JEAN-MICHEL BLOCH

ERNST & YOUNG Audit

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the group's management report.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Altrad Investment Authority
A.I.A.

Year ended August 31, 2015

Statutory auditors' report
on the consolidated financial statements

JEAN-MICHEL BLOCH
9, montée des Lilas
69300 Caluire-et-Cuire

Statutory auditor
Member of the Compagnie
régionale de Lyon

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Statutory auditor
Member of the Compagnie
régionale de Versailles

Altrad Investment Authority A.I.A.

Year ended August 31, 2015

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your Articles of Incorporation, we hereby report to you, for the year ended August 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Altrad Investment Authority (A.I.A);
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at August 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matters set out in the following notes to the consolidated financial statements:

- Note 3 "Scope of consolidation" to the consolidated financial statements regarding the acquisition by your group during the period of Hertel Group, as well as Dessa, and the provisional allocation of the fair values of assets, liabilities and contingent liabilities of these companies. This allocation will be finalized during the financial year ending August 31, 2016, and will then give rise, if necessary, to retrospective adjustments in the comparative 2015 accounts :

- Note 1 “Significant events” to the consolidated financial statements regarding the date when Hertel Group was first included in the consolidated financial statements of Altrad Group ;

- Note 1.4 "Restructuring and utilization rates of industrial sites" and Note 2.3.2 "Income statement items" under "Restructuring costs and treatment of idle capacity" to the consolidated financial statements regarding the global cost of idle capacity and restructuring costs classified on a separate line in the operating income.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 2.3.2 "Income statement items" under "Restructuring costs and treatment of idle capacity" to the consolidated financial statements sets out the accounting rules and methods for the recognition and presentation of the global cost of idle capacity and restructuring costs. As part of our assessment of the accounting principles applied by the Group, we reviewed the assumptions used to calculate these costs of idle capacity and restructuring costs, and we ensured that Notes 1.4 "Restructuring and utilization rates of industrial sites" and 2.3.2 "Income statement items " under " Restructuring costs and treatment of idle capacity " to the consolidated financial statements provide appropriate information.

- The group performs annual impairment tests of assets with an indefinite useful life (goodwill and other intangible assets not subject to amortization), and also assesses whether there is any indication of impairment of tangible and intangible assets subject to amortization, according to methods described in Notes 2.3 "Accounting Principles" (paragraphs "Business Combinations and Goodwill" and "Impairment of assets") and 5.2 "Impairment tests on intangible assets with an indefinite useful life" to the consolidated financial statements. We reviewed the implementation modalities of such impairment tests and the estimates and assumptions used, and verified that the notes to the consolidated financial statements provide appropriate information.

- As indicated in Note 2.3 "Accounting principles" to the consolidated financial statements under "Provisions for risks and liabilities", your group records provisions to cover risks and liabilities. The nature of such provisions is detailed in Note 16 "Provisions for risks and liabilities" to the consolidated financial statements. Based on our procedures performed and information available to date, we have verified the appropriateness of the methods and data used to determine such provisions. We have carried out an assessment of the reasonableness of these estimates.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group’s management report.

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

Caluire-et-Cuire and Montpellier, February 15th 2015

The statutory auditors

French original signed by

Jean-Michel BLOCH

ERNST & YOUNG Audit

Marie-Thérèse Mercier

ALTRAD GROUP

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED AUGUST 31, 2015

Altrad Investment Authority, S.A.S.

16, avenue de la Gardie

34 510 FLORENSAC

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	31/08/2015	31/08/2014 [1]
Revenue from current activities	**20.1**	**1 572 677**	**860 803**
Cost of raw materials and merchandises		(416 026)	(326 827)
Personnel costs	20.2	(594 293)	(261 094)
General expenses		(349 636)	(140 597)
Depreciations and amortizations		(68 706)	(43 431)
Current operating profit		**144 017**	**88 854**
Other non-recurring revenues and expenses	21	(7 386)	(3 782)
Restructuring and underactivity costs	1.4	(15 654)	(13 161)
Operating profit		**120 976**	**71 912**
Income from cash and cash equivalents	22	693	1 345
Cost of gross financial debt	22	(16 193)	(12 222)
Cost of net financiel debt		**(15 500)**	**(10 877)**
Other financial products	22	5 322	1 088
Other financial expenses	22	(5 661)	(784)
Profit before tax from continuing operations		**105 136**	**61 339**
Income tax expense	7	(22 153)	(12 020)
Profit for the year from continuing operations		**82 983**	**49 319**
Share of profit from associates accounted for under the equity method		(227)	
Profit/(loss) after tax for the year from discontinued operations			
Profit for the year		**82 756**	**49 319**
Attributable to:			
Equity holders of the parent		***83 291***	***49 266***
Non-controlling interests		***(534)***	*53*
Basic, profit for the year attributable to ordinary equity holders of the parent	23	***24,67***	***14,59***
Basic, profit from continuing operations attributable to ordinary equity holders of the parent	23	***24,67***	***14,59***
Diluted, profit for the year attributable to ordinary equity holders of the parent	23	***24,45***	***14,59***
Diluted, profit from continuing operations attributable to ordinary equity holders of the parent	23	***24,45***	***14,59***

(1) Changes have been made to the 2014 financial statements as they were originally published. These changes are detailed in Note 2.4.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(In thousands of euros)	Notes	31/08/2015	31/08/2014[1]
Consolidated net profit		**82 756**	**49 319**
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		**19 493**	**7 888**
Exchange differences on translation of foreign operations		19 493	7 806
Net gain on hedge of a net investment - gross value	12		125
Net gain on hedge of a net investment - tax effect		0	(43)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**(339)**	**76**
Remeasurement gains (losses) on defined benefit plans - gross v	17	(491)	216
Remeasurement gains (losses) on defined benefit plans - tax effect		152	(140)
Total comprehensive income for the year, net of tax		**101 910**	**57 282**
Attributable to:			
Equity holders of the parent		***102 637***	***57 247***
Non-controlling interests		***(727)***	***35***

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

ASSETS (in thousands of euros)	Notes	31/08/2015			31/08/2014 [1]
		Gross value	Depreciation Impairment	Net book value	Net book value
Goodwill	4	253 450	(702)	252 748	149 990
Intangible assets	5	255 122	(20 105)	235 018	80 231
Property, plant and equipment	5	779 075	(434 847)	344 228	252 223
Non-current financial assets and other non-cu	6	6 044	(641)	5 403	2 826
Deferred tax assets	7	5 368	-	5 368	6 477
Non-current assets		**1 299 060**	**(456 295)**	**842 765**	**491 747**
Inventories	8	166 959	(4 775)	162 183	116 041
Trade and other receivables	9	416 507	(21 852)	394 655	215 337
Income tax receivable		3 083	-	3 083	645
Other current assets	9	65 154	(5 347)	59 807	32 134
Cash and short-term deposits	10	318 858	-	318 858	144 163
Current assets		**970 560**	**(31 975)**	**938 585**	**508 320**
Assets held for distribution	14	2 800		2 800	1 549
Total assets		**2 272 421**	**(488 270)**	**1 784 150**	**1 001 617**

(1) Changes have been made to the 2014 financial statements as they were originally published. These changes are detailed in Note 2.4.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - LIABILITIES

EQUITY & LIABILITIES (in thousands of euros)	Notes	31/08/2015	31/08/2014 (1)
Issued capital and other capital reserves	15	257 287	207 232
Foreign currency translation reserve		24 372	5 307
Profit for the period		83 291	49 266
Non-controlling interests	15	3 501	49
Total equity		**368 450**	**261 850**
Others Shareholders' funds	10	64 155	
Interest-bearing loans and borrowings, non-current	10	532 374	248 165
Reserve for risks and social engagement, non-curre	16/17	66 803	14 265
Other non-current liabilities	19	95 146	57 527
Deferred tax liabilities	7	66 946	22 270
Non-current liabilities		**825 424**	**342 227**
Interest-bearing loans and borrowings, current	10	44 684	76 882
Reserve for risks and social engagement, current	16/17	26 361	17 133
Trade and other payables	18	298 985	201 276
Income tax payable	18	12 862	10 105
Other liabilities	18	207 385	92 144
Current liabilities		**590 276**	**397 540**
Total equity and liabilities		**1 784 150**	**1 001 617**

(1) Changes have been made to the 2014 financial statements as they were originally published. These changes are detailed in Note 2.4.

CONSOLIDATED CASH FLOW STATEMENT

(In thousands of euros)	31/08/15	31/08/2014(1)
Operating activities		
Net Profit - Attributable to equity holders of the parent	**83 291**	**49 265**
Non-controlling interests	(535)	53
Profit from associates accounted for under the equity method	227	
Depreciation, amortisation and impairment of tangible and intangible as	39 680	37 064
The change in fair value of derivative financial instruments	27	0
Gain / (Loss) on disposal of property, plant and equipment	30 815	14 308
Gain / (Loss) on disposal of change in perimeter		(383)
Deferred tax	(1 582)	(1 216)
Self-financing capacity	**151 923**	**99 091**
Current income tax	23 735	13 236
Income tax paid	(20 263)	(12 099)
Cost of net financial debt	15 500	10 877
Working capital adjustments	**16 406**	**(13 240)**
Net cash flows from operating activities	**187 301**	**97 864**
Investing activities		
Purchase of intangible assets	(1 103)	(801)
Purchase of property, plant and equipment	(105 887)	(103 123)
Proceeds from sale of property, plant and equipment and intangible asse	4 289	1 303
Purchase of financial assets	(1 289)	0
Proceeds from sale of financial assets	114	542
Acquisition of a subsidiary, net of cash acquired	(163 187)	(69 545)
Net cash flows used in investing activities	**(267 062)**	**(171 624)**
Financing activities		
Bond funds received from shareholders (ORA & OBSA)	100 000	0
Dividends paid to equity holders of the parent	(7 992)	0
Dividends paid to non-controlling interests	(136)	0
Interest paid	(15 796)	(5 869)
Proceeds from borrowings	412 815	175 800
Repayment of borrowings	(230 123)	(79 682)
Net cash flows from/(used in) financing activities	**258 768**	**90 249**
Net increase in cash and cash equivalents	182 903	16 489
Net foreign exchange difference	3 896	(887)
Cash and cash equivalents at opening	131 287	115 685
Cash and cash equivalents at closing	314 190	131 287

(1) Changes have been made to the 2014 financial statements as they were originally published. These changes are detailed in Note 2.4.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of euros)	Issued capital	Other capital reserves	Foreign currency translation	Retained earnings	Attributable to the equity holders of	Non controlling interests	Total equity
Equity as at August 31st, 2013 (1)	337 593	16 972	(2 499)	(155 172)	196 895	7 470	204 365
Cash dividends	-	-	-	-	-	-	-
Operation on equity	-	-	-	-	-	-	-
Change in perimeter	-	-	-	6 669	6 669	(7 449)	(780)
Profit for the period	-	-	-	49 266	49 266	53	49 319
Other comprehensive income	-	-	7 806	176	7 982	(18)	7 964
Other	-	-	-	990	990	(7)	983
Equity as at August 31st, 2014	337 593	16 972	5 307	(98 071)	261 801	49	261 850
Cash dividends	-	-	-	(7 969)	(7 969)	(177)	(8 146)
Operation on equity (3)			-	36 149	36 149		36 149
Change in perimeter (2)	-	-	-	(26 979)	(26 979)	3 974	(23 005)
Profit for the period	-	-	-	83 291	83 291	(534)	82 756
Other comprehensive income	-	-	19 065	(339)	18 726	193	18 919
Other	-	-	-	(69)	(69)	(4)	(73)
Equity as at August 31st, 2015	337 593	16 972	24 372	(13 987)	364 949	3 501	368 450

(1) Changes have been made to the 2014 financial statements as they were originally published. These changes are detailed in Note 2.4.

(2) At August 31, 2015, the impact of changes in scope is analysed as follows:

- *Group share (26,979) K€*:
  - Revaluation of the debt to GENERATION minority shareholders: (21,165) K€
  - Revaluation of the debt to Trad HS & Trad Group minority shareholders: (5,816) K€

- Minority share 3,974 K€:
  - Recognition of minority interests upon consolidation of the Hertel Group for 3,974 K€

At 31 August 2014, the changes in scope on equity are detailed as follows:

- *Group share 6,669 K€*:
  - The taking into account of the put option on the minority interests in GENERATION resulted in the full consolidation of this subsidiary (compared to 80% previously) and led to the reclassification of the minority interests (20%) of 7,875 K€ in the Group share.
  - Buy-out of minority interests of COMI DEVELOPPEMENT and GARRONE: (325) K€
  - Price supplement paid by TRAD HS and TRAD GROUP for: (390) K€
  - Revaluation of the debt to IRBAL minority shareholders: (300) K€
  - Recognition of JALMAT minority interests (2.4%): (186) K€
  - Various non-significant deconsolidations: (6) K€

- *Minority share (7,449) K€*:
  - Reclassification of GENERATION minority interests in Group share: (7,875) K€
  - Buy-out of minority interests of COMI DEVELOPPEMENT and GARRONE: 229 K€
  - Recognition of JALMAT minority interests (2.4%): 186 K€

- Various non-significant deconsolidations: 11 K€

(3) At August 31, 2015, capital transactions corresponded to the equity component of the issue of bonds redeemable in shares for an amount of 36.1 M€. In effect, the issue of bonds redeemable in shares during financial year 2014/2015 was the subject of split accounting between an equity component and a liability component.

The additional information is detailed in Note 10. Cash flow and net indebtedness

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Description of the business

The Altrad Group specialises mainly in the hiring of equipment, with or without services, in the building and industry sectors and the manufacture and sale of scaffolding, concrete mixers, wheelbarrows and tubular products.

Following the acquisition of Hertel, the activity of the Altrad Group now includes the Hertel service offering, exclusively intended for major industrial customers, including access solutions, insulation, corrosion protection along with mechanical installation and maintenance.

Basis of preparation of the consolidated financial statements

The simplified joint-stock company (*société par actions simplifiée*) Altrad Investment Authority (A.I.A.) is subject to the legal obligation of consolidation in accordance with the provisions of the Commercial Code.

The consolidated financial statements of the Altrad Group at August 31, 2015 were approved by the Chairman of Altrad Investment Authority on February 4, 2016. They will be submitted for the shareholders' approval at the Annual General Meeting of February 29, 2016.

As of September 1, 2014, following a contribution by the majority shareholder of its shares to Altrad Participations, Altrad Participations became the majority shareholder of Altrad Investment Authority. Since the closing of August 31, 2015, Altrad Participations establishes consolidated financial statements under IFRS, including Altrad Investment Authority and all its subsidiaries. However, as Altrad Investment Authority issued debt securities (bonds) admitted to trading on the Euronext regulated market, it remains subject to the obligation to publish consolidated financial statements at its level, as in previous years, and cannot claim exemption as a sub-group.

