Financière de l'Odet

Annual report
2017

Bolloré

Financière de l'Odet

Annual report 2017

Ordinary and Extraordinary General Meeting of June 1, 2018

French limited company *(société anonyme)* with share capital of 105,375,840 euros
Registered office: Odet – 29500 Ergué-Gabéric
Administrative headquarters: 31-32, quai de Dion-Bouton
92811 Puteaux Cedex – France
Tel.: +33 (0)1 46 96 44 33 – Fax: +33 (0)1 46 96 44 22

www.financiere-odet.com
RCS (Register of Commerce and Companies) in Quimper, registration no. 056 801 046

Board of Directors
As of March 22, 2018

Vincent Bolloré
Chairman of the Board of Directors

Cyrille Bolloré
Chief Executive Officer
Vice-Chairman

Cédric de Bailliencourt
Deputy Chief Executive Officer
Vice-Chairman

Marc Bebon
Representative of Bolloré Participations

Chantal Bolloré

Marie Bolloré

Sébastien Bolloré
Representative of Socfrance

Yannick Bolloré

Valérie Coscas

Marie-Annick Darmaillac
Representative of Financière V

Hubert Fabri

Janine Goalabré
Representative of Omnium Bolloré

Céline Merle-Béral

Alain Moynot

Olivier Roussel

Martine Studer

François Thomazeau

Financial information

Emmanuel Fossorier
Financial Communications Director

Tel.: +33 (0)1 46 96 46 73

Fax: +33 (0)1 46 96 48 76

Xavier Le Roy
Investor Relations Director

Tel.: +33 (0)1 46 96 46 73

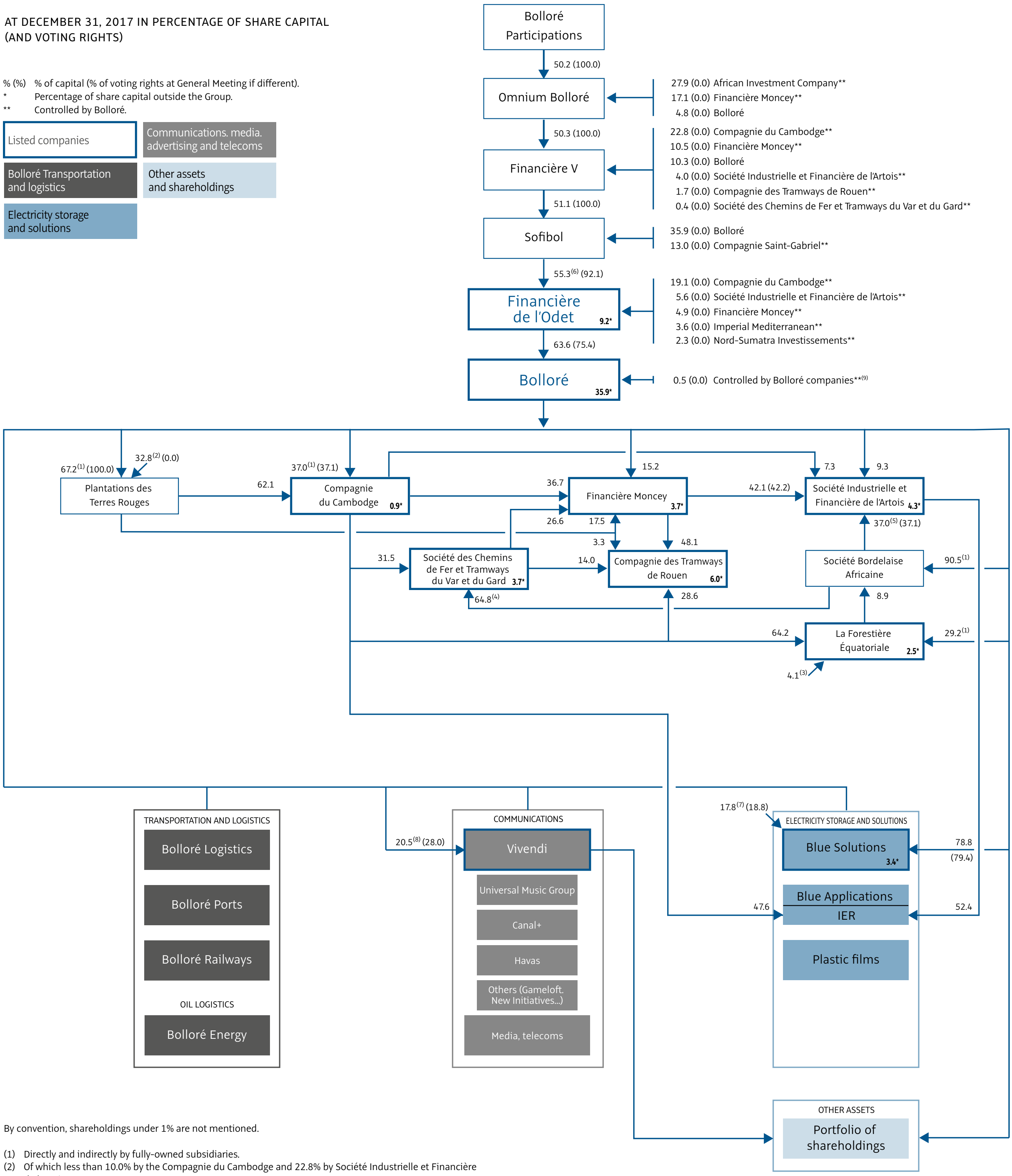
Fax: +33 (0)1 46 96 48 76

Contents

Management report

Organizational chart: detailed shareholding of Group listed companies

AT DECEMBER 31, 2017 IN PERCENTAGE OF SHARE CAPITAL
(AND VOTING RIGHTS)



By convention, shareholdings under 1% are not mentioned.

(1) Directly and indirectly by fully-owned subsidiaries.
(2) Of which less than 10.0% by the Compagnie du Cambodge and 22.8% by Société Industrielle et Financière de l'Artois.
(3) 4.1% by SFA, a 98.4%-owned subsidiary of Plantations des Terres Rouges.
(4) 64.8% by its 53.4%-owned direct subsidiary Socfrance.
(5) 30.2% by Société Bordelaise Africaine and 6.8% by its 53.4%-owned direct subsidiary Socfrance.
(6) Of which 5.3% by its 99.5%-owned direct subsidiary Compagnie de Guénolé.
(7) Of which 17.8% by Bolloré Participations.
(8) Via Compagnie de Cornouaille, a wholly-owned subsidiary of Bolloré, which crossed the 20% threshold of capital, including 2.7% through share loans and 2.7% through call options.
(9) Imperial Mediterranean, Société Bordelaise Africaine and Nord-Sumatra Investissements.

Brief history

Founded in Brittany in 1822, the family business specializing in the manufacture of thin paper was taken over by Vincent Bolloré at the beginning of the 1980s. Having developed a core area of specialist industries related to plastic film technology and thin paper, the Bolloré Group acquired a controlling interest in Sofical in 1986, closely followed by the acquisition of JOB to develop a Tobacco business as well as Scac and then Rhin-Rhône in 1988 to develop a Transportation business.

1991: takeover of Delmas-Vieljeux, followed by the merger by absorption of Scac by Delmas, which was renamed Scac-Delmas-Vieljeux (SDV).

1994: sale by Bolloré of a portion of the Non-woven industrial and disposable products business and of the Tubes and plastic connectors business.

End 1996: takeover of the Rivaud group, in which the Bolloré Group had held investments since 1988.

1997: takeover of Saga, in which Albatros Investissement had, since 1996, had a 50% stake alongside CMB-Safren.

1998: merger by absorption of Scac-Delmas-Vieljeux by Bolloré Technologies to become "Bolloré".

1999: Albatros Investissement, the leading shareholder in Bolloré, is renamed "Bolloré Investissement". Bolloré buys the African network AMI and Bolloré Investissement purchases the British shipping line OTAL and its land transport network in Africa.

2000: sale of 81% of the Cigarette paper business to the American group Republic Technologies, which handled a large portion of rolling paper distribution in the United States. Acquisition of Seita's 40% stake in Coralma, a tobacco subsidiary of the Group, 60% of which was already owned through Tobaccor. Granting of the concession for the third largest oil pipeline in France, the Donges-Melun-Metz (DMM) pipeline. Tender offer followed by a squeeze-out concerning Mines de Kali Sainte-Thérèse, and tender offers on Compagnie des Caoutchoucs de Padang and Compagnie du Cambodge, finalized on January 3, 2001.

2001: sale of 75% of the tobacco business (Tobaccor), based in Africa and Asia, to the British group Imperial Tobacco. Sale of the 30.6% stake in Rue Impériale de Lyon. Takeover by Bolloré Énergie of a stake in the business of BP's Oil logistics subsidiary in France. Acquisition by Delmas, Bolloré's shipping subsidiary, of 80% of the Italian firm Linea-Setramar.

Acquisition of a stake in Mediobanca via an international consortium.

2002: acquisition by IER of the specialist access control firm Automatic Systems. Sale to Imperial Tobacco of a further 12.5% stake in Tobaccor. Merger by absorption of Compagnie du Cambodge of Société Financière des Terres Rouges and Compagnie des Caoutchoucs de Padang. Bolloré Énergie takes over part of Shell's oil logistics business in France. Acquisition by SDV of the freight forwarding business of the German group Geis, with an important transport network in Asia. Merger of six companies in the freight forwarding business, resulting in the creation of SDV Logistique Internationale. Acquisition of equity stake in Vallourec.

2003: sale of the remaining interest in Tobaccor (12.5% payable at the end of 2005). Purchase of Consortium de Réalisation's (CDR's) 40.83% holding in Compagnie des Glénans. Start of operations of the factory purchased in the Vosges region of France by the Paper division. The Group's holding in Vallourec rises above the 20% threshold (voting stock).

2004: sale of the Malaysian plantations. Acquisition of a 20% stake in Havas. Development of the Bluecar®, a prototype electric vehicle that runs solely on Batscap batteries.

2005: launch of Direct 8, the digital terrestrial television (DTT) station developed by the Group. Bluecar® presented at the Geneva Motor Show. Acquisition of Air Link, India's third largest freight operator. Acquisition of a 25% stake in Aegis. Sale of 7.5% of Vallourec's share capital.

2006: sale of the shipping business (Delmas). Launch of *Direct Soir*, the first free daily evening newspaper. Awarding of 12 regional WiMax licenses. New series of Bluecar® prototypes delivered. Sale of 10.2% of holding in Vallourec. Squeeze-out of minority interests in Socfin. Tender offer on Bolloré and merger of Bolloré and Bolloré Investissement. Change of name from "Bolloré Investissement" to "Bolloré".

2007: acquisitions of JE-Bernard, one of the leading logistics and freight forwarding groups in the United Kingdom, and Pro-Service, an American logistics company specializing in the aeronautics and space industry. Acquisition of assets in Avestor in Canada. Partnership with Pininfarina for the manufacture and sale of an electric car.

Launch of the free daily newspaper, *Direct Matin Plus*. Start of testing of pilot equipment intended for WiMax. Sale of 3.5% of equity share in Vallourec and strengthened position in Havas and Aegis. Tender offer on Nord-Sumatra Investissements followed by a squeeze-out.

Acquisition by the aforementioned consortium of international investors of an additional 1% stake in Mediobanca, of which 0.25% by Financière du Perguet.

2008: sale of 3.6% of Vallourec. Creation of two joint ventures for the development of electric vehicles (Pininfarina for the Bluecar® and Gruau for the Microbus). Awarding of an additional eight WiMax licenses obtained. Acquisition of White Horse, a leading road haulage firm in the Copper Belt corridor, and SAEL, the fifth largest freight chartering firm in South Africa. Acquisition of 60% of the share capital of the CSA group, 40% of which had already been held by the Bolloré Group since 2006. Increase of shareholding in Vallourec to 2.9% on December 31, 2008.

2009: winning of the concession for the Cotonou container terminal in Benin and start of operations at the Pointe-Noire port terminal in Congo. Sale of the Papers business to the American group Republic Technologies International. Start of operations at the two electric battery factories in Brittany and Canada, and market launch of supercapacitors. Strengthening of shareholding in Vallourec to 5.2% as at December 31, 2009.

2010: winning of port concessions in Africa (Freetown in Sierra Leone, Lomé in Togo, etc.). Acquisition of the digital terrestrial TV station Virgin 17, renamed "Direct Star". Winning of the Autolib' contract for the self-service hire of electric Bluecar® vehicles in the Paris region. Reclassification of Mediobanca and Generali shareholdings in Bolloré. Delisting of the company Saga.

2011: acquisition of a 49% stake in LCN (Les Combustibles de Normandie) with a view to securing 100% control in time. Beginning of construction of a new Lithium Metal Polymer (LMP®) batteries factory in Brittany. Sale of 3.5% of holding in Vallourec. Agreement to sell the free channels Direct 8 and Direct Star to the Canal+ group in exchange for Vivendi shares. Acquisition of 1.1% holding in Vivendi. Acquisition of equity stake in Vivendi. Winning of the concession for the management of the port of Moroni in the Comoros Islands. Launch of Autolib' service. Successful first bond issue for 350 million euros due in five years.

2012: sale of the Direct 8 and Direct Star channels to Canal+ group, against a 1.7% shareholding in Vivendi's share capital. Acquisition of additional 2.2% shareholding in Vivendi, bringing the interest to 5%. Following the sale of 20% of Aegis to Dentsu, the balance of its shareholding (6.4%) will be contributed to the bid launched by Dentsu. Following the share buyback tender offer made by Havas, the Bolloré Group's shareholding in Havas was raised from 32.8% to 37.05% and to 36.9% by the end of 2012.

2013: winning of the management of the petroleum port of Pemba in Mozambique, the second container terminal of Abidjan, Republic of Côte d'Ivoire and the Dakar RoRo terminal in Senegal. Oil logistics division's acquisition of PMF – Petroplus Marketing France. Delisting of Plantations des Terres Rouges of which the Bolloré Group now holds 100%. Initial public offering (IPO) of Blue Solutions on the NYSE Euronext Paris market on October 30, 2013. Launch of Bluely car-sharing services (Lyon-Villeurbanne) and Bluecub (Bordeaux). Disposal of the remaining 6.4% held in Aegis, at the beginning of 2013.

2014: sale of SAFA, which owned a plantation in Cameroon (SAFACAM), for a 9% interest in Socfinaf. Public exchange offer on Havas shares. Disposal in July 2014 of 16% of the Euro Media Group. Disposal of the 14% interest in Harris Interactive, as part of an offer made by Nielsen in February 2014. Inauguration of the Bluetram plant in Brittany. Experimental car-sharing system in Indianapolis (United States), Blueindy. Bids won in London to manage the RATP network of 1,400 charging terminals for 6-meter and 12-meter buses.

2015: rise of the shareholding in Vivendi's share capital to 14.4%. Successful public share exchange offer on Havas bringing ownership up to 82.5%, followed by a placement of 22.5% to maintain liquidity in the shares, bringing ownership down to 60% of share capital. Awarded port concessions for Kribi in Cameroon, Dili in East Timor and Varreux in Haiti. Launch of the Blueindy electric car-sharing service in Indianapolis (United States). Inauguration of the new Bluetram plant. Presentation of the 12-meter long electric bus. Partnership with PSA Peugeot Citroën to develop and sell the E-Mehari.

2016: opening of the 12-meter bus factory line, January 15, 2016. Launch of the electric car-sharing service in Turin, Italy, on March 18, 2016. Crossing of 20% threshold for capital and votes in Vivendi on October 7, 2016. Vivendi is accounted for using the equity method as from this date.

2017: 195th anniversary of the Bolloré Group. Full consolidation of Vivendi from April 26, 2017. Acquisition by Vivendi of Bolloré Group's majority stake of 59.2% in Havas followed up with a public offer to acquire the remaining shares in Havas by buying out its minority shareholders and delisting the firm, allowing Vivendi to own 100% of Havas. Public offer by Bolloré to buy out Blue Solutions with the acquisition of a 7.6% stake in Blue Solutions. Disposal of an approximately 10% shareholding in Gaumont as part of the share buyback program. Awarding of the concession for the new Kribi container terminal in Cameroon. Partial takeover of Necotrans assets. Inauguration of the new multipurpose Owendo terminal in Gabon with Bolloré Group as the exclusive container operator.

2018: increased stake in Vivendi by exercising stock options and acquiring additional shares, bringing the shareholding to 20.63% of the share capital and 29.67% of voting rights. Hedging of Vivendi's 11% stake in Fnac-Darty based on a price of 91 euros per share. Disposal by Vivendi of its entire stake of 27.27% in Ubisoft.

Overview of the Group and of the company at December 31, 2017

As at December 31, 2017, Financière de l'Odet directly and indirectly owned 64.1% of the share capital of Bolloré.
Bolloré carries out its activities in:
- international logistics (freight forwarding);
- transportation and logistics in Africa (port management, stevedoring, logistics);
- oil logistics;
- media (content, communications, advertising, free newspapers, telecoms);
- batteries and supercapacitors;
- plastic films for capacitors and packaging;
- electric vehicles;
- dedicated terminals and systems (IER);
- agricultural assets;
- management of a portfolio of shareholdings.

Bolloré acts as a holding company, employing 202 people assigned to various central functional services: Executive management, legal affairs, taxation, IT, human resources, finance, accounting, management control, cash management, etc.
Bolloré drives and coordinates its operating divisions. Cash management of its subsidiaries is centralized at Bolloré in order to achieve the best terms.
Bolloré reinvoices its services on the basis of a number of distribution keys (time spent, workforce).
A total of 36 million euros was invoiced in 2017. All these services are provided under standard agreements, entered into under normal market conditions.

Key figures

INCOME STATEMENT

(in millions of euros)	**2017**	2016	2015
Turnover	18,325	10,075	10,824
Share in net income of operating companies accounted for using the equity method	151	42	22
Operating income	1,123	626	700
Financial income	114	158	181
Share in net income of non-operating companies accounted for using the equity method	115	21	104
Net income from discontinued operations	0	0	0
Taxes	724	(224)	(265)
NET INCOME	**2,076**	580	720
of which Group share	369	228	297

OPERATING INCOME BY SEGMENT

(by business, in millions of euros)	**2017**	2016	2015
Transportation and logistics[1]	491	490	569
Oil logistics	36	54	37
Communications (Havas, media, telecoms)	790	282	255
Electricity storage and solutions	(165)	(168)	(126)
Other (agricultural assets, holdings)	(29)	(33)	(35)
OPERATING INCOME	**1,123**	626	700

(1) Before trademark fees.

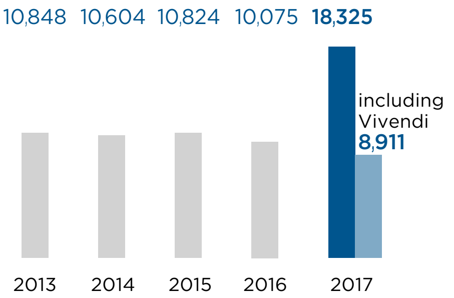
BALANCE SHEET

(in millions of euros)	**12/31/2017**	12/31/2016	12/31/2015
Shareholders' equity	29,296	8,240	8,624
Shareholders' equity, Group share	4,195	3,601	3,808
Net debt	5,068	4,586	4,679
Market value of portfolio of listed securities[1][2]	7,433	4,555[1]	4,979[1]

(1) Taking into account the impact from financing on Vivendi securities in 2015 and the value of stock options at December 31, 2016.
(2) Excluding Group shares (see page 13).

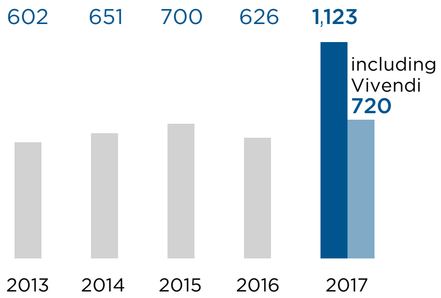
Change in turnover

(in millions of euros)



Change in operating income

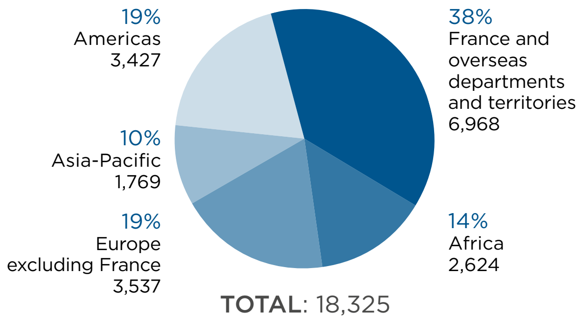
(in millions of euros)



Breakdown of 2017 turnover

BY GEOGRAPHICAL AREA

(in millions of euros)

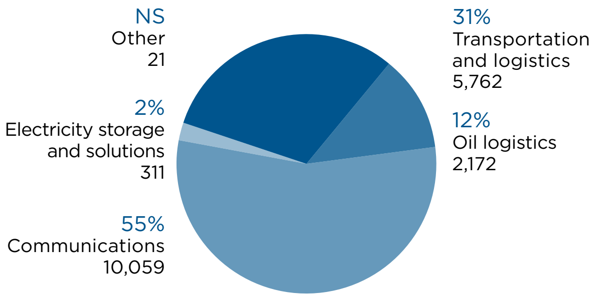


TOTAL: 18,325

Breakdown of 2017 turnover

BY BUSINESS

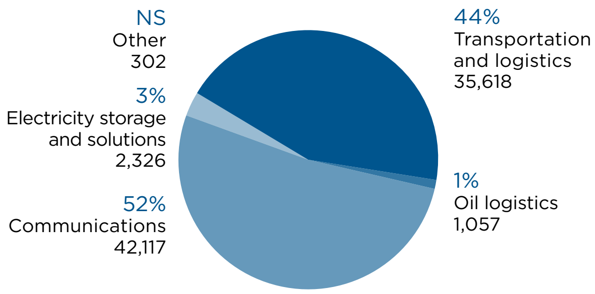
(in millions of euros)



TOTAL: 18,325

Breakdown of headcount at December 31, 2017

BY BUSINESS



TOTAL: 81,420

Group information

TRANSPORTATION AND LOGISTICS

To be able to present a clear and attractive commercial offer, the Group has created four separate brands: Bolloré Ports, Bolloré Logistics, Bolloré Railways and Bolloré Energy. However, internal financial reporting based on the Group's geographic organization, as outlined below and in the appended accounts, remains unchanged, with several legal entities still covering several of these brands.

(in millions of euros)	2017	2016
Turnover	5,762	5,458
EBITDA(1)	705	689
Operating income(1)	491	490
Capital expenditure	388	345

(1) Before trademark fees.

Turnover in 2017 was up 8% at constant scope and exchange rates to 5,762 million euros thanks to 11% growth at Bolloré Logistics, which benefitted from the higher sea and air volumes handled. Bolloré Africa Logistics saw its turnover rise by 4% on the back of markedly higher volumes handled by the port terminals, especially in the second half of the year, and growth in the logistics and handling businesses. The railways business was slightly up from 2016 but was dragged down by the fall in goods and passenger traffic.

EBITDA was up 2% to 705 million euros thanks to the solid performance of the ports terminal and logistics businesses in Africa in the second half of the year and continued growth in freight forwarding.

Operating income, which rose slightly to 491 million euros, still included significant depreciation and amortization related to sustained investments in Africa.

BOLLORÉ LOGISTICS

Bolloré Logistics offers full freight forwarding and logistics services worldwide, providing tailor-made solutions to each customer. Present in approximately one hundred countries, it ranks among the top 10 global freight forwarding and logistics groups[1].

In 2017, Bolloré Logistics' turnover was up 11% at constant scope and exchange rates to 3,394 million euros, largely due to higher air and sea volumes. Operating income was slightly lower than in the previous year.

In France, operating income from freight forwarding fell despite higher air and sea volumes due to lower margins resulting from the inability to pass on substantially higher freight rates to certain contracts signed previously.

In Europe, improved results in the Netherlands, Germany and Switzerland offset the decline in the United Kingdom and Belgium.

In Asia-Pacific, earnings were stable. Lossmaking freight contracts in the first half of the year, particularly at first in China, were offset by solid earnings in Australia, Singapore, Indonesia, Vietnam and Thailand which benefited from an expansion in the logistics and project businesses.

In North America, lackluster performance in the United States due to flat growth in Oil & Gas projects was partially offset by earnings in Canada.

Finally, the Group continued to expand its network. To this end, it formed a joint venture with Barhi in Saudi Arabia named Bahri Bolloré Logistics and in January 2018 acquired a majority stake in Global Solutions A/S, a Danish transportation and logistics firm.

BOLLORÉ AFRICA LOGISTICS

With operations in 46 countries, where it has close to 24,000 employees, Bolloré Africa Logistics has the largest integrated logistics network in Africa. In 2017, Bolloré Africa Logistics' turnover rose by 4% at constant scope and exchange rates to 2,368 million euros on the back of the upswing at the ports terminals, growth in the logistics and handling business, and lower rail transport volumes under the ongoing impact of the fall in goods and passenger traffic.

Good performance from port operations, particularly at Abidjan Terminal in the Republic of Côte d'Ivoire, MPS in Ghana, TICT in Nigeria, Dakar Terminal in Senegal, Conakry Terminal in Guinea, Benin Terminal in Benin and Freetown Terminal in Sierra Leone.

Most countries on the continent, especially Angola, Gabon, Ghana, the Democratic Republic of the Congo and Mozambique, saw a clear improvement in the conventional logistics and handling businesses.

Some countries, especially the Congo, were still hampered by the weak oil business.

Earnings from the railways business were slightly up. Camrail earnings improved thanks to reduced costs but continued to be impaired by lower hydrocarbon traffic to Chad and the decline in the passenger business, while Sitarail remained affected by insufficient transport volumes. However, an agreement between Burkina Faso and Republic of Côte d'Ivoire regarding capital expenditure for network upgrades should allow Sitarail to break even in 2018.

The Bolloré Group is continuing to develop its network. On July 25, 2017 it won the concession for the new Kribi container terminal in Cameroon. The consortium of Bolloré Transport & Logistics, CMA CGM and CHEC won a twenty-five-year concession to finance and operate the container terminal in Kribi, which they will manage as part of a public-private partnership. With a 350 meter quay and a depth of 16 meters, the Kribi terminal can accommodate ships with a capacity of 8,000 TEU (twenty-foot equivalent unit). The Kribi Container Terminal will eventually be able to handle ships with a capacity of 11,000 TEU. It will have a quay of 715 meters and will be able to handle 1.3 million TEU.

After the Paris Commercial Court approved in August 2016 the offer by the consortium to which Bolloré Group belongs, the Group was able to take over part of Necotrans' assets, namely:

- the takeover of its French freight forwarding business;
- the acquisition of certain oilfield activities in Africa;
- the acquisition of Brazzaville and Lomé conventional terminals;
- the acquisition of its minority interests in terminals operated by the Group in Cameroon, Republic of Côte d'Ivoire, Burkina Faso and Benin.

In Gabon, the new multipurpose Owendo terminal, which Bolloré Group and Olam will jointly develop and operate, was inaugurated on October 14, 2017. Under the agreement, STCG, a subsidiary of Bolloré Group and the existing container terminal concession holder, will be the exclusive operator of the new container terminal, while Olam (through Gsez Ports) will operate the conventional terminal. By increasing the capacity of the port of Owendo, these developments will help meet the requirements of Gabon's economy over the coming years.

BOLLORÉ ENERGY

(in millions of euros)	2017	2016
Turnover	2,172	1,965
Operating income	36	54
Operating margin	1.7%	2.8%
Capital expenditure	64	18.5

Through Bolloré Energy, the Bolloré Group is a major player in oil logistics with 2.2 million m^3 storage capacity for refined oil products in France, Switzerland and Germany at 27 wholly – or jointly – owned depots. In France, its storage capacity is 1.8 million m^3, 10% of existing capacity, and 0.4 million m^3 in Switzerland or 5% of existing capacity. Finally, Bolloré Energy, which operates the Donges-Metz pipeline through the SFDM subsidiary, transported 3.1 million m^3 in 2017.

Bolloré Energy is also one of the leading independent distributors of oil products such as domestic fuel-oil and transport and other diesel. The Group also has a distribution operation in Switzerland and Germany.

(1) Source: in-house study based on financial communications from competitors.

Turnover in 2017 was up 11% from 2016 to 2,172 million euros, as higher oil product prices offset lower volumes. Operating income for 2017 was down, despite a better second half of the year largely as a result of:

- lower volumes in the distribution business in France and Switzerland due to unfavorable weather conditions;
- non-recurring positive items in fiscal year 2016 against the background of depot blockages and fuel shortages;
- the impact on inventory of more moderate oil price rises than in 2016 (difference of 7 million euros).

In 2017, Bolloré Energy continued to develop its logistics business with higher capital expenditure on upgrading the Dépôt Rouen Petit-Couronne (DRPC) site purchased in 2015. This oil storage facility has an exceptional location near consumer centers (capital and airports), with connections to the Le Havre-Paris pipeline, the motorway network and the Seine river-sea route. Upon completion of the rehabilitation work, DRPC will offer storage capacity of approximately 600,000 m^3. The project will consolidate Bolloré Energy's distribution in the region and provide strategic reserves. Moreover, a joint venture agreement with Total was concluded in 2017 under which Total Marketing France owns 30% of DRPC.

COMMUNICATIONS

(in millions of euros)	**2017**	2016
Turnover	10,059	2,321
Operating income	790	282
Operating margin	7.9%	12.1%
Capital expenditure	461	95

The Group continued growing, and is now globally integrated across the media, content and communication sectors. As of April 26, 2017, the full consolidation of Vivendi in Bolloré's financial statements added to the Group's existing interests in advertising and market research, free newspapers and telecoms. Vivendi owns Universal Music Group (UMG), Canal+, Havas, Gameloft, Vivendi Village and Dailymotion.

Turnover in the Communication segment was up 4% at constant scope and exchange rates to 10,059 million euros. Its growth was largely driven by Vivendi. Operating income amounted to 790 million euros, of which 720 million euros came from Vivendi in its first eight months of full consolidation, including income from Havas in the second half of the year and income of 120 million euros from shares in operating companies accounted for using the equity method.

The operating income of Havas in the first half of 2017 came to 93 million euros. After Vivendi acquired Bolloré Group's 59.2% stake in Havas on July 3, 2017, Havas' income for the second half of the year was fully consolidated in Vivendi's financial statements.

COMMUNICATIONS AND MEDIA

Vivendi shareholding

At December 31, 2017, Bolloré Group owned 20.5%(1) of Vivendi, which has been fully consolidated since April 26, 2017.

Vivendi

Vivendi's clear and ambitious strategy, implemented since 2014, is to build a European group with global reach in content, media and communication.

Organic growth of 4.9% recorded in 2017 was largely due to growth of 10% at Universal Music Group (UMG) and the turnaround of Canal+.

EBITA increased by 36% to 987 million euros. It included income of 111 million euros from Havas. EBITA was up 23% at constant scope and exchange rates on the back of growth of 21% at UMG and 31% at Canal+, which was partly offset by development costs incurred at Nouvelles Initiatives.

Operating income in 2017 was up 17% from 2016 to 1,036 million euros, with 146 million euros coming from companies accounted for using the equity method led by Telecom Italia (144 million euros).

Net income Group share amounted to 1,228 million euros, compared with 1,256 million euros in 2016. In 2017, it included a current tax credit of 409 million euros following the settlement of a dispute concerning profits under global tax consolidation and the return of 243 million euros as part of amounts paid by Vivendi and its subsidiaries for the 3% contribution on distributed profit. Net income in 2016 included a capital gains of 575 million euros on the sale of the remaining stake in Activision.

- **Universal Music Group**

The turnover of Universal Music Group (UMG) rose by 10% at constant scope and exchange rates to 5,673 million euros with strong growth in the recorded music and music publishing segments, while revenue from merchandising and other segments fell by 7.1%.

Turnover from the recorded music segment rose by 11.3% at constant scope and exchange rates on the back of a 35.4% increase in revenue from subscriptions and streaming, which largely offset falling download sales and physical sales.

Turnover from music publishing rose by 9.6% at constant scope and exchange rates also on the back of higher revenue from subscriptions and streaming as well as revenue from copyrights and performances.

UMG's EBITA was up 20.6% at constant scope and exchange rates to 761 million euros, thanks to increased turnover and lower restructuring costs.

In 2017, UMG concluded groundbreaking agreements with both new and established streaming partners. After announcing a historic deal with Tencent in May 2017 and renewing its partnership with Spotify in April 2017 and YouTube in December 2017, UMG entered into a landmark agreement with Facebook, also in December 2017. The agreement marks the first genuine business partnership between a major music company and the largest social platform in the world. Alongside its existing partnerships with Amazon and Apple, UMG is helping to build an increasingly competitive and dynamic music market in the largest technology platforms and music services in the world.

- **Canal+ group**

Turnover from Canal+ group was up 0.3% at constant scope and exchange rates to 5,246 million euros, more or less the same as in 2016. It confirmed improved quarterly figures recorded throughout the fiscal year.

At the end of December 2017, Canal+ recorded a net increase of 586,000 individual subscribers in one year, to reach nearly 11.9 million subscribers in total on top of 3.1 million customers served via partnerships with telecoms operators in France, in particular Free and Orange. At the end of December 2017, Canal+ had 15.6 million individual and group customers in total, against 15 million the previous year.

Turnover from the international TV business grew by 5.8% from 2016 at constant scope and exchange rates, thanks to the continued rise in the number of individual subscribers, especially in Africa, where an increase of 700,000 subscribers in one year brought the total number of subscribers to almost 3.5 million at the end of December 2017.

Turnover from Studiocanal was up 13.9% from 2016 at constant scope and exchange rates to 467 million euros. The increase reflects excellent earnings from movie theaters, especially in France, due to the success of various releases, with five attracting over one million moviegoers (*Alibi.com, Épouse-moi mon pote, Sahara, L'École buissonnière* and *Paddington 2*).

EBITA for Canal+ group surged to 318 million euros on the back of the continued recovery in the mainland France TV business, the cost reduction program, the growing contribution of the international TV business, and strong earnings from Studiocanal.

- **Havas**

Havas has been fully consolidated in Vivendi since July 3, 2017. For fiscal year 2017, the contribution by Havas to Vivendi's earnings was limited to the second half of 2017. The turnover of Havas and its EBITA amounted to 1,151 million euros and 111 million euros respectively. The contribution by Havas to Vivendi's operating cash flow was 308 million in the second half of 2017.

(1) Including 2.7% under a share-loan agreement and call options on another 2.7%.

Havas' operating performance in the second half of 2017 improved with respect to the first half of 2017. In that period, turnover rose by 8% and current operating income grew by 13%. The current operating margin reached 11.7% in the second half of the year.
Organic turnover fell by 1.1% in the second half of 2017 and by 2.1% in the fourth quarter, largely due to a negative baseline effect compared with the previous year. For the record, the fourth quarter of 2016 drove earnings in the second half of the year and had the strongest earnings of the year at 4.2%. Turnover (gross margin) for full year 2017 dropped slightly by 0.7% from the previous year to 2,259 million euros. Annual organic growth was –0.8%.
At a time when all communication firms operate in a difficult environment, Havas, like its peers, must deal with changes in the market and more intense competition from certain IT consulting and business consulting firms. In response, the Group was quick to put a staff and general expenses reduction plan in place (non-recurring expenses of 24 million euros, of which 15 million euros in restructuring costs).

- **Gameloft**

With over 2.5 million downloads a day on all platforms in 2017, Gameloft is the leading mobile game publisher in the world.
Its turnover came to 258 million euros. Turnover in market segments in which growth (advertising and app stores) is a priority grew by 12% in one year. Gameloft Advertising Solutions grew by a stunning 93% from 2016 and accounted for 14.1% of overall turnover.
Keeping a tight rein on operating costs allowed Gameloft to increase its operating income from 2016 by 12.6% at constant scope and exchange rates to 10 million euros and its EBITA to 4 million euros in 2017.

- **Vivendi Village**

Vivendi Village's turnover in 2017 was up 4.5% at constant scope and exchange rates to 109 million euros, thanks to solid earnings at Vivendi Ticketing.
Operating income for Vivendi Village came to a loss of 6 million euros. After taking into account the costs of winding down Watchever, which was merged with Dailymotion in the fourth quarter of 2017, EBITA came to a loss of 18 million euros.

- **Nouvelles Initiatives**

Nouvelles Initiatives, which groups together entities at the launch or development phase, such as Dailymotion, Vivendi Content (Studio+, Vivendi Entertainment) and GVA (Group Vivendi Africa), posted turnover of 51 million euros in 2017. Due to capital expenditure in 2017, EBITA came to a loss of 92 million euros.
For further information, see Vivendi's registration document at www.vivendi.com.

FREE NEWSPAPERS

CNews (formerly *Direct Matin)*

The free daily *Direct Matin* was renamed *CNews Matin* then *CNews* in December 2017. It is circulated in all major French cities in regional editions, all under the *CNews* name, through exclusive partnerships with certain regional daily newspapers. The editorial content and layout of *CNews* contrast with those of other free newspapers. *CNews* uses the most exacting editorial processes to inform readers, allowing them to understand and take an in-depth look into international, national and local news events. This particular factor has enabled the development of a close relationship with readers over the years. Close to 900,000 copies(1) of the free newspaper are distributed on average and each issue has nearly 2.2 million readers(2).
The digital version is accessible at cnews.fr with over 2 million visitors and nearly 7 million page views a month(3).

TELECOMS

Bolloré Telecom

The Group has 22 regional licenses in the 3.5-GHz band, allowing it to broadcast broadband data with national coverage. Under the agreement with Arcep requiring network equipment to be provided between 2015 and 2017, Bolloré Telecom continued the rollout begun at the end of 2014. Thus over 6,000 base stations were set up by the end of December 2017. Cumulative expenditure at this stage amounted to approximately 155 million euros, including licenses and development costs.

Wifirst

The Bolloré Group has a shareholding in the operator Wifirst, the leading supplier of wireless high-speed Internet access to student residences, defense bases and hotel resorts. Wifirst continued to grow its installed base, and had nearly 530,000 rooms/locations equipped at the end of December 2017, up by 28% from 2016. Moreover, with over 3,500 branches equipped at the end of 2017, Wifirst continued its rollouts under the agreement signed with La Poste in 2015. 2017 turnover totaled 36 million euros, up by 30% compared with 2016.

ELECTRICITY STORAGE AND SOLUTIONS

(in millions of euros)	**2017**	2016
Turnover	311	310
Growth at constant scope and exchange rate	2%	17%
Operating income	(165)	(168)
Capital expenditure	146	192

Turnover from industrial activities (electricity storage, plastic films, dedicated terminals and systems) was slightly up, to 311 million euros compared with 310 million euros in 2016. Turnover generated by Blue Solutions with Blue Applications entities was 80 million euros, versus 109 million euros in 2016, and was eliminated on consolidation at the Bolloré Group level.
Operating expenses and capital expenditure on applications were lower than in 2016, leading to a slight fall in operating losses. Blue Solutions focused on the most promising applications (bus and car-sharing) and scaled back its capital expenditure on Bluecar, excluding car-sharing. The launch of a new car-sharing service in Singapore and the expansion of car-sharing in London (charging terminals) and Turin all took place in 2017. Car-sharing is expected to launch in Los Angeles in the first half of 2018.
R&D activities continue, primarily in batteries with the integration of Capacitor Sciences (company acquired in September 2016).

BLUE SOLUTIONS

Blue Solutions produces the electric Lithium Metal Polymer (LMP®) battery in its factories in Brittany and Canada. On October 30, 2013, Blue Solutions was listed on the NYSE-Europe main market at 14.50 euros. As at December 31, 2017, the share price was 17.17 euros, representing a market capitalization of 495 million euros.
Blue Solutions reported consolidated turnover of 81 million euros in 2017, down 26% compared with 2016. It includes in particular a contribution of 12.5 million euros granted to Blue Solutions under a cooperation agreement signed by Blue Solutions and jointly Bluecar, Bluebus and Bluestorage. As announced, the 39% drop in battery sales from the end of December 2016 to 1,508 batteries was due to longer battery life. Battery sales to Bluebus nonetheless remained steady at 391 batteries at the end of 2017 (compared with 413 at the end of 2016) for the delivery of 12-meter buses, especially to RATP. Operating income fell by 19 million euros due to lower turnover and a negative impact of 6 million euros related to the consolidation of Capacitor Sciences.

(1) Source: OJD December 2017.
(2) Source: One 2016-2017.
(3) Source: Google analytics 2017 average.

BLUE APPLICATIONS

Car-sharing

The car-sharing services developed by the Bolloré Group have been a success. After the launch in 2011 of Autolib' in Greater Paris and Utilib (for tradesmen), the Group continued to expand geographic access to its car-sharing services with the launch of Bluely in Greater Lyon, Bluecub in the Bordeaux Urban Community, Blueindy in Indianapolis (USA) and Bluetorino in Turin (Italy). In London, a car-sharing network called Bluecity will be gradually developed from the BluePointLondon electric charging terminal network boasting over 850 terminals and managed by the Group. It should eventually connect all the boroughs making up Greater London.

Blue LA in Los Angeles is the second electric car-sharing service run by the Bolloré Group in the United States. It is the largest such program in the United States that targets disadvantaged neighborhoods. Under the partnership with the Los Angeles Department of Transportation, 100 electric cars and 200 charging terminals are set to be rolled out. The service is scheduled to open in the first half of 2018.

Lastly, the Group opened a location in Singapore at the end of 2017 with Blue SG, which is set to become the second-largest car-sharing service in the world.

At the end of 2017, the car-sharing services comprised 5,000 electric cars (3,900 under Autolib'), 172,000 annual subscribers (up 19% from 2016) and over 5 million rentals in the year.

Bluebus

The Group also develops electric public transportation solutions with the manufacturing and selling of the 6-meter Bluebus and, since late 2015, 12-meter buses for which a new manufacturing plant was inaugurated in Brittany in 2016. In 2017, the Group delivered 22 twelve-meter buses (16 in the fourth quarter) and 34 six-meter buses. It also sold its first 12-meter buses abroad with an order for 5 buses from the Brussels Intercommunal Transport Company (STIB-MIVB) in Belgium which should be delivered in 2018.

Bluestorage

Other than mobility, the Group is also developing stationary renewable energy applications. Its Bluestorage subsidiary is developing a range of energy storage solutions, capable of storing from a few kWh up to several MWh of energy and targeting different final customers: electricity-grid operators and electricity consumers.

For electricity-grid operators, solutions developed by Bluestorage allow in particular the uneven supply of renewable energies to be offset and thus strengthen the reliability of the networks. The storage means deployed also improve the economic performance of solar and wind farms by making electricity-production periods match with peak-consumption periods.

These solutions are as relevant for the large renewable energy power stations connected to the grid as for the electricity needs of off-grid regions. Several installations of this type are in place, including the Bluezones the Group has rolled out in Africa and, in collaboration with Vivendi, the CanalOlympia event venues in Africa whose electricity supply is provided by storage systems developed by Bluestorage.

Bluestorage has also equipped installations to carry out industrial demand response and distributed load shedding. Whether at the grid-manager level or at the industrial-demand level, the objective is the same: to be able to size electricity production facilities to meet peak demand. By storing available energy during weaker-demand periods, the Bluestorage systems help obviate the need for building new, often gas, production units.

The Group is also studying the existing potential regarding the lag in capital expenditure on the networks. By positioning the storage means in strategic places, the grid manager may avoid revising his transmission and distribution infrastructure, and size it to ensure energy flows during peak periods. Lastly Bluestorage is developing solutions enabling the hybridization of generators often installed by industrials in off-grid regions. Thanks to the additional production resources through renewable energies and the use of Bluestorage solutions, diesel consumption and greenhouse gas emissions are significantly reduced.

Many projects were studied in 2017 to pair storage with production of solar power in regions such as Africa and French overseas departments and territories. Among other initiatives, the Group partnered with Ademe in an agreement to bring electricity to a village of 2,000 inhabitants in Guinea.

Dedicated terminals and systems

Alongside its traditional activities, IER installed all the subscription, rental and charging points for Autolib', Bluely, Bluecub, Blueindy, BluePointLondon, Bluetorino, Blue LA and Blue SG as well as the onboard IT for Bluecar® and is now a major player in the market for smart connected charging infrastructure and remote geolocation and monitoring systems for vehicles.

In fiscal year 2017, IER's consolidated turnover was up 3% at constant scope and exchange rates to 159 million euros, while operating income broke even compared with a loss of 4 million euros in 2016. It reflected:

- progress in the "Track & Trace" solutions through the SNCF boarding project as project studies were wrapped up and roll out began at Gare Montparnasse, Gare du Nord and in Marseille;
- a slowdown from 2016 in the self-service charging terminals segment which included major deliveries for La Poste. Business was nonetheless good in the aviation equipment segment;
- solid earnings in the safety segment with Automatic Systems, a subsidiary of IER that develops access control systems for pedestrians, passengers and vehicles, especially in northern Europe, the United States and France;
- a slowdown from 2016 in the car-sharing segment.

Polyconseil

Business was steady in 2017 at Polyconseil, which offers IT consulting and services and develops software, driven by consulting on digital and telecoms projects.

PLASTIC FILMS

Business grew in 2017, especially in the packaging segment with strong sales growth in Bolphane films. Higher volumes were offset by the higher cost of resin and a negative currency effect related to dollar weakness.

OTHER ASSETS

SHAREHOLDINGS

While developing each of its operating activities, the Group has consistently sought to maintain industrial capital in the form of assets that can be sold if needed or form the basis of new activities.

The Bolloré Group manages a portfolio of stakes in listed companies with a value of more than 7.4 billion euros at year-end 2017. It comprises holdings by Bolloré worth 1.1 billion euros in firms including Mediobanca, Vallourec, Generali and Socfin, as well as holdings by Vivendi worth 6.4 billion euros at end-2017 in firms including Telecom Italia, Ubisoft, Mediaset, Telefónica and Fnac-Darty. The Group also owns various agricultural assets.

Bolloré listed equity portfolio

Bolloré's portfolio was worth 1.1 billion euros at the end of 2017 and mainly consists of stakes in:

- Mediobanca(1) (7.9%), Generali (0.1%) and UnipolSai (0.04%)(2) in Italy, with a combined stock market value of 659 million euros at December 31, 2017. The main shareholding is Mediobanca, in which the Group is the second-largest shareholder with two representatives on the Board of Directors;
- Socfin group entities(3) with a stock market value of 283 million euros at December 31, 2017 (see agricultural assets).

The Bolloré Group also owns 1.2% of Vallourec and 21% of Bigben Interactive, a European leader in the design and supply of video game console accessories.

(1) Accounted for using the equity method.
(2) Of which 0.02% held by Financière de l'Odet.
(3) Source: Google analytics 2017 average.

Vivendi listed equity portfolio

Vivendi's portfolio is worth 6.4 billion euros and mainly consists of stakes in:
- Telecom Italia(1) in which Vivendi is the largest shareholder through its stake of 23.9% with a stock market value of 2,623 million euros at the end of December 2017;
- Mediaset, in which Vivendi is the second-largest shareholder through its stake of 28.8% with a stock market value of 1,099 million euros at the end of December 2017;
- Ubisoft (27.3%), with a stock market value of 1,956 million euros at the end of 2017. This shareholding was sold in March 2018 for 2,012 million euros.

Vivendi also holds stakes in Telefónica worth 400 million euros and Fnac-Darty worth 297 million euros at December 31, 2017.

PLANTATIONS AND OTHER AGRICULTURAL ASSETS

Socfin(2)

The Group directly holds 38.8% of Socfin, 21.7% and 8.6%, respectively, of its subsidiaries Socfinasia and Socfinaf. Socfin manages rubber tree and oil palm plantations in Indonesia and several countries in Africa (Liberia, Cameroon, Democratic Republic of the Congo, the Republic of Côte d'Ivoire, Nigeria) representing close to 200,000 hectares. In 2017, the results of the plantations were up sharply from 2016 on the back of higher rubber and palm oil prices.
The average palm oil price in 2017 was slightly up from 700 US dollars per tonne in 2016 to 715 US dollars per tonne in 2017 largely due to lower production and a resulting fall in inventory. The average annual price of rubber in 2017 rose sharply on account of strong global demand underpinned by fears of a possible shortage resulting from floods in southern Thailand.
In Indonesia, where Socfindo operates 48,000 hectares of palm oil and rubber tree plantations, net profit came to 50.2 million euros, against 40.5 million euros in 2016 as a result of higher prices and sales. Net income from plantations in the Republic of Côte d'Ivoire, Cameroon, Liberia and Nigeria was up 28% from 2016 to 64 million euros on the back of higher prices and stable production. In Democratic Republic of the Congo, where Brabanta marked its third year of production, net income rose despite production delays.

American farms

The three farms in Georgia and Florida cover 3,300 hectares and are contractually managed by Socfin. The Group is investing 35 million dollars (30 million euros) to convert 1,800 hectares into olive groves by 2018. First production is expected in 2019. The Group invested 6 million US dollars (6 million euros) in 2016 and 11 million US dollars (9 million euros) in 2017.

Vineyards

The Group owns two wine-growing estates in the south of France, namely Domaine de La Croix (*cru classé*) and Domaine de La Bastide Blanche. They cover 242 hectares, to which 116 hectares of wine-growing rights are attached. Turnover in 2017 was up by a vigorous 40% from 2016 to 4.9 million euros, and EBITDA was positive.

RECENT EVENTS AND OUTLOOK

STRENGTHENING OF THE SHAREHOLDING IN VIVENDI

In February 2018, the Bolloré Group, which held 34.7 million Vivendi share purchase options, exercised 21.4 million options representing 1.7% of the capital of Vivendi, at the average price of 16.57 euros, previously set in October 2016, i.e. a total of 354 million euros.
Following this exercise, the Bolloré Group still holds 13.3 million purchase options for an equal amount of Vivendi shares that can be exercised at any time at the average exercise price of 21.10 euros up until June 25, 2019.
Since March 2018, Compagnie de Cornouaille has acquired an additional 4% stake for 1.2 billion euros, bringing Bolloré Group's ownership in Vivendi to approximately 24% of the share capital(3).

FNAC-DARTY HEDGING OPERATION

In January 2018, Vivendi concluded a hedging operation in order to protect the value of its stake of 11% in the share capital of Fnac-Darty on the basis of a price of 91 euros per share, i.e. a total of 268 million euros. Vivendi retains the possibility of a settlement in cash or by delivery of shares at the end of this transaction, i.e. no later than during the second half of 2019.

VIVENDI'S SALE OF ITS SHAREHOLDING IN UBISOFT

In agreement with the Guillemot family, Vivendi announced on March 20, 2018 the sale of its entire 27.27% stake in Ubisoft at a price of 66 euros per share for 2 billion euros. This stake had been acquired by Vivendi during the last three years for a total of 794 million euros.

Comments on the consolidated financial statements for the fiscal year

TURNOVER WAS UP 82%, COMPARED WITH 2016 (6% AT CONSTANT SCOPE AND EXCHANGE RATES)

Turnover in 2017 was up 6% at constant scope and exchange rates to 18,325 million euros.
This was due to 8% growth in the Transportation & Logistics business driven by higher freight volumes and rates and solid earnings from port terminals, as well as an 11% increase in the oil logistics business as a result of higher oil product prices. It also reflected growth of 4% in the Communications business (attributable to 5% growth at Vivendi) and a 2% increase in the Electricity storage and solutions business.
On an unadjusted basis, it was up 82% on account of changes in the scope of consolidation amounting to 7,383 million euros largely related to the full consolidation of Vivendi and a negative currency rate fluctuation of 160 million euros.

EBITDA WAS UP 103% TO 2,070 MILLION EUROS, WHILE OPERATING WAS INCOME UP 79% TO 1,123 MILLION EUROS

The Group's operating income totaled 1,123 million euros, down 79% compared with fiscal year 2016, on account of:
- a slight improvement in Transportation and logistics, thanks to the solid performance of the ports terminal and logistics businesses in Africa in the second half of the year and continued growth in freight forwarding;
- a drop in earnings from oil logistics (despite a better second half of the year) due to lower volumes in the distribution business in France and Switzerland as a result of bad weather, whereas 2016 benefitted from positive inventory effects and non-recurring items;
- in the communication segment, the inclusion of 720 million euros in operating income at Vivendi(4) reinforced by solid earnings at Universal Music Group and Canal+;
- restrained spending on electricity storage (batteries, electric vehicles, stationary) despite the development of new car-sharing services and the cost of improving batteries.

(1) Shareholdings consolidated by the equity method in Vivendi's financial statements.
(2) Company data before restatement under IFRS. Socfin group plantations are accounted for under the equity method in the Bolloré financial statements.
(3) Including the share loan agreement relating to 2.7% of share capital.

(4) Eight months of full consolidation and including 120 million euros from shares in operating companies accounted for using the equity method.

NET INCOME WAS 2,076 MILLION EUROS, COMPARED WITH 580 MILLION EUROS IN 2016 AND NET INCOME GROUP SHARE WAS UP 62% ON 2016 TO 369 MILLION EUROS

- Financial income amounted to 114 million euros, compared with 158 million euros in 2016. As Vivendi is now fully consolidated, dividends received in 2017 (79 million euros) are no longer recognized in the income statement (325 million euros in 2016). However, financial income included a capital gain of 232 million euros resulting from the fair value adjustment of Vivendi shares as part of the shift to full consolidation, as well as 77 million euros related to the change in fair value of Vivendi stock options.
- The share in net income of non-operating companies accounted for using the equity method totaled 115 million euros, compared with 21 million euros in 2016 on the back of higher earnings from Mediobanca and Socfin. The share in net income of Mediobanca included the reversal of a provision of 34 million euros on the value of securities.
- Income tax payable came to 724 million euros and included 1,016 million euros in non-recurring items regarding Vivendi, the favorable resolution in 2011 of a dispute relating to global tax consolidation for 409 million euros, the return of 243 million euros paid for the 3% contribution on dividends paid, and the positive impact of changes in tax rates (largely in the US) on the Group's deferred taxes worth 364 million euros.

In view of these items, consolidated net income amounted to 2,076 million euros, compared with 580 million euros in 2016. Net income, Group share, amounted to 369 million euros, compared with 228 million euros in 2016.

NET DEBT AT 5,068 MILLION AND PORTFOLIO MARKET VALUE AT 7,433 MILLION

- Net debt rose by 482 million euros to 5,068 million euros on account of the acquisition of non-controlling interests in Havas amounting to a total financial investment of 1,601 million euros.
- Shareholders' equity amounted to 29,296 million euros, an increase of 21,056 million euros, of which 20,823 million euros from the full consolidation of Vivendi.
- The ratio of net debt to shareholders' equity was 17%, compared with 56% at end-2016.
- The market value of the portfolio of listed securities was 7,433 million euros at December 31, 2017, including 1,059 million euros for the Bolloré portfolio (Mediobanca, Socfin) and 6,374 million euros for the Vivendi portfolio (Telecom Italia, Ubisoft, Mediaset, Telefonica, Fnac-Darty) compared with 4,555 million euros[2] at December 31, 2016.
- The Group's liquidity[3] was up with an undrawn available amount of more than 3 billion euros at the end of 2017, compared with 1.9 billion euros at the end of 2016.

PROPOSED DIVIDEND OF 1.00 EURO PER SHARE

The Board of Directors will propose to the General Meeting on June 1, 2018 the distribution of a dividend of 1.00 euro per share. The ex-dividend date is set for June 7, 2018 and payment will be made on June 11, 2018.

Comments on separate results for the period

Operating income rose by 1.4 million euros and was 107.9 million euros in 2017. These results essentially include dividends received from Bolloré SA less interest expenses. The increase is largely due to accrued income relating to the claim on taxes on dividends.

(2) Taking into account the impact of the value of Vivendi securities and call options at December 31, 2016.
(3) At December 31, 2017, excluding Havas and excluding Vivendi.

Allocation of earnings for the period

Net income for the fiscal year was 107,867,829.48 euros. Your Board recommends allocating distributable profit as follows:

(in euros)	
Net income for the period	107,867,829.48
Retained profit carried over	390,994,740.83
Distributable profit	**498,862,570.31**
Dividend	6,585,990.00
To the account "Amount carried forward"	492,276,580.31

The dividend to be distributed for the 2017 fiscal year is thus set at 1 euro per 16 euros nominal share.
Since January 1, 2018, dividends collected by natural persons resident in France for tax purposes, upon their payment, are subject to a flat withholding tax ("PFU") at a rate of 30%, i.e. 12.8% as income tax and 17.2% as social security contributions.
Individuals whose declared taxable income for the prior year was less than a certain amount (50,000 euros for single, widowed or divorced taxpayers, 75,000 euros for taxpayers who file jointly) may request an exemption from the flat withholding tax of 12.8%.
The application for exemption must be made, under the shareholder's own responsibility, no later than November 30 of the year preceding payment of the dividend.
At the time they are declared, dividends may also be subject to the progressive scale of income tax, after application of a 40% rebate. This option will generate, if relevant, an adjustment of the income tax paid under the flat withholding tax. In every case, dividends received must be declared in the year following their collection and may be subject, if applicable, to an additional tax payment under the extraordinary high income contribution rules.
The amounts thus distributed will become payable on June 11, 2018.

Distribution of dividends for the past three fiscal years

The dividends per share distributed for the last three fiscal years, and the distributed income eligible for tax relief under article 158-2 and 3 of the French General Tax Code were as follows:

Fiscal year	2016	2015	2014
Number of shares	6,585,990	6,585,990	6,585,990
Dividend (in euros)	1(1)	1(1)	1(1)
Amount distributed (in millions of euros)	6.6	6.6	6.6

(1) Dividends received before January 1, 2018 by natural persons domiciled in France for tax purposes are subject to the progressive scale of income tax, after the application of a 40% rebate.
When they are paid, they will be subject to withholding tax at the rate of 21% and can be offset against income tax owed for the year during which payment was made. Persons whose reference tax income for the prior year is less than a certain amount (50,000 euros for single, widowed or divorced taxpayers, 75,000 euros for taxpayers subject to joint taxation) may apply to be exempted from this withholding tax.

Time limit on dividend entitlement

The legal time limit on unclaimed dividend entitlements is five years from the date of payment. Dividends left unclaimed after this five-year period will be paid to the State.

Non-deductible expenses

There were no charges or expenses incurred over the past fiscal year that were not deductible from taxable income, pursuant to article 39-4 of the French General Tax Code.

Changes to the presentation of the financial statements

The rules applied by the company for the presentation of its financial statements are compliant with the regulations in force and are identical to those adopted in the previous fiscal years.

Details of payment terms

As required by articles L. 441-6.1 and D. 441-4 of French commercial code (*Code de commerce*), the following table sets out details of trade payables and trade receivables, broken down by due date, at December 31, 2017.

	Article D. 441 I.-1°: Invoices received and not paid at the closing date of the fiscal year ended						Article D. 441 I.-2°: Invoices issued and not paid at the closing date of the fiscal year ended					
	0 days (reference)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	0 days (reference)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(a) Payment default tranches												
Number of invoices concerned	–	0	0	0	0	–	–	–	–	–	–	–
Total amount of invoices concerned (incl. tax)	–	–	–	–	–	–	0	–	–	–	–	–
Percentage of total amount of purchases (incl. tax) in the fiscal year	0.00	0.00	0.00	0.00	0.00	0.00						
Percentage of turnover (incl. tax) in the fiscal year							0.00	0.00	0.00	0.00	0.00	0.00
(b) Invoices omitted from (a) relating to doubtful or unrecorded receivables and payables												
Number of invoices omitted						–						–
Total amount of invoices omitted						–						–
(c) Reference payment terms used (contractual or legal – article L. 441-6 or L. 443-1 of the French commercial code – *Code de commerce*)												
Payment terms used to calculate payment defaults	Contractual terms						Contractual terms					

Acquisitions of direct shareholdings

Name of each French entity (commercial/civil/other) having its registered office in France	**Direct shareholdings acquired in 2017** (the figures below indicate the highest percentage held during 2017)		**Total shareholding at December 31, 2017**	
	% of share capital	% of voting rights	% of share capital	% of voting rights
None				

Acquisitions of controlling interests

The figures given below relating to the acquisitions of controlling interests (article L. 233-6 of the French commercial code – *Code de commerce*) are based on the highest percentage held during the year.

Company (percentage in voting rights)	**Indirect shareholdings acquired in 2017** (the figures below indicate the highest percentage of voting rights held during 2017)	**Control (direct and indirect) at December 31, 2017**
Box on Way	69.99	69.99
Compagnie de l'Argol	99.00	100.00
Financière de Kerdévot	99.00	100.00
Financière de Larmor	99.00	100.00
Financière des Monts d'Arrée	99.00	100.00
SCI de l'île aux Oiseaux	100.00	100.00

Information on the shareholder base

Major shareholders or groups of shareholders at December 31, 2017:

	Number of shares	%	Number of votes (Art. 223-11 par. 2 of AMF General Regulation)	%	Number of votes exercisable at Meetings	%
Sofibol(1)	3,291,781	49.98	6,583,562	64.27	6,583,562	83.31
Compagnie de Guénolé(2)	346,837	5.27	693,674	6.77	693,674	8.78
Other Bolloré Group companies(3)	30	0.00	59	0.00	59	0.00
Compagnie du Cambodge(4)	1,259,288	19.12	–	–	–	–
Société Industrielle et Financière de l'Artois(4)	370,807	5.63	–	–	–	–
Financière Moncey(4)	324,535	4.93	–	–	–	–
Plantations des Terres Rouges(4)	604	0.01	–	–	–	–
Socfrance(4)	10	0.00	–	–	–	–
Nord-Sumatra Investissements SA(4)	147,960	2.25	–	–	–	–
Imperial Mediterranean(4)	237,875	3.61	–	–	–	–
Companies holding treasury shares subtotal	2,341,079	35.55	–	–	–	–
Bolloré Group subtotal	**5,979,727**	**90.79**	**7,277,295**	**71.04**	**7,277,295**	**92.09**
Public	606,263	9.21	625,409	6.11	625,409	7.91
Difference(5)	–	–	2,341,079	22.85	–	–
TOTAL	**6,585,990**	**100.00**	**10,243,783**	**100.00**	**7,902,704**	**100.00**

(1) Indirectly controlled by Vincent Bolloré and family.
(2) Directly controlled by Sofibol.
(3) Includes Bolloré Participations, Omnium Bolloré and Financière V.
(4) Treasury shares.
(5) Corresponding to shares owned by the companies referred to in (4) and stripped of voting rights.
The percentages indicated in the table above are rounded off to the nearest decimal; as a result the sum of the rounded figures may differ slightly from the reported total.

As far as the company is aware, no other shareholder apart from those listed in the table above holds more than 5% of the company's share capital or voting rights.
At December 31, 2017, there were 210 shareholders with registered shares, and 84 with an administered account (source: list of shareholders published by Caceis Corporate Trust).
No shareholder agreement exists between the shareholders of the company. Moreover, the company holds no treasury stock.
At December 31, 2017, there were no registered shares pledged as collateral.
According to information received by the company, the directors together held about 0.035% of the company's share capital and about 0.032% of the voting rights at December 31, 2017. The percentage of share capital held by Group employees under the terms of article L. 225-102 of the French commercial code (*Code de commerce*) is 0.37%.

Agreements under article L. 225-38 of the French commercial code (*Code de commerce*)

No new agreements or commitments in the year ended were subject to article L. 225-38 of the French commercial code (*Code de commerce*).

REVIEW OF AGREEMENTS APPROVED DURING PREVIOUS FISCAL YEARS AND CONTINUED DURING THE YEAR

In accordance with the provisions of article L. 225-40-1 of the French commercial code (*Code de commerce*), the Board of Directors, at its meeting on March 22, 2018, examined the agreements signed and authorized in previous fiscal years whose performance continued in fiscal year 2017 and noted that the reasons for signing the agreements and the different interests that presided over their implementation are still applicable.
As part of its annual review, the Board examined the following agreements:
- the collective commitment to retain custody of Bolloré shares made between Financière de l'Odet, Chantal Bolloré, Vincent Bolloré, Yannick Bolloré and Cédric de Bailliencourt;
- service agreement entered into with Bolloré Participations which stipulates that the latter will contribute its assistance and collaboration to Financière de l'Odet in the following areas:

Financial

- Relations with banks: discussion of banking terms.
- Examination and presentation of loan applications.
- Assistance in any financial planning.
- Assistance in preparing budgets and when monitoring budget implementation.
- Leading and managing the monitoring of working capital requirement.

Legal

- Assistance conducting restructuring operations in terms of acquisition, negotiation and drawing up contracts.

Strategic actions

- Developing strategy and leadership.
- Examination of investment and development projects.
- Analysis of synergies.
- Assistance with strategic decision-making.

Assistance with Executive management

In 2017, Bolloré Participations received a lump sum of 460,637 euros before tax in compensation for its assistance under the service agreement.

Internal charter on the typology of agreements

At its meeting of March 21, 2013, the Board of Directors convened to examine proposals related to regulated agreements as issued by the Autorité des marchés financiers (AMF recommendation no. 2012-05 – meetings of shareholders of listed companies – published on July 2, 2012), approved an internal charter for characterizing agreements and whose terms are set out below:
"Internal charter characterizing agreements. Within the framework of the regulations established by articles L. 225-38 to L. 225-43, R. 225-30 to R. 225-32 and R. 225-34-1 of the French commercial code (*Code de commerce*) and the recommendation of the Autorité des marchés financiers (AMF) no. 2012-05 – meetings of shareholders of listed companies – published on July 2, 2012, the Board of Directors, at its meeting of March 21, 2013, decided to establish the typology of agreements, which due to their character and terms are not subject to any formalities.
The following are regarded as current transactions concluded under normal conditions and therefore not subject to any formality:
a. invoices from Bolloré SA to other Group companies related in particular to administrative assistance or management services;
b. invoices from all Group companies related to disposal of assets with a limit of 1.5 million euros per transaction;
c. options or authorizations given within the framework of a Group tax regime (tax consolidation agreement);
d. disposals of securities of minor importance that are purely administrative in nature, or disposals of securities as part of a reclassification of securities occurring between the company and natural persons or legal entities (having links with the company as defined in article L. 225-38 of the French commercial code (*Code de commerce*) for up to 500,000 euros per transaction, whereby transactions relating to listed companies have to be carried out at a price corresponding to an average of the prices listed in the last twenty trading days;
e. transfers between the company and one of its directors of a number of securities equal to that set for exercising his/her duties as a company officer within the issuer of securities transferred;
f. cash management and/or loan transactions, provided the transaction is carried out at the market rate with a maximum differential of 0.50%."

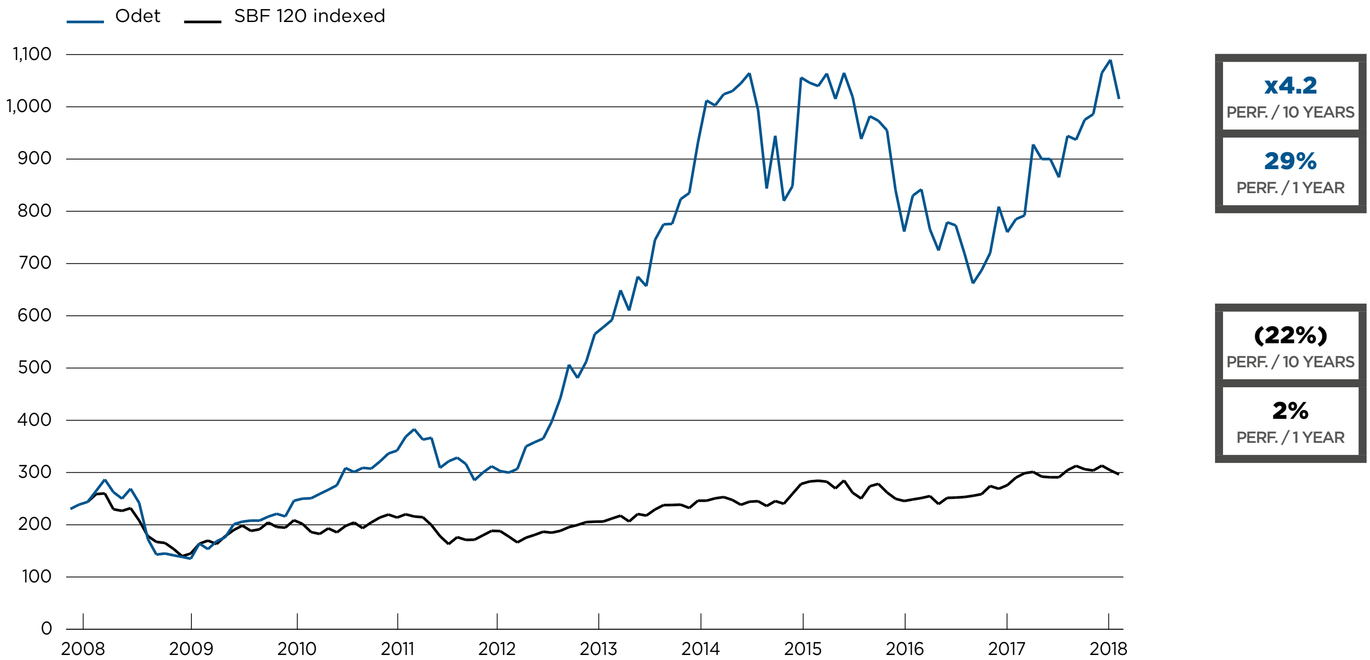
Stock exchange data

	2017	2016	2015
Share price as of December 31 (in euros)	986.0	720	954.9
Number of shares as of December 31	6,585,990	6,585,990	6,585,990
Market capitalization as of December 31 (in millions of euros)	6,493.5	4,741.91	6,289
Number of shares issued and potential shares(1)	4,244,911	4,244,911	4,244,911
Diluted net income per share, Group share (in euros)	86.29	53.82	70.0
Net dividend per share (in euros)	1.0	1.0	1.0

(1) Excluding treasury shares.

Change in the Financière de l'Odet share price

as of March 20, 2018 (in euros, monthly average)



Directors' fees

The overall maximum amount of directors' fees that the Board of Directors may allocate to its members was set at 420,000 euros by the Ordinary General Meeting of June 1, 2017 until any further resolution of the General Meeting. In accordance with the decision of the Board of Directors of September 1, 2017, directors' fees are distributed by proportions equal to the pro rata of the period during which the Board members exercised their functions.
Furthermore, and in accordance with the Board decision of March 22, 2012, each director who is also a member of the Audit Committee receives, for each fiscal year, an additional 10,000 euros payable from the overall amount of directors' fees.

Eighteen-month Financière de l'Odet share price performance

	Average price (in euros)	Highest price (in euros)	Lowest price (in euros)	Shares traded	Capital traded (in thousands of euros)
September 2016	736.95	785.00	720.00	4,072	3,022
October 2016	703.75	744.30	655.00	5,316	3,713
November 2016	656.95	693.75	612.00	9,674	6,391
December 2016	712.69	739.00	645.20	7,442	5,324
January 2017	784.37	829.95	728.00	6,867	5,369
February 2017	795.94	817.00	755.35	3,668	2,923
March 2017	772.31	804.85	729.00	5,527	4,255
April 2017	771.01	810.00	732.00	3,832	2,949
May 2017	866.34	935.00	792.05	9,675	8,303
June 2017	929.32	955.00	870.05	5,622	5,222
July 2017	901.13	940.00	880.00	3,268	2,944
August 2017	875.24	910.00	845.15	2,020	1,757
September 2017	922.50	944.70	860.00	4,282	3,944
October 2017	927.55	944.85	881.00	5,045	4,690
November 2017	947.87	987.00	895.00	7,304	6,944
December 2017	981.02	993.95	953.30	4,400	4,307
January 2018	1,032.82	1,070.00	966.00	6,469	6,696
February 2018	1,024.45	1,090.00	950.00	7,524	7,760

Corporate governance report included in the management report (article L. 225-37 of the French commercial code – *Code de commerce*)

This report, which is included in the management report, was drawn up in accordance with article L. 225-37 of the French commercial code (*Code de commerce*) (resulting from order no. 2017-1162 of July 12, 2017 on various measures to simplify and clarify companies' disclosure obligations) applicable to reports relating to fiscal years beginning on or after January 1, 2017.
The corporate governance report reorganizes existing information on the basis of established law previously set out in part in the management report and in the Chairman's report on the composition of the Board of Directors and the conditions for the preparation and organization of its work and on the internal control and risk management procedures implemented by the company.
In accordance with legal provisions, this report was prepared by the Board of Directors on March 22, 2018 in view of the suggestions resulting from the work of the Compensation and Appointments Committee relating to information falling within its remit.

1. ADMINISTRATIVE AND MANAGEMENT BODY INFORMATION

1.1. COMPOSITION OF THE BOARD OF DIRECTORS (ARTICLE L. 225-37-4.5° OF THE FRENCH COMMERCIAL CODE – *CODE DE COMMERCE*)

In accordance with statutory provisions, the directors are appointed by the Ordinary General Meeting and the Board may, under the conditions laid down by law, make temporary appointments.
The Board must comprise at least three and at most 18 members, subject to the waiver provided for by law in the event of a merger. Their term of office is three years and they may be re-elected.

Full details of the 17 members of the Board are set out in the table below.

Directors	Nationality	Date of birth	Gender	First appointed	Date of last reappointment	End of office	Inde-pen-dent director	Attendance rate at Board meetings	Member of the Board Committees	Attendance rate at Committee meetings
Vincent Bolloré Chairman of the Board of Directors	French	April 1, 1952	M	April 29, 1994	June 3, 2016	2019 (AGM approving the 2018 financial statements)	–	100%	–	–
Cyrille Bolloré Vice-Chairman and Chief Executive Officer	French	July 19, 1985	M	June 10, 2010	June 3, 2016	2019 (AGM approving the 2018 financial statements)	–	100%	CAC[1] (until September 1, 2017)	50%
Cédric de Bailliencourt Vice-Chairman and Deputy Chief Executive Officer	French	July 10, 1969	M	October 14, 1999	June 3, 2016	2019 (AGM approving the 2018 financial statements)	–	100%	–	–
Marc Bebon Representative of Bolloré Participations	French	January 30, 1948	M	November 16, 1992	June 3, 2016	2019 (AGM approving the 2018 financial statements)	–	100%	–	–
Chantal Bolloré	French	September 6, 1943	F	June 3, 2016	–	2019 (AGM approving the 2018 financial statements)		100%	–	–
Marie Bolloré	French	May 8, 1988	F	June 9, 2011	June 1, 2017	2020 (AGM approving the 2019 financial statements)	–	100%	CAC[1] (from September 1, 2017)	
Sébastien Bolloré Representative of Socfrance	French	January 24, 1978	M	November 16, 1992	June 3, 2016	2019 (AGM approving the 2018 financial statements)	–	100%	–	
Yannick Bolloré	French	February 1, 1980	M	June 5, 2013	June 3, 2016	2019 (AGM approving the 2018 financial statements)	–	100%	–	
Valérie Coscas	French	July 17, 1974	F	June 3, 2016	–	2019 (AGM approving the 2018 financial statements)	Yes	100%	–	
Marie-Annick Darmaillac Representative of Financière V	French	November 24, 1954	F	June 3, 2016	–	2019 (AGM approving the 2018 financial statements)	–	100%	–	
Hubert Fabri	Belgian	January 28, 1952	M	June 12, 1996	June 3, 2016	2019 (AGM approving the 2018 financial statements)	Yes	100%	–	
Janine Goalabré Representative of Omnium Bolloré	French	February 29, 1948	F	June 3, 2016	–	2019 (AGM approving the 2018 financial statements)	–	100%	–	
Céline Merle-Béral	French	January 16, 1969	F	June 5, 2014	June 1, 2017	2020 (AGM approving the 2019 financial statements)	–	100%	–	
Alain Moynot	French	October 30, 1945	M	April 29, 1994	June 3, 2016	2019 (AGM approving the 2018 financial statements)	Yes	100%	Audit Committee	100%
Olivier Roussel	French	June 12, 1947	M	June 9, 2011	June 1, 2017	2020 (AGM approving the 2019 financial statements)	Yes	100%	Audit Committee CAC[1]	100% 100%
Martine Studer	Franco-Ivorian	January 30, 1961	F	June 5, 2013	June 3, 2016	2019 (AGM approving the 2018 financial statements)	Yes	100%	Audit Committee CAC[1]	50% 50%
François Thomazeau	French	June 7, 1949	M	March 23, 2017	June 1, 2017	2020 (AGM approving the 2019 financial statements)	Yes	100%	–	–
Changes in the composition of the Board in fiscal year 2017										
Pierre Lemaire			Pierre Lemaire died on January 29, 2017							
François Thomazeau			François Thomazeau was coopted on March 23, 2017							

(1) Compensation and Appointments Committee (CAC).

1.2. GENDER BALANCE ON THE BOARD (ARTICLE L. 225-37-4, 6° OF THE FRENCH COMMERCIAL CODE – *CODE DE COMMERCE*)

Seven of the members of the Board of Directors are women, in keeping with the provisions of article L. 225-18-1 of the French commercial code (*Code de commerce*) which states that the proportion of directors of either gender must be no less than 40%.

1.3. MODES OF EXERCISING EXECUTIVE MANAGEMENT AS PROVIDED FOR BY ARTICLE L. 225-51-1 (ARTICLE L. 225-37-4, 4° OF THE FRENCH COMMERCIAL CODE – *CODE DE COMMERCE*)

At its meeting of September 1, 2017, the Board of Directors decided to retain the option of keeping the posts of Chairman and Chief Executive Officer separate.
In deliberations on the organization and role given to the company within the Group, it was decided that a separation of functions was the most appropriate method of governance.
Consequently, on September 1, 2017, the Board of Directors appointed Cyrille Bolloré as Chief Executive Officer in replacement of Cédric de Bailliencourt, who resigned, and reappointed Vincent Bolloré as Chairman of the Board.

1.4. POWERS AND LIMITS IMPOSED BY THE BOARD OF DIRECTORS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER (ARTICLE L. 225-37-4, 7° OF THE FRENCH COMMERCIAL CODE – *CODE DE COMMERCE*)

Powers of the Chief Executive Officer

Subject to the powers accorded by law to General Meetings and to the Board of Directors and within the scope of the company's corporate purpose, the Chief Executive Officer is granted the broadest powers to act in the name of the company in all circumstances.

Powers of the Deputy Chief Executive Officer

At its meeting of September 1, 2017, the Board of Directors decided on the proposal of the Chief Executive Officer to appoint Cédric de Bailliencourt as Deputy Chief Executive Officer.
In accordance with article L. 225-56 of the French commercial code (*Code de commerce*), the Deputy Chief Executive Officer has the same powers as the Chief Executive Officer, with regard to third parties.

Powers of the vice-chairman

At its meeting of September 1, 2017, the Board of Directors appointed Cyrille Bolloré as Vice-Chairman and confirmed its appointment of Cédric de Bailliencourt as Vice-Chairman for the duration of their current and any future terms of office as directors.
The Vice-Chairmen may be required to chair Board of Director meetings and General Meetings under the circumstances specified in the provisions of the articles of association.

1.5. CONDITIONS FOR PREPARING AND ORGANIZING THE WORK OF THE BOARD (ARTICLE L. 225-37-4, 5° OF THE FRENCH COMMERCIAL CODE – *CODE DE COMMERCE*)

Meeting of the Board of Directors

In accordance with article 13 of the articles of association, the directors may be called to Board meetings by any means, at either the registered office or any other place.
Meetings are convened by the Chairman or the Vice-Chairman and Chief Executive Officer. The Board will validly deliberate only if at least half of its members are present.
Decisions are taken on a majority of members present or represented, the Chairman of the meeting having the casting vote in the event of a tie. In order to enable as many directors as possible to attend the Board meetings:
- the provisional meeting dates will be set several months in advance and any changes to the date will be made following consultation to enable as many directors as possible to attend;
- the bylaws of the Board of Directors authorize, with the exception of the transactions set out in articles L. 232-1 (preparation of the financial statements and management report) and L. 233-16 (preparation of Group consolidated financial statements and management report) of the French commercial code (*Code de commerce*), participation in Board deliberations by videoconference.

Duties of the Board of Directors

The Board of Directors decides on the overall direction of the company's activities, supervises the carrying out of its activities, and decides on whether the offices of Chief Executive Officer and Chairman of the Board can be held concurrently. Subject to the powers expressly attributed to Shareholders' Meetings, and within the scope of the company's corporate purpose, it deals with all matters affecting the proper and successful running of the company and its resolutions govern all matters within its purview.
It also makes such controls and checks as it deems fit when reviewing and approving the financial statements and when nominating members to the Audit Committee.

Organization of the Board's work

Two weeks before the Board meets, a convening notice is sent to each director together with a draft of the minutes of the previous meeting, so that they can make any comments on the draft before the actual Board meeting.
This allows the Board meeting to be devoted to discussing the agenda.
For each Board meeting, a complete report setting forth each of the items on the agenda is submitted to all the directors, who may request any other information that they consider useful. Discussions are conducted with the constant aim of encouraging an exchange between all the directors on the basis of complete information, and with careful attention to keeping the discussion focused on the important issues, especially those of a strategic nature.
Over the fiscal year, the Board met twice and was called upon to give its opinion on points which included the following:

- **Meeting of March 23, 2017 (attendance rate: 100%)**
- activities and earnings;
- review and approval of the separate and consolidated financial statements for fiscal year 2016;
- corporate governance code revised in November 2016;
- approval of the Chairman's report on internal control;
- agreements subject to articles L. 225-38 *et seq.* of French commercial code (*Code de commerce*);
- convening of an Ordinary General Meeting;
- convening of an Extraordinary General Meeting;
- internal procedure for identifying privileged information;
- annual review of regulated agreements still in force;
- definition of strategic direction.

- **Meeting of September 1, 2017 (attendance rate: 100%)**
- activities and earnings – consolidated financial statements at June 30, 2017;
- operating methods of Executive Management;
- interim documents – position of current assets and current liabilities in the first half of 2017;
- review of the interim profit and loss statement;
- breakdown of directors' fees;
- evaluation of the Board's operation and working methods.

The Board of Directors relies on the work regarding matters falling within their remit of the Compensation and Appointments Committee and the Audit Committee made up of directors appointed by the Board for the duration of their terms of office as directors.

The Audit Committee

Pursuant to the provisions of the order of December 8, 2008 (requiring an Audit Committee to be set up within companies whose securities are admitted to trading on a regulated market), the Board members, at their meeting of April 9, 2009, decided to set up an Audit Committee.
The bylaws of the Audit Committee were revised during the Board of Directors' meeting of September 1, 2016 in order to include the new powers of the Committee defined by the provisions of order no. 2016-315 of March 17, 2016 regarding the Statutory Auditors.
The Audit Committee has three independent directors, all with the financial and accounting expertise to ensure full understanding of current accounting standards:
- Alain Moynot, Chair;
- Olivier Roussel, Committee Member;
- Martine Studer, Committee Member.

The Audit Committee is tasked with:
- monitoring the process for drawing up financial information and, where applicable, formulating recommendations to guarantee its integrity;
- monitoring the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with regard to the procedures for the preparation and processing of financial and accounting information, without this aspect affecting its independence;
- issuing a recommendation to the Board of Directors on the Statutory Auditors whose appointment and renewal will be proposed to the General Meeting;
- monitoring the performance of the Statutory Auditors' tasks and taking into account the findings and conclusions of the French high council for Statutory Auditors following the verifications made in accordance with legal provisions;
- ensuring that the Statutory Auditors comply with the independence conditions and, where applicable, taking the necessary measures;
- approving the provision of services other than the certification of the financial statements and, more generally, of any new tasks or prerogatives defined by the applicable legal provisions;
- reporting regularly to the Board of Directors on the exercise of its duties, the results of the financial statement certification work performed, the manner in which the work has contributed to the integrity of the financial information, as well as the role it has played in this process and immediately informing the Board of any difficulties encountered;
- and, more generally, to perform any new tasks and/or exercise any prerogatives defined by the applicable legal provisions.

The Committee may have recourse to external advisers, lawyers or consultants.
During the course of the 2017 fiscal year, the Audit Committee met twice and it considered the following points in particular:
Audit Committee meeting of March 21, 2017 (attendance rate: 66.66%):
- review of the minutes of the meeting of August 30, 2016;
- presentation of earnings for fiscal year 2016;
- summary of the work carried out by the Statutory Auditors on the consolidated financial statements at December 31, 2016;
- presentation of the level of control of audited entities at the end of fiscal year 2017 and the 2017 audit plan;
- sundry matters.

Audit Committee meeting of August 30, 2017 (attendance rate: 100%):
- review of the minutes of the meeting of March 21, 2017;
- presentation of first half 2017 earnings;
- summary of the work carried out by the Statutory Auditors on the consolidated financial statements at June 30, 2017;
- progress report on the 2017 audit plan and presentation of the level of control of audited entities at the end of August 2017;
- sundry matters.

In accordance with the provisions of the French Corporate Governance Code for listed companies, the Statutory Auditors are invited to Committee meetings dealing with the process of preparing financial information and reviewing the financial statements.

Compensation and Appointments Committee

On March 19, 2015, the Board of Directors decided to extend the powers of the Appointments and Nominations Committee to include determining compensation and to set up a Compensation and Appointments Committee, in order to enhance governance of the company.
Committee members responsible for appointments or nominations continued to perform their duties on the newly established Compensation and Appointments Committee and at the Board meeting of August 27, 2015, reported to the Board on the Committee's bylaws, including their new tasks.
The Compensation and Appointments Committee has three members appointed for the duration of their respective terms of office as directors:
- Martine Studer, Chair;
- Marie Bolloré, Committee Member;
- Olivier Roussel, Committee Member.

Within the framework of its duties, the Compensation and Appointments Committee performs the following tasks:

- **With regard to choosing and appointing**

- Presenting the Board of Directors with proposals or recommendations with regard to choosing new directors in accordance with the desired balance on the Board of Directors in terms of changes in the shareholders and gender balance on the Board of Directors.
- Presenting the Board of Directors with its recommendations concerning the renewal of the terms of office of members.
- Organizing a procedure designed to choose the future independent directors and assessing the profiles of the candidates presented.
- Preparing a succession plan for executive company officers in order to be able to put forward to the Board succession solutions in the event that an unforeseen vacancy should arise.
- Reconsidering, each year, the status of independent directors.
- Assisting the Board of Directors with the task of conducting its own assessment.

- **With regard to compensation**

- Making proposals and issuing opinions concerning the overall amount and the distribution of directors' fees paid by the company to the members of the Board of Directors.
- Making all proposals to the Board of Directors concerning fixed and variable compensation, and all contributions in kind for executive company officers, taking into account the principles of thoroughness, balance, benchmarking, consistency, comprehension and measure stated by the Afep-Medef Code.
- Discussing a general policy for the granting of share and performance options and formulating proposals on their award to executive company officers.
- Undertaking an in-depth analysis with regard to implementing the procedure for regulated agreements when entering into a non-competition agreement.
- Making a decision concerning any supplementary retirement schemes that might be put in place by the company.
- Collaborating on the drafting of the section of the annual report dedicated to informing the shareholders with regard to the compensation received by the company officers.

The Committee met twice in fiscal year 2017.
At its meeting of March 21, 2017 (attendance rate: 100%), the Compensation and Appointments Committee considered the following points:
- composition of the Board of Directors;
- presentation of the specific sections dedicated to informing shareholders with regard to the compensation received by the executive company officers.

At its meeting of August 30, 2017 (attendance rate: 67%), the Compensation and Appointments Committee considered the following points:
- exercise of Executive management;
- assessment of the Board of Directors;
- review of rules governing the breakdown of directors' fees.

Evaluation of the Board's operation and working methods

With the aim of complying with corporate governance good practice, as recommended by the provisions of the Afep-Medef Code, the Board must "assess its capacity to fulfill the expectations of the shareholders who gave it the mandate to run the company, by conducting a periodic review of its composition, organization and functioning".
This assessment must focus on three objectives:
- to review the Board's methods of operation;
- to check that important issues are properly documented and discussed;
- to assess the actual contributions made by each member to the Board's work, in line with their areas of competence and involvement in the deliberations.

This assessment must be discussed by the Board on an annual basis, with the requirement to perform a more formal assessment at least once every three years.
A formal assessment having been performed in 2015, the Board, in its meeting of September 1, 2017, was invited to perform the annual review of its assessment.
The main findings of this annual assessment were as follows:

- **Regarding the Board's methods of operation**

The directors confirmed the previous analyses regarding the operating methods of the Board, which remain satisfactory (sufficient notice given for meetings,

frequency and duration of meetings, amount of time spent during each meeting reviewing the agenda items and the time devoted to discussions, etc.).
In addition, directors maintained their positive assessments of the quality and legibility of documents used to support discussions, as well as of the completeness and accuracy of the Board's minutes.

- **Regarding the preparation and discussions of important issues**

The directors indicated that they have access to all the information useful in understanding the Group's missions and strategic objectives as well as the additional documents needed to analyze the issues under consideration.
Directors said that they were satisfied with the quality and quantity of information which always corresponded to the level of complexity of the case in point, thereby enabling them to understand and discuss the points on the agenda within the required deadlines.

- **Regarding the composition of the Board of Directors**

The directors deemed the number of 17 Board members to be appropriate and the composition of the Board to meet the requirements of good governance, particularly with regard to age, gender balance, number of independent directors, diversity of skills and experience, and the know-how required for the performance of their duties.
It was noted that the composition of the Board now complies with the timetable for the provisions on gender balance.
The term of office of directors, set at three years, is said to be satisfactory.
Lastly it was noted that the Board brings together recognized skills which contribute to the high standard of debate and which demonstrate the Board's aptitude for contributing to decision-making and to guidelines to be adopted for Group activities.
It noted that the directors are trained as to the specific features of the Group's businesses, in particular through dedicated presentations and site visits.
In addition, the directors may, upon request, meet the main executive managers of the Group.
The specialist areas covered by each director, particularly in terms of financial, technical and technological knowledge, make it possible for Board meetings to conduct in-depth reviews of the company's strategic direction.

1.6. LIST OF ALL OFFICES AND POSITIONS HELD BY EACH COMPANY OFFICER IN ANY COMPANY DURING THE YEAR (ARTICLE L. 225-37-4, 1° OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*))

VINCENT BOLLORÉ, Chairman of the Board of Directors

Corporate offices held in French companies

— *Corporate offices held within the Bolloré Group*
- Chairman and Chief Executive Officer of Bolloré[(1)] and Bolloré Participations (SA);
- Chairman of the Board of Directors (separate executive management) of Financière de l'Odet[(1)] and Blue Solutions[(1)];
- Chairman of Somabol (SCA);
- Chief Executive Officer of Omnium Bolloré (SAS) and Financière V (SAS);
- Director of Blue Solutions[(1)], Bolloré[(1)], Bolloré Participations, Financière Moncey[(1)], Financière de l'Odet[(1)], Financière V and Omnium Bolloré;
- Permanent representative of Bolloré Participations on the Board of Directors of Société Industrielle et Financière de l'Artois[(1)];
- Permanent representative of Bolloré Participations on the Supervisory Board of Compagnie du Cambodge[(1)].

— *Other corporate offices*
- Chairman of the Supervisory Board of Vivendi[(1)];
- Permanent representative of Bolloré on the Board of Fred & Farid Group (SAS);
- Chairman of the Supervisory Board of Canal+ (SA).

Corporate offices held in non-French companies

— *Corporate offices held within the Bolloré Group*
- Chairman of the Board of Directors of Nord-Sumatra Investissements, Financière du Champ de Mars and BB Groupe SA;
- Director of BB Groupe SA and Plantations des Terres Rouges;
- Managing Director of Nord-Sumatra Investissements and Financière du Champ de Mars.

— *Other corporate offices*
- Vice-Chairman of Société des Caoutchoucs de Grand Bereby (SOGB)[(1)] and Bereby Finances;
- Director of Socfinaf (formerly Intercultures)[(1)], Liberian Agricultural Company (LAC), Plantations Nord-Sumatra Ltd, Socfin (formerly Socfinal)[(1)], Socfinasia[(1)], Socfindo, Socfin KCD, Socfin Agricultural Company Ltd (SAC), Plantations Socfinaf Ghana Ltd (PSG), Coviphama Ltd and Socfinco FR;
- Permanent representative of Bolloré Participations on the Boards of Bereby Finances, Société Camerounaise de Palmeraies (Socapalm)[(1)], Société des Caoutchoucs de Grand Bereby (SOGB)[(1)], Brabanta and SAFA Cameroun[(1)].

CYRILLE BOLLORÉ, Chief Executive Officer, Vice-Chairman

Corporate offices held in French companies

— *Corporate offices held within the Bolloré Group*
- Chairman of Bolloré Energy;
- Chairman of Bolloré Transport & Logistics Corporate (formerly Bolloré Transport & Logistics);
- Deputy Chief Executive Officer of Bolloré[(1)];
- Chairman of the Management Board of Compagnie du Cambodge[(1)];
- Chief Executive Officer and Vice-Chairman of Financière de l'Odet[(1)];
- Vice-Chairman and Managing Director of Bolloré[(1)];
- Director of Bolloré[(1)], Bolloré Energy, Bolloré Participations, Financière de l'Odet[(1)], Financière V, Omnium Bolloré, Société Industrielle et Financière de l'Artois[(1)], Blue Solutions[(1)] and Bolloré Africa Railways;
- Permanent representative of Compagnie du Cambodge on the Board of Financière Moncey[(1)];
- Permanent representative of Financière de Cézembre on the Board of Société Française Donges-Metz;
- Permanent representative of Bolloré Transport & Logistics Corporate on the Boards of Bolloré Africa Logistics and Bolloré Logistics;
- Permanent representative of Globolding on the Board of Sogetra;
- Chairman of the Supervisory Board of Sofibol;
- Chairman of BlueElec.

— *Other corporate offices*
None.

Corporate offices held in non-French companies

— *Corporate offices held within the Bolloré Group*
- Director of CICA SA (CH), Satram Huiles SA (CH), Financière du Champ de Mars, SFA SA, Nord-Sumatra Investissements, Plantations des Terres Rouges and African Investment Company;
- Permanent representative of Société de Participations Africaines on the Board of Bolloré Transport & Logistics Congo (formerly Bolloré Africa Logistics Congo);
- Permanent representative of Société Financière Panafricaine on the Board of Camrail.

— *Other corporate offices*
None.

