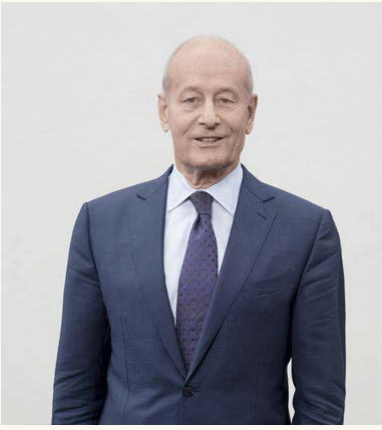
EDIFY
Investment Partner

FINANCIAL REPORT

2016

2016: POSITIVE RESULTS A YEAR OF PROGRESS



PAUL GEORGES DESPATURE,
Chairman of the Management Board.

Edify's Board of Directors is delighted to present positive results for your Company for the 2016 financial year. This second full financial year was a year of progress, which saw our equity investments expand in terms of both sales and results.

The Edify team continued its intensive work to provide strategic support to our companies. This is our hallmark, which involves working in tandem with entrepreneurs in order to drive the growth of their business.

Our portfolio was enhanced by the acquisition of a 31.5% interest in the Ligier Group, one of the European leaders in the microcars market. The new range of electric light utility vehicles generated very strong growth in 2016.

Edify's financial position remained healthy in accordance with our prudent approach. Our consolidated net debt amounts to only €22.6 million. We have cash of €9.3 million at the level of the Edify holding company, and €63 million in confirmed credit facilities.

Today, our aim is to invest in larger companies, in order to achieve greater operating efficiency and drive Edify's growth. We are going to arrange new credit facilities which will enable us to take advantage of new opportunities to acquire one or two medium size companies.

I would like to thank the Edify team, which has worked tirelessly on developing the existing business activities, and on identifying new ones. I would also like to stress the positive spirit of trust and cooperation that has prevailed between the Board and Management over the past two years.

EDIFY – INVESTMENT PARTNER
Edify is an industrial holding company that invests in SMEs and mid-caps, in order to expand them and support them over the long-term.

Edify, which was previously known as "Somfy Participations", originated within the Somfy Group in 2006. Edify has been listed on the Euro-MTF market of the Luxembourg stock exchange since 19 December 2014.

CONTENTS

SHAREHOLDER RELATIONS

CAPITAL

As at 31 December 2016, Edify capital amounted to €4,860,000, divided into 4,860,000 shares with a nominal value of €1, fully paid up and all in the same class. The Company held 1,116 Edify shares at 31 December 2016 under the terms of the authorisations granted to it. These treasury shares are held by the Company, in order to ensure an active market in its shares via an investment service provider under the terms of a liquidity agreement.

The Company issued 459,180 profit units at a price of €10 each, for a total amount of €4,591,800.
The Company has not issued any securities giving right to capital.

LISTING

Edify is a limited company, listed on the Euro-MTF market of the Luxembourg stock exchange since 19 December 2014 at the IPO price of €50.The average share price in 2016 was €49.39, and the closing price was €53.49.

LIQUIDITY AGREEMENT

On 11 December 2014, Edify signed a liquidity provider agreement with Kepler Capital Markets.

2017 FINANCIAL CALENDAR

30 March	Release of 2016 Full-Year Turnover
18 May	Annual General Meeting
22 May	Release of Quarterly Turnover (Q1 2017)
28 September	Release of 2017 Half-Year Turnover
30 November	Release of Quarterly Turnover (Q3 2017)

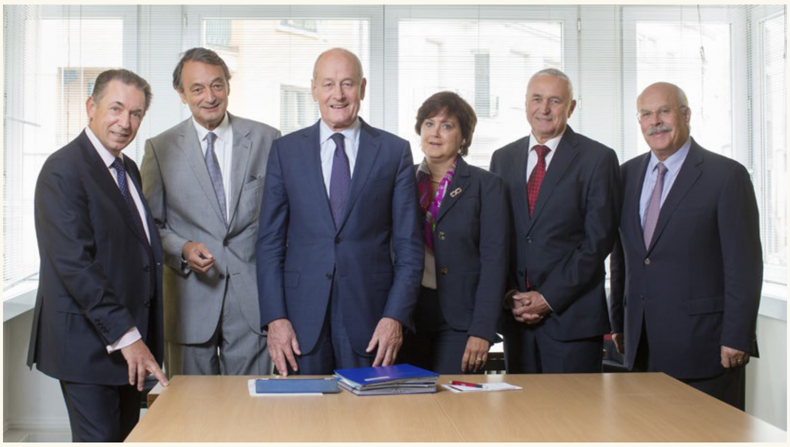
ORGANISATION

BOARD OF DIRECTORS

Chairman
PAUL GEORGES DESPATURE

Vice-Chairman
WILFRID LE NAOUR

Members of the Board of Directors
VICTOR DESPATURE
RUDOLF D. GRAF
FRÉDÉRIC GENET
AGNÈS LARUELLE



Left to right:

FRÉDÉRIC GENET, Former CEO of Société Générale Bank & Trust Luxembourg.

WILFRID LE NAOUR, Vice-Chairman of the Board of Directors of Edify and previously CEO of Somfy.

PAUL GEORGES DESPATURE, Chairman of the Board of Directors of Edify. Previously Chairman of the Management Board of Somfy and Chairman of the Supervisory Board of Damartex.

AGNÈS LARUELLE, Member of the Executive Committee of MDO Management Company in Luxembourg.

RUDOLF D. GRAF, Chairman of the Board of Directors of AFG Arbonia.

VICTOR DESPATURE, Member of the Supervisory Board of Somfy and Chairman of the MCSA group.

AUDIT COMMITTEE

Chairman
VICTOR DESPATURE

Member
AGNÈS LARUELLE

REMUNERATION COMMITTEE

Chairman
PAUL GEORGES DESPATURE

Members
FRÉDÉRIC GENET
WILFRID LE NAOUR

INVESTMENT COMMITTEE

Chairman
WILFRID LE NAOUR

Members
JEAN GUILLAUME DESPATURE
ANTHONY STAHL

AUDITOR

ERNST & YOUNG SA

CONTACTS

Edify
VALÉRIE MARQUES
Chief Financial Officer
Tel: +352 24 83 16 21
Email : vmarques@edify-investmentpartner.com

Shan
FRANÇOIS-XAVIER DUPONT
Tel: +33 1 44 50 58 74
Email : fx.dupont@shan.fr

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

€ millions	Year 2016 12 months	Year 2015 12 months (proforma)	Year 2014/2015 15 months
Net asset value as at December 31	385.4	321.5	321.5
Consolidated Sales	413.7	361.3	381.3
Consolidated EBITDA	52.6	36.9	36.8
Consolidated current operating result	36.6	23.6	22.3
Consolidated operating result	27.5	29.4	27.6
Consolidated net result	16.3	17.0	14.8
Consolidated operating cash flow	39.9	26.5*	25.0*
Net financial debt as at December 31	22.6	22.9	22.9
Treasury Edify SA as at December 31	9.3	8.8	8.8
Confirmed credit facilities Edify SA as at December 31	63.0	63.0	63.0

* A negative adjustment of €7.9 million due to the cancellation of the recovery of negative goodwill was made to the 2015 operating cash flow. This adjustment is a calculated item and has no impact on cash.

BOARD OF DIRECTORS' MANAGEMENT REPORT

BOARD OF DIRECTORS' MANAGEMENT REPORT

TO THE ANNUAL GENERAL MEETING OF 18 MAY 2017

Ladies and Gentlemen,

In accordance with legal and regulatory provisions in force, the Board of Directors has convened you here in order to inform you on the management of your Company and the companies in its portfolio and to submit for your approval the financial statements for the year ended 31 December 2016.

Edify SA is an industrial holding company listed on the Euro-MTF market of the Luxembourg stock exchange.

Its portfolio is comprised of majority and minority shareholdings in French, Spanish and Swiss industrial medium size businesses and SMEs, namely **Zurflüh-Feller** (accessories and systems for roller shutters and industrial closing mechanisms), **Sirem** (motorised solutions for spa baths, swimming pools and milk tanks), **Pellenc** (portable power tools and machinery for winegrowing, olive growing and green spaces), **Les Usines Métallurgiques de Vallorbe** (filing tools for the jewellery, watchmaking, forestry, car and aeronautical industries), **de Buyer** (items and utensils for cookery and patisserie), **Gaviota-Simbac** (components and motors for awnings and roller shutters), **La Buvette** (livestock watering and farming systems), Ligier (microcars for unlicensed drivers), and **Lacroix Emballages** (packaging for solid dairy products).

Highlights of the year

ACQUISITION OF MARLUX

De Buyer acquired a 100% interest in Marlux, which specialises in pepper, salt, and spice grinders, on 23 June 2016.

EQUITY INVESTMENT IN LIGIER

Edify acquired a 31.52% interest in Ligier Développement (Ligier Group), which specialises in microcars, for €7.2 million on 7 September 2016. Edify also subscribed to €5 million in convertible bonds. This company is equity accounted.

ISSUE OF PROFIT UNITS

Edify issued 459,180 profit units over 2016 at a price of €10 each, for a total amount of €4,591,800.

CREATION OF A TAX CONSOLIDATION GROUP

A horizontal tax consolidation group for the French subsidiaries, where the umbrella company is Provence Nouveau Monde, was created on 1 January 2016.

Net Asset Value of Edify's portfolio

METHODOLOGY

Edify's Net Asset Value is the sum of:

- The financial assets held by Edify SA, revalued at fair value in accordance with the methods set out below;
- The cash held by the Edify SA holding company, less its financial commitments.

Financial assets defined as bond receivables are valued at their nominal value, including accrued interest.
Book value was used in the case of non-consolidated companies. In the case of equity investments that are fully consolidated, or consolidated on a proportional basis or via the equity method, the valuation methods selected were as follows:

SHARES IN UNLISTED COMPANIES

The enterprise value for each equity investment is measured via the usual methods, namely:

The stock market comparable multiple method
A sample of comparable companies, which consists of listed companies in the same business sector as the companies to be valued, and for which analysts publish research and estimates on a regular basis, is determined for each company to be valued. This sample is stable over time, and is only adjusted in the event that a comparable is no longer relevant. The multiples for the companies in the sample are calculated based on (i) the average market capitalisation for the 20 last trading sessions prior to the valuation, and net debt, as estimated by analysts at the valuation date, and (ii) the EBITDA and EBITA (Current Operating Profit before amortisation of the intangible assets allocated at the time of acquisitions) for the current year and the next two years resulting from the most recent analyst consensus at the assessment date. A discount may be applied to some multiples, in order to take account of the smaller size of the company that is being valued compared with the companies in the sample. The average EBITDA and EBITA multiples for companies in the sample that display similar growth prospects to the ones for the company to be valued are applied to that company's recurring EBITDA and EBITA for the current year and the next two years. The enterprise value selected is calculated by determining an average for the valuations obtained by applying these multiples to the aggregate amount of the equity investments.

