

# 16



## COMPANY REPORT

REGISTRATION DOCUMENT



# 2016 COMPANY REPORT

The registration document (document de référence) filed with the AMF can be consulted at the website of the Group [www.gl-events.com](http://www.gl-events.com) for the AMF [www.amf-france.org](http://www.amf-france.org)

---







**6** / GL EVENTS IN 2016

**7** / Corporate profile

**8** / Annual highlights

**12** / Key figures and shareholder information

**17** / History and milestones

**20** / BUSINESSES  
AND MARKETS

**21** / Markets and Strategy

**22** / GL events Live

**24** / GL events Exhibitions

**26** / GL events Venues

**29** / Outlook

**30** / CORPORATE SOCIAL  
RESPONSIBILITY

**60** / BOARD REPORTS  
& CORPORATE  
GOVERNANCE

**61** / Management report - Presentation  
of the consolidated financial statements

**70** / Management report - Presentation  
of the parent company financial statements

**76** / Supplemental reports of the Board of Directors

**82** / Corporate governance

**87** / Compensation and benefits for executive officers

**89** / Compensation and benefits for other officers

**90** / Employee profit sharing plans

**91** / Addresses and appointments held  
by GL events senior executives

**94** / Status of corporate officers

**95** / Chairman's report on the preparation  
and organisation of the work of the  
Board of Directors and internal control  
and risk management procedures

**106** / Auditors' report prepared in accordance  
with article L.225-235 of the French  
commercial code on the report of the  
Chairman of the Board of Directors

**108** / FINANCIAL STATEMENTS

**109** / Consolidated financial statements

**141** / Auditors' fees

**142** / Auditors report on the consolidated  
financial statements

**143** / GL events' parent company financial statements

**156** / Auditors' report on the parent  
company financial statements

**157** / Auditors special report on regulated  
agreements and commitments

**162** / SHAREHOLDER  
INFORMATION

**163** / Statutory information on GL events

**165** / Information on the share capital

**172** / ADDITIONAL  
INFORMATION

**173** / Draft resolutions submitted to the  
combined general meeting of the  
shareholders of 28 April 2017

**177** / Information available on websites

**178** / Annual filings and disclosures

**178** / Officer responsible for the registration document

**179** / Responsibility statement

**179** / Auditors

**179** / Information incorporated by reference

**180** / Correspondence table (Art. R225-105-1  
of the French commercial code)

**182** / Table of correspondence

**184** / Table of correspondence  
of the management report

**185** / Table of correspondence with the  
annual financial report



# 01

## GL EVENTS IN 2016

7 / CORPORATE PROFILE

8 / ANNUAL HIGHLIGHTS

12 / KEY FIGURES AND SHAREHOLDER INFORMATION

17 / HISTORY AND MILESTONES

# A GLOBAL PLAYER IN THE WORLD OF EVENTS

GL events is a world-class provider of integrated solutions and services for events operating across the three main market segments:

- conventions, conferences, congresses
- cultural, sports, institutional, corporate and political events,
- trade shows, exhibitions and consumer fairs.

The Group operates on behalf of a broad range of public and private customers in France and throughout the world: companies, institutions, event organisers. It assists them at every stage of the process from defining their event strategies or concepts to final implementation in the field. Working alongside public authorities, it contributes to policies designed to promote the attractiveness of territories and economic development. This is achieved by integrating a dynamic and ambitious approach in the management of venues entrusted to it and the events organised.

Present on five continents with operations in more than 20 countries, in 2016 GL events had 3,934 employees and revenue of 953 million. GL events is listed on Euronext Paris, Segment B (mid caps).

## THREE STRATEGIC BUSINESSES DIVISIONS

**GL events Live** offers expertise covering all business line specialisations and services for corporate, institutional and sports events able to provide turnkey solutions from consulting and design to staging the event itself.

**GL events Exhibitions** manages and coordinates the Group's portfolio of more than 300 proprietary trade fairs and events covering a wide range of sectors: food industry, culture, textiles and fashion, manufacturing...

**GL events Venues** manages a network of 40 venues (convention centres, exhibition centres, concert halls and multi-purpose facilities) in France and international destinations.

“A WORLD-CLASS PROVIDER  
OF INTEGRATED EVENT  
SOLUTIONS AND SERVICES  
IN THE THREE MAIN  
MARKETS”

## AN INTERNATIONAL GROUP

Since the early 2000s, GL events has been a top-tier global provider of solutions and services for events, supported by solid pillars:

- a strategy of selective and sustainable local bases of operations to capture international growth, today reflected by more than 90 offices spanning five continents – branches, sales offices or venues managed under concession agreements – implemented by building alliances with top-tier local partners or acquiring structures with strong positions in their market;
- participation in large global events: Olympic Games, world cups, international meetings... for which GL events has a track record of success as an industry benchmark based on the quality of its services;
- a capacity to manage multi-national teams and projects.

## CONTINUING GROWTH MOMENTUM

Since its creation, GL events has continued to grow in a coherent and selective manner by effectively leveraging its key strengths:

- an integrated business model with synergies across the Group's three major businesses in order to optimise performances and enhance complementarities throughout the world;
- a solid base in its domestic market that has expanded from France to Europe, building on the strengths of mature markets;
- pursuing opportunities in emerging markets with strong growth potential;
- powerful logistics capabilities that today cover the full event production cycle from sourcing, manufacturing to assembly, making it possible to produce and deliver equipment within very tight deadlines;
- a focus on innovation in all its spheres of intervention: creation of equipment integrating sustainable development requirements, implementing the digital transformation in all areas of the company (services, offerings, etc.), monitoring developments to identify future trends, collaborating with creators, designers, architects, etc.

## COMPELLING ASSETS

GL events has significant assets that bolster its standing as a market leader, provide differentiation in the worldwide event landscape and reinforce the confidence of its stakeholders:

- a brand offering name recognition that conveys an image combining the strengths of rigorous standards, a culture of respecting promises and high quality services;
- cutting-edge know-how covering every facet of event organisation;
- trade shows and fairs with strong name recognition.
- a network of venues;
- a perfectly adapted equipment portfolio.



## JANUARY

### THE MONTE-CARLO INTERNATIONAL CIRCUS FESTIVAL: A DAZZLING 40<sup>TH</sup> EDITION

Created in 1974, the International Circus Festival of Monte-Carlo which awards the "Clown d'Or" (Golden Clown) is a prestigious event of international renown organised under the active sponsorship of SAS Princess Stephanie of Monaco. An official service provider since 2002, GL events contributes in many areas: lighting, stage structures, installations and associated events. The 2016 edition included 15 performances over 10 days which were broadcasted in 40 countries to 200 million viewers.

## FEBRUARY

### LA SUCRIÈRE HOSTS THE «NÉS QUELQUE PART» EXHIBITION AND SHOW

Following on from its success at the Parc de la Villette (Paris), the «Nés Quelque Part (Born Somewhere) exhibition and show came to La Sucrière for five weeks. Organised by the Agence Française de Développement (French Agency for Development), and the Ars anima association, this event offers visitors a unique immersive experience by plunging them directly in the role of a character directly impacted by climate change to test solutions and projects for improvements. A larger than life universe that transports visitors from Cameroon to Polynesia and Cambodia.



## MARCH

### RENNES: 20<sup>TH</sup> ANNIVERSARY OF THE CFIA FAIR

Since 1997, the CFIA (Agro-Food Industry Supplier Fair) has been the sole annual event in its field. This sector is well established in France, representing almost 500,000 employees and over €157 billion in annual revenue. This year, the event was attended by 1,450 suppliers and 19,000 visitors. For this 20<sup>th</sup> edition, the CFIA increased the total exhibition area by 4,000 m<sup>2</sup>. As always, innovation dominated the event which included many new features: a contest for students, a WebTV channel and a think tank forum focusing on marketing and R&D.

### PARIS: LE SAUT HERMÈS OFFERS AN EXCEPTIONAL PROGRAMME



Every year, Hermès brings together the world's elite show-jumpers for an annual event under the glass nave of the Grand Palais. GL events, a partner of this event since the beginning, was responsible for providing the event overlay services. Among the many events and performances placed under the sign of elegance and exception were two major CSI 5\* jumping competitions: the Saut Hermès and the Grand Prix Hermès. Also on the program this year was an original new show by Bartabas, La Nature au Galop (Nature at full gallop) .

### AN EXCEPTIONAL EDITION FOR THE LYON INTERNATIONAL FAIR'S 100<sup>TH</sup> ANNIVERSARY

A 100 year anniversary celebrated in top form at Eurexpo Lyon: a festive atmosphere with a talent «Incroyablement Lyon» (So Lyon) contest , concerts by Synapson and DJ Kungs, a winner of his first prestigious Victoire de la Musique award in February 2017, several new features including a «Made in France» area, sporting demonstrations, a tropical village... an extremely successful program highlighted by the increase in attendance with more than 212,000 visitors



## APRIL

### FIA FORMULA E: THE FIRST PARIS EPRIX



Having participated since its creation in the FIA Formula E Championship – an initiative promoting electric-powered vehicles by staging spectacular single-seater races in street circuits – , GL events is a stakeholder in the first Paris ePrix as a provider of a number of services, including notably structures and grandstands, decorations, furniture, signage, sound systems, audio-visual, lighting...

### BRAZIL: SAO PAULO INAUGURATION

Having become over the years one of Brazil's preferred destinations for events, today São Paulo is home to Latin America's largest exhibition centre. GL events met the challenge of building in record time this installation with 90,000 m<sup>2</sup> in exhibition space and parking for 4,500 vehicles. Brazil's economic capital now possesses an infrastructure adapted to its ambitions to host every type of event, B2B or B2C, national or international.



## MAY

### HUNGARY HOSTS THE BOCUSE D'OR EUROPE

Sturgeon and caviar, red stag: these traditional Hungarian products set the stage for the competition between 20 talented chefs in this last European round before the prestigious final in January 2017 in Lyon. Eleven candidates were selected including the Hungarian chef Tamas Szell who took the top prize in his home country before an incredibly enthusiastic crowd. This competition between world-class chefs held at Hungexpo confirmed the place occupied today by gastronomy in Hungary.

### PAVILLON 6 INAUGURATION / RIOCENTRO



A site that hosted boxing competitions at the Olympic Games, the Pavilion was designed as a new addition to Rio's architectural legacy. It has now been converted into an amphitheatre for 10,000 people, unique in terms of its size, usable area and versatility. As a result of this investment by GL events, Riocentro today has a complete offering including, in addition to the amphitheatre, modernised pavilions, a convention centre and a hotel.

### BARCELONA: DENIM PREMIÈRE VISION SETS THE TONE

This must attend meeting for every professional involved in the denim industry counted 4,000 visitors and 95 exhibitors at Fira Montjuic in Barcelona. A 19<sup>th</sup> edition exemplified by a dynamic business climate, featuring numerous meetings and many talks, a seminar and special events ... and as always its unique forward vision that remains the key to the success of this event. And henceforth, Denim Première Vision will also be held in Paris.

## JUNE

### THE LYON FAN ZONE MEETING THE CHALLENGES OF THE 2016 EUROPEAN FOOTBALL CHAMPIONSHIP

More than 400,000 people – or an average of 18,000 per day – were hosted under the best possible conditions, with installations and equipment keeping with the standing of this exceptional event: the Lyon Fan Zone was one of the genuine successes of the 2016 European football championship providing GL events with an important reference for future major events. The Group also provided all overlay services for Lyon's place Bellecour, with numerous technical services and responsibility for the general organisation and F&B. Fan Zones were also installed by the Group in Paris, Bordeaux and Lille.



### ROYAL ASCOT: WHEN INNOVATION REINVENTS BRITISH TRADITION

Organised every year in the presence of the Queen and the royal family, this prestigious horse race is the ultimate in elegance – with its own unique dress code and equestrian elegance. GL events has participated in this event for nearly 20 years. Each edition exemplifies a quest for innovation in quality and custom design: the Group supplies the multilevel hospitality structures, grandstands, more than 3,200 seats as well as luxurious fixtures for the bars and restaurants.



## JULY



### BLOSSOM PREMIÈRE VISION: A PARIS PREVIEW

This event was held for the first time at Palais Brongniart as an upmarket showroom in the heart of Paris offering a preview of fabrics, leather goods and accessories destined for the pre-collections. Organised twice a year in July and December, it represents an indispensable sister event of Première Vision Paris.

## AUGUST

### RIO 2016: IN OLYMPIC CONDITION!

GL events was active on all fronts at the Rio Summer Olympic Games: whereas many competitions were staged at Rio Arena and Riocentro, the Group also provided catering and reception services at competition sites for golf, equestrian sports, gymnastics and volleyball.





## OCTOBER



### QATAR HOSTS THE ROAD WORLD CYCLING CHAMPIONSHIPS

GL events has contributed significantly to the UCI Road World Championships since the first edition held in Qatar: hospitality services, grandstands, arches, podiums, infrastructures for the media and health services, electrical distribution and lighting, managing the opening ceremony and the Fan Zone. The event's highpoint was a prestigious dinner gala for 300 guests celebrating Qatari culture within a refined setting enhanced by rich lighting effects.



### EQUITA: A MUCH AWAITED 22<sup>ND</sup> EDITION

The largest indoor equestrian event in France (in terms of numbers of horses present and visitors per day), the year's leading equestrian event, celebrated its 22<sup>nd</sup> edition with an amazing program of competitions with top international riders. As every year, the event also staged performances, Western riding, conferences,... A complete universe of equestrian events for a large and enthusiastic public.

## NOVEMBER

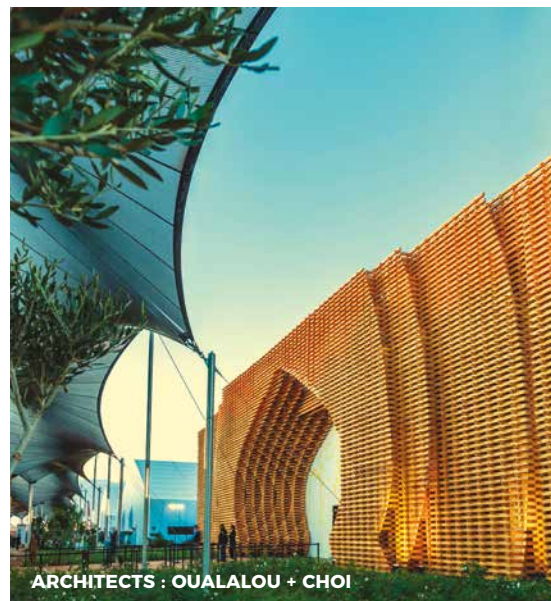
### THE LARGEST AUTO SHOW IN LATIN AMERICA AT SÃO PAULO EXPO

The Salão Automóvel (organised par Reed Exhibitions) is the auto industry's flagship event in Latin America. Over an area of 110,000 m<sup>2</sup>, 540 car models were presented, including more than 150 new models. A major event confirming São Paulo Expo's importance as a strategic site for the region.



### COP 22: HOSTED BY MOROCCO

The annual Conferences Of Parties (COPs) were created to manage initiatives and assess the progress of the conference's member States in dealing with climate change. After Paris in 2015, Morocco was chosen to host COP 22. GL events was awarded the contract to provide temporary structures for the COP22 in Marrakesh as part of a consortium with several partners. In charge of building the negotiations village, that lasted 19 weeks, and the general coordination of the site, the Group deployed a workforce of nearly 500 employees.



2016

## CONTINUING GROWTH MOMENTUM

Against the backdrop of an unfavourable global environment for event-related activities, GL events met its growth target for like-for-like annual sales despite unfavourable global economic conditions for the event industry, particularly in France that continues to account for half the Group's revenue. International markets remained a major growth driver. This includes jumbo events (Rio Olympic Games, COP 22 in Morocco), the development of subsidiaries (inauguration of São Paulo Expo) and establishing strategic footholds to seize on future opportunities (joint-venture in China).

The disposal of unprofitable business units had an impact of €24 million on Group revenue though with a positive effect on profitability starting in 2016.

The Group continued to focus on controlling costs and achieving an optimal balance between profitability and growth. EBITDA amounted to €130 million. Further gains were achieved with the operating margin increasing to 8.32%, operating profit to €77.1 million (+11.5% in relation to 2015) and net income attributable to equity holders of the parent to €31.9 million(+3.4%).

In 2016, the Group's net investments in property, plant and equipment amounted to €131 million, and included primarily:

- €96 million for GL events Venues (completion of work at São Paulo and Rio de Janeiro), €35 million for GL events Live (of which €10 million for the medium term structure leasing business generating an ROCE above the Group level). The impact of these investments on net debt at 31 December 2016 was €392 million. This amount will be gradually reduced in 2017 and 2018 through cash flow generation from invested assets and a significant reduction in the capital spending budget excluding potential acquisitions. The debt maturity profile was extended in line with the long-term strategic assets with notably the completion of a €100 million private placement bond issue.

Gearing declined to 88.1% (from 100.4% in 2015) and the net debt/ EBITDA ratio also improved from 3.23 to 3.01.

### OPERATING HIGHLIGHTS FOR THE THREE BUSINESS DIVISIONS

As a provider of services for events, GL events Live had revenue of €500.5 million in 2016 highlighted by both large events – Rio Olympic Games, the 2016 Euro football championships and COP 22 – but also a high level of recurrence for services delivered in the sector of trade shows and fairs/exhibitions and local, regional and national events. 2016 in particular provided opportunities to demonstrate the Group's know-how in the area of signage at all international events. In addition, the LOU Rugby club signed a 60-year emphyteutic lease or the management of the Gerland Stadium in Lyon.

With a portfolio of more than 300 proprietary shows and events, GL events Exhibitions had €145 million in revenue, up 1% from 2014 (€143 million), with 2016 also an off-year in the biennial cycle. The main exhibitions registered excellent performances in Europe - Equita, Première Vision, Piscine Global - with a positive trend for future years in terms of number of visitors.

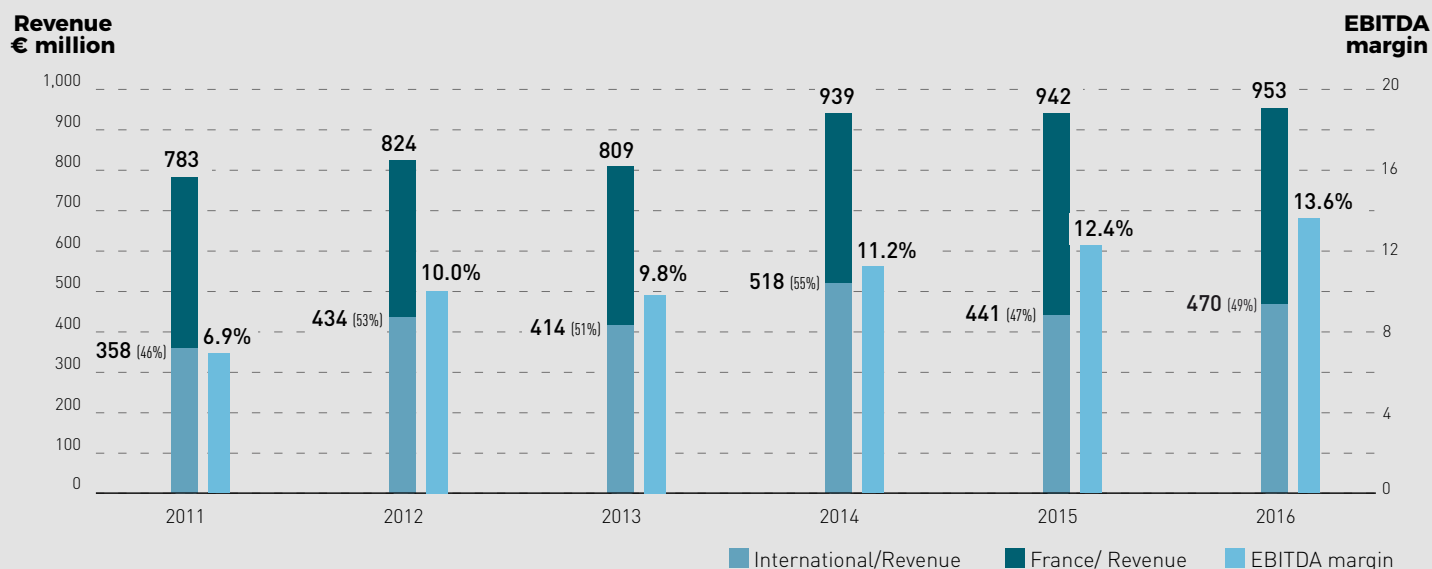
GL events Venues, the division managing the international portfolio of venues, contributed €307.6 million in revenue, up 6.2 %, and with organic growth of 10.7 %. The Group venues - Barcelona and Budapest in particular - demonstrated strong commercial momentum. With the opening of Sao Paulo Expo and the successful launch of the first edition of the auto show, revenue for this division reached a record level in billings in the last quarter of 2016 of €95 million.

In China, the Group entered into a joint venture with the Yuexiu Group to manage a convention centre in Guangzhou. In Lyon, the operating lease for Eurexpo was renewed for a 30 year term.

**“BY REDUCING GROUP DEBT, IT IS ABLE TO FINANCE A LONG-TERM STRATEGY TO PROMOTE DEVELOPMENT AND THE ATTRACTIVENESS OF REGIONS”**



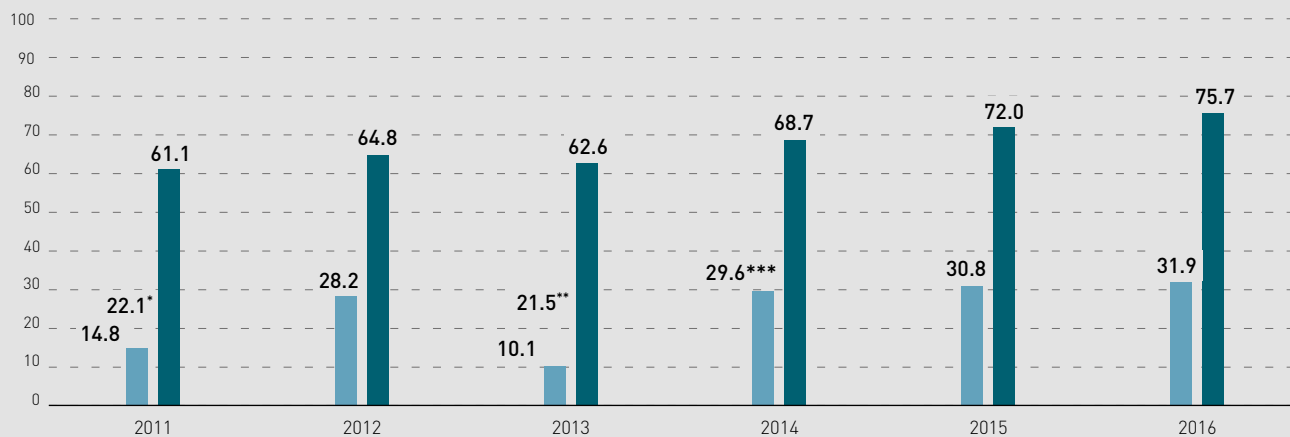
## GROWTH IN REVENUE (€M) AND THE EBITDA MARGIN (%)



## CONSOLIDATED INCOME STATEMENT HIGHLIGHTS (€m)

	2016	2015	
<b>REVENUE</b>	<b>953.0</b>	<b>942.4</b>	
EBITDA	130	116.7	
CURRENT OPERATING INCOME	79.3	71.7	— CURRENT OPERATING MARGIN: 8.3 % (7.6 % IN 2015)
OPERATING PROFIT	77.1	69.1	
NET FINANCIAL EXPENSE	-17.2	-12.5	
INCOME TAX	-22.7	-18.6	
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>37.2</b>	<b>38.1</b>	— NET INCOME ATTRIBUTABLE TO THE GROUP: +3.4 %
EQUITY-ACCOUNTED INVESTEEES AND NON-CONTROLLING INTERESTS	-5.3	-7.3	
<b>NET INCOME ATTRIBUTABLE TO THE GROUP</b>	<b>31.9</b>	<b>30.8</b>	

## NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (€m) AND CASH FLOW (€m)



\* RESTATED FOR NET PROCEEDS FROM A BUSINESS DISPOSAL AND THE EXCEPTIONAL PROVISION FOR THE 2010 COMMONWEALTH GAMES CONTRACT.

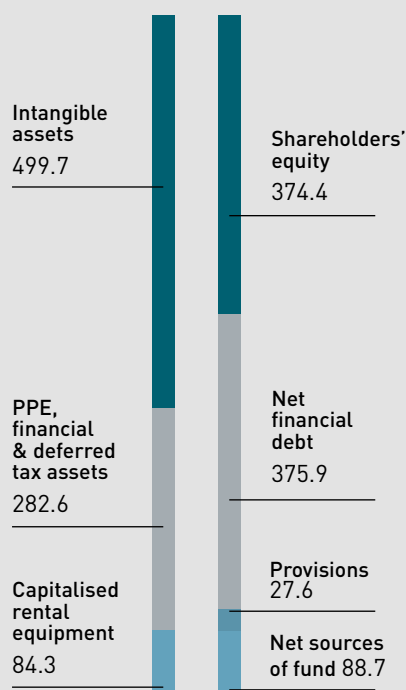
\*\* RESTATED TO ELIMINATE THE EXCEPTIONAL PROVISION FOR GOODWILL.

\*\*\* RESTATED TO ELIMINATE THE IMPACT OF IAS 8

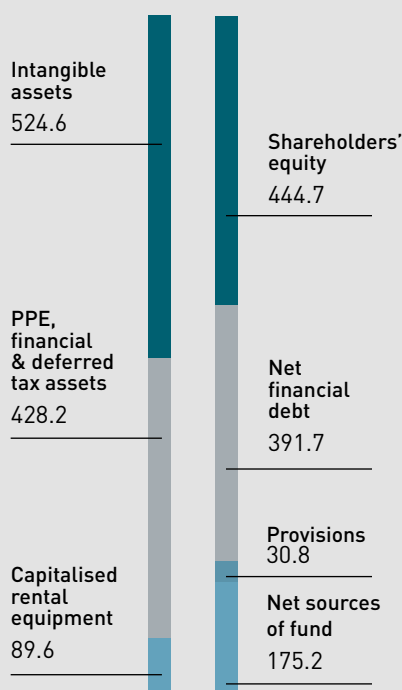
■ Net income attributable to the group (€m) ■ Cash flow (€m)

## CONSOLIDATED BALANCE SHEET HIGHLIGHTS (€m)

BALANCE SHEET 2015



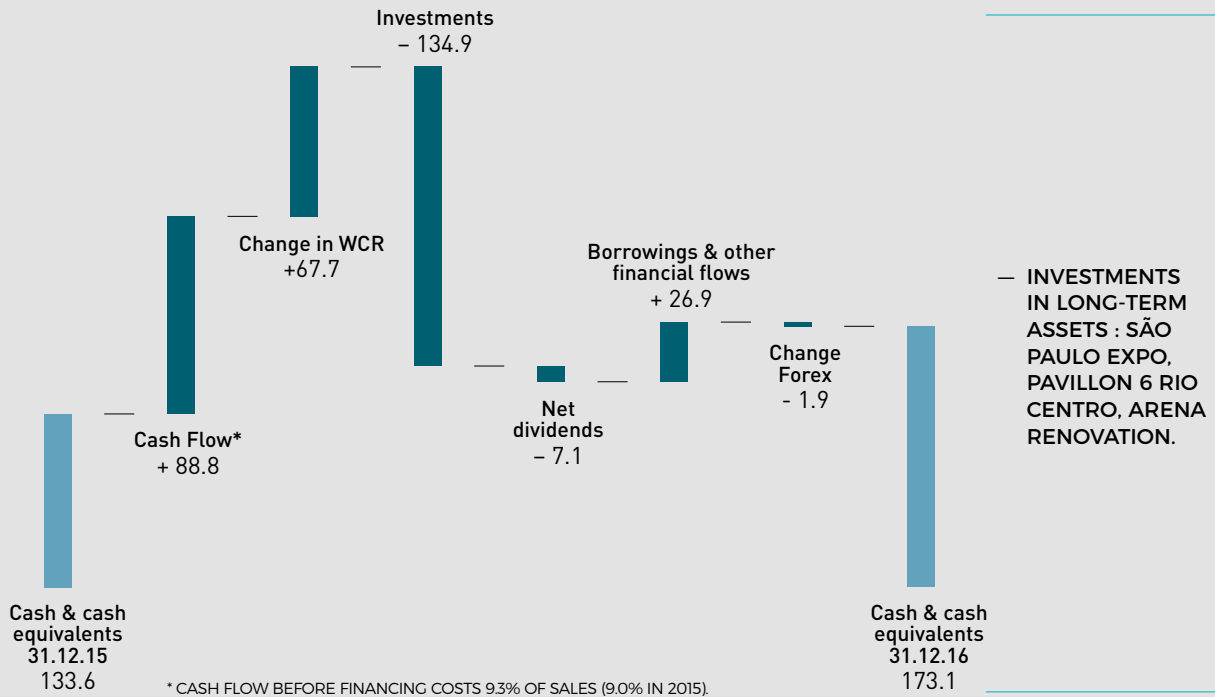
BALANCE SHEET 2016



- NET SOURCE OF FUNDS OF €175M.
- DEBT REMAINED UNDER CONTROL DESPITE A SIGNIFICANT LEVEL FOR CAPEX



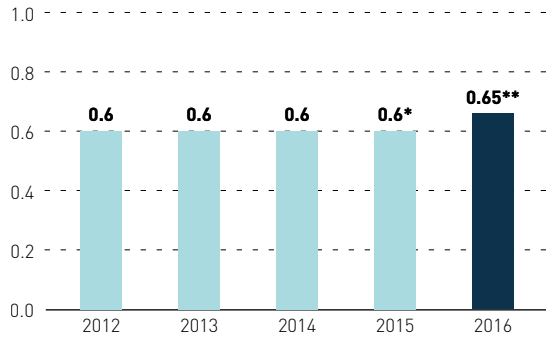
## CASH FLOW HIGHLIGHTS (€m)



### BOCUSE D'OR EUROPE - HUNGEXPO - HUNGARY



## DIVIDENDS



\* DIVIDENDS PAID IN THE FORM OF SHARES: 83.95 %.  
\*\* PROPOSED.

At the upcoming annual general meeting to be held on 28 April 2017, the Board of Directors will submit a proposal to distribute a dividend of €0.65 for 2016 representing a payout ratio of 48 %.

## MARKET

Euronext Paris - Compartment B (Mid Caps)  
ISIN code - FR 0000066672  
Bloomberg code - GLOFP  
REUTERS code - GLTN.PA  
Code FTSE - 581

Since its initial public offering, GL events' communications strategy has focused on maintaining strong investor relations.

The following information can be found on the company's website ([www.gl-events.com](http://www.gl-events.com)) in a special shareholders section :

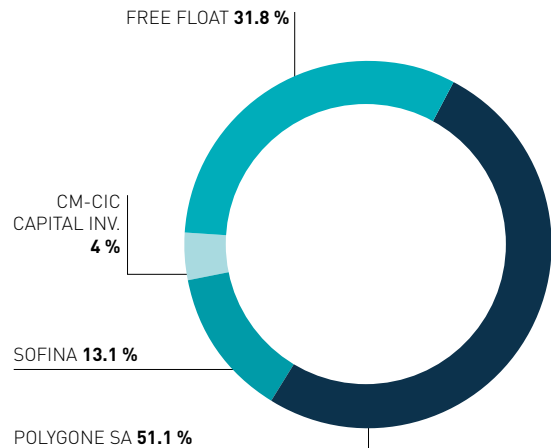
- Recent and past press releases;
- A calendar of financial publications;
- A shareholders' guide;
- An archive of downloadable annual reports and financial publications;
- Key figures;
- Recordings of management interviews.

Email : [infos.finance@gl-events.com](mailto:infos.finance@gl-events.com)

## DISTRIBUTION OF PRESS RELEASES

GL events' press releases are posted on the company's website, [www.gl-events.com](http://www.gl-events.com) (under "Group>Financial Information") after 6 p.m. on the evening preceding their publication date. They are systematically sent by e-mail, fax or the post to all persons having so requested (faxes are sent the same evening, while documents sent through the post are subject to mail delivery schedules)

## SHAREHOLDER OWNERSHIP STRUCTURE AT 31 DECEMBER 2016



## ANNUAL REPORTS

Copies of the GL events' annual reports can be obtained on request or downloaded in electronic form from the company's website. Previous press releases and annual reports (since the company was listed) are also available on the company's website.

English translations of GL events' financial publications are available in electronic form at its website [www.gl-events.com](http://www.gl-events.com) (Group>Financial Information) or may be obtained on request from the investor relations department.

## INVESTOR RELATIONS

### Erick ROSTAGNAT

Managing Director, Corporate Finance and Administration  
Tél. : 04 72 31 54 20  
Fax : 04 72 31 54 95  
Site internet : [www.gl-events.com](http://www.gl-events.com), "Financial Information"  
Email : [info.finance@gl-events.com](mailto:info.finance@gl-events.com)

## 2017 INVESTOR CALENDAR

- **25 April 2017**: 2017 1<sup>st</sup> quarter sales (after the close of trading)
- **28 April 2017**: AGM / EGM in LYON
- **18 July 2017**: 2017 first-half revenue (after the close of trading)
- **5 September 2017**: 2017 1<sup>st</sup> half results (after the close of trading)
- **17 October 2017**: 18 October 2016 2017 third-quarter revenue (after the close of trading)



# HISTORY & MILESTONES

## 1978-1989

**CREATION** of Sarl Polygone Services by Olivier Ginon and three partners (Olivier Roux, Gilles Gouédard-Comte and Jacques Danger).

**ALLIANCE** between Polygone Group (having become the French leader for the installation of exhibitions and events) and Cré-Rossi (rental of trade show furniture, accessories and surfaces).

**NAME CHANGE** to Générale Location.

## 1990-1997

**EIGHT YEARS** of growth. Générale Location strengthens its strategy of providing global solutions through acquisitions and creations in the sectors of general installations for exhibitions, furniture rental, premium stands, signage, fixtures for mass retailers and museums, hosting services.

**GÉNÉRALE LOCATION LAUNCHES ITS INTERNATIONAL DEVELOPMENT** with an office in Dubai.

## 1998-2003

**SIX PIVOTAL YEARS** of major transformations. After its initial public offering on the Second Marché of the Paris Stock exchange, Générale Location takes its first steps in the sector of large international events (Football World Cup in France, Heads of State Summit, and Cannes Film Festival, etc.).

**MAJOR PROJECTS** for the Group: Olympic Games in Sydney, the European Heads of State Summit (coinciding with the French EU Presidency), and several second millennium events.

**A NEW NAME** for Générale Location: GL events The venue management and event organisation business registers very strong growth and, to pursue its expansion in the event market, the Group launches a rights issue of €15.4 million.

## 2004-2009

**IN ADDITION TO THE ACQUISITION** of Market Place, a specialised event communications agency and Temp-A-Store in the United Kingdom (temporary structures), Promotor International and AGOR (organisation specialist), and an equity interest acquired in Première Vision, GL events registers very strong growth in the B2B segment with the acquisition of six new industry trade fairs.

**THE GROUP DEVELOPS ITS INTERNATIONAL NETWORK**, of venues, acquiring Hungexpo, the operating company of the Budapest Exhibition Centre and wins management concessions for the Riocentro Convention Centre of Rio de Janeiro, Pudong Expo for the city of Shanghai, the Brussels Square meeting centre, the Turin Lingotto Fiere exhibition centre, Curitiba Estação Embratel convention centre and the Rio de Janeiro Arena in Brazil and the World Forum Congress Centre of The Hague.

**IN 2005 AND 2007**, the Group launches two rights issues that raised €35.7 million and €77.6 million.

**IN FRANCE**, GL events wins concessions for the Metz Exhibition Centre, Exhibition and Convention Centres (Nice, Amiens), the Roanne Scarabée multifunctional hall, the Troyes Convention Centre and the Maison de la Mutualité in Paris.

**GL EVENTS** acquires Traiteur Loriers to accelerate the development of its Food & Beverage strategy.



INTERNATIONAL FILM FESTIVAL -  
CANNES, FRANCE

## 2010

**THE CREATION** of GL events Exhibitions on 1<sup>st</sup> January 2010 enables the Group to strengthen the level of service provided to exhibitors and visitors alike, in coordination with the different event industry players and professionals.

**IN FRANCE**, GL events was selected to manage the Palais Brongniart.

**GL EVENTS** wins a historic contract for 2010 FIFA World Cup2010™ in South Africa. The Group also strengthens its position by contributing to a number of international events such as the Shanghai World Expo.

## 2011-2012

**GL EVENTS CONFIRMS ITS LEADERSHIP** with contributions to a number of international events: the Africa Cup of Nations in Qatar, the RBS 6 Nations rugby championship and summit meetings for the French presidency of the G8 and G20, the London Olympic Games, the Rio+20 Summit, etc.

**ACQUISITIONS OF BRELET**, a French provider of temporary installations for trade fairs and events, Slick Seating Systems Ltd, a UK-based specialist in the design and manufacture of grandstands and seating solutions in the UK and Commonwealth countries, and Serenas, Turkey's leading PCO.

**WITH THE RENEWAL OF THE MANAGEMENT CONCESSION FOR TOULOUSE EXPO EXHIBITION CENTRE**, the management concession for the new Ankara Convention and Exhibition Centre in Turkey and La Sucrière in Lyon, GL events continues to build its international network of premium venues.

**GL EVENTS CARRIES OUT A CAPITAL INCREASE** to accelerate its development in emerging markets and, in particular, Brazil with a very promising line-up of major events in 2016. Sofina becomes a Group shareholder

### DEVELOPMENT OF FOOD & BEVERAGE

**THE STRATEGY OF EXPORTING PROPRIETARY EVENTS** to different geographical regions confirms its potential for generating high added value for the Group (Première Vision in New York, Sao Paulo and Moscow, the Bocuse d'Or in New York, Sirha in Shanghai and Geneva, etc.).

## 2013

**IN BRAZIL**, the acquisition of LPR, a Brazilian company specialised in the supply of general installations and furniture; the Group is awarded a 30-year management concession for the São Paulo Imigrantes Exhibition Centre following a call for tenders.

**CONSTRUCTION OF A 20,000 m<sup>2</sup> TEMPORARY EXHIBITION PARK** in Sydney.

**AFTER THE MAISON DE LA MUTUALITÉ, A SECOND TERROIR PARISIEN RESTAURANT OPENS** at the Palais Brongniart.

**THE GROUP IS AWARDED A TEN-YEAR CONCESSION FOR THE METZ CONVENTION CENTRE.**







SARCD - JOHANNESBURG, SOUTH AFRICA



## 2014

**ON 1<sup>st</sup> JANUARY, THE GROUP'S THREE EVENT AGENCIES** - Alice Événements, Market Place and Package - are combined into a single entity, specialised in strategic and operating communications for events: Live! by GL events

**THE GROUP OBTAINS A PUBLIC SERVICE CONCESSION FOR STRASBOURG ÉVÉNEMENTS**, for the management of two major facilities: the Music and Convention Centre and the Exhibition Park of Strasbourg.

**AS A STAKEHOLDER OF THE G20** in Brisbane, Australia and the COP 20 in Lima, Peru, the Group confirms its positioning for major political and environmental events.

**OPERATIONS IN LATIN AMERICA ARE RAMPED UP** by acquiring positions in Peru and Chile.

**THE OFFERING OF MODULAR AND DURABLE STADIUMS** introduces an innovation with the concept of rapidly installed and cost-efficient infrastructure.

## 2015

**COMMENCEMENT OF A MAJOR PROGRAM FOR SAO PAULO EXPO:** the construction of a 7-level 4,532 place parking facility.

**INAUGURATION IN RIO DE JANEIRO OF THE GRAND HÔTEL MERCURE** for which GL events is the prime contractor. Carried out in partnership with Accor, this five-star establishment has 306 rooms

**ACQUISITION OF THE JAULIN GROUP**, allowing GL events to strengthen its position in the Paris region and add a new venue to its network: Paris Event Center.

## 2016

**2016 IN APRIL, INAUGURATION OF SÃO PAULO EXPO**, Latin America's largest exhibition centre with a total area of 120,000 m<sup>2</sup>.

**A STRONG PRESENCE AT THE RIO SUMMER OLYMPIC GAMES**, with competitions hosted at Group sites (Rio Arena and Riocentro), the provision of numerous catering and hospitality services.

**SIGNATURE OF A JOINT VENTURE**, between GL events and Yuexiu Group to jointly develop a network of event sites in China. The first step in 2019: managing the future Guangzhou Yuexiu Exhibition and Convention Centre (50,000 m<sup>2</sup>).

**AFTER COP 20 IN LIMA AND THE COP 21 IN PARIS**, GL events is a stakeholder of the COP 22 hosted in Marrakesh. The Group confirms accordingly its standing as a major player for these global sustainable development meetings.

# 02

## **GL EVENTS, BUSINESSES AND MARKETS**

21 / MARKETS & STRATEGY

22 / GL EVENTS LIVE

24 / GL EVENTS EXHIBITIONS

26 / GL EVENTS VENUES

29 / OUTLOOK

# AN ORIGINAL AND WINNING INTEGRATED BUSINESS MODEL

From its inception, GL events Group deployed a business model, unique in the event universe. Expanding from its initial core business, services, the Group then added in two complementary sectors: event organisation and venue management. This strategy allowed it to become the sole truly global player operating in this market. Today it has an established reputation as a partner of choice for major principals/decision-makers such as regional and local governments.

This integrated approach promotes synergies across different business lines. In this manner, the delivery of high added value services can be coordinated from a single entry point. It also promotes a unified corporate image for the Group clearly understood by its partners.

This model demonstrated its effectiveness from the start, generating momentum for both internal and external growth and ensuring profitable operations by optimising asset turnover across business lines.

It also structures GL events' international strategy. This approach is exemplified by Brazil where GL events has become a global provider by developing simultaneously across its three strategic business units, Live, Venues and Exhibitions.

“GL EVENTS  
IS THE ONLY GLOBAL  
PLAYER IN THE MARKET.”

## LES MOUSQUETAIRES INTERNATIONAL CONVENTION - LYON, FRANCE





# GL EVENTS LIVE: A GLOBAL SOLUTION

GL events Lives' mission is assisting companies, institutions, local governments and event organisers in developing their strategy and designing and staging their events.

Combining event communications consulting and services, the Live division in this way offers all solutions necessary to successfully produce an event.

## COVERING THE ENTIRE EVENT SERVICES CHAIN

The event consulting agency, Live! by GL events, assists customers in defining and implementing their communication strategy. Dedicated teams then address the full range of service needs: the construction of temporary facilities hosting the public (structures and temporary grandstands), fixtures (stands, energy, furniture, signage, audio-visual, etc.) and finally, reception services (hospitality services, food and beverage).

The quality department facilitates synergies through projects for continuing improvement and development. The quality and performance of organisations have in this way been recognised by certifications for a number of years. ISO 9001 (quality) for temporary and long-lasting

structures and grandstands, temporary buildings in the United Kingdom, equipment rental, NF Services Prestataire d'accueil (a French quality label) for the hospitality services agency.

The sustainable development commitment is also highlighted by ISO 20121 certification for temporary structures and grandstands and GL events Audiovisual.

## A REPUTATION FOR EXPERTISE AND RELIABILITY

GL events Live combines a number of decisive strengths which establish its position as an international leader in the production of events: multidisciplinary expertise, a successful track record in being selected for and delivering the most complicated and demanding projects, solid expertise in forming and managing multicultural and multi-business line teams.

Driven by an entrepreneurial culture, the Group also has an established track record in meeting deadlines and quality targets.

Finally, its solid asset base and logistics capabilities mean that it is able to deliver services within tight deadlines for national and international events throughout the world.

## GL EVENTS LIVE IN 2016

With the Rio Olympic Games, the 2016 European football championship and the participation and COP 22 in Marrakesh, GL events Live extended its successful track record in the organisation of large international events. These major events have added to its list of world-class references and will prepare the way for future development.

While the year was marked by large international events, it was also highlighted by a high level of recurrence for services delivered in the sector of trade shows and fairs/exhibitions and local, regional and national events.

2016 was also marked by the increased deployment of expertise drawn from across the Group: the resulting synergies were evident for the 2016 European football championship and COP 22 with teams from the three divisions executing a large range of services as part of an integrated global offering.

For the COP 22 held in Marrakesh GL events was tasked with the overall management and coordination. Services provided ranged from external works to decoration, temporary fixtures – the largest temporary installation ever produced on 27 ha of land including 12 ha of covered

space –, communications, managing the inflow and outflow of documents, reception and security, etc. After Lima and Paris, the Group provided a new illustration of its operational and commercial vitality, and its ability to support governments in hosting major institutional events.

The Rio Olympic Games, the 2016 European football championship, Doha road world cycling championships, the FIA Formula Paris ePrix for electric-powered vehicles, also confirmed GL events' expertise for large international sports events.

For the Euro 2016, interventions at all competition sites in France as well as the Fan Zone in Lyon located at place Bellecour covered a very large range of services: the complete installation of the site, numerous technical services, food and beverage, etc.

An equally broad range of expertise was deployed for the UCI Road World Championships: hospitality services, electrical supply and lighting, installation of the fan zone, managing the opening ceremony and the prestigious dinner gala ...

More broadly, for GL events Lives' teams, activity for the year had a twofold focus and was accompanied by the simultaneous deployment of expertise and know-how: the production and assembly of large events as well as the full range of services assigned to the division and, in parallel, the preparation of major events in the pipeline for 2018 and 2019: The 2018 Olympic Games in South Korea, the Commonwealth Games in Australia, the World Rugby Cup in Japan in 2019...

## 2017 OUTLOOK

From the very start of the year, GL events Live was a stakeholder in large international events. These included the Africa cup of Nations held in Gabon from 14 January to 5 February, the France-Africa Summit held in Bamako in January, the Lyon edition of Sirha, the world hospitality and food service event ... another highlight of the beginning of 2017 was the acquisition in February of a PCO company in France and Tarpulin in Chile.

GL events is continuing its development through a strategy of extending its network of operations in order to anticipate and seize on future market opportunities. The Group in this way is focusing on regions with high business potential: Middle East, Africa and Asia.

# GL EVENTS LIVE: MARKETS AND TRENDS

## A GLOBAL MARKET WITH SEVERAL DIMENSIONS

The types of events serviced by GL events Live fall into several distinct and complementary market segments:

The corporate segment of meetings, incentives, congresses and exhibitions (MICE) for companies. Within this market segment, trade shows and conferences occupy a very prominent position. It is estimated spending by companies on meetings, seminars, incentives, congresses or trade shows represents 1% to 3% of their total revenue.

The market segment of sports, cultural and musical events addresses the general public. In addition to a very large number of local and national events are the very large global sports events: Olympic Games, World Cups including for football, rugby or cricket which assemble the largest number of spectators. To this are added consumer fairs and shows.

Events for governments and institutions require a high level of organisation and quality of infrastructure. These include in particular international summits like the G20 or the COPs on the environment and climate.

At the global level, the growth of these markets has outpaced GDP for a number of years and forecasts anticipate that this trend will continue.

## MARKETS AND TRENDS

The event market is characterised by the growing professionalization of the sector, particularly for principals/decision-makers, and the trend of concentration leading to the formation of major players; Today's market trends include:

- The strengthening of global events in the sports and institutional segments;
- In the area of business development and marketing, the increasing prominence of event leaders with a broad international reach (trade fairs and conferences);
- An evolution in formats, for example the convergence of trade shows and conferences;
- The emergence of more sensitive content;
- The integration of physical and digital communities to create hybrid events, with impacts largely exceeding their physical venues and the dates on which they are held.

Finally, two major trends are having a structural impact on the organisation of events: shorter decision-making cycles for participants, customers, organisers requiring greater responsiveness on the one hand; and a growing demand for the management of environmental impacts, on the other hand, leading to a preference for more eco-responsible temporary solutions.



# GL EVENTS EXHIBITIONS: A WORLD-CLASS PLAYER WITH A LOCAL FOCUS

GL events Exhibitions is the division specialised in the organisation of trade shows and consumer fairs in France and other countries throughout the world.

It is positioned as a world-class player that is close to the communities it services, and in this capacity, as a specialist who understands their priorities and needs.

The Group's trade shows and consumer fairs cover a cross-section of major economic sectors: industry, building, culture and leisure, home and interior design, the environment, trade and retail... Within this context, strong sectors have emerged – fashion and fabrics, food industry, swimming pools... – for which the Group organises international meetings, major events for the professionals of these industries. This broad sectorial coverage is reinforced by a geographic mix across several continents, a mix between B2B and B2C segments as well as annual and biennial, and even biannual meetings as is the case of the fashion industry. This diversity provides the division with balanced and secure revenue streams. GL events Exhibitions' stable base of recurrent revenue gives the Group in turn a valuable mechanism for remaining on track for profitability and growth.

## STRATEGIC PILLARS

GL events Exhibitions' strategy is based on several key strengths:

- a positioning as an event industry reference at the heart of communities, with flagship brands and events;
- a solid domestic base in each market;

- strong synergies with the other Group businesses;
- versatile and highly qualified teams, capable of innovating in terms of format and content to address new expectations and practices, particularly in developing digital services and solutions for events;
- providing differentiation either through exclusive content, as with the Bocuse d'Or within the framework of Sirha, or by facilitating communities, as with Piscine Global, a forum for exhibitors to promote exchanges outside of trade shows.

## SOLID BASES, GROWING INTERNATIONALISATION

France remains a solid market. This is illustrated by successes in the B2B segment like Sirha, Industrie, Première Vision Paris, CFIA, and also consumer fairs like Equita and the Lyon International Fair, Amenago Lille or the *Salon des Vins et de la Gastronomie* (wine and gastronomy) event of Rennes or Brest that every year attract a significant number of visitors based on attractive themes and innovative content.

In international markets, exporting trade shows leverage the strength of their brands to unlock additional potential from regional spin-offs: Reflecting this strategy, editions of Première Vision and Sirha are staged in Istanbul, an important regional hub in this part of the globe, fully equipped with quality infrastructure indispensable for successful events: an international airport, hotel capacity, an attractive destination.

# GL EVENTS EXHIBITIONS IN 2016

GL events Exhibitions delivered a robust performance and good prospects, in a year that did not include its major biennial events.

With growth in revenue from 2014, the period was marked above all by excellent performances in Europe, increased profitability from its leading trade shows and the development of a new strategic project focusing on two areas: the digital development and international markets.

In Brazil, the portfolio was restructured and repositioned: second-tier trade shows were adversely impacted by the economic crisis affecting the country since mid-2014. At the same time flagship events in the B2B segment have registered growth. This was the case for the fourth edition of the World Beer Fest with 48,000 visitors in Rio de Janeiro and Estetika, Latin America's prestigious

gathering of beauty and cosmetology professionals.

In France, Continental Expo became a wholly-owned subsidiary of GL events Exhibitions and the 2016 edition of Kidexpo, an exhibition for the family and children, registered a 15% increase in attendance. Beyond the concept of a festival for the general public with a regional, or even international reach, Kidexpo also offers a driver for development. In particular it provides an example of how to construct an event and its promotion, thus offering a real model for renewing the Group's other products for the consumer segment. In Lille, the first edition of Geek Days also provided a successful illustration of new concepts that will drive transformations in the B2C segment.

Another business development: the partnership with the food industry group, Savencia to create a start-up

specialised in digital communications, FoodConnexion. The objective: provide a community platform for chefs and food service professionals dedicated to excellence. By joining forces with a major industrial company, GL events was able to build a digital experience complementing a strategic business line.

Leading flagship events in their respective sectors also registered excellent performances: Equita and Piscine Global in Lyon, the CFIA in Rennes and Première Vision in Paris all confirmed their leadership positions.

Also in Lyon, Eurobois was successfully repositioned. A strategy that confirms GL events' pivotal role within the French wood sector that will build on the success of the 2016 edition to propose an expanded range of services in 2018. Strengthened by its participation in the "Convergence for the industry of the future" initiative promoted by public authorities and the French Alliance for the Industry of the Future, the second edition in December of the Smart Industry fair was bolstered by a powerful trend of innovation, namely Industry 4.0 and connected tools.

In international markets, the spinoff events of Sirha and the Bocuse d'Or and World Pastry-Making Championship, regional selections have registered promising successes: the first edition of Bocuse d'Or in Mexico was organised through a joint venture with a local partner whereas the Bocuse d'Or European final was held in Budapest.

## 2017 OUTLOOK

As a year with a positive biennial effect, 2017 began with an exceptional performance for Sirha : +17% in international attendance and more than 25,000 chefs (+25%). The result was an unmatched performance for this edition.

Première Vision Paris also showed renewed momentum following declines in international attendance in early 2016 linked to security-related concerns.

Gaming Istanbul (GIST) added attendance and name recognition, bolstering GL events' development in events for the gaming community.

The economic environment for this market is improving. GL events Exhibitions' goal is to reinforce the position of its product leaders and maximise potential of its sectors and business lines promoting excellence (food service, fashion, industry, equestrian events, etc.); This also involves gradually reinventing consumer fairs in the digital era, introducing the innovative dynamics of start-ups through specific offerings, strengthening the development of French events and other countries or developing new trade shows through new hubs in international markets.

Benefiting both exhibitors and visitors, Paysalia, the landscaping trade show, has expanded its offering by the addition of Rocalia, a complementary event devoted to natural stone. In the construction sector, the offering is being upgraded to higher value added products and current trends, in particular energy transition, a sector where Be+, Expobiogaz and Hyvolution are positioned.

# GL EVENTS EXHIBITIONS: MARKETS AND TRENDS

The global exhibition organising market grew by 1.7% in 2015 to reach US\$24.3 billion according to AMR International, though expanding at a slower pace than in 2014. In 2016, preliminary estimates anticipate resumption in growth above 4%. Finally, the global exhibitions market is expected to grow at an average annual rate of 4.6% between 2016 and 2020.

The United States remain the world's largest market in terms of value and size (US\$12.7 billion according to AMR International), followed by China which moved up to second place in 2014. The historic markets of Germany, France and the United Kingdom each amounted to more than US\$1.6 billion.

Europe and North America represent mature though solid markets characterised by moderate growth and continue to account for three quarters of activity worldwide. Emerging markets continue to show robust expansion correlated with growth in GDP, trade and increasing added value of their economies. These markets now represent nearly one quarter of the global exhibition organising market.

The market remains fragmented among organisers even if there is significant consolidation at the worldwide level led by European and American players.

The leading exhibition brands are focusing greater attention on meeting visitors' needs and serving as a platform for organisers operating on an international scale to develop new commercial and marketing services, in particular for digital tools for exhibitors and visitors.

The market for meetings has also become more targeted and more digital. The business of exhibition organisers has evolved in parallel, by adopting genuine go-to-market strategies to deliver their services. Digital solutions have become powerful drivers for organisers for creating content, improving data management, strengthening the efficacy of marketing, growing services and generating new sources of revenue.

# GL EVENTS VENUES: A GLOBAL NETWORK OF VENUES

GL events manages a network of 40 event venues in France and throughout the world. Convention centres, exhibition centres, reception facilities, multi-purpose facilities, this unique offering of different types of venues is constantly evolving to address new needs.

These venues which host every type of event (economic, cultural, scientific, sports, etc.) provide forces of attractiveness extending the economic reach of cities and territories. The construction or extension projects fit within a broader framework of large urban development programs.

It is within this configuration that GL events' business is developing. As a partner of local governments, the Group thus intervenes through long-term concessions. Working closely with them, its expertise and know-how is deployed in the service of major territorial ambitions for economic, social and cultural development.

Professionalism, safety for people, reliability for equipment, providing the best possible service, these constitute GL events' commitments to both the delegating authorities and its customers at the sites (organisers, exhibitors, visitors, convention attendees, etc.).

## GL EVENTS VENUES IN 2016

The Venues division showed strong momentum for activity and growth in 2016.

The year included a number of important events for GL events Venues: in Brazil with the inauguration of São Paulo Expo, in São Paulo, the country's economic capital, the Group's network now includes Latin America's largest and most modern exhibition centre. In Rio de Janeiro, the opening of the Pavilion 6 completes Riocentro's offering of event venues.

In China, a joint venture was concluded between GL events and Yuexiu Group, a public company of city of Guangzhou (Canton) to jointly develop a network of event sites in China. The first phase of this partnership is for the management of the future convention centre in Gangzhou, targeted for opening in 2019.

In France, after two years of refurbishment, expansion and modernization work, the Music and Convention Centre and Exhibition Park of Strasbourg unveiled its new multi-purpose facilities.

In Metz, the foundation stone was laid for the Robert Schuman Convention Centre which is scheduled for opening in fall 2018.

In Lyon, Eurexpo's lease was renewed for 30 years, a long-term engagement that will foster investments for and the development of France's second-largest exhibition centre.

Throughout the world, the network of venues hosted numerous events: medical conventions in Turin, Barcelona, Nice, Bruxelles, Toulouse... Auto Show in São Paulo, the European selection event for the Bocuse d'Or in Budapest, the general meeting of Crédit Agricole and the Youtube Brandcast event at the Maison de la Mutualité in Paris.