The following explanatory notes accompany the presentation of the financial statements and are an integral part thereof.

NOTE 1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

1.1 External growth operations

This year, external growth operations were marked by a buyout of minority interests, to hold the entire capital, and by two acquisitions in the rental and services sector:

1.1.1 Buyouts of minority interests

Irbal

On September 30, 2015, in accordance with the agreement between the shareholders concluded on the acquisition of IRBAL, the Group negotiated the buyout of the stake of the minority shareholder to increase its stake to 96.5% for an amount of 3,400 K€. This buyout of minority interests carried out over the period 2014/2015 was subject to a liability in the balance sheet of the financial statements at August 31, 2014.

1.1.2 New acquisitions

Hertel Group

On March 16, 2015, Altrad announced a major operation which changes the dimension of the Group: the acquisition of Hertel, a world leader in the fields of access solutions, insulation, corrosion protection and the maintenance of mechanical systems. Hertel's offshore living quarters installation activities are not included in the transaction and will continue separately under a different name. .

The purchase agreement was signed on March 16, 2015 on the basis of the Hertel Group's consolidated financial statements at 31.12.14. After analysis of the Share Purchase Agreement (SPA), the Altrad Group decided to fix the date of consolidation by the Altrad Group at January 1, 2015. In fact, limitations of the powers of the management and shareholders was provided for in the SPA during the interim period required for Altrad to prepare the documentation. Furthermore, the establishment of the consolidated financial statements of the Hertel Group on another date closer to the signing date would have meant using resources that are not readily available. The acquisition of Hertel became final on June 12, 2015, after obtaining the required authorisation from the Belgian, Dutch and German merger control authorities, and after consultation of Hertel BV's Works Council.

Hertel is composed of a Dutch holding, Hertel Holding, now wholly-owned by the Altrad Group, and operating companies. The consolidation of the two groups, with a combined annual turnover of more than 1.6 billion € and a workforce of approximately 17,000 people, creates a group which is leader in its business lines, offering complementary services and with a global geographical presence in Europe, the Middle East, Asia-Pacific and around the Caspian Sea.

Dessa

Trad and Generation, two subsidiaries which rent and sell scaffolding in the United Kingdom, jointly conducted the acquisition of Dessa in January 2015, each for 30%. Dessa is a small company specialised in the design and sale of innovative lightweight temporary roofing systems which are compatible with Plettac scaffolding systems.

Additional information concerning these consolidations is provided in Note 3 - Scope of consolidation below.

1.2 Operations on the existing scope

In order to streamline the Group's organisational structure, the following internal operations were carried out, with no impact on the Group's consolidated financial statements:

- Transfer of all of the assets and liabilities of Comi Services with Comi Développement on June 10, 2015
- Liquidation of Havico on September 11, 2014.
- Partial contribution of assets of the commercial branch of Altrad Equipement to Altrad Plettac with retroactive effect from September 1, 2014.
- Partial contribution of assets of the entire formwork business of Altrad Soframat Etem to the Group's subsidiary specialised in this business line, Jalmat Finance, with retroactive effect from September 1, 2014.

- Partial contribution of the assets of Bragagnolo to Altrad Italy, on October 30, 2014.

Altrad Proscaff-Belgium merged with Altrad Stellingbouw Balliauw on August 31, 2015.

1.3 Funding

Subscription of a new syndicated loan

Following the acquisition of the Hertel Group, the banking pool was approached for the establishment of a new syndicated loan for a total amount of 500 million Euros, over a period of six years. There are 4 types of drawdowns: the refinancing of the current loan for an amount of 115 million Euros, the financing of acquisitions and investments for an amount of 220 million Euros, the financing of the working capital requirement for an amount of 50 million Euros and signature commitments for an amount of 115 million Euros. This contract was signed in March 2015.

Bond issue

On May 5, 2015, the Group carried out a non-convertible bond issue for an amount of 150 million Euros, to be repaid at the end of seven years. This bond issue was the subject of a listing on the Free Market managed by Euronext Paris S.A.

Issuance of ORA and OBSA*

Both of these contracts were subscribed by the minority shareholders of the Company in June 2015 for a total amount of 100 M€, half of which distributed in the form of OBSA and ORA contracts, with an eight-year maturity.

**ORA: Bonds redeemable in shares / OBSA: Bonds with Share Purchase Warrants*

1.4 Restructuring and utilisation of industrial sites

As in the previous year, the consolidated financial statements were approved according to the following option, i.e. costs arising from the restructuring of industrial sites and under-activity costs were identified for each entity and isolated on a separate line in the income statement "restructuring costs and total cost of under-activity" for a total amount of 15,654 K€.

3 different types of costs are identified:

- Costs incurred to adapt the structure of the Group to the current level of economic activity totalled 10,341 K€ (compared to 8,552 K€ at August 31, 2014) and correspond to redundancy and restructuring costs.

- Despite the restructuring operations carried out in several phases during the last four years, the Group has experienced periods of under-activity that it has restated. The total cost of under-activity not absorbed given the level of activity of the financial year compared to a standard level was calculated for each entity, and presented on the line "restructuring costs and total cost of under-activity" for an amount of 4,648 K€ (compared to 4,207 K€ at August 31, 2014).

- Furthermore, the production cost of inventories of manufactured products at the balance sheet date was also restated for the share of unabsorbed fixed costs. It was excluded from the production cost and recognised in expenses for the year for an amount of 665 K€ (compared to 402 K€ at August 31, 2014) on the line "restructuring costs and total cost of under-activity".

Details of these elements are provided in Note 2.3.2.

NOTE 2 ACCOUNTING PRINCIPLES AND METHODS

2.1 Accounting standards

The consolidated financial statements of the Altrad Group are established in accordance with the IFRS repository (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board) as adopted by the European Union on the date the accounts were approved by the Board of Directors and applicable at August 31, 2015.

The IFRS repository includes the IFRS standards, IAS (International Accounting Standards) and their interpretations (IFRIC and SIC) and is available on the website of the European Commission: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission

The accounting methods presented below have been applied consistently for all periods presented in the consolidated financial statements, after taking into account, or with the exception of the new standards and interpretations described below.

2.1.1 New standards and interpretations applicable for the year ended August 31, 2015

The accounting principles applied are consistent with those used in preparing the consolidated financial statements for the year ended August 31, 2014, with the exception of the following new standards and interpretations:

New standard having had an impact only on the information provided in the Annex:

- IFRS 12 enhances the information provided in the annex on interests in consolidated subsidiaries, partnerships and associates, but also broadens the scope of information required for structured entities, whether or not they are consolidated. The information to provide should help to assess the nature of the risks related to these interests and their effect on the financial statements.

Amendments, new standards and interpretations having had no significant impact on the financial statements for the year:

- IFRIC 21: Taxes
- IFRS 10: consolidated financial statements; standard defining the concept of control over an entity.
- IFRS 11: partnerships. It provides that jointly owned shareholdings are consolidated using the equity method and removes the option of consolidating them using the

proportional integration method, as previously provided by IAS 31. The application of this standard had no impact on the Group's consolidated financial statements.

- IAS 28: investments in associates and joint ventures
- Amendments to IFRS 10, 11 and 12: transitional provisions,
- Amendment to IAS 32 "Financial instruments - presentation: offsetting financial assets and financial liabilities" which clarifies the concept of "legal right to offset".
- Amendment to IAS 36: "Recoverable amount disclosures for non-financial assets".
- Amendment to IAS 39 novation of derivatives and continuation of hedge accounting

For the companies in which the Group does not exercise any significant influence, the control criteria as defined by IFRS 10 are not met.

The application of these new standards had no impact on the scope of consolidation or consolidation methods applied.

- Standards adopted by the European Union but whose application is not mandatory at August 31, 2015:

In addition, the following standards, interpretations and amendments are not yet applied to the consolidated financial statements to the extent that they have been adopted by the European Union but their application is not mandatory for the year ended August 31, 2015, and their application has not been anticipated in the Group's financial statements:

Standards and Interpretations	Applicable to accounting periods commencing on or after
Improvements of IFRS (Cycle 2010-2012)	February 1, 2015
Improvements of IFRS (Cycle 2011-2013)	January 1, 2015
Improvements of IFRS (Cycle 2012-2014)	January 1, 2016
Amendment to IAS 19: Defined benefit plans: contributions of staff members	February 1, 2015
Amendments to IFRS 11 Accounting for acquisitions of interests in joint ventures	January 1, 2016
Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation	January 1, 2016
Amendments to IAS 16 and IAS 41 – Agriculture: bearer biological assets	January 1, 2016

Amendments to IAS 1 – Disclosure initiative	January 1, 2016

The Group does not expect any significant impact from the application of these new texts.

- Standards not yet adopted by the European Union and whose application is not yet mandatory at August 31, 2015:

In addition, the following standards, interpretations and amendments or revisions are not yet applied to the consolidated financial statements for the year to the extent that they have not yet been adopted by the European Union:

Standards and Interpretations	Applicable to accounting periods commencing on or after
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities, application of the consolidation exception	January 1, 2016
IFRS 15 and Amendment to IFRS 15 – Revenues from contracts with customers	January 1, 2018
IFRS 9, Financial instruments	January 1, 2018
IFRS 16 Leases	January 1, 2019
IFRS 9 and IFRS 7: Mandatory effective date and Transition disclosures	January 1, 2015
IFRS 10 and IAS 28: Sale or contribution of assets between an Investor and its associate or joint-venture	January 1, 2016

The process for determining the potential impact of these standards and interpretations on the Group's consolidated financial statements is in progress.

The annual consolidated financial statements of the Altrad Group do not take into account draft standards and interpretations which still have the status of exposure drafts of the IASB and the IFRIC at the balance sheet date;

2.1.2 Options adopted by the Altrad Group upon first-time adoption of IFRS

Within the framework of the first-time adoption of IFRS on the financial statements at 31/08/2008, the Altrad Group chose the following options:

- measurement of property, plant and equipment and intangible assets: the option to measure these assets at fair value on the transition date was not adopted;

- business combinations prior to September 1, 2006 have not been restated;

- conversion of the accounts of foreign subsidiaries: translation reserves relating to the consolidation of subsidiaries in foreign currencies were cancelled on September 1, 2006 and offset against retained earnings.

2.1.3 Options adopted by the Altrad Group when the IFRS provide for measurement or recognition options

Some IFRS standards provide for options concerning the measurement and recognition of assets and liabilities. The Group has therefore chosen:

- Measurement of property, plant and equipment and intangible assets (IAS38 and 16): fixed assets are measured at their depreciated historical cost. Therefore, no annual revaluation of property, plant and equipment and intangible assets is planned.

- Inventories are recognised according to the "First in, first out" method (IAS 2).

- For the treatment of put options on minority interests within the framework of business combinations, the Group opted, as of the takeover, for the recognition of a liability in the consolidated balance sheet in return for the non-recognition of minority interests (applicable in particular to the subsidiaries IRBAL, Atika, Trad Group, Trad H&S, Generation, Star Events and Dessa).

2.2 Use of estimates and assumptions

The preparation of financial statements requires that the management of the Altrad Group makes estimates and adopts certain assumptions that can have an impact on the amounts of assets and liabilities in the consolidated balance sheet and the amounts of income and expenses on the profit and loss account. Subsequent actual results could therefore substantially differ from the estimates adopted by the Group according to the different conditions on the completion date.

The accounting estimates used in the preparation of the financial statements at August 31, 2015 were made, like last year, in a context of economic crisis, causing some difficulty in assessing the economic outlook.

The estimates and assumptions concern, in particular:

- Goodwill impairment tests (IAS 36), sensitive to assumptions used to forecast future cash flows and for the discount rate (see Note 4);

- Calculation of the impact of under-activity on the measurement of the production cost of inventories and on the overall burden of under-activity on a separate line (see Note 1.4);

- The estimate of provisions for risks and charges related to ongoing litigation and restructuring plans (see Note 16);

- The evaluation of bad debt provision (see Note 9) and inventories (see Note 8);

- The recoverability of deferred tax assets related to the probable future utilisation of available tax losses (see Note 7.3).

2.3 Accounting principles

2.3.1 Balance sheet elements

Business combinations and goodwill

Upon an acquisition, the assets, liabilities and possible liabilities of the subsidiary are recognised at fair value in an allocation period of twelve months, and retroactively on the acquisition date. Any additional acquisition cost compared to the buyer's share in the fair values of identifiable assets and liabilities acquired is recognised as goodwill. Any negative difference between the acquisition cost and the fair value of identifiable net assets acquired is recognised in income in the year of acquisition.

Goodwill, assessed at its cost as described above, is, where appropriate, reduced by accumulated impairment losses. They are allocated by cash-generating units (CGU), are not depreciated and are subject to annual impairment tests. The accounting value of goodwill is compared to the fair value or value in use, whichever is higher. If this test confirms a loss in value, goodwill is written-down.

The assessment of the value in use is based on expected changes in cash flows discounted by cash-generating units, which correspond to the Group's subsidiaries.

The method extends over five years the cash flow of the following year's budget according to a specific growth rate for each CGU, then to infinity according to a standard rate of 2%.

The assessment of the value in use is based on expected changes in cash flows discounted by cash-generating units, which correspond to the Group's subsidiaries.

The discount rate used corresponds to the weighted average cost of capital for financial year 2014/2015, i.e. 10% (rate identical to the previous year).

Intangible fixed assets and property, plant and equipment

Land, buildings and industrial equipment are assessed at historical cost, less accumulated depreciation and impairment losses. The cost of assets may also include incidental expenses directly attributable to the asset. The Group has not retained any residual value for its capital assets. Industrial assets are supposed to be used until the end of their life and it is not generally planned to sell them.

The depreciation of property, plant and equipment is calculated on a straight-line basis according to the components and estimated useful lives.

	Décomposition par composants	Durée d'amortissement
IMMOBILISATIONS INCORPORELLES		
Frais de développement		3 à 5 ans
Concessions, brevets, licences		1 à 11 ans
Autres immobilisations incorporelles		1 à 5 ans
IMMOBILISATIONS CORPORELLES		
Constructions :		
- Structure (gros œuvre)	60%	17 à 60 ans
- Façades, étanchéité	15%	15 à 20 ans
- Installations générales & techniques	15%	10 à 15 ans
- Agencements	10%	5 à 10 ans
Robots de soudure :		
- Générateur	7%	7 ans
- Autres	93%	15 ans
Cabine de peinture :		
- Cabine	75%	15 ans
- Automate & électronique	25%	10 ans
Installations techniques et matériels		5 à 15 ans
Matériel de transport		7 mois à 5 ans
Autres immobilisations		2 à 15 ans

Finance lease and operating lease

Assets covered by a finance lease that effectively transfer the benefits and risks of ownership to the Group are recorded as assets under property, plant and equipment. These assets are measured at the fair value of the leased property or, if it is lower, at the present value of the minimum payments under the lease. In return, an equivalent liability in leasing debts is recognised, broken down into short term and long term portion. These assets are depreciated using the straight-line method and useful life applied by the Group to other similar assets it owns or, if it is shorter, the term of the finance lease.