CÉDRIC DE BAILLIENCOURT, Deputy Chief Executive Officer, Vice-Chairman

Corporate offices held in French companies

— *Corporate offices held within the Bolloré Group*
- Vice-Chairman and Deputy Chief Executive Officer of Financière de l'Odet[(1)];
- Vice-Chairman of Bolloré[(1)];
- Vice-Chairman of Compagnie du Cambodge[(1)];
- Chairman of Compagnie des Tramways de Rouen, Financière Moncey[(1)], Société des Chemins de Fer et Tramways du Var et du Gard and Société Industrielle et Financière de l'Artois[(1)];
- Chairman of Blueboat (formerly Compagnie de Bénodet), Compagnie des Glénans, Compagnie de Tréguennec, Compagnie de Guénolé, Compagnie de Guilvinec, Compagnie de Pleuven, Financière V, Financière de Beg Meil, Financière d'Ouessant, Financière du Perguet, Financière de Sainte-Marine, Financière de Pont-Aven, Imperial Mediterranean, Compagnie de Pont-l'Abbé, Financière de Quimperlé, Compagnie de Concarneau, Compagnie de l'Argol and Financière de Kerdévot;
- Manager of Socarfi and Compagnie de Malestroit;
- Director of Bolloré[(1)], Bolloré Participations, Compagnie des Tramways de Rouen, Financière V, Financière Moncey[(1)], Omnium Bolloré, Société Industrielle et Financière de l'Artois[(1)], Financière de l'Odet[(1)] and Société des Chemins de Fer et Tramways du Var et du Gard;
- Permanent representative of Bolloré on the Board of Directors of Socotab;
- Member of the Supervisory Board of Sofibol and Compagnie du Cambodge[(1)];
- Permanent representative of Compagnie du Cambodge[(1)] and Joint Manager of SCI Lombertie.

(1) Listed company.

— *Other corporate offices*
- Director of the Musée national de la Marine;
- Member of the Supervisory Board of Vallourec[1];
- Member of the Management Board of Vivendi[1];
- Permanent representative of Compagnie du Cambodge on the Supervisory Board of Banque Hottinguer (formerly Banque Jean-Philippe Hottinguer & Cie).

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
- Chairman of Redlands Farm Holding;
- Chairman of the Board of Directors of Plantations des Terres Rouges, PTR Finances and SFA;
- Director of African Investment Company, Financière du Champ de Mars, La Forestière Équatoriale[1], BB Group, PTR Finances, Plantations des Terres Rouges, SFA, Sorebol, Technifin and Pargefi Helios Iberica Luxembourg;
- Permanent representative of Pargefi Helios Iberica Luxembourg SA on the Board of Participaciones y gestion financiera SA;
- Permanent representative of Bolloré Participations on the Board of Nord-Sumatra Investissements.

— *Other corporate offices*
- Permanent representative of Bolloré Participations on the Boards of Socfinasia[1], Socfinaf (formerly Intercultures)[1], Socfinde, Terrasia, Socfin (formerly Socfinal)[1] and Induservices SA.

BOLLORÉ PARTICIPATIONS

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Member of the Supervisory Board of Compagnie du Cambodge[1];
- Director of Bolloré[1], Compagnie des Tramways de Rouen, Financière de l'Odet[1], Société des Chemins de Fer et Tramways du Var et du Gard and Société Industrielle et Financière de l'Artois[1].

— *Other corporate offices*
None.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
- Director of Nord-Sumatra Investissements and SFA.

— *Other corporate offices*
- Director of Bereby Finances, Société Camerounaise de Palmeraies (Socapalm)[1], Société des Caoutchoucs de Grand Bereby (SOGB)[1], Socfinaf (formerly Compagnie Internationale de Cultures)[1], Induservices, Socfin (formerly Socfinal)[1], Socfinasia[1], Socfinde, Terrasia, Brabanta and SAFA Cameroun[1].

CHANTAL BOLLORÉ

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Director of Bolloré[1], Financière de l'Odet[1], Société Industrielle et Financière de l'Artois[1] and Financière Moncey[1];
- Member of the Supervisory Board of Compagnie du Cambodge[1].

— *Other corporate offices*
None.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
None.

MARIE BOLLORÉ

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Chief Executive Officer of Blue Solutions[1];
- Chairwoman of the Supervisory Board of Compagnie du Cambodge[1];
- Head of electric mobility applications;
- Director of Bolloré[1], Financière de l'Odet[1], Société Industrielle et Financière de l'Artois[1], Blue Solutions[1], Bolloré Participations, Financière V and Omnium Bolloré;
- Member of the Supervisory Boards of Sofibol and Compagnie du Cambodge[1].

— *Other corporate offices*
None.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
- Director of Mediobanca[1].

SOCFRANCE

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Director of Financière de l'Odet[1].

— *Other corporate offices*
None.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
None.

YANNICK BOLLORÉ

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Vice-Chairman of Bolloré[1];
- Director of Bolloré[1], Bolloré Participations, Financière de l'Odet[1], Financière V and Omnium Bolloré;
- Member of the Executive Board of JC Decaux Bolloré Holding and Havas Media Africa;
- Member of the Supervisory Board of Sofibol.

— *Other corporate offices*
- Member of the Supervisory Board of Vivendi[1];
- Chairman and Chief Executive Officer of Havas;
- Director of Havas;
- Director of Havas Media France;
- Permanent representative of Havas on the Board of Directors of W&Cie;
- Director of the Musée Rodin.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
- Chairman of Havas North America, Inc. (United States);
- President and Executive Vice-President of Havas Worldwide, LLC (United States);
- Director of Havas Worldwide Middle East FZ, LLC (United Arab Emirates).

VALÉRIE COSCAS[2]

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Director of Bolloré[1] and Financière de l'Odet[1].

— *Other corporate offices*
- Member of the Board of WeLoveWords;
- Member of the Board of Sirdata;
- Member of the Steering Committee of ForePaas;
- Secretary general of the INSEAD Business Angels Alumni Club France.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
None.

FINANCIÈRE V

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Director of Bolloré[1] and Financière de l'Odet[1].

— *Other corporate offices*
None.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.

(1) Listed company.
(2) Independent director.

— *Other corporate offices*
None.

HUBERT FABRI[2]

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Vice-Chairman of the Supervisory Board of Compagnie du Cambodge[1];
- Member of the Supervisory Board of Compagnie du Cambodge[1];
- Director of Bolloré[1], Financière Moncey[1], Financière de l'Odet[1] and Société Industrielle et Financière de l'Artois[1].

— *Other corporate offices*
- Chairman of Société Anonyme Forestière et Agricole (SAFA).

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
- Vice-Chairman of Plantations des Terres Rouges;
- Director of Financière du Champ de Mars, La Forestière Équatoriale[1], Nord-Sumatra Investissements and Plantations des Terres Rouges.

— *Other corporate offices*
- Chairman of Bereby Finances, Induservices SA, Palmeraies de Mopoli[1], Socfin[1] (formerly Socfinal), Socfinaf[1] (formerly Intercultures), Socfinasia[1], Socfinde, Plantations Nord-Sumatra Ltd and Liberian Agricultural Company (LAC);
- Vice-Chairman of Société des Caoutchoucs de Grand Bereby[1] (SOGB);
- Chairman of Plantations Socfinaf Ghana Ltd (PSG);
- Director of Coviphama Ltd, Palmeraies de Mopoli[1], Okomu Oil Palm Company[1], Socfin[1] (formerly Socfinal), Socfinaf[1] (formerly Intercultures), Socfinasia[1], Socfin Agricultural Company (SAC), Socfin KCD, Socfindo, Plantations Socfinaf Ghana Ltd (PSG), Terrasia, Brabanta and SAFA Cameroun[1];
- Permanent representative of PF Représentation on the Board of Société Camerounaise de Palmeraies (Socapalm)[1].

OMNIUM BOLLORÉ

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Director of Bolloré[1] and Financière de l'Odet[1].

— *Other corporate offices*
None.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
None.

CÉLINE MERLE-BÉRAL

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Chair and Chief Executive Officer of Rivaud Innovation;
- Director of Bolloré[1], Financière de l'Odet[1], Financière Moncey[1] and Société Industrielle et Financière de l'Artois[1];
- Member of the Supervisory Board of Compagnie du Cambodge[1];
- Permanent representative of Bolloré Participations on the Boards of Compagnie des Tramways de Rouen and Société des Chemins de Fer et Tramways du Var et du Gard.

— *Other corporate offices*
None.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
None.

ALAIN MOYNOT[2]

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Director of Financière de l'Odet[1].

— *Other corporate offices*
- Director of Robertet SA;
- Managing Partner of Almo Finances;
- Managing Partner of CSM Investissement;
- Manager of SCI Mag;
- Senior Advisor of Société Financière de Courcelles.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
None.

OLIVIER ROUSSEL[2]

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Director of Bolloré[1], Financière de l'Odet[1], Financière Moncey[1] and Société Industrielle et Financière de l'Artois[1].

— *Other corporate offices*
- Director of Lozé et Associés.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
- Director of Kaltchuga Opportunities SICAV-FIS.

MARTINE STUDER[2]

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Director of Blue Solutions[1], Bolloré[1] and Financière de l'Odet[1].

— *Other corporate offices*
None.

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
- Chairwoman of Bolloré Transport & Logistics Côte d'Ivoire (formerly Bolloré Africa Logistics Côte d'Ivoire);
- Permanent representative of SPA on the Board of Directors of Abidjan Terminal.

— *Other corporate offices*
- Director of Océan Conseil (Republic of Côte d'Ivoire);
- Chair of Océan Central Africa (Cameroon);
- Chair and Chief Executive Officer of Océan Ogilvy Gabon (Gabon);
- Director of CIPREL (Republic of Côte d'Ivoire);
- Director of SAPE (Republic of Côte d'Ivoire);
- Director of SMPCI (Republic of Côte d'Ivoire);
- Director of Fondation des Parcs et Réserves de Côte d'Ivoire (Republic of Côte d'Ivoire);
- Managing Director of Compagnie des Gaz de Côte d'Ivoire;
- Manager of Pub Régie (Republic of Côte d'Ivoire).

FRANÇOIS THOMAZEAU[2]

Corporate offices held in French companies
— *Corporate offices held within the Bolloré Group*
- Director of Bolloré[1] and chair of the Audit Committee;
- Director of Financière de l'Odet[1].

— *Other corporate offices*
- Observer on the Board of Locindus[1].

Corporate offices held in non-French companies
— *Corporate offices held within the Bolloré Group*
None.
— *Other corporate offices*
- Director of Allianz Benelux.

(1) Listed company.
(2) Independent director.

1.7. INFORMATION ON CORPORATE GOVERNANCE (ARTICLE L. 225-37-4, 8° OF THE FRENCH COMMERCIAL CODE – *CODE DE COMMERCE*)

At its meeting of March 22, 2018, Financière de l'Odet's Board of Directors discussed whether the company would continue referring to the Afep-Medef Corporate Governance Code for listed companies.
Every year the Board of Directors conducts a specific review of some of the Code's recommendations. The Board's conclusions are presented in the annual report.
The Afep-Medef Corporate Governance Code is accessible on Medef's website (www.medef.com/fr).
The following Code provisions have been set aside:

Afep-Medef Code recommendations set aside	Financière de l'Odet practices – Explanations
Criteria of independence of the directors	
Afep-Medef takes the view that a director is not independent if he or she has held office for more than twelve years.	The length of service criterion of twelve years is set aside since the term of a director's duties does not as such call his or her independence into question. Irrespective of the term of the director's duties, the Board values the personal qualities, experience, and industrial and financial expertise enabling the director to give useful opinions and advice through exchanges in which each director can express his or her position. Moreover, it should not be forgotten that the length of service improves understanding of the Group, its history and its different jobs within a Group comprising many very technical jobs on an international scale. The perfect understanding of the Group by a director through his length of service is a major asset, particularly when examining the strategic direction of the Group, or the implementation of complex projects over the long-term and/or cross-cutting projects within the Group. A length of service of twelve years could in no way be associated with a loss of independence.
Acting as a director in another company within the Group does not call a director's independence into question.	Acting as a director in another company within the Group does not call a director's independence into question. The Board feels that the Bolloré Group, controlled by the founding family, is unusual in that it is diversified across a number of businesses, with operations in France and abroad. One of the Group's strategic directions is to optimize and develop synergies between its various businesses. In order to implement this strategy, it is necessary to have high-level managerial expertise combined with in-depth knowledge of all the Group's businesses and understanding of any geopolitical issues critical to the international operations. The appointment of certain directors to a number of Group companies reflects the Group's desire to take advantage of the expertise of men and women who not only fully understand the businesses but also contribute to the Group's results. In addition, directors holding office in a parent company as well as in one of its subsidiaries are invited to abstain from taking part in decisions made by the Board of Directors of the parent company in the event of a conflict of interest between the parent company and the subsidiary.

2. AGREEMENTS CONCLUDED DIRECTLY OR THROUGH AN INTERMEDIARY BETWEEN (I) A COMPANY OFFICER OR A SHAREHOLDER HOLDING MORE THAN 10% OF THE VOTING RIGHTS OF A GROUP COMPANY, AND (II) ANOTHER ENTITY OF WHICH SAID COMPANY OFFICER OR SHAREHOLDER DIRECTLY OR INDIRECTLY OWNS MORE THAN HALF THE SHARE CAPITAL, APART FROM AGREEMENTS CONCERNING CURRENT TRANSACTIONS AND CONCLUDED UNDER NORMAL CONDITIONS (ARTICLE L. 225-37-4, 2° OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*))

No agreements of this specific nature were concluded in the previous fiscal year between a subsidiary of our company and a company officer or a shareholder holding more than 10% of voting rights.

3. TABLE SUMMARIZING CURRENT DELEGATIONS OF POWER GRANTED BY THE GENERAL MEETING OF SHAREHOLDERS TO THE BOARD OF DIRECTORS IN RELATION TO CAPITAL INCREASES, IN ACCORDANCE WITH ARTICLES L. 225-129-1 AND L. 225-129-2, AND THE USE OF THESE DELEGATIONS DURING THE FISCAL YEAR (ARTICLE L. 225-37-4, 3° OF THE FRENCH COMMERCIAL CODE – *CODE DE COMMERCE*)

Authorizations	Date of General Meeting resolution	Term (maturity)	Maximum amount (in euros)	Use
Issue of securities giving access to equity capital with preferential subscription rights	Extraordinary General Meeting June 1, 2017	26 months (August 1, 2019)	Loan: 600,000,000 Share capital: 400,000,000	Not used
Issue of ordinary shares to be paid for by incorporation of reserves, profits or premiums or by raising the nominal value	Extraordinary General Meeting June 1, 2017	26 months (August 1, 2019)	400,000,000(1)	Not used
Delegation to carry out a capital increase to provide remuneration for shares contributed or securities giving access to equity	Extraordinary General Meeting June 1, 2017	26 months (August 1, 2019)	10% of share capital	Not used
Delegation to carry out a capital increase reserved to employees under the periodic obligation of article L. 225-129-6, paragraph 2 of the French commercial code (*Code de commerce*)	Extraordinary General Meeting June 1, 2017	26 months (August 1, 2019)	1% of capital	Not used

(1) Sum imputed to capital increases to be realized by issuing securities with preferential subscription rights.

4. INFORMATION RELATING TO COMPENSATION

4.1. PRESENTATION OF THE POLICY FOR COMPENSATING EXECUTIVE COMPANY OFFICERS, DRAFTED PURSUANT TO ARTICLE L. 225-37-2 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*)

In accordance with article L. 225-37-2 of the French commercial code (*Code de commerce*), the compensation policy defines the principles and criteria used for the determination, distribution and allocation of the fixed, variable and exceptional components of total compensation and benefits of any kind payable to the Chairman and Chief Executive Officer and Deputy Chief Executive Officer for their service in these offices.

The compensation policy for executive company officers is determined by the Board of Directors on proposal of the Compensation and Appointments Committee.

In the course of their discussions, the Board of Directors and Compensation and Appointments Committee take note of and rigorously apply the principles of completeness, balance between compensation components, comparability, consistency and proportion.

These principles apply to all components of compensation, including long-term compensation.

The Board must, in accordance with article L. 225-37-2 of the French commercial code (*Code de commerce*), ask you to vote at least once a year on resolutions setting out the compensation policy for executives.

This report sets out for you the detail of the fixed, variable and exceptional components of compensation, it being specified that payment of the variable and exceptional compensation components is conditional on approval by an Ordinary General Meeting of the compensation components for the individual in question as required by article L. 225-100 of the French commercial code (*ex post* vote procedure).

If the resolutions which are tabled as regards executive compensation policy are voted down, the legal provisions require that the previously approved principles and criteria used to determine the compensation will remain in force and that in the absence of such approved principles and criteria, or if no compensation was granted in the previous fiscal year, compensation will be determined "according to prevailing practice in the company".

You will therefore be asked, on the basis of this report, to approve the compensation policy for executive company officers in respect of the 2018 fiscal year (*ex ante* vote procedure).

The fixed, variable and exceptional components of the total compensation and benefits of any kind payable to the Chairman of the Board of Directors, to the Chief Executive Officer (also a member of the Board of Directors) and to the Deputy Chief Executive Officer by virtue of their office are, at this stage, constituted exclusively of attendance fees.

Under article 225-45 of the French commercial code, the amount allocated as directors' fees by the General Meeting to directors must be set annually at the General Meeting *"without being bound by bylaws or previous decisions"*. The distribution of directors' fees among directors is the responsibility of the Board of Directors. The maximum overall amount of attendance fees that the Board of Directors can allocate to its members during an accounting year was set by the Ordinary General Meeting of June 1, 2017 at four hundred and twenty thousand euros (420,000 euros).

Article R. 225-33 of the French commercial code (*Code de commerce*), which states that directors' fees may be freely distributed, specifies, since decree no. 2017-340 of March 16, 2017, that such distribution must be *"in accordance with article L. 225-37-2"*.

Accordingly, given the powers reserved by law to the General Meeting of Shareholders regarding setting the sum allotted for attendance fees and the absence at this stage of any other type of compensation or benefits allocated to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer, the sole object of this report will be to set out the principles and criteria for the breakdown of directors' fees.

The Board of Directors proposes that directors' fees shall be distributed in equal shares among the directors and, when a director is appointed or coopted partway through the term of office in respect of which the fees have been granted, pro rata the period in which the newly appointed director exercises his duties.

The attendance fees policy as currently applied and approved at the Ordinary General Meeting of June 1, 2017 would thus be maintained, it being emphasized that the distribution will be made without paying any particular supplement to executive company officers.

Accordingly, a single resolution on the compensation policy of company officers will be put forward to you.

Draft resolution to be submitted to the shareholders' vote at the Ordinary General Meeting of June 1, 2018

"NINTH RESOLUTION

(Approval of the principles and criteria for determination, distribution and allocation of the fixed, variable and exceptional components making up the total compensation and benefits of any kind payable for fiscal year 2018 to Vincent Bolloré in his role as Chairman of the Board of Directors, to Cyrille Bolloré in his role as Chief Executive Officer and to Cédric de Bailliencourt in his role as Deputy Chief Executive Officer)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the principles and criteria for determining, dividing and allocating the fixed, variable and exceptional components making up the total compensation and benefits of any kind set out in the report by the Board of Directors on corporate governance and payable for fiscal year 2018 to Vincent Bolloré in his role as Chairman of the Board of Directors, to Cyrille Bolloré in his role as Chief Executive Officer and to Cédric de Bailliencourt in his role as Deputy Chief Executive Officer".

4.2. PRESENTATION OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS MAKING UP THE TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID OR ALLOCATED FOR THE 2017 FISCAL YEAR TO EACH OF THE COMPANY'S EXECUTIVE OFFICERS BY VIRTUE OF THEIR OFFICE (*EX POST* VOTE ON COMPENSATION)

The provisions of article L. 225-100 of the French commercial code (*Code de commerce*) state that components which must be submitted to a vote by the Ordinary General Meeting are "the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or allocated for the prior fiscal year...".
The *ex post* vote on compensation takes place after the General Meeting has ruled on the principles and criteria under the conditions stated in article L. 225-37-2 of the French commercial code (*Code de commerce*).
Consequently, separate draft resolutions concerning the components of the compensation paid or allocated to Vincent Bolloré, Chairman of the Board of Directors, to Cédric de Bailliencourt, Chief Executive Officer until September 1, 2017, and to Cyrille Bolloré, Chief Executive Officer since September 1, 2017 respectively, are submitted for your vote.

Components of the compensation paid or allocated to Vincent Bolloré, Chairman of the Board of Directors, for his term of office

Draft resolution to be submitted to the shareholders' vote at the Ordinary General Meeting of June 1, 2018.

"SIXTH RESOLUTION

(Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid to Vincent Bolloré in his role as Chairman of the Board of Directors for the 2017 fiscal year)

Pursuant to articles L. 225-37-2 and L. 225-100 of the French commercial code (Code de commerce)*, the General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid to Vincent Bolloré granted for the prior fiscal year in his role as Chairman of the Board of Directors, as set out in the company's corporate governance referred to listed in article L. 225-37 of the same Code".*

Components of compensation paid or allocated for the prior fiscal year (in euros)	Amount or accounting valuation submitted to the vote	Presentation
Fixed compensation		Not applicable
Annual variable compensation		Not applicable
Exceptional compensation		Not applicable
Directors' fees	5,499.60	
Performance shares		Not applicable
Compensation on assuming office		Not applicable
Compensation on leaving office		Not applicable
Supplementary retirement scheme		Not applicable

Components of compensation paid or allocated to Cédric de Bailliencourt, Chief Executive Officer until September 1, 2017, for his term of office

Draft resolution to be submitted to the shareholders' vote at the Ordinary General Meeting of June 1, 2018.

"SEVENTH RESOLUTION

(Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or awarded to Cédric de Bailliencourt in his role as Chief Executive Officer until September 1, 2017)

Pursuant to articles L. 225-37-2 and L. 225-100 of the French commercial code (Code de commerce), the General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted for the prior fiscal year to Cédric de Bailliencourt in his role as Chief Executive Officer until September 1, 2017, as set out in the company's corporate governance report referred to in article L. 225-37 of the same Code".

Components of compensation paid or allocated for the prior fiscal year (in euros)	Amount or accounting valuation submitted to the vote	Presentation
Fixed compensation		Not applicable
Annual variable compensation		Not applicable
Exceptional compensation		Not applicable
Directors' fees	5,499.60	
Performance shares		Not applicable
Compensation on assuming office		Not applicable
Compensation on leaving office		Not applicable
Supplementary retirement scheme		Not applicable

Components of compensation paid or allocated to Cyrille Bolloré, Chief Executive Officer since September 1, 2017, for his term of office

Draft resolution to be submitted to the shareholders' vote at the Ordinary General Meeting of June 1, 2018.

"EIGHTH RESOLUTION

(Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted to Cyrille Bolloré in his role as Chief Executive Officer since September 1, 2017)

Pursuant to articles L. 225-37-2 and L. 225-100 of the French commercial code (Code de commerce)*, the General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted for the prior fiscal year to Cyrille Bolloré in his role as Chief Executive Officer from September 1, 2017, as set out in the company's corporate governance report mentioned in article L. 225-37 of the same Code".*

Components of compensation paid or allocated for the prior fiscal year (in euros)	Amount or accounting valuation submitted to the vote	Presentation
Fixed compensation		Not applicable
Annual variable compensation		Not applicable
Exceptional compensation		Not applicable
Directors' fees	5,499.60	
Performance shares		Not applicable
Compensation on assuming office		Not applicable
Compensation on leaving office		Not applicable
Supplementary retirement scheme		Not applicable

4.3 PRESENTATION OF THE COMPENSATION FOR EXECUTIVE COMPANY OFFICERS UNDER THE PROVISIONS OF ARTICLE L. 225-37-3 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*)

Under the terms of article L. 225-37-3, the report must indicate:

- "firstly, **the total compensation and benefits of any kind paid by the company during the fiscal year,** including in the form of equity-linked securities, debt securities or securities giving access to the share capital of the company or giving a right to allocation of debt securities in the company or in companies mentioned in articles L. 228-13 and L. 228-93. The compensation and benefits in question include, if applicable, **those received from controlled companies,** as defined in article L. 233-16, by the company in which the office is held, as well as **the company which controls that company** in which the office is held. This report makes a distinction between and describes the fixed, variable and exceptional components making up this compensation and the benefits, as well as the criteria used to calculate them or the circumstances following which they were allocated, referring where applicable to the resolutions voted under the conditions set forth in article L. 225-82-2";
- "secondly, commitments of any kind by the company made to its executive officers, corresponding to elements of compensation, compensation or benefits payable or likely to be payable upon assuming, leaving or changing office or after holding office, in particular retirement commitments and other old age benefits.

The information indicates, under the conditions and in accordance with the arrangements set by decree, the methods stipulated for determining these commitments and estimating the amounts likely to be payable under this heading. Excluding cases of good faith, payments made and commitments accepted in ignorance of the stipulations of this paragraph may be canceled."

Information on compensation for the company's executive officers is presented to you in accordance with the procedures stipulated in the Autorité des marchés financiers (AMF) position recommendation no. 2009-16, the guide for preparing registration documents.

The tables reproduced incorporate the components of compensation for each executive company officer for the fiscal year in question and for the prior fiscal year.

Summary table of compensation, options and shares granted to executive company officers

(in euros)	2016 fiscal year	**2017 fiscal year**
Vincent Bolloré, Chairman of the Board of Directors		
Compensation due for the fiscal year	2,510,138	2,613,428
Value of multi-year variable compensation granted during the fiscal year	–	–
Value of options granted during the fiscal year	–	–
Value of performance shares granted during the year	950,400	932,400
TOTAL	3,460,538	**3,545,828**
Cyrille Bolloré, Chief Executive Officer		
Compensation due for the fiscal year	1,945,317	2,326,772
Value of multi-year variable compensation granted during the fiscal year	–	–
Value of options granted during the fiscal year	–	–
Value of performance shares granted during the year	950,400	932,400
TOTAL	2,895,717	**3,259,172**
Cédric de Bailliencourt, Deputy Chief Executive Officer		
Compensation due for the fiscal year	908,191	993,151
Value of multi-year variable compensation granted during the fiscal year	–	–
Value of options granted during the fiscal year	–	–
Value of free shares granted during the fiscal year	237,600	233,100
TOTAL	1,145,791	**1,226,251**

Summary table of compensation for executive company officers

(in euros)	2016 fiscal year Due	2016 fiscal year Paid	**2017 fiscal year Due**	**2017 fiscal year Paid**
Vincent Bolloré, Chairman of the Board of Directors				
Fixed compensation(1)	1,499,000	1,499,000	1,499,000	1,499,000
Other compensation(2)	950,000	950,000	1,050,000	1,050,000
Annual variable compensation	–	–	–	–
Exceptional compensation	–	–	–	–
Directors' fees	54,610	54,610	57,900	57,900
Contributions in kind	6,528	6,528	6,528	6,528
TOTAL	2,510,138	2,510,138	**2,613,428**	**2,613,428**
Cyrille Bolloré, Chief Executive Officer				
Fixed compensation(3)	945,211	945,211	1,225,047	1,225,047
Other compensation(4)	790,000	790,000	890,000	890,000
Annual variable compensation(5)	150,000	150,000	150,000	150,000
Exceptional compensation	–	–	–	–
Directors' fees	56,110	56,110	57,729	57,729
Contributions in kind	3,996	3,996	3,996	3,996
TOTAL	1,945,317	1,945,317	**2,326,772**	**2,326,772**
Cédric de Bailliencourt, Deputy Chief Executive Officer				
Fixed compensation(6)	521,300	521,300	551,299	551,299
Other compensation(7)	270,000	270,000	270,000	270,000
Annual variable compensation(8)	50,000	50,000	100,000	100,000
Exceptional compensation	–	–	–	–
Directors' fees	62,436	62,436	67 397	67 397
Contributions in kind	4,455	4,455	4,455	4,455
TOTAL	908,191	908,191	**993,151**	**993,151**

(1) Compensation paid by Bolloré Participations, which, under an agreement for Chairman services, invoiced Bolloré a sum corresponding to 75% of the total cost (including contributions), of the compensation received by Vincent Bolloré. The fixed compensation of Vincent Bolloré has not changed since 2013.
(2) In 2017, Vincent Bolloré received compensation from Financière du Champ de Mars, Nord-Sumatra Investissements and Plantations des Terres Rouges, non-French companies controlled by Bolloré, in the form of bonuses. The bonuses represent a percentage of the profits allocated as compensation to the directors. This method of compensation, compliant with the legislation of the country in question, is tied to dividend payments made to the Group.
(3) In 2017, Cyrille Bolloré received fixed compensation of 1,225,047 euros as an employee of Bolloré Transport & Logistics Corporate and in his capacity as Deputy Chief Executive Officer of Bolloré. This 29.6% increase in fixed compensation is tied to the expansion of his responsibilities within the Group.
(4) In 2017, Cyrille Bolloré received compensation from Financière du Champ de Mars, Nord-Sumatra Investissements and Plantations des Terres Rouges, non-French companies controlled by Bolloré, in the form of bonuses. The bonuses represent a percentage of the profits allocated as compensation to the directors. This method of compensation, compliant with the legislation of the country in question, is tied to dividend payments made to the Group.
(5) In 2017, Cyrille Bolloré received variable compensation of 150,000 euros from Bolloré Transport & Logistics Corporate. Fifty percent (50%) of this compensation was assessed with regard to the business performance achieved by the Transportation and logistics division and 50% with regard to the increase in volumes in the same activity (disposals, acquisitions, partnerships or any new development, etc.). The maximum amount of the variable portion for 2017 was set at 50% of his fixed compensation. The specific level of achievement of this criterion is not made public for reasons of confidentiality.
(6) In 2017, Cédric de Bailliencourt received fixed compensation as an employee of Bolloré and Bolloré Participations. This 5.75% increase in fixed compensation is tied to the expansion of his responsibilities within the Group.
(7) In 2017, Cédric de Bailliencourt received compensation in the form of bonuses from Financière du Champ de Mars and Plantations des Terres Rouges, non-French companies controlled by Bolloré. The bonuses represent a percentage of the profits allocated as compensation to the directors. This method of compensation, compliant with the legislation of the country in question, is tied to dividend payments made to the Group.
(8) In 2017, Cédric de Bailliencourt, Chief Financial Officer of the Group, received variable compensation of 100,000 euros as an employee of Bolloré. Sixty percent (60%) of this compensation is based on the quality of his management of the services under his supervision and forty percent (40%) on the achievement of the debt target set by the Group (excluding share-based transactions). The maximum amount of the variable portion for 2017 was set at 50% of his fixed compensation at the start of the fiscal year. The specific level of achievement of this criterion is not made public for reasons of confidentiality.

Table of directors' fees and other compensation received by executive company officers

(in euros)	Amounts paid in 2016	**Amounts paid in 2017**
Bolloré Participations, represented by Marc Bebon		
Directors' fees	40,231	41,876
Bonuses	20,000	20,000
Marc Bebon(1)		
Directors' fees	5,250	5,250
Socfrance, represented by Sébastien Bolloré		
Directors' fees	5,500	5,500
Sébastien Bolloré(2)		
Directors' fees	45,660	48,950
Contributions in kind	2,196	2,196
Other compensation(3)	206,300	356,120
Financière V, represented by Marie-Annick Darmaillac		
Directors' fees	–	–
Marie-Annick Darmaillac(4)		
Directors' fees	23,288	43,700
Omnium, represented by Janine Goalabré		
Directors' fees	–	–
Janine Goalabré(5)		
Directors' fees	21,384	38,700
Hubert Fabri		
Directors' fees	50,065	55,000
Bonuses	950,000	1,050,000
Alain Moynot		
Directors' fees	15,500	15,500
Yannick Bolloré		
Directors' fees	44,450	44,450
Contributions in kind	8,993	–
Other compensation(6)	1,251,300	51,300
Olivier Roussel		
Directors' fees	60,410	63,700
Marie Bolloré		
Directors' fees	51,160	54,450
Contributions in kind	2,268	2,268
Other compensation(7)	149,547	200,000
Martine Studer		
Directors' fees	135,486	135,486
Chantal Bolloré		
Directors' fees	25,190	48,700
Valérie Coscas		
Directors' fees	19,481	33,700
François Thomazeau		
Directors' fees	–	42,480
Céline Merle-Béral		
Directors' fees	43,765	48,700
Contributions in kind	3,599	–
Other compensation(8)	261,300	47,800
TOTAL	3,442,323	**2,455,826**

(1) In his capacity as permanent representative of Bolloré Participations.
(2) In his capacity as permanent representative of Socfrance.
(3) In 2017, Sébastien Bolloré received compensation as an employee of Bolloré, of which 171,300 euros was fixed compensation and 184,820 euros for activities for the Group in Australia.
(4) In his capacity as permanent representative of Financière V.
(5) In his capacity as permanent representative of Omnium.
(6) In 2017, Yannick Bolloré received fixed compensation of 51,300 euros as an employee of Bolloré. In 2016, his compensation included that paid by Havas.
(7) In 2017, Marie Bolloré received fixed compensation of 180,000 euros and variable compensation of 20,000 euros as an employee of Bluecar and Blue Solutions.
(8) In 2017, Céline Merle-Béral received compensation as an employee of Bolloré Participations, of which 11,300 euros was related to fixed compensation and 36,500 euros to variable compensation. In 2016, her compensation included that paid by Havas.

Subscription options

Share subscription or purchase options allocated during the fiscal year to each executive company officer by the issuer and by any Group company
None.

Share subscription or purchase options exercised during the fiscal year by each executive company officer
None.

Share subscription or purchase options exercised during the fiscal year by non-executive company officers
None.

Performance shares

Performance shares granted during the fiscal year to each executive company officer

Name of the company officer	No. and date of plan	Number of shares granted during the period	Value of shares according to the method used for the consolidated financial statements (in euros)	Vesting date	Availability date	Performance conditions
Vincent Bolloré	Bolloré plan March 23, 2017	280,000	932,400	March 23, 2020	March 23, 2020	The vesting threshold for all shares allocated is an aggregate operating income in 2017-2019 inclusive of 1.7 billion euros at constant scope. If aggregate operating income for the fiscal year is less than 1.7 billion euros at constant scope, the shares will be allocated in tranches one fifth smaller for each 100 million euros below the 1.7 billion euros. If operating income for the fiscal year is less than 1.3 billion euros at constant scope, no shares will vest.
Fair value of the share set at **3.33 euros**						
Cyrille Bolloré	Bolloré plan March 23, 2017	280,000	932,400	March 23, 2020	March 23, 2020	The vesting threshold for all shares allocated is an aggregate operating income in 2017-2019 inclusive of 1.7 billion euros at constant scope. If aggregate operating income for the fiscal year is less than 1.7 billion euros at constant scope, the shares will be allocated in tranches one fifth smaller for each 100 million euros below the 1.7 billion euros. If operating income for the fiscal year is less than 1.3 billion euros at constant scope, no shares will vest.
Fair value of the share set at **3.33 euros**						
TOTAL		**560,000**	**1,864,800**			

Performance shares granted during the fiscal year to non-executive company officers
None.

Free shares

Free shares granted during the fiscal year to each executive company officer

Name of the company officer	No. and date of plan	Number of shares granted during the period	Value of shares according to the method used for the consolidated financial statements (in euros)	Vesting date	Availability date
Cédric de Bailliencourt	Bolloré plan March 23, 2017	70,000	233,100	March 23, 2020	March 23, 2020
Fair value of the share set at **3.33 euros**					
TOTAL		**70,000**	**233,100**		

Free shares granted during the fiscal year to non-executive company officers

Name of the company officer	No. and date of plan	Number of shares granted during the period	Value of shares according to the method used for the consolidated financial statements (in euros)	Vesting date	Availability date
Yannick Bolloré	Bolloré plan March 23, 2017	280,000	932,400	March 23, 2020	March 23, 2020
Sébastien Bolloré	Bolloré plan March 23, 2017	70,000	233,100	March 23, 2020	March 23, 2020
Marie Bolloré	Bolloré plan March 23, 2017	70,000	233,100	March 23, 2020	March 23, 2020
Fair value of the share set at **3.33 euros**					
TOTAL		**420,000**	**1,398,600**		

Performance shares that became available during the fiscal year for each executive company officer
None.

Free shares that became available during the fiscal year for each executive company officer
None.

Free shares that became available during the fiscal year for non-executive company officers
None.

Redeemable warrants for the subscription and/or purchase of shares (BSAAR) sold during the fiscal year by each executive company officer
None.

Redeemable warrants for the subscription and/or purchase of shares (BSAAR) sold during the fiscal year by non-executive company officers
None.

History of allocations of share subscription options

None.

History of allocations of free shares

2017 fiscal year	Bolloré 2016		Blue Solutions 2014	
Date of Meeting	June 3, 2016	June 3, 2016	August 30, 2013	August 30, 2013
Date of Board of Directors' meeting	September 1, 2016	March 23, 2017	January 7, 2014	January 7, 2014
Total number of shares that could be subscribed	4,131,200	1,610,000	380,000	
Total number of free shares subscribed by executive company officers	208,000	490,000	20,000	–
– Cyrille Bolloré	**–**	**–**	**15,000**	**–**
– Cédric de Bailliencourt	**80,000**	**70,000**	**5,000**	**–**
– Yannick Bolloré	**–**	**280,000**	**–**	**–**
– Sébastien Bolloré	**64,000**	**70,000**	**–**	**–**
– Marie Bolloré	**64,000**	**70,000**	**–**	**–**
Grant date of shares	September 1, 2016	March 23, 2017	January 8, 2014	April 7, 2014
Vesting date of shares	September 2, 2019	March 23, 2020	January 8, 2018	April 7, 2018
Date of end of holding period	September 2, 2019	March 23, 2020	January 8, 2020	April 7, 2020
Subscription price (in euros)	2.97	3.33	17.29	24.42
Exercising terms	immediate	immediate	2-year lock-up period	2-year lock-up period
Number of free shares granted	4,131,200	1,610,000	339,500	13,500
Number of free shares canceled	89,600	–	28,250	–
Number of remaining free shares at December 31, 2017	4,041,600	1,610,000	311,250	13,500

History of allocation of redeemable warrants for the subscription and/or purchase of Shares (BSAAR)

None.

History of performance share allocations

2017 fiscal year	Bolloré 2016		Blue Solutions 2014
Date of Meeting	June 3, 2016	June 3, 2016	August 30, 2013
Date of Board of Directors' meeting	September 1, 2016	March 23, 2017	January 7, 2014
Total number of shares that could be granted:	4,131,200	1,610,000	380,000
Total number of performance shares granted to company officers:	640,000	560,000	25,000
– Vincent Bolloré	**320,000**	**280,000**	**–**
– Cyrille Bolloré	**320,000**	**280,000**	**–**
Grant date	September 1, 2016	March 23, 2017	January 8, 2014
Vesting date	September 2, 2019	March 23, 2020	January 8, 2018
Date of end of holding period	September 2, 2019	March 23, 2020	January 8, 2020
Subscription price (in euros)	2.97	3.33	17.29
Exercising terms	immediate	immediate	2-year lock-up period
Number of performance shares granted	640,000	560,000	25,000
Number of performance shares canceled	–	–	25,000
Number of performance shares remaining at December 31, 2017	640,000	560,000	–

Share subscription options granted to the top ten non-company officer employees and exercised by them
None.

Free shares allocated to the top ten non-company officer employee and that became available to them
None.

Redeemable warrants for the subscription and/or purchase of Shares (BSAAR) granted to the top ten non-executive company employees and exercised by them
None.

Performance shares allocated to the top ten non-company officer employees and that became available to them
None.

Employment contract, specific retirement schemes, severance pay and non-competition clause

	Employment contract		Supplementary retirement scheme		Compensation or benefits due or which may become due in the event of terminating or changing company officer functions		Compensation relating to a non-compete clause	
2017 fiscal year	Yes	No	Yes	No	Yes	No	Yes	No
Vincent Bolloré Chairman of the Board of Directors Term start date: June 3, 2016 Term end date: December 31, 2018		•		•		•		•
Cyrille Bolloré Chief Executive Officer Term start date: September 1, 2017 Term end date: December 31, 2018		•		•		•		•
Cédric de Bailliencourt Deputy Chief Executive Officer Term start date: September 1, 2017 Term end date: December 31, 2018		•		•		•		•

5. SPECIAL ARRANGEMENTS FOR PARTICIPATION BY SHAREHOLDERS IN THE GENERAL MEETING OR PROVISIONS OF THE ARTICLES OF ASSOCIATION THAT SET OUT THESE ARRANGEMENTS (ARTICLE L. 225-37-4, 9° OF THE FRENCH COMMERCIAL CODE – *CODE DE COMMERCE*)

In accordance with the provisions of article 19 of the articles of association, all shareholders are entitled to attend General Meetings and to participate in the deliberations, personally or by proxy, irrespective of the number of shares that they possess, by simply presenting identification and completing the legal formalities.
Any shareholder may vote by post in accordance with the legal and regulatory conditions.

6. INFORMATION LIKELY TO HAVE AN IMPACT IN THE EVENT OF A TENDER OFFER OR EXCHANGE OFFER (ARTICLE L. 225-37-OF THE FRENCH COMMERCIAL CODE – *CODE DE COMMERCE*)

6.1. STRUCTURE AND DISTRIBUTION OF THE COMPANY'S SHARE CAPITAL

The distribution of the share capital and voting rights in the company at December 31, 2017 are set out in the annual report ("The company" section).

6.2. RESTRICTIONS PER THE ARTICLES OF ASSOCIATION ON EXERCISING VOTING RIGHTS AND TRANSFERS OF SHARES, OR CONTRACTUAL PROVISIONS BROUGHT TO THE ATTENTION OF THE COMPANY IN ACCORDANCE WITH ARTICLE L. 233-11 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*)

The legal obligations set out in article L. 233-7 of the French commercial code are applicable. The company's articles of association do not provide more restrictive provisions than the law in this area.

No clause in the articles of association has the effect of restricting transfers of the company's shares.
No agreement clause stipulating preferential sale or purchase conditions and applying to at least 0.5% of the share capital or voting rights has been notified to the company pursuant to article L. 233-11 of the French commercial code (*Code de commerce*).

6.3. DIRECT OR INDIRECT HOLDINGS OF THE COMPANY'S CAPITAL THAT HAVE BEEN THE SUBJECT OF A DECLARATION CONCERNING CROSSING OF THRESHOLDS OR A DECLARATION OF SECURITIES TRANSACTIONS

None.

6.4. LIST OF HOLDERS OF SECURITIES WITH SPECIAL CONTROLLING RIGHTS AND THEIR DESCRIPTION

Law no. 2014-384 of March 29, 2014, the so-called "Florange Law" established, in the absence of a contrary clause of the articles of association adopted subsequent to their enactment, double voting rights for fully paid-up shares with documented registration of two years in the name of the same shareholder (article L. 225-123 of the French commercial code – *Code de commerce*).
The counting of the two-year holding period began on April 2, 2014, the date of entry into force of the Florange Law.
As a result, since April 3, 2016, company shareholders automatically have double voting rights when the conditions required by the law are met.
The double voting right attached to a share is lost on conversion to bearer status or in transfer of ownership to said shares, in accordance with and subject to the exceptions set forth in article L. 225-124 of the French commercial code (*Code de commerce*).

6.5. CONTROL MECHANISMS STIPULATED IN ANY EMPLOYEE SHAREHOLDER SYSTEM

None.

6.6. AGREEMENTS BETWEEN SHAREHOLDERS OF WHICH THE COMPANY IS AWARE AND WHICH MAY ENTAIL RESTRICTIONS ON THE TRANSFER OF SHARES AND/OR THE EXERCISE OF VOTING RIGHTS

As far as the company is aware, there are no agreements between shareholders likely to entail restrictions on transferring shares and/or the exercise of voting rights.

6.7. RULES APPLICABLE TO THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

In accordance with statutory provisions, the directors are appointed by the Ordinary General Meeting and the Board may, under the conditions laid down by law, make temporary appointments.
The Board must comprise at least three and at most 18 members, subject to the waiver provided for by law in the event of a merger. Their term of office is three years and they may be re-elected.
The rules applying to amendments of the company's articles of association are those laid down by law.

6.8. POWERS OF THE BOARD OF DIRECTORS, PARTICULARLY WHEN ISSUING OR BUYING BACK SHARES

Pursuant to article 12 of the articles of association, the Board of Directors determines company policies and monitors their implementation. Subject to the powers expressly attributed to Shareholders' Meetings, and within the scope of the corporate purpose, it deals with all matters affecting the proper and successful running of the company and its resolutions govern all matters within its purview. It also makes such controls and checks as it deems fit.
The Board of Directors has delegated powers for the issue and buyback of the company's shares.
Currently valid delegations granted by the General Meeting of Shareholders covering share capital increases are mentioned in point III of this corporate governance report.
The authorization for the purpose of buying back its own shares issued by the Ordinary General Meeting of June 1, 2017 is described in the annual report (under "General information").

6.9. AGREEMENTS SIGNED BY THE COMPANY THAT ARE MODIFIED OR TERMINATE IN THE EVENT OF CHANGE OF CONTROL

Some financing agreements can be terminated in the case of a change of control. None of the commercial agreements whose termination would have a significant impact on Group activities contains any change of control clause.

6.10. AGREEMENTS STIPULATING SEVERANCE PAYMENTS FOR MEMBERS OF THE BOARD OF DIRECTORS OR EMPLOYEES OR THE COMPANY'S EXECUTIVE OFFICERS IF THEY RESIGN OR ARE DISMISSED WITHOUT MATERIAL REASON OR IF THEIR EMPLOYMENT IS TERMINATED DUE TO A TENDER OR EXCHANGE OFFER

None.
This report was ratified at the meeting on March 22, 2018.

The Board of Directors

SUMMARY OF TRANSACTIONS REPORTED BY THOSE PERSONS MENTIONED IN ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE ENTERED INTO DURING THE FISCAL YEAR ENDED DECEMBER 31, 2017

None.

Risk factors

RISK ANALYSIS

Several factors unique to the Financière de l'Odet Group and its strategy, such as the diversification of its activities and its geographical sites, limit the magnitude of risks to which the Group is exposed. In addition, the stability of its share ownership structure enables it to pursue a long-term investment policy guaranteeing its survival despite the fluctuations of the global markets.
Risks specific to activities, notably Transportation and logistics and Oil logistics which generate 43% of the Group's turnover, are presented in section 4.2 "Risks specific to activities".

MAIN RISKS CONCERNING THE GROUP

The Group has conducted a review of the risks that could have a material adverse effect on its activity, financial situation, or results.
Only certain financial risks are liable to impact the Group's overall results.

Risk associated with listed shares

The Financière de l'Odet Group, which holds a securities portfolio valued at 7,128.4 million euros as at December 31, 2017, is exposed to market price fluctuations.
The Group's equity investments in non-consolidated companies are measured at fair value at the end of the accounting period in accordance with IAS 39 "Financial instruments" and are classified as financial assets available for sale (see note 7.3 – Other financial assets in the notes appended to the consolidated financial statements).
As far as shares in listed companies are concerned, this fair value is the closing stock market value.
As at December 31, 2017, temporary mark-to-market revaluation of available-for-sale assets on the consolidated balance sheet totaled 3,068.8 million euros before tax, taken to consolidated equity.
At December 31, 2017, a 1% change in the market price would have an impact of 66.4 million euros on the assets available for sale and on consolidated shareholders' equity, including 27.7 million euros relating to revaluation of the Group's holdings in Omnium Bolloré, Financière V and Sofibol.
These unlisted securities, held directly or indirectly in Omnium Bolloré, Financière V and Sofibol, whose value is dependent on the valuation of Financière de l'Odet securities, are also impacted by fluctuations in market prices (see note 7.3 – Other financial assets in the notes appended to the consolidated financial statements). At December 31, 2017, the reevaluated value of these securities was 2,785.0 million euros, for a gross value of 183.9 million euros. The shares of these unlisted companies are not very liquid.

Goodwill risk

The Group's financial statements included goodwill of 14,431 million euros at December 31, 2017 (26.7% of the Group's total consolidated assets) and 3,006 million euros at December 31, 2016 (13.3% of the Group's total consolidated assets). The main goodwill applies to Vivendi (13,405 million euros) following the global integration of Vivendi on April 26, 2017 and applies mainly to Universal Music Group (7,372.8 million euros), Canal+ group (3,198.3 million euros) and Havas (1,939.2 million euros).
Under current regulations, goodwill is not amortized but subjected to an impairment test at least once a year and whenever there is an indication of impairment. When impairment is found, the difference between the asset's book value and its recoverable value is recognized among operating expenses for the fiscal year. At December 31, 2017, no impairment provisions were found to be necessary. A sensitivity analysis was carried out, none of the Group's main goodwill items was found to be affected by any reasonable change in key assumptions (see note 6.1 – Goodwill in the notes to the financial statements).

Liquidity risk

The Group's liquidity risk stems from obligations to repay its debt and from the need for future financing in connection with the development of its various lines of business. To deal with liquidity risk, the Group's strategy has been to maintain a level of unused credit lines that will allow it to deal at any point with cash requirements. Lines of credit confirmed but unused at December 31, 2017 totaled 4,959 million euros (including 510 million euros at Havas Group and 2,000 million euros at Vivendi Group). Additionally, the Group strives to diversify its sources of financing by using the bond market, the banking market and such organizations as the European Investment Bank.
The Financière de l'Odet Group's main financing lines at December 31, 2017 were a 1,100 million euros revolving credit line, not drawn down, maturing in 2019 and 400 million euros of drawn down credit maturing in 2021. They are subject to a gearing covenant that caps net debt/equity at 1.75.
Vivendi SA has a credit line of 2 billion euros, maturing on October 29, 2021, not drawn down at December 31, 2017.
The credit line contains the usual default clauses and undertakings that impose certain restrictions, notably concerning the posting of collateral and M&A deals. In addition, the credit line is maintained provided there is compliance with the financial ratio, calculated half-yearly: net debt on EBITDA over twelve sliding months, which must be at a maximum of three for the term of the loan. Breach of this ratio could trigger early redemption of the loan if it has been drawn or, otherwise, its cancellation. At December 31, 2017, Vivendi complied with this financial ratio.
In addition, Havas SA has confirmed credit lines, not drawn down at December 31, 2017, with first rank lending banks amounting to a total of 510 million euros, including 150 million euros maturing in 2018, 330 million euros maturing in 2020 and 30 million euros maturing in 2021. Some of these credit lines are subject to compliance with leverage ratios (net debt over EBITDA) and/or hedging of servicing of the debt.
The bonds issued by Bolloré in 2012 (170 million euros due in 2019), in 2015 (450 million euros due in 2021) and in 2017 (500 million euros due in 2022) are subject to the usual clauses in the event of default, restrictions in terms of collateral and changes in control but not to any early redemption clause in the event of a failure to satisfy a financial ratio.
Bonds issued by Havas Group in 2013 (100 million euros due in 2018) and 2015 (400 million euros due in 2020) are not subject to any early redemption clause in the event of a failure to satisfy a financial ratio, but contain an early redemption clause in the event of a change of control.
Bonds issued by Vivendi SA are subject the usual default, negative pledge and *pari passu* clauses. In addition, bonds issued by Vivendi SA have an early redemption clause in the event of a change in control (for bonds issued in May and November 2016, the clause excludes a takeover by Bolloré Group), which would be triggered if, following a change of control, Vivendi SA's long-term credit rating was downgraded to below investment grade (Baa3/BBB-).
At February 12, 2018, when the Vivendi Management Board met to approve the financial statements for the fiscal year ended December 31, 2017, Vivendi's rating was as follows:

Rating agency	Type of debt	Rating	Outlook
Standard & Poor's	Long-term corporate debt	BBB	Stable
	Senior unsecured debt	BBB	Stable
Moody's	Long-term senior unsecured debt	Baa2	Stable

Some other lines may have early repayment covenants connected with respect of financial ratios, generally involving ratios of net debt to shareholders' equity and/or debt service coverage. At December 31, 2017, these ratios were met, as they were at December 31, 2016.
The current portion of loans used at December 31, 2017 includes 177 million euros of short term negotiable securities (including 120 million euros with Bolloré SA) as part of a 3,700 million euros maximum program (including Havas Group for 400 million euros and Vivendi Group for 2,000 million euros) and 186 million euros of receivables factoring.

All bank lines of credit, both drawn and undrawn, are repayable as follows:

2018	5%
2019	19%
2020	16%
2021	34%
2022	10%
2023	5%
Beyond 2024	11%
TOTAL	**100%**

Surplus cash and cash equivalents are invested prudently in low risk liquid products with counterparties enjoying a high credit rating.

Interest rate risk

Because of its debt, the Group is exposed to changes over time in interest rates in the eurozone, primarily on the portion of debt which is at variable rates, as well as to changes in the lending margins of credit institutions.
To deal with this risk, Executive management may decide to set up interest rate hedges. Firm hedging (rate swap, FRA) may be used to manage the interest rate risk on the Group's debt.
Note 7.5 – Debt describes the various derivative instruments for hedging the Group's interest rate risk.
At December 31, 2017, after hedging, fixed rate gross financial debt accounted for 69% of total debt.
If rates vary by 1% across the board, the annual impact on the cost of gross debt would be –25.1 million euros after interest rate hedging.
In net debt terms, the Group is a net lender at variable rates, and would therefore benefit from a rise in rates.

RISKS SPECIFIC TO ACTIVITIES

In order to list the risks associated with its activities, since 2005 the Group has adopted a risk mapping approach whose main objectives are:
- to identify the major risks that could affect its divisions' operations;
- to initiate/improve the Group's processes so as to reduce and/or eliminate the impact of these risks;
- to analyze the adequacy of the Group's insurance policy and its purchasing of capacity and guarantees;
- to consider the Group's options regarding the transferring of risks to the insurance and reinsurance market, and/or the use of self-insurance;
- to strengthen crisis management and emergency communication procedures.

Once the risk mapping completed, the Group decided to take a long-term approach by installing a software package enabling it to monitor action plans and regularly update risks.
The Group is continuing its program of preventative inspections of its sites, particularly in Africa.

MAIN RISKS RESULTING FROM THIS SYSTEMATIC APPROACH

Market risk (Transportation and logistics, Oil logistics)

The Transportation and logistics and Oil logistics businesses represent more than 43% of the Group's turnover.
In freight forwarding and oil logistics, the Group acts mainly as an intermediary which allows it to pass on much of any price fluctuations to its customers. As a result, turnover in both businesses may be substantially affected by fluctuations in freight rates and oil product prices without a comparable impact on profits.
In oil logistics, exposure to the price of oil products is therefore essentially capped at its inventory, which is also largely hedged by forward purchases and sales of products backing physical transactions.

Results of the port and railway concession businesses may be affected by the economies of the countries in which the Group operates. The economies of some countries, particularly in Africa, can be heavily exposed to the price of oil or other raw materials. However, this risk is limited by the substantial diversity of the Group's geographical presence in Africa, where it has operations in 46 countries.

Technological risk (Electricity storage and solutions)

The Group is making sizable capital expenditure in new activities such as electricity storage. Even though it is extremely confident about the prospects offered by these new activities, the Group remains prudent given the technological risk that such capital expenditure may present.
Accordingly, the efforts devoted to these developments are at all times measured on the basis of the performance of the traditional activities and in such a way that they do not call into question the Group's overall equilibrium.

Intellectual property risk

In the context of its industrial activities, the Group is required to use patents (in Electricity storage and solutions). For all the activities concerned, the Group ensures that it is the proprietor of all the patents that it exploits and that the new technologies that it has developed are protected.

Climate risk (Oil logistics)

The level of activity of the Energy division can be impacted by climate variations. Harsh climatic conditions can have beneficial effects on the division's turnover. Conversely, more clement conditions can lead to lost earnings. The effect of climate variations on the division's level of activity, however, cannot be quantified precisely.

Political risks (Transportation and logistics)

The Group operates in a substantial number of countries in Africa, where it provides a full range of logistics services: freight forwarding by air, sea and land, warehousing and distribution, industrial logistics, port operations, safety and quality control. It manages all administrative and customs procedures for its customers both before and after transportation and ensures that goods reach their final destination. This unrivaled network, made up of companies in the Group that each comprise local players, makes it possible to minimize the risks associated with any country experiencing a major crisis.
Furthermore, the Group's decades-long presence on this continent and its experience make it possible to limit exposure to this risk. Thus the crises that occurred in Republic of Côte d'Ivoire between 2002 and 2007 and in 2011 had a material impact on the results of this country's subsidiaries, but the impact on the Group's financial statements was extremely modest, reflecting the effects of shifts in business away from this crisis-ridden country toward neighboring countries.
Lastly, all the Group's African companies are insured by AXA Corporate Solutions (ACS) in respect of any "financial losses" covering political and commercial risks up to 75 million euros a year with, for certain risks, sublimits of 10 or 30 million euros per claim. The financial losses are also reinsured with Sorebol, the Group's internal reinsurance company.
This valuation is consistent with the Group's needs and with the risks it took into consideration with its insurers. Such risks may arise from:
- confiscation, expropriation, nationalization;
- withdrawal of authorization;
- non-renewal by granting authorities of their concession or licensing agreements;
- inconvertibility and non-transfer of all financial flows, particularly dividends;
- public disorder, malicious action, war, civil war, strike, riot, terrorism.

Health risk

By operating in Africa, the Group is exposed to risks associated with Ebola. Since the epidemic has mostly affected three countries (Sierra Leone, Guinea and Liberia), which represent less than 5% of the turnover in Africa, it has not had a real impact on the Group. The Group nevertheless took numerous health precautions starting in 2014, and these remain in force at present.

Risks of non-renewal of concessions (Transportation and logistics)

The Group is bound by concession agreements (port terminals, railways, oil pipelines, Autolib'). Given their number, diversity, duration (most lasting over twenty years) and maturity, the risks associated with these concessions cannot significantly affect the Group's profitability and the continuity of its business. For more details on concessions, see also note 6.4 to the consolidated financial statements (20.3).

Risks associated with car-sharing (Autolib', Bluely, Bluecub, Blueindy)

Car-sharing service agreements could pose certain risks related to vandalism, accidents, theft, malfunctions, etc. The first years of operation under the Autolib' agreement, won by the Group in December 2010 and operational since late 2011, demonstrate that the risks identified have proven to be only marginal. The same applies to other car-sharing services operated in Lyon, Bordeaux and Indianapolis. In addition, in regards to Autolib', the agreement signed with the mixed syndicate limits the Group's loss exposure to 60 million euros for the duration of the franchise.

Industrial risks (Transportation/Electricity storage and solutions)

The main industrial risks faced by the Group are as follows:
- risk of the stocks of supercapacitors and batteries catching fire: Lithium Metal Polymer (LMP®) batteries and supercapacitors developed by the Group can, if exposed to very high temperatures, become highly inflammable. To limit such a risk and avoid chain reactions at storage areas, firewalls and automatic sprinkler or gas systems have been installed. In addition, products are regularly tested for inflammability;
- risk of accidents in the Transport and logistics segment: in this segment, the Group can be faced with accidents connected with equipment failure or human error. The main measures taken to limit this risk are the creation of a quality, health, safety, and environment (QHSE) management system and continuous staff training in international QHSE rules, particularly on oil and mining projects. With regard to rail operations, the investment program concerning rolling stock and fixed installations continues in accordance with the original schedule. A management system based on the provisions of the International Railway Industry Standard (IRIS) began in 2010 and will complement the ISO Quality management system already in place;
- hasardous material storage risk: as an approved warehouse keeper, the Group is responsible for goods that it warehouses on behalf of its customers. As an example, strict rules and specific procedures have been implemented for the storage of cotton and have been approved by the Group's insurers. Similarly, the same measure has been put in place for Supply chain and Warehousing activities. The transportation of cyanide is carried out in strict compliance with the International Cyanide Management Institute (ICMI) Code. The transportation of other hazardous materials is systematically carried out in accordance with the provisions of the International Maritime Dangerous Goods (IMDG) Code. All employees involved in these very specific operations have been made aware of these various regulations. Specific technical installations (buildings and equipment) have been completed on the basis of projects and activities in which the Group is active.

Customer risk

The Bolloré Group has a presence in every continent given its various activities in very diverse sectors. Its numerous customers are therefore companies of different origins operating in very different fields, which greatly reduce the overall level of risk. In Transportation and logistics (31% of turnover), the customer portfolio is very fragmented. The stability of this customer base is guaranteed by the fact that the biggest customers – consisting of shipping companies – are also freight forwarding suppliers of the Group for comparable amounts. The business is therefore not dependent on any particular customers or sectors. As regards risk management, monthly monitoring is carried out by the Group's Cash Department, which pools working capital requirement. Controls are also carried out by the main divisions themselves, which have a credit manager. Finally, the Group has frequent recourse to credit insurance. Customer credit risk is analyzed case by case and write-downs are identified on an individual basis taking account of the customer's situation, the existence or otherwise of credit insurance and payment defaults.

Write-downs are not calculated on an overall basis.

The aged balance of past due receivables without provisions at the end of the accounting period, the analysis of changes in provisions for trade receivables and the expenditure and income in respect of these receivables are shown in note 5.6 – Trade and other receivables in the notes to the consolidated financial statements (20.3).

Risks associated with raw material prices

The Group's businesses listed below are sensitive to changes in raw material prices:
- energy (oil);
- other agricultural assets;
- batteries (lithium).

However, given the diverse nature of its activities, the effects of changes in the prices of these raw materials on the Group's overall results remain limited.

Oil logistics is the only sector of the Group directly and significantly affected by changes in the price of a barrel of oil; turnover is closely linked to the price of crude oil and correlates fully with the price of refined products. In order to minimize the effects of oil risk on results, the Oil logistics division passes on changes in the price of the product to customers and arranges forward purchases and sales of products in respect of physical operations.

At December 31, 2017, forward sales of products came to 61.7 million euros and forward purchases came to 60.1 million euros. Open buyer positions on ICE markets came to 3,300 metric tons at 1.7 million euros.

Domestic fuel stocks were fully hedged, with the exception of a quantity of about 54,500 m^3 at December 31, 2017.

The Group has a minority interest in the Socfin group, which farms palm oil and rubber tree plantations. This group's results are affected by fluctuations in the prices of palm oil and rubber.

However, even when these prices drop, the fact that some production occurs in countries practicing government-set prices (such as Cameroon and Nigeria), combined with its efforts to improve operating performance, allow the Group to significantly mitigate the impacts thereof.

The Batteries business, which is developing Lithium Metal Polymer (LMP®), is dependent on a number of raw materials, including lithium, however does not believe that it is subject to supply-side risk. It has several agreements with suppliers, and the quantity of lithium used by the Group is very small in terms of the global market. In addition, the lithium used in the Group's electric batteries is approximately 95% recyclable.

Social risks

Given the large number of staff that it employs, the Group can be subject to social movements and strikes. Once again, the diversity of locations and business areas substantially limits exposure to these risks. More detailed information on staff can be found on page 79.

Environmental hazards (Oil logistics, Electricity storage and solutions, Other agricultural assets)

Industrial risks identified by the mapping are monitored very closely in order to anticipate and take the necessary preventative measures. The table of industrial and environmental hazards hereafter summarizes the measures put in place by the divisions in this area.

Table of industrial and environmental hazards

Hazards identified	Actions taken
Plastic films, Blue Solutions – Blue Applications	
Accidental product discharges (oil, petrol, chemicals)	Providing holding ponds and sealing off nearby rivers. Implementation of retention solutions for storage options and monitoring of oil removers for parking lots.
Waste pollution	Selective sorting at source. Waste recycling (cardboard, plastic films, wood, etc.) and hazardous waste treatment (chemicals, solvents, etc.) by specialist companies. New packing film regranulation unit for recycling material and reducing the amount of waste (entered service in October 2016).
Films, batteries, supercapacitors, buses: fire risk	Separating risks by fire-guard partitioning. Automatic sprinkler or gas extinguishing. Product inflammability tests. Replacing old firefighting equipment at the Odet site. The three sites are now classified as "good" or "very good" by insurers. Additional reserves for fire-fighting for Bluebus production and storage buildings.
Batteries and supercapacitors: pollutant product waste	Installation of filters in accordance with Atex instructions. Treating discharges into the atmosphere by catalytic oxidation with very high efficiency since 2014, including the new line installed in 2017.
High voltage transformer: fire risk or risk of operating loss due to mechanical breakdown	Fire and gas detectors. Back-up installations. Oil retention. Successful transformer switching test in 2015, 2016 and 2017.
Batteries for electric vehicles	Safety tests for misuse. Partnerships with fire fighters in Paris. Partnerships for recycling. Semi-industrial tests carried out in 2017 (10 tonnes treated). First test carried out as part of the Bus application with multiple packs.
Batteries for stationary applications	Modeling the effects of fire in the event of major accident. Demonstration model came into service in 2015 before going operational on January 1, 2016 with clipping and smoothing of peak consumption.
Life-cycle assessment of various applications	Life cycle assessment of the 6-meter version of the Bluebus and Bluetram applications, in car-sharing and stationary applications. Launch of the 12-meter Bluebus Life Cycle Analysis (LCA) in December 2017.
Electric-bus fire in factory or being recharged by a customer	Bus fire modeled in cooperation with CNPP and RATP. Bus recharging outside or in a building equipped with automatic fire sprinklers.
Dedicated terminals and systems	
Electrical and electronic equipment waste	Treatment of EEEW (electrical and electronic equipment waste) contracted out to companies authorized to carry out waste reuse, recycling or recovery processes. Pursuant to articles R. 543-195 *et seq.* of the French Environmental Code, IER and Automatic Systems are registered with the Ademe (France's Environment and Energy Agency) under the extended producer liability arrangements and are members of an eco-organization approved by the State to which they pay a financial contribution.

Hazards identified	Actions taken
Oil logistics	
Storage of hydrocarbons	Continuation of investment in bringing classified sites up to standard and ensuring compliance. ICPE: 110 sites. Continuation of environmental monitoring of twelve operating sites: – monitoring the groundwater at regular intervals; – monitoring wastewater from the separators, piezometric analyses. Implementation of electronic gauging at four sites. ISO 14001 certification for two sites in July 2016.
Fuel consumption by road tankers	Continuous updating of the oil truck fleet: 18 new oil vehicles acquired, whose engines comply with the Euro 6 diesel engine emission standard, which have been fitted with automatic gearboxes. In addition, 22 vehicles of more than ten years old were removed from the fleet. 60 training days in fuel efficient driving.
Risk of leaks from the installations: supervision of the SFDM pipeline, Donges-Melun-Metz oil pipe 627 km in length	Remote operation of motors, pumps and valves 24 hours a day. Continuous remote monitoring 24 hours a day. Isolation valves permitting isolation of line segments. Setting up and complying with Seveso procedures. Line surveillance by aircraft twice a month. Increased site security with the use of patrols. Major works to bring hydrocarbon storage facilities into compliance (automation of fire protection, tightness semi-underground containers and of tank seals, etc.). Pipeline status inspection using new generation scrapers equipped with instruments. Obtention of ISO 14001 certification in December 2015. It allows a perfect environmental analysis of SFDM, among other things. Obtention of ISO 50001 certification concerning energy efficiency in December 2015.
International logistics	
Impact on health and safety in the workplace	Implementation of a global HSE system for the management and design of warehouses and logistical bases. Launch of "Safety for all" training campaign for all site, warehouse and QHSE managers (more than 700 managers trained). Existence of improvement plans, following the professional risk evaluation, the analysis of accidents as well as and incidents resulting from developments in regulations. Managing outside companies and subcontractors who work on-site. Monitoring of equipment and facilities (periodic inspections, maintenance, etc.). Health and safety audits and inspections to increase prevention by regularly monitoring the sites. Increased proactive HSE actions (training, information, awareness, meetings). Publication of a "QHSE Insight" newsletter twice per year. Continuous improvement of the health and safety management system. Continued integration of QHSE (quality, health, safety and environmental) as a separate function on its own in operating activities. The number of HSE training/orientation hours increased by 15% in 2017 (including employees, temporary staff and subcontractors). Roll-out of the integrated management system within the organization (three-year plan).
Environmental impact	Continuous improvement of the environmental management system. Environmental audits and inspections to increase the protection of the environment by regular monitoring of the sites. Use of electric engines whenever possible, to replace internal-combustion engines. Providing information and increasing awareness of employees. Carrying out emergency drills to test the effectiveness of human, material and organizational resources. Waste management by suppliers (ordinary waste, EEEW, hazardous waste, etc.). Constant assessment of the classification of establishments governed by the French regulations on facilities classified for the protection of the environment (ICPE). Application files for authorization, registration or declaration, or end of activity declaration, as applicable. Renewal of certification under the ICMC (International Cyanide Management Code) for cyanide transportation activities (Africa region). Roll-out of the integrated management system within the organization (three-year plan).

Hazards identified	Actions taken
Impact of the transportation or storage of hazardous goods	Launch of a training campaign for operating staff involved in the transportation of hazardous goods (more than 3,200 persons trained). Regarding road haulage, the implementation of a Road Risk Assessment (or Road Survey) analysis system and truck selection based on a systematic inspection before loading. Training of stevedores in hazardous goods storage. Revision of decision-support tools made available to businesses. Site audits and inspections. The transportation of cyanide is carried out in strict compliance with the International Cyanide Management Institute (ICMI) Code. Continued improvement of processes for storing hazardous goods: management of incompatible goods, purchase of retention tanks and spill kits, absorbents, etc. Implementation of a new transporter management procedure that incorporates a strong commitment to QHSE and compliance with QHSE requirements (Africa region).
Transportation and logistics in Africa (ports and rail concessions)	
Workplace accidents (port and rail operations)	Regarding port operations, training of administrative staff, operators and subcontractors in health and safety rules in accordance with the safety management system put in place and certified at a number of different companies. Hazardous goods transport (HGT) staff were trained in the International Maritime Dangerous Goods (IMDG) and International Ship and Port Facility Security (ISPS) Codes – Hazardous goods section. Health, safety and environmental (HSE) audits to monitor and strengthen accident prevention are carried out on an annual basis and presented to the control or certification bodies. Proactive Operations and HSE training programs (safety training and information – first aid, anti-fire measures, fork-lift driving, etc.) are run annually in cooperation with the Human Resources Department based on needs expressed during management reviews. As regards rail concessions, since 2015, rail networks have benefited from significant investments to maintain tracks and/or rebuild sections or infrastructure. There is the potential for increased risk of workplace accidents during these special operations. Accordingly, as a responsible company, the networks have set up employee and subcontractor information and awareness units at the worksites. The implementation of the IRIS (International Railway Industry Standard) management and safety system in 2012 considerably reduced the number of accidents/incidents related to network operation and maintenance. The number of workplace accidents affecting employees fell by two thirds between 2013 and 2016, and the number of accidents/incidents at subcontractors fell by 90% over the same period.

Hazards identified	Actions taken
Port risks	The Bolloré Group container terminals are, like other terminals anywhere in the world, subject to high commercial development due to the growth of Export and Import businesses. This has meant port facilities increasingly equipped with increasing numbers of dockside gantries, yard gantries and port handling equipment (tugs, reach stackers, etc.), which may add to the probability of an accident without appropriate preventive measures. In addition, the depth at certain terminals in deep water of strips alongside the docks to allow docking of ever large vessels increases the risk of collision between a ship and a dockside gantry. In the face of these known developments, which optimize our performance vis-à-vis the competition at other ports, our terminals are constantly questioning their operational and safety procedures in order to protect our assets, our operators and our sub-contractors. The provisions of the International Maritime Organization (IMO) and International Ship and Port Facility Security (ISPS) Codes are applied on all port concessions. The application of these provisions is analyzed each year at each terminal through audits carried out either directly by the head office or by licensed independent bodies, or in some cases by the American Coast Guards (at least twice a year). Under these priority provisions, the division has committed to achieving the highest levels of safety and each entity, regardless of its geography, must comply with the highest international standards on safety. Analyses are conducted by IMO-approved independent bodies that verify compliance with the ISPS Code and perform safety risk mapping. The implementation of the Pedestrian Free Yard (PFY) program began in 2013 and is now complete at all port concessions. This special safety policy is monitored internally at each entity and annually during ISO Safety Quality reviews by a Cofrac-certified body. Finally, in accordance with the safety management process in place, equipment and facilities are the object of periodic regulatory inspections with particular focus on equipment and facilities subject to special regulations. Each Corporate audit remaps Operations, Safety and Security risks. In accordance with the legal and regulatory provisions of each country where we operate, organizational and technical management systems related to safety and the environment are reviewed periodically in collaboration with each State or port authority.
Railway risks	Two major risks are retained for operating railway networks: the derailing of a passenger train with consequences that could be catastrophic, derailing of a hydrocarbons transport convoy with spillage of hazardous products (hydrocarbons or chemicals) whether occurring in an urban environment (risk to the population) or in area referred to as "natural" (environmental impact). Group rail networks have set up and routinely improve a rail quality and safety management system and have since 2012 initiated IRIS management programs for operations, passenger and goods transport, and fixed or mobile maintenance. Sitarail, the sole African network that operates under these optimum conditions, obtained IRIS certification in December 2015, renewed annually.
Health and safety (port and rail operations)	In 2016, the Ebola epidemic declared two years previously by the WHO was declared to be over. Each port entity terminated preventative measures in place in agreement with the authorities in each country. In accordance with the health measures taken by the Group, besides the mandatory medical examinations, employees and their families are invited to attend health information sessions (on malaria, etc.). In the railway networks, checks, action plans and audits in terms of health recommendations are carried out on trains and in stations (car interior, food, sleep and accessories for long distance trains, nurses present throughout long-distance and international train journeys). Regarding the areas being served, security checks and procedures have been strengthened for trains and intermediate route stations.

Hazards identified	Actions taken
Discharges and pollution (port and rail operations)	Port and rail activities generate a variety of discharges (waste oil, engine filters, rolling stock washing sludge, rails, metal sheeting, etc.). Waste oil is treated and collected for recycling by an approved company or a world-class marketer. Treatment of EEEW (electrical and electronic equipment waste) is contracted out to companies authorized to carry out waste reuse, recycling or recovery processes. Concerning rail operations in particular, metal waste (rails, sheet metal, etc.) is collected and recycled by local companies to be exported to Asia (transformation, etc.). For the last five years, data from monitoring waste and discharges (solid, liquid, gas) has been subjected to detailed analyses on how to reduce direct and indirect impacts. Results are verified by an independent specialist company (Statutory Auditors).
Hasardous material management (port operations)	Reception and delivery of products classified as hazardous (e.g. cyanide) at port terminals is carried out in strict compliance with either the International Cyanide Management Institute (ICMI) Code or local standards applicable to each country. The transportation of hazardous materials is systematically carried out in accordance with the provisions of international regulations, such as the International Maritime Dangerous Goods (IMDG) Code. All those assigned to such special operations have been through programs to raise awareness of these different regulations. In addition, the division is in perfect compliance with the provisions of the International Ship and Port Facility Security (ISPS) Code, hazardous materials chapter, and the applicable International Labour Organization Code of Practice (Safety and Health in ports).
Agricultural assets	
Vineyard: pollution of the groundwater table by use of chemical products	Minimizing the use of chemicals on vines through science-based agriculture. To combat parasites in root systems, leaving land fallow for long periods rather than using products for disinfecting the ground. Using organic fertilizers exclusively.
Vineyard: pollution of surface water by factory effluents	Water treatment station.

Currency risk

For the Bolloré Group, the distribution of turnover by monetary zone (47% in the Eurozone, 16% in US dollars, 8% in the CFA franc zone, 5% in pounds sterling and less than 3% in all other currencies) and the fact that a large proportion of operating expenditure is in local currencies limit the Group's exposure to operating currency risk.
The Group further reduces its exposure to currency risk by hedging its main operations in currencies other than the euro and the CFA franc with major international banks. Currency risk management is largely centralized with Bolloré SA and Vivendi SA for subsidiaries that are attached directly to them.
At Bolloré SA, each subsidiary declares its currency positions to the Cash Department which may arrange a firm hedge (forward buy or sell). In addition to these sliding three-month transactions, other hedges may be arranged on an occasional basis (for example for a charter, a market, or purchase of port gantries).
Bolloré Energy hedges its positions directly in the market each day.
As far as the Vivendi Group is concerned, currency risk management aims essentially to hedge budgetary exposure (up to 80%) and firm external commitments (up to 100%) to limit monetary risks resulting from trading in currencies other than the euro, and all editorial content (sporting, audiovisual, cinematographic rights, etc.) and certain industrial investments made in currencies other than the euro. Most hedging instruments are currency or forward buy and sell contracts, where the due date is less than one year hence. Given the currency hedges set up, an unfavorable and uniform change by 1% of the euro against each of the currencies in position at the end of December 2017 would have an insignificant cumulative effect on net income.
The Group's total annual net exchange rate gains and losses associated with operating cash flows in foreign currencies in 2017 was 26.6 million euros, 2.4% of operating income for the year (compared to +0.1 million euros or 0% of operating income in 2016); the Group's operating income is not exposed to any significant currency risk.

LEGAL RISKS

RISKS ASSOCIATED WITH REGULATIONS AND CHANGES THEREIN

In carrying out its activities, the Group is not subject to any legislation or regulations that might give rise to any specific risks.

RISKS ASSOCIATED WITH LEGAL PROCEEDINGS

The activities of the Group's companies are not subject to any specific dependency.
In the normal course of their activities, Financière de l'Odet and its subsidiaries are party to a number of legal, administrative, or arbitration proceedings. The potential costs of these proceedings are the subject of provisions insofar as they are probable and quantifiable. The provisioned amounts are subject to a risk assessment on a case-by-case basis.
There are no other governmental, legal or arbitration proceedings, of which the company is aware, which are pending or being threatened and are likely to have, or have had over the course of the last twelve months, a significant effect on the financial situation or profitability of the company and/or the Bolloré Group.
The main disputes and inquiries in which Vivendi is involved are covered by a description in note 10.2 of the notes to the consolidated financial statements for the fiscal year ended December 31, 2017.

INSURANCE – COVERAGE OF POTENTIAL RISKS WHICH THE COMPANY MAY ENCOUNTER

The Group's insurance policy is primarily aimed at enabling the activities of its various companies to continue in the event of any incident, the policy being based on:
- internal prevention and protection procedures;
- the transfer of risks to the insurance and reinsurance market through international insurance programs, regardless of the branch of activity and/or the geographic area.

The Group is covered in all its areas of activity against the consequences of such events as are liable to affect its industrial, storage, rail or port terminal installations. The Group also has civil liability coverage for all its land, sea, rail and air activities, as well as coverage for its operational risks.

INDUSTRIAL RISKS

The operating sites for the Group's industrial activities as well as the storage/warehousing sites are guaranteed by property insurance programs up to the amount of the estimated value of the insured goods. The Group's industrial companies are covered for "operating loss" for 100% of their annual gross margin.

CIVIL LIABILITY RISKS

The Group is required to subscribe to a set of civil liability policies given its various activities and its exposure to various risks.
The civil liability that may be incurred by any company in the Group due to its activities, in particular general civil liability, civil liability due to products and the forwarding agent/freight agent/packer/carrier's civil liability, is insured in all areas where these activities are carried out:
- by type of activity, since each division in the Group benefits from, and subscribes to, its own cover;
- by an excess insurance capacity that covers all the companies in the Group and in case of any insufficiency in the above policies.

The Group also has an "Environmental damage" civil liability policy.

CYBER RISKS

Since late 2014, the Group has also had coverage against the consequences of risks related to the Group's information systems.
Insurance programs are taken out with leading international insurers and reinsurers, and the maximum coverage in effect corresponds to that of the market and to the Group's risk exposure.

DEFINITION AND OBJECTIVES OF RISK MANAGEMENT AND INTERNAL AUDIT

Financière de l'Odet Group risk management and internal control are based on the AMF's reference framework published in January 2007 and supplemented in 2010.

ORGANIZATION OF INTERNAL CONTROL

In accordance with the AMF's reference framework definition, internal control is a system within the company, defined and implemented under its own responsibility, with the aim of ensuring:
- compliance with legislation and regulations;
- application of instructions given and strategies set by Executive management;
- the proper functioning of the company's internal processes, particularly those helping to safeguard its assets;
- reliable financial reporting;
- and, more widely, helping it to manage and carry out its business effectively and use its resources efficiently.

Under this framework, internal control covers the following elements:
- an organization including a clear definition of responsibilities, having adequate resources and skills and using appropriate information systems, covering operating procedures or methods, tools or practices;
- the internal distribution of relevant and reliable information, knowledge of which enables each person to carry out his or her duties;
- a risk management system intended to list, analyze and tackle the main identifiable risks with regard to the company's objectives and to ensure that procedures are in place to manage these risks;
- audit activities proportionate to the issues involved in each process and designed to ensure that all necessary measures are taken to manage risks that may affect the achievement of objectives;
- operation and permanent monitoring of the internal control system and regular examination to ensure that it is functioning correctly.

As indicated in the frame of reference, however, no matter how well designed and applied it is, the internal control system cannot absolutely guarantee that the company will achieve its objectives.
In the description that follows, "Financière de l'Odet Group" covers the parent company and the consolidated subsidiaries. This description of the internal control system was made from the frame of reference devised by the working group led under the aegis of the AMF, supplemented by its application guide. The principles and key points contained in this guide are followed where they are applicable.

GENERAL CONTEXT OF INTERNAL AUDIT: AN AUDIT SYSTEM TAILORED TO THE SPECIFIC NATURE OF THE GROUP'S ORGANIZATION

The Group's internal control system is based on the following principles:

Separation of functions

In order to guarantee the independence of the control function, the operational and finance departments have been systematically separated at every level within the Group. Each entity's finance department is responsible for ensuring that financial information is complete and reliable. All this information is regularly forwarded to Executive management and the central departments (human resources, legal, finance, etc.).

Independence and responsibility of subsidiaries

The Group is organized into operational divisions which, owing to the diversity of their activities, have considerable scope to manage their own affairs.
They are responsible for:
- specifying and implementing an internal control system suited to their specific situation and features;
- optimizing their operational and financial performance levels;
- safeguarding their own assets;
- managing their own risks.

This system of delegated responsibility ensures that the various entities' practices comply with the legal and regulatory framework in force in the countries where they are established.

Joint support and audits of all Group companies

The Group establishes a reference set of accounting, financial and control procedures that must be followed. The internal audit division regularly assesses the control system in place in each entity and makes the most appropriate proposals for their development.

Human resources policy favoring a good internal control environment

The human resources policy contributes to the enhancement of an effective internal control environment as a result of job descriptions and an appraisal system based particularly on annual reviews and regular training programs.

INTERNAL DISTRIBUTION OF RELEVANT INFORMATION

COMPLIANCE WITH LEGISLATION AND RULES

The Group's functional departments enable it:
- to keep abreast of the various rules and laws that apply to it;
- to be advised, in good time, of any changes to them;
- to incorporate these rules into its internal procedures;
- and to keep its staff informed and properly trained to comply with the rules and legislation concerning them.

APPLICATION OF THE INSTRUCTIONS AND DIRECTIONS SET BY THE GROUP'S EXECUTIVE MANAGEMENT

Executive management sets the Group's targets and overall directions, ensuring that all staff are informed of them.
In this respect, the Group's budget formation process involves strict undertakings by the entities with respect to Executive management:
- during the fourth quarter of the year, each operational division prepares a budget on the basis of the overall strategic direction set by Executive management; the budget gives a breakdown of forecast profits and cash flow, as well as the main indicators for measuring operational performance levels;
- once approved by Executive management, this budget, broken down into months, serves as the reference for budgetary control. The discrepancies between this budget forecast and the monthly results are analyzed each month at results Committee meetings attended by the Group's Executive management, the divisional management and the Group's functional departments (human resources, legal, finance).

PROPER FUNCTIONING OF THE COMPANY'S INTERNAL PROCESSES, PARTICULARLY THOSE HELPING TO SAFEGUARD ITS ASSETS

The Information Systems Department has introduced safety and security procedures for ensuring the quality and security of the Group's operations, even in the event of major difficulties.
The process of monitoring all capital expenditure, conducted jointly by the purchasing, management control and insurance divisions, contributes to keeping a close watch over the Group's tangible assets and safeguarding their value in use through appropriate insurance cover.
Although devolved to the various operating divisions, client accounts are nonetheless subject to monthly reporting to the Group's Finance Department, which is responsible for listing the main client default risks and taking remedial action along with the divisions.
The Group's cash flow is monitored by:
- daily notification of the divisions' cash flow figures;
- monthly updates to the Group's cash flow forecasts;
- optimization of exchange rate and interest rate risks (studied by the Risk Committee, which meets quarterly under the authority of the Finance Department);
- the availability of short-, medium- or long-term credit from financial partners.

RELIABLE FINANCIAL REPORTING

PROCEDURE FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are prepared every half-year; they are verified by the Statutory Auditors in a limited examination at June 30 and a full audit at December 31, covering the separate financial statements and the consolidated financial statements of all entities within the consolidation scope. They are published once they have been approved by the Board of Directors. The Group relies on the following elements for consolidating its financial statements:
- the Group's consolidation department, which ensures the standardization and monitoring of bookkeeping in all companies within the parent company's consolidation scope;
- strict adherence to accounting standards linked to the consolidation operations;
- the use of a recognized IT tool, developed in 2005 to keep the Group abreast of new information transmission technology and to guarantee secure procedures for reporting information and standardized presentation of the accounting aggregates;
- decentralization of a portion of the consolidation restatements at operational division or company level, allowing the accounting treatment to be positioned as closely as possible to the operational flows.

FINANCIAL REPORTING PROCESS

The Group's Cash and Management Control Departments organize and monitor the reporting of monthly financial information and indicators from the divisions and, in particular, their income statements and net debt reports. Within each division, the financial reporting details are validated by its Executive management and forwarded by its Finance Department. The figures are submitted in a standardized format that complies with the rules and standards for consolidation, making it easier to crosscheck against the items in the half-yearly and annual consolidated financial statements.
Specific reports for each of these are forwarded to the Group's Executive management. The monthly financial reports are supplemented by budget reviews throughout the year, which updates the year's targets in accordance with the latest figures.

RISK MANAGEMENT SYSTEMS

In accordance with the AMF's reference framework definition, risk management is a dynamic system, defined and implemented under the company's responsibility, which assists the company to:
- create and preserve the company's value, assets and reputation;
- secure decision-making and corporate processes to facilitate the achievement of company objectives;
- promote consistency between the company's actions and its values;
- unite company employees behind a shared vision of the main risks.

Under this framework, risk management covers the following elements:
- an organizational framework that defines roles and responsibilities, a risk management policy and an information system that allows risk information to be disseminated internally;
- a three-stage risk management process: risk identification, risk analysis and risk management;
- continuous supervision of the risk management system with regular monitoring and review.

CONTROL ACTIVITIES RELATED TO THESE RISKS

RISK MANAGEMENT

Litigation and risks are monitored by each division. The Legal Department and the Insurance Department, for managing claims, also provide assistance in all major disputes, as well as on every draft contract of major financial significance. Finally, risk management methods are subject to regular in-depth reviews by the Risk Committee.
The main risks to which the Group is subject are set out in the "Risk factors" chapter of the annual report. Given the diversity of the Group's activities, risk management is centered on the following main categories.

Main risks concerning the Group

Certain financial risks are liable to impact the Group's overall results.

Risk associated with listed shares
The value of unconsolidated companies is regularly monitored under the aegis of the Group's Finance Department. In addition, the value of these securities is assessed on the basis of the most recent market prices at the year end.

Liquidity risk
Centralized cash management has been put in place. This is placed under the responsibility of the Group's Cash Department, which ensures that its activities are correctly financed, particularly through diversified sources of finance by calling on the bond market, the banking market, and organizations such as the European Investment Bank. A debt ratio and a ratio concerning the Group's capacity to service its debt are regularly monitored, since certain loans contain an early repayment clause based on compliance with these ratios.

Interest rate risk
The methods for hedging interest rate risks decided by the Group's Executive management are detailed in the notes to the consolidated financial statements.

Risks specific to activities

Given the diversity of sectors and geographical locations of the Group, certain risks may impact a given activity or geographical area without affecting the Group's overall financial situation.

Operational risk

Each Group division is responsible for managing the industrial, environmental, market, and compliance risks with which it is confronted. The type of risks and the associated management methods are regularly analyzed by each divisional management. In addition, the recoverable value of goodwill and other assets, as well as long-term contracts, are monitored at division level, and tests are carried out at Group level. They are also supervised by the Group's Risk Committee and Insurance Department.

Raw materials risk

Energy (oil) and Batteries (lithium) are the Group's sectors sensitive to changes in raw material prices. In the Oil logistics division, which is the most exposed to this risk, changes in product prices are passed on to customers and this division's management systematically makes forward purchases and sales of products to back physical operations.
In the Batteries division, developing Lithium-Metal-Polymer (LMP®) technology is heavily dependent on supplies of lithium. The Group has therefore concluded partnerships with various segment industrialists to limit this risk and safeguard the supply of the quantities of the product needed to make its batteries.

Credit risk

Working capital requirement is monitored monthly by the Group's Cash Department. Moreover, in the Group's main divisions, credit risk management is the responsibility of a credit manager. Recourse to credit insurance is preferred and, when credit is not covered by insurance, the granting of credit is decided at the most appropriate level of authority. Finally, trade receivables are regularly monitored at both Group and division level and are written off case by case when this is deemed necessary.

Currency risk

The Group hedges its main foreign currency transactions. Hedging management is largely centralized with Bolloré SA and Vivendi SA at Group level by subsidiaries that are attached directly to them. The net commercial position is hedged by the Group's Cash Department by forward buying or selling of currencies. Finally, intra-Group flows are subject to monthly netting, making it possible to limit flows exchanged and hedge the residual net position. As for the Oil logistics division, it hedges its positions directly in the market.

Technological risk

The Group is making significant investments in new activities such as electricity storage, the main technological challenge being to make Lithium-Metal-Polymer (LMP®) technology a benchmark technology in both the vehicle market and in stationary batteries for electricity storage. Even though it is extremely confident about the prospects offered by these new activities, the Group remains prudent given the technological risk that such capital expenditure may present. Accordingly, the efforts devoted to these developments are at all times measured on the basis of the performance of the traditional activities and in such a way that they do not call into question the Group's overall equilibrium. This risk is also addressed directly by Executive management at its monthly meetings.

Intellectual property risk

In the context of its industrial activities, the Group uses patents (in batteries, electric vehicles and dedicated terminals). For all activities concerned, a dedicated unit at Group level ensures that the Group is the proprietor of all the patents that it exploits and that the new technologies that it has developed are protected.

Political risk

The Group, which has been present outside of France for a number of years, may face political risks. Nevertheless, the diversity of its operations, together with its ability to react, enables the Group to limit the impact of any political crises.

Legal risk

In order to limit exposure to the risks associated with regulations and their changes and litigation, the Group's Legal Department sees to the security and legal compliance of the Group's activities, in liaison with the divisions' legal departments. When a lawsuit arises, the Group's Legal Department ensures that it is settled in the Group's best interests.

RISK MAPPING

Evaluation and control of the risks inherent in the functioning of each entity are the Group's central preoccupations.
The existence of a software system allows active and regular monitoring of the risks across all our operations. Identified risks are the subject of a series of measures detailed in the action plans drawn up by the various "owners" of risks who are nominated within each division.
The objective is to control the exposure to these risks and therefore to reduce them. The updating of consolidated risk mapping is validated every quarter by the Risk Committee.

OPERATION AND MONITORING OF THE INTERNAL AUDIT SYSTEM

THE MAIN PARTICIPANTS IN INTERNAL AUDIT AND THEIR TASKS

The arrangements for exercising internal control are implemented by:

The Board of Directors of the Group's parent company

The Board of Directors monitors the effectiveness of the internal control and risk management systems as determined and implemented by Executive management. If need be, the Board can use its own general powers to undertake such actions and verification work as it sees fit.

The Group's Executive management

Executive management is responsible for specifying, implementing and monitoring suitable and effective internal control and risk management systems. In the event of any deficiency in the systems, it ensures that the necessary remedial measures are taken.

The monthly results committee

Each division submits a monthly report to the Group's Executive management and central departments detailing, for all companies within its scope, the operational and financial indicators for its business as well as an analysis of the evolving trends with reference to the targets approved by Executive management.

The Audit Committee

The Committee's role and remit are set out in the section "Specialist committees".

The Risk Committee

The Risk Committee is in charge of carrying out a regular and in-depth review of risk management methods.

Subsidiaries' governing bodies

The governing body of each Group subsidiary considers the company's strategy and policies as put forward by Executive management, monitors their implementation, sets operational targets, allocates resources, and carries out verification and control work as it sees fit. All officers receive all the information needed to carry out their assignments and may request any documents they consider useful.

The subsidiaries' management

They apply the directions given by the governing bodies within their own subsidiaries. With the assistance of their management control departments, they ensure that the Group's internal control system operates effectively.
They report to their own governing bodies and also to the management Committees.

Group internal audit

The Group has a central internal audit department that intervenes in all units within its scope. It works to an annual plan put together with the help of the divisions and Executive management, based on evaluation of the risks affecting each subsidiary and a cyclical audit for the whole Group. This program includes systematic reviews of the financial and operational risks, follow-up assignments and application of the recommendations made, as well as more targeted interventions depending on the needs expressed by the divisions or Executive management.
As a first priority, it aims to cover the most sensitive risks and to review the other major risks in the medium term for all Group units. The auditors receive internal training in the divisional business specialties so that they can better understand the operational particularities of each one.
It is the audit department's responsibility to assess the functioning of the internal control system and to make any recommendations for its improvement within the scope of its responsibility. Audit reports are sent to the companies audited, the divisions to which they are attached, and to the Group's Finance Department and Executive management.

THE STATUTORY AUDITORS

In accordance with their appointment to review and certify the financial statements, and in accordance with their professional standards, the Statutory Auditors acquaint themselves with the accounting and internal control systems. They accordingly carry out interim investigations assessing the operational methods used in the various audit cycles that have been decided on; they guarantee the proper application of generally accepted accounting principles, with the aim of producing accurate and precise information. They submit a half-year summary of the conclusions of their work to the Finance Department, the Group's Executive management, and the Audit Committee.
The Group financial statements are certified jointly by the accountants Constantin Associés (reappointed by the Ordinary General Meeting of June 3, 2016), represented by Jean Paul Séguret, and AEG Finances (re-appointed by the Ordinary General Meeting of June 5, 2013), represented by Jean-François Baloteaud.

CONTINUOUS IMPROVEMENT OF INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS

As part of its approach to continued improvement, the Group strives to improve the organization of its internal control and risk management systems, while maintaining operational structures, both at holding company level and divisional level.
Thus, several actions for strengthening the internal control system have been initiated, conducted or continued.

ETHICAL MEASURES

All the Group's ethical measures have been finalized and rolled out in the entities concerned. The Code of Ethics drawn up in 2000 has been reviewed in order to take into account new legal provisions and Group commitments. This Code is distributed to all staff by the Group Human Resources Department.
The Ethics Committee met twice during the year; it validated all the ethical codes and systems implemented within the entities. No failings have been reported using the notification. Detailed information on all our ethics and compliance practices is widely communicated to clients and prospective clients upon request.