Finally, the opening of a sales office in London for GL events Venues' sites will facilitate development in the international corporate market and promote the Group's premium destinations for major events.

### 2017 OUTLOOK

2017 began with the inauguration of the Valenciennes Conference Centre (Cité des Congrès de Valenciennes) which strengthens the Group's position in the Hauts-de-France region. Sirha's organization at Eurexpo again this year has reinforced the position of Lyon as the capital of gastronomy and food services.

In January 2017, the Matmut Stadium of Gerland à Lyon joined GL events' network of venues, further strengthening its position in sports facilities management.

The accelerating business momentum for São Paulo Expo in its first full year of operations, should bolster the activities of GL events Venues in Brazil.

The goal of local authority-owners to promote the development of events linked to centres of excellence and competitiveness clusters has led to consider the initiation of studies in Toulouse, Strasbourg, Clermont-Ferrand, Budapest to create new events that will enhance GL events Venues' event offering in the coming months and years.

Finally, the launch of a digital strategy and the revamping of the venue websites will enhance the experience of clients, principals/decision-makers and visitors.



# GL EVENTS VENUES: MARKETS AND TRENDS

The performance of convention and exhibition centres reflects that of the event industry sector and, more generally, economic growth in France and worldwide.

The AIPC (International Association of Convention Centres)<sup>1</sup> anticipates 4.2% growth in revenue from event venues throughout the world, outpacing worldwide GDP of 3.1%. In France, the Irep PUB study indicated growth in spending by exhibitors of 0.5% in consumer fairs and trade shows in 2015<sup>2</sup>.

## BUSINESS TRENDS FOR EVENT VENUES

Competition is increasing between destinations equipped with modern and high quality installations and implementing strategies to promote the tourism offering. Indeed, 87% of venues throughout the world consider that competition intensified in 2015 according to the AIPC survey. 69 % of the destinations carried out refurbishment and extension work within the last five years or are planning to do so in the near future. 10 % acquired new equipment<sup>3</sup>. These investments concerned mainly measures to adapt equipment that is increasingly modular and with increasingly sophisticated technologies to support the trend of personalised formats and connected events.

As in the case of business centres or coworking facilities today found in all major cities, exhibition centres and convention centres are also evolving into venues for hospitality services, exchange, working and relaxation. They offer different categories of people a large range of professional and personal services.

## MARKET TRENDS FOR THE THREE MAIN BUSINESSES: TRADE SHOWS, CONVENTIONS AND CORPORATE EVENTS

The global exhibitions market is expected to register average growth of 4.5% CAGR to 2019<sup>4</sup>. While emerging markets and in particular China, have been showing sustained growth, the European markets including France continued to deliver solid performances, largely driven by B2B events.

According to the French event industry association, UNIMEV, marketed exhibition space registered growth of 2% in 2015 and the number of exhibitors 1.6%. The performance of corporate events naturally depends on the underlying economic trends for the major customers, the pharmaceutical, information and communications technology, automotive, finance and food industry sectors. In light of the unstable global geopolitical context in 2016, media budgets remained flat. This was the case in France where companies reduced their MICE spending according to the Coach Omnium<sup>5</sup> study.

In contrast, conventions offered better visibility for the long-term for both the destinations and the venues. As the number of associations continues to increase, so has the number of conventions. UIA, the Union of International Associations (UIA) which counts more than 68,000 associations and international NGOs estimates that 1,200 new organisations are added each year worldwide<sup>6</sup>.

1) AIPC Annual Member Survey, 2016

2) UNIMEV, 2015 industry data

3) AIPC Annual Member Survey, 2016

4) Globex, Global Exhibition Organising Market, AMR International, September 2015

5) Business Tourism MICE 2017, Coach Omnium

6) <http://www.uia.org/yearbook>

# A PORTFOLIO OF 40 VENUES MANAGED BY GL EVENTS

## CONVENTION CENTRES

- Ankara (Turkey) : Congresium Ankara
- Barcelona (Spain): Centre de Convencions Internacional de Barcelona (CCIB)
- Brussels (Belgium): Square Brussels Meeting Centre
- Clermont-Ferrand: Polydome
- The Hague (Netherlands): World Forum
- Lyon: Centre de Congrès de Lyon
- Metz: Metz Congrès Événements
- Nice: Acropolis
- Paris: Maison de la Mutualité
- Paris: Palais Brongniart
- Saint-Étienne: Convention Centre
- Strasbourg: Palais de la Musique et des Congrès
- Toulouse: Centre de Congrès Pierre Baudis
- Valenciennes: Cité des Congrès Valenciennes

## EXHIBITION CENTRES

- Amiens: Mégacité
- Budapest (Hungary): Hungexpo
- Clermont-Ferrand: Grande Halle d'Auvergne
- Lyon: Eurexpo
- Metz: Metz Expo Événements
- Padua (Italy): PadovaFiere
- Paris: Parc Floral
- Paris: Paris Event Center
- Rio De Janeiro (Brazil): Riocentro
- Sao Paulo, Brazil: São Paulo Expo
- Strasbourg: Parc des Expositions du Wacken
- Toulouse: Toulouse Expo
- Troyes: Troyes Expo
- Turin (Italy): Lingotto Fiere
- Vannes: Le Chorus

## RECEPTION FACILITIES

- Istanbul (Turkey): The Seed
- Lyon: Château de Saint-Priest
- Lyon: La Sucrière
- Paris: La Chesnaie du Roy
- Shanghai (China): Performance Center
- Toulouse: Espaces Vanel

## MULTI-PURPOSE FACILITIES AND CONCERT HALLS

- Clermont-Ferrand: Zénith d'Auvergne
- London (United Kingdom): Battersea Evolution
- Rio de Janeiro (Brazil): Rio Arena
- Roanne: Le Scarabée
- Turin (Italy): Oval

# 2017, COMPETITIVENESS AND A LONG-TERM ENGAGEMENT

In pursuing a strategy of sustainable and profitable growth, GL events is supported by solid pillars: an integrated business model as a leading provider of solutions and services covering the entire market for events, international growth momentum and the commitment and expertise of its teams.

## IN 2017, THE GROUP'S GROWTH STRATEGY HAS FOCUSED ON FOUR PRIORITIES:

- Continuing to build a position as an international reference in the event industry; based on a strong business development organisation to fuel organic growth, selective acquisitions and strategic partnerships to reap the benefits of a market in consolidation at the worldwide level; a position of international excellence in each of the Group's three business divisions, a strong GL events brand with international name recognition in the universe of events.
- Selecting quality long-term assets: premium event venues in growing metropolitan areas, leading trade show brands, with potential for international deployment and targeted communities and a significant portfolio of rental assets offering access to top-tier event contracts;
- Innovating by bringing together even more expertise in event design, engineering and logistics to support the needs of event communications advertisers and the major event organisers; by leading the shift from event sites to the concept of full-fledged "living spaces" to be integrated within new urban applications; by integrating digital tools and optimising the use of data in events and, in particular, trade shows, by developing new event concepts;
- Reinforcing financial management to free capacity for action by improving the ROCE of each business and by reducing net debt; by focusing on the asset portfolio turnover and by optimising economic synergies across the three businesses.

## STRONG PROSPECTS WILL SUPPORT THE BUSINESS

- A year which began in January with an exceptional performance by Sirha (25,000 more visitors than the last edition);
- The success of São Paulo Expo, with reservations in 2017 maintaining the positive momentum from the successful launch in 2016; and more generally, the recovery of the Brazilian economy and the Real that should set the stage for a good performance for business;
- Reinforcing the foundations in South America with a new acquisition in Chile in the sector for tents and structures;
- The launch of operations for the Valenciennes metropolitan region convention centre;
- The successful integration of Jaulin in the greater Paris region of Ile de France;
- Development in the sports segment and sports arenas with the signature of a 60-year emphyteutic lease for the management of the Gerland stadium rebranded as Matmut Stadium under a well-adapted naming contract;
- Development in Asia, and in particular, in China with the launch of the joint venture with Yuexiu Group;
- Jumbo events in which the Group will be a stakeholder (Africa Cup of Nations in 2017, the Commonwealth Games in New Zealand in 2018, etc.).

On that basis, the Group is expecting growth in 2017, accompanied by an improvement in profitability and a reduction in net debt (excluding potential acquisitions unknown on this date).



# 03

## **CORPORATE SOCIAL RESPONSIBILITY**

31 / INTRODUCTION

33 / SOCIAL INFORMATION

41 / ENVIRONMENTAL INFORMATION

49 / INFORMATION RELATING TO SOCIETAL COMMITMENTS

55 / ACRONYMS

56 / METHODOLOGY NOTE

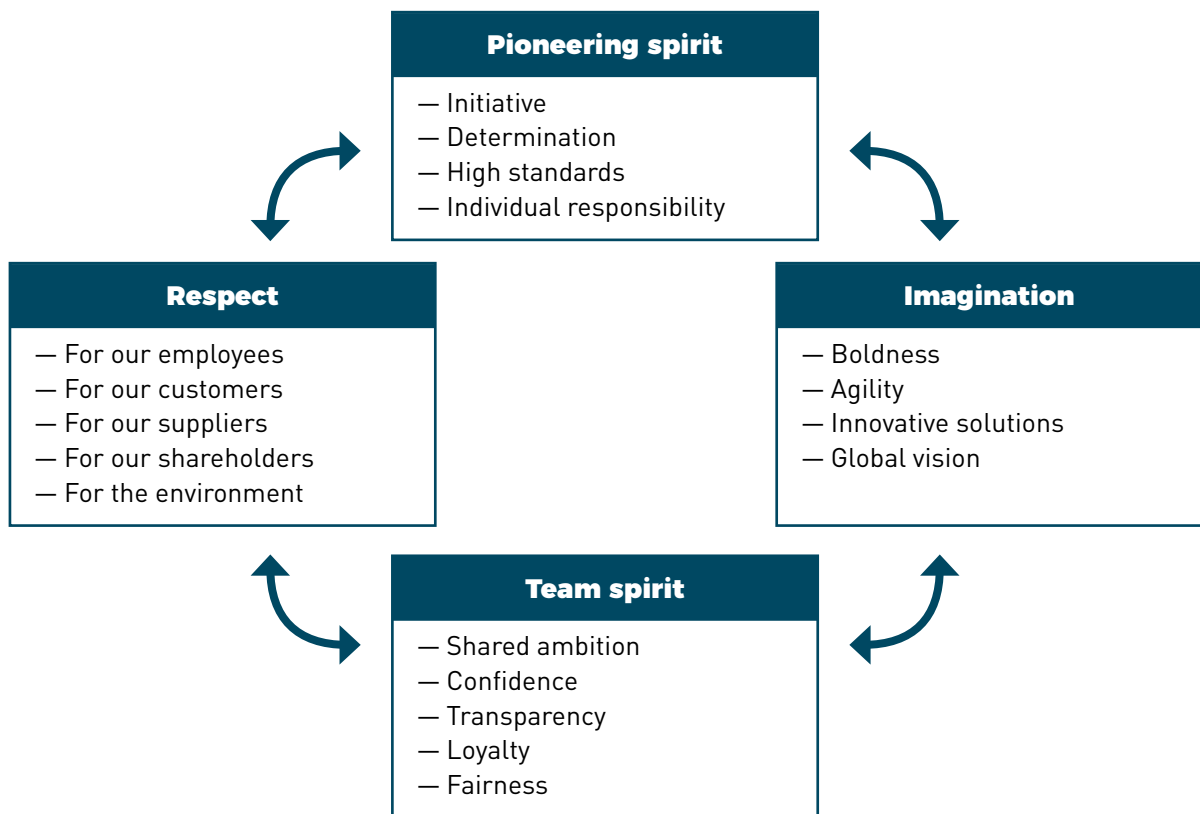
58 / INDEPENDENT THIRD-PARTY ASSURANCE  
REPORT ON SUSTAINABILITY INFORMATION

# INTRODUCTION

Since it was initially introduced in 2009, GL events' sustainable development policy has remained committed a responsible approach in the conduct of its businesses as a provider of services for events, managing exhibition and convention centres and organising consumer fairs

and trade shows. In practice, GL events' Corporate Social Responsibility (CSR) ensures that group businesses integrate social and environmental priorities into their operating activities in line with the Group values.

## GL EVENTS GROUP'S VALUES



Corporate social responsibility is in this way an integral part of the company's operating practices (business units, purchasing, human resources, maintenance, etc.). Ongoing deployment of the three programmes, Think Green (environment), Think People (employment and workplace conditions), and Think Local (social progress)

is part of a continuous improvement approach, addressing different challenges according to our activities. These programmes apply project management methods, with both operational and support function teams, using a «test and deploy» approach aligned with the Group's development.

### 2016 HIGHLIGHTS

- Integration of Strasbourg Événements within the ISO 14001 environmental certification scope.
- ISO 20121 certification of 4 contracts with UEFA Euro2016
- PrestaDD certification of GL events Audiovisual (CSR label awarded by the trade association, Synpase)
- Event overlay services for COP22 in Morocco
- Change in management of the human resources department
- Drafting a Group code of ethical conduct
- Calculating the impact of the Lyon International Fair and Piscine using the global impact calculator developed by Unimev, the French event industry association.

## GAÏA INDEX




Every year the Gaia index ranks mid-sized listed companies recognised for their CRS approach, providing a key source of data for investors incorporating ISR (socially responsible investment) extra-financial criteria into their decision-making process.

GL events maintains its ranking of 2015 and even gains one place with its 2016 campaign:

<b>General ranking</b>	<b>34<sup>th</sup>/230</b>
<b>General category: Revenue &gt; €500 million</b>	<b>27<sup>th</sup>/85</b>

### GAÏA-INDEX CERTIFIES THAT GL EVENT WAS A COMPONENT OF 2016 GAÏA INDEX IN WHICH IT HAS BEEN INCLUDED SINCE 2015

Gaia-Index, a subsidiary of EthiFinance, is specialised in the analysis and rating of CSR (corporate social responsibility) performances of European SMEs and intermediate sized enterprises. In 2016 more than 500 mid caps were assessed. Every year since 2009, the Gaia-Index collects extra financial information from a panel of 230 intermediate sized companies and SMEs listed on the Paris stock exchange meeting two of the following three criteria: < €5 billion in revenue; market capitalization < €5 billion; employees < 5,000, in addition to having a sufficiently liquid share. Based on this information, the companies are then rated according to their level of transparency and performance with respect to environmental, social and governance (ESG) criteria. The Gaia index is comprised of the 70 top ranking companies of the panel (excluding «serious» controversy alerts) retaining the initial segment breakdown.

	GL EVENTS LIVE	GL EVENTS EXHIBITIONS	GL EVENTS VENUES
	<ul style="list-style-type: none"> <li>– Attracting, retaining and developing talent</li> <li>– Fostering transmission of know-how and skills</li> <li>– Promoting diversity</li> <li>– Promoting quality of life in the workplace</li> <li>– Socially responsible management of subcontracting</li> </ul>		
	<ul style="list-style-type: none"> <li>– Introducing new offerings (eco-design)</li> <li>– Improving waste management (reuse and processes)</li> <li>– Limiting CO<sub>2</sub> emissions relating to transport</li> </ul>	<ul style="list-style-type: none"> <li>– Integrating the environment into project management</li> </ul>	<ul style="list-style-type: none"> <li>– Efficiently managing energy consumption</li> <li>– Improving waste sorting rate</li> </ul>
	<ul style="list-style-type: none"> <li>– Developing use of local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>– Energising professional communities (innovation, connexions)</li> </ul>	<ul style="list-style-type: none"> <li>– Evaluating and optimising regional value creation</li> <li>– Energising local networks</li> </ul>
<b>CROSS-CORPORATE CHALLENGES</b>	<ul style="list-style-type: none"> <li>– Responsible purchasing, business support, management systems, communications, sponsoring</li> </ul>		



# EMPLOYMENT INFORMATION A PEOPLE-CENTRIC BUSINESS CULTURE

With 3,934 employees, including 2,620 in France working in one hundred business units, GL events Group is committed to developing lasting professional relations with staff, by building a strong local base in a complex environment. This approach is illustrated by the 9 collective bargaining

agreements including a unique feature relating to skills based on professional experience of staff. GL events launched the Think People programme at the end of 2011 as a developmental framework for promoting employee growth within the company.



## OBJECTIVES

### I. Identifying & developing talent

Integration, People Reviews, training, seminars and mobility

### II. Fostering transmission of know-how and skills

Internal instructors, best practices meetings, preparing for retiring employees

### III. Promoting diversity

Integrating persons with disabilities, developing local partnerships

### IV. Promoting quality of life in the workplace

Psychological counselling unit, adapting managerial practices

### V. Socially responsible management of the use of subcontracting

Oversight - Safety

## 2016 HIGHLIGHTS

- Reorganisation of the Group Human Resources Department
- Launch of the HRIS Talents programme: promoting reliability, quantitative and qualitative monitoring of career assessment meetings once a year
- Persons with disabilities, concrete results: 33 workers with disabilities with permanent employment contracts in 2013 compared with 71 in 2016.
- Operational CSR training: responsible project management for the Euro site managers, environmental law and fire safety for persons responsible for site maintenance of the Live division, incorporating CSR into Live By GL events' offerings, recruitment without discrimination for managers
- Reintegrating core-business activities (assemblers)
- Drafting of a Group code of ethical conduct

## 2017 PRIORITIES

- Persons with disabilities: priority of recruitment to meet the Agefiph convention targets
- Distribution of and training on the Group code of ethics
- HR development: an action plan is being developed focusing on recruitment, integration, the employment brand and people reviews

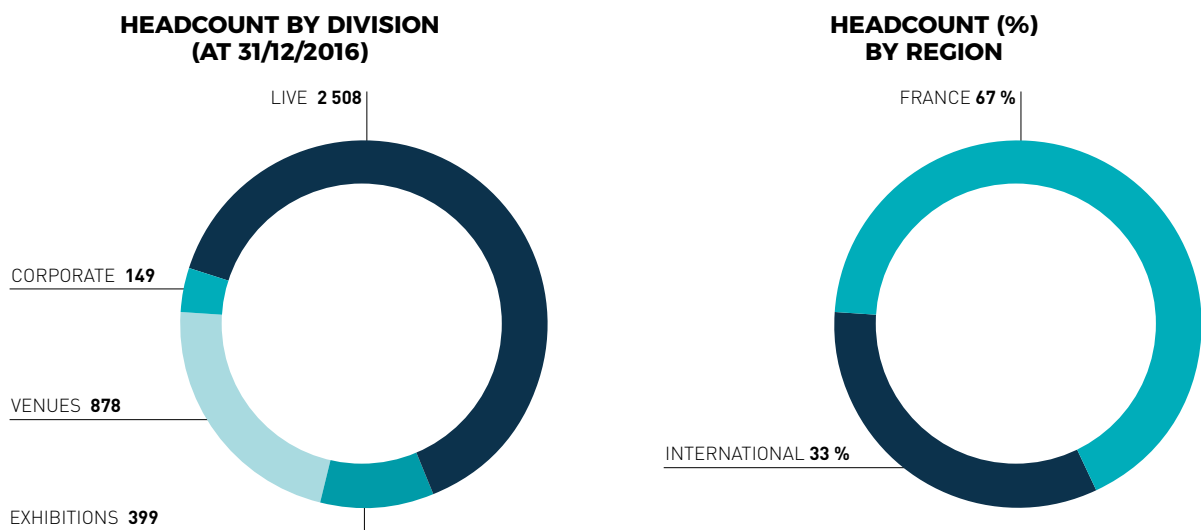
## ASSISTING EMPLOYEES OVER THEIR PROFESSIONAL LIFE

As a service sector company, its most valuable resources are the Group's men and women, an intangible asset of strategic importance in the universe of events:

A GL events «talent», is an employee who has developed his or her abilities to identify and analyse customer needs, to build collective solutions. He or she knows how to drive and integrate change by respecting and reconciling multicultural factors considered as sources of value by fostering creativity and flexibility, in order to adapt to market trends.

And because talent is everywhere, GL events has developed an entrepreneurial culture that encourages a spirit of initiative and equal opportunities. Within this approach, it is not the diploma that is the most important. Instead, priority is given to skills: the capacity to learn, to mobilise and engage, honesty, initiative and team spirit.

At 31 December 2016, GL events Group had 3,934 employees breaking down by the Group's different business divisions as follows:



Attracting, retaining and developing talent: this approach requires actions at every phase of the selection process, from initial assessment to training and employee mobility. The stakes of this approach are diverse:

- **address** the expectations of different generations in terms of employment;
- **develop** the motivation, agility, employability of our people;
- **strengthen** knowledge and expertise;
- **offering** employees better control over their environment and stimulate the desire and ability to learn.

### ATTRACTING TALENT

The communications department, digital human resources, CSR and marketing departments work together promoting the employment brand and value proposition in order to attract new talent, particularly through social media.

**In Practice** GL events Brazil and LinkedIn  
In a tight labour market of full employment, in preparation for the 2016 Rio Olympic Games, the human resources team of GL events Brazil developed a

collaboration with LinkedIn to attract new talent.

Teaching employees how to manage their LinkedIn page, working jointly with the marketing team to render the corporate webpage more dynamic, drawing on the support of ambassadors, this collective approach contributed to bringing the GL events Brazil webpage to life.

### PEOPLE INTEGRATION

Within the permanent workforce, the Group counted 635 recruitments and 917 departures (including dismissals) in 2016. Individual or collective integration is a top priority of GL events Group.

#### — New arrivals:

The successful integration of an employee represents a critical moment for the future success of his or her subsequent career path, contributing to his/her engagement and loyalty.

Integration is achieved differently from one entity to another, according to business unit function and specialised business area.

The integration process includes a presentation of the

Group and the employee's new company, meetings with other employees, a presentation of the company tools and processes and field visits.

— **A specific priority: «collective» integration**

GL events Group also develops in part through external growth: company acquisitions, new public-private partnership missions (délégations de service public) This type of development brings with it its own specific challenges in terms of integration: integrating a new entity into the Group's culture without denaturing its own characteristics, preserving the brands, transmitting the Group's values and management approach and developing synergies.

**In Practice** In 2006, one of these challenges was to support the integration of the Jaulin Group, acquired in

## EVALUATING AND TRAINING NEW STAFF

Performing assessments of employees is the cornerstone of the talent management approach.

For this reason, the first building block of the human resources information system of the GL events Group (HRIS), baptised «Talent», was devoted in 2016 to the issue of reliability, and the quantitative and qualitative monitoring of annual performance reviews and career assessment meetings implemented in early 2016.

This lays a solid foundation for developing the employee training policy and makes it possible to adjust their skill acquisitions according to the needs of the company.

For the Group's Executive Management, providing training throughout the professional life of each GL events employee is a top strategic priority. This approach is even more important in the context of increasingly challenging and complicated economic market conditions.

GL events offering of training programmes for 2016 was developed in coordination with:

- managers, in order to target the evolving needs of our teams in terms of expertise,
- operational HR managers, by analysing training needs expressed by staff,
- Group executive management, as a decision-making tool to address future strategic organisational needs.

2016 training highlights:

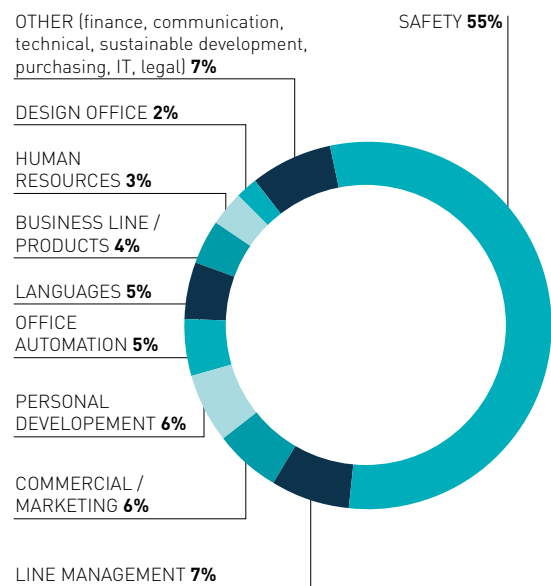
- **30%** of the French workforce received training,
- **13,893** hours of training,
- an average of **12** hours of training per trainee,
- **55%** of training hours devoted to safety

## MOBILITY

The challenge is proposing a dynamic career path to employees, developing their acquisition of multiple skill sets to manage complex projects in an environment where agility and cross-functional capabilities are increasingly

required. Particular attention was paid to and ensuring an equivalent level of service to demanding event industry customers and ensuring a smooth transition in terms of working methods: guiding the management transition process, coordinating the gradual development of relations with the different departments of GL events Group, exchanging good practices with Group entities engaged in the same activities as Jaulin entities (Light events, Fonction meuble, Adecor and Jaulin SA) training middle management, association of managers of the Ile de France Services steering committee, mapping business lines and processes, integration within the GL events profit-sharing agreement, etc. Supporting human resources management by placing an emphasis on listening and pragmatism was decisive in successfully creating a spirit of belonging among new employees.

## TRAINING HOURS BY SUBJECT



**In Practice** The sustainable development team provides training programmes specifically adapted to the Group's different business lines. In this way employees are given the tools to integrate CSR priorities into their work practices. Latest training programmes to date: Responsible project management for UEFA Euro 2016 site managers, environmental law and fire safety for the building managers of the Live division, incorporating CSR into Live! by GL events' offerings.

required. The mobility strategy aims to enhance business line approaches by exchanging points of view and activating synergies.



**In Practice** **Our difference: temporary mobility:** Temporary mobility is essential for managing large projects. Such mobility entails missions ranging from on average three to six months, with priority given to drawing on internal resources in building project teams. The UEFA Euro 2016 in France, the COP22 in Morocco, the Rio Olympic Games, installation of the Africa-France Summit in Mali, installing the Africa Cup of Nations in Gabon: 2016 was rich in opportunities. These large projects offer employees very intense professional experiences lasting a few months, in some cases giving them an opportunity to discover, a new business specialisation (through a mechanism for internal mobility and the transfer of skills), a new culture and working methods of

different business units all within the framework of major world-class international events. In 2016, 83 opportunities for internal transfers were proposed.

Human resources have professionalised the standard management for these internal mobility assignments through a procedure setting guidelines for, among others, remuneration and benefits applicable to all geographic regions.

Specific training programmes may also be developed for the purpose of adapting to the project's context.

In a world of tension the Group's engagement for the safety of its employees, sometimes working in at risk regions, was further strengthened by systematically deploying training programmes on safety practices for employees.

## EQUAL OPPORTUNITY EMPLOYMENT

GL events, as an equal opportunity employer, is committed to offering a chance to all: beyond diplomas, this involves above all recognising the expertise, skills and engagement of each, the entrepreneurial spirit, the will to succeed and team spirit. The diversity charter signed at the end of 2010 has provided a framework for action to promote this priority in our Group.

Starting from an environment providing favourable regulatory incentives, the idea was to develop actions in favour of recruitment, job stability and continued employment and developing skills by focusing on four priority areas: disabilities, gender, age and social integration.

**In Practice** 45 managers of the Group received classroom-based training on the theme of «Recruiting without discrimination». For this, role-playing as disabled persons in the recruitment process was used as a way to combat stereotyping.

### PROMOTING EMPLOYMENT OF PERSONS WITH DISABILITIES

As a responsible employer, our Group has been promoting diversity for many years. The professional integration of persons with disabilities represents one of the priority areas of this approach.

The Group has been actively engaged on a day-to-day basis over the last two half years in recruiting and maintaining in the workforce disabled persons, supporting the teams and managers and raising their awareness.

#### Supporting persons with disabilities

The Disability mission is today clearly defined: several employees contacted it to obtain information, and several requests were made for support for performing the formalities for the recognition of their disability and/or adapting their workstation.

#### Team awareness-raising

Measures to raise team awareness continued in 2016 with the organisation of the «Handitour» event in conjunction with workshops (hearing impairments, dys'-type disorders,...) in Lyon (Confluence), Gonesse, Strasbourg, Chilly Mazarin and Ivry sur Seine. As a result, over 200 additional

employees of the Group were able to share their experiences and questions about disabilities in the workplace.

Finally, an email communications campaign introduced more than 35% of French employees to the world of the disabled through entertaining videos (in the form of animated cartoon quizzes).

#### Solidarity-based purchasing

The Group contributed more than €220,000 in sales purchases to the sheltered-work sector. The partnership with GESAT, the French national network of sheltered work establishments, was renewed.

Examples of services contracted:

- Printing and dispatching,
- Cleaning the frames of the removable panels (services contracted for several workers),
- Electrical spotlight maintenance, cleaning cabling (services contracted for a single worker),
- Sewing work.

#### Recruitment

- Close collaboration of the recruitment team with the disability project team to facilitate the process for job applicants with disabilities.
- Participation in the Specialised Forum for Virtual and Physical Employment Opportunities,
- Publication of employment opportunities at specialised websites, Agefiph.fr and Handicap.fr.

The number of employees with disabilities (defined as persons subject to payment by the employer to a special fund, AGEFIPH) increased from 3.44% (2014) to 3.81% (2015). If one takes into account all French business units, the number of employees with disabilities with permanent employment contracts at GL events has risen from 33 in 2013 to 71 in 2016. Initiatives to promoting the continued employment (a major priority) and the recruitment of persons with disabilities has produced results going beyond the statutory scope as defined above.

## PROMOTING AGE DIVERSITY AND INTERGENERATIONAL INITIATIVES

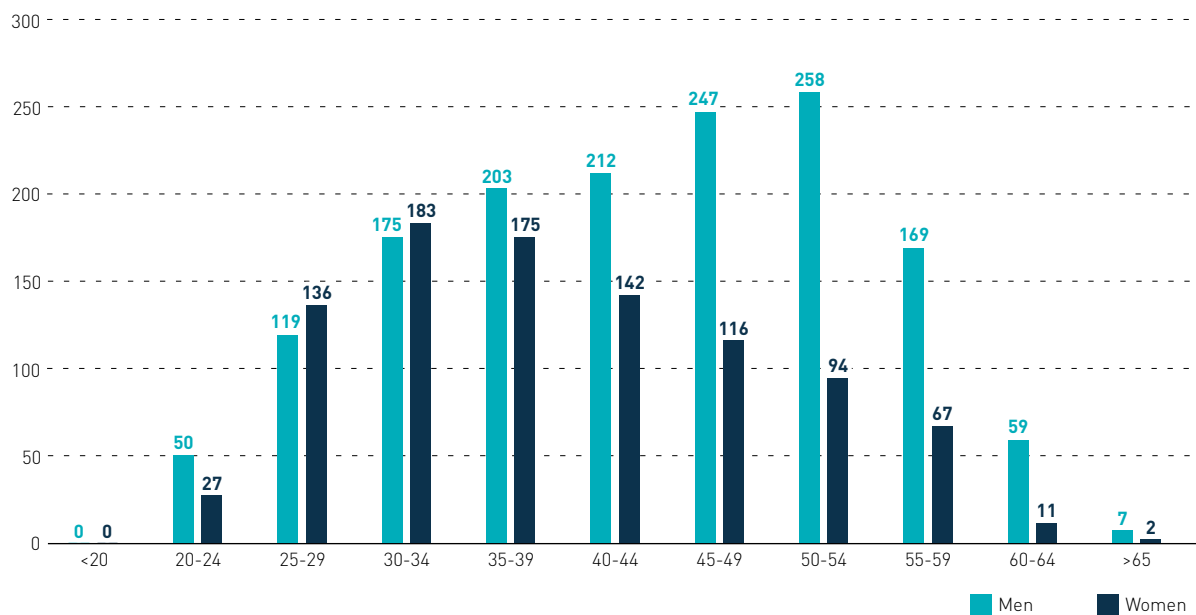
Achieving the right balance between the expertise provided from experience and giving opportunities to young workers: this is a central priority for GL events where some employees have been with us since its

creation. With 27% of the workforce in France older than 50, an average age of 42 and seniority averaging more than nine years, promoting cooperation between generations is essential. Such cooperation contributes to performances and efficiencies by encouraging synergies between individuals with different ways of thinking and often with complementary knowledge sets.

### Breakdown by age for permanent staff of GL events (France reporting boundary)

	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	>65
Headcount by age	-	77	255	358	378	354	363	352	236	70	9
%	-	3,14 %	10,40 %	14,60 %	15,42 %	14,44 %	14,80 %	14,36 %	9,62 %	2,85 %	0,37 %

### Breakdown by age and gender for permanent staff - GL events France at 31/12/2016



With respect to generational management, the intergenerational challenge involves a twofold objective: retaining older employees (45 years and older) in the workforce and facilitating the professional integration of younger persons (under 26).

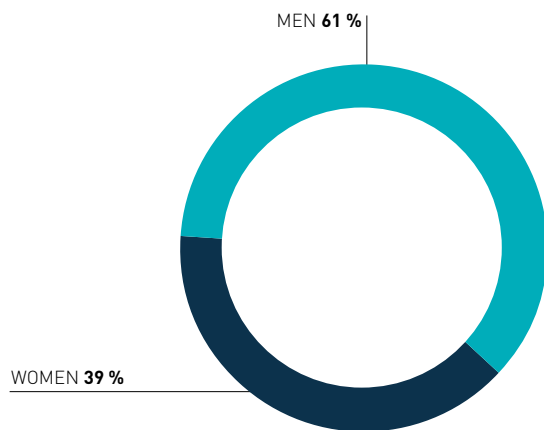
A working group was relaunched with the purpose of revamping the French government-subsidised intergenerational hiring arrangement with a twofold objective:

- Draw conclusions from initiatives carried out over the last six years in the areas of youth recruitment, the retention of older employees and skill transfers.
- Laying the framework for new actions, particularly for addressing the generational challenges.

## WORKPLACE GENDER EQUALITY

The gender breakdown is 61% for men and 39% for women to be weighted by business unit: for GL events Exhibitions, the breakdown is higher for women in large part reflecting the historically higher concentration of women pursuing degrees in fields largely relating to commerce and communications.

**Headcount by gender  
at 31/12/2016**



In the management category in France, 42% are women.

In compliance with the French Retirement Reform Act of 9 November 2010 and Decree<sup>o</sup>No. 2011-822 of 7 July 2011 on the application of gender equality obligations, French companies with at least 50 employees are required to conduct negotiations for the purpose of concluding an agreement to ensure gender equality in the workplace.

In compliance with these obligations, each French company of the Group thus concerned has developed an action plan or an agreement to meet this objective.

The Group has also implemented article R.2242-2 of the French labour code requiring French companies with less than 300 employees to set progress targets and actions for their achievement based on quantitative indicators previously set. These metrics are used to reduce gaps in compensation between men and women, define qualitative and quantitative actions to meet the targets and evaluate the corresponding costs and time-line.

To improve the percentage for the breakdown between men and women and promote gender diversity in recruitment, agreements have also been signed with recruitment firms. These concern introducing a neutrality clause in all service agreements with such firms, and respect thereof in proposals submitted to the company

## PROFESSIONAL INTEGRATION OF VULNERABLE POPULATION GROUPS

For our stakeholders-customers and regional authorities, the issue of integrating the long-term unemployed is a growing preoccupation. Reflecting this priority, our diversity approach is gradually integrating studies with the aim of developing direct or indirect hires from among vulnerable population groups.

**In Practice** Hall expo wanted to bring back in-house a part of the skill set of structure assemblers that is generally subcontracted. A team of around 10 assemblers was accordingly formed before being given training for this specific event industry specialisation. In addition to the conventional recruitment methods, initiatives were developed with the local organisations of Lyon and Saint Etienne for the professional and social integration of youth in difficulty. Information days were organised designed to open up these positions to the long-term unemployed and persons disconnected from the labour market.

## GUARANTEEING A CONVIVIAL, SAFE AND STIMULATING WORK ENVIRONMENT

This priority is organised around three main lines of action: strengthening safety for worksite business lines exposed to during interventions; developing workplace quality of life within business lines by their nature subject to stress; ensuring that subcontractors comply with PPE (Personal Protection Equipment) regulations.

### ENSURING SAFE WORK ENVIRONMENTS FOR STAFF AND SUBCONTRACTORS

Worker health and safety constitute a critical component of social responsibility. Safety is a key priority for the different service-related business lines. GL events teams' activities include assembling and dismantling a range of structures from the simple stand partition to a grandstand for a stadium. Such tasks require the application of strict

rules guaranteeing safety for everyone at the worksite. This imperative is reflected by the existence of a formal operational policy based on a continuous improvement approach.

To achieve this objective, programmes are provided that offer training in the latest personal safety and risk prevention procedures:

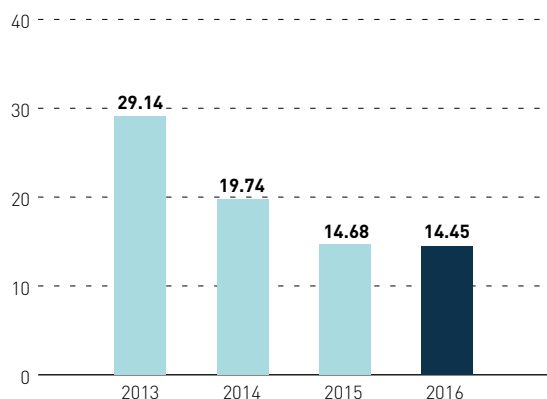
- Training certification (CACES) for worksite equipment operators (valid for 5 to 10 years);
- Road safety training and qualifications for lorry drivers (FIMO and FCOS);
- The adoption of specific gestures and positions for all employees performing manual operations,
- Work performed at heights and on scaffolding;
- A master risk assessment form (a statutory French industrial safety document)

- Fire emergency services safety certification (SSIAP levels 1 to 3);
- Workplace first-aid personnel;
- Electrical accreditation.

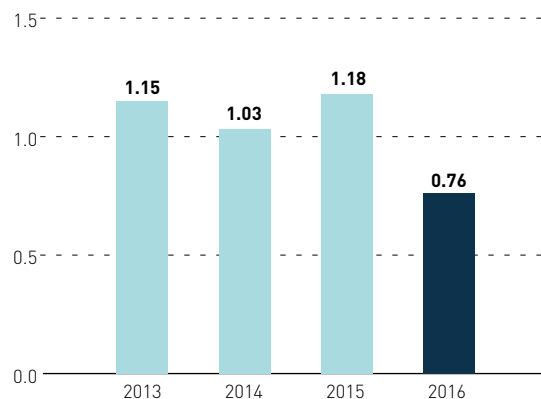
Reflecting this priority, 55% of total training hours provided in 2016 were devoted to safety.

The frequency and severity rates for occupational accidents (lost time injuries) of GL events Group:

### Frequency rates: 2013-2016



### Severity rates: 2013-2016



GL events reported 58 Lost Time Injuries (excl. commuting accidents) in 2016. Business Units with the highest risks for accidents are those engaged in assembling, installing and disassembling equipment, (Furniture, GL events Audiovisual, Menuiserie Expo, Montexpo, Hall expo), Spacio Tempo (industrial activity) as well as catering activities (the «Terroir Parisien» restaurants). One occupational illness was reported in the year under review.

## WORKPLACE QUALITY OF LIFE IS AN INDIVIDUAL EXPERIENCE CONTRIBUTING TO COLLECTIVE PERFORMANCE

In accordance with new French regulations, the human resources teams performed job stress/hardship assessments of those businesses concerned (Live division). On that basis, the statutory documents were updated and action plans to improve working conditions for the relevant employee categories were drawn up.

The aggregate exposure rate for the Live division teams is 12% based primarily on two major stress/hardship factors, (handling and chemical products for 60% of exposed employees).

### Adapting workstations

Workstation adaptations proposed by the disability project team for employees with disabilities, in many cases, have resulted, in addition to improvements in working conditions for the employee, in overall improvements in general working conditions. In 2016, 14 workstations were redesigned in coordination with the occupational health authorities.

**In Practice** Individual workstation adaptations often produce benefits to all in terms of workplace quality of life. For example, adapting the lighting of a workstation of a visually impaired upholsterer, benefited the entire upholstery workshop.

### Psychological counselling

The disability project manager is also an occupational psychologist. She can accordingly be called upon by

managers wishing to offer support to employees experiencing psychological difficulties.

### Fostering close dialogue between employees and management

The following employee representation bodies are present at GL events:

- employee delegates (entities > 10 employees);
- the Works Council (Comité d'Entreprise) (companies with more than 50 employees) or the Unique Staff Representation body (Délégation Unique du Personnel or DUP) (workforce of 50 to 300 employees)
- the Health, Safety and Working Conditions Committee (CHSCT) (companies with more than 50 employees);
- Union Delegates (DS) (companies with more than 50 employees) and labour union representatives (RS)

Their mission is to contribute to social dialogue within the company. This includes all forms of exchanges of information, consultations or negotiations between employee representatives and the employer about issues of common interest relating to GL events' economic and employee-relations policies.

Mandatory annual negotiations are conducted in Group companies with labour union delegates tasked with addressing several subjects. Wages, the length and organisation of working hours or requests for part-time work represent the first general topic of discussion providing an opportunity to more generally address the employment situation within the company. These exchanges also address the topics of professional integration and the continuing employment of workers with disabilities, as well as gender equality measures in place within the company.



### Working time organisation

Every French subsidiary of the Group is covered by an agreement for the organisation of working hours making it possible to adjust the work time in relation to fluctuations in activity of our different business lines. Most management employees work under days-per-year arrangements based on a fixed number of days. The company is committed to respecting the length of working hours notably through use of a dedicated time management tool that makes it possible for staff to report their time and for the company, to notify managers when working hours have been exceeded. This system applies to employees both on fixed-term and permanent contracts. Specific tools for monitoring time worked also exist for hostesses and intermittent workers.

In 2016, the absenteeism rate was 4.6% (this figure includes lost time injuries and sick leave, part-time for health reasons, lay-offs and unjustified absences within the French reporting boundary).

### Promoting compliance with the core conventions of the international labour organisation

As a company incorporated under and governed by French law, GL events respects the ILO core conventions. These conventions are focused in particular on the freedom of association and protection of the right to organise and negotiate collective bargaining agreements, eliminating employment and occupational discrimination, abolishing forced labour and the effective abolition of child labour.

The «Think People» programme strengthens and contributes to the effective compliance with these commitments for the entire Group.

The goal of social progress however does not only concern Group employees. Group subcontractors are also required to systematically apply principles of ethical conduct and rules that apply under labour law. A sustainable development charter has been signed by our main suppliers that incorporate a commitment to comply with ILO core conventions.

## ADDITIONAL INFORMATION

### REPORT OF COLLECTIVE BARGAINING AGREEMENTS

Signature of workplace gender equality agreements (see section III. 3/ above);

Group action plan relating to the intergenerational hiring agreement (see section II. 2/ above);

Report on agreements signed with trade unions or employee representatives concerning occupational health, safety and prevention: No agreements on occupational health, safety and prevention were signed in 2016.

### OTHER ACTIONS UNDERTAKEN IN FAVOUR OF HUMAN RIGHTS

GL events Group has not undertaken additional actions in favour of human rights in 2016.

### SUBCONTRACTING

As a global driver of performance, the Group's industrial and subcontracting strategy is based on four principles: alignment with the employment policy and the company's range of expertise, responsible subcontracting, long-term partners and efficient purchasing policy. The desired objective is to enhance the performance of the Group's business operations and products in terms of quality, safety and competitiveness. This involves in particular using outside companies recognised for their expertise and professionalism.

The Group has adopted a system for listing outside companies based on expertise and the skills required to ensure the successful execution of our projects.

Particular attention is paid with respect to use of subcontracting at every level of GL events Group. Executive Management support function departments and

operational staff are in this way particularly concerned and informed accordingly.

**In Practice** As part of the ongoing training provided to worksite supervisors (implemented in December 2015), a training programme led by an outside legal expert was organised for an expanded scope covering the Ile de France greater Paris region in October 2016. This programme covers all the responsibilities, duties and points to be monitored when using subcontractors.

A formalised procedure for the use of subcontractors is available on the Intranet.

All subcontractors selected by GL events Group for projects are subject to a prior approval procedure, involving the signature of an agreement by the subcontractor and the relevant departments. As a principal and as part of our diligence requirements with respect to subcontracting, we ask all subcontractors to provide us with the necessary regulatory documents.

GL events performs strict controls of outside service providers, and ensures their compliance with labour laws (including the wearing of personal protection equipment).

### REMUNERATION: OVERVIEW AND DEVELOPMENTS

The profit-sharing scheme established in 2007, along with company savings plans, has provided employees of the Group's French companies a way of sharing concretely in the Group's successes.

All French subsidiaries of GL events participate in this scheme regardless of their number of employees, with the total amount collected redistributed to all Group staff in accordance with statutory provisions. Profit-sharing benefits calculated for 2015 and paid in the 2016 first half represented €3,410,515.

A range of employee savings options has been developed to allow employees to invest these profit-sharing proceeds or make voluntary payments. Within this range of options, five profit-sharing funds are available including one solidarity-based employee savings fund.

Since 2012, our Chairman and Board have sought to strengthen equity ties between GL events employees and the Group by giving them a stake in its capital. To that purpose, the Company decided to grant per year and per employee

ten shares for no consideration. This initiative was continued in 2016.

All Group employees in France are offered benefits covering death, invalidity or incapacity and the reimbursement of healthcare costs above amounts provided for by law, in accordance with collective bargaining agreements. Our healthcare plans adapt to the needs of our employees by offering three different types of coverage.

# ENVIRONMENTAL INFORMATION: A YEAR FOCUSING ON OPERATIONAL AND MANAGEMENT PRACTICES

GL events' environmental policy is organised around the «Think Green» programme launched at the end of 2009. It includes commitments covering the entire life-cycle of an event. The Group's environmental commitments concern many areas: designing events, managing sourcing and logistics, energy consumption, greenhouse gas emissions, producing and managing waste linked to GL events' activities.

After several years implementing structural measures that resulted in environmental certification for certain reporting scopes according to the issues, 2016 was highlighted by achievements at the operational level. Specific indicators adopted for certain reporting boundaries have also made it possible to strengthen our environmental performance management.



## OBJECTIVES

### I. Adapting offerings and management:

Eco-design – supporting business development staff– new products- implementing new management systems

### II. Improving waste management:

Integrating the environment into management practices and processes. Optimising inventories

### III. Efficiently managing energy consumption:

Renewing equipment – optimising their management – Influencing behaviour  
Limiting our CO<sub>2</sub> emissions by optimising logistics

## 2016 HIGHLIGHTS


- Integration of Strasbourg Evénements into the scope of ISO14001 certified sites of GL events Venues France,
- «Incorporating CSR into our offerings» training for our event agency, Live! by GL events,
- Good practices seminar for building managers of the Venues division,
- Environmental regulatory compliance working group,
- Launch of the Prestadd certification process for GL events Audiovisual
- Obtaining ISO20121 certification for 4 service contracts for the European football championships.


## 2017 PRIORITIES


- Migration towards the 2015 version of ISO 14001 for the GL events Venues France certification scope,
- Deploying pilot operations to test new waste recovery models
- Developing collaborations with eco-agencies
- CO<sub>2</sub> Objective process for the Paris data centre facility.

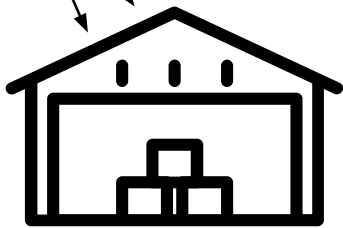
Panorama des indicateurs environnementaux 2016

GL EVENTS LIVE


 **1,699 t CO<sub>2</sub>** resulting from energy consumption

 **Energy consumption**  
8,293 MWh of electricity  
4,309 MWh gas  
1,919 MWh fuel


 **Water consumption**  
45,704 m<sup>3</sup> for buildings




LOGISTICS & STORAGE SITES

 **Waste**  
1,558 t NHIW  
31 t paper/cardboard  
369 t metals  
1,415 t wood  
9 t plastics  
2 t glass  
6 t carpeting

Total = 3,390 t


 **Waste separation rate**  
54 %

**Provision of services for events**  
— stands  
— audiovisual equipment  
— signage  
— carpeting  
— temporary structures


 **1,345,798 litres** of fuel





Back to stock

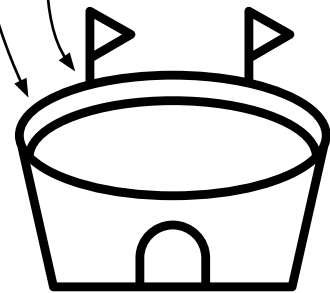
 **3,391 teq CO<sub>2</sub>** resulting from transport

GL EVENTS VENUES


 **6,548 t CO<sub>2</sub>** resulting from energy consumption

 **Energy consumption**  
74,019 MWh of electricity  
29,923 MWh gas  
10,563 MWh fuel  
8,901 MWh heating network  
4,677 MWh cooling network


 **Water consumption**  
368,206 m<sup>3</sup> for buildings  
317,156 m<sup>3</sup> for heating and air-conditioning



EVENT VENUES

 **Waste**  
5,178 t NHIW  
433 t paper/cardboard  
13 t metals  
591 t wood  
59 t plastics  
114 t glass  
234 t carpeting  
2 t WEEE  
109 t organic waste  
43 t other

Total = 6,776 t

 **Waste separation rate**  
24 %

## ADAPTING OFFERINGS AND MANAGEMENT

### ECO-DESIGNING VENUES AND EVENTS

Integrating environmental issues already in the design stage reduces the impact of an event or a temporary event space in terms of waste and energy consumption. That is why GL events has been pursuing an eco-design approach for venues and events since 2007 that addresses the concerns of major contractors: organisers of large events, local authorities, corporate key accounts, etc.

**In Practice** Over the past few years we have been developing eco-design tools in-house. In that same spirit, a training module «Integrating CSR into our offerings» was developed for all staff of Live ! by GL events, the agency frequently solicited for public and corporate key accounts regarding environmental and social requirements. This ad hoc module provides concrete guidelines for selecting products having the least impact within our range of services, supported by external service providers offering eco-innovative solutions on the market and for evaluating the total impact of an event.

### PROVIDING PROJECT SUPPORT TO SALES ENGINEERS AND OPERATIONAL STAFF

Several tools have been developed to encourage Group staff to integrate environmental issues in offerings developed for customers (guides, custom-designed training programmes, Group intranet including tools). This is supplemented by expertise provided by the sustainable development team to sales engineers and project managers covering every phase of a project to fully address customer needs: responding to calls for tenders, executing operational action plans, project assessment reports, environmental reporting.

**In Practice** In 2016, the sustainable development department provided support to teams for major projects:

**COP22** (the 22<sup>nd</sup> session of the Conference of the Parties) – Marrakesh / GL events, heading a consortium, finalised in early November the largest temporary installation ever produced. Approximately 120,000m<sup>2</sup> of structures integrating a priority of environmental vigilance: a GHG emissions assessment over the three event production phases (assembly, operation, disassembly), and offsetting project for our services, waste separation, donation of furniture to not-for-profits, schools and orphanages, installation of solar panels and photovoltaic lighting... A range of measures concretely contributing to reducing the environmental footprint of this event.

**2016 RIO Olympic Games:** After London, sustainable development continued to be integrated into event management for the Olympic Games in Rio de Janeiro. Waste separation, energy and fuel management, sourcing certified-origin wood, management of chemical products, a health-safety approach: GL events launched actions and tracking indicators in these different areas.

### INTEGRATING THE ENVIRONMENT INTO NEW PRODUCTS AND SERVICES

Introducing changes in the offering also involves managing inventories and products purchased specifically for events. Work carried out since 2009 with the purchasing departments has made it possible to integrate sustainable development criteria in the main consultations carried out by the Group for selecting suppliers. These measures make it possible to continually source new products to expand the range of alternative services promoted by the marketing department through a catalogue of «eco-responsible solutions».

**In Practice** GL events Audiovisual initiated a process in 2016 to obtain the «Prestadd» label. Awarded by the industry federation «Synpase», this label recognises companies for initiatives in favour of sustainable development over a period of several years, enabling them to keep pace with growing CSR-related demand of customers and stakeholders. GL events Audiovisual thus regularly renews its product ranges and today has for example nearly 50 LED lighting product references. COP 22 accordingly provided an opportunity to test autonomous photovoltaic-powered outdoor lighting. A product intelligence team furthermore ensures that we remain at the forefront of innovation.

### INTEGRATING THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT INTO OUR MANAGEMENT CULTURE\*\*\*

The environment is a complex subject that must be fully reflected in our companies' processes. The implementation of management systems remains the best mechanism for integrating environmental issues into day-to-day practices of staff, regardless of their functions.

ISO 14001 certification for the Venues division for France was renewed for three years. After a first cycle of structuring the approach for venues and teams, the challenge is now to effectively manage and assess our environmental performance for highly seasonal activities. New tools, management methods and new indicators and ratios were adopted to more effectively measure our actions and guide our actions.



It should be noted that Strasbourg Evénements, the operating company of the Music and Convention Centre and Exhibition Park of Strasbourg joined the network of certified venues in November 2016.

- The CCIB Barcelona international convention centre was also awarded ISO 14001 and European EMAS (Eco Management and Audit Scheme) certification),
- Hall Expo has a dual certification for ISO 9001 (quality) and ISO 20121 (event sustainability management).
- Spaciotempo is MASE certified,
- Our signage company, Signexpo has been granted the Imprim'vert label,
- Finally, the World Forum in The Hague is distinguished by the top gold level Green Key global eco-rating.
- GL events Audiovisual has initiated a process for obtaining the Prestadd label.

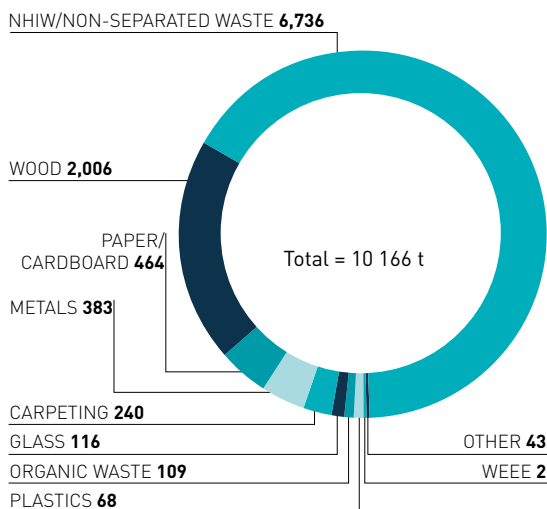
Overall, 2016 was a year of consolidation and experimentation for certain management approaches.

**In Practice** As a major first-time achievement, GL events was awarded ISO 20121 certification (sustainable development management system for events) for services provided for the UEFA Euro 2016 (supplying furniture, signage, air-conditioning, temporary structures) For the first time the Group thus obtained certification for a project (as opposed to a business unit). Teams were deployed across the 10 stadiums staging the chairmanship and our stakeholders were associated with different issues (waste management, energy, health and safety, transportation, purchasing, etc.). The results were very convincing, particularly in terms of the waste recovery.

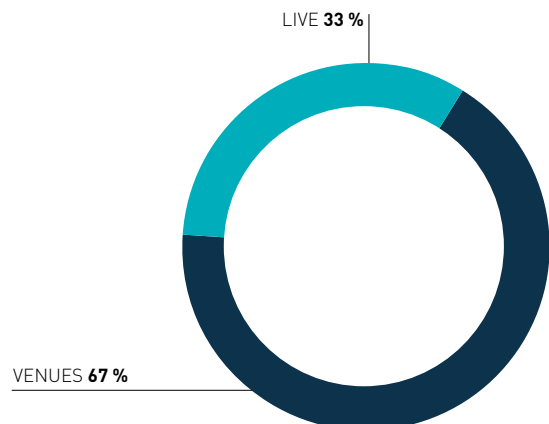
## IMPROVING WASTE MANAGEMENT

With an increasingly incentivised regulatory framework, GL events is continuing to implement measures designed to improve waste management, and in particular separation and recovery.

### Waste production by category (in tons)



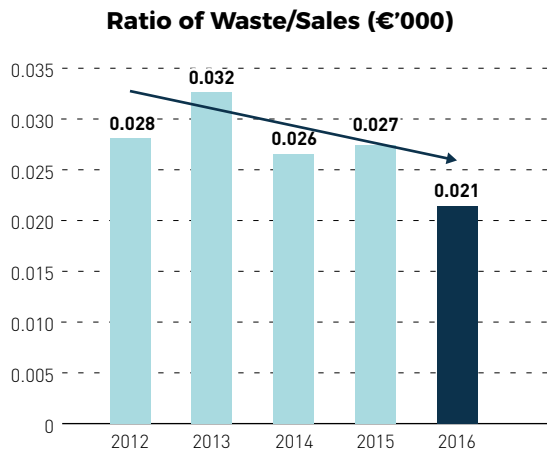
### Waste production by division



## GL EVENTS VENUES: INTEGRATING WASTE MANAGEMENT BY KEY MONITORING INDICATORS

GL events Venues produces approximately 67% of the volume of waste generated by the Group. ISO 14001 certification (environmental management systems) of the sites of GL events Venues France, obtained in 2012, remains one of the major drivers for improvements in waste management. The main objectives concern waste separation with a target to reach 10% over three years. The first renewal of certification provided an opportunity to fully revamp and formalise objectives for highly efficient waste separation processes. Such an undertaking represents a long-term project given the number of parties intervening over the different phases of an event from assembly to dismantling. Within the event cycle, the more significant quantities of waste are produced during the dismantling phases. In

addition, volumes of waste can vary significantly from one type of event to another. Premium trade shows and made-to-measure stands account for the largest share of this volume. Conversely, small trade shows use exclusively pre-equipped stands derived from rental equipment inventories. Raising awareness of staff, exhibitors and cleaning subcontractors working at the sites is an important priority for guaranteeing the effectiveness of the separation collection process. To support this initiative, targeted information notices are posted at the sites. By monitoring indicators for waste volume and separation in relation to the business, it is possible to establish the contribution for the reporting boundary of certification since it was awarded.