Operating lease costs are recognised as expenses in the income statement.

Non-current financial assets

They include securities available for sale and other securities as well as other non-current assets: long-term loans, deposits and guarantees.

Impairment of assets

Property, plant and equipment are impaired when there exists an indication of loss of value or a decrease in estimated future cash flows from the use of these assets. An assessment at their fair value is then performed by an independent expert and the higher value between the fair value or value in use is then retained.

Assets and liabilities held for sale

Assets and liabilities immediately available for sale are classified in assets and liabilities held for sale. Assets held for sale are measured at the lower between the carrying amount and fair value less costs to sell. Tangible assets held for sale are no longer depreciated.

Associates

Associates are interests in which the Group has significant influence (generally when the Group has a stake of more than 20%) but has no control.

Associates are consolidated using the equity method. Under the equity method, the net assets and net profit of a company are recognised pro rata to the interest held by the parent company in the capital.

Joint Ventures

Joint ventures are partnerships in which the Group has joint control with one or more partners through a contractual agreement giving it rights to the net assets of the entity.

Joint ventures are consolidated using the equity method. Under the equity method, the net assets and net profit of a company are recognised pro rata to the interest held by the parent company in the capital.

Trade receivables

Trade receivables are recognised for the amount initially invoiced, less any provisions for the write-down of non-recoverable amounts.

Inventories

In accordance with IAS2, inventories are measured at the lower level between the cost and net realisable value, according to the "first in, first out" method. The net realisable value is the estimated sale price in the normal course of business less estimated costs of completion and the estimated costs necessary to make the sale.

Deferred taxes

They are recognised using the balance sheet liability method for all temporary differences existing at the balance sheet date between the tax base of assets and liabilities and their carrying amount in the balance sheet, unless they result from differences between the carrying value of an asset or liability and its tax value resulting from the initial recognition of an asset or liability from a transaction that is not a business combination or which, at the date of the transaction, does not affect taxable income.

Deferred tax assets corresponding to temporary differences or loss carryforwards are recognised to the extent that it is probable that a tax profit will be available and against which these elements can be charged.

These deferred taxes are not discounted in accordance with IAS12.

Under the liability method, deferred taxes are calculated at the latest tax rate enacted at the balance sheet date and applicable to the reversal period for temporary differences, i.e. at August 31, 2015:

Country	2014/2015	2013/2014
Abu Dhabi	0,0%	-
Germany	30,0%	30,0%
Australia	30,0%	-
Austria	25,0%	25,0%
Bahrain	0,0%	-
Belgium	33,99%	33,99%
China	25,0%	25,0%
Croatia	20,0%	20,0%
Spain	25,0%	30,0%
France	34,43% ou 33,33%	34,43% ou 33,33%
Hong Kong	16,50%	16,50%
Hungary	10,0%	10,0%
Ireland	27,5%	-
Italy	31,40%	31,40%
Lithuania	15,0%	-
Oman	12,0%	-
Netherlands	25,0%	25,0%
Poland	19,0%	19,0%
Portugal	25,5%	25,0%
Qatar	10,0%	-
Romania	16,0%	16,0%
United Kingdom	20,0%	20,0%
Saudi Arabia	20,0%	-
Singapore	17,0%	-
Slovenia	17,0%	17,0%
Thailand	20,0%	-
Tunisia	10,0%	0,0%

The tax rates of the countries of the Hertel sub-group are not specified for financial year 2013/2014, as the acquisition was made in 2014/2015.

Net financial debt

Long-term financial debts: they include long-term bank loans and bonds along with liabilities related to finance leases. Regarding borrowing costs, the simplified method permitted by IFRS is applied: transaction fees are depreciated on a straight-line basis and interest expenses are recognised based on the variable rate observed, the additional margin rate being estimated steady over the remaining term of the structured financing.

Short-term financial debts: they include the short-term portion of borrowings and current bank overdrafts.

Cash and cash equivalents: they consist mainly of bank accounts and risk-free cash investments with a maturity of less than 3 months.

Interest-rate derivatives

The Group uses derivative financial instruments to manage and hedge its exposure to changes in interest rates on money borrowed through a structured loan. These instruments are mainly swaps, caps and tunnels, exchanging variable rates against fixed rates. Derivative financial instruments are measured at fair value at the balance sheet date and according to the market positions evaluated by our financial partners and reviewed by the Group.

The instruments, which are not classified as hedging instruments within the meaning of the criteria defined by IAS 32/39, are recognised in the balance sheet at fair value and changes are recorded in the income statement under "other financial income" and "other financial expenses".

Instruments classified as hedging instruments within the meaning of the criteria defined by IAS 32/39, are recognised in the balance sheet at fair value and changes are recorded in equity for the effective portion. The ineffective portion is recognised in the income statement under "other financial income" and "other financial expenses".

Borrowing costs

In the absence of qualifying assets, borrowing costs are recognised as an expense in the period in which they are incurred.

Employee benefits

Defined benefit plans: the Group's commitments relating to pension and retirement benefits are calculated using the method of projected unit credit upon retirement, taking into account the economic conditions observed and collective agreements and local regulations.
Actuarial gains and losses arising from changes in actuarial assumptions from one period to another in the valuation of commitments are recognised in other comprehensive income, in accordance with IAS19 as revised.

Defined contribution plans: contributions paid under a defined contribution plan are recognised as expenses for the financial year.

Specific social benefits, such as termination benefits in accordance with specific agreements or national legal and regulatory provisions, are subject to a provision.

Provisions for risks and charges

A provision is recorded when there is a legal or implied obligation towards a third party, resulting from past events, which can be reliably estimated and will ultimately result in an outflow of resources.

A provision for onerous contracts is recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provision is measured at the current value of the lower amount between the expected costs for the termination of the contract and the estimated net costs for the completion of the contract. Before the provision is established, the Group recognises any impairment loss on the assets associated with this contract.

These provisions are discounted if the impact is significant. Provisions recorded during the year by the Group have not been discounted, apart from those concerning termination benefits recognised in accordance with IAS19 (see Note 17).

2.3.2 Items of the income statement

Income from ordinary activities

It is recognised when the transfer of risks and benefits inherent to ownership is made to a third party, or according to the percentage of completion method, in accordance with IAS18. This income is recognised net of price reductions, rebates, discounts, annual flat-rate discounts and cash discounts granted.

Long-term contracts

The income from construction contracts and their associated costs are recognised respectively in revenue and expenses depending on the stage of completion of the activity of the contract on the balance sheet date of the period presented.

The income of the contract includes the initial amount agreed in the contract plus changes in the works of the contract, claims and incentive payments, insofar as it is probable that they will result in income and that they can be reliably measured.

The costs correspond to all expenses directly related to specific projects and an allocation of fixed and variable overhead expenses generated in the Group's contractual activities based on a normal operating capacity.
The margin achieved at the stage of completion is recorded only when it can be reliably measured. When it is probable that the total costs of the contract will exceed the revenue, the expected loss is immediately recorded as expenses.

The stage of completion is measured:

- Either by the ratio between the costs incurred for work performed up to the date considered and the total estimated costs of the contract
- Or by physical measures or studies to assess the volume of work or services performed.

Sales of used equipment from the rental stock

In the consolidated income statement, income from the sale of used equipment initially leased to customers is recognised in income from ordinary activities. The net book value of these assets is recognised under costs of materials and goods consumed.

In the cash flow table, sales of used equipment impact the net cash flow generated by the activity.

Restructuring costs and treatment of under-activity

The continuing economic crisis has led to the restructuring and reorganisation of the activity to adapt the production tool to the new constraints of the market. However, by comparison between the actual activity and the normal activity, some of the group's entities are still subject to under-activity costs.

The effects of the under-activity have been quantified and restated in the consolidated accounts as indicated below, as in the previous year. The under-absorption of fixed costs in a production company of the Altrad Group can therefore be measured according to the evolution of the quantities produced.

The overall fixed cost of under-activity is determined according to the following formula:

Fixed costs x [1-((Quantity produced in N / Maximum productive capacity)/Standard rate)]

Where:

- fixed costs, by opposition to variable costs, are costs which do not vary according to the level of activity;

- the quantity produced in N is expressed in tonnes or units;

- the maximum productive capacity corresponds to the quantity (expressed in tonnes or units) which would be produced by 3 teams each working 5 days out of 7 for 8 hours;

- the standard rate means the maximum utilisation rate of the production site taking into account the ongoing restructuring and weighted by the vagaries or technical restrictions than can intervene in the production process.

Restructuring costs include:

- personnel costs: economic redundancy payments, costs of settlements with employees for their departure, partial unemployment costs
- site closure costs which include the cost of equipment, termination costs.

Other non-current income and expenses

To facilitate communication on its level of recurring operating performance, and in accordance with CNC Recommendation n° 2009-R-03 of July 2, 2009, the Group has chosen to present an intermediate line in the profit and loss account entitled "Current operating income", allowing to isolate the impact of non-recurring operating income and expenses, corresponding to unusual and infrequent events.

Earnings per share

Earnings per share are presented in accordance with IAS33 "Earnings per share". The basic earnings per share is calculated by dividing the profit or loss attributable to the company's shareholders by the average weighted number of ordinary shares outstanding during the period.

The diluted earnings per share is calculated by dividing the net result attributable to owners of the Group's parent company adjusted by the weighted average number of shares outstanding during the period, plus any potential dilutive ordinary shares.

Potential dilutive ordinary shares include the OBSA and ORA issued by the Group during the year.

2.3.3 Cash flow statement

The cash flow statement is presented in accordance with IAS7 "Cash flow statement" and provides a breakdown of cash flows between operational activities, investment activities and financing activities.

2.3.4 Translation of foreign currency transactions

The consolidated financial statements are presented in Euros which is the operating currency of the Group's parent company.

The accounts of foreign subsidiaries whose operating currency is different from that of the parent company are translated according to the closing rate method:

- the assets and liabilities are translated into Euros at the exchange rate prevailing at the balance sheet date;
- equity is translated at historical rates;
- the income statement and cash flow statement items are translated into Euros at average rates for the period.

Translation differences arising from the application of this method are shown in a separate equity item.

Transactions in foreign currency are converted into Euros by applying the exchange rate in force on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into Euros at the exchange rate prevailing at the balance sheet date, the resulting exchange differences are recognised in the income statement as gains or losses.

Below are the exchange rates of currencies at August 31, 2015:

(in Euros)		Opening rate	Average rate	Closing rate
CNY	Chinese renminbi yuan	0.123429	0.139138	0.139706
GBP	British pound sterling	1.257387	1.339894	1.374514
HKD	Hong Kong dollar	0.097840	0.111354	0.115048
HRK	Croatian kuna	0.131216	0.131116	0.132398
HUF	Hungarian forint	0.003174	0.003238	0.003178
PLN	Polish zloty	0.237130	0.239977	0.236468
RON	Romanian leu	0.226937	0.225324	0.225698
TND	Tunisian dinar	0.435909	0.453945	0.457102
USD	US dollar	0.758265	0.863428	0.891663

2.4 Changes made to the balance sheet and consolidated income statement initially published for the financial year ended August 31, 2014

2.4.1 Finalisation of the allocation of fair values relating to first-time consolidations N-1

Definitive allocation of the TRAD goodwill

The Group strengthened its presence in the UK through the acquisition, on September 30, 2013, of the Trad Group (Trad H&S and Trad Group), an English group specialising in the sale of scaffolding, rental and associated services, respectively for 75.5% and 84%.

At August 31, 2014, the allocation of the fair values of assets and liabilities acquired, and the final calculation of goodwill, had not been finalised within the 12-month time limit granted by IFRS3. Therefore, the provisional goodwill was positive and amounted to 32.7 M€ with a put option on minority interests recognised in liabilities for an amount of 27.3 M€, in exchange for the full consolidation of the two sub-groups Trad Group and Trad H&S.

On the acquisition date, the TRAD HIRE & SALES had 1,686 K€ in existing cash and no outstanding bank overdrafts.

The finalisation of the evaluation of fair values of assets and liabilities acquired resulted in a final goodwill of 17.5 M€.

(in M€)	
Provisional goodwill	32,74
Price supplement	2,50
Allocation at fair value of the Trad Brand	(23,89)
Deferred tax	4,78
Translation adjustement	1,37
Final goodwill	17,49

The brand was valued using the royalty method, based on a royalty rate of 2% and a discount rate of 10% and an indefinite life. Therefore, it is not amortised and is subject each year to an impairment test.

Definitive allocation of the Profix goodwill

On March 18, 2014, Altrad Balliauw (Belgium) enhanced its service offering with the acquisition of 100% of the Profix Group, specialised in insulation and painting work in industrial units in the Benelux sector.

At August 31, 2014, the allocation of the fair values of assets and liabilities acquired, and the final calculation of goodwill, had not been finalised within the 12-month time limit granted by IFRS3. Therefore, the provisional goodwill was positive and amounted to 2.2 M€.

It is recalled that the acquisition cost of the securities amounted to 1 M€ and the contract provides for a maximum price supplement of 2 M€ payable in September 2014, 2015, 2016 and 2017 depending on the level of EBITDA reached.

On the acquisition date, the PROFIX GROUP had 127 K€ in existing cash and (720) M€ in outstanding bank overdrafts.

The finalisation of the evaluation of fair values of assets and liabilities acquired resulted in a final goodwill of 2,080 K€ at 31/08/2015 due to:

- a decrease in the price supplement which went from 2 M€ to 1 M€, as the reference level of EBITDA was not reached

- the correction in the opening balance sheet to reflect the provision for LT contracts with negative margins of 1.1 M€, part of which was reversed over financial year 2014 for a net amount of 193 K€.

2.4.2 Corrections of the opening balance

2.4.2.1 Restatement of finance leases for commercial vehicles

The Group continued its preparation of an exhaustive inventory of commercial vehicles which are the subject of a finance lease under which the benefits and risks inherent to ownership of the property is effectively transferred to the Group. During this work, a certain number of contracts that meet the criteria of IAS 17 and not restated were identified. The consolidated financial statements at August 31, 2014 were corrected to take the restatement of these finance leases into account. The impacts were:

- in the balance sheet:
  - increase in shareholders' equity: 1.1 M€
  - increase in net property, plant and equipment: 5.2 M€
  - new borrowings: 3.8 M€
  - increase in deferred taxes: 238 K€

- in the income statement:
  - cancellation of fees: 641 K€
  - increases in depreciation charges: -110 K€
  - increase in financial charges: -280 K€
  - decrease in the tax expense: -55 K€

2.4.2.2 Other corrections

The margin rates of intragroup sales of stocks for Mostostal achieved at 31/08/2014 were readjusted. This adjustment was corrected this year in the opening balance sheet. In the balance sheet, the impacts are the decrease in stocks of -755 K€ and, in the result, a decline in purchases consumed of 755 K€, with a tax effect of 227 K€.