The discounted cash flow method (DCF)
This method consists in determining the present value of the cash flows that a company will generate in the future. The forecast cash flows, which are determined together with the management of the company concerned, include a critical analysis of these companies' business plans. The discount rate used corresponds to the weighted average cost of capital and reflects the expected return on invested capital (equity and liabilities necessary to finance operations) given the specific features of the Company (sector, size, country exposure). It is calculated on the basis of financial data gathered for the same sample as the one used for the multiples. Furthermore, the forecast cash flows correspond to those that are used for impairment tests.

Choice of method
Where the company being valued has reached maturity on its market, the enterprise value is calculated by averaging the value obtained using the comparable market capitalisation method and the value obtained via the discounted cash flow method, while ensuring the convergence of the values obtained via both methods.
In the case of equity investments where most of the future growth involves a new market (change of strategy) or a recovering market, the enterprise value is calculated based on the DCF method.
This multi-criterion analysis enables Edify to take the intrinsic knowledge of its equity investments, and its medium-term investment approach into account.

The enterprise value calculated in this way is decreased or increased by non-operating assets and liabilities, which are valued at their net book value or at their market value, if that value can be determined on a reliable basis, and including net financial debt, which provides an adjusted value for a 100% interest. Financial debt is valued at its face value, plus any accrued interest. The value of the interest in the Net Asset Value is obtained by applying the percentage interest held by Edify at the valuation date. A minority discount may be applied in the case of some equity investments that do not provide control and/or of reduced control.

SHARES IN LISTED COMPANIES

The shares are valued by using the average closing price for the last 20 trading sessions prior to the valuation.

NEW INVESTMENTS

New investments in subsidiaries and in listed or unlisted equity investments are valued at their purchase price during the 12 months following their acquisition. Following their acquisition, the subsidiaries prepare consolidated annual financial statements, which are certified by external auditors, and update their business plans and results forecasts for the financial year following the date of their acquisition.

The methodology set out above complies with the "International Private Equity and Venture Capital Valuation Guidelines" ("IPEV"), which are approved by the main professional private equity organisations throughout the world.

VALUATION OF EDIFY'S PORTFOLIO

The net asset value stood at €385.4 million in total, and at €79.3 per share at the end of December 2016. Accordingly, it increased by 19.9% compared with the end of December 2015.

Presentation of the financial statements

ACCOUNTING PERIOD

Note that Edify SA (formerly Somfy Participations) results from the separation of the Somfy Group's two business lines. Edify SA's first accounting year covered a period of 15 and a half months, including an opening balance sheet prepared at 31 October 2014, which was the end-date for the month when the contributions were completed.
The financial year covered12 calendar months in 2016.

PARENT COMPANY DATA

Edify's operating loss amounted to €4.2 million at 31 December 2016, and primarily consisted of operating expenses. Meanwhile, net financial income amounted to €2.7 million, and primarily consisted of dividends and interest income. The net loss was €1.6 million.

CONSOLIDATED DATA

SALES

Consolidated sales totalled €413.7 million for the financial year just ended, an increase of 14.5% in real terms and 8.1% excluding perimeter changes and forex fluctuations[1].
The highest growth was recorded by Pellenc, due specifically to the success of the new portable power tools, by de Buyer and Zurflüh-Feller, particularly at international level, and by Gaviota-Simbac, in the area of awnings and accessories for roller shutters.

NET PROFIT

Consolidated EBITDA posted a 43% increase over the financial year, reaching €52.6 million, and grew 2.5 points in relation to sales (12.7% against 10.2%). The growth reflected a significant improvement within each of the shareholdings and was due to the momentum in sales – the source of better absorption of fixed costs – and by good control of the main expenses.
Current Operating Profit grew 55% to €36.6 million. Conversely, net profit was reduced by 4.1% to €16.3 million, as a result of the negative impact of exceptional items: pursuant to the application of accounting standards, it incorporated an exceptional expense of €3 million over the year just ended, in respect of an earn out on a shareholding, whilst it had benefited from an exceptional income of €7.3 million over the previous financial year, as a result of the reversal of negative goodwill in relation to the Swiss company.

1. De Buyer was acquired in July 2015 and Profilmar, a subsidiary of Zurflüh-Feller, in October 2015.

FINANCIAL POSITION

Consolidated Net Financial Debt remained practically stable over the financial year given the high operational investments and the acquisition of a stake in Ligier. It was therefore limited to €22.6 million (excluding the earn-out liability) at the end of December, and could be compared to shareholders' equity of €262.5 million and cash flow of €39.9 million.

The credit facilities arranged in June 2015, which amount to €63 million in total, remain available for any future investments.

Post-balance sheet events

There were no major post-balance sheet events to report.

Information on research and development activities

"Research and Development" is a major factor for growth and development through innovation. Most of the companies in Edify's portfolio have an active innovation policy. The Pellenc Group, where innovation is a key factor for success and growth, has over 135 engineers and technicians in its R&D Department, and has a portfolio of more than 146 patent categories, 92 of which are active.

Information on risks

RISKS RELATING TO EDIFY'S BUSINESS ACTIVITIES, I.E. PRIVATE EQUITY INVESTMENTS IN UNLISTED COMPANIES

The main risks are as follows:

- Risk relating to the valuation of unlisted assets, which may ultimately turn out to be different from their subsequent realisation value.
- Risk relating to the implementation of investment plans, which may result in an impairment of the investment in the long-term.
- Liquidity risk: unlisted equity investments are less liquid than listed assets by nature.
- Risk relating to the debt market: Edify finances some of its acquisition transactions partly via debt (i.e. leverage). As part of this type of transaction, Edify usually acquires the target equity investment via a dedicated holding company, which is partly financed by debt, most often bank debt. The availability and cost of bank or similar financing vary over time. The unavailability or excessive cost of this financing could temporarily make leveraged transactions impossible or not very attractive.
- Foreign exchange risk: which is directly related to the amounts invested in companies that conduct their business activities in currencies other than the euro, primarily the Swiss franc.
- The macro-economic environment: an adverse change in the economic environment, and a deterioration in the economic outlook, especially in Europe, may alter the conditions for investing in, developing, enhancing, and disposing of Edify's equity investments.
- Edify's management team is small, which may lead to a risk of dependency on a few key persons.

RISKS SPECIFIC TO THE MAIN EQUITY INVESTMENTS UNDER EDIFY'S CONTROL

The main risks are as follows:

- Risks relating to the economic environment: adverse economic prospects are likely to have a negative impact on the future performance of some equity investments. The main equity investments supply products to operators in sectors as varied as winegrowing, the maintenance of green spaces, (residential and commercial) construction, and the forestry industry. The fundamentals of some equity investments make them more sensitive to economic cycles, while others have more resilient business models.

- Risks relating to the equity investments' business sectors: due to the composition of Edify's portfolio, some risks are very specific, and are inherent to the main equity investments that it controls:

– Climate risk: the winegrowing and olive oil business activities are likely to be affected by adverse weather in the production areas. At the same time, a lack of sunshine will have a negative effect on the business activities involving the supply of motors for swimming pool covers.

– Construction market: the performance of the equity investments linked to construction are dependent on business volumes in the sector, especially in France and Spain.

– The milk and meat market: the equity investments that supply the beef cattle breeding and milk production sector are exposed to fluctuations in the price of milk, and in the price of meat, to a lesser extent, especially in Europe.

- Risk relating to dependency on key persons involved in the equity investments, which may have an impact on the conduct of the operations, and on continuing the equity investment's strategy.

- Environmental risks: the main equity investments concerned by environmental risks are those that conduct industrial activities, especially those that include, or have included operations involving the smelting and working of metals, the moulding of plastics, and surface treatments.

Information on the buyback of own shares

Edify holds treasury shares with a view to ensuring an active market in its shares via an investment service provider under the terms of a liquidity agreement.
Edify held 1,116 treasury shares at the end of the financial year, which accounted for 0.02% of its share capital. The value of the treasury shares is €49.53 per share.

Allocation of results

The Board of Directors proposes to carry forward the net loss for the financial year ended 31 December 2016, which amounted to €1,603,532.49.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(€ K)	Notes	31/12/16 12 months	31/12/15 15 months
Sales	NOTE 3	413,672	381,291
Other operating revenue	NOTE 3	5,876	6,763
Cost of sales		-180,819	-165,253
Employee costs		-128,712	-130,053
External costs		-57,441	-55,939
EBITDA		**52,576**	**36,809**
Amortisation and depreciation charges	NOTE 4	-15,141	-14,288
Charges to reversal of current provisions		-266	12
EBITA		**37,170**	**22,533**
Amortisation of allocated intangible assets	NOTE 4	-580	-193
CURRENT OPERATING RESULT		**36,590**	**22,340**
Other non-current operating income and expenses	NOTE 3	-5,232	6,658
Gains and losses on disposal of non-current operating assets		-110	-344
Goodwill impairment	NOTE 4	-3,754	-1,094
OPERATING RESULT		**27,495**	**27,559**
Financial income from investments		*613*	*1,314*
Financial expenses related to borrowings		*-2,581*	*-3,345*
Cost of net financial debt		-1,968	-2,031
Other financial income and expenses		601	-3,524
NET FINANCIAL INCOME/(EXPENSE)	**NOTE 6**	**-1,367**	**-5,555**
PROFIT BEFORE TAX		**26,128**	**22 ,004**
Income tax	NOTE 9	-10,512	-7,400
Share or profit/(loss) from associates	NOTE 11	639	246
CONSOLIDATED NET PROFIT		**16,255**	**14,850**
Attributable to Group share		16,214	15,941
Non-controlling interests		41	-1,091