On this basis, one notes a decline in this ratio since 2012. It should be noted that this trend must be analysed by taking into account the biennial schedule of odd and even years: SIHRA as an event held in odd years having a significant effect on this data, naturally impacts the ratio.

## IMPROVING PROCESSES AT GL EVENTS LIVE VENUES AND PROJECT SITES

The sites of GL events Live account for 33% of the volume of waste produced by the Group. Operational action plans are gradually being implemented to reduce waste by improving the rotation of our inventory and product life cycles as well as the waste separation rate for materials disposed of at the end of this cycle.

**In Practice** In 2016, examples of concrete actions included:  
 — A specific action plan for UEFA Euro 2016 contributed to remarkable waste separation performances for an undertaking of this magnitude. A complete system involving our stakeholders was deployed: Training teams, identify new channels, collaboration

**In Practice** As part of its integration within the certified scope, Strasbourg implemented several waste management measures. For the European Fair held in September 2016, the largest event organised by the site (more than 900 exhibitors, nearly 175,000 visitors over 10 days), a test was conducted on the use of recyclable carpeting and its recovery. After working jointly with the service providers responsible for collecting and processing the waste and the service provider in charge of cleaning, nearly 13 tons were recovered at the end of the Fair. Based on this convincing test, all carpeting supplied by Strasbourg Evénement are now recycled.

Over the entire certified scope, 147 tons of carpeting were sorted and recovered in 2016.

## IDENTIFYING NEW RECOVERY AND RECYCLING CHANNELS

In addition to work carried out with our «conventional» service providers, pilot initiatives have also been launched with companies specialised in processing a particular waste category. These measures extend the «lifespan» of a given material or give it a new life, thus exemplifying the full meaning of the notion of circular economy. Tests were conducted in 2016 for the following materials: Fabric signage, brushed cotton, manufactured furniture, biowaste.

A collaborative work with buyers, the industry federation, recycling companies and not-for-profits is constantly expanding the range of recovery solutions. The compatibility of these solutions with our operating model and

with an eco-agency, waste datasheets, container security services. Of the 470 tons of waste produced, nearly 60% was recycled. 9 types of waste were sorted at the site: furniture through a specialised channel, carpeting, fabrics (brushed cotton) aluminium, as well as several different types of signage media.

— A RFID tag identification system for the structure canvas of Hall Expo contributed to improved management of the individual rotation of canvas, extending their lifespan as well as improved management of maintenance and in consequence scrapping.

economic imperatives is then tested through pilot projects in a company environment.

**In Practice** In addition to its function as a venue for hosting events, Maison de la Mutualité in Paris also has a significant catering activity with the restaurant «Terroir Parisien» and kitchen facilities for event catering services. With the assistance of a specialised service provider, the venue adopted a system for sorting food waste in early 2016. The teams were supported and trained by this service provider. In 2016, more than 25 tonnes of biowaste were recovered from composting or methanisation platforms.

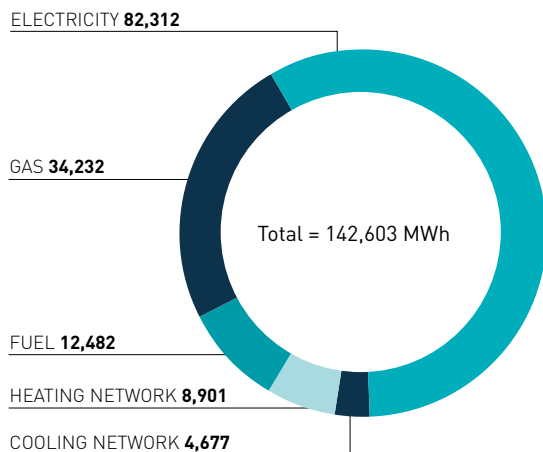
## EFFICIENTLY MANAGING ENERGY CONSUMPTION

Energy efficiency is a major priority for the GL events Group, particularly for the Venues division which accounts for 90% of energy consumption of the consolidated reporting boundary.

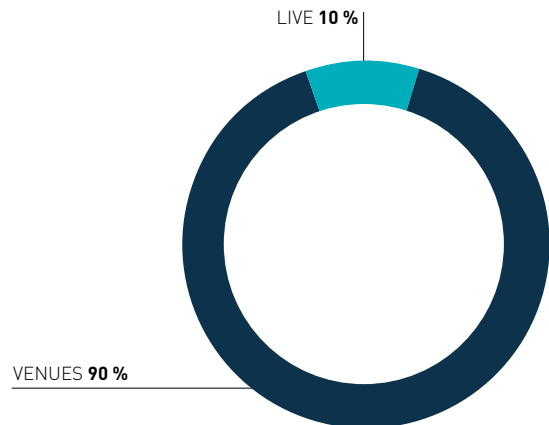
Energy consumption efficiencies are achieved by activating three levers:

- Renewing equipment,
- Optimising the management of existing equipment,
- Influencing behaviour.

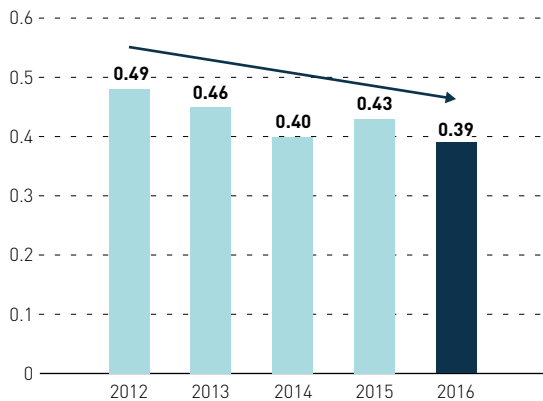
**Energy consumption by source  
(in MWh)**



**Energy consumption  
by business division**



**MWh/Sales (€'000) ratio  
(Venues France ISO 14001 certified scope)**



The MWh/Sales (€'000) ratio for the Venues France ISO 14001 certified scope has also been declining since 2012 (from 0.49 to 0.39). Here as well it is necessary to reason in terms of even and odd years, reflecting Sihra's biennial impact. Measures taken in the certified scope for equipment (management and/or renewal) as well as awareness-raising for teams and service providers contributed to the improvement of this ratio.

## GRADUALLY RENEWING EQUIPMENT

It is important to emphasise that the method of management for event venues, generally through public-private partnership arrangements, limits our control over the building and the replacement of major equipment.

For our own event venues, LED lighting is adopted as soon as possible during relamping.

**In Practice** Most areas of Palais Brongniart are now equipped with LED lighting after a programme that was launched three years ago. The other event and office sites have been following suit with similar programmes currently in progress.

Equipment renewal also concerns our rental equipment stock. As mentioned above, GL events Audiovisual, our subsidiary specialised in providing audio-visual solutions, has a product catalogue of 50 references and is continuing to gradually invest in replacing its conventional spotlight racks with LED lighting racks.

## OPTIMISING EQUIPMENT MANAGEMENT

Optimising equipment is a major priority for progress when one considers the number of factors that can impact energy consumption (business intermittently, type of event, number of visitors, whether, etc.).

**In Practice** The CCIB Barcelona international convention centre, a pioneer in environmental stewardship (the first ISO 14001 certified venue of the GL events network in addition to being European EMAS (Eco Management and Audit Scheme) certified, adopted an

approach to identify the electrical power baseload or the minimum amount of electrical consumption in the absence of activity, i.e. without events. The first step was to characterise the equipment generating the baseload (computer or telecommunications equipment, fire protection, equipment cold rooms, etc.). Energy consumption was then quantified for each item of equipment concerned in order to define measures to optimise this baseload. Measures identified made it possible to reduce baseload consumption by 4,722 kWh per day.

## INFLUENCING BEHAVIOUR

Strict operating instructions are applied at Group sites to prevent all energy waste. Awareness-raising efforts targeting staff are carried out on a daily basis with the support of environment coordinators.

In connection with ISO 14001 certification of the sites of

GL events Venues France, achieving energy consumption efficiencies is a key objective. Procedures, instructions and tracking indicators promote improvements in practices with the involvement of all staff whose activity impacts energy consumption.

## USING RENEWABLE ENERGIES

In 2015, the Group signed its first green energy contracts for ten pilot sites of GL events Venues to be supplied renewable electrical energy. Through these contracts, the suppliers undertake for every kWh purchased to reinject in the network kilowatts originating from renewable

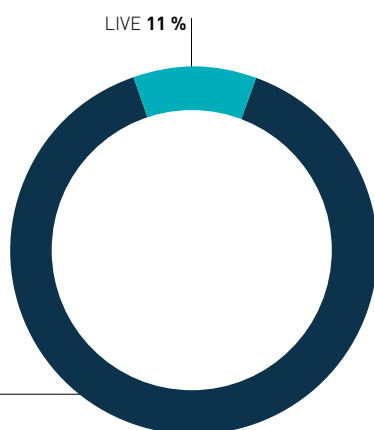
energies, provide certificates and funding to research institutions working in the field of renewables.

In 2016, 29% of the electricity of GL events Venues France was supplied through this type of contract.

## REDUCING WATER CONSUMPTION

Water consumption depends greatly on the nature of the event staged or organised. The main focus for improvement remains detecting and preventing leakage.

### Water consumption by business division



VENUES 89%

GL events Venues accounts for approximately **89%** of the 412,780 m<sup>3</sup> of water consumed by the Group, whether for catering, building maintenance and heating/air conditioning. Water consumption is included in the scope of the ISO 14001 environmental management system for GL events Venues France. It is also subject to monitoring at other sites. Such controls have produced results involving significant reductions in water consumed.

To reduce water consumption, a range of equipment is gradually being installed at the sites: double debit flush toilets or tap aerators...

The Group also asks its cleaning service providers to use in priority water efficient equipment in order to reduce consumption levels. It should be noted that GL events does not have operating sites in locations subject to specific restrictions in terms of supply.

**In Practice** **Monitoring consumption to prevent leakage** Sites are gradually installing meter readers to manage and identify more rapidly potential leaks. This was the case of the Lyon Convention Centre which installed a system for daily meter readings in May 2016 making it possible to respond more quickly in the event of leaks and avoid overconsumption.



## LIMITING GREENHOUSE GAS EMISSIONS

For the France reporting boundary, scope 1 and 2, greenhouse gas emissions under Group control (excluding exhibitors and visitors transportation) break down as follows:

- 71% in energy consumption (or 8,247 Mt CO<sub>2</sub>-equivalent for the Venues and Live scope)
- 29% in transportation (or 3,391 Mt CO<sub>2</sub>-equivalent for transportation)

Measures to reduce energy consumption (see below III) contribute significantly to reducing CO<sub>2</sub> emissions. The other progress driver is optimising logistics, specifically by using the Visual Planning software application. 3 energy savings measures must be implemented each year for ISO14001 certified sites (90% of energy consumption in France). These cover equipment renewal as well as changes in processes and behaviour.

Green energy contracts also provide a way to reduce CO<sub>2</sub> emissions. As previously noted, in France 29% of the electricity of GL events Venues France was supplied through this type of contract.

A signatory of the «Objectif CO<sub>2</sub>» Charter of the French Environment and Energy Management Agency (ADEME), the Brignais transportation department has been pursuing a structured approach to reduce greenhouse gas emissions for more than three years. Driver training, new equipment, monitoring indicators on a very regular

basis, vehicle fleet maintenance, such measures have produced both environmentally positive results and economic savings: performances in terms of emissions are 15% lower than the European average for transport companies.

### OTHER POLLUTIONS

Even though its activities do not involve major environmental risks, the Group takes all possible measures to monitor pollution and improve prevention measures.

ISO 14001 certification in this way contributes to the implementation of specific procedures, individually designed and adapted to all sites concerned. Specific resources such as retention tanks or pollution clean-up kits are available at the sites.

An environmental law committee with members from sustainable development, legal affairs, general services and insurance, regularly comes together to identify and address applicable new regulations.

The Group's activities may generate noise nuisance linked to the nature of the event. Spaces hosting concerts and performances are for that reason always especially designed to protect nearby residents from noise. Systems have also been installed to automatically shut off sound equipment above a certain decibel level as with the multi-purpose hall of Roanne.

## OTHER ENVIRONMENTAL INFORMATION

### AMOUNT OF PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

GL events Group is not engaged in industrial activities which could have a serious impact on the environment. In consequence, no provisions are recorded for environmental risks.

### CONSUMPTION OF RAW MATERIALS AND EFFICIENCIES IN THEIR USE

In light of the nature of the Group's activities, the consumption of raw materials does not represent a major issue.

### PROTECTION OF BIODIVERSITY

GL events Group, through its activities, does not have a material impact on biodiversity. In consequence, this subject does not constitute a significant issue for the Group in light of its activities.

### LAND USE

In light of GL events' activities, there is no land use (extraction, landfill, storage activities) with potential for provoking direct environmental impacts.

### ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE:

GL events Group is conscious of the issue of climate change. On this matter, the Group refers to the work of the Intergovernmental Panel on Climate Change (IPCC). Regardless of the countries where it operates, GL events Group is not subject to the consequences of climate change. In consequence, no specific actions dealing with this subject are being conducted at present.

# INFORMATION RELATING TO SOCIETAL COMMITMENTS / CREATING VALUE FOR GEOGRAPHIC TERRITORIES AND BUSINESSES

With more than one hundred offices worldwide, GL events provides customers with local service reflecting a twofold commitment to creating value and operational performance.

The «Think Local» programme seeks to anchor the Group's activities in the territories where it operates.



## OBJECTIVES

### I. Venues: Strengthening the territorial coverage of sites to promote the vitality of regions

- Dialogue with stakeholders
- Stimulating local economic and industrial development
- Creating local economic value (purchasing and economic benefits from events)
- Promoting the destinations

### II. Exhibitions: Facilitating exchanges for professional communities and local initiatives

- Leveraging the networks
- Local adaptations in international trade show developments

### III. Live: Developing local partnerships

## 2016 HIGHLIGHTS

- Signature of the «business and event sector meetings» industry contract
- Evaluation of two test trade shows, with the tool for calculating CSR impact of our industry federation, Unimev.
- Evaluating the percentage of purchases by geographic region for the UEFA Euro 2016

## 2017 PRIORITIES

- Rolling out the Unimev CSR performance calculator for other trade shows and fairs
- Production of geographical indicators with the purchasing department

## GL EVENTS VENUES: STRONG LOCAL POSITIONS CONTRIBUTING TO REGIONAL GROWTH

In addition to its role as a manager of venues, GL events Venues also contributes significantly to business tourism, the economic development of businesses, industry and trade and more generally, territorial development in the service of the public interest.

Indeed, the role of such venues is not limited to hosting or staging events. They contribute significantly to generating intangible added value for territories.

## STRENGTHENING TERRITORIAL COVERAGE:

As a manager of the venues, GL events develops strong relations with all stakeholders from the economic, political and non-profit sectors of the territory. As a member of this network of partners, the Group is able to identify the expectations and needs of each. The objective is to foster dialogue for launching effective initiatives for the territory and establish a common strategy for creating value.

In partnership with the territory's main stakeholders, GL events actively works on developing the territorial network and facilitating contacts between companies (and their shareholders), professional associations, industry associations, learned societies, exhibitors, etc.

Dialogue with stakeholders within GL events Venues:

	REGIONAL AND LOCAL GOVERNMENT	TRAINING AND RESEARCH INSTITUTES	NGOs & NOT-FOR-PROFITS	ECONOMIC AND INDUSTRIAL FABRIC
STAKE-HOLDERS	<ul style="list-style-type: none"> <li>– Municipalities</li> <li>– Inter-municipal authorities</li> <li>– General Councils</li> <li>– Regional Councils</li> <li>– Tourism Offices, CDT, CRT</li> </ul>	<ul style="list-style-type: none"> <li>– Leading schools and universities</li> <li>– University hospital centres</li> <li>– ADEME, urban planning agencies, CNRS</li> </ul>	<ul style="list-style-type: none"> <li>– Industry sectors and professional federations</li> <li>– NGOs and other not-for-profits</li> </ul>	<ul style="list-style-type: none"> <li>– Competitiveness</li> <li>– Clusters and hubs</li> <li>– Business Clubs</li> <li>– Consular Chambers</li> </ul>
FOCUS OF DIALOGUE	<ul style="list-style-type: none"> <li>– Public-private partnership concession agreements</li> <li>– Events staged and organised</li> <li>– Works</li> <li>– Promoting the destination and cultural development</li> <li>– Development of business tourism</li> </ul>	<ul style="list-style-type: none"> <li>– Pedagogical projects</li> <li>– Research and development</li> <li>– Innovation</li> <li>– Hosting and organising conventions</li> </ul>	<ul style="list-style-type: none"> <li>– Making exhibition venues available</li> </ul>	<ul style="list-style-type: none"> <li>– Economic and territorial development</li> <li>– Exchange of best practices</li> </ul>

## SUPPORTING LOCAL ECONOMIC AND CULTURAL VITALITY

The pace of local life is very often determined by the calendar of events that are hosted or organised. One of our roles in this context is contributing to the territory's strategy by providing guidance and support. As a place for exchange and a force of attraction, the event venue offers an instrument for development by boosting the territory's vitality and notoriety.

### Motivating and energising local business sectors

Events staged or organised by GL events contribute to structuring the territories. Undertaken as part of sustainable efforts, they contribute in an integral manner to the economic strategy of local business sectors and communities of interest.

### Examples of local sectors we support by staging or organising events

- **Clermont-Ferrand:** agriculture and research, ophthalmology.
- **Toulouse:** aeronautics and aerospace, gastronomy.
- **Metz:** urbanism, home and interior design, antiques, flea markets.
- **Vannes:** aquaculture, nautical sector, transportation and logistics.
- **Lyon:** transportation, medicine, catering, culture, energy innovation, the environment.
- **Paris:** Fashion, new technologies, media.
- **Saint-Etienne:** design, medicine, retail.

## CONTRIBUTING TO LOCAL JOBS

The Group's responsibility in the area of sourcing and subcontracting is central to its sustainable development strategy. The purchasing policy defines prerequisites in terms of quality, cost, delivery and sustainable development at the national level. However, it also encourages, when local suppliers meet these standards, using the latter as a way to promote the local economy, in a spirit of economic partnership (example: caterers, printers, communications, security services, etc.).

## PROMOTING THE TERRITORY

As a showcase and facility welcoming outside visitors, the event venue occupies a key role in marketing the destination. GL events actively participates within a system designed to co-promote the territories in coordination with the convention bureaus. In this way, the Group proactively partners with the brands of territories to reinforce their visibility and create brand destinations:

- **Auvergn'events** as a global promoter of the Zénith, the Polydôme and the Grande Halle d'Auvergne;
- **So Toulouse:** participation of GL events in the territory's brand;
- **Only Lyon:** GL events is a co-developer with the Greater Lyon urban authority of the Exhibitors Service Charter.

### A major advance in France: signature of a business tourism event contract on 20 October 2016

Christophe Sirugue, French Secretary of State for Industry, Digital and Innovation, and Matthias Fekl, Minister of State for Foreign Trade, the Promotion of Tourism and French Nationals Abroad, signed a «business meetings» industry agreement on 20 October 2016 with Renaud Hamaide, Vice President for the «Event Industry and Business Meetings» sector. Specific measures adopted include:

- The international promotion of the French offering and improving the travel experience for tourists in France;
- Modernising infrastructure, particularly digital;
- Raising the quality of associated services (security, culture, airport and train station hospitality services).

Measures were adopted to cover the full range of the sector's needs, regardless of company size and for all business line areas combined. Their aim is also to increase the economic impacts for companies and regions hosting events.

The most emblematic are:

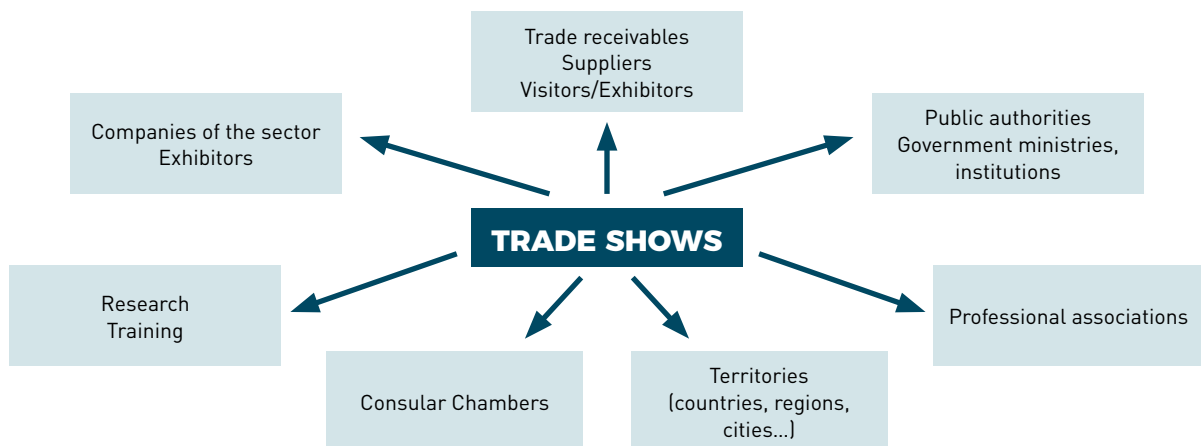
- The creation of a «support package» for a list of 30 priority trade shows (including GL events Piscine, Sirha, Première Vision), involving in particular the presence of high level figures at inaugurations, improving the customer circuit within transportation infrastructure, associating public initiatives promoting France's image;
- Expanding the digital coverage of the hosting venues;
- Incentives for visitors and exhibitors to prolong their stay through programme for cultural excursions and facilitating access to major transport hubs;
- Promoting export activities for the sector through a dedicated initiative for business tourism and the event industry in the «French Travel» programme developed to support the tourism industry.
- Reinforcing training initiatives within the industry and supporting their promotion.

## ORGANISATION OF TRADE SHOWS, FACILITATING EXCHANGES FOR PROFESSIONAL COMMUNITIES AND LOCAL INITIATIVES

More than an ephemeral professional meeting, the trade show has become a space for staging special events, exchange and dialogue for communities of professionals and associations. As such, it is also a catalyst for innovation where the latest trends for products and services are

showcased. The content of such events is evolving with the integration of symposia and conferences. Whether international or national events with local dimensions, or events anchored in their regions, trade shows remain powerful vectors for territorial economic development.

### TRADE SHOWS: PLATFORMS FOR STAKEHOLDER DIALOGUE



The trade show exercises a concrete role in fostering relations within the communities of interest and/or professionals it services, before and after the event. The involvement of trade show partners is in this way very often organised upstream of the event through steering committees. They participate in developing content and

putting in perspective the stakes for the sector and territory involved.

The event itself represents a concentrated opportunity for exchanges between stakeholders: professional federations, companies, public authorities, political and economic decision-makers, clusters, research and



training institutions, experts, customers, suppliers, media, local authorities, regions and countries for international trade shows, etc. All come together to advance their sector, strengthen their collaboration and share their innovations.

**In Practice** The French Fashion Institute (IFM) and Première Vision for a period of three years starting on 1 January 2016 have joined forces for the launch of a research chair on «the economy of the creative materials for fashion». Coordinated by Gildas Minvielle, professor at the IFM and director of the Economic Observatory, the IFM-Première Vision Chair has three objectives:

- Developing an international economic indicator for materials (fabrics and leather) for creative fashion: the Première Vision Barometer for the creative materials industry
- Analyse economic trends for the fabrics and leather clothing sector
- Conduct specific studies

### **FACILITATING COMMUNITY EXCHANGES OUTSIDE TRADE SHOWS**

Promoting community exchanges does not end with the trade show. Fostering continuing relations between event stakeholders (visitors, exhibitors, media, experts, labour unions) is achieved through different channels:

- Moderating websites, blogs and dedicated social media networks;
- Organising conferences, publishing high content newsletters, white papers, market intelligence.

### **DEVELOPING THE OVERALL IMPACT OF A TRADE SHOW OR FAIR IN A TERRITORY**

Measuring the impact of events organised in a territory is a complicated process. The CSR (economic, social and environmental) performance calculator of the UNIMEV (Union Française des Métiers de l'Événement) is a 100% web-based and free tool to measure for an event the environmental footprint, the economic impacts, the regional

and national tax impacts, employment, scientific, tourism, media and territorial impacts. A panel representing the entire profession and its stakeholders has joined forces on this project to develop an extremely valuable tool measuring global performance (social economic, environmental and societal) of business, scientific, sportive and cultural events organised in France.

GL events has in this way actively participated in Unimev's work to produce and promote a CSR performance calculator. Test evaluations were conducted in 2016 to produce global impact reports for two events: the Lyon International Fair and Piscine.

**In Practice** The first test using the Unimev industry federation impact calculator was carried out on the Lyon International Fair that celebrated its 100<sup>th</sup> anniversary in March 2016 (213,000 visitors/75,000 m<sup>2</sup> at Eurexpo Lyon). The report data demonstrated that the direct and indirect economic impacts of the fair occurred across the entire value chain. In addition, against the backdrop of a depressed job market, the Lyon International Fair generated nearly 450 equivalent full-time positions for the year. The scope of the impacts of this event far exceeds that of a simple annual regional meeting by providing a very concrete contribution to the region.

Examples of the Report model (intermediary level) for the 2016 Lyon International Fair

- Direct economic benefits: more than €12 million for event industry companies
- Indirect economic benefits: more than €17 million for companies of the tourism hospitality sector
- participants in the territory (accommodations, local transportation services, local business...).
- Tax revenues: €4 million in national/European tax revenues and more than €300,000 for local tax revenues.
- Direct employment-related impacts: approximately 115 FTE (annualised full-time equivalent) jobs generated
- by the event in companies of the «event» sector
- Indirect employment-related impacts: 340 FTE (annualised full-time equivalent) jobs generated by the event in companies in the tourism hospitality sector within the territory
- Environmental impact: less than 1 kg of waste per visitor

## **GL EVENTS LIVE: SUPPORTING LOCAL ECONOMIES**

For GL events Live's activities, stakeholders' expectations concern primarily the Group's ability to promote the regional economy by working with local suppliers. This requirement is frequently conveyed in connection with public procurement contracts.

The proximity offered by the GL events Live's network of agencies is a genuine asset. For customers, long-term partnerships contribute to a better balance in terms of costs, meeting deadlines and local impacts.

For organising committees of large international sports competitions or major political events, promoting a region's heritage and creating local value are a top priorities. For that reason, the aim is both to promote the region but also to stimulate the local economy and employment.

As a service provider for these events, GL events incorporates these requirements by providing, in addition to budgetary and operational responses, solutions that enhance local partnerships to ensure the event's efficacy and impact.

**In Practice** **Measuring the geographic breakdown of purchases for the Euro 2016**

For the UEFA Euro 2016, we sought to determine our geographic impact in terms of purchasing. For major suppliers (+ €50,000 in billings) the geographic breakdown of spending demonstrated the importance of our local impact: French suppliers accounted for 55.5% of purchases, European suppliers 88.5% (including France and 14.5% in Eastern Europe) and Asia only 11.5%.

## CROSS-CORPORATE CHALLENGES

### PURCHASING: CONTINUING TO INTEGRATE A RESPONSIBLE APPROACH WITHIN PROCESSES

GL events' purchasing policy concretely reflects its CSR commitment in order to secure the supply chain and better manage the environmental and social impacts of its purchases of products and services.

Buyers are natural partners for the sustainable development department by putting into practice the guidelines to be followed: integrating CSR criteria for the main market consultations, submitting questionnaires to suppliers through a dedicated IT platform, etc.

The Group continues to evaluate key suppliers in relation to their performances in the different sustainable development areas.

As mentioned above, the Group's disability policy integrates provisions for using the sheltered work sector.

Buyers, disability project coordinators, human resources departments are all committed to developing socially inclusive procurement practices. GL events is also a founding member of the board of partners of GESAT, the French national network of sheltered work establishments, and operates within the framework of a partnership to develop actions in this sector in connection with Group purchasing activities.

**In Practice** The sustainable development department has developed in particular sustainable development criteria sheets for certain categories of purchases. These involve an analysis of CRS risks for the category in question, specific weighting criteria for the sustainable development surveys and questions for the product category.

### BUILDING A CULTURE OF COMPLIANCE WITHIN THE GROUP

Since its creation, GL events has been driven by strong values put into practice through a proactive ethical approach. This approach has been strengthened as we expanded into international markets. Today, our positioning as a major international provider of solutions and services for events calls for more than ever exemplary conduct. Integrity, loyalty protecting the Group's employees, assets and reputation, combating corruption, exercising vigilance in the area of subcontracting are the major priorities underpinning our actions. Our teams intervene alongside and on behalf of a large number of public and private customers. In so doing, they strive to transform these principles into concrete actions in a manner that is consistent with our own commitment to corporate social responsibility (CSR) and responsible growth.

A Code of Ethics and Business Conduct has been formalised. Its purpose is to provide guidelines for every employee. It promotes the application of the fundamental principles structuring our efforts and the conduct of our business. It asserts the shared ambition of all Group employees: acting in a manner that is transparent, compliant and determined, and at all times, dictated by the imperative of good conduct. This Code of Ethics will be introduced in 2017 to all Group employees.

It is supplemented by a Business Conduct Code establishing guidelines for relations with our partners, customers, suppliers and subcontractors. This Code that will be integrated into our general terms and conditions of sale covers the following areas:

- Respecting contractual undertakings
- Trustworthiness in communications
- Confidentiality of data
- Financial transparency
- Protecting the Group's image and assets
- Preventing conflict of interest
- Respecting human rights
- Health / safety
- Environment
- Combating corruption

In addition, guidelines on preventing corruption are in the process of being drafted, in particular in response to new French regulations introduced to combat corruption and trading in influence (in France and other countries), and namely the "Sapin II" Law No. 2016-1691 of 9 December 2016. These guidelines will be based in part on best anti-corruption practices and the 8 areas/actions derived from the new French law.

These tools will be deployed in 2017 through a mechanism including namely:

- General training on ethics with a focus on combating corruption for those managers and personnel most exposed.
- A mechanism for transmitting alerts
- Training for managers and employees with the greatest exposure on the company's criminal liability

Organisational and compliance projects within the Group are constantly evolving in line with operational and legal imperatives.

## CONSUMER HEALTH AND SAFETY MEASURES

GL events must guarantee the safety of visitors at sites under its management (exhibition centres, convention centres, reception or multi-purpose venues). Venues under management fall under the category of public-access buildings (Etablissements Recevant du Public or ERP) and are subject to strict regulations. A certain number of staff at these sites, in compliance with applicable regulations, have received safety training (SSIAP qualification levels 1 to 3). The profile and number of the safety personnel present at the site is specifically scaled and adapted to the events being staged.

Training devoted to constantly updated knowledge about first aid measures for «front-line» employees in the service areas and those working in buildings open to the public, training in firefighting measures and for employees operating self-propelled work equipment and lifting equipment are provided in priority and among the top training objectives.

In response to the growing risk of terrorism, GL events Group strengthened prevention measures in 2016 by means of collective and day-to-day efforts, carried out in close collaboration with governmental authorities (préfectures) and institutional security organisations. Measures adopted for public-access buildings (Etablissements Recevant du Public) and also for large-scale events, include the following actions:

- internal and external benchmarking in the areas of safety and security
- participating in interministerial working groups with all socio-occupational bodies of the sector
- formalising a network of designated security officers for Group venues
- sharing experience among sites concerned by major safety and security issues
- measure employee awareness in this area (formalisation of messages addressing all Group employees on notions of vigilance, surprise, etc.)
- adapting and implementing safety guidelines established by our professional federations dealing with access management, identifying risks, crisis management procedures.

And generally, implementing security measures adapted to the risk level in coordination with public authorities and a relationship of trust with the event organisers. Dialogue with stakeholders here well is key.

Concerning the Live Division, temporary structures supplied (tents, grandstands,...), required to meet specific safety standards, are inspected by specialised companies to guarantee the safety of visitors and spectators.

## COMMUNICATIONS / AWARENESS RAISING

Communication is a key driver of change. For that reason, the sustainable development mission works closely with the communication department.

- Sustainable development Event News (a digital newsletter);
- A dedicated intranet;
- Brochures on the CSR approach;
- CSR team interventions at seminars;
- Participation in management committee meetings of support functions (HR, marketing)
- Posters in warehouse facilities.

All forms of media are used to reach employees, themselves on the front-line in the task for conveying and implementing the company's CSR policy.

## SPONSORSHIP

GL events Group supports major contributors to the universe of culture, sports and not-for-profit initiatives. In 2016, key actions supported by the Group included:

- The Lyon Festival of Lights
- Le Saut Hermès
- Sport dans la Ville
- Le Printemps de Pérouges
- Les Nuits Sonores
- Fondation Saint-Irénée
- Fondation Weismann-Pasteur.

In parallel, each business unit supports not-for-profit initiatives at local levels that address the social challenges of their territory, based on a community-centred approach. A sponsoring contract has also been concluded with Elise Marc, world-class athlete with disabilities.

# ACRONYMS

**LCA:** Life Cycle Analysis

**AGEFIPH:** *Association de Gestion du Fonds pour l'Insertion Professionnelle des personnes Handicapées* (Fund Management Organisation for the Professional Integration of Persons with Disabilities)

**LTI:** Lost Time Injury

**BEGES:** *Bilan des Emissions de Gaz à Effets de Serre* (a statutory French GHG emissions audit)

**BPM:** Best Practice Meeting

**BU:** Business Unit

**CACES:** *Certificat d'Aptitude à la Conduite En Sécurité* (training certification for equipment operators)

**CCI:** *Chambre de Commerce et d'Industrie* (the French Chamber of Commerce and Industry)

**CDD:** *Contrat à Durée Déterminée* (fixed-term employment contracts)

**CDI:** *Contrat à Durée Indéterminée* (permanent employment contracts)

**WC:** Works Council

**CHSCT:** *Comité d'Hygiène, de Sécurité et des Conditions de Travail* (Health, Safety and Working Conditions Committee)

**CRCI:** *Chambre Régionale de Commerce et d'Industrie* (French Regional Chamber of Commerce and Industry)

**DSP:** *Délégation de Service Public* (a form of public-private partnership concessions)

**EMAS:** Eco-Management and Audit Scheme

**RE:** Renewable energy

**PPE:** Personal Protective Equipment

**ERP:** *Etablissement Recevant du Public* (a public-access building)

**FCOS:** *Formation Continue Obligatoire à la Sécurité* (French compulsory ongoing professional driver safety certification)

**FIMO:** *Formation Initiale Minimale Obligatoire* (French compulsory minimum initial training certification for professional drivers)

**GHG:** Greenhouse Gas

**IPCC:** Intergovernmental Panel on Climate Change

**BMS:** Building management system

**MASE:** *Manuel d'Amélioration de la Sécurité des Entreprises* (safety certification)

**ILO:** International Labour Organisation

**SSIAP:** *Service de Sécurité Incendie et d'Assistance à Personnes* (Fire Safety and Personal Protection Services)



# METHODOLOGICAL NOTE ON THE REPORT

## THE GL EVENTS REPORTING APPROACH

### GENERAL INFORMATION

GL events has published CSR information in its management report since 2012. CSR information is published in accordance with the Group's environmental, employment and social priorities and information requested in compliance with the implementing decree of article 225 Grenelle 2 Environmental Law.

### REPORTING PERIOD

Information published in this report relates to the 2016 financial year for the period running from 1 January to 31 December.

## REPORTING BOUNDARY

### DETAILS ON THE ENVIRONMENTAL REPORTING SCOPE:

GL events Group's activities are organised into three business units: As the nature of these activities differs, the environmental impacts are also not the same. It is accordingly necessary to provide clarifications regarding the reporting boundary adopted. For certain sites, information is not available.

- **GL events Venues** operates and markets event venues (exhibition centers, convention centres, reception or multi-purpose venues). In most cases it intervenes on behalf of local governments through public-private partnerships (délégations de service public) and concessions. The Venues business unit today has 40 sites worldwide representing total exhibition area of 710,000 sq.m. (excluding outside exhibition areas), 40 auditoriums with seating capacity for 300 to 13,000 people, and nearly 450 meeting rooms. This activity, in light of the volumes to be taken into account, generates significant amounts of waste and substantial energy and water consumption.
- **GL events Live** activities cover the provision of services for events: supplying temporary structures (tents, grandstands), audiovisual equipment, signage, stands, etc. For the Group's environmental reporting, the main logistics and warehousing sites of the Group are taken into account in France and other countries.

- **GL events Exhibitions** organises the Group's 300 proprietary trade shows. Environmental data relating to the staging of trade shows is not available. The management practices of the venues staging such events vary significantly (example: depending on the location where the venue is hosted, energy consumption may be invoiced to the organiser based on actual cost or on a fixed rate basis). These different types of management methods currently prevent the availability of sufficiently reliable consolidated data. For that reason, data for this division is not consolidated.

### DETAILS ON THE EMPLOYMENT REPORTING BOUNDARY

Headcount data concerns headcount for France and International operations. This covers fixed-term contracts (including work-study contracts and professional development contracts) and permanent contracts at 31 December 2016.

Information relating to new and departing employees concerns those on permanent contracts in France and other countries.

The age pyramid covers permanent employees for France. Frequency and severity rates are published for the French reporting boundary excluding PV and Jaulin, Adecor, Light Events, Fonction Meuble (not integrated in the Information System). This is also the case for information on training.

## ENVIRONMENTAL INDICATORS

### METHODOLOGICAL EXPLANATIONS AND LIMITATIONS

Direct and indirect energy consumption (excluding fuel): energy consumption is presented in MWh for the relevant reporting boundary. Selected data (energy, water) may be communicated on a year-on-year basis based on availability.

Fuel consumption relates exclusively to the French reporting boundary. Specifically, fuel consumption is reported for the fleet of vehicles with authorised loaded weight of less than 3.5 tonnes as well as the Lyons and Paris fleet of lorries (the Group's main logistics platforms in France). CO<sub>2</sub> emissions: CO<sub>2</sub> emissions correspond to emissions resulting from building energy consumption (Scope 1 and 2 of BEGES) for French sites. Emission factors used in the calculation are derived from the Base Carbone® reference (2015 version) of the French Agency for

Environment and Energy Management (ADEME). We note that emissions factors used have risen, adversely impacting the data.

Water consumption: data reported (in m<sup>3</sup>) relates to water consumption of buildings. This includes consumption originating from groundwater extraction (use of heat pumps) for Eurexpo (Lyon) and the Acropolis Convention Centre (Nice).

Waste production: the production of waste is expressed in tons. We note that for certain sites of the Venues division, waste collection and processing services are assured by the local administration and for that reason data is either not available or only partially available. Certain volumes are estimated by applying ratios for average density (kg/l) according to the type of waste. This method introduces a high degree of uncertainty for the data.

## EMPLOYMENT INDICATORS

Headcount: headcount data relates to actual headcount at 31 December.

The overall employment rate for disabled persons: the calculation of this figure is based on the total workforce in this category for the French reporting boundary. The overall unemployment rate includes both direct and indirect employment (tasks outsourced to the sheltered work sector). The rate presented in the report relates to 2015 as data for 2016 was not yet available at the time of its publication.

The frequency rate: the number of Lost Time Injuries (LTI) in relation to the number of hours worked multiplied by 1000000. Commuting accidents are not taken into account for this calculation. Hours taken into account represent theoretical paid working hours.

The severity rate: the number of lost work days due to occupational injuries in relation to the number of hours worked multiplied by 1,000. Lost workdays in 2016 due to occupational injuries occurring in 2015 are not taken into account.

Number of training hours: this data concerns training coordinated by the Group's corporate university: GL events Campus.

Absenteeism rate: The absenteeism rate covers absences for the following reasons: sick leave and part-time for health reasons, lost time injuries and lay-offs.

## ORGANISATION OF THE REPORTING

### GUIDELINES

GL events has implemented an internal reporting guideline defining the roles, responsibilities, indicators and their reporting boundaries and calculation method.

### PROCESS FOR REPORTING AND CONSOLIDATING INFORMATION

Environmental information is reported through operational and/or financial reporting lines. Environmental information is consolidated by the sustainable development department. The human resources department is responsible for reporting and consolidating employment-related data. Environmental data is reported through accounting channels on a quarterly basis or through a specific monthly balanced scorecard for entities within the ISO 14001 certification boundary. Social data within the French boundary is derived from the payroll application and its different components. Headcount data outside of France is collected on a quarterly basis to supplement this information.

### VERIFICATION OF DATA

Data checks are performed by persons responsible for each data set to the extent possible. Such verifications may take different forms: consistency checks, request for supporting data for qualitative information, internal audits (subsidiaries with a certified management system), detailed testing.

## EXTERNAL AUDITS OF DATA

GL events Group appointed Finexfi as an independent third-party certified by COFRAC for the auditing of extra-financial information. As this information is included in our report, there is no obligation to provide detailed disclosures on these indicators here and refer to our report.

A description of procedures implemented and the conclusions of the verifications are presented in the independent assurance report provided at the end of this document.

# REPORT OF THE INSPECTING ORGANIZATION

## To the Shareholders,

Following the request made to us by GL events SA and in our capacity as an independent third-party organization accredited by COFRAC under no. 3-1081 (scope available at [www.cofrac.fr](http://www.cofrac.fr)), we submit to you our report on the consolidated corporate social responsibility information presented in the management report written with regard to the period ending December 31, 2016 pursuant to Article L. 225-102-1 of the French Commercial Code.

## COMPANY RESPONSIBILITY

It is the duty of the Board of Directors to prepare a management report including the consolidated corporate social responsibility information referred to in Article R. 225-105-1 of the French Commercial Code (hereinafter the «Information») and prepared in accordance with the guidelines (the «Guidelines») used by the Company and available on request at the Group's registered office.

## INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the Code of Ethics of our profession, and the provisions of Article L. 822-11 of the French Commercial Code. Furthermore, we have implemented a quality control system including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

## THIRD PARTY ASSURANCE REPORT

It is our role, based on our work:

- To attest whether the required CSR Information is present in the Management Report or, in the case of its omission, that an appropriate explanation has been provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code and Decree No. 2012-557 of April 24, 2012 (Attestation of presence of CSR information);
- To express a limited assurance on whether the CSR information is presented, in all material aspects, in accordance with the Reporting Criteria.

## ATTESTATION OF PRESENCE OF CSR INFORMATION

We conducted the following procedures in accordance with professional standards applicable in France:

- We compared the Information presented in the Management Report with the list as provided for in Article R. 225-105-1 of the French Commercial Code;
- We verified that the Information covers the consolidated perimeter, namely the Company and its subsidiaries as aligned with the meaning of Article L. 233-1 and the entities which it controls as aligned with the meaning of Article L. 233-3 of the French Commercial Code;
- In the absence of certain consolidated information, we have verified that explanations were provided in accordance with the provisions of Decree No. 2012-557 of April 24, 2012.

Based on this work, and given limitations mentioned above, we confirm the presence in the Management Report of the required CSR information.

## OPINION STATING REASONS ON THE ACCURACY AND FAIRNESS OF THE CSR INFORMATION

### NATURE AND SCOPE OF OUR WORK

Our work was carried out between February 13, 2017 and March 15, 2017, for a period of about eleven person-days. We conducted the work in accordance with the standards of professional practice applicable in France, with ISAE 3000 and with the decree of May 13, 2013 stating how the third-party independent organization is to carry out the assignment.

We conducted twelve interviews with the persons responsible for preparing the CSR information in the departments in charge of the process of gathering the information and, when necessary, those responsible for the internal control and risk management procedures, so as to:

- Assess the appropriateness of the Guidelines in terms of their relevance, completeness, neutrality, comprehensibility and reliability, taking into consideration best practices, if any, in the sector;

- Verify the implementation within the Group of a process for collecting, compiling, processing and checking the CSR Information with regard to its completeness and consistency. We reviewed the internal control and risk management procedures relating to the preparation of the CSR Information.

We identified consolidated information to test and determined the nature and extent of tests, taking into account the importance of the information in question in relation to the social, societal and environmental consequences of the activity and the characteristics of the Group, its CSR objectives and best practices in its sector.

For the CSR Information we judged to be most important at the level of the consolidating entity:

- We consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.);
- We carried out analytical procedures on the quantitative information and, based on sampling, verified the calculations and the consolidation of the data;
- We carried out detailed tests based on sampling that consisted of verifying the calculations made and comparing them with the data in the supporting documents, and we verified their consistency with the other information contained in the management report.

For the other consolidated CSR information, we judged its consistency in light of our knowledge of the Company.

Finally, we judged the validity of any explanations given as to the total or partial absence of certain information. It is our belief that the sampling methods and sample sizes we used in exercising our professional judgment allow us to draw a conclusion of moderate assurance. A higher level of assurance would have required a more extensive review.

Our work covered on average 50% of the consolidated value of the numerical indicators in the employment portion and 20% of the consolidated value of the numerical indicators in the environmental portion.

Due to the use of sampling techniques as well as to the limitations inherent in the operation of any information and internal control system, the risk of not detecting a material irregularity in the CSR information cannot be totally ruled out.

## CONCLUSION

Based on our work, we have not identified any significant misstatement that causes us to believe that CSR information, taken together, have not been fairly presented, in accordance with the Reporting criteria.

Lyon, April 4<sup>th</sup> 2017

**FINEXFI**  
**Isabelle Lhoste**  
Associée

*This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*



# 04

## **BOARD REPORTS & CORPORATE GOVERNANCE**

- 61 / PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
- 70 / PRESENTATION OF THE PARENT COMPANY FINANCIAL STATEMENTS
- 76 / SUPPLEMENTAL REPORTS OF THE BOARD OF DIRECTORS
- 79 / BOARD OF DIRECTORS' REPORT ON RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 28 APRIL 2017
- 82 / ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT
- 87 / COMPENSATION AND BENEFITS FOR EXECUTIVE OFFICERS
- 89 / COMPENSATION AND BENEFITS FOR OTHER OFFICERS
- 90 / EMPLOYEE PROFIT SHARING PLANS
- 91 / ADDRESSES AND APPOINTMENTS HELD BY GL EVENTS SENIOR EXECUTIVES
- 94 / STATUS OF CORPORATE OFFICERS
- 95 / CHAIRMAN'S REPORT ON THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES
- 106 / AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

# MANAGEMENT BOARD OF DIRECTORS' REPORT

## (MANAGEMENT DISCUSSION AND ANALYSIS)

## I. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In compliance with EC regulation 1606/2002 of 19 July 2002 on international accounting standards, the consolidated financial statements of GL events for the period ending 31 December 2016 were prepared on the basis of IAS/IFRS as adopted by the European Union. The standards and interpretations applied are those published in the Official Journal of the European Union before 31 December 2016.

### A. SIGNIFICANT EVENTS OF THE PERIOD

#### 2016, CONTINUING GROWTH MOMENTUM

Against the backdrop of an unfavourable global environment for event-related activities, GL events met its growth target for like-for-like annual sales despite unfavourable global economic conditions for the event industry, particularly in France that continues to account for half the Group's revenue. International markets remained a major growth driver. This includes jumbo events (Rio Olympic Games, COP 22 in Morocco), the development of subsidiaries (inauguration of São Paulo Expo) and establishing strategic footholds to seize on future opportunities (joint-venture in China). The disposal of unprofitable business units had an impact of €24 million on Group revenue though with a positive effect on profitability starting in 2016.

The Group continued to focus on controlling costs and

achieving an optimal balance between profitability and growth. EBITDA amounted to €130 million. Further gains were achieved with the operating margin increasing to 8.2%, operating profit to €77.1 million (+11.5% in relation to 2015) and net income attributable to equity holders of the parent to €31.9 million(+3.4%).

In 2016, the Group's net investments in property, plant and equipment amounted to €131 million, and included primarily:

- GL events Venue: €95 million for (completion of work at São Paulo and Rio de Janeiro),
- GL events Live: €35 million for GL events Live (of which €10 million for the medium term structure leasing business generating an ROCE above the Group level).

As a consequence of these investments, net debt (current and non-borrowings less cash assets) amounted to €392 million 31 December 2016. This amount will be gradually reduced in 2017 and 2018 through cash flow generation from invested assets and a significant reduction in the capital spending budget excluding potential acquisitions.

The debt maturity profile was extended in line with long-term strategic assets with notably the completion of a €100 million private placement bond issue in July 2016. Gearing declined to 88.1% (from 100.4% in 2015) and the net debt/ EBITDA ratio also improved from 3.23 to 3.01.

#### OPERATING HIGHLIGHTS FOR THE THREE BUSINESS DIVISIONS

As a provider of services for events, GL events Live had revenue of €500.5 million in 2016 highlighted by both large events – Rio Olympic Games, the 2016 Euro football championships and COP 22 – but also a high level of recurrence for services delivered in the sector of trade shows and fairs/exhibitions and local, regional and national events. 2016 in particular provided opportunities to demonstrate the Group's know-how in the area of signage at all international events. In addition, the LOU Rugby club signed a 60-year emphyteutic lease or the management of the Gerland Stadium in Lyon.

With a portfolio of more than 300 proprietary shows and events, GL events Exhibitions had €145 million in revenue, up 1% from 2014 (€143 million), with 2016 also an off-year in the biennial cycle. The main exhibitions registered excellent performances in Europe – Equita, Première Vision, Piscine Global - with a positive trend for future years in terms of number of visitors.

GL events Venues, the division managing the international portfolio of venues, contributed €307.6 million in revenue, up 6.2 %, and with organic growth of 10.7 % The Group venues - Barcelona and Budapest in particular - demonstrated strong commercial momentum. With the opening of Sao Paulo Expo and the successful launch of the first

edition of the auto show, revenue for this division reached a record level in billings in the last quarter of 2016 of €95 million. In China, the Group entered into a joint venture with the Yuexiu Group to manage a convention centre in Guangzhou. In Lyon, the operating lease for Eurexpo was renewed for a 30 year term.

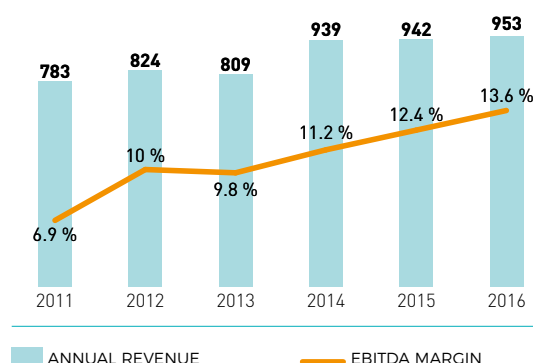
## B. ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group registered growth in annual revenue of 1.1% on a reported basis and 2.4% like-for-like\* despite unfavourable global economic conditions for the event industry. The EBITDA margin (\*\*) increased by 1.2 points to 13.6% of revenue.

The year was also marked by successes in organizing international mega events like the Olympic Games of Rio de Janeiro, the Euro football championship in France and its participation at the COP22 in Marrakesh.

(\*): comparable scope of consolidation and exchange rates: by applying 2016 exchange rates to 2015 sales, by restating 2015 by eliminating 2016 changes in the consolidation scope.

(\*\*): EBITDA: earnings before interest, taxes, depreciation and amortisation or "gross operating profit"



### Performance by geographical segments

France accounted for 51% of Group revenue in 2016.

In Europe (excluding France), in light of business disposals (Padua in Italy and Traiteur Loriers in Belgium), revenue remained largely stable. It returned to its level of recurrent business in Asia, grew 6% in Turkey and reached 7% of consolidated revenue in Africa with the organization of COP 22 in Morocco.

Our activities in Brazil were clearly bolstered by the 2016 Olympic Games but also the development of Sao Paulo Expo.

(€ thousands)	2012	2013	2014	2015	2016
Foreign subsidiaries	318,694	322,408	375,490	304,502	313,763
International sales from French companies	115,021	92,090	142,759	136,501	156,485
<b>International sales</b>	<b>433,715</b> 53%	<b>414,498</b> 51%	<b>518,249</b> 55%	<b>441,003</b> 47%	<b>470,248</b> 49%
<b>French sales</b>	<b>390,526</b> 47%	<b>394,635</b> 49%	<b>421,133</b> 45%	<b>501,417</b> 53%	<b>482,762</b> 51%
<b>Revenue</b>	<b>824,241</b>	<b>809,133</b>	<b>939,382</b>	<b>942,420</b>	<b>953,010</b>

GL events operates mainly in the following countries:

Europe	Other regions
England	South Africa United Arab Emirates
Belgium	Algeria Hong Kong
Spain	Australia Morocco
France	Brazil Peru
Hungary	Chile Turkey
Italy	China
Netherlands	United States

## Revenue by business division

(€ thousands)	31/12/16	31/12/15	Change 2016/2015	
GL events Live	500,459	486,448	14,011	2.9%
% of Total Revenue	52.5%	51.6%		
GL events Exhibitions	144,959	166,365	(21,406)	-12.9%
% of Total Revenue	15.2%	17.7%		
GL events Venues	307,593	289,607	17,986	6.2%
% of Total Revenue	32.3%	30.7%		
<b>Revenue</b>	<b>953,010</b>	<b>942,420</b>	<b>10,590</b>	<b>1.1%</b>

(€ thousands)	31/12/16	31/12/15	31/12/16	31/12/15
GL events Live	32,921	32,661	6.6%	6.7%
GL events Exhibitions	13,543	20,088	9.3%	12.1%
GL events Venues	32,852	18,984	10.7%	6.6%
<b>Current operating income</b>	<b>79,316</b>	<b>71,732</b>	<b>8.3%</b>	<b>7.6%</b>

In 2016, the Group continued to focus efforts on adjusting costs and improving productivity. In response, the operating margin rose to 8.3% from 7.6% one year earlier.

**GL events Live:** with €500.5 million in revenue, 2016 was highlighted by both major events (Rio Olympic Games, the 2016 European football championship, COP 22) but also a high level of recurrence for services delivered in the universe of trade shows and fairs/exhibitions and local, regional and national events. Operating profit registered marginal growth (+€0.3 million). Good performances with jumbo events were adversely offset by business units experiencing difficulties such as those in South Africa and the "grandstand and seating systems" business in the United Kingdom.

**GL events Exhibitions** had revenue of €145 million. This business that includes events with a biennial cycle for which 2016 was an off-year, was up 1% from 2014 (€143 million). The main exhibitions (Première Vision, Equita, Industrie Paris, CFIA, Piscine Globale) registered excellent performances with positive trends for the number of visitors for future years. The growth in the operating margin (9.3 % vs. 5.9 % in 2014) was the result of adjustments made to the portfolio by the Group in Brazil and Italy (discontinuation of the Motor Show in 2014).

**GL events Venues** contributed €307.6 million to Group revenue, up 6.2%, with organic growth of 10.7% (\*). The operating margin reached 10.7%, gaining 4.1 points. This improvement reflects the excellent start for Sao Paulo Expo but also good performances by all our venues including those of Rio de Janeiro, Budapest, The Hague, Brussels, Barcelona, Maison de la Mutualité or the Palais Brongniart. The regional sites also contributed to this good performance: Lyon (GL events' renewal of the lease for Eurexpo for a 30-year term), Strasbourg Amiens, Toulouse, and Clermont- Ferrand.

(\*). Organic growth represents the like-for-like growth in revenue (comparable exchange rates and structure).

## Net financial expense

(€ thousands)	2016	2015
Net interest expense	(19,251)	(9,504)
Other financial income and expenses	2,089	(2,958)
<b>Net financial expense</b>	<b>(17,162)</b>	<b>(12,462)</b>

The growth in borrowing costs is related to the increased lending rates in Brazil (with a rate of interest exceeding 18%), a region where the Group had bank debt until October 2016.

This debt was repaid after the restructuring of the Group's financing (a €100 million private placement bond issue in July 2016).

**Income tax and net income**

(€ thousands)	2016	2015
Profit before tax	59,921	56,686
Current and deferred tax	(22,697)	(18,570)
Effective tax rate	37.9%	32.8%
<b>Consolidated net income</b>	<b>37,224</b>	<b>38,116</b>

Net income attributable to the equity holders of the parent, after taking into account the above items, came to €31.9 million (€30.8 million at 31 December 2015).

**C. ANALYSIS OF THE GROUP'S FINANCIAL POSITION, IN PARTICULAR FOR DEBT**

As a result of cash flow generation and, in light of these investments, net debt represented 3.01x EBITDA compared to 3.27x at 31 December 2015, in compliance with our banking covenants (3.5). The maturity of debt has

been adapted to the strategic long-term investments and the Group has repaid virtually all Brazilian debt by reinforcing its subsidiary's equity.