The amounts of provisions for pension commitments of the following companies: Poujaud, Comi Service at 31/08/2014 were readjusted to take into account the funds managed by the insurer Generali. The impacts in the balance sheet are a decrease in liabilities of employee benefits of 580 K€.

The comparative financial statements at August 31, 2014 have therefore been corrected by the impacts and allocations outlined above. The table below shows the transition from the accounts at August 31, 2014 initially published to the corrected accounts:

Income statement (in thousands of euros)	31/08/14 published	Correction of the opening balance	31/08/14 restated
Revenue from current activities	**860 803**		**860 803**
Cost of raw materials and merchandises	(326 072)	(755)	(326 827)
Personnel costs	(261 094)		(261 094)
General expenses	(141 238)	641	(140 597)
Depreciations and amortizations	(43 614)	183	(43 431)
Current operating profit	**88 785**	**69**	**88 854**
Other non-recurring revenues and expenses	(3 782)		(3 782)
Restructuring and underactivity costs	(13 161)		(13 161)
Operating profit	**71 842**	**69**	**71 911**
		-	
Income from cash and cash equivalents	1 345		1 345
Cost of gross financial debt	(11 942)	(280)	(12 222)
Cost of net financiel debt	**(10 597)**	**(280)**	**(10 877)**
Other financial products	1 088		1 088
Other financial expenses	(784)		(784)
		-	
Profit before tax from continuing operations	**61 549**	**(211)**	**61 338**
		-	
Income tax expense	(12 092)	72	(12 020)
		-	
Profit for the year from continuing operations	**49 457**	**(139)**	**49 318**
Profit/(loss) after tax for the year from discontinued operations		-	
Profit for the year	**49 457**	**(139)**	**49 318**
Non-controlling interests	***53***	***-***	***53***
Equity holders of the parent	***49 404***	***- 139***	***49 265***
Basic, profit for the year attributable to ordinary equity holders of the parent	***14,63***		***14,59***
Basic, profit from continuing operations attributable to ordinary equity holders of the parent	***14,63***		***14,59***
Diluted, profit for the year attributable to ordinary equity holders of the parent	***14,63***		***14,59***
Diluted, profit from continuing operations attributable to ordinary equity holders of the parent	***14,63***		***14,59***

Consolidated comprehensive income statement

(In thousands of euros)	31/08/14 published	Correction of the opening balance	31/08/14 restated
Consolidated net profit	**49 457**	**(139)**	**49 319**
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**7 637**	**251**	**7 888**
Exchange differences on translation of foreign operations	7 555	251	7 806
Net gain on hedge of a net investment - gross value	125		125
Net gain on hedge of a net investment - tax effect	(43)		(43)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	**(289)**	**365**	**76**
Remeasurement gains (losses) on defined benefit plans - gross val	(350)	566	216
Remeasurement gains (losses) on defined benefit plans - tax effect	61	(201)	(140)
Total des autres éléments du résultat global	**7 348**	**616**	**7 348**
Total comprehensive income for the year, net of tax	**56 806**		**57 282**
Attributable to:			
Equity holders of the parent	***56 771***		***57 247***
Non-controlling interests	***35***		***35***

ASSETS (in thousands of euros)	31/08/14 published	Finalisation of PPA N-1	Correction of the opening balance	31/08/14 restated
Intangible assets	56 340	23 890		80 231
Goodwill	166 729	(16 739)		149 990
Property, plant and equipment	246 994		5 229	252 223
Non-current financial assets	2 826			2 826
Deferred tax assets	6 131	418	(72)	6 477
other non-current assets				
Non-current assets	**479 021**	**7 569**	**5 157**	**491 747**
Inventories	116 796		(755)	116 041
Trade and other receivables	215 440	(103)		215 337
Income tax receivable	645			645
Other current assets	32 134			32 134
Short-term deposits	49 574			49 574
Cah	94 590			94 590
Current assets	**509 178**	**(103)**	**(755)**	**508 320**
Assets held for distribution	1 549			1 549
Total assets	**989 749**	**7 466**	**4 402**	**1 001 617**

EQUITY & LIABILITIES (in thousands of euros)	31/08/14 published	Finalisation of PPA N-1	Correction of the opening balance	31/08/14 restated
Issued capital and other capital reserves	206 332	(390)	1 285	207 227
Foreign currency translation reserve	5 072	235		5 307
Profit for the period	49 405		(139)	49 266
Non-controlling interests	49			49
Total equity	**260 859**	**(155)**	**1 146**	**261 850**
Interest-bearing loans and borrowings, non-cu	244 273		3 892	248 165
Réserve fo social engagement, non-current	8 945		(580)	8 365
Reserve for others risks	5 900			5 900
Deferred tax liabilities	17 254	4 778	238	22 270
Other non-current liabilities	58 026	(500)		57 526
Non-current liabilities	**334 399**	**4 278**	**3 550**	**342 226**
Interest-bearing loans and borrowings, curren	76 882			76 882
Reserve for risks and social engagement, curre	16 298	1 128	(293)	17 133
Trade and other payables	199 061	2 215		201 276
Income tax payable	10 105			10 105
Other liabilities	92 145			92 145
Current liabilities	**394 491**	**3 343**	**(293)**	**397 541**
Total liabilities	**728 890**	**7 621**	**3 257**	**739 768**
Total equity and liabilities	**989 749**	**7 466**	**4 403**	**1 001 617**

NOTE 3 SCOPE OF CONSOLIDATION

The companies over which the ALTRAD Group directly or indirectly has exclusive control are Fully Consolidated (FC).

At August 31, 2015, all companies are under exclusive control and are fully consolidated.

For the purposes of consolidation of the Altrad Group at August 31, 2015, the Hertel sub-group was considered as a sub-level. The consolidated financial statements of the Dutch parent company were directly included in the Altrad scope.

All Group companies close their accounts on August 31, with the exception of the SCI Les Prés Sapins, Gros Chêne and Financière de l'Ain, Belle Inc and Belle Equipos, whose financial year ends on December 31. An interim financial statement at August 31, 2015 was therefore been established for these 5 companies.

Under the law in force in the Asia region, the entities in the Hertel scope were unable to change their annual reporting date to August 31, 2015 but established an interim financial statement. As of financial year 2015/2016, they will establish their financial statements on August 31 of each year.

The duration of the financial year is 12 months for all consolidated companies, except for companies acquired during the year, i.e.:

- Hertel Group: financial year from January 1, 2015 to August 31, 2015 (8 months)

- Dessa: financial year from January 1, 2015 to August 31, 2015 (8 months)

All transactions, reciprocal assets and liabilities and significant intra-group income between fully consolidated companies are eliminated.

3.1 List of consolidated companies

Denomination	Currency	31/08/2015 Method	31/08/2015 Holding %	31/08/2015 Control %	31/08/2014 Method	31/08/2014 Holding %	31/08/2014 Control %
ALTRAD INVESTMENT AUTHORITY	EUR	Parent			Parent		
Allemagne							
ALTRAD BAUMANN	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD PLETTAC ASSCO	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD PLETTAC PRODUCTION	EUR	FC	100,00	100,00	FC	100,00	100,00
ATIKA **(9)**	EUR	FC	80,00	80,00	FC	80,00	80,00
LESCHA	EUR	FC	100,00	100,00	FC	100,00	100,00
Belgique							
ALTRAD BENELUX	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD HAVICO **(8)**	EUR				FC	100,00	100,00
GROUPE ALTRAD STELLINGBOUW BALLIAUW **(4)**	EUR	FC	100,00	100,00	FC	100,00	100,00
Espagne							
ALTRAD PLETTAC IBERICA	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD RODISOLA	EUR	FC	100,00	100,00	FC	100,00	100,00
France							
ALTRAD ARNHOLDT	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD COLLECTIVITES	EUR	FC	99,97	100,00	FC	99,97	100,00
ALTRAD EQUIPEMENT	EUR	FC	99,97	99,97	FC	99,97	99,97
ALTRAD ETAIS	EUR	FC	99,87	99,87	FC	99,87	99,87
ALTRAD FAMEA ECA	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD INDUSTRIE	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD INTERNATIONAL	EUR	FC	99,97	99,97	FC	99,97	99,97
ALTRAD LOGISTIQUE	EUR	FC	99,97	99,97	FC	99,97	99,97
ALTRAD PLETTAC	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD RICHARD FRAISSE	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD SAINT-DENIS	EUR	FC	99,89	99,89	FC	99,89	99,89
ALTRAD SOFRAMAT ETEM	EUR	FC	100,00	100,00	FC	100,00	100,00
AURORE	EUR	FC	100,00	100,00	FC	100,00	100,00
COMI DEVELOPPEMENT **(10)**	EUR				FC	100,00	100,00
COMI SERVICE **(10)**	EUR	FC	100,00	100,00	FC	100,00	100,00
ETABLISSEMENTS GUY NOËL	EUR	FC	100,00	100,00	FC	100,00	100,00
FINANCIERE GUY NOËL	EUR	FC	100,00	100,00	FC	100,00	100,00
GARRONE	EUR	FC	100,00	100,00	FC	100,00	100,00
GROUPE JALMAT **(5)**	EUR	FC	98,36	98,36	FC	97,40	97,40
GUY NOËL PRODUCTION	EUR	FC	100,00	100,00	FC	100,00	100,00
POUJAUD ALTRAD	EUR	FC	100,00	100,00	FC	100,00	100,00
POUJAUD SAS	EUR	FC	100,00	100,00	FC	100,00	100,00
SAMIA DEVIANNE	EUR	FC	99,95	99,95	FC	99,95	99,95
SCI FINANCIERE DE L'AIN	EUR	FC	100,00	100,00	FC	100,00	100,00
SCI GROS CHÊNE	EUR	FC	99,99	99,99	FC	99,99	99,99
SCI LES PRES SAPIN	EUR	FC	100,00	100,00	FC	100,00	100,00
SOCACEN	EUR	FC	100,00	100,00	FC	100,00	100,00
VEDIF COLLECTIVITES	EUR	FC	100,00	100,00	FC	100,00	100,00

Denomination	Currency	31/08/2015 Method	31/08/2015 Holding %	31/08/2015 Control %	31/08/2014 Method	31/08/2014 Holding %	31/08/2014 Control %
Italie							
ALTRAD Italie	EUR	FC	99,93	100,00	FC	99,93	100,00
BRAGAGNOLO	EUR	FC	100,00	100,00	FC	100,00	100,00
Pologne							
ALTRAD MOSTOSTAL **(2)**	PLN	FC	100,00	100,00	FC	100,00	100,00
ALTRAD POLAND (SPOMASZ)	PLN	FC	99,70	99,70	FC	99,70	99,70
Roumanie							
ALTRAD ROMANIA	RON	FC	100,00	100,00	FC	100,00	100,00
Royaume-Uni							
ALTRAD BEAVER 84 **(7)**	GBP	FC	100,00	100,00	FC	100,00	100,00
ALTRAD NSG **(6)**	GBP	FC	100,00	100,00	FC	100,00	100,00
GENERATION **(9)**	GBP	FC	80,00	80,00	FC	80,00	80,00
GROUPE ALTRAD BELLE **(3)**	GBP	FC	100,00	100,00	FC	100,00	100,00
MTD	GBP	FC	100,00	100,00	FC	100,00	100,00
TRAD GROUP **(9)**	GBP	FC	84,00	84,00	FC	84,00	84,00
TRAD HIRE & SALES **(9)**	GBP	FC	75,51	75,51	FC	75,51	75,51
DESSA **(1) (9)**	GBP	FC	60,00	60,00			
Hollande							
ALTRAD FORT	EUR	FC	100,00	100,00	FC	100,00	100,00
GROUPE HERTEL **(1) (11)**	EUR	FC	100,00	100,00			
Autres pays d'Europe							
ALTRAD ALUCON (Hongrie)	HUF	FC	100,00	100,00	FC	100,00	100,00
ALTRAD HOFMANINGER (Autriche)	EUR	FC	100,00	100,00	FC	100,00	100,00
ALTRAD LIMEX (Croatie)	HRK	FC	100,00	100,00	FC	100,00	100,00
ALTRAD LIV (Slovénie)	EUR	FC	100,00	100,00	FC	100,00	100,00
IRBAL (Portugal) **(9)**	EUR	FC	96,62%	96,50	FC	66,70	66,70
Autres pays du Monde							
ALTRAD ASIA	HKD	FC	80,00	80,00	FC	80,00	80,00
ALTRAD CEDRIA	TND	FC	100,00	100,00	FC	100,00	100,00

(1) Companies consolidated during the financial year ended August 31, 2015.

(2) The Altrad MOSTOSTAL Group includes the parent company Altrad Mostostal and its four Polish subsidiaries:

- Altrad-Mostostal Montaz in Siedlce, wholly-owned,
- Altrad-Konskie in Konskie, wholly-owned,
- Altrad-Pomorze in Szczecin, wholly-owned,
- Altrad-Prymat in Dzierzoniow, wholly-owned,

Its wholly-owned Russian subsidiary, Mostostal Altrad in Moscow, is no longer consolidated since August 31, 2006 as it is non-significant.

(3) The Altrad Belle sub-group consists of Belle holding Ltd and its 8 subsidiaries:

- Belle Engineering, in England, wholly-owned,
- ErruT in England, wholly-owned,
- Avon, in England, wholly-owned,
- Defiant, in England, wholly-owned,
- Panther, in England, wholly-owned,
- Belle, in the USA (Virginia), wholly-owned,
- Belle France, wholly-owned,
- Belle Equipos, in Spain, wholly-owned.

(4) The ALTRAD BALLIAUW BV sub-group includes the parent company ALTRAD BALLIAUW BV and:

- ALTRAD EUROSCAFF, in Belgium, wholly-owned,
- ALTRAD AnD, in Belgium, wholly-owned;
- the subsidiary ALTRAD BALLIAUW MULTISERVICES, in Belgium, wholly-owned;
- the subsidiary STEIGERBAUW BALLIAUW, in the Netherlands, wholly-owned;
- the PROFIX sub-group, in Belgium, all of whose shares were acquired on March 18, 2014 is composed of 3 subsidiaries (Altrad Profix-Belgium, Profix Flexible Solutions-Belgium, Altrad Profix Bv-Netherlands). Altrad Proscaff-Belgium merged with Altrad Balliauw Bv on August 31, 2015.