Consolidated balance sheet - Assets

(€ K)	Notes	31/12/16 Net	31/12/15 Net
Non-current assets			
Goodwill	NOTE 4	13,661	16,806
Net intangible assets	NOTE 4	13,098	13,988
Net property, plant and equipment	NOTE 4	105,840	101,575
Investments in associates	NOTE 11	11,661	3,703
Financial assets	NOTE 6	17,905	12,434
Other receivables		30	121
Deferred tax assets	NOTE 9	14,802	13,140
Employee benefits	NOTE 8	1,519	2,539
TOTAL NON-CURRENT ASSETS		**178,515**	**164,305**
Current assets			
Inventories	NOTE 3	120,277	112,010
Trade receivables	NOTE 3	79,644	71,272
Other receivables	NOTE 3	9,175	9,212
Current tax assets		3,853	5,020
Financial assets	NOTE 6	294	232
Cash and cash equivalents	NOTE 6	66,965	57,588
TOTAL CURRENT ASSETS		**280,207**	**255,334**
TOTAL ASSETS		**458,723**	**419,639**

Consolidated balance sheet - Equity and liabilities

(€ K)	Notes	31/12/16	31/12/15
Shareholders' equity			
Share capital		4,860	4,860
Share premium		242,141	237,634
Other reserves		-15,062	-30,996
Net profit for the period		16,214	15,941
GROUP SHARE		**248,153**	**227,439**
Non-controlling interests		14,324	12,788
TOTAL SHAREHOLDERS' EQUITY	**NOTE 5**	**262,477**	**240,227**
Non-current liabilities			
Non-current provisions	NOTE 7	3,086	2,549
Other financial liabilities	NOTE 6	57,198	46,230
Other liabilities		129	119
Employee benefits	NOTE 8	13,835	12,758
Deferred tax liabilities	NOTE 9	7,769	8,811
Derivative instruments liabilities		1	1
TOTAL NON-CURRENT LIABILITIES		**82,019**	**70,468**
Current liabilities			
Current provisions	NOTE 7	2,853	3,406
Other financial liabilities	NOTE 6	39,558	38,216
Trade payables	NOTE 3	38,255	34,659
Other liabilities	NOTE 3	31,524	32,136
Tax liability		2,037	528
Derivative instruments liabilities		-	-
TOTAL CURRENT LIABILITIES		**114,227**	**108,945**
TOTAL EQUITY AND LIABILITIES		**458,723**	**419,639**

General information

Edify SA (hereinafter Edify) is an industrial holding company, which was incorporated in the form of a Limited Company with an indefinite term in Luxembourg on 16 September 2014 pursuant to the laws of the Grand Duchy of Luxembourg. The Company has its registered office at 6, boulevard d'Avranches, L-1160 Luxembourg.

It is registered on the Luxembourg Trade and Companies Register under No. B190500.

Edify is listed on the Euro-MTF market of the Luxembourg stock exchange.

Its portfolio is comprised of majority and minority shareholdings in French, Spanish and Swiss industrial medium size businesses and SMEs, namely **Zurflüh-Feller** (accessories and systems for roller shutters and industrial closing mechanisms), **Sirem** (motorised solutions for spa baths, swimming pools and milk tanks), **Pellenc** (portable power tools and machinery for winegrowing, olive growing and green spaces), **les Usines Métallurgiques de Vallorbe** (filing tools for the jewellery, watchmaking, forestry, car and aeronautical industries), **de Buyer** (items and utensils for cookery and patisserie), **Gaviota-Simbac** (components and motors for awnings and roller shutters), **La Buvette** (livestock watering and farming systems), **Ligier** Ligier (microcars for unlicensed drivers), and **Lacroix Emballages** (packaging for solid dairy products).

Highlights

- It should be noted that Edify's first accounting year covered a period of 15 and a half months, including an opening balance sheet prepared at 31 October 2014, which was the end-date for the month when the contributions were completed.

- De Buyer acquired a 100% interest in Marlux, which specialises in grinders, on 23 June 2016.

- Edify acquired a 31.52% interest in Ligier Développement (Ligier Group), which specialises in microcars, for €7.2 million on 7 September 2016. Edify also subscribed to €5 million in convertible bonds. This company is equity accounted.

- Edify issued 459,180 profit units over 2016 at a price of €10 each, for a total amount of €4,591,800.

- A horizontal tax consolidation group for the French subsidiaries, where the umbrella company is Provence Nouveau Monde, was created on 1 January 2016.

Post-balance sheet events

There were no post-balance sheet events likely to have a material impact on the consolidated annual financial statements.

Notes to the consolidated financial statements

NOTE 1 — ACCOUNTING PRINCIPLES

1. FINANCIAL STATEMENTS – BASIS FOR PREPARATION

The consolidated financial statements are presented in thousands of Euros and all amounts are rounded to the nearest thousand of Euros, unless otherwise specified.

The financial statements are prepared according to the historical cost principle.

Consolidated financial statements include the financial statements of Edify at 31 December of each year. The financial statements of subsidiaries are prepared for the same reference period as the parent company and on the basis of standard accounting methods.

Note that the Group's consolidated financial statements for the first financial year ended 31 December 2015 exceptionally covered a period of 15 and a half months for Edify SA, including a 14-month contribution from the subsidiaries resulting from the contribution of assets.

The financial year-end of all companies is 31 December.
The Group's consolidated financial statements for the year ended 31 December 2016 have been prepared in accordance with the laws and regulations applicable in the Grand Duchy of Luxembourg at that date. However, the

presentation of the income statement and balance sheet does not strictly follow the provisions of the Law passed on 19 December 2015 amending the Law of 10 August 1915, effective from 1 January 2016. A definition of the main aggregates is provided in Note 1.8, while a reconciliation with the new law is provided in Note 13.

2. CONSOLIDATION METHODS

The consolidation methods depend on the type of control that the parent entity exercises over its subsidiary:

Full control, where the parent company:

- Holds the majority of the shareholders' or partners' voting rights in a company;
- Has the right to appoint or dismiss the majority of the members of the administrative, management, or supervisory body of a company, and is also a shareholder or partner in that company; or
- Is a shareholder or partner in a company, and has sole control of the majority of the voting rights of shareholders or partners in that company, pursuant to an agreement entered into with other shareholders or partners.

Joint control, where the parent company included in the consolidation scope jointly manages another company with one or several companies that are not included in the consolidation scope.

Material influence, where the parent company exercises a material influence over a subsidiary's management and financial policy. A parent company is assumed to have a material influence over another company when it holds at least 20% of that company's voting rights.

Companies under full control are fully consolidated. Companies under joint control are consolidated on a proportional basis. Companies over which the Company exercises a material influence are consolidated using the equity method.

3. ESTIMATES AND JUDGMENT

The preparation of consolidated financial statements requires Management to make a number of estimates and assumptions liable to affect the value of certain asset, liability, income and expense items, and certain information provided in the notes to the financial statements. Due to the inherently uncertain nature of these assumptions, actual results may differ from these estimates. Management reviews its estimates and assessments on a regular basis to take past experience into account and incorporate factors considered relevant under current economic conditions.

The major items of the financial statements that may be subject to estimates are as follows:

- The impairment of goodwill and intangible assets and property, plant and equipment, whose measurement is specifically based on future cash flow, discount rate and net realisable value assumptions,
- Retirement commitments, whose measurement is based on a number of actuarial assumptions,
- Provisions,
- Deferred tax assets on losses.

As part of the preparation of these annual consolidated financial statements, the main judgments made and the main assumptions used by Management have been updated based on the latest indicators available.

At 31 December, the Group reviews its performance indicators and, if necessary, carries out impairment tests if there is any indication that an asset may have been impaired. Financial statements reflect the best estimates on the basis of available information at year-end close.

4. IMPAIRMENT TEST

The Group determines whether there is any evidence of permanent impairment of an asset at each period-end, and ensures that the net book value of the asset does not exceed its recoverable value. Its recoverable amount is measured at the higher of its fair value, after deduction of disposal costs, and its value in use.

If the recoverable amount exceeds the net book value of the asset at period end, no impairment is recognised.

However, if this amount is lower than the net book value, an impairment loss equal to the difference is recognised in the income statement.

Fair value after deduction of disposal costs is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting disposal costs.

The value in use is determined on the basis of cash flows estimated by plans and budgets for a maximum of five years. Cash flows beyond five years are extrapolated through the application of a constant or decreasing rate and discounted using long-term market rates after tax, which reflect market estimates of the time value of money and specific risks pertaining to these assets. In certain cases, cash flows are estimated over longer periods. Justification is provided in such cases.

For intangible assets (excluding goodwill) and Property Plant and Equipment (PPE) with a set useful life, a previously recognised impairment loss may be reversed if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognised. If this is the case, the asset book value is increased to match the recoverable amount. The impact is recognised in the income statement.
The impairment of goodwill cannot be reversed.

5. RECOGNITION OF FOREIGN CURRENCY DENOMINATED TRANSACTIONS IN THE INDIVIDUAL FINANCIAL STATEMENTS OF CONSOLIDATED COMPANIES

The consolidated financial statements at 31 December 2016 have been prepared in Euros.
Transactions in foreign currencies are translated into Euros at the exchange rate on the transaction date when they are initially recognised.

At each period-end in the individual financial statements:

- Non-monetary, foreign currency denominated amounts included in the balance sheet are retained at the historical rate,

- Monetary, foreign currency denominated amounts included in the balance sheet are converted at the year-end exchange rate.

Resulting translation differences are recorded in the income statement, except for unrealised exchange gains.

6. TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS

The financial statements of Group companies which have a different currency to the parent company are translated into Euros, as follows:

- Assets and liabilities, including goodwill, are translated into Euros at the year-end exchange rate,

- Income and expenses are translated at the average exchange rate for the period, provided significant variations in the exchange rates do not call this method into question,

- Differences on translation arising are directly recorded in the consolidated financial statements under shareholders' equity.

Unrealised exchange differences relating to monetary values that are an integral part of the net investment in foreign subsidiaries are recorded in translation adjustment in equity until the disposal of the investment, at which date they are taken to the income statement.
No significant Group subsidiary operates in countries whose economy is hyperinflationary.

7. CURRENT/NON-CURRENT DISTINCTION

The balance sheet is presented in a way that distinguishes between current items (short-term assets and liabilities) and non-current items (long-term assets and liabilities).

