciation, amortization and provisions				
Net non-recurring income			**3,340,006**	**15,216,597**
Income tax				26,471
Total income			**32,579,824**	**46,471,365**
Total expenses			**34,567,983**	**33,270,657**
PROFIT/(LOSS) FOR THE PERIOD			**(1,988,159)**	**13,200,707**

2.C GENERAL INFORMATION ABOUT THE COMPANY, KEY FIGURES AND SIGNIFICANT EVENTS OF THE YEAR

C1. GENERAL INFORMATION ABOUT THE COMPANY

BIM SAS's corporate purpose is to:

- Carry out any and all transactions and operations involving the purchase, sale, management, subscription or exchange of French and/or f oreign financial assets.
- Acquire ownership interests and direct or indirect stakes in any and all companies or businesses.
- Acquire, allocate, operate, sell or transfer to any company any and all types of moveable and immovable assets.
- Provide any and all administrative, financial, accounting, commercial, IT and/or management services to its direct or indirect subsidiaries.

C2. KEY FIGURES

- Duration of fiscal year: 12 months, unchanged from the previous fiscal year.
- Total assets: €856,494,620
- Loss for the period before appropriation: €1,988,159

C3. SIGNIFICANT EVENTS OF THE YEAR

C3.1. MOVEMENTS IN THE COMPANY'S OWNERSHIP INTEREST IN ELIOR GROUP SAA

On April 7, 2017 Bim SAS entered into a forward purchase contract with Crédit Agricole Corporate and Investment Bank (CACIB) covering 4.5 million Elior Group shares. The contract was unwound on June 12, 2017 with the delivery to Bim SAS of 3,765,084 Elior Group shares for a total amount of €81,904 thousand. Following this acquisition, Bim SAS held a 27.31% ownership interest in Elior Group (compared with 25.14% at September 30, 2016).

Also on April 7, 2017 Bim SAS entered into a prepaid forward contract with CACIB combined with a swap contract, together constituting a five-year equity swap financing arrangement amounting to €75 million and secured by an initial pledge of 5,586,592 Elior Group shares. The first drawdown was repaid on September 29, 2017 using the proceeds from the Euro Private Placement ("Euro PP"), but the arrangement is still in force, representing an available credit facility of €75 million.

On September 29, 2017 Bim SAS carried out a Euro PP comprising two tranches: a €70 million tranche maturing in 2024 and a €15 million tranche maturing in 2023, paying fixed interest of 4.002% and 3.716% respectively. Both of the tranches are redeemable at maturity and are subject to a covenant based on the LTV ratio (revalued net assets/net debt). Bim SAS pledged Elior Group shares as collateral for the Euro PP, and the Euro PP's proceeds were primarily allocated to repaying the April 2017 drawdown on the equity swap financing (which has remained in force since the repayment).

C3.2. MOVEMENTS IN OTHER OWNERSHIP INTERESTS

OUTDOOR HOSPITALITY

In accordance with framework agreements signed in June 2016, on December 15, 2016, Bim SAS sold back to a minority shareholder of HBAI (the holding company for Bim's outdoor hospitality operations) 3,495,000 bonds redeemable in HBAI shares (ORA) for €0.51 per bond, representing a total of €1,782,450.

HOTELS

Through the acquisition on January 10, 2017 of Montbrun Hôtels (the minority shareholder of Platine Hôtel – formerly Cie Hôtelière de Bagatelle SAS), Bim SAS's ownership interest in Platine Hôtel was raised from 92.58% to 100% during the year, making Bim SAS Platine Hôtel's sole controlling shareholder.

Following a legal reorganization of the Hotels business's shareholdings which was launched during fiscal 2016-2017 and completed in the fourth quarter of 2017, the role of the business's overall holding company was transferred from Platine Hôtel (formerly Cie Hôtelière de Bagatelle SAS) to Collection Bagatel SAS (formerly CHB Invest I).

2.D SIGNIFICANT EVENTS AFTER THE REPORTING DATE

D1. OWNERSHIP INTEREST IN ELIOR GROUP SA

In July 2017 it was announced that Mr. Philippe Salle was leaving his post as Chairman and Chief Executive Officer of Elior Group and that Mr. Gilles Cojan would become the Group's Chairman after Mr. Salle's departure. Mr. Philippe Guillemot was appointed as Chief Executive Officer on December 5, 2017.

Following the warning issued by Elior Group on November 27, 2017 related to its EBITDA margin for fiscal 2016-2017, and the release of its financial statements on December 6, 2017, Elior Group's share price dropped sharply, closing at €17 on December 6, 2017. This was 24% lower than the September 30, 2017 price of €22.40, despite higher-than-expected organic growth.

However, in view of Elior Group's fundamental market outlook and unwavering business strategy driven by Bim SAS in its role as leading shareholder, this group still has robust value creation prospects. In line with this, on November 30 Elior Group announced that it had made a new acquisition in the United States: BM Managed Services, a leading provider of catering services to correctional facilities. Operating in 29 states, BM Managed Services caters for a total of 350 correctional facilities and generates $70 million in annual revenue.

Elior Group's investors are now waiting for the visibility that Mr. Philippe Guillemot will give when he presents his action plan in early summer 2018.

In light of these factors, Bim SAS – Elior Group's leading shareholder – remains confident in Elior Group's fundamental outlook.

Finally, Bim SAS has the necessary assets, financial instruments and financing lines to cover its commitments and cash management needs.

2.E BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E1. FIXED ASSETS

E.1.1. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, which corresponds to the purchase price of the assets plus incidental expenses but excluding transaction costs.