(5) Jalmat Group: The subsidiaries located in Morocco, Romania and Qatar at August 31, 2015 as at August 31, 2014, were not consolidated as they are considered non-significant for the Group.

(6) In its financial statements at August 31, 2015, ALTRAD NSG includes the financial position of SPECTRA SCAFFOLFING, wholly-owned since October 23, 2013.

(7) In its financial statements at August 31, 2015, ALTRAD BEAVER84 includes the financial position of the STAR EVENTS sub-group, wholly-owned since May 31, 2014.

(8) Altrad Havico: Company deconsolidated during the financial year due to its dissolution.

(9) In accordance with the accounting treatment adopted, the Group opted for the companies concerned, as of the takeover, for the recognition of a liability in the consolidated balance sheet in return for the non-recognition of minority interests.
At August 31, 2015, the unexercised options concerned the entities ATIKA, IRBAL, TRAD GROUP, TRAD HIRE & SALES, STAR EVENTS, GENERATION and DESSA.

(10) Comi Service absorbed Comi Developpement on June 10, 2015.

(11) The parent company of the HERTEL sub-group is HERTEL BEHEER BV. Here is the list of the subsidiaries in the sub-group:

Denomination	Method	Holding %
Abdullah Abdul Mohsen Al Khodari Sons and Hertel Industrial Services Company (L. L. C.), , Al-Khobar, Saudi Arabia	FC	50%
Hertel Asia Holding Pte Ltd., Singapore, Singapore	FC	100%
Hertel Australia Holding Pty, Malaga, Australia	FC	100%
Hertel Beheer B.V., Rotterdam, the Netherlands	FC	100%
Hertel B.V., Rotterdam, the Netherlands	FC	100%
Hertel Corrosion Protection Pte Ltd, Singapore, Singapore	FC	100%
Hertel GmbH Dresden, Dresden, Germany	FC	51%
Hertel GmbH Germany, Leipzig, Germany	FC	100%
Hertel GmbH Heide i.l., Leipzig, Germany	FC	100%
Hertel GmbH Leipzig, Leipzig, Germany	FC	100%
Hertel Industrie Service GmbH, Lingen, Germany	FC	100%
Hertel GmbH, Essen, Germany	FC	100%
Hertel Holding (Thailand) Co. Ltd., Bangkok, Thailand	FC	100%
Hertel Industrial Services B.V., Rotterdam, the Netherlands	FC	100%
Hertel (Ireland) Ltd., Limerick, Ireland	FC	100%
Hertel Libya Joint Venture for Oil Services, Tripoli, Libya	FC	65%
Hertel LLC, Muscat, Oman	FC	70%
Hertel Lux SA i.l., Luxemburg, Luxemburg	FC	100%
Hertel Malaysia Sdn Bhd, Kuala Lumpur, Malaysia	FC	100%
Hertel Mechanical N.V., Wijnegem, Belgium	FC	100%
Hertel Middle East Holding Ltd., Dubai, United Arab Emirates	FC	100%
Hertel Modern Pty. Ltd, Malaga, Australia	FC	100%
Hertel W.L.L., Riffa Alhajiyat, Bahrain	FC	80%
Hertel MSL L.L.C., Doha, Qatar *	FC	49%
Hertel Services France SAS. i.l. , Gravelines, France	FC	100%
Hertel Services N.V., Wijnegem, Belgium	FC	100%
Hertel Singapore Pte Ltd., Singapore, Singapore	FC	100%
Hertel (UK) Ltd, Middlesbrough, United Kingdom	FC	100%
Kok Chang Engineering Pte Ltd., Singapore, Singapore	FC	60%
Kok Chang Marine Services Pte Ltd., Singapore, Singapore	FC	60%
Kok Chang Scaffolding Pte Ltd., Singapore, Singapore	FC	60%
MWL Apparatebau GmbH Grimma i.l., Leipzig, Germany	FC	100%
Overseas Technical Coatings & Services Company (L.L.C.), Damman, Saudi Arabia	FC	100%
PT AHI Industrial Services, Batam Kota, Indonesia	FC	100%
Remove Insul N.V., Ronse, Belgium	FC	100%
RI Tracing GmbH, Aachen, Germany	FC	100%
S&P Gerüstbau GmbH, Essen, Germany	FC	100%
SC Hertel Industrial Services SRL, Dragomiresti, Romania	FC	95%
SC Hertel SRL, Dragomiresti, Romania	FC	100%
Shanghai Hertel Yanda Installation Enginineering Co.Ltd., Shanghai, China	FC	51%
UAB Armari, Klaipeda, Lithuania	FC	100%
Willich Service & Construction Co. Ltd., Bangkok, Thailand	FC	100%
Willich Vietnam Insulation Service Co. Ltd.	FC	60%
AMB-Hertel LLC, Abu Dhabi, United Arab Emirates	Investment in associates	49%
HESP Services B.V., Amsterdam, the Netherlands	Investment in associates	50%
KSE Bautenschutz, Leipzig, Germany	Investment in associates	25%

3.2 Changes in the consolidation scope

3.2.1 Changes in scope during financial year 2014/2015

Financial year 2014/2015 recorded the following changes in scope:

Acquisition of the Hertel Group

On March 16, 2015, Altrad announced a major operation which changes the dimension of the Group: the acquisition of Hertel, a world leader in the fields of access solutions, insulation, corrosion protection and the maintenance of mechanical systems. Hertel's offshore living quarters installation activities are not included in the transaction and will continue separately under a different name. The acquisition became final on June 12, 2015, after obtaining the required authorisation from the Belgian, Dutch and German merger control authorities, and after consultation of Hertel BV's Works Council. Hertel is composed of a Dutch holding, Hertel Holding, now wholly-owned by the Altrad Group, and operating companies.

The acquisition cost of the securities amounted to 181.3 M€ (plus 0.9 M€ in acquisition costs recorded as expenses over the year) and the provisional allocation of the fair values of assets and liabilities acquired resulted in the recognition at August 31, 2015 of the following elements:

- Goodwill for an amount of 94.2 M€
- Brand for an amount of 150 M€ i.e. 111.8 M€ net of deferred taxes

The final calculation of goodwill will be finalised in accordance with the 12-month period granted by IFRS3. On the acquisition date, the Hertel Group had 22.2 M€ in existing cash.

Furthermore, the opening balance recorded in the Altrad scope was corrected for an amount of 153 M€ (cumulative impact on the net position), to reflect the cancellation of existing goodwill in the Hertel Group, the exclusion of off-shore activities not taken over by Altrad, the harmonisation of accounting practices and in particular the depreciation periods of scaffolding equipment (34.3M€), restructuring provisions (55.4M€), and provisions for doubtful accounts (6.3M€) and contract losses (13,5M€).

The contribution of the Hertel Group to the consolidated turnover and profit amounted respectively at August 31, 2015 to 620 M€, and to +23.7 M€.

Acquisition of DESSA

Trad and Generation, our two subsidiaries which rent and sell scaffolding in the United Kingdom, jointly conducted the acquisition of Dessa in January 2015, each for 30%. Dessa is a small company specialised in the design and sale of innovative lightweight temporary roofing systems which are compatible with Plettac scaffolding systems.

The acquisition cost of the securities amounted to 1.363 K£ (686 K£ GENERATION and 677 K£ TRAD HS) and the corresponding goodwill was provisionally assessed at August 31, 2015 at 1,457 K£ (728 K£ GENERATION and 729 K£ TRAD HS). The allocation of the fair values of assets and liabilities acquired, and the final calculation of goodwill, have not been finalised and will be, within the 12-month time limit granted by IFRS3. On the acquisition date, DESSA had -434 K£ in existing cash.

In accordance with Group standards, the option to buy out the minority shareholders, provided for in the shareholders' agreement, was subject to the recording of a liability of 800 K£ in return for an ownership percentage of 100% (instead of 60%).

The contribution of DESSA to the consolidated turnover and profit, group share, amounted respectively at August 31, 2015 to 796 K€, and to 354 K€.

Exercise of the option to buy out IRBAL's minority shareholders

On July 30, 2015, the Group negotiated the takeover of the part of the stake of the minority shareholder for 29.8%, bringing its stake to 96.5%.

In accordance with Group standards, the option to buy out the minority shareholders, provided for in the shareholders' agreement, was subject to a recognition of debt in return for an ownership percentage of 100% (instead of 66.7%) upon the acquisition. At August 31, 2015, the balance of the liability corresponding to minority interests not acquired amounted to 400 K€.

3.2.2 Changes in scope during financial year 2013/2014

Financial year 2013/2014 recorded the following changes in scope:

Acquisition of the TRAD GROUP

The Group strengthened its presence in the UK through the acquisition, on September 30, 2013, of the Trade Group, an English group specialising in the sale of scaffolding, rental and associated services, for 84 %.

The acquisition cost of the securities amounted to 21,909 K€ and the corresponding goodwill was provisionally assessed at August 31, 2014 at 9,720 K€. The allocation of the fair values of assets and liabilities acquired, and the final calculation of goodwill, had not been finalised and were so within the 12-month time limit granted by IFRS3. On the acquisition date, TRAD GROUP had 792 K€ in existing cash.

The contribution of TRAD GROUP to the consolidated turnover and profit amounted respectively at August 31, 2014 to 24,154 K€, and to 2,095 K€.

In accordance with Group standards, the option to buy out the minority shareholders, provided for in the shareholders' agreement, was subject to a recognition of debt (6.3 M€) in return for an ownership percentage of 100% (instead of 84%).

At August 31, 2015, this debt was readjusted according to the data for financial year 2014/2015. The debt therefore stood at (7.3 M€) at August 31, 2015 compared to (6.3 M€) at the start of the year. The difference was recorded in the reserves, Group share.

See 2.4.1 Finalisation of the allocation of fair values relating to first-time consolidations N-1

Acquisition of the TRAD HIRE & SALES Group

The Group strengthened its presence in the UK through the acquisition, on September 30, 2013, of Trad Hire & Sales, an English group specialising in the sale of scaffolding, rental and associated services, for 75.5%.

The acquisition cost of the securities amounted to 15,715 K€ and the corresponding goodwill was provisionally assessed at August 31, 2014 at 23,020 K€. The allocation of the fair values of assets and liabilities acquired, and the final calculation of goodwill, had not been finalised and were so within the 12-month time limit granted by IFRS3. On the acquisition date, TRAD HIRE & SALES had 1,686 K€ in existing cash.

The contribution of TRAD HIRE & SALES to the consolidated turnover and profit amounted respectively at August 31, 2014 to 51,471 K€, and to 6,421 K€.

In accordance with Group standards, the option to buy out the minority shareholders, provided for in the shareholders' agreement, was subject to a recognition of debt (21 M€) in return for an ownership percentage of 100% (instead of 75.5%).

At August 31, 2015, this debt was readjusted according to the data for financial year 2014/2015. The debt therefore stood at (28.5 M€) at August 31, 2015 compared to (21 M€) at the start of the year. The difference was recorded in the reserves, Group share.

See 2.4.1 Finalisation of the allocation of fair values relating to first-time consolidations N-1

Acquisition of the PROFIX Group

On March 18, 2014, Altrad Balliauw enhanced its service offering with the acquisition of 100% of the Profix Group, specialised in insulation and painting work in industrial units in the Benelux sector.

The acquisition cost of securities amounted to 1,000 K€ and the contract provides for a maximum price supplement of 2,000 K€ payable in September 2014, 2015, 2016 and 2017 depending on the level of EBITDA reached. At August 31, 2014, the corresponding goodwill was provisionally assessed at 2,208 K€. The allocation of the fair values of assets and liabilities acquired, and the final calculation of goodwill, had not been finalised and were so within the 12-month time limit granted by IFRS3. On the acquisition date, the PROFIX GROUP had 127 K€ in existing cash and (720) M€ in outstanding bank overdrafts.

The contribution of the PROFIX GROUP to the turnover and consolidated profit amounted respectively at August 31, 2014 to 13,294 K€, and to 160 K€.

The calculation of the definitive goodwill was finalised and amounted to 2,080 K€ at 31/08/2015.

See 2.4.1 Finalisation of the allocation of fair values relating to first-time consolidations N-1

Acquisition of SPECTRA SCAFFOLDING

On October 23, 2013, the English subsidiary Altrad NSG acquired 100% of the entity Spectra Scaffolding, to expand its commercial network.

The acquisition cost of the securities amounted to 240 KGBP and the corresponding goodwill was provisionally assessed at August 31, 2014 at 200 KGBP. The allocation of the fair values of assets and liabilities acquired, and the final calculation of goodwill, within the 12-month time limit granted by IFRS3, did not give rise to any adjustment of the provisional goodwill. On the acquisition date, Spectra Scaffolding had 23 KGBP in existing cash.

Acquisition of the STAR EVENTS group

On May 31, 2014, Altrad Beaver84 expanded its product range with the acquisition of 70% of Star Events for an amount of 365 KGBP, specialised in the hire of event equipment, such as stages, seating, etc.

At August 31, 2014, the provisional goodwill was negative and amounted to 330 KGBP. The allocation of the fair values of assets and liabilities acquired, and the final calculation of goodwill, within the 12-month time limit granted by IFRS3, did not give rise to any adjustment of the provisional goodwill.

On the acquisition date, STAR EVENTS had 400 KGBP in existing cash.

In accordance with Group standards, the option to buy out the minority shareholders, provided for in the shareholders' agreement, was subject to a recognition of debt (201 K€) in return for an ownership percentage of 100% (instead of 70%).

The contribution of STAR EVENTS to the consolidated turnover and profit amounted respectively at August 31, 2014 to 3,045 KGBP, and to (113) KGBP.

Recognition of the option to buy out Generation's minority shareholders

At August 31, 2014, the option to buy out the minority shareholders (20%) of Generation, provided for in the shareholders' agreement, was assessed and recognised in liabilities for an amount of 26,951 K€ in return for an ownership percentage of 100% (instead of 80%).

At August 31, 2015, this debt was readjusted according to the data for financial year 2014/2015. The debt therefore stood at 50.6 M€ at August 31, 2015 compared to 26.9 M€ at the start of the year.

Exercise of the option to buy out Altrad Limex's minority shareholders

In accordance with the shareholders' agreement signed on the creation of Altrad Limex, in Croatia, the Group acquired, on September 9, 2013, for an amount of 1.4 M€, the stake of the minority shareholder, i.e. 30% of the company's capital, bringing its stake to 100 %.

In accordance with Group standards, the option to buy out the minority shareholders, provided for in the shareholders' agreement, was subject to a recognition of debt in return for an ownership percentage of 100% (instead of 70%) upon the acquisition. This debt was repaid at August 31, 2014.

Exercise of the option to buy out Altrad Bragagnolo's minority shareholders

On September 20, 2013, the Group negotiated the takeover of the stake of the minority shareholder (20%) for an amount of 122 K€, bringing its stake to 100 %.