Current operating profit consists of current and non-current items. Non-current items are of an extraordinary nature, and are classified on a specific line in the income statement: "Other non-current operating income and expenses" after Current Operating Result (see Note 3.2).
These items are reclassified in Note 13, in order to comply with the presentation required by the law passed on 19 December 2015 amending the Law of 10 August 1915, effective from 1 January 2016.

8. DEFINITION OF THE MAIN AGGREGATES

EBITDA : Earnings Before Interest, Taxes, Depreciation and Amortisation – Current Operating Result before Depreciation, Amortisation, and Impairment Charges, and provisions for current liabilities and charges.

EBITA : Earnings Before Interest, Taxes, Depreciation and Amortisation – Current Operating Result before amortisation of intangible assets allocated as part of acquisitions.

NFD : Net Financial Debt. It corresponds to the difference between financial assets and financial liabilities. It notably takes into account unlisted bonds receivable, issued by certain companies in which shares are held or related entities, earn out on acquisitions, liabilities relating to options granted to minority shareholders in fully-consolidated companies and deferred settlements of a financial nature. Not included are securities in non-controlling equity investments, convertible bonds, deposits & guarantees and government grants (see Note 6.4).

9. CHANGES IN ACCOUNTING PRINCIPLES AND ESTIMATES

Changes in accounting policies or estimates are the subject of a note which includes the nature of the change and its impact on the annual financial statements.

NOTE 2 — CONSOLIDATION SCOPE

CONSOLIDATED COMPANIES AT 31 DECEMBER 2016

Company name	Registered office	% control 31/12/16	% interest 31/12/16	% interest 31/12/15
Edify SA	Luxembourg (Luxembourg)	(parent)	(parent)	(parent)
FULLY-CONSOLIDATED COMPANIES				
Financière Développement SAS	Ferney Voltaire (France)	100.00	100.00	100.00
De Buyer Industries	Val d'Ajol (France)	100.00	95.00	100.00
De Buyer.com	Val d'Ajol (France)	100.00	95.00	100,00
De Buyer Inc.	Los Angeles (USA)	100.00	95.00	100.00
Marlux	Val d'Ajol (France)	100.00	95.00	-
Financière Nouveau Monde SA	Miribel (France)	100.00	92.06	94.48
Sirem SAS	Miribel (France)	100.00	92.06	94.48
Aqua System Design SAS	Miribel (France)	100.00	92.06	94.48
Sirem Immobilier SNC	Miribel (France)	100.00	92.06	94.48
Aswell	Miribel (France)	50.00	46.03	47.24
Provence Nouveau Monde	Ferney Voltaire (France)	100.00	100.00	100.00
Pellenc	Pertuis (France)	100.00	100.00	100.00
Pellenc America	Santa Rosa (USA)	100.00	100.00	100.00
Pellenc Australia	Adelaide (Australia)	100.00	100.00	100.00
Pellenc China	Dongguan (China)	100.00	100.00	100.00
Pellenc Languedoc Roussillon	Lézignan (France)	100.00	65.00	65.00
Pellenc Maroc	Marrakech (Morocco)	100.00	100.00	100.00
Pellenc Slovensko	Nové Mesto (Slovakia)	100.00	100.00	100.00
Pellenc Sud America	Santiago (Chile)	100.00	100.00	100.00
Pellenc Ibérica	Jaen (Spain)	100.00	79.60	79.60
Pellenc Italia	Colle Val d'Elsa (Italy)	100.00	99.48	99.48
Pellenc Deutschland	Kappelrodeck (Germany)	100.00	100.00	100.00
Pellenc Honk Kong	Honk Kong	100.00	100.00	100.00
Sofonlec	Perpignan (France)	100.00	65.00	65.00
Pellenc Bordeaux Charentes	Saint-Laurent-Medoc (France)	100.00	100.00	100.00
PERA - Pellenc SA	Florensac (France)	100.00	100.00	100.00
Pellenc Bâtiments	Pertuis (France)	100.00	99.00	99.00
Pellenc South Africa	Paarl (South Africa)	100.00	100.00	100.00
Pellenc HD SAS	Igé (France)	100.00	100.00	100.00
PERA America	Santa Rosa (USA)	100.00	100.00	-
FDS Financière Développement Suisse SA	Vallorbe (Switzerland)	100.00	87.78	87.78
Usines Metallurgiques de Vallorbe SA	Vallorbe (Switzerland)	100.00	66.06	68.72
NMP SAS	Cluses (France)	100.00	99.83	99.83
Zurflüh-Feller Holding SAS	Autechaux Roide (France)	100.00	99.83	99.83
Zurflüh-Feller SAS	Autechaux Roide (France)	100.00	99.83	99.83
CERF EURL	Autechaux Roide (France)	100.00	99.83	99.83
Profilinvest (2016 merger)	Marseille (France)	-	-	99.83
Profilmar	Marseille (France)	100.00	99.83	99.83
Profilinnov	Maracineni (Romania)	100.00	99.83	99.83
Financière du Jura	Ferney Voltaire (France)	100.00	100.00	100.00

CONSOLIDATED COMPANIES AT 31 DECEMBER 2016 (Continued)

Company name	Registered office	% control 31/12/16	% interest 31/12/16	% interest 31/12/15
PROPORTIONALLY-CONSOLIDATED COMPANIES				
Gaviota Simbac, S.L.	Alicante (Spain)	46.50	46.50	46.50
Gaviota S.p.a.	Megazzo (Italy)	46.50	46.50	46.50
Gaviota Simbac, S.L. Sucursal Portugal	Sintra (Portugal)	46.50	46.50	46.50
Gaviota Simbac Middle East, S.A.L.	Zouk Mosbeh (Lebannon)	46.50	23.25	23.25
Gaviota Simbac America S.A.	Santo Domingo (Dominican Republic)	46.50	39.53	39.53
Gaviota Simbac México, S.A. de C.V.	México (Mexico)	46.50	46.04	46.04
Gaviota Simbac Marruecos, SARL	Nador (Morocco)	46.50	46.50	46.50
Gaviota Simbac Eastern Europe, S.R.L.	Bucharest (Romania)	46.50	23.25	23.25
Huella Platina, S.A.	Montevideo (Uruguay)	46.50	41.85	41.85
Toldos y Persianas de Gaviota, S.A.	Barrio La Sonrisa (Uruguay)	46.50	46.50	46.50
Gaviota Revolution S.R.L.U.	Alicante (Spain)	46.50	23.25	23.25
Gaviota Brasil, S.A.	Sao Paulo (Brazil)	46.50	46.50	46.50
Gaviota Central Europe s.r.o.	Trnava (Slovakia)	46.50	46.50	46.50
Persianas y Toldos Europeos sa cv	México (Mexico)	46.50	46.50	46.50
Gaco Aluminium Solution SAS	Bogota (Colombia)	46.50	46.50	46.50
Bandalux Uruguay S.A.	Rivera (Uruguay)	46.50	46.50	46.50
Vista Sublime	Montevideo (Uruguay)	46.50	46.50	46.50
Nordalur	Montevideo (Uruguay)	46.50	23.25	23.25
Gaviota France SAS	Perpignan (France)	46.50	46.50	46.50
Gaviota USA LLC	Wilmington (USA)	46.50	46.50	46.50
Bestende	Bellusco (Italy)	46.50	32.55	-
Eurolock	Santiago (Chile)	46.50	23.25	-
GLP	Sinaloa (Mexico)	46.50	23.25	-
FilPel Bobinas	Barbastro (Spain)	50.00	50.00	50.00
Volentieri Pellenc	Poggibonsi (Italy)	50.00	50.00	50.00
EQUITY-ACCOUNTED COMPANIES				
Sofilab 4	Tournes (France)	25.00	25.00	25.00
ACT Vinicole	Laverune (France)	49.00	49.00	49.00
Aceper SL	Ourense (Spain)	16.83	16.83	16.83
Masventava	Ourense (Spain)	16.20	16.20	16.20
Inversiones	Ourense (Spain)	16.20	16.20	16.20
Ligier Développement	Abrest (France)	31.52	31.52	-
Gaviota Caribe	Santo Domingo (Dominican Republic)	16.28	16.28	-

NOTE 3 – PERFORMANCE-RELATED DATA

1. SALES

Sales include all income from ordinary activities of consolidated companies.

Income from ordinary activities is recognised when it is probable that future economic benefits will flow to the Group and that they can be measured reliably. Income from ordinary activities is recognised at the fair value of the consideration received or to be received.
Sales of goods are recognised when delivered to final customers.

Group sales totalled €413.7 million for the year ended 31 December 2016 and can be analysed geographically as follows :

(€ K)	31/12/16 12 months	%
Europe	337.4	82%
- of which France	*185.5*	*45%*
- of which Spain	*55.0*	*13%*
- of which Italy	*33.8*	*8%*
- of which Germany	*24.6*	*6%*
Americas	40.9	10%
Asia	10.6	3%
Africa	15.8	4%
Oceania	9.0	2%
TOTAL	**413.7**	**100%**

Other operating income amounted to €5.9 million, including €2.8 million relating to the Research Tax Credit.

2. OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

Note that Current Operating Result reflects Company performance and represents Operating Result excluding non-current operating income and expenses, gains and losses on the disposal of non-current operating assets and goodwill impairment.

The amortisation of intangible assets allocated as part of business combinations is included in Current Operating Result.

Other non-current operating income and expenses therefore relate to factors that are exceptional, unusual, abnormal, infrequent and particularly significant, which could mislead the understanding of the Group's consolidated performance. These notably include the capital gains and losses on asset disposals, restructuring costs and provisions of a nature liable to affect the understanding of the Current Operating Result.

(€ K)	31/12/16 12 months	31/12/15 15 months
Negative goodwill (see Note 4)	-	7,856
Charge to / reversal of non-current provisions	-1,033	-89
Other non-current items	-4,199	-1,109
Non-current income	*371*	*339*
Non-current expenses	*-4,570*	*-1,449*
Other non-current operating income and expenses	**- 5,232**	**6,658**

In 2015, the negative goodwill (badwill) amounting to €7.9 million recognised in the opening balance sheet was fully expensed.
Non-current expenses include a €3 million adjustment to the earn-out relating to the acquisition cost of the Pellenc shares.

3. INVENTORIES

Inventories are valued at their procurement cost, determined using the weighted average cost method.
The value of inventories and work in progress is impaired when their net realisable value is lower than their book value.