INSIDER LIST

The Group regularly updates the list of people having access to price-sensitive information, which, if made public, would be liable to have a considerable effect on the price of the Group's financial instruments. These individuals (employees, directors or third parties in a close professional relationship with the company) have all been notified of the ban on using or disclosing such price-sensitive information with a view to any purchase or sale of these instruments.
The appendix of the Group's Charter of Ethics which defines the periods during which employees will have to refrain from undertaking transactions involving listed shares of Group companies has been amended to take account of AMF recommendation no. 2010-07 of November 3, 2010, relating to the prevention of breaches by insiders for which Executive managers of listed companies may be held liable.

ADMINISTRATIVE AND FINANCIAL PROCEDURES MANUAL

The main financial procedures, but also the main administrative and legal procedures, have been compiled in an intranet manual so as to enable the standards identified by the Group to be disseminated and managed.

SCOPE OF DEPLOYMENT OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal audit procedures implemented within the Bolloré Group cover the whole of Bolloré SA and its consolidated subsidiaries. As part of external growth, in addition to the internal procedures existing already in the companies concerned, the harmonization of the procedures and the deployment of the internal control and risk management systems are gradually continuing.

RISK MAPPING

Monitoring action plans and risk updating using a software package continued during the fiscal year.

Corporate social responsibility

CHALLENGES AND STRATEGY

Arising from a long tradition in papermaking, the Bolloré Group has proved able to develop over the last two centuries, adapting itself and transforming its business lines to ensure that it remains resilient. It is currently present in the transportation and logistics, media and communication and electricity storage sectors. This diversification of its activities has also been accompanied by significant international development, with a presence on all continents. This development was possible thanks to its ownership and family culture, which enabled it to see its activities from a long-term point of view and invest in innovative projects in complete independence.
The development of the Bolloré Group is based on strong corporate culture and values: fairness, entrepreneurial spirit, solidarity, agility, boldness and diversity, which are expressed in its development strategy and CSR policy around four fundamental axes:
- acting responsibly and promoting human rights in our activities;
- innovating in response to major economic and environmental change;
- men and women: the main strength of the company;
- taking action for local development.

Each division of the Group applies this strategic vision while including the specifics of its own business lines, to ensure its coherent and long-term development.
The diversity of the business lines of each division drives the Group's CSR policy:
- the Transportation and logistics business lines, through the nature of their activities and their geographical locations, are notably developing a strong HR and health/safety policy, placing employees at the heart of their success;
- the Communication division, through Vivendi, is focusing its strategy on human rights, in particular the promotion of cultural diversity, sharing knowledge, supporting young people and data protection;
- the Electricity storage division bases its development on an investment and innovation policy that is committed to fighting pollution and to the energy transition and to fight air pollution.

Reducing risk related to business ethics, while ensuring respect for human rights, applying an employment policy that builds long-term relationships with its employees, investing in the development of innovative products and services that are environmentally friendly, and being an essential partner in the economic and social development of the regions where it is established, are the priorities shared by all subsidiaries of the Group.

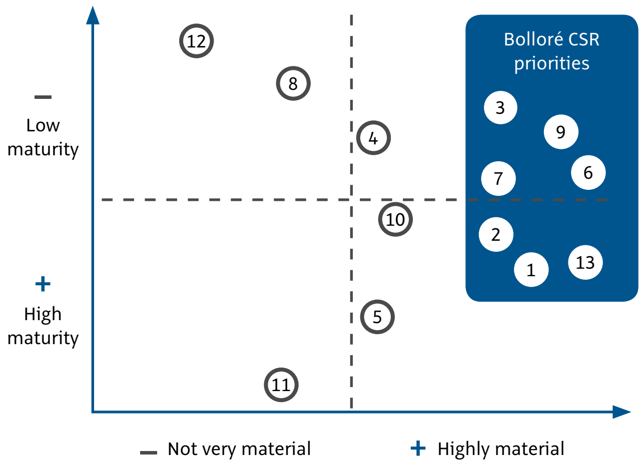
MATERIALITY OF THE CSR CHALLENGES RELATING TO THE ACTIVITIES OF THE BOLLORÉ GROUP

Founded in 1822 in Brittany as a paper maker specialized in thin papers, the Bolloré Group, while remaining a family enterprise, developed to become a diversified industrial group of more than 80,000 employees located in 130 countries throughout the world. This development was possible thanks to the ownership and family culture of the Group, which enabled it to see its activities from a long-term point of view, diversify them and invest in innovative projects.
It is present in the transportation and logistics segments, media and communication and electricity storage and solutions. This diversification of activities was also accompanied by diversification of its geographical scope.
Due to the diversity of its activities, the CSR policy is formulated so that it can be applied in all divisions and all territories where the Group is located throughout the world. The Group has accordingly established an organization enabling it to act responsibility and reduce the risks related to business ethics while guaranteeing human rights. It also applies an HR policy that enables it to build a long-term relationship with its employees. It invests over the long term in the development of innovative products and services that are environmentally friendly. Lastly, through its locations, its capital expenditure and its sponsorship policy, it is an essential partner in the social and economic development of the regions where it operates, notably in Africa and in developing countries.

Materiality analysis

In 2016, at the end of a process of analysis and elaboration of the materiality matrix, 13 challenges were identified. In 2017, the major CSR challenges of Vivendi, whose activity represents 8,911 million euros in turnover for the Bolloré Group (contribution from April 26, 2017 to December 31, 2017), were included in the analysis and elaboration of the Bolloré Group materiality matrix. This integration work showed that the challenges facing Vivendi and Bolloré are complementary and that the 13 challenges identified in 2016 for the Bolloré Group are unchanged with the integration of Vivendi. Work was carried out to prioritize the challenges and this resulted in 7 priority challenges for the Bolloré Group in 2017.

Priority challenge matrix



1 Human right
2 Fair practices (corporate challenge)
3 Duty of vigilance and responsible purchasing (corporate challenge)
6 Attracting talent and retaining employees (HR challenge)
7 Managing and developing expertise (HR challenge)
9 Sustainable products and services (environmental challenge)
13 Contribution to local development (local development challenge)

Mapping of stakeholders

The materiality analysis performed in 2016 made it possible to update some of the stakeholder mapping. In order to pursue and fine-tune this work, a pilot project was launched within the Electricity storage and solutions division. At the same time, the Bolloré Group has initiated work on identifying stakeholders in the broad sense, to fulfill the new requirements of the law on the duty of care (see 17.2.1 – Law on the duty of care), which requires companies to oversee their relationships with their stakeholders. A new method of identification and mapping is therefore under development at the level of the Bolloré Group so that it can be put into operation in all subsidiaries from 2018 with the aim of building its vigilance plan.

Although the dialogue with stakeholders is not consistently organized at Group level, the divisions and subsidiaries of Bolloré maintain constant dialogue with their stakeholders as, for example, at Blue Solutions:

- local authorities: Autolib' and car-sharing services in operation across the world maintain constant dialogue with the municipalities and services where they are installed: syndicat Autolib' Vélib' Métropole, Métropole du Grand-Lyon, CUB, City of Turin, TFL, LTA, City of Los Angeles;
- end-customers: Autolib' regularly organizes discussions with its end-customers to hear their impressions on the development of the service. With the same aim, Bluebus organizes discussions with its customers, which are the companies organizing transport in the cities using its products, such as in Tours, the RATP, etc.

Identifying stakeholders and the various subdivisions of communication flows improves the effectiveness of the division's discussions.

In 2017, Blue Solutions in Brittany also initiated a project to identify stakeholders prepared under an environmental management system, which enabled this initiative to be improved at the scale of the Electricity storage and solutions division.

At the same time as these initiatives targeted identified stakeholders, other subsidiaries adopted an overall approach for discussions with their stakeholders, as shown in the following two other examples:

- Sitarail, in the Republic of Côte d'Ivoire, maintains contact with the population groups neighboring the railway line, informing them of circumstances that could lead to a risk of accident (for example, obstructions to the railway or damage to rail infrastructure). Within this framework, Sitarail rewards people who have enabled it to avoid incidents or accidents;
- furthermore, in conducting the study on the environmental and social impact of the program to renovate infrastructure (PRI), Sitarail set up a process of information provision and consultation of stakeholders and the public, applied as follows:
  - present the project, its components (objectives, activities planned, areas of intervention, etc.) and its impacts,
  - collect points of view, concerns and suggestions arising during the various meetings.

  As part of this study, public consultation sessions targeted the following stakeholders:
  - the players impacted by the implementation of the activities of the project,
  - the regional authorities (regional and departmental prefects, sub-prefects),
  - local elected representatives (Chairmen of the Regional Councils, mayors, etc.),
  - local organizations (heads of villages and communities, chairmen of agricultural cooperatives, young people and women's organizations, etc.),
  - persons likely to be affected by the project (PAP),
  - NGOs;
- as part of a process of continuous improvement, Vivendi also endeavors to take into account in its strategy the expectations of its stakeholders. The Group maintains a dialogue with the world of academics and associations; it holds discussions with financial and extrafinancial communities and with individual shareholders. The organizations representing personnel and management are informed of the corporate social responsibility policy as part of their annual training cycle (the processes for dialogue with employees or personnel representatives are described in Vivendi's registration document);
- keen to develop its analysis of its impacts on society, Vivendi is involved in multi-partner initiatives. The Group has joined the "Alliance to better protect minors online", an initiative from the European Commission bringing together companies in the media and telecoms markets and NGOs in charge of child protection, to implement measures aiming to protect young people from harmful content and cyber bullying. Member of the Human Rights Club of Global Compact France, providing opportunities for discussion and sharing of best practices with other companies and associations, in 2017 Vivendi helped organize a workshop on the emergence of a new human rights in the digital era. The Group takes part in the work of the AFEP on the duty of care. It is a member of the corporate social responsibility monitoring center (ORSE) and takes part in the work of the Council of Directors of Sustainable Development (C3D). The dialogue process also involves setting up partnerships for establishing contacts with key stakeholders and co-constructing, with them, solutions and projects relating to the Group's CSR commitments.

2017-2022 CSR POLICY

The map of priority challenges of the Bolloré Group defined the strategic CSR topics to 2017-2022 in order to best reflect the Group's DNA and promote its CSR commitment to stakeholders encountered in the exercise of its activities. Work to bring into line the strategic CSR policies of the Bolloré Group and Vivendi, integrated during the year, was completed at the end of 2017.
Anticipating and responding to the expectations of customers, protecting its human capital, preserving the wealth of the environment and being a player in the development of society are all factors that help create value in the future. Aware of the importance of these issues for the proper conduct of its business, the Bolloré Group implements a policy of involvement, which reflects its vision in terms of societal responsibility in daily actions within all of its divisions.

Acting responsibly and promoting human rights

1. Human rights
2. Fair practices
3. Duty of vigilance and responsible purchasing
4. Protecting personal data
5. Workplace health and safety

The company's greatest strenght, its men and women

6. Attracting talent and retaining employees
7. Managing and developing skills
8. Promoting diversity

Innovating in response to major economic and environmental change

9. Sustainable products and services
10. Energy and carbon trajectory
11. Managing environmental risk and compliance
12. Raw materials

Taking action for local development

13. Contribution to local development

GOVERNANCE AND CSR PERFORMANCE MONITORING

Two bodies comprise the Group's CSR governance: the Ethics – CSR and Sponsorship Committee, and the Group CSR Department.

Ethics – CSR and Sponsorship Committee

In 2014, the Group Ethics Committee became the Ethics – CSR Committee, confirming the fact that ethics is a major pillar in the Group's CSR commitments. In 2016, sponsorship was brought under the Group Ethics – CSR and Sponsorship Committee in order to better coordinate the Group's societal activities.
The Ethics – CSR and Sponsorship Committee has the following members: Chairman, the Group's Executive management, Division Heads, Group Head of HR, Group General Counsel, Head of Group Management Control, Group Ethics Manager, Head of Investor Relations, Deputy Director of Group Communications, Head of Group Sponsorship and Head of Group CSR.
The objective of this Committee is to set out the priorities in terms of ethics, CSR and sponsorship that the ethics, CSR and sponsorship managers in the divisions should implement within their scopes. The Ethics – CSR and Sponsorship Committee meets once or twice each year to review actions and projects that are ongoing or completed, and confirm the priority projects and prospects in the three domains. However, as 2017 was a transitional year following the consolidation of Vivendi into the financial statements of Bolloré, priority was given to the teams in stabilizing the new organization and working on bringing consistency to the large CSR projects of the Bolloré Group and Vivendi. The roadmap arising from this work will be presented in 2018.

CSR Department

The Group CSR Department is managed by the Group Vice-Chairman, who is also Group CFO. He is assisted by the Deputy Director of Group Communications and the Director of Investor Relations. The Group CSR team works with the CSR departments of the divisions and their network of CSR representatives to roll out the Group CSR strategy within each entity. The internal CSR network thus has over 300 contributors around the world, who help to roll out the Group's CSR strategy in each entity and report on essential extrafinancial information of the Bolloré Group.

Performance monitoring

Since 2009, the Bolloré Group, backed by its internal network, has had an efficient automated system for reporting extrafinancial information, via the development of an integrated software package. This, which hitherto covered more than 100 entities of the Bolloré Group (106 entities for 2017, representing 236 contributors) was extended to Vivendi in 2017 (96 entities, 20 CSR contributors). More than 100 extrafinancial performance indicators are thus reported each year as part of the annual campaign. The indicators considered to be the most significant with regard to the Group's business are the subject, under decree 225 of the French Grenelle II law (2012), of annual in-depth audits by an external accredited third-party (extrafinancial auditors) as well as various qualitative interviews, the aim of which is to certify, firstly, the comprehensiveness of the topics dealt with in respect of the law, and secondly, to ensure that the published data is reliable.
In order to refine the analysis of CSR performance, in 2018, the Group will work on defining measurable objectives that can then be applied to all of its divisions in accordance with the business issues that are specific to them.
The divisions apply the Bolloré Group CSR policy on a day-to-day basis to drive CSR within their core businesses. Concrete action plans that respond to the specifics of their markets and stakeholders have been put in place.

ENSURE GROUP COMPLIANCE FACED WITH AN INCREASINGLY STRINGENT REGULATORY FRAMEWORK

The regulatory and statutory frameworks governing corporate activities have changed significantly over the last few years, in response to the demands and expectations of civil society. The regulatory changes affecting the activities of Group divisions include:
- the law on the duty of care;
- the Sapin II law on the fight against corruption, which requires French and foreign companies to take specific measures to fight corruption;
- the general data protection regulation, which ensures that consumers' personal data is kept confidential and processed securely and effectively.

LAW ON THE DUTY OF CARE: THE BOLLORÉ GROUP VIGILANCE PLAN

General approach to the duty of care by the Bolloré Group

A cross-functional working group was designated with the aim of implementing the new requirements arising from law no. 2017 – 399 dated March 27, 2017 relating to the duty of care of parent companies and order-giving companies. The work performed highlighted the requirement to develop tools common to all divisions, to enable centralized management of vigilance, demonstrating that the challenges of vigilance are taken into account at the level of the Bolloré Group and the intention to optimize their management throughout the scope of its activities.
Because of the nature, diversity and geographical locations of its businesses, vigilance for the Bolloré Group consists of:
- ensuring the compliance of the Group and its business relationships with the most relevant international standards and local legislation in force, when this is more demanding;

- paying particular attention to its employees, suppliers and subcontractors, notably through vigilance concerning working conditions and high standards of health and safety for all;
- preserving the environment through accurate measurement of the impact of the activities of the Group and those of its business relationships and setting up actions to protect against and mitigate environmental risks;
- applying particular vigilance to safety conditions and respect for the fundamental rights of the users of our services and solutions and people living near our areas of activity.

In this context and with regard to the geographical and sectoral diversity of its activities, the Bolloré Group will exercise its reasonable vigilance by initially concentrating its efforts on an identified number of priorities for vigilance. This approach will enable the Group to allocate the necessary resources to the issues of vigilance identified, in order to obtain results that are effective and transposable to other geographical zones and activities of the Group. It will also enable the Group to strengthen the continual improvement of its vigilance processes.
The vigilance plan of the Bolloré Group concentrates on the entities that it controls within the meaning of section II of article L. 233-16 of French commercial code (*Code de commerce*) and the subcontractors and suppliers with which it maintains an established commercial relationship.
The Bolloré Group's vigilance plan does not apply to companies in which it holds a shareholding that does not give control within the meaning of article L. 233-16 of French commercial code (*Code de commerce*). Nevertheless, as a responsible shareholder, the Bolloré Group, when it can, exercises its influence, as it did with the Socfin group, which designed and set up an ambitious sustainable development policy coupled with the exercise of transparency validated by The Forest Trust.

The implementation of vigilance methods at Group level

The deployment of the vigilance system is built around a multi-year program. It will cover all measures intended to identify, evaluate and control risks and will bring together all of the operational departments concerned in the head office and in the subsidiaries. The main elements of the system will be defined after a complete appraisal and analysis of all vigilance processes existing within the Group. These existing processes will, where necessary, be adapted and adjusted, in order to be included in the system.

Mapping vigilance stakeholders

Work is ongoing within the Group to define a method common to the various business lines and to all divisions to map stakeholders.
A specific questionnaire has been developed to identify the various stakeholders, the issues that concern them and their links with the Group and their degree of importance to our activities.
This questionnaire will be accompanied by a mapping tool, on which the Group will work in 2018. The aim will be to eventually ensure a process of dialogue with the relevant stakeholders that can improve the effectiveness of its vigilance systems.

Mapping vigilance risks

A mapping of vigilance risks is underway. In order to conduct the mapping, the Bolloré Group has carried out a study on the concept of "sphere of influence" in matters of the duty of care. This work identifies vigilance priorities according to the proximity of stakeholders to the Group, such as risks related to the activities of suppliers, subcontractors and those providing services to the Group.
An internal cross-company audit has been carried out with all of the QHSE departments of the Transportation and logistics and Electricity storage and solutions divisions to identify the main families of risks to which the Group exposes its stakeholders in the context of its activities, and the preventive measures and procedures in force.
This work should continue throughout 2018 with the Procurement Department, with the aim of producing a complete appraisal of condition of the Bolloré Group supply chain (type of suppliers, type of purchases, procedures for preventing existing risks, contractual provisions and specific CSR clauses, alert system, etc.).

The results for 2017: identification of the vigilance risks at the Group level and definition of priorities for action

The Group's vigilance risks

• Identification

Discussions with the QHSE departments of the divisions have identified four main categories of vigilance risks for the Bolloré Group:

- B to B health and safety risks: these are the health and safety risks relating to employees of our subcontractors and suppliers;
- B to C health and safety risks: these are the health and safety risks of the users of our services, of people living near to our activities and people in direct contact with our subcontractors and suppliers;
- human rights risks: these are the impact of our activities on the fundamental rights of employees of our subcontractors and suppliers, local populations and our customers;
- environmental risks: this concerns the environmental impact of our activities and that of our subcontractors on the natural environment.

Each category of risks is approached by the Group's divisions. However, each division has set up its own prevention procedures, including standards related to their business segments.

• Example of vigilance cycles in place within the Bolloré Group

— B to B health risk in port and rail activities in Africa

B to B health and safety risks, mainly the risks to employees of subcontractors and those providing services to the Group's divisions, have been identified for many years as a focus of attention for the QHSE departments.
The divisions have set up procedures to mitigate the risks related to their activities. As an example, the port and rail entities have established safety procedures intended for their employees, as well as employees of subcontractors and service-providers performing assignments at our facilities. In all circumstances, the port and rail entities are responsible for the safety of persons within their sites. In order to bear this responsibility, numerous procedures have been put in place:

- clear and precise undertakings:
  - an objective of zero accidents,
  - established safety rules for our employees that also apply to our suppliers and service providers,
  - depending on the nature and gravity of non-compliance with a safety rule, a subcontractor or service provider may immediately be temporarily or definitively excluded,
  - regular access to medical monitoring for our employees and their beneficiaries, with free access to medical treatment, vaccination and medicines,
  - the obligation for employees of subcontractors and those providing services to the port entities to benefit from medical monitoring and specific medical tests;
- the establishment of systems for fulfilling commitments:
  - the establishment of a quality management system certified ISO 9001 version 2015,
  - accident reporting via software managed at the head office,
  - a commitment from subcontractors and service providers, evaluated and selected according to the compliance rules in force within the port entities, to comply with our health and safety rules,
  - a daily reminder of safety rules in force on our sites: before each shift, the safety rules are reiterated, both to employees and subcontractors;
- key performance indicators are established:
  - safety indicators are monitored (accidents, work-related sick leave, training, etc.) and sick leave for employees of subcontractors and service providers.

— Environmental risk vigilance on the hydrocarbon storage sites belonging to Bolloré Energy

Bolloré Energy is committed to an ambitious process of management and reduction of the environmental impact of its activities. In addition to conscientious compliance with its regulatory obligations (sites classified Seveso, ICPE), Bolloré Energy is committed to a proactive approach of excellence in terms of reducing the impact of its activities on the environment.
In order to implement these commitments in favor of the environment, several actions have been carried out within the entity:

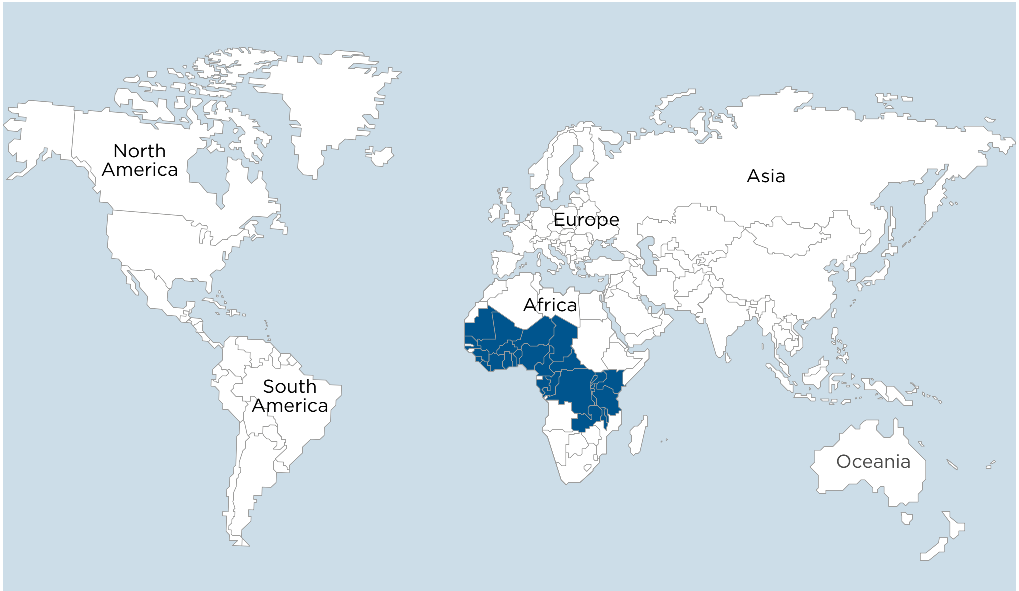
- gradual renewal of its fleet of delivery lorries, with the objective of a fleet 100% composed of lorries compliant with Euro 5 or Euro 6 standards;

- Seveso procedures are applied to all sites, classified or not, where hydrocarbons are stored;
- objective: ISO 14001 certification of all tank-storage sites;
- energy consumption of its sites reduced through obtaining ISO 50001 certification.

— The definition of a priority geographical area

The Bolloré Group has established a priority geographical area in which all activities of the Group (international logistics, port activities, rail activities, media and communication and energy storage) are present and on which it will concentrate its actions under its first vigilance plan. The criteria adopted to define the priority geographical area relate to the number of employees, the presence of all businesses in the area and the level of the human development index of the countries concerned.

The workforces of the subsidiaries located in these countries represent 80% of the Group's workforce outside the OECD. Accordingly, the Group will, initially, concentrate its vigilance plan on the countries that form part of this priority geographical area. This approach will enable the appropriate resources to be dedicated to improving the existing vigilance systems and lessons to be learnt that can be applied in other areas of operations. This zone, focused on 25 countries of sub-Saharan and central Africa, is represented in blue on the map below:



- Benin
- Burkina Faso
- Cameroon
- Congo
- Republic of Côte d'Ivoire
- Gabon
- Ghana
- Kenya
- Liberia
- Malawi
- Mali
- Mauritania
- Niger
- Nigeria
- Uganda
- Central African Republic
- Guinea
- Democratic Republic of the Congo
- Senegal
- Sierra Leone
- Tanzania
- Chad
- Togo
- Comoros
- Zambia

The countries included in this priority geographical area will thus be the subject of particular attention from the Bolloré Group under its vigilance plan.

The vigilance deployment plan within the Bolloré Group

The objectives for the deployment of the duty of care plan for the Bolloré Group are built around two main topics: improve the internal organization to monitor deployment of the care plan and deploy care methods enabling the subsidiaries to deal with these new problems.

The establishment of vigilance governance

In 2018, the Group will set up structured management of the subjects of vigilance. The vigilance plan will be established at the level of the Group CSR Department, which will also be in charge of its implementation. By liaising with the Purchasing, QHSE, Legal, Risks and Compliance departments, an organization enabling the reporting and processing of vigilance information from the subsidiaries to Bolloré SA will be put in place by the CSR Department.

In order to ensure optimum governance, questions of vigilance will be addressed within the Bolloré Group's Ethics – CSR and Sponsorship Committee.

The deployment of vigilance tools intended for the divisions

For 2018, the Group has set itself the following objectives:

- definition of the map of vigilance risks together with the Purchasing Department;
- the choice of tools for the risk mapping;
- finalization of the stakeholder mapping tools intended for the subsidiaries;
- the publication of the Group's vigilance risk map and the hierarchical ordering of risks in its registration document;
- the definition of objectives for preventing and/or mitigating vigilance risks according to their prioritization.

The management of reporting concerning behavior that is not compliant with the prescribed vigilance measures will also be implemented during 2018 in the context of a whistleblowing procedure.

SAPIN II LAW: THE FIGHT AGAINST CORRUPTION

The French law dated December 9, 2016, known as the "Sapin II law", came into force on June 1, 2017. It requires both French and foreign companies to take specific measures to fight corruption.

Since 2000, the Bolloré Group has made the sharing of the same business ethics a policy of its CSR strategy. In this respect, the Group has undertaken to fight corruption in all its forms and has taken the necessary measures, such as: the signature of the United Nations Global Compact, the implementation of its Ethics Charter, and its system of ethical whistleblowing, the mapping of risks related to its activities and those of its stakeholders (due diligence), as well as the training and awareness-raising program.

These effective and coherent ethical measures enable the communication of clear rules of behavior to all employees. The system of ethical compliance management also includes a management system dedicated to ethical compliance and fighting corruption, which includes the recommendations relative to the Sapin II law (see 17.3.1.1 – Establishing a framework to ensure the ethical conduct of our business).

GENERAL DATA PROTECTION REGULATION

The strengthening of the legal provisions (European regulation dated April 27, 2016 on the protection of personal data), the growing digitization of activities and the shared mobility services offered by the Group require systems that provide consumers with secure and effective processing of their personal data, to guarantee them total confidentiality.

To do this, the Bolloré Group has defined an action plan in order to come into compliance with the provisions of the European regulation that will enter into force on May 25, 2018, and which focuses on:

- the rights of persons concerning their data;
- the distribution of roles and responsibilities between the various companies that process this data.

In 2017, a steering committee dedicated to the implementation of these new obligations was established within the Group. It is composed of the data protection officers designated by each of the divisions, as well as lawyers and representatives of the IT systems, Human Resources and Purchasing departments. Its tasks include:

- mapping the processing of personal data;
- identifying actions to be carried out to comply with these new provisions;
- setting up internal procedures that ensure that data protection is always taken into account;
- raising awareness and training employees in these obligations.

FOUR STRATEGIC CSR PILLARS FOR A SUSTAINABLE COMMITMENT

ACTING RESPONSIBLY AND PROMOTING HUMAN RIGHTS

Establishing a framework to ensure the ethical conduct of our business

Materiality of the challenge

The fact that the Bolloré Group operates in more than 130 countries means that it is heavily exposed to business ethics issues. The Group established an organization to ensure that the best practices set out in its Ethics Charter are shared by all employees and enable it to reduce the risks arising from business ethics.

Group policy

Ethics are considered one of the Group's assets, a factor that contributes to reputation and loyalty. The Bolloré Group created effective and consistent ethical measures in order to communicate clear rules of conduct to all of its employees. This policy is based on a Code of Ethics (2000), the commitments of which were reaffirmed in 2012 under the name "Ethics and Values". The Ethics Charter was revisited in early January 2017 with the dual aim of giving the 12 fundamental principles of the initial Charter (2000) a more practical footing and reinforcing their appropriation by users; key features of France's new "Sapin II" French anti-corruption law (promulgated on December 9, 2016) were added at the same time, ahead of the release of recommendations by the French anti-corruption agency in December 2017. Lastly, the General Code of Business Conduct/Compliance Guide, previously broken down by business division, was significantly revised and distributed for validation by the Group's main functions (June 2017). However, as stated in the "Ethics and Values" Charter, "the scrupulous respect of the laws and regulations in force" is not enough. This is why the Bolloré Group is committed to an ethical and responsible approach, based on strong commitments which are conducive to shared outcomes for its activities as a whole.
Based on the principles of the United Nations Global Compact as regards human rights, labor rights, the protection of the environment and the fight against corruption, as well as on the Group's values, this approach aligns economic performance to shared business ethics" (see point I of the Ethics Charter).
This first point breaks down into a number of obligations:

- preserve the Group's image, a shared heritage;
- respect the need for confidentiality, notably as regards personal data;
- make ethics the focus of relationships with the authorities;
- pay very close attention to conflicts of interest;
- ensure that reliable and accurate financial information is available;
- maintain business relationships that comply with ethical standards;
- guarantee objectivity in choosing suppliers.

Ethics governance

To ensure the effectiveness of these measures, the Ethics-CSR and Corporate Sponsorship Committee lays down and coordinates the rollout of ethics policy within the Group. Led by the Committee Chairman, appointed by the Group Chairman, the Committee's members include Group and Division Chairmen and Chief Executive Officers, the Head of Internal Audit, the Group Human Resources Director, the CFO, the General Counsel of the holding company, the Group Ethics and Compliance Director, the division Ethics and Compliance Directors, and any other person that Executive management feels will help the Committee carry out its work.

The division Ethics managers report to the Group Ethics manager. There is a network of ethics representatives across the Group's logistics activities with further such representatives in the process of being appointed in the other divisions. This "local" network reports to the various levels of management and Executive management at the divisions. In operational terms, it is part of the various levels of the divisional ethics compliance structures.

Ethics compliance management system in place within the divisions:

- The Bolloré Group Code of Ethics, within the meaning of article L. 233-1 of French commercial code (*Code de commerce*) is the Group's reference document. Entitled "Ethics and Values" and common to all divisions, it sets out the core aspects of the ethics system. It is the first point of reference for the whole system, the second being the United Nations Global Compact, which the Bolloré Group signed in 2003. This Ethics Charter is one of the documents provided to new hires within the company, and is mandatory for all managerial staff.
- The code of conduct: this document – formerly specific to the Bolloré Transport & Logistics division – has been substantially revised; its June 2017 version covers all Bolloré Group businesses and scopes, within the meaning of article L. 233-1 of French commercial code (*Code de commerce*): the heads of entities newly adhering to the code took part in the process. It sets out the ethics issues given the greatest importance: transportation safety, employee health and safety, the fight against corruption, respect for competition rules and respect for the environment. The new version contains recommendations on a further two important areas: prevention of conflicts of interest and compliance with export control regulations and trade sanctions. So that each person can, within his/her remit, take the fullest account thereof, these fields are described by detailing the principles, rules of appropriate conduct and behavior. The code will naturally be kept up to date with new laws, regulations and requirements of national or international origin. It will be distributed among all staff once the compliance system has been aligned with the recommendations of the French anti-corruption agency.
- Management system for ethics compliance and anti-corruption measures: to give the ethics principles described above a practical footing, the Procedures Manual sets out the operational rules. They cover risk assessment (revision work was undertaken during the year to meet the new mapping criteria laid down by Sapin II law and the recommendations of the French anti-corruption agency), awareness raising, training, rules concerning third-party gifts and entertainment, supplier selection (due diligence), as well as accounting transparency and the auditing of the compliance management system.
- The whistleblowing system: lastly, a whistleblowing procedure is in place in each division. Its purpose is to allow employees to report – in the strictest confidence – serious breaches in matters relating to finance, corruption, anti-competitive practices, discrimination or harassment, health and safety, or environmental protection to the ethics officer. This procedure has given rise to a thorough review to incorporate the requirements of Sapin II and the recommendations of the French anti-corruption agency.

Significant events in 2017

Initiatives taken during the year were in line with the Group-wide strategy laid down in 2016. They consisted in providing greater depth to the ethical approach while standardizing the general provisions and processes as much as possible so as to extend them to all divisions.
As such, efforts in 2017 were focused primarily on improving the compliance management system of the Bolloré Transport & Logistics division. The Group's aim is to use this system as a foundation for extending the provisions applicable to the other divisions.
Accordingly, awareness raising on ethics provisions continued in the form of face-to-face meetings – particularly at intragroup and multi-division headquarters for the presentation of developments related to France's new Sapin II law – and also in subsidiaries following the awareness-raising process conducted since 2010. Ethics-oriented e-learning training sessions – particularly those specifically mentioned in the code of conduct – were actively pursued during the year. They focused on: anti-corruption laws (Foreign Corrupt Practices Act, UK Bribery Act, etc.), the Group's "Ethics and Values" Charter, the code of business conduct of companies in the Transportation divisions, and regulations on compliance with competition rules.

At the same time, the working group in charge of the development of the new e-learning module on export control and trade sanctions (embargoes) continued its work and completed the design of the various modules.

The specific tools made available to employees have been updated; they serve to facilitate the spread of the information provided during training by means of:

- access for employees via the intranet to the "ethics" site, where they can access the Group's core texts, applicable regulations and the list of approved suppliers;
- provision of a team site open to divisional, regional and country heads, as well as the regional and country ethics delegates. It provides access to the Procedures Manual and to a toolbox that facilitates the use of interactive documents (risk assessment or the supplier evaluation questionnaire, due diligence). The site was overhauled in 2017 following the merging of two intranet environments into one. The intranet tool is the perfect response to the need to provide a standard structure for the ethics compliance management system, while ensuring the efficient dissemination of procedures and processes, as well as reporting.

Moreover, and in line with the tightening of legal and regulatory provisions worldwide, solicitations from third parties increased and became more demanding during the year. The initiatives taken by the Ethics Compliance Department covered this new level of stakeholder expectations.

As such, the Ethics and Compliance Department takes an active part on a day-to-day basis in calls for tender, to describe the commitment to ethics of the Bolloré Group and its divisions, as well as at the contract stage to ensure that the Group's subsidiaries comply with customer expectations in this regard. The Ethics Department performs the following actions:

- presentation of our ethics system to customers and suppliers;
- active participation in ethics circles or bodies;
- conduct of training with university groups or for continuing education for adults;
- responses to questionnaires sent by customers regarding provisions in terms of ethics compliance, due diligence, etc.;
- lastly, contribution to the work of AFNOR, which, after the completion of work to comply with ISO 37001 (anti-corruption management system) in October 2016, embarked in 2017 on work relating to the new "Governance of organizations" standard (ISO TC 309) in which we are participating.

A responsible purchasing policy

As mentioned in the vigilance plan, the Group has undertaken risk-mapping work for suppliers and subcontractors with the aim of limiting exposure to risks relating to health, safety, the environment and the fundamental rights of third-party individuals. Comprehensive vigilance work will be launched in 2018 in conjunction with the Purchasing Department. It will serve to establish the medium-term objectives of the Bolloré Group's vigilance plan in respect of purchasing.

The Group and its divisions have nevertheless already adopted certain responsible purchasing procedures, including:

- the integration of environmental and ethics clauses into Group framework contracts for the purchase of supplies;
- the integration into the Group's sea freight contracts of an ethics and environment clause that requires subcontractors to comply with the Code of Ethics, the code of conduct and the Transportation and logistics division's CSR Charter;
- the general terms and conditions of IER, in which the division calls on its suppliers to act in strict compliance with legal provisions and ethical standards in their commercial and promotional relationships. They agree to refrain from active or passive bribery at all times. Since 2010, the general purchasing terms and conditions have included an ethics section stating that suppliers must comply with International Labor Organization (ILO) provisions, refrain from directly or indirectly using child labor, or forced or compulsory labor, and refrain from active or passive bribery. IER also verifies its suppliers' compliance on these issues during audits (for the selection of new suppliers or as part of follow-up assessments). IER uses a questionnaire covering a range of CSR issues including: the business conduct code of ethics, the prevention of pollution and measures for the recycling of waste. Lastly, outsourced production is negligible for IER, which assembles its products (printers, terminals, etc.), as is the case for its subsidiary Automatic Systems (barriers, passages, gantries, etc.);
- the rigorous supplier selection process applied by Sitarail, which conducts periodic assessments through the Purchasing and Contracting Department. To be selected, suppliers must provide several documents including: a valid license, a copy of the trade register, a valid certificate of liability insurance, etc.;
- Sitarail's suppliers and service providers are assessed annually, depending on their various areas of activity and taking into account:
  - administrative criteria,
  - technical criteria (quality of work performed or items delivered, etc.),
  - HSE criteria (compliance with safety instructions, waste management, etc.),
  - quality and ethics criteria (quality management system, code of ethics, etc.),
  - inspections of suppliers' facilities and premises,
  - in 2017, Sitarail undertook a new assessment of its suppliers and subcontractors;
- the "Sustainable development – Suppliers" document, formalized by Blue Solutions in July 2017, which lays down prerequisites for suppliers in terms of CSR criteria. These requirements were circulated among the main Bluebus suppliers at the end of 2017. From January 2018, CSR criteria will be integrated upstream of the selection of new suppliers.

Promoting human rights in our activities

Materiality of the challenge

The Bolloré Group operates in more than 130 countries, including many developing countries (it is present in 46 African countries). The issue of promoting human rights has been identified as a priority issue for the Group.

Group policy

As a member of the UN Global Compact for over ten years, the Bolloré Group is committed to complying with its principles, including those relating to human rights. Its ethical and responsible provisions are based on strong commitments set out in the general code of business conduct and the "Ethics and Values" Charter. In point II, "Ensuring a trusting relationship with employees," it refers specifically to the provisions of the International Labor Organization (ILO): "the Group shall refrain from using child or forced labor, either directly or indirectly." Employees are also made aware of these commitments by means of e-learning training modules. Bearing in mind that human rights are central to Vivendi's CSR strategy, this commitment was reinforced for the Bolloré Group as a whole in 2017.

Significant events in 2017

- **Transportation and logistics division**

— ***The Sitarail human rights program***

To further cement its commitment and to promote and respect the protection of international law in this area, the members of the Bolloré Ethics-CSR and Sponsorship Committee trialed a "Human Rights" program on a pilot site in Africa in 2016. The Group selected a reference partner, the Danish Institute for Human Rights (DIHR), to support its initiative, as well as a facility representing its operations and its regional roots, namely Sitarail in the Republic of Côte d'Ivoire. The Bolloré Railways rail concession manages 1,260 km of track between Republic of Côte d'Ivoire and Burkina Faso. It has 1,524 employees and moves over 160,000 passengers and 800,000 metric tons of freight annually.

The DIHR, which enjoys a broad mandate to protect and promote human rights, developed an awareness workshop to underline the Group's CSR commitments, and to propose specific courses of action in local contexts. The workshop brought together roughly 40 participants, including management staff and representatives of the various functions within Sitarail in the Republic of Côte d'Ivoire and Burkina Faso, the social partners and external Sitarail stakeholders (including special police, security firms, subcontractors in the sphere of passenger transportation, etc.).

Sitarail, by virtue of the fact that it transports goods and above all people, and that it operates a public service concession, is particularly sensitive to corporate social responsibility issues in general, and human rights in particular. The legal, economic and reputational risks stemming from corporate failure to respect human rights are well documented, along with the opportunities for the company to be pro-active on human rights.

The seminar provided the opportunity to specifically explore human rights in the context of the company's activities, both in terms of the rights of workers and the rights of users of its services and local residents. Following the seminar, Sitarail undertook a mapping of its stakeholders. This process enabled it to identify legal, economic and reputational risks in the event of non-respect of human rights, as well as opportunities for the company to take a pro-active approach in this area.

Since then, Sitarail has established a working group to roll out practical initiatives taking account of human rights in its work to upgrade the road around Port-Bouët in the Republic of Côte d'Ivoire. The program includes sanitation work on the station and its surroundings (waste disposal, flood treatment), security of the facilities of the Port-Bouët station (construction of a fence) and construction of a cafeteria available to employees present on the terminal site. As part of this project, despite the late entry into force of the revised concession agreement and as such the work on the road, dialogue with communities impacted by the sanitation work and rehabilitation of the station, namely livestock sellers, began in the Port-Bouët area in 2017.

- **Communications division**

— ***Promoting human rights is central to Vivendi's CSR strategy***

Aware of its social and cultural footprint, Vivendi, also a signatory of the United Nations Global Compact since 2008, has focused on defining its specific contribution to the respect for human rights directly linked to its content production and distribution activity. This contribution faithfully mirrors its strategic CSR commitments. The promotion of cultural diversity, the support and protection of young people in their digital and cultural practices, and access to demanding, high quality content clearly count as human rights as described in many UN texts, including the UNESCO Universal Declaration on Cultural Diversity, the Guiding Principles on Business and Human Rights, and the 2030 Agenda for Sustainable Development.

- *Promoting cultural diversity in the production and distribution of content*

Vivendi invests heavily in content creation (nearly 2.9 billion euros in 2017) and promotes cultural diversity in today's world, which means: encouraging diverse creativity and participating in e-culture through a focus on interactivity; supporting artists and young talents and contributing to intercultural dialogue and coexistence; enhancing and safeguarding cultural heritage.

Musical, audiovisual and cinematographic content, as well as live, comedy production and video game content: talented performers are central to the Group. Vivendi's growth is built on discovering and supporting them, and promoting their loyalty. In 2017, in its five main markets, Universal Music Group (UMG) devoted 24.9% of its marketing and recording investments to new talent. The discovery of new cinema talent is a particular focus of Canal+ group: in 2017, Canal+ financed 35 début and 24 second films. The group also supports screenwriters, authors and composers, assisting them in their creative process through various writing residencies and talent incubator programs.

Promoting creation in all its diversity is one of the cornerstones of Vivendi's editorial line, which is internationally renowned for its locally based productions.

Universal Music Group's extensive catalog offering a wide variety of musical genres is the result of its investment in local talent: in 2017, 59.4% of UMG's sales were derived from local repertoires. The French and European cultural footprint is rooted in the development of original creations under the Canal+ name, while Canal+ International is a committed player and major investor in film and local audiovisual production, particularly in Africa. In 2017, Canal+ International invested 46.8 million euros in local content in Africa, Vietnam and Poland (excluding sports rights).

Preserving and promoting musical and cinematographic heritage is also central to the activity of Vivendi and its subsidiaries UMG and Canal+ group, which hold superlative catalogs, in the same way as film subsidiary Studiocanal, whose catalog contains more than 6,500 titles, making it one of the most extensive in the world. By their richness and their diversity, the group's catalogs constitute a driver of value creation, and their exploitation and digitization make the oldest titles of the catalog accessible to younger generations: 62% of UMG's digital sales and 38% of its physical sales are generated by the catalog (works marketed for more than two years).

- *Empowering and protecting young people in their use of media*

The challenge for Vivendi is to empower and protect members of the younger generation in their cultural and digital practices, so that young people can express their creativity and give them a voice as citizens. Another challenge is to raise awareness, among young people and their entourages, about the responsible use of digital tools and to give them new opportunities for discoveries, exchanges and acquiring knowledge.

Since 2008, with its Vivendi Create Joy solidarity program, Vivendi and its various business lines have been committed to developing the creativity and openness of underprivileged and sick young people. Each year, 30 major projects are funded to develop individual and collective talents in the group's professions, namely music, film, video games and journalism.

To support young audiences, Vivendi makes fans central to its approach, particularly through its subsidiary UMG. The idea is to encourage their creativity and passion for music, while strengthening bonds with artists, giving them opportunities to enjoy unique experiences with them. UMG is also the first major to sign a licensing agreement that will allow Facebook, Instagram and Oculus virtual reality headset users to use UMG catalog titles (recorded music and publishing) for sharing videos and other interactions on the three platforms.

Giving a voice to young audiences and valuing their commitments through the group's business lines is another pillar of Vivendi's policy. In this vein, the group joined the Hirondelle Foundation in 2017 to organize a special media operation covering the eighth sitting of the French-speaking children's Parliament.

With the media and entertainment industry constantly evolving, and with it the uses of young people, Vivendi joined the Alliance to Better Protect Minors Online launched by the European Commission. The initiative brings together the media and telecom sector (operators, content publishers and online services, operators of shared online platforms and search engines, etc.) and NGOs specializing in the protection of children to undertake to better protect children from harmful content and online harassment

- *Promoting access to ambitious and quality content*

Vivendi's capacity to offer its customers ambitious, quality content while at the same time facilitating access to it, is its main source of value creation. By demonstrating high standards in the creation of content, leveraging the group's ability to influence in order to raise awareness of the key challenges facing the contemporary world, Vivendi helps to give as many people as possible the means to take part in building a global information, culture and digital company.

Quality and originality are pillars of the editorial line shared by Vivendi's subsidiaries. The group offers content acclaimed by its subscribers, the general public and critics in all countries where it operates. Results of subscriber satisfaction surveys attest to the quality of the content on offer. In France, the July 2017 satisfaction survey demonstrated Canal+ customers' attachment to the channel's film offer. For 81% of subscribers, Canal+ is the reference channel for movies; for 72%, "Canal+ is a channel that offers programs you cannot see anywhere else." Overseas, 84% of subscribers consulted say that Canal+ offers quality programs and channels.

To make culture accessible in countries with weak infrastructure and to strengthen the cultural offer in Africa, Vivendi has continued to roll out its CanalOlympia movie theaters and entertainment venues. In 2017, seven venues were opened. The network has a total of eight venues, located in seven countries in Central and West Africa, seating 300 people in indoor settings and several thousand people outdoors. Tickets have been deliberately priced low (roughly 2.30 euros) to allow as many people as possible to benefit. The programming of these venues includes 19 weekly film screenings, 4 of which dedicated to films for young people. It specifically showcases African cinema, with at least one African film screened every week.

By digitizing its exceptional catalog of musical works, UMG offers privileged access to thousands of recordings, including those no longer available on physical media. UMG is also partnering with distribution networks and digital music services in the regions where it operates, thereby making its offers more accessible.

Protecting the health and ensuring the safety of the women and men exposed as part of our activities

Materiality of the challenge

Protecting the health and ensuring the safety of its employees in the exercise of its activities is a key challenge for the Bolloré Group. Given the highly industrial nature of its activities and its broad international footprint (106 countries, 46 of which in Africa), the Bolloré Transport & Logistics division pays particular attention to the implementation of appropriate measures to prevent occupational risks. Although the challenge is particularly material in the Group's industrial activities, all subsidiaries work on a daily basis to preserve the health and ensure the safety of their employees throughout the world.

Group policy: a health and safety policy of the highest quality

The Bolloré Group carries out its business in environments where the accident risk is high and makes it a priority to ensure the workplace safety of its employees, partners and subcontractors. The Group rolls out appropriate policies and procedures in all its divisions and locations. It is committed to investing in the prevention of the risk of workplace accidents by securing work environments, preventing harsh working conditions, as well as training and raising the awareness of employees, subcontractors and partners on hygiene, health and safety rules. Drawing on a process of continuous improvement, the Bolloré Group deploys management systems and a certification policy complying with major standards including ISO 9001 and 14001, OHSAS 18001, IRIS and other international standards.
The Bolloré Group also offers an effective social protection policy. This takes the form of the implementation of prevention and care access programs depending on the location of its activities. In some locations, such as in Africa, the complementary health cover offered to employees far exceeds the thresholds of legal obligations.

Significant events in 2017

Compliance with the applicable health and safety standards
Since 2015, the number of Bolloré Group sites (excluding Vivendi and Havas) certified by one of the major standards recognized in terms of workplace health and safety (e.g. OHSAS 18001, ILO/OHS 2001, BBS 8800, MASE, ISRS, etc.) has increased steadily.

Bolloré Group	Number of sites with workplace health and safety certification by entity (e.g. OHSAS 18001, ILO/OHS 2001, BBS 8800, MASE, ISRS, etc.)	% of sites with workplace health and safety certification
2015	90	9.3
2016	113	11.2
2017	125	11.7

These standards have been implemented in the Transportation and logistics division in particular, as follows:
- in France and Africa alike, the health and safety policies implemented in port and rail entities comply with the major French and international standards including British Standards, Factory Mutual, APSAD, ISO, IRIS (for rail) and OSHAS. These demanding health and safety systems are systematically implemented at existing sites and on new sites and projects. Twenty-nine of the 36 ports operated by the Group benefit from an ISO 9001 quality and safety management system. The other entities are in the process of certification or already apply the major recognized standards.

Preventing occupational hazards and accidents

In 2017, despite the Group's untiring efforts, the number of workplace accidents increased. Among other factors, this can be attributed to the increase in the number of track upgrades in the rail segment, such operations being more liable to result in accidents than routine maintenance operations.

Table of workplace accidents (excluding Vivendi and Havas)

Reporting period	Number of workplace accidents with lost time for employees of the entity	Frequency rate of workplace accidents (x1,000,000)	Severity rate of workplace accidents (x1,000)
2015	428	6.31	0.16
2016	365	5.06	0.14
2017	444	5.78	0.17

- **Transportation and logistics division**

Prevention is a key aspect of the health and safety policy of port and rail entities, particularly as regards the risks and responsibilities involved in maneuvering specialized industrial equipment, such as in container handling (more than 10 million containers handled in 2017). Drivers of specialized equipment are subject to routine testing for at-risk behavior stemming from the use of medication, drugs or alcohol. The number of port and rail accidents has been reduced by roughly 66% since 2015, despite a 10% increase in the number of employees. As a reference, the Lost Time Injury (LTI) ratio is 0.51 for employees in terminals and associated concessions.
To reduce the risk of accident, Bolloré Energy has implemented preventive maintenance contracts on all of its facilities. Preventive checks offer scope for more in-depth checks of depots and the correction of any problems.

- **Communications division**

Prevention in terms of workplace health and safety is also a subject of concern addressed by each of Vivendi's businesses. The action plans and prevention measures implemented and adapted for each business line are the result of dialogue between employees and management within special purpose committees (OHS Committee in France) in charge of addressing these issues and preparing the Uniform Document for the Assessment of Occupational Risks in the case of the French entities. The objectives of these Committees include:
- managing and updating the document outlining risks and prevention plans;
- participating in and ensuring that a plan is created for the prevention of stressful situations related to organizational constraints or the pace of work (special schedules);
- taking into account the need for all employees to balance their personal and professional lives;
- monitoring the implementation of action plans required in the event of serious incidents (including fire, breaches of security and natural disasters);
- improving the ergonomics of workstations (mouse/keyboard use, eye fatigue related to screen work, posture issues), or putting diagnostics in place in the rare situations of harsh working conditions;
- promoting best practices in relation to business travel and identifying and analyzing the causes of commuting accidents;
- supervising the safety of the premises and preventing illness, particularly work-related illnesses;
- providing transportation for employees to their workplace if public transportation is inadequate or unavailable.

- **Electricity storage and solutions division**

The prevention of occupational risks is also the subject of special attention on a daily basis at Blue Solutions to ensure employee health and safety. In 2017, Bolloré Films plastiques invested 350,000 euros to prevent occupational risks, notably with the introduction of new silos to reduce handling. In the Blue Solutions France battery plants, a total of 310,000 euros has been mainly devoted to purchases of new equipment integrating the safety in design approach. Lastly, Bluebus has spent 70,000 euros on the purchase of additional means of access to prevent falls. In 2017, more than 130 safety inspections were made of the various Bolloré (91), Blue Solutions (35) and Bluebus (25) sites. Validated in the OHS Committee, to which Blue Solutions has assigned a higher number of members than required by law, these measures target occupational risks and accidents.
This continuous improvement initiative is also implemented in Blue Solutions' Mobility division. Accident analysis and feedback is used to develop preventive and corrective actions to improve control of occupational risks. In 2017, in association with the OHS Committee, a chemical risk study was undertaken to adapt

and modify products, without reducing their effectiveness. The objective is to eliminate or substitute certain products so as to reduce employee exposure to dangerous chemical agents and the significant physical constraints resulting from the wearing of personal protective equipment. This equipment has been redesigned to align it with newly identified risks. In 2017, for example, the windshield wiper fluid for car-sharing vehicles was replaced by an organic product, some workstations were refurbished and several studies were conducted to improve working conditions in close cooperation with occupational health and safety.
Several initiatives were taken in the Autolib' maintenance workshop in 2017:

- the old hydraulic lifting platforms were replaced by electric lifting platforms to improve the safety of mechanics;
- 5S projects were carried out in collaboration with the staff to improve working conditions and reorganize the space on the basis of flows;
- investments were made to renovate the sanitary facilities on the maintenance site;
- these initiatives will continue in 2018 to reinforce security processes across all car-sharing sites worldwide.

In 2017, IER focused on securing its "isolated" workers. After several months of testing, all Autolib' mobile technicians were equipped with an isolated worker protection (IWP) solution on their smartphone. The application triggers emergency calls to the Suresnes call center to request immediate help if needed. This makes "isolated" employees safer.

Eliminating harsh working conditions

- **Transportation and logistics division**

Bolloré Transport & Logistics Senegal won the competition for the best Occupational Health and Safety Committee in 2017, beating several other international companies. Senegalese Labor Minister Mansour Sy presented the Bolloré Transport & Logistics Senegal delegation with a check for 2 million CFA francs (more than 3,000 euros). The funds will be used to acquire new personal protective equipment, to introduce further training and to strengthen security in facilities. This success is the result of an effective HSE policy that puts safety first.

- **Electricity storage and solutions division**

The Electricity storage and solutions division implemented a policy for the prevention of harsh working conditions. Its commitments and initiatives are part of the active process designed to prevent workplace hazards that has been in place for several years (health and safety policy and collaboration with the company physician, etc.). Since July 2016, hardship factors have been analyzed as part of the risk assessment of each workstation. The company has maintained risk analysis corresponding to all the factors of difficulty, beyond legal obligations. The company's policy is to take preventive protection, technical or organizational measures to reduce the factors of hardship with which people are confronted (noise, arduous postures, heavy lifting, exposure to chemicals) as far as possible. Shift work, inherent to the activity, is the only issue that cannot be addressed by prevention. That is why, since 2016, people who have done shift work for most of their careers have benefited from an ambitious plan allowing them to retire early, making it possible to compensate for the non-retroactivity of the personal hardship account (additional time deposited in the time savings account).
At the same time, the flows and design of the production and storage lines of the IER plants in Besançon and Persan have been subject to various modifications with a view to optimizing processes. In this context, a new terminal assembly line was rolled out in Besançon in 2017 to reduce arduous postures and improve workstation ergonomics. Work on it will be finalized in 2018.

Train and raise awareness

Each year, all of the Group's subsidiaries carry out awareness-raising initiatives targeting their employees, with a joint reminder globally on the World Day for Safety and Health at Work on April 28. In 2017, Bolloré Transport & Logistics raised awareness beyond the global theme of optimizing the quality of HSE (health, safety, environment), reporting on complementary operational themes such as safety conditions during night work in the Bolloré Ports and Bolloré Railways divisions, or fire drills, refresher courses in first aid procedures and well-being at work conditions at Bolloré Logistics. At the same time, Blue Solutions has made its employees aware of the "safety culture" to promote the prevention of workplace accidents and work-related illnesses, calling on the commitment of managers, the training and participation of all employees and social partners, the improvement of risk management and the monitoring health and safety performance. Bolloré Energy branch managers raised awareness among their employees during a discussion to the theme of "see and be seen."

- **Transportation and logistics division**

All staff of the port and railway entities benefit from training in health, safety and environment rules. Nearly 20,000 hours of training were provided to employees of the Rail business unit, an increase of 10% compared with 2016, with 62,000 hours of training conducted in ports in 2017 (up from 46,662 hours in 2016). A total of 22,000 hours of additional training was also provided to subcontractor staff present at the various sites (e.g. site safety, transportation).
At Bolloré Energy, extensive training plans are dispensed regularly in addition to daily awareness raising, such as the "study weeks" organized by the head office for local managers to discuss and share best practices to be implemented on a daily basis. In 2017, a safety campaign was conducted to train all branch managers in the various risks related to their activities and on the appropriate preventive actions. In 2017, various initiatives were accordingly taken:

- noise studies to assess employee exposure to their work environment;
- driver training in occasionally extreme conditions for all tank vehicle drivers (over three years);
- launch of a training program (2017-2020) covering appropriate gestures and postures to adopt for work requiring handling.

- **Electricity storage and solutions division**

A large number of safety training courses are also offered in the Blue Solutions Electricity storage and solutions division: initial and refresher first-aid training, training for safety back-up teams, introduction to the root cause analysis method, introduction to chemical risks, explosive atmospheres training for the battery site, movement and posture training focused on real-life work situations based on an analysis performed by the occupational physician on the workstation and its characteristics. The Blue Solutions Electricity storage and solutions division also trains and raises the awareness of its employees to psychosocial risks. Stress and management training courses are given to all managers, regardless of their status. For Bolloré Packaging, six awareness-raising videos on the risk of workplace accidents have been produced with employees in real-life work situations. They are shown to all new employees. In 2017, 2,111 hours of health, safety and environmental training were provided at the Blue Solutions facilities, 2,670 hours in the Plastic Films business and 345 hours at Bluebus.
Car-sharing employees in the Blue Solutions Mobility division, who are also exposed to numerous risks related to vehicle maintenance operations, work on charging terminals, pedestrians and vehicles on public roads, also received training and awareness raising. In France (car-sharing in Paris, Lyon and Bordeaux), more than 1,115 hours of safety training and awareness raising were provided to a total of 560 employees in 2017 (prevention of road risk, prevention of fire risk, first-aid at work training, certification of electrical aptitude, etc.).
At IER, the Group's health and safety policy involves safety training, regular risk assessments, analyses of workplace accidents and initiatives to reduce their number. A total of 1,089 hours of HSE training was dispensed in 2017, and the chemical risk prevention program, initiated by IER in 2013, continued.

Protecting the health of employees

At the Bolloré Group headquarters, the infirmary (excluding scheduled medical visits) is open to employees seeking advice, a supportive ear, treatments, emergency assistance and referrals. Throughout the year, information on emerging diseases is provided in response to current events in France and internationally; travellers and expatriates are subject to personalized follow-up: health checks, information/prevention of health risks in the countries visited (malaria, dengue fever, chikungunya, Zika, plague), vaccinations and treatment if necessary on return from trips. A partnership has been established with Eutelmed for the management of critical situations in France and internationally. The occupational physician at the Bolloré Group headquarters also conducted an active health prevention program in 2017 through the organization of dedicated blood donation days (164 Bolloré and Havas donors), disability awareness training, melanoma prevention/screening and training in the use of defibrillators and in first aid. A program to raise employees' awareness of well-being at work was also launched in 2017, with the committed involvement of the Human Resources department to positively and sustainably modify employees' behavior on health-related issues. The program is based on thematic workshops covering areas such as nutrition, physical activity, sleep/stress management, with support from France's Haute Autorité de santé.

- **Transportation and logistics division**

All employees of the port and railway entities receive an annual medical check-up. The division also conducts vaccination campaigns for employees' families (beneficiaries). The Group accordingly funds the vaccination of more than 100,000 family members of Ports and Rail employees in Africa each year.
In addition, the Bolloré Ports and Rail QHSE department is very attentive to the prevention of pandemics, epidemics and other local health crises. From 2013 to 2016, in response to the Ebola epidemic, the Group's crisis team set up a 24/7 monitoring system, in addition to laying down safety and training rules, which were repeated daily to all employees and subcontractors in the affected countries. Strict precautionary measures of this nature helped preserve the health of employees, with no victims during the epidemic. In 2017, Bolloré Ports embarked on another prevention program targeting the dengue epidemic in Tuticorin via awareness raising of hygiene and behavior geared towards limiting the risk of spreading the virus, as well as the distribution of appropriate treatments to combat this type of virus/infection. In addition, a health watch was activated this year following the appearance of the Lassa fever virus, currently prevalent in West Africa. The Group's crisis team has since been mobilized to monitor the development of the epidemic.
Bolloré Logistics also pays close attention to the health and safety of its employees, and is committed to creating a pleasant and comfortable working environment for them. In 2017, to fight against significant air pollution in some Asian countries, Bolloré Logistics Korea and Bolloré Logistics China installed high-quality air purifiers in offices to eliminate 99% of pollutants, including fine particles in suspension. The volume of fine particles both inside and outside is regularly monitored in Shanghai. Following substantial positive feedback from its employees, Bolloré Logistics China intends to continue its initiatives throughout the country in an effort to promote an increasingly pleasant working environment.
Follow-up of the Camrail accident:
2016 was marked by a tragic train accident in Cameroon on October 21. Camrail immediately responded to the emergency by mobilizing substantial resources to assist the authorities: 120 people were dispatched to the scene of the accident in under three hours, including 15 of the company's doctors and nurses, 10 ambulances, a special train that transported 89 wounded and 52 dead to Yaoundé on the same evening, 20 chartered buses to bring unharmed passengers and those with minor injuries back to Douala, with the entire fleet of Camrail service vehicles made available. The emergency unit, known as "CAP 152", played its role of informing, identifying and assisting the victims of the accident and their families, in particular by setting up a toll-free number, opening special counters in the main Camrail stations, establishing a unit to provide assistance and psychological support and liaison with hospitals.
After mobilizing the full extent of its human and material resources alongside the authorities, the compensation of victims of the accident was the priority immediately assigned to Camrail. It was overseen, as required by the prevailing rules, by the insurance companies. To facilitate the compensation process for victims and their families, Camrail provided special assistance for the filing of valid claims. Knowing that this process can take time, Camrail provided cash advances for personal injuries and material damage and for the families of the deceased. Camrail organized the immediate payment of funeral expenses totaling 1.5 million CFA francs for the families of all 80 fatalities.
As of March 1, 2018, Camrail and its insurers had made substantial progress on the compensation process for victims, as follows:

- payment of compensation to 453 of the 625 wounded who had submitted valid medical files, with the assistance of Camrail;
- finalization of agreements with 82% of victims' families;
- financial assistance for damages and reimbursement of medical expenses for 622 people;
- compensation for loss of property for 767 people.

The process was implemented efficiently by a team of 20 full-time staff (doctors, insurers and experts), providing administrative assistance on request to the families of victims to help them complete their claim forms and medical records and file their claims with Camrail correctly. Camrail, with the help of doctors, also provided psychological assistance to the families of victims and conducted routine visits to hospitals to monitor the health status of the victims and to help, where appropriate, provide for the other needs of the wounded. The amounts of compensation granted to beneficiaries were considerably greater than the standard established by the Inter-African Conference of Insurance Markets (CIMA). The compensation awarded by Camrail for social damages to nearly 580 people includes home care, childcare, transportation and medical expenses. Compensation for physical injury was established on the basis of a diagnosis by the victim's doctor, with the assistance of the doctor employed by Camrail's insurer.
Lastly, since the accident, Camrail has undertaken various measures to improve safety on the lines it operates. They include carrying out a diagnostic and safety improvement audit, the creation of a Major Operational Risk Monitoring Committee reporting to the Chief Executive Officer, the limitation of the speed of passenger trains on certain parts of the network, the triggering of additional investments for track, signaling and equipment, and the suspension of the Intercity service. Criminal proceedings are ongoing. A number of hearings have taken place, and Camrail is cooperating fully with the investigation.

- **Communications division**

At Vivendi, the risk identification methodology for occupational health involves the following steps:

- identifying and assessing the professional risks related to the activity;
- assessing the degree of control exercised over the risks;
- identifying individual and collective preventive measures to eliminate or reduce each risk; and
- drafting a safety management and workplace health program aimed at controlling any residual risks, or a training program.

In addition, an increasing number of initiatives and measures are being implemented locally by the various entities to promote and foster the well-being and health of employees in their workplace. For example:

- Universal Music Group in the United States: the Come Together Events program offers a series of health and wellness activities including bi-weekly yoga classes for employees, and coming together for special events like the Turkey Bowl, the Halloween costume party or the Battle of the Bands. The Woodland Hills site in California also provides a "wellness room" that employees can use for meditation and/or relaxing during their breaks;
- Universal Music Group in Norway: a campaign has been implemented to raise awareness of the importance of physical exercise;
- Canal+ Cameroon: aware of the need for physical activity to reduce the risk of cardiovascular disease, the company offers all employees a sporting activity every third Saturday of the month;
- Gameloft: initiatives shared by a number of studios are now up and running. They include yoga and sports classes, the installation of games or break rooms and the distribution of fruit baskets;
- Digitick: employees can call on the services of a masseur/physiotherapist once a month;
- Dailymotion: employees can take yoga or meditation classes and have access to a relaxation room. Dailymotion has begun thinking about new ways to improve the well-being of its employees;
- as part of its "Well-being and Performance" program, Vivendi Headquarters organizes the following events:
  - monthly lectures by specialists on topics such as "Neuroscience," "Positive attitude" and "Understanding yourself better to act better",
  - week-long workshops on exploring the five senses to stimulate them to develop their abilities and facilitate well-being; all employees in the group were invited to attend.

- **Electricity storage and solutions division**

IER initiated thinking on the prevention of psychosocial risks in 2013, resulting in the creation of a dedicated "Zen at work" body. It is made up of employee representatives, managers and human resources managers, and aims to identify and prevent situations potentially impacting well-being at work, both individually and collectively. It meets at the request of one of its members, at least once a year. In 2017, IER pursued the prevention of psychosocial risks and the "Zen at work" body, and took action to anticipate potential situations of risk. IER has also acquired specific equipment to preserve the health of its employees. For example, assemblers at the Persan production plant have been equipped with noise-canceling earplugs to prevent possible noise-related work-related illnesses. Optimization initiatives taken in plants, such as the layout of the production line and the acquisition of ergonomic handling equipment at the Besançon site are another feature of the approach. Initiatives of this nature have reduced employee exposure to health risks stemming from handling activities and arduous postures. This reduces the likelihood of occurrence of work-related illnesses such as musculoskeletal disorders (MSD). In addition, since 2017, work based on the 5S approach aimed at making the work environment clean, tidy, pleasant, clarified and as such safe, has been initiated on the Suresnes site. IER aims to extend this approach to all of its technical services in 2018. Lastly, a project designed to measure the quality of life at work is being discussed at the Besançon site, the aim being to survey how employees feel and to implement improvement actions.

Promoting ethical and responsible communication

Materiality of the challenge

As a producer of advertising content and campaigns, Havas pays particular attention to complying with rules of conduct in the advertising and journalism spaces, the messages it conveys in its productions and the media platforms on which it buys space for third parties.

Group policy

Havas has identified six commitments to CSR progress underpinning all practices relating to its business, regardless of the job performed, either in France or internationally. Two of these relate more specifically to the implementation of responsible communication:
- ensure a leadership position in the creation and spread of responsible communications through group agencies and collaboration with customers;
- renew the commitment to work collectively to fight global warming.

Compliance of advertising campaigns with the law

Havas has stepped up its efforts on its responsible communications program with a view to ensuring that advertising campaigns comply with rules of good conduct. In 2017, 65 group agencies established internal procedures to validate the compliance of creative projects with ethics rules, and nearly 62% of employees were provided with information on laws and ethics rules in force in the communication industry. Over 3,280 creative projects were submitted to the existing regulatory authorities (in France, South Korea, Portugal, Canada, Australia, China, the United States and other countries) before their release; only 5% were deemed non-compliant or received an unfavorable opinion.

Incorporation of sustainable development skills and tools

In 2017, 24 campaigns were designed together with sustainable development experts, comprising both internal managers and external consultants. BETC has had a comprehensive sustainable development approach since 2008, with initiatives concerning internal procedures as well as advertising production and brand support. Its approach can be seen in one of its most iconic programs, ACTvertising, an initiative aimed at "making advertising more accessible and responsible through subtitling, audio description and a carbon contribution scheme." Brands taking part in the program include Reckitt Benckiser, Canal+, Yves Saint Laurent, Française des jeux and Crédit Agricole.

The development of working practices more closely involving stakeholders within the customer organization prior to campaign design

Incorporating the expectations of stakeholders within the client company is central to the process of defining the lines of communication, particularly when the campaign theme relates to sustainable development issues. In 2017, 13 agencies produced campaigns after consultations with client company stakeholders (NGOs in particular).

Moreover, at the most recent Cannes Lions event, Havas and the five major global communication groups (Dentsu, IPG, Omnicom, Publicis and WPP) decided to join forces to launch the Common Ground initiative. Its purpose is to contribute to the achievement of the 17 sustainable development goals laid down by the United Nations. The Havas group is keen to become a leader in the fight against climate change in line with Sustainable Development Goal 13, which involves taking urgent action to address climate change and its impacts.

The group works with the world's leading brands to create campaigns devoted to climate change. In 2017, Havas group agencies created 45 campaigns for this purpose, and more than 8 agencies took part in Common Ground initiatives. The main such initiatives were the "Keep LA Cool" campaigns, participation in the Common Future Project in New York and "l'appel des solidarités", an initiative led by 80 NGOs to introduce the issue of environmental solidarity into the debate during France's 2017 presidential election.

THE COMPANY'S GREATEST STRENGHT, ITS MEN AND WOMEN

Our Group's development is directly linked to the development of our employees. Their commitment and skills are central to our performance. Our top priority is therefore to attract, retain and train our employees.

As an industry-leading responsible employer, the Bolloré Group has made social dialogue a priority in the sphere of human resources management. Convinced that it brings innovation and progress, the Bolloré Group encourages constant, high-quality dialogue with its staff.

In France, as in numerous other countries, employees working in industrial or commercial structures are represented by independent trade-union organizations or by representatives elected by the staff. Every year, negotiations are entered into and agreements signed by labor and management on numerous issues. In 2017, 195[(1)] collective agreements were signed across the Bolloré France scope, including:
- 41 agreements on compensation;
- 19 agreements on health and safety;
- 24 agreements on working conditions;
- 14 agreements on social dialog;
- 88 agreements on employee savings;
- 9 agreements on other subjects.

Attracting and retaining talented employees

Materiality of the challenge

Every employee joining the Bolloré Group joins a family, entrepreneurial, international and human adventure. Our businesses put them in touch with international realities in professions of the future. Developments in our markets offer them opportunities to enhance their skills and their career. Everyone can express themselves and reach their full potential within our Group.

A consistent and equitable salary policy

- **Group policy**

To remain competitive, equitable and foster motivation, the Group's compensation policy relies on two components. Compensation must not only be consistent with the results of each division and with the local market practices, but must also steer individual efforts toward the overall performance of the Group. It is part and parcel of meeting the objective of being an employer of choice in order to attract the new skills the Group needs and forms part of the corporate social responsibility effort.

(1) Scope of the workforce covered excluding Havas.

Accordingly, as part of these guidelines, compensation and recognition can take various forms, whether monetary or non-monetary, particularly as part of social benefits, to offer an inspiring overall package to employees, primarily centered around:

- fixed compensation, which rewards employees' skills and responsibilities in the performance of their duties, and their contribution to the collective objective;
- variable compensation, which rewards commitment and the achievement of quantitative and qualitative objectives;
- deferred compensation schemes, such as profit-sharing and/or incentives in France, which compensate collective success, and provide a way of sharing the value created by the company with its employees;
- employee benefit programs, including retirement, social protection and saving schemes; and
- non-monetary benefits, which meet specific local needs and constitute socially responsible measures (provision of clinics and flexible working hours).

- **Significant events in 2017**

Analysis of market positioning

To ensure the consistency of our compensation with the market and to retain our employees, the Bolloré Transport & Logistics Asia-Pacific and Bolloré Logistics France scopes took part in compensation surveys conducted by specialized firms in 2017.

This provided access to local market compensation data so as to:

- identify differences in amounts but also in the compensation structure between internal and market practices;
- adjust the wage structure in line with market tends if necessary;
- prepare the annual wage review campaign (decision support tool).

These compensation surveys will be repeated in Asia in 2018, and will be conducted in a larger number of countries, including a few in North and South America in 2018.

Variable compensation in the Bolloré Transport & Logistics division

In 2017, the Bolloré Transport & Logistics division extended the variable compensation system for operational region or country or cluster managers to Africa. A policy specific to Commercial and Functional Directors will be rolled out beginning in 2018.

For each function, the maximum amount of variable compensation has been harmonized, as have the objectives taken into account and their weighting. The new methods used for calculating the variable portion aim to ensure the alignment of the employee's performance with the division's strategic objectives.

Assistance and repatriation insurance

Ensuring the safety of employees is a key challenge for the Group, especially in view of the fact that it operates in more than 130 countries, 46 of which in Africa. This is why assistance and repatriation insurance has been taken out for all French employees who are required to travel as part of their job. Foreign subsidiaries that were not previously covered by this type of insurance have benefited from the Group insurance program since 2017. Those that already had repatriation insurance will undergo a review of the cover in 2018 to ensure it matches the Group program.

Vivendi employee share ownership in France and internationally

To associate employees with the company's performance, the Vivendi Management Board conducted a further capital increase reserved for employees in 2017. The transaction had two parts: (i) a basic plan reserved for employees of the group's French companies; and (ii) a leveraged plan, Opus 17, offered to employees in France and in the main countries where Vivendi operates.

The capital increase, completed on July 25, 2017, resulted in the subscription of 4.1 million new shares, bringing the percentage of capital held by Vivendi employees to 2.91%.

Promoting talents

- **Group policy**

Our goal is to recruit employees who share our six values and our ambition. The first is loyalty, which for us means that everyone must individually feel that they represent the company and that the Group must in turn respect its commitments to its employees. The entrepreneurial spirit is reflected in courage and knowing how to push back borders to export know-how into new geographies and to develop new activities. Solidarity is embodied in the Group's contribution to local development, its commitment to inclusive actions and its concern for the environmental footprint of its products and services. Agility is shown by our employees in anticipating new needs and uses and rising to new challenges related to the jobs of tomorrow. Boldness is also a fundamental value. It is displayed by the leaders of our company, who are able to make a difference by innovating and moving into new geographies. Finally, diversity is seen as a real asset, a creator of value in a globalized world. These six values form a common base for us and our employees.

- **Significant events in 2017**

In 2017, 4,483[(1)] external hires were made, among 112 different nationalities. Of the external hires completed in 2017, 3,826[(1)] were local (85.4% of total external hires).

2017 was marked by various initiatives within the Group's different entities, and was particularly notable for the following achievements.

Blue Solutions began its first operations in Asia in 2017. In Singapore, the launch of a car-sharing business involved new hires. A call center open 24/7 was notably created from scratch.

In 2017, Bolloré Transport & Logistics launched an integration morning known as B' Trainees. Two sessions, attended by between 30 and 40 trainees and people on combined work-study programs, took place in March and November. Operational staff presented their jobs, their career paths and their activities within the Group. Their presentations were preceded and followed by more informal moments, namely morning coffee and a lunchtime buffet.

On April 27, 2017, 28 companies and major private international groups present in the Republic of Côte d'Ivoire, including Bolloré Transport & Logistics Côte d'Ivoire, took part in the signing ceremony of the "diversity in companies" charter in the presence of the Vice-President of the Republic of Côte d'Ivoire. This Republic of Côte d'Ivoire Diversity Charter states that the signatory organizations "have decided to make a firm commitment to promote the application and promotion of diversity and inclusion within their companies, while expressly condemning discrimination in all its forms in the field of employment." As such, Bolloré Transport & Logistics has undertaken to respect and promote the application of the principle of non-discrimination in all its forms, from the moment employees are hired.

Twice a year, Canal+ group offers days dedicated to the recruitment of trainees and people on combined work-study programs. Known as the Canal Talent Days, they are publicized on social networks, in schools and on the human resources website. Candidates are required to provide a video presenting themselves and their suitability for the position, and successful candidates are called to attend recruitment sessions organized in several stages: presentation of the Group, case studies and speed meeting with managers, and informal discussions. In addition to helping meet recruitment targets, the Canal Talent Days have a positive impact on the employer brand.

Managing our employees' careers

- **Group policy**

Career management is a key element that helps retain our employees. Giving our employees career prospects serves to maintain their trust and commitment. This is why we are extending career committees to all Group entities in addition to annual interviews.

(1) Bolloré excluding Vivendi.

- **Significant events in 2017**

In 2017, 38,645[1] annual interviews were conducted across the Group. These appraisal interviews provided an opportunity to discuss the goals set and achieved, attitude, desired career changes, support, training and future goals.

2017 was marked by various initiatives within the Group's different entities, and was particularly notable for the following achievements:

More than six years ago, Bolloré Transport & Logistics established pilot career committees in its United Kingdom entity. The career committee's purpose is to compare the individual managerial assessment carried out during the annual appraisal with the collective assessment of the employee's performance. This comparison helps anticipate changes within the entity in the United Kingdom and to establish appropriate succession plans and the necessary development measures.

In 2017, the activity of Blue Solutions in Brittany was impacted by organizational changes that forced the HR teams to manage mobility. These changes have given rise to real career opportunities thanks to individual support provided by the HR teams. They individually managed all employees, offering each of them a suitable job based on their previous professional experience and initial training, while taking into account their aspirations and any personal constraints.

Developing our employees' skills

Materiality of the challenge

In a constantly changing world in which digital technology is having a particular impact on our activities, we must innovate tirelessly and anticipate the jobs of tomorrow. Being an international and highly diversified group, the constant evolution of our businesses requires us to be agile in accordance with the opportunities and constraints that arise. To support these changes and transformations, we have adopted a policy geared towards developing the skills of our employees, as well as the active management of internal mobility.

Developing tomorrow's skills today

Group policy

Our development is hinged on that of our employees. Their skills are central to our economic performance. A major plank of our training policy, skills development and consolidation is encouraged and supported throughout our employees' careers.

- **Significant events in 2017**

In 2017, 33,890[1] employees attended a training course and 677,955 hours of training were provided, representing an average of 20 hours of training per employee trained.

2017 was marked by various initiatives within the Group's different entities, and was particularly notable for the following achievements.

The Bolloré Transport & Logistics division rolled out two learning hubs in Suresnes (IFL) and Abidjan (CFPP). They are in-house training centers providing employees with business and cross-functional training. In the years to come, they will be expanded internationally.

At Sitarail, an entity specializing in the transportation of people and goods in the Republic of Côte d'Ivoire, the human resources team strengthened its training plan in 2017. The aim was to offer training linked directly to the Group's strategy so as to anticipate changes in jobs and develop employees' skills. Managers were solicited, and play a role at each stage of the process: needs and availability of teams, proposed training plans and assessments were jointly defined with the human resources team in charge of training policy. Technical training courses on jobs in railways have been established, as have programs for the integration of new hires, work experience-job training courses and the participation of senior managers in Management and Leadership Program (MAPS) training. In total, 384 railway workers were trained in 2017 (an average of 84 hours of training per employee trained), and 20 managers took part in the MAPS training module, representing a total of 280 hours.

Canal+ group gives priority to collective initiatives to meet business challenges as quickly and as efficiently as possible.

In France, the training policy has several key planks, including:

- the emergence of digital technology and its impact on business transformation;
- the development of a managerial culture aimed at helping managers encourage every employee to develop his or her skills to their full potential;
- the implementation of "Talent" programs adapted to each objective: the "Innov'action" program is used to foster take-up of the "Agile" methodology, the "Canal Business Makers" program serves to reinforce employees' professional expertise, and the "+ Digital" program is geared towards allowing employees to test and appropriate social networks or to learn computer code.

Investing in our managers

- **Group policy**

The training of managers, executives and future executives is one of the Group's strategic focuses, and the subject of a specific policy. Sharing and promoting the Group's values are among the main tasks entrusted to ambassador managers. The "Bolloré adventure" is a program comprising a set of training courses adapted to managers' various levels of responsibility. It comprises a range of management support programs designed to improve managerial practices, to prepare our employees for the business challenges of tomorrow and to establish a core of shared values. A total of 1,184[2] managers received training in 2017.

Training is tailored to each level of management. For the first level of management, each Group entity offers the following courses, depending on the managers' level of responsibility:

- Proxy: a program consisting of three modules (i.e. four days' training) over two years for managers taking up their position. The concepts discussed are the role of a manager, communication in a situation of conflict and the method for running annual appraisal interviews; 245 managers trained in 2017 at Bolloré Logistics France and Blue Solutions;
- MOST: a program consisting of four modules (i.e. eight days' training) over two years for managers of managers. The course is designed to create a link with the aforementioned Proxy course, showing attendees how to delegate as well as how to improve their leadership, to encourage their employees to develop and to integrate the management of cross-functional projects; 65 managers trained in 2017 at Bolloré Logistics France;
- MAPS: a program consisting of sixteen days' training over two years for branch managers and the various cross-functional managers sitting on a country or region Executive Committee, who have been in their position for at least three years. The concepts discussed are how to develop impactful communication, build a powerful and more autonomous team, demonstrate leadership in a changing environment and ensure cross-functional cooperation. 128 managers attended this training course at Bolloré Transport & Logistics Africa, Bolloré Transport & Logistics Europe and Bolloré Transport & Logistics Headquarters France;
- SMART Leader: a program consisting of four modules (i.e. eight days' training) over one year for country or business unit managers. The concepts discussed are related to the attitudes of the participant as a manager. The idea is to encourage them to analyze their behavior, their responsibilities and their position within the Group and its organization;
- the Top Leadership modules are dedicated to executives and future managers, and are run by the Group Human Resources department. The Top Leadership programs are individualized. They start with time in a high-level development center mixing tests and simulations followed by coaching in the field, allowing everyone to take a step back from their managerial practice so as to draw on their experience as a means of improvement.

- **Significant events in 2017**

2017 was marked by various initiatives within the Group's different entities, and was particularly notable for the following achievements.

In 2017, the "MAPS Headquarters" class was launched to train 14 managers from the various divisions of the Bolloré Transport & Logistics, Blue Solutions and holding company headquarters. The "MAPS Headquarters" program is designed both to train selected participants in management and to promote a cross-

(1) Bolloré Group excluding Havas.

(2) Bolloré excluding Vivendi.

cutting approach within the Group. Delivered in French, the program is structured around five three-day face-to-face training modules (one of which takes place outside France) over a total period of two years. It is an itinerant course covering sites mainly in France, with a stage in Europe and visits to Group sites throughout the five modules. It is sponsored by one of the Group's leaders.
Three Proxy training sessions were held at Blue Solutions with managers from IER and Vaucresson.
The Human Resources departments of the Blue Solutions Plastic Films division and Bluebus adapted training in 2017 to help new managers ease into their roles and responsibilities. A six-day tailor-made course gives them training in:
- personal and professional interview techniques;
- managerial attitudes;
- awareness of psychosocial risks.

Since 2016, Vivendi has been offering a four-week "Learning Expedition" program for 50 "senior" group executives per year in order to improve knowledge of the various entities, create cross-functional links between participants and foster the emergence of internal growth initiatives through cross-fertilization over the long term.

Promoting internal mobility and development opportunities

- **Group policy**

Internal mobility is an important issue because it represents an opportunity to enrich our employees' experience and careers and to teach them new skills. Developing talent internationally or in new functions is a means of supporting the Group's development, and thereby helping it respond to changes in business activities and as such business lines.
The Group has established mobility and career development processes around the world, resulting in internal mobility for 1,361[1] employees (i.e. 11% of total hires) in 2017.

- **Significant events in 2017**

2017 was marked by various initiatives within the Group's different entities, and was particularly notable for the following achievements.
One of the Group's initiatives in 2017 was to roll out the SOSIE personality test internationally. SOSIE was launched by the IER subsidiary in 2015 with a view to harmonizing recruitment and internal mobility processes across the Group. The 4 sessions held over the year saw 40 employees trained in the tool, which guarantees identical assessment standards and optimizes mobility practices.
At Vivendi, an internal mobility charter has been in place for more than fifteen years, along with a tool to collect job offers from the Group's French companies that are open to transfers.
Havas has launched its Havas Lofts program, which is a unique learning and professional development experience. It offers all Havas group employees from around the world the opportunity to spend four weeks working at one of 20 Group agencies worldwide. It is a singular opportunity for employees to gain global and multidisciplinary skills, broaden their cultural knowledge and develop their leadership skills internationally. "Lofters" are encouraged to share their experiences through a blog and weekly posts, and via Instagram and Twitter using the #HavasLofts hashtag. More than 110 employees have taken part in the program in more than 40 agencies in 11 cities worldwide (Boston, Buenos Aires, Chicago, London, Milan, New York, Paris, Prague, São Paulo, Shanghai and Sydney).

INNOVATING IN RESPONSE TO MAJOR ECONOMIC AND ENVIRONMENTAL CHANGE

To meet the high expectations of its clients and to adjust to the emergence of new economic models and trends, the Bolloré Group is investing long term in the development of innovative, connected offers which are respectful of people and the environment.

Innovating and anticipating digital transformations

Materiality of the challenge

The emergence of digital platforms brings with it new business models based on immediacy, and an economy based on sharing, cooperation and transparency.

Group policy

Innovation is central to the Bolloré Group's strategy of offering solutions that allow it to anticipate major changes in our society and stay connected through digital transformations.

Significant events in 2017

- **Transportation and logistics division**

In 2017, Bolloré Logistics created the BLab, an innovation community designed to create new products, services and processes in close coordination with customers. The BLab monitors complex (artificial intelligence) and emerging (blockchain) technologies, and evaluates the impacts with a view to imagining the new activities of tomorrow. Innovation is also conducted with local teams (e.g. BLab Asia-Pacific and Europe) and finds applications directly in operations.
In addition, two hackathons[2], held as competitions, brought together multidisciplinary teams from Bolloré Logistics and representatives of key accounts in 2017. These events resulted in the development of concrete concepts to nurture the roadmap of the collaborative Link platform. Link serves to facilitate, accelerate, digitize and secure information flows between stakeholders across all communication channels (Web, mobile, direct interfaces). In 2018, it will offer new online digital services to customers such as quotations and bookings.
Lastly, robotics and warehouse automation now feature in Bolloré Logistics' latest-generation hubs, in Singapore for instance. With algorithms and predictive analytics techniques finding a plethora of systems applications, Bolloré Logistics is investing in its Decision Management Platform (DMP), which generates optimized transportation solutions by modeling a large number of operational factors. IoT (Internet of Things) technologies, for instance, offer the possibility of increasing the visibility of shipments with sensors providing geolocation, temperature and hygrometry data, and a great many other parameters.

- **Electricity storage and solutions division**

Blue Solutions also works on a daily basis to develop and promote advanced technologies in the exercise of its activities, ranging from Enterprise Resource Planning (ERP) to handling assistance and connected tools installed in the most recent plants opened in Brittany. Production equipment languages are evolving, so Blue Solutions makes sure that it keeps its knowledge of the various software packages up to date and that it maintains its level of expertise on other versions. Each year, support for change in the Group's jobs is reflected in industrial IT training courses (more than 1,000 hours of training in 2017) and office automation (nearly 500 hours in 2017).
IER calls on its proven mastery of technology to develop new business processes and implement innovative concepts in the following environments: warehouses, vehicles, transportation, points of sale, public places and roads.
IER has taken concrete progress measures for its customers, which facilitate the operator's work while respecting the environment. Examples include:
- the design of computer equipment to track vehicles and offer eco-friendly driving modules. Modules of this nature were designed to minimize abrupt acceleration or braking and have had an impact on safety and accident rates;
- the equipping of terminals with native energy saving solutions, i.e. programmed automatic switching on and shutdown;
- the development of an information system offering optimization solutions for delivery rounds to maximize the usage of the fleet and to cover the shortest distance possible, while ensuring that time commitments are met;
- the provision of mobile applications for drivers to optimize the transportation plan, track packages and maximize the dematerialization of documents.

(1) Bolloré Group excluding Havas.

(2) A frequently used creative process in the field of digital innovation, a hackathon is an event where a group of volunteer developers come together to perform collaborative computer programming over a limited period of time.

In 2017, as part of an effort to combat planned obsolescence, IER retrofitted several thousand self-service terminals aged over ten years in the transportation segment in order to give them new features, a new life and many years of continued existence. Suppliers bought back the parts changed during this process so that the raw material could be reused.

Being a committed player in the energy transition in the exercise of our activities

Materiality of the challenge

The Group is involved in long-term investment processes. The diversification of its business lines strengthens its resilience to the ups and downs of the market and allows it to launch new activities and create jobs by adapting its businesses, products and services, while nevertheless meeting the major challenges of the energy transition.

Group policy

The development of its LMP® battery and its applications, and its expertise in cutting-edge logistics solutions in the energy sector make the Group a key player in the energy transition. It actually provides a response to several major challenges:

- increasing the share of renewable energies in electricity generation by providing innovative and efficient logistics solutions with its transportation partners in the service of developing renewable energies;
- developing clean transportation solutions (car-sharing solutions, urban transit, electric vehicles, urban logistics based on LMP® technology);
- promoting intelligent energy management to improve access to energy and optimize the use of renewable energy (stationary electricity storage solutions based on LMP® technology).

Significant events in 2017

- **Transportation and logistics division**

Offering logistics solutions for the development of renewable energies

As Africa's leading integrated logistics network serving the energy industry, Bolloré Logistics has become a reference partner for many energy sector projects, such as the development of solar and wind farms, thermal power plants, networks and off-grid generation. Offering services and solutions spanning the entire supply chain, its expertise enables it to tackle challenges that are often very complex. One example is the transportation of heavy or bulky packages such as turbines, wind-turbine blades or other items to remote areas, without missing the delivery time or compromising on safety standards. Bolloré Transport & Logistics presented these services and the means at its disposal to contribute to energy development in Africa at the Africa Energy Forum in Copenhagen from June 7 to 9, 2017. Each year, the Africa Energy Forum brings together government officials from many African countries and professionals from the international energy industry.

In the urban logistics segment, Bluedistrib is continuing its rollout in Greater Paris, with prospective development in the French metropolitan territory and beyond. Distributed using fully electric Bluecar® vehicles and on staggered schedules, e-merchants' packages are deposited in automatic lockers, accessible 24/7. Resolutely sustainable, Bluedistrib has made its service offering synonymous with respect for the environment, social concerns – the Bluedistrib ambassadors are Group employees – and a contribution to the revitalization of neighborhood life through the opening of spaces to retailers in downtown areas.

- **Electricity storage and solutions division**

Development of the LMP® battery: unique technology

The LMP® technology is the culmination of an ambitious research and development program dating back more than twenty years. The Bolloré Group has invested over 3 billion euros and hired more than 2,000 people to develop its LMP® battery and its various applications, in order to offer innovative mobility and electricity storage solutions. Composed of thin films made using extrusion techniques in which the Bolloré Group has significant experience, LMP® batteries are characterized by their high energy density and safety in use. They are dry batteries (in other words "entirely solid"), which gives them a number of advantages, particularly in terms of safety. The solid electrolyte limits the risk of local pollution in case of accident or damage to the battery pack. The batteries can satisfy many markets, addressing the two main challenges of the energy transition: the development of clean transportation and smart energy management.

Development of clean transportation using LMP® technology

Blue Solutions and the Bolloré Group are continuing their development efforts in electric mobility by offering new products and services promoting clean transportation such as car-sharing, the development of urban transit (Bluebus, Bluetram) and sustainable urban logistics solutions.

— ***Car-sharing solutions***

Blue Solutions and the Blue Applications companies develop, roll out and operate flexible drop-off car-sharing solutions (without mandatory return to the starting point) that are integrated and use fully electric vehicles. Following the success of Autolib', launched in 2011, Blue Solutions has in recent years launched six new electric car-sharing services in Europe, America and Asia.

The Blue SG car-sharing service in Singapore has been in service since the end of 2017. It will eventually give Singapore a fleet of 1,000 electric vehicles, 2,000 charging terminals spread over 500 stations, as well as the full range of infrastructure necessary for the smooth running of the service.

In June 2017, the Mayor of Los Angeles and the Bolloré Group also inaugurated the first demonstration station of Blue LA, Los Angeles' future electric car-sharing service. Blue LA Carsharing has been selected to operate the service, and has partnered with the Los Angeles Department of Transportation (LADOT) to deliver a system of 100 electric vehicles and 200 charging terminals in downtown Los Angeles in 2018. Blue LA will be available in the popular neighborhoods of Westlake, Pico-Union, Koreatown, Echo Park and Downtown. The aim is to encourage the use of electric vehicles by facilitating access to a convenient and affordable means of transportation and to bring new mobility solutions to residents. The project's implementation and promotion are supported by the Los Angeles Mayor's Office of Sustainable Development, the Shared Mobility Center and a committee of community organizations.

— ***Clean urban transit solutions***

- *Bluebus*

The Bolloré Group is continuing its efforts to expand in electric mobility by offering new urban transit products: 12- and 6-meter Bluebuses using LMP® batteries. French-designed, the Bluebus is manufactured at the Bluebus plant in Quimper, which is certified ISO 9001, 2015 version. Its suppliers are close to the production sites, which helps reduce greenhouse gases in the manufacturing process. By cleverly positioning the Bluebus batteries on the roof, the floor has been made completely flat. This makes Bluebus the only vehicle in its segment to guarantee the same accessibility to all types of users.

In 2017 (in number)	**6-meter buses**	**12-meter buses**
Buses ordered	51	42
Buses delivered	39	22
Buses in service	177	44

The Bluebus is already in service in many French cities, including Aurillac, Tarbes, Chamonix, Rambouillet, Laval and Amiens. In the coming months, the Brussels Urban Transit Company (STIB) is set to receive five 12-meter Bluebuses (an order that may be revised upward in the next four years). This is Bluebus's first foray outside France.

Blue Solutions also has a shuttle system available to its employees in France, as well as to visitors to the Louis Vuitton Foundation in Paris and for Vente-Privée.com. Bluestation had 20 6-meter shuttles in circulation in 2017, carrying 588,235 passengers and covering a total of 281,976 km last year.

• *Bluetram*

The Bolloré Group is also working on the development of a Bluetram, a clean, fully electric, urban transit system run on tires, and operating without rails or catenary.

The 6-meter Bluetram can carry 22 passengers, and the 12-meter version up to 90. It is manufactured at the Blue Solutions plant in Ergué-Gabéric, in Brittany. The R&D programs of Polyconseil and IER (Blue Applications entities) will eventually enable Bluetram to offer an integrated solution for the management of tram lines (vehicles, stations, computerized flow and traffic management system). The Bluetram started a two-year trial at Nanyang Technological University (NTU) in Singapore at the end of January 2018.