In accordance with Group standards, the option to buy out the minority shareholders, provided for in the shareholders' agreement, was subject to a recognition of debt in return for an ownership percentage of 100% (instead of 80%) upon the acquisition. This debt was repaid at August 31, 2014.

Recognition of the option to buy out Jalmat's minority shareholders

Following the acquisition of 60% of the Jalmat Group on September 6, 2012, the minority shareholder owning 37.4% wished to sell its stake. On September 30, 2013, the Group negotiated this takeover for a flat-rate value of 3.9 M€ and thus held, after the transaction, 97.4% of the Jalmat Group.

In accordance with Group standards, the option to buy out the minority shareholders, provided for in the shareholders' agreement, was subject to a recognition of debt in return for an ownership percentage of 100% (instead of 60%) upon the acquisition. This debt was repaid at August 31, 2014.

Exercise of the option to buy out Poujaud Altrad's minority shareholders

Following the partial takeover of the Poujaud Group in February 2012, the Altrad Group acquired the additional stake, i.e. 45% of the Poujaud Altrad Group on October 15, 2013, for a total amount of 26 million Euros, and became owner of the entire share capital.

In accordance with Group standards, the option to buy out the minority shareholders, provided for in the shareholders' agreement, was subject to a recognition of debt in return for an ownership percentage of 100% (instead of 55%) upon the acquisition. This debt was repaid at August 31, 2014.

3.2.3 Exclusions from the scope of consolidation

The prior exclusions remain, i.e.:

- two non-significant subsidiaries with no activity of Altrad Baumann,
- the Moscow subsidiary of Altrad Mostostal, excluded from the Polish sub-consolidation as of August 31, 2006 given the non-significant nature of the entity,
- PREMIX, a distribution subsidiary held at 45% by Irbal (Angolan company).
- three non-significant subsidiaries with no activity belonging to Generation
- three non-significant subsidiaries of the JALMAT Group

Some companies of the Hertel sub-group were not consolidated due to their non-significant nature.

NOTE 4 GOODWILL

in K€	Gross	Amortisation Impairment	Net
Balance at 31/08/2014	**150 692**	**-702**	**149 990**
Price adjustment on earlier acquisitions	-	-	-
Changes in scope during the year	96 032		96 032
Impact of exchange rate fluctuations	5 850	-	5 850
Other	877	-	877
Balance at 31/08/2015	**253 450**	**-702**	**252 748**

The change in scope is mainly due to the goodwill generated following the acquisition of the Hertel Group for 94,200 K€, DESSA for 1,831 K€ (see Note 3 - Scope of consolidation)

The effects of exchange rate fluctuations are mainly due to the appreciation of the Pound Sterling (GBP) against the Euro. At August 31, 2015, goodwill was broken down as follows:

In K€	31/08/2015 Gross	Depreciation	Net;
Balliauw	22 771	-	22 771
BEAVER 84	1 016	-	1 016
Belle	9 219	-	9 219
Benelux	265		265
Bragagnolo	2 633	-	2 633
Altrad Cedria	72	-	72
Altrad Collectivités	840	-	840
Dessa	2 003		2 003
Altrad Equipement	2 779	-	2 779
Ets Guy Noël	74	(74)	0
Altrad Etais	187	-	187
Altrad Famea ECA	10	-	10
Altrad Fort	517	(517)	0
Generation	35 552	-	35 552
Groupe Profix	2 080	-	2 080
Hertel	94 200		94 200
Altrad International	1 214	-	1 214
Irbal	318	-	318
Altrad Italie	61	(61)	0
Jalmat	19 447	-	19 447
Lescha	136	-	136
Altrad Limex	230	-	230
Altrad Logistique	33	-	33
Altrad Mostostal	439	-	439
MTD	698	-	698
NSG	4 191	-	4 191
Poujaud Altrad	26 914	-	26 914
Altrad Plettac Assco	50	(50)	0
Altrad Plettac Iberica	30		30
Altrad Poland	117	-	117
Altrad Richard Fraisse	130	-	130
Altrad Rodisola	4 267	-	4 267
Altrad Saint-Denis	1 087	-	1 087
Samia Devianne	724	-	724
Spectra Scaffolding	243	-	243
Altrad Soframat Etem	1 076	-	1 076
Trad Group	1 874	-	1 874
Trad Hire & Sales	15 611	-	15 611
Altrad Védif	341	-	341
TOTAL	253 450	(702)	252 748

The goodwill was subject to an impairment test at August 31, 2015, according to the future discounted cash flows method, and on the basis of the forecast operating results for 2015/2016, extrapolated for the future periods of the concerned companies.

In the deteriorated economic situation, an impairment test was implemented with the following assumptions:

- the impairment test is performed by UGT, corresponding to the Group's subsidiaries;

- the 2015/2016 operating forecasts were established on the basis of the 2015/2016 budget and were extrapolated for the period 2017/2022 according to the following growth rates:
    - 2% for the local authorities branch;
    - 4% for the rental service branch;
    - 3% for the sale of scaffolding branch;
    - 2% for the wheelbarrow and cement mixer branch;
    - 2% for all branches on an infinite horizon.
- Discount rate of 10% applied, identical to the previous year.
- Perpetual growth rate of 2%.

Given the conservative assumptions made in terms of growth rate and discount rate, the impairment tests did not result in sensitivity tests.

No impairment of goodwill was recorded for the year.

NOTE 5 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

	31/08/2015			31/08/2014
In K€	Gross	Depreciations and amortisations	Net	Net
Intangible fixed assets	**255 122**	**(20 105)**	**235 018**	**80 231**
Land	20 430	(4 788)	15 642	14 374
Constructions	59 871	(33 645)	26 226	15 225
Technical facilities, plant and equipment	588 867	(336 537)	252 330	148 288
Other tangible fixed assets and assets under construction	109 907	(59 877)	50 030	74 337
Tangible fixed assets	**779 075**	**(434 847)**	**344 228**	**252 223**
o/w assets under finance leases	97 392	(56 299)	41 092	30 219

5.1 Variation in intangible fixed assets

In K€	Gross value	Depreciations and amortisations	Net value
Balance period N-1	**84 852**	**(4 621)**	**80 231**
Acquisitions	1 207	0	1 207
Disposals, retirements	(574)	4	(570)
Impact of changes in the consolidation scope	165 131	(14 926)	150 205
Change in depreciations and amortisations	0	(524)	(524)
Impact of exchange rate fluctuations	4 468	(39)	4 429
Reclassification	0	0	0
Others	39	1	40
Balance period N	**255 122**	**(20 106)**	**235 018**

Changes in scope relate to the acquisition of the Hertel Group during the year:

- The Hertel brand amounted to 150 M€ at August 31, 2015. The brand was valued using the royalty method, based on a royalty rate of 2% and a discount rate of 10% and an indefinite life. Therefore, it is not amortised and is subject each year to an impairment test.
- The other intangible assets, in gross value, amounted to 15 M€ for the Hertel Group, fully depreciated. This mainly concerns the Hertel Germany customer base, fully depreciated at August 31, 2015.

The intangible fixed assets, in net value, are mainly composed of patents and licences for 4.6 M€, trademarks for 227.9 M€, and other intangible fixed assets for 2.4 M€.

5.2 Impairment tests on non-depreciable intangible assets

In the deteriorated economic situation, an impairment test on the brands recorded in the consolidated financial statements was implemented with the following assumptions:

- the impairment test is performed by UGT, corresponding to the Group's subsidiaries;

- the 2015/2016 operating forecasts were established on the basis of the 2015/2016 budget and were extrapolated for the period 2017/2022 according to the following growth rates:

  - 2% for the local authorities branch;
  - 4% for the rental service branch;
  - 3% for the sale of scaffolding branch;
  - 2% for the wheelbarrow and cement mixer branch;
  - 2% for all branches on an infinite horizon.

- Discount rate of 10% applied, identical to the previous year.
- Perpetual growth rate of 2%.

Given the conservative assumptions made in terms of growth rate and discount rate, the impairment tests did not result in sensitivity tests.

No brand impairment was recorded for the year.

5.3 Changes in property, plant and equipment

in K€	Gross value	Depreciations and amortisations	Net value
Balance period N-1	**461 778**	**(209 554)**	**252 224**
Acquisitions	117 469	0	117 469
Disposals, retirements	(66 242)	33 593	(32 649)
Impact of changes in the consolidation scope	243 548	(187 150)	56 397
Change in depreciations and amortisations	0	(63 175)	(63 175)
Impact of exchange rate fluctuations	21 193	(7 348)	13 845
Other	1 329	(1 213)	116
Balance period N	**779 076**	**(434 847)**	**344 228**

The first-time consolidations, mainly composed of scaffolding equipment, relate in particular to the acquisition of the Hertel Group.

The net results of disposals and outflows of assets other than of rental stock are recorded in "other non-recurring operating expenses". (see Note 21).

5.4 Geographic distribution of property, plant and equipment

Net values in K€	Land	Buildings	Industrial Facilities	Other property and equipment and Assets under construction	TOTAL
France	3 469	17 812	156 415	9 758	187 452
Germany	5 433	4 460	20 960	8 145	38 997
Netherlands	-	17 011	152 138	23 052	192 201
Poland	992	5 295	7 617	10 423	24 327
Benelux	-	2 110	45 035	6 906	54 050
UK	1 426	3 590	178 007	39 179	222 202
Portugal	4 550	992	1 513	662	7 717
Croatia	3 145	579	1 819	111	5 655
Spain	-	-	541	1 094	1 634
Middle East		3 629	6 125	1 933	11 687
Asia		1 191	9 873	1 475	12 539
Caspian		-	2 298	511	2 809
Other	1 415	3 202	6 526	6 661	17 804
TOTAL	**20 430**	**59 871**	**588 867**	**109 907**	**779 075**

NOTE 6 FINANCIAL AND OTHER NON-CURRENT ASSETS

In K€	31/08/2015	31/08/2014
	Net	Net
Deposits and Guarantees	1 047	1 661
Other	1 930	1 165
Investments in associates	2 425	
Total financial and other long term assets	5 403	2 826

Investments in associates correspond to companies in the Hertel Group consolidated using the equity method, i.e. the following companies:

	% control
AMB-Hertel LLC, Abu Dhabi, United Arab Emirates	49%
HESP Services B.V., Amsterdam, the Netherlands	50%
KSE Bautenschutz, Leipzig, Germany	24.90%

7.1 Details of taxes recognised in the income statement

In K€	31/08/2015	31/08/2014
Current tax	(23 735)	(13 236)
Deferred tax	1 582	1 216
Tax charge	(22 153)	(12 020)

7.2 Tax situation

In France, Altrad Investment Authority is the parent company of the tax group. This regime applies to all French subsidiaries that meet all the option criteria except for JALMAT, GARRONE and AURORE.

The tax group was in deficit at August 31, 2015.

The foreign subsidiaries also apply similar options when permitted by local laws (in particular Germany, Netherlands and UK).

7.3 Deferred taxes

The changes in deferred taxes recognised in the income statement primarily result from the following elements:

in K€	31/08/2015	31/08/2014
Temporary tax differences	-359	945
Net utilisation of tax loss carryforwards	369	(983)
Other consolidation restatements	1 572	1 254
Deferred tax (expense) / Income	1 582	1 216

Deferred taxes recognised in the balance sheet are broken down as follows:

In K€	31/08/2015	31/08/2014
Deferred tax assets	5 369	6 477
Deferred tax liabilities	(66 946)	(22 270)
Net deferred taxes	**(61 577)**	**(15 793)**

They come from the following elements:

In K€	31/08/2015	31/08/2014
Temporary tax differences	546	328
Tax losses carried forward	3 135	2 740
Fair value of derivatives	0	0
Cancellation of special depreciation allowances and provisions for price increases	(2 004)	(2 056)
Other consolidation restatements	(63 254)	(16 805)
Net deferred taxes on the balance sheet	**(61 577)**	**(15 793)**

A deferred tax liability of 38.25 M€ was recorded on the Hertel Group brand in the opening balance sheet.

The total unused losses carried forward at 31 August 2015 amounted to 3,478 K€, and is broken down as follows:

In K€	31/08/2015	31/08/2014
Germany	14 732	0
China	2 794	1 511
Spain	1 107	659
France	18 212	12 409
Great Britain	0	0
Italy	1 007	892
Romania	48	142
Netherlands	61 617	
Middle East	7 833	
Eastern Europe	2 758	
Australia	65	
Belgium	5 012	
Uncapitalised tax loss carryforwards	**115 184**	**15 613**

The increase in unused losses carried forward is explained by the consolidation of the Hertel Group over the year: Loss carryforwards can be used indefinitely, with the exception of those of the Italian subsidiary which expire in 2015 and the Dutch tax consolidation which expires as of 2016/2017.

7.4 Reconciliation between the theoretical tax expense and the actual tax expense.

In K€	31/08/2015	31/08/2014
Consolidated income before tax	**105 136**	**61 497**
Tax rate in force	34,43%	34,43%
Theoretical tax expense	**(36 198)**	**(21 173)**
Impact of the difference in tax rates between countries	8 444	7 744
Uncapitalised tax loss carryforwards	(11 475)	(2 355)
Tax reassessment	556	3 074
Permanent differences	17 221	347
Impairment deferred tax assets		
Miscellaneous	(701)	271
Tax expense recognised	**(22 153)**	**(12 092)**

At August 31, 2015, unused losses carried forward corresponded to the loss carryforwards of the Hertel Group for 9.4 M€ and of AIA for 1.9 M€. The increase in the amount of permanent differences also relates to the Hertel Group and mainly correspond to the consolidation entries on the Hertel sub-group, given the non-use of loss carryforwards of some entities of the sub-group.

At August 31, 2014, the tax adjustment corresponded to a reversal of unused provisions.

NOTE 8 INVENTORIES

In K€	31/08/2015	31/08/2014
	Net	Net
Inventories of raw materials	37 772	28 892
Work in progress	43 467	9 060
Inventories of semi-finished and finished products	12 489	11 235
Inventories of goods	68 455	66 854
Total Net Inventories	**162 183**	**116 041**

The increase in inventories of raw materials and work in progress is mainly due to the change in scope related to the acquisition of the Hertel Group.