Depreciation is calculated by the straight-line method over the estimated useful lives of the assets concerned.
The main depreciation rates applied are as follows:

Property and equipment	Depreciation rate
Fixtures and fittings	5% to 10% per year
Furniture	20% per year

E.1.2. LONG-TERM INVESTMENTS

Investments in subsidiaries and affiliates and other long-term investment securities:

The gross value of these assets corresponds to cost excluding incidental expenses. If their fair value is lower than their gross value a provision for impairment is recognized. Fair value corresponds to value in use for the Company, which is determined based on Bim's equity in the underlying net assets of the companies concerned, adjusted to take account of their growth and earnings prospects, or their recoverable amount where necessary.

E2. CONSOLIDATION

The financial statements of Bim SAS are fully consolidated in the consolidated financial statements of Sofibim SAS:

Sofibim
Simplified joint-stock corporation (société par actions simplifiée)
Share capital: €409,517,452.50
Registered office: 54 avenue Marceau, 75008 Paris, France
Registration number: 508 292 083 00021

2.F NOTES TO THE BALANCE SHEET

F1. INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT

(in euros) **Intangible assets**	Sept. 30, 2016	Increase	Amortization	Full asset transfer	Disposals	Sept. 30, 2017
Gross value	11,000					11,000
Amortization	(11,000)					(11,000)
Net value	**0**	**0**	**0**	**0**	**0**	**0**

(in euros) **Property and equipment**	Sept. 30, 2016	Increase	Depreciation	Full asset transfer	Disposals	Sept. 30, 2017
Gross value	24,749	1,724				24,749
Depreciation	(22,996)		(625)			(232,621)
Net value	**1,753**	**1,724**	**(625)**	**0**	**0**	**2,852**

F2. LONG-TERM INVESTMENTS

(in euros) **Gross value**	Sept. 30, 2016	Increase	Disposals	Redemptions	Full asset transfer	Sept. 30, 2017
Investments in subsidiaries and affiliates	704,760,061	91,051,509	(11,481,647)		(349,208)	783,980,714
Other long-term investment securities and loans	3,668,892	759,857		(2,049,876)		2,378,873
TOTAL	**708,428,953**	**91,811,366**	**(11,481,647)**	**(2,049,876)**	**(349,208)**	**786,359,588**

2.1 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

(in euros) **Gross value**	Sept. 30, 2016	Increase	Disposals	Full asset transfer	Sept. 30, 2017
Elior Group SA	598,498,622	81,904,508			680,403,130
Education	29,261,749				29,261,749
Hotels	34,122,261	9,147,001	(9,699,197)	(349,208)	33,220,857
Outdoor Hospitality	23,419,899				23,419,899
Outdoor Hospitality – Bonds redeemable in shares (ORA)	15,657,000		(1,782,450)		13,874,550
Other	3,800,530				3,800,530
TOTAL	**704,760,061**	**91,051,509**	**(11,481,647)**	**(349,208)**	**783,980,714**

OWNERSHIP INTEREST IN ELIOR GROUP SA

On June 12, 2017 Bim SAS completed a purchase of 3,765,084 Elior Group shares for an aggregate price of €81,904,508. At September 30, 2017 it held a total of 47,168,049 Elior Group shares, representing 27.3% of the company's capital.

OUTDOOR HOSPITALITY

On December 15, 2016 Bim SAS sold 3,495,000 bonds redeemable in Holdings Bel Air Investissements (HBAI) shares, for €0.51 per bond, representing a total sale price of €1,782,450. This transaction had no impact on profit for the period.

HOTELS

On January 10, 2017, Bim SAS purchased all of the shares in Bim Invest I SAS for €9,147,000.
By way of a simplified merger on March 30, 2017, Bim Invest I was merged into Bim SAS, resulting in the transfer to Bim SAS of 1,683,300 shares in Hôtel Platine (formerly Cie Hôtelière de Bagatelle).
Also during the year, Bim SAS took up one share in SNC Collection Bagatel, a company that was registered on July 27, 2017.
On August 21, 2017, Bim SAS sold 6,248,000 shares in Hôtel Platine (formerly CHB) to SNC Collection Bagatel for €13,039,576. The payment for this transaction – which gave rise to a €3,340,381 disposal gain – was made through SNC Collection Bagatel's shareholder's current account.
On September 11, 2017 Bim SAS sold its one share (worth €1) in SCI Robert Keller to SNC Collection Bagatel for €1.10. The payment for this transaction –which did not have a material impact on profit – was made through SNC Collection Bagatel's shareholder's current account.
On September 21, 2017 Bim SAS sold its one share (worth €1) in SCI Croix Nivert to SNC Collection Bagatel for €0.88. The payment for this transaction –which did not have a material impact on profit – was made through SNC Collection Bagatel's shareholder's current account.

OTHER

- Bim SAS holds a direct and indirect €3,301 thousand interest in El Rancho – a small group of themed catering entities.
- On August 3, 2016 Bim SAS took up €500 thousand worth of shares issued by the e-commerce start-up Afrimarket.

(in euros) **Provisions for impairment**	Sept. 30, 2016	Increase	Full asset transfer	Reversals	Other	Sept. 30, 2017
Elior Group SA						0
Education	(4,275,000)	(6,910,749)				(11,185,749)
Hotels						0
Outdoor Hospitality						0
Other	(1,743,426)					(1,743,426)
TOTAL	**(6,018,426)**	**(6,910,749)**	**0**	**0**	**0**	**(12,929,175)**

No provisions for impairment in value were recognized against Bim SAS's investment in Elior Group SA at September 30, 2017 as the market value of the Elior Group shares held was higher at that date than their historical cost.