Consumer marketing of electric vehicles

The E-Mehari 2018, developed in partnership with PSA-Citroën since 2015, is the first car in the electric category to receive the "Origine France Garantie" label. It was designed in Paris and will be made in Rennes.

Blue Solutions also offers Bluecar® and Bluebus vehicles on long-term all-inclusive leases to businesses and local authorities, with services including maintenance and remote and connected vehicle fleet management. These tailor-made private fleet management solutions have already been adopted by such companies and institutions as Villages Nature® Paris, bus operator Berthelet, Air France and HOP!, Darty, Atos, Terminal du Grand Ouest (TGO) and Félix-Houphouët-Boigny University in Abidjan.

The development of innovative energy storage solutions using LMP® technology

Since 2014, the Bolloré Group has been deploying its stationary energy storage solutions and providing concrete responses to the challenges arising from the energy transition. For energy producers and grid operators, the Group's storage solutions enable the large-scale integration of renewable energies, and provide flexibility functions that contribute to frequency and voltage adjustments of power lines. For isolated areas not connected to the grid, energy storage represents a solution guaranteeing access to energy for all. The Bolloré Group is using its stationary storage solutions to position itself as a key player to meet the new needs related to the energy transition. It aims to become a leading global player in energy management and storage solutions.

Promoting access to renewable energy for the well-being of local populations

In Africa, where access to energy is a major challenge in terms of economic and social development, the Bolloré Group continues to develop innovative projects around its energy storage solutions. To date, more than 15 facilities combining solar generation and storage are operational in West Africa, and the Bolloré Group is working on a decentralized rural electrification program in Guinea, aimed at bringing electricity to off-grid villages. In four West African countries, the Bolloré Group has developed autonomous energy zones dedicated to the well-being of local populations. They are known as Bluezones. They function as autonomous mini-grids powered by a solar energy source (70-140 kWp), with associated storage capacity (90-360 kWh). In 2017, Blue Solutions and Vivendi joined forces to develop CanalOlympia, a chain of film theaters and entertainment venues powered 24/7 by solar panels and LMP® batteries.

Delivering intelligent energy management solutions to relieve high-voltage networks

In partnership with Bluestorage, Blue Solutions is also developing storage and intelligent energy management solutions for companies, power system operators and private individuals. To test the real-life potential of these solutions, a demonstrator was commissioned on the Odet site in 2015. The facility consists of six shelters, each equipped with 12 LMP® batteries. It enables Blue Solutions and Plastic Films plants to feed back into the power grid up to 1 megawatt (MW) of power every two hours, or 2 megawatt-hours (MWh) of power. The purpose of the demonstrator is to test the capacity of the LMP® technology to respond to requests for load shedding on the power grid to relieve the high-voltage network during peak periods, at the request of the network operator. In 2016, 12 reserve capacity load-shedding requests were made, and 4 such operations were effectively triggered by the network manager. In 2017, 48 load-shedding alerts were given, with 4 load-shedding operations actually requested and triggered.

Controlling our environmental footprint

Materiality

The improvement of the Bolloré Group's energy and environmental performance presents two major challenges: the optimization of the costs related to the operation of industrial and tertiary sites, and the control of environmental risks related to its activities.

Group policy

To reduce the environmental impact of its activities, the Bolloré Group promotes the implementation of recognized environmental management systems. Its prime focus is on the following aspects:

- optimization of water consumption and energy performance;
- waste treatment and the circular economy;
- prevention of soil, surface water and groundwater pollution (see table of industrial and environmental risks, section 4);
- measuring and reducing the environmental footprint of products and services;
- measuring and reducing greenhouse gas emissions.

IMPLEMENTATION OF AN ENVIRONMENTAL MANAGEMENT SYSTEM AT INDUSTRIAL SITES

The reduction of the environmental footprint of our facilities involves the roll-out of an environmental management system, the steady increase in the ISO 14001 certification of our industrial facilities but also the analysis of the results of our mapping of industrial and environmental risks (measurement of waste, emissions, soil usage – presented in section 4 – Risk factors). This also makes it possible to identify the preventive or corrective actions to be taken and in fact represents a decision-making tool regarding such actions. The development of a sustainable real estate portfolio is also being promoted for new tertiary infrastructure (offices and warehouses) that meets the most demanding construction standards, including LEED®, BREEAM® and HQE®.

Significant events in 2017

Environmental management system (EMS) and ISO 14001 certifications

(as a percentage)	2015	2016	**2017**
Proportion of entities putting in place an EMS	40	44	46
Percentage of entities (all divisions combined excluding Havas) certified ISO 14001	18	18	19
Percentage of industrial facilities certified ISO 14001	10	11	11

- **Transportation and logistics division**

The port and rail entities' sites are managed in compliance with the main environmental management criteria specific to ISO 14001. Surveillance audits have been conducted regularly since 2005 by recognized independent bodies including Bureau Veritas and SGS. Three environmental impact-type audits were conducted in Africa in 2017. In France, legacy ports and new projects are both subject to regular scrutiny (quarterly) by the French regulatory authorities (DRIER). The Bolloré Group's container terminals and other concessions (shipyards, lumber yards) are also controlled under a quality and safety management system. Each year, the French ports are audited by AFAQ/AFNOR, and the international terminals by SGS and Bureau Veritas. The Bolloré Ports headquarters were audited in September 2017, successfully renewing their ISO 9001 2015 version certification for the assistance and management of international terminals. For port entities, this annual certification attests to the efficiency of the processes with a view to customer satisfaction. It also facilitates risk management in terms of management of operations and human resources, purchasing process, information systems, employee and subcontractor safety, and in terms of environmental protection within each terminal.

Building a sustainable network of logistics platforms located at the strategic crossroads of global trade with limited environmental impact and adapting to the consequences of climate change are major challenges for Bolloré Logistics. With existing infrastructure of nearly 1 million m², Bolloré Logistics is developing its real estate assets (offices and warehouses) in compliance with the most demanding environmental construction standards, including LEED®, BREEAM® and HQE®. This policy allows it to act on essential issues from the building design stage: impact on the environment of the choice of location, recycling of construction waste, energy management, preservation of water resources, encouragement to use soft transportation, quality of life at work, landscape insertion, etc. Bolloré Logistics' "sustainable" real estate portfolio now covers six buildings:

- Singapore (2012): 40,000 m² logistics platform certified LEED® "Gold" and BCA Green Mark "Gold" + 20,000 m² operational in 2017;
- Nantes (2015): 2,700 m² tertiary building certified HQE® "Excellent" and labeled BiodiverCity®;
- Roissy (2015): 30,000 m² air cargo logistics platform certified HQE® "Exceptional", LEED® "Gold", "Bâtiment biosourcé" and 7,500 m² tertiary building certified HQE® "Exceptional" and "Bâtiment biosourcé", the site also being labeled BiodiverCity®;
- le Havre (2016): 24,000 m² logistics platform undergoing LEED® 4 "Silver" certification and labeled BiodiverCity®;
- Melbourne (2016): 10,000 m² logistics platform of certified 5 Star Green – Australian excellence;
- Heathrow (2017): 6,400 m² air cargo logistics platform with EPC A-Energy performance certification and ranked in the top 25 of the BREEAM® environmental standard.

After reaping awards for its Roissy airport platform in 2016, Bolloré Logistics received two awards in 2017 at the first "HQE Sustainable Buildings Awards" sponsored by Certivéa and Cerway: in the "Best Overall Certified Performance – Offices" category – Award for Best Realization of a Tertiary Building for the Roissy Airport Platform; in the "Best Overall Certified Performance – All Categories" category – Award for all of Bolloré Logistics' HQE achievements in France.

In 2018, Bolloré Logistics is to start the construction of a second 50,000 m² logistics hub in Singapore, dubbed Blue Hub. This innovative space, which showcases our know-how in high added value warehousing, is aiming to receive LEED® "Gold", BCA Green Mark "Platinum" and BiodiverCity® certifications.

In addition to its industrial logistics hubs, Bolloré Logistics continues to roll out its environmental management system within its branch network. In 2016, Bolloré Logistics Germany obtained ISO 50001 certification for the quality of its energy management system (EMS) for all of its sites.

- In 2017, Bolloré Energy extended the scope of ISO 14001 certification to all of the primary warehouses it operates.

- **Communications division**

The achievement of environmental certifications is one of the principles of action of Vivendi's CSR policy, aimed at improving the company's environmental performance. In recent years, Vivendi's various sites in Europe and the United States have embarked on environmental certification processes. Their approach allows them to better assess and reduce their environmental impact, calling on recognized environmental management systems. Notable examples include:

- the receipt by Vivendi's head office of dual EMAS certification (Eco-Management and Audit Scheme) and ISO 50001 (energy management system). The completion of this project reduced the site's electricity consumption by nearly 6% between 2016 and 2017, and fuel consumption by almost 18%;
- the receipt by UMG UK and the Abbey Road Studios in 2016-2017 of a three-star award (by Julie's Bicycle, an NGO), commending the environmental commitment of its London sites;
- the renewal of the Energy Star label issued by the Environmental Protection Agency (EPA) for UMG's head office in Santa Monica, which has again been awarded Green Business certification by the city of Santa Monica; and
- the LEED® (Leadership in Energy and Environmental Design) certifications obtained by UMG for Woodland Hills (California) and Gameloft in Montreal.

- **Electricity storage and solutions division**

The Odet site (Bolloré dielectric film and Blue Solutions supercapacitors) renewed its ISO 14001 certification in its new 2015 version in May 2017. The changes contained in the 2015 version ushered in life-cycle assessment (LCA) of products as well as the consideration of sustainable development requirements for the purchase of goods and services. LCAs serve to optimize the environmental impact of products and services throughout their development process, in line with the implementation of new sustainable development requirements for Blue Solutions suppliers, formalized in 2017, such as the integration of CSR criteria in the supplier selection process. These provisions will be effective on entities in Brittany in 2018. The ISO 14001 certification of the LMP® control manufacturing site is planned for May 2019. The existing environmental management system for this site is being adapted to meet the requirements of the standard. French-designed, the Bluebus are manufactured at the Bluebus plant in Quimper. They are certified ISO 9001, 2015 version.

Since 2008, IER has rolled out its environmental policy through action plans applying not only to all employees, but also to buildings, products and processes. An internal action plan has been drafted to communicate on the measures taken, and to present priorities for the coming year. Available to all IER employees on the intranet, it is updated every year. The policy is based on Group documents (CSR report, environmental risk mapping, Ethics and Values Charter, etc.), implemented at divisional level via the IER Code of Ethics, the IER Environmental Charter, the Quality Manual, the processes and procedures, the P3-06 (approval of IER products in line with international standards) and the PS6-03 (internal management of standards and regulations). Internal information campaigns are carried out to make employees aware of the environmental approach, including eco-gestures, "don't discard, sort," distribution of the IER environmental charter, the 5S project, citizens' days and the WEEE (waste electrical and electronic equipment) campaign.

FOCUS ON PROTECTING BIODIVERSITY

To preserve biodiversity in the exercise of its activities, the Bolloré Group has made this issue an extension of its environmental management policy. Various prevention initiatives were rolled out for this purpose within its divisions in 2017.

- **Transportation and logistics division**

Bolloré Logistics, in partnership with Elan, an ecology expertise and consulting firm, adopted an active policy geared towards preserving biodiversity on its directly owned sites in 2013. One of the first French companies to have implemented a biodiversity management system, Bolloré Logistics saw the renewal of its Ecocert "Biodiversity Commitment" certification obtained for the first time at the end of 2015. The purpose of this certification is to enhance the consideration

of biodiversity issues in its real estate policy (construction of green hubs and offices labeled BiodiverCity®) and in building management. Among other things, it is based on more than 50 local actions implemented in 2017 at Bolloré Logistics' sites around the world, raising awareness among the company's employees and developing on-site biodiversity as a factor of well-being at work. Taking this externality into account has made Bolloré Logistics a forerunner in the transportation and logistics sector.
Another initiative within the Bolloré Transport & Logistics division, is the conducting by port and rail entities of environmental and social impact studies upstream of each new site development project (e.g. MPS II in Ghana, Freetown Terminal, Abidjan Terminal 2 and Sitarail in 2017). These studies help take local populations and the environment into account at the earliest possible stage of the development process to ensure the preservation of the surrounding nature (e.g. biodiversity, soil pollution, etc.) and the well-being of local populations (improvement of living conditions). Three studies are scheduled for 2018 in Timor, India and Abidjan.

- **Electricity storage and solutions division**

The Blue Solutions France industrial sites have stormwater reservoirs equipped with hydrocarbon separators, which make it possible to collect and treat rainwater before discharging it into the natural environment. They are also sized to hold water for extinguishing fires. Discharges into the natural environment are subject to periodic controls and comply with regulatory thresholds. The green spaces of the various sites are regularly maintained to prevent the development of invasive species or plant disease. Manual weed removal is preferred to minimize the use of environmentally hazardous pesticides.

OPTIMIZATION OF WATER CONSUMPTION AND ENERGY PERFORMANCE

The environmental management systems adopted in the Bolloré Group are designed to optimize the management of energy consumption. Significant efforts are made every day by all of the Group's divisions to reduce consumption, optimize site operating costs and reduce the impact of their activities on climate change. While industrial sites are obviously the biggest consumers and as such are the subject of special attention, the Bolloré Group is also careful to optimize the consumption of its tertiary sites. The Group monitors the consumption of both mains water and water taken from the direct environment.

Significant events in 2017

- **Transportation and logistics division**

Central to the transportation and logistics sector, port and rail entities accounted for more than 50% of the Group's GHG emissions in 2017. Conscious of the environmental challenges related to their activities, these business units seek to optimize the energy performance of their facilities. Bolloré Ports works in consultation with the authorities of certain countries to connect its container terminals, which until now have operated on generators (turbine or diesel), to the national power grids. In addition to optimizing the safety of the sites concerned, this work results in a significant reduction in emissions of particulate pollutants, as well as in the consumption of diesel fuel, lubricants and spare parts, due to the intense use of generators. Since the project's launch in 2016, three out of six terminals initially operating on generators have been connected to the local power grid. A fourth project got underway this year. Meanwhile, Bolloré Railways, whose locomotives run on diesel, is now investing in new locomotives that are more energy efficient and have a lower environmental impact.
The environmental management systems deployed at Bolloré Logistics make it possible in particular to optimize the management of energy consumption in order to adapt to the scarcity of local resources and contribute to the prevention of risks related to climate change. Since 2015, water consumption has been monitored in all entities using meters or invoices to establish a picture of the current situation. A policy of reducing water and energy consumption is being established, notably through the installation of rainwater collection tanks, LED lighting, presence detectors, centralized printer fleets, optimized management systems for air conditioning, the implementation of software for reducing the energy consumption of IT equipment in France and Singapore, and the installation of solar panels and lighting on African logistics sites. Awareness-raising campaigns aimed at reducing energy consumption and combating waste through the distribution of communication media or posters on sites have also been organized in all subsidiaries. With this in mind, even more Bolloré Logistics entities in Asia and the Middle East took part in WWF's Earth Hour global ecological movement by turning off the lights on their sites so as to affirm symbolically the business unit's commitment to the protection of the environment.
To improve its environmental performance and as part of its ISO 14001 certification, Bolloré Energy has updated its policy for monitoring water and electricity consumption on its primary warehouses. New indicators have been implemented to ensure more regular and precise monitoring of consumption.

- **Communications division**

Vivendi took various actions to reduce energy consumption in the real estate portfolio in 2017. They include the replacement by SECP in Boulogne-Billancourt (France) of conventional lighting in its parking lot with low-energy lighting, thereby reducing the facility's average consumption by nearly 7 kW, the installation on the UMG site in Brentwood (California) of a new energy-efficient boiler and the replacement of its HVAC (heating, ventilation and air-conditioning) system, and the implementation by Gameloft's Mexicali site of a tool that automatically cuts off the most energy-intensive programs to save energy.

- **Electricity storage and solutions division**

At Blue Solutions, new facilities use equipment optimized from an energy perspective:

- high-performance engines equipped with variable speed drives;
- heat recovery systems for VOC processing and the cathode manufacturing process.

In the space of ten years, the Electricity storage and solutions division's water consumption in Brittany has fallen by 25%, despite the development of new activities. In 2017, water consumption reached a plateau.
IER is pursuing an action plan developed following the energy audit and the update of its greenhouse gas (GHG) emissions review covering all of its sites in 2015. The plan is gradually reinforcing the many measures already taken to reduce energy consumption at IER's facilities, including:

- the management of temperature set points during unoccupied periods (night, weekend) to reduce heating of premises during these periods;
- the implementation of solutions to better regulate temperatures on the premises;
- the renovation of the insulation of certain rooms, doors, facades and windows;
- the systematic replacement of IT equipment with materials certified for their energy consumption, durability or the use of hazardous substances, namely TCO, Energy Star or EPEAT;
- the replacement of fluorescent and incandescent light bulbs with LED lighting or low-energy light bulbs;
- the implementation of consumption monitoring by site;
- the awareness raising of staff and service providers about responsible energy management to improve their behavior;
- the provision of electric cars for car-sharing for business trips at the Suresnes and Besançon sites.

The IER entities are located in large urban areas. They are supplied with water by local suppliers and via the mains network. IER does not conduct industrial processes related to water. It mainly uses mains water for employees on its sites. Monitoring charts are kept up-to-date to guard against any increase in water consumption, and posters advocating responsible water use among staff are displayed throughout the division's sites.

USE OF RENEWABLE ENERGIES

Since 2016, the Group has been monitoring entities implementing zero-energy certificates or with a policy of buying electricity from renewable sources.

Significant events in 2017

- **Transportation and logistics division**

The Bolloré Logistics Roissy and Le Havre sites have also subscribed to a balanced offer certifying that EDF injects a quantity of renewable electricity equivalent to 100% of their electricity consumption into the grid. The power in question is derived from facilities certified by Powernext, located in continental France and producing wind, solar, geothermal, aerothermal, hydrothermal, marine and hydraulic electricity, but also from biomass, gas from wastewater treatment plants and biogas. Between January and September 2017, Bolloré Logistics consumed 1,280 MWh on these sites; EDF accordingly injected the same amount of renewable energy into the grid.

- **Communications division**

Several Vivendi sites use renewable energies:
- in the United Kingdom, Abbey Road Studios and several UMG sites in London use fully renewable electricity (photovoltaic and wind) through a contract taken out with a specialist supplier;
- the Canal+ warehouse in Nouméa is equipped with a photovoltaic plant. All of the energy produced by the site is sold (reinjected into the electricity grid). In 2017, it generated more than 51,000 kWh;
- Gameloft's sites in Canada also use renewable energy sources: 100% of electricity for Gameloft Montreal, and 32% for Gameloft Toronto;
- in total, 12.91% of the group's electricity consumption was of renewable origin in 2017.

- **Electricity storage and solutions division**

Since January 1, 2017, the Electricity storage and solutions division's plants in Brittany have been supplied with electricity of which 50% is guaranteed to be of renewable origin. The Canadian plant is supplied with hydroelectric power. The Autolib' charging terminals are also powered by fully renewable energy delivered by Direct Énergie. For Bluely and Bluecub, Compagnie Nationale du Rhône supplies stations with fully hydraulic electricity.

WASTE TREATMENT AND THE CIRCULAR ECONOMY

The Group closely monitors waste at its various facilities in France and internationally. The monitoring centers on "hazardous" waste (waste that, by virtue of its radioactivity, flammability, toxicity or other hazardous properties cannot be disposed of in the same way as other waste without endangering people or the environment) and "non-hazardous" waste (which in no way endangers people and the environment). It forms an integral part of the Group's extra-financial reporting employing a precise classification of facilities. The results of the reporting make it possible to monitor the production of hazardous and non-hazardous waste at each facility, and to identify the recovered or recycled portion.
Hazardous waste is generated by the Transportation and logistics division (particularly in Africa, where a specific treatment is applied to used oils), Electricity Storage (battery production plants, Bluecar, IER and car-sharing activities) and Bolloré Energy (oil depots where residual hydrocarbons are either treated through thermal regeneration or buried).

Significant events in 2017

In 2017, the Bolloré Group optimized its waste reporting process by fine-tuning its analysis matrix by sub-categories of waste (paper, wood, metals, used oils, etc.), thereby ensuring more finely grained traceability of reported waste.

Group waste(1)

(in metric tons)	2017	Scope (in % Group workforce)
Total amount of hazardous waste removed	9,948	92
Total amount of hazardous waste recycled or recovered	2,267	92
Total amount of hazardous waste eliminated	7,681	92
Total amount of non-hazardous waste removed	65,688	93
Total amount of non-hazardous waste recycled or recovered	8,870	93
Total amount of non-hazardous waste eliminated	56,818	93

(1) Waste discharged by Havas amounted to 2,252 metric tons; it is not included in the table. Vivendi generated 246 metric tons of WEEE; this waste is not included in the table. The quantities of waste reported by the Bolloré Group (excluding Havas and Vivendi) in the table above only cover companies engaged in industrial activities.

- **Transportation and logistics division**

Port and rail entities endeavor to have their waste reprocessed by providers approved by the Environment Ministries of the countries where they operate in order to ensure the best level of treatment available in the relevant country. Internal reporting was further strengthened in 2017, with precise monitoring by category and type of waste to improve its traceability. For example, used oils are recycled in Africa via specific treatment in partnership with Total, in particular in Cameroon, Republic of Côte d'Ivoire and Senegal. In new projects, to meet the most stringent environmental requirements, new port facilities such as MPS II Project in Ghana and TC2 in the Republic of Côte d'Ivoire will be equipped with their own on-site internal treatment plants for wastewater, sewage, rainwater and stormwater. In France, the Bolloré Ports La Rochelle branch, signatory of the port's Sustainable Development Charter, participated in the industrial and regional ecology diagnostic initiated as part of the MER (matières énergies rochelaises) project. Bolloré Ports La Rochelle also took part in the seventh edition of the Open Port Day in 2017 to show how the waste collected under terminal agreements with the other participants in the MER project is reused. The open day gave the 4,575 visitors the opportunity to see first-hand the port and the various jobs, as well as port activities and projects.
In managing its waste, Bolloré Energy has sought to make its waste register more efficient in order to identify more precisely what will happen to its waste in the various regions.

- **Communications division**

Vivendi's activities also generate various types of waste. The lion's share comes from electronic equipment used in subsidiaries (desktop and laptop computers and their associated peripherals (keyboards, mice, printers, data servers, etc.) as well as equipment leased to individual customers (set-top boxes, decoders, etc.), which are returned at the end of their life. By organizing the return of equipment leased to customers, Canal+ group promotes its reuse in order to fight against planned obsolescence, the increasing scarcity of natural resources, raw materials and energy. In Madagascar, Canal+ group repairs defective decoders from other African entities and returns them to the sales circuit, thereby fostering a circular economy approach. In 2017, 20,631 decoders were reconditioned. When it is no longer possible to reuse or recondition equipment, Vivendi's subsidiaries ensure it is dismantled and recycled in accordance with the prevailing environmental standards. Between 2016 and 2017, waste electronic and electrical equipment was reduced by 37.65%. At Group level, the percentage of WEEE collected for recycling represents 81.26% of the total amount of waste produced.

• Electricity storage and solutions division

At Blue Solutions, recycling projects focusing on the electrochemical part of LMP® batteries are continuing. Semi-industrial trials were conducted in 2017 (10 metric tons processed). The entirely solid LMP® control technology contains no solvents. Beneficial in terms of environmental protection, this also facilitates recycling. When the batteries are damaged or break down, they are returned to the Ergué-Gabéric manufacturing plant in Brittany to be either repaired or disassembled in order to recover a maximum of recyclable or recoverable components.

In 2016, the Plastic Films division also invested in a new unit for the regranulation of packaging film scrap in order to address two major environmental challenges:

- reduce waste production;
- limit the consumption of virgin plastic.

The film manufacturing scrap is crushed, extruded and converted into granules so that it can be used again as a raw material. This investment has two advantages in terms of reducing consumption of virgin raw materials:

- reinjection directly into the manufacturing process;
- resale as a by-product for less severe applications than the manufacture of thin films.

This plant, commissioned in September 2016, produced 850 metric tons of regranulated material in 2017. The facility's innovative nature was recognized by Ademe in 2017 as a good practice in the circular economy and recycling of plastics.

Moreover, all waste from Blue Solutions Mobility maintenance and tertiary sites is sorted to separate hazardous and non-hazardous waste. The handling and treatment of hazardous waste is confined to authorized personnel, who guarantee its traceability. The vehicles of the Bluecar® range are regularly maintained and repaired in maintenance workshops. Parts are replaced on used Autolib' vehicles. After undergoing a series of tests with a control procedure, they can be reinserted into the Parisian Autolib' network. Electric vehicles arriving at the end of their life are dismantled in order to collect a maximum of parts (battery, tires, bodywork, etc.) for recovery or recycling.

On a day-to-day basis, IER employees adopt the right gestures for the planet, with the watchword "don't discard, sort." Sorting bins, containers and specific drop-off points have been provided to sort waste: paper and cardboard, batteries, ink cartridges, fluorescent tubes, WEEE, chemicals, metals and Autolib' tires and spare parts (mirrors, bumpers, etc.). Waste is eliminated and processed in specialized channels.

In addition, more than 80% of the products manufactured by IER, often with lifespans of more than ten years, and made mostly of metals, are recyclable in the waste market.

The products of the IER division are made mainly of metals. The remainder is comprised of electronic components, which can have a significant ecological footprint. In response to regulations (European directive 2002/96/EC), IER is implementing a comprehensive solution for the recovery and reprocessing of its end-of-life products. In 2009, it signed a contract bearing on a treatment solution with a certified and approved company; in France, it also signed up to a government-approved eco-organization on July 1, 2013. IER also offers its customers the opportunity to benefit from the recycling solutions it has set up with its certified service providers for earlier products not covered by the regulations and for facilities outside Europe. This includes North America, where the recycling of end-of-life electronic products is not yet regulated: at the request of the customer, IER offers a dismantling, packaging and return to the plant service for equipment. The recovered metal is then recycled, and electronic waste passed on to specialist organizations. For hazardous chemicals, a contract has been signed with a certified and approved company for the removal and treatment of hazardous products at all IER sites. Since the IER group is an assembler, it generates very little GHG in manufacturing processes. Similarly, its manufacturing processes do not result in the release of pollutants that could be a risk to soil or water.

MEASURING AND REDUCING THE ENVIRONMENTAL FOOTPRINT OF PRODUCTS AND SERVICES

In addition to controlling the environmental impacts directly related to the exercise of its industrial and tertiary activities, the Group monitors the environmental impact of its products and services.

• Transportation and logistics division

Bolloré Logistics, working alongside its customers as a facilitator of global supply chain solutions, also works on a day-to-day basis to promote solutions with less impact on the environment. Through its SAVE Program consulting solution, Bolloré Logistics helps its customers reduce their GHG emissions and air pollutant. The aim is to achieve progress on two major aspects: improve air quality in urban areas and combat climate change through action in three ways, namely measure, reduce and offset. The SAVE Program provides a comprehensive diagnosis and transformation of the logistics system by integrating the operational objectives of customers, importers and exporters. In the second phase of reducing emissions, Bolloré Logistics has continued to implement alternative solutions in close collaboration with its transportation partners. Its equity investment in Box On Way, a collaborative platform for the land transportation of maritime containers, underscores its commitment to optimizing logistics chains and innovation, directly contributing to the reduction of GHG emissions and air pollutants.

• Communications division

The massive use of the Internet has turned the entertainment industry upside down: it is now possible to listen to music, watch films and series or play sophisticated video games directly on a smartphone wherever you are and at any time of the day. But new digital uses have a substantial and steadily increasing environmental footprint, as the data centers used for the storage of these media still consume large amounts of energy. The energy footprint of the information and communication technology (ICT) sector is already estimated to account for 7%(1) of global electricity consumption, bearing in mind that global Internet traffic is projected to increase threefold by 2020. In order to better understand the environmental footprint of its activities, Vivendi conducted a study in 2015 and 2016 to assess the impact over a confined area of greenhouse gas emissions and water consumption related to the consumption and distribution of the content of several of its subsidiaries: Universal Music France, Canal+, Studiocanal, Dailymotion and Gameloft. Carried out in five countries (Germany, United States, France, Japan, United Kingdom), it reflected the environmental impact resulting from the volume of music listening, video viewing and game playing. A new study will be conducted in 2018 to study the possibility of integrating, in a sustainable manner and over a large area, indicators relating to greenhouse gas emissions generated by the distribution of content.

• Electricity storage and solutions division

Blue Solutions – Battery site: for users, the absence of solvents in the LMP® battery reduces the risk of gases being released or of a thermal event in the battery pack, even in the event of high heat or high power demand. LMP® batteries contains no cobalt or rare earths. The elements used in the battery are copper, aluminum, lithium, polymers, a lithium salt, iron phosphate and carbon, all raw materials reliably procurable from natural resources.

VOC treatment by thermal oxidation was installed on the Batteries France site in 2013. No direct discharge without prior treatment has been observed on the relevant process since then. The performance of this facility has been confirmed every year since its implementation, falling from 250 kg carbon equivalent of VOC discharges in 2015 to 105 kg carbon equivalent in 2016 and 46 kg carbon equivalent in 2017.

Since 2012, Blue Solutions has conducted lifecycle assessments of its products and mobile and stationary applications. These studies, based on ISO 14040, serve to identify the impacts of the various solutions, to validate their environmental added value on different usage scenarios, to identify eco-design paths, and to support our communication.

- Bluebus: start of the LCA of the 12-meter Bluebus slated for delivery in 2018.
- Blue Solutions – 2016: LCA of the LMP® battery, stationary application, study of the influence of the country of manufacture on the environmental impacts of the production of a battery.
- Bluebus – 2015: LCA of the 6-meter Bluebus and Bluetram.

(1) Source: https://www.greenpeace.fr/il-est-temps-de-renouveler-internet/.

- Blue Solutions – 2014: LCA of the supercapacitor, tramway application with removal of catenary.
- Blue Solutions – 2013: LCA of the LMP® battery, car-sharing electric vehicle application.
- Blue Solutions – 2012: LCA of the supercapacitor, tramway application with recovery of energy generated during braking.

IER does not directly consume raw materials, as its primary activity is assembly. Nevertheless, keenly aware of the environmental impact that a technical decision may have in the design phase, the division makes engineers and buyers aware of eco-design rules. In 2017, IER conducted an LCA of one of its terminals (airport self-service terminal). This initiative will be continued in 2018 on the main products to monitor the ecological footprint of what we produce and to promote best practices. As such, and according to the Ademe calculator, a 919 terminal represents 2,489.3 kg CO_2 equivalent over five years. In addition, 90% of products have been delivered in eco-friendly packaging (wood and cardboard) since 2014.

MEASURING AND REDUCING GREENHOUSE GAS (GHG) EMISSIONS

The Group does an annual assessment of the GHG emissions from its energy consumption. In 2015, in compliance with the law on the national commitment in favor of the environment of July 12, 2010, the Group conducted a GHG emissions review, the purpose of which was to perform a diagnosis of greenhouse gas emissions, and to identify and leverage sources of emissions reductions. A second review will be conducted in 2018 in accordance with the periodicity requirements (every four years) laid down by the law on the energy transition for green growth (French law 2015-992 of August 17, 2015).

Summary of GHG emissions included in scopes 1 and 2(1)

(in metric tons CO_2 eq.)	2015	2016	**2017**
GHG emissions resulting from energy consumption scope 1(1)	492,854	294,849	281,908
GHG emissions resulting from energy consumption scope 2(2)	71,921	76,787	107,081
GHG associated with energy consumption – scope 1 and scope 2	564,775	371,636	388,989

(1) Scope 1 corresponds to direct emissions, such as energy consumption excluding electricity, fuel combustion, emissions from industrial processes and fugitive emissions (due to leaks in refrigerants).
(2) Scope 2 corresponds to indirect emissions associated with energy, such as electric consumption or steam, cold or heat consumption through distribution networks. The greenhouse gas emissions presented in the table above are related to the Group's energy consumption including Vivendi.
The calculation methodology used is the Ademe carbon base method issued December 17, 2015.
Internationally, where the emission factors for certain items of energy consumption were unavailable, the French factor was applied. For GHG emissions linked to electricity, when no emission factor was available for a particular country, the highest factor from any of its neighboring countries was applied.

Summary of GHG emissions included in scope 3

Since 2016, the Group has also been working to identify and measure the guiding principles of the main scope 3 emissions sources.
The main emission line items in Bolloré Group's scope 3 are:
- combustion of oil products sold by Bolloré Energy;
- emissions from the transportation of goods in the course of freight forwarding;
- employees' work-related travel, while not one of Bolloré Group's main emission items, is included in these emission calculations.

Total GHG emissions – scope 3

(in metric tons CO_2 eq.)	**2017**
Combustion of oil products sold by Bolloré Energy	4,522,284
Emissions from the transportation of goods in the course of freight forwarding	NA
Employee business travel	31,205

• The combustion of oil products sold by Bolloré Energy

Following the 2015 energy audit, in 2017 Bolloré Energy continued to renew the gasoline vehicle fleet: 16 new gasoline vehicles acquired (Euro 6 standard). In total, nearly 60% of the fleet meets the Euro 5 or Euro 6 standard (26% in 2016). Assessing emissions related to the combustion of oil products sold is based on volumes of each type of oil product sold and its emission factor in the Ademe database. The geographic scope used for emissions from the transportation of goods is Europe. Nevertheless, the exact number is still not available.

• Emissions from the transportation of goods in the course of freight forwarding

Bolloré Logistics' SAVE Program provides a comprehensive diagnosis and transformation of the logistics system by integrating the operational objectives of customers, importers and exporters. In 2017, work was initiated on the reporting of GHG and air pollutant data related to transportation flows. The purpose of this dashboard is to provide an industrial basis for analysis that contributes to decision-making and breaks down GHGs and air pollutants by shipment, segment and mode of transportation.

• Employees' work-related travel

To reduce the environmental impact of travel related to its activity, the Bolloré Group has taken various measures aiming on the one hand to help reduce employee travel, and on the other hand to promote the use of cleaner modes of transportation for its employees' business trips.
The data relating to employee travel encompasses train and plane journeys. For plane journeys, the Group split out medium-haul flights (under 2,000 km) and long-haul flights. For medium-haul flights, the Group uses the flight emission factor of 100 to 180 passengers between 1,000 and 2,000 km. For long-haul flights, the Group uses the emission factor of over 250 passengers for flights of between 8,000 and 9,000 km (estimation of the average flight across the Group). For emissions from train journeys, it is simply not practicable to list all the journeys made. The Group therefore decided to use the emission factor for regional diesel trains in the Ademe database.

Significant events in 2017

• Transportation and logistics division

In 2017, the port entities equipped most of Congo Terminal's operational fleet with electric cars (12 Bluecar®). They are used by employees to move around the terminal for operational purposes.
Bolloré Logistics is furthering its policy of reducing business travel by developing video- and audio-conferencing systems. Since April 2017, all employees with an email address have had access on their computer to an application that offers several features including video conferencing, screen sharing and file transfer. Rolled out throughout the Bolloré Transport & Logistics division, it logs 4,000 users worldwide daily, with a total of 6,500 hours of video and audio sessions recorded as of December 31, 2017. Several branches also offer their employees the use of a Bluecar® for short-distance business trips or bikes for inter-site trips. They include Bolloré Logistics Shanghai and Le Havre. To limit GHG emissions and air pollutants related to its road haulage activities, Bolloré Logistics periodically renews its own truck fleet, integrating more environmentally friendly vehicles. As such, 55% of the fleet in France is now made up of trucks compliant with Euro 6, the highest European standard available today.

MOBILITY PLAN

In 2017, the Bolloré Group embarked on a process of supporting its various units to establish "corporate travel plans" for its French sites with more than 100 employees. The purpose of a travel plan is to optimize the environmental and economic costs of employee business travel and commutes. This project will help meet the regulatory obligations concerning the protection of the atmosphere and the "Energy transition for green growth" law, the decree for which has applied since January 1, 2018. Thirty or so Group sites are affected by this regulation, and the completion of the diagnostic is underway for the Bolloré, Bolloré Transport & Logistics, Vivendi and Blue Solutions headquarters. The approach will then be rolled out across all entities in 2018.
The work done to date has made it possible to update many best practices adopted within the Group to optimize employee travel, including the following examples:

Business travel

- **Communications division**

In 2017, emissions related to business travel by Vivendi employees amounted to nearly 51,374 metric tons of CO_2. The reduction of emissions related to business travel is therefore a key pillar of Vivendi's environmental policy. To replace certain regular meetings with so-called "virtual" meetings, the Group and its subsidiaries offer their employees a range of videoconferencing, teleconferencing and remote collaborative working tools, etc.

- **Electricity storage and solutions division**

Blue Solutions provides its employees with Bluecar® and Blueutility electric vehicles to travel between the various sites in Brittany. In 2017, these vehicles clocked 4,600 km around the plants. Five new Bluecar® were acquired in December 2017 to boost the electric mobility of employees between sites. In addition, car-sharing ambassadors (employees in charge of welcoming, informing, assisting customers, cleaning and moving vehicles, helping customers in difficult situations, etc.) exclusively use the network's electric vehicle fleet for getting around. When weather conditions do not allow them to drive safely, they use public transportation. The Vaucresson and Havas sites are equipped with Bluecar® car-sharing vehicles for business trips. For Vaucresson, this represents four vehicles. To date, 35 employees benefit from this service, which represented 691 rentals and 15,607 km covered in 2017.
Since 2013, IER has undertaken as part its environmental approach to extend its geolocation solutions and to oversee them remotely. As a result, more than 7,000 mobile devices have been deployed, optimizing CO_2 emission-generating travel.

Home-work commuting

To facilitate the mobility of employees between the company's sites and the urban transit networks, the Bolloré Group offers a 6-meter Bluebus shuttle system between the Bolloré, Havas and Canal+ headquarters and Vaucresson, where the Autolib' headquarters are located. There are currently 12 shuttles, which enabled the transportation of 221,593 passengers over a total of 127,637 km in 2017.

- **Transportation and logistics division**

In 2017, Bolloré Logistics France completed mobility plans for those sites subject to the application of this law. The Roissy site was the first to enter the process because of its prior regional obligations due to its location in Île-de-France, which allowed the establishment of a carpooling platform. On the other sites concerned, such as Bordeaux, Nantes and Le Havre, a diagnosis has established the characteristics of the sites in question and current mobility options. All employees were surveyed to find out how they commute.

- **Communications division**

In France, Vivendi's head office has also begun implementing a mobility plan, which, after the diagnostic phase, will be backed up by the implementation of an action plan (carpooling system, awareness raising for employees, etc.) to improve the mobility of people working on the site. Vivendi's other French subsidiaries will also roll out their own mobility plans in 2018. The Purchasing Department, in collaboration with the Group's entities, is working to reduce the fleet's carbon footprint by gradually replacing vehicles in circulation with cleaner models. Canal+'s Gabonese subsidiary has two electric service vehicles, used for employees' various business trips.

- **Electricity storage and solutions division**

IER also has a travel management policy, which translates into:
- the provision of a videoconferencing solution at its biggest sites;
- mobile video solutions, following the adoption of the Web Conference and Zoom solutions, each employee has had access to Skype for Business since 2017;
- employee training in eco-driving;
- a travel management procedure and software;
- a partnership with a travel agency.

Spaces reserved for electric vehicles have been created, the number of parking spaces for two-wheelers has been increased at the expense of cars, and two electric car-sharing vehicles are available on the Suresnes site. Discussions are underway about possible solutions for employees.

TAKING ACTION FOR LOCAL DEVELOPMENT

With its locations in developing countries, particularly Africa, the Bolloré Group is a key player in the economic and social development of the regions in which it operates. Through its capital expenditure, it contributes to economic growth, the opening-up of certain countries, the development of public services and the up-skilling of local populations.

Contributing to and promoting local employment

Materiality of the challenge

The Bolloré Group is present in Africa (46 countries) as well as in numerous developing countries throughout the world. In all its activities, one of the primary issues for the Group is the contribution to the development of the regions, which primarily involves the recruitment and training of local employees.
The international presence of the Group was still further strengthened in 2017 with the integration of Vivendi, bringing the turnover of the Bolloré Group made abroad (outside France and French overseas departments and territories) to 62%, of which 14% on the African continent, where 30% of the total of its employees are located. The turnover generated by the Group in Africa in 2017 stood at 2.6 billion euros. Bolloré Transport & Logistics is particularly present on this continent, which has nearly 64.6% of its 35,618 employees. Bolloré is the number one port operator with 18 concessions in operation and is also a significant player in rail, through its 3 rail concessions.

Group policy

The Bolloré Group undertakes in all the countries in which it operates to be a leading local employer. This commitment encompasses the recruitment, training and promotion of local employees.

Significant events in 2017

— ***Contributing to direct employment***

In 2017, the Group measured its impact on local employment. Of the 39,674[(1)] Bolloré employees in the workforce at December 31, 2017, 90.90% were local employees. Of these employees, 16,498 received training during the year (representing 84.19% of total employees trained). Since 2014, the Bolloré Group has been mapping compensation and benefit practices worldwide. To this end, audits were carried out on compensation in 6 African countries and on benefits in 18 African countries. These involved both documenting compensation, welfare, health and pension practices and comparing these to the local market. The results achieved enable the Bolloré Group to have an overview of the mechanisms put in place locally in order to build the appropriate governance framework.

(1) Scope of the Bolloré workforce excluding Vivendi.

• **Transportation and logistics division**
As it wishes to report the impact of the activities of Bolloré Transport & Logistics on the development of the regions where it is established, the CSR teams created, with the help of the Ernst & Young accountancy firm, a sophisticated tool for measuring the socio-economic footprint effect related to the exercise of its transportation and logistics activities. The pilot study carried out in 2017 in the Republic of Côte d'Ivoire quantified: job creation (direct, indirect and induced) related to the transportation and logistics activities, the contribution of the activities to the economy of the country through the analysis of economic flows introduced by the local purchasing of goods and services, the contributions of the activities to local GDP, to national tax receipts and to the development of local communities. Given the wealth of lessons learned, this type of study will be broadened to other countries in 2018.

— ***Contributing to indirect employment***
The Bolloré Group contributes to the development of the regions in which it exercises an activity not only by providing direct jobs, but has an indirect influence via purchases made from local suppliers and professionals.

• **Transportation and logistics division**
Sitarail has trained 52 young people as drivers' assistants in its professional training centers in Abidjan and Bobo-Dioulasso, and recruited them following their training. Sitarail works with more than 200 local companies in conducting its track and installation maintenance operations. It requires external companies responsible for implementing certain work to recruit local labor, especially job-seeking youths. For routine maintenance work (implementation of the programmed schedule of work) the operations require the recruitment of local labor. The number of direct and indirect jobs generated is estimated at more than 100 during the different implementation stages. Accordingly, depending on the progress of work, working young people from and near the various localities served benefit from these temporary job opportunities, which provide them with income.

• **Communication division**
Vivendi has analyzed the purchases made with the suppliers and subcontractors, which represent at least 75% of the overall expenditure of each of the subsidiaries. On average, 77% of the purchases made by UMG, the Canal+ group, Gameloft, Dailymotion and Vivendi Village come from local suppliers. With these purchases, Vivendi has an impact on the local economic area, which contributes in particular to the creation of jobs.
Vivendi also contributes to the development of the economic and cultural fabric by involving local professionals in its activities. Committed to promoting cultural diversity and to supporting local creation, the entities of the Canal+ group collaborate with numerous audiovisual and cinematographic production companies. In France, there are 427 local producers – of streaming, films, documentaries, original creations, animations, series and shows – that worked with the group's channels (excluding Studiocanal) in 2017, for a total amount paid by the group that amounted to more than 310 million euros. In Africa, the Canal+ group collaborated with about 120 local producers to purchase and pre-purchase rights or in the co-production of series, films and shows.

• **Electricity storage and solutions division**
Aware of its impact on the environment and the development of the local economic fabric, Blue Solutions uses local suppliers as far as possible (see chapter 17.3.1).

"Produced in Brittany" label
Blue Solutions has obtained the "Produced in Brittany" label. This association, created in the 1990s, brings together numerous Breton economic players who aim to promote the purchasing and production of products made in Brittany.

"French origin guaranteed" label
The 6- and 12-meter Bluebuses have obtained the "French origin guaranteed" label. This distinction guarantees to consumers the traceability of a product and gives a clear and objective indication of its origin. It thus certifies that the Bluebuses built in the factory at Quimper are mainly made in France.
The Lithium Metal Polymer (LMP®) battery, using a technology that is unique across the world, is also labeled "French origin guaranteed".

Investing in the local economy

Materiality of the challenge
Through its presence in developing countries, and particularly in Africa, the Group plays a role in the development of the local economies of the areas in which it operates.

Group policy
Through its capital expenditure in port and rail infrastructure, its advanced logistics, the development of its electricity storage solutions and the promotion of cultural diversity, it contributes to economic growth, the opening-up of certain countries, the development of public services and the up-skilling of local populations.

THE DEVELOPMENT OF INFRASTRUCTURE

• **Transportation and logistics division**
— ***Health infrastructure***
The Group takes steps to develop health infrastructure by: providing supplementary health coverage and the reimbursement of medical expenses for its employees in the countries in which it operates a port or rail concession; paying for the care provided either i) in the health centers in the various subsidiaries (centers established in 13 African countries) with dedicated medical staff in 11 countries (doctor or nurse) or ii) in private clinics in the countries in which it operates, putting in place health crisis management plans (epidemics, pandemics). 10 entities in seven countries also have their own ambulances and 19 entities in 11 African countries have a contract for assistance by a private company.

• **Electricity storage and solutions division**
— ***The development of zones that are autonomous in energy***
In four West African countries, the Bolloré Group has developed autonomous energy zones dedicated to the well-being of local populations. They are known as Bluezones. They function as autonomous mini-grids powered by a solar energy source (70-140 kWp), with associated storage capacity (90-360 kWh). They enable the development of economic, cultural and sporting activities and offer a set of services intended to improve the well-being of populations. Each year, the Bluezones organize awareness-raising campaigns, training days and music festivals and host sporting events, such as football or basketball tournaments. In 2017, the nine Bluezones in four West African countries received nearly a million people.
— ***Energy access***
Access to energy is a major challenge for developing countries because it contributes to the reduction of poverty through economic development, education, health improvement and food security. Through its energy storage solutions, the Bolloré Group contributes to improving access to energy in isolated off-grid zones. In addition to Bluezones, the Group wishes to develop new projects, particularly in Africa, to promote access to energy. Thus, upon request from the Presidency of the Republic of Guinea, in 2017, the Bolloré Group launched a decentralized rural electrification program in Guinea. This program comes within the African renewable energies initiative (AREI) supported by the French Republic and the Republic of Guinea. A declaration of intent was signed between the two countries, enabling the Bolloré Group to benefit from co-funding from the Ademe for the deployment of the first pilot village. In total, 14 localities are concerned by this electrification program, divided over the entire region of Haute-Guinée.
— ***Clean public transport***
Since 2014, the Bolloré Group has been running electric bus services on the campuses of the universities of Cocody (Republic of Côte d'Ivoire) and Yaoundé (Cameroon). Composed of three Bluebuses each, over more than three years, these free services have transported nearly 5 million students and traveled a total of more than 225,000 km. A solar power station of 140 kWp associated with a storage system of 360 kWh charges these vehicles using clean energy, both during the day and at night.

THE PROMOTION OF CULTURAL DIVERSITY

- **Communication division**

— ***Improving local skills in the cultural segment***

Through its actions, Vivendi contributes to maintaining local cultural sectors. Thus in 2017, the group continued its training program for sound engineers, which was launched in 2006 in Mali. This training program was selected by UNESCO for its contribution to improving local production capabilities. The 13th training session took place at the Moffou studio in Bamako, the studio of the author-composer-performer Salif Keita. During the ten days of training, the trainees developed their technical knowledge of mixing tables: a new and crucial stage in this long-term training. In 2017, the training was also supported by Canal+: Canal+ Mali devoted a report to it and the trainees met the channel's sales manager.

The sharing of skills is also at the core of the numerous programs put in place by Canal+ International in Africa, with the aim of improving the professionalism of the local cultural sector and spotting promising young talent. In 2017, Canal+ International thus continued its commitment with the production company Galaxie Presse and its pan-African program training journalists, via courses given by professionals and through MOOCs (online courses). A magazine program was filmed for the training course and presented at Discop 2017 in Abidjan, an audio-visual market specialized in the emerging zones. Four of the fifteen pupils on this training course are also regularly called upon to work with Galaxie Presse on the "Success" program produced for "Les Mardis de l'Afrique", while others work with the Sport Programs department of Canal+.

The Canal+ group also supports the emergence of a local African production ecosystem in partnership with CFI, the French media cooperation agency. In this respect, training workshops intended for production teams were put in place for the development and filming of numerous works of fiction *(Flingue et chocolat, Envoûtée, Invisibles, Kongossa Télécom, Sakho & Mangane)*. They are supervised by the Production Manager of Canal+ Africa. For example, for the series *Sakho & Mangane,* she monitored development (of the preparation for the production of the series with the producer), collaborated with the choice of a new script doctor specialized in TV series and contributed to the training and coaching of technicians and actors. Actors forming part of a local Senegalese association also benefited from the support of the Vivendi Create Joy solidarity program. The series "Kongossa Télécom", resulted from a call for projects aimed at African comedy talents, launched by Canal+ International and CFI in 2015.

— ***Supporting local cultural life***

Vivendi supports local cultural life by being a partner in numerous festivals in the sector. Vivendi produces 12 music festivals around the world (including the Blue Note Festival and the Brive Festival in France, as well as the Love Supreme and the Sundown Festival in the United Kingdom) and supports numerous other events in the areas of music, humor and cinema such as Jazz in Marciac, the M Rire Festival in Marseille and the international short film festival in Clermont-Ferrand. In France, Digitick has established links with local festivals, which contribute to nourishing the cultural life of the region. Marsatac in Marseille and Hellfest in Clisson thus benefit from the financial and operational support of Digitick. In Africa, Canal+ International continued its policy of support to major pan-African festivals intended to promote local cinema, such as the Écrans Noirs festival in Cameroon, the Escales Documentaires in Libreville in Gabon, Clap Ivoire in the Republic of Côte d'Ivoire and the Fespaco in Burkina Faso, the biggest pan-African cinema and television festival. The group also supports numerous local events like the Africa Stand Up Festival in Douala in Cameroon and, in the Democratic Republic of Congo, the Jazz Kiff jazz festival in Kinshasa, and the Amani Festival, a music festival that promotes peace in the region of the Great Lakes.

Undertaking societal actions for the benefit of local populations

Materiality of the challenge

Solidarity reflects the values of the Group and contributes to the economic and social development of the regions where the Group is established.

Group policy

The commitments of the Bolloré Group are built around the Fondation de la 2e Chance, the Foyer Jean-Bosco and the implementation of societal actions for the benefit of local populations.

Fondation de la 2e chance: combating exclusion and promoting solidarity

Set up in June 1998 at the initiative of Vincent Bolloré, its President, the Fondation de la 2e chance has been recognized for its public utility since 2006. The aim of the Fondation de la 2e chance is to help people aged 18 to 62 who have faced extreme hardship in life and who presently live in a vulnerable situation, but who have a real desire to get their lives back on track. In addition to aid that is sought from elsewhere, it offers them human and financial support (up to 8,000 euros for company start-up/takeover projects and 5,000 euros for training projects) to successfully complete a realistic and sustainable professional project: training leading to a qualification, start-up or takeover of a company. This financial "leg-up" is accompanied by professional and emotional sponsoring provided to the project owner, until the project reaches a successful conclusion. The Foundation's continued activities are supported by a team of employees and volunteers. There are nine employees at the Foundation's headquarters, which is housed by the Bolloré Group, who coordinate all Foundation stakeholders. A network of 1,000 working volunteers acts as on-site delegates, instructors and sponsors throughout France.

In 2015, the Fondation de la 2e chance was re-awarded the IDEAS label. This label is recognized and trusted by donors, and establishes respect among non-profit organizations for the implementation of best practice in relation to corporate governance, financial management and monitoring efficiency.

Significant events in 2017

In 2017, the Fondation de la 2e chance supported 370 new recipients. The average grant per recipient was 2,700 euros. 77% of candidates received financing for training and 23% for creating a company. Winners aged between 25 and 44 years old represented 53% of the projects supported. As each year, the 60 delegates of the intermediary sites were brought together and numerous regional meetings were held at the initiative of the four regional coordinators.

The Foyer Jean-Bosco, a solidarity initiative from the Bolloré Group

To give a home to the Fondation de la 2e Chance, the Group acquired the former building of the Little Sisters of the Poor, built in 1896 and located in rue de Varize in Paris in the 16th *arrondissement,* which was fully restored between 2012 and November 2015. Today, it has more than 160 rooms, mainly used by young students from French provinces and from abroad, but also provides rooms for young people suffering from illness and the elderly. This year, the 135 students represented numerous different nationalities from Europe, the Middle East, Asia and the Antilles. The students created a choir and an orchestra and participate each week in charity work in Paris. The Foyer Jean-Bosco is a place of fraternal and inter-generational solidarity. It is an innovative scheme that will allow all participants to develop their talents while learning to live in unison.

Other societal actions for the benefit of local populations

Alongside the sponsorship policy redefined in 2017 (see 17.4 – Sponsorship policy), the Bolloré Group and its subsidiaries routinely take part in numerous initiatives relating to solidarity, skills-based sponsorship or pro bono work for the benefit of local populations. In 2017, the Bolloré Group supported 793 projects worldwide, including 240 in Africa. Some of these projects had a major local impact. Here are a few examples:

SOLIDARITY ACTIONS

- **Transportation and logistics division**

— ***Marathon Day 2017***

The Marathon Day, at the initiative of Cyrille Bolloré, is an opportunity for all employees of Bolloré Transport & Logistics to come together around solidarity initiatives. Each year during September, the teams meet on the same day and at the same time to walk or run 5 km. For each registration, Bolloré Transport & Logistics pays 3 euros to a charitable association. In 2017, nearly 13,000 employees took part in 93 countries around the world. This year, the funds collected were paid to UNICEF. Each year, the event gets bigger. More and more employees are taking part in this important charitable event, which shows that team spirit, unity and sharing are some of the values that inspire the men and women of Bolloré Transport & Logistics.

The key figures of the 2017 event:

- 93 countries;
- 12,849 participants;
- 4,171 photos shared on the social networks;
- 39,000 euros donated to UNICEF.

— ***Africa has extended the initiative***
Following the Marathon Day, certain African countries wished to extend the initiative by participating in social or humanitarian actions. Thus, in the Central African Republic, under the guidance of the Chief Executive Officer, Jean-Pierre Feuillassier, the personnel offered various items of equipment to residents of the Centre de la mère et de l'enfant orphanage. In Douala, the Regional Director, Mohamed Diop, accompanied by his top management and 500 employees, carried out cleanup work for the New-Deido public primary school and its surroundings. They also donated educational material to disadvantaged pupils and offered cleaning material to local populations. 400 children of employees were also invited to attend a special showing of the film *Paddington* in the CanalOlympia cinemas in Yaoundé and Douala to close this solidarity initiative in a convivial setting.

— ***32nd edition of International Women's Day***
"Women in the Changing World of Work: Planet 50-50 by 2030".
The Executive managements of Bolloré Transport & Logistics Cameroun and Socapao invited women and men representing both the Executive Committees of subsidiaries and the management of the various business lines to a lunch to celebrate this day. The Head of Human Resources, Solange Happi, reiterated the key role of women within the company, and the confidence that they merited from the top management, given their high-quality work and their ethical and moral commitment. The Chief Executive Officers encouraged them to continue their commitment to society, as did the Regional Director of the Gulf of Guinea, Mohamed Diop.
On this occasion, the female employees of Bolloré Transport & Logistics Cameroon and Socopao came together with Havas Média to organize a day of collections to assist orphans. 100 sacks of cement to finish building the school, a potable water supply and large quantities of foodstuffs were given to the orphanage of the Miséricorde Divine Sainte-Faustine at Ndogpassi in Douala.

- **Communications division**

7.7 million euros were paid by Vivendi in 2017 in respect of company foundations, solidarity programs and partnership and sponsorship actions.
Since 2008, with its Vivendi Create Joy solidarity program, Vivendi and its various business lines have been committed to developing the creativity and openness of underprivileged and sick young people. Each year, 30 major projects are funded to develop individual and collective talents in the group's professions, namely music, film, video games and journalism. Vivendi Create Joy also wants to encourage young people who are far removed from professional networks to flourish in an occupation and a passion that the group shares, and therefore supports professional training in Vivendi's areas of activity. The program is deployed in France, Great Britain and Africa. The employees of Vivendi also get involved with associations that are supported thanks to the Ambassadors Create Joy program: through the voluntary provision of skills, the ambassadors help the projects to be successful.
In the various regions, the subsidiaries of the group simultaneously carry out programs of solidarity and sponsorship actions.
In 2017, UMG launched the "All Together Now" solidarity program. Through this program, UMG encourages employees to get involved with non-profit associations and general-interest causes. The group thus aims to increase its contribution in areas such as education and health, notably by supporting projects related to music and culture.
After the attack carried out during her concert at the Manchester Arena on May 22, 2017, Ariana Grande returned to the English city to give a concert, "One Love Manchester", to raise funds for the victims and their families. Numerous UMG artists came to support the American singer on stage, including the stars Justin Bieber and Katy Perry. The concert was watched live by millions of people and, between collections of funds and donations from Bravado, the Republic label and Universal Music United Kingdom, UMG collected more than 2 million dollars.
In Africa, the group supports numerous cultural events and initiatives in favor of youth, both in the areas of sport and education. In Madagascar, for example, the Canal+ group fully financed the schooling of high-school and college students from disadvantaged backgrounds in Antananarivo, as well as contributing towards sports equipment – the group notably equipped more than 300 children with football shirts. In addition, still in the field of sport, and particularly football, in Senegal, the tournament Foot pour Tous (Football for all) was repeated, during which children received football training given by professionals. With the aim of making the cinema accessible to all and backed by the success of the first version in 2016 (nearly 3,000 spectators), Canal+ repeated the itinerant Fête du Cinema (cinema festival) in Benin in 2017. Accordingly, for one month, the Canal+ caravan went to meet people in five provincial towns in Benin, in order to make the cinema accessible to a maximum number of people and promote local and African cinema. Thanks to open air screenings, made possible using a giant screen, the public was able to discover some 15 works of all types (animated films, documentaries, feature films and short films, etc.), most of them produced in Benin.
Gameloft also took part in several solidarity activities in the regions in which it is established. In Canada, the subsidiary gave a grant to the "Montreal walks for mental health" and financed the participation of one of its employees in this annual 3-km walk, which aims to raise awareness of mental health and overcome prejudice against people affected by mental illness. In Indonesia and Vietnam, Gameloft actively supported several NGOs working in favor of child education.

- **Electricity storage and solutions division**

— ***Blueindy march against breast cancer***
In order to provide support to patients and support research, Blueindy joined the march against breast cancer, which began on October 21, 2017 in Indianapolis. The car-sharing system took part in collecting funds to support the cause and the team joined the parade of several thousand people that passed through the streets of the city.
In order to encourage actions in favor of employment and solidarity, Blue Solutions Films Plastiques contributed to a certain number of actions in 2017: 27 local actions (mainly sporting, cultural and humanitarian actions and aid to medical research), providing 7,855 euros. Among these actions were the following:
- financial support to local cultural associations such as *bagads* (Breton pipe bands) and financial support to the Quimper branch of the Association jeunesse et entreprises (Youth and business association);
- financial contributions to local cultural events: Calvalcade de Scaër, Orgues en Cornouaille, etc.;
- financial contributions to local sporting events.

COLLECTIONS AND DONATIONS

- **Transportation and logistics division**

— ***Donations in Congo-Brazzaville***
About 2 metric tons of donations comprising essentially food, household products, toys and clothing were collected thanks to the participation of nearly 70% of the 1,700 employees of Congo Terminal and Bolloré Transport & Logistics at the end of 2016. The donations collected were presented to charitable organizations to be distributed to those in greatest need: Samu social, Action de solidarité international (NGO), Calissa Ikama Foundation (fight against cancer in children), outpatient treatment center of the French Red Cross and Cœur Céleste (orphanage).

— ***Mobilization of the teams from Bolloré Logistics USA following the passage of hurricane Harvey***
In Houston, several employees were disaster-stricken following the floods. The teams from Bolloré Logistics USA reacted very quickly to provide immediate support in this emergency situation. More than 10,000 dollars were collected and redistributed to the six employees whose houses were severely damaged following the hurricane.

— ***Land slide and flood in Sierra Leone***
In Sierra Leone, all of the teams of Bolloré Transport & Logistics and the Freetown Terminal were intensively mobilized to help thousands of disaster-stricken people. Once more, the teams demonstrated their solidarity by collecting, in less than forty-eight hours, foodstuffs, clothing, medicines and essential products to be distributed to the victims.

SKILLS-BASED SPONSORSHIP

- **Transportation and logistics division**

— ***Bolloré Logistics in the front line for logistical support to the islands of Saint-Martin, Saint-Barthélemy and Guadeloupe following the passage of hurricane Irma***
On the islands of Saint-Martin, Saint-Barthélemy and Guadeloupe, a large-scale procedure was put in place to fulfill the immediate requirements of disaster-stricken populations. Bolloré Logistics, one of the largest logistics specialists established in the zone, was in the front line. Within twenty-four hours, the teams organized the transport of 32 electrical generators to Guadeloupe to provide minimum access to electricity for the Antilles populations who were affected, in partnership with EDF. At the same time, food banks centralized donations of foodstuffs and essentials. A first wave of 150 pallets, representing 75 metric tons of foodstuffs, had already been made available to the population within forty-eight hours. To convey and coordinate these foodstuffs, numerous carriers, logistics specialists and shipping companies spontaneously offered significant resources, including Bolloré Group Transport & Logistics.

— ***The teams from Bolloré Transport & Logistics in Ghana and Burkina Faso took part in building a "green school"***

Students from the 2IE Foundation and the University of Liège (Belgium) took part in the construction of a school in Burkina Faso. Located in the village of Wemtenga near to Ouagadougou, the school will have three classes and will receive around 100 children from the beginning of the next school year. The specific feature of this project is the choice of an environmentally-friendly material to build the walls. These are compressed earth bricks made from clay from quarries and stabilized with lime. This technique improves the strength of the bricks and enhances the unbaked brick architecture. To help with the implementation of this project, the teams from Bolloré Transport & Logistics in Ghana and Burkina Faso transported 20 metric tons of industrial lime free of charge from Takoradi (Ghana) to Wemtenga. The Group's help enabled 4,500 euros to be saved.

- **Communications division**

The Havas group actively supports numerous charitable and humanitarian associations. This support was expressed partly by direct donations, as well as through skills-based sponsorship.

In 2017, 45 agencies, representing about 28% of the group's workforce, carried out pro bono work or freely obtained advertising space on behalf of charitable associations and NGOs, including: Reporters Sans Frontières, Cité Nationale de l'Histoire de l'Immigration, Canadian Women's Foundation, Justice 61, United Nations Bottom 100. This represented 3,885 days devoted by the agencies to the implementation of 112 campaigns.

During 2017, the actions of the Havas group with local communities continued to increase thanks to CSR initiatives carried out by the agencies. Amongst the numerous examples were:

- Havas Sydney established a partnership with Fund for Peace and, together, they initiated a global project called "The Bottom 100". The first initiative of its type, the project reveals the personal history of 100 people who are amongst the poorest on the planet, for whom daily life is a challenge at every moment. It will take more than twelve months and more than 100 interviews with people of 22 nationalities on 5 continents to bring this project to completion;
- Havas Canada collaborated with Habitat for Humanity to fight the problem of the housing shortage in the city of Toronto. By modernizing and redesigning their digital strategies, Havas Canada was able to raise awareness amongst the population and simplify the process that enables people to give money, personal effects or their time. Havas Canada hopes in this way to increase the commitment of the community to Habitat for Humanity;
- the pro bono campaign arising from the partnership between BETC Paris and Addict Aide is not only one of the most symbolic and most shared campaigns of the past year, it was also amongst the campaigns that won most awards at the Cannes Lions Festival in 2017. Activation via Instagram showed the depiction of the often glamorous life of a fictional character, "Louise Delage", which in reality hid a terrible truth. In just a few weeks, "Louise's" Instagram account attracted thousands of followers, and currently still has 110,000;
- the agency Boondoggle partnered with the NGO Wereldsolidariteit to carry out an experimental undercover investigation as part of the "Clean Clothes" campaign, in order to show the disastrous working conditions prevailing in textile factories in Cambodia. In April 2017, Boondoggle and Wereldsolidariteit were presented with the Medialaan Fairtime Award, which rewards the most creative campaigns prepared by humanitarian and social organizations.

A full list of pro bono partnerships is available in the pro bono section of the Havas group Internet site.

SPONSORSHIP POLICY

Since 1822, the Bolloré Group has embodied a simple principle: to give back a little of what we have been lucky enough to receive. Since January 1, 2018, the Bolloré Group has wished to harmonize its sponsorship policy based on the desire to coordinate projects of general interest run by associations and social enterprises in Europe and internationally. It encourages its subsidiaries and its employees to get involved in solidarity projects to improve the economic and social situations of young people and provide effective humanitarian health actions. Each year, the Bolloré Group pays more than two million euros to associations that work mainly in the fields of education and health.

The solidarity commitment of the Bolloré Group is based on four guidelines:

- **supporting young people as a priority.** However, the Group still remains sensitive to the issue of humanitarian health and wishes to continue to act in solidarity with local populations;
- **support projects having significant reach,** both for the beneficiaries and the organizations supported. Each new or renewed project is now subject to eligibility criteria;
- **involve employees** by giving them the opportunity to make best use of their skills and provide their know-how to the supported projects;
- **provide efficient financial, technical and human support** by committing to high-quality long-term partnerships that target social innovation.

SIGNIFICANT EVENTS IN 2017

Supporting young people and employee involvement – Bolloré Transport & Logistics Cameroon

On September 21, 2017, on the fringes of the 2017 Marathon Day, 700 employees from the subsidiaries of Bolloré Transport & Logistics gave their time and effort in a huge clean-up session at the public school in New-Deido located in Douala, Cameroon. Under the impetus of the Regional Director of the Gulf of Guinea, Mohamed Diop, the teams weeded and cleaned the gutters and refurbished the infrastructure, working alongside young people from the district. Initiated by the top management, this action demonstrates the Bolloré Group's commitment to societal responsibility.

700 employees were involved on this occasion.

- Results of the project:

– refurbishment of the infrastructure of the school: staircase reconstruction, paintwork, etc.;
– cleaning the school and the district of New-Deido;
– donation of school supplies and cleaning equipment;
– working together with the young people of the district;
– involvement of the top management.

Support for young people – Bolloré Logistics India

In India, several million children live in extreme poverty. In Delhi alone, more than 150,000 children live on the streets. In order to remedy this situation, Bolloré Logistics India is working alongside the association TARA to make sustainable change in the childhoods, as well as the futures, of these young people in difficulty. The NGO now houses 60 young people aged between 2 and 22 in its four homes. By providing financial support to the TARA Tots home, Bolloré Logistics India is laying the first stone in building an entire life.

General mobilization of the employees of Bolloré Transport & Logistics and Freetown Terminal after the disaster in Sierra Leone

In August 2017, in Sierra Leone, 25 employees came to the aid of thousands of disaster-stricken people. The motivation of Bolloré's teams was even greater as three employees were direct victims of these landslides. Once more, the teams demonstrated their solidarity by collecting, in less than forty-eight hours, foodstuffs, clothing, medicines and essential products to be distributed to the victims, representing more than 10,000 euros in donations. To this was added the financial assistance provided by Freetown Terminal and the whole of the Bolloré Group, representing nearly 55,000 euros.

OTHER REGULATORY INDICATORS AND CROSS-REFERENCE TABLE

SOCIAL REPORTING

Note on methodology

Standard

The reporting of extrafinancial indicators is based on the internal standard drawn up by the Bolloré Group, the social data reporting protocol. This is updated annually and enables the application of definitions and rules for collection, validation and consolidation that are consistent within Group entities. It was distributed to all those involved in social reporting.

Organization

The reporting process relies on three levels of involvement:

- at central level: the Group's Human Resources Information Systems and Compensation Department organizes and supervises the reporting of information throughout its collection. it consolidates the social indicators of the divisions;
- at division level: the division representatives ensure that the process runs smoothly. He/she validates all of the collection forms within his/her scope; he/she acts as the interface between the local level and central level for his/her area of responsibility in the event of difficulties in providing data;
- at local level: the local representatives complete the collection forms in accordance with the reporting protocol.

Collection period of scope

The data relating to the reporting year are collected in January of the following year for the period from January 1 to December 31.
The collection scope applies to all fully-consolidated companies, from the moment that the company takes on staff.
In the last quarter of 2017, a review of the definitions of the Bolloré and Vivendi protocols was carried out, to identify common indicators and make changes to definitions, if required, to enable the aggregation of shared data.
The data are published in consolidated format for 2017 and include Vivendi data. Certain indicators are detailed by activity.

Note on methodology

At December 31, 2017, the Bolloré Group had 81,420 employees spread across two scopes:

- Bolloré, whose workforce comprised 39,677 employees;
- the Vivendi scope, which had a workforce of 41,743 employees.

The indicators below were collected and consolidated:

- at the level of the Bolloré scope, using the specific Bolloré reporting software (NRE) presented below (100% of the scope was covered);
- at the level of the Vivendi scope: the indicators were collected and consolidated using the specific Vivendi reporting software "SIRIS" (100% of the scope was covered excluding Havas);
- at the Havas level: the collection was performed using the ENABLON tool. The workforces described in the chapter are based on a sample of 18,966 employees, representing 97% of the workforces reported at the consolidated/reporting level. These discrepancies are related to marginal differences in definitions and the lack of data reported by certain Group agencies.

Indicators

Social reporting counts each employee as one unit, regardless of how long that employee worked during the year.
The subjects covered in our information collection are workforce, staff mobility, training, absenteeism, labor relations, organization of working time, professional insertion and people with disabilities as well as compensation.
For certain indicators, it was not always possible to take the whole of the scope into account. In this case, a specific note is made.
Concerning the absenteeism indicator, Vivendi does not count absences of ninety days or more.

Collection files

Two collection files specific to each company are generated automatically centrally, from the database of the previous campaign:

- one file containing the collection file from the previous year;
- one predefined file for the collection for the current year.

The forms are pre-completed based on the type of operation:

- internal (French companies with centrally managed payroll). Individual data on employees are pre-completed in full and must be verified;
- external (companies without centrally managed payroll). The collection files are not pre-completed; the data must be entered and verified.

Monitoring and validation

To ensure that the indicators are reliable, the Group's Human Resources Information Systems and Compensation Department has established:

- a user guide and interactive assistance;
- a hotline providing support to representatives.

The monitoring and validation objectives are as follows:

- to detect discrepancies recorded in the reporting tool;
- to ensure the reliability of data by two-level validation (division and local).

To ensure the consistency of the data entered in the reporting tool, the steps for validation are consecutive.
The data entered is subject to integrity checks, to detect inconsistencies in the data for the same employee.
The reporting tool also detects errors at each stage of validation as well as a check for completeness.
In case of variation in workforces within a scope, the Group's Human Resources Information Systems and Compensation Department requests the representatives to provide justification.

Social data

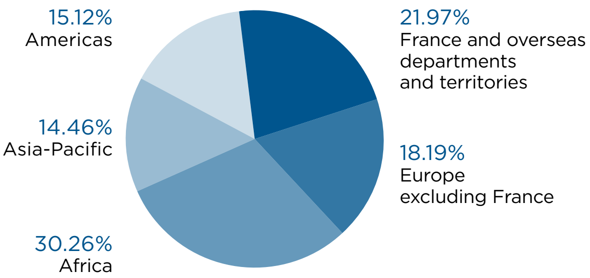
Workforce at December 31, 2017

Employees by activity and by geographical area

	France and overseas departmens and territories	Europe excluding France	Africa	Asia-Pacific	Americas	Total
Transportation and logistics	5,006	1,523	23,014	5,011	1,064	35,618
Oil logistics	968	89	0	0	0	1,057
Communications (Vivendi, Media, Telecoms)[1]	9,902	12,907	1,626	6,721	10,961	42,117
Electricity storage and solutions	1,711	290	0	39	286	2,326
Other (agricultural assets, holdings)	300	2	0	0	0	302
TOTAL	**17,887**	**14,811**	**24,640**	**11,771**	**12,311**	**81,420**
AS A PERCENTAGE	**21.97**	**18.19**	**30.26**	**14.46**	**15.12**	**100.00**

(1) Havas scope covered = 100% of the sample described in the note on methodology, page 135.

Distribution of workforce by geographical area



Workforce by gender

	Men	Women	Total
Transportation and logistics	25,713	9,905	35,618
Oil logistics	733	324	1,057
Communications (Media, Telecoms, Vivendi)(1)	21,899	20,218	42,117
Electricity storage and solutions	1,880	446	2,326
Other (agricultural assets, holdings)	167	135	302
TOTAL	**50,392**	**31,028**	**81,420**
AS A PERCENTAGE	**61.89**	**38.11**	**100.00**

(1) Havas scope covered = 100% of the sample described in the note on methodology, page 135.

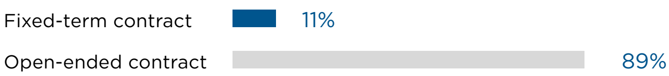
Workforce by type of contract

	Open-ended contracts	Fixed-term contracts	Total
Transportation and logistics	32,389	3,229	35,618
Oil logistics	1,003	54	1,057
Communications (Media, Telecoms, Vivendi)(2)	19,852	3,299	23,151
Electricity storage and solutions	2,272	54	2,326
Other (agricultural assets, holdings)	289	13	302
TOTAL	**55,805**	**6,649**	**62,454**
AS A PERCENTAGE	**89.35**	**10.65**	**100.00**

(2) Scope of the workforce covered excluding the Havas group.

Distribution of workforce by gender(1)

Distribution of workforce by contract type(2)



Workforce by category

	Management staff	Non-management staff	Total
Transportation and logistics	5,366	30,252	35,618
Oil logistics	154	903	1,057
Communications (Media, Telecoms, Vivendi)[1]	9,555	13,596	23,151
Electricity storage and solutions	641	1,685	2,326
Others	197	105	302
TOTAL	**15,913**	**46,541**	**62,454**
AS A PERCENTAGE	**25.48**	**74.52**	**100.00**

(1) Scope of the workforce covered excluding the Havas group.

Workforce numbers by age

	Under 25 years old	25 to 34 years old	35 to 44 years old	45 to 54 years old	55 years old and over	Total
Transportation and logistics	830	10,309	12,213	8,461	3,805	35,618
Oil logistics	22	141	271	354	269	1,057
Communications (Media, Telecoms, Vivendi)[1]	2,232	10,063	6,124	3,576	1,156	23,151
Electricity storage and solutions	63	637	737	610	279	2,326
Others	7	82	97	64	52	302
TOTAL	**3,154**	**21,232**	**19,442**	**13,065**	**5,561**	**62,454**
AS A PERCENTAGE	**5.05**	**34.00**	**31.13**	**20.92**	**8.90**	**100.00**

(1) Scope of the workforce covered excluding the Havas group.

Recruitment and departures

In 2017, the Bolloré Group took on 10,665 new employees[1], of which 57.7% under permanent contracts. Internal recruiting, considered to be transfers, are not taken into account. An employee who has had several contracts throughout the year is counted only once.

Hiring	Workforce	%
Open-ended contracts (CDI)	6,154	57.70
Fixed-term contracts (CDD)	4,511	42.30
TOTAL	**10,665**	**100.00**

In 2017, 11,286 people left the company[1]. Transfers are not counted as departures. Employees who have completed several contracts are only counted once.

Departures	Workforce	%
Resignations	5,404	47.88
End of fixed-term contracts (CDD)	2,169	19.22
Redundancies for economic reasons	630	5.58
Dismissal for non-economic reasons	1,348	11.94
Retirements	683	6.05
Others	1,052	9.32
TOTAL	**11,286**	**100.00**

(1) Scope of the workforce covered excluding the Havas Group.

Training

In the Bolloré Group, 33,890 employees underwent at least one form of training in 2017.

Employees trained

	Total	%
Transportation and logistics	17,294	51.03
Oil logistics	636	1.88
Communications (Media, Telecoms, Vivendi)[1]	14,468	42.69
Electricity storage and solutions	1,432	4.23
Other (agricultural assets, holdings)	60	0.18
TOTAL	**33,890**	**100.00**

(1) Scope of the workforce covered excluding the Havas group.

In total, 677,955 hours of training were provided.

Hours of training

	Total	%
Transportation and logistics	408,760	60.29
Oil logistics	15,749	2.32
Communications (Media, Telecoms, Vivendi)[1]	219,075	32.31
Electricity storage and solutions	31,854	4.70
Other (agricultural assets, holdings)	2,517	0.37
TOTAL	**677,955**	**100.00**

(1) Scope of the workforce covered excluding the Havas group.

Social indicators[1]

	2017	Group workforce (in %)
Workforce by type of contract		
Workforce on permanent contract (CDI)	55,805	89.35
Workforce on fixed-term contract (CDD)	6,649	10.65
Workforce by gender		
Male workforce	50,392	67.45
Female workforce	31,028	32.55
Workforce numbers by age		
Employees under 25 years old	3,154	5.05
25 to 34 years old	21,232	34.00
35 to 44 years old	19,442	31.13
45 to 54 years old	13,065	20.92
55 years old and over	5,561	8.90
Hiring		
New employees hired	10,665	–
Including hires in open-ended contracts (CDI)	6,154	57.70
Departures		
Number of departures	11,286	–
Including number of redundancies for economic reasons	630	–
Including number of individual dismissals	1,348	–

	2017	Group workforce (in %)
Professional training		
Number of employees who have benefited from training actions	33,890	–
Number of training hours given	677,955	–
Average number of training hours given per participant	20	–
Absenteeism		
Number of employees that were absent for at least one day	32,764	–
Total number of days of absence (* of which Vivendi)	475,292 (*145,700)	–
Sick leave	280,679 (*86,499)	–
Maternity/paternity leave	91,694 (*38,043)	–
Accidents in the workplace or travelling to or from work	19,487 (*1,940)	–
Work-related illnesses	1,093 (*31)	–
Other	82,337 (*191,987)	–
Labor relations and collective agreements (France)		
Number of collective agreements signed	195	–
Agreements on compensation	41	–
Agreements on health and safety	19	–
Agreements on working conditions	24	–
Agreements on social dialogue	14	–
Agreements on employee savings	88	–
Agreements on another topic	9	–
Organization of working time		
Full-time workforce	60,992	97.65
Part-time workforce	1,462	2.34
Career development		
Fixed-term contracts (CDD) converted to open-ended contracts (CDI)	1,866	
Professional insertion and people with disabilities		
Number of people with a disability	433	0.69
Compensation in euros(2)		
Total gross compensation	364,810,969	–
Staff costs	551,205,659	–
Employee profit-sharing payments	3,556,105	–
Amount paid for employee profit-sharing	8,436,629	–
Staff services and activities(2)		
Budget for staff and cultural services and activities and Works Council	5,428,989	–

* Vivendi data excluding absences of ninety days and more.
(1) Scope Bolloré Group excluding Havas (except for workforce by gender).
(2) Scope Bolloré France, excluding Vivendi.

Havas indicators

	2017	Scope covered (in %)
Workforce		
Workforce as of December 31, reported by the Havas consolidation scope	19,535	–
% workforce under permanent contract (CDI)	92	96
% men	44	82
% women	56	82
Hires and departures		
Total number of hires	5,975	92
Of which number of hires on permanent contracts	4,314	92
Total number of departures	7,205	92
Of which number of dismissals (economic and non-economic)	1,614	92
Organization of working time, absenteeism		
Number of employees that were absent for at least one day	9,825	92
Total percentage of working days of absence due to illness	45	91
Total percentage of working days of absence for maternity/paternity leave	43	91
Health, working conditions, hygiene and safety		
Number of workplace accidents with leave	59	93
Number of working days lost for workplace accidents	1,004	91
Training		
Number of participants in training actions	9,466	90
% workforce having benefited from at least one training course	55	90
Total number of training hours delivered	129,195	89
Average number of hours of training per participant	14	89

ENVIRONMENTAL AND SOCIETAL REPORTING

In accordance with the provisions of decree no. 2012-557 of April 24, 2012, on the obligations of social and environmental transparency related to application of law no. 2010-788 of July 12, 2010 (known as the "Grenelle II law") and the AMF recommendations on information to be published by companies concerning social and environmental responsibility, the Group revised its reporting protocol and drew up a table of significant indicators regarding its diversified activities.
The principles on which this protocol is based are in line with, in particular, IFRS guidelines, ISO 26000 and the Global Reporting Initiative (GRI). This protocol is distributed and applied to all entities that gather and communicate their extra-financial information to the Group.
It is reviewed every year and defines the conditions for the collection and verification of data.
The entities examined correspond to those included in the financial scope.
The registration document presents the Group's strategic drivers and major social, environmental and societal commitments.
It is supplemented by the CSR report, which includes information about the CSR actions of the various divisions.
Following the initial audit conducted in 2014 by the Statutory Auditors on non-financial information, the Group's set of indicators and some definitions were made more specific. Indicators were deployed internationally.
The Statutory Auditors verified that areas for improvement defined in 2014 had been taken into consideration for the collection of data in 2015, 2016 and 2017. As in the previous year, they provided a certificate of the presence of the 42 indicators required by the Grenelle II law and in the Group reporting issued a reasoned opinion on the transparency of the information that they specifically audited.

Scope of reporting

The scope of companies examined corresponds to the consolidated integrated financial scope (excluding finance and operating companies accounted for using the equity method) established at December 31, 2016. For 2017, the scope of reporting includes companies that have:
- a workforce of 20 or more;
- turnover of 10 thousand euros or more; and
- have been in existence for at least one year (i.e. with one full accounting year completed at December 31)(1).

The Bolloré Group installed a specialist sustainable development reporting software enabling decentralized collection and centralized consolidation of extrafinancial indicators. Companies in the Transportation and logistics and Electricity storage and solutions divisions plus Bolloré SA rolled out the same system in all entities. Havas and Vivendi used their own specialized software.
Data is consolidated centrally by the Group CSR team.

Reporting methodology

The following points describe the methodology employed for reporting:
- reporting protocol: this document details the CSR reporting challenges, describes the respective roles and responsibilities of directors, level one and level two approvers, and contributors as well as the organization of the campaign. It is sent out to all relevant people before the commencement of the campaign. It is also archived and made available to everyone in the reporting system;
- indicators and standards: an array of indicators was defined covering all CSR domains and split into four themes: health and safety, environment, ethics and societal information. The indicators were provided to everyone upon sending out of the reporting protocol. All indicators refer to the NRE Act, the Grenelle II Act, the GRI and the specific needs of Group operations;
- reporting questionnaire and consistency checks: the reporting questionnaire is split into six related sections:
– structure of the entity,
– sharing the same business ethics,

(1) The consolidation scope may be adjusted by the divisions (exclusion of companies that were closed during the year, or for which data was not available, or inclusion of companies below thresholds, etc.).

– ensuring the safety and employability of employees,
– controlling and reducing risks,
– optimizing products and services,
– participating and contributing in a spirit of solidarity to local development, Consistency checks were introduced in response to requests from the Statutory Auditors with a view to making the reporting more reliable;
- collection period: data is collected for the year (i.e. from January 1 through December 31). The data collection period runs from January 1 to January 31 N+1. For missing data, estimates can be made.

Calculation of GHG emissions

For scopes 1 and 2, the greenhouse gas emissions presented in the document are linked to the Group's energy consumption and include those of Havas and Vivendi. The calculation method used is the Ademe carbon base method issued on December 17, 2015. Internationally, where the emission factors for certain items of energy consumption were unavailable the French factor was applied. For GHG emissions linked to electricity, when no emission factor was available for a particular country, the highest factor from any of its neighboring countries was applied.
For scope 3, the Group identified the largest sources of emissions. The geographic scope used for emissions from the transportation of goods is Europe. In order to satisfy its customer notification and publication obligations, the Bolloré Group incorporated emissions into its IT systems. An exact number is not available for 2017. The Group will publish this number in 2018, assuming the issue with the software is resolved. The data relating to employee travel encompasses data relating to train and plane journeys. For plane journeys, the Group split out medium-haul flights (under 2,000 km) and long-haul flights. For medium-haul flights, the Group uses the emission factor of flights of more than 100 to 180 passengers between 1,000 and 2,000 km. For long-haul flights, the Group uses the emission factor of over 250 passengers for flights of between 8,000 and 9,000 km (estimation of the average flight across the Group). For emissions from train journeys, it is simply not practicable to list all the journeys made. The Group therefore decided to use the emission factor for regional diesel trains in the Ademe database. This decision is due to the fact that 53% of the journeys are made by employees in the West African entities.

Table of environmental and societal indicators

Water and energy consumption(1)

	Unit of measurement	2017 data	2016 data	2015 data	% total Group workforce covered by the indicator
Water consumption					
Water (from distributed supply and natural environment(2)	m^3	1,731,283	2,003,499	2,488,925	100
Energy consumption					
Electricity consumed in buildings (offices, warehouses, factories)(3)	MWh	383,441	276,768	270,961	98
Urban heating(4)	MWh	8,010	987	1,643	100
Domestic fuel consumed(4)	m^3	1,096	690	985	100
Total natural gas consumed(4)	m^3	2,941,555	2,287,885	2,236,223	100
Total diesel (generators, etc.) consumed(2)	m^3	9,745	15,328	58,088	100
Quantity of petrol (generators, etc.) consumed(2)	m^3	17	8	15	100
Total heavy fuel oil and distillate diesel oil consumed by the goods transportation fleet and/or used by people(2)	m^3	10,570	27,792	11,274	100
Total diesel consumed by the goods transportation fleet(2)	m^3	41,927	35,201	70,661	100
Total Liquefied Petroleum Gas (LPG) consumed by the goods transportation fleet(2)	m^3	–	2	37	0
Total diesel consumed by the passenger transportation fleet(4)	m^3	5,085	8,160	20,352	100
Total gasoline consumed by the passenger transportation fleet(4)	m^3	1,909	1,373	4,393	100
Total Liquefied Petroleum Gas (LPG) consumed by the passenger transportation fleet(4)	m^3	56	–	93	100
Total diesel or non-road diesel consumed by handling equipment(2)	m^3	28,123	23,795	29,616	100
Total Liquefied Petroleum Gas (LPG) consumed by handling equipment(2)	m^3	2,364	320	1,079	100
Total natural gas consumed by handling equipment(2)	m^3	1,950	1	0	100
Electricity consumption of Autolib'/Bluely/Bluecub vehicles(5)	MWh	29,029	32,421	15,077	100

(1) The data includes the consumption of Bolloré Group, Vivendi and Havas. They present data for gross consumption collected from entities surveyed. The entities of Vivendi have only been integrated since 2017, which explains certain increases in consumption.
(2) Percentage of the workforce of the entities questioned as part of Bolloré reporting.
(3) Percentage of the workforce of entities questioned as part of Bolloré, Vivendi and Havas reporting concerned by the indicator.
(4) Percentage of the workforce of entities questioned as part of Bolloré and Vivendi reporting concerned by the indicator.
(5) In Blue Solutions entities.

Environmental investment and spending[1]

(in thousands of euros)	2015		2016		Year 2017	
	Environmental investments	Environmental spending	Environmental investments	Environmental spending	**Environmental investments**	**Environmental spending**
Transportation and logistics	5,951	4,054	3,125	5,668	1,842	3,213
Oil logistics	2,539	3,370	5,904	3,454	1,709	4,282
Electricity storage and solutions	490	862	2,166	746	1,014	875
Other[2]	200	21	–	1,070	–	82
TOTAL	9,180	8,306	11,194	10,938	**4,565**	**8,452**

(1) This data does not include the environmental spending of the Havas and Vivendi groups.
(2) Agricultural assets, holding companies.

Facilities classified for the protection of the environment (ICPE)

	2015				2016				Year 2017			
	Sites subject to declaration (ICPE)	Sites subject to authori-zation (ICPE)	Number of ICPE audits carried out	Breaches identified during ICPE audits or by local authorities	Sites subject to declaration (ICPE)	Sites subject to authori-zation (ICPE)	Number of ICPE audits carried out	Breaches identified during ICPE audits or by local authorities	Sites subject to declaration (ICPE)	Sites subject to authori-zation (ICPE)	Number of ICPE audits carried out	Breaches identified during ICPE audits or by local authorities
Transportation and logistics	5	6	4	1	5	7	2	3	19	8	1	0
Oil logistics	115	18	52	1	111	19	2	0	106	19	38	0
Communications[1]	0	0	0	0	0	0	0	0	0	0	0	0
Electricity storage and solutions	1	3	1	0	1	3	0	0	0	3	1	0
Other[2]	2	0	0	0	2	0	0	0	2	0	1	0
TOTAL	123	27	57	2	119	29	4	3	**127**	**30**	**41**	**0**

(1) Covers only Havas data.
(2) Agricultural assets, holding companies.

Societal actions supported[1]

	Total number of projects supported during the reporting year		
	2015	2016	**2017**
Transportation and logistics	543	275	301
Oil logistics	8	1	1
Electricity storage and solutions	50	182	121
Other[2]	16	0	0
Fondation de la 2e chance[3]	418	357	370
TOTAL	1,035	815	**793**

(1) This data does not include the societal actions of the Havas and Vivendi groups.
(2) Societal data of the holding, excluding Earthtalent projects.
(3) This figure has to do with assistance (direct support for projects) covered by public or private partners of the Fondation de la 2e chance. The Bolloré Group directly covers the operating costs for the Foundation's registered office.

