

2016/2017

REFERENCE DOCUMENT

including the annual financial report



All you need. **With love.**

The present Reference Document was filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*) on 31 January 2018, in accordance with Article 212-13 of its General Rules. It may be used in a financial transaction provided it is accompanied by a prospectus approved by the Financial Markets Authority. This document was prepared by the issuer and its signatories are liable for its content. This reference document is available on the website of the *Autorité des Marchés Financiers* (AMF) at www.amf-france.org, and on the Manutan International website at www.manutan.com.

Pursuant to Article 28 of European Regulation No. 809/2005, the following items are included in this Reference Document:

- the consolidated financial statements, parent company accounts at 30 September 2013 and the Statutory Auditors reports relating to it, presented respectively in pages 94 to 142 of the reference document filed with the AMF on 31 January 2014;
- the consolidated financial statements, parent company accounts at 30 September 2014 and the Statutory Auditors reports relating to it, presented respectively in pages 84 to 134 of the reference document filed with the AMF on 29 January 2015;
- the consolidated financial statements, parent company accounts at 30 September 2015 and the Statutory Auditors reports relating to it, presented respectively in pages 80 to 128 of the reference document filed with the AMF on 28 January 2016.



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The Chairman's message

Jean-Pierre Guichard



The transformation that we began several years ago is starting to bear fruit with good growth throughout 2016/2017. The organisation around three types of clientele—companies, local authorities and traders—allows for clear and appropriate positioning for each of the targets. This means that we can offer an ever more customised experience thanks to a value proposition that meets their needs. The rise of digital technologies offers us new opportunities that will allow us to offer our customers even more assistance.

Our achievements

Manutan is continuing with its strategy of mid- and long-term development, by activating levers to increase turnover and margin, whilst continuing to modernise our tools and to move our employees forward. Amongst the accomplishments for this year we can cite:

- An increase in digital power that, beyond a high increase in online transactions, made it possible to introduce new online services, thereby improving our customers' experience.
- A great breakthrough for our own brand products, leading to an increase in our margins.
- A positioning and value offer that suits our customers, which leads to added value service offers and innovations that make us stand out from our competitors.
- A significant increase in customer satisfaction, which attests to the improvement in service quality and the purchasing experience with Manutan.
- Finally, the deployment of our corporate culture with in particular the implementation of bespoke training programmes at our University (management, lean, and sales).

Our results

The Group's results are encouraging with:

- Turnover that has increased by roughly 6% for the same scope, exchange rate and number of days, illustrating a great dynamic in organic growth.
- A gross margin that is up by 6%, carried amongst other things by our own brands and good control of operating expenditure.
- All of which brings us to a 14% increase in operating profit, demonstrating profitable growth.
- An ever more solid financial structure, which allows us to grasp opportunities for external growth.

And tomorrow...

We will continue to refine our positioning with new services, products and, of course, by using digital technology, which is a lever not only for development but also for enhancing customer satisfaction. An approach that makes us more competitive and more relevant to our customers.

We are continuing investment on the one hand in our industrial tools (IT and logistics) and on the other hand in developing our employees in order to become even more agile.

Dear Shareholders, Directors and colleagues, we always relish the opportunity to share with you our achievements, our ideas and our ideals. We thank you all for your essential support.

Jean-Pierre Guichard,
Chairman of the Board of Directors



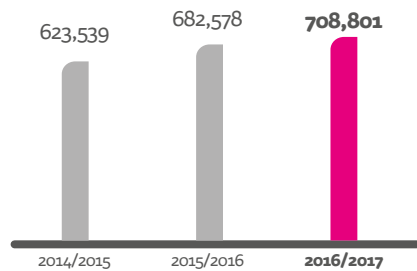
Presentation of the Group

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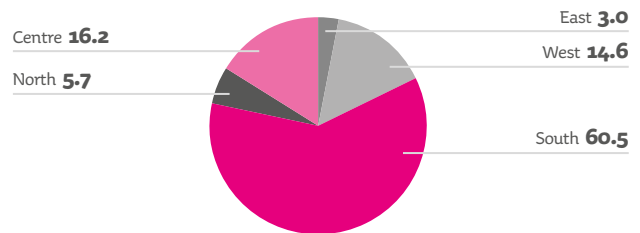
Consolidated growth and financial situation

CONSOLIDATED TURNOVER

3-year trend (in thousands of euros)

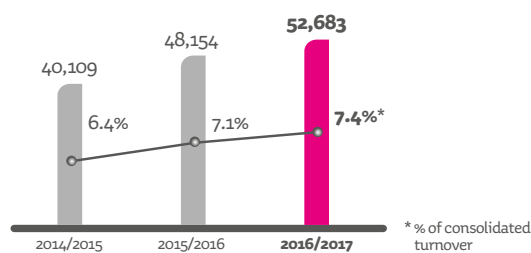


Breakdown by area for 2016/2017 (%)

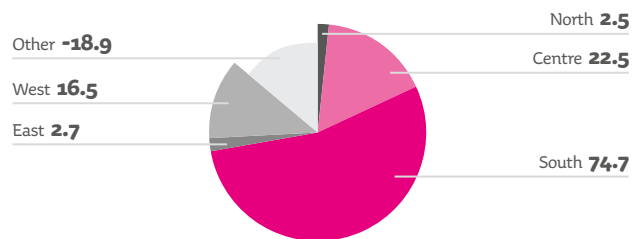


CURRENT OPERATING PROFIT

3-year trend (in thousands of euros)

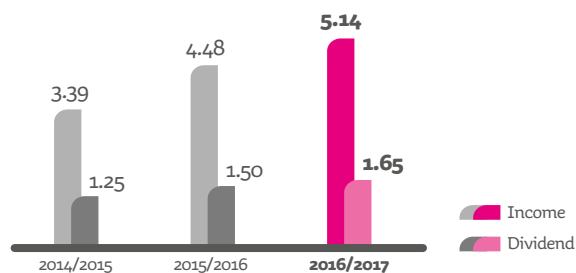


Breakdown by area for 2016/2017 (%)



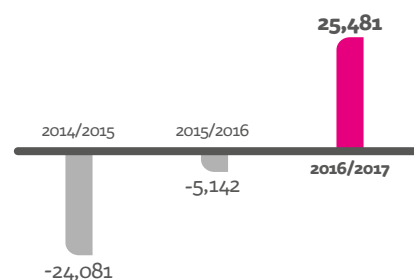
NET INCOME AND DIVIDEND PER SHARE

3-year trend (in euros)



NET CASH POSITION

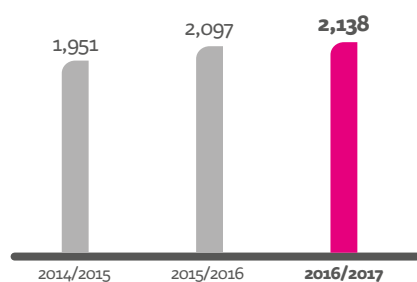
3-year trend (in thousands of euros)



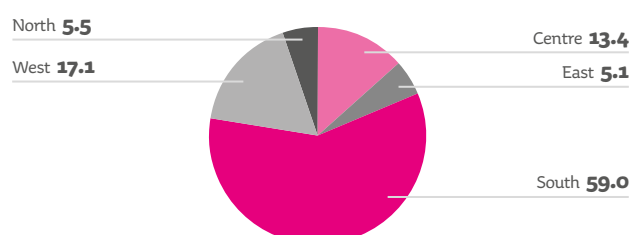
The available cash is comprised of the balance sheet aggregates "cash and cash equivalents" and "marketable securities and current assets".
The net available cash is calculated from the difference between available cash and financial debts.

AVERAGE HEADCOUNT

3-year trend



Breakdown by area for 2016/2017 (%)



Financial communication calendar

Manutan International's financial year begins on 1 October and ends on 30 September.

1

Publication dates for the figures for the financial year 2017/2018⁽¹⁾

Q1 turnover	17 January 2018
Q2 turnover	13 April 2018
Half-yearly results	5 June 2018
Q3 turnover	18 July 2018
Q4 turnover	18 October 2018
Annual results	12 December 2018

The financial communication calendar and all the financial information are available to Investors and Shareholders on the Company website at: www.manutan.com.

The Group's Legal Department can answer any questions regarding the Manutan Group.

Tel.: +33 (0)1 34 53 35 87 / contact.legal@manutan.com

(1) Dates subject to modification/publication after the closing of the markets.

History



2010

Implementation of an **integrated organisational structure, strengthening of high ambitions for business**

2011

Opening of the **European Centre** in Gonesse (France), which symbolises the Group's unity, its ambitions and its business, human, and environmental vision

2012

Acquisition of Sports et Loisirs (Casal Sport), specialist in sales of sporting equipment for schools, town halls and federations in France

2010 - 2012

2013 - 2017

2017

Manutan France is awarded the "Best Workplaces France 2017" label

2016

An increased presence in the English artisans market through the acquisition of Essex Electrical Wholesalers
Launch of the Manutan own brand

2015

Acquisition of Papeteries Pichon, specialist in the distribution of school supplies to primary and infant schools in France

2013

Launch of the overhauling of the Group's Information System
Acquisition of IronmongeryDirect in the UK, a specialist in the distribution of ironmongery products to artisans
Acquisition of Ikaros Cleantech in Sweden and in Finland, a specialist in environmental protection products

Presentation of operations

Manutan is one of the leading European companies in multi-channel distribution of equipment for companies and local authorities.

Present in 17 countries through 25 operational subsidiaries, the Group is a major player in Europe.

Our positioning: combining an industrial approach with personalised customer relations

An independent and solid Group

As a pioneer in distance selling, Manutan has a true expertise in distribution and is continuing to grow in a market with a high potential, estimated at €100 billion (source: Manutan International).

The Group's development is based on over 50 years of experience and a lasting economic model that is deployed in all the subsidiaries. The Guichard family, which has been at the head of the Manutan since 1966, intends to maintain the Group's independence through rigorous and transparent management combined with operational excellence. This family structure, combined with listing on the stock market since 1985 (Euronext Paris - Compartment B), grants the Group its independence and financial solidity.

2,138 employees working closely with our customers

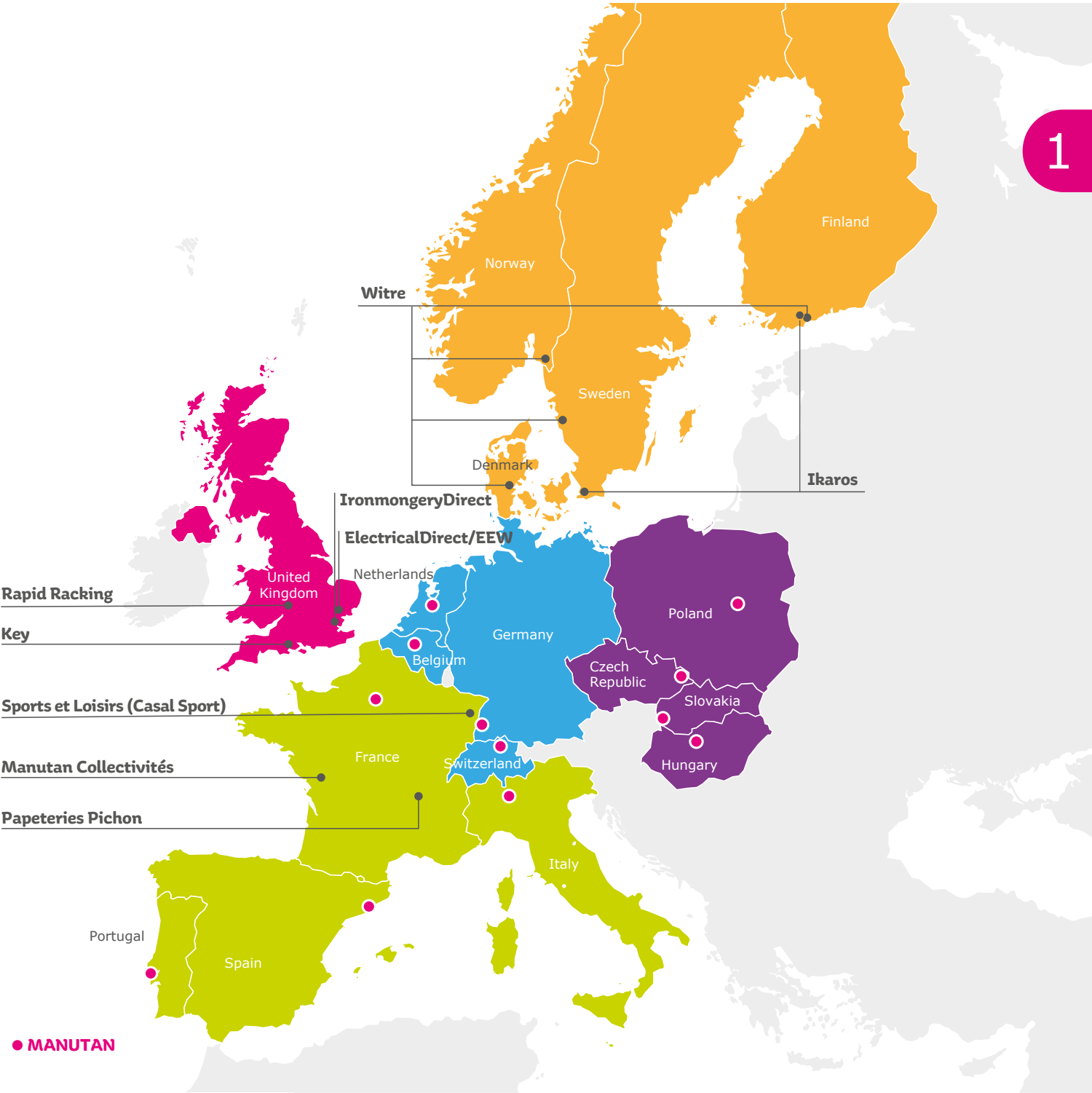
Every day, the Group's **2,138** employees share the same ambition and commitment: providing our customers with added value, by offering the best solution for their non-strategic, repeat purchasing. Responsibility and sincerity are the values that unite everybody who works for the Group.

The strength of a European distributor, the bespoke service of a local trader

What makes Manutan unique and gives us our strength is combining an industrial approach with personalised customer relations, based on mutual respect and transparency. Our customers benefit from efficient and competitive solutions and the quality of bespoke assistance you would expect from a trader.

2,138 EMPLOYEES
OF WHICH **45%** ARE WOMEN

MORE THAN
400,000
STOCK ITEMS



25 OPERATIONAL
SUBSIDIARIES

17 COUNTRIES

€708.8 MILLION
IN TURNOVER

Our profession: assisting our customers in optimising their non-strategic purchases

A recognised expertise in multi-channel distribution

The Group markets its products through paper catalogues, online and through sales teams and agencies. Our mastery of these different distribution channels, combined with targeted marketing, allows Manutan to offer its customers global solutions that are simple and accessible.

With 25 e-business merchant sites, Manutan has fully integrated electronic sales into its development. In 2017, online sales represent 37% of the Group's turnover (excluding local authorities) and the internet has established itself as a major growth area.

A benchmark partner for non-strategic purchases

Manutan has the stated ambition of providing high quality products and services to its customers in a simple, quick and efficient manner. Helping them to reduce the time spent on non-strategic purchases (supplies, equipment, etc.).

The appropriateness of the solutions offered by Manutan helps our customers to centralise their recurring purchases with a single supplier and to be able to concentrate on their core business.

The Manutan Group's expertise is based on recognised know-how:

- the rigorous selection of high quality, competitive products;
- a dynamic and unlimited range of items allowing every customer to find the solution to their needs;
- simple, quick and accessible order management (24 hours a day online);
- a dynamic sales service, ready to listen to the needs of every type of customer;
- personalised advice and purchasing assistance;
- a large storage capacity that ensures product availability;
- rigorous logistics that offer quick and reliable delivery.

A dynamic and unlimited offer

The Manutan Group has one of the largest product offerings in Europe and aims to cover all the needs of companies and local authorities, regardless of their size or sector. The range already has more than 400,000 items including handling, lifting, and storage equipment, industrial supplies, safety, hygiene and packing products, office and workshop furniture, furniture for catering and hotels, school supplies, education, health and sports equipment, products for environmental protection, ironmongery, and electrical products. Our readiness to listen to our customers allows the Group to regularly add to its range.

All the listed products and services, including our own brands, are subject to rigorous selection, based on a regular review of 1,850 suppliers, the majority of which are in Europe. The Group does not rely on any one supplier. This allows us to choose products independently, according to our own quality standards.

Bespoke services

In order to provide its customers with extensive, competitive and personalised solutions, Manutan offers a large range of associated services: assembly, spare parts, bespoke design, express delivery, a loyalty programme, and e-business solutions for key accounts (e-procurement solutions including punch out, etc.), on-demand sourcing, VMI (managing hosted stock), etc.

Efficient and profitable logistics

The Group has a storage capacity of nearly 190,000 m² distributed over fifteen logistics hubs with the best inventory management solutions. Efficient logistics management and controlling subcontracted transport allows Manutan to manage the thousands of orders received every day and to ensure fast delivery to customers across Europe.

Our three customer commitments

We shall continue to respect our delivery **promise**.

We shall always find a **solution** to our customer's requests for products.

We make every contact with the customer a **unique moment**.

Our customers: 1,000,000 companies and local authorities put their faith in us

From small companies to multinationals, from regions to town halls, the Group markets its offer to over 1 million customers. The average value of their orders is €400.

- **For companies**, Manutan offers a general range, complemented by specialist offers:
 - in the UK: Rapid Racking (racking and storage solutions);
 - in Scandinavia: Ikaros Cleantech (environmental protection products).

- **For local authorities**, Manutan Collectivités offers a range of school furniture, health and education equipment; Sports and Leisure equipment (Casal Sport), sports equipment and clothing; Papeteries Pichon, school supplies.
- **For traders**, IronmongeryDirect offers ironmongery items and ElectricalDirect/Essex Electrical Wholesalers offer electrical supplies.

Our markets: a strong presence in Europe

Manutan operates in 17 European countries and in Africa, Asia and the Middle East through the export activities of its subsidiaries. Our European development is based on a desire to have a strong local presence and an in-depth knowledge of our markets. The countries are responsible

for their sales policy and adapt their product offering to suit local particularities. Their expertise also makes use of the Group's support functions and structural organisation that encourages the sharing of experience from in the field (see pages 85 *et seq.*).

Our competitors: a range of players

Manutan must stand up to competition from many sources, be they B2B distance sellers, retail and or wholesale outlets, specialist or generalist distributors:

- **general players**: TAKKT (a German company—listed on the Frankfurt stock exchange), Schäfer Shop (Germany) and AJ Produkter (Sweden);
- **specialist players**: **office furniture and supplies**: Staples, Bruneau (France), Viking (USA), Neat Ideas (UK), Printus (Germany); **maintenance, and health and safety products and equipment**: Bernard (France); **packaging provisions and hardware**: Raja (France); **signage**: Seton (UK); **specific offering for local authorities**: UGAP public purchasing (France);

- **traditional industrial distribution**: Descours & Cabaud, Rexel, Retif in France;
- **the large variety of offerings for business supplies** available over the Internet through marketplaces, sharing networks, and traditional competitors' e-business merchant sites.

Group strategy

Driven by its innovative vision for distribution, the Group is reaffirming its conviction and its priorities for the years to come. Developments in the market and feedback on the expectations of companies and local authorities confirm the appropriateness of our multichannel strategy.

A renewed ambition

Manutan's ambition is to deliver its customers competitive and reliable products, through accessible, fast and global solutions that allow our customers to focus on their core business.

5 strategic priorities

1 Emphasising the multi-channel strategy and developing local relationships with our customers

The multichannel strategy deployed by the Group depends on three objectives:

- capitalising on the multichannel distribution offered by the Group: paper catalogues, online, sales agencies and sales forces;
- developing e-commerce, which is a major growth lever for:
 - offering an ever-greater range of products online,
 - finding thousands of new customers at minimal cost,
 - personalising customer relations, through electronic order management,
 - offering innovative solutions through new media, such as mobile applications, 3D viewing, augmented reality, etc.;
- building on our close relationship and the trust of our customers, by making each sales contact a unique moment. This will allow the Group to add to its front office services to offer more advice and assistance and to position itself as a true partner.

2 Strengthening the “One-stop shop” positioning

The Group is strengthening its “One-stop-shop” strategy to offer its customers a simple, fast and efficient solution that allows them to:

- access a large range of preselected, appropriate and competitive products;
- reduce their order times;
- facilitate the order process by adapting it to their organisation;
- reduce the overall cost of purchase.

The Group is adapting and changing its organisation to continue its dynamic growth, particularly in the areas of high potential. Driving and managing key business lines—such as purchasing policy or web marketing—is a priority, in order to encourage cross-functional initiatives, facilitate discussions and create real synergies.

3 Harmonising the range of solutions and rationalising purchases

Sales teams pay attention to the changes in their customers' needs and are close to their markets. This allows them to focus their efforts on referencing new products and launching innovative services. They are careful to always offer suitable products that are well positioned in terms of quality and cost. To allow our customers to have access to high quality products at competitive prices, Manutan is also committed to bulk purchasing and rationalisation: in 2017, the Group had around 100,000 stock items for the harmonised area. Manutan has also developed its own range of products to meet the daily needs of its customers with quality at the right price.

4 Industrialising our growth model at the European level

Manutan's European development depends on the implementation of central functions (communication, finance, IT, etc.), the deployment of Group wide operational tools, and the sharing of best operational practices. A large-scale restructuring project has begun to optimise and standardise the procedures within business lines, ensure efficient management of operations and encourage communication between different countries through the implementation of an information system (ERP). This industrialisation of processes allows us to aim for operational excellence, by optimising supplies, commercial efficiency, financial management and customer relations.

5 Making the Manutan brand a benchmark in Europe

Alongside its development strategy, the Group is committed to a far-reaching brand management project at a European level, which will be deployed over several years. The makeover of the graphic identity in 2013 was a first step, with a more modern, up to date logo that communicates values such as responsibility, diversity and the desire to advance as a team. Manutan is set on becoming a European benchmark brand. However, subsidiaries that deal with specialists will retain their own brand.



Social, societal and environmental responsibility

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As a major player in multichannel distribution, Manutan intends to act responsibly with regard to all its stakeholders. The Group is committed to a social, societal and environmental approach that is illustrated every day by real actions. Maintaining the balance between man and the environment is at the heart of our priorities in our professional activities and in all of our operations.

Our CSR reporting methodology

Manutan's CSR reporting approach is based on articles L. 225-102-1, R. 225-104 and R. 225-105 of the French Commercial Code.

Reporting period

The data collected covers the period from 1 October in the year N-1 to 30 September of the year N. The data is reported annually.

Scope

The consolidation method for the scope of CSR reporting is global integration (the data are 100% integrated).

The Manutan Group operates exclusively in Europe. Although local particularities exist, European countries present a certain level of homogeneity with regard to economic, social, cultural, and environmental matters. The methodology and definition of the indicators are therefore identical throughout the whole of the chosen scope.

The main CSR indicators are published every year in the Group Reference Document, which is available on the website www.manutan.com.

With the exception of the particularities given hereafter, the social, corporate and environmental data presented concern the Group's seven main subsidiaries located:

- **in France:**

- ESU Manutan [economic and social unit], including: Manutan SA, Manutan International SA, Association du R.I.E. (inter-company restaurant association) Manutan,
- Manutan Collectivités SAS,
- Sports & Loisirs SAS;

- **in the UK:**

- Key Industrial Equipment Ltd,
- Rapid Racking Ltd;

- **in Belgium:**

- Manutan NV;

- **in the Netherlands:**

- Manutan BV.

Overall, these seven subsidiaries account for 71.3% of the Group's turnover and therefore give a representative vision of the data, other than for the "average workforce" and "remunerations" that cover all of the Group's activity.

The entities that are not included in the CSR reporting scope are those entities of a small size that do not have the resources to allow them to collect the CSR data in the following areas: Central Europe (Germany, Switzerland), Eastern Europe (Czech Republic, Slovakia, Hungary, and Poland), and Southern Europe (Portugal, Italy, and Spain).

The expansion of the scope covered by CSR will only be possible from the 2017-2018 financial period, as soon as the deployment of the technical resources is in place for the legal entities to collect the CSR information.

Choice of indicators

The indicators have been chosen with regard to the social, environmental and corporate impacts of the activities of the Group's companies and the risks associated with the professional challenges confronted.

Consolidation and internal control

Data are collected in a centralised manner or from each entity included in the scope of CSR reporting from the following sources: HFM consolidation software, extractions from the payroll management system, Excel monitoring sheets, invoices, etc. The qualitative information is for its part collected in a centralised manner by the Management of the Manutan Group.

External audits

Pursuant to the regulatory obligations of Article 225 of the Grenelle 2 law and its application decree of 24 April 2012, the Manutan Group has, from 2012/2013, asked its Statutory Auditors for a report including a certificate of the inclusion of the information that must feature in the Management Report, and a reasoned opinion on the accuracy of the data published.

Non-applicable information required by the regulations

In view of the activity of the Group, some areas of information have been identified as being irrelevant. These include in particular:

- land use → this use is restricted to the areas where our buildings are located;
- adaptation to the consequences of climate change → due to the areas where the Group is implanted in Europe, the potential risks related to climate change that may impact its facilities seem to be limited;
- protecting biodiversity → due to the very limited footprint of the Group's facilities, the impact of the activities on biodiversity appear to be insignificant;
- actions to fight against wasting food → as almost none of the Group's companies have a company canteen.

Methodological limitations and particularities

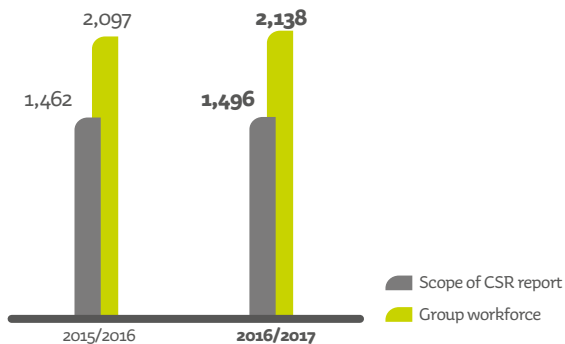
- The workforce is calculated based, on the one hand, on the average for the financial year, in equivalent full-time hours paid.
- The average workforce is calculated as a mathematical average over 12 months of the average workforce in full-time equivalent.
- On the other hand, the statistics relating to the workforce are based on the number of employees present and paid as at 30 September. Employees who joined the Company at the end of September but are paid from October are excluded from this figure.
- Data on absenteeism are calculated in calendar days.
- The hours worked used to calculate the frequency and seriousness rates are calculated as follows: the mathematical average of all the entities in average weekly hours worked × average employed workforce × 52.
- Training data only covers the subsidiaries DREDA, CASAL, MCO and the Netherlands. Hours of training covers 83% of the Group's workforce.
- The indicator regarding the quantity of waster produced is published for the first time of the 2016/2017 financial period and only covers the subsidiary DREDA, *i.e.* 40.29% of the turnover of the CSR scope.
- The Group's water consumption does not include the subsidiary Rapid Racking Ltd. (UK).
- The Group's natural gas consumption does not include the subsidiary Rapid Racking Ltd. (UK).
- For CO₂ emissions associated with the consumption of electricity and natural gas, the following emission factors are used:
 - natural gas:
 - 0.214 kgCO₂eq/kWh GCV (source: European emission factor, ADEME 2014 carbon base);
 - electricity:
 - France: 0.071 kgCO₂eq/kWh,
 - Belgium: 0.211 kgCO₂eq/kWh,
 - Netherlands: 0.413 kgCO₂eq/kWh,
 - UK: 0.450 kgCO₂eq/kWh (source: 2009/2011 averages, International Energy Agency 2013 statistics).

Our social commitments

Employment

Average and non-permanent workforce

The Group's average workforce has increased by 1.92%, and by 2.27% over the CSR scope.



Group workforce: information intended to give a global vision and facilitate comparison with the financial data.

- **Salaried workforce:** includes all the employees with an employment contract, as an average over the financial period.
- **Non-permanent workforce:** includes all interim and/or seconded staff.

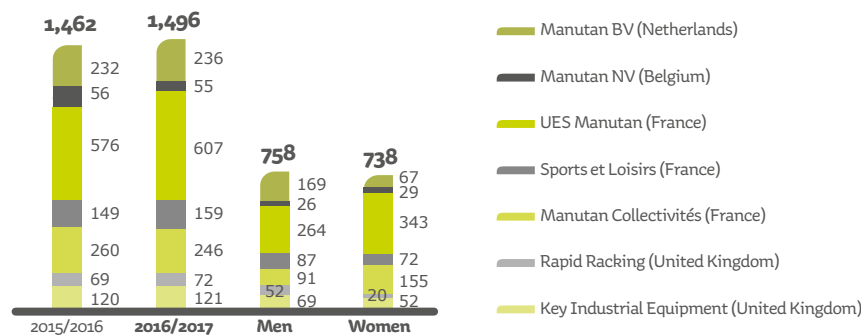
Facilitating internal mobility – The internal mobility policy demonstrates the Group's intention to offer new opportunities to all its employees in order to allow them to succeed in their professional ambitions. This policy aims to promote mobility within all of the subsidiaries, and also between the subsidiaries of the Group. 184 jobs have therefore been published on the Group's intranet (M-life). This mobility is also increasingly inter-departmental: with this in mind, in France, Manutan created "Vis Mon Job" (Try my job), an initiative that allows an employee to try a new profession for a given period.

Workforce present on 30 September 2017 in figures

Workforce present on	30/09/2016	30/09/2017
Executives	433	445
Non-executives	1,029	1,051
TOTAL	1,462	1,496

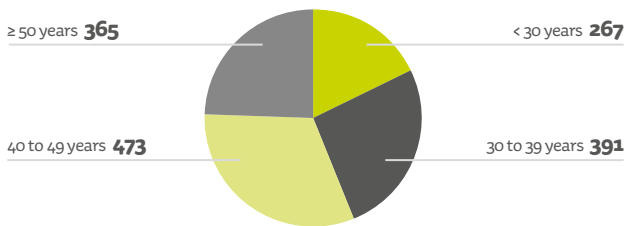
The "male/female" balance is respected overall in each of the subsidiaries

Over the CSR scope, the workforce present on 30 September 2017 has increased by 2% and the male/female balance is respected overall in each of the subsidiaries:



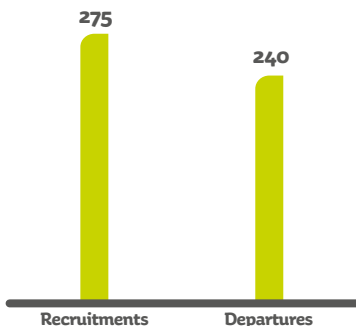
Age pyramid – Although the age pyramid does not give any cause for concern, it still demonstrates that the Group needs to pay attention to career management and recruitment, in order to allow for knowledge transfer.

Age pyramid	30/09/2016	30/09/2017
< 30 years	261	267
30 to 39 years	388	391
40 to 49 years	467	473
≥ 50 years	346	365
TOTAL	1,462	1,496



Employee movements

It should be noted that the Manutan Group has made no economic redundancies.



Recruitments include all the hiring over the period.

Departures include all departures, regardless of the type. Dismissals account for 15.8% of the departures.

Encouraging the integration of employees – Every new employee that joins the Group benefits from an appropriate induction programme, which allows them to discover and experience the Company’s business plan (this programme lasts for more than a month for managers). In addition to presenting the Company and discovering the activities, the new recruit also plays a part in their own integration. This means that they can take the time to understand the Company’s business plan before starting on a new assignment.

Remuneration and changes in remuneration

At a Group level, remuneration has increased by 7%.

2015/2016	2016/2017
111,974,775	119,825,240

The remuneration policy – The Group’s remuneration policy is based on the following factors:

Fixed remuneration: fixed remuneration is related to the level of responsibility and is based on consistent principles within the Group.

Variable remuneration: variable remuneration is aimed at encouraging individual and collective performances for some of the teams, in particular managers and experts.

For “Group” functions, the variable part of remuneration is indexed on the development of turnover and the Group’s pre-tax income.

For “Markets” functions, the variable part also takes into account the development of turnover and the Group’s pre-tax income for the market in question.

The performance objectives related to the Group’s income are set by the Board of Directors.

For other people concerned by variable remuneration, individual objectives are defined each year with their hierarchical manager.

Collective remuneration: collective remuneration is intended to encourage collective performance to the benefit of the Company.

In France, at Manutan’s European Centre and on the companies market, the collective remuneration budget is based on a percentage of the Group’s net income (like-for-like) for the 2016/2017 financial year. It is shared, for one third in an equal manner and for two thirds in a proportional manner between the employees, across the whole workforce (nearly 600 people). This collective agreement applies to all categories of staff and complies with the legal provisions in force, in particular regarding the calculation of social and tax contributions.

Work organisation

Organisation of working time

The organisation of working time, defined in strict compliance with the legal framework of each entity, complies with the legislation and company agreements in force in each country. As the Group operates exclusively in Europe, there are no major differences between the countries. The weekly working times are therefore between 34 hours (Manutan Collectivités in France) and 40 hours (Key and Rapid Racking in the UK).

Due to the highly seasonal nature of the activity in the local authorities market in France, Manutan Collectivités has, pursuant to regulations and by agreement with the staff representatives, implemented modulated working hours with low weeks (29 hours) and high weeks (46 hours). In December 2016, Sports & Loisirs reached an agreement on an annual total of working hours of 1,607 hours (for the period from 1 February of the year N to 31 January of the year N+1).

8.6%

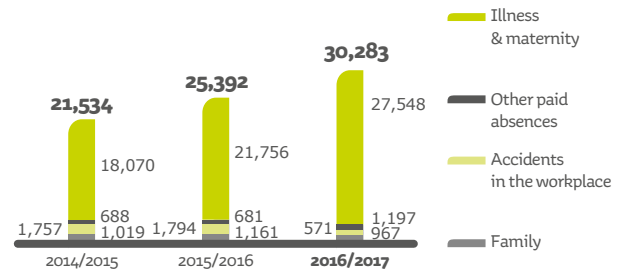
The number of employees on fixed term contracts remains low

Overall, for the scope of this report, part-time staff account for 6.8% of the workforce, most of which are based in France and Benelux.

Workforce present on	30/09/2017
Work/Study sandwich contracts	28
Part-time employees	101
% of permanent contracts	91.4%

Absenteeism

Absenteeism is monitored by all the entities of the Group as an indicator of the management of the business. It represents the number of calendar days of absence of the salaried workforce over the financial period.



Social relationships

Organisation of employee relations

The management of each entity is responsible for assisting the Company with its intention to gradually develop its social commitment, whilst sustainably developing its economic activity.

Building social policies is based on a regular dialogue with social partners from each entity.

In France, Manutan has an ongoing dialogue with the Trade Union Organisations and the Institutions Representing Personnel, which accounts for 69 elected representatives within the subsidiaries included in the CSR scope:

- Works Council (*Comité d'Entreprise* – CE);
- Staff representatives (*Délégués du Personnel* – DP);
- Health, Safety and Working Conditions Committees (*Comité d'Hygiène, de Sécurité et Conditions de travail* – CHSCT).

In the Netherlands, there is a Works Council made up of five employees.

A Group Committee (renewed in part following the most recent staff elections) has been in place since September 2010. It is made up of a delegation of employees made up of four members of staff. It meets once a year.

Agreements are reached regularly considering the impact they would have on the Group's economic performance and the working conditions for employees.

The other companies have not yet signed any collective agreements.

Review of collective agreements

An overview of the collective bargaining agreements is given in this table:

Subject	Scope	Signature
Mandatory Annual Negotiations	ESU Manutan (Manutan economic and social unit) Manutan Collectivités	December 2016 March 2017
Agreement on reducing working hours	ESU Manutan	December 2014
Adjusting working hours	Manutan Collectivités Sports & Loisirs	April 2011 December 2016
Chosen part-time work	ESU Manutan	December 2011
Working time accounts	ESU Manutan	December 2011
Professional equality between women and men	Manutan Collectivités Sports & Loisirs ESU Manutan	April 2015 In progress July 2017
Seriously ill children	Manutan Collectivités	January 2012
Inter-generational agreement	ESU Manutan	July 2017
Agreement regarding the French "Generation Contract"	Manutan Collectivités	January 2017
IT service on-call shifts	ESU Manutan	July 2017
Company Savings Scheme	ESU Manutan	September 2012/ amendment of Dec. 2016
Company Savings Scheme	Manutan Collectivités	February 2010
Collective Pension Scheme	ESU Manutan	September 2012/ amendment of Dec. 2016
Overriding profit sharing	ESU Manutan	December 2013
Profit sharing	Manutan Collectivités	February 2010/ amendment of June 2017
Quality of Life at Work Agreement	ESU Manutan	July 2017
GPEC Agreement	ESU Manutan	July 2017
Agreement on the allocation of meal vouchers	Manutan Collectivités	April 2017

Health and safety

For several years, the Group has been committed to an approach of continuous improvement regarding the physical and mental health and safety of its employees. This consideration contributes to employees' well-being, but also improves the company's image. It is an undeniable performance motivator, and a solid base for quality of life in the work place.

Health and safety conditions in the workplace

Manutan includes its prevention approach as part of its social dialogue. In France, a Health, Safety and Environment division (HSE) was created in 2010 as part of the Group's Human Resources Department. This organisation that is dedicated to employee well-being helps to identify the specific professional risks for the Group's business lines and to create a real prevention approach:

Measuring and analysing the hardship of work – Since 2011, studies have been regularly undertaken by the HSE division with an ergonomist from the Occupational health service of the Val-d'Oise regarding muscular-skeletal issues. In 2012, a study was performed for acoustics with an

engineer from the Occupational health service, particularly for the logistics activities. The results of these studies did not reveal any discrepancies with the standards in force.

The HSE division has already made progress with analysis of the hardship factors. An analysis of the situations where employees are exposed to hardship was conducted and the conclusions of this study show that the Company's workforce is not exposed to any risk that may leave lasting and irreversible traces on their health. In this regard, Manutan has contributed to the construction of the professional repository for the branch prepared by the *Union Professionnelle des Entreprises du Commerce à Distance* (UPECAD – French Professional Union for Distance Selling Companies) in the context of the implementation of the professional account for preventing hardship that is authorised for a duration of five years from 2 May 2017.

Improving ergonomics and comfort in workstations

In France, the opening of the Group's European Centre in Gonesse, in 2011, offered an opportunity to review and improve the ergonomics of the workstations and the health

and safety practices for the 607 employees on the site. The site was designed using a High Environmental Quality approach and places well-being at the heart of the working environment: the 9,500 m² administrative building has been built around a sheltered patio and hosts 499 people. The building has remarkable insulation thanks to a triple glazed facade and integrated blinds.

In the tertiary building, in 2017, Manutan reorganised the Marketing offices on the first floor to suit the new ways of working and to act as a showcase for our products catalogue. The ergonomics of the workstations was fully reviewed with ergonomic seats and height adjustable furniture, as well as improved acoustics thanks to noise-proof partitioning walls.

Improving working tools – In France, the logistics platform requires permanent attention due to all the actions on the logistics chain (incoming flows, outgoing flows, preparation, organisation, deliveries, etc.) and the time-scales. The implementation of a filming solution for flat products with pneumatic stapling machines to close boxes, or the modernisation of the pallet preparing station improved conditions for employees.

Acting in a preventive manner – Consideration of risk prevention in the workplace has led to the development of tools, with the Health, Safety and Working Conditions Committees (*Comité d'Hygiène, de Sécurité et Conditions de travail* – CHSCT): a single dynamic document for assessing professional risks, cause tree analysis for accidents with absence, the implementation of annual distribution of working clothes and personal protective equipment, in particular against the cold.

At the same time, the HSE manager is attending workshops on preventing muscular-skeletal risks with ergonomists. The Company is therefore committed to long-term actions. It should also be noted that purchasers and the HSE division take the needs of warehouse employees into account to offer new protective equipment that is suited to their needs.

Encouraging participation in sport – The 1,000 m² Sports Centre is an essential part of the Group's European Centre. It allows employees to regularly indulge in physical activity with the assistance of specialist coaches. More than 30% of employees have signed-up for one of the ten activities offered by the Sports Centre.

Continuing in the area of prevention, Manutan has signed a partnership with France's biggest school of osteopathy (ESO), which offers a free check-up and regular sessions to all of the employees based in France and preferential rates for appointments. This service is managed by the concierge service based at the European Centre.

All of these actions are aimed at **reducing the number of accidents in the workplace.**

An overview of the health and safety collective agreements

Preventing harassment in the workplace – In order to ensure the physical well-being and to protect the mental health of employees during their professional work, a new Anti-Harassment Charter was signed in April 2014 at the European Centre and a special committee was formed. After hearing from the protagonists, a Workplace Harassment Mediation Committee seeks an amicable solution to any ill feeling and other conflicts that may have a detrimental effect on the working environment, without commenting on the legal grounds of the underlying facts.

Over the 2016/2017 financial year, the internal rules and the sports charter were updated.

The Code of Conduct for preventing corruption based on the French Sapin Law is once again appended to the internal rules in order to regulate wrongdoing.

Additions and amendments covered in particular electronic cigarettes, identifying drug abuse issues, preventing sexist behaviour, and the use of company vehicles and personal vehicles for professional needs.

Accidents in the workplace and occupational illnesses

Over the financial period, two occupational illnesses have been declared in France.

For details of workplace accidents, the Group provides the following figures for more than one day's absence:

	2014/2015	2015/2016	2016/2017
Number of workplace accidents with > 1 day's absence	47	37	20
Frequency rate	16.5	13.6	7.2
Seriousness rate	0.62	0.66	0.21

In addition to the proactive policy intended to ensure safety within the Company, in particular in the warehouses, the Group compares its data with the AT-MP statistics from the French Social Security Service, published by the INRS:

Workplace accidents	2014	2015	2016
Frequency rate	22.9	21.9	22.3
Seriousness rate	1.4	1.2	1.0

Training

Training policies

Manutan College – In order to give itself the means to achieve its ambitions, the Group created its own University and invests a large amount in training.

Manutan University covers over 1,000 m² over three levels and is based at the Company's European Centre in France. The University is central to the Company's development, it creates the conditions that allow employees who so wish to:

- understand and share the Company's strategy and commitments;
- build on their professional expertise;
- develop team spirit.

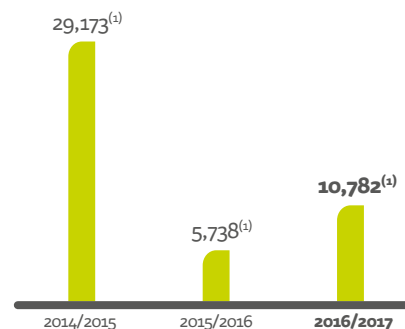
Manutan University is open to all of the Group's employees. It offers customised programmes and a range of training sessions, which favour and strengthen the bonds between employees. The University makes full use of a Cultural Centre and Sports Centre, which allow any employee to regularly partake in physical activity according to their aptitude and their progress objectives.

In 2016/2017, training was essentially concentrated on improving expertise and skill-sets and assisting management in this process.

The training courses available are therefore aimed at promoting professional expertise—directly related to the skills required to perform an employee's role (Manager training: 220 of the Group's managers were given 8.5 days' training), Category Manager (120 people were trained, in particular Product Managers). The Manager training included a spotlight on the Path to Excellence.

Also, since 2016, training for personal development has also been implemented, particularly on managing emotions.

Over the 2016/2017 financial period, the cost of training accounted for 1.7% of the payroll.



(1) Following scope: DREDA, CASAL, Manutan Collectivités.

Total hours of training

Equal treatment

Anti-discrimination policy

Taking into account the diversity of its business lines, the profiles recruited and the number of its employees, the Manutan Group aims to combat all forms of discrimination. The Group's main areas of action concern origin, gender, handicap, age, sexual orientation, religious diversity, etc.

One of the strategies of the Group's human resources policy is to respect each individual for who they are and "to make our differences make a difference".

Measures taken to promote equality between men and women

The Group intends to reinforce equality between women and men through a proactive policy in this area.

At the ESU, a new agreement about professional equality was negotiated with the social partners in 2017, and a new action plan was implemented. The areas of work are mostly focussed on pay, recruitment, professional advancement and working and employment conditions. For example:

- analysing and monitoring changes to pay over several years for women and men, with appropriate adjustments where applicable;
- performing a systematic analysis of pay during recruitment and professional mobility;
- women's access to managerial positions;
- adjusting working time for pregnant women;
- considering the stage of a woman's pregnancy in daily working life (working from home, adapting the workstation at the warehouse, etc.);
- a return to work meeting after an absence for family leave or absence of more than 4 months.