Net realisable value is the estimated selling price under normal business conditions, after deducting estimated completion costs and estimated selling expenses.

As part of the consolidation process, the value of inventories on the balance sheet excludes the intercompany profit generated on the sale of goods between two Group companies if these goods are still held in inventory at a Group company at the period-end date.

(€ K)	31/12/16	31/12/15
Gross values		
Raw materials and other supplies	53,570	64,996
Finished goods and merchandise	83,328	61,770
TOTAL	**136,897**	**126,766**
Provisions	-16,620	-14,756
Net values	**120,277**	**112,010**

4. TRADE RECEIVABLES AND TRADE PAYABLES

Trade receivables and trade payables are recorded at their nominal value. A provision for writedown is recorded in the case of receivables that are unlikely to be collected.

(€ K)	31/12/16	31/12/15
Gross trade receivables	**83,709**	**76,006**
Provisions	-4,065	-4,734
Net trade receivables	**79,644**	**71,272**

Trade payables totalled €38,255 K at 31 December 2016, compared with €34,659 K at 31 December 2015.

5. OTHER CURRENT RECEIVABLES AND LIABILITIES

Other current receivables

(€ K)	31/12/16	31/12/15
Gross values		
Receivables from employees	338	141
Other taxes (including VAT)	6,638	6,939
Prepaid expenses	1,939	1,524
Other receivables	261	608
TOTAL	**9,175**	**9,212**

Other current liabilities

(€ K)	31/12/16	31/12/15
Social security liabilities	21,769	21,562
Tax liabilities	6,828	7,033
Deferred income	1,631	1,575
Non-current asset suppliers	648	369
Other	648	1,597
TOTAL	**31,524**	**32,136**

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

1. GOODWILL

When a company is incorporated in the consolidation scope, the identifiable assets, liabilities and contingent liabilities of the acquired entity are measured at the date of acquisition fair value.

Goodwill is measured as the difference between total identifiable assets, liabilities and contingent liabilities of the acquired entity, individually estimated at fair value, and the transferred consideration (total acquisition cost) measured at fair value of the assets received.

The goodwill resulting from the difference between the acquisition price and the value of the net asset re-estimated at the acquisition date is treated as follows:

- Goodwill is recognised as an amortisable intangible asset;
- Negative goodwill is expensed if it corresponds to the following at the acquisition date:

– a forecast adverse trend in the future results of the company concerned,
– the forecast expenses that the company will incur,
– a realised capital gain.

In other cases, negative goodwill is recognised under provisions for liabilities and charges.

Goodwill is not allocated to minority interests. However, adjustments to the fair value of identifiable assets and liabilities (valuation differences) are divided between the share attributable to the Group and the share attributable to minorities.

Goodwill is usually amortised over five years. It may be amortised over a period longer than five years, although that period may not exceed the expected useful life of the asset. When this option is used, it is mentioned in the notes to the financial statements, together with the reasons. Amortisation of goodwill cannot be reversed.

In the opening balance sheet, the goodwill determined on the investments resulting from the contribution made on 29 October 2014 was immediately deducted from the Group's reserves.
The €7.9 million of negative goodwill was fully expensed during the 2015 financial year (see Note 3.2).

Goodwill

(€ K)	Value
At 31 December 2015	**16,806**
Changes in scope of consolidation	619
Changes in foreign exchange rates	55
Amortisation charges	-3,754
Charge for impairment	-
Other movements	-65
At 31 December 2016	**13,661**

The item primarily consists of the goodwill on de Buyer (€9.6 million) and on Profilmar (€3.3 million).
Marlux (de Buyer) and Eurolock (Gaviota) were acquired during the 2016 financial year.

2. INTANGIBLE ASSETS

Intangible assets acquired by the Group are recognised at acquisition cost or at cost price, after deduction of accumulated amortisation and potential writedown.
Each asset is tested for impairment when there is evidence of lasting value impairment.

Intangible assets primarily comprise:

- Incorporation costs, which are restated in the consolidated financial statements to be eliminated and considered as expenses for the financial year,

- Software, which is valued at acquisition cost and amortised on a straight-line basis over the expected useful life,

- Patents, only acquired patents and related filing expenses are capitalised. They are amortised on a straight-line basis over their legal protection period. Costs of renewal of patents are included in costs for the year,

- Development costs, which are capitalised under several conditions:
  - they must correspond to the expenditure in this area incurred by the company on its own behalf;
  - they must offer a reasonable chance of technical success and commercial profitability;
  - it is probable that the future economic benefits attributable to the software will flow to the entity, and;
  - its cost or value can be measured reliably.

  Development expenses incurred on behalf of a customer are not capitalised, and are included in the expenses for the financial year.

  Development costs are usually amortised over a period of five years from the date they are recognised under assets.

  Subsequent expenditures are generally recognised as expenses for the financial year.

  In the event that a project fails, the corresponding development costs must immediately be amortised in full.
  Research costs are included in costs for the year.

- Brands are valued and recorded as an asset on the balance sheet as part of acquisitions. These intangible assets have an indefinite life and are subject to impairment tests when events or changes in circumstances indicate that they have been impaired (indication of impairment).If no patent is filed, the trademark is not capitalised, and the expenses incurred are expensed,

- The relationship with customers, which is valued as an intangible asset, represents the value of the customer portfolio at the acquisition date. This value is determined based on the future profitability of the company's main customers who are currently in the portfolio, taking into account a customer loss rate based on the company's historical data. The profitability generated by these customers is measured based on the expected financial performance in terms of its EBITA margin, less tax, the financing of other assets (property, plant and equipment and trademarks), and working capital requirements.

Change in intangible assets

(€ K)	Allocated intangible assets	Development costs	Patents and brands	Software	Other	In progress and advance payments	**Total 2016**
Gross value at 31 December 2015	10,100	2,080	2,381	7,137	1,749	130	23,578
Acquisitions	-	42	27	342	158	280	849
Disposals	-	-238	-	-246	-10	-	-494
Changes in foreign exchange rates	-	-	1	16	-99	-1	-82
Changes in scope of consolidation	-	-	-	-	-	-	-
Other movements	-	64	17	213	-54	-241	-
At 31 December 2016	**10,100**	**1,948**	**2,427**	**7,461**	**1,744**	**169**	**23,849**
Accumulated depreciation at 31 December 2015	-193	-1,249	-1,527	-5,969	-652	-	-9,590
Amortisation charge for the period	-580	-292	-30	-464	-244	-	-1,611
Disposals	-	225	-	229	10	-	464
Changes in foreign exchange rates	-	-	-	-13	-	-	-14
Changes in scope of consolidation	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-
At 31 December 2016	**-773**	**-1,316**	**-1,558**	**-6,218**	**-886**	**-**	**-10,751**
NET VALUE AT 31 DECEMBER 2016	**9,327**	**631**	**869**	**1,243**	**857**	**169**	**13,098**

							Total 2015
Gross value at 31 October 2014 (opening balance sheet)	-	1,351	716	3,672	906	417	7,062
Acquisitions	-	52	16	485	246	422	1,221
Disposals	-	-13	-	-277	-123	-	-413
Changes in foreign exchange rates	-	1	-	136	-20	-	116
Changes in scope of consolidation	10,100	19	1,649	3,084	741	-	15,592
Other movements	-	671	-	37	-	-708	-
At 31 December 2015	**10,100**	**2,080**	**2,381**	**7,137**	**1,749**	**130**	**23,578**
Accumulated depreciation at 31 October 2014 (opening balance sheet)	-	-979	-297	-3,292	-230	-	-4,799
Amortisation charge for the period	-193	-268	-34	-528	-262	-	-1,286
Disposals	-	13	-	275	5	-	293
Changes in foreign exchange rates	-	-	-	-137	1	-	-135
Changes in scope of consolidation	-	-16	-1,196	-2,286	-165	-	-3,663
Other movements	-	-	-	-	-	-	-
At 31 December 2015	**-193**	**-1,249**	**-1,527**	**-5,969**	**-652**	**-**	**-9,590**
NET VALUE AT 31 DECEMBER 2015	**9,907**	**831**	**854**	**1,167**	**1,098**	**130**	**13,988**

The allocated intangible assets correspond to de Buyer's trademark (€4.3 million) and to its customer relationships (€5.8 million), the latter being amortised over a period of 10 years.

3. PROPERTY, PLANT AND EQUIPMENT

Except for business combinations, property, plant and equipment are recorded at their acquisition cost or at their procurement cost. Property, plant and equipment acquired as part of a business combination are recognised at their fair value independently of goodwill. Current maintenance costs are recognised as expenses for the financial year.

The value of a fixed asset where the use is limited in time is depreciated over its useful life. The depreciation is calculated based on the book value of the asset, and does not take its residual value into account.

Straight-line depreciation is used based on the following average useful lives:

- Buildings: 20 to 40 years,
- Fittings and fixtures: 10 to 20 years,
- Machinery and tools: 5 to 10 years,
- Motor vehicles: 3 to 5 years,
- Furniture: 4 to 10 years.

An adjustment for impairment is recorded when the value of a non-current asset is less than the balance sheet value and the reduction in value will be permanent. Property, plant and equipment is derecognised when it is disposed of.