Grenelle II cross-reference table

Information required under the Grenelle II act	GRI 4	ISO 26000/2010	Global Compact	Information published in the 2017 registration document	Scope covered by the indicator (registration document)
Social information					
Total workforce and distribution of workforce by gender, age, geographical area	G4-LA1	6.4.3		See 17.5.1 "Social reporting"	Group
Hiring and departures	G4-LA1 (staff turnover)	6.4.3		See 17.3.2 "The company's greatest strength is its men and women" See 17.3.2.1 "Attracting talent and retaining employees" See 17.5.1 "Social reporting"	Group
Compensation and changes in compensation	G4-EC1 G4-EC5	6.8.1 6.8.2		See 17.3.2 "The company's greatest strength is its men and women" See 17.3.3.1 "Attracting talent and retaining employees" See 17.5.1 "Social reporting"	France
Organization of working time	–	6.4.1 6.4.2		See 17.5.1 "Social reporting"	Group
Absenteeism	G4-LA6	6.4.6		See 17.5.1 "Social reporting"	
Organization of social dialogue (in particular the procedures for informing and consulting staff as well as negotiation procedures)	G4-HR4	6.4.5	# 3	See 17.3.2 "The company's greatest strength is its men and women" See 17.5.1 "Social reporting"	Group
Collective agreements	Freedom of association and the right to collective bargaining G4-HR4	6.4.5	# 3	See 17.3.2 "The company's greatest strength is its men and women" See 17.5.1 "Social reporting"	France
Health and safety conditions	G4-LA5 to G4-LA8	6.4.6 6.4.8	# 4-5	See 17.3.1.3 "Protecting the health and ensuring the safety of women and men exposed as part of our activities" See chapter 4, table of industrial risks and risks related to the environment	Group
Workplace accidents	G4-LA6 G4-LA7 (work-related illnesses)	6.4.6 6.4.8	# 4-5	See 17.3.1.3 "Protecting the health and ensuring the safety of women and men exposed as part of our activities"	France
Report of agreements signed with trade unions or staff representatives regarding occupational health and safety	G4-LA8	6.4.6	# 4-5	See 17.3.2 "The company's greatest strength is its men and women" See 17.5.1 "Social reporting"	France
Training policies	G4-LA10	6.4.7 6.8.5		See 17.3.2 "The company's greatest strength is its men and women" See 17.3.2.2 "Developing our employees' skills" See 17.5.1 "Social reporting"	Group
Total number of training hours	G4-LA9	6.4.7		See 17.3.2 "The company's greatest strength is its men and women" See 17.3.2.2 "Developing our employees' skills" See 17.5.1 "Social reporting"	France

Information required under the Grenelle II act	GRI 4	ISO 26000/2010	Global Compact	Information published in the 2017 registration document	Scope covered by the indicator (registration document)
Measures taken to improve gender equality	G4-LA13	6.3.5 6.4.3 6.6.6 7.3.1		See 17.5.1 "Social reporting"	Group
Measures taken to encourage the employment and integration of disabled people	G4-LA12	6.3.7 6.3.10 6.4.3		See 17.5.1 "Social reporting"	France
Policy to combat discrimination	G4-HR3	6.3.6 6.3.7 6.3.10 6.4.3		See 17.3.2 "The company's greatest strength is its men and women" See 17.3.2.1 "Attracting talent and retaining employees" See 17.5.1 "Social reporting"	Group
Respecting freedom of association and the right to collective bargaining	G4-HR4	6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.5 6.6.6	# 3	See 17.3.2 "The company's greatest strength is its men and women" See 17.5.1 "Social reporting"	Group
Elimination of discrimination in respect of employment and occupation	G4-HR3	6.3.10	# 6	See 17.3.2. "The company's greatest strength is its men and women" See 17.3.2.1 "Attracting talent and retaining employees"	Group
Elimination of forced or compulsory labor	G4-HR6	6.3.3 6.3.4 6.3.5 6.3.10 6.6.6	# 4-5	See 17.3.1 "Acting responsibly and promoting human rights"	Group
Effective abolition of child labor	G4-HR5	6.3.3 6.3.4 6.3.5 6.3.7 6.3.10 6.6.6 6.8.4	# 4-5	See 17.3.1 "Acting responsibly and promoting human rights"	Group
Environmental information					
Organization of the company to respond to environmental issues and, where necessary applicable, environmental evaluation and certification processes	G4-DMA Environment category	6.5.1 6.5.2		See 17.3.3.3 "Controlling our environmental footprint" See 17.5.2 "Environmental and societal reporting" See chapter 4, table of industrial risks and risks related to the environment	
Training and raising awareness of employees on the protection of the environment	Environment category	6.5.1 6.5.2	# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint" See 17.5.2 "Environmental and societal reporting"	Group
Resources allocated to preventing environmental hazards and pollution	G4-EN20 to G4-EN28 G4-SO1 and G4-SO2	6.5.3	# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint" See chapter 4, table of industrial risks and risks related to the environment	Group
Amount of provisions and guarantees for environmental hazards (provided this information is not such as to cause significant harm to the company in an ongoing lawsuit)	G4-EC2	6.5.5		See note 10, table "Provisions and litigation"	

Information required under the Grenelle II act	GRI 4	ISO 26000/2010	Global Compact	Information published in the 2017 registration document	Scope covered by the indicator (registration document)
Measures to prevent, reduce or remedy emissions into air, water and soil that seriously damage the environment	G4-EN20 to G4-EN28	6.5.3	# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint" See 17.5.2 "Environmental and societal reporting" See chapter 4, table of industrial risks and risks related to the environment	Group
Measures to prevent, recycle and eliminate waste	G4-EN20 to G4-EN28	6.5.3	# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint" See chapter 4, table of industrial risks and risks related to the environment	Group
Taking account of noise pollution and any other form of pollution specific to a business	G4-EN20 to G4-EN28	6.5.3	# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint" See chapter 4, table of industrial risks and risks related to the environment	Group
Water consumption and water supply having regard to local constraints	G4-EN22 G4-EN26 G4-EN8 to G4-EN10	6.5.3	# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint" See 17.6.2 "Environmental and societal reporting" See chapter 4, table of industrial risks and risks related to the environment	Group
Consumption of raw materials and measures taken to use them more efficiently	G4-EN1 G4-EN2	6.5.4		See 17.3.3.3 "Controlling our environmental footprint" See chapter 4, table of industrial risks and risks related to the environment	Group
Energy consumption and measures taken to use it more efficiently	G4-EN3 to G4-EN7	6.5.4 6.5.5	# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint" See chapter 4, table of industrial risks and risks related to the environment	Group
Land use			# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint" See chapter 4, table of industrial risks and risks related to the environment	Group
Greenhouse gas emissions (Art. 75 Grenelle II)	G4-EN15 to G4-EN21	6.5.3 6.5.5	# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint" See 17.5.2 "Environmental and societal reporting"	France
Adapting to the consequences of climate change	G4-EC2 G4-EN6 G4-EN7 G4-EN15 to G4-EN20 G4-EN27	6.5.5	# 7-8-9	See 17.3.3 "Innovating in response to major economic and environmental change" See 17.3.3.2 "Being a committed player in the energy transition in the exercise of our activities"	Group
Measures taken to conserve or enhance biodiversity	G4-EN11 to G4-EN14 G4-EN26	6.5.6	# 7-8-9	See 17.3.3.3 "Controlling our environmental footprint"	Bolloré Logistics Bolloré SA (Vineyards)
Societal information					
Geographical, economic and social impact on jobs and regional development	G4-EC8	6.8.5		See 17.3.4 "Taking action for local development" See 17.3.4.1 "Contributing to and promoting local employment" See 17.3.4.2 "Investing in the local economy"	Group
Geographical, economic and social impact on neighboring or local populations	G4-HR8	6.3.4 6.3.6 6.3.7 6.3.8 6.6.7 6.8.3		See 17.3.4 "Taking action for local development" See 17.3.4.1 "Contributing to and promoting local employment" See 17.3.4.2 "Investing in the local economy"	

Information required under the Grenelle II act	GRI 4	ISO 26000/2010	Global Compact	Information published in the 2017 registration document	Scope covered by the indicator (registration document)
Nature of dialogue with these persons or organizations	G4-SO1 Principle of involvement of stakeholders	6.3.9 6.5.1 6.5.2 6.5.3 6.8		See 17.1.1.2 "Mapping of stakeholders"	Group
Partnership or sponsorship initiatives	G4-EC1	6.8.9		See 17.4 "Sponsorship policy"	Group
Inclusion of social and environmental issues in the purchasing policy	G4-EC9	6.4.3 6.6.6 6.8.1 6.8.2 6.8.7	# 1-2	See 17.3.1 "Acting responsibly and promoting human rights"	Group
Extent of subcontracting and taking account in dealings with suppliers of their corporate social responsibility	G4-SO9	6.3.5 6.6.1 6.6.2 6.6.6 6.8.14 6.8.2 7.3.1	# 1-2	See 17.3.1 "Acting responsibly and promoting human rights" See 17.3.1.1 "Establishing a framework to ensure ethics in the conduct of our business"	Group
Initiatives to prevent corruption	G4-SO3 to G4-50	6.6.3	# 10	See 17.3.1 "Acting responsibly and promoting human rights" See 17.3.1.1 "Establishing a framework to ensure ethics in the conduct of our business"	Group
Measures taken to encourage the health and safety of consumers	G4-PR1 to G4-PR4	6.7.4		See 17.2.3 "General Data Protection Regulation" See part 4 "Table of industrial and environmental hazards"	The Group has no products or services directly connected to consumers, except for passenger transport activities.
Other human rights initiatives	G4-EN34 G4-LA16 G4-HR3 G4-HR8 G4-HR12 G4-SO11	6.3.6	# 1-2	See 17.3.1.2 "Promoting human rights in our activities"	Group
Circular economy					
Initiatives to combat food waste					In light of its business, the Group can take steps to combat food waste through awareness campaigns it may be tasked with carrying out. On the other hand, its impact on this issue in terms of its internal operations is minimal.

Report by the independent third party on the consolidated human resources, environmental and social information included in the management report

For the year ended December 31, 2017

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

To the Shareholders,

In our capacity as independent third party and certified by Cofrac under number(s) 3-1048[1], we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2017 included in the management report (hereinafter named "CSR Information", pursuant to article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

COMPANY'S RESPONSIBILITY

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code *(Code de commerce)* in accordance with the reporting protocol used by the company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French Code of Ethics *(Code de déontologie)* of our profession and the requirements of article L. 822-11 of the French Commercial Code *(Code de commerce)*. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to:
- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (*Code de commerce*) (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

It is not our responsibility to provide any conclusion on the compliance with other applicable legal expectations, in particular those concerning article L. 225-102-4 of the French Commercial Code *(Code de commerce)* (duty of care) or the French law 2016-1691 (fight against corruption).

Our work involved six persons and was conducted between December 2017 and April 2018 during an eight-week period. We were assisted in our work by our sustainability experts.

We performed our work in accordance with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement and the French professional standards and with ISAE 3000[2] concerning our conclusion on the fairness of CSR Information.

I. ATTESTATION REGARDING THE COMPLETENESS OF CSR INFORMATION

NATURE AND SCOPE OF OUR WORK

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R. 225-105-1 of the French Commercial Code (*Code de commerce*).
For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code (*Code de commerce*).
We verified that the CSR Information covers the scope of consolidation, i.e., the company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code (*Code de commerce*) within the limitations set out in the methodological note, presented in the management report.

CONCLUSION

Based on the work performed, and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

II. CONCLUSION ON THE FAIRNESS OF CSR INFORMATION

NATURE AND SCOPE OF OUR WORK

We conducted around forty interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:
- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

(1) Whose scope is available at www.cofrac.fr.
(2) ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information.*

Regarding the CSR Information that we considered to be the most important[3]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of sites selected by us[4] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 49% of headcount and between 11% and 95% of quantitative environmental data disclosed.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

CONCLUSION

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, April 26, 2018

The independent third party

Deloitte et Associés
Jean Paul Séguret
Partner

(3) **Social quantitative information:** headcount on December 31, 2017, workforce by type of contract and by geographical area, number of recruitments, number of departures, number of redundancies, number of days of absence, number of work accidents, frequency rate, severity rate, number of employees who attended at least one training during the year, number of training hours.
Environmental quantitative information: total hazardous and non-hazardous waste removed, water consumption (including water coming from the network and taken from the natural environment), electricity consumed in buildings (offices, warehouses, factories), domestic fuel oil consumed, heavy fuel oil consumed by the fleet, diesel consumed by power generators, freight transport, passenger transport, handling machines, total quantity of natural gas consumed, GHG emissions coming from energy consumption.
Qualitative information: a coherent and fair salary policy, Create a framework to ensure the ethical conduct of business, Ethical compliance management system and anti-corruption, Harbour and railway risk mapping, General regulation on personal data protection.

(4) **Social information:** Bolloré SA.
Environnemental information: Bolloré Logistics France (France), Bolloré Logistics USA Inc. (USA), Sitarail (Côte d'Ivoire), Blue Solutions France (France), Bolloré Energy (France), Société Française Donges-Metz (France), Automatic Systems Belgium SA (Belgium), BTL Cameroun (Cameroon), BTL Kenya (Kenya), ICD Mombasa (Cameroon), DIT (Cameroon), Camrail (Cameroon).

Consolidated financial statements

at December 31, 2017

Unless otherwise indicated, all amounts are expressed in millions of euros and rounded to the nearest decimal. In general, the values presented in the consolidated financial statements and the notes to the consolidated financial statements are rounded to the nearest decimal. As a result, the sum of the rounded amounts may differ slightly from the reported total. Furthermore, ratios and differences are calculated on the basis of the underlying amounts and not on the basis of the rounded amounts.

Consolidated income statement

(in millions of euros)	Notes	2017	2016
Turnover	5.1-5.2-5.3	**18,325.1**	10,075.5
Goods and services bought in	5.4	(12,497.6)	(6,420.3)
Staff costs	5.4	(3,942.0)	(2,714.5)
Depreciation, amortization and provisions	5.4	(947.8)	(394.5)
Other operating income	5.4	268.4	250.8
Other operating expenses	5.4	(234.5)	(213.0)
Share in net income of operating companies accounted for using the equity method	5.4-7.2	151.0	41.9
Operating income	5.2-5.3-5.4	**1,122.6**	625.9
Net financing expenses	7.1	(130.9)	(104.0)
Other financial income	7.1	700.0	631.6
Other financial expenses	7.1	(455.2)	(369.5)
Financial income	7.1	**113.9**	158.1
Share in net income of non-operating companies accounted for using the equity method	7.2	115.5	20.6
Corporate income tax	12	723.6	(224.2)
Consolidated net income		**2,075.6**	580.4
Consolidated net income, Group share		369.1	228.4
Minority interests	9.3	1,706.5	352.0

EARNINGS PER SHARE[1] 9.2

(in euros)	2017	2016
Net income, Group share		
– basic	86.95	53.82
– diluted	86.29	53.82

(1) Excluding treasury shares.

Consolidated statement of comprehensive income

(in millions of euros)	2017	2016
Consolidated net income for the period	**2,075.6**	580.4
Translation adjustment of controlled entities(1)	(647.2)	(57.3)
Change in fair value of financial instruments of controlled entities(2)	1,085.0	(742.0)
Other changes in items subsequently reclassified to profit or loss(3)	(158.5)	47.4
Total changes in items that will be recycled subsequently through profit or loss	**279.4**	(752.0)
Actuarial gains and losses from controlled entities recognized in equity	31.7	(34.1)
Actuarial gains and losses from entities accounted for using the equity method recognized in equity	3.7	(12.7)
Total changes in items that will not be recycled subsequently through profit or loss	**35.5**	(46.8)
COMPREHENSIVE INCOME	**2,390.4**	(218.4)
Of which:		
– Group share	622.5	(180.0)
– minority interests	1,767.9	(38.4)
Of which taxes:		
– on fair value of financial instruments	*(0.5)*	*0.2*
– on actuarial gains and losses	*(14.1)*	*11.6*

(1) Corresponds primarily to UMG's translation adjustment with Vivendi since the date of full consolidation. See note 1 – Significant events.
(2) See note 7.3 – Other financial assets.
(3) Change in comprehensive income from investments in equity affiliates: essentially impact of the conversion and fair value adjustment according to IAS 39 – see Changes in consolidated shareholders' equity.

During the 2017 fiscal year, the change in method for consolidating Vivendi led to carrying 76.0 million euros in profit and loss to reflect Vivendi's fair value and foreign exchange reserves between October 7, 2016 and April 26, 2017. See note 1 – Significant events and note 4.1 – Principal changes in consolidation scope.

Consolidated balance sheet

ASSETS

(in millions of euros)	Notes	12/31/2017	12/31/2016
Goodwill	6.1	14,430.7	2,976.8
Other intangible assets	6.2-5.2	10,290.2	1,340.6
Tangible assets	6.3-5.2	3,109.2	2,270.5
Investments in equity affiliates	7.2	4,587.3	4,549.7
Other non-current financial assets	7.3	7,825.9	2,532.7
Deferred tax	12.2	721.3	226.8
Other non-current assets	5.8.1	523.2	234.3
Non-current assets		**41,487.7**	14,131.4
Inventories and work in progress	5.5	1,170.9	369.1
Trade and other receivables	5.6	7,153.0	4,693.9
Current tax	12.3	455.1	85.2
Other current financial assets	7.3	109.1	26.6
Other current assets	5.8.2	534.9	76.7
Cash and cash equivalents	7.4	3,098.7	1,348.9
Current assets		**12,521.7**	6,600.4
TOTAL ASSETS		**54,009.4**	20,731.8

LIABILITIES

(in millions of euros)	Notes	**12/31/2017**	12/31/2016
Share capital		105.4	105.4
Share issue premiums		87.7	87.7
Consolidated reserves		4,001.5	3,408.0
Shareholders' equity, Group share		**4,194.6**	3,601.1
Minority interests		25,101.0	4,638.7
Shareholders' equity	9.1	**29,295.6**	8,239.8
Non-current financial debts	7.5	7,156.9	4,567.9
Provisions for employee benefits	11.2	907.2	308.8
Other non-current provisions	10	945.3	154.3
Deferred tax	12.2	2,424.3	239.1
Other non-current liabilities	5.8.3	475.4	200.3
Non-current liabilities		**11,909.1**	5,470.4
Current financial debts	7.5	1,084.7	1,368.0
Current provisions	10	437.0	80.6
Trade and other payables	5.7	10,586.4	5,255.2
Current tax	12.3	236.6	117.6
Other current liabilities	5.8.4	460.0	200.2
Current liabilities		**12,804.7**	7,021.6
TOTAL LIABILITIES		**54,009.4**	20,731.8

Changes in consolidated cash flows

(in millions of euros)	Notes	2017	2016
Cash flow from operating activities			
Net income, Group share		369.1	228.4
Net income, minority interests' share		1,706.5	352.0
Consolidated net income		**2,075.6**	580.4
Non-cash income and expenses:			
– elimination of depreciation, amortization and provisions		820.8	368.8
– elimination of change in deferred taxes		(399.8)	(1.8)
– other income and expenses not affecting cash flow or not related to operating activities		(360.5)	(11.6)
– elimination of capital gains or losses upon disposals		(243.7)	5.3
Other adjustments:			
– net financing expenses		130.9	104.0
– income from dividends received		(30.0)	(400.9)
– tax charge on companies		(114.4)	243.2
Dividends received:			
– dividends received from companies accounted for using the equity method		44.5	32.6
– dividends received from unconsolidated companies		30.2	400.9
Income tax on companies paid up		14.5	(212.6)
Impact of the change in working capital requirement:		95.4	(5.1)
– of which inventories and work in progress		*44.8*	*(31.7)*
– of which payables		*482.7*	*99.6*
– of which receivables		*(432.2)*	*(73.0)*
Net cash from operating activities		**2,063.3**	1,103.2
Cash flow from investing activities			
Disbursements related to acquisitions:			
– tangible assets		(709.9)	(493.0)
– intangible assets		(350.1)	(81.5)
– assets arising from concessions		(42.8)	(106.6)
– securities and other non-current financial assets		(122.6)	(168.7)
Income from disposal of assets:			
– tangible assets		23.0	8.5
– intangible assets		0.1	0.4
– securities		35.4	223.6
– other non-current financial assets		888.1	48.9
Effect of changes in consolidation scope on cash flow		3,405.6	(101.3)
– of which impact of the full consolidation of Vivendi		*3,494.8*	*0.0*
Net cash from investing activities		**3,126.8**	(669.8)

Cash flows from financing activities	Notes	2017	2016
Disbursements:			
– dividends paid to parent company shareholders		(4.2)	(4.2)
– dividends paid to minority shareholders net of distribution tax		(571.7)	(116.5)
– financial debts repaid	7.5	(3,285.2)	(1,467.2)
– acquisition of minority interests and treasury shares		(1,722.5)	(89.9)
Receipts:			
– capital increase		149.1	1.8
– investment subsidies		8.2	14.6
– increase in financial debt	7.5	2,027.1	1,347.1
– disposal to minority interests and disposals of treasury shares		2.9	(1.4)
Net interest paid		(113.2)	(100.2)
Net cash from financing activities		**(3,509.6)**	(415.9)
Effect of exchange rate fluctuations		(103.0)	(33.1)
Others		(0.1)	0.0
Net increase (decrease) in cash and cash equivalents		**1,577.4**	(15.5)
Cash and cash equivalents at the beginning of the period(1)		1,195.1	1,210.6
Cash and cash equivalents at the end of the period(1)		2,772.5	1,195.1

(1) See note 7.4 – Cash and cash equivalents and net cash.

NET CASH FLOWS FROM OPERATING ACTIVITIES

Other income and expenses without any impact on the cash position mainly include reversals of the share in net income of companies accounted for using the equity method for –266.5 million euros (see note 7.2 – Investments in equity affiliates) and fair value recognition of financial instruments for 89.3 million euros.

The Working Capital Requirement (WCR) fell by 95.4 million euros compared with December 2016. The main changes are described below:

- the WCR of the Communications segment fell by 143.9 million euros as a result of Vivendi's business;
- the WCR of the Electricity Storage and solutions sector increased by 24.0 million euros, including 25.4 million euros for the automotive Developments and Applications business. The main changes are due to the drop in inventories and the sharp rise in research tax credit receivables;
- the WCR of the Transport and logistics segment increased by 15.8 million euros;
- the WCR of the Petroleum logistics sector increased by 10.8 million euros, the average customer lead times remained stable over the year.

NET CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures on the Transportation and logistics business in Africa amounted to –376.8 million euros, expenditures made as part of the Group's development on the continent and in particular the port branch of activity.

Vivendi's industrial capital expenditure amounted to –407.2 million euros.

An investment in the Electricity storage and solutions sector of 154.5 million euros was also made with the launch of new international services the maintenance of the amount of capital expenditure in the research and development component.

Cash flows from investing activities mainly represent the disposal of cash management financial assets at Vivendi for 843.6 million euros.

NET CASH FLOWS FROM FINANCING ACTIVITIES

Issuances and repayments of loans are mainly linked to the day-to-day management of the Group's financing at the Bolloré SA level (issuances: 894.3 million euros/repayments: –1,451.5 million euros), Vivendi (issuances: 854.2 million euros/repayments: –593.6 millions euros) and Compagnie de Cornouaille (repayments: –1,050.0 million euros).

Issuances of loans mainly included new bond loans at Vivendi and Bolloré SA for 850.0 million euros and 500.0 million euros respectively (see note 7.5 – Debt).

Loan repayments include repayment by Bolloré SA of various lines of credit and short-term marketable securities for –1,451.5 million euros, repayment of financing backed by Vivendi shares for –1,050.0 million euros at Compagnie de Cornouaille and reimbursement of short-term marketable securities at Vivendi for –500.0 million euros.

Disbursements related to the acquisition of minority interests and treasury shares mainly concern the repurchase of the Havas minority interests for an amount of –1,600.8 million euros and the repurchase of minority interests of Blue Solutions for –37.9 million euros (see note 1 – Significant events).

Changes in consolidated shareholders' equity

(in millions of euros)	Number of shares excl. treasury shares[1]	Share capital	Share issue premiums	Securities treasury shares	IAS 39 fair value	Translation adjustment	Actuarial (losses) and gains	Reserves	**Shareholders' equity, Group share**	Minority interests	**Total**
Shareholders' equity at January 1, 2016	4,244,911	105.4	87.7	(169.4)	1,337.6	(17.4)	(30.2)	2,494.5	**3,808.3**	4,815.3	**8,623.6**
Transactions with shareholders	0	0.0	0.0	1.2	133.5	(0.7)	0.6	(161.8)	**(27.2)**	(138.2)	**(165.3)**
Dividends distributed								(4.2)	(4.2)	(161.8)	(166.0)
Transactions on treasury securities									0.0		0.0
Share-based payments								5.6	5.6	6.4	12.0
Changes in consolidation scope[2]				1.2	133.5	(0.6)	0.5	(162.5)	(27.9)	15.8	(12.2)
Other changes						(0.1)	0.1	(0.7)	(0.7)	1.4	0.9
Comprehensive income items					(373.3)	(15.5)	(19.6)	228.4	**(180.0)**	(38.4)	**(218.4)**
Net income for the period								228.4	228.4	352.0	580.4
Change in items recyclable through profit and loss											
– translation adjustment of controlled entities						(25.3)			(25.3)	(32.0)	(57.3)
– change in fair value of financial instruments of controlled entities[3]					(388.8)				(388.8)	(353.2)	(742.0)
– other changes in comprehensive income[4]					15.5	9.8			25.3	22.1	47.4
Change in items that will not be recycled											
Actuarial (losses) and gains from controlled entities							(12.8)		(12.8)	(21.4)	(34.1)
Actuarial (losses) and gains from entities accounted for using the equity method							(6.8)		(6.8)	(5.9)	(12.7)
Shareholders' equity at December 31, 2016	4,244,911	105.4	87.7	(168.3)	1,097.7	(33.6)	(49.2)	2,561.0	**3,601.1**	4,638.7	**8,239.8**
Transactions with shareholders	0	0.0	0.0	0.5	(4.9)	4.9	(2.0)	(27.6)	**(29.1)**	18,694.5	**18,665.4**
Dividends distributed								(4.2)	(4.2)	(195.6)	(199.8)
Transactions on treasury securities									0.0		0.0
Share-based payments								6.9	6.9	29.2	36.0
Changes in consolidation scope[2]				0.5	(4.9)	3.3	11.7	(28.3)	(17.7)	18,871.6	18,853.9
Other changes					(0.0)	1.6	(13.7)	(1.9)	(14.0)	(10.7)	(24.8)
Comprehensive income items					355.9	(106.4)	3.9	369.1	**622.5**	1,767.9	**2,390.4**
Net income for the period								369.1	369.1	1,706.5	2,075.6
Change in items recyclable through profit and loss											
– translation adjustment of controlled entities						(78.0)			(78.0)	(569.3)	(647.2)
– change in fair value of financial instruments of controlled entities[3]					380.4				380.4	704.7	1,085.0
– other changes in comprehensive income[4]					(24.5)	(28.4)			(52.9)	(105.6)	(158.5)
Change in items that will not be recycled											
Actuarial (losses) and gains from controlled entities							3.8		3.8	27.9	31.7
Actuarial (losses) and gains from entities accounted for using the equity method							0.0		0.0	3.7	3.7
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2017	4,244,911	105.4	87.7	(167.8)	1,448.6	(135.0)	(47.4)	2,902.6	**4,194.6**	25,101.0	**29,295.6**

(1) See note 9.1 – Shareholders' equity.
(2) At December 31, 2017, the net effect of Vivendi's minority interests at fair value in the amount of 20,384.2 million euros following the first-time consolidation of Vivendi on April 26, 2017 and impact of the repurchase offer of –1,600.8 million euros in minority interests (see note 1 – Significant events and note 4.1 – Principal changes in consolidation scope) and capital increases related to the 2016 dividend and the 2017 interim dividend in Bolloré SA shares for a total amount of 39.5 million euros.
At December 31, 2016 the net effect on the Vivendi equity accounting reserves and the fair value reserves for in the amount of –14.2 million euros, the acquisition of Bolloré SA shares in the amount of –29.5 million euros and capital increases related to the distribution of 2015 dividends and the 2016 interim dividend in Bolloré SA shares, in the total amount of 37.5 million euros.
(3) See note 7.3 – Other financial assets.
(4) Mainly from changes in comprehensive income from investments in equity affiliates: impact of the conversion and fair value adjustment according to IAS 39.

Notes to the consolidated financial statements

Financière de l'Odet is a corporation (*société anonyme*) incorporated under French law and subject to all legislative and other provisions applying to trading companies in France, and in particular those of the French commercial code (*Code de commerce*). Its registered office is at Odet, 29500 Ergué-Gabéric. The administrative headquarters is at 31-32, quai de Dion-Bouton, 92811 Puteaux. The company is listed on the Paris stock exchange.
Financière de l'Odet is fully consolidated in the financial statements of Bolloré Participations.
On March 22, 2018, the Board of Directors approved Financière de l'Odet Group's consolidated financial statements for the year ended December 31, 2017. These financial statements will only become final after approval by the General Meeting of Shareholders to be held on June 1, 2018.

NOTE 1. SIGNIFICANT EVENTS

FULL CONSOLIDATION OF VIVENDI AS OF APRIL 26, 2017

The situation of Vivendi presented to the General Meeting of April 25, 2017 led the Financière de l'Odet Group to re-examine the control exercised over Vivendi in light of IFRS 10 – Consolidated financial statements.
At the time of this Meeting, the Financière de l'Odet Group, which is Vivendi's sole major shareholder, had an ownership position made more influential by France's Florange Law, which now gave it double voting rights on its shares. A close analysis of the rights held by the Group and the historical dynamics of Vivendi General Meetings showed that the Group held close to a majority of the votes in a context of widely dispersed share ownership.
The Group then analyzed other facts and circumstances that might show the existence of control, including the facts indicating its ability to control the key activities and influence the strategy and returns generated by Vivendi. This analysis focused in particular on transfers of managers and executives, the ability in practice to direct the key processes of each activity, the disposals of assets and stakes, the convergence and synergies between the two groups, and the financing.
At the end of this analysis, the Group believed that the number and importance of the elements thus identified made it possible to infer the existence of a situation of control and therefore fully consolidated its stake in Vivendi from April 26, 2017 forward, as per IFRS 3 (see note 4.1.1 – Principal changes in consolidation scope for the 2017 fiscal year).
At December 31, 2017, the Group reviewed all the factors required to assess the existence of control, and this analysis confirmed the Group's continued control of Vivendi at the closing date.
Pro forma information is provided in note 4.2 – Note on pro forma information.

ACQUISITION OF HAVAS BY VIVENDI

On July 3, 2017, in accordance with the agreement signed on June 6, 2017, Vivendi acquired the majority shareholding of 59.2% held by the Bolloré Group in Havas, at a price of 9.25 euros per share, i.e. an amount of 2,317 million euros, paid in cash.
Vivendi then launched a simplified takeover bid that took place from September 21 to October 4, 2017 for the remaining shares in Havas at the same price of 9.25 euros per share, then a public buyout offer (PBO) for 100% of the shares of Havas. The 40.8% buyback amounted to an additional 1,600.8 million euros.
On December 14, 2017, Havas shares were delisted from Euronext Paris in accordance with the provisions of articles 237-1 *et seq.* of the Autorité des marchés financiers (AMF) general regulation and the shares not included in the public offer by non-controlling shareholders were transferred to Vivendi. At that date, Vivendi owned 100% of Havas' capital.

Treatment in the Financière de l'Odet Group financial statements.

In the Financière de l'Odet Group's financial statements, the disposal of Havas to Vivendi is accounted for as an internal disposal between controlled subsidiaries not resulting in a loss of control. In line with current standards, the impacts of this transaction (costs directly related to the transaction and tax effects related to this transfer) were recognized in shareholder's equity for a total amount of –77.1 million euros, during the 2017 fiscal year, without impacting the Group's consolidated income.
The buyback of additional shares of a controlled subsidiary is considered a transaction between shareholders and is therefore recognized in equity, the consolidated carrying amounts of the assets and liabilities of the subsidiary concerned, including that of goodwill remaining unchanged. The buyout of 40.79% of Havas' minority interests was therefore recognized in equity for a total amount of –1,600.8 million euros.

BLUE SOLUTIONS MINORITY BUYOUT OFFER

The Group, which had listed Blue Solutions at year-end 2013 at 14.50 euros per share, while remaining bullish on the outlook for LMP® technology but wishing to maintain a reasonable growth rate and to continue investing for the long term, offered shareholders looking to exit an initial opportunity to sell their Blue Solutions shares at 17 euros per share. To that end and having obtained AMF approval on July 4, 2017, the simplified tender offer for Blue Solutions' shares was held between July 6 and 19, 2017, at a price of 17.00 euros per share. During the offer, Bolloré SA acquired an additional 7.6% of Blue Solutions' capital for 37.9 million euros (fees included) raising its total stake in Blue Solutions to 78.8%. At the conclusion of the offer, once the stake held by Bolloré Participations was included, the Group had crossed the threshold of 95% ownership and voting rights of Blue Solutions.
The buyback of additional shares of a previously controlled subsidiary is considered a transaction between shareholders and is therefore recognized in equity, the consolidated carrying amounts of the assets and liabilities of the subsidiary concerned, including that of goodwill remaining unchanged. The buyout of 7.6% of Havas' minority interests was therefore recognized in equity for a total amount of –37.9 million euros.

TRANSACTIONS ON BOLLORÉ SA SECURITIES

Balance of the 2016 Bolloré SA dividend

The Bolloré SA General Meeting of June 1, 2017 decided to pay the balance of the dividend for the 2016 fiscal year of 0.04 euro per share with the option to receive this dividend in shares. 7,520,848 Bolloré SA shares were issued on the date of payment of the remainder, resulting in an increase of share capital of Bolloré SA of 26.8 million euros. Financière de l'Odet did not take this option.
The total dividend paid for 2016 was 0.06 euro per share including the interim dividend paid in 2016.

2017 Bolloré SA interim dividend

On September 1, 2017, the Board of Directors of Bolloré SA approved the payment of an interim dividend for fiscal year 2017 of 0.02 euro per share with the option to receive the dividend in the form of shares. 3,638,209 Bolloré SA shares were issued on the date of payment of this interim dividend, resulting in an increase of share capital of Bolloré SA of 12.7 million euros. Financière de l'Odet did not take this option.

NOTE 2. GENERAL ACCOUNTING POLICIES

The Group's consolidated financial statements for 2017 were drawn up in accordance with the IFRS (International Financial Reporting Standards), as adopted by the European Union on December 31, 2017 (available at the following address: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en).
The Group applies IFRS as adopted by the European Union.
These differ from the IASB's IFRS subject to mandatory application on the following points:
• compulsory application standards according to the IASB but not yet adopted or to be applied after closure according to the European Union: see note 2.1 – Changes in standards.

2.1. CHANGES IN STANDARDS

2.1.1. IFRS, IFRIC interpretations or amendments adopted by the Group from January 1, 2017

The amendment to IAS 7 – Statement of cash flows under the "Disclosure Initiative" is mandatory from January 1, 2017 pursuant to the European Union. This amendment received early application in the Group's financial statements at December 31, 2016.
Amendments to IAS 12 – Income tax, "Recognition of deferred tax assets for unrealized losses," of mandatory application at January 1, 2017. This amendment, which was adopted by the European Union in November 2017, had no impact on the Group's financial statements.

2.1.2. Accounting standards or interpretations that the Group will apply in the future

On December 31, 2017, the IASB published standards and interpretations which have not yet been adopted by the European Union; to date, they have not been applied by the Group.

Standards, amendments or interpretations	Dates of publication by the IASB	Application dates pursuant to IASB: fiscal years beginning on or after
IFRIC Interpretation 22 "Foreign currency transactions and advance consideration"	12/08/2016	01/01/2018
Interpretation of IFRIC 23 – "Uncertainty over Income tax treatments"	06/07/2017	01/01/2019
Amendment to IAS 40 "Transfers of investment property"	12/08/2016	01/01/2018
Amendments to IFRS 2 "Classification and measurement of share-based payment transactions"	06/20/2016	01/01/2018
Improvements to IFRS – 2014-2016 cycle	12/08/2016	01/01/2017-01/01/2018
Amendment to IFRS 9 "Prepayment features with negative compensation"	10/12/2017	01/01/2019
Amendment to IAS 28 "Long-term Interests in Associates and joint ventures"	10/12/2017	01/01/2019
Improvements to IFRS – 2015-2017 cycle	12/12/2017	01/01/2019

The IASB published standards and interpretations, adopted by the European Union on December 31, 2017, for which the application date is after January 1, 2017. These new provisions were not applied in advance.

Standards, amendments or interpretations	Dates of adoption by the European Union	Application date pursuant to European Union: fiscal years beginning on or after
IFRS 9 "Financial instruments"	11/29/2016	01/01/2018
IFRS 15 "Recognition of revenue from contracts with customers"	10/29/2016	01/01/2018
IFRS 16 "Leases"	11/09/2017	01/01/2019
Clarification of IFRS 15 "Revenue from contracts with customers"	11/09/2017	01/01/2018

The Group is in the process of finalizing its work on the implementation of these new standards.
In the case of IFRS 15 "Revenue from contracts with customers", work has been undertaken to identify the areas of impacts for each Group business line. The Communication and Transport and logistics sectors have the greatest contribution to turnover. In the Communication sector, analyzes were conducted per business line at the Vivendi level. The main items for consideration for Vivendi concerns the recognition of sales of intellectual property licenses (musical and audiovisual works). In the Transport and logistics sector, analyzes were conducted on a per business line basis. The main items for consideration concern the recognition of gross or net turnover for transport commission services and the identification of performance obligations.
For the Group as a whole and taking into account the work carried out, the application of IFRS 15 is not expected to have any material impact on the Group's financial statements.
With respect to IFRS 9 "Financial Instruments", the sole material impact concerns the choice of each portfolio investment at December 31, 2017 with respect to their accounting classification after the removal of the category "Available-for-sale financial assets" where these items have been recorded until December 31, 2017. Principally these should be classified in the category "fair value through other comprehensive income items that will not be reclassified to profit or loss", with some exceptions.
Concerning IFRS 16 "Leases", the impact identification work has been launched and the process of the Group determining the potential impacts of the application of this standard is ongoing.

2.2. ARRANGEMENTS FOR FIRST-TIME APPLICATION OF IFRS

As a first-time adopter of IFRS, the Group has decided to use the following first-time adoption options allowed under IFRS 1:
• business combinations prior to the IFRS transition date have not been restated;
• the cumulative amount of translation differences on the IFRS transition date has been taken as nil;
• the cumulative amount, on the IFRS transition date, of actuarial differences on employee benefits has been recorded in shareholders' equity;
• tangible assets have been revalued.

2.3. USE OF ESTIMATES

Where financial statements are drawn up under IFRS, estimates and assumptions are made concerning the valuation of certain amounts which appear in the financial statements. This applies to the following sections, among others:

- the valuation of retirement provisions and pension commitments;
- the valuations used in impairments tests;
- the estimates of fair values;
- turnover;
- the impairment of doubtful receivables;
- content assets included in other intangible assets and inventories;
- remuneration based on shareholders' equity instruments;
- agreements to buy out minority interests and earn-out agreements;
- deferred taxes.

The Group regularly reviews its valuations in the light of historical data, the economic climate and other factors. The amounts given in future Group financial statements could be affected as a result.

NOTE 3. COMPARABILITY OF FINANCIAL STATEMENTS

The 2017 financial statements are comparable to those for 2016 apart from the changes in the consolidation scope (see note 4 – Consolidation scope).

NOTE 4. CONSOLIDATION SCOPE

Accounting policies

• Consolidation scope

Companies over which the Group exercises exclusive control are fully consolidated.

Generally, the control exercised by the Group is materialized by the holding of at least 50% of the capital and voting rights of the companies involved. However, in some cases, and in accordance with the criteria addressed by IFRS 10, the Group may consider that it controls entities in which it holds less than 50% of the capital and voting rights.

Those companies on which the Group has a considerable influence are consolidated by the equity method.

Companies over which the Group has joint control by virtue of a contractual agreement with other shareholders are analyzed, whatever the percentage held, in order to define whether they are "joint ventures" or "joint operations" pursuant to the criteria defined by IFRS 11. "Joint ventures" are consolidated by the equity method whereas "joint operations" are accounted for at the level of the control directly held over the partnership's assets and liabilities.

The Group principally holds shareholdings in "joint ventures" in partnerships of the "Transport and logistics" sector, mainly in the field of port terminal operations jointly with other players specializing in this field.

The Group did not identify any joint control of the "joint operations" type as at December 31, 2017.

The Group assesses, on a case-by-case basis in respect of each shareholding, all of the details enabling the type of control exercised by it to be characterized and reviews this assessment if there are changes affecting governance or if facts and circumstances indicate a change in control exercised by the Group.

Potential voting rights held in consolidated entities are analyzed on a case-by-case basis. In accordance with IFRS 10 "Consolidated financial statements", only the potential voting rights conferring, either alone or by virtue of other facts and circumstances, substantial rights over the entity are taken into account for the assessment of control. The Group then analyzes whether these potential rights enable it to have immediate access to the variable returns on the investment and then takes account of the holding resulting there from when calculating percentage interests. This is the case, for example, if there are reciprocal purchase or sale options that can be exercised at a fixed price and on the same date.

Companies that are of no significance either individually or collectively in relation to the consolidated financial statements are excluded from the consolidation scope. Their materiality is assessed before the end of each fiscal year.

• Translation of foreign companies' financial statements

The financial statements of foreign companies whose operating currency is not the same as that in which the Group's consolidated financial statements are presented and which are not suffering hyperinflation have been translated according to the "closing date exchange rate" method. Their balance-sheet items are translated at the exchange rate prevailing at the close of the fiscal period, and income statement items at the average rate for the period. The resulting translation adjustments are recorded under translation adjustments in the consolidated reserves.

Goodwill relating to foreign companies is regarded as part of the assets and liabilities acquired and accordingly translated at the exchange rate prevailing on the closing date.

• Foreign currency transactions

Foreign currency transactions are initially recorded in the entity's functional currency at the exchange rate prevailing on the transaction date. At the closing date, monetary assets and liabilities denominated in foreign currencies are translated into the entities' functional currency at the rates prevailing at the closing date. All differences are recorded in profit or loss for the period, except for differences on foreign currency borrowings that constitute a hedge of the net investment in a foreign entity. These are directly charged to other expenses and income recognized directly in equity until the disposal of the net investment.

• Business combinations

As from January 1, 2010, the Group has applied the provisions of revised IFRS 3 "Business combinations".

Combinations initiated after January 1, 2004 but before January 1, 2010 are entered in the accounts in accordance with the former version of IFRS 3.

Goodwill is equal to the difference between:

• the sum of:
– the consideration transferred, i.e. the acquisition cost excluding acquisition fees and including the fair value of any earn-out payment,
– the fair value on the date control is taken of minority interests in the case of partial acquisition for which the full-goodwill option is chosen,
– the fair value of the stake previously owned, if applicable;
• and the sum of:
– the share, of the fair value of identifiable assets and liabilities of the entity acquired on the date control is taken, of controlling interests (including, if applicable, previously held interests),
– the share relating to minority interests if the full-goodwill option is retained.

On the acquisition date, the assets, liabilities and identifiable potential liabilities of the entity acquired are individually assessed at their fair value, whatever their intended purpose. The analyses and expert assessments required for the initial valuation of these items must be completed within twelve months of the acquisition date. An interim valuation is given if financial statements must be made up during this period.

Intangible assets are entered separately from goodwill if they can be separately identified, i.e. if they arise from a legal or contractual right or are separable from the activities of the entity acquired and are expected to yield a financial return in the future.

Acquisition fees are posted in the income statement, as is any change outside the period for appropriation of elements included in the calculation of goodwill.

If control is gained through successive acquisitions, the share previously owned is revalued at fair value on the date control was taken with a counterpart in the income statement.

The Group assesses, on a case-by-case basis with respect to each partial acquisition, whether to choose the full-goodwill option (goodwill including the share attributable to minority interests).

The Group enters the effects of business combinations under "Other financial income (expenses)".

• Accounting for changes in consolidated ownership interests without loss of control

In accordance with IFRS 10, in the event of the acquisition or disposal of securities in an entity controlled by the Group not resulting in a change in control, the entity recognizes all differences between the adjustment of the value of non-controlling interests and the fair value of the consideration paid or received directly in shareholders' equity, Group share.

- **Loss of control**

In accordance with IFRS 10, the Group recognizes in the income statement, on the date of the loss of control, the difference between:
• the sum of:
– the fair value of the consideration received,
– the fair value of any interests retained;
• and the carrying amount of these items.
The Group includes the effect of losses of control in "Other financial income (expenses)".

4.1. CHANGES IN CONSOLIDATION SCOPE IN 2017 AND 2016

4.1.1. Changes in consolidation scope in 2017

First-time consolidation of Vivendi

In light of the analysis conducted by the Financière de l'Odet Group following the Vivendi General Meeting of April 25, 2017, of other facts and circumstances that indicate its ability to direct the pertinent activities of Vivendi (see note 1 – Significant events), the Group believed that the conditions of control within the meaning of IFRS 10 were met. The shareholding in Vivendi, which had previously been accounted for using the equity method since October 7, 2016, was fully consolidated from April 26, 2017.
At December 31, 2017, the Group owned 15.2% of the total share capital of Vivendi, namely 15.6% excluding treasury shares.
The accounting treatment used to recognize the gain of control was in accordance with IFRS 3 revised. The Group elected to recognize full goodwill, since the minority interests were valued at market value as of the date control was obtained. The stake previously held in Vivendi was remeasured at the market price on the same day and the recyclable items of comprehensive income were recognized in profit and loss. Accordingly, an amount of 232.2 million euros was recognized in financial income in June 2017.
An independent expert was retained to measure the fair value of assets and liabilities on the date of acquisition of a controlling interest.
The intangible assets identified, in accordance with IAS 38 and according to the practice commonly observed in these business sectors, primarily include brands and trademarks, music catalogs, contracts with performers, customer relationships (in particular Canal+ subscriber base, etc.), etc. These assets were valued by discounting cashflows from trademark fees for brands and using the multi-period excess earnings for music catalogs, artist contracts and customer relationships. Intangible assets are amortized over useful lives of between seven and twenty years and generate an annual amortization of approximately 300 million euros.
The securities portfolio has been measured at fair value. Other assets have been valued at their net book value, which is representative of their fair value.
The investment was fully consolidated from the date control was obtained and unimpaired goodwill was provisionally recognized in the amount of 11,964.9 million euros (see note 6.1 – Goodwill) as compared to a total fair value estimated at 23,522.7 million euros.
Some measurement work remains to be finalized, notably on the tax items by the end of the one-year period from the date of acquisition of a controlling interest.

Net book value of the principal assets and liabilities as of the date control was obtained (or fair value)

(in millions of euros)	Net value	Impact of fair value recognition	Fair value	(in millions of euros)	Net value	Impact of fair value recognition	Fair value
Goodwill	10,705.1	1,259.8	11,964.9	Shareholders' equity	18,997.1	5,089.8	24,086.9
Tangible and intangible assets	2,947.7	6,922.5	9,870.2	Financial debts	3,524.2		3,524.2
Investments in equity affiliates	4,464.6	(1,000.9)	3,463.7	Provisions	2,052.6		2,052.6
Other financial assets	5,227.8		5,227.8	Net deferred tax assets	22.2	2,091.6	2,113.8
Cash and cash equivalents	3,619.4		3,619.4	WCR net	2,368.5		2,368.5
TOTAL ASSETS	**26,964.6**	**7,181.4**	**34,146.0**	**TOTAL LIABILITIES**	**26,964.6**	**7,181.4**	**34,146.0**

Vivendi contribution to Financière de l'Odet Group profit and loss since the date of acquiring a controlling interest

(in millions of euros)	2017
Turnover	8,911.3
Goods and services bought in	(5,812.9)
Staff costs	(1,933.5)
Depreciation, amortization and provisions	(554.4)
Other operating income	46.8
Other operating expenses	(56.9)
Share of operating companies accounted for using the equity method	106.6
Operating income	**707.0**
Net financing expenses	(40.8)
Other financial income	218.6
Other financial expenses	(248.7)
Financial income	**(70.9)**
Corporate income tax	878.6
NET INCOME	**1,514.7**

Other entities consolidated for the first time

• **Communications: Havas group**

During the first half of 2017, Havas acquired 100% of the agency A79, the leading independent digital agency in France. This multi-digital agency assists its clients in setting strategies for communication, space buying, tracking and optimization of on-line campaigns. Havas has also taken 58.02% control of Sorento, an Indian communications agency in health care and well-being. In December 2016, Havas acquired 60% of Mr Smith, a New Zealand agency specializing in brand and distribution channel strategies, the creation and production of content for any type of platform, programming and media planning. This entity was consolidated for the first time in the first half of 2017.
In the second half of 2017, Havas acquired 100% of the New York-based agency "The 88". This digital and social agency is involved in strategy consulting, design, influence, event coverage and social media management in the world of fashion, lifestyle and consumer brands. Havas has also acquired a controlling interest of "So What Global", a UK-based health communications agency. In addition, Havas took a 60% majority interest in the capital of Blink, a leading social media agency specializing in content and management of conversations between consumers and brands. This agency also assists clients in monitoring, understanding and managing their social media presence.
Given the earn-out commitments and the buyout of minority interests, the total amount of goodwill is provisionally estimated at 39.2 million euros at December 31, 2017.

Overall effect of acquisitions over the period

The provisional goodwill, including commitments to buy out minority interests, on acquisitions in the period amounted to 12,017.0 million euros and mainly involved the addition of the Vivendi group to the consolidation scope and the acquisitions by the Havas group. Work on measuring the fair value of assets and liabilities will be finalized within the one-year period permitted under the standard.

4.1.2. Changes in consolidation scope in 2016

Consolidated for the first time: fully-consolidated entities

• **Communications: Havas group**

In 2016, Havas group notably acquired 100% of Target Media and Communications Group in the United Kingdom, a group of eight entities offering multi-disciplinary services including in particular media planning and space buying, research, social media, programming, marketing, media relations, advertising and the production of creative content; 100% of Lemz, a full-service Dutch agency that combines advertising, media relations, digital and technology to develop meaningful campaigns and to use creativity to build a better world; 100% of TP1, a digital communications agency based in Montreal, renowned for its strategic expertise in marketing and communications and its commitment to user experience, open technologies and web accessibility and 100% of Beebop media AG, an agency based in Hamburg specialized in social media and in "ambient advertising".

• **Electricity storage and solutions: Capacitor Sciences Inc**

On September 21, 2016, Blue Solutions Canada acquired controlling interests in Capacitor Sciences Inc, a startup based in Palo Alto, California, with some 15 employees. Following the transaction, the Group owned the company outright.
This company specializes in studying and researching new molecules for storing electricity with a view to substantially improving the performance of LMP® batteries (density, cyclability and charge speed).
The company has multiple patents that safeguard its ownership of ongoing developments.
During the 3rd quarter of 2017, the work to assess the fair value of the assets and liabilities as of the date of acquiring a controlling interest, entrusted to an external expert, was completed. An ongoing research and development asset has been identified in accordance with IAS 38. This asset was valued by discounting future cash flows from fees from the date of marketing the products and valued at 12 million US dollars.

Overall effect of acquisitions over the period

Goodwill, including commitments to buy out minority interests, relating to acquisitions made over the 2016 fiscal year amounted to 49.9 million euros, mainly from the acquisition of Capacitor Sciences and the acquisitions made by Havas group.

Consolidated for the first time: entities under significant influence

• **Vivendi equity method accounting**

In light of the new facts and circumstances connected with the transactions entered into on October 7, 2016, Financière de l'Odet Group felt that the conditions relating to significant influence had been satisfied and accounted for its investment using the equity method from that date in accordance with IAS 28 revised.

4.2. NOTE ON PRO FORMA INFORMATION

Pursuant to article 222-2 of the AMF general regulation, pro forma information pertaining to the acquisition of a controlling interest in Vivendi is provided below. It was drawn up using the accounting principles and methods used by the Group in producing its financial statements and show the financial statements restated as if the transaction had occurred on January 1, 2017.
The consolidated pro forma income statement for the tear ended December 31, 2017 is intended to show the impact of acquiring a controlling interest in the Vivendi group (the shift from an equity-method associate to a fully-consolidated company) on Financière de l'Odet Group earnings, as if this control had been acquired as of January 1, 2017.
The pro forma income statement presented below was prepared in accordance with the accounting rules of the Group and reflects the aggregation of the following data:

(a) the Financière de l'Odet Group income statement at December 31, 2017, based on a scope excluding Vivendi;
(b) the Vivendi income statement at December 31, 2017, presented in accordance with IFRS accounting standards and restated according to the accounting methods of the Financière de l'Odet Group;
(c) pro forma adjustments to correct the Financière de l'Odet and Vivendi income statements, as if the acquisition had occurred on January 1, 2017.

Pro forma income statement

(in millions of euros)	(a) Financière de l'Odet restated 12 months of operations	(b) Vivendi restated 12 months of operations	(c) Pro forma adjustments and eliminations(1)	Total pro forma
Turnover	9,429.2	12,444.0	(49.9)	21,823.3
Operating income	402.7	1,043.1	(220.3)	1,225.5
Financial income	(47.0)	(87.6)	(4.5)	(139.1)
– net financing expenses	(90.1)	(53.0)		(143.1)
– other financial income and expenses	43.1	(34.6)	(4.5)	(4.0)
Share in net income from non-operating companies accounted for using the equity method	115.5	0.0		115.5
Corporate income tax	(155.1)	346.6	476.6	668.1
CONSOLIDATED NET INCOME	316.1	1,302.0	251.9	1,870.0

(1) The pro forma adjustments and eliminations correspond to the elimination of reciprocal accounts, the amortization of intangible assets identified in the context of the PPP and, in financial income, the fair value adjustment at January 1, 2017 of the equity interest held prior to the acquisition of the controlling interest.
Income tax includes the impact of the change in tax rates in France and the United States on the deferred tax of the Group's PPP on Vivendi.

4.3. COMMITMENTS GIVEN AS PART OF SHARE DEALINGS

4.3.1. Commitments given

At December 31, 2017 (in millions of euros)	**Total**	**Under 1 year**	**From 1 to 5 years**	**More than 5 years**
Securities purchase commitments(1) (2)	38.7	0.0	26.7	12.0
Guarantees and other commitments given(3)	249.0	16.0	20.0	213.0

(1) Only commitments not recognized in the financial statements.
(2) Concerns put options granted to partners in non-consolidated companies of the Havas group, as well as Blue Solutions' buyout commitments for 2020 of 16.7 million euros.
In addition, Vivendi and its subsidiaries have entered into agreements with certain non-controlling shareholders providing for earn-outs They include the capped earn-outs payable in 2020 and 2022 related to the contract signed in June 2016 for the acquisition of 100% of the companies that own and manage the non-publishing rights of Paddington.
(3) Corresponds mainly to contingent liabilities arising from commitments given in connection with the sale of securities by Vivendi: notably GVT, Maroc Telecom and Activision Blizzard (detailed in note 22.4 of Vivendi's 2017 consolidated financial statements).

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Commitments to purchase securities(1) (2)	25.0	8.3	0.7	16.1
Guarantees and other commitments given	0.3	0.3	0.0	0.0

(1) Only commitments not recognized in the financial statements.
(2) Relates to the share put options given to shareholders in non-consolidated Havas group companies.

4.3.2. Commitments received

At December 31, 2017 (in millions of euros)	**Total**	**Under 1 year**	**From 1 to 5 years**	**More than 5 years**
For share dealings(1)	44.0	28.0	16.0	0.0

(1) Corresponds to Vivendi's commitments for 42.6 million euros.

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
For share dealings	1.1	0.0	1.1	0.0

NOTE 5. OPERATING DATA

5.1. TURNOVER

Accounting policies

Income is included in turnover where the business has transferred to the purchaser the risks and benefits inherent in the ownership of the goods or the provision of the services.
The table below shows the specific characteristics of each segment associated with the entry of income from ordinary activities in the financial statements:

Transportation and logistics	Acting as agent	Where the entity is acting as an agent, turnover corresponds solely to the commission received, less income/expenses passed on to ship owners.
	Acting as principal	Where the entity is acting as principal, turnover corresponds to the total invoiced excluding customs duties.
Oil logistics	Distribution of oil products	Turnover includes specific taxes on oil products included in sale prices. Reciprocal invoices between colleagues are excluded from turnover.
Communications	Studies, advice and services in communications and media strategy	Fees received in payment for consulting and services rendered are recognized in turnover as follows: – the ad or project fees, are recorded when the service has been performed; – fixed fees are most often recorded on a straight-line basis reflecting the expected duration of the service; and – the fees calculated in time spent are recognized according to the works performed.
	Space buying and advertising revenue	Turnover is recognized on broadcast or publication in the media.
	Recorded music	The income from physical sales, net of provisions for return and discounts, if any, is recognized upon shipment or delivery according to the contractual conditions. Digital sales income is recognized on the basis of their estimate at the time of sale to the end customer from data received from the distributors when they are sufficiently reliable or when the distribution platforms notify the distributors of the sale to the end customers.
	Music publishing	Turnover is recognized upon receipt of the royalty declarations and when their collection is certain.
	Pay and free TV	Income from subscriptions is recorded during the period during which the service is provided, net of gratuities granted. Advertising revenues are accounted for on broadcast of the advertising spots. Turnover related to ancillary services is recognized upon completion of the service. Equipment rental income is most often recognized on a straight-line basis over the term of the contract (in application of IFRIC 4 "Determining whether an arrangement contains a lease").
	Films and television programs	Income related to theatrical distribution is recorded during screening. Income related to the distribution of films and licenses on television programs on video or television media is recorded at the opening of the broadcasting window. Video products: upon shipment and provision of products for retail sale.
	Video games	Mobile phones and consoles: upon download, at the fair value of the consideration received or receivable.

(in millions of euros)	**2017**	2016
Sale of goods	6,378.7	2,131.8
Provision of services	11,794.1	7,783.4
Income from associated activities	152.3	160.3
TURNOVER	**18,325.1**	10,075.5

Change in turnover is listed by operating segment in note 5.2 – Information on operating segments.

5.2. INFORMATION ON OPERATING SEGMENTS

Accounting policies

Under the provisions of IFRS 8 "Operating segments", the operating segments used for segment disclosures are those used in internal Group reporting, as reviewed by Executive management (the Group's main operational decision maker), and reflect the Group's organization, which is based on business lines.
The operating segments used are as follows:
- Transportation and logistics: includes services relating to the organization of sea and air transport networks, and logistics;
- Oil logistics: refers to the distribution and warehousing of oil products in Europe;
- Communication: includes sales of recorded music on physical media or in digital form, exploitation of copyrights and services to artists; publishing and distribution of free and pay television channels and production, sale and distribution of films and television series; design and publishing of downloadable video games on mobiles and consoles; ticketing services, theaters; consulting in communication and advertising agencies, media, digital content and telecoms;
- Electricity storage and solutions: includes activities related to the production and sale of electric batteries and their applications: electric vehicles, supercapacitors, dedicated terminals and systems and plastic films.

Other activities mainly concern holding companies.

The breakdown of segment information by geographical area is as follows:
- France, including overseas departments and territories;
- Europe, excluding France;
- Africa;
- Asia Pacific;
- Americas.

Transactions between different segments are conducted under market conditions.
No single individual customer represents more than 10% of the Group's turnover.
The operating results for each segment are the main data used by Executive management to assess the performance of the various segments and allocate resources to them.
The accounting and valuation methods used in internal reporting are identical to those used to draw up the consolidated financial statements, with the exception of the allocation of trademark fees.
Turnover and investment are also regularly monitored by Executive management.
Information on allocations to amortization and provisions is provided to show the reader the main non-cash items of the segment's operating income but is not included in internal reporting.
Concerning Vivendi, due to the recent nature of the acquisition of controlling interest, the group remains for the moment fully allocated to the "Communication" sector.

5.2.1. Information by operating segment

In 2017 (in millions of euros)	**Transportation and logistics**	**Oil logistics**	**Communications**	**Electricity storage and solutions**	**Other activities**	**Inter-segment eliminations**	**Total consolidated**
External turnover	5,761.9	2,171.8	10,059.1	311.4	21.0	0.0	18,325.1
Inter-segment turnover	18.0	2.7	8.7	10.5	58.6	(98.6)	0.0
TURNOVER	**5,779.9**	**2,174.5**	**10,067.8**	**321.9**	**79.5**	**(98.6)**	**18,325.1**
Net depreciation, amortization and provision expense	(214.5)	(9.8)	(608.1)	(102.4)	(13.1)	0.0	(947.8)
Operating income by segment[(1)]	**490.8**	**36.3**	**790.0**	**(164.9)**	**(29.5)**	**0.0**	**1,122.6**
Tangible and intangible capital expenditure	**398.5**	**64.9**	**480.8**	**149.4**	**12.2**	**0.0**	**1,105.8**

(1) Before Bolloré trademark fees.

In 2016 (in millions of euros)	Transportation and logistics	Oil logistics	Communications	Electricity storage and solutions	Other activities	Inter-segment eliminations	Total consolidated
External turnover	5,458.1	1,964.9	2,320.9	309.6	22.0	0.0	10,075.5
Inter-segment turnover	15.2	3.8	4.9	5.0	56.9	(85.8)	0.0
TURNOVER	5,473.3	1,968.7	2,325.8	314.6	78.9	(85.8)	10,075.5
Net depreciation, amortization and provision expense	(198.3)	(9.5)	(59.1)	(112.5)	(15.1)	0.0	(394.5)
Operating income by segment[(1)]	490.2	54.4	281.7	(167.9)	(32.5)	0.0	625.9
Tangible and intangible capital expenditure	344.7	18.5	94.8	207.2	15.0	0.0	680.2

(1) Before Bolloré trademark fees.

5.2.2. Information by geographical area

(in millions of euros)	France and overseas departments and territories	Europe excluding France	Africa	Americas	Asia-Pacific	TOTAL
IN 2017						
Turnover	6,967.9	3,537.4	2,623.9	3,426.9	1,769.1	**18,325.1**
Other intangible assets	3,962.2	298.6	625.9	5,373.9	29.5	**10,290.2**
Tangible assets	1,382.3	341.5	1,013.2	274.2	97.8	**3,109.2**
Tangible and intangible capital expenditure	477.8	167.3	334.7	80.4	45.7	**1,105.8**
In 2016						
Turnover	3,885.5	1,712.9	2,229.3	1,297.5	950.3	10,075.5
Other intangible assets	675.1	16.7	628.9	17.7	2.3	1,340.6
Tangible assets	1,090.7	126.6	823.6	176.3	53.3	2,270.5
Tangible and intangible capital expenditure	303.9	66.9	259.8	34.6	15.0	680.2

Turnover by geographical area shows the distribution of products according to the country in which they are sold.

5.3. MAIN CHANGES AT CONSTANT SCOPE AND EXCHANGE RATES

The table below shows the impact of changes in consolidation scope and exchange rates on the key figures, with the 2016 data being applied to the 2017 consolidation scope and exchange rates.
Where reference has been made to data at constant scope and exchange rates, this means that the impact of changes in the exchange rate and changes in scope (acquisitions or disposals of shareholding in a company, change in percentage of integration, change in consolidation method) has been restated.

(in millions of euros)	2017	2016	Changes in consolidation scope(1)	Foreign exchange variations(2)	2016 constant scope
Turnover	18,325.1	10,075.5	7,382.8	(159.7)	17,298.5
Operating income	1,122.6	625.9	601.3	(15.2)	1,212.0

(1) Changes in the consolidation scope reflect the change in the method of consolidating Vivendi.
(2) Foreign exchange variations on turnover are mainly linked to the appreciation of the euro against the pound sterling and African currencies, in particular the Nigerian naira and Congolese franc and, conversely, the weakening of the euro against the US dollar.

5.4. OPERATING INCOME

Accounting policies

- **Other operating income and expenses**

Other operating income and expenses mainly include gains and losses on the acquisition and disposal of non-current assets, net foreign exchange gains or losses on operating transactions, the impact of foreign exchange derivatives on commercial transactions, the research tax credit and the competitiveness and jobs tax credit.

- **Foreign currency transactions**

Foreign currency transactions are translated into the entity's functional currency at the exchange rate prevailing on the transaction date. At the close of the fiscal year, monetary items denominated in foreign currency are translated into euros at the year-end exchange rate. The resulting foreign exchange gains and losses are recognized under "foreign exchange gains and losses net of hedging" and reported under operating income in respect of commercial transactions.
Gains and losses on foreign exchange derivatives used for hedging are entered under operating income in respect of commercial transactions.

(in millions of euros)	2017	2016
Turnover	18,325.1	10,075.5
Goods and services bought in:	(12,497.6)	(6,420.3)
– goods and services bought in	*(12,070.0)*	*(6,085.7)*
– lease payments and rental expenses	*(427.6)*	*(334.6)*
Staff costs	(3,942.0)	(2,714.5)
Depreciation, amortization and provisions	(947.8)	(394.5)
Other operating income(*)	268.4	250.8
Other operating expenses(*)	(234.5)	(213.0)
Share in net income of operating companies accounted for using the equity method	151.0	41.9
OPERATING INCOME	**1,122.6**	625.9

(*) Details of other operating income and expenses

(in millions of euros)	2017 Total	2017 Operating income	2017 Operating expenses	2016 Total	2016 Operating income	2016 Operating expenses
Capital gains (losses) on the disposal of non-current assets	(10.7)	26.7	(37.4)	(7.2)	8.2	(15.4)
Foreign exchange gains and losses net of hedging	(10.8)	83.6	(94.4)	0.1	63.0	(62.9)
Research and competitiveness and jobs tax credits	67.4	67.4	0.0	82.2	82.2	0.0
Other	(12.0)	90.7	(102.7)	(37.3)	97.4	(134.7)
OTHER OPERATING INCOME AND EXPENSES	**33.9**	**268.4**	**(234.5)**	37.8	250.8	(213.0)

5.5. INVENTORIES AND WORK IN PROGRESS

Accounting policies

Inventories are entered at the lower of their cost and their net realizable value. "Cost" here includes direct costs of materials and any direct labor costs as well as other directly attributable expenses.
The net realizable value is the estimated selling price in the normal course of business, less the estimated cost of completing the goods and the estimated expense needed to make the sale (essentially selling expenses).

- **Canal+ group programs and broadcasting rights**

On signing the contracts to purchase broadcasting rights for films, television programs and sporting events, the acquired rights are reported in contractual commitments. They are then recorded in the balance sheet, classified as inventories and work in progress, under the following conditions:

- broadcasting rights for films and television programs are recognized at their acquisition cost, when the program is available for initial broadcast and are expensed over their broadcast period;
- broadcasting rights for sporting events are recognized at their acquisition cost, at the opening of the broadcast window for the relevant sports season or at the first payment and are expensed when broadcast;
- the consumption of broadcasting rights for films, television programs and sporting events is included in goods and services bought in as a change in inventory.

(in millions of euros)	12/31/2017 Gross value	12/31/2017 Provisions	12/31/2017 Net value	12/31/2016 Gross value	12/31/2016 Provisions	12/31/2016 Net value
Raw materials, supplies, etc.	167.7	(48.4)	119.3	172.5	(39.0)	133.5
Work in process, intermediate and finished products	36.9	(9.2)	27.7	45.4	(14.1)	31.3
Other services in process	1.0	(0.1)	0.9	83.5	(0.6)	82.9
Programs and broadcast rights	757.6	(17.3)	740.3	0.0	0.0	0.0
Goods	375.7	(93.0)	282.7	123.4	(2.0)	121.4
TOTAL	**1,338.9**	**(168.0)**	**1,170.9**	424.8	(55.7)	369.1

5.6. TRADE AND OTHER RECEIVABLES

Accounting policies

Trade and other receivables are current financial assets (see note 7.3 – Other financial assets) initially recorded at their fair value, which generally corresponds to their par value, unless the effect of discounting is significant.
At each year end, receivables are valued at amortized cost, after deducting any impairment losses due to collection risk.
The Group's trade receivables are generally funded on an individual basis taking into account the age of the receivable and external information allowing the financial health of the debtor to be assessed.
For the Group's business lines whose business model is, wholly or partially, subscription-based (Canal+ group), the depreciation rate for trade receivables is measured on the basis of the outstanding debts historically recorded at their level, by customer type, essentially on a statistical basis.
Receivables sold to third parties through commercial factoring contracts are recorded under trade receivables if their associated risks and benefits essentially remain with the Group, financial debts and loans being increased accordingly.

Royalty advances granted to beneficiaries at UMG (artists, songwriters and co-publishers) are recognized in other operating receivables for the part due within one year. They are capitalized as an asset when their current popularity and past performances provide a reasonable basis for concluding that the probable future recovery of such royalty advances against earnings otherwise payable to them is reasonably assured. Royalty advances are expensed when the related royalties are earned by the artist, songwriter or co-publisher. Royalty advance balances are reviewed periodically and depreciated as appropriate, if future performance is deemed as no longer being assured.
Royalty advances granted to rights-holders over one year are recognized in "Other non-current assets".
Royalties to rights-holders are recognized as an expense in the period in which the sale of the musical recording takes place, less a provision for estimated returns.

(in millions of euros)	**12/31/2017** Gross value	Provisions	Net value	12/31/2016 Gross value	Provisions	Net value
Trade accounts receivable	5,386.5	(274.8)	5,111.7	3,697.5	(120.6)	3,576.9
Taxes and social security contributions(1)	227.8	(0.7)	227.1	328.2	(0.7)	327.5
Other operating receivables(2)	1,855.4	(41.2)	1,814.2	863.2	(73.7)	789.5
TOTAL	**7,469.7**	**(316.7)**	**7,153.0**	4,888.9	(195.0)	4,693.9

(1) Including 103.3 million euros in current research tax credits at December 31, 2017 and 65.4 million euros at December 31, 2016.
Bluecar's 2012 and 2013 research tax credit receivables of 21.5 million euros and 26.2 million euros respectively, which was expected to be refunded in 2016 and 2017, is subject to an inspection by the tax authorities, with whom discussions are currently ongoing. The Group remains confident that its claim is well-founded.
(2) Including 419.7 million euros at December 31, 2017 as advances to artists and other Vivendi repertoire owners.

5.6.1. Aged balance of past due receivables without provisions at the year end

At December 31, 2017 (in millions of euros)	**Total**	**Not past due**	**Past due**	**0 to 6 months**	**From 6 to 12 months**	**> 12 months**
Net trade receivables	5,111.7	3,857.1	1,254.6	1,072.0	93.0	89.6

At December 31, 2016 (in millions of euros)	Total	Not past due	Past due	0 to 6 months	From 6 to 12 months	> 12 months
Net trade receivables	3,576.9	2,690.8	886.1	763.3	71.8	51.1

The Group believes that the collection risk for operating receivables is greatly reduced due to an optimized customer portfolio, made up of many customers of different origins operating in very different fields. Furthermore, the stability of the customer base is ensured by the fact that the biggest customers – consisting of shipping companies – are also freight forwarding suppliers of the Group for comparable amounts.
Similarly, Vivendi believes that there is no significant collection risk for operating receivables for the Group's activities: the large number of individual customers, the diversity of customers and markets, as well as the geographical distribution of the Group's activities (mainly Universal Music Group, Canal+ group, Havas and Gameloft), allow the concentration of credit risk related to receivables to be minimized.
Past due receivables without provisions were covered by credit insurance for up to 340.5 million euros at December 31, 2017 and 312.8 million euros at December 31, 2016.

5.6.2. Analysis of the change in provisions for trade accounts receivable

(in millions of euros)	At 12/31/2016	Allowances	Reversals	Changes in consolidation scope	Changes currency	Other transactions	**At 12/31/2017**
Provisions for trade accounts receivable	(120.6)	(32.0)	39.0	(173.3)	9.8	2.3	(274.8)

5.7. TRADE AND OTHER PAYABLES

(in millions of euros)	At 12/31/2016	Changes in consolidation scope(1)	Net changes	Changes currency	Other transactions	**At 12/31/2017**
Due to suppliers	2,850.6	2,143.5	236.9	(144.1)	(43.2)	5,043.7
Royalties to artists and other musical rights-holders	0.0	1,725.3	217.3	(134.8)	35.2	1,843.0
Tax and social security contributions payable	793.5	(328.0)	(85.9)	(11.5)	(0.1)	368.0
Other operating debts(2)	1,611.1	1,887.5	(261.6)	(117.4)	212.2	3,331.7
TOTAL	5,255.2	5,428.3	106.7	(407.8)	204.0	**10,586.4**

(1) Mainly related to the Vivendi first-time consolidation.
(2) Of which the share at less than one year on broadcasting rights for films, programs and sporting events for 607.2 million euros, commitments to purchase securities amounted to 40.4 million euros at December 31, 2017.

5.8. OTHER ASSETS AND LIABILITIES

Accounting policies

Other non-current assets mainly include royalty advances granted to rights-holders at Universal Music Group for the share at more than one year, as well as research tax credit receivables and tax credit for competitiveness and employment at more than a year. The share, at less than one year, of royalty advances granted to right-holders at Universal Music Group, of research tax credit receivables and tax credit for competitiveness and employment is recognized under "Trade and other receivables".

Other non-current liabilities mainly include debt for earn-outs, the negative fair value of derivative instruments as well as the share at over one year of commitments to purchase minority interests. The share, at less than one year, of commitments to purchase minority interests is recognized under "Trade and other payables".

Commitments to purchase minority interests are initially recognized, and for any subsequent change in the fair value of the commitment, through shareholders' equity.

The fair value of the commitments is reviewed at the end of each accounting period, and the amount of the debt is adjusted accordingly.

The debt is discounted to present value in view of the time until the commitment matures.

5.8.1. Other non-current assets

	12/31/2017			12/31/2016		
(in millions of euros)	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Tax credit for research, competitiveness and employment	212.2	0.0	212.2	212.9	0.0	212.9
Royalties to artists and musical rights-holders	291.3	0.0	291.3	0.0	0.0	0.0
Other	22.6	(2.9)	19.7	24.2	(2.9)	21.4
TOTAL	**526.1**	**(2.9)**	**523.2**	237.1	(2.9)	234.3

5.8.2. Other current assets

	12/31/2017			12/31/2016		
(in millions of euros)	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Prepayments(1)	534.9	0.0	534.9	76.7	0.0	76.7
TOTAL	**534.9**	**0.0**	**534.9**	76.7	0.0	76.7

(1) Corresponds primarily to Vivendi for 494.4 million euros at December 31, 2017.

5.8.3. Other non-current liabilities

(in millions of euros)	At 12/31/2016	Changes in consolidation scope(1)	Net changes	Changes currency	Other transactions	At 12/31/2017
Commitments to purchase minority interests(2)	111.9	15.4	0.4	(4.5)	(18.5)	104.7
Other non-current liabilities(3)	88.4	221.0	25.8	(4.6)	40.1	370.7
TOTAL	200.3	236.4	26.2	(9.1)	21.6	**475.4**

(1) Mainly related to the Vivendi first-time consolidation.
(2) Mainly at Havas.
(3) Mainly include the fair value of options that allow Banijay Group Holding and Lov Banijay to repay their equity borrowings for 93 million euros at December 31, 2017, as well as debts relating to earn-outs for 76.9 million euros.

5.8.4. Other current liabilities

(in millions of euros)	At 12/31/2016	Changes in consolidation scope(1)	Net changes	Changes currency	Other transactions	At 12/31/2017
Unearned income	199.1	322.2	(50.0)	(23.5)	3.0	450.8
Other current debts	1.1	38.6	(1.0)	0.6	(30.1)	9.2
TOTAL	200.2	360.8	(51.0)	(22.9)	(27.1)	**460.0**

(1) Mainly related to the Vivendi first-time consolidation.

5.9. OFF-BALANCE SHEET COMMITMENTS FOR OPERATING ACTIVITIES

5.9.1. Commitments given

At December 31, 2017 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Broadcasting rights for films and programs(1)	2,724.0	1,086.0	1,600.0	38.0
Broadcasting rights sporting events(2)	2,022.0	804.0	1,200.0	18.0
Employment, talent and other contracts(3)	1,112.0	481.0	553.0	78.0
Satellite capacities	390.0	88.0	255.0	47.0
Customs bonds(4)	504.6	372.0	50.2	82.4
Other bonds, endorsements, guarantees and del credere granted(5)	145.6	82.7	40.6	22.3
Pledges and mortgages	0.1	0.0	0.1	0.0
Firm investment commitments and other purchase commitments	162.0	70.0	78.5	13.4
Other(6)	812.0	322.0	421.0	69.0
COMMITMENTS GIVEN FOR OPERATING ACTIVITIES	**7,872.3**	**3,305.8**	**4,198.4**	**368.1**

(1) Mainly include multi-year contracts for broadcasting rights for film and television productions (mainly in the form of exclusive contracts with major US studios), pre-purchases in French cinema, commitments to produce and co-produce Studiocanal films (given and received) and broadcasting rights on special-interest channels on Canal and nc+ digital packages. They are recognized as content assets when the program is available for initial broadcast or at the first significant payment. At December 31, 2017, these commitments are subject to provisions amounting to 27 million euros.
In addition, these amounts do not include commitments for channel broadcast rights and non-exclusive channel distribution agreements for which Canal+ group has not granted or obtained a guaranteed minimum. The variable amount of these commitments, which cannot be reliably determined, is not recorded in the balance sheet and is not reported among the commitments. It is expensed in the period in which the expense is incurred. Based on an estimate of the future number of subscribers at Canal+ group, the commitments given would be increased by a net amount of 630 million euros at December 31, 2017. These amounts include the four-year distribution agreement renewed on July 11, 2016 with beIN Sports.
In addition, on May 7, 2015, the Canal Plus Publishing Company (Société d'Édition de Canal Plus or SECP) renewed its agreement with all of the professional film organizations (ARP, Blic, Bloc, UPF). This five-year agreement (2015/2019) reinforces the historic and preferred partnership between Canal+ and French cinema. Under this agreement, SECP is required to invest 12.5% of its annual revenues in the financing of European cinematographic works. In audiovisual matters, the Canal+ group, under agreements with producers' and authors' organizations in France, must allocate 3.6% of its total annual net resources each year to spending on heritage works. Only films for which an agreement in principle has been given to producers are valued in off-balance sheet commitments; the total and future estimate of commitments under agreements with professional film organizations and producers' and authors' organizations being unknown.
(2) In particular, include the Canal+ group broadcasting rights for the following sporting events:
- French Ligue 1 football championship for the 2018/2019 and 2019/2020 seasons for the two premium bundles (1,097 million euros);
- French rugby championship (Top 14) exclusively for the four seasons from 2019/2020 to 2022/2023 won on May 12, 2016. It also includes the rights for the 2018/2019 season won on January 19, 2015;
- Formula 1, Formula 2 and GP3 exclusively for the 2018, 2019 and 2020 seasons won on May 4, 2017.

These commitments will be recognized in the balance sheet at the opening of the broadcast window for each season or on the first significant payment.
(3) Mainly concerns UMG which, in the normal course of its activities, undertakes to pay artists or other third parties the contractually defined sums in exchange for content or other products ("employment contracts, talent"). Provided that these contents or products have not been delivered or the payment of the royalty advance has not been made, UMG's commitment is not recorded in the balance sheet and is reported among the off-balance sheet commitments. While the artist or other parties are also obligated to deliver a content or other product to the company (usually under an exclusivity deal), this consideration cannot be reliably estimated and this fact does not appear in commitments received.
(4) Customs guarantees are granted to the customs authorities of certain countries in the normal course of business, primarily the transportation business, to enable deferred payment of the outstanding customs dues recognized in these financial statements.
(5) Mainly includes performance guarantees granted by the Group in the course of its operating activities. Vivendi and Havas also grant guarantees in various forms to financial institutions or third parties on behalf of their subsidiaries in the course of their operating activity.
(6) Other commitments given and received in the ordinary course of business, mainly Vivendi.
In addition, on March 14, 2017, Boulogne Studios, a wholly-owned subsidiary of Vivendi, signed with the local public development company "Val de Seine Aménagement", developer based in Boulogne-Billancourt, a reciprocal commitment to purchase land for a construction project on Seguin island. This promise to purchase is subject to conditions precedent, specifically, obtaining the building permit. This project would involve the construction of a campus of approximately 150,000 m^2 which could bring together, in five to seven years, a group of companies active in the media and content business as well as digital, sports and sustainable development. On that date, as a guarantee of the proper performance of its promise to purchase, for a total amount of approximately 330 million euros, Vivendi paid a deposit of 70 million euros which could be returned, if the transaction was not carried out by Vivendi.

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Customs bonds(1)	509.1	306.8	103.7	98.6
Other bonds, endorsements, guarantees and del credere granted(2)	241.2	126.9	37.3	76.9
Pledges and mortgages	0.1	0.0	0.1	0.0
Firm investment commitments and other purchase commitments	60.1	35.3	11.4	13.5

(1) Customs guarantees are granted to the customs authorities of certain countries in the normal course of business, primarily the transportation business, to enable deferred payment of the outstanding customs dues recognized in these financial statements.
(2) Including 59.6 million euros attributable to Havas group, of which 39.8 million euros concern guarantees given by Havas to certain countries in respect of its purchase of advertising space, 10.4 million euros of guarantees given by Havas SA and 0.9 million euros to cover maximum pension fund shortfall in the United Kingdom.

5.9.2. Commitments received

At December 31, 2017 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Broadcasting rights for films and programs	212.0	109.0	103.0	0.0
Broadcasting rights sporting events	16.0	7.0	9.0	0.0
Employment, talent and other contracts				not quantifiable
Satellite capacities	133.0	63.0	70.0	0.0
Other(1)	2,382.6	677.3	1,705.0	0.3
COMMITMENTS RECEIVED FOR OPERATING ACTIVITIES	**2,743.6**	**856.3**	**1,887.0**	**0.3**

(1) Includes guaranteed minimums to be received by the group as part of the distribution agreements signed with third parties, including Internet service providers and other digital platforms. In addition, Canal+ group has signed the following distribution agreements for Canal channels:
- on August 21, 2017, an agreement was signed with Bouygues Telecom to offer subscribers the "Start by Canal" offer;
- on September 26, 2016, an agreement was signed with Free to offer triple-play subscribers a bundle offer incorporating "TV by Canal Panorama" channels from October 1, 2016;
- on July 22, 2016, an agreement was signed with Orange to offer "fiber" subscribers the "Famille by Canal" offer from October 6, 2016. This agreement was strengthened on July 11, 2017 to also offer the "Canal+ Essentiel" offer.

The variable amounts of these commitments based on the number of subscribers, which cannot be reliably determined, are not recorded in the balance sheet and are reported among the commitments. They are recognized as income or expense in the period in which they are recognized.

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
For operating activities	45.0	6.7	35.7	2.6

5.10. LEASE COMMITMENTS

5.10.1. Lease agreements – lessee

Schedule of minimum payments due

At December 31, 2017 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Minimum payments(1)	(2,007.4)	(331.0)	(902.5)	(774.0)
Income from subleasing	3.3	1.2	1.1	0.9
TOTAL	**(2,004.2)**	**(329.8)**	**(901.3)**	**(773.0)**

(1) Minimum payments refer to the rent to be paid over the term of the contract and leases.
On June 26, 2017, Universal Music Group signed a lease for approximately 15,000 m^2 of space in King's Cross, London, for a period of fifteen years. In addition, the minimum future lease payments at December 31, 2017 include Havas rents for 675 million euros, which includes the lease signed in July 2016 by Havas for the approximately 15,000 m^2 premises in the King's Cross area in London, for a period of fifteen years (occupation of the premises has been effective since January 2017).

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Minimum payments(1)	(950.0)	(253.9)	(423.3)	(272.8)
Income from subleasing	2.8	1.1	1.3	0.5
TOTAL	(947.2)	(252.8)	(422.0)	(272.4)

(1) Minimum payments refer to the rent to be paid over the term of the contract and leases.

5.10.2. Lease agreements – lessor

Schedule of minimum payments due under leases

At December 31, 2017 (in millions of euros)	**Total**	**Under 1 year**	**From 1 to 5 years**	**More than 5 years**
Minimum payments	54.0	22.7	30.2	1.1
Contingent rent for the period	0.2	0.2	0.0	0.0
TOTAL	**54.2**	**22.9**	**30.2**	**1.1**

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Minimum payments	32.3	14.5	16.6	1.2
Contingent rent for the period	0.5	0.3	0.2	0.0
TOTAL	32.8	14.7	16.8	1.3

NOTE 6. TANGIBLE AND INTANGIBLE ASSETS AND CONCESSION CONTRACTS

6.1. GOODWILL

Accounting policies

Goodwill on controlled companies is entered in consolidated balance sheet assets under "Goodwill". Goodwill is not amortized but subjected to an impairment test at least once a year and whenever there is an indication of impairment. When impairment is found, the difference between the asset's book value and its recoverable value is recognized among operating expenses for the fiscal year. This goodwill impairment cannot be reversed.
Negative goodwill (badwill) is charged directly to the income statement for the year of acquisition.

Intangible and tangible assets are tested for impairment under certain circumstances. In the case of non-current assets with indefinite lives (e.g. goodwill), a test is carried out at least once a year, as well as whenever there is an indication of impairment. For other non-current assets, a test is carried out only when there is an indication of impairment.
Assets tested for impairment are grouped in cash-generating units (CGUs), each corresponding to a homogeneous set of assets whose use generates an identifiable cash flow. When a CGU's recoverable value is less than its net book value, an impairment is recognized and charged as an operating expense. The CGU's recoverable value is the market value (less selling costs) or its value in use, whichever is higher. The value in use is the discounted value of the foreseeable cash flow from use of an asset or a CGU. The discount rate is calculated for each cash-generating unit in accordance with its geographical area and the risk profile of its business.

Change in goodwill

(in millions of euros)	
At December 31, 2016	**2,976.8**
Acquisitions of controlling interests(1)	12,017.0
Disposals(2)	(44.5)
Impairment loss	(0.3)
Foreign exchange variations(3)	(473.3)
Other	(45.0)
AT DECEMBER 31, 2017	**14,430.7**

(1) Mainly linked to the unimpaired provisional goodwill recognized during the acquisition of control of Vivendi for 11,964.9 million euros and various acquisitions of controlling interests within the Havas group – see note 4 – Consolidation scope.
(2) Corresponds in particular to the sale of Radionomy on August 17, 2017 at Vivendi.
(3) Mainly includes translation adjustments from the US dollar to the euro on Universal Music Group.

6.1.2. Information by operating segment

(in millions of euros)	**12/31/2017**	12/31/2016
Communications	13,410.6	1,922.1
Transportation and logistics	883.4	883.0
Oil logistics	84.9	109.1
Electricity storage and solutions	45.5	56.3
Other activities	6.2	6.2
Total	**14,430.7**	2,976.8

6.1.3. Definition and reorganization of CGUs

At December 31, 2017, the Financière de l'Odet Group had some 50 cash generating units (CGUs) before the CGU reorganization. The division of operations into CGUs is based on the particular features of each of the Group's business lines.

The main CGUs or groups of CGUs are: "Universal Music Group", "Canal+ group" (excluding Studiocanal), "Transport and Logistics in Africa", "International Logistics", "Oil logistics" (excluding concessions).

These business activities are described in note 5.2 – Information on the operating segments.

Because of the synergies between the CGUs listed above, the Group has reorganized them into the following four CGU combinations:

- the logistics Africa combination: includes the "Transportation and logistics in Africa" CGUs, and rail and port concessions in Africa;
- the International logistics combination: includes the "International logistics" CGUs, and port concessions in France;
- the Free Newspaper combination;
- the Telecoms combination.

Goodwill relating to Vivendi is tested on the basis of the CGUs and combinations of CGUs as defined in the Vivendi financial statements and the assets identified in the context of the PPPs.

6.1.4. Recoverable value based on value in use

The main assumptions used for the estimation of recoverable value are:

- the discount rate is determined by basing it on the weighted average cost of capital (WACC) of each CGU; it includes potential risks specific to each activity (business lines, markets and geographical areas); the rate selected was determined on the basis of information communicated by an outside consulting firm;
- the cash flows are calculated on the basis of operating budgets, then extrapolated by applying a five-year growth rate reflecting the growth potential of the relevant markets and management's judgment based on past experience. After year five, the terminal value is based on the perpetuity value of the cash flows.

The cash flow projections on concession arrangements are based on the lives of the contracts.

These tests are carried out using an after-tax discount rate. The method adopted does not lead to a material difference with a calculation based on a pre-tax discount rate (test performed in accordance with IAS 36 BCZ 85).

Based on the tests performed, no impairment was recorded at December 31, 2017 and December 31, 2016.

The following table summarizes the assumptions used for the most significant *tests* on goodwill:

2017 (in millions of euros)	**Universal Music Group**	**Canal+ group**	**Havas**	**Transportation and logistics in Africa**	**International logistics**
Net book value of goodwill	**7,372.8**	**3,198.3**	**1,939.2**	**407.0**	**464.9**
Impairment losses recognized in the period	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Base used for recoverable value	**value in use**	**value in use**	**value in use**	**value in use**	**value in use**
Parameters of cash flow model used:					
– forecast growth rate from N+2 to N+5				from 2.5% to 3.5%	2% to 3%
– growth rate on terminal value	2.1%	from 0.5% to 2%	2%	2%	2%
– weighted average cost of capital (WACC)	9.0%	from 6.70% to 11.20%	from 7.80% to 8.20%	10.0%	7.2%
Sensitivity of tests to changes in the following criteria:					
– discount rate for which the recoverable value = net book value	9.4%	from 7.46% to 11.96% (9.56% for StudioCanal)	11.3%	10.4%	11.9%
– perpetual growth rate for which the recoverable value = net book value	1.6%	from –0.42% to 0.58% (–0.92% for StudioCanal)	–2.9%	1.4%	– 4.1%

The cash flows of Transportation and logistics in Africa and International logistics are sensitive, above all, to fluctuations in commodity and oil prices and well as volatility in freight rates. However, these effects vary by country and are often offset by the network effect.

Nor does the Group analyze the sensitivity of its flows to these factors.

Nevertheless, for reference, a sensitivity assumption of –10% on cash flows of the terminal value was calculated. This change would result in a –8.2% and –7.8% reduction in the recoverable value of the Transportation and logistics in Africa and International logistics CGUs, respectively. No impairment loss need be recognized for those CGUs.

2016 (in millions of euros)	Transportation and logistics in Africa	International logistics
Net book value of goodwill	408.0	467.6
Impairment losses recognized in the period	0	0
Base used for recoverable value	value in use	value in use
Parameters of cash flow model used:		
– forecast growth rate from N+2 to N+5	2% to 4%	2% to 3%
– growth rate on terminal value	2%	2%
– weighted average cost of capital (WACC)	9.9%	7.1%
Sensitivity of tests to changes in the following criteria:		
– discount rate for which the recoverable value = net book value	11.7%	11.4%
– perpetual growth rate for which the recoverable value = net book value	–0.6%	–3.8%

6.2. OTHER INTANGIBLES ASSETS

Accounting policies

Other intangible assets mainly include trademarks and brand names, customer relationships, operating rights, content assets, computer software, WiMax licenses and assets arising from concessions resulting from the reclassification of infrastructures held under concessions in application of the IFRIC 12 interpretation (see note 6.4 – Concession arrangements).

Vivendi's content assets with regard to the UMG group include the costs of films and television programs produced or acquired for sale to third-parties and the Canal+ group catalogs of Film and TV rights.

UMG's rights and music catalogs include music catalogs, artist contracts and music publishing assets acquired through business combinations.

At Canal+, the films and television programs include the portion of films and television programs produced or acquired for sale to third-parties The catalog of film and television rights consist of films acquired on second exploitation or transfers of films and television programs produced or acquired with a view to being sold to third parties after their first exploitation cycle (i.e. once their first broadcast on a free terrestrial channel has taken place).

Once acquired, intangible assets appear in the balance sheet at their acquisition cost. Capital assets produced are shown on the balance sheet at their cost.

They are amortized on a straight-line basis over their useful lives, with the exception of films and television programs, as well as catalogs of film and television rights, which are amortized according to the estimated revenue method (i.e. based on the ratio of the current periods gross revenues to estimated total gross revenues from all sources on an individual production basis). The Group considers that amortization according to the estimated revenue method reflects the rate at which the entity expects to consume the future economic benefits associated with the asset and that there is a strong correlation between the products and the consumption of the economic benefits related to intangible assets.

The useful lives of the main categories of intangible assets are as follows:

Concession operating rights and WiMax licenses	Duration of concession arrangements (see note 6.4 – Concession arrangements)
Rights and music catalogs acquire	20 years
Software and IT licenses	From 1 to 5 years
Customer relations acquired	From 7 to 19 years

In line with IAS 38 "Intangible assets", R&D expenditures are entered as expenses on the income statement of the fiscal year in which they were incurred, with the exception of development costs, which come under intangible assets if the conditions under which they will yield returns meet the following criteria:

- the project is clearly identified and its attendant costs reliably identified and monitored;
- the technical feasibility of the project has been shown;
- the intention is to end the project and use or sell all its products;
- there is a potential market for the product of this project, or its internal utility has been demonstrated;
- the resources needed to complete the project are available.

Development costs are amortized over the estimated lifetime of the projects concerned from the date on which the product becomes available.

In the particular case of software, the lifetime is determined as follows:

- if the software is used in-house, over the probable useful life;
- if the software is for external use, according to the prospects for sale, rental or any other form of marketing.

Capitalized software development costs are those incurred during the programming, coding and testing stages. Previously incurred expenditure (planning, design, product specification and architecture) is entered as an expense.

Games development costs are capitalized when, in particular, the technical feasibility and management's intention to complete game development and marketing have been established and are considered recoverable. The uncertainty existing until the launch of the game does not generally meet the activation criteria required by IAS 38. Games development costs are therefore expensed as incurred.

The amount of research and development expenses recognized in the income statement amounts to 155.5 million euros for the 2017 fiscal year and mainly concerns Vivendi's development of Gameloft.

6.2.1. Composition

(in millions of euros)	**12/31/2017** Gross value	**12/31/2017** Depreciation and impairment	**12/31/2017** Net value	12/31/2016 Gross value	12/31/2016 Depreciation and impairment	12/31/2016 Net value
Operating rights, patents, development costs	592.8	(352.8)	240.0	666.6	(424.3)	242.3
Intangible assets arising from concessions[1]	659.7	(96.2)	563.5	657.8	(73.3)	584.5
Content assets[2]	18,409.2	(12,578.9)	5,830.3	0.0	0.0	0.0
Trademarks, brand names[3]	2,247.2	(28.2)	2,219.0	398.9	(1.1)	397.8
Client relationships	1,490.5	(320.3)	1,170.2	112.4	(48.6)	63.8
Other	876.3	(609.1)	267.2	90.6	(38.4)	52.2
TOTAL	**24,275.7**	**(13,985.5)**	**10,290.2**	1,926.3	(585.7)	1,340.6

(1) Classification, in accordance with IFRIC 12, of infrastructures reverting to the grantor at the end of the contract under intangible assets from concessions for concessions recognized in accordance with this interpretation.
(2) Refers to Vivendi's content assets following its full consolidation at April 26, 2017. They were valued at their fair value on the date of acquiring a controlling interest. See note 1 – Significant events.
(3) Corresponds in particular to the trademarks identified on the Canal+ group following the full consolidation of Vivendi on April 26, 2017. See note 1 – Significant events.

At December 31, 2017, intangible assets were tested as part of the CGU's estimate of recoverable amounts. No impairment provisions were found to be necessary.

6.2.2. Change in intangible assets

Net values (in millions of euros)	At 12/31/2016	Gross acquisitions	Disposals NAV	Net allowances	Changes in consolidation scope[1]	Changes currency	Other transactions	**At 12/31/2017**
Operating rights, patents, development costs	242.3	19.0	(0.9)	(69.3)	(10.2)	(2.3)	61.4	240.0
Intangible assets arising from concessions	584.5	38.8	0.0	(23.2)	0.0	(8.2)	(28.4)	563.5
Content assets	0.0	218.4	0.0	(316.1)	6,036.7	(122.5)	13.8	5,830.3
Trademarks, brand names	397.8	0.3	0.0	(0.1)	1,832.2	(11.2)	(0.0)	2,219.0
Client relationships	63.8	0.0	0.0	(72.5)	1,175.5	0.0	3.4	1,170.2
Other	52.2	119.3	(1.3)	(65.5)	222.1	(2.5)	(57.1)	267.2
NET VALUES	1,340.6	395.8	(2.2)	(546.7)	9,256.3	(146.7)	(6.9)	**10,290.2**

(1) Related to the Vivendi first-time consolidation.

6.3. TANGIBLE ASSETS

Accounting policies

Tangible assets are entered at their acquisition or production cost, less cumulative impairment and any recognized impairment.
Impairment is generally determined using the straight-line method over the asset's useful lifetime; the accelerated impairment method may nevertheless be used if it appears more relevant to the conditions under which the equipment concerned is used. In the case of certain complex non-current assets with different components (buildings, for instance), each component is depreciated over its specific useful lifetime.

The main useful lives of various categories of tangible assets are as follows:

Buildings and fitting-out	From 8 to 33 years
Plant, machinery and equipment	From 3 to 13 years
Set-top box	From 5 to 7 years
Other tangible assets	From 3 to 15 years

Depreciable lives are periodically reviewed to check their relevance.
The start date for depreciation is that on which the asset came into service. In the case of an acquisition, the asset is depreciated over its residual useful lifetime which is determined as of the date of acquisition.

6.3.1. Composition

(in millions of euros)	12/31/2017 Gross value	12/31/2017 Depreciation and impairment	12/31/2017 Net value	12/31/2016 Gross value	12/31/2016 Depreciation and impairment	12/31/2016 Net value
Land and fixtures and fittings	200.4	(11.6)	188.8	166.1	(9.6)	156.5
Buildings and fitting-out	1,835.3	(773.3)	1,062.0	1,459.2	(597.3)	861.9
Plant and equipment	3,364.0	(2,282.3)	1,081.7	1,718.7	(1,017.2)	701.5
Other(1)	2,009.6	(1,232.9)	776.7	1,191.8	(641.2)	550.6
TOTAL	**7,409.3**	**(4,300.1)**	**3,109.2**	4,535.8	(2,265.3)	2,270.5

(1) Of which non-current assets in progress.

6.3.2. Change in tangible assets

Net values (in millions of euros)	At 12/31/2016	Gross acquisitions	Disposals NAV	Net allowances	Changes in consolidation scope(1)	Changes currency	Other transactions	At 12/31/2017
Land and fixtures and fittings	156.5	5.4	(1.4)	(1.9)	28.1	(3.2)	5.3	188.8
Buildings and fitting-out	861.9	188.9	(5.3)	(80.4)	50.0	(22.7)	69.6	1,062.0
Plant and equipment	701.5	173.1	(6.7)	(243.9)	358.7	(13.5)	112.5	1,081.7
Other(2)	550.6	342.6	(19.2)	(119.6)	206.5	(20.2)	(164.0)	776.7
NET VALUES	2,270.5	710.0	(32.6)	(445.8)	643.3	(59.6)	23.4	**3,109.2**

(1) Related to the Vivendi first-time consolidation.
(2) Of which non-current assets in progress.

Capital expenditure is listed by operating segment in note 5.2 – Information on operating segments.