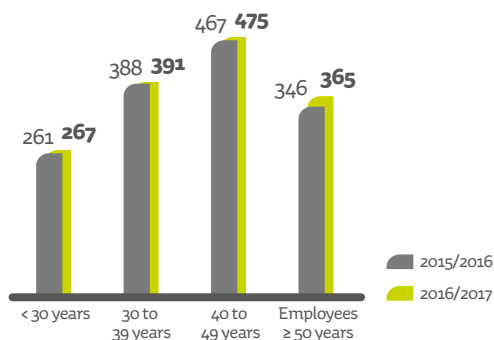
Since 2011, Manutan's European Centre has signed an agreement to provide 20 cradles for employees at an inter-company crèche—that follows an environmentally friendly approach (food and cleaning products)—less than 800 m from Manutan's head office.

Measures taken to promote employment and professional integration of the disabled

Initiatives to help young people and seniors

The subsidiaries covered by the scope of this report employ 267 young people aged less than 30 and include 28 employees with work/study sandwich contracts as at 30 September 2017.

People aged more than 50 account for 365 employees as at 30 September 2017.



At the European Centre (France), a new professional equality agreement was negotiated with the social partners in 2017. The areas for work include integrating young people, employing workers over 55 years of age, and the transmission of strategic expertise, for example:

- developing sandwich contracts and internships;
- monthly monitoring meetings with young recruits by the manager during their first months on the job;
- digital workshops with a focus on employees aged 55 and over;
- gestural and posture training for employees aged 55 and over;
- people reviews.

The Group also carries out **ongoing talent monitoring**. At every level in the Company, the deployment of assessment tools has been generalised, annual appraisals and people reviews by Managers, contribute to the system for continual talent spotting. These tools have made it possible to introduce greater objectivity and better customisation in decisions regarding career management, remuneration and acknowledgement.

At the same time, a project regarding strategic skill sets in relation to the Business Plan 2020 was launched in February 2017. It is intended to ensure that the Manutan Group has the necessary expertise to achieve its ambitions.

Employing disabled people

Over the scope of this report, in France, **there are 24 employees with a handicap at the ESU, 12 employees at Manutan Collectivités and 31 employees were declared in the Netherlands. They account for 4.48% of the workforce. The national employment rate is higher than 4% for the French subsidiaries.**

The Group is naturally committed to an approach regarding handicapped workers. To consider the attitudes to adopt and the behaviour to be encouraged, some of the Group's subsidiaries have called upon reference organisations to develop or to advertise their commitment:

- **in the Group**, one of the strategies of the human resources policy is to respect each individual for who they are and "to make our differences make a difference". Manutan is continuing its partnership with the SAMETH—whose role is to inform, advise and assist Manutan and its employees in finding solutions to keep people in work and if necessary apply any useful financial assistance from AGEFIPH, and ALTHER that studies the most realistic actions to be implemented by the company to fulfil its employment obligation;
- **in France**, following a partnership with the AGEFIPH (French fund management organisation for the professional integration of the disabled), Manutan manages its Disability policy independently. The French subsidiaries also entrust some of their activities, such as recycling computer hardware, work on green areas, and sign language for the deaf, to subcontracting with EA (Adapted Companies) or ESATs (French Institutions and Services for Work-Based Assistance);
- **Manutan France** has also supported the *Mécénat Chirurgie Cardiaque* Association (French Heart Surgery Patronage Association) for the last three years by offering free storage space at the Gonesse warehouse to stock the products offered by its partners for its Christmas Market;
- **in the Netherlands**, Manutan has created a partnership with three schools specialised in assisting mentally handicapped young people. The local entity hosts students to help them to learn about the world of work. Employing handicapped people is a priority with the implementation of assistance for employees in this position.

All these actions highlight our ethical and social commitment to integrating people with a handicap and helping them to find their place at work.

Promotion of and compliance with the ILO's Core Conventions

The Group is committed to complying with the principles of the **International Labour Organization's Declaration** on fundamental principles and rights at work. Manutan undertakes to comply with national and local social regulations, regarding the minimum age for workers,

refusing forced labour and abusive disciplinary practices, preventing discrimination, supporting the freedom of association and of the right to collective bargaining, working hours, remuneration, and health and safety.

Our societal commitments in favour of sustainable development

Regional economic and employment impact

In terms of employment and regional development

Manutan's location in the suburbs of Paris in Gonesse (Val d'Oise), for more than 40 years, demonstrates **the Group's intention to favour local development**. Located at the heart of an area that is confronted by certain difficulties regarding employment, the Company hopes to allow people who for example have a low level of qualifications to enter the corporate world. More than 46% of the employees in the CSR scope live in neighbouring areas.

On local and neighbouring populations

A major part of the Group's activities is located on the edge of urban areas (Paris, Amsterdam, Southampton, Gothenburg, Ostrava, etc.), in business lines suited to logistics activities, which require storage space. As a result, **the impact on neighbouring and local populations is very limited**.

Relationships with stakeholders

Maintaining sustainable and transparent relationships with stakeholders – For many years, the Group has strived to build a regular and constructive dialogue with its stakeholders at a local and nation level, in all of the countries where it operates. It favours an open dialogue, which aims to develop innovative projects or partnerships. Modes of dialogue vary according to the stakeholders in question, at the level of each entity or at a Group level.

From 2016, the implementation of a new Group Human Resources Division will make it possible to monitor the different actions undertaken in this area by all the subsidiaries.

EXAMPLES OF STAKEHOLDERS

Stakeholders	Main forms of dialogue
Employees	<ul style="list-style-type: none"> ■ Regular internal communication actions (intranet), intended for all the subsidiaries ■ A number of communication screens around all of the European Centre (France) ■ Regular meetings between the Executive Management and all the employees, with plenary sessions organised
Social partners	<ul style="list-style-type: none"> ■ Regular discussions with the staff representative bodies ■ Signature of collective bargaining agreements with the Trade Union Representatives
Shareholders, investors	<ul style="list-style-type: none"> ■ Half-yearly meetings with the financial community, when the Group's results are published ■ Quarterly communiqués and publications in the economic and financial press, available on the www.manutan.com website ■ Financial statements available on the www.manutan.com website, in French and English, to present the Group's development and communicate the financial and stock market information
Customers	<ul style="list-style-type: none"> ■ Commercial websites ■ Communication on the social networks ■ Customer satisfaction surveys ■ Regular publications to promote the Group
Public and local authorities	<ul style="list-style-type: none"> ■ Member of the Val-d'Oise Corporate Movement Organisation
Partners	<ul style="list-style-type: none"> ■ A member of the French Distance Selling Companies Federation (<i>Fédération des Entreprises de Vente à Distance</i> – FEVAD)

Sub-contracting and suppliers

Inclusion of social and environmental issues in procurement policy

Considering its activities as a distributor, the Group has an approach to social responsibility that goes beyond internal practices and also includes the risks and challenges related to its supply chain. The Manutan Group operates mostly in Europe and **purchases almost all of its products from European suppliers**, which greatly reduces the risks related to the fundamental provisions of the ILO.

However, an audit is conducted for the share of products sourced directly in Asia (less than 10% of total purchases) through regular inspections of production sites by the Manager of procurement.

The importance of sub-contracting, and of taking suppliers and sub-contractors' social and environmental responsibility into account when dealing with them

Subcontracting is the process through which a businessman assigns, under their own liability, by means of a subcontracting agreement, all or part of the performance of a contract or a public contract concluded with a contractor to a third party, known as a subcontractor.

The Manutan Group does not use subcontractors according to this definition. The Group does outsource some activities such as transport but these services are not covered by a subcontracting agreement.

Fair practices

Measures taken to prevent corruption

The Group's Internal Control division does not carry out any specific awareness raising actions with the Group's subsidiaries as the risk appears to be low in view of the geographical areas where our subsidiaries operate (EU).

Measures taken to promote consumer health and safety

The quality and safety of the products are absolute priorities for the Group for all products, including its own brands.

90% of our merchandise is purchased from European suppliers. For products sourced in Asia (the remaining 10%), specification sheets are systematically drafted to serve as a reference for inspection by sampling of the products in containers. For EC regulated products, laboratory tests are carried out (technical compliance, marking, product documentation).

Other

Measures taken to promote human rights

The Group is committed to complying with the principles of the Human Rights Declaration.

Our environmental commitments

General policy

The Manutan Group has three priorities in the environmental area:

- reducing greenhouse gas emissions;
- improving energy efficiency;
- reducing and recycling waste.

The organisation of the Company to take environmental issues into account, environmental assessment or certification procedures and the means given over to preventing environmental risks and pollution

The Manutan Group has a proactive policy regarding the environment. In order to prevent and limit the environmental risks of the Group's activities, the Health, Safety and Environment division (HSE) manages environmental priorities, coordinates the sharing of best practices and monitors actions plans.

This division deploys a **continuous improvement approach** to the Group's environmental performance, based on specific local working groups.

The Manutan European Centre, the emblem of a commitment to the environment

Because the Group gives itself the means to meet its objectives, the European Centre is now an emblem of its

environmental commitment: 13.5 hectares, 41,000 m² of warehouses, 9,500 m² of offices, a university, a company restaurant, a Sports Centre and a concierge service, which are all certified as being of High Environmental Quality. Manutan's European Centre was one of the first sites in France to have double HEQ certification (construction and operation) for the high environmental quality of its tertiary and logistics areas.

This HEQ design is equipped with a system that allows the Company to optimise its energy resources in several areas:

- recovering rain water for toilets;
- infra-red taps, and economic flushes;
- using economic light sources;
- green roofs for thermal and acoustic comfort;
- excessive thermal and acoustic insulation of areas;
- triple glazing, which provides perfect insulation;
- nightcooling technology, which makes it possible to purge the heat accumulated in the building and introduce cool air from outside;
- Centralised Technical Management, which manages all of the buildings (temperature, lighting, air renewal, monitoring, etc.);
- heating and cooling of ambient air using geothermal technology⁽¹⁾ distributed by a network of heat-emitting panels;
- a car park for electronic vehicles with charging terminals.

Developing certification initiatives

The Group encourages its entities to carry out certification procedures wherever this can add value. In this way, the activities of many of the Group's large size companies have been certified, particularly regarding environmental aspects.

Certifications	ISO 14001	HEQ construction	ISO 9001
European Centre (France) Manutan SA (France)		Since September 2011	Since December 1996
Manutan BV (The Netherlands)	Since April 2015		Since March 2014
Key Industrial Equipment Ltd (United Kingdom)	Since 2004		Since 2002
Manutan Collectivités SAS (France)			Since 1997
Rapid Racking Ltd (United Kingdom)	Since August 2010		Since July 1991

(1) Geothermal technology is sourced by pumping from the water table at a depth of 57 m. The water there is at a temperature of 13 °C and goes through heat exchangers to exchange energy with a heat pump. The water is then discharged via a second well.



Employee training and information on environmental protection

Offering and promoting environmentally responsible products

Selecting high quality products has always been a major preoccupation for the Group.

The "Lili" children's furniture range – In 2012, in France, Manutan Collectivités launched "Lili", a range of ecological furniture for young children, developed with ESAT (vocational rehabilitation centre) in Aiffres (Deux-Sèvres). This partnership is part of a real-world approach to sustainable development, on an environmental, social and local level. The "Lili" collection is designed to be fun, ergonomic and even safer and healthier for children. It favours employment through its use of natural resources and uses less toxic wood that is less fragile for use. Made from materials that emit few Volatile Organic Compounds (VOC) and from panels that emit little formaldehyde, beyond the regulatory requirements (NF Crèches, NF Environnement, etc.), this range also contributes to improving the air quality in establishments for young children.

Raising employees' awareness

As employees are the primary participants in the Group's environmental approach, a number of awareness raising actions about the issues of sustainable development are organised.

Training employees in environmentally friendly driving – Several companies in the Group (Manutan Collectivités, Sports & Loisirs, and Manutan SA in France) carry out actions to educate employees about eco-driving. In Scandinavia and the French subsidiaries, the Company's policy is to offer low pollution and/or hybrid cars to employees who are entitled to a Company car.

Encouraging waste sorting and recycling – In France, the concierge service encourages responsible behaviour by providing employees with an area to sort their waste and to recycle batteries and bulbs. Recycling is carried out by State approved environmental organisations. Major efforts are also taken to encourage the sorting of waste paper, bottles, etc. Finally, low energy bulbs are used in internal areas and external lighting is reduced to identified needs.

Employees in warehouses are regularly reminded about waste sorting and the impact that this can have on our environment.

An outlet for recycling pallets was implemented during the year.

Here is the tonnage, per category of waste, which represents the waste sorting for just the DREDA site over the 2016-2017 financial period:

Category	Tonnage 2016/2017	Total recovery 2016/2017
Cardboard + Paper + PE Films	136.22	78.11%
Non-hazardous industrial waste + Bulky items	69.62	
Wood A	167.06	
Metalwork	34.10	
Glass	1.44	
Catering	27.12	

Amount of provisions and guarantees for environmental risks

A "pollution and damage to the environment" guarantee is included in the Third Party Liability insurance policy intended to cover the Company against any environmental risks. Over the financial period, the Group has not made any provisions or paid any compensation in this regard.

Pollution

Measures to prevent, reduce or remedy discharges into the atmosphere, water, and soil that severely affect the environment

In France, on the site of the European Centre in Gonesse, the plants on the banks of the roads carrying lorries have been selected due to their properties for absorbing hydrocarbons in order to avoid infiltration into the soil. In this way, two planted strips run all the way around the site to increase efficiency.

Also, in France, Company vehicles are selected according to their CO₂ emissions that must be lower than 125 g. A hybrid vehicle is systematically offered for every category of vehicles.

No measures have been taken at this time in the other entities in the scope.

Taking noise nuisance and any other pollution specific to a business activity into account

The noise pollution caused by the Group's activity is limited due to several initiatives: opening warehouses from 7 am until 9 pm, receiving merchandise in the morning and delivering to customers during the day, on working days. Acoustic studies have been carried out regularly in warehouses, particularly near to areas where products are loaded and unloaded. These have never revealed any values higher than the standards in force.

Circular economy

Waste prevention and management

Waste prevention, recycling, reusing other forms of recovery and elimination measures

Promoting selective collection and recycling – The main items of waste produced by the Group's operations are cardboard, plastic and paper. Practically all Manutan Group subsidiaries have put in place a strategy of selective waste collection and recycling in accordance with local regulations. In the Netherlands, for example, 50% of packaging received from suppliers is reused in-house.

In France, a project team has been working since the summer of 2015 on optimising paper consumption and recycling wooden pallets, with the aim of bringing about a real change in the business culture.

Encouraging responsible consumption – The Group's European Centre has implemented a generalised distribution of mugs and cloth napkins, to raise awareness with employees and greatly reduce the consumption of plastic cups and paper serviettes. Furthermore, all of the multifunction printers in the pool in France have been set to print in black and white and on both sides of paper by default.

Developing electronic invoicing – Upstream actions have been taken to avoid or reduce producing waste. The Group is therefore developing electronic invoicing to an ever greater extent: Dutch or French customers and those of Rapid Racking in the United Kingdom can now opt for electronic taxation. In the Netherlands, 80% of invoices have been sent by email, a rate that hits 94% for Rapid Racking.

For several years the Company has been working on optimising the production of its catalogue in order to reduce costs and the environmental impact:

- **the use of certified paper:** the design of the catalogues, which is mostly centralised in France, favours the use of certified paper (PEFC or FSC). The PEFC (Program for Endorsement of Forest Certification) or FSC (Forest Stewardship Council) certifications cover all of the forestry chain. Applying this label to a product guarantees that it has been produced using wood from a sustainably managed forest, based on the three principles that the forest must be: ecologically adapted, socially beneficial and economically viable;
- **a paper producer that is committed to an environmental approach:** the Group's main paper supplier takes the following actions to preserve natural resources:
 - guaranteeing the source of fibres,
 - reducing water consumption and CO₂ emissions,
 - chlorine-free bleaching,

- limiting and managing waste,
- optimising rail or waterway transport depending on the location of sites;
- **a responsible approach.** For its part, the Manutan Group undertakes to:
 - print on high environmental quality sites (using plant based inks, water recycling programmes, producing their own energy, etc.),
 - select the thinnest paper (35 g), reducing the volume of paper consumed (less transport and fewer raw materials),
 - use graphic style guides that are designed to use less ink, smaller formats (optimising page layouts),
 - send any catalogues that have not been distributed to another customer.

For the 2017 catalogue, we kept a smaller format in order to optimise the quantities distributed (-7% compared with 2016).

Water consumption and supply depending on local constraints

The Group's activities mostly use water from local networks, and mainly for sanitary uses.

At the European Centre, in France, rainwater is recovered and used for sanitation.

WATER CONSUMPTION

Water consumption	2014/2015	2015/2016	2016/2017
In m ³	14,713	13,408	15,262

Consumption of raw materials and measures taken to improve how efficiently they are used

As its business is as distributor, the Group does not directly consume raw materials, but it undertakes to offer and promote environmentally friendly products.

Energy consumption, measures taken to improve energy efficiency and use of renewable energy

Improving the energy efficiency of the Group's premises is a priority. The three main items of energy consumption (essentially electricity and gas) are lighting and heating for offices and warehouses, and recharging the batteries of the fork lifts used to handle products.

Stabilising energy consumption

ELECTRICITY AND GAS CONSUMPTION

Electricity consumption	2014/2015	2015/2016	2016/2017
<i>In kWh</i>	7,363,224	6,965,451	6,885,880
Gas consumption	2014/2015	2015/2016	2016/2017
<i>In kWh</i>	4,206,578	3,573,687	4,118,051

Different studies have been launched to maintain a drive towards energy saving (re-lamping with LED).

Climate change

The significant points of greenhouse gas emissions due to the Company's activity, in particular through the use of the goods and services that it produces

Greenhouse gas emissions

Bilan Carbone® – Two of the Group's largest subsidiaries have initiated a Bilan Carbone® (Carbon footprint analysis). This approach was launched in December 2009 in the Netherlands and in November 2010 for Manutan in France. The aim of these initiatives is to produce an objective vision of the sources of CO₂ emissions so that actions can be taken on the most critical points. Manutan decided to launch a new Bilan Carbone® in 2016 in order to measure the effects of the actions already taken and to define a new action plan for the Group. On a like for like basis, over the 2013/2014 financial period Manutan emitted 6,379 tCO₂eq *i.e.* a decrease of 22%.

The sources taken into account in this Bilan Carbone® are as follows:

- energy: consumptions including electricity, natural gas and fuel oil were taken into account;
- freight: the downstream transportation of merchandise was included. However, due to a lack of information, we have not been able to take upstream transportation into account due to the large number of suppliers and the irregular nature of deliveries and rounds;

- travel: professional travel and commuting from home to work have been taken into account;
- inputs: incoming hardware and consumables and services have been taken into account;
- direct waste: emissions of direct waste and how it is recycled have been taken into account;
- investments: real estate, machines and vehicles have also been taken into account.

The latest carbon footprint analysis showed that CO₂ emissions related to power consumption on the sites, which account for one of the largest causes of emissions, reached 2,435 teCO₂eq for the 2015/2016 financial period.

Report of one of the Statutory Auditors appointed as an independent third-party body on the consolidated social, environmental and societal information provided in the Management Report

Financial year ended 30 September 2017

Dear Shareholders,

In our capacity as the appointed Statutory Auditors appointed as a third party independent organisation, accredited by COFRAC under the number 3-1049⁽¹⁾, for the company Manutan International S.A., we hereby present to you our report on the consolidated social, environmental and corporate information regarding the financial year ending 30 September 2017, presented in the management report (hereafter the "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code.

2

The Company's responsibility

The Board of Directors is obliged to prepare a Management Report including the CSR Information provided for by article R. 225-105-1 of the French Commercial Code, prepared pursuant to the protocols used by the Company (hereafter the "Guidelines"), a summary of which is included in the Management Report and available on request at the Company's registered office.

Independence and quality control

Our independence is defined by the regulatory texts, the professional code of ethics and the provisions provided for by article L. 822-11-3 of the French Commercial Code. Furthermore, we have implemented a quality control system that includes documented policies and procedures aimed to ensure compliance with ethical rules, and applicable regulations and legislation.

Responsibility of the Statutory Auditor

Based on our work, it is our duty to:

- certify that all the required CSR Information is included in the Management Report or, in the event of omission, is subject to an explanation pursuant to article R. 225-105 of the French Commercial Code (Certificate of inclusion of the CSR Information);
- reach a conclusion expressing a moderate assurance that the CSR Information, as a whole, is presented, in all significant aspects, in a fair manner according to the Guidelines (Reasoned opinion on the accuracy of the CSR Information).

It is not however our role to comment on the compliance with other legal provisions that may apply, in particular those provided for by article L. 225-102-4 of the French Commercial Code (Vigilance plan) and by French law 2016-1691 of 9 December 2016, known as Sapin II (preventing corruption).

Our work depended on the expertise of five people and took place between November 2017 and January 2018 over a total working time of about four weeks. We have called upon our experts in the area of CSR to assist us in performing our work.

We performed the work described hereafter pursuant to the French order of 13 May 2013 determining the terms under which the independent third party organisation performs its assignment and the professional policy of the national auditing body—the *Compagnie nationale des Commissaires aux Comptes*—regarding this work and, regarding the reasoned opinion on the accuracy, international standard ISAE 3000⁽²⁾.

(1) Of which the scope is available on www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

1 Certificate of inclusion of the CSR Information

Nature and scope of the work

We have studied, based on interviews with the managers of the divisions in question, the presentation of the strategy regarding sustainable development, according to the social and environmental consequences related to the company's activity and the Company's undertakings and, where applicable, the resulting actions or programmes.

We have compared the CSR Information included in the Management Report with the list provided for by article R. 225-105-1 of the French Commercial Code.

Due to the absence of some of the consolidated information, we have verified that explanations were provided pursuant to the provisions of article R. 225-105 paragraph 3 of the French Commercial Code.

We have verified that the CSR Information covers the consolidated scope, i.e. the Company and its subsidiaries as defined in article L. 233-1 and the companies that it controls as defined in article L. 233-3 of the French Commercial Code within the limits specified in the "CSR Report Methodology Note" in the Management Report.

Conclusion

Based on this work and taking into account the limits given above, we certify in particular that the CSR Information covers 70% of the Group workforce; we certify that the required CSR Information is included in the Management Report.

2 Reasoned opinion on the accuracy of the CSR Information

Nature and scope of the work

We have performed five interviews with the people responsible for preparing the CSR Information from the divisions responsible for the process of collecting the information and, where applicable, responsible for the internal control and risk management procedures, in order to:

- assess the appropriate nature of the Guidelines regarding the relevance, its exhaustiveness, its reliability, its neutrality, and its comprehensiveness, taking into account, where applicable, best practices in the area;
- verify the implementation of a collection, compilation, processing and control procedure that aims to ensure the exhaustiveness and the coherence of the CSR Information and to be aware of the internal control and risk management procedures regarding the preparation of the CSR Information.

We have determined the nature and the extent of our tests and controls according to the nature and the scale of the CSR Information regarding the characteristics of the company, the social and environmental issues of its activities, its strategies regarding sustainable development and best practices in the sector.

For the CSR Information that we considered to be the most important⁽³⁾:

- at the level of the consolidating entity, we have consulted the documentary sources and performed interviews to corroborate the qualitative information (organisation, policies, actions). We have implemented analytical procedures on the qualitative information and verified, based on surveys, the calculations and the consolidation of the data and we have verified that they are coherent and consistent with the other information in the Management Report;

(3) **Social indicators:** Average workforce FTE, Workforce as at 30 September 2017 broken down by sex and age – Number of hires – Number of departures (including dismissals) – Number of days' absence broken down by reason – Number of accidents at work entailing more than one day's lost time – Number of hours worked – Number of hours of training.

Environmental indicators: Electricity consumption – Natural gas consumption – Water consumption – Quantity of waste produced (Non-hazardous industrial waste, untreated "Class A" Wood, Metalwork, Cardboard, Polyethylene paper).

Qualitative information: The organisation of social dialogue, in particular information procedures, consulting and negotiating with staff – Health and safety in the workplace – The measures taken to promote the employment and integration of disabled people – Training actions and information given to employees regarding protecting the environment – Measures for preventing, recycling, re-using and other forms of recovering and eliminating waste – Energy consumption and measures taken to improve energy efficiency and the use of renewable energy sources – The consideration given to social and environmental issues in the company's purchasing policy.

- at the level of a representative sample of the entities that we have selected⁽⁴⁾ according to their activity, their contribution to the consolidated indicators, their implantation and a risk analysis, we have performed interviews to verify the proper application of procedures and to identify any omissions, and the implementation of the detail tests based on sampling, consisting of verifying the calculations made and in comparing the data from evidence. The selected sample represents 41% of the workforce considered as a characteristic scale⁽⁵⁾ for the social area and between 29% and 57% of the environmental data considered as a characteristic scale for the environmental area.

For the other consolidated CSR Information, we have assessed their consistency compared with our knowledge of the company.

Finally we have assessed the relevancy of the explanations regarding, where applicable, the total or partial absence of some information.

We consider that the sampling methods and the size of the samples that we have selected by using our professional judgement allow us formulate a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work. Due to using sampling techniques and the other limitations inherent to the operation of any internal information and control system, the risk of failing to detect a significant anomaly in the CSR Information cannot be totally eliminated.

Conclusion

Based on our work, we have not found any significant anomaly of such a nature as to call into question the fact that the CSR Information, as a whole, is presented in an accurate manner, in compliance with the Guidelines.

Paris La Défense, on 26 January 2018

KPMG S.A.

Anne Garans
Partner
Sustainability Services

Franck Noël
Partner

(4) ESU Manutan in France (DREDA).

(5) See the list of environmental and social indicators referred to in the footnote on page 3 of this report.



Corporate Governance

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Its family structure, and its listed company status since 1985, guarantee the independence, stability and dynamism of the Manutan Group.

Board and Management Bodies

The company's current form of governance as a *société anonyme* (French Public Limited Company) with a Board of Directors, which separates the roles of Chairman and General

Manager has been in place since the decision taken by the General Meeting of Shareholders on 30 November 2011.

Board of Directors

Composition of the Board of Directors on 31 January 2018

It is specified that the Directors elect domicile at the Company's registered office for the purpose of their activities.

CHANGE IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN THE 2016/2017 FINANCIAL YEAR

Date	Change in the composition of the Board	Additions in terms of gender equality, nationality or international experience
General Meeting of 9 March 2017	Appointments of Mrs. Claudine Guichard and Mrs. Benoîte Kneib in the capacity of Directors	These two appointments allow the Company to increase the number of women on the Board to the threshold of 40%, pursuant to French Law No. 2011-103 of 10 January 2011, and to benefit from their experience in the area of corporate strategy



Board members	Family connections with other Corporate Officers	Position/Committee	Age	Nationality	Initial appointment date/ Renewal date	End-of-term year	Number of shares held
André Guichard	Father of Jean-Pierre Guichard, grandfather of Xavier Guichard	Honorary Chairman of the Board (non-Director)	93 years old	French	02/05/1994: Chairman of the Supervisory Board GM 30/11/2011 GM 19/03/2013 GM 13/03/2014 BD 13/03/2015: Honorary Chairman of the Board (appointment) BD 16/01/2017	2019	909,931 in full ownership 1,756,518 in beneficial ownership
Jean-Pierre Guichard	Son of André Guichard, father of Xavier Guichard	Chairman of the Board	71 years old	French	02/05/1994: Chairman of the Board GM/BD 30/11/2011: Chairman of the Board of Directors (appointment) GM/BD 19/03/2013 GM/BD 12/03/2015 GM/BD 09/03/2017	GM 2019	449,196 in full ownership 1,569,746 in beneficial ownership
Xavier Guichard	Son of Jean-Pierre Guichard, grandson of André Guichard	General Manager and Director	45 years old	French	30/10/2009: Member of the Management Board GM/BD 30/11/2011: Deputy General Manager GM/BD 19/03/2013: General Manager (appointment) GM/BD 12/03/2015 GM/BD 09/03/2017	GM 2019	4,500 in full ownership 93,386 in beneficial ownership
Brigitte Auffret	N/A	Deputy General Manager Director and Secretary General	56 years old	French	25/01/2002: Member of the Management Board GM/BD 30/11/2011: Deputy General Manager (appointment) GM/BD 19/03/2013 GM/BD 12/03/2015 GM/BD 09/03/2017	GM 2019	4,500
Pierre-Olivier Brial	N/A	Deputy General Manager Director	44 years old	French	30/10/2009: Member of the Management Board GM/BD 30/11/2011: Deputy General Manager (appointment) GM/BD 19/03/2013 GM/BD 12/03/2015 GM/BD 09/03/2017	GM 2019	2,500
Nicolas Huet⁽¹⁾	N/A	Director Chairman of the Audit Committee Member of the Appointments and Remuneration Committee	47 years old	French	GM 30/11/2011 GM 19/03/2013 GM 12/03/2015 GM 09/03/2017	GM 2019	20
Carlo d'Asaro Biondo⁽¹⁾	N/A	Director Member of the Audit Committee Chairman of the Appointments and Remuneration Committee	52 years old	French	GM 30/11/2011 GM 19/03/2013 GM 12/03/2015 GM 09/03/2017	GM 2019	148
Jérôme Lescure⁽¹⁾	N/A	Director Member of the Audit Committee and of the Appointments and Remuneration Committee	57 years old	French	GM 19/03/2013 GM 12/03/2015 GM 09/03/2017	GM 2019	100
Violette Watine⁽¹⁾	N/A	Director	42 years old	French	GM 13/03/2014 GM 17/03/2016	GM 2018	85
Claudine Guichard	Wife of Jean-Pierre Guichard	Director	71 years old	French	GM 09/03/2017	GM 2019	37,114
Benoîte Kneib⁽¹⁾	N/A	Director	49 years old	French	GM 09/03/2017	GM 2019	

(1) Independent members. Please refer to page 48 in the Chairman's Report regarding independence criteria.

Directors' biography and main appointments



Jean-Pierre Guichard, who is an entrepreneur at heart, has spent his entire career at Manutan, from when he founded the Company in 1966, with his father, André Guichard.

He was appointed Chairman of the Management Board in 1994, and then Chairman of the Board of Directors in November 2011, following the change in Manutan International's management structure. His term of office as a Director was renewed by the General Meeting of 19 March 2013, then that of 12 March 2015, and finally by that of 9 March 2017. The Board of Directors meeting of 9 March 2017 renewed his term of office as Chairman of the Board of Directors.

Jean-Pierre Guichard Chairman of the Board of Directors (non-executive)



Xavier Guichard, who is a devotee of Art in all its forms, and especially of modern painting, joined the Manutan Group as the Group Financial Controller in 2002. From 2005 to 2008, he was General Manager of the Scandinavian subsidiaries, then took over the Group's Operations Department. He was appointed as a member of Manutan International's Management Board by the Supervisory Board in October 2009.

Following the change in Manutan International's management structure, Xavier Guichard was appointed as a Director and Deputy General Manager of the Company in November 2011, and then as General Manager in March 2013. His term of office as a Director was renewed by the General Meeting of 9 March 2017. The Board of Directors meeting of 9 March 2017 renewed his term of office as General Manager.

Xavier Guichard General Manager and Director



Brigitte Auffret adores opera singing, in which she has been involved since her teenage years, she was hired as a financial controller by the Company in February 1986.

She was appointed as the Manutan Group's Administrative and Finance Director in 2000.

In January 2002, she was appointed as a member of the Manutan International Management Board by the Supervisory Board, and then as General Manager in September 2006.

Following the change in Manutan International's management structure, Brigitte Auffret was appointed as a Director and Deputy General Manager in November 2011. Her term of office as a Director was renewed by the General Meeting of 19 March 2013, then that of 12 March 2015, and finally by that of 9 March 2017. The Board of Directors meeting of 9 March 2017 renewed her term of office as Deputy General Manager.

Brigitte Auffret Deputy General Manager, Director and General Secretary



Pierre-Olivier Brial has enjoyed playing the guitar and singing since he was a child, and devotes his free time to his passion at his home recording studio. In October 2001, he was hired as Assistant to the Director of Research and Development by Manutan International, the French Company.

He then held various management positions within the Group, including in e-business and development, and as manager of the European geographical areas.

Pierre-Olivier Brial was appointed as a member of Manutan International's Management Board by the Supervisory Board on 30 October 2009.

Following the change in Manutan International's management structure, Pierre-Olivier Brial was appointed as a Director of the Company and then as Deputy General Manager in November 2011. His term of office as a Director was renewed by the General Meeting of 19 March 2013, then that of 12 March 2015, and finally by that of 9 March 2017. The Board of Directors meeting of 9 March 2017 renewed his term of office as Deputy General Manager.

Pierre-Olivier Brial Deputy General Manager and Director



André Guichard founded Manutan International in 1966, with his son, Jean-Pierre Guichard. At the time, he was the General Manager of a company that marketed forklifts. However, he joined Jean-Pierre Guichard in 1973, in order to take charge of the Company's Marketing Department in particular.

André Guichard was appointed Chairman of the Supervisory Board in May 1994, and then as a Director of Manutan International in November 2011, following the change in the Company's management structure. In March 2015, he decided not to renew his appointment as Director; he was then appointed as Honorary Chairman of the Board of Directors. The Board of Directors meeting of 16 January 2017 renewed his term of office as Honorary Chairman.

André Guichard Honorary Chairman



Nicolas Huet trained as a lawyer, and holds Degrees in Business Law (1992) and International Law (1993) from Paris II University – Panthéon Assas. He practised as a lawyer specialising in mergers & acquisitions up until 2011. He was a partner at White & Case between 2006 and 2011. Since then, he has been the Director of Legal Affairs for Eurazeo SA, which is listed on Euronext Paris.

Nicolas Huet was appointed Director by the General Meeting of 30 November 2011; his appointment as Director has been renewed by the General Meeting of 19 March 2013, by that of 12 March 2015, and finally by that of 9 March 2017. He is also Chairman of the Audit Committee and member of the Appointments and Remuneration Committee. The Board of Directors meeting of 9 March 2017 renewed his two appointments. He is classified as an Independent Director.

Nicolas Huet Director

Carlo d'Asaro Biondo, a French and Italian national, studied in Italy. He began his career as a consultant at KPMG SA, he then became the consulting Group's General Manager for France.

He joined Unisys in late 2001, as Vice-Chairman and General Manager for the Communications and Media Businesses. He was appointed as Senior Vice-President in Charge of Telecommunications at AOL Europe in 2004, and then as General Manager of AOL France. He was then promoted to Chairman of AOL Europe. Carlo d'Asaro Biondo was appointed as General Manager for International Operations at Lagardère Active Media in early 2007. He has been the Chairman of Google's Operations in Southern and Eastern Europe, the Middle East, and Africa since 2009.

Since January 2015, he has been Chairman of EMEA, responsible for partnerships.

Carlo d'Asaro Biondo was appointed Director by the General Meeting of 30 November 2011; his appointment has been renewed by the General Meeting of 19 March 2013, then that of 12 March 2015, and finally that of 9 March 2017. He is also Chairman of the Appointments and Remuneration Committee and member of the Audit Committee. The Board of Directors meeting of 9 March 2017 renewed his two appointments. He is classified as an Independent Director.

Carlo d'Asaro Biondo Director



Jérôme Lescure is a graduate of the *École Spéciale d'Architecture* and *École Nationale des Ponts et Chaussées*, and also holds an MBA from HEC. He began his career in the information technology sector in 1985. After his MBA, he joined AT Kearney, a consulting strategy firm that he co-managed as Partner until 2010. Between 1997 and 2001, he was Vice-Chairman of Euro Disney, where he was responsible for the development of the theme park and of the property division. He became General Manager for Accenture Management Consulting in France in 2011.

He has been an entrepreneur and investor in fast growing SMCs since the end of 2012.

Jérôme Lescure was appointed Director by the General Meeting of 19 March 2013. His appointments was renewed by the General Meeting of 12 March 2015, and then that of 9 March 2017. He is also member of the Audit Committee and of the Appointments and Remuneration Committee. The Board of Directors meeting of 9 March 2017 renewed his appointments. He is classified as an Independent Director.

Jérôme Lescure Director



Violette Watine is a graduate of Reims Business School. She completed her education by enrolling on the HEC Challenge Plus programme, which is dedicated to innovative and high technology start-ups.

She began her career at Procter & Gamble in 1998, and then at L'Oréal, in marketing development positions. Following her conversion to the environmental cause, she decided to put her skills at the service of her convictions. In 2006, she founded Mademoiselle Bio, which became the leading multi-channel distribution organic beauty and well-being product retail brand, which she sold in 2010, and finished guiding at the end of 2011. Since then she has directed rapidly expanding start-ups that always aim to change the world at their level. She is currently Deputy General Manager of Slip Français, the digital fashion brand that produces underwear, swimwear and ready-to-wear clothing in France.

Violette Watine was appointed Director by the General Meeting of 13 March 2014. Her appointment as a Director was renewed by the General Meeting of 17 March 2016. She has the capacity of Independent Director.

Violette Watine Director



Benoîte Kneib, who is a graduate of the ESSEC, has had an international career involving the private sector (EADS, Dexia, The Technology Broker in Great Britain, and the creation of the company "Pomme de Reinette" in the USA) and the social sector (micro-credit in Chile, and palliative care in the USA). She then held different management positions at the Auteuil Foundation and created the international branch in Switzerland. In June 2017, she joined the company Mouvement & Finance to develop its activities in offering finance and strategic guidance to start-ups.

At the suggestion of the Board of Directors of 16 January 2017, Benoîte Kneib was appointed as a Director by the General Meeting of 9 March 2017. She has the capacity of Independent Director.

Benoîte Kneib Director



Claudine Guichard played a part in the early development of Manutan from 1966. Until the middle of the nineteen eighties, Claudine Guichard assisted with Manutan's development in different operational roles.

She was then a member of the Supervisory Board until 2011 when the Company changed its means of governance and management to a French Limited Company with a Board of Directors.

At the suggestion of the Board of Directors of 16 January 2017, Claudine Guichard was appointed as a Director by the General Meeting of 9 March 2017.

Claudine Guichard Director



List of the offices held by the Directors

Names	Existing appointments		Expired appointments
	In the Group	Outside the Group	Appointments and roles (outside the Group) performed in the last 5 years that no longer exist at this time
Jean-Pierre Guichard	Director of Manutan SA (France)	Chairman of the Board of Directors and Director of MT Finance SA (Luxembourg), <i>unlisted company</i>	Chairman of The Euroequipment Ltd (United Kingdom) ⁽¹⁾ Chairman of Metro Storage Systems Ltd (Republic of Ireland) ⁽¹⁾
	Co-manager of SCI Philippe Auguste (France)		
	Director of Manover BV (Netherlands)		
	Chairman of Manutan Ltd (United Kingdom)		
	Chairman of Key Industrial Equipment Ltd (United Kingdom)		
	Director of Rapid Racking Ltd (United Kingdom)		
	Chairman of Witre AB (Sweden)		
	Director of Manutan Unipessoal Lda (Portugal)		
	Chairman of The Eurostore Group Ltd (United Kingdom)		
	<i>None of these companies are listed on the stock exchange</i>		
Xavier Guichard	Chairman and Chief Executive Officer of Manutan SA (France)	Director of MT Finance SA (Luxembourg), <i>unlisted company</i>	None
	Co-manager of SCI Philippe Auguste (France)		
	Chairman of Manutan Collectivités SAS (France)		
	Chairman of the inter-company restaurant association (France)		
	Chairman of Sports & Loisirs SAS (France)		
	Chairman of Papeteries Pichon SAS (France)		
	Chairman of Manutan Italia Spa (Italy)		
	Manager of Manutan SL (Spain)		
	Director of Manutan s.r.o. (Czech Republic)		
	General Manager of Trovatar a.s. (Czech Republic)		
	Director of Manutan Unipessoal Lda (Portugal)		
	Chairman of IronmongeryDirect Ltd (United Kingdom)		
	Director of Rapid Racking Ltd (United Kingdom)		
	Chairman of Group Hardware Ltd (United Kingdom)		
	Director of Essex Electrical Wholesalers (Braintree) Ltd (United Kingdom)		
	Director of Witre OY (Finland)		
	Director of Witre Danmark A/S (Denmark)		
	Chairman of Ikaros Cleantech AB (Sweden)		
	Chairman of Ikaros OY (Finland)		
Director of Manutan Ltd (United Kingdom)			
<i>None of these companies are listed on the stock exchange</i>			
Brigitte Auffret	Deputy General Manager of Manutan SA (France)	None	None
	Chairwoman of the Supervisory Board of Manutan Collectivités SAS (France)		
	Chairwoman of the Supervisory Board of Sports & Loisirs SAS (France)		
	Member of the Supervisory Board of Papeteries Pichon SAS (France)		
	Director of Manover BV (Netherlands)		
	Director of Witre AB (Sweden)		
	Member of the Supervisory Board of Trovatar a.s. (Czech Republic)		
	Director of The Eurostore Group Ltd (United Kingdom)		
	Director of Rapid Racking Ltd (United Kingdom)		
	Co-manager of Manutan Polska Sp z o.o. (Poland)		
	Co-manager of Manutan Slovakia s.r.o. (Slovakia)		
	Co-Manager of Manutan Hungária Kft (Hungary)		
	Director of Manutan s.r.o. (Czech Republic)		
	Director of IronmongeryDirect Ltd (United Kingdom)		
	<i>None of these companies are listed on the stock exchange</i>		

(1) Company dissolved at 30 September 2016.

Existing appointments			Expired appointments
Existing appointments (other than those performed in the Company)			Appointments and roles (outside the Group) performed in the last 5 years that no longer exist at this time
Names	In the Group	Outside the Group	
Pierre-Olivier Brial	Deputy General Manager of Manutan SA (France) Member of the Supervisory Board of Manutan Collectivités SAS (France) Member of the Supervisory Board of Sports & Loisirs SAS (France) Member of the Supervisory Board of Papeteries Pichon SAS (France) Director of Manouvert BV (Netherlands) Director of Manutan NV (Belgium) Co-manager of Manutan GmbH (Switzerland) Co-manager of Manutan GmbH (Germany) Member of the Supervisory Board of Trovatar a.s. (Czech Republic) Director of Manutan Ltd (United Kingdom) Director of Key Industrial Equipment Ltd (United Kingdom) Director of Euroequipment Ltd (United Kingdom) ⁽¹⁾ Director of Rapid Racking Ltd (United Kingdom) Director of The Eurostore Group Ltd (United Kingdom) Director of Essex Electrical Wholesalers (Braintree) Ltd (United Kingdom) Chairman of Witre A/S (Norway) Director of Witre AB (Sweden) Chairman of Witre Danmark A/S (Denmark) Chairman of Witre OY (Finland) Director of Ikaros Cleantech AB (Sweden) Director of Ikaros OY (Finland) Director of IronmongeryDirect Ltd (United Kingdom) Director of Group Hardware Ltd (United Kingdom) <i>None of these companies are listed on the stock exchange</i>	None	Director of Metro Storage Systems Ltd (Republic of Ireland) ⁽¹⁾ Director of Euroequipment Ltd (United Kingdom) ⁽¹⁾
André Guichard	None	None	None
Nicolas Huet	None	Corporate Secretary of Eurazeo, listed on Euronext Paris General Manager, Chairman of the Board of Directors and Director of SFGI Chairman of Legendre Holding 23 Chairman of Legendre Holding 25 Member of the Supervisory Board of Novocap Group Holding General Manager of Legendre Holding (18 companies) General Manager of LH Novacap General Manager of CarryCo Patrimoine General Manager of CarryCo Croissance 2 General Manager of LH Apcoa General Manager of LH CPK General Manager of LH IBERCHEM General Manager of LH OPEN ROAD General Manager of Eurazeo Patrimoine (Italy), <i>unlisted company</i>	Chairman of Oscar-Alpha Chairman of Alpha Papa Member of the Supervisory Board of Foncia Groupe General Manager of Legendre Holding 45 General Manager of Grape Hospitality France General Manager of Novacap Group Bidco General Manager of cpk General Manager of Novacap Group Holding General Manager of ManArgon General Manager of ManHélium General Manager of ManNéon Director of ECIP M SA (Luxembourg), <i>unlisted company</i> Director of Euraleo, <i>company in liquidation</i> Member of the Strategic Committee of Fonroche Énergie SAS

(1) Companies dissolved at 30 September 2016.

Existing appointments		Expired appointments	
Existing appointments (other than those performed in the Company)		Appointments and roles (outside the Group) performed in the last 5 years that no longer exist at this time	
Names	In the Group	Outside the Group	
Carlo d'Asaro Biondo	None	Director of Auchan Retail International	Chairman of Rusconi (Italy) Member of the Management Board of 40 subsidiaries of the Lagardère Group Independent Director of Darty Plc, <i>listed company</i>
Jérôme Lescure	None	Co-manager of Lavilla SARL Chairman of Douz' capital SAS (LAVILLA) Chairman of Brassac Holding SAS Chairman of Bois du Midi SAS Director of Azimut Industries SA Chairman of APICAP Chairman of Additio SAS Permanent representative of APICAP Director of Group Archimen SAS, <i>unlisted company</i> Director of the SEB Group, <i>listed company</i>	Co-manager of Trois Rivières Holding Chairman of Backbone SAS: Lavilla Chairman of Camsel SAS, <i>unlisted companies</i> Deputy General Manager and Director of Brassac Industries SAS Chairman of Barges Bois SAS Permanent representative of APICAP Director of Ymagis SA, <i>listed companies</i>
Violette Watine	None	Manager of Partners & Co. (France) General Manager Loumarau, <i>unlisted companies</i>	
Claudine Guichard	None	None	None
Benoîte Kneib	None	Member of the Board of Directors of the Avenir Association Member of the Ambassadors of the Fondation Apprentis d'Auteuil International	Chairwoman of the Contact Club Association



Executive Directors

Xavier Guichard	General Manager
Brigitte Auffret	Deputy General Manager
Pierre-Olivier Brial	Deputy General Manager

Committees of the Board of Directors

The Board of Directors has set up the following Committees:

- an Audit Committee;
- an Appointments and Remuneration Committee.