Property, plant and equipment

(€ K)	Land	Buildings	Plant, machinery and tools	Other	In progress and advance payments	Total 2016
Gross value at 31 December 2015	8,856	78,726	140,259	17,731	6,604	252,176
Acquisitions	47	2,742	4,326	1,455	11,246	19,815
Disposals	-	-532	-2,446	-1,067	-	-4,045
Changes in foreign exchange rates	22	358	449	96	3	928
Changes in scope of consolidation	-	-	69	96	-	165
Other movements	41	3,067	8,783	717	-9,228	3,381
At 31 December 2016	**8,966**	**84,361**	**151,441**	**19,027**	**8,624**	**272 420**
Accumulated depreciation at 31 December 2015	-1,572	-32,767	-103,532	-12,729	-	-150,601
Depreciation charge and value adjustments for the period	-251	-3,332	-9,984	-1,646	-	-15,213
Disposals	-	371	2,021	835	-	3,228
Changes in foreign exchange rates	-	-158	-257	-59	-	-474
Changes in scope of consolidation	-	-	-65	-58	-	-123
Other movements	4	-514	-2,768	-119	-	-3,397
At 31 December 2016	**-1,819**	**-36,400**	**-114,585**	**-13,776**	**-**	**-166,580**
NET VALUE AT 31 DECEMBER 2016	**7,147**	**47,961**	**36,856**	**5,251**	**8,624**	**105,840**

						Total 2015
Gross value at 31 October 2014 (opening balance sheet)	3,450	24,434	101,975	5,890	7,385	143,134
Acquisitions	982	5,974	8,401	1,654	12,705	29,716
Disposals	-	-748	-5,167	-827	-	-6,742
Changes in foreign exchange rates	-10	1,653	2,559	88	789	5,078
Changes in scope of consolidation	4,264	40,128	23,752	10,803	2,042	80,989
Other movements	172	7,284	8,739	123	-16,317	-
At 31 December 2015	**8,856**	**78,726**	**140,259**	**17,731**	**6,604**	**252,176**
Accumulated depreciation at 31 October 2014 (opening balance sheet)	-625	-15,257	-79,772	-4,509	-	-100,164
Depreciation charge and value adjustments for the period	-283	-3,165	-8,336	-1,425	-	-13,210
Disposals	-	503	4,442	706	-	5,651
Changes in foreign exchange rates	-	-1,240	-2,071	-90	-	-3,401
Changes in scope of consolidation	-664	-13,182	-18,080	-7,552	-	-39,477
Other movements	-	-425	284	141	-	-
At 31 December 2015	**-1,572**	**-32,767**	**-103,532**	**-12,729**	**-**	**-150,601**
NET VALUE AT 31 DECEMBER 2015	**7,284**	**45,959**	**36,727**	**5,001**	**6,604**	**101,575**

4. PROPERTY, PLANT AND EQUIPMENT UNDER FINANCE LEASE

Leases are classified as finance lease agreements where the lease agreement includes a purchase option.

Assets financed within the framework of finance leases primarily include real estate. They are recorded, from inception of the agreement, in property, plant and equipment at the lower of the fair value of leased assets and the present value of minimum payments in respect of the lease.

PPE acquired through finance leases are depreciated over the same periods as described above where the Group expects to gain ownership of the asset at the expiry of the agreement. If not, the asset is depreciated on the basis of the shorter period of the asset useful life and the duration of the lease.

Leases are classified as operating leases where the lease does not include a purchase option. Conversely, additional services such as the maintenance of the leased assets are often included in an operating lease agreement.

The amounts paid under the terms of operating leases are expensed over the period, from the effective date of the agreement (and not from the date when the asset is first used).

Leases

(€ K)	Land	Buildings	Plant, machinery /tools	Total 2016
Gross value at 31 December 2015	1,071	10,992	24,174	36,238
Acquisitions	-	54	1,189	1,243
Disposals	-	-	-106	-106
Changes in foreign exchange rates	-	-	38	38
Changes in scope of consolidation	-	-	-	-
Other movements	-	-94	-637	-730
At 31 December 2016	**1,071**	**10,953**	**24,658**	**36,682**
Accumulated depreciation at 31 December 2015	-153	-1,922	-16,188	-18,262
Depreciation charge for the period and value adjustments	-24	-435	-1,740	-2,199
Disposals	-	-	76	76
Changes in foreign exchange rates	-	-	-2	-2
Changes in scope of consolidation	-	-	-	-
Other movements	-	32	420	452
At 31 December 2016	**-177**	**-2,324**	**-17,434**	**-19,936**
NET VALUE AT 31 DECEMBER 2016	**894**	**8,629**	**7,224**	**16,746**

				Total 2015
Gross value at 31 October 2014 (opening balance sheet)	1,114	4,723	20,067	25,904
Acquisitions	1	6,336	3,128	9,465
Disposals	-	-304	-71	-375
Changes in foreign exchange rates	-	-	138	138
Changes in scope of consolidation	-44	237	912	1,105
Other movements	-	-	-	-
At 31 December 2015	**1,071**	**10,992**	**24,174**	**36,238**
Accumulated depreciation at 31 October 2014 (opening balance sheet)	-125	-1,420	-14,087	-15,632
Depreciation charge for the period and value adjustments	-28	-383	-1,674	-2,084
Disposals	-	128	57	185
Changes in foreign exchange rates	-	-	-55	-55
Changes in scope of consolidation	-	-247	-429	-677
Other movements	-	-	-	-
At 31 December 2015	**-153**	**-1,922**	**-16,188**	**-18,262**
NET VALUE AT 31 DECEMBER 2015	**918**	**9,070**	**7,987**	**17,975**

NOTE 5 – EQUITY

1. MAIN CHANGES IN EQUITY

(€ K)	31/12/16	31/12/15
Edify SA equity - opening balance	**227,439**	**253,031**
Share capital reduction due to buyback of own shares	-	-10,031
Goodwill transferred to reserves	-	-34,220
Net profit for the year	16,214	15,941
Profit units (see Note 10)	4,587	-
Changes in foreign exchange rates	82	2,591
Miscellaneous	-169	127
Total equity (Group share)	**248,153**	**227,439**
Non-controlling interests	14,324	12,788
TOTAL SHAREHOLDERS' EQUITY	**262,477**	**240,227**

Edify SA's subscribed share capital amounted to €4.86 million at 31 December 2016, and was represented by 4,860,000 fully paid-up shares with a par value of €1 each.
As a reminder, the goodwill in the opening balance sheet determined on the equity investments resulting from the contribution made on 29 October 2014 was immediately deducted from the Group's reserves (see Note 4.1).

2. TREASURY SHARES

Edify holds treasury shares with a view to ensuring an active market in its shares via an investment service provider under the terms of a liquidity agreement.
Treasury shares are recognised as marketable securities under balance sheet assets.
The Group held treasury shares worth €0.1 million under the terms of a liquidity agreement at 31 December 2016. Edify SA has built up an unavailable reserve for the same amount, in accordance with the law regarding commercial companies.

NOTE 6 – FINANCIAL ITEMS

1. NET FINANCIAL INCOME/(EXPENSE)

Net financial income/(expense) comprises the following items:

- The cost of net financial debt includes all income/expense from net financial debt or cash surplus constituents over the period, including income/loss on interest rate hedges,
- Actuarial differences relating to financial items (including changes in discount rates and rates of return, etc.) (see Note 8),
- Other financial income and expenses include income and expenses of a financial nature but neither of an operational nature nor a constituent of the cost of net financial debt.

(€ K)	31/12/16 12 months	31/12/15 15 months
Cost of net financial debt	-1,968	-2,031
Financial income from investments	*613*	*1,314*
Financial expenses related to borrowings	*-2,581*	*-3,345*
Effect of foreign currency translation	494	-531
Financial expenses related to actuarial gains and losses	-68	-1,925
Other financial income and expenses	175	-1,068
Net financial income/(expense)	**-1,367**	**-5,555**

The financial expense relating to actuarial differences in 2015 was primarily due to the significant decrease in the Swiss subsidiary's discount rate (the rate stabilised in 2016).

2. FINANCIAL ASSETS

Financial assets are initially recognised at their acquisition cost or procurement cost.

They are valued at their carrying value at the balance-sheet date. The book value and the carrying value are compared, and an adjustment for impairment must be recorded where the carrying value is less than the value of the financial asset.

(€ K)	31/12/16	31/12/15
Non-controlling equity investments	10,504	9,897
Unlisted bonds receivable convertible into shares	5,554	555
Borrowings	186	210
Other	1,954	2,004
Current and non-current financial assets	**18,199**	**12,666**
Due within 1 year	294	232
Non-current financial assets	**17,905**	**12,434**

Bond receivables primarily correspond to the convertible bonds issued to Edify by the Ligier Group's holding company (€5 million). "Other" essentially includes deposits and guarantees.

3. OTHER FINANCIAL LIABILITIES

Upon initial recognition, loans and other interest-bearing debts are measured at their nominal value. They are subsequently measured at their redemption value.
Loan issuance expenses and premiums are recognised under assets and are amortised over the term of the loan.
Interest on loans is recognised as an expense of the period.

(€ K)	31/12/16	31/12/15
Borrowings from credit institutions	73,136	63,312
Lease commitments	13,720	14,537
Other borrowings and financial liabilities	9,901	6,597
Current and non-current financial liabilities	**96,757**	**84,446**
Due within 1 year	39,558	38,216
Non-current financial liabilities	**57,198**	**46,230**

(€ K)	31/12/16
1 year or less	39,558
Between 1 and 5 years	43,936
5 years or more	13,263
TOTAL	**96,757**

Financial debt guaranteed by pledges, mortgages, or liens totalled €33.0 million at 31 December 2016.

Covenants

At 31 December 2016, Edify had a total of €63 million medium-term loan facilities (confirmed credit lines) with five banks (unused at 31 December 2016). The provision of this financing by credit institutions is subject to the commitment given by Edify to comply with two financial covenants (net parent company financial debt/Net Asset Value, and expanded net financial debt/expanded Net Asset Value). Edify was in compliance with all of its covenants at 31 December 2016.
Sirem and de Buyer also complied with the respective covenants relating to their "LBO" debt at 31 December 2016.

4. ANALYSIS OF NET FINANCIAL DEBT

The Net Financial Debt corresponds to the difference between financial assets and financial liabilities. It notably takes into account unlisted bonds receivable, issued by certain companies in which shares are held or related entities, earn out on acquisitions, liabilities relating to options granted to minority shareholders in fully-consolidated companies and deferred settlements of a financial nature. Not included are securities in non-controlling equity investments, convertible bonds, deposits & guarantees and government grants.
Cash includes bank balances (bank assets and overdrafts) and cash in hand.
Cash equivalents primarily comprise OPCVM (money market funds), which are short term, very liquid, easily convertible into a known amount of cash and subject to a negligible risk of unfavourable change in value.

(€ K)	31/12/16	31/12/15
Financial liabilities included in net financial debt calculation	89,797	80,746
Financial assets included in net financial debt calculation	269	232
Cash and cash equivalents	66,965	57,588
Net Financial Debt (excluding earn-out liability)	**22,563**	**22,926**
Earn-out liability	6,913	3,700
Total Net Financial Debt	**29,476**	**26,626**

5. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are recognised in off-balance sheet items, except:

- Where they present an unrealised capital loss, in which case a provision must be recorded;
- Where they are hedging instruments that then offset the underlying asset.

The Group did not have any financial derivatives at the end of the financial year.