6.4. CONCESSION CONTRACTS

Accounting policies

The Group operates a number of "concession" arrangements in various business sectors. This term comprises various types of contract: public service concession, leasing, development and renewal "BOT" contracts, right to operate on public property.

In essence, the Group analyzes the characteristics of all new concession arrangements awarded to it in order to determine which standard the accounting treatment to be applied comes under, taking into account at the same time the contractual terms and conditions, and also its experience in carrying out similar contracts.

The Group first analyzes new contracts in relation to the criteria of the IFRIC 12 interpretation.

The IFRIC 12 interpretation applies to public service concession arrangements which combine the following characteristics:

- the grantor controls or regulates the services supplied and, amongst other things, sets the scale of charges for the service. This criterion is assessed by the Group for each agreement depending on the autonomy enjoyed, in order to ensure the financial stability of the concession;
- ownership of the infrastructures reverts to the grantor at the end of the contract.

For all of the concessions it operates, the Group is remunerated through the sale of services to users and not by the grantor. Concessions falling under IFRIC 12 are therefore recognized using the intangible asset model, comprising a right to receive payment from users:

- the fair value of infrastructures created including, where applicable, the interim interest of the construction phase is entered under intangible assets (pursuant to IAS 38);
- it is amortized using the straight-line method over the period of the contract from the start of use.

Income received for:

- construction activities carried out by the Group are recognized pursuant to IAS 11 "Construction contracts" on the basis of physical progress;
- maintenance and operating activities is entered in the financial statements pursuant to IAS 18 "Income from ordinary activities".

Some rail and port concession arrangements obtained in Africa, as well as the Autolib' concession, fall under IFRIC 12. The infrastructures reverting to the grantor at the end of the contract were classified as intangible assets arising from the concessions in accordance with that interpretation (see note 6.2 – Other intangible assets), as the grantee's income is received directly from users in every concession arrangement.

If the contract does not meet the criteria of IFRIC 12, the Group applies IFRIC 4 "Determining whether an arrangement contains a lease" to identify specific assets that which may meet the criteria for recognition under IAS 17 "Leases". The Group has not identified any specific assets in this regard.

If this rule does not apply, the Group recognizes the assets concerned according to IAS 16 "Property, plant, and equipment" and applies the "component" approach. Replaceable goods are depreciated over their useful life.

Unless a finance lease is specifically identified, operating income is recognized in turnover, and payments to the grantor are recognized in operating expenses for the fiscal year in which they are incurred.

For all contracts:

- where royalties are payable at the start of the contract, an intangible asset is recognized and amortized by the straight-line method over the contract's life;
- where the Group is contractually obliged to carry out work required to restore infrastructures to their original condition, but where the infrastructures are not recognized amongst its assets, the Group recognizes a provision in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets";
- the contractually agreed capital expenditure necessary for maintaining the good operating condition of the concession is recorded as off-balance sheet commitments (see note 6.4.3 – Commitments given under concessions);
- payments to the grantor for the operation of assets under concession are recognized as operating expenses in the fiscal year in which they fall due.

Cash flow from investing activities connected with concession arrangements are classified as cash flow from investing activities, under assets arising from concessions when the contract falls within the scope of IFRIC 12 or under tangible or intangible assets for other concessions.

Non-repayable investment grants are recognized under unearned income in "Other current liabilities" and recognized within operating income in accordance with the defined impairment period for the asset concerned, as per IAS 20.

6.4.1. Characteristics of concession arrangements

Port concessions

Port concessions, France

Recipient of the concession	Grantor of the concession	Duration of the contract	Infrastructures made available by the concession grantor	Contractual obligations to build infrastructures reverting to the grantor at the end of the contract	Other obligations of the recipient of the concession
Bolloré Ports Dunkerque	Independent port of Dunkirk	25 years from 2010	Freycinet quay surface, quayside, hangar and office – Dunkirk port	NA	The recipient of the concession is responsible for the upkeep and maintenance of infrastructures
Normande de Manutention	Sea port of Rouen	25 years from 2010	Land, quay surfaces, quays, buildings and fitting out of the container terminal for various goods	NA	The recipient of the concession is responsible for the upkeep and maintenance of infrastructures
Normande de Manutention	Sea port of Rouen	15 years from 2010	Land, quay surfaces, quays, buildings and fitting out of the solid bulk goods terminal	NA	The recipient of the concession is responsible for the upkeep and maintenance of infrastructures
Bolloré Ports France	Sea port of La Rochelle	25 years from 2010	Land, quays, open storage areas and hangars of the Chef-de-Baie terminal – La Rochelle	NA	The recipient of the concession is responsible for the upkeep and maintenance of infrastructures
Bolloré Ports France	Sea port of La Rochelle	15 years from 2010	Land, quays, open storage areas and hangars of the wet dock terminal – La Rochelle	NA	The recipient of the concession is responsible for the upkeep and maintenance of infrastructures
Bolloré Ports France	Sea port of La Rochelle	15 years from 2010	Land, quay surfaces and quays of the Môle d'escale ouest terminal – La Rochelle	NA	The recipient of the concession is responsible for the upkeep and maintenance of infrastructures
Bolloré Ports France	Sea port of Rouen	10 years from 2012	Land, quay surfaces and quays of the Seine quay terminal – Honfleur	NA	The recipient of the concession is responsible for the upkeep and maintenance of infrastructures
Terminal du Grand Ouest(1)	Sea port of Nantes Saint-Nazaire	35 years from 2011	Land and accessories for the Montoir-de-Bretagne container terminal for various goods	NA	The recipient of the concession is responsible for the upkeep and maintenance of infrastructures

(1) Partnership recognized by the equity method.

These agreements provide for the payment to the grantor of a fixed annual fee, together with an optional variable fee for volumes. Royalties are recognized as operating expenses in the fiscal year in which they fall due.
These agreements may be terminated at any time with advance notice by the operator or by common agreement with the grantor. They may be terminated by the grantor for reasons of general interest (with compensation) or as a result of major default by the recipient of the concession.

Port concessions, Africa

Recipient of the concession	Grantor of the concession	Duration of the contract	Infrastructures made available by the concession grantor	Contractual obligations to build infrastructures reverting to the grantor at the end of the contract	Other obligations of the recipient of the concession
Société des Terminaux à Conteneurs du Gabon (STCG)[3]	Gabon port office (OPRAG) (Gabon)	20 years from 2008, extended by rider for a term of 27 years from 2017 (until 2044), renewable for 20 years	Land, quay surfaces and quays of the Owendo port terminal	NA	Contractual obligation for the upkeep of assets operated under concession and the reconfiguration and development of installations in order to ensure the operational performance of the terminal
Abidjan Terminal	Independent port of Abidjan (Côte d'Ivoire)	15 years from March 2004, renewed until 2029	Land, quay surfaces and quays of the Vridi port terminal, buildings, storage yard for refrigerated containers	NA	Contractual obligation for the upkeep of assets operated under concession and the improvement of facilities in order to ensure the operational performance of the terminal
Douala International Terminal (DIT)	Independent port of Douala (Cameroon)	15 years from 2005	Land, quay surfaces and quays of the Douala container terminal, container yard, hangars and warehouses	NA	Contractual obligation for the upkeep of assets operated under concession and the improvement of facilities in order to ensure the operational performance of the terminal
Meridian Port Services[1] (MPS)	Ghana port authorities	20 years from August 2004 Amendment in 2016 for a new period of 35 years after a construction period of 4 years	Land, quay surfaces and quays of the Tema port terminal	Construction of new port infrastructure in the port of Tema (seawall, dredging, container terminal and shared area)	Contractual obligation for the upkeep of assets operated under concession and the improvement of facilities in order to ensure the operational performance of the terminal
Tin Can International Container Terminal Ltd	Nigeria port authorities	15 years from June 2006, extended by 5 years in December 2011	Land, quay surfaces and quays of the Tin Can port terminal, storage areas, offices and warehouses	NA	Contractual obligation for the upkeep of assets operated under concession and the improvement of facilities in order to ensure the operational performance of the terminal
Congo Terminal[2]	Independent port of Pointe-Noire (Congo)	27 years from July 2009	Pointe-Noire port terminal area, quay surfaces and quays	Reconstruction and extension of quays and construction of additional quay surfaces	Contractual obligation for the upkeep of assets operated under concession and the improvement of facilities in order to ensure the operational performance of the terminal
Togo Terminal[2]	Independent port of Lomé (Togo)	35 years from 2010	Lomé container port terminal area, quay surfaces and quays	Construction of additional quay and additional quay surfaces	Contractual obligation for the upkeep of assets operated under concession and the improvement of facilities in order to ensure the operational performance of the terminal
Lomé Multipurpose Terminal[2]	Independent port of Lomé (Togo)	25 years from August 2003	Conventional Lomé port terminal area, quay surfaces and warehouses	NA	Contractual obligation for the upkeep of assets operated under concession No development or improvement work specified as being the responsibility of the recipient of the concession
Freetown Terminal[2]	Sierra Leone Port Authority (Sierra Leone)	30 years from 2011	Quay surfaces and quays of the Freetown container terminal	Rehabilitation and development of existing quay surfaces and construction of a new quay and quay surfaces	Contractual obligation for the upkeep of assets operated under concession and the improvement of facilities in order to ensure the operational performance of the terminal
Conakry Terminal[2]	Independent port of Conakry (Guinea)	25 years from 2011	Quay surfaces and quays of the Conakry port terminal	Construction of additional quay and additional quay surfaces	Contractual obligation for the upkeep of assets operated under concession and the improvement of facilities in order to ensure the operational performance of the terminal

Recipient of the concession	Grantor of the concession	Duration of the contract	Infrastructures made available by the concession grantor	Contractual obligations to build infrastructures reverting to the grantor at the end of the contract	Other obligations of the recipient of the concession
Moroni Terminal(2)	Comoros Government	10 years from December 2011	Moroni terminal port area	NA	The recipient of the concession is contractually responsible for maintenance Investment in development and renewal is the responsibility of the recipient of the concession
Bénin Terminal(2)	Benin Government and independent port of Cotonou (Benin)	25 years from October 2012	Land and quays of the Cotonou port terminal	Construction of quay surfaces	Contractual obligation for the upkeep of assets operated under concession, excluding walls. Development works to be borne by the recipient of the concession, to meet the terminals' operational performance targets
Dakar Terminal(2)	Independent port of Dakar (Senegal)	25 years from March 2014	Dakar RoRo terminal	Renovation and modernization of existing infrastructure	The recipient of the concession is contractually responsible for maintenance Investment in development and renewal is the responsibility of the recipient of the concession
Tuticorin (Dakshin Bharat Gateway Terminal Private Limited)(1)(2)	Port Authorities Chidambaranar (India)	30 years from August 2012	Tuticorin terminal	NA	The recipient of the concession is contractually responsible for maintenance Investment in development and renewal is the responsibility of the recipient of the concession
Niger Terminal	Nigerien Government	20 years from September 19, 2014	Inland container depot of Dosso and its branch in Niamey	Redevelopment of quay surfaces of the inland container depot	The recipient of the concession is contractually responsible for maintenance Investment in development and renewal is the responsibility of the recipient of the concession

(1) Partnership recognized by the equity method.
(2) Accounted for in accordance with the provisions of IFRIC 12.
(3) IFRIC 12 analysis ongoing.

These agreements provide for the payment to the grantor of a fixed annual fee, combined with a variable fee dependent on the performance of the terminal, with the exception of the Togo Terminal concession which provides only for a variable fee. Royalties are recognized as operating expenses in the fiscal year in which they fall due.
These agreements may be terminated by common agreement with the grantor. They may be terminated by the grantor for reasons of general interest (with compensation) or as a result of major default by the recipient of the concession.

Rail concessions

Rail concessions, Africa

Recipient of the concession	Grantor of the concession	Duration of the contract	Infrastructures made available by the concession grantor	Contractual obligations to build infrastructures reverting to the grantor at the end of the contract	Other obligations of the recipient of the concession
Camrail	Cameroon Government	30 years from 1999, renewed until 2034	Cameroon railway network: railway infrastructures required for operations	NA	The recipient of the concession is contractually responsible for maintenance
Sitarail	Burkina Faso and Republic of Côte d'Ivoire Governments	15 years from 1995, renewed until 2030	Railway network linking Abidjan to Ouagadougou (Republic of Côte d'Ivoire/Burkina Faso): Railway infrastructures and dependencies of the public railway-owned land, together with equipment necessary for operations	NA	The recipient of the concession is contractually responsible for maintenance

The concessions contain royalty payments to the grantor in exchange for the operating license granted. Royalties are recognized as operating expenses in the fiscal year in which they fall due.
Contractual obligations to maintain and recondition assets operated under concession are recognized in provisions depending on the plans according to IAS 37 and described in note 10.1 – Provisions.
The Sitarail agreement may be terminated by the recipient of the concession in the event of serious breach of contract by the grantor (with compensation) or in the event of *force majeure*, or at the request of the grantor through the buyback of the concession or in the event of serious breach of contract by the recipient of the concession.
An agreement was signed in July 2016 with the governments of Republic of Côte d'Ivoire and Burkina Faso to extend the term of the revised concession agreement by 30 years from the date of its entry into force. The provisions annexed to the agreement were finalized in July 2017 and the entry into force of these new provisions is expected in 2018, as soon as all the conditions precedent are removed. In a first phase, Sitarail will invest in a first tranche more than 130 million euros over four years dedicated to upgrading the network infrastructure. Sitarail is also committed to modernizing the fleet of passenger and freight rolling stock. Sitarail plans to completely renew 180 km of railroad and numerous stations on the rout, in order to modernize, streamline transfers of freight and passengers and cut transit times between the two countries.

Other concessions

Recipient of the concession	Grantor of the concession	Duration of the contract	Infrastructures made available by the concession grantor	Contractual obligations to build infrastructures reverting to the grantor at the end of the contract	Other obligations of the recipient of the concession
Bolloré Telecom	French Government	20 years from 2006	Regional WiMax licenses	NA	Obligation for regional deployment of the service
SFDM	French Government	25 years from March 1995	Oil pipeline linking the port of Donges to Metz and depots	NA	Contractual obligation to maintain and upgrade premises operated under concession
Autolib'[(1)]	Autolib' mixed trade union	12 years from end of 2011	Road sites	Creation of rental terminals and recharging points on road sites	Upkeep and renewal of assets necessary for the proper functioning of the service
Bluely	Lyon Urban Community	10 years from June 2013	Road sites	NA	Maintenance of areas made available and of installed equipment
Bluecub	Bordeaux Urban Community	10 years from end of July 2013	Road sites	NA	Maintenance of areas made available and of installed equipment
BluePointLondon	Transport for London	Unlimited	Road sites (and existing terminals)	NA	Obligation to ensure the upkeep and maintenance of the charging terminals
Blueindy	City of Indianapolis (Indiana, USA)	15 years from September 2015	Road sites	NA	Obligation to operate and maintain the car-sharing service
Turin	City of Turin	20 years from March 2016	Road sites	NA	Obligation to operate and maintain the car-sharing service
Blue SG Ltd	City of Singapore	10 years from December 2017	Road sites	NA	Obligation to operate and maintain the car-sharing service

(1) Accounted for in accordance with the provisions of IFRIC 12.

The concessions contain royalty payments to the grantor in exchange for the operating license granted. Royalties are recognized as operating expenses in the fiscal year in which they fall due.
With respect to SFDM, contractual obligations to maintain and recondition assets operated under concession are recognized in provisions depending on the multi-annual plans according to IAS 37 and described in note 10.1 – Provisions. This agreement includes a termination clause in the event of serious breach of contract by the recipient of the concession or *force majeure.*
With regard to Autolib', the agreement includes clauses for termination by the grantor in the event of *force majeure,* for reasons of general interest, in the event of serious breach of contract by the recipient of the concession, or in the event of lack of economic benefit from the concession.

6.4.2. Concessions signed at December 31, 2017 in respect of which operations have not yet started

Port concessions

Recipient of the concession	Grantor of the concession	Duration of the contract	Infrastructures made available by the concession grantor	Contractual obligations to build infrastructures reverting to the grantor at the end of the contract	Other obligations of the recipient of the concession
Côte d'Ivoire Terminal (TC2)[1]	Independent port of Abidjan (Côte d'Ivoire)	21 years from February 2017	Second container terminal in the port of Abidjan	Development of quays and quay surfaces	The recipient of the concession is contractually responsible for maintenance Investment in development and renewal is the responsibility of the recipient of the concession
Varreux Bolloré Terminal (TVB)[2]	Other ports in Haiti	25 years	Existing quay	Work to develop a quay and a quay surface for the container business	Contractual obligation for the upkeep
Kribi Container Terminal[3]	Independent port of Kribi	25 years from 2017	Existing 350-meter quay temporarily made available to the recipient of the concession during the period necessary for the grantor to build a second quay of 715 meters.	NA	The recipient of the concession is contractually responsible for maintenance and upkeep Investment in renewal is the responsibility of the recipient of the concession

(1) Companies under significant influence.
(2) Joint arrangement.
(3) IFRIC 12 analysis ongoing.

In addition, in early June 2016 the Group signed the thirty-year concession arrangement for the port of Dili in East Timor with the government of the Democratic Republic of East Timor, to build a 630-meter long quay and a quay surface. The conditions precedent of the arrangement had still not been met as of the reporting date of these financial statements.

Rail concessions

Recipient of the concession	Grantor of the concession	Duration of the contract	Infrastructures made available by the concession grantor	Contractual obligations to build infrastructures reverting to the grantor at the end of the contract	Other obligations of the recipient of the concession
Benirail Exploitation[1]	Nigerien and Benin Governments	20 years from the commissioning of the line	NA	NA	Passenger transport public service obligation Contractual obligation to finance and maintain the rolling stock in good condition
Benirail Infrastructure[1]	Nigerien and Benin Governments	30 years from the commissioning of the line	Rail facilities	Design and construction of infrastructures, facilities and structures comprising the rail link between Cotonou and Niamey	Contractual obligation to maintain the line

(1) The performance of the Benirail concession arrangements agreed in summer 2015 was put on hold following the decision of the Cotonou Appeals Court in November 2015 to overturn an earlier judgment in summary proceedings primarily brought against the State of Benin by the Petrolin group. The current proceedings are not challenging the validity of the contract signed by the Group but are delaying its implementation.

Other concessions

Recipient of the concession	Grantor of the concession	Duration of the contract	Infrastructures made available by the concession grantor	Contractual obligations to build infrastructures reverting to the grantor at the end of the contract	Other obligations of the recipient of the concession
Blue LA Carsharing LLC	City of Los Angeles	5 years from January 2017	Road sites	NA	Obligation to operate and maintain the car-sharing service

6.4.3. Commitments given under concessions

The commitments made by the Group under concession arrangements held by its subsidiaries are as follows:

At December 31, 2017 (in millions of euros)	**Total**	**Under 1 year**	**From 1 to 5 years**	**More than 5 years**
Concessions(1)	765.7	47.4	181.8	536.5
Future capital expenditures in concessions(2) (3)	1,162.5	125.5	595.6	441.4
TOTAL	**1,928.2**	**173.0**	**774.4**	**977.9**

(1) Only includes the fixed portion of fees.
(2) Does not include the remaining capital expenditure commitments relating to the construction of the rail link between Cotonou and Niamey following the suspension of the performance of these concession arrangements. Total expected capital expenditure is around 800 million euros.
Including commitments related to the Sitarail concession, the conditions precedent of which have not yet been lifted at the date of signing the financial statements.

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Concessions(1)	881.6	48.8	202.6	630.2
Future capital expenditure in concessions(2)	1,126.5	180.2	332.6	613.7
TOTAL	2,008.2	229.0	535.2	1,243.9

(1) Only includes the fixed portion of fees.
(2) Does not include the remaining capital expenditure commitments relating to the construction of the rail link between Cotonou and Niamey following the suspension of the performance of these concession arrangements. Total expected capital expenditure is around 800 million euros.

The Group’s commitments relating to concession arrangements held by entities under joint control or under significant influence of the Group are as follows:

At December 31, 2017 (in millions of euros)	**Total**	**Under 1 year**	**From 1 to 5 years**	**More than 5 years**
Concessions(1)	517.4	3.7	56.5	457.2
Future capital expenditure in concessions	666.1	155.8	419.5	90.8
TOTAL	**1,183.5**	**159.4**	**476.0**	**548.1**

(1) Only includes the fixed portion of fees.

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Concessions(1)	229.2	1.4	15.7	212.1
Future capital expenditure in concessions	656.3	208.0	369.5	78.8
TOTAL	885.5	209.4	385.2	290.9

(1) Only includes the fixed portion of fees.

NOTE 7. FINANCIAL STRUCTURE AND FINANCIAL COSTS

7.1. FINANCIAL INCOME

Accounting policies

Net financing expenses include interest charges on debt, interest received on cash deposits and any changes in value of derivatives.
Other financial assets, losses and profits associated with acquisitions and disposals of securities, the effect of fair valuation when control is obtained or given up, net exchange gains concerning financial transactions, discounting effects, dividends received from non-consolidated companies, changes in financial provisions and any changes in value of derivatives relating to financial transactions.

- **Foreign currency transactions**

Foreign exchange gains and losses resulting from the translation of monetary items denominated in foreign currencies are recognized under "Other financial income and expenses" in respect of financial transactions, with the exception of translation adjustments concerning the financing of net capital expenditure in certain foreign subsidiaries, which are recognized in shareholders' equity under "Translation adjustments" until the date of sale of the shareholding.

(in millions of euros)	**2017**	2016
Net financing expenses	(130.9)	(104.0)
– interest expenses	*(152.9)*	*(122.0)*
– income from financial receivables	*16.9*	*10.8*
– other earnings	*5.1*	*7.2*
Other financial income(*)	700.0	631.6
Other financial expenses(*)	(455.2)	(369.5)
FINANCIAL INCOME	**113.9**	158.1

(*) Details of other financial income and charges

	2017			2016		
(in millions of euros)	**Total**	**Financial income**	**Financial expenses**	Total	Financial income	Financial expenses
Income from securities and short-term investments[1]	30.2	30.2	0.0	400.9	400.9	0.0
Capital gains (losses) on disposals of securities and short-term investments	18.9	76.5	(57.6)	(4.2)	8.0	(12.2)
Effect of changes in consolidation scope[2]	221.9	261.3	(39.4)	2.9	9.8	(6.9)
Changes in financial provisions	(58.0)	10.2	(68.2)	(18.4)	6.8	(25.2)
Fair value adjustment of derivatives[3]	122.2	122.6	(0.4)	(6.4)	0.2	(6.6)
Other[4]	(90.4)	199.2	(289.6)	(112.7)	205.9	(318.6)
OTHER FINANCIAL INCOME AND EXPENSES	**244.8**	**700.0**	**(455.2)**	262.1	631.6	(369.5)

(1) Mainly Telefonica dividends for 19.7 million euros at December 31, 2017 and Vivendi dividends for 392.9 million euros at December 31, 2016.
(2) At December 31, 2017 including principally 232.3 million euros from the remeasurement of investments in equity affiliates following the change in consolidation method for Vivendi (see note 4.1 – Principal changes in consolidation scope).
(3) Including in particular, as at December 31, 2017, the change in the fair value of Vivendi stock options subscribed in October 2016 for 77.2 million euros.
(4) Other financial income and expenses particularly concern foreign exchange gains and losses on financial items as well as, at December 31, 2016, the payment of an amount corresponding to a portion of the dividends received from Vivendi as part of the funding put in place during fiscal year 2016.

7.2. INVESTMENTS IN EQUITY AFFILIATES

Accounting policies

Companies accounted for using the equity method include companies over which the Group has a significant influence and joint ventures. To clarify the financial information provided further to the implementation of IFRS 10 "Consolidated financial statements" and IFRS 11 "Joint arrangements", the Group elected to recognize the shares of net income from companies accounted for using the equity method whose activities are linked to the Group's operating activities, in "Share in net income from operating companies accounted for using the equity method". The shares of net income from the Group's holding companies are presented in "Share in net income from non-operating companies accounted for using the equity method".

There was no reclassification made from the category "Operating equity method" to the category "Non-operating equity method" during the reporting periods.

Shareholdings in associate companies and joint ventures are recognized under IAS 28 revised as soon as a significant degree of influence or control has been acquired. Any difference between the cost of the shareholding and the acquired share in the fair value of the assets, liabilities and contingent liabilities of the company is entered under goodwill. Goodwill thus determined is included in the book value of the shareholding.

An impairment test is carried out as soon as an objective indication of impairment has been identified, such as a significant fall in the price of the shareholding, the anticipation of a significant fall in future cash flows or any information suggesting likely significant negative effects on the results of the entity.

The recoverable value (in the case of shareholdings consolidated by the equity method) is then tested as described in the note on impairment of non-financial non-current assets (see note 6.1 – Goodwill). The value in use is calculated on the basis of an analysis of various criteria including the stock exchange value for listed securities, discounted future cash flows and comparable listed companies. These methods are subject to price objectives determined by financial analysts for listed securities.

Impairment losses, if any, are recognized in profit and loss under "Share in net income from operating companies accounted for using the equity method" or "Share in net income from non-operating companies accounted for using the equity method", according to their classification.

Should significant influence or joint-control be attained through successive stock purchases, in the absence of a ruling on IAS 28 revised, the Group has chosen to adopt the cost method.

Following this method, the goodwill recognized equals the sum of the goodwill of each successive lot of shares acquired. The goodwill is calculated for each purchase, as the difference between the price paid and the portion of fair value of the net identifiable asset acquired. The cost of lots acquired before attaining significant influence or joint control is not remeasured at fair value when significant influence is attained.

The Group considers itself as involved in any losses realized by entities accounted for using the equity method even if the amount of the losses exceeds the initial investment. The share of losses realized during the fiscal year is recognized under "Share in net income from operating companies accounted for using the equity method", a provision is recognized under "Provisions for contingencies" for the share of losses exceeding the initial investment.

(in millions of euros)	
At December 31, 2016	**4,549.7**
Change in consolidation scope(1)	(18.2)
Share in net income from operating companies accounted for using the equity method	151.0
Share in net income from non-operating companies accounted for using the equity method	115.5
Other transactions(2)	(210.7)
AT DECEMBER 31, 2017	**4,587.3**

(1) Refers mainly to the removal of Vivendi from equity-accounted affiliates on April 26, 2017 in the amount of –3,546.5 million euros and additions to the Vivendi group's equity-accounted affiliates in the amount of 3,463.7 million euros (of which Telecom Italia represented 3,029.7 million euros.)

(2) Including –123.9 million euros in dividends, –102.3 million euros in changes in unrealized foreign exchange gains or losses and 20.4 million euros in changes in fair value of financial assets.

Consolidated value of the main companies accounted for using the equity method

Information has been categorized by operating segment.

At December 31, 2017 (in millions of euros)	Share in net income from operating companies accounted for using the equity method	Share in net income from non-operating companies accounted for using the equity method	Equity value
Entities under significant influence			
Vivendi – accounted for using the equity method for 4 months(*)	12.9		0.0
Entities accounted for using the equity method at Vivendi(**)	106.6		3,539.6
– Telecom Italia	*107.9*		*3,080.7*
– other	*(1.3)*		*458.9*
Mediobanca(***)		98.4	659.2
Socfin group		16.7	172.7
Other	3.4	0.4	31.8
Sub-total entities under significant influence	**122.9**	**115.5**	**4,403.3**
Joint ventures	**28.1**	**0.0**	**184.0**
TOTAL	**151.0**	**115.5**	**4,587.3**

At December 31, 2016 (in millions of euros)	Share in net income from operating companies accounted for using the equity method	Share in net income from non-operating companies accounted for using the equity method	Equity value
Entities under significant influence			
Vivendi(*)	16.1		3,574.2
Mediobanca(***)		12.4	619.5
Socfin group		8.6	173.3
Other	2.6	(0.4)	34.8
Sub-total entities under significant influence	18.7	20.6	4,401.8
Joint ventures	23.2	0.0	147.9
TOTAL	41.9	20.6	4,549.7

(*) Vivendi
Vivendi is a listed company publishing its financial statements in compliance with IFRS.
At December 31, 2016, Financière de l'Odet owned, through its subsidiary Compagnie de Cornouaille, 15.3% of the total share capital of Vivendi, namely 15.6% excluding treasury shares. As a result of transactions concluded on October 7, 2016, the Financière de l'Odet Group crossed the threshold of 20% of the share capital and voting rights of Vivendi and consolidated its investment in Vivendi by the equity method from this date.
Preliminary goodwill was calculated using the cost method on the acquisition dates of the various securities lots, in accordance with the Group's chosen accounting method.
The equity value calculated at October 7, 2016 was 3,535.8 million euros (18.00 euros per share) following the recognition of goodwill for 2,472.2 million euros.
On April 26, 2017, the Group re-examined the control exercised over Vivendi in terms of IFRS 10 (see note 1 – Significant events and note 4.1.1- Principal changes in consolidation scope during the 2017 fiscal year) and concluded that the criteria for control has been met. Vivendi was fully consolidated in the financial statements starting April 26, 2017 and the shareholding initially recognized by the equity method since October 7, 2016 was deconsolidated at its value on that date, or 3,546.5 million euros, after accounting for the share of net income for the period and other items of comprehensive income.

(**) Entities accounted for using the equity method at Vivendi
The allocation of the fair values of the assets and liabilities at the date the controlling interest in Vivendi was acquired was completed during the year. In this respect, the net book values of investments in equity affiliates securities accounted for using the equity method and presented in the Group's financial statements have been reviewed and recorded at fair value at the date of acquisition on the basis of stock market prices at that date, in particular for listed securities. Thus, the initial values of Telecom Italia and Vevo at consolidation have been adjusted (see note 4.1.1 – Changes in consolidation scope during the 2017 fiscal year) as part of the allocation of the fair values of assets and liabilities at the date the controlling interest was acquired.
Vivendi has decided to reconcile the presentation of its income statement with that of Financière de l'Odet Group and, noting that the equity-method assets it held had an operational nature in the further conduct of the Group business, has reclassified their share of net income on the line "share of net income of equity-accounted operating companies" in operating income. This classification was maintained on the Financière de l'Odet Group financial statements.

Telecom Italia

At December 31, 2017, Vivendi held 3,640 million ordinary shares of Telecom Italia with voting rights (23.9%, representing 17.2% of the total share capital).
During the last three general meetings of shareholders of Telecom Italia 2015, 2016 and 2017, Vivendi did not have the majority of the voting rights and there is no agreement between Vivendi and Telecom Italia that allows Vivendi to appoint the majority of the members of the Board of Directors of Telecom Italia or to assemble a majority of the votes in meetings of the Board of Directors of Telecom Italia. Moreover, Vivendi does not have the power to unilaterally nominate the Executive Chairman of the Board of Directors or the *Amministratore delegato* (Deputy Chief Executive Officer) of Telecom Italia.
In light of the foregoing and the details detailed in Vivendi's 2017 Annual Financial Report, Vivendi does not consider itself to have the power to unilaterally direct Telecom Italia's relevant activities, within the meaning of IFRS 10. Vivendi believes it has the power to participate in the decisions relating to the financial and operating policies of Telecom Italia, within the meaning of IAS 28, and therefore that it exercises a significant influence on Telecom Italia. Since December 15, 2015 and December 31, 2017, Vivendi's interest in Telecom Italia has been accounted for using the equity method.

Value of shareholding in Telecom Italia at December 31, 2017

At December 31, 2017, the value of the shareholding in Telecom Italia accounted by the equity method was 3,080.7 million euros. At December 31, 2017, the market price of ordinary shares of Telecom Italia (0.72 euro per ordinary share) showed a decline compared to the fair value starting value of the securities in the Group's financial statements as at April 26, 2017. (0.83 euro per ordinary share). The Group believes, however, that this decline is not likely to persist given (i) the expected trend in the valuation outlook for Telecom Italia, particularly considering the change in Executive management; (ii) the volatility of the market price of Telecom Italia following the equity position taken by Vivendi; and (iii) the unfavorable trend in telecom stocks in Europe. At December 31, 2017 the Group conducted an impairment test on its 17.2% shareholding in Telecom Italia, in order to determine if its recoverable value was greater than its book value.
With the assistance of an independent expert, Management concluded that the recoverable value of its shareholding in Telecom Italia, determined by the usual valuation methods (discounted cash flows and fair value, determined from market elements: stock prices, comparison with similar listed companies, comparison with the value assigned to similar assets or companies in recent acquisition transactions), was higher than its book value.

Telecom Italia financial information (100% owned) used to prepare the Group's financial statements

The main aggregates of the consolidated financial statements as published by Telecom Italia are as follows:

(in millions of euros)	Quarterly financial statements at September 30, 2017 9 months
Non-current assets	58,014
Current assets	9,882
Total assets	67,896
Shareholders' equity	24,059
Non-current liabilities	32,655
Current liabilities	11,182
Total liabilities	67,896
Of which net financial liabilities	*26,958*
Turnover	14,679
EBITDA(1)	6,213
Net income, Group share	1,033
Comprehensive income, Group share	755

(1) Not strictly accounting measures, as published by Telecom Italia (Alternative Performance Measures)

Share in net income

Vivendi relies on the public financial information of Telecom Italia to account for its shareholding in Telecom Italia by the equity method. Given the respective dates of publication of the financial statements of Vivendi and Telecom Italia, Vivendi always recognizes its share in the net income of Telecom Italia with a lag of one quarter. Accordingly, in fiscal year 2017, Vivendi earnings include its share in the net income of Telecom Italia for the fourth quarter of 2016 and the nine first months of the 2017 fiscal year, for a total amount of 144 million euros. These amounts are recorded in the Financière de l'Odet Group financial statements.

(**) Mediobanca

Mediobanca is a listed company which publishes financial statements in compliance with the IFRS system.

As at December 31, 2017, the Financière de l'Odet Group is the second-largest shareholder in Mediobanca. As at December 31, 2017, Financière du Perguet, a subsidiary of the Financière de l'Odet Group, owned 7.9% of Mediobanca's total share capital, i.e. 8.0% excluding treasury shares (respectively 8.0% and 8.1% as at December 31, 2016).

28.6% of Mediobanca's share capital is held by a group of shareholders linked by a shareholders' agreement, with no shareholder outside the agreement alone holding more than 5% of the share capital.

La Financière du Perguet represents 27.6% of the agreement and has three directors on the 18-member Board of Directors.

The value in use of the shareholding in Mediobanca was recalculated as at December 31, 2017. The value in use is calculated on the basis of an analysis of various criteria including the market price for listed securities, discounted future cash flows and comparable listed companies. It is lower than the valuation based on the market price at that date. The recoverable value used at December 31, 2017 is therefore based on the market price. This review of the recoverable value resulted in the recognition of an impairment reversal of 33.7 million euros at December 31, 2017.

At December 31, 2017, the value of the equity-method investment was 659.2 million euros and the Group share of net income was 98.4 million euros, after reversing the impairment of the shareholding in the amount of 33.7 million euros. The market value of the shareholding at that date was 659.2 million euros.

Summary of key financial information – Mediobanca

(in millions of euros)	**At 12/31/2017(1)**	At 12/31/2016(1)
Net banking income	1,056	990
Net income, Group share	476	418
Total balance sheet	72,090	73,475
Shareholders' equity, Mediobanca group share	9,223	9,051

(1) Corresponding to interim publication, i.e. six months of activity, as the Mediobanca group closes its financial statements in June. Nonetheless the Group presents twelve months in the full-year financial statements.

The reconciliation of Mediobanca's summarized financial information with the book value of the Group's interest is established as follows:

(in millions of euros)	**At 12/31/2017**	At 12/31/2016
Shareholders' equity, Mediobanca group share	9,223	9,051
Homogenization restatement and PPP	199	196
Percentage held by Financière de l'Odet Group	8.0%	8.1%
Share in net assets from Mediobanca group	756	752
Goodwill and adjustment of fair value of the shareholding	(97)	(132)
NET BOOK VALUE OF THE GROUP'S INTEREST	**659**	619

7.3. OTHER FINANCIAL ASSETS

Accounting policies

Other non-current financial assets consist of the share beyond a year of available-for-sale assets, financial instruments recorded at their fair value through profit and loss and loans, deposits and bonds.
Current financial assets consist of trade and other receivables, cash and cash equivalents, and the share within a year of financial instruments recorded at their fair value through profit and loss and loans, deposits and bonds.
When first entered, these assets are recorded at their fair value, which is generally their acquisition cost plus transaction costs.

- **Available-for-sale assets**

Assets available for sale essentially include shareholdings in non-consolidated companies.
At the reporting dates, assets available for sale are valued at their fair value. As regards shares in listed companies, this fair value is the closing stock market value.
The fair value of unlisted securities is determined on the basis of the revalued net assets and, if applicable, for transparency, the value of any underlying assets. Temporary variations in fair value are entered directly in shareholders' equity. They are transferred to the income statement when the shares in question are disposed of.
When an impairment test leads to recognition of a significant or lasting implicit capital loss by comparison with the acquisition cost, this loss is entered in the income statement and cannot subsequently be reversed.
For securities depreciating in value at the end of the year, the Group systematically records a definitive loss in the income statement when the market price of a listed security is more than 30% lower than its acquisition cost, or when it has been lower than the acquisition cost for two years. As regards shareholdings in the Group's listed holding companies, as these are long term structural capital expenditure, the criteria used for systematic impairment are a reduction in value of 40% of the acquisition cost, or a reduction in value identified over a four-year period.
If the fair value cannot be reliably determined, the securities are recorded at their purchase cost. If there is an objective indication of a significant or lasting impairment, an irreversible loss is recognized in the income statement.
Partial disposals of securities are carried out using the FIFO method.

- **Assets at fair value through profit and loss**

Assets at fair value through profit and loss include transaction assets, mainly derivative financial instruments. Changes in the fair value of these assets are recorded under financial income at each year end, or, where necessary, under shareholders' equity for derivatives eligible for future cash flow hedge accounting.

- **Loans, receivables, deposits and bonds**

The category "Loans, receivables and obligations" consists mainly of receivables from shareholdings, current account advances extended to associated or non-consolidated entities, security deposits, and other loans and receivables and bonds. Short-term investments (term deposits, paid current accounts and negotiable medium term notes) that do not satisfy the criteria of IAS 7 as well as money market funds that do not satisfy the specifications of AMF Position no. 2011-13 are classified as cash management financial assets in current financial assets.
When first entered, these financial assets are booked at their fair value plus directly attributable transaction costs. At the end of each accounting period, these assets are valued at amortized cost using the "effective interest rate" method.
An impairment is recognized if there is an objective indication of such a loss. The impairment corresponding to the difference between the net book value and the recoverable value (discount of expected cash flows at the original effective interest rate) is charged to the income statement. This may be reversed if the recoverable value later rises.

At December 31, 2017 (in millions of euros)	**Gross value**	**Provisions**	**Net value**	**Of which non-current**	**Of which current**
Available-for-sale assets	7,367.3	(238.9)	7,128.4	7,128.4	0.0
Assets at fair value through profit and loss	191.4	0.0	191.4	190.5	0.9
Loans, receivables, deposits and bonds	799.1	(183.9)	615.2	507.0	108.2
TOTAL	**8,357.8**	**(422.8)**	**7,935.0**	**7,825.9**	**109.1**

At December 31, 2016 (in millions of euros)	Gross value	Provisions	Net value	Of which non-current	Of which current
Available-for-sale assets	2,590.4	(265.4)	2,325.1	2,325.1	0.0
Assets at fair value through profit and loss	99.3	0.0	99.3	98.5	0.8
Loans, receivables, deposits and bonds	173.6	(38.7)	134.9	109.1	25.8
TOTAL	2,863.3	(304.1)	2,559.3	2,532.7	26.6

Breakdown of changes over the period

(in millions of euros)	At 12/31/2016 Net value	Change in consolidation scope(1)	Acquisitions	Disposals(2)	Change in fair value(3)	Impairment recorded in the income statement	Other transactions	**At 12/31/2017 Net value**
Available-for-sale assets	2,325.1	3,782.0	17.8	(22.4)	1,033.7	(4.4)	(3.4)	7,128.4
Assets at fair value through profit and loss	99.3	26.6	0.0	0.0	63.9	0.0	1.6	191.4
Loans, receivables, deposits and bonds	134.9	1,418.8	43.5	(883.0)	(1.0)	(11.3)	(86.7)	615.2
TOTAL	2,559.3	5,227.4	61.3	(905.4)	1,096.6	(15.7)	(88.5)	**7,935.0**

(1) The change in consolidation scope is basically due to the full consolidation of Vivendi from April 26, 2017. See note 4.1 – Principal changes in consolidation scope. It includes the investments in Ubisoft (1,321.9 million euros), Mediaset (1,306.6 million euros) and Telefonica (516.5 million euros), as well as in the loans, receivables, deposits and bonds, and cash management financial assets included in net financial debt in the amount of 925.3 million euros. At December 31, 2017, cash management financial assets amounted to 75 million euros (see note 7.5.1 – Net debt).
(2) Sales of loans, receivables and deposits refer mainly to the liquidation of short-term investments used in the Vivendi's cash management.
(3) The change in fair value of assets available for sale includes 654.3 million euros related to securities in Group holding companies.

Assets at fair value through profit and loss

Assets at fair value through profit and loss mainly include derivative financial instruments, primarily, in the amount of 175.4 million euros at December 31, 2017, the Vivendi stock options subscribed in October 2016, whose fair value at December 31, 2016 was 98.3 million euros.

Available-for-sale assets

Breakdown of main shares

Companies (in millions of euros)	**At 12/31/2017**		At 12/31/2016	
	Percentage held	**Net value**	Percentage held	Net value
Ubisoft(1)(2)	27.27	1,955.6		0.0
Mediaset(1)(3)	28.80	1,099.0		0.0
Telefonica(1)	0.95	400.1		0.0
Fnac-Darty(1)(4)	11.05	296.6		0.0
Other listed shares		117.2		122.0
Listed securities subtotal		**3,868.5**		122.0
Sofibol	48.95	1,563.1	48.95	1,195.6
Financière V	49.69	811.9	49.69	621.3
Omnium Bolloré	49.84	409.9	49.84	313.7
Other unlisted securities		474.9		72.5
Subtotal, unlisted securities		**3,259.9**		2,203.1
TOTAL		**7,128.4**		2,325.1

(1) Securities held by Vivendi, fully consolidated from April 26, 2017.
(2) In agreement with the Guillemot family, Vivendi announced on March 20, 2018 the sale of its entire 27.27% shareholding in Ubisoft at a price of 66 euros per share for 2 billion euros.
(3) The partnership agreement entered into between Vivendi and Mediaset on April 8, 2016 is the subject of litigation (see note 10.2 – Litigation in progress).
(4) On January 16, 2018, Vivendi entered into a hedging transaction to protect the value of its equity interest in Fnac-Darty. The hedge position is taken by a forward sale on the basis of a reference price of 91 euros per share which will be adjusted according to the terms of settlement. Vivendi retains the possibility of a settlement in cash or by delivery of shares at the end of this transaction, i.e. no later than during the second half of 2019.

Listed securities are valued at market price (see note 8.1 – Information on risk). Unlisted securities consist mainly of the Group's stakes in Omnium Bolloré, Sofibol and Financière V, all intermediate holding companies controlled by the Group.

Sofibol, Financière V, Omnium Bolloré

The Financière de l'Odet Group directly and indirectly owns shares in Sofibol, Financière V and Omnium Bolloré, all intermediate holding companies controlled by the Group.

- Sofibol, controlled by Vincent Bolloré, is 51.05% owned by Financière V, 35.93% owned by Bolloré and 13.01% owned by Compagnie Saint-Gabriel, itself a 99.99% subsidiary of Bolloré.
- Financière V, controlled by Vincent Bolloré, is 50.31% owned by Omnium Bolloré, 22.81% owned by Compagnie du Cambodge, 10.50% owned by Financière Moncey, 10.25% owned by Bolloré, 4% owned by Société Industrielle et Financière de l'Artois, 1.68% owned by Compagnie des Tramways de Rouen and 0.45% owned by Société des Chemins de Fer et Tramways du Var et du Gard.
- Omnium Bolloré, controlled by Vincent Bolloré, is 50.04% owned by Bolloré Participations, 27.92% owned by African Investment Company (controlled by Bolloré), 17.10% owned by Financière Moncey, 4.82% owned by Bolloré and 0.11% owned by Vincent Bolloré.

Despite its shareholding in Sofibol (48.95%), Financière V (49.69%) and Omnium Bolloré (49.84%), the Financière de l'Odet Group does not exert significant influence over them, since the shares have no voting rights attached, due to the direct and indirect control these companies have over the Financière de l'Odet Group.

During the 2017 fiscal year, with the assistance of an independent expert, the Group reviewed the valuation method for these securities. The valuation method is based on the market price of the Financière de l'Odet securities and includes a discount that reflects the lower liquidity of these securities, based on a valuation model called Protective Put (Chaffe model). This measurement resulted in the recognition of a discount of 11% at December 31, 2017. This new valuation method does not show a significant difference with the previous method (8 million euros being deemed as insignificant). This change in estimate has been accounted for prospectively.

At December 31, 2017, the total amount of capital losses recognized in shareholders' equity for revaluations of financial assets available for sale amounted to –367.8 million euros, including –207.6 million euros for the Mediaset securities and –116.4 million for the Telefonica securities. These capital losses are neither long-term nor significant in terms of the Group's impairment criteria.

7.4. CASH AND CASH EQUIVALENTS AND NET CASH

Accounting policies

"Cash and cash equivalents" consists of cash in hand, bank balances and short-term deposits in the money market. Such deposits (three months or less) are readily convertible into a known amount of cash and are subject to a negligible risk of change in value.

	At 12/31/2017			At 12/31/2016		
(in millions of euros)	**Gross value**	**Provisions**	**Net value**	Gross value	Provisions	Net value
Cash	1,490.5	0.0	1,490.5	1,149.1	0.0	1,149.1
Cash equivalents	1,608.2	0.0	1,608.2	199.8	0.0	199.8
Cash and cash equivalents	**3,098.7**	**0.0**	**3,098.7**	1,348.9	0.0	1,348.9
Cash management agreements – liabilities(1)	(25.2)	0.0	(25.2)	(21.0)	0.0	(21.0)
Current bank facilities	(301.0)	0.0	(301.0)	(132.8)	0.0	(132.8)
NET CASH	**2,772.5**	**0.0**	**2,772.5**	1,195.1	0.0	1,195.1

(1) The cash management agreements affecting the consolidated balance sheet are those between companies which have shared ownership links but where one of them is not included within the Group's consolidation scope but within a wider scope.
The shared financial interests of these companies have led them to examine ways of enabling them to improve the terms on which they meet their cash requirements or use their surpluses so as to optimize cash flow.
These current transactions are cash transactions conducted under market conditions and are by nature backup credits.

Net cash includes cash and cash equivalents of Vivendi for 1,950.5 million euros at December 31, 2017 (including 1,257.0 million euros of term deposits and interest-bearing current accounts and 275.0 million euros of money market funds).

7.5. DEBT

Accounting policies

The definition of the Group's net debt complies with recommendation no. 2013-03 of November 7, 2013, of the French Accounting standards authority (*Autorité des normes comptables*, or ANC) relating to undertakings under the international accounting system, it being pointed out that:

- any derivative financial instruments based on a net debt item are included in net debt;
- certain specific financial assets applied to the repayment of debt are included in net debt;
- liabilities for buying back minority interests and for earn-outs are excluded from net debt.

Loans and other similar financial debts are entered at amortized cost according to the effective interest rate method. Financial transaction liabilities are kept at fair value, with a counterpart in the income statement.

Bonds redeemable for stock purchase or sale warrants are compound financial liabilities with an "option component" (redeemable stock purchase or sale warrants) which entitle the bearer of the warrants to convert them into equity and a "liability component" representing a financial liability due to the bearer of the bond. The "option component" is recognized in shareholders' equity separately from the "liability component". Deferred tax liabilities arising from the difference between the accounting basis of the "liability component" and the tax basis of the bond are debited to shareholders' equity.

The "liability component" is measured at the issue date based on the fair value of a comparable liability not associated with an option component. This fair value is determined from the future net cash flows present-discounted at the market rate for a similar instrument without a conversion option. It is recognized at amortized cost using the effective interest rate method.

The book value of the "option component" equals the difference between the fair value of the bond loan as a whole and the fair value of the liability. This value is not remeasured subsequently to the initial recognition.

Issuance costs, since they cannot be directly charged to the liability or equity component, are allocated proportionately based on their respective book values.

7.5.1. Net debt

(in millions of euros)	At 12/31/2017	Of which current	Of which non-current	At 12/31/2016	Of which current	Of which non-current
Other bond loan issues	5,310.7	134.5	5,176.2	1,153.4	9.1	1,144.3
Loans from credit institutions	2,414.4	496.6	1,917.8	4,546.0	1,179.8	3,366.2
Other borrowings and similar debts	516.3	453.6	62.7	236.5	179.1	57.4
Liability derivatives(1)	0.2	0.0	0.2	0.0	0.0	0.0
GROSS FINANCIAL INDEBTEDNESS	**8,241.6**	**1,084.7**	**7,156.9**	5,935.9	1,368.0	4,567.9
Cash and cash equivalents(2)	(3,098.7)	(3,098.7)	0.0	(1,348.9)	(1,348.9)	0.0
Cash management financial assets(3)	(75.0)	(75.0)	0.0	0.0	0.0	0.0
Asset derivatives(1)	0.0	0.0	0.0	(1.0)	(0.8)	(0.2)
NET DEBT	**5,067.9**	**(2,089.0)**	**7,156.9**	4,586.0	18.3	4,567.7

(1) See section "Net debt asset and liability derivatives" below.
(2) See note 7.4 – Cash and cash equivalents and net cash.
(3) Cash management financial assets are short-term investments that do not satisfy the criteria of IAS 7 as well as money market funds that do not satisfy the specifications of AMF Position no. 2011-13. At December 31, 2017, these meant the 75.0 million euros of Vivendi's financial assets.

Main characteristics of the items in net debt

Liabilities at amortized cost

Other bond loan issues

(in millions of euros)	12/31/2017	12/31/2016
Other bond loans issued by Bolloré(1)	1,160.9	653.8
Other bond loans issued by Havas(2)	500.5	499.6
Other bond loans issued by Vivendi(3)	3,649.3	0.0
OTHER BOND LOAN ISSUES	**5,310.7**	1,153.4

(1) Issued by Bolloré:
On January 25, 2017 Bolloré issued a bond loan at a par value of 500 million euros, due in 2022, with a yearly coupon of 2.00%.
On July 29, 2015 Bolloré issued a bond loan at a par value of 450 million euros, due in 2021, with a yearly coupon of 2.875%.
On January 30, 2014, Bolloré issued a bond loan with a par value of 30 million euros, maturing in 2019 and at a variable rate (Euribor +1.75%), under the European Efficiency Fund financing and used to finance the Group's car-sharing investments.
On October 23, 2012, Bolloré issued a bond loan at a par value of 170 million euros, due in 2019, with a yearly coupon of 4.32%.
The accrued interest on these bond loan issues totaled 18.8 million euros at December 31, 2017.
(2) Issued by Havas:
On December 8, 2015, Havas SA issued a bond loan for a par value of 400 million euros, due in 2020, with a yearly coupon of 1.875%. The amortized cost of this debt on the balance sheet was 398.3 million euros at December 31, 2017.
On July 11, 2013, Havas SA issued a bond loan for 100 million euros, due in 2018, with a yearly coupon of 3.125%. The amortized cost of this debt on the balance sheet was 99.9 million euros at December 31, 2017.
The accrued interest on these bond loan issues totaled 2.2 million euros at December 31, 2017.
(3) Issued by Vivendi:
In September 2017, Vivendi issued a bond loan at a par value of 850 million euros, due in 2024, with a yearly coupon of 0.875%.
In November 2016, Vivendi issued a bond loan for a par value of 600 million euros, due in 2023, with a yearly coupon of 1.125%.
In May 2016, Vivendi issued a bond loan at a par value of 500 million euros, due in 2026, with a yearly coupon of 1.875%.
In May 2016, Vivendi issued a bond loan at a par value of 1,000 million euros, due in 2021, with a yearly coupon of 0.75%.
In December 2009, Vivendi issued a bond loan for a par value of 700 million euros, due in 2019, with a yearly coupon of 4.875%.
The accrued interest on these bond loan issues totaled 15.8 million euros at December 31, 2017.

Loans from credit institutions

(in millions of euros)	12/31/2017	12/31/2016
Loans from credit institutions(1)	2,414.4	4,546.0

(1) Of which 400 million euros at December 31, 2017 for a variable-rate credit agreement due in 2021 and extendible until 2023. Interest rate hedges that swapped the original interest rate for a fixed rate that can be classified as hedge accounting were set up for this loan.
Of which 186 million euros at December 31, 2017 and 175.8 million euros at December 31, 2016 under a receivables factoring program.
Of which 120 million euros of short-term negotiable securities drawn on Bolloré on December 31, 2017 (668 million euros at December 31, 2016) as part of a program of up to 900 million euros; 57 million euros of short-term negotiable securities drawn at Financière de l'Odet at December 31, 2017 (123 million euros at December 31, 2016) as part of a program of 400 million euros and 100 million euros of short-term negotiable securities drawn at Havas at December 31, 2016 as part of a program of up to 400 million euros.
Of which 150 million euros at December 31, 2017 and December 31, 2016 in financing guaranteed by Vivendi security pledges expiring in 2020.
Of which 949.3 million euros in financing at December 31, 2017 (1,997.8 million euros at December 31, 2016) backed by Vivendi securities expiring in 2020, 2021 and 2022.
Of which 300 million euros at December 31, 2016 under a revolving credit agreement expiring in 2019.

Other borrowings and similar debts

(in millions of euros)	12/31/2017	12/31/2016
Other borrowings and similar debts(1)	516.3	236.5

(1) At December 31, 2017, primarily includes current bank facilities of 301.0 million euros (of which 75.0 million euros at Vivendi) versus 132.8 million euros at December 31, 2016.

Net debt asset and liability derivatives

(in millions of euros)	**12/31/2017**	12/31/2016
Non-current asset derivatives[1]	0.0	(0.2)
Current asset derivatives	0.0	(0.8)
TOTAL ASSET DERIVATIVES	**0.0**	(1.0)
Non-current liability derivatives	0.2	0.0
TOTAL LIABILITY DERIVATIVES	**0.2**	0.0

(1) Included under "Other financial assets", see note 7.3.

Nature and fair value of financial derivatives derived from net debt

Nature of instrument	Risk hedged	Company	Maturity	Total notional amount (in thousands of currencies)	**Fair value of instruments at December 31, 2017** (in millions of euros)	Fair value of instruments at December 31, 2016 (in millions of euros)
Interest rate swaps[1]	Interest rate	Bolloré	2021/2023	€400,000	(0.2)	0.2
Currency swaps[2]	Currency	Havas	2017	Multiple contracts	NA	0.8

(1) Interest rate swap (variable rate/fixed rate) classified as hedge accounting contracted in 2016.
(2) Miscellaneous currency derivatives recognized for most of the hedge.

The income and expenditure posted in the income statement for the period for these financial liabilities are shown in note 7.1 – Financial income.

Debt by currency

At December 31, 2017 (in millions of euros)	**Total**	**Euros and CFA francs[1]**	**US dollars**	**Other currencies**
Other bond loan issues	5,310.7	5,310.7	0.0	0.0
Total bond loan issues (a)	**5,310.7**	**5,310.7**	**0.0**	**0.0**
Loans from credit institutions (b)	2,414.4	2,317.2	62.1	35.1
Other borrowings and similar debts (c)	516.3	410.8	13.6	91.9
GROSS DEBT EXCLUDING DERIVATIVES (a + b + c)	**8,241.4**	**8,038.7**	**75.7**	**127.0**

(1) Of which 4,270 million euros relating to Vivendi.
After hedging, the repayment value of Vivendi's borrowings in euros amounted to 5,814 million euros, in US dollars it amounted to –1,333 million euros and other currencies it amounted to –97 million euros. See note 8.3 – Fair value of financial instruments.

At December 31, 2016 (in millions of euros)	Total	Euros and CFA francs	US dollars	Other currencies
Other bond loan issues	1,153.4	1,153.4	0.0	0.0
Total bond loan issues (a)	1,153.4	1,153.4	0.0	0.0
Loans from credit institutions (b)	4,546.0	4,406.7	83.5	55.7
Other borrowings and similar debts (c)	236.5	172.4	37.7	26.4
GROSS DEBT EXCLUDING DERIVATIVES (a + b + c)	5,935.9	5,732.5	121.2	82.2

Debt by interest rate (amounts before hedging)

(in millions of euros)	At 12/31/2017			At 12/31/2016		
	Total	**Fixed rate**	**Variable rate**	Total	Fixed rate	Variable rate
Other bond loan issues	5,310.7	5,243.8	66.8	1,153.4	1,115.0	38.4
Total bond loan issues (a)	**5,310.7**	**5,243.8**	**66.8**	1,153.4	1,115.0	38.4
Loans from credit institutions (b)	2,414.4	289.7	2,124.7	4,546.0	447.1	4,098.9
Other borrowings and similar debts (c)	516.3	123.4	392.9	236.5	63.1	173.5
GROSS DEBT EXCLUDING DERIVATIVES (a + b + c)	**8,241.4**	**5,657.0**	**2,584.4**	5,935.9	1,625.2	4,310.7

At December 31, 2017, Group share of gross fixed-rate debt was 68.6%.
At December 31, 2016, Group share of gross fixed-rate debt was 27.4%.

7.5.2. Change in gross debt

(in millions of euros)	At 12/31/2016	Borrowings	Repayment of borrowings	Other changes in cash(1)	Non-cash changes		**At 12/31/2017**
					Changes in consolidation scope(2)	Other(3)	
Other bond loan issues	1,153.4	1,346.6	0.4	0.0	2,808.8	1.5	5,310.7
Loans from credit institutions	4,546.0	657.0	(3,271.3)	0.0	484.3	(1.7)	2,414.4
Other borrowings and similar debts	236.5	23.5	(14.3)	18.2	227.2	25.2	516.3
Liability derivatives(4)	0.0	0.0	0.0	0.0	(0.2)	0.4	0.2
GROSS FINANCIAL INDEBTEDNESS	5,935.9	2,027.1	(3,285.2)	18.2	3,520.1	25.4	**8,241.6**

(1) Mainly includes changes in current bank facilities and cash management agreements included in net cash (see note 7.4 – Cash and cash equivalents and net cash).
(2) Mainly includes the first-time consolidation of Vivendi for 3,494.8 million euros.
(3) Of which foreign exchange variation and changes in interest accrued on borrowings.
(4) See section "Net debt asset and liability derivatives".

7.5.3. Schedule of gross debt

The main assumptions made when drawing up this schedule of non-discounted disbursements relating to gross debt were as follows:
- confirmed credit lines: the expired position is the position on the 2017 reporting date, the amount used at a subsequent date may be substantially different;
- the maturity assumed for bilateral credit lines is the term of the contract and not that of the draw; these draws are renewed at the Group's discretion as a matter of cash arbitrage;
- sums in other currencies are translated at the year end;
- future interest at a variable rate is fixed on the basis of the rate at the year end, unless a better estimate is provided.

(in millions of euros)	**At 12/31/2017**	Under 3 months		Under 6 months		From 6 to 12 months	
		Nominal	Interest	Nominal	Interest	Nominal	Interest
Other bond loan issues	5,310.7	0.0	26.6	0.0	26.6	134.5	51.8
Loans from credit institutions	2,414.4	30.4	7.6	20.8	7.4	445.4	13.8
Other borrowings and similar debts	516.3	0.6	3.4	0.6	3.3	452.5	6.7
Liability derivatives	0.2	0.0	0.0	0.0	0.0	0.0	0.0
GROSS FINANCIAL INDEBTEDNESS	**8,241.6**						

(in millions of euros)	**At 12/31/2017**	Under 1 year		From 1 to 5 years		More than 5 years	
		Nominal	Interest	Nominal	Interest	Nominal	Interest
Other bond loan issues	5,310.7	134.5	105.1	3,236.6	228.6	1,939.6	50.6
Loans from credit institutions	2,414.4	496.6	28.8	1,883.2	60.1	34.6	1.5
Other borrowings and similar debts	516.3	453.6	13.4	52.2	4.3	10.6	0.2
Liability derivatives	0.2	0.0	0.0	0.2	0.0	0.0	0.0
GROSS FINANCIAL INDEBTEDNESS	**8,241.6**	1,084.7		5,172.1		1,984.8	

7.6. OFF BALANCE SHEET COMMITMENTS FOR FINANCING ACTIVITIES

7.6.1. Commitments given

At December 31, 2017 (in millions of euros)	**Total**	**Under 1 year**	**From 1 to 5 years**	**More than 5 years**
Financial guarantees and bonds[(1)]	98.9	11.1	83.6	4.2
Pledges, mortgages, assets and collateral given to guarantee a loan(*)	1,143.6	0.0	1,143.6	0.0
Other commitments given	30.1	20.8	8.8	0.5

(1) Bonds and financial securities are issued by the Group's main holding companies to guarantee repayment of the credit facilities (drawn and not drawn) of their subsidiaries arranged with credit institutions. The issued part of the corresponding liabilities is recognized in these financial statements.

(*) Details of the main pledges, collateral security and mortgages

Borrower	Nominal amount originally guaranteed (in millions of euros)	Maturity	Asset pledged
Camrail	36.7	07/01/2020	Rolling stock
Bolloré Logistics Canada	7.0	03/31/2022	Building
Compagnie de Cornouaille	1,100.0	Between 2020 and 2022	Vivendi Securities[(1)]

(1) Pledge of Vivendi securities in 2015 and 2016.
Compagnie de Cornouaille set up several financing arrangements backed by Vivendi securities in 2015 and 2016. 74.1 million Vivendi securities were pledged at December 31, 2017. These transactions can be unwound at any time at the discretion of the Group, which retains ownership of the shares, dividends and their associated voting rights throughout the transactions.

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
Financial guarantees and bonds[(1)]	253.0	129.9	44.5	78.6
Pledges, mortgages, assets and collateral given to guarantee a loan(*)	2,198.7	12.0	1,886.7	300.0
Other commitments given	31.0	16.4	14.1	0.5

(1) Bonds and financial securities are issued by the Group's main holding companies to guarantee repayment of the credit facilities (drawn and not drawn) of their subsidiaries arranged with credit institutions. The issued part of the corresponding liabilities is recognized in these financial statements.

(*) Details of the main pledges, collateral security and mortgages

Borrower	Nominal amount originally guaranteed (in millions of euros)	Maturity	Asset pledged
Camrail	36.7	07/01/2020	Rolling stock
	12.0	03/05/2017	SCCF securities
Compagnie de Cornouaille	2,150.0	Between 2016 and 2022	Vivendi Securities[(1)]

(1) Pledge of Vivendi securities in 2015 and 2016.
Compagnie de Cornouaille set up several financing arrangements backed by Vivendi securities in 2015 and 2016. 164.7 million Vivendi securities were pledged at December 31, 2016. These transactions can be unwound at any time at the discretion of the Group, which retains ownership of the shares, dividends and their associated voting rights throughout the transactions.

7.6.2. Commitments received

At December 31, 2017 (in millions of euros)	**Total**	**Under 1 year**	**From 1 to 5 years**	**More than 5 years**
For financing	21.7	1.1	1.7	18.9

At December 31, 2016 (in millions of euros)	Total	Under 1 year	From 1 to 5 years	More than 5 years
For financing	4.5	0.9	3.6	0.0

NOTE 8. INFORMATION ON MARKET RISKS AND THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

8.1. INFORMATION ON RISK

This note is to be read in addition to the information provided in the Board of Director's report on corporate governance included in the notes to this document.
The Group identifies three categories of risk:
- main risks concerning the Group: risks that could impact the Group as a whole;
- risks specific to activities: risks that could impact a given business line or geographical area without threatening the financial structure of the Group as a whole;
- legal risks.

Risks specifically affecting the Group's activities and legal risks are detailed in the section on risk factors of the management report included in the annual report.

Main risks concerning the Group

Risk associated with listed shares

The Financière de l'Odet Group, which holds a securities portfolio valued at 7,128.4 million euros as at December 31, 2017, is exposed to market price fluctuations.
The Group's equity investments in non-consolidated companies are measured at fair value at the end of the accounting period in accordance with IAS 39 "Financial instruments" and are classified as financial assets available for sale (see note 7.3 – Other financial assets).
As far as shares in listed companies are concerned, this fair value is the closing stock market value.
As at December 31, 2017, temporary mark-to-market revaluation of available-for-sale assets on the consolidated balance sheet totaled 3,068.8 million euros before tax, taken to consolidated equity.
At December 31, 2017, a 1% change in the market price would have had an impact of 66.4 million euros on available-for-sale assets and consolidated shareholders' equity, including 27.7 million euros relating to revaluation of the Group's shareholdings in Omnium Bolloré, Financière V and Sofibol.
These unlisted securities, either directly or indirectly owned by Omnium Bolloré, Financière V and Sofibol, whose value is dependent on the valuation of Bolloré and Financière de l'Odet securities, are thererfore impacted by fluctuations in market prices (see note 7.3 – Other financial assets). At December 31, 2017, the reevaluated value of these securities was 2,785.0 million euros, for a gross value of 183.9 million euros. The shares of these unlisted companies are not very liquid.

Liquidity risk

The Group's liquidity risk stems from obligations to repay its debt and from the need for future financing in connection with the development of its various lines of business. To deal with liquidity risk, the Group's strategy has been to maintain a level of unused credit lines that will allow it to deal at any point with cash requirements. Lines of credit confirmed, but unused, at December 31, 2017, totaled 4,959 million euros, including Havas group for 510 million euros and 2,000 million euros for Vivendi. Additionally, the Group strives to diversify its sources of financing by using the bond market, the banking market and such organizations as the European Investment Bank.
The main financing lines of the Financière de l'Odet Group at December 31, 2017 were the revolving credit line of 1,100 million euros, undrawn, maturing in 2019 and 400 million euros of drawn credit maturing in 2021. They are subject to a gearing covenant that caps net debt/equity at 1.75.
Vivendi SA has a credit line of 2 billion euros, maturing on October 29, 2021, undrawn at December 31, 2017.
The credit line contains the usual default clauses and undertakings that impose certain restrictions, notably concerning the posting of collateral and M&A deals. In addition, it will be called in early if Vivendi fails to meet a financial ratio calculated every six months: the ratio of net debt to EBITDA over a 12-month rolling period must not exceed 3 during the term of the loan. Breach of this ratio could trigger early redemption of the loan if it has been drawn or, otherwise, its cancellation. At December 31, 2017, Vivendi complied with this financial ratio.
In addition, Havas SA has confirmed credit lines, not drawn down at December 31, 2017, with first rank lending banks amounting to a total of 510 million euros, including 150 million euros maturing in 2018, 330 million euros maturing in 2020 and 30 million euros maturing in 2021. Some of these credit lines are subject to compliance with leverage ratios (net debt over EBITDA) and/or hedging of servicing of the debt.
The bonds issued by Bolloré in 2012 (170 million euros due in 2019), in 2015 (450 million euros due in 2021) and in 2017 (500 million euros due in 2022) are subject to the usual clauses in the event of default, restrictions in terms of collateral and changes in control but not to any early redemption clause in the event of a failure to satisfy a financial ratio.
Bonds issued by Havas group in 2013 (100 million euros due 2018) and 2015 (400 million euros due 2020) are not subject to any early redemption clause in the event of a failure to satisfy a financial ratio, but contain an early redemption clause in the event of a change of control.
Bonds issued by Vivendi are subject the usual default, negative pledge and pari passu clauses. In addition, bonds issued by Vivendi SA have an early redemption clause in the event of a change in control (for bonds issued in May and November 2016, the clause excludes a takeover by Bolloré Group), which would be triggered if, following a change of control, Vivendi SA's long-term credit rating was downgraded to below investment grade (Baa3/BBB-).
At February 12, 2018, when the Vivendi Management Board met to approve the financial statements for the year ended December 31, 2017, Vivendi's rating was as follows:

Rating agency	Type of debt	Rating	Outlook
Standard & Poor's	Long-term corporate debt	BBB	Stable
	Senior unsecured debt	BBB	Stable
Moody's	Long-term senior unsecured debt	Baa2	Stable

Some other lines may have early repayment covenants connected with respect of financial ratios, generally involving ratios of net debt to shareholders' equity and/or debt service coverage. At December 31, 2017, these ratios were met, as they were at December 31, 2016.
The current portion of loans used at December 31, 2017 included 177 million euros of drawn short-term marketable securities (including 120 million euros at Bolloré SA) as part of a program of 3,700 million euros maximum (including 400 million euros for Havas group and 2,000 million euros for Vivendi) and 186 million euros of receivables factoring.
All bank lines of credit, both drawn and undrawn, are repayable as follows:

2018	5%
2019	19%
2020	16%
2021	34%
2022	10%
2023	5%
Beyond 2024	11%

Surplus cash is invested prudently in low risk liquid products with counterparties enjoying a high credit rating.

Interest rate risk

Because of its debt, the Group is exposed to changes over time in interest rates in the eurozone, primarily on the portion of debt which is at variable rates, as well as to changes in the lending margins of credit institutions. To deal with this risk, Executive management may decide to set up interest rate hedges. Firm hedging (rate swap, FRA) may be used to manage the interest rate risk on the Group's debt.
Note 7.5 – Debt describes the various derivative instruments for hedging the Group's interest rate risk.
At December 31, 2017, taking hedges into account, the fixed rate for gross financial debt amounted to 69% of the total.
If rates rise by +1% across the board, the annual impact on cost of gross debt would be –25.1 million euros after interest-bearing gross debt.
In net debt terms, the Group is a net lender at variable rates and would therefore benefit from a rise in rates.

Currency risk

For the Bolloré Group The distribution of turnover by monetary zone (47% in euros, 16% in US dollars, 8% in CFA francs, 5% in pounds sterling, and less than 3% in all other currencies) and the fact that a large proportion of operating expenditure is in local currencies limit the Group's exposure to operating currency risk.
The Group is reducing its exposure to currency risk further by hedging its main operations in currencies other than the euro and the CFA franc with major international banks. Currency risk management is largely centralized with Bolloré SA and Vivendi SA for subsidiaries that are attached directly to them.
At Bolloré SA, each subsidiary declares its currency positions to the Cash Department which may arrange a firm hedge (forward buy or sell). In addition to these sliding three-month transactions, other hedges may be arranged on an occasional basis (for example for a charter, a market, or on the purchase of port cranes).
Bolloré Energy hedges its positions directly in the market each day.
As far as Vivendi is concerned, currency risk management aims essentially to hedge budgetary exposure (up to 80%) and firm external commitments (up to 100%) to limit monetary risks resulting from trading in currencies other than the euro, and all editorial content (sporting, audiographic, cinematographic rights, etc.) and certain industrial investments made in currencies other than the euro. The majority of hedging instruments are currency or forward buy and sell contracts, where the due date is less than one year from the date of the hedge. Given the currency hedges set up, the cumulative effect of an unfavorable and uniform 1% change of the euro against each of the currencies in position at the end of December 2017 would be insignificant on net income.

8.2. DERIVATIVE FINANCIAL INSTRUMENTS

Vivendi uses derivative financial instruments to manage and reduce its exposure to interest rate and currency risk. These are instruments listed on organized or over-the-counter markets traded with leading counterparties. They include interest rate swaps or currency swaps as well as foreign exchange forward contracts. All of these instruments are used for hedging purposes.
When these contracts are designated as hedging for accounting purposes, the gains and losses realized on these contracts are recognized in the income statement and offset by recognition of the income and expenses of the hedged item.
When the derivative hedges a risk of a change in the fair value of an asset or liability recognized in the balance sheet, or an off-balance sheet firm commitment, it qualifies as a fair value hedge. For accounting purposes, the instrument is remeasured at fair value in earnings, with the gains or losses arising on remeasurement of the hedged portion of the hedged item offset on the same line of the income statement, or, in a forecasted transaction involving a non-financial asset or liability, at the initial cost of the asset or liability. When the derivative hedges a cash flow, it qualifies as a cash flow hedge. In this case, for accounting purposes, the instrument is remeasured at fair value with the other income and expenses recognized directly in equity for the effective portion and in earnings for the ineffective portion; when the hedged item is realized, the amounts accumulated in equity are reclassified on the same line of the income statement, or, in a forecasted transaction involving a non-financial asset or liability, at the initial cost of the asset or liability. When the derivative is a hedge of the net investment in a foreign transaction, it is accounted for in a manner similar to a cash flow hedge.
For derivative instruments which are not qualified as hedging instruments for accounting purposes, changes in their fair value are recognized directly in earnings without remeasurement of the underlying asset.
In addition, income and expenses relating to foreign exchange instruments used to hedge highly probable budget exposures and firm commitments entered into in connection with the acquisition of rights in editorial content (sporting, audiographic, cinematographic rights, etc.) are recognized in operating income. In all other cases, changes in the fair value of the instruments are recorded in other financial income and expenses.

Derivative financial instruments

Balance sheet value

(in millions of euros)	**12/31/2017**	12/31/2016
Other non-current financial assets(1)	190.5	98.3
Trade and other receivables(3)	3.4	0.0
Other current financial assets(1)(3)	0.9	0.0
TOTAL DERIVATIVE ASSETS EXCLUDING DEBT	**194.8**	98.3
Other non-current liabilities(2)	93.0	0.0
Trade and other payables(3)	25.3	0.0
Other current liabilities(3)	8.2	0.0
TOTAL DERIVATIVE LIABILITIES EXCLUDING DEBT	**126.5**	0.0

(1) Primarily includes the Vivendi stock option purchased in October 2016 for 175.4 million euros at December 31, 2017. See note 7.3 – Other financial assets.
(2) Primarily includes the fair value of the options that allow Banijay Group Holding and Lov Banijay to repay their equity borrowings for 93 million euros at December 31, 2017. See note 5.8.3 – Other non-current liabilities.
(3) Currency risk management instruments. See below.

Currency risk management instruments

The tables below present the currency risk management instruments used by Vivendi; the positive amounts represent the currencies to be received, the negative amounts represent the currencies to be delivered at contractual exchange rates:

At December 31, 2017 (in millions of euros)	Notional amounts					Fair value	
	Total	USD	PLN	GBP	Others	Assets	Liabilities
Sales against euro	(362.0)	(73.0)	(132.0)	(30.0)	(127.0)	2.0	(3.0)
Purchases against euro	2,094.0	1,548.0	93.0	193.0	260.0	2.9	(26.0)
Other	0.0	68.0	(95.0)	2.0	25.0		(4.5)
TOTAL	**1,732.0**	**1,543.0**	**(134.0)**	**165.0**	**158.0**	**4.9[(1)]**	**(33.5)**

(1) Including 4.3 million euros in current portion and 0.6 million euros in non-current portion.

Breakdown by accounting category of foreign currency hedging instruments

Cash flow hedge

At December 31, 2017 (in millions of euros)	Notional amounts					Fair value	
	Total	USD	PLN	GBP	Others	Assets	Liabilities
Sales against euro	(79.0)		(7.0)	(11.0)	(61.0)	2.0	
Purchases against euro	50.0	23.0		2.0	25.0		
Other	0.0	16.0	(16.0)				
TOTAL	**(29.0)**	**39.0**	**(23.0)**	**(9.0)**	**(36.0)**	**2.0**	**0.0**

Fair value hedge

At December 31, 2017 (in millions of euros)	Notional amounts					Fair value	
	Total	USD	PLN	GBP	Others	Assets	Liabilities
Sales against euro	(281.0)	(73.0)	(125.0)	(19.0)	(64.0)		(3.0)
Purchases against euro	891.0	781.0		106.0	4.0	0.9	(19.0)
Other	0.0	86.0	(79.0)	2.0	(9.0)		(3.3)
TOTAL	**610.0**	**794.0**	**(204.0)**	**89.0**	**(69.0)**	**0.9**	**(25.3)**

Economic hedge[(1)]

At December 31, 2017 (in millions of euros)	Notional amounts					Fair value	
	Total	USD	PLN	GBP	Others	Assets	Liabilities
Sales against euro	(2.0)				(2.0)		
Purchases against euro	1,153.0	744.0	93.0	85.0	231.0	2.0	(7.0)
Other	0.0	(34.0)			34.0		(1.2)
TOTAL	**1,151.0**	**710.0**	**93.0**	**85.0**	**263.0**	**2.0**	**(8.2)**

(1) The instruments qualifying as economic hedges correspond to derivative financial instruments that are not eligible for hedge accounting according to the criteria established by IAS 39.

Unrealized gains and losses directly recorded in equity

(in millions of euros)	Cash flow hedge		Net investment hedge	Total
	Interest rate risk management	Currency risk management		
Balance at Saturday, December 31, 2016	0.3	0.0	0.0	0.3
Expenses and income directly recognized in equity	(0.2)	(3.0)	49.8	46.6
Transferred to the income statement for the period	0.0	(1.0)		(1.0)
Tax effect	0.0	0.0		0.0
BALANCE AT DECEMBER 31, 2017	**0.1**	**(4.0)**	**49.8**	**45.9**

8.3. FAIR VALUE OF FINANCIAL INSTRUMENTS

			Of which non-financial assets and liabilities					
At December 31, 2017 (in millions of euros)	**Balance sheet value**	**Of which non-financial assets and liabilities**	**Financial assets/ liabilities at fair value through profit and loss**	**Investments held to maturity**	**Loans and receivables/ payables at amortized cost**	**Financial assets available for sale**	**Total financial assets and liabilities**	**Fair value of financial assets and liabilities**
Non-current financial assets	7,825.9	0.0	190.5	0.0	507.0	7,128.4	7,825.9	7,825.9
Other non-current assets	523.2	0.0	0.0	0.0	523.2	0.0	523.2	523.2
Current (financial) assets	109.1	0.0	0.9	0.0	108.2	0.0	109.1	109.1
Trade and other receivables	7,153.0	0.0	3.4	0.0	7,149.6	0.0	7,153.0	7,153.0
Other current assets	534.9	534.9	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	3,098.7	0.0	3,098.7	0.0	0.0	0.0	3,098.7	3,098.7
TOTAL ASSETS	**19,244.8**	**534.9**	**3,293.5**	**0.0**	**8,288.0**	**7,128.4**	**18,709.9**	**18,709.9**
Long-term financial debts	7,156.9	0.0	0.0	0.0	7,156.9	0.0	7,156.9	7,156.9
Other non-current liabilities	475.4	0.0	93.0	0.0	382.4	0.0	475.4	475.4
Short-term financial debts	1,084.7	0.0	0.0	0.0	1,084.7	0.0	1,084.7	1,084.7
Trade and other payables	10,586.4	0.0	25.3	0.0	10,561.1	0.0	10,586.4	10,586.4
Other current liabilities	460.0	451.8	8.2	0.0	0.0	0.0	8.2	8.2
TOTAL LIABILITIES	**19,763.4**	**451.8**	**126.5**	**0.0**	**19,185.1**	**0.0**	**19,311.6**	**19,311.6**

			Of which non-financial assets and liabilities					
At December 31, 2016 (in millions of euros)	Balance sheet value	Of which non-financial assets and liabilities	Financial assets/ liabilities at fair value through profit and loss	Investments held to maturity	Loans and receivables/ payables at amortized cost	Financial assets available for sale	Total financial assets and liabilities	Fair value of financial assets and liabilities
Non-current financial assets	2,532.7	0.0	98.5	0.0	109.1	2,325.1	2,532.7	2,532.7
Other non-current assets	234.3	0.0	0.0	0.0	234.3	0.0	234.3	234.3
Current (financial) assets	26.6	0.0	0.8	0.0	25.8	0.0	26.6	26.6
Trade and other receivables	4,693.9	0.0	0.0	0.0	4,693.9	0.0	4,693.9	4,693.9
Other current assets	76.7	76.7	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	1,348.9	0.0	1,348.9	0.0	0.0	0.0	1,348.9	1,348.9
TOTAL ASSETS	8,913.1	76.7	1,448.2	0.0	5,063.1	2,325.1	8,836.4	8,836.4
Long-term financial debts	4,567.9	0.0	0.0	0.0	4,567.9	0.0	4,567.9	4,567.9
Other non-current liabilities	200.3	0.0	0.0	0.0	200.3	0.0	200.3	200.3
Short-term financial debts	1,368.0	0.0	0.0	0.0	1,368.0	0.0	1,368.0	1,368.0
Trade and other payables	5,255.2	0.0	0.0	0.0	5,255.2	0.0	5,255.2	5,255.2
Other current liabilities	200.2	200.2		0.0	0.0	0.0	0.0	0.0
TOTAL LIABILITIES	11,591.6	200.2	0.0	0.0	11,391.4	0.0	11,391.4	11,391.4

(in millions of euros)	12/31/2017 Total	Of which level 1	Of which level 2	Of which level 3	12/31/2016 Total	Of which level 1	Of which level 2	Of which level 3
Available-for-sale assets[1]	7,128.4	3,868.5	3,146.3	47.0	2,325.1	122.0	2,130.6	0.0
Derivative financial instruments	194.8	0.0	194.8	0.0	99.3	0.0	99.3	0.0
Financial assets	**7,323.2**	**3,868.5**	**3,341.1**	**47.0**	2,424.4	122.0	2,229.9	0.0
Cash and cash equivalents[2]	**3,098.7**	**1,861.7**	**1,237.0**	**0.0**	1,348.9	1,203.6	145.3	0.0
Derivative financial instruments	126.5	0.0	126.5	0.0	0.0	0.0	0.0	0.0
Financial liabilities valued at fair value through profit and loss	**126.5**	**0.0**	**126.5**	**0.0**	0.0	0.0	0.0	0.0

(1) Of which 66.6 million euros at December 31, 2017 and 72.4 million euros at December 31, 2016 concerning securities recorded at their purchase price in the absence of the possibility of reliably determining fair value.
(2) Of which 1,214,6 million euros at December 31, 2017 in level 2 term deposits with a maturity of less than three months and 95.8 million euros at December 31, 2016.

The Group's listed securities are recorded at fair value level 1, securities in holding companies are recorded at fair value level 2 (see note 7.3 – Other financial assets).
No category transfer took place during the fiscal year.
The above table presents the method for valuing financial instruments at fair value (financial assets/liabilities at fair value through profit and loss and Financial assets available for sale) required by IFRS 7 using the following 3 levels:
- level 1: estimated fair value based on prices quoted on the asset markets for identical assets or liabilities;
- level 2: fair value estimated by reference to the quoted prices mentioned for level 1 that are observable for the asset or liability in question, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- level 3: fair value estimated based on valuation techniques using inputs relating to the asset or liability which are not based on directly observable market data.

NOTE 9. SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

9.1. SHAREHOLDERS' EQUITY

9.1.1. Changes in capital

Accounting policies

Shares in the parent company held by the Group are recognized by deducting their acquisition cost from shareholders' equity. Any gains or losses connected with the purchase, sale, issue or cancellation of such shares are recognized directly in shareholders' equity without affecting income.
As at December 31, 2017, the share capital of Financière de l'Odet SA was 105,375,840 euros, divided into 6,585,990 fully paid-up ordinary shares with a par value of 16 euros each. During the period ending on December 31, 2017, the weighted average number of ordinary shares and the weighted average number of ordinary and potential dilutive shares was 4,244,911.
No changes in the share capital of the parent were noted during the fiscal year.

9.1.2. Dividends paid out by the parent company

The total amount of dividends paid by the parent company during the fiscal year was 6.6 million euros, or 1 euro per share.

9.1.3. Treasury shares

As at December 31, 2017, the number of treasury shares held by Financière de l'Odet and its subsidiaries was 2,341,079.

9.2. EARNINGS PER SHARE

The table below gives a breakdown of the details used to calculate the basic and diluted earnings per share shown at the bottom of the income statement.

(in millions of euros)	2017	2016
Net income, Group share, used to calculate earnings per share – basic	369.1	228.4
Net income, Group share, used to calculate earnings per share – diluted	366.3	228.4
Net income, Group share from ongoing activities, used to calculate earnings per share – basic	369.1	228.4
Net income, Group share from ongoing activities, used to calculate earnings per share – diluted	366.3	228.4

Number of shares issued at December 31	2017	2016
Number of shares issued	**6,585,990**	6,585,990
Number of treasury shares	(2,341,079)	(2,341,079)
Number of shares outstanding (excluding treasury shares)	**4,244,911**	4,244,911
Number of shares issued and potential shares (excluding treasury shares)	**4,244,911**	4,244,911
Weighted average number of shares outstanding (excluding treasury shares) – basic	**4,244,911**	4,244,911
Weighted average number of shares outstanding and potential shares (excluding treasury shares) – after dilution	**4,244,911**	4,244,911

9.3. MAIN MINORITY INTERESTS

The information presented below has been categorized by operating segment.

(in millions of euros)	Net income from minority interests[1]		Total non-controlling interests held[1]	
	12/31/2017	12/31/2016	**12/31/2017**	12/31/2016
Communications	1,424.4	128.3	20,655.7	495.4
Transportation and logistics	162.4	154.0	984.2	959.8
Other	119.7	69.7	3,461.1	3,183.4
Of which Bolloré SA[2]	*12.4*	*23.7*	*2,036.8*	*1,828.0*
TOTAL	**1,706.5**	352.0	**25,101.0**	4,638.7

(1) Including direct and indirect minority interests.
(2) Includes the effect of Financière de l'Odet treasury shares on Bolloré SA's contribution.

The majority of the Group's minority interests concern the Group's shareholding in Vivendi for the 2017 fiscal year, and for the 2016 fiscal year included the shareholding in Havas, which was sold to Vivendi on July 3, 2017, Vivendi subsequently acquiring the residual non-controlling interest held by Havas under a takeover bid and public buyout offer followed by a compulsory withdrawal between September and December 2017 (see note 1 – Significant events).
The summary financial information of Vivendi for 2017 and for the Havas group for 2016 is provided below.
The information presented in the Group financial statements is the restated summarized financial information before elimination of inter-Group investments and transactions.

Balance sheet

	Vivendi 12/31/2017	Havas 12/31/2016
Current assets	9,048.2	3,825.2
Non-current assets	33,738.5	2,916.6
Current liabilities	9,872.7	3,715.7
Non-current liabilities	8,388.2	985.2
Shareholders' equity, Group share	1,980.9	620.0
Minority interests	22,544.9	1,420.8

Income statement

	Vivendi 2017	Havas 2016
Turnover	8,917.6	2,276.1
Consolidated net income	1,514.7	183.2
Consolidated net income, Group share	123.3	51.1
Minority interests	(1,391.4)	(132.2)
Other comprehensive income items	(200.9)	(16.1)
Comprehensive income, Group share	106.4	46.6
Comprehensive income, minority interests	1,207.4	120.5

Net increase (decrease) in cash and cash equivalents

	Vivendi 2017	Havas 2016
Dividends paid to minority shareholders net of distribution tax	(458.5)	(58.1)
Net cash from operating activities	1,659.1	274.3
Net cash from investing activities	2,103.4	(118.3)
Net cash from financing activities	(1,838.7)	(36.5)

NOTE 10. PROVISIONS AND LITIGATION

Accounting policies

Provisions are liabilities whose actual due date or amount cannot be precisely determined.
They are recognized when the Group has a present obligation resulting from a past act or event which will probably entail an outflow of resources that can reasonably be estimated. The amount recorded must be the best estimate of the expenditure necessary to settle the obligation at the end of the accounting period. It is discounted if the effect is significant and the due date is more than one year in the future.
Provisions for restructuring are recognized as soon as the Group has a detailed formal plan of which the parties concerned have been notified.
Provisions for contractual obligations mainly concern the restoration of premises used under service concession contracts. They are calculated at the end of each fiscal year according to a work schedule extending over more than one year and revised annually to take account of the expenditure schedules.

10.1. PROVISIONS

(in millions of euros)	**At 12/31/2017**	**Of which current**	**Of which non-current**	At 12/31/2016	Of which current	Of which non-current
Provisions for litigation	307.9	50.1	257.8	56.8	16.8	40.0
Provisions for subsidiary contingencies	3.1	0.0	3.1	3.5	0.0	3.5
Other provisions for contingencies	360.6	321.7	38.9	79.2	39.8	39.4
Provisions for taxes	604.3	0.0	604.3	36.9	0.0	36.9
Contractual obligations	5.7	0.0	5.7	5.8	0.0	5.8
Restructuring	64.5	52.3	12.2	6.4	2.4	4.0
Environmental provisions	8.0	1.1	6.9	8.6	1.0	7.6
Other provisions for charges	28.2	11.9	16.3	37.7	20.6	17.1
Employee benefits obligations(1)	907.2	0.0	907.2	308.8	0.0	308.8
PROVISIONS	**2,289.5**	**437.0**	**1,852.5**	543.7	80.6	463.1

(1) See note 11.2 – Pension benefit obligations.

Breakdown of changes over the period

(in millions of euros)	At 12/31/2016	Increase	Decrease		Changes in consolidation scope	Other transactions	Changes currency	**At 12/31/2017**
			With use	Without use				
Provisions for litigation(1)	56.8	78.1	(33.7)	(34.6)	194.0	47.9	(0.6)	307.9
Provisions for subsidiary contingencies	3.5	0.0	0.0	(0.7)	(0.2)	0.5	0.0	3.1
Other provisions for contingencies(2)	79.2	66.0	(56.6)	(36.8)	367.7	(39.5)	(19.4)	360.6
Provisions for taxes(3)	36.9	232.4	(15.7)	(413.9)	774.9	0.8	(11.1)	604.3
Contractual obligations(4)	5.8	0.8	(0.9)	0.0	0.0	0.0	0.0	5.7
Restructuring(5)	6.4	48.0	(20.8)	(1.5)	34.7	(0.7)	(1.6)	64.5
Environmental provisions(6)	8.6	0.1	(0.1)	(0.1)	0.0	0.0	(0.5)	8.0
Other provisions for charges(7)	37.7	5.6	(2.4)	(2.0)	(11.0)	0.8	(0.5)	28.2
Employee benefits obligations(8)	308.8	49.0	(57.1)	0.0	694.7	(54.9)	(33.3)	907.2
TOTAL	543.7	479.9	(187.3)	(489.6)	2,054.8	(45.1)	(67.0)	**2,289.6**

1) Of which 260 million euros for litigation in which Vivendi is involved. The change in consolidation scope comes from provisions for litigation at Vivendi. See note 10.2 – Litigation in progress.
(2) The remainder mainly corresponds to provisions for Vivendi (the amount and nature of which are not detailed because their disclosure could be detrimental to the Group).
(3) Includes provisions for tax withholding, mainly on dividend distributions, and provisions for tax audits, in particular provisions related to Vivendi's tax consolidation in 2012 and 2015 (for 251 million euros and 203 million euros as of December 31, 2015 and December 31, 2017, respectively).
(4) The provisions for contractual obligations concern the restoration of infrastructures used within the context of concession contracts. They are calculated at the end of each fiscal year according to a work schedule extending over more than one year and revised annually to take account of the expenditure schedules.
(5) Of which 59.4 million euros relating to Vivendi (including 9 million euros for UMG and 50 million euros for Canal+). The remainder mainly consists of various departures individually negotiated and notified to the people concerned.
(6) Corresponds to provisions for cleaning up pollution and recycling.
(7) Includes various provisions for charges that individually are less than 10 million euros.
(8) See note 11.2 – Pension benefit obligations.

Impact (net of expenses incurred) on the income statement in 2017

(in millions of euros)	Allowances	Reversals without use[1]	Net impact
Operating income	(234.3)	75.0	(159.3)
Financial income	(13.2)	0.7	(12.5)
Tax charges	(232.4)	413.9	181.5
Total	**(479.9)**	**489.6**	**9.6**

(1) Including, in tax charges, the favorable resolution in 2011 of the dispute associated with Vivendi's consolidated global tax profit system for 409 million euros.

10.2. LITIGATION IN PROGRESS

In the normal course of their activities, Financière de l'Odet and its subsidiaries are party to a number of legal, administrative, or arbitration proceedings.
The potential costs of these proceedings are the subject of provisions insofar as they are probable and quantifiable. The provisioned amounts are subject to a risk assessment on a case-by-case basis.
To the best of the company's knowledge, there are no other governmental, legal or arbitration proceedings, of which the company is aware, which are pending or being threatened and are likely to have, or have had over the course of the last twelve months, a significant effect on the financial situation or profitability of the company and/or the Group, other than those described below.

Securities class action in the United States

Since July 18, 2002, 16 suits have been filed against Vivendi, Jean-Marie Messier and Guillaume Hannezo with the Court of the Southern District of New York and the Court of the Central District of California. On September 30, 2002, the Court of the Southern District of New York decided that these suits should be grouped into a single class action re Vivendi Universal SA Securities Litigation, under its own jurisdiction.
The plaintiffs accuse the defendants of having, between October 30, 2000, and August 14, 2002, breached a number of the provisions of the 1933 Securities Act and 1934 Securities Exchange Act, notably regarding financial communications. On January 7, 2003, they launched a class action which could benefit any shareholders' groups.
The judge hearing the case ruled on March 22, 2007, as part of the class certification procedure, that any American, French, British or Dutch persons who bought or acquired shares or American Depositary Receipts (ADRs) in Vivendi (formerly Vivendi Universal SA) between October 30, 2000, and August 14, 2002, could join this class action.
Following the certification decision, several new individual actions were launched against Vivendi on the same grounds. On December 14, 2007, the judge decided to consolidate these individual suits into the class action for the discovery phase. On March 2, 2009, the judge deconsolidated the Liberty Media suit from the class action. On August 12, 2009, the other individual suits were also deconsolidated from the class action.
On January 29, 2010 the jurys returned its verdict. The jury found that 57 statements made by Vivendi between October 30, 2000 and August 14, 2002, were materially false or misleading these statements were considered false or misleading and breached Section 10 (b) of the 1934 Securities Exchange Act as they failed to disclose the existence of an alleged liquidity risk, which peaked in December 2001. However, the jury concluded that neither Jean-Marie Messier nor Guillaume Hannezo were liable for the misstatements. The jury imposed damages on Vivendi for artificially inflating its share price by amounts ranging from 0.15 euro to 11 euros per share and 0.13 dollars to 10 dollars per ADR, depending on the acquisition date of the share or ADR. This was slightly less than half the amounts sought by the plaintiffs. The jury also found that the inflation of Vivendi's share price fell to zero during the three weeks following the terrorist attacks of September 11, 2001, and during certain holidays in the Paris or New York stock exchanges (twelve days).