Every Committee plays a role in examining, assessing, and preparing certain Board resolutions that fall under its remit, as well as examining issues and/or projects forwarded by the Board or by its Chairman for review. The Committee has consultative powers and acts under the authority and responsibility of the Board to which it reports.

The composition, organisation, operation and role of committees are described in the Chairman's report, page 49 *et seq.*

Potential convictions of Corporate Officers

The Company is not aware at the date of preparation of this document of any member of the Board of Directors and Executive Management who may have been party to any business bankruptcy, insolvency or liquidation over the past five years. Likewise, during the last five years none of them were convicted of fraud, received an official public penalty or

sanction, have been prevented by a court of justice of acting as a member of a Management, Executive or Supervisory corporate body or of acting in a management or executive capacity in respect of the activities of a listed company.

Conflicts of interests of Corporate Officers

The Company is not aware at the date of preparation of this document of the existence of any identified conflict of interests regarding the duties exercised by each member of the Board of Directors and Top Management as Corporate Officer and their private interests or other duties.

The Company is not aware of any service contract binding members of the Board of Directors and Executive Management to the issuer or any of its subsidiaries, from which a member may derive economic benefits.

The Company is not aware at the date of preparation of this document of the existence of any arrangements or agreements concluded with the main shareholders, customers or suppliers by which a member of the Board of Directors and Executive Management would have been selected as such.

The Company is not aware at the date of preparation of this document of the existence of any restrictions adhered to by members of the Board of Directors and Executive Management regarding the sales of their stake in the share capital of the Company, except for two collective agreements to retain shares for a number of them. Refer to the chapter entitled "General information concerning the share capital" on page 154.

Remuneration of the Board and Management Bodies

Global remuneration of the Corporate Officers

In respect of the financial year ended 30 September 2017, total remuneration paid to members of the Board and Management bodies for services rendered to the Group amounted to €2,001,407 (€1,538,440 at 30 September 2016). The Directors' remuneration is paid by Manutan International, while the various employee benefits authorised

by the Board of Directors are set out in the Statutory Auditors' special report on regulated agreements and undertakings, which is provided on page 62 *et seq.*, of this document.

Remuneration of members of the Board of Directors is paid by Manutan International.

Non-executive Corporate Officer

Mr. Jean-Pierre Guichard

The following information regarding Jean-Pierre Guichard is given with regard to his role as (Non-Executive) Chairman of the Board of Directors of the Company.

SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED

Jean-Pierre Guichard Chairman of the Board of Directors	2015/2016		2016/2017	
	Due ⁽¹⁾	Paid ⁽²⁾	Due ⁽¹⁾	Paid ⁽²⁾
Amounts awarded during the year <i>In euros</i>				
Fixed remuneration	450,000	450,000	450,000	450,000
Variable annual remuneration*	None	None	None	None
Multi-annual variable remuneration	None	None	None	None
Exceptional remuneration	None	None	None	None
Director's fees	None	None	None	None
Benefits in kind – company car	None	None	None	None
Benefits in kind – senior executive unemployment insurance	None	None	None	None
TOTAL	450,000	450,000	450,000	450,000

(1) This is the remuneration awarded to a Director during the financial year, regardless of the payment date.

(2) This is the total remuneration paid to a Director on the date of the closing of accounts in respect of their duties during the financial year.

* Variable annual remuneration: No variable remuneration is payable in respect of his duties as (Non-Executive) Chairman of the Board of Directors.

Executive Directors

Mr. Xavier Guichard

The following information regarding Xavier Guichard is given with regard to his appointment as Director and General Manager of the Company.

SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED

Xavier Guichard – GM of Manutan International	2015/2016		2016/2017	
Amounts awarded during the year				
<i>In euros</i>	Due ⁽¹⁾	Paid ⁽²⁾	Due ⁽¹⁾	Paid ⁽²⁾
Fixed remuneration	330,000	330,000	341,250	341,250
Variable annual remuneration*	202,290	39,703	191,891	202,290
Multi-annual variable remuneration**	None	None	None	None
Exceptional remuneration	None	None	None	None
Director's fees	None	None	None	None
Benefits in kind – company car	6,366	6,366	5,420	5,420
Benefits in kind – senior executive unemployment insurance	None	None	None	None
TOTAL**	538,656	376,069	538,561	548,960

(1) This is the remuneration awarded to an Executive Director during the financial year, regardless of the payment date.

(2) This is the total remuneration paid to an Executive Director on the date of the closing of accounts in respect of their duties during the financial year.

* Variable annual remuneration:

Board of Directors	Bonus rate at 100% achievement of targets ⁽¹⁾	
Xavier Guichard	50% of gross annual fixed remuneration	The variable portion of the remuneration is indexed to objectives based on profit before tax and on turnover, and is subject to minimum performance conditions proposed annually by the Board of Directors of Manutan Internationale ⁽²⁾

(1) The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives. The share of variable remuneration is indexed to profit before taxation objectives, subject to the achievement of minimum levels of performance (triggering threshold).

(2) For confidentiality reasons non-public performance objectives were pre-established and defined in detail by the Board of Directors of Manutan International on 28 September 2017.

** Furthermore, Xavier Guichard is also entitled to multi-annual variable remuneration, determined by the Board of Directors on 18 September 2017. This is subject to (i) his presence on 30 September 2020, (ii) a triggering threshold in terms of average Group EBIT (Operating Profit) on 30 September 2020, and (iii) achieving targets for average Group EBIT (Operating Profit) and free cash-flow for total Group operations over a five year period (ending on 30 September 2020).

The expected performance level for these targets has been precisely defined by the Board of Directors but is not made public for confidentiality reasons.

The target amount for this long-term variable remuneration shall be (if the conditions are met) 60% of the total fixed gross remuneration paid to Xavier Guichard between 1 October 2015 and 30 September 2020.

The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives.

An amount of €255,938 has been set aside for multi-annual variable remuneration for Xavier Guichard for the financial period ending 30 September 2017.

Mrs. Brigitte Auffret

The following information regarding Brigitte Auffret is given with regard to her appointment as Director and Deputy General Manager of the Company.

SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED

Brigitte Auffret – DGM of Manutan International	2015/2016		2016/2017	
	Due ⁽¹⁾	Paid ⁽²⁾	Due ⁽¹⁾	Paid ⁽²⁾
Amounts awarded during the year				
<i>In euros</i>				
Fixed remuneration	330,000	330,000	333,750	333,750
Variable annual remuneration*	161,832	31,763	150,126	161,832
Multi-annual variable remuneration**	None	None	None	None
Exceptional remuneration	None	None	None	None
Director's fees	None	None	None	None
Benefits in kind – company car	4,188	4,188	4,188	4,188
Benefits in kind – senior executive unemployment insurance	16,921	16,921	17,122	17,122
TOTAL**	512,941	382,872	505,186	516,892

(1) This is the remuneration awarded to an Executive Director during the financial year, regardless of the payment date.

(2) This is the total remuneration paid to an Executive Director on the date of the closing of accounts in respect of their duties during the financial year.

* Variable annual remuneration:

Board of Directors	Bonus rate at 100% achievement of targets ⁽¹⁾	
Brigitte Auffret	40% of gross annual fixed remuneration	The variable portion of the remuneration is indexed to objectives based on profit before tax and on turnover, and is subject to minimum performance conditions proposed annually by the Board of Directors of Manutan Internationale ⁽²⁾

(1) The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives. The share of variable remuneration is indexed to profit before taxation objectives, subject to the achievement of minimum levels of performance (triggering threshold).

(2) For confidentiality reasons non-public performance objectives were pre-established and defined in detail by the Board of Directors of Manutan International on 28 September 2017.

** Furthermore, Brigitte Auffret is also entitled to multi-annual variable, determined by the Board of Directors on 18 September 2017. This is subject to (i) her presence on 30 September 2020, (ii) a triggering threshold in terms of average Group EBIT (Operating Profit) on 30 September 2020, and (iii) achieving targets for average Group EBIT (Operating Profit) and free cash-flow for total Group operations over a five year period (ending on 30 September 2020).

The expected performance level for these targets has been precisely defined by the Board of Directors but is not made public for confidentiality reasons.

The target amount for this long-term variable remuneration shall be (if the conditions are met) 50% of the total fixed gross remuneration paid to Brigitte Auffret between 1 October 2015 and 30 September 2020.

The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives.

An amount of €208,594 has been set aside for multi-annual variable remuneration for Brigitte Auffret for the financial period ending 30 September 2017.

Mr. Pierre-Olivier Brial

The following information regarding Pierre-Olivier Brial is given with regard to his appointment as Director and Deputy General Manager of the Company.

SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED

Pierre-Olivier Brial – DGM of Manutan International	2015/2016		2016/2017	
	Due ⁽¹⁾	Paid ⁽²⁾	Due ⁽¹⁾	Paid ⁽²⁾
Amounts awarded during the year				
<i>In euros</i>				
Fixed remuneration	290,000	290,000	323,750	323,750
Variable annual remuneration*	142,216	27,913	145,627	142,216
Multi-annual variable remuneration**	None	None	None	None
Exceptional remuneration	None	None	None	None
Director's fees	None	None	None	None
Benefits in kind – company car	4,738	4,738	4,738	4,738
Benefits in kind – senior executive unemployment insurance	6,848	6,848	14,851	14,851
TOTAL**	443,802	329,499	488,966	485,555

(1) This is the remuneration awarded to an Executive Director during the financial year, regardless of the payment date.

(2) This is the total remuneration paid to an Executive Director on the date of the closing of accounts in respect of their duties during the financial year.

* Variable annual remuneration:

Board of Directors	Bonus rate at 100% achievement of targets ⁽¹⁾	
Pierre-Olivier Brial	40% of gross annual fixed remuneration	The variable portion of the remuneration is indexed to objectives based on profit before tax and on turnover, and is subject to minimum performance conditions proposed annually by the Board of Directors of Manutan Internationale ⁽²⁾

(1) The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives. The share of variable remuneration is indexed to profit before taxation objectives, subject to the achievement of minimum levels of performance (triggering threshold).

(2) For confidentiality reasons non-public performance objectives were pre-established and defined in detail by the Board of Directors of Manutan International on 28 September 2017.

** Furthermore, Pierre-Olivier Brial is also entitled to multi-annual variable, determined by the Board of Directors on 18 September 2017. This is subject to (i) his presence on 30 September 2020, (ii) a triggering threshold in terms of average Group EBIT (Operating Profit) on 30 September 2020, and (iii) achieving targets for average Group EBIT (Operating Profit) and free cash-flow for total Group operations over a five year period (ending on 30 September 2020).

The expected performance level for these targets has been precisely defined by the Board of Directors but is not made public for confidentiality reasons.

The target amount for this long-term variable remuneration shall be (if the conditions are met) 50% of the total fixed gross remuneration paid to Pierre-Olivier Brial between 1 October 2015 and 30 September 2020.

The bonus rate may vary between 0 and 1.5 times the target bonus, depending on the achievement of objectives.

An amount of €202,344 has been set aside for multi-annual variable remuneration for Pierre-Olivier Brial for the financial period ending 30 September 2017.

SUMMARY TABLE

	Employment Contract		Bonuses or benefits payable or likely to be payable due to the termination or change of functions		Supplementary pension scheme		Indemnities relating to a non-competence clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jean-Pierre Guichard Director and Chairman of the Board of Directors Appointment start date: 19 March 2013 Appointment expires: General Meeting 2019		X		X		X		X
Xavier Guichard⁽¹⁾ Director and General Manager Appointment start date: 19 March 2013 Appointment expires: General Meeting 2019	X			X		X		X
Brigitte Auffret⁽²⁾ Director and Deputy General Manager Appointment start date: 19 March 2013 Appointment expires: General Meeting 2019	X		X			X		X
Pierre-Olivier Brial⁽³⁾ Director and Deputy General Manager Appointment start date: 19 March 2013 Appointment expires: General Meeting 2019	X		X			X		X

(1) Xavier Guichard holds an employment contract signed with Manutan International. This contract has been suspended since 30 November 2011 by a decision of the Board of Directors taken on the same day. The continuation of the employment contract is justified due to the period of service of the employment contract; the contract was signed on 30 June 2002.

(2) Brigitte Auffret holds an employment contract signed with Manutan International. This contract has been suspended since 1 April 2008. As Deputy General Manager, Brigitte Auffret is not covered by the MiddleNext Code recommendations on combining an employment contract with an appointment as a Corporate Officer. Brigitte Auffret is entitled to end-of-service bonuses, the terms of which are described in the Report of the Chairman on Corporate Governance and internal control and risk management procedures, on page 49.

(3) Pierre-Olivier Brial holds an employment contract signed with Manutan International. This contract has been suspended since 20 January 2016 by a decision of the Board of Directors. The continuation of the employment contract is justified due to the period of service of the employment contract; the contract was signed on 1 October 2001. Pierre-Olivier Brial is entitled to end-of-service bonuses, the terms of which are described in the Report of the Chairman on Corporate Governance and internal control and risk management procedures, on page 49.

Stock options and free shares

No option for the subscription or purchase of shares and no performance shares have been awarded to the Managing Directors during the year. They have exercised no options.

Directors' fees

The Combined General Meeting of 30 November 2011 allocated to the Board of Directors a fund for the purposes of Directors' fees of a maximum amount of €150,000 until otherwise decided.

Directors' fees paid to members of the Board of Directors amounted to €117,500 at 30 September 2017 (€100,000 for the financial period ended on 30 September 2016) broken down as follows:

Members of the Board of Directors during the financial year	Financial year	
	2015/2016	2016/2017
<i>In euros</i>		
Jean-Pierre Guichard – Chairman of the Board	-	-
Xavier Guichard – General Manager	-	-
Brigitte Auffret – Deputy General Manager, Director	-	-
Pierre-Olivier Brial – Deputy General Manager, Director	-	-
André Guichard – Honorary Chairman	-	-
Claudine Guichard – Director	-	-
Nicolas Huet – Director	27,500	27,500
Carlo d'Asaro Biondo – Director	25,000	32,500
Jérôme Lescure – Director	27,500	27,500
Violette Watine – Director	20,000	20,000
Benoîte Kneib – Director	-	10,000
TOTAL	100,000	117,500

No compensation other than Directors' fees and the remuneration paid to the Chairman of the Board of Directors was paid to non-executive members of the Board of Directors during the 2016/2017 financial year.

Report of the Chairman on Corporate Governance and internal control and risk management procedures

This report by the Chairman of the Board of Directors on internal control and risk management procedures implemented by the Group is prepared pursuant to Article L. 255-37 of the French Commercial Code.

Dear Shareholders,

In accordance with the Law, the Chairman of the Board of Directors of French limited companies (*Sociétés Anonymes*) whose shares are listed for trading on a regulated market, must submit a report together with the Board's report on:

- the composition of the Board, and the application of the principle of balanced representation of men and women in its midst, the conditions under which the work of the Board is prepared and organised, any potential limitations imposed on the powers of the General Manager, the references made to a Corporate Governance Code, and the specific procedures relating to participation of Shareholders in the General Meeting;
- the internal control and risk management procedures implemented by the Company.

This report also sets out the principles and rules used to determine the remuneration and benefits of any kind granted to Corporate Officers and any information likely to have an impact in the event of a public offering.

Departments supporting the preparation and the drawing up of this report were as follows:

- Financial Management;
- Legal Management;
- Communications Management.

The draft of this report was prepared internally by the departments listed above; it was then reviewed with Executive Management, before being forwarded to the Chairman of the Board. The Chairman examined this document and forwarded it to the Board members prior to the meeting, informing them that they would need to issue an opinion on the approval of this report.

This report was submitted to the Board of Directors for approval on 13 December 2017 and forwarded to the Statutory Auditors.

3

Corporate governance

1 Change in the form of governance

First of all, the Chairman reminded the attendees that the General Meeting of Shareholders of 30 November 2011 had decided to change the way in which the Company was governed. The Company's legal form changed from a French Limited Company (*Société Anonyme*) with a Management Board and a Supervisory Board into a Limited Company with a Board of Directors with dissociation of the roles of Chairman of the Board and General Manager.

This change of governance was intended to increase the efficiency of the Executive Management's decision-making process, while allowing the (Non-Executive) Chairman of the Board of Directors to participate in setting the Group's major strategic guidelines.

2 Corporate Governance Code

With regard to the Corporate Governance Code, by a decision of the Board of Directors during its meeting on 18 December 2013, our Company shall refer to the Corporate Governance Code for small and medium listed companies published by MiddleNext in December 2009.

The Board of Directors of the Company was made aware of the revised MiddleNext Code of September 2016 during its meeting on 14 December 2016 and the elements presented in the "points of vigilance" section of said Code (hereafter the "Reference Code"). The Reference Code also includes points of vigilance drawn from guidelines for reasonable governance for French companies, which recalls the questions that the Board of Directors must consider to ensure the correct operation of governance.

This code is particularly well suited to the Company taking into account its size and shareholding. It is available on the website: www.middlenext.com.

It is specified that the Company complies with all of the provisions of the MiddleNext Code.

3 Composition of the Board of Directors and Committees

The Chairman indicated that this section only concerns the composition of new bodies since 16 March 2017.

3.1 Composition of the Board of Directors

At 31 January 2018, the Board consists of eight members:

- Jean-Pierre Guichard, Chairman of the Board of Directors;
- Xavier Guichard, Director and Deputy General Manager;
- Brigitte Auffret, Director, Deputy General Manager and General Secretary;
- Pierre-Olivier Brial, Director and Deputy General Manager;
- Jérôme Lescure, Director;
- Nicolas Huet, Director;
- Carlo d'Asaro Biondo, Director;
- Violette Watine, Director;
- Claudine Guichard, Director;
- Benoîte Kneib, Director.

It is recalled that André Guichard was appointed as Honorary Chairman of the Board of Directors. In this regard, he is invited to attend the meetings of the Board of Directors with a consultative role.

Pursuant to article 14.2 of the Company's articles of association, the term of office of the members of the Board is two years.

Please see the "Corporate Governance" chapter, Board and Management Bodies, page 36 *et seq.* for more details on the members of the Board of Directors.

Independence of the members of the Board of Directors

During its meeting of 13 December 2017, the Board considered the situation of each of the Directors with regard to the MiddleNext Code independence criteria referred to below, and considered that Jérôme Lescure, Nicolas Huet, Carlo d'Asaro Biondo, Violette Watine and Benoîte Kneib could be considered as independent, pursuant to the definition given by recommendation R3 of the MiddleNext Code, i.e. people from outside the company tasked with providing a different view on the decisions taken by the Board. Thus, at 31 January 2018, at least five of the members of the Board are Independent Directors.

The following table summarises the independence criteria from the MiddleNext Code chosen for each of the members.

Independence criteria	Jérôme Lescure	Nicolas Huet	Carlo d'Asaro Biondo	Violette Watine	Benoîte Kneib
Not being an employee or an Executive Director of the Company or a company in its Group and not having been either of the above for the previous five years	X	X	X	X	
Not having any significant business relations with the Company or its Group (customer, supplier, competitor, service provider, creditor, banker, etc.) and not having been such for the previous two years	X	X	X	X	X
Not being a reference shareholder in the Company or holding a significant percentage of the voting rights	X	X	X	X	X
Not having close family ties with an Executive Director or a reference shareholder	X	X	X	X	X
Not having been a Company auditor over the previous six years	X	X	X	X	X

Representation of men and women on the Board

Where the representation of men and women on the Board is concerned, we would remind you that at 30 September 2017, the Board includes four women and six men among its members. The proportion of women on the Company's Board of Directors therefore reaches the threshold of 40% pursuant to French Law No. 2011-103 of 10 January 2011.

4 Directors' concurrent appointments

The Company complies with the recommendation from the MiddleNext Code for corporate governance for listed companies under the terms of which it is recommended that a Director, who performs a "Managing" role, refrains from accepting more than three appointments as Director in listed companies, including in other countries, outside their Group.

See page 36 "Management Bodies".

5 Internal Rules of Procedure of the Board of Directors

The Board Internal Rules of Procedure are available on the Company's website: www.manutan.com.

It is in particular specified that the Company Internal Rules of Procedure were considered and updated by a decision of the Board on 9 March 2017 to take into account the latest legislative and regulatory changes and the revision of the MiddleNext Code of September 2016.

6 Limitations on Executive Management's powers

According to internal procedures, the powers of Executive Management (General Manager and Deputy General Managers) are limited. Therefore, in accordance with the provisions of the Internal Rules of Procedure of the Board of Directors, the Board must approve the following transactions in advance:

- proceeding with the purchase, sale or exchange of any building, real estate rights or business goodwill, of a value exceeding five hundred thousand euros (€500,000) per transaction;
- proceeding, for amounts exceeding five hundred thousand euros (€500,000) per transaction, with the incorporation of companies or equity investments or disposals of shareholdings of any form in any company;
- proceeding with the incorporation or termination of any subsidiary, branch or office, either in France or in any other country;
- proceeding with investments and/or divestments of a value exceeding five hundred thousand euros (€500,000);
- taking out borrowings and/or loans exceeding five hundred thousand euros (€500,000), supported or not by collateral in the form of mortgages, pre-emption right or pledging of the assets of the Company;
- pledging the assets of the Company in any form whatsoever;
- authorising and/or granting deposits and sureties, or other guarantees in the Company's name;
- authorising the hiring and/or the termination of any management executive's employment contract, according to the meaning of Article L. 3111-2 of the French Labour Code, and/or of any Managing Director at the Group's subsidiaries;
- introducing any collective premium, profit-sharing, or employee savings schemes, any share subscription or purchase schemes, any free share allocation schemes or any other collective incentive or motivational scheme for the Company's employees and/or Managing Directors;
- introducing any retirement or contingency scheme for the benefit of the Company's employees and/or its Corporate Officers, or deciding on any contribution to any scheme set up by a third party and that involves retirement or contingency benefits.

The same applies to any material transaction outside the Company's stated strategy.

7 Organisation and operation of the Board of Directors and Committees during the financial year ending on 30 September 2017

The Chairman indicates that the new Board and Management Bodies were appointed on 12 March 2015.

7.1 Assignments of the Board of Directors

By exercising its legal prerogatives, the Board of Directors:

- sets the strategic guidelines for the Company's business activities and ensures that they are implemented;

- addresses any issues that affect the proper running of the Company, and settles the issues that concern it through its resolutions;
- defines the Company's financial communications policy;
- monitors the quality of the information provided to shareholders and to the markets;
- performs the controls and checks that it deems appropriate, specifically management controls;
- authorises the sureties, endorsements and guarantees granted by companies other than those operating banking or financial institutions, under the conditions specified in Article R. 225-28 of the French Commercial Code;
- authorises the conclusion of regulated agreements in advance;
- chooses the way in which Executive Management is organised: complementarity or dissociation of the Chairman and General Manager roles;
- appoints and dismisses the Chairman, the General Manager and the Deputy General Managers;
- defines the Executive Management's remuneration policy and, where necessary, allocates the total amount of Director's fees voted by the Shareholders' Meeting among the Directors;
- may co-opt Board Members under the conditions specified by the regulations in force;
- may create Specialist Committees, for which it appoints the members, sets the assignments and operating procedures;
- draws up management forecast documents;
- approves the annual financial statements submitted to the Shareholders' Meeting for approval;
- convenes and sets the agenda for the Shareholders' Meeting;
- reports on its actions in the report to the Shareholders' Meeting;
- approves the Chairman's report, determines the number of free shares or shares arising from the exercise of options that Executive Corporate Officers are bound to hold until the end of their mandate, in the event that options or free shares are awarded;
- determines the number of free shares or shares arising from the exercise of options that Corporate Officers are bound to hold until the end of their mandate, in the event that options or free shares are awarded;
- approves the Chairman's report.

The role of the Chairman of the Board of Directors

By exercising his legal prerogatives, the Chairman:

- organises and directs the work undertaken by the Board, and accounts for it at the General Shareholders' Meeting;
- ensures the proper running of the Company's bodies and specifically ensures that the Directors are in a position to fulfil their assignments;
- accounts for the composition, the conditions for preparing and organising the Board's work, as well as for the internal control and risk management procedures implemented by the Company in their report.

Moreover, the Non-Executive Chairman is also entrusted with the following additional assignments:

- representing the Company, and relationships with professional federations, public authorities, domestic or international institutional authorities, and more generally, economic players;
- relationships with the Group's major customers or partners both at the domestic and international level;
- public relations with French or foreign subsidiaries;
- the relationship with the Company's shareholders;
- seeking potential targets in order to encourage external growth projects;
- visiting trade shows.

7.2 Conditions for preparing the work of the Board of Directors

To enable Board members to adequately prepare for meetings, the Chairman endeavoured to communicate to them, in advance, the necessary information or documents.

The annual financial statements, reviewed by the Audit Committee, and the draft report were sent to the members of the Board of Directors within a reasonable period prior to the meeting called to examine said documents.

Whenever requested by a Board member, the Chairman sent, as far as it is possible, any additional information and documents requested.

7.3 Holding of Board of Directors meetings

The Board of Directors meets as often as is in the Company's interest, and at least four (4) times per year and also meets without the presence of the Managing Director. The summons were sent in writing or made orally at least eight days prior to the meeting.

The meetings were held at the registered office or at the Manutan Group's European Centre in Gonesse.

The Board has met four (4) times since the start of the 2017/2018 financial year.

During this period, the attendance rate for members present or represented was 83%. The Statutory Auditors were invited to the Board meetings called to approve the annual and interim financial statements.

7.4 Subjects discussed at Board meetings and the business report

The main subjects discussed related to the operation and preparation of its work, the examination of the annual and interim financial statements, the internal control policy, professional and wage equality and the Group's main CAPEX projects.

7.5 Assessment of the Board of Directors' work

This assessment was carried out internally and during a meeting of the Board on 14 December 2016, the operation of the Board was deemed, unanimously, to be overall positive. The Board carried out an assessment of the work performed over the financial year 2016/2017, in order to improve the conditions and its operation.

Pursuant to Article 6 of the Internal Rules of Procedure, updated on 18 December 2013, the Chairman of the Board shall, each year, invite the members to give their views on the operation of the Board, the preparation of its works and on the issue of diversity within the Board.

7.6 Management and prevention of conflicts of interest

Where the prevention and management of conflicts of interests is concerned, the Board's Internal Rules of Procedure provide that: "In a situation that reveals or may reveal a conflict between the company's interests and their personal interests, either directly or indirectly, or the shareholder's interests or those of the group of shareholders that they represent, the Director in question must:

- inform the Board as soon as they become aware of the conflict;
- and draw the appropriate conclusions regarding the exercise of their mandate. Depending on the case, they will therefore be required:
 - either to abstain from voting on the corresponding resolution,
 - or not to attend Board Meetings during the period when they find themselves in a conflict of interest situation,
 - or resign from their duties as a Director."

The Director may be held liable if they fail to comply with these abstention or withdrawal rules. It is specified that providing no information is considered as a declaration of no conflict of interest.

Furthermore, the Chairman of the Board shall not be required to forward information or documents relating to the contentious issue to any Director(s) who he has serious grounds to believe is or are in a conflict of interest situation, and shall inform the Board of Directors of the fact that they have not been forwarded.

8 Organisation and operation of specialised committees

8.1 Audit Committee

Where the Audit Committee is concerned, the Company adhered to the recommendations of the final Audit Committee report of 22 July 2010, which was drawn up by the working party chaired by Mr Henri Poupard-Lafarge.

The Audit Committee is composed, at 31 January 2018, of three independent members of the Board of Directors, appointed by the Board of Directors on 13 March 2015, for their terms of office as Director, which were renewed by the General Meeting of 9 March 2017. The following appointments were renewed by the meeting of the Board of Directors of 9 March 2017:

- Nicolas Huet, Chairman, independent;
- Carlo d'Asaro Biondo, independent;
- Jérôme Lescure, independent.

The Board took the view that all the members of the Audit Committee were independent, in accordance with the aforementioned criteria for the independence of Directors.

They also all have specific expertise in finance and accountancy, in view of their academic history and their professional experience (the professional experience of members of the Audit Committee is referred to on page 39).

The Audit Committee's main duties are to:

- examine the accounts and ensure the accounting methods used to draw up the consolidated and Company accounts are relevant;
- monitor:
 - the process for drawing up financial information,
 - the effectiveness of the internal control and risk management systems,
 - the audit of the accounts carried out by the Statutory Auditors,
 - the independence of the Statutory Auditors.

In this respect, the Committee must issue a recommendation on the proposal of Statutory Auditors to be appointed. The Audit Committee promptly informs the Board of Directors of any issues encountered during the course of its work.

The Audit Committee meets twice a year, before the Board meeting where the agenda includes the review of the annual and interim financial statements and/or the proposal to appoint the Statutory Auditors.

In addition, the Audit Committee meets every time that it views necessary, particularly in the event of an important development for the Company.

The Committee has met on two (2) occasions over the 2016/2017 financial year.

The main subjects discussed were consideration of the annual and interim financial statements as well as the direction and review of the Group's internal control programme. The attendance rate for this Committee was 100%.

Committee members are allowed sufficient time to examine the financial and accounting documents, and have had the option of meeting with the Statutory Auditors and the Company's Finance Director. The Committee reported its work to the Board, which recorded and monitored all recommendations.

8.2 Appointments and Remuneration Committee

The Appointments and Remuneration Committee is composed, at 31 January 2018, of three members of the Board of Directors, appointed by the Board of Directors on 13 March 2015, for their terms of office as Director, which were renewed by the General Meeting of 9 March 2017. The following appointments to the Appointments and Remuneration Committee were renewed by the meeting of the Board of Directors of 9 March 2017:

- Carlo d'Asaro Biondo, Chairman, independent;
- Nicolas Huet, independent;
- Jérôme Lescure, independent.

The Board took the view that all the members of the Appointments and Remuneration Committee were independent, in accordance with the aforementioned criteria for the independence of Directors.

Appointment assignments

In the appointments area, the Committee:

- gives its opinion on the Chairman and Executive Management's appointment plans, through the Board, at the Chairman's suggestion;
- examines and gives an opinion on appointment and replacement proposals for the Group key executives;
- puts forward proposals for selecting Board members and Committee members, given the desirable balance for the composition of the Board, in view of the composition of and changes in the Company's shareholders, and of the split between men and women within the Board;
- reviews the independence of the Board members and of the candidates for membership of the Board or of a Committee;
- draws up a succession plan for the Directors who are Corporate Officers, so as to be in a position to offer the Board succession solutions in the event of an unforeseen vacancy.

Remuneration assignments

This Committee's duties include making any recommendations on the remuneration of the Corporate Officers to the Board of Directors. If requested by the Board of Directors, it may also issue advisory recommendations on the remuneration of the Group's key management staff. It forwards these recommendations to the Board.

These recommendations cover all components of the remuneration package: the fixed component including benefits in kind, the variable component, any retirement bonuses, supplementary pension schemes, share subscription and purchase options, and free shares, irrespective of whether these components are paid, awarded or paid for by the Company, its parent company or a company under its control.

The recommendations may also relate to the breakdown between the various components comprising the total remuneration and the terms and conditions for the payment thereof, particularly in terms of performance.

Specific operating procedures

The Appointments and Remuneration Committee meets at least once a year, before the Board meeting where the remuneration of the Chairman and Executive Management is reviewed, or which sets the agenda of a General Meeting convened to approve draft resolutions relating to issues that fall within its remit.

In addition, the Committee meets as and when required at the request of its Chairman, at its own initiative, or at the request of the Chairman of the Board.

The Committee met on three (3) occasions over the 2016/2017 financial year.

The main subjects discussed were a review of the remuneration method for members of the Board of Directors as well as setting the objectives for the calculation of remuneration.

The attendance rate at this Committee was 100%. The Committee reported its work to the Board, which recorded and monitored all recommendations.

9 Principles and rules for determining the remuneration of Corporate Officers

9.1 Remuneration of Directors (Directors' fees)

The General Meeting of 30 November 2011 set at €150,000 the maximum total amount of Directors' fees for the financial year in question, until a contrary decision is made. Please see the table on page 48 for further information regarding the allocation of Directors' fees for the financial year 2016/2017.

In accordance with the provisions of the Board of Directors' Internal Rules of Procedure, every Director may receive Directors' fees, the amount of which is voted by the Ordinary General Meeting, and the allocation of which is decided by the Board of Directors, on the suggestion of the Appointments and Remuneration Committee, as follows:

- Directors who also serve as either Chairman of the Board or as Executive Managers (Chairman of the Board of Directors, General Manager or Deputy General Manager) do not receive Directors' fees;
- the Board will allocate Directors' fees on a pro rata basis for Directors who are not part of the management team, according to the time that they devote to their role as Directors and members of the Audit Committee.

Every Director shall have the right to reimbursement of the travel costs incurred as part of the fulfilment of their duties.

9.2 Remuneration of the Chairman of the Board of Directors

At the suggestion of the Appointments and Remuneration Committee, the Board of Directors of 13 December 2017 decided to set the remuneration of the (Non-Executive) Chairman of the Board of Directors, the amount of which is referred to on page 44, in view of his legal assignments previously referred to on page 51 and the following additional assignments that the Board has entrusted to him:

- representing the Company, and relationships with professional federations, public authorities, domestic or international institutional authorities, and more generally, economic players:
 - relationships with the Group's major customers or partners both at the domestic and international level,
 - public relations with French or foreign subsidiaries,
 - the relationship with the Company's shareholders,
 - seeking potential targets in order to encourage external growth projects;
- visiting trade shows.

9.3 Remuneration of the Executive Directors (General Manager and Deputy General Managers)

The Board of Directors has drawn up a remuneration policy for Executive Directors, including the remuneration for each Director as proposed by the Appointments and Remuneration Committee.

This policy covers in detail the fixed, variable and exceptional remuneration and any benefits in kind granted by the Company (pension, retirement bonuses etc.).

It is determined not only based on the work carried out, the results obtained, the responsibility assumed, but also with respect to the practices observed in peer companies and the remuneration of other management staff within the Company.

9.3.1 Calculation of the fixed component

The Board of Directors approves the fixed component of each Executive Director's remuneration for a period of twelve (12) months, based on the responsibilities assumed and market practices.

9.3.2 Calculation of the variable component of the remuneration

The Board of Directors approves the annual variable component of each Executive Director's remuneration based on the following quantitative criteria: target turnover and pre-tax operating income subject to minimal performance conditions. These quantitative criteria have been approved in detail by the Board; however, for confidentiality reasons, the fulfilment level of these criteria is not made public.

This variable portion is in a range of between 40% and 50% of the Executive Director's fixed annual remuneration.

9.3.3 Stock options and free shares

The information regarding free share allocations provided below relates to the allocations that were made to former members of the Management Board, who have all remained Executive Directors since the change in the governance model.

Allocation policy

General policy

The allocation of free shares to the members of the Management Board in January 2009 took place within the broader context of an allocation to the eight members of the Executive Committee.

Policy specific to Executive Directors

The Supervisory Board meeting of 15 December 2008 decided, based on the proposals issued by the Appointments and Remuneration Committee, to set the following maximum percentages of stock options and performance shares that could be awarded to the Executive Directors in relation to the total budgets authorised by the Meeting:

- a number of options to subscribe for shares or to purchase shares representing a maximum of 20% of the total budget

set by the Combined General Meeting of 15 March 2007, itself representing a maximum 1% of the share capital;

- a number of free shares representing a maximum 20% of the total budget set by the Combined General Meeting of 13 March 2008, itself representing a maximum 1% of the share capital.

In addition, as proposed by the Appointments and Remuneration Committee, the Supervisory Board meeting of 15 December 2008 set the maximum percentage of remuneration Executive Directors could be awarded in the form of stock options and free shares.

The Board has therefore decided that the value according to IFRS standards of the stock options or performance shares that may be allocated in respect of the financial year cannot amount to more than 30% of their fixed and variable remuneration for the previous financial year.

The Management Board meeting of 15 January 2009 decided to award free shares to eight Executive Committee members subject to performance conditions, it being specified that the award of free shares is subject to two cumulative quantitative performance conditions.

Holding policy

With regard to the award of free shares, the Supervisory Board meeting of 15 December 2008 decided to set at 10% the quantity of free shares that could be awarded to Brigitte Auffret, member of the Management Board and General Manager at this time, and which must be held in registered form until the termination of the General Manager's position.

9.3.4 Bonuses, benefits and remuneration granted to Executive Directors in the event of the termination of or change in their position

The Board of Directors meeting of 16 January 2017 renewed the indemnity likely to be payable to Brigitte Auffret, Director and Deputy General Manager, in an identical amount, in the event that her employment is terminated, subject to the condition precedent that her term of office was renewed by the General Meeting on 9 March 2017, as was already renewed by the Board of Directors on 13 March 2015, in the following way:

In the event of dismissal (with the exception of cases of serious or gross negligence, *force majeure*, redundancy due to a physical inability recognised by the Company doctor, retirement, early retirement or resignation) the Company agrees to pay the Director contractual compensation for the early termination of their employment contract, in addition to redundancy pay as provided for by the Law.

The amount of this gross compensation is fixed at 21 (twenty-one) months' salary (fixed basic salary + bonus but excluding exceptional incentives).

Payment of the contractual compensation is subject to the following performance conditions:

- average current operating profit over the three (3) years preceding notification of termination of the employment contract to be maintained above 4% of turnover;

- and stable positive consolidated net income over the past three (3) financial years preceding the notification of the termination of the employment contract.

These aggregate conditions are based on the consolidated results. The achievement of these objectives would be based on the consolidated accounts for the last three (3) financial years, as approved by the Board of Directors and certified by the Statutory Auditors, prior to the notification of the termination of the employment contract.

If Brigitte Auffret's appointment as a member of the Board of Directors is terminated, for any reason whatsoever, these performance conditions governing the granting of contractual compensation would become null and void at the end of a period of eight (8) months from the expiry date of the appointment.

The notification date of the termination of the employment contract would be taken into account when determining whether the performance condition would apply to the payment of compensation.

The undertaking made to the benefit of Brigitte Auffret, as described above, is a regulated agreement approved by the Annual General Meeting on 13 March 2014; the renewal of Brigitte Auffret's appointment and this undertaking were respectively approved by the General Meetings of 12 March 2015, 17 March 2016 and 9 March 2017. It shall be proposed to the General Meeting of 9 March 2017 to renew the appointment of Brigitte Auffret and the compensation that may be payable to her under the same terms.

Furthermore, the Board Meeting of 30 November 2011 decided to maintain the benefit of an Executive redundancy insurance policy taken out with the GSC, which provides the Class 6 Option 2 basic scheme and Class H Option 2 complementary scheme guarantees for the benefit of Brigitte Auffret, Director and Deputy General Manager.

The Board of Directors of 16 January 2017 renewed the indemnity likely to be payable to Pierre-Olivier Brial, Director and Deputy General Manager, in an identical amount, in the event that his employment is terminated, subject to the condition precedent that his appointment was renewed by the General Meeting on 9 March 2017, as was already renewed by the Board of Directors on 20 January 2016, in the following way:

In the event of dismissal (with the exception of cases of serious or gross negligence, *force majeure*, redundancy due to a physical inability recognised by the Company doctor, retirement, early retirement or resignation) the Company agrees to pay the Director contractual compensation for the early termination of their employment contract, in addition to redundancy pay as provided for by the Law.

The amount of this gross compensation is fixed at 21 (twenty-one) months' salary (fixed basic salary + bonus but excluding exceptional incentives).

Payment of the contractual compensation is subject to the following performance conditions:

- average current operating profit over the three (3) years preceding notification of termination of the employment contract to be maintained above 4% of turnover;
- and stable positive consolidated net income over the past three (3) financial years preceding the notification of the termination of the employment contract.

These aggregate conditions are based on the consolidated results. The achievement of these objectives would be based on the consolidated accounts for the last three (3) financial years, as approved by the Board of Directors and certified by the Statutory Auditors, prior to the notification of the termination of the employment contract.

If Pierre-Olivier Brial's appointment as a member of the Board of Directors is terminated, for any reason whatsoever, these performance conditions governing the granting of contractual compensation would become null and void at the end of a period of eight (8) months from the expiry date of the appointment.

The notification date of the termination of the employment contract would be taken into account when determining whether the performance condition would apply to the payment of compensation.

The undertaking made to the benefit of Pierre-Olivier Brial, as described above, is a regulated agreement approved by the Annual General Meeting on 17 March 2016 and renewed by the General Meeting of 9 March 2017. It shall be proposed to the General Meeting of 9 March 2017 to renew the appointment of Pierre-Olivier Brial and the compensation that may be payable to him under the same terms.

9.3.5 Pensions

The Executive Directors do not benefit from any supplementary pension scheme.

9.3.6 Benefits in kind

The Executive Directors have a company car. Furthermore, Brigitte Auffret and Pierre-Olivier Brial benefit from insurance taken out with the GSC.

10 Participation of Shareholders in the General Meeting (Articles 16 and 17 of the articles of association)

General Meetings are attended by all shareholders irrespective of the number of shares they hold.

The right to participate in General Meetings is subject to the registration of shares in the name of shareholders or broker registered on their behalf, by the second working day preceding the General Meeting at midnight Paris time, (i) either in the registered securities ledgers kept by the Company (ii) or in bearer accounts kept by authorised intermediaries.

For bearer securities to be recorded the authorised intermediary must submit a corresponding statement of participation. If a shareholder is unable to personally attend the meeting, he/she may select one of the following three options: (i) give voting authority to the individual or company of their choice under the conditions of Article L. 225-106 of the French Commercial Code; (ii) send the company voting authority without indicating a proxy; (iii) vote by post.

Requests by shareholders to include draft resolutions or points in the agenda must be sent to the Company's registered offices, by registered letter with a request for acknowledgement of receipt, or *via* electronic mail, and must reach the Company at least twenty-five days before the General Meeting is held, but may not be sent more than twenty days after the publication of the prior notice in the Official Journal.

11 Factors likely to have an impact in the event of a public offering

These factors are presented in Chapter 6 "Information about the Company and the capital" in the paragraph "Shareholders of Manutan International".

Internal control and risk management procedures

The report covers all entities within the Manutan Group, both operational and holding companies.

This report was prepared by the Chairman of the Board of Directors, with the support of various participants from internal control and more particularly the internal control and risk management unit that led the project.

1 Internal control and risk management procedures

1.1 Definition of internal control

Within the Manutan Group, internal control is a procedure defined and implemented by the Executive Management, with the responsibility of all its employees.

It plays a key role in the performance and management of the different operations by assisting in preventing and controlling the risks of failing to achieve the targets fixed by the Company.

Internal control aims to ensure:

- compliance with laws and regulations;
- the application of the instructions and directions set by the Executive Management;
- that internal Company procedures operate correctly, in particular those contributing to safeguarding assets;
- the accuracy of financial information.

It contributes in a general manner to the management of activities, the effectiveness of the operations and the efficient use of resources. However, internal control cannot provide an absolute guarantee that the Company's targets will be achieved.

Consequently, the primary objective of the current internal control procedure within the Manutan Group is to provide Managing Directors, the Board of Directors and Shareholders with reasonable assurance that:

- the risks to which the Group is subject are identified and managed;
- the published financial statements are prepared on a reliable basis that accurately reflects the operations and position of the Company;
- the Group's operations comply with the law and regulations in force, as well as Group values and rules whilst preserving the Company's assets.

The implementation of good internal control practices also contributes to the reduction in risk of fraud and error within the Group.

1.2 Guidelines used by the Manutan Group

This draws its inspiration from the reference framework on the procedures for risk management and internal control systems for small and medium-sized listed companies, published on 22 July 2010 and updated on 26 October 2016 by the AMF (French Financial Markets Authority) and based on the internal control guidelines known as COSO (Committee of Sponsoring Organizations of the Treadway Commission).

2 The Manutan Group's internal control environment

The procedure in place within the Manutan Group is coordinated by a unit dedicated to risk management and internal control.

This unit depends on an operational organisation over different levels within the Corporate Finance department at the Group head office under the management of the Executive Management.

It is responsible for communications and awareness measures regarding this area. It aims to achieve better risk management and a higher level of performance.

2.1 General organisation of the Manutan Group

The Manutan Group is organised into operational areas (South, Centre, North, West and East), covering all subsidiaries, and is led by the parent company Manutan International.