NOTE 7 – PROVISIONS

A provision is established when the Group has a current obligation (legal or constructive) resulting from a past event and when future cash outflows can be measured reliably.
A loss that is the subject of a provision must relate to a fully identified risk. As risk is inherent to the concept of a business, no provision can be recorded in order to cover general risks. The amount of the provision must then be adjusted depending on changes in the foreseeable amount of the loss.

1. NON-CURRENT PROVISIONS

(€ K)	Provisions for guarantees	Provisions for litigation	Provisions for liabilities and charges	Total 2016
At 1 January 2016	1,590	769	190	2,549
Charges	657	10	471	1,138
Used reversals	-	-11	-60	-71
Unused reversals	-	-253	-	-253
Impact of foreign exchange rates	6	-	-	6
Change in consolidation scope	-	-	-	-
Other movements	-	-281	-	-281
At 31 December 2016	**2,252**	**234**	**601**	**3,086**
				Total 2015
Opening balance sheet at 31 October 2014	-	534	309	843
Charges	-43	51	-	8
Used reversals	-	-68	-255	-323
Unused reversals	-	-	-31	-31
Impact of foreign exchange rates	17	-	-	17
Change in consolidation scope	1,617	252	167	2,036
Other movements	-	-	-	-
At 31 December 2015	**1,590**	**769**	**190**	**2,549**

2. CURRENT PROVISIONS

(€ K)	Provisions for guarantees	Provisions for litigation	Provisions for liabilities and charges	Total 2016
At 1 January 2016	1,952	68	1,386	3,406
Charges	-598	120	789	311
Used reversals	-	-17	-940	-957
Unused reversals	-	-39	-153	-192
Impact of foreign exchange rates	-	-	4	4
Change in consolidation scope	-	-	-	-
Other movements	-	281	-	281
At 31 December 2016	**1,354**	**413**	**1,086**	**2,853**
				Total 2015
Opening balance sheet at 31 October 2014	78	69	345	492
Charges	966	10	1,031	2,007
Used reversals	-	-	-170	-170
Unused reversals	-	-79	-13	-92
Impact of foreign exchange rates	-	-	-	-
Change in consolidation scope	908	68	193	1,169
Other movements	-	-	-	-
At 31 December 2015	**1,952**	**68**	**1,386**	**3,406**

NOTE 8 – EMPLOYEE INFORMATION

1. HEADCOUNT

The headcount at the end of the period was 2,832 employees (including 100% of the headcount of the entities consolidated on a proportional basis or acquired during the year).

2. EMPLOYEE BENEFITS

In respect of pension plan commitments, the Group contributes to pension plans or grants benefits to employees on retirement in compliance with the rules and regulations in place in each country. These benefits have been measured.

In the limited number of cases where these expenses cannot be considered as remuneration for future services, a provision is established in the financial statements for the financial year in respect of the resulting short term commitment, provided that the obligation toward the employee is probable or certain.

Contributions paid in respect of plans analysed as defined contribution plans, for which the Group has no other obligation than paying contributions, are recognised as expenses for the financial year.

For defined benefit plans relating to post-employment benefits, the cost of benefits is measured using the projected unit credit method.

According to this method, the rights to benefits are allocated to periods of service depending on the plan's formula for acquisition of rights, by taking account of a straight-line effect where the rate of acquisition of rights is not uniform to the periods of subsequent service.

The amount of future payments corresponding to benefits granted to employees are measured on the basis of salary increase, retirement age and death rate assumptions, and then discounted to their present value on the basis of long term bond interest rates of prime issuers.

These plans are either financed – their assets being managed separately and independently from the Group – or not, with their commitments being recognised in the balance sheet under "Employee benefits".

The different defined benefit plans are the following:

- Retirement benefit plans (IFC) for all French companies, in compliance with applicable collective agreements,

- Defined benefit pension plans in international subsidiaries.

All actuarial differences are immediately recognised, net of deferred tax, in the income statement. Actuarial differences relating to financial items (including changes in discount rates and rates of return, etc.) are recognised under net financial income.

Past service costs, designating the increase in an obligation arising from the introduction of a new plan or changes to an existing plan, is expensed immediately.
Expenses relating to this type of plan are recognised under employee costs and net financial expense.

Curtailments, settlements and past service costs are recognised in Current Operating Result or "Other financial income and expenses" according to their nature. The provision recognised in the balance sheet corresponds to the present value of the obligations calculated as described above, less the fair value of plan assets.

Seniority awards are treated as long-term benefits granted to employees and provided for on the basis of an actuarial evaluation at every year-end.

(€ K)	31/12/16	31/12/15
Retirement and similar obligations	13,835	12,758
Plan assets (funds)	1,519	2,539
Net obligation	**12,317**	**10,219**

The main pension commitments relate to the French and Swiss subsidiaries, for which respective discount rates of 1.5% and 0.6% have been used.
The pension assets correspond to payments made to the Swiss Pension Fund by the Swiss subsidiary.

3. GROSS REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The gross remuneration allocated to the members of the Board of Directors amounted to €276 K for 2016, compared with €237.5 K for 2015.

NOTE 9 – CURRENT AND DEFERRED TAX

CURRENT TAX

An income tax consolidation agreement was signed on 1 January 2016 between Provence Nouveau Monde (PNM) and the French subsidiaries directly or indirectly owned at least 95% by Edify SA.
This is a horizontal tax consolidation agreement concluded for an indefinite period of time.

According to the agreement, the tax credit relating to the tax consolidation process, which is calculated as the difference between the tax actually paid on the Group's taxable income and the total amount of the taxes payable individually, is allocated to PNM, the Group's parent company.

The following companies were party to this agreement at 31 December 2016: Provence Nouveau Monde, NMP, Financière Développement, ZFH, Zurflüh Feller, Cerf, Profilmar, De Buyer Industries, De Buyer.com and Financière du Jura.

The tax savings resulting from the tax losses contributed by loss-making subsidiaries was considered as a tax income at 31 December 2016.

Should a subsidiary cease to be a member of the tax consolidation, it will be compensated by PNM in accordance with a jointly-agreed exit methodology, taking account of the situation at that date.

There are currently no usable overall tax losses carried forward.

DEFERRED TAX

Deferred tax assets and liabilities are measured at the income tax rate expected to apply to the financial year when the asset will be realised or the liability settled, on the basis of income tax rates (and tax regulations) adopted or virtually adopted at year end.
Deferred tax is recognised for the temporary differences between the book value of assets and liabilities and its tax value and restatements made on consolidation to conform to Group accounting standards (extended concept of deferred tax calculation).
Deferred tax assets are only recognised if their recovery is probable, i.e. if their recovery does not depend on future results, or it is probable that the company will be able to recover them due to the existence of an expected taxable profit during this period.

Deferred tax relating to companies' tax losses is recognised when the following conditions are fulfilled:

- The entity has sufficient taxable temporary differences with a single tax authority and for the same taxable entity, which will generate taxable amounts against which unused tax losses and tax credits can be offset before they expire,

- It is likely that the entity will generate taxable profits before unused tax losses and tax credits expire,

- Unused tax losses result from identifiable causes, which will probably not reoccur,

- Opportunities related to the entity's tax management will generate taxable profits for the financial year during which unused tax losses and tax credits can be allocated.

If it is unlikely that the entity will make sufficient profits to allocate unused tax losses or tax credits, deferred tax assets are not recognised.

The income tax charge is analysed as follows:

(€ K)	31/12/16 12 months	31/12/15 15 months
Current tax	-12,937	-9,715
Deferred tax	2,425	2,314
Income tax	**-10,512**	**-7,400**

Deferred tax is analysed by type as follows:

(€ K)	31/12/16 Assets	31/12/15 Assets	Impact 2016 income statement
Deferred tax on restatements related to standards and temporary differences, including:	8,396	8,338	-97
Deferred tax assets related to retirement benefits	*2,375*	*2,123*	*233*
Deferred tax assets related to provision methods	*327*	*239*	*86*
Deferred tax assets related to tax and social security liabilities	*1,861*	*1,422*	*394*
Deferred tax assets related to fair value	*1,239*	*1,336*	*-96*
Deferred tax assets related to acquisition expenses	*205*	*328*	*-123*
Deferred tax on intragroup margins	6,406	4,803	1,471
TOTAL	**14,802**	**13,140**	**1,375**
	Liabilities	**Liabilities**	
Deferred tax on restatements related to standards and temporary differences, including:	7,380	8,533	1,153
Deferred tax liabilities related to customer relations	*3,211*	*3,411*	*200*
Deferred tax liabilities related to the fair value of non-current assets	*984*	*1,060*	*76*
Deferred tax liabilities related to leases	*557*	*520*	*-37*
Deferred tax liabilities related to changes in amortisation and depreciation	*2,161*	*2,233*	*71*
Deferred tax liabilities related to the capitalisation of development costs	*207*	*205*	*-1*
Deferred tax on intragroup margins	389	278	-103
TOTAL	**7,769**	**8,811**	**1,050**

NOTE 10 – OFF-BALANCE SHEET COMMITMENTS

The Group's commitments comprise the following:

(€ K)	31/12/16	31/12/15
Rental payments outstanding on operating leases	5,388	6,571
Other commitments given	3,899	3,171
Commitments given	**9,288**	**9,743**
Asset and liability guarantees	20,940	20,940
Unused credit lines	65,794	66,477
Commitments received	**86,734**	**87,417**
Purchase options on assets	13,611	6,902
Mutual commitments	**13,611**	**6,902**

The Company issued 459,180 profit units at a price of €10 each, for a total amount of €4,591,800. The profit units were issued as follows: 435,000 shares were issued on 1 September 2016, and 24,180 shares were issued on 17 November 2016. These profit units were subscribed by Paravranches S.A., a company owned by Edify SA, the members of its Board of Directors, and its managers. The terms and rights of the profit units are determined by Article 6.2 of the Company's Articles of Association, as well as by the internal rules for the profit units.

The Company gave a commitment and granted a buy-back option during the same financial year, with a view to acquiring ownership of these profit units. According to the valuation performed by management at 31 December 2016, this buy-back would have an impact of €2.6 million on Edify SA's shareholders' equity. Edify SA has also made other commitments relating to call options on the securities of certain subsidiaries. These commitments total €9.2 million overall, and will be fulfilled between 2019 and 2023.