Provisions for inventory write-downs

In K€	31/08/2014	Allowances	Write-backs	Translation differences	Other	31/08/2015
Impairment of Inventories of Raw Materials	(1 979)	(563)	813	(197)	(695)	(2 622)
Impairment of Work in Progress	(54)	(62)	50	(0)	-	(66)
Impairment of Inventories of Finished Products	(845)	(678)	88	(64)	50	(1 449)
Impairment of Inventories of Goods	(1 401)	(106)	979	(85)	- 24	(638)
Total Impairment of inventories	**(4 279)**	**(1 409)**	**1 929**	**(347)**	**(670)**	**(4 775)**

NOTE 9 TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

In K€	31/08/2015	31/08/2014
Net accounts receivable	394 655	215 337
Advance payments	6 615	340
Derivative financial instruments	0	0
Tax receivable	3 083	645
Net other receivables	53 192	31 794
Total trade receivables and other current assets	**457 544**	**248 116**
o/w Provisions for doubtful accounts and collection risk	*(21 852)*	*(14 870)*

The amount of receivables transferred to the Factor stood at 2,042 K€ at August 31, 2015 (compared to 7,042 K€ at August 31, 2014) and were not the subject of any financial drawdown. Trade receivables remain recognised in assets.

The other net receivables item includes, in particular for the most significant amounts, tax liabilities (other than tax receivables) for 19.35 M€, other receivables for 22.9 M€ and prepaid expenses for 7 M€.

Change in the bad debt provision

In K€	2014/2015	2013/2014
Provision on trade receivables N-1	**(14 870)**	**(13 760)**
Net provision	(4 319)	(1 816)
Reversal used	5 226	1 569
Change in scope	(7 604)	(1 376)
Translation adjustment	(323)	(217)
Other movements	38	730
Provision on trade receivables N	**(21 852)**	**(14 870)**

At August 31, 2015, the effect of changes in scope on provisions for bad debt is due, for 7,604 K€, to the consolidation of the Hertel Group.

At August 31, 2014, the effect of changes in scope on provisions for bad debt was due, for 1,236 K€, to the consolidation of TRAD HIRE & SALES.

NOTE 10 CASH FLOW AND NET INDEBTEDNESS

At the close of the financial year, net indebtedness was broken down as follows:

In K€	31/08/2015	Maturity - 1 year	+ 1 year/- 5 years	+ 5 years	31/08/2014 (1)
Borrowings	- 537 357	- 24 310	- 179 280	- 333 765	- 284 742
Financial and operating leases	- 28 021	- 8 694	- 19 327		- 22 151
Other borrowings	- 7 012	- 7 012	-		- 5 276
Financial Debts	- 572 390	- 40 016	- 198 607	- 333 765	- 308 277
Investment securities	55 138	55 138			49 573
Cash and cash equivalents	263 720	263 720			94 590
Bank borrowings	- 4 668	- 4 668			- 12 877
Net cash	314 190	314 190	-	-	131 286
Net debts	- 258 200	274 174	- 198 607	- 333 765	- 176 991

Bank loans are taken out in Euros and the main contracts are floating rate indexed to the 3-month Euribor rate

Investment securities consist primarily of term deposits paid at fixed or progressive rates depending on the investment periods.

OBSA and ORA bonds

On June 12, 2015 the Group issued to its minority shareholders a subordinated bond of a nominal amount of 50 M€ through the issue of 105,506 bonds with purchase warrants for ordinary shares ("OBSA") with a denomination per unit of 473.91 Euros, maturing on June 12, 2023 and bearing interest at the rate of 6%, payable annually. Each bond is attached to a share purchase warrant ("BSA"). The bond is repayable in cash at maturity on June 12, 2023, except in case of the occurrence of certain early repayment events provided for in the contract. The Company cannot choose to proceed with an early repayment. A BSA is attached to each Bond. Each BSA entitles the holder to subscribe for one new ordinary share at a unit price of 473.91€. The BSAs can be exercised during 18 months from December 12, 2021 at the initiative of their holder.

On June 12, 2015 the Group issued to its minority shareholders a subordinated bond of a nominal amount of 50 M€ through the issue of 156,583 bonds redeemable in ordinary shares ("ORA") with a denomination per unit of 319.32 Euros, maturing on June 12, 2023, the interest on which will be fully capitalised and payable in cash on the final maturity date. The exchange ratio is set at 1 ORA for 1 share at maturity. In case of the occurrence of certain events provided for in the contract, bondholders may request full or partial repayment in cash. The bond is redeemable in shares at maturity on June 12, 2023, except in case of the occurrence of certain early share redemption events provided for in the contract. The Company cannot choose a cash repayment or decide on an early repayment.

Payment of all amounts due under the OBSA and ORA bonds is subject to repayment of the syndicated loan of a maximum amount of 500 M€ signed on March 16, 2015.

The ORA bond is the subject of split accounting between an equity component and a liability component. In effect, the bond is redeemable in shares, at a fixed exchange ratio, and the capitalised interest accrued must be paid in cash.

The liability component is then assessed as the actual net value of coupons payable in cash, with a 10% discount rate. The Equity component is calculated as the difference between the amount of the bond and the amount of the liability component. The evaluation of the liability component therefore resulted in the recognition of 13.9 M€ in Other shareholders' funds and of 36.1 M€ in Equity.

The OBSA bond was not subject to split accounting at August 31, 2015. In effect, the evaluation of the liability component resulted in the determination of a zero equity component. It is therefore presented in its entirety on the line "Other shareholders' funds".

The split accounting is presented as follows:

OBSA- ORA	Amount in M€
Equity	36,1
Other shareholders' funds	64,2

Bond issue

In November 2013, the Group issued a non-convertible Euro-PP bond admitted to trading on the Euronext regulated market, that allowed to raise funds in the amount of 100 M€, to be repaid at the end of 7 years. It is indexed at the fixed rate of 4.4%, with a coupon repayable annually.

On May 5, 2015, the Group issued a non-convertible bond admitted to trading on the Euronext Free Market, that allowed to raise funds in the amount of 150 M€, to be repaid at the end of 7 years. It is indexed at the fixed rate of 3.3%, with a coupon repayable annually.

Syndicated loans

1/ The syndicated loan signed with the Group's financial partners in January 2011, for a total amount of 32.5 M€, was used to finance the acquisition of Altrad SA shares held by CAPE, along with the current account amounting to 561 K€. The repayment schedule is as follows:

Tranche	Amount (M€)	Final repayment date	Comments	Amount remaining due at 31/08/2015 (M€)	Amount remaining due at 31/08/2014 (M€)
A1	13.7	Feb.-16	Annual repayment 2.74 M€	2,71M€	5,46 M€
A2	6	Feb.-17	Bullet repayment	6M€	6 M€
B1	8.8	Feb.-16	Annual repayment 1.76 M€	1,76M€	3,54 M€
B2	4	Feb.-17	Bullet repayment	4M€	4 M€
TOTAL	32,5			14,5M€	19 M€

2/ The syndicated loan signed in July 2012 with the Group's financial partners, for a total amount of 180 M€ , is detailed as follows:

Tranche	Amount (M€)	Purpose	Comments	Amount remaining due at 16/03/2015 (M€)	Amount remaining due at 31/08/2014 (M€)
A	150	Funding of external growth	Straight-line repayment on the basis of consolidated annual drawdowns in July of each year	115	134
B	30	WCR financing	Drawdown in tranches Available drawdown reserve 30 M€	0	0
TOTAL	180			115	134

Tranche A was repaid in the amount of 27 M€ before the renegotiation of financial debt on March 16, 2015.

Then, on March 16, 2015, the Altrad Group conducted a renegotiation of its bank debt to finance the acquisition of the Hertel Group. An early repayment of the syndicated loan signed in July 2012 was thus made for a total amount of 115 M€.

The changes made mainly concern the rate margins applicable to Tranches A and B, and the calculation of bank covenant ratios.

Pursuant to IAS 39 §40, a quantitative and qualitative analysis was conducted to ensure the non-substantial nature of this change in the bank debt.

Fees totalling 3,067 K€ were incurred during this renegotiation. They were deducted from the nominal amount of the debt, added to the effective interest rate and were therefore recognised on a straight-line basis as additional remuneration of the debt.

3/ The terms of the new syndicated loan, signed in March 2015, of a total amount of 500 M€, over a period of six years, are as follows:

Tranche	Amount (M€)	Purpose	Comments	Amount remaining due at 31/08/2015 (M€)
A	115	Refinancing TA credit 2012	Single drawdown	115
B	220	To (re)finance investments in property, plant and equipment and intangible assets and eligible acquisitions	Drawdown in tranches Maximum of 6 Drawdowns (min. 5 M€/Drawdown). Available drawdown reserve of 100 M€	120
C	50	To finance the Group's general requirements (WCR)	Available reserve of 50 M€	0
D	115	On behalf of the borrower, its subsidiaries and in case of acquisition Hertel	Signature commitments	NA
TOTAL	500			285

Some bank borrowings taken out and in particular the contracts mentioned above, contain clauses requiring compliance with financial ratios. These banking covenants mainly relate to the Group's equity and net debt. Non-compliance with the ratios set give the lenders concerned the right to demand early repayment of their loans.

Covenants	Banking pool loans 500 M€
R1 **=Net financial debt / EBITDA**	**< 3**
R2 **= Net financial debt / equity**	**< 1.4**

The Group complied with all these conditions on August 31, 2015.

NOTE 11 OFF-BALANCE SHEET COMMITMENTS

11.1 Financial commitments

In K€	31/08/2015	31/08/2014
Guarantees in favour of third parties	52 961	1 211
Pledges of goodwill, equipment, stocks	1 932	1 055
Property mortgages	7 800	8 100
Commitments given	**62 693**	**10 366**
Market commitments	195	0
Bank guarantees	115 000	4 232
Commitments received	**115 195**	**4232**

11.2 Individual Right to Training ("DIF")

The Individual Right to Training (DIF) was established by the Law of May 4, 2004.

At December 31, 2014, the total number of training hours corresponding to rights acquired under the DIF amounted to 134,770 hours.

As of January 1, 2015, the Professional Training Account (CPF) replaced the DIF. The DIF hours acquired at December 31, 2014 must be used before December 31, 2020 in the same way as if they were hours acquired under the CPF.

11.3 Sales with retention of title

The general and special conditions of sale guarantee some Group companies the ownership of goods sold until full payment of the sums due to them. Therefore, some claims appearing in customer receivables and resulting from the sale of manufactured products and goods are accompanied by this clause.

NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS

In accordance with its obligations (mandatory minimum coverage 60% of outstandings), the Group has set up a CAP contract (3) to secure the rate of bank loans, remunerated at a floating rate (Euribor 3 months). It should be noted that the two CAP (1) and (2) in place during previous years ended on 20/07/15.

The characteristics of these CAP are as follows:

	CAP (1)	CAP (2)	CAP (3)
Subscription date	16/11/2012	15/11/2013	28/07/2015
Period guaranteed	18/07/2013 – 20/07/2015	20/11/2013 – 20/07/2015	30/07/2015-16/03/2019
Notional	56.4 M€	94.7 M€	141 M€
Rate guaranteed	2%	2%	1%
Market rate	EUR12M	EUR3M	EUR3M
Premium paid	0.0922% of the notional (52 K€)	0.03% of the notional (29 K€)	0.02% of the notional (300 K€)

At August 31, 2015, the fair value of the CAP still in place on the balance sheet date is close to 0.

NOTE 13 DESCRIPTION OF THE MAIN RISKS

13.1 Financial risks

13.1.1 Exposure to the foreign exchange risk

Due to the geographic diversification of its business, the Altrad Group is exposed to translation risk, i.e. its financial statements are sensitive to changes in exchange rates on the consolidation of its foreign subsidiaries outside the "Euro zone". Nevertheless, the foreign exchange risk remains moderate as most of its purchases and sales are made in the same local currency.

13.1.2 Exposure to the interest rate risk

Concerning the medium-term debt, the entirety is indexed on the Euribor 3-month and benefits from risk coverage for a maximum period of 5 years. The interest rate hedging agreements subscribed to back the structured credit are listed above.

Some medium-term credits and loans taken out by the Group contain clauses requiring compliance with financial ratios (mainly relating to equity, gross operating surplus and consolidated net debt). All of these conditions are subject to particular vigilance.

13.1.3 Exposure to the liquidity risk

At European level (the "Euro zone"), the implementation of a cash pooling system allows to cover liquidity risks on part of the Group entities, primarily in France, Belgium, the Netherlands and in Italy. The Group's cash agreement describes the rules for financing subsidiaries and in particular cash advances and repayments through current accounts and their remuneration.

13.1.4 Exposure to the credit risk

The credit or counterparty risk is the risk of loss on a receivable, or more generally on a third party that does not pay its debt on time.

Credit risk mainly relates to trade receivables due to the spreading of the payment of their invoices. In order to prevent this risk, for several years the Group has implemented procedures to:

-Ensure that the necessary guarantees vis-à-vis a new customer are acquired before opening its account (bank guarantee, delegation of payment, etc.).

-Monitor customer outstandings and send reminders out as soon as possible to collect settlements before the due date of the invoice.

-Inform the sales force of any payment issues so that they can contact their customers.

-Limit orders if the outstanding amount is too high in relation to its coverage.

13.2 Economic risks

The growth in the industrial rental sector has allowed to offset declines in activity related to the generic building and construction sectors of activity. The acquisition of the Hertel Group during the year reflects the Group's desire to expand the scope of its activities to reduce the economic risk.

13.3 Risks on raw materials

Within the framework of its operations, the Group's activities require the purchase of a large volume of raw materials, such as steel, aluminium or zinc, for supply purposes. These purchased are centralised within the Group by a dedicated unit to optimise the supply of elements necessary to manufacture the Group's products. Sale contracts concluded with the Group's customers mostly contain price revision clauses allowing to a certain extent to reduce the risk of adverse developments in the price of raw materials.

13.4 Risks related to the security of goods

With respect to the safeguarding of assets, a strict theft prevention policy is applied at all times.

13.5 Risks related to the safety of persons

The Group's business lines incorporate activities likely to present risks to employees, whether related to equipment, the machinery used to design products or the logistical organisation of production sites. To ensure the safety of its staff, the Group has established a risk prevention plan intended to train its staff in safety awareness and ensure compliance with health and safety rules within the Group. The Group has also implemented a policy of investment in personal protective equipment for its employees and conducts regular checks.

NOTE 14 ASSETS HELD FOR SALE

This item changed over the year to reach a balance of 2,800 K€. It concerns the property complex (land and buildings) on which Guy Noël Production carried out its production activity, which ceased in May 2011 for 1,549 K€. The remaining 1,250 K€ corresponds to assets held for sale of the Hertel Group and in particular the Grimma site building in Germany.

NOTE 15 EQUITY

15.1 Distribution of dividends

The Altrad Group distributed 8,128 K€ of dividends to its shareholders for financial year 2014/2015.

During the previous year, the Altrad Group did not distribute any dividends outside of the Group.