In this respect, Manutan International hosts Group functional managements (Marketing and Purchasing, Information Systems, Corporate Finance, Human Resources, Communication) that exercise a control function and provide expertise, advice and business-wide support.

The Managers of the operational areas are responsible, within their area, for the implementation of the strategy and the achievement of objectives set by the Group Executive Committees. The subsidiaries, within the areas, manage their operations in the various countries where the Group is present. Reporting to the Area Manager, they implement the Group's policy, while taking account of specific local conditions. To do this, they refer to the guidelines and procedures defined by the Group.

2.2 Participants in internal control

Internal control is everybody's business, from the governing bodies of the Group to all Manutan Group employees.

Even though "management" is responsible for the implementation of good internal control practices, the risk management and internal audit team is in charge of applying and coordinating procedures throughout the Group.

The risk management and internal audit unit is part of the Group Financial Management and reports to the Executive Management and the Audit Committee.

The risk management and internal audit unit defines the structure and procedures for the Group's internal control together with all key operating and functional staff. It also ensures that the rules laid down are applied.

Executive Management

Management of the Manutan Group is entrusted to the Executive Management that defines the action plans required for the implementation of the Group's strategy. It also ensures the uniformity and consistency of practices within all the Group's subsidiaries.

Management is based on a functional and operational organisation of the departments within the Group with defined duties, responsibilities and expertise.

Board of Directors

The Board of Directors has a driving role in implementing internal control both by defining guidelines and internal standards and in inspecting their application. It also monitors the manner in which they are converted into action plans.

The Board of Directors is thus involved in local strategic decision-making (investments, development plans, etc.) within the limits of the duties contractually set with the Managing Directors. This presence guarantees local action in line with Group strategy.

Audit Committee

The Audit Committee is responsible for monitoring the procedure for the preparation of financial information, the effectiveness of internal control and risk management systems (see page 52 of this document).

Group Financial Management

The preparation of Group accounting and financial information is the responsibility of the Group Finance Department which supervises the work carried out by local finance departments. In this way, the Top Management relies mainly on:

- the Consolidation Division: it is responsible for preparing the interim and annual consolidated financial statements and the related closing instructions. It defines and distributes the Group standards and must ensure the reliability of the accounting information. It must also establish the guidelines for managing taxes, cash and relations with investors;

- the Risk Management and Internal Audit Division: it defines and implements the guidelines for internal audits. It also deploys the risk management system by in particular regularly updating the cartography of risks and offering appropriate action plans. The department dedicated to this procedure also directs the internal control work and audits through financial or operational business-wide assignments in the subsidiaries. It is also responsible for assessing, processing and raising awareness for managers on the Group's exposure to inherent risks to achieving the Group's strategic objectives;
- the Management Control Division: this is a key player in operational control for the Group. Its main role is to regularly check operational performance by implementing reports and defining KPI – Key Performance Indicators. It deals directly with the operational realities of subsidiaries and may participate in the resolution of management difficulties beyond the single area of finance;
- the Legal Division: it monitors compliance with laws, regulations and rules of procedure for the delegation of powers and responsibilities within the Group.

Legal control is ensured by the presence of at least one of the members of the Group Board of Directors at the Boards of Directors of companies leading an operational area.

3 Procedures relating to the preparation and processing of accounting and financial information

The proper application of Group accounting and financial principles is verified by Group Financial Management, as well as by the local Statutory Auditors.

Group Financial Management also provides advice and support in dealing with specific problems and non-current transactions.

The Board of Directors reviews the annual and interim financial statements as well as the management information presented thereafter to the Audit Committee and the Board of Directors.

The preparation and analysis of financial information is based on an integrated process, from the budgetary procedure and reporting process to the preparation of consolidated financial statements audited by the Statutory Auditors.

3.1 The budgetary procedure

The Group Financial Management is responsible for overseeing the budgetary procedure. The Manutan Group's budgetary procedure is managed according to an annual calendar. Budgets for countries and operating areas are generated on the basis of guidelines issued by the Board of Directors of Manutan International and discussions between Operating Management, the Group Finance Department and cross-functional departments.

Draft budgets for the areas are presented for each area during an official review between the Board of Directors and the Operational Managers: the strategic directions, the projects and the associated means as well as the detailed resulting objectives are commented on.

Following any revisions requested by the Board of Directors, the budgets for the operating areas and accordingly those of the corresponding companies are then validated.

The draft Group budget is then amended to its final version. The Group's targets and their financial impact are drawn from it and presented to and shared with the Group's senior Management team and its main managers.

Overall consistency is thus assured, with regard to the Group and its operating areas, areas within its countries, and Functional Top Management and Operating Top Management. The budget serves as a benchmark throughout the year. Forecasts are reviewed and revised on a quarterly basis.

3.2 The reporting procedure

Group reporting consists of monthly monitoring of the performance of the entities by means of specific indicators whose coherence and accuracy are reviewed by the Group Financial Management: these are standard financial indicators, based on the income statement, the balance sheet and analysis of cash flows, and also indicators to measure performance and the achievement of quantified objectives.

3.3 The consolidation procedure

The Manutan Group prepares consolidated financial statements to the IFRS standards every quarter as part of its internal management. Only the interim and annual consolidated financial statements are published today.

To achieve this, a detailed planning schedule and a description of the various steps and related duties are prepared for every quarterly closing of consolidated financial statements. A systematic review of the financial statements is carried out, as well as a review of the consistency with the IFRS standards, the Group accounting principles and compared to performance objectives. The audit points revealed by the Local Statutory Auditors are also treated. They are accompanied by a list of information and documents to be provided in a consolidation package (e.g. representation letter, information for the notes to the consolidated financial statements, etc.).

The consolidation, a key step in the preparation of Group accounting and financial information, is carried out centrally by the Group Financial Management on the basis of the subsidiaries' consolidation packages, validated previously by local management and the Statutory Auditors and analysed by Group Financial Management.

The consolidation process is structured around various information exchange and validation meetings. A local closing meeting, for interim and annual closings, is organised for every Group subsidiary. This brings together the local financial staff (frequently together with the Managing Director of the subsidiary), a representative of Group Financial Management and the local Statutory Auditors.

3.4 Use of Statutory Auditors' reports

The Group internal control and risk management team manager summarises and reports all audit issues brought to his/her attention by the Statutory Auditors. He or she then ensures the internal audit follow-up on all of these issues, and participates as appropriate, in the implementation of corrective measures.

3.5 Description of the Information System

All information that serves as a basis for the preparation of the consolidated financial statements is managed by a single integrated tool that is shared by all Group companies and recognised as a benchmark in the market.

This tool is controlled by the Group Financial Management and brings together, in a unique format and guidelines, the various phases of financial information generation: budget, reporting and preparing consolidated financial statements.

All analyses and discussions relating to financial information are based on information generated from this common tool.

4 Risk assessment and audit activities

The internal control and risk management unit is responsible for raising awareness about risk management amongst all the internal participants. Its role is not limited to defining the standards and auditing that they are correctly applied: it actively monitors the deployment of corrective actions and the reduction of anomalies detected in the application of the Group procedures.

The internal control unit is responsible for developing and drafting Group procedures aimed at structuring and improving internal control.

The implementation of the Group risk management policy has made it possible to identify the following risks (see the "Issuer's risk factor" section – page 81 *et seq.* of this document):

- financial risks: risks related to the market, rates, liquidity, exchange, shares, customer credit, the economic climate and raw materials;
- operational risks: the risks of the failure of a transporter, risks related to the information systems, to competition, acquisitions, the protections of ethical and corporate assets, or to reputation;
- industrial and environmental risks;
- legal risks.

In order to implement internal management of audits to ensure continuing improvement, the projects related to internal control and risk management result in the creation of various documents and tools, which are valuable points of reference for Manutan Group employees.

By agreement with the Audit Committee, the work carried out over the previous financial period was essentially centred on continuing risk assessment with a specific focus on: the processes for managing cash, monitoring IT risks, and mapping risks of corruption in the context of compliance with the French Sapin 2 Law.

Specific assignments aimed at verifying the reliability of financial information and the implementation of new procedures (particularly in the areas of IT, finance and sales, etc.) were also performed. Awareness raising actions also

continued over the financial period, with the development of working meetings with the managers of the Group's different subsidiaries, and the deployment of specific IT projects coordinated by the Data Security Systems Manager (RSSI) and the internal control unit.

The risk management unit also carried out a number of specific assignments in different entities such as:

- assisting with the closing of accounts;
- implementing and deploying control procedures and activities;
- reviewing the monthly financial performance analysis carried out within the Group's entities;
- conducting audits of cash management processes at several subsidiaries.

The consolidated financial statements are also reviewed quarterly by Group Financial Management, which presents their analysis to the Board of Directors and the Audit Committee. Emphasis is placed on developing turnover, income and cash position relative to the budget, as well as on an analysis of significant risks.

5 Outlooks

The Manutan Group is committed to a continual improvement approach for its procedures. The priorities identified in previous years (expenditure commitment management, securing of financial flows, inventory management, purchase management, IT and information systems security, and cash management) are still relevant issues according to the audits conducted; they will form the guiding basis for the involvement of the internal control unit over the next year. The Group has also deployed projects to enter into compliance with laws, by instigating for example a system to prevent corruption (Sapin 2 Law). In 2018, the Group shall continue its work to enter into compliance, particularly by updating the risk mapping carried out. Risk assessment is based on an approach centred on identifying priority risks, and monitoring the corrective action plans drawn-up by the management.

Work on increasing the security of our IT systems will intensify, particularly regarding the deployment of several exercises with the Group's new ERP system.

The organisational challenges facing the Group will also remain a major line of work for the unit.

Particular attention will continue to be paid to monitoring major ongoing projects, through audits performed at key stages in the subsidiaries, as well as through monitoring risks relating to costs, deadlines, and quality.

Furthermore, the Company will continue to remain informed of changes in the AMF (French Financial Markets Authority) Reference Framework.

Chairman of the Board of Directors

Statutory Auditors' report, prepared pursuant to Article L. 225-235 of the French Commercial Code (*Code de commerce*), on the report of the Chairman of the Board of Directors of the company Manutan International

Financial year ended 30 September 2017

Dear Shareholders,

In our capacity as Statutory Auditors of Manutan International and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby present to you our report on the report prepared by the Chairman of your Company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the financial year ended 30 September 2017.

The Chairman is responsible for preparing and submitting for approval to the Board of Directors a report on the internal control and risk management procedures implemented within the Company and for providing other information required under Article L. 225-37 of the French Commercial Code relating, in particular, to the system of Corporate Governance.

It is our responsibility:

- to inform you of our observations on the information provided in the Chairman's report concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- to attest that the report contains the other information as required under Article L. 225-37 of the French Commercial Code, bearing in mind that it is not our responsibility to verify the accuracy of this information.

We performed our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we plan and perform our work so as to be able to assess the accuracy of the information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the Chairman's report.

In particular, these standards require that we:

- familiarise ourselves with the internal control and risk management procedures relating to the preparation and processing of accounting and financial information supporting the information presented in the Chairman's report along with any existing documentation;
- familiarise ourselves with the work supporting the information thus provided in the report and the existing documentation;
- determine whether any major internal control deficiencies relating to the preparation and processing of the accounting and financial information that we identified during the audit were suitably explained in the Chairman's report.

Based on our work, we have no comments to make on the information provided concerning the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information, as contained in the report of the Chairman of the Board of Directors, prepared pursuant to the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We certify that the report of the Chairman of the Board of Directors contains the other information required by Article L. 225-37 of the French Commercial Code.

Signed in Nantes and in Courbevoie, 29 January 2018

The Statutory Auditors

KPMG Audit
A Division of KPMG S.A.

Franck Noël
Partner

Mazars

Anne Veaute
Partner

Special report of the Statutory Auditors on regulated agreements and commitments

Dear Shareholders,

In our capacity as Statutory Auditors for your Company, we hereby present to you our report on regulated agreements and commitments.

It is our duty to inform you, based on the information made available to us, of the features and the essential terms of the agreements and commitments of which we have been advised or that we have discovered during our assignment and the reasons justifying their interest to the company, though we are not obliged to comment on their usefulness or their value or to seek out other agreements or commitments. It falls upon you, under the terms of Article R. 225-31 of the French Commercial Code, to consider the value of the conclusion of these agreements and commitments with a view to their approval.

It is also our duty, where appropriate, to inform you of the information provided for by Article R. 225-31 of the French Commercial Code regarding the performance, over the financial year ended, of the agreements and commitments previously approved by the General Meeting.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body [the Compagnie nationale des Commissaires aux Comptes] regarding this assignment. These procedures consisted of verifying that the information provided to us was consistent with the data in the documents from which it was drawn.

Agreements and commitments submitted for approval by the General Meeting

Agreements and commitments authorised over the financial year ended

Pursuant to article L. 225-42 and L. 225-38 of the French Commercial Code, we have been informed of the following agreements and commitments that have been given prior authorisation by your Board of Directors.

1. Partial debt waiver agreed with the subsidiary Manutan GmbH (Switzerland)

Persons in question:

Manutan International and Manutan GmbH (Switzerland)

Nature and subject:

On 18 September 2017, your Company granted a partial debt waiver to the benefit of its Swiss subsidiary Manutan GmbH, under the terms of which the Company waived €70,000 out of the €149,000 owed by Manutan GmbH.

Grounds:

In view of the fact that, on the closing of accounts, Manutan GmbH had a negative balance of its shareholders' equity that under local law required a contribution of capital; and as Manutan GmbH is a subsidiary controlled by the Company Manutan International, it was in the interests of the latter to maintain its interests in its fully owned subsidiary in order to continue its commercial development in Switzerland.

2. Partial debt waiver agreed with the subsidiary Manutan GmbH (Germany)

Persons in question:

Manutan International and Manutan GmbH (Germany)

Nature and subject:

On 18 September 2017, your Company granted a partial debt waiver to the benefit of its German subsidiary Manutan GmbH, under the terms of which the Company waived €160,000 out of the €380,000 owed by Manutan GmbH.

Grounds:

In view of the fact that, on the closing of accounts, Manutan GmbH had a negative balance of its shareholders' equity that under local law required a contribution of capital; and as Manutan GmbH is a subsidiary controlled by the Company Manutan International, it was in the interests of the latter to maintain its interests in its fully owned subsidiary in order to continue its commercial development in Germany.

Agreements and commitments authorised since the closing of accounts

We have been informed of the following agreements and commitments, authorised since the closing of accounts for the financial year ended, which have been given prior authorisation by the Board of Directors of your company

1. Renewal of the commitment regarding the end-of-service bonus for Pierre-Olivier Brial, which may be payable due to termination of his employment contract, and the related conditions of performance

Person in question:

Pierre-Olivier Brial, Deputy General Manager

Nature, subject and terms:

During the session on 13 December 2017, your Board of Directors renewed the commitment made under the terms of article L. 225-42-1 of the French Commercial Code regarding the end-of-service bonus that may be paid to him due to termination of his employment contract, as well as the related performance conditions.

This agreement provides that Pierre-Olivier Brial shall benefit from a contractual end-of-service bonus with regard to his employment contract, the terms of which are:

With the exception of dismissal due to serious misconduct, gross negligence or *force majeure*, dismissal on the grounds of physical inability as decided by the company doctor, retirement, or voluntary departure (resignation, early retirement or termination of the employment by mutual consent), Pierre-Olivier Brial shall benefit from contractual compensation for the termination of his employment contract. He shall also receive the redundancy payment he is entitled to legally. This contractual severance payment is fully inclusive of the redundancy indemnification under the collective bargaining agreement.

The amount of this gross compensation is fixed at 21 (twenty-one) months' salary (fixed basic salary + bonus but excluding exceptional incentives).

This compensation shall be governed by the applicable social and fiscal rules at the time of payment and may, in this manner, be subject to all the employer's and employee's social security charges.

The payment of the above mentioned compensation is conditional on the achievement of the following cumulative performance conditions:

- average current operating profit over the three (3) years preceding notification of termination of the employment contract to be maintained above 4 % of turnover; and
- stable positive consolidated net income over the past three (3) financial years preceding the notification of the termination of the employment contract.

These two cumulative conditions would be based on the consolidated net income and turnover of the Manutan Group. The achievement of these objectives would be based on the consolidated accounts for the last three (3) financial years, as approved by the Board of Directors and certified by the Statutory Auditors, prior to the notification of the termination of the employment contract.

If Pierre-Olivier Brial's appointment as Deputy General Manager is terminated, for any reason whatsoever, these performance conditions governing the granting of contractual compensation would become null and void at the end of a period of eight (8) months from the expiry date of the appointment.

Grounds:

With regard to the extent of the powers and the responsibilities that have been granted to Pierre-Olivier Brial in his capacity as Deputy General Manager and the investment that these functions require, it appears to be in the Company's best interest to ensure lasting good relations and understanding with its Deputy General Manager by granting him an end-of-service bonus in the event of the termination of his employment contract.

2. Renewal of the commitment regarding the end-of-service bonus for Brigitte Auffret, which may be payable due to termination of her employment contract, and the related conditions of performance

Person in question:

Brigitte Auffret, Deputy General Manager

Nature, subject and terms:

During the session on 13 December 2017, your Board of Directors renewed the commitment regarding the end-of-service bonus that may be paid to her due to termination of her employment contract, as well as the related performance conditions.

As such, this agreement provides that the contractual end-of-service bonus under the terms of the employment contract of Brigitte Auffret is as follows:

With the exception of cases of serious or gross negligence, *force majeure*, redundancy due to a physical inability recognised by the company doctor, retirement, or voluntary departure (resignation) the Company undertakes to pay Brigitte Auffret, contractual compensation for the early termination of her employment contract, in addition to redundancy pay as provided for by the Law.

The amount of this gross compensation is fixed at 21 (twenty-one) months' salary (fixed basic salary + bonus but excluding exceptional incentives).

This compensation shall be governed by the social and fiscal rules applicable at the time of its payment.

The payment of the above mentioned compensation is conditional on the achievement of the following performance conditions:

- average current operating profit over the three years preceding notification of termination of the employment contract to be maintained above 4 % of turnover; and
- stable positive consolidated net income over the past three financial years preceding the notification of the termination of the employment contract.

These two cumulative conditions shall be based on the consolidated turnover of the three financial years preceding the notification of the termination of the employment contract. If Brigitte Auffret's appointment as a member of the Board of Directors is terminated, for any reason whatsoever, these performance conditions governing the granting of contractual compensation would become null and void at the end of a period of eight (8) months from the expiry date of the appointment.

This provision is motivated by the seniority of Brigitte Auffret as a member of the Management Board and the Executive Management (25 January 2002), then as a member of the Board of Directors and Deputy General Manager since 30 November 2011.

Grounds:

With regard to the extent of the powers and the responsibilities that have been granted to Brigitte Auffret in her capacity as Deputy General Manager and the investment that these functions require, it appears to be in the Company's best interest to ensure lasting good relations and understanding with its Deputy General Manager by granting her an end-of-service bonus in the event of the termination of her employment contract.

Agreements and commitments previously approved by the General Meeting

Agreements and commitments approved during previous financial years the performance of which continued during the financial year ended

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed of the performance of the following agreements and commitments, previously approved by the General Meeting during previous financial years, which continued during the financial year ended.

1. Agreement concluded with a member of the Board of Directors: suspension of an employment contract

Person in question:

Pierre-Olivier Brial, Deputy General Manager

Nature, subject and terms:

Under the conditions of article L. 225-38 of the French Commercial Code, your Company has suspended the employment contract of Pierre-Olivier Brial, for the following reasons:

In 2015, changes to the organisation of Manutan International were planned, which in particular resulted in a change to the organisational structure, particularly regarding the Group functions that were redistributed between the General Manager and the Deputy General Managers.

This change revealed that it would also be necessary to change the legal status of Pierre-Olivier Brial, who, under the new organisation, was assigned the responsibility for the strategic development of Ironmongery Direct in England and Manutan Collectivités in France.

Taking into account the nature and scope of the responsibilities that were assigned to him, it seemed inappropriate to continue the situation of combining an employment contract and a corporate office.

Indeed, in order to be valid, such a combination is subject to several conditions including continuing the distinct technical functions of the employment contract and the hierarchical subordination.

Taking into account the changes to the management structure recalled above, it would appear that, under the new organisation, Pierre-Olivier Brial assumed more of a supervisory role and validating the business strategy and business plan otherwise implemented by the Managing Directors of areas. As such, Pierre-Olivier Brial shall have a greater role in managing the subsidiaries.

It shall therefore become increasingly difficult to make a distinction between the functions devolved to Pierre-Olivier Brial as director and the technical functions required under an employment contract.

Moving to a role of fixing the strategy for the Divisions, for which he shall be responsible in addition to his supervisory role, shall also make it more difficult to define the hierarchical subordination required for an employment contract.

For all of these reasons, the validity of combining a corporate office and employment contract was called into question.

- The suspension of the employment contract shall be effective throughout the appointment of Pierre-Olivier Brial as Deputy General Manager or any executive appointment within Manutan International that may subsequently be assigned to him by the Board, from the date of signature of said suspension agreement.
- In the event of the non-renewal or the termination of his appointment as Deputy General Manager, regardless of the cause or the initiating party, the existing employment contract between the company Manutan International and Pierre-Olivier Brial shall immediately return to effect.

Pierre-Olivier Brial shall resume his previous role as Group Marketing and Development Director and shall receive an annual remuneration of an equivalent amount to the last annual remuneration (fix, bonus and advantages in kind, with the exclusion of GSC) granted under the terms of his corporate office.

The full duration of the period of the suspension of the employment contract of Pierre-Olivier Brial, due to his appointment, shall be taken into account in the calculation of his seniority in the Company.

The agreement to suspend the employment contract, and the undertaking regarding the contractual compensation for an end-of-service bonus, and the associated performance conditions, were authorised by the Board of Directors on 20 January 2016.

2. Agreement concluded with three members of the Board of Directors: Personal insurance and medical expenses schemes for Xavier Guichard, Brigitte Auffret, and Pierre-Olivier Brial, in their capacity as directors assimilated to management level employees

Persons in question:

- Xavier Guichard, General Manager
- Brigitte Auffret, Deputy General Manager
- Pierre-Olivier Brial, Deputy General Manager

Nature, subject and terms:

On 30 November 2011, the Board of Directors of your company authorised Xavier Guichard, Brigitte Auffret and Pierre-Olivier Brial, in their capacity as Directors assimilated to management level employees, to benefit from the Group personal insurance and medical expenses schemes applicable to the Company.

3. Agreement concluded with a member of the Board of Directors: personal insurance and medical expenses schemes for Jean-Pierre Guichard, in his capacity as a director assimilated to a management level employee

Person in question:

Jean-Pierre Guichard, Chairman of the Board of Directors

Nature, subject and terms:

On 14 December 2011, your Board of Directors authorised Jean-Pierre Guichard, in his capacity as a director assimilated to a management level employee, to benefit from the Group personal insurance and medical expenses schemes applicable to the Company.

4. Interest free loan agreement, to the benefit of the Inter-Company Restaurant Association at the Manutan European Centre

Person in question:

Xavier Guichard, General Manager

Nature, subject and terms:

On 12 December 2013, the Board of Directors authorised *a posteriori* your Company to grant on 31 March 2012, a free loan, of an amount of €946,894.50 (nine hundred and forty-six thousand eight hundred and ninety-four euros and fifty cents) for a term of 10 (ten) years, to its subsidiary "Inter-Company Restaurant Association of the Manutan European Centre", in order to finance the installation of furniture, with the exclusion of any other use.

The reimbursement of this loan has given rise to a schedule of payments, by constant annuities over ten years, payable until 31 March 2022.

As at 30 September 2017, the balance stood at €473,446.75.

5. Agreement concluded with a member of the Board of Directors: suspension of the employment contract of Mr. Xavier Guichard

Person in question:

Xavier Guichard, General Manager

Nature, subject and terms:

On 30 November 2011, the Board of Directors for your company suspended the employment contract of Xavier Guichard, in his capacity as a Corporate Officer.

The suspension of the employment contract shall take effect for the full term of the appointment of Xavier Guichard as Deputy General Manager, from the day of the signature of said suspension agreement.

In the event of the non-renewal or the termination (regardless of the cause or the initiating party) of his appointment as Deputy General Manager, or any other executive appointment, in particular as General Manager, assigned by the company Manutan International, the existing employment contract between the company Manutan International and Xavier Guichard shall immediately return to effect.

Xavier Guichard shall once again assume his previous function as Executive Manager or, if this position is not vacant, a position that is at least equivalent in terms of qualification and level of responsibilities within said Company or another company of the Manutan Group, in France. In the latter case, the company Manutan International shall guarantee that the new employer shall replicate the undertakings in the agreement to the benefit of Xavier Guichard.

He shall receive an annual remuneration of an equivalent amount to the last annual remuneration (fix, bonus and advantages in kind) granted under the terms of his corporate office.

The full duration of the period of the suspension of the employment contract of Xavier Guichard, due to his appointment, shall be taken into account in the calculation of his seniority in the Company.

6. Agreement concluded with a member of the Board of Directors: suspension of the employment contract of Mrs. Brigitte Auffret

Person in question:

Brigitte Auffret, Deputy General Manager

Nature, subject and terms:

Taking into account the change in the way the company is administered, and the resulting end of the mandate as member of the Management Board and General Manager of Brigitte Auffret, and her appointment as Deputy General Manager, on 30 November 2011, the Board of Directors of your company authorised the signature of an amendment to the agreement to suspend the employment contract of Brigitte Auffret, member of the Board of Directors and Deputy General Manager, with regard to her employment contract as Group Administrative and Finance Director, concluded on 1 April 2008, the principle conditions of which are as follows:

- the suspension of the employment contract shall take effect for the full term of the appointment of Brigitte Auffret as Deputy General Manager, from the day of the signature of said suspension agreement;
- in the event of the non-renewal or the termination (regardless of the cause or the initiating party) of her appointment as Deputy General Manager of the company Manutan International, or any other executive appointment, assigned by the Board of the company Manutan International, the existing employment contract between the company Manutan International and Brigitte Auffret shall immediately return to effect;
- Brigitte Auffret shall once again assume her previous function as Group Administrative and Finance Director or, if this position is not vacant, a position that is at least equivalent in terms of qualification and level of responsibilities within said Company or another company of the Manutan Group, in France. In the latter case, the company Manutan International shall guarantee that the new employer shall replicate the undertakings in the suspension agreement to the benefit of Brigitte Auffret;
- she shall receive an annual remuneration of an equivalent amount to the last annual remuneration (fix, bonus and advantages in kind, with the exclusion of GSC) granted under the terms of her corporate office;
- the full duration of the period of the suspension of the employment contract of Brigitte Auffret, due to her mandate, shall be taken into account in the calculation of her seniority in the Company.

7. Agreement concluded with the company Manutan N.V. (Belgium): brand licensing agreement

Persons in question:

- Xavier Guichard, General Manager;
- Brigitte Auffret, Deputy General Manager;
- Pierre-Olivier Brial, Deputy General Manager.

Nature and subject:

The Supervisory Board of 1 July 2002 authorised your Company to retroactively grant a Manutan brand license to its subsidiary Manutan NV for a term of ten years from 1 October 2000, and renewable by tacit renewal.

During the meeting on 16 January 2017, the Board of Directors ratified *a posteriori* the renewal of this brand licensing agreement for a term of three years, under the same conditions until 30 September 2019.

In consideration of the use of this license, the company Manutan NV has undertaken to pay your Company an annual fee of 1.5 % of its annual turnover excluding taxes.

Terms:

The amount of the fee invoiced to the subsidiary Manutan NV for the financial year ended 30 September 2017 amounts to €629,882.55.

Signed in Nantes and in Courbevoie, 29 January 2018

The Statutory Auditors

KPMG Audit
A Division of KPMG S.A.

Franck Noël
Partner

Mazars

Anne Veaute
Partner



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Highlights

Manutan entered the Best Workplaces France rankings for 2017

The Great Place to Work Institute recognised Manutan for its culture of enterprise and its management based on sharing and respect for human value. Manutan France entered the Best Workplaces France rankings for 2017,

taking 18th place in the category of good businesses to work for with between 500 and 5,000 employees in France. Joining the French rankings marks a new stage in the continuous improvement of the company's HR practices.

Enrichment of the product range, and deployment of own brands

The Group's product range continues to be enriched by numerous new catalogue items designed to accompany its clients as closely as possible as their needs evolve. The dynamism of the product range strategy is particularly visible through the development of the Group's own brand,

which has grown strongly since its launch in 2016. specialist absorbents brands Ikatex and Ikasorb were recently added to the general range, which now numbers more than 2,500 catalogue items.

Manutan, at the forefront of the digital transformation

The Digital Lab, a team composed of experts in innovation, digital technology and ergonomics and using flexible development methods, is the driving force behind several projects to speed up the Group's digital transformation:

- *Cmaliste*: to help parents of all school and college students in France, Papeteries Pichon has launched a personalised school supplies delivery service, which is already arousing lively interest on the part of parents and teachers;

- *Savin'side*: originally this was a unique approach to identifying ways of optimising non-strategic purchases and evaluating the potential savings. Following validation with some of our European customers, the approach has been developed into an intuitive and easy-to-use application or "app". In due course it will be rolled out in all the subsidiaries of the Business Division.

La Nouvelle Classe by Manutan Collectivités to accompany new teaching practices

In the digital age, the use of the latest equipment is considerably altering teaching practices and creating a new and better equipped generation. For all these needs, *Nouvelle Classe* ("New Classroom") offers the modular, ergonomic, contemporary equipment indispensable to the

smooth operation of school activities. With the help of 3D design and visualisation, Manutan Collectivités puts the latest technological innovations to work in the service of its clients, positioning itself as a leader in the laying out and equipping of learning spaces.

Manutan Group results and outlook

The increase in turnover and income continued over the financial period borne in particular by organic growth and good management of the cost structure.

Over the period the Group successfully improved its financial structure whilst financing its investment projects with its equity. In this context, we are continuing our proactive development strategy to:

- support the growth of the activity (push on the Offer, Digital and Commerce);
- innovation to stand out (Digital, Cmaliste, La Nouvelle Classe);
- developing the potential of our employees at our College;
- grasp opportunities for external growth.

Increase in turnover driven by organic growth

The Group's activity grew by 6% over the whole financial year 2016/2017, at constant exchange rates, scope and days, driven in particular by a strong performance by entities in the Group (Manutan France, Belgium, the Netherlands, and Southern and Eastern countries).

The negative exchange effect is 1.8%, mostly related to the fall of the pound. The acquisition of Essex Electrical Wholesalers (EEW) in July 2016 represents a positive contribution of 0.5%. The days worked effect is also negative, down by 0.8%, with in particular 3 fewer working days in France.

For the financial year as a whole, the Group's performance was fairly even:

- first quarter (October to December 2016): up by 1.7% (as against an increase of 11% in 2016), up by 6.3% on a like-for-like basis in terms of number of days, consolidation scope and exchange rates;
- second quarter (January to March 2017): up by 8.9% (as against an increase of 3.3% in 2016), up by 7.4% on a like-for-like basis in terms of number of days, consolidation scope and exchange rates;
- third quarter (April to June 2017): down by 0.3% (as against an increase of 25.2% in 2016), up by 5.0% on a like-for-like basis in terms of number of days, consolidation scope and exchange rates;
- fourth quarter (July to September 2017): up by 5.4% (as against an increase of 1.6% in 2016), up by 8.1% on a like-for-like basis in terms of number of days, consolidation scope and exchange rates.

4

Strong increase in operating profit

Recurring operating profit for the year was up by 9.4% at €52.7 million, compared with €48.1 million the previous year. This represents 7.4% of turnover compared with 7.1% for the previous period.

This improvement is largely due to the growth dynamic of turnover coupled with an improvement in the trading margin and good management of operating expenses.

After taking account of non-recurring items, operating profit was up by 14.7%, while as a percentage of turnover it increased from 6.9% to 7.6% over the period 2016/2017.

The main non-recurring items were a real estate sale in Belgium and restructuring costs.

A major increase in profit

Profit is up by 14.7% relative to the previous financial year. The fall in the Group's effective tax rate (to 25.8% in 2016/2017 compared with 28.7% in 2015/2016) is compensated for by an increase in financial expenses mostly due to the variations in the exchange rate with the pound.

Profit for the year came to 5.5% of turnover compared with 5% in 2015/2016.

Financial structure and investment policy

Financial structure still just as solid

Financial structure

Since its foundation, the Group's philosophy with regard to its financial policy has always consisted in financing its operating investments (mainly IT solutions, marketing projects and logistics resources), as well as organic and/or external growth, mainly from internally generated resources.

This policy, together with a controlled management of working capital requirements, ensures that the Group enjoys a sound and durable financial structure.

However, in order to preserve its investment capacity and the ability to seize opportunities for external growth, the Group chose to lease finance its HEQ (high environmental quality) European Centre in the Île-de-France (Greater Paris) region. Thus at 30 September 2017 the Group reported long-term financial debt of €49.9 million (down by €11.9 million on the previous financial year). This change was mainly due to repayment of our borrowings during the year.

The Group's financial position remains sound, its long-term debt representing 8.09% of the balance sheet total, compared with 10.4% one year earlier. The ratio of equity to permanent capital thus comes to almost 89%. In addition, the Group has confirmed credit lines from its bankers for a total amount of €20.4 million. These lines can be drawn at any time.

Available cash (cash⁽¹⁾ net of short-term financial debt) rose from €69 million to €87 million as a result of the Group's improved results.

This change can be analysed as follows:

- an increase of 10.1% in the free cash flow, which came to €54.7 million;
- an increase of €5.8 million in working capital requirement, of which:
 - -€9.3 million in operating items (inventories, customer receivables and supplier payables): the deterioration is explained by longer collection periods for customer receivables, particularly at Papeteries Pichon, linked to the strongly seasonal nature of their business, an increase in the level of inventories corresponding to a Group development strategy, and an increase in supplier payables of Manutan France and Manutan International in line with their increased levels of activity;
 - +€3.4 million in non-operating items (sundry debtors and creditors, taxes);

- a sustained level of capital expenditure in support of the Group's development:
 - investments of €2.9 million in intangible assets, mainly corresponding to the cost of acquiring software applications in the Group;
 - investments of €3.8 million in property, plant and equipment, concerning the renewal of computer equipment and the fitting out of various warehouses;
- Investment for the three previous years is summarised hereunder:

2015/2016:

- investments of €5.0 million in intangible assets, mainly corresponding to the overhaul of the information systems;
- investments of €3.7 million in property, plant and equipment, concerning the renewal of computer equipment and the fitting out of various warehouses;
- net impact of the acquisition of the shares in Essex Electrical Wholesalers for €3.0 million.

2014/2015:

- investments of €11.3 million in intangible assets, mainly corresponding to the overhaul of the information systems;
- investments of €4.8 million in property, plant and equipment, corresponding to the integration of the fixed assets of Papeteries Pichon, the renovation of our buildings in the Czech Republic and the renewal of the servers and computers;
- net impact of the acquisition of the shares in Papeteries Pichon for €69 million.

2013/2014:

- investments of €9.2 million in intangible assets, of which €8.5 million concerned the overhaul of the information systems;
- investments of €2.9 million in property, plant and equipment, of which €0.9 million concerned the renewal of computer equipment; €0.9 million related to works on the buildings in Sweden and the Netherlands and €0.5 million was for the leasing of vehicles;
- acquisition of the shares in Ikaros Cleantech for €11.4 million.

(1) The Group defines its cash as the sum of cash and cash equivalents and investments at less than one year.

Real estate

The operation of storage warehouses is a key element of the Group's logistics business. Manutan has total storage area of 187,450 m². The following table shows the main logistics sites currently operated by the Group:

Location	Warehouse area (in m ²)	Holding method	Type of asset
Gonesse, European Centre (France)	41,000	Finance lease	Warehouses and land
Molsheim (France)	10,000	Finance lease	Warehouses and land
Bressuire (France)	4,500	Rental	Warehouses
Niort (France)	1,000	Rental	Warehouses
Saint-Étienne (France)	13,600	Rental	Warehouses
La Talaudière (France)	15,750	Rental	Warehouses
Den Dolder (Netherlands)	30,500	Freehold	Warehouses and land
Verwood (UK)	11,400	Freehold	Warehouses and land
Kemble (UK)	13,000	Finance lease	Warehouses and land
Basildon (UK)	4,400	Rental	Warehouses and land
Ostrava (Czech Republic)	29,200	Freehold	Warehouses and land
Gothenburg (Sweden)	9,000	Freehold	Warehouses and land
Malmo (Sweden)	3,600	Rental	Warehouses and land
Milan (Italy)	500	Rental	Warehouses

Results by region

Manutan International, a holding company at the service of its subsidiaries

Manutan International is the holding company at the head of the Manutan Group, and has been listed on the Euronext Paris stock exchange for the past 30 years. As at 30 September 2017, it controlled 25 operating companies spread among 17 European countries, all applying the same know-how as multichannel distributors to businesses and local authorities.

Its main responsibilities are:

- to define and direct the Group's strategy;
- to steer the five-year business plan;
- to create a common dynamic in terms of communication and human resources, affirming the concept of an international group;
- to manage the IT, Marketing and Purchasing functions for the Group as a whole;
- to implement and direct Group projects;
- to assist Group companies to attain their objectives, in its capacity as centre of competence;
- to guide and control the Group's operational performance and ensure its financial durability.

During 2016/2017, Manutan International was notably involved in the following operational matters:

- coordination of transversal operational projects: development of the Group purchasing policy and rationalisation of suppliers, development of online sales and Key Accounts policy;
- Continued implementation of its sourcing and own brand strategies;
- development of the digital strategy, including the Digital Lab;
- coordination of the recruitment processes for key Group personnel;
- monitoring risk management and internal control, coordinating with the business plan and the priorities defined with the Audit Committee;
- control of the Group's Information System project, under the aegis of the Group Information Systems Division;
- coordination of the Group's University and Sports Centre project;
- support for the development of the green spaces and the garden of the European Centre.

Manutan International's operating profit was €3.4 million, down by €1.2 million on the previous year. Costs were up relative to the 2015/2016 financial year. Other purchases and external charges increased by €2.4 million on the previous financial year, mainly due to the effect of an increase in fees and IT hosting costs. The total payroll cost was approximately €14.8 million, up by €4.3 million on the previous year (average workforce up by 16 persons and increase in variable remuneration).

Depreciation and amortisation charges remained stable at €5.5 million, up by €0.1 million on the previous financial year and in line with the Group's capital expenditure policy. (The new information system came into service in France in June 2015). During the past financial year the Group's subsidiaries re-invoiced Manutan International for services rendered and personnel costs relating to shared services in a total amount of €4.3 million, up by €0.9 million on the previous year, while services provided by Manutan International to Group subsidiaries were remunerated in an amount of €45.7 million, €6.5 million more than in the previous financial year.

Manutan International received €20.3 million in dividends from its subsidiaries, compared with €9.8 million the year before, an increase of €10.5 million. Apart from this, there was a positive net change of €0.06 million in additions and reversals to provisions for investment holdings and loans granted during the financial year. After inclusion of financial income and expense generated by cash managed on behalf of the Group, net financial income came to €18.3 million.

Finally, after an exceptional charge of €0.4 million, employee profit sharing of €0.8 million and tax of €0.8 million, accounting profit came to €21 million, compared with €11 million for the previous financial year.

Profitability improved against a backdrop that remains uneven

For ease of reading and comparison of the geographical regions' operating performance, the Group presents the operating results of the southern and eastern regions

restated to eliminate the Manutan brand royalties paid to Manutan International. Recurring operating profit corresponds to operating profit before non-recurring items.

Southern Region

Spain, France, Italy and Portugal

<i>In thousands of euros</i>	2017/2016	2016/2015	Change
Turnover	457,451	433,116	5.6%
Recurring operating profit (loss)	39,340	30,957	27.1%
Operating profitability	8.6%	7.1%	
Average headcount	1,132	1,159	-2.3%

Strong growth in activity

Activity in the Southern Region showed growth in all subsidiaries. The main contributors were: Manutan France, Manutan Italy, Manutan Portugal and Manutan Spain.

The local authorities market posted a slight increase in turnover: up by 0.4% relative to the previous financial year, mostly driven by Manutan Collectivités. This improvement, the most significant since its integration with the Group in 2009, is visible both in the public and in the over-the-counter markets.

Manutan France posted turnover growth of 6.9% (restated for intra-Group transactions). This growth was driven by key accounts and one-off customers, boosted by increased quotations activity.

The other countries in the Southern Region also showed considerable dynamism: Italy was up by 19.4%, Portugal by 17.2% and Spain by 28%, thanks to increases in both the numbers of customers and the average value of orders.

Operating profitability up, driven by Manutan France

The region's increase in operating profitability (from 7.1% to 8.6%) was driven by Manutan France in particular thanks to the increase in turnover and the increase in productivity brought about by the gradual digitisation of transactions. Italy and Portugal increased their profitability by more than 1 pp thanks to their good control of operating costs.

Central Region

Germany, Belgium, the Netherlands and Switzerland

<i>In thousands of euros</i>	2017/2016	2016/2015	Change
Turnover	137,581	129,561	6.2%
Recurring operating profit (loss)	11,852	11,549	2.6%
Operating profitability	8.6%	8.9%	
Average headcount	288	282	2.1%

Increased activity driven by the dynamism of Belgium and the Netherlands

The region's activity was up by 6.2% compared with the previous financial year. Restated to exclude intra-Group transactions, turnover for the year was up by 5.3% on the previous year, driven mainly by Belgium (up by 6.5%) and the Netherlands (up by 3.9%). The dynamism seen in these two markets is explained largely by the positive effects of the new organisation of the sales force put in place this year in the Netherlands, an improvement in the domestic economic context in Belgium and in the Netherlands and

by the effectiveness of the marketing strategy deployed in Belgium. Germany saw a significant increase in turnover as a result of our determination to increase our presence in this market (up by €0.5 million).

The region's operating profitability came to 8.6% of turnover, compared with 8.9% for the previous financial year. This decline is attributable to the roll-out under way of a new ERP in the Netherlands, which increased the subsidiary's operating costs. Restated to exclude this impact, the region's profitability came to 9.3%.

Western Region

Ireland, United Kingdom

<i>In thousands of euros</i>	2017/2016	2016/2015	Change
Turnover	104,123	105,364	-1.2%
Recurring operating profit (loss)	8,679	10,426	-16.8%
Operating profitability	8.3%	9.9%	
Average headcount	365	334	9.3%

Turnover badly affected by exchange rates

The Western region posted a fall of 1.2% in turnover compared with the previous financial year. The region was affected by adverse exchange rate movements (a negative €12.5 million), despite a positive scope effect of €3.3 million from Essex Electrical Wholesalers. Restated for the exchange and scope effects, the region's performance came to a positive 7.5% in domestic currency, notably thanks to Ironmongery Direct, which was up by 10.7%.

Essex Electrical Wholesalers continues to develop its new distance selling under the Electrical Direct brand name, which was launched at the end of the 2015/2016 financial year.

The other subsidiaries in the region, Key Industrial Equipment and Rapid Racking, also continued to grow thanks to an increase in the weight of key accounts.

The decline in operating profitability was due to the increase in the proportional contribution of key accounts, which command thinner margins than the other segments. Added to this was the increased cost of raw materials, particularly steel, bringing pressure to bear on purchasing costs of Rapid Racking.

Northern Region

Denmark, Finland, Norway and Sweden

<i>In thousands of euros</i>	2017/2016	2016/2015	Change
Turnover	40,918	39,935	2.5%
Recurring operating profit (loss)	1,334	1,276	4.6%
Operating profitability	3.3%	3.2%	
Average headcount	117	114	2.6%

Operating profitability up slightly

Turnover of the Northern Region was up by 2.5%, driven by Witre (up by 9.9% in local currency), thanks to a more favourable domestic environment.

Operating profitability showed slight growth (3.2% to 3.3%) driven by a 1 pp improvement in Witre's trading margin.

Eastern Region

Hungary, Poland, Czech Republic, Slovakia

<i>In thousands of euros</i>	2017/2016	2016/2015	Change
Turnover	21,042	18,509	13.7%
Recurring operating profit (loss)	1,434	1,271	12.8%
Operating profitability	6.8%	6.9%	
Average headcount	109	99	10.1%

Stable operating profitability

Activity of the Eastern Region grew by 13.7%, or 12.6% on a like-for-like basis in terms of exchange rates, driven mainly by Poland (up by 46.1% in local currency) and Hungary (up by 21.3% in local currency). Poland's growth reflects our determination to increase our presence in this dynamic market. The Czech Republic continued to grow during the financial year (by 4.0% in local currency).

Operating profitability held steady: the rate of profitability held up thanks to a 1 pp improvement in the region's trading margin (34.8% as against 33.8% the year before). Growth in the trading margin was driven by the Czech Republic, thanks in particular to an improvement in its product margin and an increase in year-end deliveries. The investments made in Poland and the costs associated with the closure of the offices in Slovakia weighed on the region's profitability.

Other information

Events after the reporting period

There have been no events after the reporting period that would have a material impact on the financial statements as approved.