The provisions recognized at September 30, 2017 relate to investments whose net asset values were below their net book value. This was due to a deterioration in the earnings of the entities concerned as well as in the outlook both for the entities' businesses and their industry in general.

In particular, an additional impairment provision of €6,910,749 was set aside for Bim SAS's investments in the Education business as the recovery in this sector has been slower than expected when the five-year forecasts were drawn up in 2016, which has led to a lower fair value for the business when calculated based on discounted cash flows. The outlook for this business nevertheless remains encouraging, with positive prospects thanks to the action plans put in place by management.

At September 30, 2017 the Company's provisions for impairment broke down as follows:

1 - Novetude Santé (private higher education for the healthcare sector): **€11,185,749**

2 – Caraux et Associés (casual restaurants in shopping malls): **€1,743,426**

(in euros) **Net value**	Sept. 30, 2016	Increase	Disposals	Full asset transfer	Additions to/ reversals of provisions	Sept. 30, 2017
Elior Group SA	598,498,622	81,904,508				680,403,130
Education	24,986,750				(6,910,749)	18,076,001
Hotels	34,122,261	9,147,001	(9,699,197)	(349,208)		33,220,857
Outdoor Hospitality	23,419,899					23,419,899
Outdoor Hospitality – Bonds redeemable in shares (ORA)	15,657,000		(1,782,450)			13,874,550
Other	2,057,103					2,057,103
TOTAL	**698,741,63**	**91,051,509**	**(11,481,647)**	**(349,208)**	**(6,910,749)**	**771,051,539**

2.2 OTHER LONG-TERM INVESTMENT SECURITIES

(in euros) **Gross value**	Sept. 30, 2016	Increase	Redemptions	Redemptions/ Repayments	Sept. 30, 20176
Other long-term investment securities and loans	3,668,892	759,857		(2,049,876)	2,378,873
TOTAL	**3,668,892**	**759,857**	**0**	**(2,049,876)**	**2,378,873**

On December 16, 2015, El Rancho – the small group of themed catering entities of which Bim SAS is a shareholder – emerged from the bankruptcy proceedings that had been implemented under a "procédure de sauvegarde" (Chapter 11 equivalent). Bim SAS financed the majority of the reorganization plan put in place to enable the business to continue operating, through two loans representing an aggregate amount of €2,566 thousand with a fixed interest rate of 7%. The outstanding amount repayable on these loans had decreased to €876 thousand at September 30, 2017.

Another loan agreement was entered into between the parties for a principal amount of €461 thousand with a graduated interest rate varying between 1% for the first year of the loan to 10% for the last year.

On August 3, 2016, Bim SAS took up €500 thousand worth of shares issued by the e-commerce start-up Afrimarket. This ownership interest has been taken in addition to the €1 million worth of convertible bonds that Bim SAS has held since January 2015 issued by Yako, the holding company of the founders of Afrimarket.

F3. RECEIVABLES

(in euros)	Sept. 30, 2017	Due within 1 year	Due beyond 1 year
Trade receivables	0	0	0
Accrued taxes and payroll costs	304,644	304,644	0
Amounts receivable under intra-group and shareholder advances	60,364,599	60,364,599	0
Other accrued income	72,000	72,000	0
Prepaid expenses	37,682	37,682	0
TOTAL	**60,778,925**	**60,778,925**	**0**

F4. CASH AND CASH EQUIVALENTS AND DERIVATIVE INSTRUMENTS

(in euros)	Sept. 30, 2017	Sept. 30, 2016
Marketable securities	398,425	27,254,597
Cash on hand and at bank	14,711,728	14,228,116
Net premiums on collars	3,095,040	4,265,872
TOTAL	**18,205,193**	**45,748,585**

At September 30, 2017, marketable securities consisted entirely of units in money-market funds which represent little or no risk of a loss of capital.

Premiums on collars are derivative instruments recognized as assets and are amortized in financial expenses over the life of the related financing.

F5. PREPAID EXPENSES

(in euros)	Sept. 30, 2017	Sept. 30, 2016
Prepaid operating expenses	37,681	35,016
TOTAL	**37,681**	**35,016**

F6. DEBT ISSUANCE COSTS

(in euros) Gross value	Sept. 30, 2016	Increase	Expensed portion	Other movements	Sept. 30, 2017
Fees on bonds exchangeable for shares					
- Gross fee	5,308,127				5,308,127
- Expensed profit	(933,649)		(1,061,625)		(1,995,274)
Fees on Euro PP					
- Gross fee		765,000			765,000
- Expensed portion			(616)		(616)
Fees on Equity Financing					
- Gross fee		300,000			300,000
- Expensed portion			(300,000)		(300,000)
Net fee	**4,374,478**	**1,065,000**	**(1,362,241)**	**0**	**4,077,237**

The €300 thousand in debt issuance costs related to the prepaid forward contract combined with a swap set up during the year (which together constitute an equity swap financing arrangement) were fully expensed during the year as the initial drawdown under the facility was repaid in full in September 2017 (although the arrangement is still in force and the facility still available).

The €765 thousand in debt issuance costs related to the Euro PP carried out in September 2017 are being amortized on a straight-line basis over the 5-year term of the related borrowings.