15.2 Composition of the share capital

	Number	Par Value	Amount
Shares making up the share capital at the start of the financial year	3 375 925	100 euros	337 592 500
Shares issued during the financial year	-	-	-
Shares redeemed during the financial year	-	-	-
Shares making up the share capital at the end of the financial year	3 375 925	100 euros	337 592 500

The distribution of the capital on this date was as follows:

Shareholders	Number of shares held	% of shares held
Altrad Participations	2 625 634	78%
BPI France	366 987	11%
CM CIC capital	244 658	7%
Arkéa Finances	81 552	2%
BNP Paribas Développement	57 086	2%
Others	8	0%
TOTAL	3 375 925	100%

15.3 Minority interests

At August 31, 2015, taking into account the existence of clauses for the purchase of minority interests resulting in the non-recognition of related minority interests (see 2.1.3), the main contributions to this item are from:

	31/08/2015			31/08/2014		
In K€	% of minorities	Minority interests	o/w 2015 result	% of minorities	Minority interests	o/w 2014 result
Altrad Asia	20%	(114)	(115)	20%	-209	-4
Jalmat	1,6%	175	20	3%	241	56
AlKhodari-Hertel	50%	(2 007)	(1 020)			
Kok Chang	40%	1 377	(289)			
Hertel Yanda	49%	3 794	183			
Hertel Dresden	49%	872	128			
Others		(596)	558		20	2
Total minority interests		3 501	(534)		52	54

The changes in minority interests mainly concern the following companies which are part of the Hertel scope: Alkhodari-Hertel, Kok Chang, Hertel Yanda, Hertel Dresden.

NOTE 16 PROVISIONS FOR RISKS AND CHARGES

in K€	31/08/2015	31/08/2014
Provisions for employee benefits, non-current	7 686	8 365
Provisions for risks & charges, non-current	59 118	5 900
Provisions and employee benefits, non-current	**66 803**	**14 265**
Provisions for employee benefits, current	168	265
Provisions for risks & charges, current	26 193	16 868
Provisions and employee benefits, current	**26 361**	**17 133**
Total Provisions and employee benefits	**93 164**	**31 398**

The item "Provisions for employee benefits" includes the provisions recognised in consolidation in accordance with revised IAS19 for employee post-employment benefits, such as pension commitments, long-service awards, jubilees, etc.

The main items are detailed, in the section below, on "provisions for employee benefits".

The item "Provisions for risks and charges" corresponds to various disputes or risks that the Group considered appropriate to provision for in accordance with prudential rules, and the related procedural costs and fees. At August 31, 2015, these included:

- provisions for social costs (bonuses, settlements, URSSAF audit, etc.)
- provisions for tax costs (tax audit)
- provision for restructuring
- provisions for contract termination losses
- provisions for onerous contracts
- provisions for disputes such as:
    - termination fees for lease contracts;
    - site disputes of leasing subsidiaries;
    - labour disputes;
    - supplier disputes;
    - disputes relating to the acquisition of subsidiaries.

16.1 Variation of provisions for risks and charges and social benefits

The variations of provisions are broken down as follows:

In K€	31/08/2014	Change in profit (loss)			Change in equity	Changes in scope	Foreign exchange differences	Other	31/08/2015
		Allowances	Uses	Reversals					
Provisions for employee benefits	8 630	1 105	(1 312)	-	(491)	40	48	- 167	7 853
Provisions for risks and charges	15 794	7 290	(17 702)	(5 149)	-	34 676	96	190	33 229
Provisions for restructuring	6 974	934	(8 231)	(1 515)		53 917	3	-	52 082
Total Provisions and employee	31 398	9 330	(27 245)	(6 664)	(491)	88 633	147	23	93 164

Provisions for risks and charges:

The first-time consolidations for an amount of 34.6 M€ correspond to the Hertel Group. A reversal of used provisions was recorded for an amount of 12.7 M€ during the financial year, and the unused portion stands at 4.3 M€. Therefore, the balance of provisions for risks and charges of the Hertel Group, after allocations for the period, was 19.5 M€ at August 31, 2015 and mainly concerns:

- provisions for losses on contracts: provisions for losses on the Bam Clough contract for Hertel Modern (Australia) for 3.4 M€ as well as on several contracts for Hertel Belgium such as the Exon and Fluxys projects for 3.5 M€.
- provisions for risks concerning provisions for tax audits, provisions for labour court litigation, provisions for commercial disputes and guarantees.

The allocations of the year amount to 7.2 M€ and mainly concern POUJAUD for an amount of 2.5 M€. This provision corresponds to the risk of a URSSAF reassessment following the audit carried out over the year for the periods 2012 to 2014.

The reversals of used provisions for the year amount to 17.7M € and mainly concern losses on contracts of the Hertel Group for 8.6 M € and of the Balliauw Group for 1.3 M€.

Provisions for restructuring:

The first-time consolidations for an amount of 54 M€ correspond to the Hertel Group. A reversal of used provisions was recorded for an amount of 3 M€ during the financial year, and the unused portion stands at 1 M€. Therefore, the balance of restructuring provisions of the Hertel Group stood at 49.7 M€ at August 31, 2015 and concerns the following geographical areas: Germany, Netherlands, Middle East.

The reversals for used provisions are also composed, in part, for the following companies: ARF for 1.4 M€ and Atika for 1.5 M€ for which, at August 31, 2014, a provision was recorded respectively for 2.4 M€ and 1.5 M€.

The allocations of the year amount to 934 K€ and mainly concern Rodisola for an amount of 712 K€. This provision is related to the Altrad Rodisola recovery plan and also concerns the reorganisation of the construction activity. A restructuring provision was recorded at August 31, 2014 for an amount of 1 M€ and 518 K€ was used during the year. The balance therefore amounted to 1.2 M€ at August 31, 2015.

NOTE 17 PENSION COMMITMENTS AND ASSIMILATED BENEFITS

17.1 Key assumptions used

The main actuarial assumptions used to assess retirement benefits are as follows:

	31/08/2015			31/08/2014		
	France	Poland	UK	France	Poland	UK
Discount rate	2,10%	2,80%	3,65%	2,20%	3,50%	3,75%
Wage growth rate	3,00%	3,50%	NA	2,00%	2,50%	NA
Mobility rate	0-6,30%	3,00%	NA	0-6,30%	3,00%	NA
Mortality rate	INSEE 2014	2013 Life expectancy table (National Institute of Statistics)	120% S2PA CMI2014	INSEE 2013	2013 Life expectancy table (National Institute of Statistics)	120% S1PA CMI2013

17.2 Breakdown of provisions for employee benefits by nature:

In K€	31/08/2015		31/08/2014	
	LT	CT	LT	CT
Defined benefit plans	5 975	49	6 415	41
Long-service awards & Jubilee	918	113	832	111
Other regulatory commitments	93	7	90	101
Other provisions for social R&C	-		-	12
Employee profit-sharing	701	-	1 028	-
Other	-	-	-	-
Total Provisions for employee benefits	**7 687**	**169**	**8 365**	**265**

17.3 Breakdown of employee benefits by country

In K€	France	Poland	UK	Other countries	Total
Defined benefit plans	5 118	554	621	- 270	6 023
Long-service awards and Jubilees	86	945	-	-	1 030
Other regulatory commitments		99	-		99
Other provisions for risks and charges	-	-	-		-
Employee profit-sharing	701	-	-	-	701
Total Provisions for employee benefits at August 31, 2015	**5 905**	**1 598**	**621**	**- 270**	**7 855**
Total Provisions for employee benefits at August 31, 2014	**5 955**	**1 408**	**666**	**600**	**8 630**

17.4 Sensitivity analysis

The table below shows the sensitivity (in %) of the provision recognised at August 31, 2015 in respect of defined benefit plans:

	31/08/2015
Increase of 0.25% in the discount rate	-3,82%
Decrease of 0.25% in the discount rate	+3,92%

17.5 Impact of pension commitments on future cash flows

in K€	TOTAL	Maturity expired	Maturity of one year of less	Maturity between 1 and 5 years	Maturity beyond 5 years
Defined benefit plans	6 024	66	48	474	5 435

NOTE 18 CURRENT LIABILITIES

In K€	31/08/2015	31/08/2014
Trade payables	298 985	201 276
Advance payments from customers	3 233	2 395
Tax debts	52 959	34 497
Social debts	80 171	33 521
Derivative financial instruments	-	-
Current tax liabilities	12 862	10 105
Other creditors	71 022	21 733
Total current Liabilities	**519 232**	**303 527**

The increase in tax and social liabilities is mainly explained by the consolidation of the Hertel Group during the year.

The "Accounts payable" item includes, in particular, the fair value of the options to buy-out the minority interests for ATIKA: 525 K€

"Other accounts payable" includes, in particular:

- Other liabilities for 39.5 M€ , of which 27.8M€ in liabilities relating to the Hertel Group.
- deferred revenue for 22.6 M€, i.e. an increase of 16 M€ over the year, partly due to the consolidation of the Hertel Group for 13 M€.

NOTE 19 OTHER NON-CURRENT LIABILITIES

In K€	31/08/2015	31/08/2014
Other liabilities and non-current provisions	6 405	0
Non-current fixed asset suppliers	88 741	57 527
Non-current financial derivatives	0	0
Total other non-current liabilities	**95 146**	**57 527**

"Suppliers of non-current assets" includes, in particular:

- the fair values of put options on the buyout of minority interests:
  - GENERATION: 50,625 K€
  - TRAD HIRE & SALES: 28,468 K€
  - TRAD GROUP: 7,256 K€
  - DESSA: 1,099K€

- STAR EVENTS: 201 K€

- The Other non-current liabilities and provisions item includes non-current social liabilities for 5.7 M€ at August 31, 2015 and mainly relate to the consolidation of the Hertel Group.

NOTE 20 INFORMATION ON CURRENT OPERATING INCOME

20.1 Income from ordinary activities

The distribution of the Group's revenues from ordinary activities by destination between France and abroad is as follows:

in M€	31/08/2015	31/08/2014
France	299	293
Abroad	1 274	568
Total turnover	1 573	861

The revenues from ordinary activities by branch of activity is broken down as follows:

in M€	31/08/2015	31/08/2014
Rental and services	1 027	422
Scaffolding and supports	348	250
Concrete mixers, wheelbarrows and construction equipment	183	164
Local authorities	15	25
Total turnover	1 573	861

20.2 Staff costs

in K€	31/08/2015	31/08/2014
Salaries	(430 541)	(167 958)
Expenses	(88 486)	(63 743)
Profit-sharing	(668)	(3 321)
Other	(74 598)	(26 072)
Total staff expenses	**(594 293)**	**(261 094)**

The "other" item mainly includes the costs of temporary staff and the increase in this item over the year is mainly due to the consolidation of the Hertel Group.

Group workforce at the end of the financial year

	31/08/2015		31/08/2014	
	Workforce	%	Workforce	%
Executives	669	4%	286	5%
Supervisors / technicians	1 505	9%	401	7%
Employees	2 341	14%	1 202	21%
Workers	12 207	73%	3 835	67%
Total	**16 722**	**100%**	**5 724**	**100%**
Permanent employment contract	12 631	76%	5 372	94%
Fixed-term employment contract	4 091	24%	352	6%
France	2 341	14%	1 793	31%
Abroad	14 381	86%	3 931	69%

Breakdown of the workforce

	31/08/2015		31/08/2014	
	Workforce	%	Workforce	%
Production	1 400	9%	1 377	24%
Rental	4 751	29%	4 086	71%
Commercial	1 396	9%	713	12,5%
Services	9 175	56%	39	0,7%
Total	16 722	100%	5 724	100%

NOTE 21 OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

"Other non-current operating income and expenses" is detailed as follows:

in K€	31 August 2015	31 August 2014
Other net income / (expenses) on management transactions (1)	(8,239)	(1,311)
Net income / (expenses) on disposals of assets (2)	853	(2,754)
Negative goodwill (3)	0	283
Total Other non-current operating income and expenses	(7,386)	(3,782)

(1) In 2015, other net expenses on management transactions mainly included the constitution of the provision for an URSSAF audit for 2.3 M€ and Hertel acquisition costs for 930 K€.

(2) In 2014, items concerning the sale of assets corresponded, in particular, to the deconsolidation operations of the financial year (SAZT, Elysée Service, Baromix, Comatex)

(3) In 2014, the negative goodwill related to the entity STAR EVENTS

.

NOTE 22 FINANCIAL RESULT

in K€	31/08/2015	31/08/2014
Income from cash and cash equivalents	693	1 345
Gross cost of financial indebtedness	(16 193)	(12 222)
Net cost of financial indebtedness	**(15 500)**	**(10 877)**
	0	0
Other financial income (including exchange gains)	5 322	1 088
Other financial expenses (including exchange losses)	(5 661)	(784)
Total other financial income and expenses	**(340)**	**304**
	0	0
Financial result	**(15 839)**	**(10 573)**

NOTE 23 EARNINGS PER SHARE

	31/08/2015	31/08/2014
Numerator (en K€)		
Net result - Group share (K€)	83 291	49 266
Net income from continuing operations (K€)	83 291	49 266
Diluted consolidated net income (K€)	83 946	49 266
Diluted consolidated net income from continuing operations (K€)	83 946	49 266
Denominator (en K€)		
Weighted average number of shares	3 375 925	3 375 925
Total potential dilutive shares	262 089	-
OBSA	105 506	-
ORA	156 583	-
Weighted average number of shares- diluted	3 433 369	3 375 925
Consolidated net earnings per share, Group share (in €)	**24,67**	**14,59**
Diluted consolidated net earnings per share, Group share (in €)	**24,45**	**14,59**
Earnings per share from continuing operations, Group share (in €)	**24,67**	**14,59**
Diluted earnings per share from continuing operations, Group share (in €)	**24,45**	**14,59**

NOTE 24 EVENTS SUBSEQUENT TO THE CLOSURE OF THE FINANCIAL YEAR

- **External growth**

On December 18, 2015, the Group acquired the stake of the minority shareholder of Atika of 20% for 265 k€ increasing its holding to 100%.

On January 8, 2016, the subsidiary Hertel Asia Holding Pte. Ltd completed the takeover of minority interests in Kok Chang Scaffolding Pte. Ltd, Kok Chang Engineering Pte. Ltd and Kok Chang Marine Services Pte. Ltd for an amount of 5,471K S$, payable in two instalments. The first tranche amounting to 4,376K S$ is paid on signing the contract and the second, amounting to 1,094K S$, will be paid once all the conditions attached to the contract have been fulfilled. These companies are now wholly-owned.

- **Tax Audit**

The French tax authorities initiated a tax audit of ALTRAD INVESTMENT AUTHORITY for the financial years ended August 31, 2013, 2014, 2015. No conclusion had reached the Company on the balance sheet date.

NOTE 25 INFORMATION ON CORPORATE OFFICERS

The amount of attendance fees allocated in respect of the financial year, to the members of the management bodies of ALTRAD INVESTMENT AUTHORITY, due to their functions in controlled companies, is of 150 K€, with the exception of remuneration paid under employment contracts. This information is not mentioned, as this would amount to providing nominative information.