Research and development activities

The Company does not conduct any research and development activities as such. Nevertheless, its teams constantly seek to develop and improve any work processes and practices likely to have a positive impact on its operations.

Breakdown of Manutan International's supplier payables as at 30 September 2017

The breakdown of supplier payables is as follows (*in euros*):

Past due as at 30 Sept. 2017	Due 30 Sept. 2017	Due in 1-30 days	Due in 30-60 days	Due in >60 days	Total supplier payables
355,417.60	1,450,278.98	538,305.25	80,350.26	0.00	€2,424,352.09 510 invoices

Breakdown of Manutan International's customer receivables as at 30 September 2017

The breakdown of customer receivables is as follows (*in euros*):

60 days past due	60 days past due	Due 30 Sept. 2017	Not yet due	Total customer receivables
934,610.39	235,888.25	1,152.85	6,055,277.90	€7,226,929.39 146 invoices

Presentation of the annual financial statements

There have been no changes in the presentation of the annual financial statements or in the valuation methods used relative to the previous financial year that would have a significant impact on the understanding of these financial statements.

Equity investments

Pursuant to the provisions of Article L. 233-6 of the French Commercial Code, we inform you that during the past financial year the Company did not acquire equity interests in any company having its registered office in France.

Non-tax deductible and sumptuary expenses

During the past financial year the Company did not incur, and therefore did not add back, any of the charges covered by Articles 39-4, 39-5, 54 *quater* and 223 *quinquies* of the French General Tax Code, other than depreciation deemed excessive on motor cars used by the Company, in the amount of €54,673.14.

Changes in the financial or trading position

We hereby declare that there has been no significant change in the Company's financial or commercial situation during the past financial year or thereafter.

Agreements other than in the normal course of business

There are no agreements other than in the normal course of business between any manager or shareholder and a subsidiary held more than 50% by Manutan International.

Financial notice of 17 January 2018

2017/2018 Q1 turnover keeps on increasing

<i>In thousands of euros</i>	31 December 2017	31 December 2016
TOTAL TURNOVER	187,110	175,453

During Q1 2017/2018, the Manutan Group's business enjoyed a growth of 6.6% compared to the same quarter of the prior year, including -0.2% of exchange rate impact and -0.1% of working days impact (+6.9% growth at constant exchange

rate and working days). Turnover amounted to 187.1 million euros, compared with 175.5 million euros for the previous financial year.

In terms of its operational areas, the Group's situation is as follows:

<i>In thousands of euros</i>	Turnover at the end of December 2017	Turnover at the end of December 2016
North	11,048	10,324
Centre	30,110	28,541
East	6,759	5,470
South	113,256	106,650
West	25,936	24,468
TOTAL	187,110	175,453

<i>(constant exchange rate and working days)</i>	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Financial year
North	+10.3%				+10.3%
Centre	+7.3%				+7.3%
East	+20.3%				+20.3%
South	+5.6%				+5.6%
West	+7.5%				+7.5%
TOTAL GROUP	+6.9%				+6.9%

All the Group's operational areas enjoyed growth in turnover. For the remainder of the financial year, the Group will continue implementing its development strategy while

maintaining its medium-term investment plan. The Group will carry on actively searching for external growth targets.

About the Manutan Group

The Manutan Group is a European leader in multi-channel equipment distribution for businesses and local authorities. Established in 17 countries through 25 operating subsidiaries, the Group is a leading player in Europe.

Manutan International is listed on Euronext Paris – Compartment B – ISIN: FR0000032302-MAN.

www.manutan.com

Next publication: Q2 2017/2018 results – 13 April 2018 (after market closure).

Issuer's risk factors

Risk management policy

The Manutan Group's risk management approach is based mainly on strengthening its internal control environment and risk assessment tools. It also relies on optimising the Group's insurance cover. This policy takes the form of various projects placed under the supervision of the internal control unit. Monitoring reports on the various projects are presented regularly to the Audit Committee.

Apart from this, the report of the Chairman of the Board of Directors on the governance and internal control procedures also provides an overview of Group practices in this area (page 56 *et seq.* of this document).

In accordance with the regulatory framework, the Company has carried out a review of the risks that could have a significant negative effect on its business, its financial position or its results (or its ability to achieve its objectives), and considers that there are no significant risks other than those presented below.

However, the Manutan Group cannot absolutely guarantee that the risks to which it might be exposed in carrying on its activities in a constantly evolving environment have been entirely eliminated. Nevertheless, it is important to stress that none of the risks identified to date has materialised or poses a threat to the normal conduct of the Group's business, which is carried on in accordance with recognised business practices and the applicable regulatory framework.

Financial risks

Market risk

The Group is not significantly exposed to market risks, given its financial structure and the small portion of its capital traded on the stock exchange (17.65% as at 30 September 2017).

Liquidity risk

The Company has undertaken a specific review of its liquidity risk and considers that it will be able to meet its future maturities. In fact the Group is not significantly exposed to liquidity risks. As at 30 September 2017, the Group's cash and cash equivalents amounted to €87,146,000 including current financial investments, while financial liabilities totalled €61,680,000. The ratio of consolidated financial debt to consolidated equity stood at 0.15.

In addition, the Group has confirmed lines of credit of €20,115,000. As at 30 September 2017 these lines were used to the extent of €20 million.

The financial debts would be due early in the event of non-compliance with the following legal and financial covenants:

- ratio of medium- and long-term financial debt to equity of less than 1;
- ratio of net borrowings to free cash flow less than 2.

An analysis of liquidity risk is shown in note 8.25 on page 119 of the notes to the consolidated financial statements for 2017.

Interest rate risk

The Group's financial policy consists in managing the overall interest rate risk for the Group's net debt, with the main objective of guaranteeing the financial cost of debt in the medium term and thus optimising the annual financial cost of debt. This policy, managed by Group Treasury, also relies on a combination of variable- and fixed-rate derivative instruments. As at 30 September 2017 the Group had no outstanding interest rate swap derivative instruments.

An analysis of the interest rate risk is shown in note 8.25 on page 119 of the notes to the consolidated financial statements for 2017.

Exchange risk

The Group pursues a general policy of managing the risk with financial instruments such as forward contracts or currency options. The majority of currency hedging contracts have maturities of between three and twelve months maximum, aimed at hedging against changes in interest rates in the current financial year.

An analysis of the exchange risk is shown in note 8.25 on page 119 of the notes to the consolidated financial statements for 2017.

Equity risk

The Group's exposure to equity risk is limited to its holdings of treasury shares in Manutan International, the only securities listed on a regulated market that it holds.

As at 30 September 2017, the number of treasury shares held was 13,062. They are detailed in notes 8.11 and 8.25 on pages 108 and 119 of the notes to the consolidated financial statements for 2017.

Customer credit risk

Due to the Group's activity, credit risk is limited, since the portfolio of customer receivables comprises a large number of small accounts spread among several hundred thousand customers. The Group's policy is to check the creditworthiness of all customers wishing to obtain payment terms on credit.

An analysis of the customer credit risk is shown in note 8.25 on page 119 of the notes to the consolidated financial statements for 2017.

Risks associated with the economic environment

The impact of changes in economic conditions from one country to another is attenuated by the breadth of the Group's geographical coverage.

The fact that it is established only in Europe, and the geographical composition of its revenues, allow it to consider its activities as very little exposed to the various country risks such as political instability, war, etc.

Brexit

The Manutan Group's turnover for the year to 30 September 2017 was €708.8 million. The turnover of the UK subsidiaries (Ironmongery Direct Ltd, Rapid Racking Ltd, Key Industrial Equipment Ltd and Essex Electrical Wholesalers Ltd), represents 15% of total Group turnover. Therefore the Group is not heavily exposed to the effects of Brexit.

Commodities risk

The Group is not directly exposed to risk relating to changes in commodity prices, but rather indirectly via the products it distributes.

At present, the impact of changes in commodity prices on the Group's operating margin is well under control, as shown by the year's results. In order to limit any impact, the Group's procurement teams pursue a policy of active negotiation with the main suppliers concerned.

Risks associated with the business sector

Risks relating to information systems

The rapid development of the new technologies and the gradual migration of Group companies to a unified system (PGI – *Progiciel de Gestion Intégré* or "Integrated Management Application") expose the Group to several risks: cyber attacks, hacking, technical breakdown leading to non-availability of IT tools, and data theft.

For this reason the Group's Information Systems Division is responsible for securing the networks and systems on the one hand and the applications necessary for the continuity of the Group's business on the other.

Linked with the Group's policies on internal control and security, these risks are the object of functional, technical and legal security measures. Controls are also carried out to verify the implementation of these action plans.

A Security Committee also meets once a quarter, bringing together the CIO, the Head of IT security and the internal control unit. The committee reviews the main projects relating to network and system security assurance. Any anomalies or risks detected during the period also give rise to corrective action plans shared with all parties concerned.

Risk of failure of a transporter

The varied nature of the Group's customers and their geographical locations require multiple logistical flows. In the event that one of the Group's transporters were to fail definitively, the consequences of having to replace it would be limited in terms of both cost and delivery times.

In order to control this risk, the Group has flexibility and scaling options (sending deliveries from a supplier, relationships with a variety of transport companies and agreements with other transporters), and a unit dedicated to transport, which among other things provides for a high degree of responsiveness.

Risks relating to competition

The Group faces competition from other groups as regards its acquisition and organic growth policies. Consequently, strategic, commercial and competition-related information, particularly that relating to the Group's structural projects in terms of organic growth or acquisitions, is highly sensitive.

For this reason the Group has introduced awareness-raising measures regarding confidentiality, the security of Intranet sites and access management for its employees.

Risks relating to acquisitions

There are risks in the event of external growth, primarily via acquisitions, including problems with integration, non-realisation of expected gains and synergies, and the departure of key employees. Risks relating to the valuation of assets and liabilities may also appear following the completion of acquisitions, and may result in provisions for the impairment of assets.

The acquisition processes implemented by the Group, notably at the due diligence stage, aim to provide as good an understanding as possible of the uncertainties surrounding these various risks in such cases. The unit in charge of external growth transactions carries out the due diligence, with the support of specialised recognised local advisers.

The resulting assessment depends on the quality of the information provided, and is limited by the legal and regulatory framework applicable under local company law.

Risks linked to the protection of assets

The Group's sites and facilities, which primarily consist of warehouses and commercial buildings, may be exposed to malicious acts or accidents.

To combat this type of risk, the Group has drawn up an asset protection policy. This policy, which is centrally managed, requires the entities to implement tried and tested solutions to reduce risk, covering the technical, legal, managerial and organisational fields.

Also, all sensitive sites are covered by protective measures against potential malicious acts, depending on the specific characteristics of the site.

As regards the protection of intangible assets, the Group is continuing its initiatives (see "Risks relating to information systems" on page 82), with the dual goal of preventing any actions originating either from within the Group or from outside it.

Ethical and social risks

Although its activity does not expose it to any major ethical risks, the Group conducts its ordinary business with all its partners in compliance with ethical rules and generally accepted good practices.

The Group is not aware of any particular exposure to social risks, other than those that might normally arise in the normal course of business.

Reputational risk

The Group might face a major media event that damages its image. It is exposed to reputational risk particularly whenever its values or operating excellence are called into question (accidents relating to health and/or safety, supplier practices or dispute with a customer).

Such events may lead to a campaign to denigrate the Group. Faced with these risks, the Group does everything it can to prevent operational risks and negative campaigns that could damage its reputation, via its policies, organisational structure, procedures and governance.

Industrial and environmental risks

The Group companies ensure that their commitment to quality, environmental protection and workplace safety is fully integrated in their daily practices. They operate in compliance with relevant local laws, and are even proactive and involved in respecting the environment, as shown by the double HEQ (high environment quality) certification of the Group's new European Centre built in Gonesse.

The very nature of the Group's activity ensures a limited impact on the environment and the absence of any proven risk. The nature of the Group's business does not require it to handle products that present a significant industrial or environmental risk.

In addition, several Group companies with significant operations have obtained quality certification for their distribution and sales processes, among them Manutan France, which in 1996 became the first French distance selling company to be ISO 9001 certified.

Legal risks

The Group's distribution activity (B2B) is subject to laws on distance selling to businesses and local authorities currently in force.

The Group pursues its objective of preventing legal risks by establishing and monitoring Group procedures for defining and allocating the roles and responsibilities of the key players, notably in the areas of purchasing, sales to European key accounts, e-commerce, brands and domain names.

The Group is not aware of any current litigation or exceptional event that might have, or may have had in the recent past, a significant impact on its operations, profits, financial situation or assets.

Nor are there currently any government, legal or arbitration proceedings or any proceedings of which the Company is aware that are in suspense or with which it is threatened that might have, or may have had in the last twelve months, a significant impact on the financial situation or profitability of the Company or the Group.

Insurance risks

As part of its policy of managing and financing risks, the Manutan Group and its subsidiaries have notably taken out the following insurance policies:

- material damage and operating losses:

The "Material damage and operating losses" programme provides for the implementation of a master policy and the issue of local policies for the foreign subsidiaries.

The Manutan Group has also put in place a visiting schedule for the risks associated with the "Material damage and operating losses" insurance programme. In order to better manage these risks, the Group's main sites are periodically visited by a safety engineer. These visits enable an audit to be performed of the vulnerabilities and the corresponding preventive and protective measures to be put in place;

- managers' civil liability;
- general civil liability: the Group has subscribed insurance covering the financial consequences of the Company's and its subsidiaries' civil liability in respect of damage caused to third parties.

With a view to the effective implementation of its risk management strategy, the Manutan Group takes care to insure itself with top rated creditworthy insurance companies with a strong international reach.

As at 30 September 2017, no claimable event with a significant financial impact the consequences of which have not already been included in the financial statements for 2017 had been identified.

Financial statements as at 30 September 2017

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Statutory Auditors' report on the parent company consolidated financial statements

Financial year ended 30 September 2017

To the General Meeting of Manutan International SA,

Opinion

In performance of the assignment entrusted to us by your General Meeting, we have audited the consolidated financial statements of Manutan International SA for the financial year ended 30 September 2017, as attached to this report.

We hereby certify that the consolidated financial statements are, as regards the International Financial Reporting Standards (IFRS) as adopted by the European Union, regular and accurate and provide a true and fair view of the results of operations for the past financial year and of the financial situation and assets at the end of the financial year of the group formed by the persons and entities included in the consolidation.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit referential

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.

The responsibilities incumbent upon us by virtue of these standards are indicated in the section headed "Responsibilities of the Statutory Auditor in respect of the audit of the consolidated financial statements" in this report.

Independence

We conducted our audit in accordance with the rules on independence applicable to us for the period 1 October 2016 to the date of this report, and in particular we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014 or by the Code of Ethics of the Statutory Auditors profession.

Justification of our assessments – Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key points of the audit relating to the risks of material misstatement which in our professional judgement were the most significant for the audit of the consolidated financial statements for the year and the responses we provided to these risks.

The assessments were made in the context of our audit of the consolidated financial statements taken as a whole and the forming of our opinion expressed above. We do not express an opinion on the elements of these consolidated financial statements taken in isolation.

Valuation of the recoverable amount of goodwill

Risk identified

As at 30 September 2017, the carrying amount of goodwill stood at €144 million in the consolidated financial statements of the Group (23% of total assets).

In the context of its development, the group has carried targeted acquisitions and in several instances has recognised goodwill. These goodwill items correspond to the difference between the price paid and the fair value of the assets and liabilities acquired; they have been allocated to the cash generating units (CGUs) of the activities into which the acquired businesses have been integrated.

The management makes sure, by means of annual impairment tests, that the carrying amount (net book value) of these goodwill items does not exceed their recoverable amount.

As indicated in Note 7.4 to the consolidated financial statements, the recoverable amount is calculated for the CGU to which goodwill can be allocated. In the Manutan Group, each of the five operating regions constitutes a CGU since there are synergies among the different entities operating in the same geographical market using common operating resources, with a single operational management.

The value-in-use of the cash generating units is calculated by discounting forecast operating cash flows after tax and renewal investments to their present value. These forecasts come from the business plans drawn up by each cash generating unit and validated by Group management in the context of its operational supervision.

Any adverse change in the expected returns from the businesses to which goodwill has been allocated, due to internal or external factors such as those linked to the economic and financial environment in which the business operates, is likely to have an appreciable effect on the recoverable amount and to require recognition of impairment. Such a development would involve reassessing the pertinence of all the assumptions used in determining this value and the reasonableness and consistency of the calculation parameters.

The establishment of the recoverable amount of goodwill items relies heavily on the management's judgement, involving as it does the growth rate of revenues in perpetuity, the gross margin rates used for cash flow projections and the discount rate applied to the future cash flows to calculate their net present value, as presented in Note 8.1 to the consolidated financial statements. We therefore considered the valuation of goodwill as a key point of our audit.

Our response

As part of our work we examined the way in which impairment tests on goodwill are carried out, and in particular:

- we checked to see that the methodology applied by the company conformed to the accounting standards in force;
- we assessed the consistency of the assumptions used in determining future cash flows by comparing them with past performances and our knowledge of the business, backed up by conversations with the management;
- with the help of our valuation specialists, we analysed the assumptions used by the Management in calculating the discount rate applied to future cash flows to bring them to net present value, and the growth rate in perpetuity;
- we studied the sensitivity analyses of the recoverable amount of goodwill carried out by the Management and performed our own sensitivity analyses on the key assumptions in order to confirm that only an unreasonable variation in the assumptions could lead to having to recognise significant impairment of goodwill.

Lastly, we also assessed the appropriateness of the information provided in Note 7.4 and 8.1 to the consolidated financial statements.

Verification of the information relating to the group provided in the Management Report

We also carried out, in accordance with professional standards applicable in France, the specific verification required by law of the information relating to the group provided in the Board of Directors' Management Report.

We have no comments to make concerning its fairness and consistency with the consolidated financial statements.

Information resulting from other legal and regulatory obligations

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Manutan International SA by the General Meetings of 4 March 2004 as regards KPMG Audit, a Division of KPMG S.A. and of 14 March 2003 as regards Mazars.

As at 30 September 2017, KPMG Audit, a Division of KPMG S.A. was in the thirteenth and Mazars was in the fourteenth year of their respective uninterrupted terms.

Responsibilities of the management and the persons forming the corporate governance regarding the consolidated financial statements

The management is responsible for the preparation of the consolidated financial statements giving a true and fair view in accordance with the IFRS as adopted by the European Union and for putting in place such internal controls as it deems necessary to enable the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In drawing up the consolidated financial statements, it is incumbent upon the management to assess the company's ability to continue as a going concern, to provide such information relating to the going concern assumption as may be necessary or appropriate and to apply the going concern accounting principle unless it intends to put the company into liquidation or cease its activities.

It is incumbent upon the Audit Committee to monitor the process of preparing the financial information and the effectiveness of the internal control and risk management systems, as well as of the internal audit where applicable, as regards procedures for preparing and processing accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditor regarding the audit of the consolidated financial statements

Objective and approach of the audit

It is for us to draw up a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain material misstatements. Reasonable assurance means a high level of assurance, which does not however guarantee that an audit performed in accordance with professional standards will always detect every material misstatement. Misstatements may derive from fraud or from error and are considered material if, taken individually or together, they can reasonably be expected to be capable of influencing such economic decisions as users of the financial statements may take on the basis of those statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our certifying the financial statements does not imply assurance of the viability of your company or of the quality of its management.

Throughout the audit process carried out in accordance with professional standards applicable in France, the Statutory Auditor exercises its professional judgement. Furthermore:

- it identifies and assesses the risks of material misstatements being contained in the consolidated financial statements whether deriving from fraud or from error, defines and implements audit procedures to address these risks and collects such evidence as it considers sufficient and appropriate on which to base its opinion. The risk of non-detection of a material misstatement arising from fraud is higher than that of such misstatement arising from error, since fraud may involve collusion, forgery, wilful omissions, false declarations or bypassing of internal controls;
- it takes note of such internal controls as are pertinent for the audit in order to define the appropriate audit procedures in each situation, but not with a view to expressing an opinion on the effectiveness of the internal controls;
- it assesses the appropriateness of the accounting methods applied and the reasonableness of the accounting estimates made by the management body, as well as the related information provided by management in the consolidated financial statements;

- it assesses the appropriateness of the management body's application of the going concern accounting principle and, depending on the evidence collected, the existence or otherwise of significant uncertainty associated with events or situations likely to cast doubt on the company's ability to stay in business. This assessment is based on the evidence collected up until the date of its report. However, subsequent circumstances or events could lead to the going concern assumption being called into question. If it reaches the conclusion that such significant uncertainty does exist, it draws the attention of readers of its report to the information provided in the consolidated financial statements regarding this uncertainty or, if this information is not provided or is not pertinent, it issues a qualified opinion or refuses to certify;
- it assesses the overall presentation of the consolidated financial statements and whether they give a true and fair view of the underlying transactions and events;
- it collects such evidence as it considers sufficient and appropriate concerning the financial information on the persons or entities included in the consolidation scope in order to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on them.

Report to the Audit Committee

We send a report to the Audit Committee presenting in particular the extent of the audit work and the work programme implemented as well as the conclusions drawn from our work. We also bring to its attention any significant weaknesses in internal controls that we may have detected as regards the procedures relating to the preparation and processing of accounting and financial information.

Among the elements contained in the report to the Audit Committee are the risks of material anomalies that we consider to have been the most significant for the audit of the consolidated financial statements for the year and which therefore constitute the key points of the audit, which it behoves us to describe in this report.

We also provide the Audit Committee with the declaration provided by Article 6 of Regulation (EU) No. 537-2014 confirming our independence within the meaning of the rules applicable in France as laid down in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics of the Statutory Auditors profession. If necessary we discuss with the Audit Committee any risks to our independence and the measures taken to safeguard it.

Signed in Nantes and in Courbevoie, 29 January 2018

The Statutory Auditors






KPMG Audit
A Division of KPMG S.A.

Franck Noël
Partner

Mazars

Anne Veaute
Partner

Organisational structure as at 30 September 2017 *by region*

				SOUTH			
MANUTAN INTERNATIONAL	100%	Manutan SA		France			
	100%	SCI Philippe Auguste		France			
	100%	Manutan Italia Spa		Italia			
	100%	Manutan Unipessoal Lda		Portugal			
	100%	Manutan SI		Spain			
	100%	Manutan Collectivités SAS		France			
	100%	Sports et Loisirs SAS		France			
	100%	Papeteries Pichon SAS		France			
				WEST			
100%	Manutan Ltd (United Kingdom)	100%	Key Industrial Equipment Ltd	United Kingdom			
		100%	Metro Storage Systems Ltd	Ireland ⁽¹⁾			
		100%	The Eurostore Group Ltd (United Kingdom)	100%		Rapid Racking Ltd	United Kingdom
		100%	Group Hardware Ltd (United Kingdom)	100%		IronmongeryDirect Ltd	United Kingdom
		100%	Essex Electrical Wholesalers (Braintree) Ltd			United Kingdom	
				CENTRE			
100%	Manovert BV (Netherlands)	99.15%	Manutan NV	Belgium			
		100%	Manutan BV	Netherlands			
		100%	Manutan GmbH	Switzerland			
		70.7%	Manutan GmbH (Germany)	29.3%		Manutan GmbH	Germany
				EAST			
100%	Manutan s.r.o.		Czech Republic				
100%	Trovatar a.s.		Czech Republic				
100%	Manutan Polska Sp z.o.o.		Poland				
100%	Manutan Hungaria Kft		Hungary				
100%	Manutan Slovakia s.r.o.		Slovakia				
				NORTH			
100%	Witre AB (Sweden)	100%	Witre A/S	Norway			
		100%	Witre Danmark A/S	Denmark			
		100%	Witre OY	Finland			
		100%	Ikaros Cleantech AB (Sweden)	100%		Ikaros Finland OY	Finland

(1) Company dissolved after 30 September 2016.

Consolidated financial statements

Statement of financial position as at 30 September 2017

ASSETS

<i>In thousands of euros</i>	Notes	30/09/2017	30/09/2016	30/09/2015
Goodwill	8.1	144,454	145,223	149,633
Other intangible assets	8.2	34,596	37,752	39,213
Property, plant and equipment	8.2	94,384	99,247	104,868
Investment property	8.4	539	348	442
Non-current financial assets	8.5	1,541	1,578	1,556
Deferred tax assets	8.21	4,158	3,571	3,305
Non-current assets		279,672	287,718	299,018
Inventories	8.6	63,039	58,191	55,701
Trade receivables	8.6	179,895	162,343	159,905
Other receivables and prepaid expenses	8.7	6,889	5,633	6,691
Current tax receivables		990	3,307	4,482
Current cash management assets	8.9	5,000	5,000	5,000
Cash and cash equivalents	8.9	82,157	73,467	67,021
Assets held for sale	8.10	74	609	0
Current assets		338,044	308,551	298,800
TOTAL ASSETS		617,716	596,269	597,818

EQUITY AND LIABILITIES

<i>In thousands of euros</i>	Notes	30/09/2017	30/09/2016	30/09/2015
Share capital		15,227	15,227	15,227
Share premium		5,796	5,796	5,796
Consolidated reserves		344,618	323,494	320,660
Consolidated income for the year		39,069	34,050	25,805
Equity attributable to owners of the parent	8.11	404,711	378,566	367,488
Non-controlling interests		137	114	120
Total equity		404,848	378,680	367,608
Non-current financial liabilities	8.12-8.13	49,853	61,780	72,365
Provisions for employee benefits	8.14	3,710	2,839	2,520
Deferred tax liabilities	8.21	10,107	10,044	9,639
Non-current liabilities		63,670	74,663	84,524
Provisions for other liabilities	8.15	3,726	3,625	3,862
Current financial liabilities	8.12-8.13	11,837	21,829	23,748
Trade payables		91,315	83,541	84,725
Other liabilities and accruals	8.16	37,998	30,135	31,161
Current tax liabilities		4,323	3,797	2,191
Current liabilities		149,199	142,926	145,687
Total liabilities		212,869	217,590	230,211
TOTAL EQUITY AND LIABILITIES		617,716	596,269	597,818

Statement of comprehensive income for the financial year ended 30 September 2017

<i>In thousands of euros</i>	Notes	30/09/2017	30/09/2016	30/09/2015
Turnover (excl. tax)	8.24	708,801	682,578	623,539
Cost of goods sold		(442,400)	(431,015)	(386,059)
Trading margin		266,400	251,562	237,480
Sales and administrative expenses	8.17	(213,717)	(203,409)	(197,372)
Recurring operating profit (loss)	8.24	52,683	48,154	40,109
Other operating income and expenses	8.19	1,060	(1,301)	(1,975)
Operating profit		53,743	46,853	38,135
Financial income	8.20	2,209	2,648	1,625
Financial expenses	8.20	(3,223)	(1,715)	(2,243)
Profit before tax		52,729	47,786	37,516
Corporation tax	8.21	(13,615)	(13,707)	(11,693)
Consolidated profit		39,114	34,078	25,823
<ul style="list-style-type: none"> ■ non-controlling interests ■ profit attributable to owners of the parent 		44	28	17
		39,069	34,050	25,806
Basic earnings per share attributable to owners of the parent, excluding treasury shares (in euros)				
<ul style="list-style-type: none"> ■ basic ■ diluted 	8.22	5.14	4.48	3.40
	8.22	5.14	4.48	3.40

Other components of comprehensive income for the financial year ended 30 September 2017

<i>In thousands of euros</i>	Notes	30/09/2017	30/09/2016	30/09/2015
Consolidated profit		39,114	34,078	25,823
Items that cannot be reclassified to profit or loss				
Actuarial differences on employee benefit obligations		(863)	(58)	(36)
Share-based payments	8.11			
Tax on items that cannot be reclassified to profit or loss		250	21	17
Total items that cannot be reclassified to profit or loss		(613)	(37)	(19)
Items that may be reclassified to profit or loss				
Conversion differences	8.11	(911)	(13,435)	3,438
Net change in fair value of financial instruments ⁽¹⁾		0	0	11
Tax on items that may be reclassified to profit or loss		0	0	(4)
Total items that may be reclassified to profit or loss		(911)	(13,435)	3,445
Total gains and losses recognised directly in equity		(1,524)	(13,472)	3,426
Net gains and losses recognised directly in equity		37,590	20,606	29,249
Attributable to:				
<ul style="list-style-type: none"> ■ owners of the parent ■ non-controlling interests 		37,545	20,578	29,232
		44	28	17

(1) Changes in fair value of the effective portion of the instruments.

Statement of changes in equity for the year ended 30 September 2017

<i>In thousands of euros</i>	Share capital	Share premium	Consolidated reserves	Profit	Shares in the consolidating entity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
As at 30/09/2015	15,227	5,796	321,623	25,806	(965)	367,488	120	367,608
Profit/(Loss):								
■ appropriation of profits			25,806	(25,806)				
■ profit for the year				34,050		34,050	28	34,078
Dividends paid (€1.17 per share)			(9,500)			(9,500)	(34)	(9,534)
Income and expenses recognised directly in equity			(13,472)			(13,472)		(13,472)
Impact of purchases/sales of treasury shares								
Transactions with non-controlling interests								
As at 30/09/2016	15,227	5,796	324,457	34,050	(965)	378,566	114	378,680
Profit/(Loss):								
■ appropriation of profits			34,050	(34,050)				
■ profit for the year				39,069		39,069	44	39,114
Dividends paid (€1.50 per share)			(11,400)			(11,400)	(21)	(11,421)
Income and expenses recognised directly in equity			(1,524)			(1,524)		(1,524)
Impact of purchases/sales of treasury shares								
Transactions with non-controlling interests								
AS AT 30/09/2017	15,227	5,796	345,582	39,069	(965)	404,711	137	404,848

Consolidated statement of cash flows for the three years to 30 September 2017

<i>In thousands of euros</i>	Notes	2016/2017	2015/2016	2014/2015
Opening net cash and cash equivalents		63,725	55,331	66,944
Operating activities				
Free cash flow	8.23	54,670	49,649	43,257
Change in working capital requirement	8.23	(5,843)	(4,854)	(9,124)
Net cash flow from operating activities		48,827	44,795	34,133
<i>Of which interest paid</i>		<i>(734)</i>	<i>(882)</i>	<i>(816)</i>
<i>Of which corporate income tax paid</i>		<i>(11,012)</i>	<i>(10,757)</i>	<i>(10,327)</i>
Investing activities				
Acquisition of intangible assets	8.2	(2,855)	(4,998)	(11,338)
Acquisition of property, plant and equipment	8.2	(3,800)	(3,696)	(4,854)
Acquisitions/Disposals of non-current financial assets		38	(21)	(395)
Disposals of property, plant and equipment		52	64	61
Impact of changes in scope		(7)	(3,007)	(68,883)
Change in payables/receivables relating to non-current assets		213	(92)	(94)
Cash flow used in investing activities		(6,359)	(11,751)	(85,502)
Financing activities				
Dividends paid to shareholders of the parent company		(11,400)	(9,500)	(8,889)
Dividends paid to non-controlling interests		(21)	(34)	(25)
Repayment of financial debts ⁽¹⁾		(12,559)	(12,267)	(7,110)
Increase in financial debts		0	0	48,317
Cash flow used in financing activities		(23,980)	(21,800)	32,293
Change in current cash management assets		0	0	7,000
Change in conversion differences		(66)	(2,850)	465
Change in cash and cash equivalents		18,422	8,394	(11,611)
Closing net cash and cash equivalents		82,147	63,725	55,333
Available Group cash at year-end	8.9	87,147	68,725	60,331
Net cash and cash equivalents		82,147	63,725	55,331
Current cash management assets		5,000	5,000	5,000

(1) Repayments of financial debts mainly concern the real estate finance lease of the European Centre and the bank loan taken by Manutan International in June 2015.

Notes to the consolidated financial statements

Note 1 Reporting entity

These financial statements for the financial year ended 30 September 2017 refer to the consolidated accounts of the Manutan Group. They are presented by Manutan International, a Limited Company with a Board of Directors,

based at ZAC du Parc des Tulipes, Avenue du 21^e Siècle, Gonesse, France. The Group's activity consists of distance selling of industrial and office equipment and consumables to businesses and local authorities.

Note 2 Declaration of compliance

Pursuant to European Regulation No. 1606/2002 of 19 July 2002 on international standards, Manutan Group's financial statements have been drawn up in accordance with all the international financial reporting standards (IAS/IFRS) published by the International Accounting Standards Board (IASB) and adopted by the European Union. There are no differences with respect to the IASB standards.

The consolidated financial statements were duly approved by the Board of Directors on 13 December 2017, and did not give rise to any comments. They will be submitted for approval to the General Meeting of Shareholders on 8 March 2018.

Note 3 Basis of preparation

The financial statements are presented in euros, rounded to the nearest thousand euros. The euro is the Group's functional and presentation currency.

They have been prepared under the historical cost convention, with the exception of the following assets and liabilities which are measured at their fair value: derivative financial instruments, financial instruments held for trading and financial instruments classed as available for sale.

Non-current assets and groups held for sale are measured at the lower of their carrying amount and fair value minus selling costs.

The accounting methods presented below were applied consistently to all periods presented in the consolidated financial statements.

The accounting methods were applied consistently by all Group entities.

The Group applied the following standards for the first time for the financial year ending 30 September 2017. However, they had no material impact on the Group's annual financial statements:

- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations;

- Amendments to IAS 1 – Disclosure Initiative;
- Annual Improvements to IFRS 2012-2014 Cycle – applicable to annual periods beginning on or after 1 January 2016.

A number of new standards, amendments to standards and interpretations which are in force for annual periods beginning on or after 1 January 2017 were not early adopted for the preparation of these consolidated financial statements. The new standards, amendments to standards and interpretations obligatorily applicable and pertinent to the Group are listed hereunder:

- Amendments to IAS 7 – Disclosure Initiative;
- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses;
- Annual Improvements to IFRS 2014-2016 Cycle – applicable to annual periods beginning on or after 1 January 2017;
- Standard IFRS 15 on income is applicable by Manutan for the period before 1 October 2018. The impact of the application of this new standard is still being determined. However, the Manutan Group does not anticipate any significant effect on the consolidated accounts;
- It should be noted that the effects of the draft standards and interpretations currently being studied by the IASB and IFRIC have not been reflected in advance in these financial statements.

Note 4 Estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to exercise judgement and to make estimates and assumptions which have an impact on the application of accounting methods and on the amounts of assets, liabilities and revenue and expense items. Estimates and underlying assumptions are made on the basis of past experience and other factors considered as reasonable given the circumstances. They thus serve as a basis for exercising the judgement necessary for determining such carrying amounts of assets and liabilities as cannot be obtained directly from other sources. This applies particularly to the valuation of tangible and

intangible assets in the context of impairment tests, the valuation of the amount of provisions for other liabilities, provisions for the impairment of inventories and deferred tax assets. Actual values may differ from these estimated values.

Estimates and underlying assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognised in the period in which the change is made if it affects that period only, and in the period in which the change is made and in subsequent periods if they are also affected by the change.

Note 5 Significant events

There were no significant changes in the consolidation scope during the financial year 2016/2017.

During the second half of the financial year, the Group sold the Vitseroelstraat property complex in Ternat, Belgium. This sale generated €2.9 million of cash during the year and a non-recurring capital gain of €2.3 million.

Note 6 The Manutan Group: consolidation scope

Companies included in the scope are fully consolidated. They apply the same accounting principles ("Group accounting standards") for the recognition and presentation of transactions and similar events.

The consolidation scope as at 30 September 2017 is detailed in Note 9.

Note 7 Main accounting methods

7.1 Business combinations

When an entity is first included in the consolidation scope, the assets, liabilities and any identifiable liabilities of the acquired entity that meet the IFRS accounting criteria, are accounted for at fair value, determined on the acquisition date.

Adjustments to the values of assets and liabilities relating to acquisitions accounted for on a provisional basis (due to ongoing work by the accountants) are recognised retrospectively if they take place within a period of twelve months from the acquisition date. After this deadline, the effects are recognised directly in profit or loss, unless they correspond to the correction of errors.

7.2 Financial year-end date

The accounts used for the consolidation were the annual accounts of the companies included within the scope with a financial year ended 30 September 2017, with the exception of Papeteries Pichon and Essex Electrical Wholesalers, whose financial year ends on 31 December.

An interim situation has therefore been established for the period from 1 October 2016 to 30 September 2017 for Papeteries Pichon and Essex Electrical Wholesalers.

7.3 Translation of foreign-currency denominated financial statements and transactions

The functional currency of foreign subsidiaries is their local currency.

Consequently the financial statements of foreign companies with a functional currency other than the euro are translated in accordance with the following method:

- balance sheet items are translated using the financial year-end closing rate;
- income and expenses of foreign companies are translated into euros using the average exchange rate for the financial year, provided this is not called into question by sharp movements in rates.

Translation differences arising on the opening equity and on changes in equity during the year (capital increase, acquisition, etc.) or on income statement items, are recognised in equity and allocated between the part attributable to owners of the parent and that attributable to third parties. The effect of these differences is reported separately in the statement of changes in equity.

Transactions in foreign currencies are converted into the respective currencies of the Group entities by applying the current exchange rate on the transaction date. Assets and liabilities denominated in foreign currencies as at the year-end date are converted into the functional currency using the exchange rate on that date. Any resulting conversion differences are recognised in profit or loss.

7.4 Goodwill

Goodwill is the difference between the fair value of the consideration paid and the overall estimate of the fair value of the assets and liabilities identified as at the acquisition date.

The fair value of the consideration paid includes discounting the debt to its present value in the event of deferred or staggered payment. Acquisition costs however are recognised as expenses in profit and loss.

Identifiable assets and liabilities at the date of acquisition are valued at their fair value.

The Group performs an impairment test on all goodwill. The recoverable amount is calculated for the cash generating unit (CGU) to which goodwill can be allocated. In the Manutan Group, the five operating regions each constitute CGUs, since there are synergies among the different entities operating in the same geographical market using common operating resources, with a single operational management. Nevertheless, in certain cases, a single legal operational entity may constitute a CGU.

The value-in-use of the CGU is calculated based on the method of discounting forecast operating cash flow after tax and renewal investments. These forecasts are detailed in the business plans drawn up by each CGU and validated by Group management in the context of its operational supervision. The business plan period, which is generally

three years, is completed by two years of extrapolations and an end value, which is calculated on the basis of capitalisation to perpetuity of cash flows with a moderate growth rate limited to the inflation rate in the operational region. The discount rate used is the WACC calculated per CGU at each financial year-end, on the basis of a debt/equity ratio corresponding to the average of companies within the same sector.

These impairment tests are performed at least once per year at each financial year-end.

An impairment is recorded when the net book value of the CGU is higher than the recoverable amount. The recoverable amount is the higher value between the fair value less costs to sell and its value in use.

7.5 Other intangible assets

Other intangible assets are measured at their historical acquisition cost, which comprises purchase price plus all necessary costs incurred to bring them into use, less accumulated amortisation and impairment.

Computer software user licences and upgrades are amortised from the date they enter service on a straight-line basis over a period of between one and seven years, depending on their purpose and useful life.

Furthermore, intangible assets are subject to impairment tests if indications of possible impairment are detected.

7.6 Property, plant and equipment

Property, plant and equipment are measured at historical acquisition cost, which comprises the purchase price plus necessary costs incurred to make them ready for use, minus accumulated depreciation and impairment.

Depreciation is calculated using the straight-line method over the expected useful life of the asset from the date it enters service:

- buildings: 20 to 30 years for buildings used mainly as warehouses and offices;
- fixtures and fittings: 10 to 15 years;
- computer hardware: 3 to 5 years;
- other property, plant and equipment (vehicles, equipment and tools, office furniture and equipment): 5 years.

7.7 Operating leases

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit and loss on a straight-line basis over the period of the lease.

Leases of fixed assets in which the Group bears substantially all the risks and rewards inherent in ownership are classified as finance leases. Finance leases are capitalised as assets at the commencement of the lease at the fair value of the leased asset. Each payment made under the lease contract is allocated between finance charge and principal reduction.

Fixed assets acquired in this manner are depreciated over their useful lives.

7.8 Investment property

Investment property comprises land and/or buildings owned by the Group, or for which the Group enjoys the rights of possession, that the Group does not directly use in its core activities.

Investment property is presented on a separate line in the balance sheet. It is valued at the lower of depreciated historical cost and market value.

7.9 Trade and other receivables

Trade receivables consist of a large number of small accounts spread over several hundred thousand customers. These receivables are recorded at their nominal value.

Provision is made for these receivables according to the risk of non-recovery: this is assessed taking into consideration their specific risks and a statistical risk calculated according to their ageing.

7.10 Inventories

Inventories are measured using the weighted average unit cost (WAUC) method at the lower of their acquisition cost or net realisable value. Acquisition cost comprises the purchase price and related expenses (freight, packaging and other direct expenses).

In determining the net realisable value, particular account is taken of the following considerations:

- obsolete items;
- slow-moving items;
- showroom inventory and goods on consignment.

7.11 Derivative financial instruments

Derivative financial instruments are initially recognised at their fair value under current financial asset or liabilities. They are subsequently measured again at fair value at each closing of the accounts. The method for recognising associated gains or losses depends on whether or not the derivative is designated as a hedging instrument, and, where applicable, on the nature of the hedged item.

The Group thus distinguishes between:

- fair value hedges of recognised assets or liabilities or firm commitments. Gains and losses on derivatives, and on the hedged instruments, are recognised in profit and loss as financial income/expenses for the effective portion of the hedge. The same applies to the non-effective portion;
- hedging of risks specific to recognised assets or liabilities, or highly probable future transactions, also designated as "cash flow hedges". Changes in the fair value of the effective portion of the hedge are recognised directly in equity. Gains and losses on the non-effective portion are recognised in profit and loss under other income/expenses;
- hedges of net investments in foreign operations. The recognition of changes in fair value follows the same rules as that of changes in cash flow hedges.

Changes in the fair value of derivatives that do not meet the conditions of hedge accounting or have not been designated as such are recognised in profit and loss under financial income/expenses.

In accordance with IFRS 7, the determination of the fair value of financial asset and liability instruments can be defined as follows:

- by reference to a quoted price on an active market, where one exists; this fair value is ranked under Level 1, as specified by the standard;
- by using a valuation based on a model that factors in observable data for unlisted instruments such as derivatives or financial asset and liability instruments that are not classified under Level 1; this fair value is classified under Level 2, in accordance with the standard.

7.12 Cash and cash equivalents

In accordance with IAS 7 "Cash flow statements", the "cash and cash equivalents" item appearing in the consolidated balance sheet and cash flow statement comprises cash on hand and demand deposits together with short-term, highly liquid investments whose investment horizon is less than three months.

Cash investments with an investment horizon of between three and twelve months are shown under "current cash management assets".

Nonetheless, in order to ensure that its resources are fully appreciated, the Group considers that its total available cash effectively comprises the sum of the balance sheet items "Cash and cash equivalents" and "current cash management assets".

An analysis in this regard is presented alongside the "Cash flow statement" and in Note 8.9 "Cash and cash equivalents".

7.13 Assets and liabilities held for sale

The Group has to classify a non-current asset sold individually (or a group of current and non-current assets and liabilities in the context of the disposal of an activity) as being held for sale if the Company intends to recover the value by selling the assets rather than through their operating use.

These assets and liabilities are classified and presented on a separate balance sheet line when the following essential conditions are met:

- a disposal plan is ongoing;
- the assets and liabilities are available for sale in their current state;
- the sale is likely to go through within a reasonable time frame.

Non-current assets held for sale are valued at the lower of amortised historical cost and market value (being fair value less selling costs).

7.14 Share subscription or purchase options

In accordance with IFRS 2 "Share-based payments", share subscription or purchase options awarded to employees are recognised in the financial statements using the following methods: the estimated fair value of the options awarded, which corresponds to the fair value of the services rendered by the employees in exchange for the options received, determined on the award date. It is recognised over the vesting period of the rights, by increasing the equity in "Share-based payments" and by decreasing the corresponding amount in "Personnel costs".

7.15 Employee benefits

In accordance with the laws and practices of each country, the Group participates in various pension plans that provide for medical and pension benefits, whose amounts vary in accordance with seniority, salary, and payments made to State sponsored mandatory plans.

Service awards

These were measured based on an actuarial calculation. Commitments were calculated for all employees concerned. The Group recognises actuarial gains and losses in profit or loss.

Defined contribution plans

For defined contribution plans (such as the French contributory plan), charges relate to the contributions are expensed during the financial year in the income statement. These plans involve no subsequent obligation by the Group to its employees.

Defined benefit plans

This relates essentially to pension plans with fixed benefits and pension plans based on end of career salary, which complement mandatory State sponsored plans.

A provision is established for rights acquired by personnel employed at the end of the year as regards supplementary pensions, when they are not covered by a pension fund or insurance.

These commitments are subjected to an actuarial valuation in accordance with local country laws and practices. All costs relating to pension entitlements payable to pensioners and rights acquired by employees were determined on the basis of conventions or agreements in force at each company. The Group recognises actuarial gains and losses directly in equity.

7.16 Turnover

Turnover comprises the sale of products and related services, such as transport, mounting, etc.