F7. EQUITY

(in euros)	Sept. 30, 2016	Appropriation of prior-period profit	Dividends	Capital increase/ reduction	Profit for the period	Sept. 30, 2017
Share capital	4,035,765			(89,005)		3,946,760
Issue premiums	221,365,335			(16,910,996)		204,454,339
Full asset transfer premiums	73,714,548					73,714,548
Legal reserve	576,314	(172,737)				403,576
Retained earnings	129,390,240	12,373,445				141,763,685
Profit/(loss) for the period	13,200,708	(12,200,708)	(1,000,000)		(1,988,159)	(1,988,159)
TOTAL	**442,282,909**	**0**	**(1,000,000)**	**(17,000,001)**	**(1,988,159)**	**422,294,749**

By way of a deed signed on March 15, 2017, the shareholders of Bim SAS, acting in accordance with Articles L.227-1 and L.225-204 to L.225-207 of the French Commercial Code, resolved to approve a reduction in the Company's capital (not for the purpose of absorbing losses), representing a maximum aggregate nominal amount of €17,000,000.84. It was decided that the capital reduction should be carried out by way of the Company buying back 8,900,524 of its own shares at a price of €1.91 per share with a view to immediately canceling them. Of the €1.91 purchase price, for each share canceled, €0.01 (the per-share par value) was deducted from the share capital and the remaining €1.90 was deducted from the «Issue premiums» account.

COMPOSITION OF SHARE CAPITAL

	Sept. 30, 2016	Increase	Reduction	Sept. 30, 2017
Number of shares	403,576,485		(8,900,524)	394,675,961
Amount *(in euros)*	4,035,764		(89,005)	3,946,759

At September 30, 2017 the Company's share capital was made up of 394,675,961 shares with a par value of €0.01 each.

F8. PROVISIONS FOR CONTINGENCIES AND CHARGES

(in euros)	Sept. 30, 2016	Additions	Reversals	Inter-account transfers	Sept. 30, 2017
Caraux & Associés	600,000				600,000
Interest rate swaps	0	1,003,499			1,003,499
	600,000	**1,003,499**	**0**	**0**	**1,603,499**

In view of the impairment in value of the shares held by Bim SAS in Caraux & Associés (the holding company of a small group of themed catering entities), a €600 thousand provision for contingencies was recognized at September 30, 2016 for the full amount of Bim SAS's shareholder's advance to this company. This provision was maintained in the balance sheet at September 30, 2017.

Bim SAS and its subsidiaries are exposed to the risk of fluctuations in interest rates on debt whose rates are indexed to the Euro Interbank Offered Rate ("Euribor") plus a margin.

In order to manage interest rate risk, Bim SAS has set up interest rate swaps. These hedging instruments mitigate the impact that the Company's variable-rate debt may have on cash. The rate at which Bim SAS's debt is hedged (against the 3-month Euribor) was 0.30% at September 30, 2017 versus 0.39% one year earlier.

A €1,003 thousand financial contingency provision was set aside at September 30, 2017 for interest rate swaps that do not qualify as hedges in accordance with the applicable accounting regulations.

F9. PAYABLES

(in euros)	Sept. 30, 2017	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bank borrowings	430,258,137	5,617,489	339,640,648	85,000,000
Trade payables	1,942,021	1,942,021		
Accrued taxes and payroll costs	324,572	324,572		
Amounts payable under intra-group and shareholder advances	71,639	71,639		
TOTAL	**432,596,369**	**7,955,721**	**339,640,648**	**85,000,000**

MATURITY SCHEDULE OF OPERATING PAYABLES

(in euros)	Sept. 2017	Oct. 2017	Nov. 2017	After Nov. 2017
Operating payables	887,939	99%	1%	0%

F10. BORROWINGS

(in euros)	Sept. 30, 2016	Increase	Decrease	Sept. 30, 2017
Bond debt	204,389,063	89,990,161	(4,973,357)	289,405,867
Equity financing	0	75,773,902	(75,773,902)	0
Borrowings covered by collars	141,993,559		(1,170,833)	140,822,727
Swaps	28,144	624,004	(622,605)	29,543
Principal and accrued interest	**346,410,766**	**166,388,067**	**(82,540,697)**	**430,258,136**

MOVEMENTS DURING THE YEAR

On April 7, 2017 Bim SAS entered into a prepaid forward contract with CACIB combined with a swap contract, together constituting a five-year equity swap financing arrangement amounting to €75 million and secured by an initial pledge of 5,586,592 Elior Group shares. The first drawdown was repaid on September 29, 2017 using the proceeds from the Euro PP, but the arrangement is still in force, representing an available credit facility of €75 million.
On September 29, 2017 Bim carried out an €85 million Euro PP which was placed with European institutional investors. It was made up of two tranches: (i) a €70 million tranche maturing in September 2024 and paying interest of 4.002% and (ii) a €15 million tranche paying 3.716% interest. Bim has pledged 7,375,272 Elior Group shares as collateral for the Euro PP and the overall debt is subject to a covenant based on the LTV ratio. The proceeds from the placement were primarily used to repay the April 2017 drawdown made under the equity swap financing arrangement.

BORROWINGS SET UP IN PRIOR YEARS

In fiscal 2015-2016, Bim SAS carried out an issue of five-year secured bonds exchangeable for Elior Group SA shares. Out of the €200 million in proceeds from this issue – which were received on November 13, 2015 – €171 million was used to partially repay Bim SAS's loan from CA-CIB. The interest rate on these bonds – which are redeemable at maturity – is 2.5%. The exchange option is exercisable at a reference price of €22.52 and covers 8.88 million Elior Group SA shares.

The €120 million structured loan set up in June 2014 corresponded to an FBF master agreement, covering a forward sale and an equity swap related to Elior shares. This financing had a five-year term and was repayable in full at maturity in June 2019. Addenda were signed to the FBF master agreement on April 30 and September 25, 2015 increasing the original €120 million facility to €200 million and then €260 million.

On November 18, 2015, the Company reduced the maximum amount available under the CA-CIB loan from €260 million to €100 million, which proportionately decreased the number of Elior Group shares pledged as collateral.