**D. INVESTMENT POLICY**

Long-term assets (Sao Paulo Expo, Rio Centro, Arena, Mutualité, Brongniart, Grand Hôtel Mercure) and rental equipment represent the Group's main operating assets. Rental equipment (€89.6 million) is by nature destined for temporary rental in France or other countries according to the programme of events, and cannot in consequence be associated with a specific geographical market.

In 2016, net investments by the Group in the amount of €131 million concerned primarily:

- GL events Venues representing €95 million, with the two main projects, the finalization of the work at the Sao Paulo exhibition centre (€56 million) and the construction of Pavilion 6 at Rio Centro (€28 million).
- GL events Live representing €34 million, of which €10 million for the medium term structure leasing business generating a ROCE (\*) above the Group level .

(\*) ROCE: Return on Capital Employed or the ratio of Current Operating Income net of income taxes / capital employed

Capital expenditures over the past three years in relation to revenue and cash flow:

(€ thousands)	2014	2015	2016
<b>Net capital expenditures <sup>(1)</sup></b>	<b>80,731</b>	<b>100,254</b>	<b>131,438</b>
Revenue	939,382	942,420	953,010
Net capital expenditures / revenue	8.6%	10.6%	13.8%
Cash flow before net interest expense	77,726	85,005	88,805
Net capital expenditures / cash flow	103.9%	117.9%	148.0%

<sup>(1)</sup> Source: consolidated cash flow statements: acquisitions – proceeds from the disposal of tangible and intangible fixed assets

Investments are either self-financed or financed through credit lines.



## E. SUBSEQUENT EVENTS

In the 2017 first quarter, the Group acquired:

- 100 % of CCC (sales of €4.8 million, 40 employees) an agency specialised in the organisation of medical conventions and training. Created in 2002, this company organises "Evidence & Practice" training cycles for general practitioners. These one-day training sessions are held in 26 cities across France. It is also the organiser

of conventions for medical specialities (cardiology, ENT, pneumology).

- 63.2% of Tarpulin (sales of CLP 8 billion or approximately €12 million, 155 employees), a Chilean company specialised in the supply and medium term leasing of modular structures.

## F. FUTURE OPERATING TRENDS AND OUTLOOK

The Group will continue to develop its "integrated offering" and build on synergies across all business lines and brands. By leveraging the commitment of its teams, the quality of its networks of professionals and the strategic potential of its local geographic bases, GL events will maintain its focus on achieving profitable and lasting development. With that objective, the Group applies a proactive investment strategy to guarantee customers optimal quality and environmental compliance (ISO 9001 quality and ISO 20121 sustainability certifications, MASE safety certification).

Through this positioning, the Group is today present on multiple playing fields, reflecting an ongoing commitment

to intelligent logistics, a source of added financial and commercial value for end customers.

Indeed, its expertise in sourcing and ability to assemble just the right skill sets within short time frames (engineers, project managers, logistics specialists, equipment and freight handlers, builders, etc.) has over the years become a major competitive strength and represents a barrier to entry.

The Group will also pay particular attention on improving operating profitability, optimising asset turnover and achieving further gains in ROCE by making adjustments to its portfolio.

## G. RISK FACTORS

After carrying out a review of risks that could have a material adverse effect on its business, financial position or results, the Company does not consider that there exist other risks than those presented below.

### FOREIGN EXCHANGE RISK

Because the majority of GL events' purchases and sales are in euro countries, it is not subject to foreign exchange risk for most of its business. For major international contracts, specific attention is paid to foreign exchange risk, with hedging used on a case-by-case basis.

Foreign subsidiaries do not generate a regular flow of business which could constitute a structural risk. Expenses incurred by foreign subsidiaries are local charges in general settled in the same currency as the currency of the customer's payment.

The rental equipment stock available to foreign subsidiaries consists of durable goods (structures, platforms, screen walls, furniture, etc.).

GL events always has the possibility of transferring them to another structure without their intrinsic value being reduced by the fluctuation of exchange rates.

However, in light of the Group's continued international expansion, assets and liabilities in foreign currency are increasing. This could consequently result in more significant translation adjustments.

The value of assets in foreign currency (total assets of foreign subsidiaries after subtracting their equity investments in consolidated companies and adding investments in foreign currency of French companies) and liabilities in foreign currency (financial and operating liabilities of foreign subsidiaries) is presented below.

(Currencies expressed in € thousands)	USD	GDP	TRY	HUF	HKD	CNY	ZAR	INR	BRL	AED	Other currencies
<b>BALANCE SHEET</b>											
Assets in foreign currency	13,831	65,709	24,244	51,120	6,786	1,632	12,134	13,347	537,302	5,199	5,098
Liabilities in foreign currency	(5,432)	(14,418)	(20,911)	(3,887)	(1,341)	(538)	(7,153)	(14,336)	(265,028)	(7,695)	(4,433)
<b>Net position before hedging</b>	<b>8,399</b>	<b>51,291</b>	<b>3,333</b>	<b>47,233</b>	<b>5,445</b>	<b>1,095</b>	<b>4,981</b>	<b>(989)</b>	<b>272,275</b>	<b>(2,496)</b>	<b>665</b>
<b>OFF-BALANCE SHEET</b>											
<b>Net position after hedging</b>	<b>8,399</b>	<b>51,291</b>	<b>3,333</b>	<b>47,233</b>	<b>5,445</b>	<b>1,095</b>	<b>4,981</b>	<b>(989)</b>	<b>272,275</b>	<b>(2,496)</b>	<b>665</b>

## INTEREST RATE AND CREDIT RISK

The management of risks related to treasury activities and foreign exchange rates is subject to strict rules defined by Group Management. According to these rules, the Finance Department systematically pools liquid assets, positions and the management of financial instruments. Management is assured through a cash department responsible for daily monitoring of limits, positions and validation of results.

For loans obtained in France, debt is largely floating rate and indexed on the 3-month Euribor benchmark. The fixed portion of debt has increased as a result of private

placements and now represents approximately 40% of medium term debt drawn.

On occasion, all or a portion of the variable-rate long-term debt is hedged by interest rate swaps and cap purchases. Given the level of debt, market forecasts, fair value adjustments recorded at 31 December 2016 and amounts already hedged, the residual risk is considered low. The medium and long-term debt obtained in Brazil was repaid in the 2016 second half. As a result, the Brazilian interest rate exposure has been very significantly reduced.

Average floating-rate debt is presented in the table below:

Information on loans (€ thousands)	Fixed/ floating rate	Average gross debt	Term	Hedging
Medium-term borrowings	Floating rate	253,930	2017 to 2025	Partial
Medium-term borrowings	Floating rate	11,264	2017 to 2023	No
Other medium-term borrowings	Fixed rate	243,773	2017 to 2028	No
Capital lease debt indexed on 3 month Euribor	Floating rate	476	2017 to 2018	Partial
Other lease arrangements	Fixed rate	4,656	2017 to 2019	No
Other financial liabilities	Floating rate	4,013	2017	No
Current bank facilities and overdrafts	Floating rate	12,683	2017	Yes
<b>TOTAL MEDIUM-TERM DEBT (CURRENT PORTION)</b>		<b>530,795</b>		

If the benchmark increases 1% only the unhedged portion of non-current borrowings would be affected.

Interest rate risk on short-term bank loans is partially hedged by the aggregation of the interest rate ladder of bank account balances that offsets overdrafts by cash at bank and in hand.

Hedging instruments implemented are effective for the period in question.

In addition, a portfolio of money market funds, certificates of deposit and time deposit accounts for an average amount in 2016 of €37 million offsets part of the potential risk from an increase in bank lending rates.

In consequence, a 1% increase in interest rates (France and Brazil) at 31 December 2016, based on hedges in place and the corresponding increase in the return of money market funds, would have resulted in an increase in net financial expense of €1.5 million.

Financial instruments break down as follows:

Instruments (€ thousands)	Underlying amount	Maturity	Recognition method
Fixed rate swap	50,000	Bullet payment	Shareholders' equity
Fixed rate swap	20,000	Bullet payment	Shareholders' equity
Fixed rate swap	30,000	Bullet payment	Shareholders' equity
Fixed rate swap	10,000	Bullet payment	Shareholders' equity
Fixed rate swap	10,000	Bullet payment	Shareholders' equity
Fixed rate CAP	10,000	Bullet payment	Shareholders' equity
Fixed rate CAP	10,000	Bullet payment	Shareholders' equity

## EQUITY RISK

The Group also holds shares in publicly traded companies whose total market value fluctuates in line with financial market trends, the valuations of the respective sectors of activity of these companies and the specific economic and financial data for each of these companies. At the end of

the reporting period, potential changes in the fair value of these securities are recognised under Group equity or profit and loss until their disposal. Because the amount of these holdings is insignificant, it does not give rise to material risks.

## COUNTERPARTY RISK

All cash surplus and financial instruments are placed with first rate financial and banking institutions and by respecting the rules for financial security and liquidity. For derivative financial instruments, counterparties are limited to high quality financial institutions. As a result, the Group's counterparty exposure is low.

## RISKS RELATING TO BANK COVENANTS

82% of medium to long-term loans are subject to conditions imposed by covenants. Ratios are calculated using the consolidated financial statements.

They are harmonized for all our bank and bond contracts and are as follows:

- Gearing (net debt/equity):  $\leq 120\%$ ,
- Leverage (net debt / gross operating surplus)  $\leq 3.5$ .

At 31 December 2016, GL events Group was in compliance with these covenants.

## CUSTOMER RISKS

Customer-related risks are low for three reasons:

As a service provider, GL events' corporate culture is heavily focused on satisfying the needs of its customers. Beyond the purely contractual relationships with clients, GL events believes that anticipating market needs, the flexibility of teams, creativity, and the need to always keep project deadlines, strengthen its long-term relationships with organisers, exhibitors and other client enterprises.

The quality of GL events' inventory of rental equipment available for events, excellent maintenance of convention centres and exhibition parks under management and its focus on compliance with existing standards;

A balanced customer mix. For fiscal year 2016, only 4 clients accounted for more than €10 million in sales, 15 accounted for between €2 and €10 million and 3 between €1.5 and €2 million. The top ten clients represented 10 % of 2016 consolidated revenue (14% in 2015).

Information on accounts receivable ageing is presented in [note 5.6](#) of the consolidated financial statements.

## LIQUIDITY RISK

The Group has conducted a specific review of liquidity risk and on that basis considers it has the resources to meet its future obligations. In addition to medium and long-term financing and finance lease agreements, the Group has negotiated through its different entities, short-term credit lines.

At 31 December 2016, amounts drawn under these credit lines totalled €30 million (note 5.13 of the consolidated financial statements).

In addition, at 31 December 2016, the business operations of GL events Group had generated a net source of funds of €168 million. The liquidity risk is in consequence not significant.

## SOURCING RISKS

Sourcing risks are low. The first category of suppliers is comprised of subcontractors who furnish GL events' teams with additional expertise for producing events while in all cases, engineering, supervision and coordination always remain under GL events' direct responsibility.

For other significant suppliers (textile, carpets, wood, structure, etc.) there is no situation of dependency that could have a significant impact on the Group's development.

The impact of variations in the price of oil on the cost of transport and other raw materials does not entail a major risk for operations.

For French operations, the top ten suppliers accounted for 10.2% of purchases in 2016 compared to 9.1% in the previous year.

For the other regions, in general no provider furnishes goods and services to all Group entities.

## OPERATING RISKS

From the selection of investments to the operating methods for implementing projects, GL events' internal policy is to monitor and effectively manage risks incurred, both with respect to the personnel involved and the public that will use the facilities.

With this objective, special attention is paid to the preparation of projects and anticipating potential problems.

For certain activities involving building facilities to receive the public, safety committees are required in all cases.

For the installations of platforms, inspections by independent outside entities are requested in all cases. GL events undertakes to satisfy its clients' needs by furnishing services that, taken independently and as a whole, meet the standards of each trade and must be used in accordance with established rules. It is the responsibility of GL events' clients to ensure compliance with these rules of usage during events. GL events insures its liability through a Group civil liability policy.

In addition, business risk must be assessed by taking account of the seasonal nature of the activity and the diverse geographic locations of projects implemented.

Overall, operating risks are considered low.

## RISK OF FRAUD AND SCAMMING - CYBERCRIME

With the development of the Internet and information technologies, as in the case of all economic players, the Group is confronted with the risk of fraud, scamming and in particular identity theft. In response to this risk, the Group regularly carries out initiative to raise awareness of staff adapted to the potential risks. Procedures for managing identities in the Group's information system and the level of traceability of transactions recorded have been strengthened.

## MARKET RISKS

The markets for fairs, exhibitions and events are based on a need for face-to-face meetings providing people with opportunities for exchange and sharing, (knowledge, leisure activities, points of view). Trade shows and exhibitions represent a largely recurring market and the major events benefit from promotion by the development of media. In addition, the organisation, venue management and services businesses operate in all economic sectors and do not have disproportionate exposures in any single sector.

Risks associated with civil disorder, conflicts, health crises may occasionally prevent events from being held. For this reason, such risks are structurally marginal.

## EMPLOYEE-RELATED RISKS

GL events' business is not subject to specific employee-related risks. Processes and controls, particularly concerning employment are well managed and comply with industry standards.

GL events launched "Think People" at the end of 2011. This programme is destined to provide a developmental framework for employee growth within the company (Section 03 page 33).

The Group is a defendant in a limited number of employee-related suits. While the outcome of these legal proceedings is not known, adequate provisions have been made to cover contingent risks at levels that will not adversely affect the Group's financial situation.

There were no employee-related disputes in 2016.

## INDUSTRIAL AND ENVIRONMENTAL RISKS

GL events manages operations required to conduct its businesses in accordance with regulations in force. As GL events' activities are geared towards the provision of services, the company has not identified any major environmental risks.

GL events is implementing a group-wide sustainable development approach (Section 03 page 41).

## COUNTRY RISKS

GL events bases its activities and assets in countries considered politically and economically stable. Its ability to transfer assets from one country to another and the international profile of expert business channels reduces risks in situations where difficulties might be encountered.

In India, the Organising Committee and the Delhi Development Authority suspended payments of amounts owed to suppliers for the Delhi 2010 Commonwealth Games held in Delhi, India in 2010. Among these suppliers was GL Litmus Events, a company incorporated in and governed by the laws of India, 70%-held by the company, that continues to have a trade receivables balance of €16 million still outstanding, owed by these two authorities. In accordance with the terms of the contracts entered into with these two administrations, GL Litmus Events initiated a local arbitration procedure with each to obtain payment for the services provided. A €16 million provision corresponding to the outstanding amount owed to GL Litmus Events was recognised in the 2011 financial statements. At 31 December 2016, this provision amounted to €11 million. GL Litmus Events is furthermore subject to tax auditing procedures and tax claims in progress initiated by the Indian authorities.

All these procedures are continuing, and the results of arbitration expected in the 2016 second half has been postponed, without details having been provided regarding the delay.

## LEGAL AND TAX RISKS, LITIGATION AND ARBITRATION PROCEEDINGS

In the normal course of its activities, the Group is a party in a certain number of legal proceedings and disputes. Although the final outcome of these procedures cannot be ascertained with certainty, potential charges that may be incurred as a result are covered by provisions for contingencies and commitments (note 5.12 to the consolidated financial statements, page 133).

In particular, in addition to the proceedings referred to in the section "Country Risks" with respect to GL Litmus Events, a suit has been filed by the Public Prosecutor's Office against the Rio Centro management concession centre located in Rio de Janeiro. This suit seeks primarily to cancel the concession agreement based on allegations of favouritism in awarding GL events the public contract and obtain compensation for all damages incurred by the Municipality of Rio De Janeiro. This suit also seeks to obtain, on a subsidiary basis, a revision in the price paid by GL events under the terms of the concession agreement.

Furthermore, a decision was granted in GL events' favour in the first instance for a suit filed by an individual plaintiff on similar grounds. This plaintiff filed an appeal against this decision.

No provision has been recorded for this purpose in the company's accounts for this purpose.

There are no other proceedings (including any that are pending or threatened of which the Company is aware), which may have or have had during the last twelve months, a material effect on the financial position or profitability of the company and/or Group.

## SUBCONTRACTING

Group customers are the end users of the services provided. GL events systematically works under its own responsibility. For France, article 1 of Law No. 75-1334 of 31/12/75 defines subcontracting as "an action whereby a contractor subcontracts under its responsibility to another party referred to as the subcontractor all or part of the performance of the works or public procurement contract concluded with the project owner". In other words, it is "the action whereby a contractor charges another party to perform on its behalf according to certain specifications a portion of the production and services for which it retains final financial responsibility". In consequence, GL events sales do not include subcontracting revenue.

## INSURANCE COVERAGE

All of GL events' operating risks are covered through several insurance policies obtained from different insurance companies.

The main insurance policies and insured amounts are as follows:

### Civil liability

All bodily injury, property damage and consequential loss.

### Fire-industrial risks

Buildings owned or rented by the Group have adequate insurance coverage.

### All risks coverage subject to special limitations:

- Earth movements,
- Flooding,
- Recourse and liability.

**Vehicle fleet:** 655 vehicles, 115 trucks and trailers.

## H. RESEARCH AND DEVELOPMENT

The company's high degree of innovation and creativity enables it respond to constantly evolving market needs. GL events' engineering departments and business managers, assisted by their staff, pursue ongoing innovations to develop new techniques and logistical solutions to meet increasingly shorter deadlines. In addition, the Group devotes continuing efforts from year to year to strengthen its global offering. This commercial approach is strengthened by GL events' extensive catalogue. On this basis, new products and services are added each year either by internal growth or acquisitions. In contrast, the company does not strictly speaking engage in fundamental research.



## II. PRESENTATION OF THE PARENT COMPANY FINANCIAL STATEMENTS

### A. 2016 REVIEW OF OPERATIONS, BALANCE SHEET AND INCOME STATEMENT

Revenue of GL events SA for the period amounted to €35,571,000 (€29,571,000 in 2015). The coordinating holding company's activity is remunerated through fees and amounts for services invoiced to subsidiaries.

GL events pursued its expansion through acquisitions of controlling interests in new companies.

### B. ANALYSIS OF THE COMPANY'S FINANCIAL POSITION, IN PARTICULAR FOR DEBT

The financial position and debt must be analysed in reference to the Group as a whole. In consequence, please refer to the first part (presentation of the consolidated financial statements) of the management discussion and analysis mentioned above in [section C](#).

### C. MATERIAL SUBSEQUENT EVENTS

No material events have occurred after the close of the fiscal year.

### D. FUTURE OPERATING TRENDS AND OUTLOOK

GL events, as the Group's management holding company, will in the future continue to assume the same functions without any notable changes.

### E. RESEARCH AND DEVELOPMENT

Refer to the section in the Group management report mentioned in [part I](#) (presentation of the consolidated financial statements, page 61).

### F. RESULTS AND APPROPRIATION OF INCOME

A proposal will be made to the ordinary general meeting to approve the determination and appropriation of the distributable amounts:

Determination of distributable amounts	
Net income for the period	€ 28,266,164.52
Retained earnings	€ 28,197,894.92
<b>Distributable amount</b>	<b>€ 56,464,059.44</b>
Proposed appropriation	
Legal reserve	€299,516.40
Dividends or €0.60 per share (x 23,402,711 [*])	€15,211,762.15
Retained earnings	€ 40,952,780.89
<b>Total</b>	<b>€ 56,464,059.44</b>

*(\*) Number of shares at 2 March 2017 based on stock options and warrants exercised and subject to the exercise of stock options and warrants prior to the general meeting. Furthermore, the amount of the distribution shall be adjusted according to the number of treasury shares held on the dividend payment date.*

*Dividend payments will not be paid on treasury shares held on the dividend payment date. The portion of dividends linked to these shares will be allocated to other reserves.*

Were the dividend to be paid entirely in cash, the company's shareholders' equity after distribution would be € 330,803,000.

As required by article 243 bis of the French General Tax Code, dividend payments for the last three financial periods are reported below:

Year	Number of shares paying dividends (excluding treasury shares)	Amounts allocated (€)	Net dividend earnings per share (€)	Total amount of the dividend eligible for the 40% tax allowance (€)	Total amount of the dividend not eligible for the 40% tax allowance (€)
31/12/2013	22,374,541 shares carrying dividend rights	13,424,725	0.6	4,223,693	9,201,031
31/12/2014	22,259,088 shares carrying dividend rights	13,355,453	0.6	4,073,298	9,282,155
31/12/2015	22,653,920 shares carrying dividend rights	13,592,352	0.6	4,372,136	9,220,516

French social taxes (CSG – CRDS) on investment income will be withheld by the Company, as well as, as applicable, the compulsory withholding tax (prélèvement à la source obligatoire non libératoire) of 21% for payment to the tax authorities no later than within the first fifteen days of the month following the payment of the dividend. On that basis, the amount of dividends reverting to natural persons who are tax residents of France will be reduced by 15.5% with respect to French social taxes and 21% for the compulsory withholding tax.

### DISALLOWED DEDUCTIONS

Pursuant to the provisions of Article 223 quater and quinquies of the French General Tax Code, the financial statements for the year under review include a fraction of € 30,438 that do not qualify for tax deductions by virtue of article 39-4 of this code.

## G. OPERATIONS OF SUBSIDIARIES AND CONTROLLED COMPANIES

Refer to [note 10](#) of the parent company financial statements on [page 155](#).

### Equity interests acquired in companies having their registered offices in France or the acquisition of controlling interests in such companies in the period (articles L233-6 and L 247-1 of the French commercial code)

Increase in the equity interest in LOU Rugby Group (+27.8 %). At the end of December 2016, GL SA held 74.06% of the shares in this entity compared to 46.26% at the end of 2015.

#### — Transfer of shares undertaken to regularise the situation of cross shareholdings

No shares were disposed of in the period under review.

#### — Identity of holders of material shareholdings (article L233-13 of the French commercial code)

Breakdown of ownership of GL events' share capital at year-end:

	Number of shares	Percentage of capital	Percentage of voting rights	Aggregate Shareholders Agreement - % Capital	Aggregate Shareholders Agreement - % Voting Rights
Polygone SA *	11,964,168	51.12%	61.43%	64.21%	74.75%
Sofina *	3,062,542	13.09%	13.31%		
CM CIC Capital Investissements	936,048	4.00%	4.85%		
Free float	7,439,953	31.79%	20.40%		
<b>Total share capital</b>	<b>23,402,711</b>	<b>100.00%</b>	<b>100.00%</b>		

\* shareholders' agreements

## H. RELATED-PARTY AGREEMENTS GOVERNED BY ARTICLES L. 225-38 OF THE FRENCH COMMERCIAL CODE

Pursuant to Article L.225-40 of the French commercial code, we ask that you approve the agreements referred to in Article L. 225-38 of said Code and concluded or pursued during the year ended.

The auditors have been duly notified of these agreements that are described in their special report on related party agreements.

## I. AUTHORISATIONS FOR CAPITAL INCREASES GRANTED TO THE BOARD OF DIRECTORS

The Board of Directors in reference to articles L 225-129-1 and L 225-129-2 of the French commercial code informs you of the existence of the following authorizations:

Nature of authorisations	Type of transaction	Securities to be issued	Authorised amount of capital increases	Use of authorisations
Delegation of authority	Rights issue with or without pre-emptive subscription rights	Shares or securities giving access to the share capital	Nominal value of €60 million	None

## J. INVESTMENTS

### Non-consolidated companies (French and foreign)

The full list of GL events' French and foreign holdings is given in the table of subsidiaries and holdings.

Investment securities (in € thousands except shares)	Number of shares	Carrying value
GL events treasury shares	321,439	5,726
Money market funds, time deposit accounts		15,209

## K. FIVE-YEAR FINANCIAL SUMMARY

(in euros except personnel data)	2012	2013	2014	2015	2016
<b>I. Capital at year-end</b>					
a. Share capital	90,615,680	90,615,680	90,615,680	90,615,680	93,610,844
b. Number of existing common shares	22,653,920	22,653,920	22,653,920	22,653,920	23,402,711
c. Number of existing shares with priority dividends (without voting rights)					
d. Maximum number of future shares to be issued:					
d1. By conversion of bonds					
d2. By exercising subscription rights					
d3. By exercising warrants	83,550	84,700			
<b>II. Operations and income for the year</b>					
a. Sales ex-VAT	27,694,037	25,335,111	28,928,448	29,570,895	35,571,054
b. Income before tax employee profit-sharing and depreciation allowance and provisions	19,523,541	16,524,896	24,964,109	37,195,653	28,793,868
c. Tax on profits	(3,998,956)	(3,876,078)	(6,375,531)	(8,910,494)	(1,326,761)
d. Employee profit sharing owed for the financial year					
e. Income after tax, employee profit-sharing and depreciation allowances and provisions	15,486,760	12,295,340	15,715,445	26,860,187	28,266,165
f. Distributed profit	13,592,352	13,592,352	13,592,352	13,592,352	15,211,762
<b>III: Earnings per share</b>					
a. Income after tax and employee profit-sharing but before depreciation allowances and provisions	1.04	0.90	1.38	2.04	1.29
b. Income after tax employee profit-sharing and depreciation allowance and provisions	0.68	0.54	0.69	1.19	1.21
c. Dividend per share	0.60	0.60	0.60	0.60	0.65
<b>IV. Staff costs</b>					
a. Average staff	7	7	7	8	9
b. Annual payroll	1,447,060	1,716,752	2,022,078	1,643,737	2,265,386
c. Total of amounts paid for social benefits for the year (social security, social services, etc.)	807,243	4,352,167	1,719,491	1,545,659	3,226,258

## L. ITEMS WITH POTENTIAL IMPACTS IN CONNECTION WITH PUBLIC OFFERINGS

In accordance with article L.225-100-3, the following information is provided:

- The shareholder structure and direct and indirect shareholdings as known to company and all related information are described in the Shareholder Information chapter on [page 163](#).
- On 5 November 2012, Sofina and Messrs. Olivier Ginon and Olivier Roux, executed a shareholders agreement relating to GL events, with a term ending on 31 December 2025. The main terms and conditions of this agreement are described on [page 170](#).
- Shares with special rights are described on [page 164](#).
- At fiscal year-end employees of GL events and affiliated companies under the terms of article L 225-180 had no shareholdings in GL events' capital within the framework of an employee stock ownership plan (plan d'épargne d'entreprise or PEE) provided for under articles L 3332-1 et seq. of the French labour code. On the same date, the same employees had no shareholdings in the capital of GL events within the framework of a company mutual fund (fonds commun de placement d'entreprise).
- Rules concerning the appointment and replacement of members of the Board of Directors are those of common law
- Concerning the powers of the Board of Directors, authorisations in progress are described on [page 174](#) (share repurchase programme).
- There are no agreements providing for severance benefits for members of the Board of Directors in the event of the termination of functions as board members
- No restriction exists under the articles of association on the exercise of voting rights and the transfer of shares. The breakdown of share capital and voting rights is presented on [page 168](#).

In accordance with the provisions of L225-211 of the French commercial code, information concerning transactions in own shares is provided in [section 5 on page 131](#) and [section 6 on page 169](#).

## M. SUMMARY OF SECURITY TRANSACTIONS BY DIRECTORS AND OFFICERS

Officer / Director concerned	Nature of transaction	Number of shares/securities	Average price
Olivier Ferraton	Disposals	8,660	16.8915

## N. EMPLOYEE STOCK OWNERSHIP PLANS

At fiscal year-end employees of GL events and affiliated companies under the terms of article L 225-180 had no shareholdings in the capital of GL events within the framework of an employee stock ownership plan (*plan d'épargne d'entreprise* or *PEE*) provided for under articles L 3332-1 et seq. of the French labour code.

On the same date, the same employees had no shareholdings in the capital of GL events within the framework of a company mutual fund (*fonds commun de placement d'entreprise*);

The combined shareholders' meeting of 29 April 2016 that granted full powers to the Board of Directors to issue

shares or other securities of the company giving access to the capital, with or without pre-emptive subscription rights, also voted on a resolution proposing a rights issue for company employees through the issuance of new cash shares in accordance with the conditions provided for under article L 3332-18 et seq. of the French Labour Code. This resolution was rejected by the shareholders' meeting of 29 April 2016.

The Group established five restricted share award plans providing for the grant of ten shares (plan 6, 9, 11, 14 and 16) for all employees of the French companies of the Group. The conditions for granting these shares are described on [page 166](#).

## O. CHOICE OF PROCEDURES FOR THE RETENTION BY OFFICERS OF RESTRICTED STOCK UNITS AND AWARDED AND STOCK OPTIONS ISSUED IN THE PERIOD

Mr. Olivier Ferraton (an executive officer within the meaning of Articles L.225-197-1 II subsection 4 and L.225-185 subsection 4) is subject to the same procedures for holding bonus shares (plans 8, 9, 10, 13, 14 and 16)

or stock options (plan 13 and 14) as the other grantees. These conditions are described in detail on [page 165 and 166](#).

## P. ITEMS USED IN THE CALCULATION AND RESULTS OF ADJUSTMENTS OF THE BASIS FOR CONVERSION AND CONDITIONS FOR THE SUBSCRIPTION OR EXERCISE OF SECURITIES CONFERRING ACCESS TO CAPITAL OR THE SUBSCRIPTION OR PURCHASE OF SHARES

None.

## Q. SHARE BUYBACK PROGRAMME

Within the framework of the share repurchase programme renewed by the General Meeting of 29 April 2016, the following transactions were undertaken during the course of 2016:

(Number of shares)	31/12/2015	Acquisitions	Disposal	31/12/2016
- Treasury shares	402,109	32,150	(112,820)	321,439
- Liquidity agreement	34,871	279,539	(307,045)	7,365



## **R. INFORMATION ON THE SOCIAL AND ENVIRONMENTAL IMPACTS OF THE COMPANY'S ACTIVITY**

Refer to chapter 3 of the Group's CSR report, [page 30](#).

## **S. PRICE FLUCTUATION RISKS**

None.

## **T. PECUNIARY PENALTIES IMPOSED FOR ANTI-COMPETITIVE PRACTICES**

None.

## **U. PRINCIPAL RISKS AND UNCERTAINTIES - USE OF FINANCIAL INSTRUMENTS**

Refer to the section in the Group management report mentioned paragraph I of part 04 ([presentation of the consolidated financial statements](#)).

## **V. INFORMATION REGARDING THE MATURITY OF THE TRADE PAYABLES AND RECEIVABLES**

In accordance with articles L.441-6-1 and D.441-4 of the French commercial code, disclosures required at year-end are presented below:

- the outstanding balance of trade payables by maturity was 15% of less than 30 days (13% in 2015), 77% between 30 and 60 days (79% in 2015) and 8% more than 60 days (8% in 2015).

The trade payables balance does not include any material debt past due.

- the outstanding balance of trade receivables by maturity was 5% payable immediately (4% in 2015), and 95% payable 45 days from the end of the month (96% in 2015).

## II. ADDITIONAL REPORTS OF THE BOARD OF DIRECTORS

### A. SPECIAL REPORT ON TRANSACTIONS BY THE COMPANY OR AFFILIATED COMPANIES CONCERNING STOCK OPTIONS RESERVED FOR EMPLOYEES AND OFFICERS

(ARTICLE L 225-184 OF THE FRENCH COMMERCIAL CODE)

With regard to the special report to shareholders on transactions carried out by virtue of the provisions of articles of L.225-177 to L.225-186 of the French commercial code

on stock options of the company granted or exercised in the period is provided below, the relevant disclosures are provided below.

#### 1. STOCK OPTIONS GRANTED IN THE PERIOD

**a. Stock options granted to the ten non-executive employees having received largest awards**

No stock option plans were established in the period for the top ten non-executive employee beneficiaries.

**b. Stock options granted to executive officers in the period**

No stock option plans were established in the period for executive officers.

#### 2. STOCK OPTIONS EXERCISED IN THE PERIOD

**a. Stock options exercised in the period by executive officers**

None

**b. Stock options exercised in the period by the ten non-executive employees having received largest awards**

None

## B. SPECIAL REPORT ON TRANSACTIONS BY THE COMPANY OR AFFILIATED COMPANIES INVOLVING RESTRICTED SHARE AWARDS TO EMPLOYEES AND OFFICERS (ARTICLE L 225-197-4 OF THE FRENCH COMMERCIAL CODE)

Information to be included in the special report to shareholders on transactions carried out by virtue of the provisions of articles of L.225-1 to L.197-3 of the French commercial code is provided below.

The Board of Directors' meeting of 4 March 2016 decided to grant 10,000 shares (Plan 15) to two Group employees subject to the following vesting conditions:

- Possessing the status of an employee of the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period,
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 4 March 2016 decided to grant ten restricted stock units for all employees of the Group's French companies, or restricted stock units totalling 19,840 existing shares of the Company (Plan 16) to be fully vested subject to the following conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period;
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 9 December 2016 decided to grant 10,000 shares (Plan 17) to one Group employee subject to the following vesting conditions:

- Possessing the status of an employee of the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period,
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 9 December 2016 decided to grant ten restricted stock units for all employees of the Group's French companies, or restricted stock units totalling 20,110 existing shares of the Company (Plan 18) to be fully vested subject to the following conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period;
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 9 December 2016 decided to grant 20,000 shares (Plan 19) to one Group employee subject to the following vesting conditions:

- The beneficiary must possess the status of employee in the Company or companies and or groups of companies affiliated therewith, from the first to the last day of the vesting period,
- The occurrence of no incident of unfair conduct by the beneficiary causing a prejudice to the Company or an affiliated company;

The Board of Directors' meeting of 9 December 2016 decided to grant 84,775 shares (Plan 20) to 35 Group employees subject to the following vesting conditions:

- Possessing the status of an employee of the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period,
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.
- Revenue by the Group in 2019 of more than €1.15 billion.

Information on grants in the period of restricted stock units (bonus shares) to executive officers, the top ten employee beneficiaries and all employees is summarized below:

	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19	Plan 20
Date of the General Meeting authorising the issue of stock options	25.04.2014	25.04.2014	25.04.2014	25.04.2014	25.04.2014	29.04.2016
Date of the Board of Director's meeting	03.03.2016	03.03.2016	09.12.2016	09.12.2016	09.12.2016	09.12.2016
Number of shares available for subscription	10,000	19,840	10,000	20,110	20,000	84,775
Value on grant date	15.00	15.00	16.09	16.09	16.09	16.09
Of which: number of shares available for subscription by current members of the Executive Committee	--	60	10,000	90		24,000
Number of directors concerned	--	10	--	10		
Of which: number to the top 10 grantees	10,000	(*)	10,000	(*)	20,000	66,000
End of vesting period	03.03.2019	03.03.2018	09.12.2018	09.12.2018	09.12.2019	09.12.2019
End of selling restrictions (holding period)	03.03.2021	03.03.2020	09.12.2020	09.12.2020	09.12.2021	09.12.2021
Number of shares granted	--	--	--	--	--	--

\* employee share plan

## C. BOARD OF DIRECTORS' REPORT ON THE CRITERIA FOR SETTING, ALLOCATING AND GRANTING FIXED, VARIABLE AND SPECIAL COMPENSATION OF THE CHAIRMAN AND THE MANAGING DIRECTORS OR DEPUTY MANAGING DIRECTORS ON THE BASIS OF THEIR OFFICES

In accordance with the provisions of article L 222-37-2 of the French commercial code and article R 222-29-1 of this same code, the Board of Directors reports to you on the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits in kind attributable to the

chairman managing directors or deputy managing directors on the basis of their offices.

As it currently stands, this report concerns solely information concerning Mr. Olivier Ferraton, Deputy Managing Director of the Company.

Description	2016 amounts	2017 amounts	Comments
Fixed compensation	€277,840	€300,000	The fixed portion (authorized by the Board of Directors' meeting in March 2017) is determined by in reference to the level of responsibilities, experience in the management function and market practice.
Annual variable compensation	€121,000		The variable components may reach 40% of total compensation in line with market practice. The amount of variable compensation for 2017 was determined as follows: <ul style="list-style-type: none"> <li>— qualitative criteria: the operational and financial performance of the group</li> <li>— qualitative criteria: business development strategy for France and international markets</li> </ul>
Multi-year variable compensation	N/A		The Board of Directors reserves the option to grant multi-year variable compensation or special compensation that meets the criteria of assessment provided for above.
Special compensation	N/A		
Attendance fees	N/A		Olivier Ferraton does not receive attendance fees
Signing and termination of service indemnities	N/A		Olivier Ferraton does not benefit from any specific provisions in the event of termination of service
Supplemental retirement plan	N/A		Olivier Ferraton is not benefit from a specific retirement plan
Group healthcare plans	N/A		Olivier Ferraton benefits from the group personal protection and healthcare plans in force in the Company under the same conditions as those applicable to the category of employees in which he is included
Group personal protection and healthcare plans	N/A		Olivier Ferraton is not benefit from a specific retirement plan
Benefits of all kinds	€29,516	€30,000	Olivier Ferraton was granted the use of a company car in 2016. These benefits were renewed in 2017.
Stock option awards	N/A		None
Restricted stock awards	€161,061		A maximum of 10,000 restricted stock units may be granted to Olivier Ferraton.
Compensation of any nature relating to a restriction on exercising a professional activity	N/A		None
Indemnities or amounts payable with respect to agency agreements	N/A		None
Items on compensation contingent on approval by the general meeting			Items subject to approval by the general meeting concern the fixed and variable components of compensation and special compensation.

We remind you that the payment of variable and special compensation shall be contingent on your approval at the next ordinary general meeting.

# III. BOARD OF DIRECTORS' REPORT ON RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 28 APRIL 2017

The following resolutions will be submitted to the combined ordinary and extraordinary general meeting of 28 April 2017, at 10:00 a.m., at Palais des Congrès of Lyon - Cité Internationale de Lyon - 10, quai Charles de Gaulle in Lyon (69006).

These resolutions are divided into two categories:

I - The first eight resolutions (from the 1<sup>st</sup> to the 8<sup>th</sup> resolution) as well as the last resolution (12<sup>th</sup> resolution) fall within the purview of the ordinary general meeting and concern the 2016 financial period: the approval of the annual and consolidated financial statements for the period ended 31 December 2016, the appropriation of net income, the appropriation to the legal reserve of the minimum amount provided for by law, setting the dividend and its payment, the approval of the regulated

agreements covered by articles L.225-38 et seq. of the French commercial code, the renewal of the term of office of a director, approval of the principles and criteria for determining, allocating and granting fixed, variable and special compensation making up the total compensation and benefits in kind attributable to the Deputy Managing Director on the basis of his office and dealing by the Company in its own shares.

II - The other three resolutions (the 9<sup>th</sup> to the 11<sup>th</sup> resolution) fall within the purview of the extraordinary general meeting and concern the renewal of certain authorisations and financial authorities destined to give your Company the financial resources to develop and effectively execute its strategy as well as a modification of the Company's articles of association to authorize the appointment of non-voting observers (*censeurs*).

## I - BOARD OF DIRECTORS' REPORT ON THE ORDINARY RESOLUTIONS

### APPROVAL OF THE FINANCIAL STATEMENTS FOR FISCAL 2016 (1<sup>ST</sup> AND 3<sup>RD</sup> RESOLUTIONS) AND GRANT OF DISCHARGE TO THE DIRECTORS (2<sup>ND</sup> RESOLUTION)

The purpose of the 1<sup>st</sup> resolution is to approve of the annual financial statements for the year ended 31 December 2016.

The purpose of the 2<sup>nd</sup> resolution is to grant discharge to directors for their management of the Company over 2016.

The purpose of the 3<sup>rd</sup> resolution is to approve the consolidated financial statements for the year ended 31 December 2016.

The management report for 2016 is included in the Company's 2016 registration document filed with the French financial market regulator, the AMF (Autorité des Marchés Financiers)

### APPROPRIATION OF NET INCOME FOR 2016 (4<sup>TH</sup> RESOLUTION)

The purpose of the 4<sup>th</sup> resolution is to decide on the appropriation of the Company's net income for 2016 and the distribution of a dividend.

The annual financial statements for the year ended 31 December 2016 show net income of € 28,266,164.52 and, in light of retained earnings of € 28,197,894.92, a distributable profit of € 56,464,059.44. The 4<sup>th</sup> resolutions proposes:

— to appropriate to the legal reserve the amount of €299,516.40;

— payment of a dividend of €0.65 per share, or a total dividend distribution of € 15,211,762.15  
— allocate the balance of distributable profit to retain earnings, i.e. €40,952,780.89.

This dividend will furthermore be subject to French social taxes, as well as the flat rate withholding tax of 21% established by article 117 quater of the French general tax code, for natural persons residing in France, except in the special case of securities held through an equity savings plan.



**BOARD OF DIRECTORS' REPORT ON RESOLUTIONS SUBMITTED  
TO THE COMBINED SHAREHOLDERS' MEETING OF 28 APRIL 2017**

The full amount of this distribution qualifies, for the 40% tax basis reduction for natural persons residing in France, provided for by paragraph

3-2 of article 158-3-2° of the French general tax code. The ex-dividend date will be 30 May 2017 and the dividend payment date 4 July 2017.

Upon payment, the dividend corresponding to treasury shares held by the Company will be allocated to "other reserves".

**REGULATED AGREEMENTS (5<sup>TH</sup> RESOLUTION)**

The purpose of the 5<sup>th</sup> resolution is to improve the regulated agreements covered by articles L.225-38 et seq. of the French commercial code. These agreements are reproduced in the Auditors special report on regulated agreements and commitments (See the 2016 registration document and the Company's website).

This report refers to the regulated agreements authorised by the Board of Directors before 2016, approved by previous general meetings and remaining in force during the period under review.

**BOARD OF DIRECTORS****REAPPOINTMENT OF A DIRECTOR (6<sup>TH</sup> RESOLUTION)**

The 6<sup>th</sup> resolution concerns renewal of the appointment of Mr. Yves-Claude Abescat which expires at the end of this general meeting.

This term of office will be renewed for four (4) years, or until the end of the annual general meeting called in 2021 to approve the financial statements for the year ending 31 December 2020.

**CRITERIA FOR DETERMINING, ALLOCATING AND GRANTING FIXED, VARIABLE AND SPECIAL COMPENSATION TO MR. OLIVIER FERRATON, DEPUTY MANAGING DIRECTOR (7<sup>TH</sup> RESOLUTION)**

The 7<sup>th</sup> resolution submits to the board of the general meeting the principles and criteria for determining, allocating and granting the components of compensation of Olivier Ferraton, Deputy Managing Director of the

Company, in accordance with Article L 225-37-2 2 of the French commercial code for which detail is provided in part 4 of the registration document and the special report relating thereto.

**DEALING BY THE COMPANY IN ITS OWN SHARES (8<sup>TH</sup> RESOLUTION)**

At the combined general meeting of 29 April 2016 (12<sup>th</sup> resolution), you authorised your Company to deal on the market in its own shares.

The Company implemented this authorisation and on the closing date of the financial period, the total number of treasury shares amounted to 321,439, in addition to those shares held in connection with the liquidity agreement, representing respectively 1.37 % and 0.03 % of our share capital at 31 December 2016.

We inform you that the shares do not carry voting rights and the dividends reverting to them are allocated to retained earnings.

By the 8<sup>th</sup> resolution, you are asked to grant an authorisation for no more than 18 months to acquire a certain number of shares of the Company (including in connection with a liquidity agreement).

The maximum purchase price is set at €40 and the maximum number of shares that may be thus acquired is limited to 10% the number of shares making up the share capital at 31 December 2016 or 2,018,832 shares, for a maximum amount of €80,753,284.

These transactions will be executed within the framework of article L 225-209 of the French commercial code.

Furthermore, by virtue of article L 225-209 6 of the French commercial code, the number of shares acquired by the Company for subsequent use in payment or exchange in connection with a merger, spin-off or in-kind contribution may not at the present time exceed 5% of the share capital.

As in previous years, this resolution provides for application of this authorisation at all times, including in the event of a public offer.

This new authorisation cancels the authorisation granted by the combined general meeting of 29 April 2016, subject to its approval.

## II - BOARD OF DIRECTORS' REPORT ON THE EXTRAORDINARY RESOLUTIONS

### REDUCTION OF THE SHARE CAPITAL BY CANCELLATION OF THE COMPANY'S TREASURY SHARES (9<sup>TH</sup> RESOLUTION)

As every year, in the 9<sup>th</sup> resolution, we ask you to authorise the Board of Directors to cancel all or part of the shares acquired within the share buyback program, and to reduce the share capital within the limit of 10% of the share capital per twenty-four month period, on one or more occasions according to certain conditions, and allow in particular, as applicable, to offset the possible dilution resulting from various capital increases.

The difference between the carrying value of the shares cancelled and their par value will be allocated to reserves or additional paid-in capital accounts. This authorisation will be granted to the Board of Directors for a period of 18 months.

This authorisation will supersede and replace the authorisation granted under the twelfth resolution of the shareholders meeting of 29 April 2016.

No shares were cancelled by the company in 2016.

### CAPITAL INCREASE FOR THE PURPOSE OF THE PAYMENT OF CONTRIBUTIONS IN KIND (10<sup>TH</sup> RESOLUTION)

The purpose of the 10<sup>th</sup> resolution is to delegate to the Board of Directors for 26 months the authority to increase the capital of the company without preferential rights for the payment of contributions in kind within the limit of 10% of the share capital at the time of the issue.

Company in payment for in-kind contributions made to the Company in the form of shares or securities giving access to capital.

This resolution aims to delegate to the Board of Directors the ability to carry out acquisitions financed by shares or securities giving access to the capital issued by the

This authorisation will terminate, with immediate effect, for the unused portion, the authorisation granted under the twelfth resolution of the extraordinary shareholders' meeting of 29 April 2016, subject to its approval.

### MODIFICATION OF ARTICLE 16 OF THE ARTICLES OF ASSOCIATION FOR THE PURPOSE OF DETERMINING THE PROCEDURES FOR APPOINTING NON-VOTING OBSERVERS TO THE BOARD OF DIRECTORS (11<sup>TH</sup> RESOLUTION)

The Board of Directors wishes to benefit from associating outside persons with its work, whether or not they have already exercised an office or salaried position. To this purpose, the Board of Directors proposes to adopt an amendment to the articles of association that will make it possible to create a panel of non-voting members (censeurs) with an advisory role.

By the vote of the 11<sup>th</sup> resolution, it is proposed to modify article 16 of the articles of association to permit the Board of Directors, on a proposal of the Chairman, to appoint one or more non-voting observers (with a maximum number of six), natural persons or legal entities selected from or outside the shareholders.

### POWERS FOR FORMALITIES (12<sup>TH</sup> RESOLUTION)

The 12<sup>th</sup> resolution is a standard resolution required for the performance of legal obligations with respect to publications and formalities.

A copy of the draft resolutions submitted for your approval is provided in [Section 7](#).

## IV. CORPORATE GOVERNANCE

### DIRECTORS AND OFFICERS

See also the Chairman's report on internal control ([page 95](#)).

### BOARD OF DIRECTORS

The Board of Directors' members are appointed by the general meeting. Detailed information on the number of shares held by each Director is disclosed on [page 168](#).

The following table provides a summary of the Board membership at 3 March 2017

Members	Functions	Age	Office expiration date
Olivier Ginon	Chairman-CEO	59	General meeting ruling on the financial statements of 31 December 2019
Olivier Roux	Director, Vice Chairman	60	General meeting ruling on the financial statements of 31 December 2019
Yves-Claude Abescat	Independent Director, Audit Committee Chairman and Nominating and Remuneration Committee member	74	General meeting ruling on the financial statements of 31 December 2016
Aquasourça	represented by Sophie Defforey, Independent Director, Nominating and Remuneration Committee member		General meeting ruling on the financial statements of 31 December 2017
Ming Po Cai	Independent Director.	48	General meeting ruling on the financial statements of 31 December 2018
Anne-Sophie Ginon	Director	34	General meeting ruling on the financial statements of 31 December 2017
SOFINA *	represented by Richard Goblet d'Alviella, Audit Committee member		General meeting ruling on the financial statements of 31 December 2019
Gilles Gouedard-Comte	Independent Director.	62	General meeting ruling on the financial statements of 31 December 2017
Anne-Celine Lescop	Director, CSR Committee Member	34	General meeting ruling on the financial statements of 31 December 2017
Philippe Marcel	Independent director, Compensation and Nominating Committee Chairman.	64	General meeting ruling on the financial statements of 31 December 2018
Marc Michoulier	Independent Director.	61	General meeting ruling on the financial statements of 31 December 2017
Fanny Picard	Independent Director.	49	General meeting ruling on the financial statements of 31 December 2018
Erick Rostagnat	Director	65	General meeting ruling on the financial statements of 31 December 2017
Sophie Servaty *	Director	45	General meeting ruling on the financial statements of 31 December 2019
Nicolas de Tavernost	Independent Director.	67	General meeting ruling on the financial statements of 31 December 2017
Caroline Weber	Independent Director, member of the Audit Committee and the CSR Committee	57	General meeting ruling on the financial statements of 31 December 2017

\* members presented by SOFINA under the shareholders agreement (SOFINA, Olivier Ginon, Olivier Roux)

## RELEVANT INFORMATION ABOUT THE DIRECTORS OF THE COMPANY IS PROVIDED BELOW:

### OLIVIER GINON

#### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

*French nationality. Born on 20 March 1958.*

In 1978, Mr. Olivier Ginon created GL events Group, an integrated provider of solutions and services and an industry reference in the three main market segments. Today he is the Chairman of the Board of Directors of GL events SA and also exercises the role of Chief Executive Officer.

Since its creation in 1997, Mr. Olivier Ginon has been the Chairman-CEO of Polygone SA, that holds a majority stake in GL events SA, in addition to holdings in property investments.

Appointed by the ordinary general meeting of 24 April 1998, reappointed by the ordinary general meeting of 29 April 2016, for a term ending at the close of the annual general meeting to be held in 2020 to approve the financial statements for the year ending 31 December 2019.

### OLIVIER ROUX

#### DIRECTOR, VICE CHAIRMAN

*French nationality. Born on 11 June 1957.*

He participated in the creation of GL events Group in 1978 alongside Mr. Olivier Ginon.

Mr. Olivier Roux is a director of GL events SA and the Deputy Managing Director of Polygone SA.

Appointed by the ordinary general meeting of 24 April 1998, reappointed by the ordinary general meeting of 29 April 2016, for a term ending at the close of the annual general meeting to be held in 2020 to approve the financial statements for the year ending 31 December 2019.

### YVES-CLAUDE ABESCAT

#### DIRECTOR

*French and Brazilian nationality. Born on 28 May 1943.*

Mr. Yves-Claude Abescat spent a large part of his career at Société Générale where he successively occupied functions of General Inspection in Argentina, Brazil, in the French agency network and the investment bank.

Joining the Group Executive Committee of Société Générale in 1998, Mr. Yves-Claude Abescat managed part of the investment bank and then the investment company, Salvepar.

Mr. Abescat is a graduate of IEP Paris (Paris Institute of Political Studies). Appointed by the Combined General Meeting of 16 May 2008, reappointed by the AGM of 26 April 2013 for a term ending at the close of the Annual General Meeting to be held in 2017 to approve the financial statements for the year ending 31 December 2016. Independent Director. Mr. Yves-Claude Abesca is Chairman of the Audit Committee and a Nominating and Remuneration Committee member.

### AQUASOURÇA (Luxembourg)

#### DIRECTOR

*Represented by Sophie Defforey-Crepet.*

*French nationality Born on 21 February 1955.*

Ms. Sophie Defforey is the Chair of the Supervisory Board of Aquasourça SA, and Chief Executive Officer of Aquasourça France, investment companies founded with private funds.

Ms. Sophie Defforey is the permanent representative of the Luxembourg company, Aquasourça (Luxembourg), director of GL events SA.

Co-opted by the Board of Directors on 11 December 2015, replacing the company Aquasourça, having resigned, for the remainder of the term of office of the latter, or until the end of the annual general meeting called in 2016 to approve the financial statements for the period ending 31 December 2017. The appointment of Aquasourça (Luxembourg) was ratified by the company's general meeting of 29 April 2016 (10<sup>th</sup> resolution).

Independent Director - Nominating and Remuneration Committee member.

### MING PO CAI

#### DIRECTOR

*Chinese nationality. Born on 26 March 1969.*

Mr Ming-Po Cai is the Founder and President of Cathay Capital Private Equity, an independent fund management company operating with a multi-stage investment platform dedicated to supporting entrepreneurs in a Franco-Asian environment.

He also serves on the board of several Cathay Capital portfolio companies.

Mr. Ming-Po Cai received a master's degree in Management from EM Lyon in France, and an EMBA from China Europe International Business School (CEIBS) in Shanghai, China.

Appointed by the combined general meeting of 29 April 2011, reappointed by the combined general meeting of 29 April 2015, or until the end of the annual general meeting called in 2019 to approve the financial statements for the year ending 31 December 2018. Independent Director.

## ANNE-SOPHIE GINON

**DIRECTOR**

*French nationality. Born on 18 August 1983.*

Ms. Anne-Sophie has occupied several operational positions within the GL events Group, in France and other countries (Belgium).

After joining Foncière Polygone in 2012, she has served as the Chief Executive Officer since December 2013.

Ms. Ginon has an MBA from IAE Lyon and a Master's degree in financial engineering from EM Lyon.

Appointed by the ordinary general meeting of 25 April 2014 until the close of the annual general meeting called in 2018 to approve the financial statements for the year ending 31 December 2017.

GILLES  
GOUEDARD COMTE**DIRECTOR**

*French nationality. Born on 15 July 1955.*

Mr. Gilles Gouedard-Comte participated in the creation of the GL events Group in 1978, alongside Messrs. Olivier Ginon and Olivier Roux.

Afterwards Mr. Gilles Gouedard-Comte managed companies in the areas of signage, film production and real estate.

Appointed by the combined general meeting of 14 June 1996, reappointed by the combined general meeting of 25 April 2014, for a term expiring at the end of the annual general meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. Independent Director.

## ANNE-CELINE LESCOP

**DIRECTOR**

*French nationality. Born on 17 June 1983.*

Ms. Anne-Céline Lescop is a lawyer by training. She passed the Paris bar exam (CAPA) and holds an MBA from the NYU Law School.

She has worked on CSR issues first at the firm Savin Martinet et Associés and then the extra-financial rating agency, Ethifinance.

Since 2015, Ms. Anne-Céline Lescop is the Founder and CEO of the start-up, CaptainJet (Luxembourg).

Appointed by the ordinary general meeting of 25 April 2014 until the close of the annual general meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. CSR Committee Member

## PHILIPPE MARCEL

**DIRECTOR**

*French nationality. Born on 23 November 1953.*

Mr. Philippe Marcel has spent the larger part of his career with the Adecco Group, in France and in other countries. He has notably served as Chairman-CEO of Adecco France (until 2002), and then director of Adecco Monde and Non-Executive Chairman of Adecco France, until 2007.

He is currently Chairman of PBM, MGFil Conseil and I.D.AL. In addition, Mr. Philippe Marcel served as Chairman of the Board of Directors of EM Lyon from 2006 to 2012.

Mr. Philippe Marcel is a graduate of EM Lyon (1976). Appointed by the combined general meeting of 11 July 2003, reappointed by the combined general meeting of 30 April 2015, or until the end of the annual general meeting called in 2019 to approve the financial statements for the year ending 31 December 2018.

Nomination and Remuneration Committee Chairman – Independent Director.

## MARC MICHOUPLIER

**DIRECTOR**

*French nationality. Born on 12 September 1956.*

Mr. Marc Michouplier has spent the larger part of his career working in the insurance sector in France and other countries. After exercising various functions at AGF over 15 years, he then joined the Marsh Group in 1996 and since 2009, he has been Deputy Chief Executive Officer of Marsh France, and a member of the Marsh SA Executive Board and the Executive Committee. Mr. Marc Michouplier is a graduate of IAE Lyon (1979). Appointed by the Ordinary General Meeting of 25 April 2014 until the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. Independent Director.

## FANNY PICARD

**DIRECTOR**

*French nationality. Born on 4 August 1968.*

Ms. Fanny Picard is the Chair of Alter Equity.

Ms. Fanny Picard has served as the Managing Director and a Member of the Executive committee of Wendel, as well as the Head of Corporate Development for Western Europe and North America for Danone. Ms. Picard started her career in the mergers and acquisitions division at Rothschild & Cie Banque. Fanny Picard is also a member of the Supervisory Board of Tikehau Capital and the Chair of this company's Nominating and Remuneration Committee. She has served on different committees including the Ethics Committee of Medef, the French business confederation. Fanny Picard is a graduate of the ESSEC business school and SFAF (French Society of Financial Analysts). She holds a master's degree in law, and attended courses at the College of Higher Studies on the Environment and Sustainable Development (Collège des Hautes Etudes de l'Environnement et du Développement Durable).

Appointed by the combined general meeting of 30 April 2015, i.e. for a term expiring at the end of the annual general meeting called in 2019 to approve the financial statements for the year ending 31 December 2018. Independent Director.

## ÉRIK ROSTAGNAT

**DIRECTOR**

*French nationality. Born on 1 July 1952.*

Mr. Erick Rostagnat is currently the Managing Director in charge of Corporate Finance Administration of GL events Group. Mr. Erick Rostagnat began his career as an auditor at Price Waterhouse Coopers and then joined the Brossette Group as CFO. In 1992, he joined the OREFI group, occupying the functions of CFO.