NOTE 11 – INVESTMENTS IN ASSOCIATES AND RELATED PARTIES

1. INVESTMENTS IN ASSOCIATES

Investments in equity associates include the companies consolidated using the equity method, primarily Ligier (€7.5 million), Sofilab 4 (€2 million), and Aceper SL (€1.8 million) at 31 December 2016.

(€ K)	31/12/16
Investments in associates at the beginning of the year	3,703
Change in consolidation scope	7,378
Share or profit/(loss) from associates	639
Dividends paid	- 67
Other movements	8
Investments in associates at year-end	**11,661**

2. RELATED-PARTY DISCLOSURES

A related party is a person or entity that is related to the entity that prepares its financial statements.

Related parties are:

- The parent company,
- The subsidiaries,
- The associates,
- The joint ventures,
- The members of the Board of Directors.

Related-party transactions

There were no related-party transactions, except for the transactions between Edify and its subsidiaries, which are restated in the consolidated financial statements, and the gross remuneration amounts allocated to members of the Board of Directors (see Note 8.3).

NOTE 12 - AUDITORS' FEES

The fees paid to the main Auditor amounted to €233 K, of which €226 K was for services relating to the audit of the financial statements for 2016.

(€ K)	31/12/16	31/12/15
Total fees directly related to the audit of Edify Group's financial statements	226	279
Issuer	*85*	*165*
Fully-consolidated subsidiaries	*141*	*114*
Other services provided by the networks to fully-consolidated subsidiaries (legal, tax, corporate)	7	10
TOTAL	**233**	**288**

NOTE 13 - FINANCIAL STATEMENTS IN THE FORMAT REQUIRED BY APPLICABLE LAW

The financial statements below adopt a presentation that is compliant with the amendment to the Law of 10 August 1915, which was passed on 19 December 2016 and effective from 1 January 2016.

CONSOLIDATED INCOME STATEMENT

(€ K)	2016 12 months	2015 15 months	Cross-reference with the financial statements
1. Net sales	**413,672**	**381,291**	Sales
2. Changes in inventories of finished and semi-finished goods	**10,522**	**5,876**	Cost of sales
3. Own work capitalised	**-**	-	
4. Other operating revenues	**5,876**	**6,763**	Other operating income
5. a) Consumption of merchandise, *raw materials and consumables*	**-185,457**	**-165,797**	Cost of sales
5. b) Other external charges	**-4,069**	**-3,711**	Cost of sales
6. Staff costs	**-128,712**	**-130,053**	Employee costs
a- Wages and salaries	*-97,940*	*-99,776*	
b- Social security charges accruing by reference to wages and salaries	*-27,498*	*-26,058*	
c- Supplementary pensions	*-1,940*	*-2,599*	
d- Other staff costs	*-1,334*	*-1,619*	
7. Value adjustments in respect of:	**-20,743**	**-10,374**	
a- establishment costs and property, plant and equipment, and intangible assets	*-15,141*	*-14,288*	Amortisation and depreciation charges
b- current provisions	*-266*	*12*	Charges to current provisions
c- non-current provisions	*126*	*7,970*	Other non-current operating income and expenses
d- goodwill	*-3,754*	*-1,094*	Goodwill impairment + Earn Out
e- allocated intangible assets	*-580*	*-193*	Amortisation of allocated intangible assets
f- inventories	*-1,815*	*-1,622*	Cost of sales
g- operating asset items	*685*	*-1,160*	External costs
8. Other operating expenses	**-63,594**	**-56,437**	External charges + Other non-current operating income and expenses
8. OPERATING RESULT	**27,495**	**27,559**	**OPERATING PROFIT**
9. Income from equity investments	**-1,678**	**-1,623**	Other financial income and expenses
10.Income from financial items of current assets	**2,102**	**2,906**	Other financial income and expenses
11. Other interest and similar income	**613**	**1,314**	Investment income
12. Value adjustments in respect of financial assets and marketable securities included in current assets	-	-	
13. Interest and similar expenses	**-2,405**	**-8,151**	
a- in respect of related entities	*1,912*	*1,306*	Other financial income and expenses
b- debt-related financial charges	*-2,581*	*-3,345*	Financial expenses related to borrowings
b- Other interest and charges	*-1,735*	*-6,112*	Other financial income and expenses
NET FINANCIAL INCOME/(EXPENSE)	**-1,367**	**-5,555**	**NET FINANCIAL INCOME/(EXPENSE)**
14. Income tax	**-10,512**	**-7,400**	Income tax
15. Share of profit of equity-accounted entities	639	246	Share of profit/(loss) from associates
16. Profit after income tax	**16,255**	**14,850**	
17. Other taxes	-	-	
18. Net profit for the year	**16,255**	**14,850**	**CONSOLIDATED NET PROFIT**

ASSETS

(€ K)	31/12/16 Net	31/12/15 Net	Cross-reference with the financial statements
A. Fixed assets	**162,458**	**148,737**	
I. Intangible fixed assets	**13,098**	**13,988**	Net intangible assets
1. Research and Development costs	631	831	
2. Concessions, patents, licences, trademarks, as well as similar rights and securities	6,959	6,991	
3. Business goodwill, to the extent that it was acquired for valuable consideration	5,338	6,035	
4. Payments on account and intangible fixed assets in progress	170	131	
II. Goodwill	**13,661**	**16,806**	Goodwill
III. Property, plant and equipment	**105,840**	**101,575**	Net property, plant and equipment
1. Land and buildings	55,108	53,243	
2. Plant and machinery	36,856	36,727	
3. Other equipment, tools and furniture	5,251	5,001	
4. Payments on account and tangible fixed assets in progress	8,624	6,604	
IV. Investments	**29,860**	**16,369**	
1. Shares held in related companies	11,661	3,703	Investments in associates
2. Equity interests and securities held for the long-term	10,479	9,897	Current and non-current financial assets
3. Other loans	7,719	2,769	Current and non-current financial assets
V. Deferred tax assets	**14,802**	**13,140**	Deferred tax assets
B. Current assets	**279,523**	**256,237**	
I. Inventories	**120,277**	**112,010**	Inventories
1. Raw materials and consumables	45,058	56,280	
2. Finished goods and merchandise	75,219	55,730	
II. Debtors	**92,282**	**86,637**	
1. Receivables resulting from the sale of goods or the provision of services	79,644	71,272	Trade receivables
2. Receivables from related entities	1	-2	Cash and cash equivalents
3. Receivables from employees	1,519	2,539	Employee benefits
4. Other receivables	11,118	12,828	Other receivables + current tax assets
III. Marketable securities	**-**	**-**	
IV. Bank accounts, post office account, cheques and cash in hand	**66,965**	**57,590**	Cash and cash equivalents
C. Prepayments	**1,939**	**1,524**	**Other receivables**
TOTAL BALANCE SHEET ASSETS	**458,723**	**419,639**	

EQUITY & LIABILITIES

(€ K)	31/12/16 Net	31/12/15 Net	Cross-reference with the financial statements
A. Shareholders' equity	**262,477**	**240,227**	
I. Subscribed capital	**4,860**	**4,860**	Share capital
II. Issue and similar premiums	**242,141**	**237,634**	Share premium
III. Revaluation reserves	**-**	**-**	
IV. Reserves	**-15,062**	**-30,996**	Other reserves
V. Retained earnings	**-**	**-**	
VI. Net profit for the year (Group share)	**16,214**	**15,941**	Net profit for the period
Minority interests	**14,324**	**12,788**	Non-controlling interests
B. Provisions	**19,774**	**18,713**	
1. Provisions for pension and similar obligations	13,835	12,758	Employee obligations
2. Provisions for taxation	-	-	
3. Other provisions	5,939	5,955	Non-current and current provisions
C. Deferred tax liabilities	**7,769**	**8,811**	**Deferred tax liabilities**
D. Unsubordinated debt	**167,070**	**150,313**	
1. Bonds issued by entities with which the Company has an equity relationship	-	-	
2. Financial debt owed to credit institutions and other*	96,756	84,446	
a. outstanding amount due within one year	*39,558*	*38,216*	Other current financial liabilities
b. outstanding amount due after more than one year	*57,198*	*46,230*	Other non-current financial liabilities
3. Prepayments on order	-	-	
4. Liabilities on purchases of goods and provision of services	38,255	34,659	Trade payables
a. outstanding amount due within one year	*38,255*	*34,659*	
b. outstanding amount due after more than one year	-	-	
5. Liabilities related to fixed assets	648	369	Other current liabilities
6. Trade payables evidenced by commercial paper	-	-	
7. Liabilities owed to related entities	8	17	
a. outstanding amount due within one year	*8*	*17*	Other current liabilities
b. outstanding amount due after more than one year	-	-	
8. Liabilities owed to entities with which the Company has an equity relationship	-	-	
9. Tax and social security liabilities	30,634	29,115	
a. outstanding amount due within one year	*30,634*	*29,115*	Other current liabilities
b. outstanding amount due after more than one year	-	-	
10. Other liabilities	768	1,707	
a. outstanding amount due within one year	*638*	*1,587*	Other current liabilities + Tax liabilities
b. outstanding amount due after more than one year	*130*	*120*	Other non-current liabilities
E. Deferred income	**1,633**	**1,575**	
TOTAL BALANCE SHEET - EQUITY & LIABILITIES	**458,723**	**419,639**	

* This item includes an earn out debt of €6.9 million (see Note 6).

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Edify SA
6, Boulevard d'Avranches
L-1160 Luxembourg

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated 19 May 2016, we have audited the accompanying consolidated annual accounts of Edify SA, which comprise the balance sheet as at 31 December 2016 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE ANNUAL ACCOUNTS

The Board of Directors is responsible for the preparation and fair presentation of these consolidated annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ"

Our responsibility is to express an opinion on these consolidated annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated annual accounts give a true and fair view of the financial position of Edify SA as of 31 December 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the consolidated annual accounts and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Jeannot Weyer

Luxembourg, 10 May 2017

Edify - May 2017

Layout: Explorations

Photos:
Vincent Flamion (X Septembre Gallery SA)

EDIFY
Investment Partner

EDIFY SA

Head Office
6, Boulevard d'Avranches
1160 Luxembourg
Luxembourg
Tel: +352 24 83 16 20

Geneva Office
29, route de l'Aéroport
CP 230
1215 Geneva
Switzerland
Tel: +41 22 710 05 27

www.edify-investmentpartner.com
contact@edify-investmentpartner.com