On June 24, 2010, the US Supreme Court ruled in principle on the Morrison versus National Australia Bank case that United States law on market litigation only applies to "transactions on shares listed on an American stock exchange" and to "the purchase or sale of securities in the United States".
In a decision dated February 17, 2011 and issued on February 22, 2011, the Court, in applying the "Morrison" decision, confirmed Vivendi's position by dismissing the claims of all purchasers of Vivendi's securities on the Paris stock exchange and limited the case to claims of French, American, British and Dutch purchasers of Vivendi's ADRs on the New York Stock Exchange. The Court declined to enter a final judgment, as had been requested by the plaintiffs, saying that to do so would be premature and that individual shareholder claims must be examined first. The Court also denied Vivendi's post-trial motions challenging the jury's verdict. On March 8, 2011, the plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. On July 20, 2011, the Court of Appeals denied the petition and dismissed the claim of purchasers who acquired their shares on the Paris Stock Exchange.
In a decision dated January 27, 2012 and issued on February 1, 2012, the Court, again applying the Morrison decision, also dismissed the claims of the individual plaintiffs who purchased ordinary shares of the company on the Paris Stock Exchange.
On July 5, 2012, the Court denied a request by the plaintiffs to expand the class action to nationalities other than those covered by the certification decision dated March 22, 2007.
The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class action. They had until August 7, 2013, to submit a proof of claims form and documentation evidencing the validity of their claim. Claims were processed and verified by the parties and the independent administrator responsible for collating them. Vivendi has the right to challenge the merits of any claim. On November 10, 2014, at Vivendi's initiative, the parties filed a joint request with the Court that the judge should enter a partial final judgment on the jury's verdict of January 29, 2010, covering a substantial portion of the compensation claims. Some claims were not included in this request as Vivendi was still considering challenging their validity. On December 23, 2014, the judge entered a partial final judgment. Vivendi filed its appeal with the Appeals Court on January 21, 2015 and the plaintiffs filed a cross appeal. This appeal was heard on March 3, 2016.
On August 11, 2015, the judge dismissed the compensation claims filed by Southeastern Asset Management (SAM), as Vivendi had shown that in making its investment decision this fund had not relied on its allegedly litigious financial communications (lack of reliance). On April 25, 2016, the judge returned a similar ruling, dismissing compensation claims by the Capital Guardian fund.
On July 14, 2016, the judge entered a final judgment covering all claims whose validity was unchallenged and which had not been included in the partial judgment issued on December 23, 2014. Vivendi appealed this ruling and the plaintiffs filed a cross appeal, challenging the final judgment and the rulings on the SAM and Capital Guardian claims.
On September 27, 2016, the Federal Court of Appeals for the Second Circuit upheld the initial judgment. The Court of Appeals, however, rejected the plaintiffs' arguments for expanding the class of litigants and extending the scope of their claims. Vivendi filed a request to the Court of Appeals seeking a re-examination of the case. This was denied on November 10, 2016.

On April 6, 2017, Vivendi reached an agreement to settle the final claims of some plaintiffs. Under the deal, Vivendi has paid 26.4 million dollars, around a third of the total 78 million dollars for the entire lawsuit, including previous judgments. In light of these events, Vivendi revised the provision for litigation taken on March 31, 2017 to 73 million euros, booking a provision reversal of 27 million euros. On May 9, 2017, the Court formally endorsed the terms of this agreement, bringing the case to a close.

Trial of former Vivendi executives in Paris

In October 2002, the financial branch of the Paris Prosecutor's Office opened an investigation for the publication of false or misleading information on the company's outlook or position and presentation and issuing of inaccurate, misleading or false financial statements (for the 2000 and 2001 fiscal years). The investigation was expanded to include the company's buying of treasury stock between September 1 and December 31, 2001. Vivendi participated in the case as a civil plaintiff.
The case was heard between June 2 and June 25, 2010, by the 11th Correctional Chamber of the Paris Regional Court (*tribunal de grande instance de Paris*), at the end of which the prosecutor asked that all charges be dropped. The Correctional Court delivered its judgment on January 21, 2011. It confirmed Vivendi's status as civil plaintiff. Jean-Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr. and Eric Licoys were handed down suspended sentences and fines. In addition, Jean-Marie Messier and Guillaume Hannezo were jointly and severally ordered to pay damages to the shareholders accepted as plaintiffs. An appeal was lodged by the former Vivendi executives and some plaintiffs. The appeal was heard from October 28 to November 26, 2013, by the Paris Court of Appeals. The Ministry sought a twenty-month suspended prison sentence and 150,000 euros fine for Jean-Marie Messier for misuse of corporate assets and dissemination of false or misleading information, a ten-month suspended sentence and 850,000 euros fine for Guillaume Hannezo for insider dealing and a ten-month suspended sentence and 5 million euros fine for Edgar Bronfman Jr. also for insider dealing. On May 19, 2014, the Appeals Court delivered its verdict. It found that the facts that the Correctional Court had deemed "dissemination of false or misleading information" had not been shown to constitute an offense. The Court upheld the condemnation of Jean-Marie Messier for misuse of corporate assets, sentencing him to ten months suspended imprisonment and a 50,000 euros fine, and the condemnations for insider dealing of Messrs. Hannezo and Bronfman, sentencing them to fines of 850,000 euros (of which 425,000 euros were suspended) and 5 million euros (of which 2.5 million euros suspended), respectively. Lastly, the Court struck down the damages awarded in the civil suit by the Correctional Court to current and former Vivendi shareholders (10 euros per share). Regarding Vivendi, the Court confirmed the company as a valid plaintiff, found that it had no liability and declared without merit the compensation claims made by some current or former shareholders. Some of the defendants and plaintiffs then lodged a further appeal to have the sentence quashed. On April 20, 2017, the Appeals Court (*Cour de cassation*) rejected the appeal, bringing the litigation to a close.

LBBW et al. versus Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxembourg, Ireland, Italy, Sweden, Belgium and Austria filed suit against Vivendi in the Paris Commercial Court Paris seeking damages for losses they allegedly incurred as a result of four financial communications made in October and December 2000, September 2001 and April 2002. On April 5 and April 23, 2012, two similar suits were filed against Vivendi: one by an american pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. On August 8, 2012, British Columbia Investment Management Corporation also sued Vivendi on the same grounds. On January 7, 2015, the Paris Commercial Court appointed a third party responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities. These proceedings are pending.

California State Teachers Retirement System and others versus Vivendi and Jean-Marie Messier

On April 27, 2012, 67 foreign institutional investors sued Vivendi and Jean-Marie Messier in the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communication of Vivendi and its former CEO between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings. In November 2012 and March 2014, twelve plaintiffs withdrew from these proceedings. On January 7, 2015, the Paris Commercial Court appointed a third party responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities. These cases are pending.

Vivendi Deutschland versus FIG

Further to a claim filed by CGIS BIM (a former subsidiary of Vivendi) against FIG to obtain the release of part of a payment remaining due pursuant to a building sales contract, the latter obtained the annulment of the sale and award for damages from the Berlin Court of Appeal. On December 16, 2016, the Berlin Court of Appeal confirmed the decision of the Regional Berlin Court in April 2009, which decided in CGIS BIM's favor and confirmed the invalidity of the reasoning of the judgment and therefore overruled the order for CGIS BIM to repurchase the building and pay damage. This decision is now final. In parallel, FIG filed a second claim for additional damages in the Berlin Regional Court which was served on CGIS BIM on March 3, 2009. On June 19, 2013, the Berlin Regional Court ordered CGIS BIM to pay FIG the sum of 3.9 million euros with interest from February 27, 2009. CGIS BIM appealed this decision. At a hearing held at the Berlin Court of Appeal on January 8, 2018, the judge proposed a settlement, the terms of which were accepted by both parties, thereby putting an end to this litigation.

Mediaset versus Vivendi

On April 8, 2016, Vivendi signed a strategic partnership agreement with Mediaset. The agreement entailed swapping 3.5% of Vivendi's capital for 3.5% of Mediaset and 100% of pay-TV subsidiary Mediaset Premium.
Vivendi's acquisition of Mediaset Premium was based on financial assumptions submitted by Mediaset to Vivendi in March 2016, which had raised a number of questions at Vivendi, which were notified to Mediaset. The April 8 agreement subsequently underwent due diligence (realized for Vivendi by Deloitte) as provided for in the contract. This audit and Vivendi's analyses showed that the figures provided by Mediaset prior to the agreement being signed were unrealistic and calculated on an artificially inflated base.
Vivendi and Mediaset began talks on how they might structure an alternative deal to the April 8 agreement, which were broken off by Mediaset on July 26, 2016, when it publicly rejected Vivendi's proposal. This had proposed that, in exchange for a 3.5% stake in Vivendi, Vivendi would take 20% of Mediaset Premium and 3.5% of Mediaset, with the balance made up by the issue to Vivendi of Mediaset bonds convertible to Mediaset shares.
Subsequently, Mediaset and its RTI subsidiary, as one party, and Fininvest, Mediaset's controlling shareholder, as another, sued Vivendi in the Milan Civil Court to try and enforce implementation of the April 8, 2016 agreement and the related shareholders' agreement. Vivendi is notably accused of having failed to file notice of the transaction with the European competition authorities, so blocking the fulfillment of the final condition precedent that would allow the deal to go ahead. Vivendi states that it completed the pre-notification process to the European Commission on time but that the Commission would not formally take receipt of the documentation in the absence of agreement between the parties on their differences. Mediaset, RTI and Fininvest also claim compensation from Vivendi for damages allegedly incurred by them as a result of delays in executing the agreement, in the case of Mediaset and RTI, and the failure to sign the proposed shareholders' agreement, in the case of Fininvest. These damages are estimated by each of the three parties to the suit at 50 million euros per month's delay, starting on July 25, 2016. Fininvest is also seeking compensation for alleged damages related to Mediaset's share price between July 25 and August 2, 2016, plus damage to Fininvest's decision-making processes and image, totaling 570 million euros.
In the first hearing in the case, the judge invited the parties to try and reach an amicable settlement. On May 3, 2017, the parties therefore began a mediation procedure in the Milan national and international arbitration chamber.
Despite this mediation process, which remains ongoing, Mediaset, RTI and Fininvest filed a new suit against Vivendi on June 9, 2017, seeking 2 billion euros in damages for Mediaset and RTI and 1 billion euros for Fininvest, blaming Vivendi the acquisition of Mediaset shares in the last quarter of 2016. According to Mediaset, which requested that this procedure be added to the former, this transaction violates the April 8, 2016 agreement and breaches Italian media and competition regulations. In this new suit, they are also asking that Vivendi sells its

Mediaset shares, whose purchase reportedly violates regulations and the April 8, 2016 agreement. Ultimately the plaintiffs are requesting that Vivendi be no longer entitled to the rights (including voting rights) conferred by said Mediaset shares. In order to continue the mediation, the parties submitted a request to the Court to postpone the next hearing, which is scheduled to be held on February 27, 2018.

Other proceedings linked to Vivendi's stake in Mediaset

During November and December 2016, Vivendi began to buy up Mediaset shares on the stock market, eventually raising its stake to 28.80%. Fininvest states that it filed a complaint for market manipulation against Vivendi with the Milan prosecutor's office and Consob, the Italian market regulator.
Meanwhile, on December 21, 2016, AGCOM (the Italian communication regulator) launched an inquiry into whether Vivendi's increased stake in Mediaset and its position as a shareholder in Telecom Italia were incompatible under Italian media sector regulations.
On April 18, 2017, AGCOM ruled that Vivendi failed to comply with these regulations. Vivendi, which has 12 months to come into compliance, appealed this decision. Pending judgment in this appeal, which should be issued in the first half of 2018, a compliance plan setting out the procedures by which Vivendi would bring itself into compliance with the ruling is being discussed with AGCOM.

Telecom Italia

On September 13, 2017, Consob declared that Vivendi exercises de facto control over Telecom Italia. Vivendi and Telecom Italia formally contest this position and appealed to the competent courts.
In addition, on August 5, 2017, the Italian government informed Vivendi that it was opening an inquiry into whether Telecom Italia and Vivendi had complied with certain provisions of the Decree-Law 21 of March 15, 2012 on "regulating special powers in the areas of defense and national security and activities of strategic importance in the energy, transport and communications sectors". Vivendi considers that the provisions of the Decree-Law do not apply because of the nature of Telecom Italia's business and Vivendi's lack of control over the Italian operator.
On September 28, 2017, the Chairman of the Council of Ministers found that the notification made by Vivendi under article 1 of the aforementioned legislative decree as a precautionary measure was made late and opened a procedure against Telecom Italia for failing to make the required notification under article 2 of the same legislative decree. Vivendi and Telecom Italia have appealed this finding.
Furthermore, by a decree dated October 16, 2017, the Italian Government decided to exercise the special powers laid down in article 1 of the 2012 legislative decree relative to the defense and national security sectors. This decree imposes a number of organizational and governance measures on Vivendi, Telecom Italia and its subsidiaries Telecom Italia and Telecom Italia Sparkle Spa ("Sparkle") and Telsey Elettronica e Telecomunicazione Spa ("Telsy"). In particular, Telecom Italia and its Sparkle subsidiaries and Telsey must have a division in charge of supervising all activities concerning defense and national security. These divisions must be fully autonomous and be endowed with human and financial and human resources sufficient to guarantee their independence. In addition, they must appoint to their government bodies a member who is an Italian citizen who is approved by the Italian Government and who has a security clearance. It also requires the establishment of a supervisory committee under the auspices of the Council of Ministers (*Comitato di monitoraggio*) to monitor compliance with these obligations. Vivendi will file an appeal against that order.
In addition, by a decree dated November 2, 2017, the Italian government decided to implement the special powers conferred by article 2 of the 2012 legislative decree relative to the fields of energy, transport and communication. This decree imposes on Telecom Italia the obligation to implement development, investment and maintenance plans for its networks in order to guarantee their operation and security, to provide universal service, and, more generally, to satisfy public interest in the medium and long term, under the control of the *Comitato di monitoraggio*, who must be notified of any reorganization of the Telecom Italia group's holdings or any project having an impact on the security, availability and operation of the networks. An analysis is underway to determine if there is an opportunity to appeal against this decree.

Etisalat versus Vivendi

On May 12, 2017 Etisalat and EINA sought arbitration at the International Arbitration Court of the International chamber of commerce over the terms of the November 4, 2013 agreement to sell SPT/Maroc Telecom that was closed on May 14, 2014. The case concerned a number of claims about the statements and guarantees given by Vivendi and SFR under the framework of the sale agreement. The Arbitral Tribunal was established in August 2017. A hearing will be held in London in September 2018.

Dynamo versus Vivendi

On August 24, 2011, the Dynamo investment fund, former shareholders of GVT, filed a damages suit against Vivendi with the Arbitration chamber of Bovespa (Sao Paulo Stock Exchange) seeking compensation for the difference between the price at which they sold their shares on the market before Vivendi's takeover of GVT and BRL 70 per share. Dynamo is arguing that Vivendi should have complied with a "poison pill" clause in GVT's articles of association setting an increased acquisition price for any buyer that breached the 15% ownership threshold. On May 9, 2017, the Arbitration chamber of Bovespa issued its decision. It rejected all of the Dynamo's demands and thus ended the litigation.

Parabole Réunion

In July 2007, Parabole Réunion filed a suit before the Paris Regional Court following the termination of its exclusive right to distribute TPS channels in the islands of Reunion, Mayotte, Madagascar and Mauritius and the inferior quality of the channels made available to them. In a judgment issued on September 18, 2007, Canal+ group was ordered, under penalty, not to allow the broadcast of said channels or replacement channels by third parties and to replace the TPS Foot channel if it should be terminated. Canal+ group appealed the grounds for this judgment. On June 19, 2008 the Paris Appeals Court partly struck down the judgment, ruling that the replacement channels need not be granted exclusively if these channels had been available to third parties before the merger with TPS. Parabole Réunion's claims about the content of the channels were dismissed. On September 19, 2008, Parabole Réunion appealed to have the ruling quashed. On November 10, 2009, the Cour de cassation dismissed this appeal.
On September 24, 2012, Parabole Réunion brought a fast-track claim (assignation à jour fixe) against Canal+ group, Canal+ France and Canal+ Distribution before the enforcement judge (juge de l'exécution) of the Nanterre Regional Court, seeking to enforce the order of the Paris Regional Court upheld by the Appeals Court (a previous demand to enforce the order had been rejected by the Nanterre enforcement judge (juge de l'exécution), the Paris Appeals Court and the Cour de cassation). On November 6, 2012, Parabole Réunion broadened its demands to include the TPS Star, Cinecinema Classic, Culte and Star channels. On April 9, 2013 the enforcement judge declared part of the Parabole Réunion demand inadmissible and dismissed its other demands. He was careful to note that Canal+ group owed no obligation regarding content or maintenance of programming on the channels made available to Parabole Réunion and found, having established that TPS Foot had not ceased production, that there was no need to replace this channel. Parabole Réunion lodged its first appeal against this ruling on April 11, 2013. On May 22, 2014 the Versailles Appeals Court declared this appeal inadmissible because of the lack of legal capacity of the Parabole Réunion representative. Parabole Réunion lodged a second appeal to have the April 9, 2013 ruling set aside on February 14, 2014. On April 9, 2015, the Cour de cassation quashed the order of the Versailles Appeals Court of May 22, 2014, which had declared Parabole Réunion's appeal of April 11, 2013 inadmissible. Parabole Réunion took its claim back to the Paris Appeals Court on April 23, 2015. On May 12, 2016, the

Paris Appeals Court confirmed the judgment of first instance and dismissed all Parabole Réunion's demands. Parabole Réunion appealed the Paris Appeals Court ruling on May 27, 2016. In a decision issued on September 28, 2017, the Appeals Court (*Cour de cassation*) dismissed Parabole Réunion's appeal against the decision by the Paris Appeals Court.

At the same time, on August 11, 2009, Parabole Réunion lodged a fast-track demand against Canal+ group with the Paris Regional Court, seeking that Canal+ group is ordered to provide a channel of equivalent attractiveness to TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion sued Canal+ France, Canal+ group and Canal+ Distribution at the Paris Regional Court to establish the non-compliance by Canal+ group companies with their contractual obligations to Parabole Réunion and their commitments to the Minister of the Economy. These two claims were combined in a single procedure. On April 29, 2014, the Court ruled the Parabole Réunion claims partly admissible for the period after June 19, 2008 and accepted the contractual liability of Canal+ group for the inferior quality of the channels made available to Parabole Réunion. The Court ordered an appraisal of damages suffered by Parabole Réunion, rejecting the company's own appraisals. On November 14, 2014, Canal+ group appealed the ruling of the Regional Court. The court-appointed appraiser reported on February 29, 2016 and the case was heard by the Paris Appeals Court on January 28, 2016. On June 3, 2016 the Appeals Court upheld the Regional Court's April 29, 2014 ruling. Canal+ group appealed to have the ruling quashed. The hearing by the Appeals Court (Cour de cassation) took place on December 5, 2017. In a decision dated January 31, 2018, the Appeals Court dismissed the appeal by Canal+ group.

In an order issued on October 25, 2016, the pre-trial judge considered that the April 29, 2014 judgment, by ordering Canal+ group to compensate Parabole Réunion, had established the principle that the latter was entitled to receive compensation even if its amount remained to be established. He ordered Canal+ group to pay a provision of 4 million euros. On January 17, 2017 the Paris Regional Court ordered Canal+ group to pay 37,720,000 euros with provisional enforcement. Parabole Réunion appealed this ruling to the Paris Appeals Court on February 23, 2017. Canal+ group submitted its responses and cross-appeal on July 20, 2017. Due to the failure of Parabole Réunion to file its response within the time period prescribed by law, on December 8, 2017, Canal+ group filed a motion raising the non-respect of such deadline and, consequently seeking an invalidation of the expertise ordered on October 12, 2017 (see below). Parabole Réunion filed its response on December 15, 2017. The cross-appeals should be heard in October 2018.

On May 29, 2017 Parabole Réunion also notified a cross-appeal seeking the commissioning of an additional appraisal of impairment of its goodwill. The cross-appeals were heard on September 14, 2017. On October 12, 2017, the Pre-Trial Advisor ordered an additional expertise and a judicial expert has been appointed. The latter is required to submit his final report by April 12, 2018, at the latest.

Action brought by the French Competition Authority regarding Practices in the Pay-TV Sector

On January 9, 2009, further to its voluntary investigation and a complaint by Orange, the French Competition Authority sent Vivendi and Canal+ group a notification of allegations. It alleges that Canal+ group has abused its dominant position in certain Pay-TV markets and that Vivendi and Canal+ group colluded with TF1 and M6, on the one hand, and with Lagadère, on the other. Vivendi and Canal+ group have denied these allegations.

On November 16, 2010, the French Competition Authority rendered a decision in which it dismissed the allegations of collusion, in respect of all parties, and certain other allegations, in respect of Canal+ group. The French Competition Authority requested further investigation regarding the fiber optic TV and catch-up TV, Canal+ group's exclusive distribution rights on channels broadcast by the group and independent channels as well as the extension of exclusive rights on TF1, M6 and Lagardère channels to fiber optic and catch-up TV. On October 30, 2013, the French Competition Authority took over the investigation into these aspects of the case, but no action has been taken since December 2013.

Canal+ group versus TF1, M6 and France Télévision

On December 9, 2013, Canal+ group filed a complaint with the French Competition Authority against the practices of the TF1, M6 and France Télévision groups in the French-language film market. Canal+ group claims that the defendants added certain pre-emption rights to co-production contracts aimed at restricting competition. It is currently investigating the case.

Canal+ group versus TF1 and TMC Régie

On June 12, 2013, Canal+ group SA and Canal+ Régie complained to the Competition authorities about the practices of TF1 and TMC Régie in the television advertising market. They are alleged to have engaged in cross-promotion, a single advertising structure and refusal to promote the D8 channel when it was launched. Following the hearing held on June 21, 2017 the Competition authorities dismissed the allegations in a ruling on July 25, 2017.

TF1 and M6 Agreements

On September 30, 2017, Canal+ group filed summary requests before the French Council of State (Conseil d'État) seeking an annulment of the decisions of the French Broadcasting Authority (Conseil supérieur de l'audiovisuel – CSA) of July 20 and 27, 2017 relating to the TF1 and M6 channels, respectively. These decisions renew the authorizations for the terrestrial transmission of TF1 and M6, in the context of the request of the two groups to obtain compensation for the distribution of their free-to-air DTT channels, including their eponymous TF1 and M6 channels.

Private Copying Levy Case

On February 5, 2014, Copie France filed a claim against Canal+ group in the Court of First Instance of Nanterre for compensation in respect of hard drives used in connection with the G5 set-top boxes. Copie France claims that the external drive used by Canal+ is "dedicated" to the set-top box and therefore it should be treated as an integrated hard drive. Copie France therefore believes that the applicable amount of compensation should be higher. Copie France subsequently expanded its claim, asserting that the amount of compensation applicable to the "multimedia hard drive" with 80 GB capacity should also be higher. On February 2, 2017, the parties entered into a settlement agreement putting an end to this litigation.

Aston France versus Canal+ group

On September 25, 2014, Aston notified the French Competition Authority about the decision of Canal+ group to stop selling its satellite subscription called "cards only" (enabling the reception of Canal+/Canalsat programs on Canal Ready-labelled satellite set-top boxes, manufactured and distributed by third parties, including Aston). In parallel, on September 30, 2014, Aston filed a request for injunctive relief against Canal+ group before the Paris Commercial Court, seeking a stay of the decision of the Canal+ group to terminate the Canal Ready partnership agreement and thus stop the marketing of satellite subscriptions called "cards only". On October 17, 2014, the Paris Commercial Court issued an order denying Aston's request. On November 4, 2014, Aston appealed this decision and, on January 15, 2015, the Paris Court of Appeal, ruing in chambers, granted its requested and suspended the decision of Canal+ group to stop selling its "cards only" subscription until the French Competition Authority renders its decision on the merits of the case. It is currently investigating the case.

Top 14 affair (2019-2023)

On July 19, 2016 the Competition Authority received a registered mail letter from Altice asking it to investigate practices during the call for tenders for the audiovisual rights to the Top 14 rugby league in the seasons from 2019/2020 to 2022/2023. It is currently investigating the case.

Canal+ group versus Numericable-SFR

On October 4, 2017, Canal+ group filed a complaint against Numericable-SFR before the Paris Commercial Court for customer poaching and breach of contract, in which it asked the Court to issue an injunction to stop such practices and to award damages.

"Touche Pas à Mon Poste!"

On June 7, 2017 the French media regulator, the *Conseil supérieur de l'audiovisuel* or CSA, penalized C8 for a sequence broadcast during the *"TPMP"* show on December 7, 2016. The sequence, which was not meant to be broadcast, showed the program's presenter Cyril Hanouna larking about with one of the contributors, Capucine Anav. The CSA found that it was degrading to the image of women. It imposed a further one-week ban on running advertising during broadcasts of "Touche Pas à Mon Poste!" and its rebroadcasts and in the fifteen minutes before and after the show, beginning the second Monday after the decision was announced.

On the same day, June 7, 2017, the CSA also penalized C8 for another sequence in the show *"TPMP ! la Grande Rasshrah"* of November 3, 2016. The CSA found that this sequence, in which another contributor, Matthieu Delormeau, was filmed using a hidden camera, violated his dignity. It imposed a further one-week ban on running advertising during broadcasts of *"Touche Pas à Mon Poste!"*, its rebroadcasts and the fifteen minutes either side of the show.

On July 3, 2017, following these two CSA rulings, C8 filed two appeals with the Council of State. On July 4, 2017, C8 also filed two claims for compensation with the CSA, which were rejected by an implied decision issued by the CSA. On November 2, 2017, C8 appealed this decision to the French Council of State (*Conseil d'État*).

On July 26, 2017, the CSA decided to penalize C8 for a sequence broadcast during "TPMP Baba hot line" on May 18, 2017, judging that the channel had ignored the principle of respect for private life and its obligation to fight against discrimination, levying a cash fine of 3 million euros.

Following this decision, on September 22, 2017, C8 filed an action for annulment before the French Council of State *(Conseil d'État)*. On July 27, 2017, C8 also filed two claims for compensation with the CSA, which were rejected by an implied decision issued by the CSA. In November 25, 2018, C8 appealed this decision to the French Council of State (*Conseil d'État*).

Copyright organizations

In filings made on July 13, 17, and 20, 2017, the Sacem, SACD, Scam and, where applicable, the ADAGP, and the SDRM (French guilds representing guilds representing authors, composers, and music publishers) sued Canal+ group group, SECP and C8 before the interim relief judge of the Nanterre Regional Court (*tribunal de grande instance de Nanterre*) seeking payment of royalties for the fourth quarter 2016 and the first quarter of 2017, the amount of which is being disputed by Canal+ group, SECP and C8.

SACD applied to the Nanterre regional court on July 20, 2017 for an interim order forcing SECP to pay a provision in respect of the first quarter of 2017, which is being disputed by SECP.

Scam applied to the Nanterre Regional Court on August 8, 2017 for an interim order forcing SECP to pay a provision in respect of the first quarter of 2017, which is also being disputed by Canal+ group.

With the amounts claimed having been paid, all of the copyright associations withdrew from the cases that had been initiated, thereby putting an end to the litigation.

Studiocanal, Universal Music Group and Vivendi versus Harry Shearer and Century of Progress Productions

A complaint was filed in California Federal Court against Studiocanal and Vivendi by Harry Shearer, through his company Century of Progress Productions, in his capacity as creator, actor and composer of the film "This is Spinal Tap", an American film produced and financed in 1984 by Embassy Pictures (Studiocanal is the successor to Embassy's rights). Harry Shearer is seeking damages for breach of contractual obligations to provide exploitation accounts, fraud, and failure to exploit the film's trademark. On February 8, 2017, four new plaintiffs, co-creators of the film, joined the proceedings. On February 28, 2017, in response to the complaint, the defendants filed a motion to dismiss, in which they asked the judge to declare the claims of the plaintiffs to be inadmissible and to deny the claim for fraud. On September 28, 2017, the judge issued his decision. With respect to inadmissibility, the judge dismissed the claims of three of the four co-creators as well as the claim for fraud. Nevertheless, the judge gave permission to the plaintiffs to file amended complaints in their individual capacities as well as to supplement their claim for fraud. On October 19, 2017, a new complaint (the "second amended complaint" was filed, which reintroduced the claims of the three plaintiffs found to be inadmissible. In addition, Universal Music Group was added as a defendant. On December 21, 2017, UMG and Studiocanal each filed a motion to dismiss in response to this new filing. A hearing will be held in March 2018.

Complaints against Music Industry Majors in the United States

In 2006, several complaints were filed before the Federal Courts in New York and California against Universal Music Group and other music industry majors for the alleged anti-competitive practices in the context of sales of CDs and Internet music downloads. These complaints were consolidated in the Federal Court of New York. The motion to dismiss filed by the defendants was granted by the Federal Court on October 9, 2008, but this decision was reversed by the Second Circuit Court of Appeals on January 13, 2010. The defendants subsequently filed a motion for rehearing which was denied. A petition was filed with the US Supreme Court, which rejected it on January 10, 2011. On July 18, 2017, the Court dismissed the motion for class certification filed by the plaintiffs who appealed the decision. On December 8, 2017, the Second Circuit Court of Appeals refused to hear the appeal.

Capitol Records and EMI Publishing versus MP3 Tunes

On November 9, 2007, Capitol Records and EMI Music Publishing sued MP3 Tunes and its founder Michael Robertson for breach of copyright, citing practices of the websites sideload.com and mp3tunes.com. On March 19, 2014, the jury found in favor of Capitol Records and EMI, judging the defendants liable for having knowingly permitted unauthorized content on the websites in question. On March 26, 2014, the jury sentenced the defendants to pay 41 million dollars in damages. On October 30, 2014, the final verdict was entered by the judge but the amount of damages was reduced to 12.2 million dollars. The defendants appealed. Capitol Records and EMI filed a cross-appeal. On October 25, 2016, the Second Circuit Appeals Court ruled in favor of the plaintiffs on several points of their cross-appeal and sent the case back to the Court of First Instance. On June 19, 2017, the US Supreme Court rejected the defendants' appeal. On December 31, 2017, an agreement was signed by the parties that ended the proceeding.

Mireille Porte versus Interscope Records, Stefani Germanotta and Universal Music France

On July 11, 2013, the artist Mireille Porte (AKA "Orlan") filed a complaint against Interscope Records, Stefani Germanotta (AKA "Lady Gaga") and Universal Music France with the Paris Regional Court for the alleged copyright infringement of several of Orlan's works. On July 7, 2016, the Court denied the request by Mireille Porte. The latter appealed that decision.

Glass Egg versus Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi SA

Glass Egg, a Vietnamese company specialized in the design of cars in 3D for use in video games, sued Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi SA in the United States. It is seeking damages for copyright infringement, unfair competition and misappropriation of trade secrets.

Dailymotion versus Reti Televisive Italiane (RTI)

Since 2012, several actions have been filed by RTI against Dailymotion before the Civil Court of Rome. Similar to claims it has made against other major online video platforms, RTI is seeking damages for infringement of its neighboring rights (audiovisual production and broadcasting rights) and unfair competition as well as the removal of the contested content from the Dailymotion platform.

Tax inspections

In the normal course of their business activity, Vivendi SA and its subsidiaries are subject to audits by the tax authorities of countries in which they conduct or conducted business. Various tax authorities have proposed adjustments to the financial results reported by Vivendi and its subsidiaries for fiscal year 2017 and prior years, under statutes of limitation applicable to Vivendi and its subsidiaries. The potential costs of these proceedings are the subject of provisions insofar as they are probable and quantifiable. Regarding ongoing tax audits as of December 31, 2017, no provision is recorded where the impact that could result from an unfavorable outcome of such audits cannot be reliably assessed. Vivendi Management believes, however, that these tax audits are unlikely to have a material impact on the group's financial situation or liquidity.

Regarding Vivendi SA's tax obligations under its consolidated global profit tax system, the tax audit procedure for fiscal years 2006, 2007, 2008, 2009 and 2010 is still ongoing. Similarly, the audit for fiscal years 2011 and 2012 related to Vivendi SA or its tax consolidation group are in progress as of December 31, 2017. Under these audits, the tax authorities challenged Vivendi's right to use its foreign tax receivables for payment of its 2012 tax obligation year. Similarly, Vivendi requested reimbursement of its 2015 tax payment. In any event, the impacts in relation to the use of foreign tax receivables upon exit from the Global Profit Tax System of 2012 and 2015 were recorded as provisions as of December 31, 2017, for 251 million euros and 203 million euros, respectively.

Regarding more specifically the tax audit for fiscal years 2008 to 2011, Vivendi SA is subject to a rectification procedure for which the tax authorities challenge the accounting and fiscal treatment of NBC Universal shares in 2004, and they challenge the deduction of the 2.4 billion euros loss recorded as part of the sale of these securities in 2010 and 2011. The National Direct Tax System (*La Commission nationale des impôts directs*), before which proceedings were brought, rendered its opinion on December 9, 2016, which was notified to Vivendi SA on January 13, 2017, in which it declared the discontinuance of the adjustments suggested by the tax authorities. The disagreement was based on an administrative doctrine, Vivendi asked for its cancellation on the ground that it was tantamount to adding to the law. On May 29, 2017, the French Council of State (*Conseil d'État*) favorably received Vivendi's appeal for misuse of authority. As of December 31, 2017, this audit was still ongoing and Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

In respect of the US Tax Group, the tax audit for the fiscal years 2008, 2009 and 2010 are not settled through a tax reimbursement of 6 million US dollars. The audits for fiscal years 2011, 2012 and 2013 are ongoing as at December 31, 2017. On January 31, 2018, the US tax authorities informed Vivendi of the opening of audits for fiscal years 2014, 2015 and 2016. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

Regarding the additional tax contribution of 3% on dividend distributions paid by Vivendi SA for an aggregate amount of 214 million euros with respect to dividends paid in fiscal year 2013 and fiscal years 2015 to 2017, these contributions have been challenged before the tax authorities and then before the Administrative Court of Montreuil. Following a decision of the French Constitution Council (*Conseil constitutionnel*), pursuant to which it determined that the 3% tax on dividend distributions was unconstitutional, the tax authorities carried out a rebate of the litigious contributions and refunded these contributions on December 22 and 28, 2017, except for the 2017 contribution (7 million euros). Consequently, Vivendi withdrew from its actions before the Administrative Court. In addition, in accordance with applicable law, these refunds gave or will give rise to the payment of moratorium interest to Vivendi, to be applied through the effective restitution date. In its financial statements for the year ended December 31, 2017, Vivendi SA recorded a tax income of 207 million euros from the settlement of this litigation, and moratorium interest of 24 million euros. Regarding the tax contributions paid by Canal+ (4 million euros) and Havas (7 million euros), these contributions have been challenged before the tax authorities. To date, Canal+ group and Havas are awaiting a refund payment as well as the moratorium interest of 1 million euros.

Regarding the dispute over the validity of the merger between SFR and Vivendi Telecom International (VTI) in December 2011 which entails a potential challenge of the integration of SFR within the Vivendi tax group in respect of fiscal year 2011, SFR was informed, in a letter dated November 8, 2017, that the tax authorities were withdrawing their adjustment proposal, confirming Vivendi's position that it had solid legal grounds upon which to challenge the position of the tax authorities. As a reminder, in this case, the tax authorities contemplated requiring that SFR be carved out from Vivendi's tax group for fiscal year 2011 and made a claim against SFR for a total amount of 1,314 million euros, representing a principal tax amount of 711 million euros plus default interest and penalties of 663 million euros. Further, under the agreement entered into on February 27, 2015 by and among Vivendi, Altice and Numericable-SFR, Vivendi agreed to return to SFR, if applicable, taxes and contributions that could be borne by SFR for fiscal year 2011 and that SFR would have already paid at that time to Vivendi, up to a maximum amount of 711 million euros (including 154 million euros corresponding to the use by SFR of VTI's tax losses in 2011 or 2012), if the 2011 merger of SFR and VTI were to be ultimately invalidated for tax purposes. The abandonment of the recalls by the tax authorities brings down this commitment, which has become irrelevant.

Finally, with regard to the Havas group, Havas SA filed a contentious claim for the refund of the withholding tax paid by the company between 2000 and 2002 on the redistribution of dividends from European subsidiaries, amounting to 38 million euros. Following the filing of the case before the Administrative Court, then the Paris Court of Appeal and the Versailles Court of Appeal, on July 28, 2017, the French Council of State found that the appeal made by Havas against the decision of the Versailles Court of Appeal was inadmissible. This decision irrevocably ended the tax litigation and deprived Havas of a refund of withholding tax. To restore Havas's right to compensation, three combined actions were taken: (i) a new claim before the European Commission, (ii) a filing before the European Court of Human Rights, and (iii) a claim for compensation under an action for damages against the State. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

In addition, under Havas SA and Havas International's tax audits for fiscal years 2002 to 2005, the French Administration rectified the tax result of the Havas SA tax group, reducing the overall deficit reported by the tax group to 267 million euros. This rectification has been challenged before the tax authorities. Following the filing before the Administrative Court of Montreuil, and then the Versailles Court of Appeal, on July 12, 2017, the French Council of State overturned the Court of Appeal's ruling, which was unfavorable to Havas, and remanded the case to that same Court. On August 28, 2017, Havas filed an appeal before the Versailles Court of Appeal. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

NOTE 11. EMPLOYEE BENEFITS

11.1. AVERAGE WORKFORCE

Breakdown of staff by segment

	2017	2016
Transportation and logistics	35,428	35,259
Oil logistics	1,043	1,094
Communications(1)	35,594	19,755
Electricity storage and solutions	2,466	2,386
Other activities	297	310
TOTAL	**74,828**	58,804

(1) Related to the Vivendi's entry into scope, based on average annual workforce, i.e. 8/12 of Vivendi's total workforce.

11.2. PENSION BENEFIT OBLIGATIONS

Accounting policies

- **Post-employment benefits**

Post-employment benefits include end-of-service payments, pension schemes, as well as life insurance and coverage of medical expenses granted to retirees of some subsidiaries (primarily in the United States).

Commitments relating to post employment benefits mainly concern subsidiaries in the eurozone and the Africa zone (CFA zone), and those based in the United Kingdom. For Vivendi, almost all of the employees of the group receive retirement benefits through defined contribution plans, which are integrated in the local social security plan and multi-employer plans, or defined benefit plans which are most often managed under group coverage plans. The finance policy for the schemes implemented by the group is in compliance with applicable public obligations and regulations.

- **Other long-term benefits**

Other long-term benefits are entered in the balance sheet as provisions. These include commitments relating to incentives associated with length of service and to mutual societies.

This provision is valued according to the projected unit credit method.

Expenses related to these commitments are recognized in the operating statement, with the exception of interest expense net of the expected return on assets, which is recognized in financial income.

11.2.1. Presentation of plans

Defined-benefit plans

In line with IAS 19 revised "Employee benefits", the Group's commitments under defined-benefit plans, and likewise their cost, are valued by actuaries in accordance with the projected unit credit method. Valuations are carried out each year for the various schemes.

These schemes are either "funded", in which case their assets are managed separately from and independently of the Group's, or "not funded", in which case the commitment appears as a liability on the balance sheet. For funded schemes, these may be financed by investments in various instruments, such as insurance policies or equity securities and bonds, excluding the Group's shares or debt instruments.

For funded defined-benefit plans, the shortfall or surplus of the assets' fair value compared with the discounted value of the obligations is recognized as a balance sheet liability or asset. If the hedged assets exceed the recorded commitments, a financial asset is generated up to the amount of the discounted value of future reimbursements and the expected decrease in future contributions. If such a surplus is not available or does not represent any future financial benefit, it is not recognized.

Commitments associated with employee benefits are valued using assumptions as to future wages, age when rights are claimed, mortality rate and rate of inflation, and then discounted using the interest rate of first-class long-term private bonds. The discount rate is thus determined for each country, by referring to the rate of return on AA rated corporate investment bonds and the maturity equivalent to the term of the schemes evaluated, generally based on representative indices. The benchmark rates used for primary plans are iBoxx AA Corporate and Merrill Lynch AA Corporate on the assessment date and maturing in a time comparable to the average horizon of the particular plan in question. The benchmark rates used for these primary plans were not changed during the fiscal year.

A cost for past services is generated when the company institutes a defined-benefit plan or changes benefit levels in an existing scheme: the cost for past services is immediately recognized as an expense.

The actuarial cost recorded as operating income for defined-benefit plans includes the cost of benefits provided during the financial period, the cost of past services, and the effects of any reduction or abolition of the scheme.

The financial component, recorded in other financial expenses and income, is based on the unwinding of commitments, net of expected return on hedged assets, which are evaluated by using the discount rate used for evaluating the commitments.

Actuarial differences arise mainly from changes in assumptions and from the difference between the results using the actuarial assumptions and the actual outcome of the defined-benefit plans. Actuarial differences are recognized in full in the balance sheet, with an offsetting entry in shareholders' equity except for other long-term benefits for which the effects of the changes are recognized in profit and loss.

Defined-contribution schemes

Certain benefits are also provided under defined-contribution schemes. The contributions for these schemes are entered as employee costs when they are incurred.

11.2.2. Defined-benefit plans

The Group has defined benefit plans, particularly in the United Kingdom.

These schemes are managed and monitored by trustees. In accordance with current legislation, the trustees implement an investment strategy to ensure the best long-term return on investment with a level of risk that is appropriate to the nature and length of the agreements. The manager is in charge of the daily management of assets in accordance with the defined strategy.

The plans are analyzed on a regular basis by an independent actuary.

Assets and liabilities included in the balance sheet

(in millions of euros)	At 12/31/2017 Post-employment benefits	Other long-term benefits	Total	At 12/31/2016 Post-employment benefits	Other long-term benefits	Total
Discounted value of commitments (non-funded schemes)	609.9	34.3	644.2	201.7	36.3	238.0
Discounted value of commitments (funded schemes)	850.5	0.0	850.5	267.8	0.0	267.8
Fair value of plan assets	(595.5)	0.0	(595.5)	(197.0)	0.0	(197.0)
NET BALANCE SHEET OF EMPLOYEE BENEFIT OBLIGATIONS	**864.9**	**34.3**	**899.2**	272.5	36.3	308.8
Of which assets related to employee benefit plans			(8.0)			0.0
Of which provisions related to employee benefit plans			907.2			308.8

Expenditure components

(in millions of euros)	At 12/31/2017 Post-employment benefits	Other long-term benefits	Total	At 12/31/2016 Post-employment benefits	Other long-term benefits	Total
Cost of services provided	(35.1)	(3.4)	(38.5)	(16.7)	(3.2)	(19.9)
Cost of past services	1.3	(0.2)	1.1	(2.4)	(1.1)	(3.5)
Actuarial gains and losses recognized	0.0	1.2	1.2	0.0	(1.8)	(1.8)
Effects of reductions and plan liquidation	1.7	0.1	1.8	3.2	0.3	3.5
Interest expenses	(23.0)	(0.4)	(23.4)	(10.9)	(0.7)	(11.6)
Expected yield of scheme assets	10.8	0.0	10.8	6.3	0.0	6.3
Other	(1.5)	0.0	(1.5)			
COSTS OF EMPLOYEE BENEFIT OBLIGATIONS	**(45.9)**	**(2.6)**	**(48.5)**	(20.5)	(6.5)	(27.0)

Changes in net balance sheet liabilities/assets

Changes in provisions

(in millions of euros)	2017 fiscal year Post-employment benefits	Other long-term benefits	Total	2016 fiscal year Post-employment benefits	Other long-term benefits	Total
At January 1	**272.4**	**36.3**	**308.7**	233.3	32.7	266.0
Vivendi perimeter entry[1]	675.8	0.0	675.8	0.0	0.0	0.0
Increase through P&L	45.9	2.6	48.5	20.5	6.5	27.0
Decrease through P&L	(54.8)	(1.9)	(56.7)	(16.5)	(1.9)	(18.4)
Actuarial gains and losses in shareholders' equity	(45.9)	0.0	(45.9)	45.5	0.0	45.5
Translation adjustments	(32.3)	(1.5)	(33.8)	(9.5)	(0.9)	(10.4)
Other transactions	3.8	(1.2)	2.6	(0.8)	(0.1)	(0.9)
AT DECEMBER 31	**864.9**	**34.3**	**899.2**	272.5	36.3	308.8

(1) Including –19 million euros under assets related to employee benefits plans.

Actuarial gains and (losses) recognized directly in shareholders' equity

The change in actuarial gains and (losses) recognized directly in shareholders' equity is as follows:

(in millions of euros)	At 12/31/2017	At 12/31/2016
Opening balance	(148.4)	(103.9)
Actuarial gains and (losses) recognized in the period (for controlled entities)	45.9	(45.5)
Other variations(1)	(279.4)	1.0
Closing balance	(381.9)	(148.4)

(1) Corresponds primarily to actuarial gains and (losses) of Vivendi as of date of entry into scope on April 26, 2017 and the actuarial gains and (losses) of entities accounted for using the equity method.

Information on hedged assets

Reconciliation between the fair value of hedged assets at the start and end of the fiscal year

(in millions of euros)	
Fair value of assets at January 1, 2017	**197.0**
Expected return on assets	13.0
Actuarial (losses) and gains generated	(29.2)
Contributions paid by the employer	27.6
Contributions paid by the employees	0.1
Reductions/liquidations	0.0
Benefits paid by the fund	(66.4)
Changes in consolidation scope	481.9
Other	(28.6)
FAIR VALUE OF ASSETS AT DECEMBER 31, 2017	**595.5**

In 2017, the amount of benefits paid was 90 million euros under retirement, of which 63 million by coverage funds and 11 million under supplemental benefits.

Composition of the investment portfolio

The assets of pension plans are mainly located in France and the United Kingdom.
At the year end, hedged assets were invested as follows:

France (as a percentage)	12/31/2017 share	12/31/2016 share
Shares	11	0
Bonds	71	0
Insurance contracts	11	100
Fixed assets	6	0
Cash	1	0
TOTAL	**100**	100

In accordance with IAS 19, the expected yield rate is identical to the discount rate.
No investment is made in the Group's own assets.

United Kingdom (as a percentage)	12/31/2017 share	12/31/2016 share
Shares	19	41
Bonds	18	51
Insurance contracts	31	0
Cash	13	1
Other	18	7
TOTAL	**100**	100

Other (as a percentage)	**12/31/2017 share**	12/31/2016 share
Shares	8	12
Bonds	6	14
Insurance contracts	80	0
Fixed assets	0	0
Cash	4	7
Other	1	67
TOTAL	**100**	100

Valuation assumptions

Commitments are valued by actuaries who are independent from the Group. Any assumptions made reflect the specific nature of the plans and companies concerned.
Full actuarial valuations are carried out each year during the final quarter.

At December 31, 2017 (in millions of euros)	**France**	**United Kingdom**	**Other**	**Total**
Discounted value of commitments (non-funded schemes)	530.2	0.0	79.7	609.9
Discounted value of commitments (funded schemes)	802.7	44.8	3.0	850.5
Post-employment benefits	1,332.9	44.8	82.7	1,460.4
Other long-term benefits	20.0	0.7	13.6	34.3
Fair value of plan assets	(553.4)	(41.4)	(0.7)	(595.5)
Unrecognized cost of past services	0.0	0.0	0.0	0.0
NET BALANCE SHEET OF EMPLOYEE BENEFIT OBLIGATIONS	**799.5**	**4.1**	**95.6**	**899.2**

Discount rates determined by country or geographical area are obtained by reference to the yield rate of first-class private bonds (with maturity equivalent to the term of the schemes valued).
The main actuarial assumptions made in determining commitments are as follows:

(as a percentage)	**France**	**United Kingdom**	**Other**
AT DECEMBER 31, 2017			
Discount rate	1.50	2.50 – 2.60	1.50 – 3.75
Expected return on assets	1.50	2.50 – 2.60	1.50 – 3.75
Wage increases(1)	2.50 – 3.30	3.20 – 3.50	1.75 – 2.50
At December 31, 2016			
Discount rate	1.20	2.54 – 2.80	1.2 – 1.71
Expected return on assets	1.20	2.54 – 2.80	1.2 – 1.71
Wage increases(1)	2.50	3.50	0.92 – 2.50

(1) Inflation-adjusted.

Sensitivity

The sensitivity of the valuation to changes in the discount rate is as follows:

	As a percentage		(in millions of euros)	
Change in the discount rate	Of –0.5%	Of +0.5%	Of –0.5%	Of +0.5%
Effect on commitment in 2017	12.46	–11.40	112.0	(102.5)
Effect on expense in 2018	2.15	–2.16	1.2	(1.2)

The sensitivity of the valuation to changes in the expected return on assets
The sensitivity of the valuation to changes in the expected return on assets does not have a significant effect either on debt, standard cost or the interest.

Sensitivity of healthcare benefit commitments to a 1% change in medical cost
The 1% increase in medical expenses does not have a significant effect either on debt, the standard cost or the interest.

11.3. SHARE-BASED PAYMENT TRANSACTIONS

Accounting policies

The valuation and accounting arrangements for share subscription or share purchase plans relating to shares in the parent company and its subsidiaries are set out in IFRS 2 "Share-based payments".
The granting of shares and stock options is a benefit for the persons concerned and as such counts as supplementary compensation. These benefits are recognized as expenses on a straight-line basis in the vesting period against an increase in shareholders' equity for plans that can be repaid in the form of shares and as debts to staff for plans that can be repaid in cash.
They are valued at the time of their granting on the basis of the fair value of the shareholders' equity instruments granted.

11.3.1. Bolloré SA free share allocation plan

The Group granted free Bolloré SA shares to Group employees. These grants were made on the conditions set by the General Meeting of June 3, 2016. The terms of these plans were decided at the Board of Directors' Meetings of September 1, 2016 and March 23, 2017.
The Group applied IFRS 2 "Share-based payments" to this free share allocation plan. On the grant dates, September 2, 2016 and March 23, 2017, the fair value of the shares granted was calculated by an independent expert, this value equaling the expense to be recognized for the period corresponding to the vesting period of the shares.
The fair value of the shares is recognized on a straight-line basis over the vesting period. This amount is included in the income statement under "Staff costs" with an offsetting entry in shareholders' equity. The employer's contributions due under these plans were immediately recognized as expenses.

Bolloré SA plan	2016	**2017**
Allocation conditions		
Grant date	September 2, 2016	March 23, 2017
Number of shares originally granted	4,131,200	1,610,000
Share price on award date (in euros)	3.15	3.51
Vesting period	36 months	36 months
Holding period	None at the end of the vesting period, i.e. September 2, 2019	None at the end of the acquisition period, i.e. March 23, 2020
Main assumptions		
Dividend rate (as a percentage)	2.0	1.7
Risk-free rate (as a percentage)	0 to 2 years	0 to 2 years
	0 to 5 years	0 to 5 years
Fair value of the option (including lock-up discount) (in euros)	2.97	3.33
At December 31, 2017		
Number of remaining shares	4,041,600	1,610,000
Expense recognized in the income statement (in millions of euros)	(3.9)	(1.3)

11.3.2. Plans granted by Vivendi

Vivendi share subscription options

13,202 thousand share subscription options vested and were exercisable at December 31, 2017, at an average weighted exercise price of 16.8 euros. Based on the market price on that date, the cumulative intrinsic value of the share subscription options remaining to be exercised may be estimated at 74 million euros. The average weighted residual life of share subscription options is 1.9 years.

Vivendi performance share plans

On February 23, 2017, Vivendi awarded its employees and executives 1,544 thousand performance shares. The terms and conditions of the grant are explained in the Vivendi annual report.
The expense related to all of the performance plans was 14.6 million euros for fiscal year 2017, since the date of acquisition on April 26, 2017.

Vivendi group savings plan and leveraged plan

On July 25, 2017 and July 28, 2016, Vivendi completed capital increases through a group savings plan and a leveraged plan allowing both current and retired group employees to subscribe for Vivendi shares.
The terms and conditions of the grant are explained in the Vivendi annual report.
As part of the group savings plan, 651 thousand shares were subscribed in 2017 through an employee investment fund at a price of 16.25 euros per share.
In addition, a leveraged plan was created under which 2,587 thousand shares were subscribed in 2017 through an employee investment fund at a price of 16.25 euros per share. The leveraged plan allows current and retired employees of Vivendi and its French and foreign subsidiaries to subscribe for Vivendi shares through a reserved capital increase that gives them a discount on subscription and ultimately capital gains (determined as per the plan rules) on 10 shares for each share subscribed. This transaction was underwritten by a financial institution commissioned by Vivendi. In addition, 922 thousand shares were subscribed for through an employee shareholder plan put in place for employees of the US subsidiaries.
In 2017, the expense recorded under the leveraged plan and the group savings plan was 5.7 million euros, as from the date of acquisition on April 26, 2017.
The transactions completed in France and overseas through the employee investment plan (group savings plan and leveraged plan) resulted in a capital increase on July 25, 2017 for a total of 68 million euros (including share issue premiums).

11.3.3. Havas SA performance share plan

The free share allocation and performance-based share plans were evaluated on the basis of the price of Havas shares on the date that the Board of Directors decided to grant those shares. Subject to fulfilling the performance conditions of some plans, the rights are acquired definitively by the registration of securities in the account at the end of a period between 36 and 51 months, subject to continued employment.
The share allocation plans as of December 31, 2017 are the following:

- On January 29, 2014, the Havas SA Board of Directors decided to allocate a performance-based share allocation plan to the employees and corporate officers of Havas SA and its French and overseas subsidiaries. 2,465 new Havas SA shares were allocated by way of a capital increase. No performance shares were allocated to Havas SA corporate officers.
- On January 19, 2015, the Board of Directors allocated a second plan of 2,420 thousand performance shares on the same terms as those for the January 29, 2014 plan.
- On March 19, 2015, the Board of Directors allocated 70 thousand performance shares to Yannick Bolloré, Chairman and Chief Executive Officer of Havas SA.
- on August 27, 2015, the Board of Directors allocated a 120 thousand performance-based share plan to all French employees.
- On May 10, 2016, the Board of Directors allocated three share plans totaling 2,784 thousand free and performance shares to senior executive employees and French and foreign managers of the Group, including 90 thousand shares for Yannick Bolloré.
- On July 21, 2016, the Board of Directors granted 148 thousand free shares to all employees of French companies.
- On February 28, 2017, the Board of Directors granted 1,699 thousand free shares to French and foreign "top executives".

The expense related to all the performance plans was 10.0 million euros for fiscal year 2017.
In light of both the implementation of the mandatory squeeze-out resulting in the absence of liquidity for Havas shares and the change of control of Havas to Vivendi, Vivendi's Supervisory Board resolved that the free and performance shares granted by Havas would be replaced by Vivendi shares, on the basis of 0.44 Vivendi shares for every one Havas share.
However, holders of Havas free and performance shares will be individually given the option of being definitively granted the Havas free and performance shares to receive the Havas free and performance shares initially granted to them, subject to having entered into a liquidity contract with Vivendi which shall contain:

- a put option, giving such holders the right to sell their Havas free and performance shares within thirty calendar days from the first business day following the date of final grant of their Havas free and performance shares; and
- a call option, giving Vivendi the right to acquire the relevant Havas free and performance shares to within fifteen calendar days following the expiry of the exercise period of the aforementioned put option.

The exercise price of these options will be the cash equivalent, for one Havas share, of the market value of 0.44 Vivendi share calculated based on the average stock market price, weighted by the daily trading volumes on the regulated market of Euronext Paris, for Vivendi shares on Euronext Paris during the ten trading days preceding the date of final grant of Havas free and performance shares. By way of derogation, given the proximity of the vesting date applicable to the plan of January 29, 2014 (i.e. April 29, 2018), this exercise price will be equal to the tender offer price, i.e. 9.25 euros for the beneficiaries of this plan.

11.3.4. Blue Solutions free share plan

Blue Solutions' Board of Directors of January 7, 2014, partially using the authorization granted to it by the Extraordinary General Meeting of August 30, 2013, decided to award a fixed maximum amount of free shares of 380,000 shares, or 1.32% of the capital. 364,500 free shares were awarded in this way on January 8, 2014, and 13,500 on April 7, 2014, in line with the procedures set out by the General Meeting and the Board of Directors. The recognition procedures for these plans were not modified during the fiscal year.
The fair value of the shares granted was calculated by an independent expert.
This fair value represents the expense to be recognized over the vesting period, it is recognized on a straight-line basis in P&L under "Staff costs" with an offsetting entry in shareholders' equity, amounting to –1.1 million euros for 2017. The employer contributions due were immediately recognized as net income.

Blue Solutions free share plan		
Allocation conditions		
Grant date	January 8, 2014	April 7, 2014
Number of shares originally granted	364,500	13,500
Share price on award date (in euros)	19.35	27.32
Vesting period	48 months	48 months
Holding period	2 years after vesting period	2 years after vesting period
Main assumptions		
Dividend rate (as a percentage)		
Risk-free rate (as a percentage)	1.49 at 6 years	1.49 at 6 years
	1.01 at 4 years	1.01 at 4 years
Fair value of the option (including lock-up discount) (in euros)	17.29	24.42
At December 31, 2017		
Number of remaining shares	311,250	13,500
Expense recognized in the income statement (in millions of euros)	(1.0)	(0.1)

11.3.5. Gameloft SE free share allocation plan

The free share allocation and performance-based share plans were valued based on the stock market price of Gameloft SE ("Gameloft") shares as of the date of the Board of Directors meeting that approved the grant of those shares, taking into account the retention period on the shares following vesting. The final grant of shares to beneficiaries is conditional upon the beneficiary's employment contract with the company being continuously in force throughout the entire vesting period of two or four years depending on the plan.

As of June 29, 2016, the date of Gameloft's acquisition by Vivendi, the existing plans were valued by measuring the value of those shares as if they had been granted on such date.

At December 31, 2017, the balance of free share grant plans was 734 thousand shares. During fiscal year 2017, 46 thousand shares were canceled. The average residual term before unwinding of the plans was 1.5 years.

For fiscal year 2017, the charge recognized with respect to all free share plans granted by Gameloft amounted to 2.4 million euros, as of the acquisition date of April 26, 2017. The plans are recognized as cash-settled instruments.

11.3.6. Dailymotion's long-term incentive plan

In 2015, Vivendi implemented a long-term incentive plan for a five year period for certain key executives, including Dominique Delport, a member of Vivendi's Supervisory Board. This plan is tied to the growth of Dailymotion's enterprise value compared to its acquisition value, as it will be measured as of June 30, 2020, based upon an independent appraisal. In the event of an increase Dailymotion's value, the amount of the compensation with respect to the incentive plan is capped at a percentage of such increase, depending on the beneficiary. Within six months following June 30, 2020, the plan will be settled in cash, if applicable.

In accordance with IFRS 2, the expenses relating to this compensation must be estimated and accounted for at the end of each accounting period until the date of payment. In fiscal year 2017, no expenses were recorded with respect to this plan.

The detailed features of the main new plans of the fiscal year are as follows:

Allocation conditions for free share and performance plans granted in fiscal year 2017

Share	Vivendi	Havas	Bolloré
Grant date	February 23, 2017	February 28, 2017	March 23, 2017
Number of shares awarded	1,544,000	1,699,000	1,610,000
Share price on award date (in euros)	16.95	8.14	3,505
Fair value of a share (in euros)	14.37	7.54	3.33
Vesting period	36 months	36 months	36 months
Lock-up period	None at the end of the vesting period, i.e. February 23, 2020	None at the end of the vesting period, i.e. February 28, 2020	None at the end of the vesting period, i.e. March 23, 2020
NUMBER OF SHARES GRANTED AS OF DECEMBER 31, 2017	**1,544,000**	**1,699,000**	**1,610,000**

The fiscal year change in the number of shares and options outstanding related to share-based payment transactions is as follows:

Change in number of free and performance shares outstanding

Share	Blue Solutions	Vivendi	Havas	Bolloré
Number of shares at December 31, 2016	**358,000**		**7,219,520**	**4,131,200**
Business combinations		3,216,000		
Grant		1,548,000	1,699,000	1,610,000
Past due				
Fiscal year		(342,000)		
Canceled	(33,250)	(119,000)	(985,160)	(89,600)
NUMBER OF SHARES AS OF DECEMBER 31, 2017	**324,750**	**4,303,000**	**7,933,360**	**5,651,600**

Change in number of stock options

Share	Blue Solutions	Vivendi	Havas	Bolloré
Number of shares at December 31, 2016				
Business combinations		24,620,000		
Grant				
Past due		(6,557,000)		
Fiscal year		(4,811,000)		
Canceled		(50,000)		
NUMBER OF SHARES AS OF DECEMBER 31, 2017		**13,202,000**		

11.4. COMPENSATION OF GOVERNING AND MANAGEMENT BODIES (RELATED PARTIES)

(in millions of euros)	**2017**	2016
Short-term benefits	9.3	7.2
Post-employment benefits		0.0
Long-term benefits		0.0
Severance payments		0.0
Payment in shares	2.2	0.7
Number of free shares held by Executive managers with respect to Bolloré securities(1)	1,898,000	1,675,400
Number of Blue Solutions free shares(1)	20,000	20,000
Number of Havas performance shares and options on securities(1)	186,080	176,080

(1) The features of the different plans in terms of shares and stock options are detailed in note 11.3 – Share-based payment transactions.

In 2017, Vincent Bolloré, Chairman of the Board of Directors, received compensation of 1,050 thousand euros by way of bonuses from Bolloré Group companies, compared with 950 thousand euros in 2016. In 2017, Vincent Bolloré also received 109 thousand euros in directors' fees for company offices held within Group companies (40 thousand euros in 2016).
The Group has no commitments towards its Executive managers or former Executive managers regarding pensions or equivalent (post-employment) indemnities.
The Group does not grant advance payments or credit to members of the Board of Directors.

NOTE 12. TAXES

Accounting policies

The Group calculates its income tax in accordance with the tax law in force at the time.

In accordance with IAS 12 "Income taxes", the timing differences between the book values of assets and liabilities and their tax-base values give rise to recognition of a deferred tax asset or liability, according to the variable carryforward method using the tax rate adopted or virtually adopted on the closing date.

Deferred taxes are recognized for all timing differences unless the deferred tax is generated by goodwill or by the initial recognition of an asset or liability which is not a business combination and does not affect either accounting or fiscal income on the transaction date.

A deferred tax is recognized for all fiscal timing differences connected with shareholdings in subsidiaries, associate companies and joint ventures or capital expenditure in branches, unless the date on which the timing difference is to be reversed is within the Group's control and it is probable that it will not be reversed in the foreseeable future.

A deferred tax asset is recognized for the carryforward of tax losses and of unused tax credits, insofar as it is probable that there will in future be sufficient taxable income to which these tax losses and unused tax credits can be imputed or if there are liability timing differences.

For Vivendi, the book value of deferred tax assets is reviewed at the end of each accounting period and, if necessary, is revalued or reduced, to take into account the more or less favorable trends for realizing an available taxable profit against which the deferred tax assets can be utilized. To evaluate the probability of realizing a taxable profit, the following are taken into account: historical profits during preceding years, future profit forecasts, non-recurring elements that will not likely reoccur in the future, and fiscal strategy. Consequently, the evaluation of the ability to use its loss carryforwards is to a large extent judgment based. Should the group's future taxable profits be significantly different than those anticipated, the group would be obligated to revise upward or downward the book value of the deferred tax assets, which could have a significant effect on the balance sheet and profit of the Group.

For other Financière de l'Odet companies or tax groups for which there is a recent history of unused tax losses, the Group does not deem it necessary to recognize the net deferred tax assets in respect of carrying forward tax losses.

In line with IAS 12, deferred tax assets and liabilities are not discounted.

12.1. TAX CHARGES

12.1.1. Breakdown of tax expense

(in millions of euros)	**2017**	2016
Current and deferred tax(1)	164.3	(189.6)
Provision (expense)/reversal for taxes(2)	209.3	17.3
Other taxes (lump sum, adjustment, tax credits, carry back)(3)	436.8	(8.9)
Withholding taxes	(55.7)	(22.6)
Corporate added value contribution	(31.1)	(20.4)
TOTAL	**723.6**	(224.2)

(1) Includes in particular a net deferred tax asset of 364.2 million euros related to the change in tax rates in France and in the United States starting on January 1, 2018.
The 2018 French Finance Act passed on December 21, 2017 provides for a progressive cut in the standard tax rate from 34.43% to 25.83% by 2022. The change in tax rates is also reflected in the measurement of deferred tax at December 31, 2017.
Generally, the effects recognized at December 31, 2017 related to the US tax reform reflects our best estimate, based on our preliminary analysis of the Tax Cuts and Jobs Act signed on December 22, 2017. The final effects of that reform could be different than those taken into account at December 31, 2017. As necessary, the amounts recorded will be adjusted in 2018, notably in light of the change in our interpretations and hypotheses, as well as of clarifications and complementary instructions by the US Congress or US tax authorities.

(2) Includes in particular the impact related to the favorable outcome for Vivendi SA regarding the global consolidated profit plan for fiscal year 2011 for 409 million euros (see note 10.1. – Provisions).

(3) Includes in particular a current tax profit of 243 million euros corresponding to the restitution to Vivendi and its subsidiaries of the amount paid pursuant to the 3% contribution on distributed income.

12.1.2. Explanation of income tax expense

By convention, the Group decided to apply the ordinary rate applicable in France, i.e. 34.43%. The effect of additional tax contributions paid by the Group is described below in "Impact of tax rate differentials".
The difference between the theoretical and actual tax liability may be analyzed as follows:

(in millions of euros)	**2017**	2016
Consolidated net income	2,075.6	580.4
Net income from companies accounted for using the equity method	(266.5)	(62.5)
Tax expense (income)	(723.6)	224.2
Income before tax	**1,085.5**	742.2
Theoretical tax rate	34.43%	34.43%
THEORETICAL TAX INCOME (EXPENSE)	**(373.7)**	(255.4)
Reconciliation		
Permanent differences(1)	362.0	121.0
Effect of the sale of securities not taxed at the current rate(2)	78.1	1.5
Capitalization (impairment) of losses carried forward and impairment of deferred taxes(3)	2.8	(100.4)
Impact of tax rate differentials	424.1	7.2
Other(4)	230.2	2.0
ACTUAL TAX INCOME (EXPENSE)	**723.6**	(224.2)

(1) Corresponds to current tax revenue of 409 million euros recorded following the favorable outcome for Vivendi SA of litigation regarding the global tax profit system for fiscal year 2011.
(2) Corresponds primarily to the tax effect related to the accounting revaluation of the Vivendi equity interests for 232.3 million euros not imposed on Compagnie de Cornouaille.
(3) Integrates net deferred tax income of 364.2 million euros following the modification of the tax rate in France and the US as from January 1, 2018.
(4) Includes a current tax revenue of 243 million euros corresponding to the restitution to Vivendi and its subsidiaries of the amount paid pursuant to the 3% contribution on distributed income.

12.1.3. French Tax Group and Consolidated Global Profit Tax Systems

Vivendi SA benefits from the French Tax Group System and considers that, until December 31, 2011 inclusive, it benefited from the Consolidated Global Profit Tax System pursuant to article 209 *quinquies* of the French Tax Code. As from January 1, 2012, Vivendi SA has only benefited from the French Tax Group System.
Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of French subsidiaries that are at least 95% owned, directly or indirectly, by it. As of December 31, 2017, this mainly applies to Universal Music Group, Canal+ group and Gameloft entities in France, as well as the companies involved in the group's development projects in France (e.g., Vivendi Village, Vivendi Content and Studio+).
Until December 31, 2011, the Consolidated Global Profit Tax System, for which Vivendi obtained a tax authorization, enabled Vivendi to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned, directly or indirectly, by it and located in France or abroad. This authorization was granted for an initial five-year period, from January 1, 2004 to December 31, 2008, and then was renewed, on May 19, 2008, for a three-year period, from January 1, 2009 to December 31, 2011. As a reminder, on July 6, 2011, Vivendi lodged a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System for a three-year period, from January 1, 2012 to December 31, 2014.
In 2011, pursuant to changes in French Tax Law, the Consolidated Global Profit Tax System was terminated as of September 6, 2011, and the deduction for tax losses carried forward capped at 60% of taxable income. Since 2012, the deduction for tax losses carried forward has been capped at 50% of taxable income and the deductibility of interest limited to 85% of financial charges, net (75% as from January 1, 2014).

The impacts of the French Tax Group and Consolidated Global Profit Tax Systems on the valuation of Vivendi's tax attributes (tax losses, foreign tax receivables and tax credits carried forward) are as follows:
As Vivendi considers that its entitlement to use the Consolidated Global Profit Tax System was effective until the end of the authorization granted by the French Ministry of Finance (i.e., until December 31, 2011), on November 30, 2012, Vivendi submitted a 366 million euros refund request with respect to the tax saving for fiscal year ended December 31, 2011. As this request was denied by the tax authorities, Vivendi took a 366 million euros provision for the associated risk in its financial statements for the year ended December 31, 2012. On October 6, 2014, the Montreuil Administrative Court found in Vivendi's favor. On December 23, 2014, Vivendi received a 366 million euros refund plus late payment interest of 43 million euros, which was received on January 16, 2015. On December 2, 2014, the tax authorities lodged an appeal against this ruling. On July 5, 2016, the Versailles Administrative Court of Appeal ruled in favor of Vivendi, against which the Ministry filed an appeal. In a decision dated October 25, 2017, the French Council of State (Conseil d'État) denied the Ministry's appeal, therefore ruling as final the favorable decision of the Versailles Administrative Court of Appeal. Consequently, in its financial statements for the year ended December 31, 2017, Vivendi recorded a tax income of 409 million euros in this respect.
Moreover, considering that Vivendi's foreign tax receivables available at the exit from the Consolidated Global Profit Tax System can be carried forward upon the end of the authorization, Vivendi requested a tax refund with respect to fiscal year ended December 31, 2012. On May 8, 2013, Vivendi received a refund of 201 million euros. This refund was then challenged by the tax authorities as part of a tax audit and Vivendi provisioned the associated risk for a principal amount of 208 million euros in its financial statements for the year ended December 31, 2012, increased to 221 million euros as of December 31, 2013. In its financial statements for the year ended December 31, 2014, Vivendi maintained and increased this provision by 11 million euros (the amount of additional default interest), for a total amount of 232 million euros, which was subsequently decreased to 228 million euros as of December 31, 2015 after deduction of ordinary tax credits. As part of this audit, on March 31, 2015, Vivendi made a payment of 321 million euros, corresponding to the amounts of 221 million euros and 11 million euros mentioned above, increased by additional penalties of 89 million euros.

On June 29, 2015, after completion of the tax audit, Vivendi challenged before the tax authorities the tax paid and default interest as well as penalties, for which no provision has been accrued upon the recommendation of its advisers. Vivendi has since brought this dispute before the Administrative Court of Montreuil. On March 16, 2017, the Montreuil Administrative Court ruled in favor of Vivendi. Pursuant to this decision, on April 18, 2017, Vivendi received (i) a 315 million euros refund corresponding to the principal tax amount due in 2012 (218 million euros), as well as default interest (10 million euros) and additional penalties (87 million euros), and (ii) moratorium interest (31 million euros), representing an aggregate amount of 346 million euros. The Minister appealed against this ruling with respect to the principal tax amount due; therefore, in its financial statements for the year ended December 31, 2017, Vivendi maintained the provision related to the principal refund (218 million euros), the default interest (10 million euros), and the moratorium interest (23 million euros), i.e., an aggregate provision of 251 million euros. Given that the Minister's appeal did not include the penalties (87 million euros), Vivendi recorded a tax income of 9 million euros in its financial statements as of December 31, 2017, corresponding to the portion of moratorium interest irrevocably earned by Vivendi.

In June 15, 2017, following the Administrative Court of Montreuil ruling of March 16, 2017, Vivendi made a claim for payment of the tax amount due for the year ended December 31, 2015 (203 million euros). As the appeal against the March 16, 2017 ruling of the Administrative Court of Montreuil could potentially affect this claim, Vivendi recorded a provision as of December 31, 2017 in the amount of the refund requested (203 million euros).

In the financial statements for the year ended December 31, 2017, the tax results of the subsidiaries comprised within the scope of Vivendi SA's French Tax Group System are calculated based on estimates. As a result, the amount of tax attributes as of December 31, 2017 could not be reliably determined. As of December 31, 2017, taking into account the impact of the estimated 2017 tax results and before the effects of the ongoing tax audits on the amount of tax attributes (please refer to note 6.5), it is anticipated that Vivendi SA will likely be able to achieve 875 million euros in tax savings from tax attributes (based on the income tax rate applicable as of December 31, 2017, i.e., 34.43%). At a rate of 25.83% applicable in 2022, it is anticipated that Vivendi would achieve 656 million euros in tax savings from tax attributes.

Nonetheless, Vivendi SA values its tax attributes on the basis of one year's forecasted results, taken from the following year's budget. On this basis, in 2018, considering that its consolidation scope now includes Havas and Dailymotion as from January 1, 2018, it is anticipated that Vivendi will likely be able to achieve tax savings of 120 million euros from the French Tax Group System (based on the income tax rate applicable in 2018, i.e., 34.43%).

12.2. DEFERRED TAX

12.2.1. Balance sheet position

(in millions of euros)	**12/31/2017**	12/31/2016
Deferred tax assets	721.3	226.8
Deferred tax liabilities	2,424.3	239.1
NET DEFERRED TAX ASSETS(1)	**(1,703.0)**	(12.3)

(1) Of which –1,727.8 million euros related to Vivendi at December 31, 2017.

12.2.2. Origin of deferred tax assets and liabilities

(in millions of euros)	**12/31/2017**	12/31/2016
Capitalization of tax losses carried forward(1)	236.3	156.0
Provisions for retirement and other employee benefits	238.2	84.9
Revaluation of non-current assets(2)	(2,167.4)	(159.3)
Regulatory tax provisions	(44.6)	(49.4)
Others	34.3	(44.5)
NET DEFERRED TAX ASSETS AND LIABILITIES	**(1,703.0)**	(12.3)

(1) Of which 120 million euros related to the tax integration of Vivendi SA.
(2) Of which –1,687 million euros related to the remeasurement of assets identified following the Bolloré PPP on Vivendi.

12.2.3. Net change in position in 2017

(in millions of euros)	Net deferred tax assets
At December 31, 2016	**(12.3)**
Deferred tax recognized through P&L(1)	399.9
Deferred tax recognized directly in other comprehensive income(2)	(14.7)
Changes in consolidation scope(3)	(2,116.3)
Other	40.4
AT DECEMBER 31, 2017	**(1,703.0)**

(1) Of which the change in rates, mainly in the United Sates, on the deferred taxes regarding the Vivendi PPP for 357.4 million euros, as well as the tax impact associated with the amortization of the Vivendi PPP for 49.4 million euros.
(2) Net changes primarily include actuarial gains and losses related to employee benefit obligations (for –14.1 million euros) and to the change in deferred taxes relating to the fair value of financial instruments (for –0.5 million euros).
(3) Of which deferred taxes under the re-measurement of assets identified following the Vivendi PPP for –2,091.6 million euros.

12.2.4. Deferred tax not recognized in respect of tax loss carryforwards or tax credits

(in millions of euros)	**12/31/2017**	12/31/2016
Tax loss carryforwards(1)	2,095.7	761.2
Others	19.4	14.3
TOTAL	**2,115.1**	775.5

(1) Including the tax effect on unrecognized tax loss carryforwards at December 31, 2017 of Vivendi (including Havas) totaling 1,790 million euros (193 million euros related to the Havas group at December 31, 2016) and the Bolloré SA tax group totaling 316.3 million euros (237.4 million euros at December 31, 2016).

12.3. CURRENT TAX

12.3.1. Assets

	12/31/2017			12/31/2016		
(in millions of euros)	**Gross value**	**Provisions**	**Net value**	Gross value	Provisions	Net value
Current tax assets	455.1	0.0	455.1	96.5	(11.3)	85.2
TOTAL	**455.1**	**0.0**	**455.1**	96.5	(11.3)	85.2

12.3.2. Liabilities

(in millions of euros)	At 12/31/2016	Changes in consolidation scope	Changes Net	Changes currency	Other transactions	**At 12/31/2017**
Current tax liabilities	117.6	32.3	61.0	(11.3)	37.0	236.6
TOTAL	117.6	32.3	61.0	(11.3)	37.0	**236.6**

NOTE 13. RELATED-PARTY TRANSACTIONS

The consolidated financial statements include transactions carried out by the Group in the normal course of business with non-consolidated companies that have a direct or indirect capital link to the Group.
The table below summarizes all the transactions entered into in 2016 and 2017 with related parties:

(in millions of euros)	2017	Of which parties related to the Vivendi group(3)	2016
Turnover			
Non-consolidated Group entities(1)	15.5		17.2
Entities accounted for using the equity method(2)	268.0	206.0	93.8
Goods and services bought in			
Non-consolidated Group entities(1)	(5.0)		(4.5)
Entities accounted for using the equity method(2)	(99.9)	(98.0)	(1.3)
Other financial income and expenses			
Non-consolidated Group entities(1)	2.2		3.4
Entities accounted for using the equity method(2)	1.5		1.1
Non-current financial assets			
Non-consolidated Group entities(1)			
Entities accounted for using the equity method(2)	184.0	184.0	0.0
Non-current financial liabilities			
Non-consolidated Group entities(1)			
Entities accounted for using the equity method(2)	93.0	93.0	0.0
Receivables associated with business activity (excluding tax consolidation)			
Non-consolidated Group entities(1)	4.8		5.2
Entities accounted for using the equity method(2)	96.3	62.0	33.9
Non-current content assets			
Entities accounted for using the equity method(2)	1.0	1.0	0.0
Provisions for bad debts	**(0.4)**		**(0.5)**
Payables associated with business activity (excluding tax consolidation)			
Non-consolidated Group entities(1)	1.0		0.8
Entities accounted for using the equity method(2)	18.1	11.0	7.9
Current accounts and cash management agreements – assets			
Non-consolidated Group entities(1)	31.8		29.6
Entities accounted for using the equity method(2)	1.6		0.1
Current accounts and cash management agreements – liabilities			
Non-consolidated Group entities(1)	44.2		39.3
Entities accounted for using the equity method(2)	0.1		0.0

(1) Non-consolidated subsidiaries and holding companies in the Group.
(2) Of which Vivendi, related party of the Group until April 26, 2017.
(3) As from April 26, 2017, the Vivendi group was fully consolidated in the Financière de l'Odet financial statements. Related parties of Vivendi group have also become related parties of Financière de l'Odet. The flows reported above cover twelve months of activity.

NOTE 14. EVENTS AFTER THE REPORTING PERIOD

The key events occurring between the closing date and March 22, the date of the Financière de l'Odet Board of Directors' meeting that approved the annual statements, were as follows:

STRENGTHENING OF THE SHAREHOLDING IN VIVENDI

In February 2018, the Group, which held 34.7 million Vivendi share purchase options, exercised 21.4 million options representing 1.7% of the capital of Vivendi, at the average price of 16.57 euros, previously set in October 2016, i.e. a total of 354 million euros.
Following this exercise, the Group still holds 13.3 million purchase options for an equal amount of Vivendi shares, that can be exercised at any time at the average exercise price of 21.10 euros up until June 25, 2019.

In addition, at the beginning of March, Compagnie de Cornouaille acquired 2 million additional shares for 41 million euros, bringing Vivendi's direct ownership in Vivendi to 20.63% of the share capital and 29.67% of the voting rights (including the borrowing of shares representing 2.7% of the share capital and the outstanding balance of purchase options representing 1% of the share capital).

FNAC-DARTY HEDGING OPERATION

In January 2018, Vivendi concluding a hedging operation in order to protect the value of its stake of 11% in the share capital of Fnac-Darty on the basis of a price of 91 euros per share, i.e. a total of 268 million euros. Vivendi retains the possibility of a settlement in cash or by delivery of shares at the end of this transaction, i.e. no later than during the second half of 2019.

VIVENDI'S SALE OF ITS STAKE IN UBISOFT

In agreement with the Guillemot family, Vivendi announced on March 20, 2018 the sale of its entire 27.27% stake in Ubisoft at a price of 66 euros per share for 2 billion euros. This stake had been acquired by Vivendi during the last three years for a total of 794 million euros.

NOTE 15. FEES OF STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

FEES BY NETWORK

		Constantin Associés				AEG Finances			
		Statutory Auditors		Network[1]		Statutory Auditors		Network	
(in thousands of euros)	TOTAL 2017	Amount (before tax)	%	Amount (before tax)	%	Amount (before tax)	%	Amount (before tax)	%
Certification of the separate and consolidated financial statements									
– Financière de l'Odet	61	29	1	NA		32	2	NA	
– Fully-consolidated subsidiaries	14,086	3,776	98	9,145	95	1,165	89		0
Sub-total	**14,147**	3,805	99	9,145	95	1,197	92	0	0
Services other than certification of the financial statements									
– Financière de l'Odet	2		0	2	0	0	0		0
– Fully-consolidated subsidiaries	675	35	1	501	5	106	8	33	100
Sub-total	**677**	35	1	503	5	106	8	33	100
TOTAL FEES	**14,824**	3,840	100	9,648	100	1,303	100	33	100

NA: not applicable.
(1) Includes the Deloitte network.