In 2001, Mr. Erick Rostagnat joined GL events Group, for serving as the Secretary General until 2007 and since then as the Managing Director for Corporate finance and administration

Mr. Erick Rostagnat holds a degree from ESLSCA business school and a degree in Chartered Accountancy.

Appointed for the first time by the combined general meeting of 20 June 2002, reappointed by the combined general meeting of 25 April 2014, for a term expiring at the end of the annual general meeting called in 2018 to approve the financial statements for the year ending 31 December 2017.

## SOPHIE SERVATY

**DIRECTOR**

*Belgian nationality. Born on 4 July 1972.*

Madame Sophie Servaty has acquired international experience spanning nearly 20 years, with notably Deloitte Reviseur d'Entreprise and Deloitte Corporate Finance.

Joining Sofina SA in July 2004, Ms. Sophie Servaty occupied the position of Senior Investment Manager. Ms. Sophie Servaty has a degree from the Catholic University of Leuven (Sales Engineer).

Appointed by the combined general meeting of 29 April 2016, for a term of four years expiring at the end of the annual general meeting called in 2020 to approve the financial statements for the year ending 31 December 2019.

## SOFINA (SA)

**DIRECTOR**

*represented by Richard Goblet d'Alviella. Belgian nationality. Born on 6 July 1948.*

Mr. Richard Goblet d'Alviella exercised the functions Managing Director and Executive Chairman of Sofina SA from 1989 to May 2014. Since May 2014, he has served as the Honorary Chairman of Sofina SA. He is also a Managing director of Union Financière Boël SA. He also has served as a director of Danone (2015), a member of the Eurazeo Supervisory Board (2016), a director and advisor of GDF Suez (France) and a Director and member of the Audit Committee and the Nominating and Remuneration Committee of Caledonia (UK).

Mr. Richard Goblet d'Alviella is a graduate of the Free University of Brussels and has an MBA from Harvard Business School.

Appointed by the ordinary general meeting of 29 April 2016, for a term of four years or at the end of the annual general meeting called in 2020 to approve the financial statements for the year ending 31 December 2019. Audit Committee member.

## NICOLAS DE TAVERNOST

**DIRECTOR**

*French nationality. Born on 22 August 1950.*

From 1974 to 1981 Mr. Nicolas de Tavernost occupied various functions at the French Ministry of Foreign Trade and then the Ministry for the French administration of postal services and telecommunications (PTT).

In 1981, he joined the Directorate-General for Telecommunications.

Then in 1986, he became head of the audio-visual activities of Lyonnaise des Eaux, where he notably spearheaded the project for the creation of a 6th French hertzian television channel.

In 1987, M6 (Métropole Télévision) was created and he was appointed Deputy Chief Executive Officer. Since May 2000 he has served as the Chairman of the Executive Board. Nicolas de Tavernost is a graduate of Sciences Po Bordeaux and has a postgraduate degree (DES) in public law.

Appointed by the Combined General Meeting of 16 May 2008, reappointed by the Combined General Meeting of 25 April 2014, for a term expiring at the end of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. Independent Director.

## CAROLINE WEBER

**DIRECTOR**

*French nationality. Born on 14 December 1960.*

Ms. Caroline Weber has exercised financial functions and / or management successively at IBM France, Groupe GMF Assistance International, Chaîne et Trame, Cars Philibert. Since January 2007, she has served as General Manager of Middlednext (the French association for listed mid caps). She is also a founding member of APIA. Finally, she is a professor of strategy and governance in several major schools and universities.

Ms. Caroline Weber is a graduate of the HEC business school and has an advanced degree (DEA) in Political Studies from Paris IX Dauphine, as well as a bachelor's degree in English (Paris VII).

Appointed by the combined general meeting of 29 April 2011, reappointed by the combined general meeting of 25 April 2014 for a term expiring at the end of the annual general meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. Independent Director. Audit Committee member. CSR Committee Member.

**AUDITORS****STATUTORY AUDITORS**

Cabinet MAZARS,  
Cabinet MAZA-SIMOENS

**ALTERNATE AUDITORS**

Olivier Bietrix,  
Raphael Vaison  
de Fontaube



## **BOARD PRACTICES**

### **WORK OF THE BOARD OF DIRECTORS:**

Refer to the [Chairman's report](#) on the conditions for the preparation and organisation of the work of the Board of Directors of the Board of Directors on [page 96](#).

### **EXECUTIVE COMMITTEE**

Olivier Ginon .....	Chairman
Olivier Roux .....	Vice Chairman
Olivier Ferraton.....	Deputy Managing Director
Jean-Eudes Rabut .....	Managing Director, Venues Division
Philippe Pasquet.....	Managing Director, Exhibitions Division
Erick Rostagnat .....	Managing Director, Corporate Finance and Administration
Frédéric Regert.....	Managing Director, Live Division
Sylvie Fouillouse.....	Chief Human Resources Officer
Gaultier de la Rochebrochard.....	Group General Counsel
Stéphane Hue .....	Chief Business Development Officer
Bruno Lartigue .....	Chief Public Affairs Officer

The Executive Committee sets Group strategies with respect to both overall Group operations and business lines. It also examines potential acquisitions so as to make recommendations to the Board of Directors and implements the company's business development strategy and internal control policy.

### **BUSINESS UNIT COMMITTEES**

The Business Unit Committees are comprised of the heads of each business unit and oversee the finances and operations of each of the companies under their purview. They also seek to optimise commercial synergies among Group business lines.

### **INVESTMENT COMMITTEE**

The investment committee reviews and decides whether to approve any investments that are either above certain set amounts or not included in initial budgets.

### **AUDIT COMMITTEE**

Refer to the Chairman's report on the work of the Board of Directors on [page 100](#).

### **NOMINATING AND REMUNERATION COMMITTEE**

Refer to the Chairman's report on the work of the Board of Directors on [page 101](#).

## OFFICER COMPENSATION AND BENEFITS

This compensation has been reviewed by the compensation committee.

### A - INDIVIDUAL COMPENSATION OF CORPORATE OFFICERS

In euros	2016			2015		
	Amounts owed	Amounts paid	Performance shared measurement	Amounts owed	Amounts paid	Performance shared measurement
<b>Olivier Ginon – Chairman</b>						
Fixed compensation <sup>(1)</sup>	331,680	331,680		331,680	331,680	
Variable compensation						
Special compensation						
Attendance fees	15,000	15,000		15,000	15,000	
Benefits in-kind <sup>(2)</sup>	7,176	7,176		7,176	7,176	
Performance shares						
<b>Total</b>	<b>353,856</b>	<b>353,856</b>	<b>0</b>	<b>353,856</b>	<b>353,856</b>	<b>0</b>
<b>Olivier Roux – Vice Chairman</b>						
Fixed compensation <sup>(1)</sup>	301,560	301,560		301,560	301,560	
Variable compensation						
Special compensation						
Attendance fees	15,000	15,000		15,000	15,000	
Benefits in-kind <sup>(2)</sup>	9,384	9,384		9,384	9,384	
Performance shares						
<b>Total</b>	<b>325,944</b>	<b>325,944</b>	<b>0</b>	<b>325,944</b>	<b>325,944</b>	<b>0</b>
<b>Olivier Ferraton – Deputy Managing Director</b>						
Fixed compensation	277,840	277,840		257,070	257,070	
Variable compensation	121,000	64,600		90,000	90,000	
Special compensation						
Attendance fees						
Benefits in-kind <sup>(3)</sup>	29,516	29,516		29,516	29,516	
Performance shares <sup>(4)</sup>			161,061			320,160
<b>Total</b>	<b>428,356</b>	<b>371,956</b>	<b>161,061</b>	<b>376,586</b>	<b>376,586</b>	<b>320,160</b>

<sup>(1)</sup> Remuneration paid by Polygone SA, the holding company of GL events whose share capital is presented in Section 6 - Information on the share capital (page 168). This remuneration is included under General Management services disclosed in Note 9 of the consolidated financial statements (page 139) and in the Statutory Auditors' special report (page 157).

<sup>(2)</sup> Fringe benefits in the form of a company car.

<sup>(3)</sup> Fringe benefits in the form of a company car and housing.

<sup>(4)</sup> Olivier Ferraton was granted 10,010 performance shares for fiscal 2016 and 20,010 performance shares for fiscal 2015

**B. ATTENDANCE FEES PAID TO MEMBERS OF THE BOARD OF DIRECTORS**

The annual general meeting of 30 April 2015 decided to allocate a maximum amount for directors' fees of €261,000 until a decision to the contrary, granted in part according to criteria of attendance.

In euros	2016	2015
Olivier GINON	15,000	15,000
Olivier ROUX	15,000	15,000
Yves Claude ABESCAT	18,000	18,000
AQUASOURÇA	15,000	15,000
Ming-Po CAI	15,000	15,000
Nicolas DE TAVERNOST	15,000	15,000
Anne-Sophie GINON	15,000	15,000
Richard GOBLET D'ALVIELLA	3,000	15,000
Gilles GOUEDARD-COMTE	15,000	15,000
Anne-Céline LESCOPI	15,000	15,000
Philippe MARCEL	15,000	15,000
Marc MICHOUILLIER	15,000	15,000
Erick ROSTAGNAT	15,000	15,000
Sophie SERVATY	15,000	15,000
Caroline WEBER	15,000	15,000
Fanny PICARD	15,000	9,000
SOFINA	12,000	
André PERRIER		15,000

Executive officers receive no other conditional or deferred compensation or related benefits. In addition, they do not receive any specific supplementary retirement benefits.

**C. STOCK OPTIONS OR STOCK PURCHASE OPTIONS GRANTED TO EACH EXECUTIVE OFFICER IN THE PERIOD**

	Plan 13	Plan 14
<i>Number of shares available for subscription</i>		
Olivier FERRATON	15,000	15,000
<i>Remaining number of shares available for subscription</i>		
Olivier FERRATON	15,000	15,000

**D. STOCK OPTIONS OR STOCK PURCHASE OPTIONS EXERCISED BY EACH EXECUTIVE OFFICER IN THE PERIOD**

None.

**E. PERFORMANCE SHARES GRANTED TO EACH EXECUTIVE OFFICER**

	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19	Plan 20
<i>Number of shares available for subscription</i>													
Olivier FERRATON	12,500	10	40,000	10	--	20,000	10	--	10	--	10	--	10,000
<i>Number of shares fully vested</i>													
Olivier FERRATON	12,500	10	--	10	--	--	--	--	--	--	--	--	--

**F. PERFORMANCE SHARES BECOMING AVAILABLE FOR EACH EXECUTIVE OFFICER IN THE PERIOD**

Executive officers	Plan 8	Plan 11
Olivier Ferraton	12,500	10
Erick Rostagnat	8,000	10

**G. COMPENSATION AND BENEFITS FOR EXECUTIVE OFFICERS**

Executive officers statutory	Employment contract		Supplemental retirement plan		Compensation or benefits owed or potentially due on termination or a change in function		Compensation payable under non-compete clauses	
	Yes	No	Yes	No	Yes	No	Yes	No
Olivier Ginon – Chairman Beginning of term: 2016 End of term: 2020		X		X		X		X
Olivier Roux – Vice Chairman Beginning of term: 2016 End of term: 2020		X		X		X		X
Olivier Ferraton – Deputy Managing Director		X		X		X		X

**COMPENSATION OF OTHER OFFICERS**

This compensation has been reviewed by the compensation committee.

**A. COMPENSATION**

In Euros	2016					2015				
	Total	Fixed	Variable	Benefits in kind	Performance share	Total	Fixed	Variable	Benefits in kind	Performance share
Erick ROSTAGNAT	<b>291,044</b>	208,969	80,000	1,914	161	<b>491,804</b>	209,091	80,000	2,553	200,160

Variable compensation is linked to achievement of individual objectives.

Erick Rostagnat was granted 10,000 restricted share units for fiscal 2016 and 12,510 performance shares for fiscal 2015.

**B. STOCK OPTIONS GRANTED TO OFFICERS AND OPTIONS EXERCISED**

Information on stock option plans in force concerning corporate officers:

	Plan 13	Plan 14
<i>Number of shares available for subscription</i>		
Erick ROSTAGNAT	5,000	8,000
<i>Remaining number of shares available for subscription</i>		
Erick ROSTAGNAT	5,000	8,000

### C. RESTRICTED STOCK UNITS ABLE TO BE GRANTED

Information on bonus share plans in force concerning corporate officers:

	Plan 8	Plan 9	Plan 10	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19	Plan 20
<i>Number of shares available for subscription</i>													
ERICK ROSTAGNAT	8,000	10	12,500	10	--	12,500	10	--	10	--	10	--	--
<i>Number of shares fully vested</i>													
ERICK ROSTAGNAT	8,000	10	--	10	--	--	--	--	--	--	--	--	--

## NATURE AND SCOPE OF RELATED-PARTY AGREEMENTS CONCLUDED BETWEEN GL EVENTS, OFFICERS AND SHAREHOLDERS HOLDING MORE THAN 10% OF THE VOTING RIGHTS

Directors that are natural persons exercising management functions in the Group receive benefits and services for the performance of their functions (company cars and reimbursement of travel expenses).

Société Lyonnaise de Banque, a CM CIC Capital Investissements shareholder, provides services in connection with its ordinary banking operations.

Polygone SA invoiced fees of €3 million according to the terms of the management agreement between the two companies. The services of Executive Management provided by Polygone managers to GL events SA consist of:

- The provision of services of "Executive Management and Strategy" for the Benefit of GL events SA (as the holding company),
- The provision of assistance and technical consulting services for the benefit of the Group's operating subsidiaries,
- The provision of "Technical" services.

Agreements have been concluded between GL events and Group subsidiaries for the provision of management services and IT assistance. The terms and amounts invoiced under these agreements with companies having a common management are described in the auditors' special report on related party transactions.

## LOANS AND GUARANTEES GRANTED IN FAVOUR OF DIRECTORS AND OFFICERS

No loan or guarantee has been granted to the benefit of directors and officers.

## EMPLOYEE PROFIT-SHARING PLANS

### Agreements for voluntary and statutory profit-sharing schemes

A Group profit-sharing agreement was concluded in 2007 to enable employees to benefit from the development and performances of the Group. This agreement was signed by all French subsidiaries of the Group.

### Information on options granted to the top ten employee beneficiaries of GL events and the Group that are not corporate officers and exercised by the latter

The subscription of stock options is subject to the conditions set forth in [Section 6 page 165](#).

### Information on restricted stock awards able to be granted to top 10 employee beneficiaries of GL events that are not corporate officers and definitively granted

Restricted stock grants (bonus shares) are subject to the conditions set forth in [Section 6 page 166](#).

# PROFESSIONAL ADDRESSES – OFFICES AND DIRECTORSHIPS HELD BY GL EVENTS OFFICERS AND DIRECTORS OUTSIDE THE GROUP

Olivier Ginon and Olivier Roux manage GL events through Polygone, GL events' holding company.

## OLIVIER GINON

59 Quai Rambaud – 69002 Lyon (France)

**Current offices and directorships:** Chairman and Chief Executive Officer of Polygone SA (GL events holding company); Chairman of Foncière Polygone, Foncière du Pré and Le Grand Rey, Director of CIC Lyonnaise de Banque.

**Appointments expired and exercised within the last five years:** Director of Tocqueville Finances and Olympique Lyonnais; Managing Partner of SCI Montriant.

## OLIVIER ROUX

59 Quai Rambaud – 69002 Lyon (France)

**Current offices and directorships:** Director and Deputy Chief Executive Officer of Polygone SA; and CM-CIC Market Solutions. Managing Partner of SCI Jomain Madeleine, SCI Beaugard, SCI SIAM and SC 3<sup>ème</sup> étage.

**Appointments expired and exercised within the last five years:** Director of Prisme 3 SA and CM-CIC Market Solutions.

## OLIVIER FERRATON

59 Quai Rambaud – 69002 Lyon (France)

**CURRENT OFFICES AND DIRECTORSHIPS:** None.

**Appointments expired and exercised within the last five years:** None.

## ANNE-SOPHIE GINON

59 Quai Rambaud – 69002 Lyon (France)

**Current offices and directorships:** Director of Polygone SA, Chief Executive of Foncière Polygone SAS, Foncière du Pré.

**Appointments expired and exercised within the last five years:** None.

## RICHARD GOBLET D'ALVIELLA

62, Wispilenstrasse – 3780 Gstaad (Switzerland)

**Current offices and directorships:** Director of Polygone (France) ; Managing director of Union Financière Boël SA; Managing Director of Société de Participations Industrielles SA (Belgium); Director of Henex (Belgium).

**Appointments expired and exercised within the last five years:** Director, Audit Committee member and Nominating and Remuneration Committee member of Eurazeo (France), Director, Audit Committee member and Nominating and Remuneration Committee member of Danone (France), Executive Chairman of Sofina SA (Belgium); Director and advisor of GDF Suez (France); Director, Audit Committee member and Nominating and Remuneration Committee member of Caledonia (UK).

## ANNE-CELINE LESCOF

59 Quai Rambaud – 69002 Lyon (France)

**CURRENT OFFICES AND DIRECTORSHIPS:** Director of Polygone SA. Appointments expired and exercised within the last five years: None.

## ERICK ROSTAGNAT

59 Quai Rambaud – 69002 Lyon (France)

**Current offices and directorships:** Director of Polygone SA, Managing Director of Foncière Polygone SAS, Director, TLM; Director of Petit Monde SA; Managing Partner of SCI de la Pyramide.

**Appointments expired and exercised within the last five years:** Director of Contrecollages Techniques and Bonding Lamination Consulting; Co-Manager of Partage.

## SOPHIE SERVATY

89 Avenue Mostinck - 1050 Brussels (Belgium)

**Current offices and directorships:** Director of the Irish joint venture Touax Rail India Ltd, the Indian joint venture Touax Texmaco Railcars Ltd

**Appointments expired and exercised within the last five years:** Director of Vives Louvain Technology Fund: Member of the Supervisory Board of the listed French company, Touax, consultancy engagement for the Belgian venture-capital fund, capital Capital-E I, mandate with the Belgian fund, Vives I.



## INDEPENDENT DIRECTORS

### YVES-CLAUDE ABESCAT

29-5E Largo Bordalo Pinheiro – 5E Lisbon (Portugal)

**Current offices and directorships:** Director of the Stade Français Paris, Polygone SA. Director and Vice-Chairman of the Board of Directors of FCO International (Belgium).

**Appointments expired and exercised within the last five years:** Director-CEO of Salvepar; Director of Oberthur Technologies, François Charles Oberthur Fiduciaire (Belgium), AXUS SA (Belgium).

### FANNY PICARD

9, rue Sébastien Bottin, 75007 Paris

**Current offices and directorships:** Chair of Alter Equity SAS, the asset management company of FPCI Alter Equity3P; Member of the Board of Directors of Salvepar; Member of the Ethics Committee of Medef, Member of the Committee of Experts of the Institute for Responsible Capitalism; Member of the Steering Committee of the BNP Paribas Social Business Impact France fund; Member of the Steering Committee of the foundations Siel Bleu and Mozaïk RH; Member of the Strategy Committee of ECO GTB and Bo.Ho Green.

**Appointments expired and exercised within the last five years:** Supervisory Board member of SAS TK Blue.

### MING-PO CAI

45 avenue George V - 75008 Paris

**Current offices and directorships:** Permanent Representative of the Board of Directors of Cathay Capital Private Equity on the Boards of Directors of the following companies: Lovable International; EBao Corporation; Poten Environment; ZM Logistics; ZBOM; International Rural Retail; Eurojoy Limited; Eurologis Limited; Future Wave Limited; International Bioinsecticide Holding. Ltd Sofitek Limited; Kunshan Gaoyi Consulting Management Co. Ltd; Xinjiang Gaolee Equity Investment Management Co. Ltd.

**Appointments expired and exercised within the last five years:** Permanent Representative of the Board of Directors of Cathay Capital Private Equity on the Boards of Directors of the following companies: Patrick Choay SA (France); Beijing La Maison de Domitille Home Co.Ltd; Miro Holding France SAS; Joes Fremaux; Shandong Sinder Technology Co; Suofeiya Co. Ltd.(foreign company), CAH Co. Ltd..

### NICOLAS DE TAVERNOST

M6 – 89 avenue Charlesde Gaulle– 92575 Neuilly-sur-Seine

**Current offices and directorships:** Chairman of the Management Board of M6. Permanent representative of: a. Métropole Télévision as Chair of : M6 Publicité SAS, Immobilière M6 SAS, M6 Bordeaux SAS, M6 Interactions SAS, M6 Web SAS, M6 Foot SAS, TCM DA SAS et Mandarin Cinéma;

b. M6 Publicité as Director of Home Shopping Service SA, M6 Diffusion SA, M6 Evénements SA and de M6 Editions SA; c. Métropole Télévision as Director of SASP Football Club des Girondins de Bordeaux, Société Nouvelle de Distribution SA,

c. Productions SA and Extension TV SAS; d. Métropole Télévision as Managing Partner of SCL du 107, av. Charles de Gaulle; e. C. Productions SA as Director of M6 Films SA; Member of the Football Club des Girondins de Bordeaux Association; Supervisory Board member of Ediradio SA (RTL/ RTL2/FUN RADIO) (France); Representative of RTL Group on the Supervisory Board and Vice Chair of the Remunerations Committee of Antena 3, renamed Atresmedia in 2013, a listed company (Spain); Director, Chairman of the Remunerations Committee and member of the Strategy Committee of Natixis. Voluntary Director of the Raise endowment fund, Polygone SA.

**Appointments expired and exercised within the last five years:** Director of Société Nouvelle de Distribution SA, Extension TV SAS and TF6 Gestion SA Permanent representative of: - a. Métropole Télévision as Chairman of M6 Numérique SAS and M6 Toulouse SAS - b. Métropole Télévision as Director of Paris Première SAS and MisterGooddeal SA - c. M6 Publicité as Chair of M6 Créations - d. Home Shopping Services as Chairman of Télévente Promotion SA and MisterGooddeal SA. Métropole Télévision as member of the Shareholders Committee of Multi4 SAS (ended in 2013); Chairman of the Corporate Foundation of Groupe M6 (ended in 2016); Chairman of M6 Publicité, M6 Web and M6 Interactions (ended in 2012); Director of Nexans SA (ended in 2012)

**SOPHIE DEFFOREY, PR of AQUASOURÇA (Luxembourg)**

11 Boulevard Prince Henri – L 1724 Luxembourg

**Current offices and directorships:** Chair of the Supervisory Board of Aquasourça (Luxembourg); Managing Director of Aquasourça (France); Managing Director of SCS (France); Managing Partner of Immoinvest (France); Managing Partner of Oneainvest (France); Managing Partner of Euroinvest (France); Managing Partner of SCI Crillum (France); Managing Partner of SCI Lubeceri (France); Managing Partner of SCI Maladium (France); Managing Partner of SCI Parc Centrium (France); Managing Partner of Groléum (France); Managing Partner of SOCIPCD (Belgium); Managing Partner of SC Libellule (France); Managing Partner of SCI Gervais (France); Managing Partner of SCI Le Pavillon (France); Managing Partner of SCI Killjo Premium (France); Managing Partner of SCI Cavailum (France); Managing Partner of SC Le Premium (France) (France); Permanent representative of Aquasourca (France) – Director of Chapoutier (France); Permanent representative of Aquasourca (France) – Director of Polygone; Director of FMP SA (France); Director of HSD Ainvest (Belgium); Permanent representative, Euroinvest –Supervisory Board member, JL Bourg Basket (France).

**Appointments expired and exercised within the last five years:** Director of Finel and Genesis Holding; Supervisory Board member of Emin Leydier. Director of Lafayette Développement (Tunisia).

**GILLES GOUEDARD COMTE**

2 Place Gensoul – 69002 Lyon (France)

**CURRENT OFFICES AND DIRECTORSHIPS:** Managing Partner of La Compagnie du Planay and La Compagnie du Prioux; Managing Partner of Kerguelen Productions; Managing Partner, SARL COLFIC; Managing Partner, SCI SIXVILLE, Managing Partner, SCI LES MULLINS, Managing Partner, SCI 5 Rue des Pierres Plantées.

**Appointments expired and exercised within the last five years:** Chairman of Prisme 3; Director of Ceris; Managing Partner of Docks Art Fair; Chief Executive of Foncière Polygone. Liquidator of SCI DU 26 Montée du Gourguillon.

**PHILIPPE MARCEL**

37, rue Denfert Rochereau - 69005 Lyon (France)

**Current offices and directorships:** Chairman of: PBM, SIPEMI, MG Fil Conseil, I.D.AL Animation des ventes; Director of: APRIL, Aldes, Euro engineering, U1<sup>st</sup> Sports (Spanish company).

**Appointments expired and exercised within the last five years:** Director of Mérieux Nutri Sciences; Chair of the Board of Directors of Novalto.

**MARC MICHOUlier**

13 Avenue Béranger in Ecully

**CURRENT OFFICES AND DIRECTORSHIPS:** Director of Polygone SA, Director representing Marsh SAS of SAPG Guian, 76 le Havre, Executive Board Member and Deputy Managing Director of Marsh France.

**Appointments expired and exercised within the last five years:**None

**CAROLINE WEBER**

187 rue du Temple 75003 Paris (France)

**Current offices and directorships:** General Manager of Middlednext, Chair of leDotank, Director of Toupargel Groupe, Herige, the CMA-CGM corporate foundation, EuropeanIssuers, Lyon Pole Bourse, Member of the Supervisory Board of Toupargel SAS, Vice Chair of the Observatoire des PME-ETI Cotées en Bourse, Member of the Steering Committee of Proxinvest, Member of the Haut Conseil du Commissariat aux Comptes (H3C). Manager of Suka

**Appointments expired and exercised within the last five years:** Director of Société des Lecteurs du Monde, CIDFF du Rhône (Centre d'Information des Femmes et des Familles).

The Board of Directors of GL events is comprised of sixteen members, nine of which are considered independent within the meaning of article R8 of the MiddleNext corporate governance code. The number of independent directors serving on the Board is consistent with the recommendations of the MiddleNext code of corporate governance (article R8).

The definition of independent director can be consulted in the charter of the Board of Directors at our website ([www.gl-events.com](http://www.gl-events.com)).

# STATUS OF CORPORATE OFFICERS

To the best of the Company's knowledge, no officers of GL events have been convicted of fraud in the last five years.

In addition none of these persons have been involved as a corporate officer in a bankruptcy, receivership or liquidation proceeding or been convicted of an offence and/or official sanction by a statutory or regulatory authority.

No officers have been legally disqualified from serving as members of a Board of Directors, the executive management of a company or a Supervisory Board or from participating in the management of the operations of an issuer in the last five years.

Finally, to the best of the Company's knowledge, these officers have no personal interest that could generate conflicts of interest with the company.

# MATERIAL CONTRACTS

In the last three financial periods and on the publication date of this registration document, the Group had not concluded any material contracts other than those concluded in connection with the normal conduct of its business, granting a material obligation or commitment for the entire Group. Details of off-balance sheet commitments are presented in note 8 of the consolidated balance sheets on [page 138](#).

# SPECIAL REPORT ON THE ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS IN INTERNAL CONTROL PROCEDURES

(ARTICLE L. 225-37 OF THE FRENCH COMMERCIAL CODE)

*This is a free translation into English of the original report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, professional guidelines applicable in France.*

## To the shareholders

In accordance with the provisions of article L.225-37 of the French commercial code we hereby present you with the following report on:

- the particular procedures relating to the participation of shareholders in the General Meeting ;
- the composition of the Board of Directors and the preparation and organisation of their work;
- internal control and risk management procedures adopted by the company;
- principles and rules established by the Board of Directors to determine compensation and benefits of any nature granted to corporate officers

It is indicated, as necessary, that the disclosures provided for by article L.225-100-3 of the French commercial code (concerning information with potential impacts in the event of public offerings) are included in the management report for the period ended 31 December 2016.

For the purposes of preparing and drafting this report, the Company has referred to the following documents:

- i) the AMF reference framework for risk management and internal control systems of 22 July 2010;

- ii) The AMF guide to preparing registration documents of 10 December 2009 and updated on 13 December 2015;
- iii) the revised version of the Middlednext Corporate Governance Code of September 2016;
- iv) The AMF Annual Reports on corporate governance and executive compensation, the last version of which was published on 17 November 2016, as well as the AMF recommendation<sup>o</sup>2012-02 of 9 February 2012, and updated on 22 December 2015;
- v) the final AMF working group report on audit committees published on 22 July 2010.

The scope of internal control covers GL events (parent company) and the subsidiaries included in IFRS consolidation scope of the group (together the "Group").

The preparation of this report was based on the contributions of several departments including in particular the Finance Department, the Legal Department and Internal Audit of the Group. A summary of this work was presented to the Company's audit committee on 2 March 2017. This report was then approved by the Board of Directors on 3 March 2017

## I. DESCRIPTION OF THE PARTICULAR PROCEDURES FOR THE PARTICIPATION OF SHAREHOLDERS IN GENERAL MEETINGS

All shareholders' meetings of the Company are called, held and conduct proceedings according to the procedures provided for by law. Meetings may be held either at the registered office or any other venue specified in the meeting notice.

The provisions of the Company's articles of association relating to general meetings and the exercise of voting rights are provided for in articles 14, 22, 23, 24, and 25 of the Company's articles.

Article 25 of the Company's articles of association provides for a double voting right attaching to all fully paid up shares held in registered form for at least the last three years in the name of the same shareholder.

## II. THE CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS AND ITS SPECIAL COMMITTEES

### 1. BOARD OF DIRECTORS

#### A. INTERNAL RULES OF PROCEDURE

The Board's internal operating procedures are governed by internal rules of procedures (or board charter). The Board of Directors adopted a new charter on 3 March 2017 in order to comply with the recommendations of the revised edition of the Middelnext Corporate Governance of September 2016.

This Board charter may be consulted at the GL events' website ([www.gl-events.com](http://www.gl-events.com)).

This report presents the main characteristics of these internal rules of procedure.

#### B. COMPOSITION OF BOARD OF DIRECTORS

Board members are appointed for four-year terms expiring at the end of the ordinary general meeting of the shareholders called to approve the financial statements for the period ended and held in the year in which the term of office expires. On this date, the Board of Directors had sixteen members appointed for four-year terms.

In general, a member of the Board of Directors is considered independent when he or she has no relationship of any kind whatsoever with the Company, its Group or the management of either that could affect his or her freedom of judgement.

Information is provided in section IV - on corporate governance ([page 82](#)), including the names, the age at 31 December 2016 of the members, whether or not they are independent directors or members of the Audit Committee, the expiration date of their terms of office within the Company as well as any other functions and offices exercised in other companies, whether listed or not.

For members of the Board of Directors to be considered independent within the meaning of article 1 of the Board of Directors' charter, they must meet the following criteria:

- they must not have been in the course of the previous five years an employee or executive officer of the company or a company in its group;
- they must not have had any material business relationship with the company or its group in the course of the previous two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- they must not be a reference shareholder of the company or hold a significant percentage of voting rights (defined as more than 5%);
- they must not have a close relationship or close family ties with a corporate officer or a reference shareholder;
- they must not have been an auditor of the company in the course of the previous six years.

In compliance with provisions of article 16 of the Company's articles of association, it is specified that each member of the Board of Directors must own at least one share. The number of shares held by each Board member is disclosed in section 6 in the paragraph providing a "breakdown of share capital and voting rights" ([page 168](#)).

The Board of Directors attaches considerable importance to the experience and knowledge its members may acquire over the years about the Group's operations and business. This experience must enable the Board members to exercise their mission of supervision with the utmost vigilance.

For 2016, there were no members of the Board of Directors representing employee shareholders and no member representing the employees on the Board. All measures are taken so that the board of directors includes independent members in order to assure the shareholders and the market that it performs its missions with the necessary independence and objectivity and in order to prevent in this manner the risks of conflicts of interest with the Company and its management. As a controlled company within the meaning of article L.233-3-1 of the French commercial code, and in accordance with the recommendations of the Middelnext Corporate Governance Code, at least one third of the members of the must be independent directors. This recommendation is respected by the Company since the percentage of independent members was 58.82% from 1 January 2016 to 29 April 2016 and 56.25% from 29 April to 31 December 2016.

**CHAIRMAN'S REPORT ON THE WORK OF THE BOARD OF DIRECTORS  
AND PROCEDURES OF INTERNAL CONTROL AND RISK MANAGEMENT**

A review of the composition of the Board of Directors on 31 December 2016 established that:

- Seven Board members may not be considered as independent notably for the following reasons:
  - two of them were employees of Polygone SA, the Company's majority shareholder;
  - one was an employee of the Company,
  - two have family ties with the senior executives of the Company,
  - one was a shareholder of the company holding more than 10% of the share capital,
  - one was an employee of the Company holding 13.09% of the share capital of GL events

- Fanny Picard, Sophie DEFFOREY (permanent representative of Aquasourça), Caroline Weber, Yves-Claude Abescat, Monsieur Ming-Po Cai, Nicolas de Tavernost, Gilles Guedard-Comte, Philippe Marcel and Marc Michoulier may be considered as independent members within the meaning of the Middledex Corporate Governance Code.

In addition, the Company pays particular attention to the goal of achieving a balanced representation of men and women on the Board of Directors. On 31 December 2016, the legal quotas were respected with women accounting for more than 20% of Board membership (six out of 16 members).

**C. RULES OF TRANSPARENCY**

Each Board member is required to maintain in registered form or deposit with a bank the shares of the company he or she holds, or those belonging to his or her spouse or minor children.

Members of the Board of Directors are regularly informed of provisions established by article L.621-18-2 of the French monetary and financial code and articles directly concerning them of the AMF General Regulation.

On this basis, Board members are required to declare directly to the AMF any transaction, disposal, subscription or exchange of equity securities of the Company as well as transactions carried out involving financial instruments relating thereto, within three trading days following the execution of this transaction. In addition to the Board members themselves, these provisions apply to all natural persons or legal entities with which they are related as defined by applicable regulations.

Board members must duly note the blackout periods when trading in the Company's securities is prohibited (refer to the management report for the period ended 31 December 2016) as well as their general obligations with regard to the market established by regulations in force.

Each Board member undertakes to inform the Chairman of the Board of Directors, as soon as they become aware of any events or information which might place them in a position of a conflict of interest with the Company or its subsidiaries.

In the case of a conflict of interest, the member in question may not attend, participate or vote in the Board of Directors' meeting dealing with the decision to be made.

The Board charter (article 4.2) provides that :

"In a situation giving the appearance or which might give the appearance of a conflict of interest between the corporate interest and the personal or indirect interest of the shareholder or a group of shareholders he or she represents, the director must:

- inform the Board of Directors as soon as he or she learns of this,
- draw all resulting conclusions regarding the exercise of his or her office. And on this basis, according to the case he or she must :
  - either refrain from participating in the vote of the corresponding deliberations
  - or not attend the meeting of the board of directors as long as the conflict of interest lasts,
  - or, as an extreme measure, resign from his or her functions as director."

**D. MISSION OF THE BOARD OF DIRECTORS**

The Board of Directors exercises the missions conferred upon it by the law. In this respect, it shall determine the business strategy of the Company and ensure its implementation. It also authorizes regulated agreements that are presented to the ordinary general meeting in its management report on the financial statements for the period, and may decide on transferring the registered office within the same department or in an adjacent department (subject to ratification of the decision by the next ordinary general meeting)

In this framework, the Board discussed the major events of 2016 including acquisitions, marketing, markets and strategies of the Group, financial policy, organisation and internal control.

The Board of Directors carries out the inspections and verifications it deems necessary. Each Director receives all information necessary for the performance of his or her mission.

The calendar of the meetings of the Board of Directors and the main items of business on the agenda are listed in a table enclosed in appendix 3 of this report.



**CHAIRMAN'S REPORT ON THE WORK OF THE BOARD OF DIRECTORS  
AND PROCEDURES OF INTERNAL CONTROL AND RISK MANAGEMENT****E. FREQUENCY OF MEETINGS**

Board meetings are held as often as the interests of the Company require.

During the period ended, your Board of Directors met five times which enabled it to carry out an in-depth examination of the issues within its purview. The average rate of attendance for Board members in 2016 was 93.90%.

The following table provides a breakdown of attendance rates for Board members in 2016:

Meeting date	Rate of attendance
04/03/2016	88.24 %
29/04/2016	93.75 %
06/07/2016	100 %
06/09/2016	93.75 %
09/12/2016	93.75 %

The Board of Directors periodically considers the pertinence of its organization and operations in relation to its duties. In this framework, the Board of Directors' agenda provides for an assessment of its work at least once a year. Using a questionnaire, all Board members are individually consulted for their assessment and suggestions to improve the Board's effectiveness.

In 2016, the Directors approved the Board's operating procedures.

**F. BOARD MEETING NOTICES**

A calendar of the Board meetings is communicated sufficiently in advance in order to allow each member to organize their schedule accordingly.

**G. THE HOLDING OF MEETINGS**

Board meetings shall be held in the location set forth in the meeting notice. The Board meets in the location selected by the Chairman of the Board of Directors in order to permit the maximum number of its members to be present.

**H. REPRESENTATION OF MEMBERS OF THE BOARD OF DIRECTORS**

Board members may be represented at the Board of Directors' meetings by another Board member, it being specified that each member of the Board may hold only one proxy for a single meeting.

This proxy must be given in writing. In 2016, no members of the Board of Directors made use of this option.

**I. CHAIRING BOARD OF DIRECTORS' MEETINGS**

The Board of Directors elects from among its members who are natural persons, a Chair who is notably responsible for presiding over the proceedings; Of the five

meetings of the Board of Directors held in 2016, these meetings were chaired by the Chairman-CEO.

**J. PARTICIPATION OF MEMBERS IN THE BOARD PROCEEDINGS**

To facilitate attendance of members at board of directors' meetings, videoconferencing or teleconferencing may be used in accordance with regulation, as well as article 17 of the Company's articles of association.

According to the provisions of law and the articles of association in force, participation through videoconferencing is excluded (not taken into account for calculating the

quorum and majority) for:

- appointing and removing the chairman of the board of directors,
- appointing and removing the chief executive officer,
- approving the annual and consolidated financial statements,
- establishing the management reports of the Company and the Group.

**K. DECISIONS RENDERED IN BOARD OF DIRECTORS' MEETINGS**

An effective quorum for validly conducting proceedings is reached when at least half of the Board of Directors' members are present. Decisions are adopted by the meeting by a majority vote of members present or

represented.

In the event of a tie, the chairman shall cast the deciding vote.

**L. MEETING MINUTES**

The minutes of the Board of Directors' meeting are drawn up at the end of each meeting and a draft is provided to the members when the next meeting is called and at which the minutes are approved. Without being unnecessarily detailed, the minutes contain, in addition to the information required by provisions in force, a summary of the

discussions and decisions made, briefly mentioning the questions raised and reservations formulated, and indicating the occurrence of any technical incident relating to the videoconferencing or telecommunications technology used when it has disrupted the conduct of the meeting.

**M. ACCESS TO INFORMATION BY MEMBERS OF THE BOARD OF DIRECTORS**

To ensure that each member of the Board of Directors are able to fulfil their duties and make informed decisions and participate effectively in the Board meetings, a complete file is sent to them before each meeting.

This file includes all documents necessary for an understanding of the items of business on the agenda.

All Board of Directors' members have an obligation to request useful information they consider necessary to fulfil their mission. To this purpose, they must request in a timely manner, from the Chairman of the Board of Directors, the information they require to conduct the proceedings in an informed manner on all subjects on the agenda, if they consider that they do not have sufficient information.

If a question cannot be properly examined during a

meeting, the decisions relating to this matter will be postponed until the next meeting.

Finally the Board Charter (article 4.5) provides that:

"To participate effectively in the work of the board, the company provides its members all useful documents in a timely manner. Requests for information are made to the chairman.

Each member of the board is authorized to meet with the main company managers on condition of informing the chairman in advance.

The board is regularly informed by the chairman of the financial situation, cash position, financial commitments and significant events of the company and group.

finally, any member of the board is entitled to receive training on the specific characteristics of the company and group, their business lines and sectors."

**N. AUTHORIZING REGULATED AGREEMENTS BY THE BOARD OF DIRECTORS**

During the period ended, the Board of Directors authorized new or amended regulated agreements. These agreements are reported to the Company's auditors and mentioned in their special report.

## 2. SPECIAL COMMITTEES

To date, and since 2008, the Company is equipped with an Audit Committee and a Nominating and Remuneration Committee.

### A. THE EXECUTIVE COMMITTEE

#### a. Composition of the Executive Committee

The members of this committee are :

<b>Olivier Ginon</b>	Olivier Roux – Vice Chairman
<b>Olivier Roux</b>	Vice-Chairman
<b>Olivier Ferraton</b>	Deputy Managing Director
<b>Jean-Eudes Rabut</b>	Managing Director, Venues Division
<b>Philippe Pasquet</b>	Managing Director, Exhibitions Division
<b>Erick Rostagnat</b>	Managing Director, Corporate Finance and Administration
<b>Frédéric Regert</b>	Managing Director, Live Division
<b>Sylvie Fouillouse</b>	Chief Human Resources Officer
<b>Gautier de la ROCHEBROCHARD</b>	Group General Counsel
<b>Stéphane HUE</b>	Chief Strategy and Business Development Officer
<b>Bruno LARTIGUE</b>	Chief Public Affairs Officer

#### b. The Executive Committee mission

The Executive Committee sets Group strategies with respect to both overall Group operations and business lines. It also examines investment projects (including potential acquisitions) in order to make recommendations to the Board of Directors and implements the company's business development strategy and internal control policy.

### B. AUDIT COMMITTEE

#### a. Composition of the Audit Committee

The Audit Committee does not include any executive officers and is composed of three members appointed for the length of their term as director.

<b>M. Yves-Claude ABESCAT</b>	(Committee Chair) - Independent Member
<b>M. Richard GOBLET d'ALVIELLA</b>	
<b>Mme Caroline WEBER</b>	Independent Member

The technical expertise (in finance and accounting) of the members of the Audit Committee is recognized.

#### b. Functioning of the Audit Committee

The Audit Committee fulfils the functions of a special committee, monitoring issues relating to the preparation and control of accounting and financial information in accordance with articles L.823-19 and L.823-20-4 of the French commercial code.

A charter, approved by the Board of Directors sets forth the Audit Committee's attributes and operating procedures. A report is drawn up for each meeting of the Audit Committee which is transmitted to the members of the Board of Directors.

In 2016, the Audit Committee met three times with an attendance rate of 100%.

#### c. Mission of the Audit Committee

The Audit Committee's mission is to consider in an independent manner Group risks, their management and reflection in financial information.

The Audit Committee exercises the functions provided for by article L. 823-19 of the French commercial code and its charter, approved by the Board of Directors. On this basis, it notably assists the Board of Directors in the following areas:

- The process of preparing financial information;
- A critical examination of the annual financial statements and periodic information;
- Monitoring the appropriateness of internal control procedures in light of the perception of risks and effectiveness of the audit, both internal and external, and in general, ensuring in these areas compliance with regulations and the laws, and constituting essential factors in the Group's reputation and valuation;
- The independence of the statutory auditors;
- Since 17 June 2016, approval of services provided by the Statutory Auditors other than those relating to the certification of accounts.

In the period, the Audit Committee had an opportunity to meet with the Statutory Auditors (including outside the presence of the executive officers) and the Internal Audit Manager.

The work of the Audit Committee was in compliance with the objectives defined for it in the period.

## **C. NOMINATING AND REMUNERATION COMMITTEE**

### **a. Composition of the Nominating and Remuneration Committee**

The Nominating and Remuneration Committee does not include any executive officers and is composed of three members appointed for the length of their term as director.

- Philippe Marcel (Committee Chair) Independent Member
- Yves Claude Abescat - Independent Member;
- Sophie Defforey representing Aquasourca - independent member.

### **b. Functioning of the Nominating and Remuneration Committee**

A report is drawn up for each meeting of the Nominating and Remuneration Committee which is transmitted to the members of the Board of Directors.

In 2016, the Nominating and Remuneration Committee met once with an attendance rate of 100%.

### **c. Mission of the Nominating and Remuneration Committee**

At the beginning of the year, the Nominating and Remuneration Committee determines the remuneration of Group managers for the year in progress and ensures the exhaustive nature, coherence and balance among the different components of this remuneration. This work takes into account the relevant comparisons with other companies in relation to the size and business of the Company and makes it possible to set a remuneration that is consistent with the Company's general interest.

In addition, the Nominating and Remuneration Committee is tasked with examining proposals for stock option and restricted share unit awards.

Furthermore, the Nominating and Remuneration Committee is informed of the arrival and departure of key managers. It is also consulted on the appointment of auditors in addition to the appointment and renewal of the terms of directors and officers. It also addresses the issue of the succession plan for executive officers in coordination with the Human Resources Department.

## **D. CSR COMMITTEE**

The CSR Committee was formed in 2015.

### **a. Composition of the CSR Committee**

The CSR Committee that does not include any executive officers has three members:

- Anne-Céline Lescop
- Caroline Weber - Independent Member
- Emmanuelle Coratti - Chief Sustainability Officer

### **b. Functioning of the CSR Committee**

A report is drawn up for each meeting of the CSR Committee which is presented to the members of the Board of Directors.

In 2016, the CSR Committee met three times with an attendance rate of 100%.

### **c. Mission of the CSR Committee**

The mission of the CSR Committee is to examine the Group's CSR policy and progress through action plans

It develops and monitors CSR reporting that is incorporated into the registration document.

It gives the members of the Board of Directors an opinion about the new CSR issues that apply to the Group (regulatory environment, market, etc.) and presents a report on actions carried out during the year.

## **E. RISK COMMITTEE**

### **a. Composition of the Risk Committee**

The Risk Committee is comprised of members of the executive management and the major support functions of the Group: Legal, Accounting and Finance and Human Resources Departments.

### **b. Functioning of the Risk Committee**

The Risk Committee met four times in 2016.

### **c. Mission of the Risk Committee**

The Risk Committee's mission is to examine the risk mapping of the Group and identify the Group's priority risks and share their strategy on the risk management

solutions.

It evaluates Non-Group risks and analyses litigation with customers (>€30,000 and excluding bankruptcies), suppliers as well as employee-related, tax, insurance and other activities which may have an impact on the Group's assets and financial position.

It determine the amount of provisions to be recorded or reversed within the Group.

It examines progress achieved with actions that have been undertaken.

## **III. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES**

### **1. OVERVIEW OF INTERNAL CONTROL OBJECTIVES AND PROCEDURES**

The purpose of the internal control procedures and organisation given below is to identify, prevent and control risks faced by the Group. As with any control system, it cannot however ensure that all risks are totally eliminated.

Internal control is defined by GL events and its subsidiaries as a set of procedures adopted by Management for the following purposes:

- Safeguarding corporate assets;
- Ensuring the safety and respect of persons;
- Optimal use of resources necessary to meet targets set for performance and profitability;
- Developing techniques for controls adapted to the Group's different trades and specialised activities;
- Prevention of risks of errors and fraud;
- Assuring the reliability of financial information;
- Compliance with laws, regulations and internal procedures.

Within GL events Group, the system of internal control is based on:

- Procedures, memorandums transmitted to concerned parties and integrated in training seminars destined for different personnel categories. They set forth the principles and controls to which each department or business unit must adhere as well as the areas where holding company support services are necessary;
- Recruitment of qualified personnel adapted to the missions accompanied by ongoing training covering technical issues and the different group areas of expertise and individual employee development;
- Delegation of responsibility: all line managers implement and manage at their level internal control procedures to meet their objectives;
- The quality approach is destined to define specific operating processes to meet the needs expressed by our customers, optimising practices and limiting the risks associated with different activities;

- Shared corporate values that are reiterated in the code of ethics GL events promotes the decentralisation of responsibilities and the delegation of authority. To ensure the cohesion of teams and promote a common corporate culture, the Group relies on core human values that provide the foundation of the organisation. These include respect for customers, providing quality services based on ethical business practices, loyalty, team spirit, respect of deadlines and professional standards.

Areas covered include notably rules to be followed concerning:

- Commercial and customer credit management;
- Management of means of payments, bank relationships and cash flow;
- Administration of payroll and human resources management;
- Management of sourcing and investments;
- Management and safeguarding of corporate assets;
- Insurance and risk management policies;
- Principles of control in the area of financial reporting and consolidation.

## **2. PARTIES INVOLVED IN INTERNAL CONTROL AND PROCEDURES FOR OPERATING AND SUPPORT FUNCTIONS**

### **A. BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, AUDIT COMMITTEE, THE REMUNERATION COMMITTEE, THE CSR COMMITTEE AND THE RISK COMMITTEE.**

The functioning of these committees is presented in point II of this report.

### **B. FINANCIAL MANAGEMENT AND MANAGEMENT CONTROL**

With a team of management controllers covering France and international operations, Management Control's mission is to assess compliance with Group internal rules and procedures for all Group sites and processes, identify incidents of non-compliance with laws and regulations, ensure that Group assets are safeguarded, evaluate the effectiveness of operations and ensure that operating risks are effectively anticipated and managed.

The Group's executive management attaches considerable importance to the annual budget planning process as a means for converting strategic orientations into operational action plans.

To this purpose, Corporate Management Control issues guidelines and instructions for teams involved in preparing the budget.

It coordinates planning and budget control procedures by referring to rules of management that apply to all Group entities and procedures for producing budgets and forecasts.

Management reporting is built around a management consolidation tool for results and indicators to monitor physical and financial items of the balance sheet such as trade receivables, investments and cash flows.

In addition, the monitoring of businesses constitutes a key element of Group steering and control procedures. Reviews are organised at the level of operating entities by Management Control and for the more significant entities with Group executive management.

Corporate Management Control prepares and distributes operating reports and analyses of variances and important trends based on information provided by the different entities in their monthly reports. Revised monthly forecasts are produced so GL events' Executive Management can assure optimal guidance and oversight of business operations.

### **C. LEGAL DEPARTMENT**

The Legal Department occupies a central role in the internal control of the Group with several important priorities that contribute to internal control and defined with the Group Finance Department.

These different priorities are regularly reassessed to ensure that this participation in the internal control process is generally effective. Today, they correspond to the following actions:

- Continuous regulatory and legal intelligence in all relevant areas, for all territories in countries where the operating subsidiaries are established. This function is assured primarily by two main participants: the group lawyers and specialised outside counsel. The technical tools used for regulatory intelligence are of several types: i) electronic alerts and e-news, ii) Legal training, iii) Participation within professional bodies (professional associations and networks), iv) active participation in forums and seminars of interest to the Group areas of activity,

- Drafting and regularly updating standard contracts (suppliers/customers/real estate), according to the national laws that apply to the Group's operating subsidiaries. The Legal Department seeks through the standard contracts to achieve the optimal combination of legal safety and supporting business development,
- Internal dissemination and training of key employees, according to the relevant activities, good legal practices, primarily derived from "standard clauses" and "standard contracts" according to the applicable national laws,
- Active involvement by the Legal Department in the different processes of negotiation of all types (business development, new ICT, M&A, compliance, the restructuring and disposal of businesses, etc),
- Participation in the evaluation of legal and compliance risks, as well as the development of remedial action plans based on feedback. This line of action includes active participation in the work of anticipation and evaluation of the Risk Committee,



**CHAIRMAN'S REPORT ON THE WORK OF THE BOARD OF DIRECTORS  
AND PROCEDURES OF INTERNAL CONTROL AND RISK MANAGEMENT**

- Management, with the support of specialized outside consultants according to the case, of disputes of all nature, corporate, new ICT, environmental, commercial, real estate),
- Management and proposing changes/restructuring in the levels and nature of delegations of authority, powers, representation and undertakings,
- Creating and applying new tools contributing to compliance as part of a process of the continuous adaptation of the standards of good governance,
- And more generally, the overall monitoring of the Legal Department, in coordination with the Group Finance Department, with regard to the major issues of internal control and Group risk mapping.

**D. THE INTERNAL AUDIT DEPARTMENT**

The mission of the Internal Audit Department is to:

- Assess levels of internal controls of organisations and risk management capabilities;
- Propose recommendations destined to contribute to meeting the Group's objectives and increase efficiencies and the profitability of operations;
- Promote all principles or techniques of control capable of improving the quality of the internal control of activities;
- Ensure that all Group subsidiaries comply with these procedures.

To this purpose, the Internal Audit Department will:

- Notify executive management of situations distinguished by an insufficient level of security;
- Ensure that resources are used in a manner that fully complies with laws and internal procedures;
- Evaluate the adequacy of resources deployed by subsidiaries to achieve the performances expected in relation to plans and budgets;
- Control the reliability of management information systems and the fair presentation of management information used in operating reports.

GL events has entrusted the management of this department to an employee with a solid knowledge of all the Group's business activities.

He is assisted by the internal auditors that were in particular selected from the population of administrative and financial management of the subsidiaries.

**E. STATUTORY AUDITORS**

The statutory auditors contribute to Group internal control by providing an independent and objective perspective when they review semi-annual and annual financial

At the end of each mission, the internal auditors or controllers which perform their assignment in the companies in which they do not exercise a regular management role, discuss the report with the Internal Audit Manager who reports to the Group's executive management and audit committee.

This report is also sent to the subsidiary manager and his or her line manager tasked with implementing the recommendations that have been proposed.

The Internal Audit Department also monitors progress made with corrective actions.

The internal auditors and controllers work closely with management of the Group's support functions that are responsible for:

- Proposing operating procedures and contributing to their improvement;
- Implementing control systems and tools;
- Ensuring the monitoring and ongoing control of operations, notably through updates to procedures available through Intranet, a common and accessible source of information.

In 2016, assignments performed by this department concerned:

- Audits of subsidiaries,
- Audits of organisational processes,
- Updating the risk mapping

statements and internal control procedures, both at the consolidated level and for each subsidiary audited.

### **3. PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION**

Internal control procedures for accounting and financial information are destined to ensure the quality of financial information produced by consolidated subsidiaries, the fair presentation of financial information reported by the Group and prevent the risk of errors, inaccuracies or omissions in Group financial statements.

We have previously described the role of group management control in overseeing monthly management consolidated financial information.

Budget controls indicate variances from targets within the framework of monthly consolidation based on terms of reference adapted for the oversight of operations in a rigorous manner and on a timely basis. They identify eventual inconsistencies in relation to budgeted financial information.

At the same time, the consolidation department carries out monthly consolidations of Group results and a full quarterly consolidation.

Each consolidated subsidiary produces a reporting package according to the Group standards based on reference to the Group rules for accounting recognition and measurement.

These rules define the principles that apply to the recognition, measurement and presentation of the main accounting components of the financial statements. These include notably rules for the impairment of trade receivables, the impairment or depreciation of leased assets and inventories, provisions for contingencies and expenses and the principles for recording and reporting inter-company transactions.

The consolidation department issues instructions before each consolidation, indicating the timetable and changes in applicable standards, rules and principles. In addition, an annual seminar of accounting management reviews the difficulties experienced in the prior year and the solutions adopted.

When the consolidation packages are received, the consolidation department performs different types of controls. These include the verification of subsidiary consolidation packages, reconciliation of changes in restated shareholders' equity, changes in the consolidation scope and consolidation accounting such as the elimination of inter-company transactions, the calculation of deferred tax, control of the tax calculations, the proper integration of consolidation packages by verifying financial statement aggregates and procedures retained for measuring and recording significant transactions of an exceptional nature.

### **4. PROVISIONS OF MIDDLENEXT RECOMMENDATIONS NOT APPLIED**

According to the provisions of article L.225-37 of the French commercial code, the Company declares that it refers to the Middenext Corporate Governance Code which can be consulted at the website: [www.middlenext.com](http://www.middlenext.com).

The Company declares that it has reviewed and that it applies all the recommendations of the Middenext Corporate Governance Code

# **STATUTORY AUDITORS' REPORT, ISSUED IN ACCORDANCE WITH ARTICLE L. 225-235 OF FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF GL EVENTS SA.**

*This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **To the shareholders:**

As the Statutory Auditors of GL events and in accordance with article L.225-235 of the French commercial code, we hereby report to you on the document prepared by the Chairman of your company in accordance with article L.225-37 of said code for the year ended 31 December 2016.

The Chairman is required to prepare a report describing the internal control and risk management procedures implemented within the Company and providing the other information required by article L.225-37 of the French commercial code notably relating to the corporate governance system.

It is our responsibility to:

- Report our observations on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information;
- Certify that the report contains the other information required by article L. 225-37 of the French commercial code, while specifying that we are not responsible for verifying the fairness of this other information.

We performed our procedures in accordance with the relevant professional standards applicable in France.

## INFORMATION CONCERNING THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

This standard requires us to perform procedures to assess the fairness of the information set out in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information.

These procedures notably consist in:

- Obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, on which the information presented in the Chairman's report is based, as well as reviewing supporting documentation;

- Obtaining an understanding of the work performed to prepare this information, as well as reviewing supporting documentation,
- Ensuring that material weaknesses in internal control procedures relating to the preparation and processing of financial and accounting information detected in the course of our engagement have been properly disclosed in the Chairman's report..