Collar 1: On February 1, 2016, Bim SAS financed the purchase of a block of Elior Group SA shares by way of a €67.9 million structured loan set up with CA-CIB. The loan consists of a prepaid forward contract with an average term of four years and maturities of three and four years. The underlying is Elior Group SA shares, with either physical or cash settlement, at Bim SAS's discretion. Bim SAS secured the loan via a pledge of 4 million Elior Group shares, which are hedged by a collar that keeps their value within a range of 95% to 105% of their reference price. The total financing cost is €2.343 million, payable in quarterly instalments.

Collar 2: On April 21, 2016, Bim SAS received €31.4 million in funds from a structured loan set up in March 2016 with an average term of 4.25 years. Two million Elior Group SA shares were pledged as collateral for the loan, and a collar was taken out to hedge their value within a range of 95%-105% of a per-share reference price of €18.98. The total financing cost is €1.251 million, payable in quarterly instalments.

Collar 3: On July 27, 2016, Bim SAS received €35.4 million in funds from a structured loan set up in June 2016, with an average term of 4.25 years. Two million Elior Group SA shares were pledged as collateral for the loan, and a collar was taken out to hedge their value within a range of 95%-105% of a per-share reference price of €19.68. The total financing cost is €1.238 million, payable in quarterly instalments.

F11. ACCRUED EXPENSES

(in euros)	Sept. 30, 2017	Sept. 30, 2016
Borrowings: accrued interest	7,732,560	8,885,189
- On bonds exchangeable for shares	*4,387,455*	*4,389,056*
- On Euro PP	*18,404*	
- Premiums on collars	*3,297,157*	*4,467,989*
- On swaps	*29,543*	*28,144*
Accrued trade payables	1,054,083	609,799
Accrued taxes and payroll costs	228,376	267,915
Other	0	0
TOTAL	**9,015,019**	**9,762,903**

2.G NOTES TO THE INCOME STATEMENT

G1. OPERATING INCOME AND EXPENSES

(in euros) **Operating income**	France	Export	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Sales of services	1,079,000		1,079,000	1,151,440
Operating expense transfers				
Other operating income			148,000	60,056
Total operating income (1)			**1,227,000**	**1,211,496**

(in euros) **Operating expenses**	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Related-party agreement	2,100,000	2,100,000
Other purchases and external charges excluding non-recurring operations	2,725,838	2,627,856
Other purchases and external charges related to non-recurring operations	0	565,737
Taxes other than on income	378,440	481,407
Personnel costs	961,859	1,029,914
Other expenses	1,913	47,951
Depreciation, amortization and provision expense	625	11,653
Deferred charges	1,362,241	2,781,420
Total operating expenses (2)	**7,530,917**	**9,645,940**
Operating profit/(loss) (a) = (1) - (2)	**(6,303,917)**	**(8,434,444)**

The majority of revenue recognized by the Company derives from sales of services provided to related entities. "Other operating income" corresponds to directors' fees received from Elior Group SA. The year-on-year increase in this item is due to Elior Group's introduction of variable directors' fees.

The year-on-year decrease in personnel costs is mainly attributable to an internal staff transfer that took place on October 1, 2016.

The reduction in "Deferred charges" stems from the repayment of the equity swap during the year, for which the related charges were fully expensed.

G2. FINANCIAL INCOME AND EXPENSES

(in euros) **Financial income**	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Dividends	15,194,569	13,000,499
Income from marketable securities	100	6,326
Current account interest received	1,194,987	1,319,204
Reversal of provisions for financial assets - Education	0	104,664
Other	141,140	199,948
Total financial income	**16,530,796**	**14,630,641**

(in euros) **Financial expenses**	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Additions to provisions for financial assets	7,914,248	600,000
Interest expense	7,640,797	7,585,615
Total financial expenses	**15,555,045**	**8,185,615**
Net financial income	**975,751**	**6,445,026**

At Elior Group SA's AGM in March 2017, its shareholders approved a dividend payment of €0.42 per share. Bim SAS therefore received total dividends of €15,194,569 from Elior Group in fiscal 2016-2017.

Additions to provisions for financial assets break down as:

- €6,910,749 in provisions for impairment of Novetude Santé shares
- €1,003,499 in contingency provisions for interest rate swaps that do not qualify as hedges in accordance with the applicable accounting regulations, with the provisioned amount corresponding to the unrealized loss on the swaps.

G3. NON-RECURRING INCOME AND EXPENSES

(in euros) **Non-recurring income**	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Disposals of investments in subsidiaries and affiliates	14,822,027	30,629,228
Disposals of other long-term investment securities		
Total	**14,822,027**	**30,629,228**

(in euros) **Non-recurring expenses**	Year ended Sept. 30, 2017	Year ended Sept. 30, 2016
Net book value of divested investments in subsidiaries and affiliates	11,481,647	15,403,631
Other	374	9,000
Total	**11,482,021**	**15,412,631**
Net non-recurring income	**3,340,006**	**15,216,597**

During the year ended September 30, 2017, bonds redeemable in HBAI shares were sold at their cost price in accordance with framework agreements signed in June 2016 with one of HBAI's minority shareholders.

The net non-recurring income recorded for fiscal 2016-2017 mainly comprises the capital gain on Bim SAS's sale of shares in Hôtel Platine (formerly "CHB") to an entity forming part of its Hotels business. This sale led to a temporary ownership loop, which will end when the Hotels business completes the legal reorganization process that was still under way at September 30, 2017.

G4. INCOME TAX: ANALYSIS OF TAX CHARGE

Bim SAS is a member of the tax group headed by Sofibim SAS (as governed by Articles 223.A et seq. of the French Tax Code).