Turnover is recognised on the date on which the risks and benefits associated with the product sold are transferred. In addition, the implementation of a strict credit management policy enables the Group to ensure upstream that no sale will be made if collection is doubtful.

7.17 Product returns

A provision is established to cover the costs of products returned after the year-end. This takes into account the loss of gross margin as well as costs directly related to such returns (transport, packaging, repair, etc.) The provision depends on the return rate determined statistically by each company.

7.18 Promotion costs

Promotion costs are recognised as and when incurred. In particular, catalogue production costs are expensed on the date that the printers make them available.

7.19 Other operating income and expenses

This item records the effects of any key events occurring during the accounting period that would distort the Company's recurring business performance. It is used to record a limited number of unusual, abnormal or infrequent income and expense items of significant amounts. These entries are a result of exceptional events that are unrelated to the Group's normal business activity, such as:

- securities acquisition expenses;
- capital gains on disposals of property assets;
- personnel expenses resulting from managerial reorganisations, etc.

7.20 Financial income and expenses

Financial income comprises:

- income associated with cash and cash equivalents;
- gains on disposals and gains on changes in the impairment of financial assets;
- income associated with cash and cash equivalents;
- income associated with the discounting to present value of assets and liabilities;
- foreign exchange gains on unhedged items.

Financial expenses comprise:

- interest expense on borrowings and bank overdrafts;
- the cost of ineffective portions of currency hedging transactions;
- losses on disposals and changes in the impairment of financial assets;
- charges associated with the discounting to present value of assets and liabilities;
- exchange losses.

7.21 Taxes

Income tax (expense or income) comprises the tax expense (or income) due and the deferred tax expense (or income). Tax is recognised in profit or loss unless it relates to items recognised directly in equity, in which case it is recognised in equity.

Tax payable

Tax payable is the amount of tax due on taxable profits for a period, determined by applying the current tax rate applicable in each country of operation to the taxable profits of each corresponding Group entity.

Deferred taxes

Deferred taxes are determined using a balance sheet approach with variable deferrals applied for all temporary differences between the carrying amount of assets and liabilities and their tax bases. The measurement of deferred tax assets and liabilities is based on the method that the Group expects to use to recover or adjust the carrying amount of assets and liabilities, using the tax rates adopted at financial year-end.

A deferred tax asset is recognised only if it appears likely to be recovered in a reasonable time-frame, based on the latest updated forecasts. Deferred tax assets are reviewed at each year-end, and written down in the event that they are unlikely to be recovered.

The effect on previously recognised deferred tax assets of any changes in the rates of taxation is recognised in profit or loss, unless the effect relates to an item recognised directly in equity, in which case the effect is recognised in equity.

Deferred taxes are presented in the balance sheet separately from current tax assets and liabilities and classified as non-current items.

Manutan International heads a tax grouping which includes Manutan SA and Manutan Collectivités, in the meaning of Article 223-A of the French General Tax Code.

7.22 Earnings per share

Earnings per share are calculated on the basis of net income of the consolidated group attributable to owners of the parent company. The number of shares used in the calculation is the average number of shares in circulation during the past year, less treasury stock.

7.23 Sector information

All Group companies carry on the same business in the countries where they are located: accordingly there is only one sector of activity.

The regions used correspond to the operating regions established in the financial year, which reflect the geographical location of the Group's assets. They group together companies from several countries that share similarities in terms of operations, customer behaviour, product and service offerings, and economic conditions, enabling operating synergies. Inter-regional transactions, as well as the non-operational activities of the holding company are presented in "Others".

The information reviewed and used by the Group's main operational decision-makers is based on five operating regions.

Accordingly, the Group communicates in terms of five operational regions, which consist of the following countries:

- North: Sweden, Norway, Denmark and Finland;
- Centre: Belgium, The Netherlands, Germany and Switzerland;
- East: Czech Republic, Poland, Slovakia, Hungary and Russia;
- South: France, Italy, Portugal and Spain;
- West: United Kingdom and Ireland;
- Other: holding companies and elimination of inter-regional transactions.

The accounting methods and principles used to present the sector results and assets are the same as those used for the Group. Manutan brand royalties collected by Manutan International from the South and East regions are offset under "Other" in order to facilitate understanding of operating performance and comparison among regions.

Note 8 Notes to the consolidated financial statements

Analysis of the main balance sheet items

8.1 Goodwill

<i>In thousands of euros</i>	Acquisition date	30/09/2016	Acquisition Increase	Disposal Decrease	Exchange rate movement	Reclassification	30/09/2017
Net value							
Centre CGU	01/04/1995	32,596					32,596
Sports et Loisirs CGU	15/10/2012	9,365					9,365
West CGU	(1)	27,746			(487)		27,259
East CGU	(2)	1,933					1,933
Ikaros CGU	10/10/2013	6,285			26		6,311
Pichon CGU	30/06/2015	49,707					49,707
EEW CGU	(3)	17,591			(308)		17,283
TOTAL		145,223	0	0	(769)	0	144,454

(1) Two transactions which took place during financial years 1998/99 and 2007/08.

(2) Three transactions which took place during financial years 1998/99, 2000/01 and 2004/05.

(3) Acquisition of IronmongeryDirect (IMD) in 2012/2013 and of Essex Electrical Wholesalers (EEW) on 25/07/2016.

Impairment tests were carried out on these goodwill items at year-end in accordance with the following methods:

at the end value. The discount rate varies depending on the CGU and related country risk.

At 30 September 2017, a growth to perpetuity assumption limited to 1.5% per year of cash flows was used to arrive

	30/09/2017	30/09/2016
Centre CGU	5.0%	6.5%
Sports & Loisirs CGU	5.5%	4.7%
West CGU	7.5%	6.1%
East CGU	4.2%	4.1%
Ikaros CGU	5.0%	6.5%
Pichon CGU	5.5%	4.7%
Traders CGU	7.5%	6.1%

The Group has performed sensitivity tests on reasonably possible changes in the key assumptions (perpetual revenue growth rate, gross margin and discount rate) involving changes of plus or minus 1% (individually and as an

aggregate). These sensitivity tests have not revealed any likely scenario that would result in an impairment of goodwill.

8.2 Non-current assets

Other intangible assets

Amortisation of other intangible assets is recognised in current operating profit and loss.

CHANGES IN THE 2016/2017 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2016	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movement	30/09/2017
Gross values							
Trademarks	4,112					(32)	4,080
Software applications	65,615	1,621		(428)	7,780	22	74,609
Fixed assets in progress	17,646	1,232			(7,425)	0	11,453
Other	4,382	2		(451)		(1)	3,931
Total	91,754	2,855		(880)	354	(11)	94,073
Amortisation							
Trademarks							
Software applications	(52,569)	(6,065)		355	(164)	(18)	(58,462)
Fixed assets in progress							
Other	(1,433)	(33)		450		1	(1,015)
Total	(54,002)	(6,098)		805	(164)	(17)	(59,477)
NET VALUES	37,752	(3,243)		(75)	190	(28)	34,596

Fixed assets in progress consist basically of capital expenditure on the Group's information system.

CHANGES IN THE 2015/2016 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2015	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movement	30/09/2016
Gross values							
Trademarks	4,531					(419)	4,112
Software applications	64,074	730		(32)	986	(144)	65,615
Fixed assets in progress	14,334	4,251			(939)	0	17,646
Other	4,450	17			(47)	(38)	4,382
Total	87,389	4,998		(32)	0	(601)	91,754
Amortisation							
Trademarks							
Software applications	(46,826)	(5,881)		3	0	136	(52,569)
Fixed assets in progress							
Other	(1,350)	(118)		(1)	0	36	(1,433)
Total	(48,176)	(5,999)		2	0	171	(54,002)
NET VALUES	39,213	(1,002)		(30)	0	(430)	37,752

Property, plant and equipment

CHANGES IN THE 2016/2017 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2016	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movement	30/09/2017
Gross values							
Land	20,144					62	20,206
Buildings	109,265	281			352	252	110,150
Fixtures and fittings	32,722	1,408		(152)	10	(102)	33,886
Computer hardware	18,592	1,642		(1,268)	(352)	(45)	18,569
Other property, plant and equipment	8,144	866		(1,003)	(326)	(5)	(7,677)
Total	188,866	4,197		(2,423)	(315)	163	190,488
Depreciation and impairment							
Land							
Buildings	(45,529)	(4,633)			(272)	(125)	(50,559)
Fixtures and fittings	(22,131)	(1,986)		152		74	(23,892)
Computer hardware	(15,865)	(1,259)		1,262	156	34	(15,671)
Other property, plant and equipment	(6,094)	(802)		943	(32)	2	(5,982)
Total	(89,619)	(8,680)		2,357	(148)	(14)	(96,104)
NET VALUES	99,247	(4,483)		(66)	(464)	149	94,384

The Manutan Group is financing the Manutan HEQ (high environmental quality) European Centre project via a twelve-year finance lease. The property complex is recognised under property, plant and equipment for a gross total of €71.2 million

(€12 million for the land and €59 million for the buildings), in accordance with IAS 17. The property complex is depreciated over the useful life of its respective components.

CHANGES IN THE 2015/2016 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2015	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movement	30/09/2016
Gross values							
Land	20,477	0			(103)	(231)	20,144
Buildings	111,090	2,302			(2,306)	(1,822)	109,265
Fixtures and fittings	33,550	1,648		(475)	(863)	(1,139)	32,722
Computer hardware	20,354	1,127	4	(1,474)	(926)	(494)	18,592
Other property, plant and equipment	6,600	528	18	(509)	1,552	(44)	8,144
Total	192,072	5,604	22	(2,457)	(2,645)	(3,730)	188,866
Depreciation and impairment							
Land							
Buildings	(44,054)	(4,744)			1,856	1,413	(45,529)
Fixtures and fittings	(21,556)	(2,188)		466	316	831	(22,131)
Computer hardware	(17,185)	(1,444)		1,474	914	377	(15,865)
Other property, plant and equipment	(4,409)	(1,106)		431	(1,050)	40	(6,094)
Total	(87,204)	(9,482)	22	2,370	2,036	2,661	(89,619)
NET VALUES	104,868	(3,878)	22	(87)	(609)	(1,069)	99,247

8.3 Finance leases

The substance of Group leasing contracts has been analysed. The following amounts, corresponding to finance leases, are included in the amounts in the Property, Plant and Equipment table of the foregoing note:

<i>In thousands of euros</i>	30/09/2016	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movement	30/09/2017
Gross values							
Land	13,146						13,146
Buildings	71,314					(109)	71,204
Fixtures and fittings	289					11	300
Computer hardware	1,072				0	(3)	1,068
Other property, plant and equipment	1,314	397		(387)		(1)	1,323
Total	87,134	397		(387)	0	(103)	87,041
Amortisation							
Land							
Buildings	(18,774)	(3,401)				85	(22,090)
Fixtures and fittings	(315)					(11)	(325)
Computer hardware	(956)					1	(954)
Other property, plant and equipment	(752)	(407)		353		1	(805)
Total	(20,796)	(3,808)		353		76	(24,174)
NET VALUES⁽¹⁾	66,339	(3,411)		(35)	0	(26)	62,867

(1) Including €56 million and €58 million as at 30 September 2017 and 2016 respectively relating to the property finance lease on the European Centre.

8.4 Investment property

<i>In thousands of euros</i>	30/09/2016	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movement	30/09/2017
Investment property	1,489				(887)	(18)	584
Impairment of investment property	(1,141)				1,085	12	(45)
NET INVESTMENT PROPERTY	348				197	(6)	539

Investment property comprises:

- an unused plot owned by Sports et Loisirs (the value recorded in the financial statements is €115,000);
- an unused plot of land (12,400 m²) owned by Key Industrial Equipment. Estate agents have estimated the market value of this land at €1,854,000;

- the part occupied by offices (2,628 m²) owned by Key Industrial Equipment and rented out to two third-party companies has been reclassified as assets held for sale for an amount of €74,000 net as at 30 September 2017. The market value of this part of the building is estimated by estate agents at €2,032,000 and the rental income over the period amounts to €410,000. There were no major operating expenses relating to the property.

Depreciation methods and rates used are identical to those used for other property, plant and equipment.

8.5 Non-current financial assets

<i>In thousands of euros</i>	30/09/2016	Acquisition Increase	Acquisition by means of business combination	Disposal Decrease	Reclassification	Exchange rate movement	30/09/2017
Gross values							
Other non-current financial assets	1,578	13		(51)		0	1,541
Total	1,578	13		(51)		0	1,541
Amortisation							
Other non-current financial assets	0					0	0
Total	0					0	0
NET VALUES	1,578	13		(51)		0	1,541

8.6 Operating assets

Inventories

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Gross values	67,237	62,623	59,531
Impairment	(4,198)	(4,432)	(3,829)
NET VALUES	63,039	58,191	55,701

Trade receivables

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Gross values	183,984	167,903	164,291
Impairment	(4,089)	(5,560)	(4,385)
NET VALUES	179,895	162,343	159,905

Ageing of customer receivables breaks down as follows:

2016/2017 financial year

<i>In thousands of euros</i>	Total receivables	< 3 months	> 3 months < 6 months	> 6 months < 1 year	> 1 year
Gross values	183,984	172,843	3,787	2,977	4,377
Provisions	(4,089)	(435)	(356)	(728)	(2,569)
NET VALUES	179,895	172,408	3,431	2,248	1,808

2015/2016 financial year

<i>In thousands of euros</i>	Total receivables	< 3 months	> 3 months < 6 months	> 6 months < 1 year	> 1 year
Gross values	167,903	153,779	5,166	4,724	4,233
Provisions	(5,560)	(565)	(475)	(1,441)	(3,079)
NET VALUES	162,343	153,214	4,691	3,283	1,155

Note 8.25 provides an analysis of the Group's sensitivity to credit risk and foreign exchange risk relating to customer receivables.

8.7 Other receivables and prepaid expenses

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Prepaid expenses	6,162	5,174	5,514
Other receivables	727	459	1,176
TOTAL	6,889	5,633	6,691

8.8 Fair value of financial instruments and other financial assets

The table below provides a comparison of the value of the financial assets recognised in the balance sheet with their fair value:

In thousands of euros	Carrying amount			Assets at fair value through profit and loss			Assets held to maturity			Loans and receivables			Fair value		
	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015
Non-current financial assets (Note 8.5)															
Loans, deposits in guarantee and other receivables	1,541	1,578	1,556							1,541	1,578	1,556	1,541	1,578	1,556
Current financial assets															
Fair value hedges, assets		249	78		249	78								249	78
Current cash management assets	5,000	5,000	5,000				5,000	5,000	5,000				5,000	5,000	5,000
Cash and cash equivalents (Note 8.9)	82,156	73,467	67,021	82,156	73,467	67,021							82,156	73,467	67,021
TOTAL ASSETS	88,697	80,295	73,654	82,156	73,716	67,021	5,000	5,000	5,000	1,541	1,578	1,556	88,697	80,295	73,654

8.9 Cash and cash equivalents

Cash and cash equivalents comprise:

- cash in hand;
- cash equivalents, i.e. short-term, highly liquid deposits easily convertible into a known amount of cash and subject to negligible risk of value impairment. They comprise liquid securities and accounts and term deposits with maturities of less than three months;
- balances relating to temporary bank overdrafts and associated accrued interest.

At 30 September 2017, the Group's cash was mainly invested in negotiable securities and money market deposits, the remainder being placed in bank current accounts, the majority of which are interest-bearing.

The Group considers its total available cash as effectively comprising the balance sheet aggregates "Cash and cash equivalents" and "current cash management assets", i.e. with maturities of between three and twelve months.

The net financial balance is therefore calculated as the difference between net cash plus "current cash management assets" and financial debt:

In thousands of euros	30/09/2017	30/09/2016	30/09/2015
Bank current account balances	70,973	73,293	58,617
Marketable securities ⁽¹⁾		2	8,172
Deposits ⁽²⁾	11,184	172	232
Total cash assets	82,157	73,467	67,021
Bank overdrafts	10	9,742	11,690
Net cash position	82,147	63,725	55,331
Current cash management assets	5,000	5,000	5,000
Total available cash	87,147	68,725	60,331
Financial debts (8.13)	61,680	73,867	84,412
NET FINANCIAL BALANCE	25,467	(5,142)	(24,081)

(1) Level 1 fair value, see Note 7.11 "Derivative financial instruments".

(2) Level 2 fair value, see Note 7.11 "Derivative financial instruments".

8.10 Assets held for sale

<i>In thousands of euros</i>	30/09/2016	Acquisition increase	Disposal decrease	Reclassification	Exchange rate movement	30/09/2017
Gross value						
Land	103		(103)			0
Buildings	2,306		(2,306)	887	(1)	886
Other non-current assets	237		(237)			0
Total	2,646	0	(2,646)	887	(1)	886
Amortisation						
Land	0		0			0
Buildings	(1,856)		1,856	(812)		(812)
Other non-current assets	(181)		181			0
Total	(2,037)	0	2,037	(812)	0	(812)
NET VALUE	609	0	(609)	75	(1)	74

During the 2016/2017 financial year a building in the UK was reclassified under assets held for sale for €74,000 net.

The Ternat building in Belgium, which had been reclassified under assets held for sale for €0.6 million during 2015/2016, was sold during financial year 2016/2017.

8.11 Changes in Group equity

Change in number of shares

At 30 September 2017 the number of shares was 7,613,291, each with a par value of €2. There were no changes during the 2016/2017 financial year.

The portion of the share capital held by the public is 17.65%.

Treasury shares

The 13,062 treasury shares are charged to Group equity as at 30 September 2017.

Impact of exchange rate fluctuations

Exchange rate fluctuations had the following effects on Group equity during the financial year:

- a negative net impact of €1,082,000 arising from the difference between closing and opening exchange rates applied to equity excluding profit;
- a negative net impact of €171,000 arising from the difference between closing and average exchange rates applied to the contribution of foreign companies to the consolidated result.

8.12 Financial liabilities

BREAKDOWN BY TYPE OF DEBT

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Borrowings from credit institutions	30,610	37,023	43,148
Owed in respect of finance leases ⁽¹⁾	19,243	24,757	29,217
Non-current financial liabilities	49,853	61,780	72,365
Borrowings from credit institutions	6,023	6,141	6,149
Owed in respect of finance leases ⁽²⁾	5,804	5,946	5,898
Bank overdrafts	10	9,742	11,690
Financial instruments			11
Current financial liabilities	11,837	21,829	23,748
TOTAL FINANCIAL LIABILITIES	61,690	83,609	96,113

(1) Including €17.6 million in respect of the property finance lease on the European Centre as at 30 September 2017.

(2) Including €4.6 million in respect of the property finance lease on the European Centre as at 30 September 2017.

The Group repaid €12,559,000 in financial debt (including €4,573,000 relating to the property lease on the European Centre) during the financial year.

8.13 Fair value of financial instruments and other liabilities

The table below provides a comparison of the value of the financial liabilities recognised in the balance sheet with their fair value:

In thousands of euros	Carrying amount			Liabilities at fair value through profit and loss			Supplier and other payables			Liabilities recognised at amortised cost			Fair value			
	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015	
Non-current financial liabilities																
Borrowings from credit institutions ⁽¹⁾	30,610	37,023	43,148							30,610	37,023	43,148	30,610	37,023	43,148	
Owed in respect of finance leases	19,243	24,757	29,217							19,243	24,757	29,217	19,243	24,757	29,217	
Current financial liabilities																
Borrowings from credit institutions ⁽¹⁾	6,023	6,141	6,149							6,023	6,141	6,149	6,023	6,141	6,149	
Owed in respect of finance leases	5,804	5,946	5,898							5,804	5,946	5,898	5,804	5,946	5,898	
Derivative financial instruments			11			11									11	
Trade payables	91,315	83,541	84,725				91,315	83,541	84,725				91,315	83,541	84,725	
Other debts	37,998	30,135	31,161				37,998	30,135	31,161				37,998	30,135	31,161	
Bank overdrafts	10	9,742	11,690							10	9,742	11,690	10	9,742	11,690	
Other liabilities (provisions and tax)	21,866	20,305	18,212										21,845	20,305	18,212	
TOTAL CURRENT AND NON-CURRENT LIABILITIES	212,869	217,590	230,211				11	129,312	113,676	115,886	61,690	83,609	96,102	212,846	217,590	230,211

(1) Including €6 million reclassified from current to non-current as at 30 September 2015.

Maturity schedule of financial instruments shown as liabilities in the balance sheet

In thousands of euros	Balance sheet value			< 1 year			Between 1 and 5 years			> 5 years		
	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015	30/09/2017	30/09/2016	30/09/2015
Borrowings from credit institutions	36,633	43,164	49,297	6,023	6,141	6,304	30,610	37,023	42,993			
Owed in respect of finance leases	25,047	30,703	35,115	5,804	5,946	5,898	19,243	20,942	21,142		3,815	8,075
Financial debts	61,680	73,867	84,412	11,827	12,087	12,202	49,853	57,965	64,135		3,815	8,075
Derivative financial instruments			11			11						
Trade payables	91,315	83,541	84,725	91,315	83,541	84,725						
Other debts	37,998	30,135	31,161	37,998	30,135	31,161						
Bank overdrafts	10	9,742	11,690	10	9,742	11,690						

8.14 Employee benefits

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Pension commitments	3,486	2,600	2,305
Service awards	224	239	214
TOTAL PROVISIONS	3,710	2,839	2,519

The estimate of pension commitments at 30 September 2017 was carried out by an independent actuary in accordance with the recommendations of IAS 19.

The amount of pension commitments provided for corresponds to the contractual commitments of the French companies which envisage making an end-of-service payment to their employees when they retire.

All expenses relating to pension commitments are shown in the "Personnel costs" item, which is included in the "Sales and administrative expenses" line in the income statement, and include an amount of €224,000 for services rendered (2015/2016: €148,000) and the financial cost for €49,000 (2015/2016: €27,000). The actuarial differences recognised in equity represent a net charge of €613,000.

The main assumptions used in the actuarial calculations are as follows:

	30/09/2017	30/09/2016
Discount rate	1.41%	0.79%
Inflation rate	1.50%	1.50%
Average salary increase rate (including inflation)	1.50%	1.50%
Age at retirement ⁽¹⁾		
<ul style="list-style-type: none"> ■ Executives ■ Non-executives 	65 Between 62 and 63	65 Between 62 and 63

(1) Depending on socio-professional category.

On 31 December 2007 the Overtoom International Netherlands pension fund was closed. The funds invested and the coverage obligations were transferred to a professional fund which now manages employee pension commitments.

Although this fund pays defined benefits to its members, it is accounted for as falling under a defined contribution scheme, in accordance with IAS 19.30, given the limited

information available from the fund and the fact that it involves a multi-employer scheme.

As such, no commitments relating to this fund were provisioned as at 30 September 2017. Lastly, the management of the subsidiary and of the Group checks regularly, and at least once per financial year, to ensure that the fund's assets cover its commitments.

8.15 Provisions for other liabilities

CHANGES IN THE 2016/2017 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2016	Additions	Reversal Provisions used	Reversal Provisions not used	Change through business combination	Reclassification	Exchange rate movement	30/09/2017
Salary disputes	515	38	(135)	0	0	0	0	418
Product returns	711	78	(64)	0	0	0	0	726
Restructuring	400	156	(306)	0	0	0	0	250
Legal and tax	0	566	0	0	0	0	0	566
Financial	0	0	0	0	0	0	0	0
Other risks	1,998	161	(141)	(250)	0	0	(1)	1,767
TOTAL	3,625	999	(647)	(250)	0	0	(1)	3,726

The additions to and reversals of provisions for restructuring during the financial year mainly concern the Centre region.

CHANGES IN THE 2015/2016 FINANCIAL YEAR

<i>In thousands of euros</i>	30/09/2015	Additions	Reversal Provisions used	Reversal Provisions not used	Change through business combination	Reclassification	Exchange rate movement	30/09/2016
Salary disputes	431	287	(250)	0	0	47	0	515
Product returns	553	179	(21)	0	0	0	0	711
Restructuring	625	400	(625)	0	0	0	0	400
Legal and tax	0	0	0	0	0	0	0	0
Financial	148	0	(1)	(100)	0	(47)	0	0
Other risks	2,105	107	(208)	0	0	0	(5)	1,998
TOTAL	3,862	972	(1,105)	(100)	0	0	(5)	3,625

The additions to and reversals of provisions for restructuring during the financial year 2015/2016 mainly concern the Centre and South regions.

Ongoing litigation

There is no litigation or exceptional event likely to have a material impact on the Group's financial position for which a provision has not been established.

8.16 Other liabilities and accruals

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Suppliers of fixed assets	294	81	173
Tax and social security liabilities	22,262	18,242	12,243
VAT	8,485	6,419	6,696
Credit notes outstanding	38	72	80
Provisions for general expenses	2,463	2,134	1,716
Miscellaneous	4,455	3,188	10,254
TOTAL	37,997	30,135	31,161

As at 30 September 2017, all these liabilities were due at one year or less.

Analysis of the main items in the income statement

8.17 Sales and administrative expenses

Provisions are shown net of additions, reversals, losses and gains.

Other income and expense also includes gains and losses on ordinary disposals of fixed assets.

Personnel costs include payroll and social security charges, employee profit sharing, the cost of temporary employees, employee benefits and other personnel costs. Personnel costs include employee profit sharing plan contributions, which amounted to €3,732,000 for 2016/2017, €2,689,000 for 2015/2016 and €2,591,000 for 2014/2015.

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Other external purchases	(74,244)	(71,825)	(72,329)
Taxes and duties	(5,876)	(5,712)	(5,455)
Personnel costs	(119,825)	(111,975)	(104,565)
Amortisation and depreciation charges	(14,707)	(15,527)	(15,817)
Additions/Reversals to provisions	116	170	(333)
Other income and expenses	819	1,460	1,126
TOTAL	(213,717)	(203,409)	(197,372)

8.18 Personnel costs

Composition of average workforce

	30/09/2017	30/09/2016	30/09/2015
Employees	1,588	1,566	1,358
Executives	551	531	593
TOTAL	2,138	2,097	1,951

Analysis of average workforce by region

Workforce	30/09/2017	30/09/2016	30/09/2015
North	117	114	113
Centre	287	282	293
East	109	99	107
South	1,131	1,159	1,018
West	365	334	315
Other	129	109	105
TOTAL	2,138	2,097	1,951

Men	30/09/2017	30/09/2016	30/09/2015
North	74	73	75
Centre	201	195	211
East	52	45	51
South	538	568	442
West	237	200	189
Other	64	53	60
TOTAL	1,166	1,134	1,028

Women	30/09/2017	30/09/2016	30/09/2015
North	43	41	39
Centre	86	87	82
East	57	54	55
South	593	591	576
West	128	135	126
Other	65	56	45
TOTAL	972	964	923

Changes	Recruitments	Departures
North	14	12
Centre	34	28
East	28	18
South	135	163
West	87	57
Other	56	36
TOTAL	355	314

Analysis of personnel costs

	30/09/2017	30/09/2016	30/09/2015
Employees	(69,916)	(67,435)	(60,434)
Executives	(49,909)	(44,539)	(44,040)
TOTAL	(119,825)	(111,975)	(104,474)

Remuneration allocated in respect of the financial year to the consolidating company's management bodies for their work undertaken for Group companies amounted to €2,001,407 in 2016/2017 and €1,538,440 in 2015/2016.

Attendance fees paid to members of the Board of Directors amounted to €117,000 for financial year 2016/2017 and €100,000 for 2015/2016.

Turnover per average workforce

	30/09/2017	30/09/2016	30/09/2015
North	351	350	355
Centre	479	460	417
East	193	187	163
South	404	374	347
West	285	315	320
TOTAL	331	325	306

8.19 Other operating income and expenses

	30/09/2017	30/09/2016	30/09/2015
Property transactions	2,316	0	0
Fines and penalties	(566)	0	0
Restructuring costs	(510)	(959)	(971)
Share acquisition expenses	(181)	(342)	(1,004)
TOTAL	1,060	(1,301)	(1,975)

The income from property transactions corresponds to the sale of the TERNAT building in Belgium during the 2016/2017 financial period (see note 8.10).

Restructuring costs mainly related to changes in the Group's organisational structure, and share acquisition expenses arose mainly from due diligence costs on potential acquisitions that did not materialise.

8.20 Financial income and expenses

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Income from cash and cash equivalents	455	331	421
Exchange gains	1,641	2,041	1,167
Other financial income	114	276	37
TOTAL FINANCIAL INCOME	2,209	2,648	1,625
Gross cost of borrowings	(734)	(882)	(816)
Exchange losses	(2,120)	(833)	(1,369)
Other financial expenses	(370)	0	(58)
TOTAL FINANCIAL EXPENSES	(3,223)	(1,715)	(2,243)
Net financial income (expense)	(1,014)	933	(619)

The change in the Group's financial income and expenses is due mainly to the volatility of the euro's exchange rate against other currencies during the financial year.

Additionally, financial expense increased due to the recognition of the market value of the forward currencies purchases entered into during the year (see Note 8.25 "Exchange risks").

8.21 Corporation tax

Deferred tax assets and liabilities are offset within each particular company.

Explanation of difference between theoretical and effective tax rates (in percentages of pre-tax profit):

<i>In %</i>	30/09/2017	30/09/2016	30/09/2015
Statutory income tax rate	34.43%	38.00%	38.00%
Permanent differences impact	2.12%	0.26%	1.62%
Non-capitalised tax losses	0.28%	0.20%	0.34%
Tax on dividends	0.65%	0.59%	0.71%
Previous non-capitalised tax loss carry-forwards applied	-0.12%	-0.52%	-0.55%
Differences in rates of income tax ⁽¹⁾	-6.89%	-8.37%	-6.84%
Tax credit ⁽²⁾	-4.65%	-1.47%	-2.11%
EFFECTIVE TAX RATE	25.82%	28.69%	31.17%

(1) Of which -2.54% linked to the change in the rate applicable to the calculation of deferred tax in France.

(2) Of which -1.73% as a result of the reimbursement of overpaid corporation tax in favour of Manutan International.

Income tax expense for the financial year amounted to €13,615,000, comprising €13,874,000 of current and -€259,000 of deferred tax income.

Source of deferred taxes

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Gross values			
Fixed assets (excluding finance leases)	535	532	316
Trademarks	(1,000)	(1,000)	(1,116)
Inventories	566	438	546
Customers	507	448	319
Financial instruments	0	0	6
Pension provisions	1,243	751	601
Other provisions	211	260	466
Finance leases	(8,079)	(7,948)	(7,300)
Tax loss carry-forwards	0	0	0
Other temporary differences	70	46	(172)
TOTAL	(5,950)	(6,473)	(6,334)
Deferred tax assets	4,158	3,571	3,305
Deferred tax liabilities	10,107	10,044	9,639
NET DEFERRED TAX	(5,949)	(6,473)	(6,334)

Change in net deferred tax*In thousands of euros*

30/09/2016	(6,473)
Recognised in profit and loss	259
Recognised in equity	250
Change in scope linked to the allocation of goodwill	0
Exchange rate movement	15
30/09/2017	(5,949)

8.22 Earnings per share

	30/09/2017	30/09/2016	30/09/2015
Net income attributable to owners of the parent <i>(in thousands of euros)</i>	39,069	34,050	25,806
Number of shares outstanding	7,600,229	7,600,229	7,600,229
EARNINGS PER SHARE <i>(in euros)</i>	5.14	4.48	3.40
Dilutive effect of subscription options	0	0	0
DILUTED EARNINGS PER SHARE <i>(in euros)</i>	5.14	4.48	3.40

8.23 Statement of cash flow**Free cash flow***In thousands of euros*

	30/09/2017	30/09/2016	30/09/2015
Consolidated profit for the year	39,114	34,078	25,823
Net operating depreciation, amortisation and impairment charges	14,906	15,528	15,815
Impairment of property, plant and equipment	(128)	0	0
Other provisions (net)	82	(77)	1,580
Proceeds of disposal of assets	(52)	4	(61)
Carrying amount of assets disposed of	748	116	100
FREE CASH FLOW	54,670	49,649	43,257

Change in working capital requirement

Sources: (+)

Applications: (-)

In thousands of euros

	30/09/2017	30/09/2016	30/09/2015
Inventories (net)	(4,985)	(4,208)	1,903
Trade receivables (net)	(10,592)	(4,466)	(13,376)
Other receivables	(8,753)	1,926	(658)
Supplier payables (net)	6,312	(567)	(214)
Corporation tax receivable/payable	2,862	2,699	345
Other debts	9,313	(238)	2,875
CHANGE IN WORKING CAPITAL REQUIREMENT	(5,843)	(4,854)	(9,124)
Change in payables/receivables relating to non-current assets	213	(92)	(94)

8.24 Sector information

Turnover – breakdown by geographical region

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
North	40,918	39,935	40,259
Centre	137,581	129,561	122,156
East	21,042	18,509	17,379
South	457,451	433,116	383,423
West	104,123	105,364	100,418
Other	(52,314)	(43,907)	(40,095)
TOTAL	708,801	682,578	623,539

<i>As a %</i>	30/09/2017	30/09/2016	30/09/2015
North	5.8	5.9	6.5
Centre	19.4	19.0	19.6
East	3.0	2.7	2.8
South	64.5	63.5	61.5
West	14.7	15.4	16.1
Other	-7.4	-6.4	-6.4
TOTAL	100.0	100.0	100.0

Recurring operating profit – breakdown by geographical region

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
North	1,334	1,276	1,813
Centre	11,852	11,550	5,436
East	1,434	1,271	(220)
South	39,340	30,957	28,934
West	8,679	10,426	10,401
Other	(9,955)	(7,326)	(6,255)
TOTAL	52,683	48,154	40,109

<i>As a %</i>	30/09/2017	30/09/2016	30/09/2015
North	2.5	2.7	4.5
Centre	22.5	24.0	13.6
East	2.7	2.6	-0.5
South	74.7	64.3	72.1
West	16.5	21.7	25.9
Other	-18.9	-15.2	-15.6
TOTAL	100.0	100.0	100.0

Operating profit – breakdown by geographical region

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
North	1,236	847	1,629
Centre	14,168	11,150	4,873
East	1,434	1,271	320
South	38,524	30,957	28,596
West	8,517	10,297	10,401
Other	(10,137)	(7,669)	(7,685)
TOTAL	53,743	46,853	38,134

<i>As a %</i>	30/09/2017	30/09/2016	30/09/2015
North	2.3	1.8	4.3
Centre	26.4	23.8	12.8
East	2.7	2.7	0.8
South	71.7	66.1	75.0
West	15.8	22.0	27.3
Other	-18.9	-16.4	-20.2
TOTAL	100.0	100.0	100.0

Current and non-current assets, current and non-current liabilities**Non-current assets**

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
North	10,101	10,255	10,403
Centre	3,601	4,365	4,890
East	9,423	9,102	9,102
South	79,027	80,205	81,816
West	53,256	54,986	59,786
Other	124,265	128,805	133,019
TOTAL	279,672	287,718	299,018

Current assets

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
North	15,865	14,994	15,294
Centre	37,637	33,539	35,370
East	8,535	7,224	6,392
South	191,444	182,695	178,556
West	46,326	42,615	40,910
Other	38,237	27,484	22,277
TOTAL	338,044	308,551	298,800

Non-current liabilities

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
North	705	706	721
Centre	159	159	427
East	0	0	0
South	4,881	4,767	5,440
West	1,286	1,770	924
Other	56,639	67,261	77,012
TOTAL	63,670	74,663	84,524

Current liabilities

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
North	5,540	5,044	5,107
Centre	15,579	13,713	13,419
East	2,877	2,154	1,781
South	86,766	81,273	82,179
West	15,919	14,370	15,305
Other	22,518	26,372	27,895
TOTAL	149,199	142,926	145,687

Free cash flow

<i>In thousands of euros</i>	30/09/2017				30/09/2016				30/09/2015			
	Free cash flow	Of which consolidated profit	Of which depreciation, amortisation and operating provisions	Of which other non-operational items	Free cash flow	Of which consolidated profit	Of which depreciation, amortisation and operating provisions	Of which other non-operational items	Free cash flow	Of which consolidated profit	Of which depreciation, amortisation and operating provisions	Of which other non-operational items
North	1,205	756	440	8	1,122	624	439	60	1,749	1,150	564	34
Centre	9,288	8,452	583	253	6,984	6,687	755	(458)	3,941	2,379	807	756
East	1,132	768	497	(133)	1,151	741	444	(34)	288	(110)	416	(18)
South	22,494	18,736	3,236	522	17,389	13,775	3,679	(65)	16,357	12,510	3,874	(27)
West	8,010	6,599	1,453	(42)	10,650	8,954	1,646	50	9,760	8,121	1,708	(69)
Other	12,541	3,819	8,697	25	12,352	3,331	8,565	456	11,162	1,817	8,446	898
TOTAL	54,670	39,130	14,906	634	49,649	34,112	15,528	9	43,257	25,866	15,815	1,575

<i>As a %</i>	30/09/2017				30/09/2016				30/09/2015			
	Free cash flow	Of which consolidated profit	Of which depreciation, amortisation and operating provisions	Of which other non-operational items	Free cash flow	Of which consolidated profit	Of which depreciation, amortisation and operating provisions	Of which other non-operational items	Free cash flow	Of which consolidated profit	Of which depreciation, amortisation and operating provisions	Of which other non-operational items
North	2.2	1.9	3.0	1.3	2.3	1.8	2.8	646.1	4.0	4.4	3.6	2.2
Centre	17.0	21.6	3.9	39.9	14.1	19.6	4.9	-4,939.6	9.1	9.2	5.1	47.9
East	2.1	2.0	3.3	-20.9	2.3	2.2	2.9	-367.8	0.7	-0.4	2.6	-1.0
South	41.1	47.9	21.7	82.2	35.0	40.4	23.7	-699.5	37.8	48.4	24.5	-1.8
West	14.7	16.9	9.7	-6.6	21.5	26.2	10.6	542.4	22.6	31.4	10.8	-4.4
Other	22.9	9.8	58.3	4.0	24.9	9.8	55.2	4,918.3	25.8	7.0	53.4	57.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Capital expenditure⁽¹⁾

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
North	293	617	383
Centre	421	237	388
East	418	369	1,677
South	1,706	1,621	2,660
West	692	2,875	816
Other	3,522	4,883	11,099
TOTAL	7,051	10,602	17,024

(1) These amounts include lease-financed assets.

8.25 Financial risk management objectives and policies**Market risk**

The Group is not significantly exposed to market risks, given its financial structure and the small portion of its shares traded on the stock exchange (17.65% as at 30 September 2017).

Liquidity risk

The Group is not significantly exposed to liquidity risk. As at 30 September 2017, the Group's cash and cash

equivalents amounted to €87,146,000 including current financial investments, while financial liabilities totalled €61,676,000. The ratio of consolidated financial debt to consolidated equity stood at 0.15.

In addition, the Group has confirmed lines of credit of €20,115,000. As at 30 September 2017 these lines were used to the extent of €20 million.

The financial debts would be due early in the event of non-compliance with legal and financial covenants, all of which were complied with as at 30 September 2017. They mainly concern medium- and long-term debt to equity ratios and free cash flow to net borrowings ratios.

Type of borrowings	Fixed or variable rate	Amount <i>In thousands of euros</i>	Due date			Hedge	Original currency
			< 1 year	Between 1 and 5 years	> 5 years		
Borrowings from credit institutions	Variable rate	36,619	6,010	30,610	0	No	EUR
	Fixed rate	0	0	0	0	No	EUR
Liabilities in respect of finance leases	Fixed rate	530	279	251	0	No	EUR
	Variable rate	22,111	4,574	17,537	0	No	EUR
	Variable rate	1,385	543	841	0	No	EUR
	Fixed rate	31	31	0	0	No	GBP
	Fixed rate	990	376	614	0	No	GBP
Bank overdrafts	Variable rate	10	10	0	0	No	EUR
TOTAL		61,676	11,823	49,853	0		

(1) Amount including the €20,000,000 of confirmed credit lines.

Interest rate risk

The Group's financial policy consists in managing financial charges using a combination of variable and fixed rate derivatives. As at 30 September 2017 the Group had no outstanding interest rate swap derivative instruments.

The interest rate sensitivity analysis as at 30 September 2017 is as follows:

<i>In millions of euros</i>	Total	< 1 year	1 to 5 years	> 5 years
Financial assets ⁽¹⁾	82.2	82.2	0.0	0.0
Financial liabilities ⁽²⁾	60.1	11.1	49.0	0.0
NET POSITION	22.0	71.0	(49.0)	0.0

(1) Negotiable debt securities, other financial assets and loans and advances at variable rates.

(2) Borrowings, financial debts and other financial liabilities at variable rates.

The Group's interest rate risk is monitored throughout the year by the Group's Treasury Department in the holding company. The impact of a one percentage point change in interest rates on the Group's variable rate net positions at less than one year would be approximately €220,000.

Exchange risk

The Group pursues a general policy of risk management and self-hedging. Thus the management of intra-Group transactions is attentively monitored by local and Group treasury departments.

The Group's net exposure to exchange rate risk is presented by currency:

<i>In millions of euros</i>	Pound sterling	US dollars	Czech koruna	Norwegian krone	Danish krone	Euro	Other currencies ⁽¹⁾	Totals
Monetary assets	27.4	16.2	6.0	2.8	1.5	1.8	6.3	61.9
Monetary liabilities	10.2	0.4	2.0	0.0	0.1	2.6	2.7	18.1
NET EXPOSURE	17.2	15.9	4.0	2.7	1.4	(0.8)	3.5	43.9

(1) Other currencies are CHF, CZK, HUF and PLN.

Monetary assets comprise receivables and loans, as well as transferable securities and cash.

Monetary liabilities comprise borrowings, as well as operating liabilities and other debts.

The risk analysis led to the following conclusion on the currency hedging requirements:

- purchases in US dollars (USD) against euros (EUR);
- purchases in euros (EUR) against sterling (GBP), the Czech koruna (CZK) and Swedish krona (SEK);
- sale of Norwegian krone (NOK) and Danish krone (DKK) against Swedish krona (SEK);
- sale of HUF and PLN against CZK.

Annual volumes at stake

The total volume of flows to be hedged during the year amounted to €55.5 million, or 12.55% of the Group's cost of goods sold: a change in exchange rates would have a limited impact on the Group's income statement.

As at 30 September 2017 the Group had only one remaining forward contract outstanding in respect of these hedges, for its subsidiary IronmongeryDirect Ltd.

	Transaction date	Due date	Value as at 30/09/2017	IFRS hedge	Gross impact on result	Gross impact on reserves
Forward purchase of US\$0.1 million at 1.232	22/02/2017	27/11/2017	(8)		(8)	
Forward purchase of US\$0.1 million at 1.232	22/02/2017	26/02/2018	(8)		(8)	
TOTAL			(15)		(15)	-

Equity risk

The Group's exposure to equity risk is limited to its holdings of treasury shares in Manutan International, the only Group securities listed on a regulated market. These treasury shares totalled 13,062 as at 30 September 2017 (see Note 8.11 "Changes in Group equity").

They are recognised in consolidated equity.

Credit risk

In view of the nature of the Group's activity, credit risk is limited, since "Customer receivables" comprise a large number of small accounts spread among several hundred thousand customers.

Moreover, the Group's policy is to check the creditworthiness of all customers wishing to obtain payment terms on credit. Trade receivables are monitored regularly, and as a consequence the Group's exposure to bad debts is not significant.

8.26 Related parties

Related parties are:

- parent companies;
- subsidiaries;
- members of the Board of Directors of Manutan International.

Transactions with related parties outside the Group were not significant.

Transactions with the Group's senior Executives during the financial year ended 30 September 2017 (members of the Board of Directors) break down as follows:

- short-term benefits: €2,118,907 in 2016/2017, €1,638,440 in 2015/2016;
- post-employment benefits: n/a;
- other long-term benefits: n/a;
- end-of-service indemnities: n/a;
- share-based payments: n/a.

Short-term benefits correspond to remuneration of the management bodies, including a provision of €108,000 for attendance fees to be paid in respect of the past financial year.

Undertakings have also been given to the Group's senior Management regarding end-of-service indemnities in the event of their departure. These (unpaid) commitments amounted to €1,682,710 in 2016/2017.

8.27 Special purpose vehicles

Special purpose vehicles are consolidated if the Group concludes that it controls them, based on a review of the substance of the special purpose vehicle's relationship with the Group and of its risks and benefits.

The Manutan Group did not control any special purpose vehicles as at 30 September 2017.