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, contained in the Chairman's report, prepared in accordance with article L. 225-37 of the French commercial code.

## OTHER INFORMATION

We certify that the Chairman's report contains the other information required by article L. 225-37 of the French commercial code.

Oullins and Villeurbanne, 5 April 2017

### The Statutory Auditors

*French original signed by:*

**MAZA SIMOENS**  
Sébastien Belmont

**MAZARS**  
Paul-Armel Junne Thierry Colin

# 05

## FINANCIAL STATEMENTS

109 / CONSOLIDATED FINANCIAL STATEMENTS

141 / AUDITORS' FEES

142 / AUDITORS REPORT ON THE CONSOLIDATED  
FINANCIAL STATEMENTS

143 / GL EVENTS' SEPARATE FINANCIAL STATEMENTS

156 / AUDITORS' REPORT ON THE PARENT  
COMPANY FINANCIAL STATEMENTS

157 / AUDITORS SPECIAL REPORT ON REGULATED  
AGREEMENTS AND COMMITMENTS

# CONSOLIDATED FINANCIAL STATEMENTS

## BALANCE SHEET - ASSETS

(€ thousands)	Notes	31/12/2016	31/12/2015
Goodwill	5.1	465,343	458,705
Other intangible assets	5.1	59,283	41,021
Net total	5.2	299,506	157,644
Other tangible fixed assets	5.2	34,186	35,687
Capitalised rental equipment	5.2	89,588	84,344
Financial assets	5.3	69,259	64,406
Equity-accounted investments	5.4	172	1,690
Deferred tax assets	5.8	25,116	23,210
<b>NON-CURRENT ASSETS</b>		<b>1,042,452</b>	<b>866,705</b>
Inventories & work in progress	5.5	44,432	42,545
Trade receivables	5.6	182,341	216,359
Other receivables	5.7	147,167	124,513
Cash and cash equivalents	5.9	203,298	154,501
<b>CURRENT ASSETS</b>		<b>577,238</b>	<b>537,918</b>
<b>TOTAL</b>		<b>1,619,690</b>	<b>1,404,623</b>

## BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

(€ thousands)	Notes	31/12/2016	31/12/2015
Share capital	5.10	93,611	90,616
Reserves and additional paid in capital	5.10	308,820	281,335
Translation adjustments	5.10	(37,194)	(65,877)
Net income		31,863	30,804
<b>Shareholders' equity attributable to the Group</b>		<b>397,099</b>	<b>336,878</b>
Non-controlling interests		47,630	37,558
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>444,729</b>	<b>374,436</b>
Provisions for retirement severance payments	5.11	11,962	10,855
Deferred tax liabilities	5.8	6,956	5,543
Borrowings	5.13	454,268	408,738
<b>NON-CURRENT LIABILITIES</b>		<b>473,186</b>	<b>425,136</b>
Current provisions for contingencies and expenses	5.12	18,864	16,701
Current borrowings	5.13	110,526	100,745
Current bank facilities and overdrafts	5.13	30,228	20,874
Advances and instalments		36,064	20,821
Trade payables		212,547	182,076
Tax and employee-related liabilities		105,512	99,430
Other liabilities	5.14	188,035	164,405
<b>CURRENT LIABILITIES</b>		<b>701,775</b>	<b>605,051</b>
<b>TOTAL</b>		<b>1,619,690</b>	<b>1,404,623</b>

**INCOME STATEMENT**

(€ thousands)	Notes	31/12/2016	31/12/2015
<b>Revenue</b>	4	<b>953,010</b>	<b>942,420</b>
Raw materials and consumables	6.1	(65,832)	(62,774)
External charges	6.1	(513,602)	(521,572)
Taxes and similar payments (other than on income)		(16,026)	(20,401)
Personnel expenses and employee profit sharing	6.6	(226,268)	(222,543)
Allowances for depreciation and reserves	6.2	(50,624)	(43,068)
Other current operating income	6.3	4,394	5,110
Other current operating expenses	6.3	(5,736)	(5,440)
<b>Operating expenses</b>		<b>(873,694)</b>	<b>(870,688)</b>
<b>CURRENT OPERATING INCOME</b>	4	<b>79,316</b>	<b>71,732</b>
Other operating income and expenses	6.4	(2,233)	(2,584)
<b>OPERATING PROFIT</b>		<b>77,083</b>	<b>69,148</b>
<b>NET FINANCIAL EXPENSE</b>	6.5	<b>(17,162)</b>	<b>(12,462)</b>
<b>EARNINGS BEFORE TAX</b>		<b>59,921</b>	<b>56,686</b>
Income tax	6.7	(22,697)	(18,570)
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>		<b>37,224</b>	<b>38,116</b>
Share in income of equity affiliates		(885)	(1,018)
<b>NET INCOME</b>		<b>36,339</b>	<b>37,097</b>
Attributable to non-controlling interests		4,476	6,294
<b>NET INCOME</b>		<b>31,863</b>	<b>30,804</b>
Average number of shares		22,694,383	22,216,940
<b>NET EARNINGS PER SHARE (IN EUROS)</b>		<b>1.40</b>	<b>1.39</b>

**STATEMENT OF COMPREHENSIVE INCOME**

(€ thousands)	31/12/2016	31/12/2015
<b>NET INCOME</b>	<b>36,339</b>	<b>37,097</b>
Hedging instruments	1,223	655
<b>Other comprehensive income that may be recycled subsequently to profit and loss</b>	<b>1,223</b>	<b>655</b>
Actuarial gains and losses	(290)	(1,537)
Gains and losses from the translation of financial statements of foreign operations	28,316	(31,712)
<b>Other comprehensive income that may not be recycled subsequently to profit and loss</b>	<b>28,026</b>	<b>(33,249)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>65,588</b>	<b>4,504</b>
Total comprehensive income attributable to non-controlling interests	4,137	5,810
Comprehensive income attributable to equity holders of the parent	61,451	(1,307)



**CONSOLIDATED CASH FLOW STATEMENT**

(€ thousands)	31/12/2016	31/12/2015
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>133,628</b>	<b>186,650</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net income</b>	<b>31,863</b>	<b>30,804</b>
Amortisation, depreciation and provisions	49,453	37,841
Other non-cash income and expenses	(11,018)	(879)
Gains and losses on disposals of fixed assets	75	(3,090)
Non-controlling interests in consolidated subsidiaries' net income	4,476	6,294
Share in income of equity affiliates	885	1,018
<b>Operating cash flows</b>	<b>75,734</b>	<b>71,987</b>
Cost of net financial debt	19,251	9,504
Tax expense (including deferred taxes)	22,697	18,570
<b>Cash flow before net interest expense and tax</b>	<b>117,682</b>	<b>100,061</b>
Income tax payments	(28,877)	(15,056)
Changes in working capital requirements	67,699	(27,382)
<b>Net cash provided by operating activities (A)</b>	<b>156,503</b>	<b>57,624</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of intangible fixed assets	(11,443)	(3,220)
Acquisition of tangible assets and capitalised rental equipment	(121,479)	(101,299)
Disposals of tangible and intangible assets	1,484	4,266
Acquisitions of financial assets	(6,758)	(794)
Disposal of investments and other non-current assets	3,639	3,587
Net cash flows from the acquisition and disposal of subsidiaries	(303)	(17,856)
<b>Net cash used in investing activities (B)</b>	<b>(134,860)</b>	<b>(115,316)</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		
Capital increase	11,217	
Dividends paid to shareholders of the parent	(13,403)	(13,346)
Dividends paid to non-controlling shareholders of consolidated companies	(4,933)	(4,664)
Other changes in equity	997	576
Change in borrowings	45,108	35,393
Cost of net financial debt	(19,251)	(9,504)
<b>Net cash provided by financing activities (C)</b>	<b>19,734</b>	<b>8,456</b>
<b>Effect of exchange rate fluctuations on cash (D)</b>	<b>(1,935)</b>	<b>(3,785)</b>
<b>Net change in cash &amp; cash equivalents (A + B + C + D)</b>	<b>39,442</b>	<b>(53,022)</b>
<b>CASH AND CASH EQUIVALENTS AT YEAR-END</b>	<b>173,070</b>	<b>133,628</b>

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

[€ thousands]	Number of shares (thousands)	Attributable to the Group					Total Group	Attributable non-controlling interests	Total
		Capital stock	Additional paid-in capital	Retained earnings	Comprehensive income				
<b>Equity at 31/12/14 (*)</b>	<b>22 654</b>	<b>90 616</b>	<b>172 638</b>	<b>63 089</b>	<b>26 862</b>	<b>353 204</b>	<b>35 076</b>	<b>388 279</b>	
Capital increase									
Comprehensive income appropriation for N-1				26 862	(26 862)	0			
Distribution of dividends				(13 346)		(13 346)	(4 664)	(18 009)	
Cancellation of treasury shares				(2 215)		(2 215)		(2 215)	
Stock option expenses				2 357		2 357		2 357	
Change in ownership interests in subsidiaries				(1 815)		(1 815)	1 336	(479)	
Other changes				(2)		(2)	(0)	(2)	
<b>Comprehensive income</b>					<b>(1 307)</b>	<b>(1 307)</b>	<b>5 810</b>	<b>4 504</b>	
<b>Equity at 31/12/2015</b>	<b>22 654</b>	<b>90 616</b>	<b>172 638</b>	<b>74 931</b>	<b>(1 307)</b>	<b>336 878</b>	<b>37 558</b>	<b>374 436</b>	
Capital increase	749	2 995	8 222			11 217		11 217	
Comprehensive income appropriation for N-1				(1 307)	1 307	0		0	
Distribution of dividends				(13 416)		(13 416)	(4 868)	(18 284)	
Cancellation of treasury shares				(97)		(97)		(97)	
Stock option expenses				1 812		1 812		1 812	
Change in ownership interests in subsidiaries				(451)		(451)	10 865	10 414	
Other changes				(294)		(294)	(62)	(356)	
<b>Comprehensive income</b>					<b>61 451</b>	<b>61 451</b>	<b>4 137</b>	<b>65 588</b>	
<b>Equity at 31/12/2016</b>	<b>23 403</b>	<b>93 611</b>	<b>180 860</b>	<b>61 177</b>	<b>61 451</b>	<b>397 100</b>	<b>47 630</b>	<b>444 729</b>	

(\*) Data at 31/12/2014 restated

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2016

### ACCOUNTING POLICIES AND METHODS

<b>Note 1</b> Significant Events	114
<b>Note 2</b> Significant accounting policies and basis of consolidation	114
<b>Note 3</b> Consolidated companies	121

### NOTE 4 SEGMENT REPORTING

— Revenue	124
— Current operating income	124
— Investments in property, plant and equipment and intangible assets	124
— Allowances and reversals of amortisation	124

### INFORMATIONS SUR LE BILAN

<b>Note 5.1</b> Intangible assets	125
<b>Note 5.2</b> Property, plant and equipment	126
<b>Note 5.3</b> Financial assets	127
<b>Note 5.4</b> Investments in associates	128
<b>Note 5.5</b> Inventories and work in progress	128
<b>Note 5.6</b> Trade receivables	128
<b>Note 5.7</b> Other receivables	129
<b>Note 5.8</b> Deferred taxes	129
<b>Note 5.9</b> Cash equivalents	130
<b>Note 5.10</b> Shareholders equity	130
<b>Note 5.11</b> Provisions for retirement severance payments	132
<b>Note 5.12</b> Current provisions for contingencies and expenses	133
<b>Note 5.13</b> Financial liabilities	133
<b>Note 5.14</b> Other liabilities	134
<b>Note 5.15</b> Changes in working capital requirement	135
<b>Note 5.16</b> Bridge table – balance sheet/cash flow statement	135

### INCOME STATEMENT INFORMATION

<b>Note 6.1</b> Raw materials, consumables and external charges	135
<b>Note 6.2</b> Allowances for depreciation, amortisation and reserves	136
<b>Note 6.3</b> Other current operating income and expenses	136
<b>Note 6.4</b> Other operating income and expenses	136
<b>Note 6.5</b> Net financial expense	136
<b>Note 6.6</b> Staff costs	137
<b>Note 6.7</b> Income tax expense	137

### OTHER INFORMATION

<b>Note 7</b> Employees	138
<b>Note 8</b> Off-balance sheet commitments	138
<b>Note 9</b> Information on related parties	139
<b>Note 10</b> Information on risk factors	140
<b>Note 11</b> Other information	140
<b>Note 12</b> Auditors' fees	141

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2016

The information given below is expressed in thousands of euros, unless stated otherwise.

These notes are an integral part of the consolidated financial statements for the year ended 31 December 2016. On 3 March 2017 the Board of Directors of GL events SA approved these financial statements and authorised their publication.

GL events (59 Quai Rambaud – 69002 Lyon) is a joint stock company (*Société Anonyme*) governed by French law and incorporated in France under number 351 571 351 571 757 (RCS Lyon). As such it is subject to all laws and regulations governing commercial companies in France and in particular the provisions of the French Commercial Code (*Code de commerce*).

## NOTE 1 OPERATING HIGHLIGHTS

In April 2006, the Group inaugurated the Sao Paulo Expo exhibition centre. An investment of more than €100 million was made to transform it into Latin America's largest and most modern exhibition centre. The initial months of operation have confirmed the site's potential and illustrate the Group's ability to generate value from its assets and also its long-term investments.

The summer was particularly eventful for the Group with a strong contribution from the 2016 European football championship: temporary structures, furniture, signage and the installation of the Lyon Fan Zone.

The Group was also involved in producing the Rio de Janeiro Olympic Games. The Group sites (Arena and Rio Centro) staged boxing competitions, weightlifting, gymnastics, and Badminton. The hotel was reserved for the press.

Cross-cutting services of catering and hospitality services were provided at several sites: golf, equestrian events, field and track, volleyball...

In July 2016, a €100 million private placement bond was issued by the Group for French institutional investors in the form of a 7-year non-listed Euro Private Placement (Euro PP) with a 3.50% annual coupon.

In September 2016:

- GL events and Yuexiu Group signed a joint venture agreement to jointly develop a network of event sites in China. The first phase will consist in managing a 50,000 m<sup>2</sup>, convention centre in Gangzhou, targeted for opening in 2019.
- LOU SASP signed a 60-year emphyteutic lease concerning principally the Gerland Stadium.

Finally, GL events provided temporary structures for the 22<sup>nd</sup> session of the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change in Marrakesh. The Group prepared the meeting grounds covering 27 hectares, the installation of 120,000 m<sup>2</sup> of temporary structures on 12 hectares including tented space 700 metres long and 18 metres wide. In addition, the Group delivered pavilions for certain countries.

## NOTE 2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION

### 2.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The consolidated financial statements for the year ended 31 December 2016 have been prepared on the basis of international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and effective as from 31 December 2015. These standards and interpretations are consistently applied over the periods presented.

The Group has adopted the following amendments and interpretations which entered into force on 1 January 2016. Their application date coincides with that of the IASB:

- IFRS annual improvements – 2010-2012 cycle;
- Amendments to IAS 19 – Defined-benefit plans: employee contributions;
- Amendments to IAS 1 – Disclosure initiative;
- Amendments to IFRS 11 – Accounting for acquisitions of interests in joint operations;
- Amendments to IAS 16 and IAS 38 – Clarifications of acceptable methods of depreciation and amortisations;
- Amendments to IAS 27 – Equity method in separate financial statements;
- IFRS annual improvements – 2012-2014 cycle;

These texts did not have a material impact on the Group's results and financial position.

The Group has not opted for applying in advance standards and interpretations in issue whose application is not yet mandatory for periods beginning on or after 1 January 2016.

The impacts of the application of IFRS 15 "Revenue from contracts with customers" are currently under analysis. The impacts are not expected to be significant for the

Exhibitions and Venues businesses. The recognition of revenue relating to jumbo events may be impacted. In contrast, IFRS 16 "Leases" will have a significant impact on the presentation of the financial statements given the number of operating leases maintained by the Group (warehouses, offices, transport vehicles, etc.).

## 2.2 BASIS OF MEASUREMENT

Financial statements are prepared on the basis of the historical cost principle except for short-term investment securities and financial instruments that are measured at fair value. Financial liabilities are recognised on the basis of the amortised cost method. Carrying values of hedged instruments and their underlying assets and liabilities are recognised at fair value.

## 2.3 USE OF ESTIMATES AND ASSUMPTIONS

In preparing financial statements, use is made of estimates and assumptions that affect the amounts of assets and liabilities recorded in the consolidated balance sheet, expenses and income items of the income statement and commitments concerning the period under review. Actual subsequent results may in consequence differ. These estimates and assumptions are regularly updated and analysed on the basis of historical and forecast data.

These assumptions concern primarily the measurement of the recoverable value of assets (notes 2.5.1 to 2.5.5), the recognition deferred taxes from losses as assets (note 2.5.12), the measurement of retirement severance benefits (note 2.5.16) and provisions for contingencies and expenses (note 2.5.15).

Such hypotheses, estimates or other forms of judgement undertaken on the basis of the information available, or situations prevailing on the date the accounts are established, may subsequently prove different from actual events.

## 2.4 BASIS OF CONSOLIDATION

### 2.4.1 Consolidation principles

#### – Subsidiaries

Subsidiaries are entities over which the Group exercises exclusive control. Such entities are fully consolidated.

The Group exercises control over an entity when the following conditions are met:

- the Group holds power over the entity (ability to direct the relevant activities, i.e. those activities that significantly affect the investee's returns), through voting rights or other rights; and
- the Group has exposure or rights to variable returns from its involvement with the entity; and
- the Group has the ability to use its power over the entity to affect the amount of the Group's returns.

#### Existence of power

The scope of voting rights taken into account to determine the nature of control exercised by the Group over the entity and the applicable consolidation methods factors in the

existence and the effect of potential voting rights when such rights are exercisable on the date when control is being assessed or later when decisions concerning directing the relevant activities must be taken. Potential voting rights are instruments such as call options on ordinary shares outstanding on the market.

When voting rights are not applicable for determining the existence or absence of the Group's control of an entity, the determination of control must take into account all facts and circumstances, including the existence of one or more contractual arrangements.

Power over an investee exists only if the investor has substantive rights that give it the current ability to direct relevant activities without barriers or restrictions. Certain rights are destined to protect the interests of the party holding those rights (protective rights) without giving up the power over the entity to which those rights relate. Where several investors each possess actual rights giving them the ability to unilaterally direct the different relevant activities, it is the investor possessing the actual ability to direct the activities most affecting the returns of the entities, that holds the power.

#### Exposure to variable returns

Control exists only if the Group is significantly exposed to the variability of variable returns generated by its investment or its involvement in the entity. These variable returns which involve all kinds of exposures (dividends, assistance, fees, the provision of services, etc.) can be only positive, only negative or both positive and negative.

#### Link between power and returns

Power over the relevant activities does not give control to the Group if this power does not allow it to affect its returns from its involvements with the entity.

#### – Joint arrangements

Through a joint arrangement (either a joint operation or a joint venture) the Group exercises a joint control over an entity if decisions about the direction of its relevant activities require the unanimous consent of the parties that collectively control the entity. Assessing a joint control requires an analysis of rights and obligations of all the parties. In the case of a joint business operation or common legal structure (joint operation), the parties to the arrangement exercising joint control have rights to the assets and obligations for the liabilities. The Group then distinctively recognises in its consolidated financial statements its share in the assets and in the liabilities and its share in the related revenue and expense. In the case of a joint venture, the parties have rights to the net assets of the entity. This joint venture is accounted for using the equity method.

#### – Associates

Associates are companies over which the Group exercises significant influence and are accounted for using the equity method in the Group's consolidated financial statements. Significant influence is the power to participate in the financial and operating policies of an entity without exercising control. In particular, significant influence can result from being represented on the Board of Directors or Supervisory Board, from the involvement in strategic decisions, from the existence of significant inter-company

transactions, from the exchange of management staff, or from the company's technical dependency. The Group is assumed to exercise significant influence over the financial and operating policies of an entity when it directly or indirectly holds at least 20% of the voting rights in this entity. Under the equity method, on initial recognition the investment in an associate is recognised at cost and after the date of acquisition the carrying amount is increased or decreased to recognise the changes of the investor's share in the net asset value of the investee. Net profit or loss of the investor includes its share of the net profit or loss of the investee. Other comprehensive income of the investor includes its share of other comprehensive income of the investee.

The list of companies consolidated by the Group is presented in [note 3](#).

#### **2.4.2 Translation of financial statements of foreign subsidiaries**

The financial statements of foreign subsidiaries have been translated using the following methods:

- Share capital and reserves are translated at historical rates;
- The balance sheet (not including share capital and reserves) is translated at year-end rates;
- The income statement is converted at average rates.

Translation differences resulting from the application of historic rates and average rates compared to year-end rates are allocated to the consolidated reserves (before non-controlling interests).

Foreign exchange gains and losses arising from the translation or elimination of inter-company transactions or receivables and payables denominated in currencies other than the entity's functional currency are recorded in the income statement unless they relate to long-term inter-company financing transactions which can be considered as transactions relating to equity. In the latter case, these amounts are recorded in equity under "Translation adjustments".

#### **2.4.3 Elimination of intercompany transactions and balances**

All reciprocal balance sheet accounts between Group companies and all other transactions between Group companies (purchases and sales, dividends, etc.) as well as accrued expenses on equity interests and loans to associates are eliminated.

#### **2.4.4 Transactions with non-controlling interests**

Disposals of interests that do not result in a loss of control are accounted for as equity transactions (i.e. as transactions with other shareholders acting in that capacity). The carrying value of Group controlling interests and non-controlling interests must be adjusted in consequence. Any disposal resulting in a loss of exclusive control, joint control, significant influence or dilution will result in a disposal gain or loss.

Within the framework of the acquisition of interests that do not result in a change in control, the impacts are recognised through equity, without generating additional goodwill.

When an acquisition of additional securities previously classified as held for sale results in a first-time consolidation, regardless of the method (full consolidation or equity method), the securities previously held are remeasured with an accounting entry recorded in the income statement.

## **2.5 ACCOUNTING POLICIES**

### **2.5.1 Business combinations and goodwill**

The Group recognises acquisition-date fair value of identifiable contingent assets and liabilities of the acquiree.

The acquisition price is the consideration paid in the context of an acquisition, or an estimate of this price in the case of a non-cash transaction, excluding acquisition-related costs for a company or group of companies which are expensed in the period.

When the agreement provides for contingent consideration (earnout), the Group includes the cost of the combination on the acquisition date if its payment is probable and can be reliably measured.

Goodwill is calculated as the excess of the cost of shares over the Group's equity in the fair value of the net assets at the acquisition date.

Goodwill from the acquisition of a subsidiary is recognised under the line item for "Goodwill". Goodwill from the acquisition of an associate is recognised under "Equity-accounted investments". Negative goodwill is recognised directly in the income statement.

The Group has a period of 12 months from the acquisition date to finalise the recognition of the business combination in question. Any modification in the purchase price occurring outside its allocation period, shall be recognised by an accounting entry under income without an adjustment to acquisition cost or goodwill.

In accordance with IAS 36, at each closing date and when there is evidence of impairment, goodwill impairment tests are conducted at the level of cash generating units as described below in [note 2.5.5](#).

### 2.5.2 Other intangible assets

Research and development expenditures as well as pre-opening and start-up costs not meeting the criteria of intangible assets under IAS 38 and, as such qualifying for capitalisation, are expensed.

Intangible fixed assets are amortised over their useful life spans as follows: The depreciation periods are as follows:

	Depreciation period
Concessions	10 to 50 years
Software	1 to 3 years

### 2.5.3 Property, plant and equipment

In accordance with IAS 16 – *Property, plant and equipment*, tangible assets are recognised at historical cost less accumulated depreciation and impairment.

Tangible assets are depreciated on a straight-line basis, according to a component approach on the basis of normal useful lives that are as follows:

	Depreciation period
Office buildings	10 to 50 years
Industrial buildings	10 to 50 years
Fixtures and fittings	10 years
Industrial equipment and tools	2 to 7 years
Transport equipment	3 to 5 years
Office furniture and equipment	2 to 10 years

### 2.5.4 Rental equipment (assets and inventory)

Capitalised rental equipment is recorded at the purchase price less accumulated depreciation expenses and impairment in accordance with IAS 16 – *Property, plant and equipment*.

To record impairment from wear and tear caused by the successive rental of this capitalised equipment, the specific depreciation periods, based on their useful lives, are as follows:

	Depreciation period
Flooring	7 to 10 years
Furniture	4 years
Structures and big tops	5 to 15 years
Grandstands and bleachers	5 to 10 years
Other rental equipment	2 to 7 years

### 2.5.5 Impairment of assets

#### — Impairment rule

The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and its value in use.

The recoverable value of tangible and intangible assets is tested for impairment when events or changes in the market, environment or internal factors indicate a risk of an other-than-temporary impairment. Finite life assets (a category limited to goodwill) are tested for impairment at least once a year at the end of the reporting period.

An impairment is recognised when the recoverable value of the asset or group of assets tested is lower than its carrying value.

The impairment is recognised in "Other operating income and expenses".

Goodwill impairment charges are irreversible.

Impairment charges relating to other tangible and intangible assets are reversible in the event of favourable changes in the asset's recoverable value.

#### — Definition of Cash Generating Units (CGU)

The CGUs consist of operating companies. For the purpose of impairment tests, goodwill is allocated at the level of groups of CGUs defined as homogeneous groups of assets generating cash inflows and outflows from continuing use largely distinct from cash inflows from other CGUs.

These CGUs are classified on this basis according to the Group's three business divisions: Live, Exhibitions, Venues. This approach is consistent with the Group's internal organisation, strategic priorities and monitoring of performance.

#### — Method for determining recoverable value

Recoverable value of CGU groups (goodwill, tangible and intangible assets, WCR) defined above represents the sum of value in use of CGUs forming the CGU group, determined from future operating cash flows of operating companies according to medium-term five-year plans, and taking into account the terminal value based on normative cash flows generated by the assets in question projected to infinity. The discount rate used is determined according to the weighted average cost of capital (WACC) method, representing a rate (distinct for each CGU) applied to cash flow after taxes. This rate represents the rate of return to be expected by an investor, including the risk premium, specific to the business in question.

For CGUs operated within the context of concession or lease agreements (the Group's venue management business), the Group manages these contracts from a going concern perspective (both at the level of the site's management and also maintenance/investments for the purpose of maintaining or increasing its activity).

The Group has never encountered a situation where a company holding the concession or lease has discontinued operations because the concession or lease has expired.

For that reason, the Group measures recoverable value for the groups of CGUs from the perspective of the concession's continuing operation, in light of the extensions already granted in the past. The day-to-day management and investment policy for that reason are focused on maintaining or increasing the attractiveness of the venues in question.



### 2.5.6 Leases

Real estate acquired through a capital lease is recorded as a fixed asset at the value on the date of entry into the scope. Other tangible assets acquired through finance leases with an initial value of more than €75,000 are recorded either as fixed assets or as rental equipment for the value of the assets on the date the contract is concluded. These assets are amortised or depreciated according to the methods described above. The value of the capital component of the debt remaining due is recorded under borrowings. The lease charges recorded for the financial year are then restated.

### 2.5.7 Service concession agreements

The IFRIC has published its interpretation on the treatment of service concession arrangements (IFRIC 12) whose application is mandatory effective 1 January 2010.

Notwithstanding the legal context governing relations between local administrations and GL events, long-term public-to-private service arrangements (contrats de délégations) and concessions concluded by GL events do not fall under the scope of IFRIC 12, as the conditions relating to the definition of the services provided, the setting of prices and the exercise of control over infrastructures at the end of the term are not met for the following reasons:

- In respect to services, the grantors provide GL events Group full leeway to guarantee equal access to the infrastructure without discrimination and for the largest possible use of the installations covered under the arrangement;
- In respect to prices, the grantors approve the rates proposed by the grantee determined in relation to the market on an arm's length basis;
- In respect to control, the installations remain under the control of the delegating authority entrusting us with their management, with no right to the infrastructure being transferred in consequence to the delegatee. However, all maintenance work and upgrades carried out during the management concession period systematically revert to the grantor at the end of the agreement's term, with or without consideration according to the specific terms of each agreement.

Furthermore, service concession agreements correspond to operating leases that entail solely rental payments and no other payments.

### 2.5.8 Investments and other non-current assets

#### Recognition

Financial instruments consist of securities of non-consolidated companies, shares of listed companies, loans and long-term financial receivables.

The financial assets are analysed and classified into the following four categories:

- Financial assets held for trading (securities purchased and held primarily for sale in the short-term),
- Held-to-maturity investments (securities giving rights to fixed or determinable payments and at a fixed maturity, that the enterprise has the ability and intent to hold to maturity),
- Loans and receivables,
- And available-for-sale financial assets (all financial assets not included in one of the three preceding categories).

The classification depends on the reasons for acquiring the financial assets. The classification is determined at the time of initial recognition.

Securities held for trading are recognised at fair value and unrealised gains and losses on remeasurement are recognised in profit or loss.

Financial assets classified as held-to-maturity are measured at amortised cost according to the effective interest rate method.

Loans and receivables are measured at amortised cost according to the effective interest rate method. A provision for impairment may be recorded when there exists an objective indication of loss in value.

Available-for-sale securities are recognised at fair value (based on the stock market price when available). Unrealised gains and losses, corresponding to temporary changes in the value of these assets, are recognised under equity. When the securities are sold or written down, the unrealised losses and gains previously recorded under equity are then recognised under profit or loss.

Participating interests in non-consolidated companies are classified as available-for-sale securities. When they represent non-consolidated minority investments in listed companies (available-for-sale securities), they are measured at the fair value according to the closing price of year-end. Securities whose fair value cannot be reliably estimated are measured at historical cost.

#### Impairment

At the end of each period, the Group seeks to determine if there exists any objective indication of impairment of a financial asset or group of financial assets. For securities classified as available-for-sale, a significant (+20%) or prolonged (more than 6 months) decline in the fair value below the purchase price is considered to constitute an indication of impairment. When such an indication exists for available-for-sale financial assets, the accumulated loss (corresponding to the difference between the purchase price and the present fair value, less any impairment charges previously recorded in the income statement for this financial asset) is eliminated from equity and recognised under income.

When a loss in value is thus determined, an impairment loss is recorded in consequence. Impairment losses recognised in the income statement for available-for-sale assets may only be written back to income when the securities are sold.

### 2.5.9 Consumables, goods for resale and work-in-progress

These items are recorded on a distinct line under current assets. In addition, a provision for depreciation is recorded when the products are considered obsolete or fail to meet the Group's quality standards.

Rental stock, work in progress and finished products are recognised at production cost that may include the cost of raw materials, direct labour and factory overheads. Financial expenses are not included in the calculation of production costs.

Rental stock is comprised of items destined for installations and fixtures for temporary stands (aluminium structures) as well as flooring material (deck equipment).

### 2.5.10 Trade receivables and payables

Trade receivables and payables are recorded at face value. Balances denominated in foreign currencies and not hedged by forward instruments are translated at the year-end exchange rate. Accounts receivable are analysed on a case-by-case basis and a provision for doubtful debts is made to cover potential collection risks.

### 2.5.11 Cash and cash equivalents

Cash equivalents consist of short-term highly liquid investments that are readily convertible to cash at known amounts and subject to insignificant risk of changes in value. These investments are recognised at fair value and unrealised or realised gains and losses recorded under net financial expense. Fair value is determined on the basis of the closing market price at year-end.

### 2.5.12 Taxes

The tax expense comprises current tax payable by consolidated companies and deferred tax resulting from temporary differences.

Current taxes are calculated according to tax rates applicable in each country.

Deferred tax is recognised in respect of temporary differences arising between the value of assets and liabilities for purposes of consolidation and the value resulting from the application of tax regulations.

Deferred tax is measured on the basis of the income tax rates enacted at the balance sheet date; the effect of changes in rates is recognised during the periods in which changes are enacted.

Future tax savings from tax losses carried forward are recorded as deferred tax assets when they can be applied to future taxable profits.

In addition, the specific lengths for deferred taxation and the ceilings on the use of tax losses applying in each country are taken into account. The possibilities for using deferred tax assets\*\* are determined according to

available forecasts made by management.

Deferred tax assets are not discounted.

### 2.5.13 Treasury shares

Shares held in treasury are deducted from shareholders' equity regardless of the reason for their purchase and retention and the corresponding result is eliminated in the consolidated income statement.

### 2.5.14 Investment grants

Investment grants are deducted from the assets in question, with the portion of the grant recorded under income as subtracted from the corresponding amortisation expense.

### 2.5.15 Provisions for contingencies and expenses

A provision is recorded when an obligation exists towards a third-party resulting in the probability of an outflow for the Group of economic resources able to be measured reliably.

Provisions for contingencies and expenses maturing within less than one year are recorded under current liabilities.

### 2.5.16 Provisions for retirement severance payments

Liabilities for retirement severance benefits are recognised in the consolidated financial statements under non-current provisions. These liabilities are calculated according to the projected unit credit method and take into account the related social charges.

This method takes into account factors that include projected trends for wage increases, employee turnover, mortality rates and a discount rate.

### 2.5.17 Share-based payments

IFRS 2 on share-based payment covers transactions with personnel or third parties that receive shares or right to shares as consideration. Within the Group, its application concerns awards of stock purchase options and restricted stock granted to employees.

Under this standard, these plans are measured on the grant date and recognised under employee personnel expenses with a reverse entry under reserves, recorded on a straight-line basis over the period rights are vested by beneficiaries, in general between two and three years. For the measurement of these stock purchase option plans, the Group uses the Black and Scholes method generally applied by the market.

### 2.5.18 Financial liabilities

Financial liabilities consist primarily of current and non-current borrowings and debt with credit institutions. These liabilities are initially recorded at amortised cost based on the effective interest rate. Directly attributable transaction costs are taken into account when applicable.

### 2.5.19 Hedging derivatives

The Group uses financial instruments to hedge risks associated with interest rate fluctuations. On the inception of the transaction, the Group documents the hedge relationship between the hedging instrument and the hedged asset, the objectives concerning risks and its hedging policy. Financial instruments are recorded at fair value and subsequent gains and losses in fair value are recognised on the basis of whether or not the derivative is designated as a hedging instrument.

IAS 39 subordinates the use of hedge accounting to demonstration and documentation of the effectiveness of hedging relationships when hedges are implemented and subsequently throughout their existence.

A hedge is considered to be effective if the ratio of changes in the value of the derivative to changes in the value of the hedged underlying remains within a range of 80% to 125%.

Derivative financial instruments are measured by banking institutions according to their mark-to-market value at the closing date.

Hedge effectiveness tests performed annually demonstrate that our hedges are effective and as such, qualify for hedging accounting.

### 2.5.20 Purchase commitments given to non-controlling shareholders

In compliance with IAS 32, put options granted by GL events Group to minority shareholders of fully consolidated subsidiaries are recorded as debt at fair value or the probable price for buying out the non-controlling interests. Commitments to buy out minority interests are accounted for through equity when the acquisition of these interests does not result in a change in control.

Changes in liabilities with respect to commitments to buy out minority interests are recognised by an offsetting credit to equity.

This liability has not been revalued because it represents a non-significant amount.

### 2.5.21 Revenue recognition

#### GL events Live

Revenue is recognised according to the following methods:

- Revenues originating from the provision of overlay services for short-term events with a proven redundancy are recognised in full at the start of the event.
- Revenue originating from leases with no defined term and long-term lease agreements are recognised on a monthly basis.
- Revenue originating from the sale of capitalised rental equipment is recognised when the assets are actually delivered to the lessee. The net carrying value of goods sold is classified under operating expenses.

- Revenue originating from contracts for jumbo events is recognised according to the percentage-of-completion method as costs are incurred. Such contracts require significant preparations prior to the production phase (design, logistics, allocation of assets) carried out upstream of the events. If losses on completion are identified, a provision is recorded accordingly.

#### GL events Exhibitions

Revenues from trade shows, exhibitions and events organised by the Group are recognised in full as soon as they open to the public.

#### GL events Venues

Revenue is recognised on the first day the event is open to the public.

### 2.5.22 Accounting treatment of French tax on businesses (CVAE)

The levies included in this tax, namely contributions assessed on business property (*contribution foncière des entreprises or CFE*) and added value (*cotisation sur la valeur ajoutée des entreprises or CVAE*) are recognised under operating expenses according to the same accounting treatment as with the previous local business tax.

### 2.5.23 Accounting treatment of the CICE tax credit

The CICE (*Crédit d'Impôt pour la Compétitivité et l'Emploi*) is classified under staff costs.

### 2.5.24 Basic earnings per share

Basic earnings per share is calculated based on the weighted average number of ordinary shares outstanding during the period, after deducting treasury shares.

For the last three years, the number of shares was as follows:

- 2014 = 22,298,820
- 2015 = 22,216,940
- 2016 = 22,694,383

### 2.5.25 Diluted earnings per share

Diluted earnings per share are calculated in reference to the weighted average number of ordinary shares before dilution, plus the weighted average number of shares that would result from the exercise of all existing stock options and all other dilutive instruments.

For the last three years, the average number of diluted shares was as follows:

- 2014 = 22,753,655
- 2015 = 22,769,837
- 2016 = 23,480,611 (\*)

(\*) If all financial instruments outstanding were exercised, the potential dilution would represent 0.3% of the share capital at 31 December 2016.

**2.5.26 Consolidated cash flows**

The consolidated cash flow statement has been presented in compliance with IAS 1 and includes notably the following rules:

- Gains and losses on disposal of fixed assets are net of tax;
- Depreciation of current assets are presented under changes in cash flows in connection with current assets;
- Net cash flows from the acquisition and disposal of subsidiaries correspond to the purchase price less the outstanding amount not yet paid and net available cash and cash equivalents (or increased by current borrowings) on the acquisition date. The same approach is applied for disposals;
- Net cash and cash equivalents at the beginning of the year and at year-end correspond to net cash (cash at bank and in hand, marketable securities) minus current borrowings (short-term bank loans and overdrafts, Daily law receivables less bills of exchange discounted before maturity). These items do not include current account balances with non-consolidated companies.

## NOTE 3 CONSOLIDATED COMPANIES

The following companies were consolidated for the first time or deconsolidated in 2016:

Subsidiaries	Date of consolidation or deconsolidation
GL events Maroc	Fully consolidated on 1 January 2016
Sté exploit. Centre Congrès Valenciennes	Fully consolidated on 1 January 2016
Slick Seating System	Merged into Owen Brown on 1 January 2016
Continental Expo	Fully consolidated on 1 July 2016
Food Service y Hosteleria	Fully consolidated on 1 July 2016
LOU SASP & LRG	Fully consolidated on 1 July 2016 (vs. EM previously)
Capewood	Merged on 1 July 2016 with GL South Africa

**FINANCIAL STATEMENTS**

CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries	Location of registration or incorporation		Controlling interest (%)		Ownership interest (%)		
			2016	2015	2016	2015	
<b>Parent company</b>							
GL events	Lyon	351,571,757					
<b>French subsidiaries</b>							
Adecor	Chilly Mazarin	378,230,569	100.00	100.00	100.00	100.00	FC:
Alpha 1	Brignais	535,301,956	51.00	51.00	51.00	51.00	FC:
Altitude Expo	Mitry Mory	379,621,220	100.00	100.00	100.00	100.00	FC:
Auvergne Evénements	Cournon d'Auvergne	449,076,900	59.00	59.00	59.00	59.00	FC:
Auvergne Evénements Spectacles	Cournon d'Auvergne	449,077,767	100.00	100.00	59.00	59.00	FC:
Bleu Royal	Paris	750,800,625	70.00	70.00	70.00	70.00	FC:
Brelet	Nantes	857,803,084	100.00	100.00	100.00	100.00	FC:
Brelet Centre Europe	Strasbourg	437,742,059	100.00	100.00	100.00	100.00	FC:
Chorus	Vannes	414,583,039	100.00	100.00	100.00	100.00	FC:
Continental Expo (1)	Paris	490,659,737	100.00		100.00		FC:
Décorama	Ivry sur Seine	612,036,996	100.00	100.00	100.00	100.00	FC:
Fabric Expo	Mitry Mory	379,666,449	100.00	100.00	100.00	100.00	FC:
Financière Jaulin	Chilly Mazarin	414,121,731	100.00	100.00	100.00	100.00	FC:
Fonction Meubles	Chilly Mazarin	378,230,676	100.00	100.00	100.00	100.00	FC:
GL events Audiovisual	Brignais	317,613,180	100.00	100.00	100.00	100.00	FC:
GL events Campus	Lyon	509,647,251	100.00	100.00	100.00	100.00	FC:
GL events Cité Centre de Congrès Lyon	Lyon	493,387,963	100.00	100.00	100.00	100.00	FC:
GL events Exhibitions	Chassieu	380,552,976	99.50	99.50	99.50	99.50	FC:
GL events Live	Brignais	378,932,354	100.00	100.00	100.00	100.00	FC:
GL events Parc Expo Metz Métropole	Metz	493,152,318	100.00	100.00	100.00	100.00	FC:
GL events Scarabée	Roanne	499,138,238	100.00	100.00	100.00	100.00	FC:
GL events SI	Brignais	480,214,766	100.00	100.00	100.00	100.00	FC:
GL events Support	Brignais	480,086,768	100.00	100.00	100.00	100.00	FC:
GL events Venues	Lyon	495,014,524	100.00	100.00	100.00	100.00	FC:
GL Mobilier	Brignais	612,000,877	100.00	100.00	100.00	100.00	FC:
Hall Expo	Brignais	334,039,633	100.00	100.00	100.00	100.00	FC:
Jaulin	Chilly Mazarin	335,187,605	100.00	100.00	100.00	100.00	FC:
Light Events	Chilly Mazarin	484,963,046	100.00	100.00	100.00	100.00	FC:
Live! by GL events	Paris	780,153,862	100.00	100.00	100.00	100.00	FC:
Lou Rugby (2)	Venissieux	432,723,559	69.31	44.52	69.31	44.52	FC:
Lou Rugby groupe (2)	Venissieux	432,723,559	74.06	46.26	74.06	46.26	FC:
Menuiserie Expo	Brignais	353,672,835	100.00	100.00	100.00	100.00	FC:
Mont Expo	Brignais	342,071,461	100.00	100.00	100.00	100.00	FC:
Polygone Vert	Brignais	320,815,236	100.00	100.00	100.00	100.00	FC:
Première Vision (3)	Lyon	403,131,956	48.76	49.00	48.76	49.00	FC:
Profil	Lyon	378,869,846	100.00	100.00	100.00	100.00	FC:
PV Corporate (3)	Lyon	807,946,181	48.76	49.00	48.76	49.00	FC:
Ranno Entreprise	Chilly Mazarin	391,306,065	100.00	100.00	100.00	100.00	FC:
Secil	Lyon	378,347,470	100.00	100.00	100.00	100.00	FC:
Sepel	Chassieu	954,502,357	46.25	46.25	46.25	46.25	FC:
Sign'Expo	Brignais	492,842,349	100.00	100.00	100.00	100.00	FC:
Spaciotempo	Flixecourt	380,344,226	100.00	100.00	100.00	100.00	FC:
Sté exploit. Centre Congrès Metz métropole (1)	Metz	790,342,497	100.00	100.00	100.00	100.00	FC:
Sté exploit. Centre Congrès Pierre Baudis	Toulouse	444,836,092	100.00	100.00	100.00	100.00	FC:
Sté exploit. Centre Congrès St-Etienne	Saint Etienne	488,224,718	100.00	100.00	100.00	100.00	FC:
Sté exploit. Centre Congrès Valenciennes (1)	Anzin	817,786,460	100.00		100.00		FC:
Sté exploit. Château de Saint-Priest	Brignais	453,100,562	100.00	100.00	100.00	100.00	FC:
Sté exploit. d'Amiens Mégacité	Amiens	518,869,011	100.00	100.00	100.00	100.00	FC:
Sté exploit. de l'Acropolis de Nice	Nice	493,387,997	100.00	100.00	100.00	100.00	FC:
Sté exploit. de Parcs d'Exposition	Paris	398,162,263	100.00	100.00	100.00	100.00	FC:
Sté exploit. Palais Brongniart	Paris	518,805,809	100.00	100.00	100.00	100.00	FC:
Sté exploit. Maison de la Mutualité	Brignais	517,468,138	100.00	100.00	100.00	100.00	FC:
Sté exploit. Parc des Expositions de Troyes	Troyes	510,029,648	98.50	98.50	98.50	98.50	FC:
Sté exploit. Polydôme Clermont Ferrand	Clermont-Ferrand	488,252,347	100.00	100.00	100.00	100.00	FC:
Strasbourg Evenements	Strasbourg	384,911,129	46.36	43.86	46.36	43.86	FC:
Toulouse Evenements	Toulouse	752,926,923	99.00	99.00	99.00	99.00	FC:
Toulouse Expo (4)	Toulouse	580,803,880	92.02	91.63	92.02	91.63	FC:
Vachon	Gonesse	343,001,772	85.00	85.00	85.00	85.00	FC:

Subsidiaries	Location of registration or incorporation	Controlling interest (%)		Ownership interest (%)		
		2016	2015	2016	2015	
<b>Foreign subsidiaries</b>						
Adors	Ankara	76.00	76.00	76.00	76.00	FC:
Aedita Latina	Rio de Janeiro	100.00	100.00	100.00	100.00	FC:
Ankara Ulustararasi Kongre	Ankara	76.00	76.00	76.00	76.00	FC:
Cabestan	Monaco	100.00	100.00	100.00	100.00	FC:
Capewood (5)	South Africa		41.63		41.63	FC:
Diagonal Food	Barcelona	92.00	92.00	92.00	92.00	FC:
Fagga Promoção de eventos	Rio de Janeiro	100.00	100.00	100.00	100.00	FC:
Food Service y Hosteleria (1)	Mexico	52.00		52.00		FC:
Frame	Ankara	76.00	76.00	76.00	76.00	FC:
GL events Algérie	Algiers	90.00	90.00	90.00	90.00	FC:
GL events Asia	Hong Kong	100.00	100.00	100.00	100.00	FC:
GL events Belgium	Brussels	100.00	100.00	100.00	100.00	FC:
GL events Brazil Participacoes	Rio de Janeiro	100.00	100.00	100.00	100.00	FC:
GL events Brussels	Brussels	85.00	85.00	85.00	85.00	FC:
GL events CCIB	Barcelona	80.00	80.00	80.00	80.00	FC:
GL events Centro de Convenções	Rio de Janeiro	100.00	100.00	100.00	100.00	FC:
GL events Chili	Santiago de Chile	100.00	100.00	100.00	100.00	FC:
GL events Empreimentos Imobiliario	Rio de Janeiro	100.00	100.00	100.00	100.00	FC:
GL events Exhibitions Shanghai	Shanghai	93.10	93.10	93.10	93.10	FC:
GL events Exponet	Sydney	50.00	50.00	50.00	50.00	FC:
GL events Field&Lawn	Edinburgh	82.50	82.50	82.50	82.50	FC:
GL events Food Turquie	Ankara	76.00	76.00	76.00	76.00	FC:
GL events Fuarçilk	Ankara	76.00	76.00	76.00	76.00	FC:
GL events Hong Kong	Hong Kong	85.00	85.00	85.00	85.00	FC:
GL events Italia	Bologna	100.00	100.00	100.00	100.00	FC:
GL events Macau	Macau	99.00	99.00	99.00	99.00	FC:
GL events Maroc (1)	Casablanca	100.00		100.00		FC:
GL events Production LLC	Dubai Jebel Ali	100.00	100.00	100.00	100.00	FC:
GL events PVT	New Delhi	100.00	100.00	100.00	100.00	FC:
GL events South Africa	Johannesburg	69.39	69.39	69.39	69.39	FC:
GL events Turquie	Istanbul	76.00	76.00	76.00	76.00	FC:
GL events USA	New York	100.00	100.00	100.00	100.00	FC:
GL events Vostok	Moscow	100.00	100.00	100.00	100.00	FC:
GL Furniture (Asia)	Hong Kong	60.00	60.00	60.00	60.00	FC:
GL Litmus events	New Delhi	70.00	70.00	70.00	70.00	FC:
GL Middle East	Dubai Jebel Ali	100.00	100.00	100.00	100.00	FC:
GL Middle East Tent & Trading	Dubai Jebel Ali	100.00	100.00	100.00	100.00	FC:
Grand Hôtel Mercure	Rio de Janeiro	100.00	100.00	100.00	100.00	FC:
Hungexpo	Budapest	100.00	100.00	100.00	100.00	FC:
Istanbul Fuarçilik	Istanbul	24.50	24.50	24.50	24.50	EM:
LPR	Londrina	100.00	100.00	100.00	100.00	FC:
Maf Servizi	Bologna	100.00	100.00	100.00	100.00	FC:
New Affinity	Brussels	100.00	100.00	100.00	100.00	FC:
Owen Brown	Derby	100.00	100.00	100.00	100.00	FC:
Padova Fiere (6)	Padua	100.00	80.00	100.00	80.00	FC:
Perfexpo	Brussels	100.00	100.00	100.00	100.00	FC:
Première Vision Inc. (3)	New York	100.00	100.00	48.76	49.00	FC:
Sao Paulo Expo (Ex GL events Immigrantes)	Sao Paulo	100.00	100.00	100.00	100.00	FC:
Serenas	Ankara	76.00	76.00	76.00	76.00	FC:
Slick Seating System (7)	Redditch		100.00		100.00	FC:
Spaciotempo Arquitecturas Efimeras	Barcelona	100.00	100.00	100.00	100.00	FC:
Spaciotempo UK	Uttoxeter	100.00	100.00	100.00	100.00	FC:
Top Gourmet	Rio de Janeiro	100.00	100.00	100.00	100.00	FC:
Traiteur Loriers Luxembourg	Brussels	60.00	60.00	60.00	60.00	FC:
World Forum (8)	The Hague	100.00	95.00	100.00	95.00	FC:

(1) First-time consolidation in 2016

(2) The equity interests in Lou Rugby Group and Lou Rugby were increased to respectively 74.06% and 69.31%, and are now accounted for by the Full Consolidation method.

(3) The interests in Première Vision, Première Vision Corporate and Première Vision inc were decreased from 49% to 48.76%

(4) The interest in ToulousExpo was increased to 92.02%

(5) Capewood was merged into GL events South Africa

(6) The interest in Padova was increased to 100%

(7) Slick was merged into Owen Brown on 1 January

(8) The interest in World Forum was increased to 100%

EM: Equity-accounted method

FC: Full consolidation

## NOTE 4 SEGMENT INFORMATION

GL events Group is organised into three business divisions:a

**GL events Live** offers expertise covering all business line specialisations and services for corporate, institutional and sports events and to provide turnkey solutions from consulting and design to staging the event itself.

**GL events Exhibitions** manages and coordinates the Group's large proprietary portfolio of trade shows and consumer fairs covering a wide range of sectors (food industry, culture, textiles, etc.)

**GL events Venues** manages a network of venues that includes convention centres, exhibition centres, concert halls and multi-purpose facilities located in major French cities and international destinations:

### REVENUE

(€ thousands)	31/12/16	31/12/15	Change 2016/2015	
GL events Live	500,459	486,448	14,011	2.9%
% of Total Revenue	52.5%	51.6%		
GL events Exhibitions	144,959	166,365	(21,406)	-12.9%
% of Total Revenue	15.2%	17.7%		
GL events Venues	307,593	289,607	17,986	6.2%
% of Total Revenue	32.3%	30.7%		
<b>Revenue</b>	<b>953,010</b>	<b>942,420</b>	<b>10,590</b>	<b>1.1%</b>

### CURRENT OPERATING INCOME

(€ thousands)	31/12/16	31/12/15
GL events Live	32,921	32,661
GL events Exhibitions	13,543	20,088
GL events Venues	32,852	18,984
<b>Current operating income</b>	<b>79,316</b>	<b>71,732</b>

### INVESTMENTS IN THE PERIOD IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(€ thousands)	31/12/16	31/12/15
GL events Live	35,069	16,704
GL events Exhibitions	450	(147)
GL events Venues	95,919	83,697
<b>Net investments</b>	<b>131,438</b>	<b>100,254</b>

### ALLOWANCES AND REVERSALS OF AMORTISATION, DEPRECIATION AND PROVISIONS

(€ thousands)	31/12/16	31/12/15
GL events Live	(29,112)	(26,160)
GL events Exhibitions	(294)	483
GL events Venues	(20,047)	(12,164)
<b>Amortisation, depreciation and provisions</b>	<b>(49,453)</b>	<b>(37,841)</b>

For 2016, France accounted for 51 % of the Group revenue (53% in 2015) and Brazil 12% (7% in 2015).



## NOTE 5 BALANCE SHEET INFORMATION

### 5.1 INTANGIBLE ASSETS

(€ thousands)	31/12/14	Increase	Decrease or impairment	Translation adjustments	Changes in Group structure & reclassifications	31/12/15
Goodwill - GL events Live	145,105		(1,065)	(4,613)	34,181	173,609
Goodwill - GL events Exhibitions	246,764		(150)	(1,469)	(26,268)	218,877
Goodwill - GL events Venues	49,996			2	16,219	66,218
<b>Goodwill</b>	<b>441,865</b>	<b>0</b>	<b>(1,215)</b>	<b>(6,079)</b>	<b>24,133</b>	<b>458,705</b>
Other intangible assets	93,296	4,660	(8,778)	(10,927)	897	79,148
Depreciation	(39,468)	(3,975)	3,599	1,645	72	(38,127)
<b>Other intangible assets</b>	<b>53,828</b>	<b>685</b>	<b>(5,179)</b>	<b>(9,282)</b>	<b>969</b>	<b>41,021</b>
<b>Intangible assets</b>	<b>495,693</b>	<b>685</b>	<b>(6,394)</b>	<b>(15,361)</b>	<b>25,102</b>	<b>499,726</b>

(€ thousands)	31/12/15	Increase	Decrease or impairment	Translation adjustments	Changes in Group structure & reclassifications	31/12/16
Goodwill - GL events Live	173,609		(226)	1,541	5,313	180,236
Goodwill - GL events Exhibitions	218,877		(3,000)	1,214	1,452	218,544
Goodwill - GL events Venues	66,218			343		66,561
<b>Goodwill</b>	<b>458,705</b>	<b>0</b>	<b>(3,226)</b>	<b>3,098</b>	<b>6,766</b>	<b>465,343</b>
Other intangible assets	79,148	12,193	(715)	8,649	3,641	102,917
Amortisation, depreciation and impairment	(38,127)	(5,894)	609	(1,399)	1,177	(43,634)
<b>Other intangible assets</b>	<b>41,021</b>	<b>6,299</b>	<b>(106)</b>	<b>7,250</b>	<b>4,818</b>	<b>59,283</b>
<b>Intangible assets</b>	<b>499,726</b>	<b>6,299</b>	<b>(3,332)</b>	<b>10,349</b>	<b>11,584</b>	<b>524,625</b>

The valuation of goodwill on initial consolidation of acquisitions of the period is not definitive and may result in additional allocations within twelve months following the acquisition date.

Changes in the scope for goodwill results from the correction of the opening net equity of the Jaulin Group, the

The following actuarial assumptions were applied:

Assumptions applied	31/12/2016	31/12/2015
Discount rate (WACC) – Live	8.21%	8.17%
Discount rate (WACC) – Exhibitions	7.73%	7.37%
Discount rate (WACC) – Venues	7.73%	7.37%

acquisition of Continental Expo and the reclassification of an upfront fee and other amortizable intangible items.

Goodwill has been tested for impairment in accordance with IAS 36 – Impairment of assets, by applying the discounted cash flow method at the level of cash generating units.

Growth assumptions	31/12/2016	31/12/2015
France	2.00%	3.00%
South Africa	4.00%	5.00%
Brazil	4.00%	7.50%
China	2.00%	2.00%
Middle East	2.50%	2.00%
Russia	2.00%	2.00%
Turkey	5.00%	8.00%
Other countries	2.00%	2.00%
Growth assumption at terminal value	2.00%	2.00%

A beta coefficient of 92% is used for GL events Live and 100% for GL events Exhibitions and GL events Venues.

Impairment tests indicate a recoverable value above the value of the assets that were tested. Sensitivity tests were

conducted for all CGUs. On that basis, a combined change in actuarial data (a decline in the perpetuity growth rate (-0.5 %), an increase in the WACC rate (+0.8%)) and operating data (a decline in the EBIT rate (-8%)) does not indicate a need to record an impairment.