(in euros) **Breakdown**	Before tax – Year ended Sept. 30, 2017	Income tax	After tax – Year ended Sept. 30, 2017	After tax – Year ended Sept. 30, 2016
Profit/(loss) before non-recurring items	(5,328,165)		(5,328,165)	(1,989,418)
Net non-recurring income	3,340,006		3,340,006	15,216,597
TOTAL	**(1,988,159)**	**0**	**(1,988,159)**	**13,227,179**

(in euros) **Analysis**	Base	Amount
Tax at standard rate of 33.33%		
Unrecognized deferred tax assets		
- Deferred charges	4,077,237	1,359,079
- Provisions for impairment in value	12,929,175	4,309,725
Recognized for the year:		
- Provisions for contingencies and charges	1,603,499	534,500
- Other		
Tax loss carryforwards	**32,189,628**	**10,729,876**

2.H ADDITIONAL INFORMATION

H1. RELATED-PARTY TRANSACTIONS AND BALANCES

(in euros)	Sept. 30, 2017	Sept. 30, 2016
Long-term investments: Gross value of investments in subsidiaries and affiliates	783,980,714	704,760,061
Long-term investments: Provisions for impairment of investments in subsidiaries and affiliates	12,929,175	6,018,426
Other long-term investments	2,378,873	3,664,446
Accrued trade payables	630,000	609,799
Current accounts (including accrued interest)	60,292,959	38,404,087
Operating expenses	(2,100,000)	(2,100,000)
Operating income	1,227,000	1,211,440
Financial expenses	(6,980,621)	(600,000)
Financial income: dividends	15,194,569	13,000,500
Financial income : interest on current accounts and loans	1,293,685	1,319,040
Non-recurring income: gains on sales of shares in subsidiaries and affiliates	3,340,381	15,225,598

H2. FEES PAID TO THE STATUTORY AUDITORS

IInformation concerning the fees paid to the Statutory Auditors is not disclosed in these notes as it is provided in the notes to the consolidated financial statements of Sofibim SAS.

H3. OFF-BALANCE SHEET COMMITMENTS

COMMITMENTS GIVEN

The Company's obligation for the statutory bonuses payable to employees in France on retirement (IFC) has been calculated using the projected unit credit method in accordance with Recommendation 1.23 issued by the French Order of Certified Public Accountants and Recommendation 2003-R.01 of the French Accounting Standards Authority. Under this method, the present value of the obligation is determined by calculating probable future cash flows based on assumptions relating to salary increases, rights vested at the retirement date and the probability of the employee still forming part of the Company on retirement. At September 30, 2017, the obligation was calculated as €87,371, determined using a discount rate of 1.55% (representing the market interest rate on AA-rated corporate bonds in the private sector), and assuming voluntary retirement based on a retirement age of between 60 and 67.

As collateral for financing put in place, Bim SAS has pledged a total of 35,397,767 Elior Group shares to CA-CIB and to the security trustee for bonds exchangeable for shares and the Euro PP. Out of this total, 2,235,637 shares correspond to a guarantee given by Bim SAS on behalf of its subsidiary, FBA, when FBA refinanced its debt in June 2016.

Pursuant to Shareholders' Agreements and put option arrangements, Bim SAS has undertaken to acquire all or some of the shares held by minority shareholders in Bim SAS subsidiaries, subject to specific terms and conditions and the occurrence of certain pre-defined events. If these put options are exercised, the purchase price of the shares will be determined in accordance with the contractual formulae provided for in the corresponding Shareholders' Agreements or put option arrangements. At September 30, 2017, the overall commitment related to these options amounted to €6,768 thousand and concerned minority interests in subsidiaries in the Outdoor Hospitality business.

COMMITMENTS RECEIVED

Bim SAS has been granted various call options over shares in its subsidiaries held by minority shareholders. These options are exercisable in accordance with standard terms and conditions concerning rights of first refusal, rights of first offer, and tag-along/drag-along rights, either during or on termination of shareholders' agreements in force within unlisted entities in which Bim SAS holds a majority interest.

RECIPROCAL COMMITMENTS

The Company has also set up interest rate hedges to reduce the sensitivity of its finance costs to an increase in the 3-month Euribor, breaking down as follows:

- Interest rate swaps maturing in June 2019 representing a notional amount of €98.75 million, whereby:
  - Bim SAS is a fixed-rate borrower at 0.30%; and
  - Bim SAS is a variable-rate lender at the 3-month Euribor.
- A forward-start interest rate swap taking effect in November 2020 and expiring in November 2025, representing a notional amount of €50 million, under which:
  - Bim SAS will be a fixed-rate borrower at an average rate of 0.91%; and
  - Bim SAS will be a variable-rate lender at the 3-month Euribor.

14. EMPLOYEE DATA (INCLUDING TEMPORARY STAFF)

Employee numbers	Sept. 30, 2017	Sept. 30, 2016
Managerial employees	4	5
TOTAL	**4**	**5**