Note 9 Companies included in the scope of consolidation as at 30 September 2017

List of consolidated companies	% voting rights of the consolidating company	% equity interest of the consolidating company
Manutan International SA (France)		
Manutan Collectivités SAS (France)	100.00	100.00
The Eurostore Group Ltd (United Kingdom)	100.00	100.00
Manutan GmbH (Switzerland)	100.00	100.00
IronmongeryDirect Ltd (United Kingdom)	100.00	100.00
Key Industrial Equipment Ltd (United Kingdom)	100.00	100.00
Manovert BV (Netherlands)	100.00	100.00
Manutan Hungaria kft (Hungary)	100.00	100.00
Manutan Italia Spa (Italy)	100.00	100.00
Manutan Ltd (United Kingdom)	100.00	100.00
Manutan Polska Sp-z.o.o. (Poland)	100.00	100.00
Manutan SA (France)	100.00	100.00
Manutan SL (Spain)	100.00	100.00
Manutan Slovakia sro (Slovakia)	100.00	100.00
Manutan s.r.o. (Czech Republic)	100.00	100.00
Manutan Unipessoal Lda (Portugal)	100.00	100.00
Manutan NV (Belgium)	99.15	99.15
Manutan GmbH (Germany)	100.00	100.00
Manutan BV (Netherlands)	100.00	100.00
Association du R.I.E. (France)	100.00	100.00
SCI Philippe Auguste (France)	100.00	100.00
Sports & Loisirs SAS (France)	100.00	100.00
Papeteries Pichon SAS (France)	100.00	100.00
Rapid Racking Ltd (United Kingdom)	100.00	100.00
Trovatar a.s. (Czech Republic)	100.00	100.00
Witre A/S (Norway)	100.00	100.00
Witre AB (Sweden)	100.00	100.00
Witre Danmark A/S (Denmark)	100.00	100.00
Witre Oy (Finland)	100.00	100.00
Ikaros Cleantech AB (Sweden)	100.00	100.00
Ikaros Finland Oy (Finland)	100.00	100.00
Essex Electrical Wholesalers (United Kingdom)	100.00	100.00

Manutan International exercises exclusive control over all companies incorporated in the consolidation scope.

Group companies are consolidated using the full consolidation method.

Note 10 Events after the reporting period

None.

Note 11 Summary of obligations and commitments

Off-balance sheet commitments

<i>In thousands of euros</i>	30/09/2017	30/09/2016	30/09/2015
Confirmed unutilised lines of credit	415	45,111	65,000
Bank guarantees	1,605	1,600	2,239
Other guarantees	131	78	0
Linked to operating leases	18,027	16,961	15,410

Maturity schedule of obligations and commitments

Pursuant to the AMF's recommendation of January 2003, the tables below summarise the obligations and commitments given and received by the Group.

<i>In thousands of euros</i>	Total as at 30/09/2017	Amount of commitments by period <i>In thousands of euros</i>		
		< 1 year	From 1 to 5 years	> 5 years
Contractual obligations – commitments given and received				
Lines of credit ⁽¹⁾	(20,415)	(20,415)		
Letters of credit ⁽²⁾	1,605	1,605		
Operating lease obligations	18,027	5,251	10,705	2,071
Other guarantees	131	131		
TOTAL	(652)	(13,428)	10,705	2,071

(1) Confirmed credit lines available to the Group.

(2) Guarantees given by the Group to credit institutions.

Note 12 Fees paid to the Statutory Auditors and members of their networks

<i>In thousands of euros</i>	KPMG						Mazars					
	Amount			%			Amount			%		
	2016/2017	2015/2016	2014/2015	2016/2017	2015/2016	2014/2015	2016/2017	2015/2016	2014/2015	2016/2017	2015/2016	2014/2015
Statutory audit and certification of consolidated and parent company financial statements ⁽¹⁾	509	450	532	95%	87%	60%	445	392	367	96%	92%	92%
Services other than the certification of the financial statements ⁽²⁾	26	67	360	5%	13%	40%	17	34	31	4%	8%	8%
TOTAL	535	517	892	100%	100%	100%	462	426	398	100%	100%	100%

(1) Of which for Manutan International €93,000 (KPMG) and €93,000 (Mazars) for 2016/2017; and €101,000 (KPMG) and €84,000 (Mazars) for 2015/2016.

(2) Of which for RIE €6,000 for 2016/2017.

Statutory Auditors' report on the parent company financial statements

Financial year ended 30 September 2017

To the General Meeting of Manutan International SA

Opinion

In performance of the assignment entrusted to us by the General Meeting, we have audited the financial statements of Manutan International SA for the financial year ended 30 September 2017, as attached to this report.

We hereby certify that the financial statements for the year are, as regards the French accounting rules and principles, regular and accurate and provide a true and fair view of the operating results for the past financial year and of the financial situation and assets of the company at the end of the financial year.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit referential

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.

The responsibilities incumbent upon us by virtue of these standards are indicated in the section headed "Responsibilities of the Statutory Auditor in respect of the audit of the financial statements" in this report.

Independence

We conducted our audit in accordance with the rules on independence applicable to us for the period 1 October 2016 to the date of this report, and in particular we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014 or by the Code of Ethics of the Statutory Auditors profession.

Justification of our assessments – Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key points of the audit relating to the risks of material misstatement which in our professional judgement were the most significant for the audit of the financial statements for the year and the responses we provided to these risks.

The assessments were made in the context of our audit of the financial statements taken as a whole and the forming of our opinion expressed above. We do not express an opinion on the elements of these financial statements taken in isolation.

Valuation of equity interests

Risk identified

Equity interests are shown in the balance sheet of Manutan International SA as at 30 September 2017 for a carrying amount (net book value) of €343 million, representing 77% of total assets. They are recognised initially at acquisition cost excluding associated costs, or at their subscription value, and adjusted for impairment if their estimated value in use at balance sheet date is less than their carrying amount.

The estimate of the value in use of each equity interest is carried out by the management using a combination of different methods based on the investee's re-estimated net assets, future profitability and business prospects. This estimate requires the exercise of judgement on the part of the Management, particularly when it is based on forecast data.

Given the uncertainties inherent in the forecast data used in the calculations, we considered the valuation of equity interests to be a key point of our audit.

Our response

We examined the methods used by the management to estimate the value in use of equity interests. Our work notably included the following:

- for valuations based on re-estimated net assets, we reconciled the net situation used to determine the value in use of the equity interests with the accounting data extracted from the financial statements audited by the auditors of the companies concerned, checking the appropriateness of adjustments made where applicable;
- for valuations based on forecast data, in the case of any indication of loss of value: we obtained forecast cash flows for the businesses of the companies concerned drawn up by their managements, and assessed the consistency of the assumptions used by the management with our knowledge of the business.

We assessed the appropriateness of the information presented in Note 3.2 to the financial statements.

Verification of the Management Report and other documents addressed to the Shareholders

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

We have no comments to make on the fairness and consistency of the information included in the Management Report of the Board of Directors and in the documents addressed to shareholders regarding the financial situation and financial statements of the Company.

We have checked that the information provided pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on the remuneration paid, benefits awarded and commitments made to Corporate Officers is in line with the financial statements or with the data used to prepare the financial statements, and, where applicable, with the information that your company has obtained from companies that control it or that it controls. Based on our work, we certify the accuracy and fairness of this information.

Pursuant to the law, we checked that the information relating to the identity of holders of stock and voting rights has been communicated to you in the Management Report.

Information resulting from other legal and regulatory obligations

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Manutan International SA by the General Meetings of 4 March 2004 as regards KPMG Audit, a Division of KPMG S.A. and of 14 March 2003 as regards Mazars.

As at 30 September 2017, KPMG Audit, a Division of KPMG S.A. was in the thirteenth and Mazars was in the fourteenth year of their respective uninterrupted terms.

Responsibilities of the management and the persons forming the corporate governance regarding the financial statements

The management is responsible for the preparation of the financial statements giving a true and fair view in accordance with French accounting rules and principles and for putting in place such internal controls as it deems necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In drawing up the financial statements, it is incumbent upon the management to assess the company's ability to continue as a going concern, to provide such information relating to the going concern assumption as may be necessary or appropriate and to apply the going concern accounting principle unless it intends to put the company into liquidation or cease its activities.

It is incumbent upon the Audit Committee to monitor the process of preparing the financial information and the effectiveness of the internal control and risk management systems, as well as of the internal audit where applicable, as regards procedures for preparing and processing accounting and financial information.

The financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditor relating to the audit of the financial statements

Objective and approach of the audit

It is for us to draw up a report on the financial statements. Our objective is to obtain reasonable assurance that the financial statements taken as a whole do not contain material misstatements. Reasonable assurance means a high level of assurance, which does not however guarantee that an audit performed in accordance with professional standards will always detect every material misstatement. Misstatements may derive from fraud or from error and are considered material if, taken individually or together, they can reasonably be expected to be capable of influencing such economic decisions as users of the financial statements may take on the basis of those statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our certifying the financial statements does not imply assurance of the viability of your company or of the quality of its management.

Throughout the audit process carried out in accordance with professional standards applicable in France, the Statutory Auditor exercises its professional judgement. Furthermore:

- it identifies and assesses the risks of material misstatements being contained in the financial statements, whether deriving from fraud or from error, defines and implements audit procedures to address these risks and collects such evidence as it considers sufficient and appropriate on which to base its opinion. The risk of non-detection of a material misstatement arising from fraud is higher than that of such misstatement arising from error, since fraud may involve collusion, forgery, wilful omissions, false declarations or bypassing of internal controls;
- it takes note of such internal controls as are pertinent for the audit in order to define the appropriate audit procedures in each situation, but not with a view to expressing an opinion on the effectiveness of the internal controls;
- it assesses the appropriateness of the accounting methods applied and the reasonableness of the accounting estimates made by the management body, as well as the related information provided by management in the financial statements;
- it assesses the appropriateness of the management body's application of the going concern accounting principle and, depending on the evidence collected, the existence or otherwise of significant uncertainty associated with events or situations likely to cast doubt on the company's ability to stay in business. This assessment is based on the evidence collected up until the date of its report. However, subsequent circumstances or events could lead to the going concern assumption being called into question. If it reaches the conclusion that such significant uncertainty does exist, it draws the attention of readers of its report to the information provided in the financial statements regarding this uncertainty or, if this information is not provided or is not pertinent, it issue a qualified opinion or refuses to certify;
- it assesses the overall presentation of the financial statements and whether they give a true and fair view of the underlying transactions and events.

Report to the Audit Committee

We send a report to the Audit Committee presenting in particular the extent of the audit work and the work programme implemented as well as the conclusions drawn from our work. We also bring to its attention any significant weaknesses in internal controls that we may have detected as regards the procedures relating to the preparation and processing of accounting and financial information.

Among the elements contained in the report to the Audit Committee are the risks of material anomalies that we consider to have been the most significant for the audit of the financial statements for the year and which therefore constitute the key points of the audit, which it behoves us to describe in this report.

We also provide the Audit Committee with the declaration provided by Article 6 of Regulation (EU) No. 537-2014 confirming our independence within the meaning of the rules applicable in France as laid down in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics of the Statutory Auditors profession. If necessary we discuss with the Audit Committee any risks to our independence and the measures taken to safeguard it.

Signed in Nantes and in Courbevoie, 29 January 2018

The Statutory Auditors

KPMG Audit
A Division of KPMG S.A.

Franck Noël
Partner

Mazars

Anne Veaute
Partner

Financial statements of the parent company

Balance Sheet as at 30 September 2017

Assets

<i>In euros</i>	Gross values	Amort. prov.	Net 30/09/2017	Net 30/09/2016
Capital subscribed not called				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and similar rights	372,935	370,751	2,184	0
Goodwill				
Other intangible assets	64,273,374	38,377,418	25,895,956	28,695,421
Advance payments on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Technical installations, eqmt & tools	897,835	596,174	301,661	385,087
Other property, plant and equipment	4,425,323	2,982,606	1,442,717	929,821
Fixed assets in progress				
Advances and down payments				
Financial non-current assets				
Associates accounted for using the equity method				
Other equity interests	354,580,222	11,760,247	342,819,975	342,126,019
Receivables attaching to equity interests	4,635,615	3,200,000	1,435,615	1,615,548
Other non-current securities				
Loans				
Other non-current financial assets	1,320,649	10,173	1,310,477	1,025,969
NON-CURRENT ASSETS	430,505,954	57,297,369	373,208,585	374,777,865
Inventories				
Raw materials, supplies				
Goods WIP				
Services WIP				
Intermediate and finished product				
Merchandise				
Advances and down payments on orders	519		519	
Receivables				
Trade receivables and related accounts	8,060,646		8,060,646	9,088,728
Other receivables	35,062,478		35,062,478	36,808,467
Capital subscribed and called, not paid up				
Miscellaneous				
Transferable securities	705		705	2,366
(Of which treasury stock):				
Cash & cash equivalents	25,701,791		25,701,791	7,664,426
Prepaid expenses, etc.				
Prepaid expenses	2,455,753		2,455,753	1,847,959
CURRENT ASSETS	71,281,892		71,281,892	55,411,946
Loan issue expenses to be deferred				
Redemption premiums on bonds				
Conversion differences	141		141	
GRAND TOTAL	501,787,987	57,297,369	444,490,618	430,189,811

Liabilities & Equity

<i>In euros</i>	2016/2017 financial year	2015/2016 financial year
Share capital (of which paid up: 15,226,582)	15,226,582	15,226,582
Issue, merger and contribution premiums	66,775,796	66,775,796
Revaluation differences		
Legal reserve	1,522,658	1,522,658
Statutory or contractual reserves		
Regulated reserves		
Other reserves	83,510,737	83,510,737
Retained earnings	84,925,464	85,297,577
Profit/(loss) for the year	21,027,870	11,028,230
Investment subsidies		
Regulated provisions	2,987,211	2,510,884
EQUITY	275,976,318	265,872,464
Proceeds of issues of equity instruments		
Conditional advances		
OTHER EQUITY		
Provisions for risks	71,951	90,920
Provisions for charges		
PROVISIONS	71,951	90,920
Financial debts		
Convertible bond borrowings		
Other bond borrowings		
Borrowings from and debts to credit institutions	36,619,162	51,098,950
Miscellaneous borrowings and financial debts	120,771,498	106,647,101
Advances and down payments received on current orders		
Operating liabilities		
Supplier payables and related accounts	3,774,726	1,905,860
Tax and social security liabilities	6,611,731	3,845,448
Sundry creditors		
Debts in respect of fixed assets and related accounts	320,570	106,480
Other debts	0	95,919
Prepaid expenses, etc.		
Unearned income		
DEBTS	168,097,687	163,699,758
Conversion differences	344,662	526,670
GRAND TOTAL	444,490,618	430,189,811

Income statement for the year ended 30 September 2017

In euros	2017 financial year			2016 financial year
	France	Export	Total	
Sale of merchandise				
Goods produced sold				
Services produced sold	14,695,890	11,302,995	25,998,884	21,264,897
Net turnover	14,695,890	11,302,995	25,998,884	21,264,897
Production transferred to inventories				
Production capitalised				
Operating subsidies				
Reversals of impmt., prov. (& deprec/amort), transfer of charges			6,545,786	6,450,130
Other income			13,507,273	12,608,954
Operating income			46,051,943	40,323,981
Purchase of merchandise (incl. customs duties)				
Change in inventories (merchandise)				
Purchase of raw materials and other supplies				
Change in inventories (raw materials and supplies)				
Other external purchases and charges			21,067,279	18,595,039
Taxes, duties and similar			920,878	873,096
Employee benefits			10,296,936	7,270,897
Social security charges			4,583,333	3,266,060
Operating allocations:				
On non-current assets: additions to deprec/amort			5,546,172	5,406,191
On non-current assets: additions to deprec/amort				
On current assets: additions to impairment allowances				
Additions to provisions				54,784
Other charges			165,190	88,754
Operating expenses			42,579,787	35,554,822
OPERATING PROFIT			3,472,156	4,769,159
Joint operations				
Profit attributed or loss transferred				
Loss borne or profit transferred			201,309	160,667
Financial income			22,796,143	12,467,620
Financial income from equity interests			20,490,908	10,034,336
Income from other transferable securities and receivables in respect of non-current assets				
Other interest and similar income			211,133	3,391
Releases of provisions and transfers of charges			1,084,847	2,311,993
Positive exchange differences			1,009,255	117,901
Net sales proceeds of transferable securities				
Financial expenses			4,471,519	3,928,829
Additions to depreciation, amortisation and provisions			134,513	404,875
Interest and similar charges			3,321,628	3,347,619
Negative exchange differences			1,015,378	176,334
Net charges on sales of transferable securities				
NET FINANCIAL INCOME (EXPENSE)			18,324,625	8,538,792
RECURRING PROFIT BEFORE TAX			21,595,472	13,147,284
Exceptional income				25,250
Exceptional income on management transactions				
Exceptional income on capital transactions				25,250
Releases of provisions and transfers of charges				
Exceptional charge			477,002	999,624
Exceptional charges on management transactions			674	
Exceptional charges on capital transactions				571,411
Exceptional additions to depreciation, amortisation and provisions			476,328	428,213
EXCEPTIONAL ITEMS			(477,002)	(974,374)
Employee profit sharing			836,169	381,152
Tax on income			(745,569)	763,528
Total income			68,848,087	52,816,851
Total expenses			47,820,217	41,788,621
PROFIT/(LOSS)			21,027,870	11,028,230

Notes to the parent company financial statements

Note 1 Activity of the Company and significant events of the year

1.1 Significant events

The following financial statements cover the twelve-month period from 1 October 2016 to 30 September 2017.

During the year, the amortisable basis of intangible assets increase by €3.8 million. This increase came from the re-estimation of the budget allocated to the development of the ERP system. Consequently a complementary addition to amortisation of €0.6 million was recognised during the year.

Accounting principles and methods specifically applied to each financial statement item are set forth in the following pages.

The financial statements have been prepared in accordance with the provisions of Regulation **2016-07** of the ANC, the French Accounting Standards Authority, and approved by ministerial order of **4 November 2016** relating to the General Accounting Plan.

1.2 Accounting principles and methods

The financial year was of twelve months, from 1 October 2016 to 30 September 2017.

The financial statements have been drawn up on a going concern basis. They were prepared in accordance with accounting rules currently in force, in compliance with the principle of prudence, independence of financial years and consistency of accounting methods.

Note 2 Significant events after the reporting period

None.

Note 3 Information on the assets

3.1 Non-current assets

3.1.1 Intangible assets

Intangible assets are recognised at their acquisition cost.

Computer software and related user licences are amortised on a straight-line basis over three to seven years, depending on their purpose and estimated useful life.

The main computer software additions during the financial year concerned licences as well as capitalisable costs incurred at year-end for the implementation of the various applications used by Group companies' operations (e-business sites, content and publication management, etc.) These software packages use the latest technology available and replace previous packages, which had been fully amortised and were therefore scrapped.

Assets in progress mainly comprise the costs incurred in the context:

- of the project to change the Group's ERP system and for the part still in development.

3.1.2 Property, plant and equipment

Property, plant and equipment are measured at acquisition cost.

Depreciation is calculated using the straight-line method over the expected useful life of the asset concerned:

- buildings: over 25 years
- Installations, fixtures & fitting: over 10 years
- computer hardware: over 3 or 5 years
- other property, plant and equipment: over 3 to 6 years
 - vehicles;
 - equipment and tools;
 - office furniture and equipment.

The straight-line method is considered representative of the economic reality applicable to the life cycle of an asset.

3.1.3 Table of acquisitions and disposals for the year

<i>In euros</i>	As at 30/09/2016	Acquisitions	Transfers between balance sheet headings and corrections +/-	Disposals	As at 30/09/2017
Start-up and development costs					
Other intangible assets	62,501,363	9,561,063	7,416,118	0	64,646,309
Total 1 Intangibles	62,501,363	9,561,063	7,416,118	0	64,646,309
Land					
Constructions on own land					
Constructions on third-party land					
Constructions installations, fixtures & fittings, etc.					
General insts., fixtures & fittings, etc.					
Technical installations, eqmt & tools	860,835	37,000			897,835
Vehicles	9,811				9,811
Office and IT equipment, furniture	3,394,097	968,415			4,362,513
Recoverable packaging and miscellaneous	25,000	28,000			53,000
Total 2 Property, plant & equipment	4,289,743	1,033,415	0	0	5,323,159
Fixed assets in progress					
Total 3 Property, plant & equipment	0	0	0	0	0
Advances & down payments					
TOTAL A (1+2+3)	66,791,106	10,594,478	7,416,118	0	69,969,468

3.1.4 Table of depreciation and amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are calculated on a linear or degressive basis depending on the nature of the assets and their expected useful life.

DEPRECIATION AND AMORTISATION TABLE

<i>In euros</i>	As at 30/09/2016	Additions	Reductions or reversals	As at 30/09/2017
Start-up and development costs				
Other intangible assets	33,805,942	4,942,227		38,748,169
Total 1	33,805,942	4,942,227	0	38,748,169
Land				
Buildings				
General insts., fixtures & fittings, etc.				
Technical installations, eqmt & tools	475,749	120,426		596,174
Vehicles	3,818	1,832		5,650
Office and IT equipment, furniture	2,495,269	481,687		2,976,956
Total 2	2,974,836	603,945	0	3,578,780
TOTAL B (1+2)	36,780,778	5,546,172	0	42,326,949
Net value (A-B)	30,010,328	5,051,306	0	27,642,519

3.2 Financial non-current assets

The gross value of the securities consists of their purchase cost excluding ancillary expenses or of the subscription value. The net asset value of the securities is their value in use. This value is determined by a combination of the following methods: re-estimated net assets, future profitability and business prospects of the company concerned.

If the net asset value is lower than the carrying amount of the securities, a provision is set aside for the difference. A similar provision is established for receivables from associates, their net asset value being based on prospects of recovery.

TABLE OF MOVEMENTS DURING THE YEAR

<i>In euros</i>	Gross value as at 30/09/2016	Acquisitions and transfers between balance sheet headings	Disposals and transfers between balance sheet headings	Gross value as at 30/09/2017	Provision	Net value as at 30/09/2017
Associates accounted for using the equity method						
Other equity interests	359,367,783	27,987	179,932	359,215,838	14,960,247	344,255,590
Other non-current securities						
Loans and other non-current financial assets	1,320,649			1,320,649	10,173	1,310,477
TOTAL	360,688,432	27,987	179,932	360,536,487	14,970,420	345,566,067

RECEIVABLES FROM AND LOANS TO SUBSIDIARIES

<i>In euros</i>	Gross value as at 30/09/2016	Increase	Decreases	Gross value as at 30/09/2017	of which at > 1 year
Receivables attaching to equity interests	4,815,547		179,932	4,635,615	4,455,683
Provisions for impairment	(3,200,000)			(3,200,000)	(3,200,000)
TOTAL	1,615,647	0	179,932	1,435,615	1,255,683

Investments in associates and related receivables

Details of associates are shown in the "Table of subsidiaries and associates" in the Notes to these financial statements.

During the financial year Manutan International wrote off receivables on:

- Manutan GmbH (Switzerland) for €70,000;
- Manutan GmbH (Germany) for €160,000.

Provisions for shares in associates and related receivables

A reversal of €800,297 was recognised per 30 September 2017 in respect of the provision for shares in Manutan Italy.

An additional €134,328 was also provisioned for Manutan Germany in application of general valuation principles.

The provision for treasury shares decreased by €284,507, based on the valuation of the shares in portfolio at year-end, bringing impairment at year-end to €10,172.58 based on the share's average price in the last twenty days of the financial year.

The other movements in receivables related to associates resulted from the revaluation of these foreign currency denominated receivables.

3.3 Maturity schedule of receivables

The Company's receivables amounted to €51,535,141 in gross value as at 30 September 2017, which breaks down as follows:

<i>In euros</i>	Gross amount	Up to one year	Over one year
Non-current assets	5,956,264	179,932	5,776,332
Receivables attaching to equity interests	4,635,615	179,932	4,455,683
Loans			
Other non-current financial assets	1,320,649		1,320,649
Current assets	45,578,877	45,578,877	
Customers	8,060,646	8,060,646	
Doubtful accounts			
Personnel and related accounts			
Social Security and other social bodies	4,920	4,920	
State: sundry taxes and duties	232,327	232,327	
Group and shareholders	34,776,345	34,776,345	
Sundry debtors	48,886	48,886	
Prepaid expenses	2,455,753	2,455,753	
TOTAL	51,535,141	45,758,809	5,776,332
Amount of loans granted during the year			
Amount of repayments received during the year			
Loans and advances granted to shareholders (natural persons)			

3.4 Trade receivables and related accounts

<i>In euros</i>	Gross amount	Amort. prov.	Net 30/09/2017	Net 30/09/2016
Trade receivables and related accounts	8,060,646		8,060,646	9,088,728
Other receivables	35,062,478		35,062,478	36,808,467
Capital subscribed and called, not paid up				
TOTAL	43,123,124	0	43,123,124	45,897,195

Other receivables include €34,776,000 in loans granted to subsidiaries and related accrued interest in the context of Manutan International's centralised management of the Group's treasury function.

3.5 Accruals

3.5.1 Prepaid expenses

Prepaid expenses amount to €2,455,753.

<i>In euros</i>	As at 30/09/2017	As at 30/09/2016
Operating expenses	2,455,753	1,847,959
Financial expenses		
Exceptional charge		
TOTAL	2,455,753	1,847,959

3.5.2 Conversion differences

Positive (asset)		Negative (liability)	
<i>In euros</i>		<i>In euros</i>	
Decrease in receivables	141	Decrease in payables	
Increase in payables		Increase in receivables	344,662
TOTAL	141	TOTAL	344,662

Note 4 Information on liabilities and equity

4.1 Equity

Composition of the share capital

The Company's share capital at 30 September 2017 amounted to €15,226,582, represented by 7,613,291 shares, each with a par value of €2. As at that date, the portion of the share capital listed on Euro next Paris and publicly held was 26.50%.

Appropriation of profit for 2016

The accounts for the financial year 2015/2016 showed a profit of €11,028,230. In accordance with a resolution of the Ordinary General Meeting of Shareholders voting on the financial statements, this profit was appropriated as follows:

<i>In euros</i>	As at 30/09/2017
Opening equity	265,872,464
Allocation to retained earnings	19,594
Profit for 2017	21,027,870
Distributions of dividends (brought fwd)	(391,706)
Distributions of dividends (profit)	(11,028,230)
Regulated provisions	476,327
CLOSING EQUITY	275,976,318

The number of treasury shares held at year-end was 13,062, with a value of €965,468.

4.2 Statement of provisions

Details of provisions by type are as follows:

4.2.1 Provisions for risks

<i>In euros</i>	As at 30/09/2016	Additions	Reversals	As at 30/09/2017
Provisions for arbitration disputes				
Provisions for customer guarantees				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provisions for exchange losses		184	43	141
TOTAL	0	184	43	141

4.2.2 Provisions for charges

<i>In euros</i>	As at 30/09/2016	Additions	Reversals	As at 30/09/2017
Provisions for pensions and similar obligations				
Provisions for taxes				
Provisions for renovation of fixed assets				
Provisions for major maintenance				
Provisions for social and tax charges payable on leave				
Other provisions for risks and charges	90,920		19,110	71,810
TOTAL	90,920	0	19,110	71,810

4.2.3 Provision for impairment of fixed assets

<i>In euros</i>	As at 30/09/2016	Additions	Reversals	As at 30/09/2017
Provisions for intangible assets				
Provisions for pty, plant & eqmnt.				
Provisions for inv. equity method				
Provisions for inv. associates	15,626,216	134,328	800,297	14,960,247
Prov. for other fin. non-crnt assets	294,680		284,507	10,173
TOTAL	15,920,896	134,328	1,084,804	14,970,420

4.2.4 Prov. for exceptional deprec/amort

<i>In euros</i>	As at 30/09/2016	Additions	Reversals	As at 30/09/2017
Exceptional deprec/amort	2,510,884	476,328		2,987,211
TOTAL	2,510,884	476,328	0	2,987,211

4.3 Maturity schedule of payables

<i>In euros</i>	Gross amount year-end	< 1 year	1 to 5 years	> 5 years
Convertible bond borrowings				
Other bond borrowings				
Borrowings from and debts to credit institutions				
■ original maturity up to 1 year				
■ original maturity over 1 year	36,619,162	6,009,553	30,609,609	
Miscellaneous borrowings and financial debts	2,850,882	2,850,882		
Suppliers and related accounts	3,774,726	3,774,726		
Personnel and related accounts	3,329,384	3,329,384		
Social Security and other social bodies	2,276,422	2,276,422		
State and other public bodies:				
Tax on income	20,629	20,629		
Value Added Tax	947,925	947,925		
Guaranteed tax payment bonds				
Other taxes and associated accounts	37,370	37,370		
Debts in respect of fixed assets and related accounts	320,570	320,570		
Group and shareholders	117,920,616	117,920,616		
Other debts	0	0		
Debt rep. secs. borrowed or pledged				
Unearned income				
TOTAL	168,097,686	137,488,077	30,609,609	0
Borrowings entered into during the financial year				
Borrowings repaid during the financial year	5,971,257			

4.4 Supplier payables and related accounts

<i>In euros</i>	As at 30/09/2017	As at 30/09/2016
Group suppliers	802,217	476,557
Suppliers France	1,301,565	278,513
Suppliers of fixed assets	320,570	106,480
Bills payable other than Group		
Bills payable, Group		
Supplier invoices not received	1,670,944	1,150,791
CARRYING AMOUNTS	4,095,296	2,012,341

4.5 Charges payable

Charges payable included in the following balance sheet items amounted to:

<i>In euros</i>	2017 financial year	2016 financial year
Operating liabilities		
Supplier payables and related accounts	3,774,726	1,905,860
Tax and social security liabilities	6,611,731	3,845,448
Financial debts		
Convertible bond borrowings		
Other bond borrowings		
Borrowings from and debts to credit institutions	36,619,162	51,098,950
Miscellaneous borrowings and financial debts (assoc)	120,771,498	106,647,101
Advances and down payments received on current orders		
Sundry creditors		
Debts in respect of fixed assets and related accounts	320,570	106,480
Other debts	0	95,919
Prepaid expenses, etc.		
Unearned income		
Debts	168,097,687	163,699,758

4.6 Accruals

4.6.1 Conversion differences

Non-euro transactions are translated into euros at the transaction date exchange rate. At year-end, payables and receivables in foreign currencies shown in the balance sheet are measured at their equivalent in euros at the rate of 30 September 2017. The difference resulting from the comparison of the two valuations is recognised in the balance sheet as a conversion difference of €344,662 on the liabilities side and €141 on the assets side.

Note 5 Information on the income statement

5.1 Breakdown of net turnover

Turnover for 2016/2017 breaks down as follows:

<i>In euros</i>	2017 financial year			2016 financial year
	France	EU + Export	Total	Total
Sale of merchandise				
Sale of finished products				
Services produced sold	14,695,890	11,302,995	25,998,884	21,264,897
TURNOVER	14,695,890	11,302,995	25,998,884	21,264,897
%	56.53%	43.47%	100%	

This amount includes management fees of €2,835,120 and intra-Group services for €23,163,763.

5.2 Other operating income

<i>In euros</i>	As at 30/09/2017	As at 30/09/2016
Production transferred to inventories		
Production capitalised		
Other miscellaneous operating income and grants		
Releases of deprec/amort & provisions, transfer of charges	20,053,059	19,059,084
TOTAL	20,053,059	19,059,084

This item includes royalty payments for €13,469,713.

5.3 Remuneration of the Statutory Auditor

For the year 2016-2017 our Statutory Auditors' fees amounted to €180,000 excl. tax. These were the fees invoiced in respect of the legal audit of the accounts.

5.4 Net financial income/(expense)

Net financial income for the year came to €18,324,625 and breaks down as follows:

<i>In euros</i>	2017 financial year	2016 financial year
Financial income	22,796,143	12,467,620
Financial income from equity interests	20,490,908	10,034,336
Income from other transferable securities and receivables in respect of non-current assets		
Other interest and similar income	211,133	3,391
Releases of provisions and transfers of charges	1,084,847	2,311,993
Positive exchange differences	1,009,255	117,901
Net sales proceeds of transferable securities		
Financial expenses	4,471,519	3,928,829
Additions to depreciation, amortisation and provisions	134,513	404,875
Interest and similar charges	3,321,628	3,347,619
Negative exchange differences	1,015,378	176,334
Net charges on sales of transferable securities		
NET FINANCIAL INCOME (EXPENSE)	18,324,625	8,538,792

Financial income from equity interests broke down as follows:

<i>In euros</i>	Amount
Group dividends	20,377,690
Non-group dividends	
TOTAL	20,377,690

Companies concerned

In euros

	Dividends received
MAF	2,260,122
Casal	679,000
Manutan Collectivités	574,560
Pichon	0
Manovert (consol.)	7,903,600
Manutan Belgium	361,884
Manslokeur	49,732
Manczk	358,048
Manhung	71,127
Iron	3,500,000
Rapid Racking	1,513,300
Manutan Ltd	2,446,500
Ikaros Sweden	244,949
Witre Sweden	414,868

5.5 Exceptional income/(expense)

Net exceptional expense for the year of €477,002 breaks down as follows:

<i>In euros</i>	2017 financial year	2016 financial year
Exceptional income		25,250
Exceptional income on management transactions		
Exceptional income on capital transactions		25,250
Releases of provisions and transfers of charges		
Exceptional charge	477,002	999,624
Exceptional charges on management transactions	674	
Exceptional charges on capital transactions		571,411
Exceptional additions to depreciation, amortisation and provisions	476,328	428,213
EXCEPTIONAL ITEMS	(477,002)	(974,374)

Income and expense on assets disposed of break down as follows:

<i>In euros</i>	Gross value	Carrying amount	Selling price	Gain or loss on disposal
Sales of property, plant and equipment				
Sales of intangible assets				
Sales of non-current financial assets				
Write-off of intangible assets				
Write-off of prty, plant & eqmnt				
TOTAL	0	0	0	0

5.6 Tax on income

Manutan International is a member of a consolidated tax group whose parent company is Manutan International.

5.6.1 Breakdown of tax on income linked to activity

Profit/(loss) <i>In euros</i>	Accounting profit before tax	Add-backs and deductions	Profit for tax purposes	Theoretical amount of tax	Tax credit/ refund	Taxes on dividends	Due	Profit after tax
Total	20,282,301	(20,697,638)	(415,337)	(143,014)	(945,152)	342,598	(745,569)	21,027,870

No provision was made for the 3% tax on dividends during the past financial year by virtue of the recent change in the law. Nor was any possible reimbursement of the tax paid in respect of previous financial years taken into account in the financial statements.

5.6.2 Deferred taxation

BASES

<i>In euros</i>	At the beginning of the financial year	Changes in profit/(loss) for the year	At the end of the financial year
Exceptional valuations for tax abatement			
Regulated provisions	(1,085,304)	(476,328)	(1,561,631)
Differences between the tax and accounting treatment of certain items of revenue or expense			
Investment in construction	23,080	7,077	30,157
Equity interests	433,000	343,000	776,000
“Social solidarity contribution” [effectively an additional social security levy or tax]	30,671	829	31,500
Translation differences	507,547	(507,547)	0
Other provisions for risks	0	184	184
TOTAL	(91,006)	(632,784)	(723,790)

TAXES

<i>In euros</i>	At the beginning of the financial year	Changes in profit/(loss) for the year	At the end of the financial year
Exceptional valuations for tax abatement			
Regulated provisions	(373,670)	(77,950)	(451,620)
Differences between the tax and accounting treatment of certain items of revenue or expense			
Investment in construction	7,946	2,437	10,383
Equity interests	149,085	118,095	267,177
“Social solidarity contribution” [effectively an additional social security levy or tax]	10,560	285	10,845
Translation differences	174,748	(174,748)	0
Other provisions for risks	0	63	63
TOTAL	(31,333)	(131,822)	(163,155)

5.6.3 Effect of tax provisions on profit/(loss)

Impact on profit/(loss) for the year <i>In euros</i>	2017
Profit/(loss) for the year	21,027,870
<ul style="list-style-type: none"> ■ Tax on income ■ Tax credits <ul style="list-style-type: none"> ■ tax credit for training managers ■ family tax credit ■ tax reduction for sponsorship ■ tax credit for investment in Corsica ■ tax credit for apprenticeship ■ tax credit relating to transferable securities (BIC industrial and commercial category) ■ other allocations 	143,014
Profit/(loss) before tax (or tax credit)	20,850,195
+ Additions to regulated provisions during the year	476,328
- Released from regulated provisions during the year	
Change in regulated provisions: – exceptional depreciation/amortisation	476,328
PROFIT/(LOSS) WITHOUT TAX PROVISIONS	21,326,523

Note 6 Miscellaneous information

6.1 Average workforce, salaried personnel

The average workforce in financial year 2016/2017 breaks down as follows:

2017 financial year	Workforce
Executives	106.83
Supervisors, technicians and employees	19.33
Workers	
TOTAL	126.17

6.2 Identity of the consolidating parent company

The financial statements of the parent company are consolidated using the full consolidation method in Manutan International SA Avenue du XXI^e Siècle, 95506 Gonesse Cedex, France.

6.3 Remuneration of the governing bodies

Attendance fees allocated to members of the Board of Directors in respect of financial year 2016/2017 amounted to €117,500.

Remuneration paid to Corporate Officers during financial year 2016/2017 amounted to €1,714,846.

6.4 Off-balance sheet commitments

6.4.1 Commitments given

Commitments given	Total	Managers	Subsidiaries	Other
Linked to treasury				
<ul style="list-style-type: none"> ■ Bank overdraft ■ Security bond 	265,203		265,203	
Letter of credit	400,000		400,000	
TOTAL	1,605,495	0	1,605,495	0

6.4.2 Commitments received

Commitments received	Total	Managers	Subsidiaries	Other
Linked to treasury				
CIC	20,000,000			20,000,000
BNP Paribas				
SG				
TOTAL	20,000,000	0		20,000,000

6.5 Commitments in respect of personnel

6.5.1 CICE

The Company had recorded a French tax credit for encouraging competitiveness and jobs (CICE) of €93,478 at 30 September 2017. This tax credit was used to provide training for employees following the installation of our new information system.

Information relating to subsidiaries and associates

Financial information	<i>In thousands of local currency units</i>		<i>In thousands of euros</i>			<i>As a %</i>	
	Share capital	Equity other than capital before appropriation of profit	Share capital	Equity other than capital before appropriation of profit	Total equity	% of capital held	Equity
Subsidiaries and associates							Carrying amount of securities
Manutan SA (EUR)	16,073	75,836	16,073	75,836	91,908	100.00	
Manutan Collectivités (EUR)	7,560	8,604	7,560	8,604	16,164	100.00	
Sports & Loisirs SAS (EUR)	1,000	10,999	1,000	10,999	11,999	100.00	
Sci Philippe Auguste (EUR)	345	16,096	345	16,096	16,441	100.00	
Papeteries Pichon SAS	1,000	39,359	1,000	39,359	40,359	100.00	
Manutan Italia Spa (EUR)	500	1,584	500	1,584	2,084	100.00	
Manutan Portugal Unipessoal Lda (EUR)	100	2,133	100	2,133	2,233	100.00	
Manutan Spain SL (EUR)	3	(2,293)	3	(2,293)	(2,290)	100.00	
Manovert BV (EUR)	18	63,516	18	63,516	63,534	100.00	
Manutan Deutschland GmbH (EUR)	1,788	(839)	1,788	(839)	949	100.00	
Manutan Czk Sro (CZK) ⁽¹⁾	19,300	115,385	613	134,072	134,685	100.00	
Trovatar a.s. (CZK) ⁽¹⁾	71,000	19,204	2,254	610	2,864	100.00	
Manutan Polska Sp zoo (PLN) ⁽¹⁾	850	(374)	184	292	476	100.00	
Manutan Hungaria Kft (HUF) ⁽¹⁾	3,000	125,018	12	128,006	128,018	100.00	
Manutan Slovakia Sro (EUR)	7	542	7	542	549	100.00	
Manutan Ltd (GBP) ⁽¹⁾	5,825	8,313	8,636	5,502	14,138	100.00	
Rapid Racking Ltd (GBP) ⁽¹⁾	153	7,357	205	7,304	7,510	100.00	
IronmongeryDirect Limited (GBP)	1	9,556	1	9,556	9,557	100.00	
Witre Sweden A/B (SEK) ⁽¹⁾	8,000	51,764	874	58,890	59,764	100.00	
Ikaros Cleantech A/B ⁽¹⁾	1,362	29,648	157	30,853	31,010	100.00	
EEW Essex Electrical Wholesalers	2	340	2	339	342	100.00	
Manutan Belgium NV (EUR)	966	15,154	966	15,154	16,120	15.00	

(1) Closing rate at 30 Sept. 2017: GBP : 0.7385 - HUF : 313.45 - SEK : 9.4083 - PLN : 4.2448 - CZK : 27.187 - RUB : 73.2416.

(2) Confidential data not released.

<i>In thousands of euros</i>						<i>In thousands of local currency units</i>			Observations
Carrying amount of securities held		Loans and advances granted and not yet repaid		Security bonds and guarantees given by the company	Turnover excl. taxes for the last financial year	Profit/(loss) for the last financial year	Dividends received by the Company during the financial year		
Gross	Provision	Net	Gross	Provision	Net				
75,237	0	75,237	0	0	0	247,190	6,880	(2)	
5,246	0	5,246	0	0	0	(2)	(2)	(2)	
17,627	0	17,627	0	0	0	(2)	(2)	(2)	
345	0	345	0	0	0	(2)	(2)	(2)	
78,277	0	78,277	0	0	0	(2)	(2)	(2)	
6,207	3,898	2,309	0	0	0	(2)	(2)	(2)	
100	0	100	0	0	0	(2)	(2)	(2)	
106	0	106	3,200	3,200	0	(2)	(2)	(2)	
72,071	0	72,071	0	0	0	(2)	(2)	(2)	
4,769	3,860	909	0	0	0	(2)	(2)	(2)	
5,138	0	5,138	0	0	0	439,593	13,886	(2)	
8,737	4,002	4,735	862	0	862	(2)	(2)	(2)	
110	0	110	0	0	0	(2)	(2)	(2)	
56	0	56	0	0	0	(2)	(2)	(2)	
22	0	22	0	0	0	(2)	(2)	(2)	
14,393	0	14,393	0	0	0	(2)	1,461	(2)	
27,801	0	27,801	0	0	0	(2)	(2)	(2)	
20,951	0	20,951	0	0	0	(2)	(2)	(2)	
1,236	0	1,236	0	0	0	192,780	2,684	(2)	
11,606	0	11,606	206	0	206	(2)	(2)	(2)	
3,915	0	3,915	0	0	0	(2)	(2)	(2)	
140	0	140	0	0	0	41,997	5,218	(2)	

Five-year review of Company's results and other key figures

Item	30 Sept. 2017	30 Sept. 2016	30 Sept. 2015	30 Sept. 2014	30 Sept. 2013
I. Capital at year-end <i>(in thousands of euros)</i>					
a) Capital	15,227	15,227	15,227	15,227	15,227
b) Number of shares	7,613,291 at €2.00	7,613,291 at €2.00	7,613,291 at €2.00	7,613,291 at €2.00	7,613,291 at €2.00
c) Number of shares with preferred dividend (with no voting rights)					
d) Maximum number of future shares to be created:					
■ by bond conversion	-	-	-	-	-
■ by exercise of subscription rights	-	-	-	-	-
II. Operations and results for the year <i>(in thousands of euros)</i>					
a) Total revenues excl. tax	25,999	21,265	19,809	18,158	16,701
b) Profit before tax, employee profit sharing, depreciation and amortisation charges and additions to provisions	26,172	17,763	25,052	38,469	42,380
c) Tax on income	(746)	764	819	624	183
d) Employee profit sharing for the year	836	381	454	360	336
e) Profit after tax, employee profit sharing, depreciation and amortisation charges and additions to provisions	21,028	11,028	18,204	31,949	35,998
f) Dividend distributions	12,562 ⁽¹⁾	11,420	9,517	8,942	8,603
III. Earnings per share <i>(in euros)</i>					
a) Profit after tax and employee profit sharing but before depreciation and amortisation charges and additions to provisions	3.43	2.18	3.12	5.05	5.54
b) Profit after tax, employee profit sharing, depreciation and amortisation charges and additions to provisions	2.76	1.45	2.39	4.20	4.73
c) Dividend per share	1.65 ⁽¹⁾	1.50	1.25	1.17	1.13
IV. Personnel					
a) Average workforce during the year	126	101	96	89	88
b) Total payroll for the year <i>(in thousands of euros)</i>	10,297	7,271	6,919	6,502	7,844
c) Amount paid in respect of social benefits for the year (social security, social works, etc.) <i>(in thousands of euros)</i>	4,583	3,266	3,201	2,849	3,295

(1) Decision to be submitted to the vote of the General Meeting of Shareholders called to ratify the financial statements for the financial year ended 30 September 2017 (AGM to be held before 31 March 2018).



Information on the Company and share capital

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General information concerning the issuer

Name and registered office *(Articles 2 and 4 of the Articles of Association)*

Company name: Manutan International

Tel. switchboard: +33 (0)1 34 53 35 00

Trading name: Manutan

Legal Department: contact.legal@manutan.com

Registered office: ZAC du Parc des Tulipes –
Avenue du 21^e Siècle – 95506 Gonesse Cedex – France

Legal form

Société Anonyme à Conseil d'Administration [Limited Company with a Board of Directors under French law].