## 5.2 PROPERTY, PLANT AND EQUIPMENT

(€ thousands)	31/12/14	Augm.	Dim.	Ecart de conversion	Mvts de périm. & reclassement	31/12/15
Land	72		(70)	1		3
Buildings	117,061	78,440	(81)	(32,434)	10,292	173,278
<b>Total</b>	<b>117,133</b>	<b>78,440</b>	<b>(151)</b>	<b>(32,433)</b>	<b>10,292</b>	<b>173,281</b>
Depreciation	(11,562)	(3,865)	76	641	(927)	(15,637)
<b>Net total</b>	<b>105,571</b>	<b>74,575</b>	<b>(75)</b>	<b>(31,792)</b>	<b>9,365</b>	<b>157,644</b>

(€ thousands)	31/12/15	Increase	Decrease	Translation adjustments	Changes in Group structure & reclassifications	31/12/16
Land	3		(0)		225	227
Buildings	173,278	111,356	(10,793)	40,494	15,188	329,524
<b>Total</b>	<b>173,281</b>	<b>111,356</b>	<b>(10,793)</b>	<b>40,494</b>	<b>15,413</b>	<b>329,752</b>
Amortisation, depreciation and impairment	(15,637)	(10,158)	405	(1,269)	(3,587)	(30,246)
<b>Net total</b>	<b>157,644</b>	<b>101,199</b>	<b>(10,388)</b>	<b>39,225</b>	<b>11,826</b>	<b>299,506</b>

Brazilian assets represented €241 million at 31 December 2016 compared to €128 million one year earlier.

**FINANCIAL STATEMENTS**

## CONSOLIDATED FINANCIAL STATEMENTS

(€ thousands)	31/12/14	Increase	Decrease	Translation adjustments	Changes in Group structure & reclassifications	31/12/15
Installations, machinery and equipment	32,917	3,867	(2,094)	(690)	1,617	35,617
Other fixed assets	79,971	4,535	(4,916)	(2,093)	6,715	84,212
Fixed assets under construction	8,667	699	(108)	(209)	(8,281)	768
Capitalised rental equipment	226,874	13,758	(14,608)	(806)	15,119	240,337
<b>Total</b>	<b>348,429</b>	<b>22,859</b>	<b>(21,726)</b>	<b>(3,798)</b>	<b>15,170</b>	<b>360,934</b>
Installations, machinery and equipment	(21,898)	(8,064)	4,038	399	(662)	(26,187)
Other fixed assets	(57,062)	(7,269)	4,629	543	436	(58,723)
Capitalised rental equipment	(134,446)	(19,505)	10,084	(953)	(11,172)	(155,992)
<b>Total</b>	<b>(213,407)</b>	<b>(34,838)</b>	<b>18,751</b>	<b>(11)</b>	<b>(11,398)</b>	<b>(240,903)</b>
<b>Property, plant and equipment</b>	<b>135,022</b>	<b>(11,979)</b>	<b>(2,975)</b>	<b>(3,809)</b>	<b>3,772</b>	<b>120,031</b>

(€ thousands)	31/12/15	Increase	Decrease	Translation adjustments	Changes in Group structure & reclassifications	31/12/16
Installations, machinery and equipment	35,617	4,109	(1,999)	100	1,254	39,080
Other fixed assets	84,212	3,931	(3,941)	572	1,406	86,180
Fixed assets under construction	768	2,400	(151)	(0)	(730)	2,288
Capitalised rental equipment	240,337	31,092	(10,125)	(3,614)	(229)	257,460
<b>Total</b>	<b>360,934</b>	<b>41,532</b>	<b>(16,215)</b>	<b>(2,943)</b>	<b>1,701</b>	<b>385,008</b>
Installations, machinery and equipment	(26,187)	(4,796)	2,294	(38)	8	(28,719)
Other fixed assets	(58,723)	(8,331)	3,019	(164)	(445)	(64,643)
Capitalised rental equipment	(155,992)	(22,980)	7,652	3,482	(34)	(167,872)
<b>Total</b>	<b>(240,903)</b>	<b>(36,107)</b>	<b>12,965</b>	<b>3,281</b>	<b>(471)</b>	<b>(261,234)</b>
<b>Property, plant and equipment</b>	<b>120,031</b>	<b>5,425</b>	<b>(3,250)</b>	<b>338</b>	<b>1,229</b>	<b>123,774</b>

The increase in the buildings line item concerned mainly completion of the renovation work and construction for the São Paulo site, the Pavillon 6 at Riocentro and capital improvements for Arena in Rio de Janeiro. The translation adjustments are primarily from assets denominated in the Brazilian real.

Other tangible fixed assets include mainly fixtures, furniture, transport equipment and computer equipment.

The main changes for capitalised rental equipment relate to investments in the period primarily in France and the United Kingdom.

**5.3 FINANCIAL ASSETS**

(€ thousands)	31/12/15	Increase	Decrease	Translation adjustments	Changes in Group structure & reclassifications	31/12/16
Available-for-sale securities	38,608	12,275	(8,559)	(6)	(16)	42,302
Loans and receivables	28,970	1,185	(1,192)	1	25	28,989
Impairment	(3,173)	(31)	1,172			(2,032)
<b>Financial assets</b>	<b>64,406</b>	<b>13,429</b>	<b>(8,579)</b>	<b>(5)</b>	<b>9</b>	<b>69,259</b>

## 5.4 INVESTMENTS IN ASSOCIATES

Changes in investments in associates were as follows:

(€ thousands)	2016	2015
Value of securities at opening	1,690	2,489
Change in structure	(553)	219
Dividends	(61)	-
Translation reserves	(18)	-
Share of income in associates	(885)	(1,018)
<b>Investments in associates</b>	<b>172</b>	<b>1,690</b>

2016 financial aggregates of equity-accounted investments:

(€ thousands)	Istanbul Fuarcilik
Non-current assets	3
Current assets	1,879
<b>Total assets</b>	<b>1,882</b>
Shareholders' equity	687
Liabilities	1,194
<b>Total equity and liabilities</b>	<b>1,882</b>
<b>Revenue</b>	<b>2,587</b>
<b>Net income</b>	<b>381</b>
Share in income of equity affiliates	95

## 5.5 INVENTORIES & WORK IN PROGRESS

Inventory and work in progress break down as follows:

(€ thousands)	31/12/16	31/12/15
Consumables	7,687	3,495
Work-in-progress	11,697	9,349
Rental equipment – goods	32,740	33,294
<b>Total</b>	<b>52,124</b>	<b>46,139</b>
Impairment charges	(7,692)	(3,593)
<b>Inventories &amp; work in progress</b>	<b>44,432</b>	<b>42,545</b>

## 5.6 TRADE RECEIVABLES

Trade receivables break down as follows:

(€ thousands)	31/12/16	31/12/15
Trade receivables	160,760	171,993
Accrued receivables	34,638	58,149
Impairment charges	(13,057)	(13,782)
<b>Trade receivables</b>	<b>182,341</b>	<b>216,359</b>

Trade receivables have maturities of less than one year with information on ageing presented below:

(€ thousands)	Not due or less than 30 days	Past due 30 to 90 days	Past due more than 90 days	Total
Trade receivables	100,728	16,511	30,464	147,703

## 5.7 OTHER RECEIVABLES

Other receivables break down as follows:

(€ thousands)	31/12/16	31/12/15
Advances and instalments	24,281	15,961
Social security receivables	3,472	1,757
Tax receivables	64,153	51,311
Current account advances to non-consolidated companies	5,186	12,648
Other trade receivables and equivalent	21,391	22,903
Deferred charges	32,236	25,214
Provision for current accounts	(3,325)	(5,255)
Provision for other receivables	(226)	(26)
<b>Other receivables</b>	<b>147,167</b>	<b>124,513</b>

All other receivables have maturities of less than one year.

## 5.8 DEFERRED TAXES

The breakdown between deferred tax assets and liabilities is as follows:

(€ thousands)	31/12/15	Changes in Group structure and fair value adjustments of financial instruments Financial instruments	Translation reserves	Income (expense)	31/12/16
Deferred tax assets	23,210	(236)	43	2,099	25,116
Deferred tax liabilities	(5,543)	0	2	(1,416)	(6,956)
<b>Net deferred tax assets (liabilities)</b>	<b>17,667</b>	<b>(236)</b>	<b>45</b>	<b>683</b>	<b>18,159</b>

Deferred tax assets and liabilities by nature break down as follows:

(€ thousands)	31/12/15	Changes in Group structure and fair value adjustments of financial instruments Financial instruments	Translation reserves	Income (expense)	31/12/16
Other depreciation differences	(2,338)	0	2	(175)	(2,511)
Loss carryforwards	15,951	115	368	730	17,164
Provisions	(315)	(612)	(320)	(211)	(1,457)
Retirement severance benefits	3,068	261	(6)	182	3,505
Organic fund and social housing tax	274	0	0	57	331
Employee profit sharing	1,199	0	0	(101)	1,098
Special excess depreciation	(46)	0	0	595	549
Other	(126)	0	0	(394)	(520)
<b>Total</b>	<b>17,667</b>	<b>(236)</b>	<b>45</b>	<b>683</b>	<b>18,159</b>

Group loss carryforwards not taken into account in the calculation of deferred tax totalled €25,319,000. This represents a deferred tax of €8,182,000 not recognised as tax assets.

In accordance with IAS 12, tax losses can be recognised as assets based on earnings expected in future periods. Losses are recognised as assets for an indefinite period when the period of their use is not subject to time limits.

Losses recognised as tax assets break down by region as follows:

(€ thousands)	Deferred tax receivable		Procedures for recognition
	31/12/16	31/12/15	
Brazil	5,806	2,256	Carried forward indefinitely
France	2,571	741	Carried forward indefinitely
Hungary	1,378	1,582	Carried forward indefinitely
Italy	4,434	8,289	Carried forward indefinitely
Turkey	1,220	1,016	Carried forward for 5 years
United Kingdom	622	1,763	Carried forward indefinitely

## 5.9 CASH EQUIVALENTS

(€ thousands)	31/12/16	31/12/15
Marketable securities	36,548	37,586
Bank and cash	166,751	116,915
<b>Cash and cash equivalents</b>	<b>203,298</b>	<b>154,501</b>
Current bank facilities and overdrafts	(30,228)	(20,874)
<b>Net cash</b>	<b>173,070</b>	<b>133,628</b>

The fair value of marketable securities at 31 December 2016 was €36.5 million. These liquid assets are invested in risk-free products such as money market funds, certificates of deposit or time deposit accounts.

## 5.10 SHAREHOLDERS' EQUITY

### 5.10.1 Capital stock

#### Capital stock

GL events shares are traded on NYSE Euronext Paris-Segment B (Mid Caps).

The share capital at 31 December 2016 was €93,610,844, divided by 23,402,711 shares at €4 per share.

#### Securities giving access to the capital

None

#### Authorised capital not issued

The Extraordinary General Meeting of 29 April 2016 authorised the Board of Directors to issue all types of negotiable securities conferring present or future access to shares of the company, with the maintenance and/or cancellation of the pre-emptive subscription right, for a maximum nominal amount of €60 million.

This authorisation was given for 26 months and expires on 29 June 2018.

**Analysis of capital and voting rights**

Breakdown of ownership of GL events' share capital at year-end:

	Number of shares	Percentage of capital	Percentage of voting rights	Aggregate Shareholders Agreement - % Capital	Aggregate Shareholders Agreement - % Voting Rights
Polygone SA *	11,964,168	51.12%	61.43%	64.21%	74.75%
Sofina *	3,062,542	13.09%	13.31%		
CM CIC Capital Investissements	936,048	4.00%	4.85%		
Free float	7,439,953	31.79%	20.40%		
<b>Total share capital</b>	<b>23,402,711</b>	<b>100.00%</b>	<b>100.00%</b>		

\* shareholders' agreements

**5.10.2 Reserves and additional paid in capital**

Paid in capital represents the difference between the face value of securities issued and contributions received in cash or in kind.

In 2016, changes in "Reserves and additional paid in capital" broke down as follows:

(€ thousands)	31/12/16	31/12/15
Opening reserves and additional paid in capital	281,335	267,340
Capital increase	8,222	
Net income appropriation	30,804	29,627
Dividends	(13,416)	(13,346)
Impact of fair value measurement of financial instruments	1,223	655
Portion of assets contributed by non-controlling interests	(451)	(1,815)
IAS 19 amendment:	(317)	(1,267)
Cancellation of treasury shares	(97)	(2,215)
Stock option expenses	1,812	2,357
Other changes	(294)	(1)
<b>Closing reserves and additional paid in capital</b>	<b>308,820</b>	<b>281,335</b>

**5.10.3 Translation adjustments**

Currency translation adjustments represent the difference between the historic exchange rates and the closing rate. At 31 December, translation adjustments represented a negative currency difference of €37,194,000.

**5.10.4 Treasury shares**

Within the framework of the share repurchase programme renewed by the General Meeting of 29 April 2016, the following transactions were undertaken during the course of 2016:

(number of shares)	31/12/15	Acquisitions	Disposals	31/12/16
Treasury shares	402,109	32,150	(112,820)	321,439
Liquidity agreement	34,871	279,539	(307,045)	7,365

The liquidity agreement with an investment services provider is compliant with the conduct of business rules recognised by the French financial market authority (AMF) for market making purposes. Trading fees for the above transactions in connection with this market making agreement totalled €30,500 for 2016.

At year-end there were 328,804 treasury shares and shares held in connection with a liquidity agreement.



## 5.10.5 Restricted stock unit & stock option plans

### Restricted stock unit plans

Plan inception date	Initial grants	Vesting period	Awards having lapsed	Awards fully vested in 2016	Awards to be exercised
Plan No. 8 of 01/03/2013	99,600	01/03/2016	12,975	86,625	-
Plan No. 10 of 28/02/2014	150,575	01/03/2017	2,475	-	148,100
Plan No. 10bis of 28/02/2014	10,000	01/03/2016	-	10,000	-
Plan No. 11 of 28/02/2014	19,310	01/03/2016	3,120	16,190	-
Plan No. 12 of 30/01/2015	2,000	01/02/2017	-	-	2,000
Plan No. 13 of 30/01/2015	112,975	01/02/2018	275	-	112,700
Plan No. 14 of 30/01/2015	21,180	01/02/2017	-	-	21,180
Plan No. 15 of 03/03/2016	10,000	02/03/2019	-	-	10,000
Plan No. 16 of 03/03/2016	19,840	02/03/2018	1,490	-	18,350
Plan No. 17 of 09/12/2016	10,000	10/12/2018	-	-	10,000
Plan No. 18 of 09/12/2016	20,110	10/12/2018	-	-	20,110
Plan No. 19 of 09/12/2016	20,000	10/12/2019	-	-	20,000
Plan No. 20 of 09/12/2016	84,775	10/12/2019	-	-	84,775

### Stock option plans

Plan inception date	Number of shares granted	Exercise price	Vesting period	Number of options exercised in 2016	Number of options having lapsed	Remaining number of options to be exercised
Plan No. 12 of 04/03/2011	61,850	25.14	04/03/2014-03/03/2016	-	61,850	-
Plan No. 13 of 02/03/2012	83,550	15.71	02/03/2015-01/03/2017	-	22,950	60,600
Plan No. 14 of 01/03/2013	84,700	17.17	01/03/2016-28/02/2018	-	11,200	73,500

## 5.11 PROVISIONS FOR RETIREMENT SEVERANCE PAYMENTS

The assumptions applied for calculating retirement severance benefits (indemnités de fin de carrière) that concern primarily French companies of the Group were as follows:

- Rate of government treasury bonds of 1.38 % for 25-year OAT TEC,
- Average rate for salary increases: 2%,
- Retirement age of 67 for all categories of personnel, taking into account changes regarding the legal retirement age;
- Rate for employers social contributions of 40%;
- The turnover rate calculated by employee age bracket.

[€ thousands]	31/12/16	31/12/15	Relevant heading
<b>Opening balance</b>	<b>10,855</b>	<b>8,402</b>	
Service costs – benefit payments	365	122	Operating profit
<b>Expense recognised under income</b>	<b>365</b>	<b>122</b>	
Actuarial gains or losses of the period from changes in assumptions	492	1,320	
Changes in Group structure and reclassifications	249	1,012	
<b>Provisions for retirement severance benefits</b>	<b>11,962</b>	<b>10,855</b>	

This provision for retirement severance benefits includes mainly specific insurance policies taken out by Sepel, Toulouse Evenements, GL events Services and GL events Exhibitions for total liabilities of €1,490,000 at 31 December 2016 and €1,419,000 at 31 December 2015.

A one point increase or decrease in the discount rate would result in a change in the provision of approximately plus or minus €1 million recorded under equity.

## 5.12 CURRENT PROVISIONS FOR CONTINGENCIES AND EXPENSES

Provisions for contingencies and expenses break down as follows:

(€ thousands)	31/12/15	Increase	Decrease		Translation adjustments	Changes in Group structure & reclassifications	31/12/16
			Provisions used in the period	Reversal of unused provisions			
Provisions for employee-related contingencies	2,431	1,873	(1,821)		95	12	2,589
Other provisions <sup>(1)</sup>	14,270	2,837	(847)		15		16,274
<b>Current provisions</b>	<b>16,701</b>	<b>4,709</b>	<b>(2,668)</b>	<b>0</b>	<b>110</b>	<b>12</b>	<b>18,864</b>

(1) A provision of €15.7 million for country risk was recorded in 2011 after the Organising Committee and the Delhi Development Authority suspended payments of amounts owed to suppliers for the Commonwealth Games held in Delhi, India in 2010. Of this initial provision, €4.6 million have been used at 31 December 2016. At 31 December 2016, this provision amounted to €11 million.

## 5.13 FINANCIAL LIABILITIES

### 5.13.1 Breakdown between current and non-current financial liabilities

(€ thousands)	31/12/15	Increase	Decrease	Translation adjustments	Changes in Group structure & reclassifications	31/12/16
Non-current borrowings	499,310	282,270	(241,255)	7,262	8,153	555,740
Financial instruments	6,875		(1,835)			5,040
Other financial liabilities	3,298	1,300	(627)	1	41	4,013
<b>Long-term financial debt (1)</b>	<b>509,483</b>	<b>283,571</b>	<b>(243,717)</b>	<b>7,262</b>	<b>8,194</b>	<b>564,793</b>
<b>Cash liabilities</b>	<b>20,874</b>		<b>7,971</b>	<b>1,383</b>	<b>0</b>	<b>30,228</b>
<b>Total financial liabilities</b>	<b>530,357</b>	<b>283,571</b>	<b>(235,745)</b>	<b>8,646</b>	<b>8,194</b>	<b>595,022</b>
Marketable securities	(37,586)		2,308	(1,251)	(18)	(36,547)
Bank and cash	(116,915)	(48,562)		(1,175)	(97)	(166,751)
<b>Cash and cash equivalents</b>	<b>(154,501)</b>	<b>(48,562)</b>	<b>2,308</b>	<b>(2,426)</b>	<b>(116)</b>	<b>(203,298)</b>
<b>Net debt</b>	<b>375,856</b>	<b>235,008</b>	<b>(233,437)</b>	<b>6,219</b>	<b>8,078</b>	<b>391,724</b>

(1) Of which at 31 December 2016: Non-current portion of long-term debt €454,268  
Current portion of long and medium term debt €110,526

Net cash represents the difference between cash investments and liquid assets and the short-term financial liabilities. At 31 December 2016, net cash amounted to €173,070,000 compared to €133,628,000 at 31 December 2015.

Changes in medium and long-term (non-current) debt reflect mainly the renovation and construction work on Sao Paulo Expo, and the construction of the new pavilion at Riocentro.

The breakdown of financial liabilities by maturity is as follows:

(€ thousands)	31/12/16	Amounts due in less than 1 year	Amounts due in more than 1 year & less than 5 years	Amounts due in more than 5 years
Non-current borrowings	555,740	103,378	322,418	129,944
Financial instruments	5,040	3,134	1,906	
Other financial liabilities	4,013	4,013		
Current bank facilities and overdrafts	30,228	30,228		
<b>Borrowings</b>	<b>595,022</b>	<b>140,754</b>	<b>324,324</b>	<b>129,944</b>

### 5.13.2 Net debt by currency

Net debt by currency breaks down as follows:

(€ thousands)	Non-current borrowings	Current borrowings	Cash and cash equivalents	Net debt
<b>Total euro zone</b>	<b>449,840</b>	<b>119,702</b>	<b>(169,088)</b>	<b>400,454</b>
USD		10	(592)	(582)
AUD			(1)	(1)
AED			(688)	(688)
GDP			(6,107)	(6,107)
HUF			(6,217)	(6,217)
HKD			(3,128)	(3,128)
CNY			(1,133)	(1,133)
DZD			(115)	(115)
TRY	722	1,543	(248)	2,018
ZAR	109		(405)	(296)
INR			(112)	(112)
RUB			(3,514)	(3,514)
CLP			(4)	(4)
MAD			(6)	(6)
MXN			(5)	(5)
BRL	3,597	19,499	(11,937)	11,159
<b>Total non-euro zone</b>	<b>4,429</b>	<b>21,052</b>	<b>(34,210)</b>	<b>(8,730)</b>
<b>Net debt</b>	<b>454,268</b>	<b>140,754</b>	<b>(203,298)</b>	<b>391,724</b>

### 5.14 OTHER FINANCIAL LIABILITIES

Other liabilities break down as follows:

(€ thousands)	31/12/16	31/12/15
Current accounts	4,858	7,599
Dividends payable	55	
Other payables	48,370	44,126
Prepaid income	134,752	112,680
<b>Other liabilities</b>	<b>188,035</b>	<b>164,405</b>

Other liabilities have maturities of less than one year.

**5.15 CHANGES IN WORKING CAPITAL REQUIREMENTS**

(€ thousands)	31/12/16	31/12/15
Change in inventories	(7,646)	(273)
Change in receivables (trade & others)	83,897	(38,606)
Change in trade payables	11,426	6,516
Other changes	(19,978)	4,982
<b>Changes in working capital requirements</b>	<b>67,699</b>	<b>(27,382)</b>

**5.16 BRIDGE TABLE BALANCE SHEET / CASH FLOW STATEMENT RECONCILIATION**

(€ thousands)	31/12/16
Balance sheet - 2015 working capital	83,315
Balance sheet - 2016 working capital	168,218
<b>Change in working capital / balance sheet</b>	<b>84,903</b>
Translation reserves	(6,310)
Change in scope	(13,426)
Other	2,532
<b>Changes in working capital requirements</b>	<b>67,699</b>

(€ thousands)	31/12/16
Allowance – Cash flow statement	(49,453)
Impact of net change in assets	(1,691)
Other provisions	520
<b>Operating allowances and reversals</b>	<b>(50,624)</b>

**NOTE 6  
INCOME STATEMENT INFORMATION****6.1 PURCHASES AND EXTERNAL CHARGES**

Raw materials, consumables and external charges break down as follows:

(€ thousands)	2016	2015
Raw materials and consumables	(65,832)	(62,774)
Subcontracting and external personnel	(256,575)	(279,807)
Equipment and property rentals	(95,619)	(89,932)
Travel and entertainment expenses	(45,182)	(36,584)
Other purchases and external expenses	(116,227)	(115,250)
<b>Purchases and other external charges</b>	<b>(579,434)</b>	<b>(584,346)</b>

## 6.2 ALLOWANCES FOR DEPRECIATION AND RESERVES

Allowances for depreciation and reserves break down as follows:

(€ thousands)	2016	2015
For property, plant and equipment	(21,547)	(20,613)
For capitalised rental equipment	(22,980)	(19,505)
For contingencies and expenses	(3,139)	(2,783)
For other current assets	(2,958)	(167)
<b>Allowances for depreciation and reserves</b>	<b>(50,624)</b>	<b>(43,068)</b>

## 6.3 OTHER CURRENT OPERATING INCOME AND EXPENSES

Other current operating income and expenses break down as follows:

(€ thousands)	2016	2015
Investment grants	2,185	1,530
Other income and expenses	(3,527)	(1,860)
<b>Other current operating income and expenses</b>	<b>(1,342)</b>	<b>(330)</b>

## 6.4 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses include restructuring costs relating to portfolio adjustments made by the Group.

## 6.5 NET FINANCIAL INCOME (EXPENSE)

Net financial income (expense) breaks down as follows:

(€ thousands)	2016	2015
Net income from the sale of marketable securities	5,047	3,953
Interest expense	(24,298)	(13,457)
<b>Net interest expense</b>	<b>(19,251)</b>	<b>(9,504)</b>
Other investment income	627	803
Currency gains and losses	(291)	(1,971)
Provision on financial assets	1,753	(1,789)
<b>Other financial income and expenses</b>	<b>2,089</b>	<b>(2,958)</b>
<b>Net financial expense</b>	<b>(17,162)</b>	<b>(12,462)</b>

## 6.6 STAFF COSTS

Staff costs break down as follows:

(€ thousands)	2016	2015
IFRS 2 share-based payment expenses	(1,830)	(1,616)
Wages, profit sharing and social charges	(224,439)	(220,927)
<b>Staff costs</b>	<b>(226,268)</b>	<b>(222,543)</b>

## 6.7 INCOME TAX EXPENSE

The change in tax expenses breaks down as follows:

(€ thousands)	2016	2015
Current tax	(25,065)	(14,680)
Deferred taxes	2,369	(3,890)
<b>Corporate income tax</b>	<b>(22,697)</b>	<b>(18,570)</b>

The tax calculation is as follows:

(€ thousands)	2016	2015
Profit before tax	59,921	56,686
Tax rate in France excluding the 3.3% social contribution	33.33%	33.33%
<b>Theoretical tax</b>	<b>(19,972)</b>	<b>(18,893)</b>
Goodwill impairment	0	167
Tax deducted/added back to income	3,186	(34)
Stocks options	(4)	(19)
Differences in tax rates	1,040	1,076
3.30% social contribution	(348)	(148)
Losses not recognised as tax assets/use of tax losses from prior periods not recognised as tax assets	(6,599)	(718)
<b>Corporate income tax</b>	<b>(22,697)</b>	<b>(18,570)</b>

## NOTE 7 WORKFORCE

The Group's workforce breaks down as follows:

By division	31/12/16	31/12/15
Corporate	128	165
GL events Live	2,508	2,821
GL events Exhibitions	399	381
GL events Venues	899	885
<b>Total</b>	<b>3,934</b>	<b>4,252</b>

By category	31/12/16	31/12/15
Senior executives	87	93
Management employees	1,270	1,255
Supervisors	865	1,027
Employees	1,115	1,120
Workers	597	757
<b>Total</b>	<b>3,934</b>	<b>4,252</b>

## NOTE 8 OFF-BALANCE SHEET COMMITMENTS

### 8.1 COMMITMENTS

#### Commitments by category (€ thousands)

##### Commitments given

Short-term guarantee	None
Medium-term guarantee	None
Joint security, miscellaneous guarantees	None

##### Commitments received

Joint security, miscellaneous guarantees	None
--	------

In compliance with the principles for the presentation of the notes to the consolidated financial statements that present only Group commitments to third parties and non-consolidated companies, off-balance sheet commitments between consolidated companies are eliminated as are all intercompany transactions and balances.

### 8.2 CONCESSION FEES, PROPERTY RENTAL AND LEASE PAYMENTS FOR THE NON-CANCELLABLE PORTION OF THE LEASE

(€ thousands)	< 1 year	1 to 5 years	> 5 years
Exhibition and convention centres	35,390	139,787	231,622
Property rental	17,778	42,823	32,369
Lease payments	3,000	3,647	

In addition, concession agreements may provide for the payment of lease payments representing variable amounts generally based on pre-tax earnings.



### 8.3 PAYABLES AND RECEIVABLES GUARANTEED BY COLLATERAL

(€ thousands)	Guaranteed debt	Nature of the guarantee
Bank borrowings	683	Pledge of financial instruments
Bank guarantees	5,400	Pledge of financial instruments

### 8.4 OTHER CAPITAL COMMITMENTS

Capital investments are broken down below by the budgeted period of expenditure:

(€ thousands)	< 1 year	1 to 5 years	> 5 years
Capital commitments	4,652	43,268	109,772

Commitments at 31 December 2016 concerned primarily:

- **Eurexpo:** extensions and building (new hall, parking) amounting to €40 million and renovation work (€20 million) to be carried out over the lease term (30 years).
- **Gerland Stadium:** in connection with the signature of the long lease (bail emphytéotique administratif); the subsidiary LOU Rugby has undertaken to make investments in the amount of €66 million over the lease term (60 years).

### 8.5 PUT OPTIONS WRITTEN ON NON-CONTROLLING INTERESTS

At 31 December 2016, no obligations existed in connection with put options written on non-controlling interests.

## NOTE 9 RELATED PARTY DISCLOSURES

The consolidated financial statements include all companies within the Group structure of consolidated operations (see note 3). Polygone SA is the parent company. Related party transactions concern primarily management services invoiced by Polygone SA to GL events, where Olivier Ginon, Olivier Roux and Erick Rostagnat serve as directors for both companies, and property rental costs invoiced by Foncière Polygone to the Group, with

Olivier Ginon serving as Chairman, Anne-Sophie Ginon as Managing Director and Erick Rostagnat as Deputy Managing Director of this company.

There are no other pension liabilities or similar benefits in favour of current and former directors and officers. In addition, no advances or loans have been granted to directors and officers.

Summary of transactions with related parties in 2016:

Description	Income (expenses)
General management services <sup>(1)</sup>	(3 049)
Allowances and expenditures for missions, travel expenses and insurance	1 414
Property lease payments and land taxes <sup>(2)</sup>	(18 080)
	<b>Balance at 31/12/2016</b>
Rent deposit guarantees <sup>(3)</sup>	18 627
Customers	154
Suppliers	(4 896)
Current account	(4 649)

<sup>(1)</sup> General management services include remuneration paid to Messrs. Ginon and Roux, associated employer charges and travel costs incurred in the performance of their duties. These amounts are renewed each year by tacit renewal and approved by the annual general meeting under regulated agreements.

<sup>(2)</sup> Rental payments concern 14 operating sites including the Turin exhibition centre that Foncière Polygone acquired from GL events in 2009. These rental amounts were determined on an arm's-length basis at market prices, based on independent appraisals, according to rental yields or prices per square meter for comparable properties.

<sup>(3)</sup> The amount for deposit guarantees corresponds to one year's rent including tax.

Compensation paid in 2016 to directors and officers breaks down as follows:

(€ thousands)	Olivier GINON <sup>(1)</sup>	Olivier ROUX <sup>(1)</sup>	Olivier FERRATON	Erick ROSTAGNAT
Fixed	332	302	278	209
Variable			121	80
Benefits in kind	7	9	30	2
<b>Total compensation</b>	<b>339</b>	<b>311</b>	<b>428</b>	<b>291</b>
Measurement of performance shares granted in the period			161	0
Measurement of stock options granted in the period				
<b>Total options and performance shares</b>	<b>0</b>	<b>0</b>	<b>161</b>	<b>0</b>
<b>Total</b>	<b>339</b>	<b>311</b>	<b>589</b>	<b>291</b>

(1) Remuneration paid by Polygone SA, the holding company of GL events whose share capital is presented in Section 6 - (Information on the share capital) [page 168](#).

## NOTE 10 INFORMATION ON RISK FACTORS

The review of risks that may have an adverse effect on GL events Group's revenue, financial position or earnings is presented in the management report on [page 65](#).

## NOTE 11 OTHER INFORMATION

In December 2016, LOU Rugby SASP assigned a receivable (€11.3 million) with a maturity in January 2017. The cost of this financing amounted to €0.1 million. The criteria relating to the recognition of this asset were analysed in reference to IFRS 7. This transaction represented a no-recourse assignment entailing a genuine transfer of the credit and late payment risk. Furthermore, the measures of recourse of the establishment against the subsidiary of Groupe GL are extremely limited. For that reason this asset has been derecognized in the accounts presented herein.

### Italy – Padua

The Group was the victim of serious acts of unfair competition and parasitism, theft of a trade show and misappropriation of commercial data to the detriment of its subsidiary, Padova Fiere.

To protect its business by putting an end to these actions, but also to obtain compensation for the damages incurred, the Group brought judicial proceedings against i) a publicly-owned company (VeronaFiere) who operates the competing exhibition centre of the city of Verona, ii) former employees of the Group, now intervening in favour of the competing centre.

The first judicial decisions (some of which are already definitive) rendered by the Italian courts, as well as the demands for compensation, backed by independent experts, support the Group's assessment for the value of intangible assets (Goodwill) recorded in the balance sheet.

In 2016, different procedures for collection and indemnification continued before the relevant jurisdictions.

**NOTE 12****FEES PAID BY THE GROUP TO THE AUDITORS AND MEMBERS OF THEIR NETWORK**

(in euros)	MAZARS				MAZA-SIMOËNS			
	Amount		%		Amount		%	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>Auditing</b>								
— Auditing, certification, examination of the individual and consolidated accounts								
• Issuer	125,000	126,000	17%	14%	91,200	88,600	28%	28%
• Fully consolidated subsidiaries	614,000	662,000	83%	75%	231,000	223,900	72%	72%
— Other assignments and services directly related to the mission of the statutory auditors								
• Issuer	0	93,000	0%	11%				
• Fully consolidated subsidiaries	1,000	2,000	0%	0%				
Subtotal	740,000	883,000	100%	100%	322,200	312,500	100%	100%
<b>Other services</b>	0	0	0%	0%			0%	0%
Subtotal	0	0	0%	0%			0%	0%
<b>TOTAL</b>	<b>740,000</b>	<b>883,000</b>	<b>100%</b>	<b>100%</b>	<b>322,200</b>	<b>312,500</b>	<b>100%</b>	<b>100%</b>

# STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the 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 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 management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## To the shareholders:

In accordance with the terms of our engagement as auditors by your Annual General Meeting, we hereby report to you for the year ended 31 December 2016 on:

- The audit of the consolidated financial statements of GL events SA as enclosed herewith,
- The justification of our assessments,
- The specific procedures and disclosures required by law.

The consolidated financial statements have been approved by the Board of Directors. Our responsibility is to express an opinion on these 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. These standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the consolidated accounts referred to above, in respect to IFRS as adopted by the European Union, give a true and fair view of the Group's financial

position, its assets and liabilities and the results of operations of companies and parties included in the scope of consolidation for the year ended.

## II - JUSTIFICATION OF OUR ASSESSMENTS

Pursuant to the provisions of article L.823-9 of the French commercial code defining our obligation to explain our assessments, we draw your attention to the following:

### Impairment of intangible assets

The company systematically tests for impairment of goodwill at the end of each reporting period according to the procedures described in notes 2.5.5 and 5.1 to the consolidated financial statements. In performing our assessments, we examined the basis for the approach adopted and the procedures used to test for impairment as well as the consistency of all assumptions used and measurements resulting therefrom.

Our assessments on these matters are part of our audit approach regarding the consolidated financial statements taken as a whole and contribute to the formation of our unqualified audit opinion expressed in the first part of this report.

## III - SPECIFIC PROCEDURES

We have also reviewed in accordance with French professional standards the information provided in the Group management report. We have nothing to report with respect to the fair presentation of such information and its consistency with the consolidated financial statements.

Oullins and Villeurbanne, 5 April 2017

**The Statutory Auditors**  
*French original signed by:*

**MAZA SIMOENS**  
Sébastien Belmont

**MAZARS**  
Paul-Armel Junne      Thierry Colin

# PARENT COMPANY FINANCIAL STATEMENTS

## BALANCE SHEET - ASSETS

(€ thousands)	Notes	31/12/2016			31/12/2015
		Cost	Depreciation, amortisation, provisions	Net	Net
Intangible assets	2.2 & 3.1	17,078	940	16,138	16,899
Property, plant and equipment	2.3 & 3.1	6,866	2,954	3,912	4,571
Equity interests	2.4 & 3.2	768,104	55,959	712,145	574,850
Investment-related receivables	2.6 & 3.2	146,031	1,348	144,683	114,289
Other financial assets	3.2	12,561	52	12,509	44,474
<b>Non-current assets</b>		<b>950,639</b>	<b>61,252</b>	<b>889,387</b>	<b>755,082</b>
Trade receivables and related accounts	2.5 & 3.3	30,336		30,336	20,630
Other receivables	2.5 & 3.4	12,631	426	12,205	41,173
<b>Current assets</b>		<b>42,967</b>	<b>426</b>	<b>42,541</b>	<b>61,803</b>
Marketable securities	3.5	21,031	96	20,935	22,256
Cash and cash equivalents	3.5	63,436		63,436	33,071
<b>Cash &amp; cash equivalents</b>		<b>84,467</b>	<b>96</b>	<b>84,371</b>	<b>55,327</b>
Accruals	3.6	3,115		3,115	3,264
<b>Total assets</b>		<b>1,081,188</b>	<b>61,774</b>	<b>1,019,415</b>	<b>875,475</b>

## BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

(€ thousands)	Notes	31/12/2016	31/12/2015
Capital stock	3.7	93,611	90,616
Additional paid-in capital	3.7	180,852	172,638
Legal reserve	3.7	9,062	9,062
Other reserves	3.7	32,478	19,021
<b>Net income for the period</b>		<b>28,266</b>	<b>26,860</b>
Special excess depreciation	3.7	1,746	1,746
<b>Shareholders' equity</b>		<b>346,015</b>	<b>319,942</b>
Provisions for contingencies and expenses	2.7 & 3.8	3,897	4,002
Borrowings	3.9	642,736	530,362
Trade payables and equivalent	2.5 & 3.10	11,623	8,765
Tax and social security payables	2.5 & 3.10	3,338	1,714
Other liabilities	2.5 & 3.10	11,801	10,527
<b>Current liabilities</b>		<b>669,499</b>	<b>551,368</b>
Accruals		4	163
<b>Total equity and liabilities</b>		<b>1,019,415</b>	<b>875,475</b>

## INCOME STATEMENT

(€ thousands)	Notes	31/12/2016	31/12/2015
Revenue	2.9	35,571	29,571
Other revenue from ordinary activities		19	24
Reversals of provisions, expense reclassifications		7	67
<b>Operating income</b>	<b>4.1</b>	<b>35,598</b>	<b>29,662</b>
External charges		(28,227)	(28,763)
Taxes and similar payments		(405)	(360)
Staff costs	5	(5,492)	(3,189)
Allowances for depreciation and reserves		(1,912)	(1,214)
Other expenses		(286)	(454)
<b>Operating expenses</b>		<b>(36,321)</b>	<b>(33,980)</b>
<b>Operating profit / (loss)</b>		<b>(724)</b>	<b>(4,318)</b>
Financial income		76,719	38,414
Financial expense		(51,603)	(38,312)
<b>Net financial income (expense)</b>	<b>4.2</b>	<b>25,116</b>	<b>102</b>
<b>Current income before taxes</b>		<b>24,393</b>	<b>(4,216)</b>
Exceptional income		227,594	34,149
Exceptional expenses		(225,047)	(11,984)
<b>Net exceptional items</b>	<b>2.10 &amp; 4.3</b>	<b>2,547</b>	<b>22,165</b>
Income tax	2.13 & 4.4	1,327	8,910
<b>Net income</b>		<b>28,266</b>	<b>26,860</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF GL EVENTS AT 31 DECEMBER 2016

### ACCOUNTING POLICIES AND METHODS

<b>Note 1</b> Significant Events	146
<b>Note 2</b> Accounting policies	146

### BALANCE SHEET INFORMATION

<b>Note 3.1</b> Intangible assets and property, plant and equipments	149
<b>Note 3.2</b> Financial assets	149
<b>Note 3.3</b> Trade receivables and related accounts	149
<b>Note 3.4</b> Other receivables	149
<b>Note 3.5</b> Cash and cash equivalents, marketable securities	150
<b>Note 3.6</b> Accruals - assets	150
<b>Note 3.7</b> Statement of changes in shareholders'	150
<b>Note 3.8</b> Provisions for contingencies and expenses	151
<b>Note 3.9</b> Net borrowings	151
<b>Note 3.10</b> Maturity of loans and financial liabilities	151
<b>Note 3.11</b> Accrued expenses and income	151

### INCOME STATEMENT INFORMATION

<b>Note 4.1</b> Operating income	152
<b>Note 4.2</b> Net financial expense	152
<b>Note 4.3</b> Net exceptional items	152
<b>Note 4.4</b> Income tax	153
<b>Note 4.5</b> Impact of special tax valuations on shareholders' equity and net earnings	153

### OTHER INFORMATION

<b>Note 5</b> Employees	153
<b>Note 6</b> Off-balance sheet commitments	154
<b>Note 7</b> Identity of the consolidating company	154
<b>Note 8</b> Changes in future tax liabilities	154
<b>Note 9</b> Transactions with related parties	154



# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015 OF GL EVENTS

## NOTE 1 SIGNIFICANT EVENTS

In the period, the Group reorganized equity holdings of its subsidiaries in order to attach them to the three operating holding entities. As a result, at 31 December, virtually all subsidiaries were held by the three operating subsidiaries of GL events SA (GL events Live, GL events Exhibitions and GL events Venues). The transfer of securities was carried out through contributions or sales of securities.

In addition, a review was conducted of the securities portfolio (before the sale or contribution) as well as receivables in the current account. Impairment charges (€35 million) and reversals of provisions (€35 million), including €22 million for securities and €39 for current accounts were recorded in the period.

In July 2016, the company issued a 7-year €100 million private placement bond with a 3.50% annual coupon and payable on maturity.

## NOTE 2 ACCOUNTING POLICIES

### 2.1 GENERAL ACCOUNTING PRINCIPLES

The separate parent company financial statements have been prepared with the objective of providing a true and fair view in accordance with the general principles of conservatism and fair presentation, and notably, going concern, consistency of presentation, the time-period concept, and in accordance with the principles of French GAAP (and namely, regulation No. 2016-07 of the French accounting standards authority of 4 November 2016 repealing CRC regulation No. 2014-03 of 5 June 2014). For the recognition and measurement of balance sheet items, the historical cost method has been applied.

### 2.2 INTANGIBLE ASSETS

Intangible assets represent mainly negative goodwill (*mali de fusion*) and computer software.

Software is measured at cost and depreciated on a straight-line basis over useful lives of one to three years. Allowances for depreciation are recognised under operating income.

An impairment test is performed at the end of each reporting period. When there is evidence of a loss in value, a provision is recorded for the difference between value in use and the carrying value.

### 2.3 PROPERTY, PLANT AND EQUIPMENT

Tangible fixed assets are recognised at cost. They are subject to depreciation plans determined according to the straight-line method, the duration and their probable useful lives.

The depreciation periods generally retained are as follows:

	<b>Depreciation period</b>
Fixtures and fittings	10 years
Transport equipment	3 to 4 years
Office furniture and equipment	4 to 10 years

Allowances for depreciation are recognised under operating income.

### 2.4 PARTICIPATING INTERESTS AND OTHER FIXED SECURITIES (TITRES IMMOBILISÉS DE L'ACTIVITÉ DE PORTEFEUILLE OR TIAP)

Participating interests are recognised at cost. Post-closing adjustments are taken into account when they can be reliably estimated.

An impairment loss is recorded on securities when the net realisable value established according to the criteria indicated is less than the carrying value:

- value in use is determined according to the remeasured net assets of the subsidiary and its prospects for profitability (the discounted cash flow method),
- value determined by reference to the recent transactions for companies operating in the same sector.

- An impairment loss is however only recognised after the company has reached a normal level of operations in the case of a creation or when the process of its integration into the Group is completed in the case of an acquisition.

Fixed investment securities are measured at acquisition cost or in relation to their stock market price when listed; A provision for impairment is recorded :

- when the cost price is lower than the net realisable value . The net realisable value corresponds to the estimated trading value for the securities,
- when the cost price is greater than the average price for the last 20 trading sessions.

## 2.5 TRADE RECEIVABLES AND PAYABLES

Trade receivables are measured on a case-by-case basis. A provision for impairment is recorded in consequence based on the specific risks incurred.

Receivables and payables in foreign currencies are translated on the basis of year-end exchange rates. Resulting currency gains and losses are recorded in the balance sheet under assets or liabilities in translation adjustments. A provision is recorded to cover unrealised currency losses.

## 2.6 TRADE RECEIVABLES AND PAYABLES OF SUBSIDIARIES AND PARTICIPATING INTERESTS

Trade receivables and payables are recorded under current assets or liabilities. Upon term, and in accordance with a Group cash pool agreement, these receivables and payables are reclassified under partners/associates - current accounts in assets or liabilities. Upon reimbursement, when applicable, the corresponding amounts are in consequence deducted from these same current accounts.

Current account advances of a financial nature on inception are recognised directly in the same current accounts. These current accounts, whether under assets or liabilities, concern maturities of less than one year. However, given the long-term nature of some of these current accounts balances, it has been decided, by convention, that all treasury advances representing assets shall be presented under the heading receivables from interests while those representing liabilities are included under financial liabilities.

## 2.7 PROVISIONS FOR CONTINGENCIES AND EXPENSES

Provisions are recorded to meet the potential costs related to litigation and other liabilities.

With respect to restricted share unit plans (*plan d'attribution gratuite d'actions*), a provision for expenses is recorded according to the vesting period. The reversal of a provision is recognised when the shares have been unconditionally granted to the beneficiaries at the end of the vesting period.

## 2.8 REQUIREMENT SEVERANCE BENEFITS

Costs associated with severance benefits payable on retirement are incurred, in accordance with the option allowed for under applicable laws, in the year of retirement. This obligation is determined according to the projected unit credit method based on actuarial assumptions retained. The estimated amount of these obligations is disclosed in note 6 (page 154).

## 2.9 REVENUE

The primary activity of GL events is the acquisition of shareholdings in all companies, French or foreign joint ventures.

In exchange for services provided to its subsidiaries, GL events invoices the companies in which it exercises control. These fees represent the primary source of its revenue.

## 2.10 EXCEPTIONAL EXPENSES AND INCOME

Exceptional expenses and income recorded under this heading comply with French accounting standards (*Plan Comptable Général*). The debt waivers that GL events may grant to one or more of its subsidiaries in a given period constitute non-recurring items and are consequently recognised under this heading.

## 2.11 MARKETABLE SECURITIES

Marketable securities are recognised at cost. A provision for impairment is recorded when the cost price is lower than the carrying value . The carrying value corresponds to the average monthly price for listed companies and their estimated trading value for securities not publicly traded.

## 2.12 FINANCIAL INSTRUMENTS

Financial instruments used by the company (collar type derivatives, both zero-premium or with premium payment), are exclusively for hedging purposes. The hedge accounting method applied symmetrically recognises the offsetting effects on net profit or loss of changes in the values of the hedging instrument and the related hedged item.

### 2.13 INCOME TAX

A French tax group headed by GL events includes the following companies: The following companies are included in the French tax group:

#### GL events

Altitude

Brelet

Brelet Centre Europe

Chorus

Décorama

Fabric Expo

Financière Jaulin

Fonction Meubles

GL events Audiovisual

GL events Cité centre de Congrès Lyon

GL events Exhibitions

GL events Venues

GL events Palais Brongniart

GL events Parc Expo Metz Métropole

GL events Services

GL Mobilier

Hall Expo

Jaulin

Light Event

Menuiserie Expo

Mont Expo

Polygone Vert

Profil

Ranno Entreprise

SE Acropolis de Nice

SE. Centre Congrès Saint Etienne

SE. Centre Congrès Pierre Baudis

SE. Château de St Priest

SE. Palais Mutualité

SE. Polydome Clermont-Ferrand

SE. Centre Congrès Amiens

SECIL

SEPE Parc Floral

Sign'Expo

Spaciotempo

Corporate income tax for the companies is determined by each member of the tax group, without the possibility of allocating specific losses to the subsidiary arising during the period it is included in the tax sharing arrangement. The company heading the tax group records under tax expenses, the gain or loss resulting from the difference between the total tax charge payable by the companies and the tax payable by the tax group.

Resulting tax savings from the tax sharing provisions are definitively acquired by the parent company. However, if a subsidiary withdraws from this tax group, this savings is then returned to the subsidiary.

## NOTE 3 BALANCE SHEET INFORMATION

### 3.1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

(€ thousands)	31/12/15	Increase	Decrease	Other changes	31/12/16
Software	283	6			289
Depreciation	(173)	(767)			(940)
Goodwill	16,789				16,789
<b>Net intangible fixed assets</b>	<b>16,899</b>	<b>(761)</b>	<b>0</b>	<b>0</b>	<b>16,138</b>
Property, plant, equipment	6,793	74	(2)		6,866
Accumulated depreciation	(2,222)	(731)	0		(2,954)
Fixed assets under construction	0				0
<b>Net tangible fixed assets</b>	<b>4,571</b>	<b>(657)</b>	<b>(2)</b>	<b>0</b>	<b>3,912</b>

### 3.2 FINANCIAL ASSETS

(€ thousands)	31/12/15	Increase	Decrease	Other changes	31/12/16
Equity interests	608,434	362,066	(215,113)	8,590	763,977
Provisions for impairment of investments	(40,037)	(32,531)	19,408	(2,798)	(55,959)
Other fixed investment securities	6,453	5,441	(7,767)		4,127
<b>Net fixed securities</b>	<b>574,850</b>	<b>334,976</b>	<b>(203,473)</b>	<b>5,792</b>	<b>712,145</b>
Investment-related receivables	128,234	18,301	(503)		146,031
Impairment of receivables	(13,945)	12,598			(1,348)
<b>Net receivables</b>	<b>114,288</b>	<b>30,898</b>	<b>(503)</b>	<b>0</b>	<b>144,683</b>
Loans	34,377	1,600	(28,750)		7,227
Other securities	12,429	1,408	(455)	(8,590)	4,792
Deposits and guarantees	518	35	(11)		541
Provisions for other financial assets	(2,850)			2,798	(52)
<b>Other financial assets</b>	<b>44,474</b>	<b>3,044</b>	<b>(29,217)</b>	<b>(5,792)</b>	<b>12,509</b>
<b>Net financial assets</b>	<b>733,612</b>	<b>368,918</b>	<b>(233,193)</b>	<b>0</b>	<b>869,337</b>

A detailed presentation of participating interests and receivables from interest is presented under subsidiaries and associates in [note 10 \(page 155\)](#).

### 3.3 TRADE RECEIVABLES

Trade receivables and sub-accounts totalled €30 million of which €3 million represented receivables from non-GL events group companies. Trade receivables of less than one year amounted to €20 million and those of more than one year to €10 million.

### 3.4 OTHER RECEIVABLES

All receivables in this category have a maturity of less than one year. None are represented by commercial paper.

### 3.5 CASH AND CASH EQUIVALENTS, MARKETABLE SECURITIES

(€ thousands)	31/12/16	31/12/15
Marketable securities	21,031	22,830
Provision for impairment	(96)	(574)
<b>Net value of marketable securities</b>	<b>20,935</b>	<b>22,256</b>
Cash and cash equivalents	63,436	33,071
<b>Net total</b>	<b>84,371</b>	<b>55,327</b>

### 3.6 ACCRUALS - ASSETS

(€ thousands)	31/12/16	31/12/15
Deferred charges	1,414	2,227
Bond issuance costs to be amortised over several periods	1,677	1,019
Translation reserves	24	18
<b>Accruals</b>	<b>3,115</b>	<b>3,264</b>

### 3.7 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ thousands except shares in thousands)	Number of shares	Capital stock	Additional paid-in capital	Legal reserve	Other reserves & retained earnings	Profit (loss) for the period	Special excess depreciation	Total
<b>Equity at 31/12/2015</b>	<b>22,654</b>	<b>90,616</b>	<b>172,638</b>	<b>9,062</b>	<b>19,021</b>	<b>26,860</b>	<b>1,746</b>	<b>319,942</b>
2015 net income appropriation					28,198	(26,860)		<b>1,338</b>
Distribution of dividends					(14,930)			<b>(14,930)</b>
<b>2016 net profit</b>						<b>28,266</b>		<b>28,266</b>
<b>Capital increase</b>	749	2,995	8,215		189			<b>11,399</b>
Accelerated tax depreciations and amortisations								<b>0</b>
<b>Equity at 31/12/2016</b>	<b>23,403</b>	<b>93,611</b>	<b>180,852</b>	<b>9,062</b>	<b>32,478</b>	<b>28,266</b>	<b>1,746</b>	<b>346,015</b>

Breakdown of ownership of GL events' share capital at year-end:

(number of shares)	03/03/17	
Polygone S.A.	11,969,168	51.14%
Sofina	3,062,542	13.09%
CM CIC Capital Finance	936,048	4.00%
Free float	7,434,953	31.77%
<b>Total share capital</b>	<b>23,402,711</b>	<b>100%</b>

The share capital at 3 March 2017 was €93,610,844, divided by 23,402,711 shares at €4 per share.

### 3.8 PROVISIONS FOR CONTINGENCIES AND EXPENSES

[€ thousands]	31/12/15	Increase	Decrease		Other changes	31/12/16
			Provisions used in the period	Reversal of unused provisions		
Contingencies for subsidiaries	17	24	(19)			22
Provision for impairment of bonus shares	3,985	1,850	(1,960)			3,874
Other provisions	0					0
<b>Total</b>	<b>4,002</b>	<b>1,874</b>	<b>(1,978)</b>	<b>0</b>	<b>0</b>	<b>3,897</b>

### 3.9 NET BORROWINGS

[€ thousands]	31/12/15	Increase	Decrease	31/12/16
Non-current borrowings	411,376	275,700	(173,160)	513,916
Current bank facilities	45	781		826
Accrued interest	2,023	1,347		3,370
<b>Total bank borrowings</b>	<b>413,444</b>	<b>277,828</b>	<b>(173,160)</b>	<b>518,112</b>
Payables to interests	116,918	8,469	(762)	124,625
Other miscellaneous borrowings	0			0
<b>Total miscellaneous loans and borrowings</b>	<b>116,918</b>	<b>8,469</b>	<b>(762)</b>	<b>124,625</b>
<b>Total borrowings</b>	<b>530,362</b>	<b>286,297</b>	<b>(173,922)</b>	<b>642,736</b>
Group loans	(34,376)	(1,600)	28,750	(7,226)
Investment-related receivables	(114,289)	(30,898)	503	(144,684)
Marketable securities and cash at bank & in hand	(55,327)	(29,044)		(84,371)
<b>Net borrowings</b>	<b>326,370</b>	<b>224,755</b>	<b>(144,669)</b>	<b>406,455</b>

### 3.10 MATURITY OF LOANS AND FINANCIAL LIABILITIES

[€ thousands]	31/12/16	Less than 1 year	1 -5 years	More than 5 years
Non-current borrowings	517,286	85,685	312,039	119,562
Other bank borrowings	826	826		
Current account loans from subsidiaries and associates	124,625	124,625		
<b>Total borrowings</b>	<b>642,736</b>	<b>211,136</b>	<b>312,039</b>	<b>119,562</b>
Trade payables and related accounts	11,623	11,623		
Tax and social security payables	3,338	3,338		
Other liabilities	11,801	11,801		
<b>Total other liabilities</b>	<b>26,763</b>	<b>26,763</b>		
<b>Total</b>	<b>669,499</b>	<b>237,898</b>	<b>312,039</b>	<b>119,562</b>

**3.11 ACCRUED EXPENSES AND INCOME**

(€ thousands)	31/12/16	31/12/15
<b>Accrued expenses</b>		
Borrowings	3,370	2,023
Unbilled payables	2,814	2,015
Tax and social security payables	1,301	408
Other payables, credit notes payable	96	266
<b>Total</b>	<b>7,580</b>	<b>4,711</b>
<b>Accrued income</b>		
Unbilled receivables	8,716	2,483
Credit notes receivable	54	339
Other accrued financial income		
<b>Total</b>	<b>8,770</b>	<b>2,822</b>

**NOTE 4  
INCOME STATEMENT INFORMATION****4.1 OPERATING INCOME**

GL events' primary source of revenue represents fees invoiced to companies in which it exercises controls for services rendered.

**4.2 NET FINANCIAL INCOME (EXPENSE)**

(€ thousands)	2016	2015
Dividends received	36,981	27,567
Interest income	1,812	2,397
Net proceeds from the disposal of fixed assets:	333	719
Loan interest income	144	1,144
Reserves written back to income	37,262	6,362
Interest rate hedges, currency gains	188	225
<b>Total financial income</b>	<b>76,719</b>	<b>38,414</b>
Interest expense	(9,485)	(7,930)
Interest on interest rate hedges	(2,837)	(2,453)
Currency losses	(79)	(98)
Miscellaneous expenses	(1,997)	(1,064)
Allowances for impairment	(37,205)	(26,767)
<b>Total financial expenses</b>	<b>(51,603)</b>	<b>(38,312)</b>
<b>Net financial income (expense)</b>	<b>25,116</b>	<b>102</b>



**4.3 NET EXCEPTIONAL ITEMS**

(€ thousands)	2016	2015
Income from non-capital transactions	15	0
Proceeds from the disposal of intangible, tangible and financial assets	225,564	31,344
Reversal of provisions	0	2,473
Expense reclassifications	2,015	333
<b>Total exceptional income</b>	<b>227,594</b>	<b>34,150</b>
Carrying value of intangible, tangible and financial assets sold	(222,882)	(11,455)
Exceptional expenses on management operations	(104)	(60)
Allowances for contingencies and expenses	0	(100)
Other exceptional expenses	(2,062)	(369)
<b>Total exceptional expenses</b>	<b>(225,047)</b>	<b>(11,984)</b>
<b>Net exceptional items</b>	<b>2,547</b>	<b>22,165</b>

**4.4 INCOME TAXES AND DEFERRED TAXES**

(€ thousands)	2016	2015
Tax expense/ (income) from the French tax group	2,858	9,475
Income tax	(1,531)	(565)
<b>Recognised income tax</b>	<b>1,327</b>	<b>8,910</b>

Current income includes dividends of €37 million subject to a 98 % tax exemption.