15. LIST OF SUBSIDIARIES AND AFFILIATES

Company	Share capital and share premium account	Equity excluding share capital and the share premium account	% ownership	Gross value of shares held	Net value of shares held	Bonds redeemable in shares (ORA)	Outstanding loans and advances – Gross value	Net revenue for the last fiscal year	Profit/ (loss) for the period before income tax	Dividends received
Elior Group SA	1,667,335,699	256,232,025	27.31%	680,403,130	680,403,130		0	20,773,973	129,308,540	15,194,569
Novetude Santé SAS	21,019,232	(10,438,478)	100.00%	29,261,749	18,076,000		18,641,094	1,031,383	(7,427,888)	0
Hôtel Platine (2)	15,675,125	19,528,897	92.58%	33,200,856	33,200,856		27,738,537	1,963,443	905,407	0
CHB Invest II SAS	10,000	(20,187)	100.00%	10,000	10,000		14,208	0	(446)	0
CHB Invest III SAS	10,000	(20,182)	100.00%	10,000	10,000		14,248	0	(618)	0
Caraux & Ass. SAS (1)	2,498,926	(2,153,984)	50.10%	1,743,427	0		615,123	0	226,674	0
El Rancho SA (1)	4,349,831	3,359,597	34.67%	1,557,096	1,557,096		1,214,385	565,213	1,690,959	0
HBAI SAS	31,317,213	(49,660)	97.00%	37,294,449	23,419,899	13,874,550	0	0	(42,901)	0
Other				500,008	500,008					
TOTAL				**783,980,715**	**757,176,989**	**13,874,550**	**48,237,595**			

(1) All of the data presented covers the twelve months ended September 30, 2017 except for that related to Carraux & Associés SAS and El Rancho SA, which corresponds to the twelve months ended December 31, 2016.

(2) Formerly Compagnie Hotelière de Bagatelle

2.1 STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

BIM

Société par Actions Simplifiée (French Private Limited Liability Company)
Registered Office: 54, avenue Marceau - 75008 Paris
Share capital: €.3.946.759,61

This is a free translation into English of the Statutory Auditor's Report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The Statutory Auditor's Report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the 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.

Dear Shareholders,

Opinion

In compliance with the engagement entrusted to us by the shareholders, we have audited the accompanying financial statements of Bim S.A.S. for the year ended 30 September 2017.

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 30 September 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Financial Statements section of our report.*

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st October 2016 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments

In accordance with the requirements of article L.823-9 and R.823-7of the French Commercial Code ("Code de commerce") relating to the justification of our assessments, we inform you that the most important assessments made by us according to our professional judgment focused on the appropriateness of the accounting principles used and the reasonableness of the significant estimates and the presentation of financial statements taken as a whole.

These assessments were made in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Verification of the Management Report and of the Other Documents Provided to Shareholders

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 Chairman and in the other documents provided to Shareholders with respect to the financial position and the financial statements.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests has been properly disclosed in the management report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of thefinancial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Chairman.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris La Défense, on the 12th February 2018

French original signed by François Caubrière




3. CALCULATION OF NET ASSET VALUE (NAV)

AT SEPTEMBER 30, 2017

3.A NET ASSET VALUE

In € thousands			
IInvestments in and loans and advances to listed companies – Elior Group	*(a1)*	1,050,463	86%
Elior Group reference share price:		22.7518	
Education		36,717	3%
Hotels		71,956	6%
Outdoor Hospitality		51,114	4%
Investments in and loans and advances to unlisted consolidated companies	*(a2)*	159,787	13%
Investments in and loans and advances to unlisted non-consolidated companies, net of provisions	*(a3)*	4,798	0%
Long-term investments (including shareholder current accounts)	***(a = a1 + a2 + a3)***	**1,215,048**	**100%**
Gross debt (1)		(428,523)	
Cash and cash equivalents		18,205	
Net debt	***(b)***	**(410,317)**	
(1) net of unamortized loan structuring costs (in accordance with IFRS)			
Operating assets and liabilities			
Property, plant and equipment and intangible assets		3	
Operating receivables		414	
Operating liabilities		(3,270)	
Sub-total – Operating assets and liabilities	*(c)*	(2,853)	
Amount payable under a shareholder current account	*(d)*	(72)	
Off-balance sheet assets and liabilities			
Deferred tax assets, post-employment benefit obligations, cross put and call options with non-controlling interests	*(e)*	(660)	
NET ASSET VALUE	***(a+b+c+d+e)***	**801,146**	
Number of Bim shares		394,675,961	
NAV/share (in €)		2.02988	

3.B METHODS USED TO CALCULATE VALUE ("NAV")

MAIN ASSUMPTIONS

Bim's NAV was determined by adjusting the net asset position shown in the parent company financial statements at September 30, 2017 by revaluing certain assets and liabilities recorded in those financial statements. This primarily involved replacing the net book value of each share held by the Company by a revalued amount.

The revalued amount is easily obtainable for shares listed on a public market such as Euronext, which is the case for Elior Group as it was admitted to trading in compartment B of Euronext Paris in June 2014.

For unlisted companies, the NAV of the subsidiaries concerned was determined using valuation techniques. The valuation techniques used comply with the International Private Equity and Venture Capital Valuation Guidelines issued by the AFIC, BVCA and EVCA. Unlisted shares were valued using a multi-criteria approach, primarily based on discounted cash flows (DCF), as well as a market approach using EBITDA multiples or comparable transactions. The values determined were reviewed by two leading independent valuers: a "Big Four" audit firm for all investments in consolidated companies and a leading international real estate valuer for the transaction value of hotels.

The main assumptions used to determine NAV were as follows:

• **Investments in listed companies:** Bim's investment in Elior Group was revalued using a share price corresponding to the average of the closing share prices for the 30 trading days preceding September 30, 2017, inclusive, i.e. €22.7518.

• **Investments in unlisted companies:** The unlisted shares were revalued based on share values determined by the two above-mentioned independent valuers.

Hotels: Hotels are subject to a specific revaluation process once they have completed one full fiscal year (12 months) of operations after they have undergone refurbishment. All six of Bim's hotels were revalued (Platine, Vice Versa, Les Plumes, Les Théâtres, The Chess and Le Roch Hôtel & Spa). The enterprise value used by Bim (corresponding to a weighted average of the amounts obtained using four different methods – multiple of fiscal 2017-2018 revenue and multiple of fiscal 2017-2018 EBITDA (both determined by the Company), the valuer's transaction value, and the DCF value determined by the «Big Four» audit firm) was within the «Big Four» audit firm's valuation range.