The Combined General Meeting, held on 30 November 2011, adopted the change in the mode of Administration and Management of the Company by adopting the form with a Board of Directors.

Legislation

French legislation.

Date of constitution and expiration

The Company was formed for a term of 60 years. Unless extended or dissolved, it shall be terminated on 24 April 2025.

Corporate object *(Article 3 of the Articles of Association)*

The Company's object, both in France and abroad, shall be:

- the acquisition and the management of any portfolios of securities and other types of investment;
- equity investments in the capital of other existing or new companies, the management and assignment of these equity investments;
- the purchase, sale and production of all hardware for companies and local authorities;
- and more generally, any commercial, property or real estate transactions, financial or otherwise, directly or indirectly related, in full or in part, to the corporate object or to any similar or related object that may facilitate the operation and the commercial development thereof.

Trade and Companies Register

662 049 840 RCS Pontoise

APE Code: 6420Z

Consultation of legal documents

Company documents, in particular the Articles of Association and the accounts, may be consulted at the registered office address: ZAC du Parc des Tulipes, Avenue du 21^e Siècle, 95500 Gonesse, on the terms provided by law.

Financial year

The Company's financial year starts on 1 October and ends on 30 September of the following calendar year. It lasts for 12 months.

Appropriation and distribution of profits *(Article 19 of the Articles of Association)*

The profit available for distribution shall be made up of the profit for the financial year, less any losses carried forward and the allocation to the legal reserve, plus any profits carried forward.

This profit is available to the General Meeting of Shareholders, which may, at the Board of Directors' proposal, carry it forward, allocate it to general or special reserves, or distribute it to shareholders in the form of a dividend.

Furthermore, the General Meeting may decide to distribute amounts withdrawn from reserves at its disposal; in this

case, the decision must expressly indicate the reserve accounts from which these withdrawals are made. However, in the first instance, the dividend shall be deducted from the profit for the financial year that is available for distribution.

The General Meeting voting on the financial statements for the period may grant to each shareholder, for all or part of the dividend to be distributed or the interim dividend payments, an option between payment in cash or in the form of shares.

General Meeting of Shareholders *(Article 16 of the Articles of Association)*

16-1 The Ordinary General Meetings, Extraordinary General Meetings and Special Meetings have the competences granted to them by French Law.

16-2 General Meetings are called and deliberate under the legal and regulatory conditions. They are held at the registered office or in another location indicated on the invitation.

All shareholders have the right to attend General Meetings, to be represented or to vote by correspondence, regardless of the number of shares in the capital that they hold, on the condition that the shares are fully paid and registered in their name on the second working day before the meeting at midnight, Paris time, either in the registered securities ledgers kept by the Company, or in bearer accounts kept by authorised intermediaries.

Any shareholder with shares in a determined category can take part in special General Meetings for this category, under the same conditions.

16-3 Any shareholders who attend the Meeting by video conference or by telecommunications means that allow for them to be identified and pursuant to the regulations in force, wherein the Board of Directors has decided to use such means of participation prior to the General Meeting, are considered to be present for the calculation of the quorum.

16-4 A shareholder may be represented by another shareholder, their spouse or by their civil partner. They can also be represented by any other natural or legal person of their choice.

Notification of the appointment of a Proxy can be sent by electronic means.

16-5 All shareholders may vote by post, by using a form, which shall be taken into account only if the Company receives it at least three days before the Meeting. This form may, where necessary, be on the same document as the form for assigning voting authority.

16-6 The correspondence voting form and the voting authority form submitted by a shareholder are signed by them, where appropriate, by a secure electronic signature procedure as provided for in French Decree No. 2001-272 of 30 March 2001 as applied by Article 1316-4 of the French Civil Code or by an electronic signature procedure decided by the Board of Directors consisting of using a reliable identification procedure ensuring a link with the instrument to which it relates.

16-7 The shareholder may use the electronic distance voting or voting authority form on the Company's website for this purpose, if it reaches the Company on the day before the General Meeting no later than 3 pm, Paris time. This electronic form includes an electronic signature as provided for in the conditions of this article.

16-8 Votes are cast either by raising hands or by any appropriate technical means chosen by the Board of Directors. A secret ballot, for which the Meeting shall fix the terms, may only be held at the request of the represented members, by themselves or as Proxies, at the majority required to vote on the resolution in question.

Transfer of shares in the capital and securities giving access to the capital *(Article 12 of the Articles of Association)*

The shares in the capital and the securities giving access to the capital are transferred from account to account under the conditions provided for by the regulations in force.

They are freely assignable and transferable. The same applies to rights to subscribe to these shares and securities.

Rights and obligations attaching to ordinary shares – Vote *(Article 13 of the Articles of Association)*

13-1 Possession of an ordinary share shall entail *ipso jure* acceptance of the Articles of Association and of the resolutions duly adopted by all General Meetings of Shareholders.

13-2 Shareholders shall be required to bear losses only to the extent of their contributions.

Each ordinary share shall provide entitlement to a *pro rata* share of the proportion of the capital that it represents in terms of the Company's profits, assets and the liquidation surplus.

If applicable, and subject to any imperative prescriptions, all ordinary shares shall be grouped together, regardless of any tax exemptions or credits, and any taxation payable by the Company, before making any redemption payments during the life-time of the Company or during the course of its liquidation, such that, given their respective face value, all ordinary shares existing at that time shall receive the same net sum of money, regardless of their origin and creation date.

13-3 The voting right attached to shares is proportional to the quotient of the share capital that they represent, and each share gives its holder at least one vote, without prejudice to the exceptions provided for by French Law and the Articles of Association.

If the ownership of a share becomes split among different parties, the voting right shall be allocated as follows:

- where the beneficial owner and/or the bare owner benefit from the provisions relating to the partial exemption specified in Article 787-B of the French General Tax Code for their shares, and that they ensure that this attribute is mentioned on the account where their rights are registered, the beneficial owner shall have the right to vote on decisions regarding the allocation of earnings, and the bare owner shall have the right to vote on all other decisions;

- in other cases, the voting right attached to the share belongs to the beneficial owner at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings.

A double voting right to that granted to other ordinary shares, with regard to the proportion of the capital that they represent, is granted to any fully paid shares that are proven to be registered in the name of the same shareholder for at least two (2) years.

This right is also granted from their issue in the case of an increase in capital by incorporation of the reserves, profits or issue premiums, to registered shares granted freely to a shareholder due to previous shares on which they benefit from this right.

The registered shares benefiting from a double voting right converted to bearer shares or transferred to another holder lose the double voting right other than in any cases provided for by French Law.

Form of shares in the capital – Identification of shareholders – Crossing shareholding thresholds *(Article 9 of the Articles of Association)*

9-1 Unless otherwise provided for in the contract of issue or by French Law, capital shares and any other securities that may be issued by the Company are held in registered form or by the bearer at the discretion of their holder. They can only be held by the bearer after they paid in full.

9-2 The Company has the authority to ask the central financial instruments depository at any time for the information specified by law regarding the holders of bearer shares that grant immediate or future voting rights at General Meetings. The Company may also request, in accordance with the Law, the identity of holders of securities where it considers that certain holders, whose identity has been revealed, are holding the securities on behalf of third parties.

The Company may ask any legal entity holding more than 2.5% of the capital or the voting rights to reveal to it the identities of persons directly or indirectly holding more than one third of the share capital of said legal person or the voting rights at its General Meetings.

9-3 Any natural or legal person, acting alone or in collaboration, which comes to hold a greater number of shares or voting rights than the thresholds set by French Law, must comply with the information obligations provided for by the Law within the given deadline. The same information is also given when the shareholding or the voting rights fall below the legal thresholds.

Crossing the statutory threshold

No declaration for crossing the statutory threshold is provided for.

Board of Directors *(Article 14 of the Articles of Association)*

14-1 The Company is administered by a Board of Directors composed of at least three members and no more than eighteen; however, this maximum number is increased to twenty-four in the event of a merger under the conditions set by French Law.

In the event that the capital held by the Company's employees and companies that are bound to it under the terms of an Employee Savings Scheme represent more than 3% of the share capital, a Director is appointed under the conditions set by French Law and regulations from amongst the shareholding employees or from amongst the employees on the Supervisory Board of the mutual trust that holds the shares. This Director is not taken into account in determining the minimal and maximum number of Directors.

14-2 Directors are appointed for a term of two (2) years.

The number of Directors aged 75 years or over may not represent more than one third of the members of the Board of Directors. When this threshold is crossed, the oldest Director is considered to be resigning at the next General Meeting.

14-3 Meetings of the Board of Directors shall be called at the Chairman's initiative, and if the Chairman does not act as CEO, at the request of the CEO, or, if the Board has not met for over two months, at the request of at least one third of the Directors. The Board is convened by any means

with a lead-time of eight (8) days, except in case of emergency. The agenda is set by the author of the notification.

Meetings are held at the registered office or in another location indicated on the invitation.

The Board only acts validly if at least half of its members are present. The Internal Rules of Procedure may provide that Directors are considered to be present for the calculation of the quorum and the majority if they attend by means of video conference or telecommunication under the limits set by legislation and the regulations in force.

The Board makes decisions by the majority of members present or represented. In the event of a split vote, the vote of the Chairman shall be the deciding vote.

The Board may name a secretary at each session who may be chosen from outside the Directors.

14-4 The Board of Directors determines the business angles for the Company and monitors that they are correctly implemented. The Board is responsible for any issues relating to the correct operation of the Company and governs the business concerning it through its decisions, subject to the powers expressly attributed to the Shareholders' Meeting and whilst remaining within the corporate object. The Board of Directors carries out any inspections and verifications that it deems necessary.

14-5 The Board of Directors elects a Chairman from amongst its members. It determines their remuneration. The age limit for the functions of the Chairman is 75 years.

The Chairman of the Board of Directors organises and directs the work of the Board, and reports thereupon to the General Meeting. He/she supervises the proper running of the Company's bodies and ensures, in particular, that the Directors are capable of performing their roles.

14-6 The Board of Directors may appoint an Honorary Chairman, a natural person chosen from amongst the former Chairmen of the Company's Board of Directors.

His/her duties end after two (2) years; they cease at the end of the General Meeting approving the accounts for the

previous financial year, which is held in the year in which his/her term of office comes to an end.

The Honorary Chairman can be re-elected indefinitely, his/her title can be revoked at any time without compensation by a decision of the Board of Directors.

The Honorary Chairman is invited to all the meetings of the Board and attends the meetings of the Board of Directors in a consultative capacity. He/she must still abide by the Internal Rules of Procedure of the Board of Directors. He/she has an identical right to information and communication as the members of the Board of Directors.

The Honorary Chairman may in no event interfere with the management of the Company or generally substitute themselves for the legal bodies of the Company.

Executive Management *(Article 15 of the Articles of Association)*

The Executive Management is assumed, under their liability, by the Chairman of the Board of Directors, or by another natural person chosen from amongst the members of the Board or from outside the Board, who shall have the title of General Manager.

The Board of Directors chooses between the two modes of Executive Management. It can change its choice at any time. In which case, it informs the shareholders and third parties pursuant to the regulations in force.

In the event that the Chairman assumes the role of General Manager, the provisions of these Articles of Association regarding the latter apply.

Wherein the role of General Manager is not assumed by the Chairman of the Board of Directors, the Board of Directors appoints a General Manager to whom the same age limits apply as for the Chairman.

The General Manager is invested with the most extensive powers to act on behalf of the Company, in all circumstances. He/she exercises these powers within the limit of the corporate purpose and subject to the powers expressly granted to him/her by law at General Meetings and at the meetings of the Board of Directors.

At the proposition of the General Manager the Board of Directors may appoint one or up to five Deputy General Managers. The age limit set for the role of Chairman also applies to Deputy General Managers.

With respect to third parties, the Deputy Managing Directors have the same powers as the Managing Director.

Within the framework of the organisation of the Company, the powers of the General Manager and the Deputy General Managers may be limited by the Board of Directors without this limitation being enforceable for third parties.

Related party transactions

- Role of the parent company vis-à-vis its subsidiaries – see page 72 of this document.
- Group subsidiaries and legal jurisdictions – see page 90 of this document.
- Legal organisational structure of the Group and positions held by parent company executives in the main subsidiaries – see pages 40 to 42 of this document.
- Presentation of movements in subsidiaries' significant intermediate management balances and indication of strategic business assets held by them – see pages 93 to 95 of this document and the notes to the consolidated financial statements presented on page 96 *et seq.* of this document.
- Financial flows and nature of these flows between the parent company and subsidiaries – see page 69 of this document.
- See special report of the Statutory Auditors on regulated agreements and commitments:
 - page 62 of this document for the 2016/2017 financial period;
 - page 61 of the Company's reference document for the 2015/2016 financial period;
 - page 59 of the Company's reference document for the 2014/2015 financial period.

These documents are available on www.manutan.com.

Shareholders of Manutan International

The identities of persons holding, directly or indirectly at 30 September 2017, more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital or voting rights at General Meetings of Shareholders are as follows:

Major shareholders	As at 30/09/2017			As at 30/09/2016			As at 30/09/2015		
	Number of shares	% of the capital held	% of voting rights	Number of shares	% of the capital held	% of voting rights	Number of shares	% of the capital held	% of voting rights
André Guichard	2,666,449	35.02	30.91	1,819,861	23.90	16.01	1,819,861	23.90	16.01
Jean-Pierre Guichard	449,196	5.90	7.90	449,196	5.90	7.90	449,196	5.90	7.91
Claudine Guichard	37,114	0.49	0.65						
Hervé Guichard	4,500	0.06	0.08						
Xavier Guichard	4,500	0.06	0.08						
M.T. Finance ⁽¹⁾	2,417,581	31.75	42.54	2,417,581	31.75	42.54	2,417,581	31.75	42.55
Total Guichard family	5,579,340	73.28	82.16	5,579,340	73.28	82.15	5,579,340	73.28	82.18
Lazard Frères Gestion	415,000	5.45	3.65	415,000	5.45	3.65	415,000	5.45	3.65
Financière de l'Échiquier	250,000	3.29	1.39	158,500	2.08	1.39	360,510	4.74	3.17
Other registered shares	10,733	0.14	0.17	10,758	0.14	0.16	8,598	0.11	0.15
Publicly held bearer shares	1,343,513	17.65	12.63	1,434,778	18.85	12.65	1,233,081	16.20	10.85
Total public	2,019,246	26.53	17.84	2,019,036	26.52	17.85	2,017,189	26.50	17.82
Treasury shares ⁽²⁾	14,705	0.20	0.00	14,915	0.20	0.00	16,762	0.22	0.00
TOTAL	7,613,291	100.00	100.00	7,613,291	100.00	100.00	7,613,291	100.00	100.00

(1) Company whose capital is owned by the Guichard family.

(2) Treasury shares do not carry voting rights.

To the best knowledge of the Company, there are no other shareholders that, directly or indirectly, alone or in collaboration, hold more than 5% of the capital or the voting rights.

Crossing of thresholds

Over the financial periods ended on 30 September 2014, 30 September 2015 and 30 September 2016, no crossing of thresholds was declared.

Shareholder agreements

The collective commitments to hold shares are presented in the chapter entitled "General information concerning the share capital" on page 154 of this document.

Information disclosed pursuant to Article L. 225-100-3 of the French Commercial Code

Pursuant to Article L. 225-100-3 of the French Commercial Code, we inform you of the following matters, which are likely to have an impact in the event of a public offering:

- the structure of the share capital and the direct or indirect shareholdings known to the Company and any information on the subject are presented in the chapter entitled "Distribution of share capital and voting rights" on page 159 of this document;
- there are no statutory restrictions on the exercise of voting rights and transfers of shares;
- seven shareholders of the Company have signed two agreements to retain shares in the Company in the framework of the tax allowances instituted by the so-called "Dutreil Law" of 1 August 2003, presented in the chapter headed "General information concerning the share capital" on page 154 of this document;

- as far as the Company is aware, there are no other commitments or pacts signed among shareholders;
- there are no shares in the Company conferring special rights of control, with the exception of a double voting right instituted by Article 13-3 of the Company's Articles of Association for shareholders who have held nominative shares for at least two years;
- no control mechanisms are provided for in any shareholding system for the staff with control rights that are not exercised by the latter;
- the rules governing the appointment and removal of members of the Board of Directors are the legal and statutory rules provided by Article 14 of the Company's Articles of Association;
- as regards the powers of the Board of Directors, current delegations are detailed in the table of existing delegations shown on page 155 of this document. The powers of the Board of Directors to buy back the Company's own shares are described on page 157 of this document;
- amendments to the Company's Articles of Association are implemented in accordance with legal and regulatory provisions;
- agreements on Executive Directors' indemnities upon resigning their positions are detailed on page 55 of this document.
- the Company has not entered into any agreements that stand to be modified or terminated in the event of a change of control of the Company.

Employees *(Article L. 225-102 of the French Commercial Code)*

At the end of the 2016/2017 financial year, employee share ownership, as defined by Article L. 225-102 of the French Commercial Code, represented 0% of the share capital of the Company.

General information concerning the share capital

Changes to the share capital and equity rights

Any change to the share capital or the rights attached to the securities that constitute it is subject to legal provisions. The Articles of Association do not make these changes subject to any greater restrictions than the legal obligations.

Share capital

As at 31 January 2018, the share capital amounted to €15,226,582, consisting of 7,613,291 fully paid-up shares with a par value each of €2.

Form of shares

Shares are either registered or bearer at the discretion of the shareholder.

Table of current authorisations and delegations regarding an increase in share capital

Type of delegation or authorisation	Extraordinary General Meeting	Due dates	Amount authorised	Uses over the previous periods	Uses over the financial year ended 30/09/2017	Remaining amount on 01/10/2017
1 Authorisation in order to award free shares (16 th resolution)	9 March 2017	8 May 2019	1% of the share capital	N/A	0	1% of the share capital
2 Delegation of authority to increase the Company's share capital via the capitalisation of reserves, profits and/or share premiums (18 th resolution)	9 March 2017	8 May 2019	€5 million	N/A	0	€5 million
3 Delegation of authority to issue ordinary shares and/or marketable securities carrying rights to shares in the Company or carrying a right to the allocation of debt securities and/or other marketable securities giving rights to shares (in the Company or of another Group company) whilst maintaining preferential subscription rights (19 th resolution)	9 March 2017	8 May 2019	Shares: €4 million Debt securities: €4 million	N/A	0	Shares: €4 million Debt securities: €4 million
4 Delegation of authority to issue ordinary shares and/or marketable securities carrying rights to shares in the Company or carrying a right to the allocation of debt securities and/or other marketable securities giving rights to shares (in the Company or of another Group company), with waiver of preferential subscription rights for existing shareholders <i>via</i> a public offering and/or in consideration for securities as part of a public exchange offer (20 th resolution)	9 March 2017	8 May 2019	Shares: €1,520,000 ⁽¹⁾ Debt securities: €4 million ⁽¹⁾	N/A	0	Shares: €1,520,000 ⁽¹⁾ Debt securities: €4 million ⁽¹⁾
5 Delegation of authority to issue ordinary shares and/or marketable securities carrying rights to shares in the Company or carrying a right to the allocation of debt securities and/or other marketable securities giving rights to shares (in the Company or of another Group company), with waiver of preferential subscription rights by an offer referred to in II of article L. 411-2 of the French Monetary and Financial Code (21 st resolution)	9 March 2017	8 May 2019	Shares: €1,520,000 ⁽¹⁾ 20% of the share capital Debt securities: €4 million ⁽¹⁾	N/A	0	Shares: €1,520,000 ⁽¹⁾ 20% of the share capital Debt securities: €4 million ⁽¹⁾
6 Authorisation to set the issue price in accordance with the conditions determined by the Meeting, in the event of an issue with waiver of preferential subscription rights, within an annual limit of 10% of the share capital (22 nd resolution)	9 March 2017	8 May 2019	10% of the share capital	N/A	0	10% of the share capital
7 Authorisation to increase the size of issues in the event of excess demand (23 rd resolution)	9 March 2017	8 May 2019		N/A	0	-
8 Delegation of authority to increase the share capital by issuing ordinary shares and/or marketable securities carrying rights to Company shares, within a limit of 10% of the share capital, in order to pay for contributions in kind of equity securities or marketable securities carrying rights to Company shares (24 th resolution)	9 March 2017	8 May 2019	10% of the share capital	N/A	0	10% of the share capital
9 Delegation of authority to increase the share capital by issuing ordinary shares and/or marketable securities carrying rights to Company shares with waiver of preferential subscription rights reserved for the members of an Employee Savings Scheme (PEE), in application of Articles L. 3332-18 <i>et seq.</i> of the French Labour Code (25 th resolution)	9 March 2017	8 May 2019	€160,000	N/A	0	€160,000

(1) Same maximum limit.

Securities not carrying the right to Company shares

None.

Potential share capital

No stock options or new free shares have been granted. There are no other financial instruments that dilute the share capital.

Buyback programmes

The General Meeting of Shareholders of 9 March 2017 authorised the Board of Directors, for a period of eighteen months, to trade in the Company's own shares on the stock market.

In addition, the Combined General Meeting of Shareholders of 9 March 2017 authorised the Board of Directors, for

twenty-four months, to reduce the share capital by cancelling shares purchased under its buyback programme, under the terms provided by the Law.

The Company only used this authorisation as part of the liquidity contract signed with Oddo Corporate Finance, the contract does not include the negotiating fees.

The shares purchased on behalf of the Company during the financial period ended on 30 September 2017, under the terms of the buyback programme, are indicated in the table below.

In euros	Total gross flows 2016/2017	
	Purchases	Sales
Number of shares	25,593	25,865
Average price for the transaction	71.25	70.49
AMOUNT	1,823,630	1,823,200

- Number of treasury shares held at 30 September 2017: 1,643 or approximately 0.02% of the share capital.
- Value assessed at the average purchase price at 30 September 2017: €80.49 x 1,643 = €132,245.07.
- Overall par value: €2 x 1,643 = €3,286.00.

The shares held by the Company were not subject to any use, or reallocation for other purposes during the 2016/2017 financial year.

The monthly declarations of trading in the Company's shares carried out under the liquidity contract with Oddo Corporate Finance were filed with the AMF (*Autorité des Marchés Financiers*—the French Financial Authority) during the 2016/2017 financial year.

Authorisation for a new share buyback programme

The next General Meeting of Shareholders will be asked to renew the Company's share buyback programme, as referred to in the reports of the Board to the Meeting.

Liquidity contract

The Company renewed a liquidity contract with Oddo Corporate Finance in accordance with the professional ethics charter of AMAFI (*Association Française des Marchés Financiers*—the French Financial Markets Association), in which it participates as provider of liquidity.

The transactions carried out under this liquidity contract during the 2016/2017 financial year are listed above, in the paragraph entitled "Share buyback programme".

The Company did not have recourse to derivatives.

Description of the share buyback programme

In accordance with the provisions of Article 241-2 of the AMF's General Regulations and European Commission Regulation (EC) No. 2273/2003 of 22 December 2003, the purpose of this description is to set out the purpose of and methods of the Company's share buyback programme.

This programme was authorised, and its renewal will be submitted for authorisation to the General Meeting of Shareholders of 8 March 2018. The prior notice will be published in the BALO (French official gazette) on 31 January 2018, and the call notice will be published in the BALO and in a legal notices gazette on 21 February 2018.

1 Breakdown of treasury shares held, by purpose, as at 30 January 2018 (after closing of the markets)

Number of shares held directly and indirectly: 2,120 shares, representing 0.02% of the Company's share capital.

Number of shares held according to their purpose:

- coordination of the share price by means of an AMAFI liquidity contract: 2,120;
- covering share purchase options or other forms of employee share ownership: N/A;
- external growth transactions: N/A;
- covering marketable securities that entitle the holder to the allocation of shares: N/A;
- cancellation: N/A.

2 New share buyback programme

- Authorisation of the programme: Annual General Meeting of 8 March 2018.
- Securities concerned: ordinary shares.
- Maximum percentage of the share capital for which buyback is authorised: 5% (i.e. 380,664 shares as of today), it being specified that this limit shall be reviewed at the buyback date in order to take into account any potential transactions involving an increase or decrease in the share capital that may take place during the programme. The number of shares taken into account to calculate this limit shall correspond to the number of shares bought back, less the number of shares resold during the programme in the interests of liquidity.

- Maximum purchase price: €150.
- Maximum amount of the programme: €57,099,600.
- Buyback methods: these share buybacks may be undertaken by any means, including block purchases, and at such times as the Board of Directors shall determine; the Company does not intend to use options or financial instruments.

Objectives

- To encourage trading in the secondary market or the share liquidity *via* an investment services provider, through a liquidity contract in accordance with the professional ethics charter of AMAFI, the French Financial Markets Association, as approved by the AMF, the French securities regulator.
- To ensure coverage of share purchase option plans and/or free share plans (or similar plans) for the benefit of employees and/or of the Group's Corporate Officers, and of any share awards as part of a Company or Group Savings Scheme (or similar scheme), in connection with profit-sharing and/or any other forms of share awards to employees and/or to the Group's Corporate Officers.
- To retain the shares acquired and subsequently exchange them or use them as payment in the context of any external growth transactions.
- To provide cover for marketable securities that confer the right to acquire shares in the Company in accordance with regulations in force.
- Cancel any shares acquired, subject to authorisation granted by the General Meeting of Shareholders of 9 March 2017 in its eleventh resolution (in extraordinary session).

Duration of the programme

- Eighteen months from the General Meeting of Shareholders of 8 March 2018, i.e. until 6 September 2019.

Summary of transactions in Company shares by Directors and senior management and their close relatives during the financial year last ended

(Articles L.621-18-2 of the French Monetary and Financial Code and Article 223-26 of the General Regulations of the AMF)

As far as the Company is aware, no transactions involving securities were undertaken during the 2016/2017 financial year by Corporate Officers or senior management of Manutan International or by persons connected to them.

Movements in share capital (in euros and in French francs)

Year	Transaction		Variation in capital	Issue, merger premiums	New capital amount	Accumulated number of shares	Par value of the share
Situation at 1 October 1993		In euros			2,750,952	1,804,506	
		In francs			18,045,060		10
1993/1994	Capital increase <i>via</i> the capitalisation of reserves	In euros	2,750,952		5,501,903	3,609,012	
		In francs	18,045,060		36,090,120		10
1995/1996	Capital increase in cash and <i>via</i> the capitalisation of reserves	In euros	5,672,921	1,387,341	11,174,824	7,330,204	
		In francs	37,211,920	9,100,360	73,302,040		10
1996/1997	Cash capital increase	In euros	131,381	1,011,630	11,306,205	7,416,384	
		In francs	861,800	6,635,860	74,163,840		10
1997/1998	Cash capital increase, merger	In euros	98,127	3,060,737	11,404,332	7,480,751	
		In francs	643,670	20,077,118	74,807,510		10
8 January 1999	Capital increase <i>via</i> the capitalisation of reserves	In euros	3,557,171		14,961,503	7,480,751	2
30 September 1999	Cash capital increase	In euros	46,000	259,011	15,007,503	7,503,751	2
30 September 2000	Cash capital increase ⁽¹⁾	In euros	219,080	1,233,756	15,226,582	7,613,291	2

(1) As part of the exercise of an option.

There have been no movements in share capital since 30 September 2000.

Distribution of share capital and voting rights

As at the date on which this document was drafted, 30 January 2018, the Company's capital was composed of 7,613,291 shares. At that same date, the number of theoretical voting rights (including those attached to shares with no voting rights) was 11,381,278 and the number of voting rights exercisable at the Ordinary General Meeting of Shareholders was 11,366,538.

TO THE BEST OF THE COMPANY'S KNOWLEDGE, THE MAIN SHAREHOLDERS AS AT 30 JANUARY 2018⁽¹⁾, ARE AS FOLLOWS:

Major shareholders	Number of shares	Number of single voting rights	Number of double voting rights	Total number of exercisable voting rights	Percentage of the share capital	Percentage of voting rights exercisable
André Guichard	2,666,449	1,819,860	846,589	3,513,038	35.02%	30.91%
Jean-Pierre Guichard	449,196		449,196	898,392	5.90%	7.90%
Claudine Guichard	37,114		37,114	74,228	0.49%	0.65%
Hervé Guichard	4,500		4,500	9,000	0.06%	0.08%
Xavier Guichard	4,500		4,500	9,000	0.06%	0.08%
M.T. Finance ⁽¹⁾	2,417,581		2,417,581	4,835,162	31.75%	42.54%
Subtotal Guichard family	5 579 340	1 819 860	3 759 480	9 338 820	73.28%	82.16%
Lazard Frères Gestion	415,000	415,000		415,000	5.45%	3.65%
Financière de l'Échiquier	250,000	250,000		250,000	3.29%	1.39%
Registered public	10,733	2,210	8,523	19,256	0.14%	0.17%
Publicly held bearer shares	1,343,513	1,343,513		1,343,513	17.65%	12.63%
Subtotal Public	2,019,246	2,010,723	8,523	2,027,769	26.53%	17.84%
Treasury shares ⁽²⁾	13,062			-	0.17%	0.00%
Oddo Contract	1,643			-	0.02%	0.00%
TOTAL	7,613,291	3,830,583	3,768,003	11,366,538	100.00%	100.00%

(1) Shares indirectly owned by the Guichard family.

(2) Shares held by Lazard Frères Gestion on behalf of investment funds and SICAV: 13,062 direct registered shares.

To the best knowledge of the Company, there are no other shareholders that directly or indirectly, alone or in collaboration, hold more than 5% of the capital or the voting rights in the Company.

VOTING RIGHTS EXERCISABLE BY THE BARE OWNERS AT EXTRAORDINARY GENERAL MEETINGS

Major shareholders	Total number of shares	Total number of voting rights	Percentage of voting rights exercisable
Hervé Guichard	97,886	195,772	1.72%
Xavier Guichard	97,886	195,772	1.72%
Jean-Pierre Guichard	2,018,942	3,127,954	27.52%

VOTING RIGHTS EXERCISABLE BY THE BENEFICIAL OWNERS AT ORDINARY GENERAL MEETINGS

Major shareholder	Total number of shares	Total number of voting rights	Percentage of voting rights exercisable
André Guichard	2,666,449	3,513,038	30.91%

(1) After the stock market closed.

Control of the Company

The Company is controlled by the Guichard family according to the terms described on page 159. Nonetheless, the Company has taken a certain number of measures aimed at ensuring that control is not exercised improperly, notably:

- the presence of five independent members among the ten members forming the Board of Directors (situation as at 31 January 2018);
- the splitting of the roles of Chairman of the Board and General Manager;
- the Audit Committee and the Appointments and Remuneration Committee are composed almost entirely of independent members.

Shareholders' agreement

No shareholders' agreement or any clause in an agreement envisaging preferential conditions for the sale or purchase of shares has been notified to the AMF (*Autorité des Marchés Financiers*, the French securities regulator).

Group personnel hold no shares in the Company's share capital by way of special investment funds.

Changes in share capital ownership in the past three years

As a %	30/09/2017	30/09/2016	30/09/2015
Guichard family	73.28%	73.28%	73.28%
Public and other registered shares	26.55%	26.55%	26.55%
Direct registered treasury shares	0.17%	0.17%	0.17%
	100.00%	100.00%	100.00%

Collective agreements to retain securities of Manutan International

On 28 August 2006 the members of the Guichard family, the Company's shareholders, signed a collective agreement to retain securities, pursuant to Article 787-B of the French General Tax Code, whereby they undertook to retain collectively 1,812,898 shares of Manutan International, representing at the date of signing of the collective agreement 23.81% of the financial rights and 31.94% of the voting rights attached to shares issued by the Company.

This commitment was entered into for a period of twenty-four months, which started to run from its registration, i.e. from 28 August 2006. At its expiry, it would be extended year by year by tacit agreement.

Each member shall have the option to withdraw from the agreement on the condition that they notify the others of their decision one month before the end of the current period.

The collective agreement to retain was signed by:

- André Guichard, Director;
- Hélène Julliard⁽¹⁾, wife of André Guichard;

- Jean-Pierre Guichard, Chairman of the Board of Directors;
- Claudine Laffont, wife of Jean-Pierre Guichard;
- Hervé Guichard, General Manager and Director;
- Xavier Guichard, Deputy General Manager and Director;
- MT Finances, whose share capital is wholly owned by the members of the Guichard family referred to above.

On 15 November 2012 the members of the Guichard family, the Company's shareholders, signed a second collective agreement to retain securities, pursuant to Article 787-B of the French General Tax Code, whereby they undertook to retain collectively 3,661,759 shares of Manutan International, representing at the date of signing of the collective agreement, 48.09% of the share capital, 48.22% of the financial rights and 48.01% of the theoretical voting rights attached to shares issued by the Company.

This commitment was entered into for a period of twenty-four months, which started to run from its registration. At its expiry, it would be extended year by year by tacit agreement.

(1) Mrs Hélène Guichard died on 5 December 2015.

Each member shall have the option to withdraw from the agreement on the condition that they notify the others of their decision three months before the end of the current period.

These two undertakings, with the same signatories, are intended to coexist. The only difference is the scope of the shares covered by the undertakings, as the second undertaking includes a higher number of financial and voting rights than the first.

Securities market

Main Index	CAC All-Tradable
Other indices	CAC Small and CAC Mid & Small
Market	Euronext Paris – Compartment B
Listed on	Euronext Paris
Code or symbol	MANUTAN INTL
ISIN Code	FR0000032302
Reuters	MATP.PA
Bloomberg	MAN FP

Stock market data

Five-year data	30/09/2017	30/09/2016	30/09/2015	30/09/2014	30/09/2013
Number of shares	7,613,291	7,613,291	7,613,291	7,613,291	7,613,291
Closing balance	80.49	53.90	43.00	40.43	40.67
Market capitalisation (in millions of euros)	613	410	327	308	310
Highest price (in euros)	87.9	55.80	50.53	56.14	41.99
Lowest price (in euros)	54.01	42.50	34.85	40.10	27.98
Average daily volume (in number of shares)	1,921	1,968	1,869	3,653	3,094
Average daily capital (in euros)	138,934	96,029	80,103	176,078	103,954

Share capital

The Company's share capital at 30 January 2018 consists of 7,613,291 shares with a par value of €2 each.

As at that date, the proportion of the capital held by the public was 26.53%. The percentage of shares held by the Company as treasury stock was 0.02%. The remainder of the share capital is held, directly or indirectly by the Guichard family.

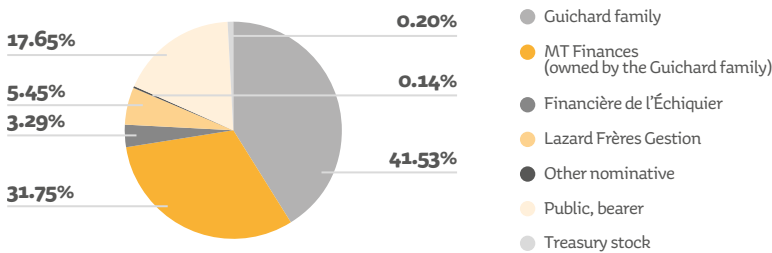
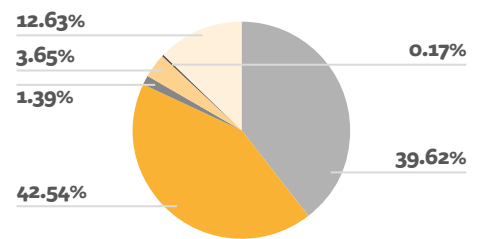
Shareholding at 30 September 2017

As at 30 September 2017, shares in Manutan (Manutan Intl) stood at €80.49, an increase of 49.33% compared with the closing price at 30 September 2016. On 31 January 2018, after the markets closed, the shares were quoted at €93.40.

Control of the Company

As at 30 September 2017, the Company was held and controlled, directly and indirectly, by the Guichard family, with 73.28% of its capital and 82.15% of the voting rights.

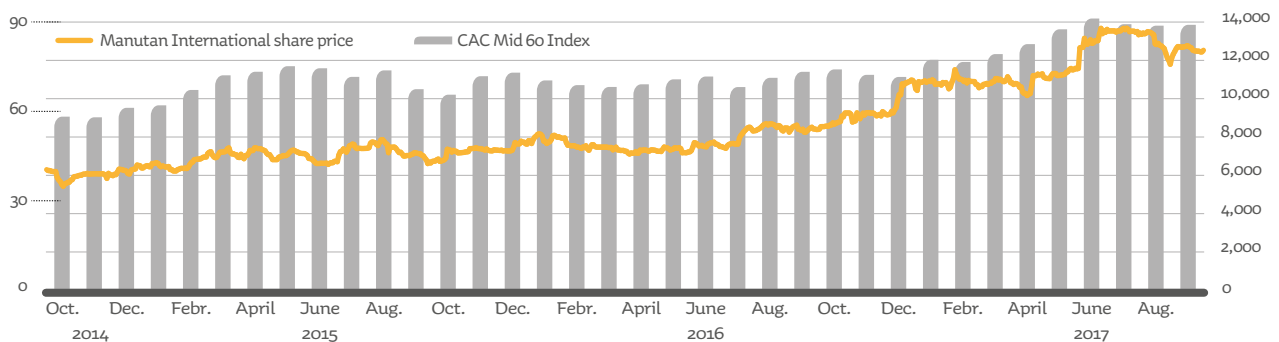
A list of shareholders as at 30 September 2017 is also presented on page 153 of this document, in the chapter entitled "General information concerning the issuer".

CAPITAL AS AT 30 SEPTEMBER 2017
Major shareholders

Voting rights

Liquidity contract

Manutan International entered into a liquidity contract with Oddo Corporate Finance in accordance with the professional ethics charter of AMAFI (*Association Française des Marchés Financiers*, the French Financial Markets Association), in the framework of share buyback programme. See also page 156 of this document.

Change in share price

Relative to the CAC Mid 60 index
 From 1 October 2014 to 30 September 2017

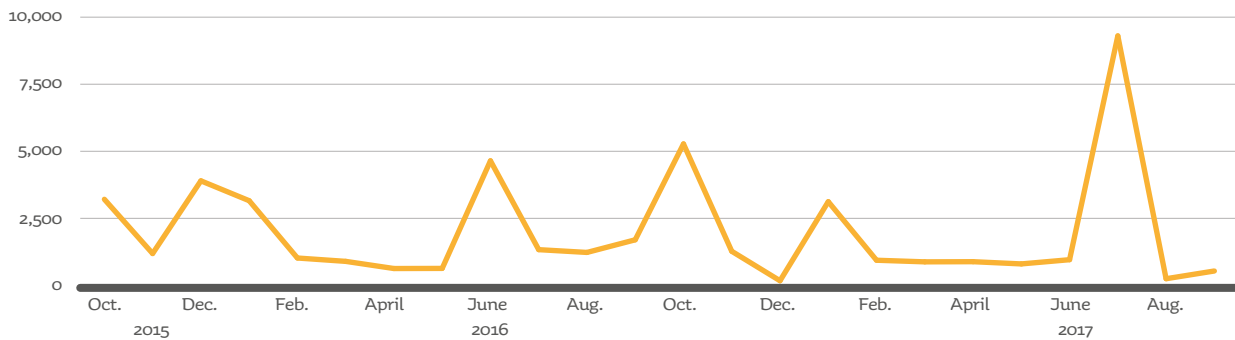

Change in listed price

During the financial year, the share price reached its highest closing price (€87.90) on 20 July 2017, and its lowest closing price (€54.01) on 3 October 2016. On 29 September 2017 the closing price was €80.49 (€53.90 in September 2016). PER amounted to 12.03 on the basis of the Group consolidated net income at 30 September 2016.

Volume traded

From 1 October 2016 to 30 September 2017, 491,653 shares in Manutan International were traded, representing capital of €35.6 million (compared with 507,719 shares representing €24.8 million of share capital from 1 October 2015 to 30 September 2016).

AVERAGE DAILY TRADING VOLUME - OCTOBER 2014 TO SEPTEMBER 2017



Dividends

In euros

For the financial year ended	30/09/2017	30/09/2015	30/09/2014	30/09/2013	30/09/2012
Net profit	39,113,819	34,078,891	25,821,905	24,166,235	23,277,107
Number of shares	7,613,291	7,613,291	7,613,291	7,613,291	7,613,291
Dividend in amount distributed	12,561,930	11,419,936.5	9,516,614	8,907,550	8,603,019
Price	80.49	53.90	43.00	40.43	40.67
Basic earnings per share ⁽¹⁾	5.14	4.48	3.39	3.18	3.06
Basic dividend per share	1.65	1.50	1.25	1.17	1.13
40% reduction ⁽²⁾	0.66	0.60	0.50	0.47	0.45
Dividend pay-out ratio ^(%)	32.12	33.51	37	37	37.0
Total gross yield ⁽³⁾ (%)	2.87	3.90	4.07	4.05	3.89

(1) Earnings per share on a net result basis are calculated using the average number of shares in issue during said year.

(2) Reduction of 40% provided for by Article 158-3-2 of the French Tax Code (*Code Général des Impôts*) for individuals who are tax resident in France.

(3) Calculated using share price on 30 September in each financial year.

Over the last five years, the distributed dividend has been between 32% and 37% of consolidated net income. At the General Meeting of Shareholders of 8 March 2018, the Board of Directors will propose a distribution rate of 32.12% of consolidated net income, i.e. €1.65 per share in respect of the financial year ended 30 September 2017.

Prescription period of dividends: 5 years.

Allocation of unclaimed dividends:

Direction Nationale d'Interventions Domaniales – Service des Curatelles – Les Ellipses – 3, avenue du Chemin-de-Presles – 94417 Saint-Maurice Cedex – France.



Declaration and concordance tables

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Person responsible for the reference document

Xavier Guichard, CEO of Manutan International, located at: ZAC du Parc des Tulipes – Avenue du 21^e Siècle – 95500 Gonesse.

Declaration of the person responsible for the reference document

"I declare that to the best of my knowledge, after having taken all reasonable measures for this purpose, the information contained in this reference document reflects reality and there are no omissions such as might alter its import.

I declare that to my knowledge, the financial statements were prepared in accordance with applicable accounting standards and fairly present the assets, financial position and result of the Company and all the Companies included in the consolidation, and that the Management Report presented on page 69 presents a fair view of the operations, results and financial position of the Company and Companies included in the consolidation, as well as a description of the major risks and uncertainties they face.

I have obtained from the Statutory Auditors an end of engagement letter in which they state that they verified the information on the financial position and the accounts shown in this reference document as well as reading the complete document.

The consolidated financial statements for the financial year ended 30 September 2017 and the Parent Company financial statements for the year ended 30 September 2017, which are set out on pages 85 and 128 of this document respectively, have been the subject of reports prepared by Statutory Auditors, as required. The Statutory Auditors' reports on the consolidated and parent company financial statements do not contain any observations."

Responsibility for the Statutory Audit

Principal Statutory Auditors

Mazars SA

Represented by Anne Veaute

Tour Exaltis
61, rue Henri-Regnault – 92400 Courbevoie

Initial appointment date: 12 March 2015

Duration of office: expires at the end of the Ordinary General Meeting of Shareholders convened to consider the accounts for the financial year ended 30 September 2020.

KPMG SA

Represented by Franck Noël

3, cours du Triangle – 92939 Paris-La Défense Cedex

Initial appointment date: 4 March 2004

Duration of office: expires at the end of the Ordinary General Meeting of Shareholders convened to consider the accounts for the financial year ended 30 September 2021.

Alternate Statutory Auditors

Mr Dominique Muller

61, rue Henri Regnault – 92400 Courbevoie

Initial appointment date: 12 March 2015

Duration of office: expires at the end of the Ordinary General Meeting of Shareholders convened to consider the accounts for the financial year ended 30 September 2020.

Salustro Reydel SA

2, avenue Gambetta, Tour Eqho – 92066 Paris-La Défense Cedex

Initial appointment date: 17 March 2016

Duration of office: expires at the end of the Ordinary General Meeting of Shareholders convened to consider the accounts for the financial year ended 30 September 2021.

Shareholder relations and documents accessible to the public

Responsibility for financial information

Brigitte Auffret – Deputy CEO

Tel. secretariat: +33 (0)1 34 53 18 33

E-mail: brigitte.auffret@manutan.fr

Investor contact

Yassine Soumari – Corporate Finance

Tel.: +33 (0)1 34 53 35 55

E-mail: contact.investors@manutan.com

The deed of incorporation and the Company's Articles of Association, as well as all reports, letters and other documents, historical financial information of the Company and its subsidiaries over the past two financial years, valuations and statements prepared by an expert when such documents are required by the Law, and any other document required by the Law may be consulted at the Company's office address: Manutan International, ZAC du Parc des Tulipes, Avenue du 21e Siècle, 95506 Gonesse Cedex, France.

The major press releases and documents published by the Company are available to the public on the Company's website at: www.manutan.com.

Cross-reference table of the Registration Document

For easier reading of this Registration Document, the following thematic table enables to identify major sections required by European Commission Regulation No. 809/2004 of 29 April 2004 implementing Directive 2003/71/CE of the European Parliament and Council.

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Responsibility for financial information:

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