NOTE 16. LIST OF CONSOLIDATED COMPANIES

16.1. FULLY-CONSOLIDATED COMPANIES

Name	Registered office	% of interest 2017	% of interest 2016	Siren (business registration number)/ Country/Territory
Financière de l'Odet				
Financière de l'Odet	Odet	82.63	82.69	056 801 046
Bolloré				
Agence Maritime Cognaçaise – AMC	Chateaubernard	26.94	NC	319 569 828
Abidjan Terminal	Abidjan	29.28	29.41	Republic of Côte d'Ivoire
Africa Construction et Innovation	Puteaux	52.83	53.07	812 136 315
African Investment Company SA	Luxembourg	49.61	49.84	Grand Duchy of Luxembourg
Alcafi	Rotterdam	52.83	53.07	Netherlands
Alraine Shipping Agencies Ltd	Lagos	52.83	53.07	Nigeria
AMC USA Inc.	New York	26.94	NC	United States
Ami (Tanzania) Ltd	Dar es-Salaam	52.83	53.07	Tanzania
Amifin Holding	Geneva	52.83	53.07	Switzerland
Antrak Ghana Ltd	Accra	52.83	53.07	Ghana
Antrak Group (Ghana) Ltd	Accra	52.83	53.07	Ghana
Antrak Logistics Pty Ltd	Perth	52.83	53.07	Australia
Ascens Services	Abidjan	52.83	53.07	Republic of Côte d'Ivoire
Ateliers & Chantiers de Côte d'Ivoire	Abidjan	52.83	53.07	Republic of Côte d'Ivoire
Atlantique Containers Réparations (Acor)	Montoir-de-Bretagne	27.73	27.85	420 488 355
Automatic Control Systems Inc.	New York	50.21	50.36	United States
Automatic Systems (Belgium) SA	Wavre	50.21	50.36	Belgium
Automatic Systems (France)(2)	Rungis	50.21	50.36	304 395 973
Automatic Systems America Inc.	Montreal	50.21	50.36	Canada
Automatic Systems Equipment UK	Birmingham	50.21	50.36	United Kingdom
Automatic Systems Española SA	Barcelona	50.21	50.36	Spain
Automatic Systems Suzhou Entrance Control Co. Ltd	Taicang	50.21	50.36	People's Republic of China
Bénin Terminal	Cotonou	52.83	53.07	Benin
Bénin-Niger Rail Exploitation	Cotonou	41.99	42.18	Benin
Bénin-Niger Rail Infrastructure	Cotonou	41.99	42.18	Benin
B'Information Services(1)	Puteaux	52.83	53.07	333 134 799
Blue LA Carsharing LLC	Los Angeles	52.83	53.07	United States
Blue LA Inc.	Los Angeles	52.83	53.07	United States
Blue Line Guinée SA	Conakry	52.83	53.07	Guinea
Blue Solutions	Odet	41.63	37.79	421 090 051
Blue Solutions Canada Inc.	Boucherville/Quebec	41.63	37.79	Canada
Bluealliance(3)	Puteaux	26.94	27.06	501 407 233
Blueboat(1)	Odet	52.83	53.07	528 825 888
Bluebus(1)	Saint-Berthevin	52.83	53.07	501 161 798
Bluecar(1)	Puteaux	52.83	53.07	502 466 931
Bluecar East Asia Pte Ltd	Singapore	52.83	NC	Singapore
Bluecar Italy	Milan	52.83	53.07	Italy
Bluecarsharing(1)	Vaucresson	52.83	53.07	528 872 625
Bluecity UK Ltd	London	52.83	53.07	United Kingdom

Name	Registered office	**% of interest 2017**	% of interest 2016	Siren (business registration number)/ Country/Territory
Bluecub[3]	Vaucresson	26.94	27.06	538 446 543
Bluedistrib	Maurepas	52.83	53.07	814 094 967
BlueElec[1]	Vaucresson	52.83	53.07	519 136 816
Blueindy LLC	Indianapolis	52.83	53.07	United States
Bluelib[1]	Vaucresson	52.83	53.07	814 649 513
Bluely[3]	Vaucresson	25.60	25.71	538 446 451
Bluepointlondon Ltd	London	50.21	50.36	United Kingdom
Blue SG Ltd	Singapore	52.83	NC	Singapore
BlueShare, Inc.	New York	52.83	53.07	United States
Bluestation[1]	Vaucresson	52.83	53.07	795 208 552
Bluestorage[1]	Odet	52.83	53.07	443 918 818
Bluetorino	Turin	52.83	53.07	Italy
Bluetram[1]	Puteaux	52.83	53.07	519 139 273
Blueventure Ltd	London	52.83	NC	United Kingdom
Bolloré[1]	Odet	52.83	53.07	055 804 124
Bolloré Africa (Beijing) Logistics Co. Ltd	Beijing	52.83	53.07	People's Republic of China
Bolloré Africa Logistics[1]	Puteaux	52.83	53.07	519 127 559
Bolloré Africa Logistics (SL) Ltd	Freetown	52.81	53.04	Sierra Leone
Bolloré Africa Logistics Angola Limitada	Luanda	52.83	53.07	Angola
Bolloré Africa Logistics Aviation Services	Pretoria	52.83	53.07	South Africa
Bolloré Africa Logistics India	Delhi	31.70	31.84	India
Bolloré Africa Logistics Maroc	Casablanca	52.70	52.94	Morocco
Bolloré Africa Logistics South Africa	Johannesburg	25.89	26.00	South Africa
Bolloré Africa Railways	Puteaux	52.48	52.72	075 650 820
Bolloré Energy[1]	Odet	52.83	53.06	601 251 614
Bolloré Inc.	Dayville	52.83	53.07	United States
Bolloré Logistics[1]	Puteaux	52.83	53.07	552 088 536
Bolloré Logistics (Cambodia) Ltd	Phnom Penh	52.83	53.07	Cambodia
Bolloré Logistics (Shanghai) Co. Ltd	Shanghai	52.83	53.07	People's Republic of China
Bolloré Logistics (Thailand) Co. Ltd	Bangkok	31.70	31.84	Thailand
Bolloré Logistics Argentina SA	Buenos Aires	52.83	53.07	Argentina
Bolloré Logistics Asia-Pacific Corporate Pte Ltd	Singapore	52.83	53.06	Singapore
Bolloré Logistics Australia Pty Ltd	Banksmeadow	52.83	53.07	Australia
Bolloré Logistics Bangladesh Ltd	Dhaka	26.94	27.07	Bangladesh
Bolloré Logistics Belgium NV	Antwerp	52.83	53.07	Belgium
Bolloré Logistics Brazil Ltda	São Paulo	52.83	53.07	Brazil
Bolloré Logistics Canada Inc.	Saint-Laurent/Quebec	52.83	53.07	Canada
Bolloré Logistics Chile SA	Santiago	52.83	53.07	Chile
Bolloré Logistics China Co. Ltd	Shanghai	52.83	53.07	People's Republic of China
Bolloré Logistics Czech Republic s.r.o.	Zlin	52.83	53.07	Czech Republic
Bolloré Logistics Germany Gmbh	Frankfurt	52.83	53.07	Germany
Bolloré Logistics Guadeloupe[1]	Baie-Mahault/Guadeloupe	52.83	53.07	348 092 297
Bolloré Logistics Guyane	Remire-Montjoly/Guyane	44.91	45.11	403 318 249
Bolloré Logistics Hong Kong Ltd	Hong Kong	52.83	53.07	People's Republic of China

Name	Registered office	**% of interest 2017**	% of interest 2016	Siren (business registration number)/ Country/Territory
Bolloré Logistics India Ltd	Calcutta	52.82	53.06	India
Bolloré Logistics Italy Spa	Milan	52.83	53.07	Italy
Bolloré Logistics Japan KK	Tokyo	52.83	53.07	Japan
Bolloré Logistics Korea Co. Ltd	Seoul	52.83	53.07	South Korea
Bolloré Logistics Lao Co. Ltd	Vientiane	52.83	53.07	Laos
Bolloré Logistics Luxembourg SA	Luxembourg	52.83	53.07	Grand Duchy of Luxembourg
Bolloré Logistics Malaysia Sdn Bhd	Kuala Lumpur	31.70	31.84	Malaysia
Bolloré Logistics Martinique(1)	Fort-de-France/Martinique	52.83	53.07	303 159 370
Bolloré Logistics Mayotte	Longoni	52.83	53.07	Mayotte
Bolloré Logistics Mexico, SA de CV	Mexico	52.83	53.07	Mexico
Bolloré Logistics Netherlands BV	Hoogvliet	52.83	53.07	Netherlands
Bolloré Logistics New Zealand Ltd	Auckland	52.83	53.07	New Zealand
Bolloré Logistics Norway AS	Oslo	52.83	53.07	Norway
Bolloré Logistics Nouvelle-Calédonie	Nouméa	52.83	53.07	New Caledonia
Bolloré Logistics Pakistan (Pvt) Ltd	Karachi	26.94	27.07	Pakistan
Bolloré Logistics Philippines Inc.	Paranaque	36.98	37.15	Philippines
Bolloré Logistics Poland sp. z.o.o.	Gdynia	52.83	NC	Poland
Bolloré Logistics Polynésie	Papeete	52.83	53.07	French Polynesia
Bolloré Logistics Portugal Lda	Lisbon	52.78	53.02	Portugal
Bolloré Africa Réunion(1)	La Possession/La Réunion	52.83	53.07	310 879 937
Bolloré Logistics Singapore Pte Ltd	Singapore	52.83	53.07	Singapore
Bolloré Logistics Suisse SA	Meyrin	47.55	47.76	Switzerland
Bolloré Logistics Taiwan Ltd	Taipei	52.83	53.07	Taiwan
Bolloré Logistics Tanger Med	Tanger	52.80	NC	Morocco
Bolloré Logistics UK Ltd	Hainault/Ilford	52.83	53.07	United Kingdom
Bolloré Logistics USA Inc.	New York	52.83	53.07	United States
Bolloré Logistics Vietnam Co. Ltd	Ho Chi Minh City	52.83	53.07	Vietnam
Bolloré Logistics WLL (Qatar)	Doha	48.61	NC	Qatar
Bolloré Média Digital(1)	Puteaux	52.83	53.07	485 374 128
Bolloré Média Digital(1)	Puteaux	52.83	53.07	538 601 105
Bolloré Ports Dunkerque(1)	Dunkirk	52.83	53.07	380 355 875
Bolloré Ports France(1)	Rochefort	52.83	53.07	541 780 193
Bolloré Telecom(1)	Puteaux	51.65	51.88	487 529 232
Bolloré Transport & Logistics (South Sudan) Ltd	Juba	47.55	47.76	South Sudan
Bolloré Transport & Logistics Bénin	Cotonou	49.19	49.41	Benin
Bolloré Transport & Logistics Botswana (Proprietary) Ltd	Gaborone	52.83	53.07	Botswana
Bolloré Transport & Logistics Burkina Faso	Ouagadougou	46.82	47.03	Burkina Faso
Bolloré Transport & Logistics Burundi	Bujumbura	52.26	52.50	Burundi
Bolloré Transport & Logistics Cameroun	Douala	50.01	50.24	Cameroon
Bolloré Transport & Logistics Centrafrique	Bangui	52.83	53.07	Central African Republic
Bolloré Transport & Logistics Congo	Pointe-Noire	52.83	53.07	Congo
Bolloré Transport & Logistics Côte d’Ivoire	Abidjan	44.76	44.97	Republic of Côte d’Ivoire
Bolloré Transport & Logistics Djibouti	Djibouti	36.98	37.15	Djibouti
Bolloré Transport & Logistics Gabon	Libreville	51.05	51.28	Gabon

Name	Registered office	**% of interest 2017**	% of interest 2016	Siren (business registration number)/ Country/Territory
Bolloré Transport & Logistics Gambia Ltd	Banjul	52.83	53.07	Gambia
Bolloré Transport & Logistics Ghana Ltd	Tema	47.55	47.76	Ghana
Bolloré Transport & Logistics Guinée	Conakry	51.00	51.23	Guinea
Bolloré Transport & Logistics Kenya Ltd	Nairobi	52.83	53.07	Kenya
Bolloré Transportation & Logistics Liberia Incorporated	Monrovia	31.95	32.10	Liberia
Bolloré Transport & Logistics Madagascar	Toamasina	52.83	53.07	Madagascar
Bolloré Transport & Logistics Malawi Ltd	Blantyre	52.83	53.07	Malawi
Bolloré Transport & Logistics Mali	Bamako	52.52	52.75	Mali
Bolloré Transport & Logistics Maroc	Casablanca	52.83	53.07	Morocco
Bolloré Transport & Logistics Moçambique SA	Beira	52.57	52.80	Mozambique
Bolloré Transport & Logistics Namibia Proprietary Ltd	Windhoek	52.81	53.05	Namibia
Bolloré Transport & Logistics Niger	Niamey	50.81	51.04	Niger
Bolloré Transport & Logistics Nigeria Ltd	Lagos	52.83	53.07	Nigeria
Bolloré Transport & Logistics RDC SA	Kinshasa	52.83	53.07	Democratic Republic of the Congo
Bolloré Transport & Logistics Rwanda Ltd	Kigali	52.83	53.07	Rwanda
Bolloré Transport & Logistics Sénégal	Dakar	44.60	44.80	Senegal
Bolloré Transport & Logistics South Africa (Pty) Ltd	Johannesburg	52.83	53.07	South Africa
Bolloré Transport & Logistics Sudan Ltd	Khartoum	26.42	26.53	Sudan
Bolloré Transport & Logistics Tanzania Ltd	Dar es-Salaam	52.83	53.07	Tanzania
Bolloré Transport & Logistics Tchad SA/CA	N'Djamena	44.98	45.18	Chad
Bolloré Transport & Logistics Togo	Lomé	52.83	53.06	Togo
Bolloré Transport & Logistics Tunisie	Radès	52.83	53.07	Tunisia
Bolloré Transport & Logistics Uganda Ltd	Kampala	52.83	53.07	Uganda
Bolloré Transport & Logistics Zambia Ltd	Lusaka	52.83	53.07	Zambia
Bolloré Transport & Logistics Zimbabwe (Private) Ltd	Harare	52.83	53.07	Zimbabwe
Bolloré Transport Logistics(1)	Puteaux	52.83	53.07	797 476 256
Bolloré Transport Logistics Spain SA(1)	Valence	52.83	53.07	Spain
Burkina Logistics and Mining Services	Ouagadougou	50.49	50.72	Burkina Faso
Calpam Mineralol GmbH Aschaffenburg	Aschaffenburg	52.83	53.07	Germany
Camrail	Douala	40.52	40.70	Cameroon
Capacitor Sciences	Palo Alto	41.63	37.79	United States
Carena	Abidjan	26.41	26.53	Republic of Côte d'Ivoire
Cherbourg Maritime Voyages(1)	Tourlaville	52.83	53.07	408 306 975
CICA SA	Neuchâtel	52.83	53.07	Switzerland
CIPCH BV	Rotterdam	52.83	53.07	Netherlands
Cogema Dunkerque(1)	Dunkirk	52.83	53.07	076 650 019
Compagnie de Cornouaille(1)	Odet	52.83	53.07	443 827 134
Compagnie de Plomeur(1)	Puteaux	53.13	53.37	794 999 581
Compagnie de la Pointe d'Arradon(1)	Odet	54.29	54.51	519 116 552
Compagnie de Pleuven	Puteaux	51.74	51.90	487 529 828
Compagnie de Plomeur(1)	Puteaux	53.13	53.37	538 419 805
Compagnie des Glénans(1)	Odet	52.83	53.07	352 778 187
Compagnie des Tramways de Rouen	Puteaux	47.14	47.28	570 504 472
Compagnie du Cambodge	Puteaux	51.73	51.84	552 073 785

Name	Registered office	% of interest 2017	% of interest 2016	Siren (business registration number)/ Country/Territory
Compagnie Saint-Corentin(1)	Puteaux	52.83	53.06	443 827 316
Compagnie Saint-Gabriel(1)	Odet	52.83	53.06	398 954 503
Comptoir Général Maritime Sétois(1)	Sète	NC	53.07	642 680 060
Conakry Terminal	Conakry	39.68	39.86	Guinea
Congo Terminal	Pointe-Noire	23.52	23.63	Democratic Republic of the Congo
Congo Terminal Holding	Puteaux	23.77	23.88	512 285 404
Cross Marine Services Ltd	Lagos	52.83	53.07	Nigeria
Dakar Terminal	Dakar	21.29	24.36	Senegal
Dakar Terminal Holding	Puteaux	26.94	27.07	800 731 028
Delmas Petroleum Services	Port-Gentil	40.84	41.02	Gabon
Dépôt Rouen Petit-Couronne(1)	Puteaux	36.98	53.06	795 209 022
Deutsche Calpam GmbH Hamburg	Hamburg	52.83	53.07	Germany
Direct Toulouse(1)	Puteaux	51.27	51.50	492 950 860
DME Almy(1)	Avion	52.83	52.78	581 920 261
Domaines de la Croix et de la Bastide Blanche(1)	La Croix-Valmer	52.30	52.53	437 554 348
Douala International Terminal	Douala	23.10	21.23	Cameroon
East Africa Commercial Shipping Djibouti	Djibouti	36.98	37.15	Djibouti
East Africa Commercial Shipping Mombasa	Nairobi	52.82	53.06	Kenya
Entreprise Sénégalaise des Transports Bellasee SA	Dakar	50.31	NC	Senegal
Établissements Caron(1)	Calais	52.83	52.78	315 255 778
Établissements Labis(1)	Hazebrouck	52.83	52.78	323 417 196
EXAF(1)	Puteaux	52.83	53.07	602 031 379
Fast Bolloré Logistics SAL	Beirut	39.62	39.80	Lebanon
Financière 84(1)	Puteaux	52.81	53.04	315 029 884
Financière d'Audierne(1)	Puteaux	53.13	53.37	797 476 223
Financière de Briec	Puteaux	52.83	53.07	797 476 298
Financière de Sainte-Marine	Puteaux	51.74	51.90	442 134 177
Financière du Champ de Mars SA	Luxembourg	52.83	53.07	Grand Duchy of Luxembourg
Financière du Perguet(1)	Puteaux	54.29	54.51	433 957 792
Financière Moncey	Puteaux	49.27	49.43	562 050 724
Financière Penfret(1)	Odet	52.83	53.07	418 212 197
Fleet Management Services	Puteaux	49.71	53.07	791 469 935
Forestière Équatoriale	Abidjan	50.74	50.89	Republic of Côte d'Ivoire
Freetown Terminal	Freetown	42.27	42.46	Sierra Leone
Freetown Terminal Holding	London	52.83	53.07	United Kingdom
Fret Air Service Transport	Orly	52.83	53.07	320 565 435
Globolding(1)	Puteaux	52.83	53.07	314 820 580
Guadeloupe Transit Déménagements (GTD)(1)	Baie-Mahault/Guadeloupe	52.83	53.07	327 869, 61
Guinée Rail	Conakry	52.48	52.72	Guinea
Hello Fioul(1)	Puteaux	52.83	NC	824 352 033
Holding Intermodal Services (HIS)(1)	Puteaux	52.83	53.07	382 397 404
Hombard Publishing BV	Amsterdam	52.83	53.07	Netherlands
IER(2)	Suresnes	50.21	50.36	622 050 318
IER GmbH	Uetze	NC	50.36	Germany

Name	Registered office	**% of interest 2017**	% of interest 2016	Siren (business registration number)/ Country/Territory
IER Impresoras Especializadas	Madrid	50.21	50.36	Spain
IER Inc.	Carrollton	50.21	50.36	United States
IER Pte Ltd	Singapore	50.21	50.36	Singapore
Immobilière Mount Vernon	Vaucresson	52.83	53.07	302 048 608
Imperial Mediterranean(1)	Puteaux	53.13	53.37	414 818 906
Interconnect Logistics Services Nigeria Limited	Port-Harcourt	25.89	26.00	Nigeria
International Human Resources Management Ltd	London	52.83	53.07	United Kingdom
Iris Immobilier(1)	Puteaux	52.83	53.07	414 704 163
ITD	Puteaux	52.83	53.07	440 310 381
Joint Service Africa	Amsterdam	52.83	53.07	Netherlands
JV PIL Mozambique	Maputo	26.94	27.07	Mozambique
La Charbonnière	Maisons-Alfort	27.84	27.96	572 199 636
La Financière du Levant	Beirut	52.83	53.07	Lebanon
Lagos Free Trade Zone	Lagos	52.83	53.07	Nigeria
Lekki Free Trade Zone	Lagos	52.83	53.07	Nigeria
Lequette Énergies(1)	Puteaux	52.83	52.78	442 822 730
Les Charbons Maulois(1)	Maule	52.76	53.00	619 803 083
Les Combustibles de Normandie (LCN)(1)	Cormelles-le-Royal	52.83	53.06	797 476 199
Libreville Business Square	Libreville	35.74	35.90	Gabon
Locamat(1)	Tremblay-en-France	52.83	53.07	339 390 197
Logistics Support Services Ltd	Hong Kong	52.83	53.07	People's Republic of China
Lomé Multipurpose Terminal	Lomé	52.06	52.28	Togo
Manches Hydrocarbures(1)	Tourlaville	52.83	53.06	341 900 819
Matin Plus(1)	Puteaux	52.74	52.98	492 714 779
Mombasa Container Terminal Ltd	Nairobi	52.83	53.07	Kenya
Moroni Terminal	Moroni	42.68	42.87	Comoros
Necotrans Senegal	Dakar	52.83	NC	Senegal
Niger Terminal	Niamey	52.83	53.07	Niger
Nord Sud CTI(1)	Rouen	52.83	53.07	590 501 698
Nord-Sumatra Investissements	Luxembourg	52.83	53.07	Grand Duchy of Luxembourg
Normande de Manutention(1)	Grand-Couronne	52.83	53.07	382 467 645
Pargefi	Valence	51.81	52.02	Spain
Pargefi Helios Iberica Luxembourg SA	Luxembourg	51.81	52.02	Grand Duchy of Luxembourg
Participaciones Ibero Internationales	Valence	51.80	52.02	Spain
Participaciones Internacionales Portuarias	Valence	51.80	52.02	Spain
Pemba Terminal Holding	Johannesburg	44.91	45.11	South Africa
Pemba Terminal Services	Maputo	45.06	45.27	Mozambique
Petroplus Marketing France(1)	Paris-La Défense	52.83	53.06	501 525 851
Plantations des Terres Rouges SA	Luxembourg	51.81	52.02	Grand Duchy of Luxembourg
Polyconseil(1)	Paris	52.83	53.07	352 855 993
Ports Secs du Mali	Bamako	36.72	36.89	Mali
Progosa Investment SA	Seville	51.80	52.02	Spain
PT Bolloré Logistics Indonesia	Jakarta	52.83	53.07	Indonesia
PT Optima Sci	Puteaux	53.13	53.37	430 376 384

Name	Registered office	**% of interest 2017**	% of interest 2016	Siren (business registration number)/ Country/Territory
PT Sarana Citra Adicarya	Jakarta	52.83	53.07	Indonesia
PTR Finances	Luxembourg	51.81	52.02	Grand Duchy of Luxembourg
Rainbow Investments Ltd	Lusaka	52.81	53.05	Zambia
Redlands Farm Holding	Wilmington	51.81	52.02	United States
Réunitrans(1)	La Possession/La Réunion	NC	53.07	345 261 580
Rivaud Innovation	Puteaux	50.49	50.65	390 054 815
Rivaud Loisirs Communication	Puteaux	51.22	51.34	428 773 980
SFA SA	Luxembourg	51.81	52.02	Grand Duchy of Luxembourg
S+M Tank AG	Oberbipp	52.83	53.07	Switzerland
Saga Congo	Pointe-Noire	52.83	53.07	Congo
Saga Gabon	Port-Gentil	52.52	52.75	Gabon
Saga Investissement(1)	Puteaux	52.83	53.07	381 960 475
Saga Réunion(1)	La Possession/La Réunion	52.83	53.07	310 850 755
Saga Togo	Lomé	42.79	42.98	Togo
SAMA(1)	Colombes	52.83	53.07	487 495 012
SAMC Combustibles	Basel	52.83	53.07	Switzerland
SARL Noodo	Aubière	29.14	29.27	497 928 101
SAS Malawi	Blantyre	52.57	52.80	Malawi
SATRAM Huiles SA	Basel	52.83	53.07	Switzerland
Scanship (Ghana) Ltd	Tema	52.83	53.07	Ghana
SCCF	Douala	52.34	52.58	Cameroon
SCEA Pegase	La Croix-Valmer	52.81	53.05	414 393 454
SDV CarTrading LLC	Indianapolis	52.83	53.07	United States
SDV Guinea SA	Malabo	29.06	29.19	Equatorial Guinea
SDV Industrial Project Sdn Bhd	Kuala Lumpur	31.70	31.84	Malaysia
SDV Logistics Brunei Sdn Bhd	Bandar Seri Begawan	31.70	31.84	Brunei Darussalam
SDV Logistics East Timor Unipessoal Lda	Dili	52.83	53.07	East Timor
SDV Méditerranée(1)	Marseille	52.83	53.07	389 202 144
SDV Mining Antrak Africa(1)	Puteaux	52.81	53.05	414 703 892
SDV Transami NV	Antwerp	52.83	53.07	Belgium
SEMT	Châteaubernard	26.94	NC	803 239 805
Sénégal Tours	Dakar	37.64	37.81	Senegal
SETO	Ouagadougou	25.22	25.34	Burkina Faso
Sierra Leone Shipping Agencies Limited (SLSA)	Freetown	52.79	53.03	Sierra Leone
Sitarail	Abidjan	29.40	29.49	Republic of Côte d'Ivoire
SMN	Douala	26.56	26.68	Cameroon
SNAT	Libreville	42.27	42.46	Gabon
Socarfi	Puteaux	48.95	49.12	612 039 099
Socatraf	Bangui	36.22	36.38	Central African Republic
Socfrance	Puteaux	51.38	51.57	562 111 773
Société Autolib'(1)	Vaucresson	52.83	53.07	493 093 256
Société Bordelaise Africaine	Puteaux	52.64	52.87	552 119 604
Société Centrale de Représentation	Puteaux	51.65	51.76	582 142 857
Société de Commission de Transport et de Transit (SCTT)(1)	Colombes	52.82	53.05	775 668 825

Name	Registered office	**% of interest 2017**	% of interest 2016	Siren (business registration number)/ Country/Territory
Société de Manutention du Terminal à Conteneurs de Cotonou (SMTC)	Cotonou	52.83	34.49	Benin
Société de Participations Africaines[(1)]	Puteaux	52.83	53.07	421 453 852
Société de Participations Portuaires	Puteaux	31.70	31.84	421 380 460
Société des Chemins de Fer et Tramways du Var et du Gard	Puteaux	49.57	49.72	612 039 045
Société d'Exploitation des Parcs à Bois du Cameroun (SEPBC)	Douala	38.16	38.33	Cameroon
Société d'Exploitation du Parc à Bois d'Abidjan (SEPBA)	Abidjan	37.30	37.47	Republic of Côte d'Ivoire
Société d'Exploitation Portuaire Africaine[(1)]	Puteaux	52.83	53.07	521 459 826
Société Dunkerquoise de Magasinage et de Transbordement (SDMT)[(1)]	Loon-Plage	51.82	52.06	075 750 034
Société Financière d'Afrique Australe (SF2A)	Puteaux	52.81	53.05	500 760 178
Société Financière Panafricaine[(1)]	Puteaux	52.83	53.07	521 460 402
Société Foncière du Château Volterra	Puteaux	50.13	50.24	596 480 111
Société Française Donges-Metz (SFDM)[(1)]	Avon	50.20	50.43	390 640 100
Société Générale de Manutention et de Transit (SGMT)[(1)]	La Rochelle	NC	53.07	551 780 331
Société Industrielle et Financière de l'Artois	Puteaux	48.84	49.02	562 078 261
Société Nationale de Transit du Burkina	Ouagadougou	44.91	45.10	Burkina Faso
Société Nouvelle Cherbourg Maritime[(1)]	Tourlaville	52.83	53.07	552 650 228
Société Tchadienne d'Affrètement et de Transit (STAT)	N'Djamena	29.06	29.19	Chad
Société Terminaux Conteneurs Gabon	Libreville	50.92	51.14	Gabon
Société Togolaise de Consignation Maritime	Lomé	44.77	44.97	Togo
Socopao[(1)]	Puteaux	52.83	53.07	343 390 431
Socopao Cameroun	Douala	49.10	49.32	Cameroon
Socopao Côte d'Ivoire	Abidjan	44.77	44.97	Republic of Côte d'Ivoire
Socopao Guinée	Conakry	52.01	52.25	Guinea
Socopao RDC	Kinshasa	52.41	52.64	Democratic Republic of the Congo
Socopao Sénégal	Dakar	44.66	44.86	Senegal
Sofib	Abidjan	43.88	44.02	Republic of Côte d'Ivoire
Sofimap[(1)]	Puteaux	52.73	52.96	424 097 939
Sofiprom[(1)]	Puteaux	51.49	51.72	328 516 844
Sogam	Les Sables-d'Olonne	36.45	36.62	332 185 859
Sogera[(1)]	Baie-Mahault/Guadeloupe	52.83	53.07	309 023 422
Sogetra	Dunkirk	26.42	26.53	075 450 569
Someport Walon	Asnières	NC	53.07	054 805 494
Sorebol SA	Luxembourg	52.83	53.07	Grand Duchy of Luxembourg
Sorebol UK Ltd	London	52.83	53.07	United Kingdom
Technifin	Fribourg	52.83	53.07	Switzerland
Tema Conteneur Terminal Ltd	Tema	52.83	53.07	Ghana
Terminal Conteneurs de Kinshasa	Kinshasa	26.94	27.07	Democratic Republic of the Congo
Terminal Conteneurs Madagascar	Toamasina	52.83	53.07	Madagascar
Terminaux Conventionnels de Lomé	Lomé	52.83	NC	Togo
Terminaux du Bassin du Congo	Brazzaville	52.83	NC	Democratic Republic of the Congo
Terminaux du Gabon Holding	Puteaux	52.31	52.53	492 950 845
TGI[(1)]	Dunkirk	50.19	50.42	322 827 924

Name	Registered office	% of interest 2017	% of interest 2016	Siren (business registration number)/ Country/Territory
TICH(1)	Puteaux	52.76	53.00	498 916 089
Timor Port SA	Dili	52.83	53.07	East Timor
Tin Can Island Container Terminal Ltd	Lagos	27.70	27.83	Nigeria
Togo Line	Lomé	52.49	52.72	Togo
Togo Terminal	Lomé	46.87	47.07	Togo
Trailer Corp. Ltd	Lusaka	52.81	53.05	Zambia
Transcap Nigeria	Lagos	52.83	53.07	Nigeria
Transisud SA	Marseille	52.83	37.13	327 411 583
Transport Solutions Corporation	Paranaque	36.98	37.15	Philippines
TSL South East Asia Hub Pte Ltd	Singapore	52.83	53.07	Singapore
Unicaf(1)	Puteaux	52.83	53.07	403 227 820
Whaller	Puteaux	39.62	39.80	519 139 497
Whitehorse Carriers Ltd	Melrose Arch	52.81	53.05	South Africa
Wifirst	Paris	29.14	29.27	441 757 614
Wifirst UK Limited	London	29.14	NC	United Kingdom
Zalawi Haulage Ltd	Lusaka	52.81	53.04	Zambia
Havas group(*)	Puteaux	8.26	30.61	335 480 265
Vivendi(*)	Paris	8.26	8.28	343 134 763

(1) Company fiscally consolidated in Bolloré.
(2) Company fiscally consolidated in IER.
(3) Company fiscally consolidated in Bluealliance.
NC: not consolidated.

(*) Vivendi

Vivendi was accounted for using the equity method as of December 31, 2016 and has been fully consolidated since April 26, 2017. Havas has been consolidated with Vivendi since July 3, 2017.
For the list of companies consolidated with Vivendi, see the Vivendi annual report.

16.2. COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Name	Registered office	**% of interest 2017**	% of interest 2016	Siren (business registration number)/ Country/Territory
Joint ventures				
Blue Congo	Pointe-Noire	26.42	26.53	Democratic Republic of the Congo
Blue Project	Puteaux	26.42	26.53	813 139 334
Bluesun	Puteaux	26.42	26.53	538 446 493
Bolloré Logistics LLC	Dubai	25.88	26.00	United Arab Emirates
Dakshin Bharat Gateway Terminal Private Ltd	Mumbai	25.89	26.00	India
EACS Tanzania	Dar es-Salaam	25.89	26.00	Tanzania
EUSU Logistics Spain SA	Valence	25.36	25.47	Spain
Grimaldi Agencies Maroc	Casablanca	26.42	26.53	Morocco
Grimaldi Côte d'Ivoire	Abidjan	26.01	26.13	Republic of Côte d'Ivoire
Hanjin Spain SA	Valence	25.89	26.00	Spain
Horoz Bolloré Logistics Tasimacilik AS	Istanbul	26.36	26.48	Turkey
India Ports & Logistics Private Limited	Mumbai	25.89	26.00	India
Kribi Terminal	Kribi	16.29	NC	Cameroon
Kribi Terminal Holding	Puteaux	26.94	NC	819 920 760
Manumat	Le Port/La Réunion	NC	4.50	348 649 864
Meridian Port Holding Ltd	London	26.42	26.53	United Kingdom
Meridian Port Services	Tema	22.36	22.46	Ghana
NAL Maroc	Casablanca	NC	25.46	Morocco
Pacoci	Abidjan	22.39	22.49	Republic of Côte d'Ivoire
Société de Manutention du Tchad	N'Djamena	23.77	23.88	Chad
Sogeco	Nouakchott	26.42	26.53	Mauritania
Terminaux Routiers à Conteneurs du Burkina	Ouagadougou	18.91	18.99	Burkina Faso
Terminal du Grand Ouest (TGO)	Montoir-de-Bretagne	26.42	26.53	523 011 393
Terminal Roulier d'Abidjan (TERRA)	Abidjan	14.92	11.24	Republic of Côte d'Ivoire
TVB Port-au-Prince Terminal	Port-au-Prince	26.42	26.53	Haiti
Companies under significant influence				
Agripalma Lda	São Tomé	14.48	14.53	São Tomé-et-Príncipe
APM Terminals Liberia	Monrovia	13.16	13.21	Liberia
Bereby Finance	Abidjan	14.33	14.38	Republic of Côte d'Ivoire
Brabanta	Kananga	16.46	16.52	Democratic Republic of the Congo
Côte d'Ivoire Terminal	Abidjan	25.89	23.35	Republic of Côte d'Ivoire
Coviphama Co. Ltd	Phnom Penh	23.51	21.24	Cambodia
Delmas Angola	Luanda	NC	21.76	Angola
Delmas Sierra Leone	Freetown	NC	26.00	Sierra Leone
Fred et Farid	Paris	15.85	15.92	492 722 822
Liberian Agriculture Cy	Monrovia	16.46	16.51	Liberia
Mediobanca	Milan	4.36	4.43	Italy
Okomu Oil Palm Company Plc	Lagos	10.88	10.92	Nigeria
Plantations Nord-Sumatra Ltd	Guernsey	23.51	23.60	United Kingdom
Plantations Socfinaf Ghana Ltd	Tema	16.46	16.51	Ghana
Raffinerie du Midi	Paris	17.61	17.69	542 084 538
SAFA Cameroun	Dizangué	11.36	11.40	Cameroon

Name	Registered office	**% of interest 2017**	% of interest 2016	Siren (business registration number)/ Country/Territory
SAFA France	Puteaux	16.46	16.51	409 140 530
Salala Rubber Corporation	Monrovia	16.46	16.51	Liberia
Socapalm	Tillo	11.10	11.14	Cameroon
Socfin	Luxembourg	20.44	20.52	Grand Duchy of Luxembourg
Socfin Agriculture Company	Freetown	15.30	14.04	Sierra Leone
Socfin KCD	Phnom Penh	23.51	23.60	Cambodia
Socfinaf	Luxembourg	16.46	16.51	Grand Duchy of Luxembourg
Socfinasia	Luxembourg	23.51	23.60	Grand Duchy of Luxembourg
Socfinco	Brussels	19.98	20.06	Belgium
Socfinco FR	Fribourg	19.98	20.06	Switzerland
Socfindo	Medan	21.16	21.24	Indonesia
Société Anonyme de Manutention et de Participations (SAMP)	Le Port/La Réunion	25.45	13.51	310 863 329
Société d'Acconage et de Manutention de la Réunion (SAMR)	Le Port/La Réunion	25.45	13.51	350 869 004
Société des Caoutchoucs de Grand Bereby (SOGB)	San Pedro	10.48	10.52	Republic of Côte d'Ivoire
Société du Terminal de l'Escaut	Paris	15.85	15.92	449 677 541
Sogescol FR	Fribourg	19.98	20.06	Switzerland
SP Ferme Suisse	Edea	11.10	11.14	Cameroon
STP Invest.	Brussels	16.46	16.51	Belgium
Tamaris Finance	Puteaux	25.91	26.03	417 978 632

16.3. LIST OF COMPANIES WITH FISCAL YEARS NOT ENDING ON DECEMBER 31

	Year end
Mediobanca	June 30

Statutory Auditors' report on the consolidated financial statements

Financial year ended December 31, 2017

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.
This report includes information specifically required by European regulation or French law, such as information about the appointment of the Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of the Financière de l'Odet company,

I. OPINION

In application of the assignment entrusted to us by your General Meeting, we have audited the Financière de l'Odet company financial statements relating to the financial year ended December 31, 2017, as annexed to this report.

We certify that, in respect of the IFRS guidelines as adopted in the European Union, the consolidated financial statements are fully compliant and truthful, and faithfully reflect the result of the operations of the year ended and the financial and wealth situation at the end of the financial year, as constituted by the persons and entities included in the consolidation.

The opinion given above is consistent with the content of our report to the Audit Committee.

II. FOUNDATION OF THE OPINION

AUDIT FRAMEWORK

We carried out our audit according to the professional audit standards applicable in France. We believe that the data we gathered provides sufficient grounds for our opinion.
The responsibilities incumbent upon us by virtue of these standards are outlined in the "Statutory Auditors' responsibilities for auditing the consolidated financial statements" section of this report.

INDEPENDENCE

We carried out our audit assignment in compliance with the independence rules applicable to us, over the period from January 1, 2017 to the date our report was issued, and, in particular, we have not provided any services prohibited by article 5, paragraph 1 of (EU) regulation no. 537/2014 or by the ethical code of the statutory auditor's profession.
Moreover, the services other than the certification of the financial statements that we provided during the financial year to your company and to the entities it controls, and which are not mentioned in the management report or the notes to the consolidated financial statements, are as follows:
- independent third-party assignment relating to the CSR information in the management report;
- attestation relating to the securitisation of the annuities;
- issuance of bond loans;
- attestation of the financial ratios.

III. JUSTIFICATION OF THE ASSESSMENTS – KEY POINTS OF THE AUDIT

In application of the provisions 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 bring to your knowledge the key points of the audit relating to what we, in our professional opinion, deemed to be the main risks of major anomalies in the audit of the financial year's consolidated financial statements, and provide the responses we have provided based on these risks.
The assessments given therefore fall within the audit of the consolidated financial statements considered in their entirety and the formation of our opinion expressed above. We express no opinion on data from these consolidated financial statements taken in isolation.

ACCOUNTING TREATMENT OF THE TAKING OF CONTROL IN VIVENDI (NOTES 1, 4, 4.1.1, 6.2.2, AND 7.1 OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Key point of the audit	Our audit approach
Financière de l'Odet, via its subsidiary Compagnie de Cornouaille, held 15.2% (15.6% excluding treasury shares) of the capital and 29.6% of Vivendi's potential voting rights at December 31, 2017. Since April 26, 2017, the Group considers that, de facto, it holds control over Vivendi under the terms of the IFRS 10 standard and has therefore integrated its entire holding in Vivendi from this date onwards. In compliance with the provisions of IFRS 3, the Group, with the support of an external expert, allocated the costs of the aggregation to Vivendi's various identifiable assets and liabilities. This exercise was carried out based on estimates involving judgements on the part of the Group's management. We therefore consider that the accounting treatment of this taking of control, including, in particular, the assessment of the de facto control within the meaning of the IFRS 10 standard, decisive for the consolidation method to be used, and the allocation of the aggregation cost to Vivendi's identifiable assets and liabilities, constitutes a key point of the audit, due to the significant impact that the integration of Vivendi's financial statements has on the presentation of the consolidated financial statements and the consolidated financial aggregates at December 31, 2017.	**Assessment of the control:** We obtained the documentation drawn up by Financière de l'Odet to justify the taking of control in Vivendi within the meaning of the IFRS 10 standard on April 26, 2017 and the maintaining of this controlling situation at December 31, 2017. With the help of our specialists, we have analyzed the company management's arguments and the legal and factual data observed, including the following data considered in its entirety at the date of the taking of control and at December 31, 2017: • the composition of Vivendi's shareholder base; • the voting rights that can be exercised or potentially exercised at Vivendi General Meetings; • the governance conditions, the percentage of votes cast at General Meetings and the nature of the relations entered into between Financière de l'Odet and Vivendi; • the representation of the Group in Vivendi's Board of Directors and Supervisory Board; • the transfers of managers and directors between Financière de l'Odet and Vivendi; • Financière de l'Odet's practical capacity to manage the key processes of Vivendi's relevant activities; • the transfers of assets and shareholdings; • the convergences and synergies existing between Financière de l'Odet and Vivendi, to corroborate Financière de l'Odet's actual rights granting it the capacity to manage Vivendi's relevant activities and therefore justify the appropriateness of the consolidation method selected from April 26, 2017 onwards. **Allocation of the aggregation cost:** We obtained the documentation relating to the allocation of the aggregation cost to the various identifiable Vivendi assets and liabilities. We assessed the competence of the expert appointed by Financière de l'Odet and discussed with company management and with the expert in order to gain an understanding of his/her scope of intervention. With the help of our evaluation specialists, we: • analyzed the appropriateness of the evaluation models and actuarial hypotheses used; • assessed the discounting rates (WACC) used in respect of market benchmarks; • analyzed the principal activity hypotheses integrated into the provisional business plans; • checked the consistency between the utility values of Vivendi's cash generating units at December 31, 2016 and their fair value at April 26, 2017 determined by the external expert.

EVALUATION OF GOODWILL (NOTES 4 AND 6.1 OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Key point of the audit	Our audit approach
At December 31, 2017, goodwill is recorded in the balance sheet at a net book value of 14,431 million euros, against a total balance sheet of 54,009 million euros. It was allocated to the cash-generating units or groups of cash-generating units of the activities into which the companies acquired were integrated. Company management ensures, in every financial year, that the book value of this goodwill does not exceed the recoverable value and presents no risk of loss in value. The processes of the depreciation tests used by company management are described in the notes to the consolidated financial statements; they include a significant proportion of judgements and hypotheses, relating, in particular, to: • the future cash flow forecasts; • the infinite growth rates used for the forecast flows; • the discounting rates (WACC) applied to the estimated cash flows. Consequently, a variation in these hypotheses is such as to significantly affect this goodwill and potentially necessitate the recording of a depreciation. We consider the evaluation of goodwill as a key point in the audit due: (i) to its significant importance in the Group's financial statements; (ii) to the judgements and hypotheses needed to determine its recoverable value, based on discounted flow forecasts, the realisation of which is, by nature, uncertain.	We analyzed the compliance of the methods applied by the company with the accounting standards in force, in particular for determining the cash-generating units and the processes for estimating the recoverable value. We obtained the depreciation tests for each cash-generating unit or group of cash-generating units, examined the determination of their value and paid particular attention to those for which the book value is close to the estimated recoverable value, those for which the performance record has shown discrepancies compared with the forecasts, and those operating in volatile economic environments. We assessed the competence of the experts appointed by the company and discussed with company management to gain an understanding of their scope of intervention. We familiarized ourselves with the key hypotheses used for all the cash-generating units or groups of cash-generating units and: • reconciled the business forecasts underlying the determination of the cash flows with the information available, including the market prospects and past achievements, with the company management's latest estimates (hypotheses, budgets, strategic plans, where applicable), as presented within the framework of the budgetary process; • compared the infinite growth rates used for the forecast flows with the market analyses and the consensuses of the principal professionals concerned. We compared the discounting rates (WACC) used with our own databases by including financial evaluation specialists in our teams. We obtained and examined the sensitivity analyses carried out by company management, which we compared with our own calculations.

ASSESSMENT OF THE TYPE OF INFLUENCE EXERCISED OVER TELECOM ITALIA IN RESPECT OF THE IFRS 10 STANDARD (NOTES 7.2 AND 10.2 OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Key point of the audit	Our audit approach
The Group held 17.2% of the capital and 23.94% of the voting rights of Telecom Italia at December 31, 2017. The accounting method used for this shareholding in Telecom Italia is the equity method since the Group considers that it exercises no de facto control over the company within the meaning of the IFRS 10 standard. We consider that the assessment of the de facto control or not, within the meaning of the IFRS 10 standard, decisive for the accounting method to be used, is a key point of the audit, due to the particularly significant impact that the integration of the Telecom Italia financial statements would have on the presentation of the consolidated financial statements and the consolidated financial aggregates at December 31, 2017 if this company were to be fully consolidated.	We obtained the documentation drawn up by the Group and the analyses of its advisors to justify the significant influence exercised over Telecom Italia at December 31, 2017. By including specialists in our teams, we analyzed the company management's and its advisors' arguments, along with the legal and factual data observed, in particular the following data considered in its entirety: • judicial decisions; • the composition of Telecom Italia's shareholder base; • the governance conditions, the percentage of votes cast at General Meetings and the nature of the relations entered into between the two groups; • the Consob decision of September 13, 2017, • the impact of the Italian government's decrees dated October 16, and November 2, 2017, to corroborate the absence of actual Group rights granting it the ability to manage the relevant activities of Telecom Italia and, consequently, the application of the equity method at December 31, 2017.

EVALUATION OF THE TELECOM ITALIA SHARES ACCOUNTED FOR UNDER THE EQUITY METHOD (NOTE 7.2 OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Key point of the audit	Our audit approach
The net book value of the Telecom Italia shares accounted for under the equity method at December 31, 2017 amounted to 3,081 million euros. At year-end the company ensures that no loss in the value of this shareholding needs to be recorded in the financial statements by comparing its recoverable value to the book value recorded in the Group's financial statements. The recoverable value was estimated using the usual evaluation methods (utility value, determined by discounting the future cash flows, and fair value, determined based on market data). The Group used the services of an expert to evaluate the recoverable value of this asset. In particular, in view of the volatility observed on Telecom Italia's stock market performances over the last financial year and the proportion of income received by the Group through its shareholding, we consider that the evaluation of this shareholding accounted for under the equity method represents a key point of the audit.	We obtained the documentation relating to the evaluation of Telecom Italia. We assessed the competence of the expert appointed by the company and discussed with company management to gain an understanding of his/her scope of intervention. With the help of our evaluation specialists, we: • familiarized ourselves with the models used and the key hypotheses used to determine the discounted cash flows (long-term growth rate, forecast margin rate, discounting rate), and compared this data with our internal databases; • familiarized ourselves with the stock market multiples used to assess the significance of the estimates resulting from the discounted cash flow method, and compared this data with market data and practices.

ANALYSIS OF THE LEGAL DISPUTES, PARTICULARLY THOSE WITH MEDIASET AND FORMER MINORITY SHAREHOLDERS (NOTE 10.2 OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Key point of the audit	Our audit approach
The Group's business is carried out in a constantly changing environment and within a complex international regulatory framework. The Group is subject to significant changes in the legislative environment, the application or interpretation of regulations, but it is also confronted with disputes resulting from its development strategy. Accordingly, the Group exercises its judgement in the evaluation of risks incurred relating to legal disputes, particularly with Mediaset and with foreign institutional investors, and constitutes a provision when the burden that may result from these legal disputes is probable and the amount may be either quantified or estimated within a reasonable range. We consider this topic to be a key point of the audit given the scale of the amounts involved and the degree of judgement required to determine the provisions.	In particular, our work consisted of examining the procedures implemented by the Group in order to identify and list all of the risks. In particular, we analyzed all data made available to us, including any written consultations of external advisors appointed by the Group relating to: (i) the dispute between Vivendi and the Mediaset Group and its authorized agents; and (ii) the dispute between Vivendi and certain foreign institutional investors over an alleged loss resulting from Vivendi's financial communication and its former CEO between 2000 and 2002. We examined the risk estimates assessed by the Group and verified that they correspond to the information made available to us by its advisors. We also analysed the replies received from the lawyers concerning said legal disputes.

IV. VERIFICATION OF THE INFORMATION RELATING TO THE GROUP PROVIDED IN THE MANAGEMENT REPORT

We also carried out, in compliance with the professional standards applicable in France, the specific verification provided for by law on the information relating to the Group provided in the Board of Directors' management report.
We have no observations to make in relation to its truthfulness and its correct correspondence to the consolidated financial statements.

V. INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as the Statutory Auditors of the Financière de l'Odet company by the General Meeting of November 16, 1992, for Constantin Associés and 5 June 2007 for AEG Finances.
At December 31, 2017, Constantin Associés was in the twenty-sixth consecutive year of its assignment and AEG Finances in its eleventh year.

RESPONSIBILITIES OF COMPANY MANAGEMENT AND PERSONS COMPRISING THE CORPORATE GOVERNANCE IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

It is the company management's responsibility to draw up consolidated financial statements presenting a faithful image, in compliance with the IFRS guidelines as adopted in the European Union and to put in place the internal controls it deems necessary to draw up annual financial statements that contain no significant anomalies, whether these result from fraud or errors.
When drawing up the consolidated financial statements, it is incumbent on the company management to evaluate the company's ability to pursue its operations, to present in these financial statements, where applicable, the necessary information relating to the continuity of operations and to apply the going concern accounting convention, unless the company is to be liquidated or to cease trading.
It is incumbent on the Audit Committee to monitor the process of drawing up the financial information and monitor the efficiency of the internal control and risk management systems and, where applicable internal audit systems, in relation to the procedures for drawing up and processing accounting and financial information.
The consolidated financial statements were approved by the Board of Directors.

VI. RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDITING OF CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OBJECTIVE AND PROCESS

It is our responsibility to draw up a report on the consolidated financial statements. Our objective is to obtain reasonable assurances that the consolidated financial statements, considered in their entirety, contain no significant anomalies. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in compliance with the professional standards systematically enables any significant anomaly to be detected. Anomalies may result from fraud or errors and are considered significant if it can be reasonably expected that they may, taken individually or together, influence the economic decisions made by the users of the financial statements based thereon.
As specified in article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our assignment to certify the financial statements does not consist of guaranteeing the viability or the quality of your company management.
Within the framework of an audit carried out in compliance with the professional standards applicable in France, Statutory Auditors exercise their professional judgement throughout this audit. This includes:

- identifying and evaluating the risks that the consolidated financial statements contain significant anomalies, whether these result from fraud or errors, determining and implementing audit procedures based on these risks, and gathering data that they consider sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a significant anomaly resulting from fraud is higher than that of a significant anomaly resulting from an error, since fraud may involve collusion, falsification, deliberate omissions, false declarations or the bypassing of internal controls;
- familiarizing themselves with the internal control relevant to the audit in order to determine the appropriate audit procedures under the circumstances, and not for the purpose of expressing an opinion on the efficiency of the internal controls;
- assessing the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by company management, and the information concerning them provided in the consolidated financial statements;
- assessing the appropriateness of the application by company management of the going concern accounting convention and, according to the data gathered, the existence of major uncertainty relating to events or circumstances likely to jeopardise the company's ability to pursue its operations. This assessment is based on the data collected up until the date of the auditors' report, while bearing in mind, however, that subsequent circumstances or events may jeopardise the continuity of operations. If the auditors conclude that a significant uncertainty exists, they shall draw the attention of the readers of their report to the information provided in the consolidated financial statements in relation to this uncertainty or, if this information is not provided or is not relevant, they shall draw up a certification with reservations or a refusal to certify;
- assessing the overall presentation of the consolidated financial statements and evaluating whether the consolidated financial statements reflect the underlying operations and events so as to provide a faithful image;
- concerning the financial information of the persons or entities included within the consolidation scope, they gather the data they deem sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for managing, supervising and carrying out the audit of the consolidated financial statements and for the opinion expressed on these financial statements.

REPORT TO THE AUDIT COMMITTEE

We issue a report to the Audit Committee which presents, in particular, the extent of the audit and work programme put in place, as well as the conclusions drawn from our work. We also bring to its attention, where applicable, the significant weaknesses of the internal controls that we have identified in relation to the procedures for drawing up and processing accounting and financial information.
The data provided in the report to the Committee includes what we deem to be the most important risks of major anomalies for the audit of the financial year's consolidated statements, which therefore constitute the key points of the audit and which it is our responsibility to describe in this report.
We also provide the Audit Committee with the statement established under article 6 of (EU) regulation no. 537-2014 confirming our independence, under the terms of the rules applicable in France as laid down in articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the Statutory Auditors' professional Code of ethics. Where necessary, we discuss with the Audit Committee the risks that may affect our independence and the safeguard measures applied.

Neuilly-sur-Seine, April 26, 2018

The Statutory Auditors
French original signed by

AEG Finances
Member of
Grant Thornton International
Jean-François Baloteaud

Constantin Associés
Member of Deloitte
Touche Tohmatsu Limited
Jean Paul Séguret

Financial statements

at December 31, 2017

Balance sheet

ASSETS

(in thousands of euros)	Notes	12/31/2017 Amount (gross)	12/31/2017 Depreciation, amortization and provisions	12/31/2017 Net amount	12/31/2016 Net amount
Intangible assets					
Goodwill					
Non-current financial assets					
Other shareholdings		930,089	637	929,452	929,500
Other non-current financial assets		10,551		10,551	10,551
Total non-current assets	1	**940,640**	**637**	**940,003**	940,051
Receivables					
Trade accounts receivable					
Other receivables	3	31,553		31,553	0
Miscellaneous					
Investment securities	2	0	0	0	0
Cash		12		12	5
Accrual adjustments					
Prepayments		1		1	28
Total current assets		**31,566**	**0**	**31,566**	33
Deferred charges		266		266	356
Bond redemption premiums					
Translation losses					
TOTAL ASSETS		**972,472**	**637**	**971,835**	940,440

LIABILITIES

(in thousands of euros)	Notes	**12/31/2017**	12/31/16
Shareholders' equity			
Share capital (of which paid up: 105,375,840 euros)		105,376	105,376
Issue, merger and acquisition premiums		87,655	87,655
Revaluation adjustment		163	163
Legal reserve		10,537	10,537
Regulated reserves		0	0
Other reserves		10,961	10,961
Amount carried forward		390,995	291,092
Net income for the fiscal year		**107,868**	106,489
Regulated provisions		224	224
Total shareholders' equity	4	**713,779**	612,497
Provisions for contingencies and charges			
Provisions for contingencies			
Provisions for charges			
Total provisions for contingencies and charges			
Financial debts			
Loans from credit institutions		217,465	283,534
Borrowings and other debts		15,000	15,000
Operating payables			
Trade accounts payable		239	164
Taxes and social security contributions payable		151	0
Sundry payables			
Non-current asset payables and related accounts			
Other payables		25,200	29,245
Accrual adjustments			
Total debts	3	**258,056**	327,943
Unrealized foreign exchange gains			
TOTAL LIABILITIES		**971,835**	940,440

Income statement

(in thousands of euros)	Notes	2017	2016
Transfers of charges	6	0	300
Other earnings	6	0	0
Total operating income		**0**	300
Other goods and services bought in	5	(1,016)	(1,274)
Taxes and related payments	6	(175)	(220)
Operating provisions	6	(90)	(59)
Other expenditure	6	(123)	(114)
Total operating expenditure		**(1,405)**	(1,667)
Operating income		**(1,405)**	(1,367)
Joint operations			
Share of profit or loss			
Sustained loss or transferred gain			
Financial income			
Financial income from investments		111,539	111,022
Income from other securities and receivables from non-current assets			
Other interest and similar income		90	302
Reversals of provisions and transfers of charges		0	1
Total financial income		**111,630**	111,325
Financial allocations to amortization and provisions		(69)	(221)
Interest and related expenses		(2,568)	(3,051)
Total financial expenses		**(2,637)**	(3,272)
Financial income	7	**108,992**	108,053
Recurring income before tax		**107,587**	106,686
Extraordinary income from capital transactions			
Reversals of provisions and transfers of charges			
Extraordinary expenditure on management operations			
Extraordinary expenditure on capital transactions			
Extraordinary income	8	**0**	0
Employee profit sharing			
Corporate income tax	9	281	(198)
Total income		**111,630**	111,625
Total expenditure		**(3,762)**	(5,136)
Income		**107,868**	106,489

Notes to the financial statements

SIGNIFICANT EVENTS OF THE FISCAL YEAR

None.

ACCOUNTING METHODS AND PRINCIPLES

The financial statements have been prepared in accordance with the accounting principles, standards and methods taken from the 2014 French chart of accounts, in compliance with ANC regulation no. 2016-07, as well as the further opinions and recommendations of the French National Accounting Council and the French Accounting Regulatory Committee.
General accounting standards were applied in line with the prudential principle, according to the following basic assumptions:
- going concern;
- the consistency of accounting methods from one fiscal year to another;
- independence of the fiscal years.

Additionally, they have been prepared in accordance with the general rules regarding the preparation and presentation of financial statements.
The basic method used for the valuation of accounting entries is the historical-cost method.

1. INTANGIBLE ASSETS

Intangible assets are recorded at their acquisition cost.

2. NON-CURRENT FINANCIAL ASSETS

Shareholdings are recorded at their historical acquisition cost or their transfer value. The acquisition costs for the shareholdings are recorded when incurred. At the end of the fiscal year, an impairment is made when the net asset value is lower than the balance sheet value. The net asset value is calculated according to the revalued net book value, profitability, future prospects and the value in use of the shareholding.
The technical loss from merger, if any, is included in the net book value of the underlying assets during impairment tests.

3. TRADE AND OTHER RECEIVABLES

Receivables are valued at nominal value. A provision for impairment is made when the net asset value is lower than the book value.

4. BOND ISSUE COSTS

Bond issue costs are recognized under deferred expenses and are amortized on a straight-line basis over the life of the bond.
In the event of repayment of the loan, the amount of these costs is recognized as an expense.

Notes to the balance sheet

NOTE 1. NON-CURRENT ASSETS AND DEPRECIATION AND AMORTIZATION

GROSS AMOUNTS

(in thousands of euros)	Gross value at 01/01/2017	Increase	Decrease	Reclassifications	**Gross value at 12/31/2017**
Intangible assets	0	0	0	0	**0**
Tangible assets	0	0	0		**0**
Non-current financial assets					
Shareholdings[(1)]	930,068	21	0	0	930,089
Other non-current financial assets[(2)]	10,551	0	0	0	10,551
TOTAL	940,619	21	0	0	**940,640**

(1) The increase in shareholdings corresponds to the increase in capital for a total of 21 thousand euros.
(2) The other non-current financial assets correspond to the technical loss from the merger of 10.6 million euros arising from the merger by dissolution without liquidation of the Compagnie de Locmaria and the Compagnie de Kerdévot and concern the Bolloré shares, in accordance with ANC Regulation 2015-06 of November 23, 2015.

DEPRECIATION AND IMPAIRMENT

(in thousands of euros)	Depreciation and amortization accruing at 01/01/2017	Financial allowances	Financial write-backs	**Depreciation and amortization accruing at 12/31/2017**
Intangible assets	0	0	0	0
Tangible assets	0	0	0	0
Non-current financial assets				
Shareholdings	568	69	0	637
TOTAL	568	69	0	**637**

NOTE 2. SHORT-TERM INVESTMENTS

None.

NOTE 3. DETAILS OF RECEIVABLES AND DEBTS

DETAILS OF RECEIVABLES

(in thousands of euros)	Amount (gross)	Under 1 year	From 1 to 5 years	More than 5 years
Other receivables				
Taxes and social security receivables(1)	629	629	0	0
Current accounts	30,924	30,924	0	0
Miscellaneous receivables	0	0	0	0
Total	**31,553**	**31,553**	**0**	**0**

(1) Taxes and social security contributions amount to a total of 593 thousand euros in claims relating to the 3% contribution on distributed profit (tax on dividends) for the fiscal years 2015 to 2017 as well as 36 thousand euros in interest on the total amount of the claims.

DETAILS OF PAYABLES

(in thousands of euros)	Amount (gross)	Under 1 year	From 1 to 5 years	More than 5 years
Financial debts				
Loans from credit institutions	217,465	57,465	160,000	0
Debt related to shareholdings	15,000	0	15,000	0
Operating payables				
Due to suppliers	239	239	0	0
Taxes and social security contributions payable	151	151	0	0
Sundry payables				
Current accounts	25,200	25,200	0	0
Other payables	0	0	0	0
Total	**258,056**	**83,056**	**175,000**	**0**

NOTE 4. SHAREHOLDERS' EQUITY AND VARIATIONS IN NET SITUATION

(in thousands of euros)	Share capital(1)	Revaluation on adjustment	Share issue and merger premiums	Legal reserve	Other reserves	Amount carried forward	Net income for the fiscal year	Regulated provisions	Total
Shareholders' equity at 01/01/2017	**105,376**	**163**	**87,655**	**10,537**	**10,961**	**291,092**	**106,489**	**224**	**612,497**
Allocation of 2016 earnings						99,903	(106,489)		(6,586)
Changes in subsidies and regulated provisions									
Net income for the fiscal year							107,868		107,868
SHAREHOLDERS' EQUITY AT 12/31/2017 BEFORE ALLOCATION OF EARNINGS	**105,376**	**163**	**87,655**	**10,537**	**10,961**	**390,995**	**107,868**	**224**	**713,779**

(1) Share capital at December 31, 2017 was 105,376 thousand euros, divided into 6,585,990 shares with a par value of 16 euros each.

Notes to the income statement

NOTE 5. GOODS AND SERVICES BOUGHT IN

(in thousands of euros)	2017	2016
Fees	(626)	(602)
Fees for financial notices	(100)	(102)
Other[(1)]	(290)	(570)
TOTAL	(1,016)	(1,274)

(1) Including 300 thousand euros in arrangement expenses for a financing in 2016.

NOTE 6. OTHER OPERATING INCOME/EXPENSES

(in thousands of euros)	2017	2016
Taxes and duties	(175)	(220)
Allowances for depreciation and amortization of deferred charges	(90)	(59)
Directors' fees	(123)	(114)
Other expenditure	0	0
Transfers of charges[(1)]	0	300
Other earnings	0	0
TOTAL	(388)	(93)

(1) Relates to the deferred charge of 300 thousand euros in arrangement expenses for a financing in 2016.

NOTE 7. FINANCIAL INCOME

(in thousands of euros)	2017	2016
Net interest expense	(2,478)	(2,749)
Income from investments	111,539	111,022
Other financial income	0	0
Financial impairment	(69)	(221)
Financial write-backs	0	1
TOTAL	108,992	108,053

NOTE 8. EXTRAORDINARY INCOME

None.

NOTE 9. TAXES

(in thousands of euros)	2017	2016
Corporate income tax	(156)	(120)
Income from tax consolidation	5	120
Additional tax contribution[(1)]	432	(198)
TOTAL	281	(198)

(1) Including 629 thousand euros in claims on the 3% contribution on dividends paid from 2015 to 2017.

Other information

NOTE 10. WORKFORCE

None.

NOTE 11. FINANCIAL COMMITMENTS

None.

NOTE 12. EXECUTIVE COMPENSATION

Managing bodies: none.
Administrative and management bodies: 93 thousand euros (17 directors at December 31, 2017).
Financial committee compensation: 30 thousand euros.

NOTE 13. ADVANCES AND CREDITS GRANTED TO EXECUTIVES

None.

NOTE 14. SUMMARY OF SUBSIDIARIES AND SHAREHOLDINGS

See below.

NOTE 15. TAX CONSOLIDATION

Financière de l'Odet has been the parent company for tax consolidation since January 1, 2002.
In 2017, the tax consolidation group was composed of the following companies: Financière de l'Odet, Financière de Pont-Aven, Financière de Beg Meil, Compagnie de Lanmeur.
The tax liability is borne by each company as it would be if there were no consolidation. The tax savings are allocated to the parent company.
In 2017, after the recognition of previous deficits, the taxable income for the Financière de l'Odet tax consolidation group was 454 thousand euros.
As the tax consolidation agreement does not provide for the repayment to the subsidiaries of their tax loss carryforwards if they leave the consolidation scope, no impairment has been made for the tax losses of subsidiaries used by the parent company.

NOTE 16. CONSOLIDATION

Financière de l'Odet is fully consolidated in the financial statements of Bolloré Participations.
The company's accounts are integrated:

- *for the largest companies:* by full consolidation in the accounts of:
  Bolloré Participations (Siren: 352 730 394)
  Odet
  29500 Ergué-Gabéric
  France
- *for the smallest subgroup:* by full consolidation in the accounts of:
  Financière de l'Odet (Siren: 056 801 046)
  Odet
  29500 Ergué-Gabéric
  France

NOTE 17. INFORMATION ON RELATED PARTIES

With regard to related-party transactions, the company is not affected and all transactions are concluded under normal conditions.

Financial results of the company during the last five fiscal years

Items	2013	2014	2015	2016	**2017**
I. Financial situation at the end of the fiscal year					
Share capital(1)	105,376	105,376	105,376	105,376	105,376
Number of shares issued	6,585,990	6,585,990	6,585,990	6,585,990	6,585,990
Maximum number of shares to be created	–	–	–	–	–
– by conversion of bonds	–	–	–	–	–
– by exercising subscription rights	–	–	–	–	–
II. Total results of operations(1)					
Turnover net of taxes	–	–	–	–	–
Profit before taxes, depreciation, amortization and provisions	54,924	44,846	105,673	106,966	107,747
Corporate income tax(2)	99	99	198	198	(281)
Profit after taxes, depreciation, amortization and provisions	51,876	56,044	105,478	106,489	107,868
Amount of profits distributed	3,293	6,586	6,586	6,586	6,586
III. Earnings per share from operations(3)					
Profit after taxes but before depreciation, amortization and provisions	8.32	6.79	16.02	16.21	16.40
Profit after taxes, depreciation, amortization and provisions	7.88	8.51	16.02	16.17	16.38
Dividend paid to each shareholder	0.50	1.00	1.00	1.00	1.00
IV. Employees					
Number of employees	0	0	0	0	0
Total payroll(1)	0	0	0	0	0
Total value of employee welfare benefits(1)	0	0	0	0	0

(1) In thousands of euros.
(2) In parentheses: tax proceeds.
(3) In euros.

Subsidiaries and shareholdings at December 31, 2017

Companies (in thousands of euros)	Share capital	Shareholders' equity other than capital	Share capital held as a %	Gross value
A. Detailed information concerning shareholdings of which the gross value exceeds 1% of the share capital of the company				
1. Subsidiaries (at least 50% of share capital held by the company)				
Bolloré SA	467,458	1,993,446	63.60	928,128
2. Shareholdings (less than 50% of share capital held by the company)				
UnipolSai	2,031,446	3,530,281	0.02	1,373
B. Summary information on other subsidiaries and shareholdings				
1. Subsidiaries (not set out in section A)				
French subsidiaries (all)				365
Non-French subsidiaries (all)				
2. Shareholdings (not set out in section A)				
French shareholdings (all)				
Non-French shareholdings (all)				
3. Securities of companies held at under 10%				**223**
TOTAL				**930,089**

Net value	Loans and advances not repaid	Endorsements and bonds	Turnover of last fiscal year	Income of last fiscal year	Dividends received during the fiscal year	Siret number
928,128			153,749	90,788	110,958	055 804 124 00141
1,093			6,715,379	556,333	62	Non-French company
16						
215						
929,452	**0**				**111,020**	

Statutory Auditors' report on the financial statements

Year ended December 31, 2017

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.
This report includes information specifically required by European regulation or French law, such as information about the appointment of the Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Financière de l'Odet Annual General Meeting,

I. OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Financière de l'Odet for the year ended December 31, 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 of December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

II. 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 January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5, paragraph 1 of Regulation (EU) No. 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

Furthermore, the non-audit services we provided during the year for your company and the entities it controls that are not mentioned in the management report or the notes to the financial statements were as follows:
- independent third-party engagement for the CSR Information in the management report;
- attestation of financial ratios;
- bond issue;
- attestation on annuities.

III. JUSTIFICATION OF OUR 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 key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.
These matters were addressed 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.

VALUATION OF EQUITY INVESTMENTS (NOTE 1 TO THE FINANCIAL STATEMENTS)

Key audit matter	Our audit approach
Equity investments and equity securities of the portfolio activity amounted to €940 million as of December 31, 2017, compared to total assets of €972 million. These assets are valued at historical cost or their contribution value. Management is responsible for determining the year-end fair value of these securities. The latter is estimated based on the share price, net asset value, profitability, outlooks and the value in use of the investment. We consider the valuation of equity investments to be key audit matter, as material estimates involving judgments on the part of the Company's management are required.	Our work consisted in: • obtaining the documentation relating to the valuation of each investment; • comparing the carrying amount of each investment with market data (share price in particular) and/or future cash flow forecasts and and/or the net asset value and/or the net worth.

IV. VERIFICATION OF THE MANAGEMENT REPORT AND OTHER DOCUMENTS PROVIDED TO SHAREHOLDERS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND OTHER DOCUMENTS PROVIDED TO SHAREHOLDERS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to shareholders with respect to the financial position and the financial statements.

V. REPORT ON CORPORATE GOVERNANCE

We attest that the Supervisory Board's report on corporate governance contains the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code *(Code de commerce)*.
Concerning the information given in accordance with the requirements of article L. 225-37-3 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to items your company considers likely to have an impact in the event of a public tender offer or public exchange offer, provided pursuant to article L. 225-37-5 of the French Commercial Code *(Code de commerce)*, we have verified its compliance with the source documents communicated to us. Based on this work, we have no comment on this information.

VI. OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

VII. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

Constantin Associés was appointed as Statutory Auditors of Financière de l'Odet by the Annual General Meeting of November 16, 1992, and AEG Finances was appointed by the Annual General Meeting of and June 5, 2007.

As at December 31, 2017, Constantin Associés and AEG Finances were in the twenty-sixth year and eleventh year of total uninterrupted engagement, respectively.

VIII. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial 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 Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

IX. STATUTORY AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

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.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for statutory auditors *(Code de déontologie)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Neuilly-sur-Seine, April 26, 2018

The Statutory Auditors
French original signed by

AEG Finances	Constantin Associés
Member of	Member of
Grant Thornton International	Deloitte Touche Tohmatsu Limited
Jean-François Baloteaud	Jean Paul Séguret

Statutory Auditors' special report on regulated agreements and commitments

Annual General Meeting held to approve the financial statements for the year ended December 31, 2017

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements and commitments reported on are only those provided by the French Commercial Code (Code de commerce) *and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

To the Financière de l'Odet Annual General Meeting,

In our capacity as Statutory Auditors of your company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such commitments and agreements are in the company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements and commitments, if any. It is your responsibility, pursuant to article R. 225-31 of the French Commercial Code *(Code de commerce)*, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

It is your responsibility, pursuant to article R. 225-31 of the French Commercial Code *(Code de commerce)*, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE ANNUAL GENERAL MEETING

AGREEMENTS AND COMMITMENTS AUTHORIZED AND ENTERED INTO DURING THE YEAR

In accordance with article L. 225-38 of the French Commercial Code *(Code de commerce)*, we inform you that we have not been advised of any agreements or commitments authorized during the year to be submitted for the approval of the Annual General Meeting.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

AGREEMENTS AND COMMITMENTS APPROVED DURING PREVIOUS YEARS WITH CONTINUING EFFECT DURING THE YEAR

Pursuant to article R. 225-30 of the French Commercial Code *(Code de commerce)*, we have been informed that the following agreements and commitments, previously approved by Annual General Meetings of prior years, have remained in force during the year.

AGREEMENTS AND COMMITMENTS WITH COMPANIES HAVING COMMON DIRECTORS

Co-contracting entity: Bolloré Participations.

Directors involved:
- Vincent Bolloré,
- Cédric de Bailliencourt,
- Yannick Bolloré,
- Sébastien Bolloré (permanent representative of Socfrance),
- Cyrille Bolloré,
- Marie Bolloré,
- Marc Bebon (permanent representative of Bolloré Participations).

Nature and purpose: services agreement.

Terms and conditions: in connection with assistance services, and pursuant to the deliberation of the Board of Directors on March 19, 2015, Bolloré Participations invoiced your company the sum of 460,637 euros, excluding taxes, with respect to fiscal year 2017.

Co-contracting entity: Bolloré SA.

Individuals concerned:
- Chantal Bolloré,
- Vincent Bolloré,
- Cédric de Bailliencourt,
- Yannick Bolloré.

Nature and purpose: on December 17, 2009, your Board of Directors authorized the company to enter into a collective custody agreement for the Bolloré securities with the aforementioned individuals.

Neuilly-sur-Seine, April 26, 2018

The Statutory Auditors
French original signed by

AEG Finances Member of Grant Thornton International Jean-François Baloteaud	Constantin Associés Member of Deloitte Touche Tohmatsu Limited Jean Paul Séguret

Resolutions

Agenda of the Ordinary General Meeting of June 1, 2018

- The Board of Directors' Management report – The Board's corporate governance report - Reports by the Statutory Auditors – Presentation and approval of the Group's consolidated financial statements as ratified on December 31, 2017 and reading of the report by the Statutory Auditors on the consolidated financial statements.
- Approval of the report by the Board of Directors and the financial statements for the year ended December 31, 2017 and reading of the report by the Statutory Auditors on the financial statements; discharge of directors.
- Allocation of earnings.
- Approval of regulated agreements and commitments.
- Authorization granted to the Board of Directors to acquire company shares.
- Approval of fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted to Vincent Bolloré in his role as Chairman of the Board of Directors for fiscal year 2017.
- Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted to Cédric de Bailliencourt in his role as Chief Executive Officer until September 1, 2017.
- Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted to Cyrille Bolloré in his role as Chief Executive Officer since September 1, 2017.
- Approval of the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional components of total compensation and benefits of any kind payable for fiscal year 2018 to Vincent Bolloré in his role as Chairman of the Board of Directors, to Cyrille Bolloré in his role as Chief Executive Officer and to Cédric de Bailliencourt in his role as Deputy Chief Executive Officer.
- Powers to be given.

Presentation of resolutions to the Ordinary General Meeting of June 1, 2018

APPROVAL OF THE FINANCIAL STATEMENTS AND ALLOCATION OF EARNINGS

The purpose of the **first resolution** is to approve the Financière de l'Odet financial statements for the 2017 fiscal year, which show earnings of 107,867,829.48 euros.
The **second resolution** asks you to approve the 2017 consolidated financial statements showing consolidated net profit Group share of 369,087 thousand euros.
The **third resolution** asks you to allocate the company's earnings for fiscal year 2017 and proposes that you set the dividend for the fiscal year at 6,585 thousand euros, i.e. a dividend of 1 euro per share.
The amounts thus distributed will become payable on June 11, 2018.

APPROVAL OF REGULATED AGREEMENTS AND COMMITMENTS

The purpose of the **fourth resolution** is for you to acknowledge, after having read the special report by the Statutory Auditors on regulated agreements and commitments, that no new agreement was concluded in fiscal year 2017.

AUTHORIZATION GRANTED TO THE BOARD OF DIRECTORS TO ACQUIRE COMPANY SHARES

The **fifth resolution** proposes that you authorize the Board of Directors to buy back shares in your company.
This authorization would enable the Board of Directors to acquire 592,739 shares, i.e. 9% of the company's share capital.
This buyback scheme could be used for the following purposes:
i) reducing the company's share capital by canceling of shares;
ii) honoring obligations associated with stock option programs or other allocations of shares to employees or to company officers of the company or of an associate company;
iii) submitting them as a form of payment or exchange in the context of an acquisition, up to a limit of 5% of the share capital;
iv) ensuring liquidity or the trading of the company's securities through an investment service provider bound by a liquidity contract in compliance with an ethics charter recognized by the *Autorité des marchés financiers* (AMF);
v) delivering shares upon the exercice of the rights attached to securities or marketable securities giving access to the capital; and
vi) implementing any market practice that may become recognized legally or by the *Autorité des marchés financiers* (AMF).
The maximum purchase price would be set at 1,400 euros per share (excluding acquisition costs).
This authorization would be granted for a period of eighteen months from this Meeting.

APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS MAKING UP THE TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID OR GRANTED FOR FISCAL YEAR 2017 TO EACH EXECUTIVE COMPANY OFFICER BY VIRTUE OF THEIR OFFICE

By the vote for the **sixth, seventh and eighth resolutions**, you are invited to approve, pursuant to articles L. 225-37-2 and L. 225-100 of the French commercial code (*Code de commerce*) the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted for fiscal year 2017 to each executive company officer by virtue of their office.
These components are set out for you in the corporate governance report.

APPROVAL OF THE PRINCIPLES AND CRITERIA FOR THE DETERMINATION, DISTRIBUTION AND ALLOCATION OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL COMPENSATION AND BENEFITS OF ANY KIND ATTRIBUTABLE FOR FISCAL YEAR 2018 TO EACH OF THE EXECUTIVE COMPANY OFFICER BY VIRTUE OF THEIR OFFICE

The **ninth resolution** submits for your approval the principles for the determination, distribution and allocation of the fixed, variable and exceptional components making up the total compensation and benefits of any kind attributable for fiscal year 2018 to each of the executive company officer by virtue of their office.
In accordance with the stipulations of article L. 225-37-2 of the French commercial code (*Code de commerce*), the ninth resolution is set out for you in the corporate governance report.

POWERS TO BE GIVEN

The **tenth resolution** relates to the granting of powers necessary to carry out the required administrative and legal formalities.

Resolutions presented to the Ordinary General Meeting of June 1, 2018

FIRST RESOLUTION

(Approval of the financial statements for the 2017 fiscal year)

The General Meeting, having reviewed the management report of the Board of Directors to which is attached the board of Directors' corporate governance report, which it approves in their entirety, as well as the report of the Statutory Auditors on the financial statements, approves the financial statements for the fiscal year ended December 31, 2017, as they were presented, as well as the transactions recorded in these financial statements and summarized in these reports.
It consequently discharges all directors from their duties for fiscal year ended December 31, 2017.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the 2017 fiscal year)

The General Meeting, having acknowledged the presentation made to it of the consolidated financial statements at December 31, 2017 and the Statutory Auditors' report, showing consolidated turnover of 18,325,125 thousand euros and consolidated net profit, Group share of 369,087 thousand euros, approves the consolidated financial statements for the fiscal year ended December 31, 2017, as presented.
The General Meeting notes the content of the Group's management report, as included in the management report of the Board of Directors.

THIRD RESOLUTION

(Allocation of earnings)

The General Meeting approves the proposal made by the Board of Directors and resolves to allocate the distributable profit for the period as follows:

(in euros)	
Net income for the period	107,867,829.48
Retained profit carried over	390,994,740.83
Appropriation to the legal reserve	–
Distributable profit	**498,862,570.31**
Dividend	6,585,990.00
To the account "Amount carried forward"	492,276,580.31

The final dividend to be distributed for the fiscal year is thus set at 1 euro per 16 euros nominal share.
Since January 1, 2018, dividends received by natural persons domiciled in France for tax purposes, upon their payment, are subject to a flat withholding tax (PFU) at a rate of 30%, i.e. 12.8% as income tax and 17.2% as social security contributions.
Individuals whose declared taxable income for the prior year was less than a certain amount (50,000 euros for single, widowed or divorced taxpayers, 75,000 euros for taxpayers who subject to joint taxation) may request an exemption from the withholding tax on income (12.8%).
The application for exemption must be made, under the shareholder's own responsibility, no later than November 30 of the year preceding payment of the dividend.
At the time they are declared, dividends may also be subject to the progressive scale of income tax, after application of a 40% allowance. This option will generate, if applied, an adjustment of the income tax paid under the single fixed payment scheme.
In any event, dividends received must be declared in the year following their collection and may be subject, if applicable, to an additional tax payment under the extraordinary high income contribution rules.

The amounts thus distributed will become payable on June 11, 2018.
In accordance with the provisions of article 243 bis of the French General Tax Code, the General Meeting notes that the amount per share of the dividends distributed for the last three fiscal years are as follows:

Fiscal year	2016	2015	2014
Number of shares	6,585,990	6,585,990	6,585,990
Dividend (in euros)	1(1)	1(1)	1(1)
Amount distributed (in millions of euros)	6.6	6.6	6.6

(1) Dividends received before January 1, 2018 by natural persons domiciled in France for tax purposes are subject to the progressive scale of income tax, after the application of a 40% allowance.
When they are paid, they will be subject to withholding tax at the rate of 21% and can be offset against income tax owed for the year during which payment was made. Persons whose reference tax income for the prior year is less than a certain amount (50,000 euros for single, widowed or divorced taxpayers, 75,000 euros for taxpayers subject to joint taxation) may apply to be exempted from this withholding tax.

FOURTH RESOLUTION

(Approval of regulated agreements and commitments)

The General Meeting, having examined the special report by the Statutory Auditors on the agreements and commitments mentioned in article L. 225-38 of the French commercial code (*Code de commerce*), and ruling on this report, notes that no new agreement was entered into during the year ended and notes the conditions of performance of previously authorized agreements.

FIFTH RESOLUTION

(Authorization granted to the Board of Directors to acquire company shares)

The General Meeting, having reviewed the report of the Board of Directors, authorizes the Board, with the right of subdelegation under the conditions specified by law, to acquire company shares in accordance with the provisions of articles L. 225-209 *et seq.* of the French commercial code (*Code de commerce*) for the purpose of:

i) reducing the company's share capital by canceling shares;
ii) honoring obligations associated with stock option programs or other allocations of shares to employees or to company officers of the company or of an associate company;
iii) submithing them as a form of payment or exchange in the context of an acquisition, up to a limit of 5% of the share capital;
iv) ensuring liquidity or the trading of the company's securities through an investment service provider bound by a liquidity contract in compliance with an ethics charter recognized by the *Autorité des Marchés Financiers* (AMF);
v) delivering of shares upon the exercice of the rights attached to securities or marketable securities giving access to the capital; and
vi) implementing any market practice that may become recognized legally or by the *Autorité des marchés financiers* (AMF).

The maximum purchase price is set at 1,400 euros per share (excluding acquisition costs).
In the event of a capital increase through the incorporation of share premiums, reserves or profits resulting in either an increase in the par value or the creation or granting of free shares, as well as in the event of the division or consolidation of shares or any other type of transaction involving the share capital, the Board of Directors will be able to adjust the purchase price in order to take into account the impact of these transactions on the share value.

The Board of Directors will be able to acquire 592,739 shares under this authorization, i.e. 9% of the company's share capital.
The General Meeting grants all necessary powers to the Board of Directors, with the right of subdelegation under the conditions specified by law, to implement this authorization, and specifically to place any stock market order or order outside the market, allocate or reallocate the acquired shares to the various objectives sought, prepare all documents, make all disclosures and, generally, do all that is necessary.
This authorization is valid for a period of eighteen months from this Meeting.

SIXTH RESOLUTION

(Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted to Vincent Bolloré in his role as Chairman of the Board of Directors for fiscal year 2017)

Pursuant to articles L. 225-37-2 and L. 225-100 of the French commercial code (*Code de commerce*), the General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid to Vincent Bolloré in his role as Chairman of the Board of Directors, as set out in the company's corporate governance report referred to in article L. 225-37 of the same Code.

SEVENTH RESOLUTION

(Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted to Cédric de Bailliencourt in his role as Chief Executive Officer until September 1, 2017)

Pursuant to articles L. 225-37-2 and L. 225-100 of the French commercial code (*Code de commerce*), the General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted for the prior fiscal year to Cédric de Bailliencourt in his role as Chief Executive Officer until September 1, 2017, as set out in the company's corporate governance report referred to in article L. 225-37 of the same Code.

EIGHTH RESOLUTION

(Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted to Cyrille Bolloré in his role as Chief Executive Officer since September 1, 2017)

Pursuant to articles L. 225-37-2 and L. 225-100 of the French commercial code (Code de commerce), the General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid or granted for the prior fiscal year to Cyrille Bolloré in his role as Chief Executive Officer from September 1, 2017, as set out in the company's corporate governance report presented in article L. 225-37 of the same Code.

NINTH RESOLUTION

(Approval of the principles and criteria for determination, distribution and allocation of the fixed, variable and exceptional components making up the total compensation and benefits of any kind payable for fiscal year 2018 to Vincent Bolloré in his role as Chairman of the Board of Directors, to Cyrille Bolloré in his role as Chief Executive Officer and to Cédric de Bailliencourt in his role as Deputy Chief Executive Officer)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the principles and criteria for determining, allocating and granting the fixed, variable and exceptional components making up the total compensation and benefits of any kind set out in the report by the Board of Directors on corporate governance and attributable for fiscal year 2018 to Vincent Bolloré in his role as Chairman of the Board of Directors, to Cyrille Bolloré in his role as Chief Executive Officer and to Cédric de Bailliencourt in his role as Deputy Chief Executive Officer.

TENTH RESOLUTION

(Powers for formalities)

The General Meeting assigns full powers to the persons bearing copies or extracts of these minutes for the completion of all legal formalities.

Report by the Board of Directors to the Extraordinary General Meeting of June 1, 2018

Ladies and Gentlemen,

You have been invited to attend this Extraordinary General Meeting so that we can ask you to approve a resolution to authorize the Board to reduce capital through the cancellation of shares previously repurchased under a share buyback scheme.

AUTHORIZATION GRANTED TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL THROUGH THE CANCELLATION OF SHARES PREVIOUSLY REPURCHASED AS PART OF A SHARE BUYBACK SCHEME (FIRST RESOLUTION)

You are asked to authorize the Board of Directors to cancel the shares previously repurchased as part of a share buyback scheme and the subsequently reduce the share capital by no more than 10% of the amount thereof per twenty-four month period.
This authorization would be granted for a period of eighteen months from this Meeting.

POWERS TO BE GIVEN (SECOND RESOLUTION)

We request that you grant full powers to the bearer of copies or extracts of the minutes of this Extraordinary General Meeting to fulfill all legal formalities.

The Board of Directors

Agenda of the Extraordinary General Meeting of June 1, 2018

- Report by the Board of Directors.
- Special report by the Statutory Auditors.
- Authorization granted to the Board of Directors to reduce the share capital through the cancellation of shares previously repurchased as part of a share buyback scheme.
- Powers to be given.

Resolutions presented to the Extraordinary General Meeting of June 1, 2018

FIRST RESOLUTION

(Authorization granted to the Board of Directors to reduce the share capital by cancelling of shares previously repurchased as part of a share buyback scheme)

The General Meeting, ruling under the quorum and majority conditions for Extraordinary General Meetings, after having noted the Board of Directors' report and the special report by the Statutory Auditors, authorizes the Board of Directors, under the conditions and within the limits set by articles L. 225-209 *et seq.* of the French commercial code (*Code de commerce*), to:

- reduce the share capital, on one or more occasions, by all or a part of the shares purchased by the company as part of a share buyback program for its own shares, capped at 10% of share capital by periods of twenty-four months;
- attribute the difference between the purchase value of the canceled shares and their par value to the available premiums and reserves.

The General Meeting grants all powers to the Board of Directors, with the right of subdelegation under the conditions specified by law, to set the conditions and methods of this/these reduction(s) in share capital, to amend the articles of association accordingly, to make all disclosures, particularly to the *Autorité des marchés financiers* (AMF) and to any authority used as a substitute, to complete all formalities and, generally, to do what is necessary.
This authorization is valid for a period of eighteen months from this Meeting.

SECOND RESOLUTION

(Powers for formalities)

The General Meeting shall also grant all powers to the bearers of an original, copy, or extract of the minutes of this Meeting to complete all necessary filings, publications, disclosures and formalities.

General information

Information on the share capital

SHARE CAPITAL AMOUNT

Share capital at December 31, 2017 amounted to 105,375,840 euros, divided into 6,585,990 shares with a par value of 16 euros each, all of the same class and fully paid-up.

POTENTIAL SHARE CAPITAL

None.

AUTHORIZATION FOR THE PURPOSE OF BUYING BACK ITS OWN SHARES TO BE SUBMITTED TO THE NEXT ORDINARY GENERAL MEETING OF JUNE 1, 2018

The Ordinary General Meeting of June 1, 2017, in its eleventh resolution, had authorized the company to trade its own shares under the following conditions:
- maximum purchase price: 1,000 euros per share (excluding acquisition costs);
- maximum percentage holding: 592,739 shares, i.e. 9% of the shares making up the company's share capital;
- duration of the share buyback scheme: eighteen months.

The Board of Directors has not exercised the authorization to trade its own shares which was granted it by the Ordinary General Meeting of June 1, 2017.
Renewal of an authorization to buy back shares in accordance with the provisions of articles L. 225-209 *et seq.* of the French commercial code (*Code de commerce*) will be submitted to the next General Meeting.

DESCRIPTION OF THE SCHEME SUBMITTED FOR AUTHORIZATION TO THE GENERAL MEETING OF JUNE 1, 2018

Breakdown by objectives of the securities held and open positions involving derivatives

Financière de l'Odet does not hold any treasury shares or have any open positions involving derivatives.

Objectives of the share buyback scheme

i) to reduce the company's share capital by canceling shares;
ii) to honor the obligations linked to stock option programs or other allocations of shares to employees or to company officers of the company or of an associate company;
iii) to deliver the shares in payment or in exchange as part of external growth transactions, capped at 5% of the share capital;
iv) to ensure liquidity or the trading of the company's securities through an investment service provider bound by a liquidity contract in compliance with an ethics charter recognized by the Autorité des marchés financiers (AMF);
v) to deliver shares during the year when exercising rights attached to securities or transferable securities giving access to the capital; and
vi) to implement any market practice that may become recognized legally or by the Autorité des marchés financiers (AMF).

Maximum percentage of the share capital, maximum number and characteristics of the equity-linked securities

The maximum portion of the share capital whose repurchase would be authorized by the General Meeting under the share buyback scheme is set at 592,739 shares, or 9% of the company's share capital at December 31, 2017.
In accordance with article L. 225-210 of the French commercial code (*Code de commerce*), the number of shares that may be held by Financière de l'Odet at any given time may not exceed 10% of the company's share capital on the date the purchases are made.
The securities that may be repurchased are ordinary shares of 16 euros nominal share listed on Euronext Paris, compartment A, under ISIN code number 0000062234.

Maximum authorized unit purchase price

The maximum unit purchase price shall not exceed 1,400 euros (excluding acquisition costs) with the specification that this purchase price may be adjusted by a decision of Board of Directors, particularly to adjust the aforementioned maximum unit purchase price in the event of a capital increase through the incorporation of premiums, reserves or profits, resulting in either an increase in the par value or in the creation or the granting of free shares, as well as in the event of the division or consolidation of shares or any other transaction affecting the share capital, in order to take into account the impact of these transactions on the share value.

Duration of the share buyback scheme

The buyback scheme would have a duration of eighteen months from the Ordinary General Meeting of June 1, 2018, i.e. until December 1, 2019.

SHARE CAPITAL AUTHORIZED BUT NOT ISSUED

Issuance of securities giving access to the share capital directly or indirectly

Authorizations given by the Extraordinary General Meeting of June 1, 2017 (issue of securities giving access directly or indirectly to the share capital).
- The Extraordinary General Meeting of June 1, 2017 granted the Board of Directors a right of delegation to:
  - issue, on one or more occasions, securities with preferential subscription rights giving access immediately or over time to a proportion of the company's share capital.
    The total nominal amount of the security issuances will be limited to 600 million euros, and the capital increase resulting from the use of this authorization cannot exceed 400 million euros;
  - increase the share capital by issuing ordinary shares to be paid for by incorporation of reserves, profits or premiums or raising the par value of the shares making up the share capital or the simultaneous combination of these two methods. Issuing new shares or raising the par value of the shares cannot lead to a share capital increase in excess of 400 million euros, which would be imputed to any capital increases that may be carried out under the delegation of authority granted to issue securities giving access immediately or in the future to a proportion of the company's capital.

  These authorizations, valid for twenty-six months, would expire on August 1, 2019.
  This authority has not been used during the 2017 fiscal year.
- In addition, the Extraordinary General Meeting of June 1, 2017 also delegated to the Board of Directors, for a period of twenty-six months, the powers necessary to conduct a capital increase within a limit of 10% of its share capital, to pay contributions in kind made to the company that consist of equity-linked securities or securities giving access to the capital. This authorization will expire on August 1, 2019.
  This authority has not been used during the 2017 fiscal year.
- In accordance with the provisions set forth by article L. 225-129-6, paragraph 2 of the French commercial code *(Code de commerce)*, the Extraordinary General Meeting of June 1, 2017 approved a draft resolution giving the Board full powers to carry out a capital increase within the limit of 1% of the share capital, restricted to members of a savings plan sponsored by the company and/or the companies or economic interest groups (EIGs) in which the company holds, directly or indirectly, more than 50% of the share capital or voting rights.
  This authorization expires on August 1, 2019.

SHARE SUBSCRIPTION OPTIONS OF ASSOCIATED COMPANIES

None.

ALLOCATIONS OF FREE SHARES AND PERFORMANCE SHARES GRANTED BY ASSOCIATED COMPANIES

We draw your attention to the granting of free shares and performance shares granted by controlled companies in which Financière de l'Odet directly or indirectly holds a majority interest.

BOLLORÉ

- Grants of free shares and performance shares in Bolloré for the employees and executive company officers of this company and associated companies as provided for in articles L. 225-197-1 *et seq.* of the French commercial code (*Code de commerce*) by the Bolloré Board of Directors on September 1, 2016 and on March 23, 2017 under the authorization granted by the Extraordinary General Meeting of June 3, 2016.

The terms and conditions of the grants are as follows:

	First award	Second award
Total number of free shares granted: 5,741,200	4,131,200	1,610,000
Grant date	September 1, 2016	March 23, 2017
Vesting period (3 years)	September 2, 2019	March 23, 2020
Holding period	NA	NA
Number of recipients	136	11
Cumulative number of granted shares expired	89,600	–
Valuation of the shares	2.97	3.33
Number of free shares granted at December 31, 2017: 5,651,600	4,041,600	1,610,000

- Vesting during the period of free shares granted.
  No vesting of free shares granted took place during the year.

BLUE SOLUTIONS

Blue Solutions free shares and performance shares granted to employees and executive company officers of Blue Solutions and entities related to It under the conditions set out in articles L. 225–197–1 *et seq.* of the French commercial code by the Board of Directors of Blue Solutions on January 7, 2014 under the authorization granted it by the Extraordinary General Meeting of August 30, 2013.
The terms and conditions of the grants are as follows:

	First award	Second award
Total number of free shares granted: 378,000	364,500	13,500
Grant date	January 8, 2014	April 7, 2014
Vesting period (4 years)	January 8, 2018	April 7, 2018
Holding period (2 years)	January 8, 2020	April 7, 2020
Number of recipients	73	2
Cumulative number of granted shares expired	53,250	–
Number of free shares granted at December 31, 2017: 324,750	311,250	13,500

NON-EQUITY SECURITIES

BOND LOANS

The company has not issued any bond loans.

FINANCIAL INFORMATION

Investors and shareholders requiring further details on the Group are invited to contact the Financial Communications and Investor Relations Department:

Emmanuel Fossorier
Financial Communications Director
Tel.: +33 (0)1 46 96 47 85
Fax: +33 (0)1 46 96 42 38

Xavier Le Roy
Investor Relations Director
Tel.: +33 (0)1 46 96 47 85
Fax: +33 (0)1 46 96 42 38

Annual and half-yearly reports are available on request from:
Group Communications – Bolloré Group
Investor Relations Department
31-32, quai de Dion-Bouton
92811 Puteaux Cedex, France
Tel.: +33 (0)1 46 96 47 85
Fax: +33 (0)1 46 96 42 38
In addition, visitors to the Group's website (www.bollore.com) may consult press releases and financial details under the headings "Press" and "Investors", respectively.
Financière de l'Odet's website, which contains regulated information, is: www.financiere-odet.com.

Provisional calendar 2018

June 1, 2018	Annual General Meeting
June 11, 2018	Payment of dividend for the 2017 fiscal year

Administrative and management bodies

ADMINISTRATIVE AND MANAGEMENT BODY INFORMATION

In accordance with the stipulations of article L. 225-37-4 of the French commercial code (*Code de commerce*), all this information appears in the corporate governance report established by the Board of Directors on March 22, 2018.

CORPORATE GOVERNANCE REGIME

The company refers you to the French Corporate governance Code for listed companies established by the Afep and the Medef.
In accordance with the provisions of article L. 225-37-4 8 of the French commercial code (*Code de commerce*), the provisions of the Code that were ignored, as well as the reasons for doing so, are given in the corporate governance report.
Following several pronouncements on the application of the provisions of the French Corporate Governance Code, the Board of Directors' meeting of March 22, 2018, having read the application guide of the Afep-Medef Corporate Governance Code, revised in December 2016, undertook a new review of some of its recommendations.
The November 2016 revision to the Afep-Medef Code introduced a distinction between executive company officers (Chairman and Chief Executive Officer, Chief Executive Officer, Deputy Chief Executive Officer, Chairman and members of the Management Board, manager of limited partnerships) and non-executive company officers (separate Chairman of the Board of Directors and Chairman of the Supervisory Board of public limited companies with a Management Board or of limited partnerships).
The Code's recommendations must therefore be considered having regard to the precise nature of the position held, it being noted that the term "executive company officer" encompasses all the executives listed above, and that the term "company officer" encompasses these same executives, plus directors and members of the Supervisory Board.

RECOMMENDATIONS SUBJECTED BY A SPECIFIC REVIEW

HOLDING PERIOD OF SHARES

At its meeting of March 22, 2018, the Board of Directors noted that the minimum number of company shares that executive company officers are required to hold, as decided by the Board at its meeting of March 20, 2014 (i.e. 30 shares), had been met.

CONCURRENT OFFICES HELD

At its meeting of March 22, 2018, the Board of Directors, having noted the provisions related to concurrent offices, re-examined in this respect the situation of Cyrille Bolloré, Chief Executive Officer and Vincent Bolloré, Chairman of the Board of Directors.
The Afep-Medef calls for different rules concerning the concurrent holding of offices depending on what position a company officer holds.
For executive company officers, article 18 of the Code states that the number of directorships that may be exercised by an executive company officer in listed companies outside his or her Group, including non-French companies, should be limited to two, bearing in mind that the limit of two offices does not apply "to directorships held by an executive company officer in subsidiaries and common shareholdings of entities whose main activity is to acquire and manage such shareholdings".
The Afep-Medef Code application guide published in December 2016 confirmed the following clarifications previously made to the application of those exemptions:

- it is attached to a person, in view of the time that he or she is in a position to devote to exercising a directorship;
- it concerns persons who hold a position of executive company officer in a listed company whose main activity is to acquire or manage shareholdings;
- it applies to each of the listed companies in which the executive company officer holds a directorship, whenever they are subsidiaries and shareholdings, directly or indirectly held solely or in concert by the company whose main activity is to acquire or manage shareholdings in which he or she exercises a term of office of executive company officer;
- it does not apply to an executive company officer of a listed company whose main activity is not to acquire or manage holdings (i.e. an operating company) with regard to their offices held in listed companies in which a subsidiary of the company in which they are an executive holds a stake and is itself a holding company.

Regarding Cyrille Bolloré, the Board noted that the listed companies in which he holds executive offices are entities of Bolloré Group and that his situation is therefore compliant with the provisions of the Afep-Medef Code on concurrent offices.
Regarding Vincent Bolloré, the Board noted:

- that he holds offices within the entities of his Group, which must be considered part of the overall companies under the same control.

  Since Vincent Bolloré holds the office of Chairman and Chief Executive Officer of Bolloré Participations, the top controlling company of the Group, all his director positions within the Group are exempted.

  The Board considers that the rules relating to concurrent offices held must be assessed from an overall perspective at Group level, starting from the parent company and working down from there.

  A contrary interpretation would lead to a different accounting of the number of offices held by Vincent Bolloré according to the level of the individual rank in the Group's organization chart;
- that the directorships held by Vincent Bolloré in listed entities outside his Group fall within the exemption, except for those for which Bolloré does not hold enough of the share capital to characterize them as either subsidiaries or equity investments.

Accordingly, the offices that Vincent Bolloré holds within the companies of Socfin group (38% of whose capital is owned by Financière de l'Odet) are an example of the exemption described in the Afep-Medef Code. The same applies to the office held in Vivendi, in view of Bolloré Group's interest.
As such, Vincent Bolloré, as an executive company officer of Bolloré, whose primary function is to acquire or manage company holdings, may hold positions in entities outside his Group as long as they are Bolloré subsidiaries or holdings.
Accordingly, Vincent Bolloré's situation is compliant with the Afep-Medef provisions on concurrent offices held.
The Board, at its meeting of March 22, 2018, also noted the compliance of the position of its executive company officers with regard to the provisions of article L. 225-94-1 of the French commercial code *(Code de commerce)* on concurrent offices held, as amended by law no. 2015-990 of August 6, 2015 on growth, activity and equal economic opportunity, also known as the "Macron law".
Finally, the Board notes that, in accordance with recommendation 18.2 of the Afep-Medef Code, the executive company officers must obtain the opinion of the members of the Board prior to accepting a new term of office in a listed company outside their Group.

BYLAWS OF THE BOARD OF DIRECTORS

Shares owned and held by directors (article 19 of the Afep-Medef Code)

At its meeting on March 20, 2014, the Board of Directors adopted, in its bylaws, provisions relative to the requirement that directors hold and retain shares.
To comply with these new bylaws, each director is required to allocate at least 10% of the directors' fees received for performing their duties as a director to purchasing Financière de l'Odet shares until the consideration for their number of shares reaches the equivalent of one year's installment of directors' fees received.

DEFINITION OF INDEPENDENT DIRECTOR

Stating its view with respect to the independence criteria for directors, the Board, at its meeting of March 22, 2018, confirmed its previous analysis.
Thus, for the determination of the status of independent director, it was decided:

- to set aside the length of service criterion of twelve years since the sole criterion of the term of a director's duties does not as such call his independence into question.

  Irrespective of the term of the director's duties, the Board values the personal qualities, experience, and industrial and financial expertise enabling the director to give useful opinions and advice through exchanges in which each director can express his or her position.

  Moreover, it should not be forgotten that the length of service improves understanding of the Group, its history and its diversified business lines within a Group comprising many technical jobs on an international scale.

  The perfect understanding of the Group by a director through his length of service is a major asset, particularly when examining the strategic direction of the Group, or the implementation of complex projects over the long-term and/or cross-cutting projects within the Group. A length of service of twelve years could in no way be associated with a loss of independence;
- to consider that acting as a director in another company within the Group does not call a director's independence into question.

The Board deemed that the Bolloré Group, controlled by the founding family, has the distinctive features of a diversified group with many business activities and operations in France and abroad. One of the Group's strategic directions is to optimize and develop synergies between its various businesses.
In order to implement this strategy, it is necessary to have high-level managerial expertise combined with in-depth knowledge of all the Group's businesses and understanding of any geopolitical issues critical to the international operations.
The appointment of certain directors to a number of Group companies reflects the Group's desire to take advantage of the expertise of men and women who not only fully understand the businesses but also contribute to the Group's results.
This assessment of the independence criteria was confirmed by the Compensation and Appointments Committee at its meeting on March 20, 2018.
To be classified as independent, a director must not:

- be an employee or executive company officer of the company/employee, executive company officer of a company that the company fully consolidates/ employee, executive company officer of the company's parent company or a company that is fully consolidated by that parent company/or have been in the previous five years;
- be a client, supplier, investment banker or corporate banker:
  – significant to the company or its Group,
  – or for which the company or its Group represent a significant proportion of the business;
- have a close family tie with a company officer;
- have been an auditor of the company within the previous five years.

The provisions of the French Corporate governance Code for listed companies not applied by our company are set out in a summary table included in the corporate governance report.

REVIEW OF THE INDEPENDENCE OF DIRECTORS

Of the 17 members of the Board, and in accordance with the independence criteria confirmed by the Board of Directors at its meeting on March 22, 2018, Valérie Coscas, Hubert Fabri, Alain Moynot, Olivier Roussel, Martine Studer and François Thomazeau are considered independent.
The summary hereinafter shows the situation (compliant or not) of the directors in relation to the criteria defined by the Afep-Medef Code in relation to directors' independence.

Independent officers
Valérie Coscas(1)
Hubert Fabri(1)(2)
Alain Moynot(2)
Olivier Roussel(1)
Martine Studer(1)
François Thomazeau(1)

(1) Notwithstanding holding a directorship in another company of the Group (currently or during the five most recent fiscal years).
(2) Notwithstanding the length of time during which the director has held office.

ASSESSMENT OF THE MATERIALITY OF A BUSINESS RELATIONSHIP WITH A DIRECTOR

The Board, at its meeting of March 22, 2018, upon the proposal of the Compensation and Appointments Committee, reaffirmed that the assessment of the materiality of business relationships must not exclusively be based on the amount of the commercial transactions that may be entered into between Bolloré Group and the company (or the Group) in which the director in question holds another position, keeping in mind that the materiality threshold for business relationships decided upon by the Board is deemed to have been attained whenever the amount of commercial transactions exceeds 1% of Group turnover for the fiscal year in question.
The Board, at its meeting of March 23, 2017, decided that, pursuant to the provisions of AMF recommendation no. 2012-02, amended on December 22, 2015, priority would be given to multiple criteria in the process of assessing the materiality of a business relationship with a director, particularly the duration of the relationship, any potential economic dependence, the financial conditions in relation to market prices, the officer's position in the co-contracting company and his/her involvement in the implementation or performance of the business relationship.
On March 22, 2018, the Board noted that none of the directors considered to be independent have direct or indirect material business relationships with the Group.

MANAGING CONFLICTS OF INTEREST

Section 19 of the Afep-Medef Code, "Ethics rules for directors", provides that a director must inform the Board of any conflict of interest, even potential, and must abstain from voting on that issue.
To this end, at its meeting on March 22, 2018, the Board of Directors noted that directors are obligated to disclose any conflict of interest, even if it is only potential. In addition, directors must refrain from voting on any matter that would be affected by a conflict of interest.
The Board's bylaws are available on the company's website, www.financiere-odet.com.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS DURING THE YEAR ENDED DECEMBER 31, 2017

The Board of Directors, seventeen in number, of whom six are outside the Group, met twice during fiscal year 2017.

Statutory Auditors' report on the share capital decrease

Extraordinary General Meeting of June 1, 2018 – 1st resolution

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

To the Shareholders,

In our capacity as Statutory Auditors of your company and pursuant to the provisions of article L.225-209 of the French Commercial Code *(Code de commerce)* concerning share capital decreases by cancellation of shares purchased, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed share capital decrease.

You are asked to delegate to your Board of Directors, for a period of eighteen months as of the date of this General Meeting, all powers to cancel, for up to a maximum of 10% of its share capital by twenty-four-month periods, the shares purchased by the company pursuant to an authorization to purchase its own shares under the provisions of the above-mentioned article.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French national institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* relating to this engagement. Those procedures consisted in examining whether the reasons for and the terms and conditions of the proposed share capital decrease, which does not interfere with the equal treatment of shareholders, are due and proper.

We have no matters to report on the reasons for or terms and conditions of the proposed share capital decrease.

Neuilly-sur-Seine, April 26, 2018

The Statutory Auditors
French original signed by

AEG Finances
Member of
Grant Thornton International
Jean-François Baloteaud

Constantin Associés
Member of Deloitte
Touche Tohmatsu Limited
Jean Paul Séguret

Statement of the person responsible for the annual financial report

I certify that, to the best of my knowledge, the financial statements were prepared in compliance with applicable accounting standards and are a true representation of the assets, financial situation and earnings of the company and all the consolidated companies, and that the management report appearing on page 5 accurately presents the changes in the business, earnings and financial situation of the company and of all consolidated companies as well as a description of the main risks and uncertainties these companies face.

April 27, 2018

Cédric de Bailliencourt
Deputy Chief Executive Officer

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Bolloré

Tour Bolloré, 31-32, quai de Dion-Bouton
92811 Puteaux Cedex – France
Tel.: + 33 (0)1 46 96 44 33
Fax: + 33 (0)1 46 96 44 22
www.financiere-odet.com