Outdoor Hospitality: The enterprise value used by Bim (10.5x average EBITDA for fiscal 2016-2017 and fiscal 2017-2018 as adjusted for management fees) was approximately €10.9 million higher than the valuer's upper valuation range.

Education: The enterprise value used by Bim corresponds to the average of the valuation range calculated using the DCF method and the middle of the valuer's valuation range.

- **Investments in and loans and advances to unlisted non-consolidated companies:** Loans and advances to unlisted non-consolidated companies (bonds and shareholder current accounts) were valued at their net book value.

- **Debt (Non-current financial liabilities – Bonds exchangeable for Elior Group SA shares):**

In November 2015, Bim issued 8.88 million bonds exchangeable for Elior Group SA shares with an exchange price of €22.52 (and an exchange ratio of one share for one bond), representing a total €200 million. These instruments are quoted on the Luxembourg bond market.

Following Elior Group SA's dividend payment in April 2017, the exchange price and ratio were respectively adjusted to €22.48851 and €1.0014 share for one bond.

Bim's shareholders decided that as from September 30, 2016 the following should be used to calculate the NAV of these bonds: the face value of the bonds plus the intrinsic value of the exchange option, i.e. any positive difference between the reference Elior Group share price used for the NAV calculation at the fiscal year-end (corresponding to the average of the closing share prices for the 30 trading days preceding September 30, 2017, inclusive), i.e. €22.75183, and the exchange price (€22.48851) multiplied by the numer of exchangeable shares, i.e. 8.88 million. This approach has been applied because it reflects the effective cost of exchange for the issuer whereas the quoted price of the bonds reflects transaction prices between investors.

- **Other assets and liabilities:** The other assets and liabilities included in the calculation correspond to those presented in the parent company annual financial statements adjusted for assets and liabilities not recognized in those annual financial statements, such as deferred tax assets arising on tax losses, post-employment benefit obligations, and the intrinsic value of cross put and call options with non-controlling interests.

French original signed in Paris on January 17, 2018

Gilles Cojan

Chief Executive Officer

Rémy Leblanc

Chief Financial Officer

3.C STATUTORY AUDITOR'S ATTESTATION ON THE CALCULATION OF ADJUSTED NET ASSETS

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

To the Chairman,

Pursuant to your request and in our capacity as Statutory Auditor of Bim, we have prepared this attestation report on the financial information used to calculate Adjusted Net Assets (hereinafter "Adjusted Net Assets") as set out in the attached document "Calculation of Adjusted Net Assets - Year ended 30 September 2017". The attached document was prepared in connection with the process of calculating Bim's Adjusted Net Assets, at the request of its shareholders.

The Managing Director of Bim was responsible for preparing the Information based on the accounting records used to prepare the parent company and consolidated financial statements for the year ended 30 September 2017. The main accounting policies and assumptions used to prepare the information are presented in the attached document.

Our role is to attest that the information is consistent.

It is not our role to assess the methodology used or the assumptions and judgements made by Bim's Management to determine the fair values of its "financial assets (including current accounts)" or to issue an opinion on (i) the compliance of this methodology with accounting standards or market practices or (ii) the values thus determined for each equity investment included in Adjusted Net Assets.

As part of our statutory audit engagement, we audited your parent company and consolidated financial statements for the year ended 30 September 2017.

The purpose of our audit, which was conducted in accordance with the auditing standards generally accepted in France, was to express an opinion on the parent company and consolidated financial statements as a whole rather than on the specific items used to calculate the Information. Consequently, we did not carry out any tests or other audit work for that purpose and we do not express an opinion on individual items.

We have not audited any interim financial statements for Bim subsequent to 30 September 2017. Consequently, we express no opinion on such financial statements.

We conducted our work, which did not constitute an audit or a review, in compliance with the professional auditing standards applicable in France. Our work entailed:

- gaining an understanding of the procedures implemented by Bim to prepare the information provided in the attached document, it being specified that the purpose of our work was not to issue an opinion on the calculation method;
- comparing the methods used to calculate Adjusted Net Assets with those described in the attached document;
- cross-checking the Information in the attached document against the accounting records from which it is derived and verifying that it was consistent with the items used to prepare the parent company and consolidated financial statements for the year ended 30 September 2017;
- verifying that the share prices used for listed securities were consistent with observable data;
- verifying that the data used to determine Adjusted Net Assets was consistent with the conclusions in the valuation reports, it being specified that the purpose of our work was not to issue an opinion on the calculation method and that the valuation reports were prepared based on Bim's consolidated financial statements at 30 September 2017;
- verifying the arithmetic accuracy of the calculations after rounding, where appropriate.

Based on our work, we have no matters to report on the compliance of the information on "financial assets (including current accounts)" with the methods used to determine Adjusted Net Assets as described in the attached document and on the consistency of the data used to determine Adjusted Net assets with (i) the accounting records used to prepare the parent company and consolidated financial statements for the year ended 30 September 2017, and (ii) the conclusions in the valuation reports.

This attestation report has been prepared for your attention in connection with the above-mentioned context and may not be used, distributed or otherwise referred to for any other purpose.

Paris La Défense, 15 February 2018
KPMG Audit IS

François Caubrière
Partner

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A simplified joint-stock corporation ("SAS")
with share capital of €4,035,764.85.

Registered in Paris under number 487 719 288.

AMAC TERRES DE VACANCES

NOVÉTUDE SANTÉ

eliorGroup