**4.5 IMPACT OF SPECIAL TAX VALUATIONS ON SHAREHOLDERS' EQUITY AND NET EARNINGS**

Because no special tax valuations were performed, the corresponding impact on shareholders' equity and net earnings was nil.

**NOTE 5  
EMPLOYEES**

	2016	2015
Management employees	9	8

## NOTE 6 OFF-BALANCE SHEET COMMITMENTS

Commitments given (€ thousands)	
<b>Guarantees</b>	
Short-term guarantee	19,857
Medium-term guarantee	22,664
Joint security, miscellaneous guarantees	46,340
<b>Retirement severance payments</b>	<b>97</b>
<b>Commitments received (€ thousands)</b>	
Joint security, miscellaneous guarantees	--

Contingent consideration (earnout payments) is recognised in the balance sheet when they can be reliably measured at year-end.

**Other commercial commitments**  
None.

## NOTE 9 TRANSACTIONS WITH RELATED PARTIES

(€ thousands)	Balance at 31/12/2016
Equity interests	763,977
Clients	20,141
Fournisseurs	(3,261)
Loans and other financial assets	9,761
Other receivables and payables	(9,907)
Net current account assets	154,580
Current account liabilities	(115,748)
	<b>Income (expenses)</b>
Dividends received	36,910
Other financial income - current account and loan interest	1,955
Financial expenses - losses from equity interests	(1,498)
Other financial expenses - current account interest	0

## NOTE 7 IDENTITY OF THE CONSOLIDATING COMPANY

GL events, a publicly traded company, produces consolidated financial statements.

At 3 March 2017, it was 51.12%-owned by Polygone S.A., itself 49.59%-owned by Le Grand Rey.

## NOTE 8 CHANGES IN FUTURE TAX LIABILITIES

None.

## NOTE 10 SUBSIDIARIES AND ASSOCIATES

(€ thousands)	Capital	Equity before appropriation of income	Ownership interest (%)	Gross carrying value of shares	Net carrying value of shares	Loans and advances granted	Guarantees and sureties granted	Sales ex-VAT for year ended	Dividend income in the period
<b>1) Subsidiaries (+50% owned by the company)</b>									
GL events Brasil Participacoes	238,417	251,998	100	254,987	254,987	697			
GL events Campus	10	(181)	100	10	10	225		470	
GL events Exhibitions Shanghai	1,522	920	90	1,083	1,083			1,192	
GL events Exhibitions	7,624	37,693	99	125,343	125,343	17,002		77,943	6,834
GL events Greece	60		100	60	0	0			
GL events Italia	120	21,470	100	71,927	29,927	7,115	1,220	12,660	
GL events Venues	63,636	65,247	100	63,636	63,636	33,357		3,970	
GL events Services	70,372	148,156	99	197,481	195,981	28,563	274	147,329	
GL events SI	10	(29)	100	10	10	5,796		6,562	
GL events Suisse	83		88	61	61	784			
GL events Support	10	(168)	100	10	10	1,517		12,725	
Lou Rugby Groupe	28,740	9,742	74	21,844	19,044	735			
Padova Fiere	404	24	100	21,000	12,000	1,366		2,556	
Polygone Vert	381	89	100	608	608	(183)		2,083	
Profil	8	823	100	1,679	1,679	(110)		7,528	
SECEC Valencienne Métropole	50	58	100	50	50	187		0	
SECCPB (Pierre Baudis)	8	59	100	15	15	(215)			165
<b>Total</b>	<b>411,455</b>	<b>535,903</b>		<b>759,804</b>	<b>704,444</b>	<b>96,838</b>	<b>1,494</b>	<b>275,016</b>	<b>6,999</b>
<b>2) Associates (10% to 50%-owned)</b>									
Idées en tête (*)	1	23	47	71	71			690	
Lyonnaise de Télévision (*)	2,000	740	10	751	250			1,962	
Perpignan St. Esteve (**)	1,000	(98)	34	205	155			6,747	
Strasbourg Evénements	1,460	8,844	46	4,172	4,172			19,483	300
<b>Total</b>	<b>4,461</b>	<b>9,509</b>		<b>5,199</b>	<b>4,648</b>	<b>0</b>	<b>0</b>	<b>28,882</b>	<b>300</b>
<b>3) Other participating interests (-10%)</b>				<b>5,307</b>	<b>5,208</b>	<b>(8,966)</b>	<b>11,025</b>		<b>71</b>
<b>Total</b>	<b>415,916</b>	<b>545,412</b>		<b>770,311</b>	<b>714,300</b>	<b>87,872</b>	<b>12,519</b>	<b>303,898</b>	<b>7,370</b>

(\*) Data at 31 December 2015

(\*\*) Data at 31 December 2014

# STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the 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 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 management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## To the shareholders:

In accordance with the terms of our engagement as auditors by your Annual General Meeting, we hereby report to you for the year ended 31 December 2016 on:

- The audit of the annual financial statements of GL events SA as enclosed herewith,
  - The justification of our assessments,
  - The specific procedures and disclosures required by law.
- The annual financial statements have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

## I - OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the company as at 31 December 2016 and the results of its operations for the year ended in accordance with French accounting standards.

## II - JUSTIFICATION OF OUR ASSESSMENTS

Pursuant to the provisions of article L.823-9 of the French commercial code defining our obligation to explain our assessments, we draw your attention to the following: the assets of GL events consist primarily of equity investments

accounted for according to the methods and rules set forth in note 2.4 (page 146) of the annual financial statements.

Our work has consisted in evaluating the items taken into account to estimate the carrying value of these securities. In performing our assessments, we have verified the basis for the approach adopted as well as the consistency of all assumptions used and measurements resulting therefrom. Our assessments on these matters are part of our audit approach regarding the annual financial statements taken as a whole and contribute to the formation of our unqualified audit opinion expressed in the first part of this report.

## III - SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed the other procedures required by law, in accordance with professional standards applicable in France.

We have no matters to report on the fair presentation and consistency of the financial statements with the information given in the management discussion and analysis of the Board of Directors and documents sent to shareholders in respect to the financial position and the annual financial statements.

Regarding the information provided in accordance with the provisions of article L.225-102-1 of the French commercial code on compensation and benefits paid to corporate officers as well as commitments incurred in their favour, we have verified their consistency with the accounts or with the data used to prepare these accounts, and when necessary, obtained by your company from companies exercising control over or controlled by it. On the basis of these procedures, in our opinion this information is accurate and provides a fair presentation.

Pursuant to the law, we have verified that the management discussion and analysis contains the appropriate disclosures about ownership and controlling interests acquired and the identity of holders of capital and voting rights.

Oullins and Villeurbanne, 5 April 2017

**The Statutory Auditors**  
French original signed by:

**MAZA SIMOENS**  
Sébastien Belmont

**MAZARS**  
Paul-Armel Junne

Thierry Colin

# AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

*This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## To the shareholders:

In our capacity as Statutory Auditors of your company, we hereby report on certain related party agreements and commitments.

The terms of our engagement do not require us to identify such other transactions, if any, but to communicate to you, based on information provided to us, the principal terms and conditions and the reasons justifying their interest for the company of those agreements and commitments brought to our attention or discovered in the performance of our engagement, without expressing an opinion on their merits. It is your responsibility, pursuant to article R.225-31 of the French commercial code, to assess the interest of these agreements and commitments with a view to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code (*code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux Comptes*) relating to this engagement. These standards require that we ensure that the information provided to us is consistent with the relevant source documents.

## AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL TO THE SHAREHOLDERS' MEETING

### AGREEMENTS AND COMMITMENTS APPROVED IN THE PERIOD ENDED

Pursuant to Article R.225-40 of the French commercial code, the following transactions, previously authorised by the Board of Directors of your Company, have been brought to our attention.

#### Trademark license agreements:

##### Fees payable under an agreement to provide technical and sales assistance:

Technical and sales support provided by GL events to certain entities is governed by a regulated agreement when the amount invoiced represents a fixed amount.

On 4 March 2016 the Board of Directors authorized the conclusion of agreements for the provision of technical and sales assistance with *Première Vision*.

Fees for 2016 payable under this agreement amounted to €930,000.

## AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

### AGREEMENTS AND COMMITMENTS AUTHORISED IN PRIOR PERIODS THAT REMAINED IN FORCE DURING THE PERIOD UNDER REVIEW

In accordance with the provisions of Article R.225-30 of the French commercial code, we were informed that the following agreements and undertakings, already approved in prior periods, remained in force in the period under review.

#### General management services provided by Polygone:

The services of Executive Management provided by Polygone managers to your company consist of:

- The provision of "Executive Management and Strategy" services (as the holding company),
- The provision of assistance and technical consulting services for the benefit of the Group's operating subsidiaries,
- The provision of "Technical" services.

Expenses incurred under this agreement by GL events in the period totalled €3,048,661 excluding tax.

#### Fees payable under an agreement to provide technical and sales assistance:

Technical and sales support provided by GL events to certain entities is governed by a regulated agreement when the amount invoiced represents a fixed amount.

Fees for 2016 payable under this agreement are presented below:

Entity	Terms and conditions	Amount (€)
Altitude	Fixed	12,000
Fabric Expo	Fixed	36,000
Foncière Polygone	Fixed	20,000
GL Mobilier	Fixed	84,000
Menuiserie	Fixed	48,000
Mont Expo	Fixed	24,000
Sepel - Eurexpo	Fixed	240,000

#### Legal reorganisation of GL events Group's activities

This reorganisation consists in creating business divisions in the form of distinct legal entities, GL events Live, GL events Exhibitions and GL events Venues, and then contributing or selling to these sub-holdings the interests directly held by GL events.

This organisation allows these different divisions to have their own capital resources, directly finance their investments and obtain financing from banks based on terms adapted to their circumstances.

In 2016, GL events completed the implementation of this agreement by making contributions and the transfer of shares of division sub-holdings of the divisions, GL events Live, GL events Venues, et GL events Exhibitions, which it wholly-owns.

#### Trademark license agreement

GL events invoices subsidiaries for trademark royalties for an amount based on the sales of the companies concerned.

Fees for 2016 payable under this agreement are presented below:

Entity	Rate	Amount (€)
Acropolis de Nice	1.00%	113,611
Adors	1.00%	1,753
Auvergne Evènement	1.00%	50,040
Auvergne Evènement Spectacle	1.00%	15,594
Bleu Royal	1.00%	30,069
Décorama	1.00%	193,912
Diagonal Food	1.00%	90,718
Frame	1.00%	5,885
GL events Ankara	1.00%	34,714
GL events Audiovisual	1.00%	576,918
GL events Belgium	1.50%	77,597
GL events Brussels	1.50%	193,386
GL events CCIB	1.50%	534,922
GL events China	0.75%	7,430
GL Empreendimentos (Mercure)	1.50%	129,606
GL events Exhibitions	1.00%	775,908
GL events Hong Kong	0.75%	42,258
GL events Live (ex-Services)	1.00%	1,213,157
GL events Macau	0.75%	2,925
GL events Production LLC	0.75%	9,189
GL events South Africa	1.25%	110,286
GL events Turquie	1.00%	7,604
GL Furniture Asia	0.75%	20,248
GL Middle East Tent Trading	0.75%	23,818
Hall Expo	1.00%	318,479
Ranno	1.00%	138,680
Riocentro	1.50%	171,855
Serenas	1.00%	307,305
Signexpo	1.00%	122,479
Strasbourg Evènements	1.00%	194,828
Troyes Expo	1.00%	18,267
Vachon	1.00%	36,115

**Tax sharing agreement:**

GL events is the head of a French tax group under provisions providing for sharing taxes between a parent company and subsidiaries. On this basis, only GL events is liable for corporate income tax and additional contributions payable by the tax group formed by itself and companies less than 95%-held having opted for this tax sharing arrangement.

The tax sharing agreement provides that tax savings passed on to GL events by subsidiaries incurring losses during the period included in this tax sharing arrangement are returned to the subsidiary if the latter subsequently withdraws.

Accumulated losses at 31 December 2016 by subsidiaries included in this tax sharing agreement were as follows:

Participating companies	Accumulated tax losses (€)
Altitude	145,383
Fabric Expo	235,521
GL events Live	24,160,353
GL Mobilier	678,361
Hall Expo	6,790,981
Menuiserie	325,151
Montexpo	217,764
Polygone Vert	364,526

Oullins and Villeurbanne, 5 April 2017

**The Statutory Auditors**

*French original signed by:*

**MAZA SIMOENS**  
Sébastien Belmont

**MAZARS**  
Paul-Armel Junne

Thierry Colin

# APPENDIX

## PERSONS CONCERNED BY REGULATED AGREEMENTS AND COMMITMENTS

Entity	Olivier Ginon	Olivier Roux	Gilles Gouedard Comte	Erick Rostagnat	Olivier Ferraton	Aquasourca (Sophie Defforey-Crepet)
Adors				X	X	
Aedita Latina						
Altitude						
Auvergne Evènements	X (PR)			X		
Auvergne Evènements Spectacles						
Bleu Royal						
Décorama						
Diagonal Food						
Fabric Expo						
Foncière Polygone	X			X		
Frame				X	X	
GL Ankara				X	X	
GL events	X	X	X	X	X	X
GL events Asia	X	X				
GL events Audiovisual						
GL events Belgium	X					
GL events Brussels	X					
GL events CCIB	X			X		
GL events Centro de Convenções						
GL events China	X	X		X	X	
GL events Empreedimentos Imobiliarios						
GL events Exhibitions	X					
GL events Field & Lawn						
GL events Hong Kong	X			X		
GL events Italia	X				X	
GL events Live (anciennement Services)	X (PR)	X			X	
GL events Macao	X			X	X	
GL events Productions LLC						
GL events Suisse						
GL Furniture Asia	X					
GL Middle East Tent & Trading						
GL Mobilier					X	
GL Vostok						
Hall Expo	X (PR)				X	
Menuiserie Expo						
Mont Expo						
Polygone SA	X	X		X		X
Première Vision	X	X (PR)				
Ranno Entreprise		X			X	
SEAN - Acropolis Nice		X		X (PR)		
SEPEAT - Parc Expo.Agglo.Troyenne						
SEPEL - Eurexpo	X					
Serenas				X	X	
Sign'Expo						
Strasbourg Evènements		X		X		
Toulouse Expo		X		X		
Vachon				X	X	

(PR) : Directors serving as permanent representatives of GL events.

Note : Shareholding refer to both direct and indirect holdings..



**FINANCIAL STATEMENTS**

APPENDIX

	Yves Claude Abescat	Nicolas de Tavernost	Richard Goblet d'Alviella	Anne- Sophie Ginon	Anne- Céline Lescop	Marc Michoulier	Holding > 10 %	Entity
							OUI	Adors
							OUI	Aedita Latina
							OUI	Altitude
							OUI	Auvergne Evènements
							OUI	Auvergne Evènements Spectacles
				X			OUI	Bleu Royal
							OUI	Décorama
							OUI	Diagonal Food
							OUI	Fabric Expo
				X			OUI	Foncière Polygone
							OUI	Frame
							OUI	GL Ankara
	X	X	X	X	X	X		GL events
							OUI	GL events Asia
							OUI	GL events Audiovisual
				X			OUI	GL events Belgium
				X			OUI	GL events Brussels
							OUI	GL events CCIB
							OUI	GL events Centro de Convenções
							OUI	GL events China
							OUI	GL events Empreedimentos Imobiliarios
							OUI	GL events Exhibitions
							OUI	GL events Field & Lawn
							OUI	GL events Hong Kong
							OUI	GL events Italia
							OUI	GL events Live (anciennement Services)
							OUI	GL events Macao
							OUI	GL events Productions LLC
							OUI	GL events Suisse
							OUI	GL Furniture Asia
							OUI	GL Middle East Tent & Trading
							OUI	GL Mobilier
							OUI	GL Vostok
							OUI	Hall Expo
							OUI	Menuiserie Expo
							OUI	Mont Expo
	X	X	X	X	X	X	OUI	Polygone SA
							OUI	Première Vision
							OUI	Ranno Entreprise
							OUI	SEAN - Acropolis Nice
							OUI	SEPEAT - Parc Expo.Agglo.Troyenne
							OUI	SEPEL - Eurexpo
							OUI	Serenas
							OUI	Sign'Expo
							OUI	Strasbourg Evènements
							OUI	Toulouse Expo
							OUI	Vachon

06

# SHAREHOLDER INFORMATION

163 / STATUTORY INFORMATION ON GL EVENTS

165 / INFORMATION ON THE SHARE CAPITAL

# STATUTORY INFORMATION ON GL EVENTS

## COMPANY NAME AND REGISTERED OFFICE

**GL events**  
59 Quai Rambaud - 69002 LYON

## DATE OF INCORPORATION AND LENGTH OF LIFE OF THE COMPANY

The Company was incorporated on 31 July 1989. Its term expires on 31 July 2088, barring early dissolution or extension.

## NATIONALITY

French

## FORM AND APPLICABLE LAW

*Société Anonyme* (French equivalent of a joint stock company) governed by French law.

## FRENCH TRADE AND COMPANY REGISTER

351 571 757 RCS LYON – APE Code: 7010 Z

## ACTIVITY

### The company's corporate purpose is:

The acquisition of interests in any companies and firms, whether French or foreign joint ventures, current or future, by any means, including by contribution, subscription or purchase of shares, merger, etc.;

Any financial transactions or transactions involving movable and immovable property related directly or indirectly to the corporate purpose and to any similar or related purposes; Any administrative consulting services and other services and any research and development activities; The organisation, communication, management, general installation and layout of exhibitions, fairs, public or private events, and events of any type, whether in France or other countries, as well as training;

The design, manufacture, leasing, installation and layout of stands, floor covering, floral decoration, decoration of any premises and exhibitions, signs, museum fittings, venue design, furnishings, furniture-equipment and accessories, electricity distribution, lighting systems, light space design, heating, air-conditioning, sound system, captation and projection of films and high-power video projection on any media, multimedia screen walls, temporary structures, platforms, , exhibition items, and, more generally, any products, processes and undertakings related to these events, as well as their advertising and their promotion in any form whatsoever.

It may act directly or indirectly and may engage in all of these undertakings on its behalf or on behalf of third parties either alone, or through partnerships,

associations, joint ventures or companies, with any other persons or companies and carry them out in any form whatsoever.

It may also acquire interests in any companies and business dealings, regardless of the purpose thereof.

## FISCAL YEAR

Each fiscal year lasts for one year, commencing on 1 January and ending on 31 December.

## GENERAL MEETINGS

### (Articles 22 and 23 of the Articles of Association)

General meetings of the shareholders are called by the Board of Directors, or, in its absence, the auditors and any person so authorised by law.

In particular, one or more shareholders, representing at least the required share of the share capital and acting according to the conditions and periods fixed by the law, may request by registered mail with request for acknowledgement of receipt that draft resolutions be included on the meeting's agenda.

The forms and periods for calling such meetings are governed by law. The meeting notice must fix the place of the meeting, which may be the registered office, or any other place, as well as its agenda.

Any shareholder may attend general meetings and proceedings in person or through a representative, regardless of the number of his or her shares, subject to providing proof of identity, and provided that no payments are due on said shares on condition they have been registered in his or her name at least two business days prior to the meeting date, at 12:00 p.m., Paris time.

Any shareholder may vote by mail using a form that may be obtained according to the conditions indicated by the general meeting notice. Any shareholder may, under the conditions fixed by laws and regulations, send his or her proxy and voting form by mail concerning any general meeting, either in paper form, or, based on a decision of the Board of Directors, published in the meeting announcement and notice, by electronic transmission.

Any shareholder can grant a proxy to any natural person or legal entity of his or her choosing to represent him/her at a shareholders meeting. The grant of this proxy, and its revocation, as applicable, shall be in writing and notified to the company. A shareholder not domiciled in France whose shares are registered in the name of an intermediary under the conditions fixed in Article L. 228-1 of the French commercial code may be represented by

this intermediary.

The right to participate in meetings or be represented by proxy is subject to registration of the shares in the name of the shareholder or the registered intermediary acting on the shareholder's behalf, on the second business day prior to the meeting at 00:00, Paris time, either in the registered share account maintained by the Company or in the bearer share account maintained by a financial intermediary as referred to in article L211-3 of the French monetary and financial code.

Holders of registered shares are admitted upon furnishing proof of their identity, while owners of bearer shares are admitted subject to furnishing proof of the aforementioned certificate.

Access to the general meeting is open to registered shareholders, subject to proof of their status. However, if it deems this useful, the Board of Directors may provide shareholders personal admission cards in their name.

## **VOTING RIGHTS**

### **(Article 25 of the Articles Of Association)**

At general meetings, each member of the meeting has one vote for each share that he or she possesses or represents, without limitation. However, a voting right double that conferred upon the other shares, with regard to the percentage of the capital they represent, is given to all fully paid up shares held in registered form for at least the last three years in the name of the same shareholder.

If new shares are issued further to the capitalisation of reserves or an exchange of shares in connection with a stock-split or reverse split, the double voting right is conferred upon shares granted in registered form, provided they were held in registered form since their allotment. This double voting right is conferred upon shares held in registered form for three years after being allotted.

Mergers or demergers of the company do not affect the double voting right that may be exercised at the beneficiary company provided the articles of association of the latter have established a double voting right.

## **APPROPRIATION OF INCOME**

### **(Articles 28 and 29 of the Articles of Association)**

At least one-twentieth of the year's profit, less any losses carried forward, is deducted and allocated to a reserve fund, called the "legal reserve", limited to one-tenth of the share capital. Said deduction shall once again be necessary if, for any reason whatsoever, the "legal reserve" falls below said level.

The distributable profit is constituted by the year's profit, less any loss carried forward and amounts posted to reserves pursuant to the law or the articles of association, and increased by retained earnings.

From this profit the general meeting then deducts amounts it deems appropriate to allocate to any optional reserve funds, whether ordinary or extraordinary, or to retained earnings.

The balance, when it exists, is allocated to the shares in proportion to their paid up, unredeemed amount.

However, with the exception of a capital reduction, no distribution may be made to the shareholders if, following said transaction, the equity capital is or falls below the amount of the capital increased by the reserves that cannot be distributed pursuant to the law or the articles of association.

The general meeting may decide to distribute amounts deducted from available reserves. In this case, the decision must expressly indicate the reserve accounts from which the deductions are made.

The losses, if any, after approval of the accounts by the general meeting, are registered under liabilities in a special balance sheet account, to be charged to the profits of subsequent years, until extinction or charged to reserves.

Dividends are paid at times and places set by the general meeting or the Board of Directors within nine months from the end of the financial year, unless this period is extended by decision of the courts.

The general meeting called to approve the financial statements for the period may grant each shareholder, for the portion of the dividend reverting to him or her, an option of choosing between payment of the dividend in cash or in shares.

In addition, the payment of interim dividends is authorized, subject to the provisions of the law.

## **DISCLOSURE REQUIREMENTS CONCERNING OWNERSHIP THRESHOLDS**

### **(article 12 of the articles of association)**

In addition to the legal obligation to inform the company of certain percentages of voting rights attached to the capital held, any shareholder, whether an individual or a legal entity, who comes to own or control (whether directly or indirectly, or jointly with other shareholders pursuant to the law) at least 2.5% of the capital and/or voting rights of the company, must inform the company thereof by registered mail with acknowledgement of receipt within fifteen days of the crossing of the threshold. It must also indicate if the shares are held on behalf of, under the control of or jointly with other individuals or legal entities. This notification is repeated for each additional fraction of 2.5% of the capital and/or voting rights up to the threshold of 50% of the capital.

## **DOCUMENTS AND INFORMATION CONCERNING THE COMPANY MAY BE CONSULTED AT:**

The registered office: 59 Quai Rambaud – 69002 Lyon

# SHAREHOLDER INFORMATION

## THE SHARE CAPITAL

### OF GL EVENTS

#### CAPITAL STOCK

The share capital is €93,610,844 divided by 22,402,711 shares at €4 per share.

The Chairman-CEO, by decision dated for July 2016 and on the authority granted by the Board of Directors on 29 April 2016, recorded the capital increase in the amount of €2,995,164, resulting from the option exercised by different shareholders to receive dividends in the form of shares and the creation of 748,791 new shares of €4.

Pursuant to the above, on 31 December 2016 the share capital was €93,610,844, divided by 23,402,711 shares at €4 per share.

GL events shares are traded on Euronext Paris-Compartment B (Mid Caps).

#### SECURITIES GIVING ACCESS TO THE CAPITAL

None

#### STOCK OPTIONS

The combined ordinary and extraordinary general meeting of 29 April 2011 authorised the Board of Directors to issue a total of 200,000 options to subscribe for new shares and/or purchase existing shares for the benefit of employees of GL events and of the Group and/or officers of the company or companies of GL events Group. 83,550 stock options were allotted by the Board of Directors on 2 March 2012 (plan 13).

The combined ordinary and extraordinary general meeting of 27 April 2012 authorised the Board of Directors to issue a total of 400,000 options to subscribe for new shares and/or purchase existing shares in favour of employees and/or directors of the Company or companies of the Group. 84,700 stock options were allotted by the Board of Directors on 1 March 2013 (plan 14).

Beneficiaries can only exercise the options allotted to them by the Board of Directors after a period of three years following the date on which they were granted, on condition that said beneficiaries have retained their status as employee or officer of GL events or one of the Companies of the Group during this period. In consequence, if beneficiaries of options cease to exercise their functions as a salaried employee or officer before exercising their options, the vested rights accruing to them will be forfeited ipso jure by the beneficiaries.

Stock option plan highlights:

	Plan 13	Plan 14
Date of the General Meeting authorising the issue of stock options	29/04/2011	27/04/2012
Date of the Board of Director's meeting	02/03/2012	01/03/2013
Number of shares available for subscription	83,550	84,700
Of which: number to the top 10 grantees	41,500	46,500
Of which: number of shares available for subscription by current members of the Executive Committee	35,000	35,500
Of which: number to the directors	5,000	8,000
Option exercise starting date	04/03/2015	01/03/2016
End of the holding period	04/03/2016	01/03/2017
Deadline for exercising the options	04/03/2017	01/03/2018
Subscription price (€)	15.71	17.17
Number of shares subscribed (*)	38,450	--
Remaining number of shares available for subscription	45,100	84,700

(\*) At 3 March 2017, after the exercise of options was recorded by the Board of Directors' meeting of 3 March 2017.

**RESTRICTED STOCK AWARDS**

The Board of Directors' meeting of 5 March 2013 decided to grant 99,600 shares in restricted stock units (Plan 8) to be fully vested subject to the following conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period;
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company;
- Average growth in revenue of the Group for 2013, 2014 and 2015 of at least 2 % per year.

The Board of Directors' meeting of 28 February 2014 decided to grant 160,575 shares of restricted stock (Plan 10) to 82 Group employees subject to the following vesting conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period,
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company;
- Consolidated sales for the Group of at least €850 million in 2016.

The Board of Directors' meeting of 28 February 2014 decided to grant ten restricted stock units for all employees of the Group's French companies, or restricted stock units totalling 19,310 existing shares of the Company (Plan 11) to be fully vested subject to the following conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period;
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 30 January 2015 decided to grant 2,000 shares (Plan 12) to one Group employee subject to the following vesting conditions:

- Possessing the status of an employee of the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period,
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 30 January 2015 decided to grant 112,975 shares (Plan 13) to 54 Group employees subject to the following vesting conditions:

- Possessing the status of an employee of the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period,
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company;
- Revenue by the Group in 2017 of more than €1 billion.

The Board of Directors' meeting of 30 January 2015 decided to grant ten restricted stock units for all employees of the Group's French companies, or restricted stock units totalling 21,180 existing shares of the Company (Plan 14) to be fully vested subject to the following conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period;
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 4 March 2016 decided to grant 10,000 shares of restricted stock (Plan 15) to 2 Group employees subject to the following vesting conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period;
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 4 March 2016 decided to grant ten restricted stock units to all employees of the Group's French companies, or restricted stock units totalling 19,840 existing shares of the Company (Plan 16) to be fully vested subject to the following conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period;
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 9 December 2016 decided to grant 10,000 shares of restricted stock (Plan 17) to one employee of the Group subject to the following vesting conditions:

- The beneficiary must possess the status of employee in the Company or companies and or groups of companies affiliated therewith, from the first to the last day of the vesting period,
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 9 December 2016 decided to grant ten restricted stock units for all employees of the Group's French companies, or restricted stock units totalling 20,110 existing shares of the Company (Plan 18) to be fully vested subject to the following conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period;
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.

The Board of Directors' meeting of 9 December 2016 decided to grant 20,000 shares of restricted stock (Plan<sup>o</sup>19) to one employee of the Group subject to the following vesting conditions:

- The beneficiary must possess the status of employee in the Company or companies and or groups of companies affiliated therewith, from the first to the last day of the vesting period,
- The occurrence of no incident of unfair conduct by the beneficiary causing a prejudice to the Company or an affiliated company;

The Board of Directors' meeting of 9 December 2016 decided to grant 84,775 shares of restricted stock (Plan 20) to 35 Group employees subject to the following vesting conditions:

- The beneficiaries must possess the status of an employee in the Company or companies and groups of companies affiliated therewith, from the first to the last day of the vesting period;
- The absence of any incident of unfair conduct causing a prejudice to the Company or an affiliated company.
- Revenue by the Group in 2019 of more than €1.15 billion.

## SHAREHOLDER INFORMATION

### INFORMATION ON THE SHARE CAPITAL

In accordance with the provisions of L. 225-197-4 of the French commercial code, the following information is provided:

#### INFORMATION ON RESTRICTED SHARE AWARDS

Restricted share award (bonus share) plan highlights:

	Plan 8	Plan 10	Plan 11	Plan 12	Plan 13	Plan 14	Plan 15	Plan 16	Plan 17	Plan 18	Plan 19	Plan 20
Date of the General Meeting authorising the issue of stock options	27.04 2012	27.04 2012	27.04 2012	27.04 2012	25.04 2014	25.04 2014	25.04 2014	25.04 2014	25.04 2014	25.04 2014	25.04 2014	29.04 2016
Date of the Board of Director's meeting	01.03 2013	01.03 2014	01.03 2014	30.01 2015	30.01 2015	30.01 2015	03.03 2016	03.03 2016	09.12 2016	09.12 2016	09.12 2016	09.12 2016
Number of shares available for subscription	99,600	160,575	19,310	2,000	112,975	21,180	10,000	19,840	10,000	20,110	20,000	84,775
Value on grant date	17.17	17.00	17.00	16.01	16.01	16.01	15.00	15.00	16.09	16.09	16.09	16.09
Of which: number of shares available for subscription by current members of the Executive Committee	37,000	94,000	--	--	68,500	70	--	60	10,000	90		24,000
Of which: number to the directors	8,000	52,500	--	--	12,500	--	--	10	--	10		
Of which: number to the top 10 grantees	54,500	114,000	(*)	--	82,500	(*)	10,000	(*)	10,000	(*)	20,000	66,000
End of vesting period	01.03 2016	28.02 2017	28.02 2016	30.01 2017	30.01 2018	30.01 2017	03.03 2019	03.03 2018	09.12 2018	09.12 2018	09.12 2019	09.12 2019
End of selling restrictions (holding period)	01.03 2018	28.02 2019	28.02 2018	30.01 2019	30.01 2020	30.01 2019	03.03 2021	03.03 2020	09.12 2020	09.12 2020	09.12 2021	09.12 2021
Number of shares granted	86,625	--	16,190	--	--	--	--	--	--	--	--	--

#### AUTHORISED CAPITAL NOT ISSUED

The combined extraordinary and ordinary general meeting of 29 April 2016 authorised the Board of Directors to issue all types of negotiable securities conferring present or future access to shares of the company, with the maintenance and/or cancellation of the pre-emptive subscription right, for a maximum nominal amount of €60 million.

This authorisation was given for 26 months and expires on 29 June 2018.

The Board of Directors did not make use of this authorisation in the period under review.

#### FIVE-YEAR SUMMARY OF CHANGES IN GL EVENTS' SHARE CAPITAL

Date	Type of transaction	Change in capital			Successive amounts of capital	Number of shares		Nominal value
		Issue in cash or in kind	Capitalisation of reserves / debt offset	Issued		Total		
		Nominal	Premium					
06/11/2012	Cash contribution	6,838,632	21,661,367		78,533,592	1,709,658	19,633,398	€ 4
04/12/2012	Cash contribution	12,082,088	28,629,492		90,615,680	3,020,522	22,653,920	€ 4
04/07/2016	Conversion of dividends	2,995,164	8,221,725		93,610,844	748,791	23,402,711	€ 4



## ANALYSIS OF CAPITAL AND VOTING RIGHTS

At 3 March 2017, the total number of voting rights was 37,846,577. Information concerning the allotment of voting rights is provided on [page 164](#) of the registration document or article 25 of the articles of association.

To the best of the company's knowledge, the breakdown of capital and voting rights held at 3 March 2017 is as follows:

	Number of shares	Percentage of capital	Percentage of voting rights
Polygone *	11,969,168	51.14%	61.40%
Sofina *	3,062,542	13.09%	13.30%
CM CIC Investissements	936,048	4.00%	4.85%
Corporate officers			
- Olivier Ginon	4,500	0.02%	0.02%
- Olivier Roux	4,200	0.02%	0.02%
- Gilles Gouedard-Comte	24,418	0.10%	0.13%
- Nicolas de Tavernost	677	0.00%	0.00%
- Aquasourça	1	0.00%	0.00%
- Philippe Marcel	3,953	0.02%	0.02%
- Yves-Claude Abescat	531	0.00%	0.00%
- Erick Rostagnat	55,064	0.24%	0.26%
- Marc Michoulier	274	0.00%	0.00%
- Anne-Sophie Ginon	11,000	0.05%	0.06%
- Caroline Weber	1,500	0.01%	0.01%
Free float	7,328,835	31.32%	19.92%
<b>Total</b>	<b>23,402,711</b>	<b>100.00%</b>	<b>100.00%</b>

\* Shareholders agreement, % capital of the two shareholders bound by the agreement: 64.23 %

\* Shareholders agreement, % voting rights of the two shareholders bound by the agreement: 74.71 %

Polygone is a holding company whose capital on 3 March 2017 broke down as follows:

Le Grand Rey	49.589 %	The company is controlled as described above. However the company considers that there exists no risk of control being exercised in an abusive manner. The Board of Directors of the Group has nine independent directors. Furthermore, the audit committee and the nominating and remuneration committee are chaired by independent directors. Finally, the company applies all recommendations of the MiddleNext corporate governance code that includes a significant number of provisions contributing to this objective of limiting the risk of control.
SC du 3 <sup>ème</sup> étage	18.131%	
Sofina	13.600 %	
Aquasourça	8.975 %	
Matmut	6.000 %	
Monsieur Xavier GINON	2.664 %	
Monsieur Olivier GINON	0.659 %	
Monsieur Olivier ROUX	0.377 %	
Monsieur Erick ROSTAGNAT	0.001 %	
Madame Jacqueline GINON	0.001 %	
Madame Claire ROUX	0.001 %	

## DISCLOSURES CONCERNING THE CROSSING OF OWNERSHIP THRESHOLDS

To the best of the Company's knowledge, no shareholder ownership thresholds were crossed in 2016 subject to disclosure requirements.



## SHAREHOLDER INFORMATION

### INFORMATION ON THE SHARE CAPITAL

#### OWN SHARES HELD DIRECTLY OR THROUGH GROUP SUBSIDIARIES

In accordance with the provisions of L225-211 of the French commercial code, the following information is provided:  
Within the framework of the share buyback programme renewed by the combined shareholders' meeting of 29 April 2016, GL events engaged in the following transactions:

	Balance at 31/12/2015		Acquisitions 2016 (12 months)		Disposals 2016 (12 months)		Balance at 31/12/2016		Balance at 31/12/2016 Total
	1	2	1	2	1	2	1	2	
Number of shares	402,109	34,871	32,150	279,539	112,820	307,045	321,439	7,365	328,804
Average price (in €)	17.88	16.65 <sup>(1)</sup>	17.19	16.50	17.86	16.51	17.82	17.00	17.80
Purchase price (€ thousands)	7,189	581 <sup>(1)</sup>	553	4,613			5,727	125	5,853
Sale price (€ thousands)					2,015	5,068			
Percentage of capital	1.78%	0.15%	0.14%	1.19%	0.48%	1.31%	1.37%	0.03%	1.40%

Col. 1: Treasury shares Col.

2: Liquidity agreement

(1) Valuation based on the market's share price of the day.

The liquidity agreement with an investment services provider is compliant with the conduct of business rules recognised by the French financial market authority (AMF) for market making purposes. Trading fees for the above transactions in connection with this market making agreement totalled €30,500 for 2016.

Treasury stock is destined for use in connection with external growth transactions, stock option programs or bonus share grants.

#### NON-TRANSFERABLE SHARES

None.

#### CHANGES IN THE SHAREHOLDER STRUCTURE OVER THE LAST THREE YEARS

Pursuant to the changes in capital described in the above table "Five-year summary of changes in GL events' share capital", the shareholder structure has evolved as follows:

Percentage of capital (at 31 December of each year)	2014	2015	2016	2014 Aggregate shareholders agreement	2015 Aggregate shareholders agreement	2016 Aggregate shareholders agreement
Polygone *	53.38	50.57	51.12	63.48	63.74	64.21
Sofina *	10.10	13.17	13.09			
CM CIC Investissement	4.61	3.97	4.00			
Other shareholders	31.91	32.29	31.79			

Percentage of voting rights (at 31 December of each year)	2014	2015	2016	2014 Aggregate shareholders agreement	2015 Aggregate shareholders agreement	2016 Aggregate shareholders agreement
Polygone *	65.67	61.55	61.43	72.47	75.04	74.75
Sofina *	6.80	13.49	13.31			
CM CIC Investissement	5.80	4.90	4.85			
Other shareholders	21.73	20.05	20.40			

\* shareholders' agreements

# SHAREHOLDERS' AGREEMENT AND ANY ARRANGEMENT KNOWN TO THE ISSUER WHICH COULD HAVE AN IMPACT ON ITS CONTROL

On 5 November 2012, a shareholders agreement was concluded between Sofina and Messrs. Olivier Ginon and Olivier Roux.

It is stipulated that this Shareholders Agreement does not impose any restrictions on the transfer of the Company's shares held by Sofina nor particular provisions restricting the liquidity of the shares.

## A. GOVERNANCE

### 1. GOVERNANCE OF THE COMPANY

#### 1.1 Provisions relating to the composition of the Board of Directors and the Audit Committee of the Company.

The number of members of the Company's Board of Directors (that currently includes 11 directors) shall not be limited by provisions of the shareholders agreement. It provides that Sofina will have two representatives on the company's Board of Directors. In consequence, as of the completion date, the Board of Directors would be comprised of 13 members including two elected from candidates proposed by Sofina.

The Company's audit committee will include one representative appointed at the proposal of Sofina. With the objective of promoting rules of good corporate governance within the Group, it is also provided that the Chairman of the Audit Committee of the Company shall be a "non-group director", i.e., within the meaning of the Shareholders Agreement, a person

(i) who is not or has not been an employee or corporate officer of Polygone SA or a company that it controls within the meaning of Article L. 233-3, I of the French commercial code (code de commerce) (including the company) over the last 10 years and

(ii) is unrelated to Mr. Ginon or Mr. Roux. Decisions will be adopted by simple majority of members of the company's audit committee. The Audit committee of the Company will notably have the authority to discuss the company's annual budget prepared by Executive Management and issue an opinion thereon to the attention of the company's Board of Directors.

#### 1.2 Rules governing corporate decision-making

The provisions of the Shareholders Agreement will not directly interfere in the corporate decision-making process of the governance bodies of the Company. Accordingly, Sofina will have only those rights accruing to it by law and regulations as a shareholder and director.

However, Messrs. Olivier Ginon and Olivier Roux will undertake under the terms of the Shareholders Agreement to ensure that exceptional decisions relating to the disposal of assets, acquisitions, mergers and material public transactions of the company, such as

those relating to the company significant new loans, as well as relating to the membership of the company's executive committee that were not adopted by the Board of Directors of Polygone SA in accordance with the rules of majority presented here below, will not be submitted to a vote to the company's Board of Directors or adopted by the latter.

### 2. GOVERNANCE OF POLYGONE SA

#### 2.1 Provisions relating to the composition of the Board of Directors of Polygone SA

Under the terms of the Shareholders Agreement, the Board of Directors of Polygone SA includes:

- 10 directors including 5 directors from outside the group.

#### 2.2 Decisions requiring the approval of a director appointed on the proposal of Sofina to the Board of Directors of Polygone SA

Decisions shall be submitted to a debate within the Board of Directors of Polygone SA and may only be adopted if approved by the simple majority of directors present or represented, including the director appointed on the proposal of Sofina:

- Any decision requiring that an extraordinary general meeting of Polygone SA be called for items that include a change in the corporate charter or form, the creation of new classes of shares, the issuance of preferred shares or any security convertible into preferred shares or shares of a different class, any capital increase for which Sofina does not have a mechanism for anti-dilution, the modification of rights attached to shares (including through the creation of double voting rights) and the modification of rules for the distribution of earnings, reserves or the proceeds of liquidation, and
- Any assignment, contribution, transmission or transfer, in any form whatsoever, directly or indirectly, of an amount of assets of Polygone SA or the Company representing more than one third of the total consolidated assets of Polygone SA (excluding the scenario of a change in control of the Company allowing Sofina to exercise at the expense of Messrs. Olivier Ginon and Olivier Roux a put option for the total amount of its shares in Polygone SA as indicated in the paragraph below).

### **2.3 Decisions requiring the approval of one or more non-group directors**

The following decisions shall be submitted to deliberations of the Board of Directors of Polygone SA and may only be adopted if approved by a simple majority of directors present or represented, including approval (i) of at least one non-group director during the Transitional Phase and (ii) at least two non-group directors during the Normal Phase (the "Qualified Majority"):

- Acquisitions, mergers, asset disposals, public transactions involving more than 20% of total consolidated assets of Polygone SA;
- Real estate transactions involving more than €20 million, including at the level of Foncière Polygone (a wholly-owned property management subsidiary of Polygone SA);
- Proposals for the distribution of dividends or shares to shareholders of Polygone SA;
- An increase or reduction in the capital of Polygone SA;
- The purchase, sale or subscription by Polygone SA of shares giving access to the share capital of the Company;
- New borrowings concerning (i) with respect to the Company, total leverage of 3.5 x EBITDA, (ii) with respect to Foncière Polygone, a loan-to-value (LTV) ratio of more than 80%, and (iii) with respect to Polygone SA, an amount exceeding €10 million;
- Off-balance sheet commitments, granting security by Polygone SA for more than €10 million (outside the scope of normal operating activities);
- Approval of the annual budget of Foncière Polygone;
- Operational decisions other than those relating to normal conduct of business in which the shareholders, directors or executive management of Polygone SA might be interested parties.

The following decisions shall be submitted to deliberations of the Board of Directors of Polygone SA and be approved by the simple majority of directors present or represented:

- The approval of the annual budget of Polygone SA;
- The composition of the Company's Executive Committee.

Finally, any proposal to replace persons occupying the offices of Chairman, Chief Executive Officer, Deputy Chief Executive Officer or Chief Financial Officer of the Company must be submitted to prior deliberations by the Board of Directors of Polygone SA.

### **3. LAPSING OF SOFINA'S RIGHTS WITH RESPECT TO GOVERNANCE**

Sofina's rights with respect to governance as summarised herein in paragraph A shall lapse as soon as Sofina's direct financial and indirect stake in the capital of the Company falls below the threshold of 8%.

## **B. CLAUSES RELATING TO THE TRANSFER OF SHARES**

The Shareholders Agreement imposes no restrictions on the transfer of GL events shares held by Sofina nor particular provisions restricting the liquidity of the shares. As for the transfer of Polygone SA shares, the main restrictions with respect to transfer provided by the Shareholders Agreement are as follows:

- An undertaking providing for a lock-up period for Polygone SA shares held by Sofina for a period of five years from the Completion Date (except for transfers to its affiliates);
- A full tag-along right of Sofina in the event of a transfer of control of Polygone SA by Messrs. Olivier Ginon and Olivier Roux;
- A right of pre-emption of Sofina for the securities held by Messrs. Olivier Ginon and Olivier Roux (except for transfers in favour of each other or their beneficiaries or persons with whom they are related);
- A right of pre-emption of Messrs. Olivier Ginon and Olivier Roux for securities held by Sofina (except for transfers to its affiliates).

The Shareholders Agreement also provides for an anti-dilution mechanism in favour of Sofina within the framework of any issue revoking pre-emptive rights of subscription, able to give access, immediately or in the future, to the capital of Polygone SA.

Sofina will furthermore benefit from a put option for the full amount of Polygone SA shares with respect to Messrs. Olivier Ginon and Olivier Roux, exercisable under the following conditions: (i) If Mr. Olivier Ginon no longer exercises effective control over the Company's management; (ii) if Messrs. Olivier Ginon and Olivier Roux no longer control Polygone SA or if Polygone SA no longer controls the Company within the meaning of Article L. 233-3 of the French commercial code; (iii) if Messrs. Olivier Ginon and Olivier Roux or Polygone SA no longer meet the rules for a majority provided for by the Shareholders Agreement within the Board of Directors of Polygone SA, (iv) if Polygone SA issues shares other than in accordance with the terms of the Investment Agreement without complying with the anti-dilution right of Sofina, (v) in the event of a breach of a material provision of the Shareholders Agreement by Polygone SA, Mr Olivier Ginon or Mr Olivier Roux; (vi) If any representation made by Messrs. Olivier Ginon and Olivier Roux under the terms of the Investment Agreement is found to be inexact or results in loss for Sofina of more than €2,500,000; (vii) on the fifth, eighth, eleventh anniversary dates of the Shareholders Agreement's execution date, or (vii) if Messrs. Olivier Ginon and Olivier Roux create a situation giving rise to an obligation to file a draft public offer for the Company for Sofina, a situation with respect to which Sofina would object or would not be able to grant its authorisation.

Finally, Messrs. Olivier Ginon and Olivier Roux will possess a drag-along right (*droit de cession forcée*) over Sofina's shares in Polygone SA should they transfer control of Polygone SA.

### **PLEDGES, GUARANTEES AND SURETIES**

Pledges of shares of the issuer registered in an account in the name of the shareholder (*nominatif pur*): 3.9 million GL events shares pledged by Polygone SA as collateral for the Club Deal syndicated loan agreement.

# 07

## ADDITIONAL INFORMATION

- 173 / DRAFT RESOLUTIONS SUBMITTED  
TO THE COMBINED GENERAL MEETING  
OF THE SHAREHOLDERS OF 28 APRIL 2017
- 177 / INFORMATION AVAILABLE ON WEBSITES
- 178 / ANNUAL FILINGS AND DISCLOSURES
- 178 / OFFICER RESPONSIBLE FOR THE  
REGISTRATION DOCUMENT
- 179 / RESPONSIBILITY STATEMENT
- 179 / AUDITORS
- 179 / INFORMATION INCORPORATED BY REFERENCE
- 180 / TABLE OF CONCORDANCE  
(ART. R225-105-1 OF THE FRENCH COMMERCIAL CODE)
- 182 / TABLE OF CONCORDANCE  
(EC REGULATION 809/2004-APPENDIX I)
- 184 / TABLE OF CONCORDANCE  
OF THE MANAGEMENT REPORT
- 185 / TABLE OF CONCORDANCE  
WITH THE ANNUAL FINANCIAL REPORT

The Board of Directors' report on the draft resolutions is presented in Chapter 4 of this registration document.

# DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF THE SHAREHOLDERS OF 28 APRIL 2017

## I. Ordinary resolutions

### RESOLUTION ONE

*(Approval of the annual financial statements for the year ended 31 December 2016)*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report of the Board of Directors, the Chairman's report on the preparation and organisation of the work of the Board of Directors and internal control procedures, and the Statutory Auditors' report on the parent company financial statements and their report on the Chairman's report, approve the annual financial statements and notably, the

balance sheet, income statement and notes to the financial statements for the period ended 31 December 2016, as presented, as well as the operations reflected in the financial statements or summarised in the reports.

In accordance with article 223 quater of the French General Tax Code, they approve the expenses and charges provided for under article 39-4 of said code that totalled €30,438.

### RESOLUTION TWO

*(Discharge to Directors)*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings grant a full and unconditional discharge

to the directors for the performance of their duties in the period under review.

### RESOLUTION THREE

*(Approval of the consolidated financial statements for the year ended 31 December 2016)*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after having considered the Board of Directors' report and the Statutory Auditors' report, approve

the consolidated financial statements and the notes to the financial statements for the period ended 31 December 2016, as presented, as well as the operations reflected in the financial statements or summarised in the reports.

### RESOLUTION FOUR

*(Appropriation of net income of the period)*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, decide to appropriate the net income of €28,266,164.52 as follows:

#### Determination of distributable amounts

Net income for the period	€28,266,164.52
Retained earnings	€28,197,894.92
<b>Distributable amount</b>	<b>€56,464,059.44</b>

#### Proposed appropriation

Legal reserve	€299,516,40 €
Dividends or 0,65 € per share (x 23,402,711 (*))	€15,211,762.15
Retained earnings	€40,952,780.89
<b>TOTAL</b>	<b>€56,464,059.44</b>

*(\*) Number of shares at 2 March 2017 based on stock options and warrants exercised and subject to the exercise of stock options and warrants prior to the general meeting. Dividend payments will not be paid on treasury shares held on the dividend payment date. The portion of dividends attached to these shares will be allocated to other reserves.*

## ADDITIONAL INFORMATION

### DRAFT RESOLUTIONS SUBMITTED TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 28 APRIL 2017

The full amount of this distribution qualifies, for natural persons residing in France, to the 40% tax basis reduction provided for by article 158-3-2 of the French general tax code. The ex-dividend date will be 30 May 2017 and the dividend payment date 4 July 2017. It is specified that if, when these dividends are paid, the Company holds treasury shares, the amounts corresponding to dividends not paid for these shares will be allocated to "Retained earnings".

After the distribution of earnings, the company's share capital would be €330,803,093.

As required by article 243 bis of the French General Tax Code, dividend payments for the last three financial periods are reported below:

Year	Number of shares paying dividends (excluding treasury shares)	Amounts allocated (€)	Net dividend earnings per share (€)	Total amount of the dividend eligible for the 40% tax allowance (€)	Total amount of the dividend not eligible for the 40% tax allowance (€)
31/12/2013	22,374,541 shares carrying dividend rights	13,424,725	0.6	4,223,693	9,201,031
31/12/2014	22,259,088 shares carrying dividend rights	13,355,453	0.6	4,073,298	9,282,155
31/12/2015	22,653,920 shares carrying dividend rights	13,592,352	0.6	4,372,136	9,220,516

The general meeting duly notes that French social taxes (CSG – CRDS) on investment income will be withheld by the company, as well as, as applicable, the compulsory withholding tax (prélèvement à la source obligatoire non libératoire) of 21% for payment to the tax authorities

no later than within the first fifteen days of the month following the payment of the dividend.

On that basis, the amount of dividends reverting to natural persons has been reduced by 15.5% from French social taxes and 21% under the compulsory withholding tax.

#### RESOLUTION FIVE

*(Approval of related-party agreements presented in the Auditors' special report)*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having reviewed Auditors' special report on regulated agreements governed by articles

L. 225-38 et seq. of the French commercial code, approve the agreements concluded or remaining in force in the period presented therein.

#### RESOLUTION SIX

*(Renewal of the appointment of Yves Claude Abescat as director)*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after having considered the Board of Directors' report, duly noting that the term of office of:

- Mr. Yves Claude Abescat, as director has expired on this day, hereby renew his appointment for four (4) years or until the annual shareholders' meeting to be held in 2021 called to approve the financial statements for the year ending 31 December 2020.

#### RESOLUTION SEVEN

*(Approval of the principles and criteria for determining, allocating and granting fixed, variable and special compensation making up the total compensation and benefits in kind attributable to the Deputy Managing Director on the basis of his office)*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, approve, in accordance with the provisions of article L.225-37-2 of the French commercial code, the principles and criteria for determining, allocating and granting fixed, variable and special compensation making

up the total compensation and benefits in kind attributable to the Deputy Managing Director on the basis of his office, as described in the report included referred to in articles L.225-100 and L.225-102 of the French commercial code, presented in the registration document.

#### RESOLUTION EIGHT

*(Authority of the Board of Directors to buy back shares of the company)*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the Board of Directors' report:

- Terminate, with immediate effect for the unused portion, the authorisation granted under resolution ten of the ordinary general meeting of 29 April 2016 for repurchase by the Company of its own shares;
- Authorise the Board of Directors in accordance with the

provisions of articles L.225-209 et seq. of the French commercial code to purchase shares of the Company not to exceed 10% the number of shares representing the share capital of the company on the date of this meeting (including treasury shares currently held), as follows:

- The maximum purchase price per share under this authorisation is €40 (excluding execution fees) In



the event of equity transactions including notably the capitalisation of reserves and the grant of bonus shares, stock splits or reverse splits, or a modification of the nominal value of the shares, this price will be adjusted in consequence.

On this basis, the maximum funds destined for this share repurchase program is €80,753,284 calculated on the basis of the share capital at 3 March 2017 with 321,439 treasury shares held on the same date. This maximum amount may be adjusted to take into account the amount of capital on the date of the general meeting.

This authorisation is granted for the following purposes:

- Grants of shares to employees or corporate officers of the Company and French or foreign companies or groups of companies related thereto according to the procedures provided by law, and notably in connection with employee profit-sharing, stock ownership or company savings plans, stock option programs or the grant of bonus shares;
- Hold shares for subsequent use as a means of payment or exchange in connection with acquisitions, in compliance with market practices admitted by the AMF (autorité des marchés financiers) and subject to the limits provided for under paragraph 6 of Article L.225-209 of the French commercial code;
- Ensure the liquidity of the market of the company's share through one or more independent investment service providers within the framework of a liquidity agreement in compliance with conduct of business rules admitted by the AMF, it being specified that the number of shares taken into account to calculate the aforementioned 10% limit corresponds to shares purchased minus the number of shares sold over the duration of this authorisation;

- Reduce the share capital of the company, in accordance with resolution nine of this general meeting, subject to its adoption;
- Remit shares following the exercise of rights attached to securities giving immediate or future access to shares;
- Engage in any market practice subsequently admitted by law or the AMF.

The shares may be acquired, sold or transferred, on one or more occasions, by any means and at any time, including during takeover bids, on or off-market, and notably over-the-counter and including through block trades or recourse to derivative financial instruments and the purchase of stock purchase options in compliance with applicable regulations. In compliance with article L.225-209 paragraph 3 of the French commercial code, the Board of Directors grants full powers to its Chief Executive Officer to proceed with one or more share repurchase programs, whereby the Chief Executive Officer must report to the Board of Directors on usages of this authority.

All powers are granted to the Board of Directors, which it may in turn further delegate, to implement this authorisation and notably to:

- Produce, as applicable, a description of the programme mentioned under article 241-2 of the AMF General Regulation and publish the procedures in accordance with article 221-3 of this Regulation, before proceeding with a share repurchase programme;
- Place all stock market orders, sign all purchase, sale or transfer agreements;
- Conclude all agreements and carry out all formalities and all other measures required for the application of this authorisation.

This authorisation is granted for eighteen months from the date of this meeting.

## **II : Extraordinary resolutions**

### **RESOLUTION NINE**

*(Authority of the Board of Directors to reduce the registered capital of the Company through the cancellation of treasury shares)*

The shareholders, in accordance with the conditions of quorum and majority that apply at extraordinary shareholders' meetings, after having considered the Board of Directors' report and the Auditors' special report, in accordance with the provisions of article L.225-209 of the French commercial code, and subject to approval of the preceding resolution eight, authorise the Board of Directors to:

- Cancel shares acquired under resolution eight herein and previous authorisations, on one or more occasions, subject to a limit of 10% of the share capital on the date of the Board of Directors' decision to cancel the shares and per twenty-four month period and reduce in consequence the share capital of the company;
- Adjust, if necessary, the rights of holders of securities conferring access to the capital and stock options or stock purchase options for which issuance may have previously been decided and still outstanding on the date the capital reduction authorised under this resolution is carried out.

All powers are granted to the Board of Directors, which it may in turn further delegate, to implement this authorisation and notably to:

- Make all decisions concerning cancellations or reductions of capital;
- Allocate the difference between the purchase price of potential shares and their par value to reserve accounts of its choosing including "additional paid-in capital";
- Take all measures, make all declarations, fulfil all formalities, including declarations with the AMF;
- Amend the articles of association of the company in consequence;
- And in general, undertake all that is necessary.

This authorisation is granted for eighteen months from the date of this meeting. It supersedes and replaces the authorisation granted under resolution thirteen of the shareholders meeting of 29 April 2016.

**RESOLUTION TEN**

*(Authority of the Board of Directors to issue new shares in payment of contributions in kind)*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary general meetings, after having considered the Board of Directors' report and the Auditors' special report, in accordance with article L. 225-147 of the French Commercial Code:

- Terminate, with immediate effect, for the unused portion of the authorisation granted under resolution twelve of the extraordinary shareholders' meeting of 30 April 2015;
- grant the Board of Directors authority which it may in turn delegate in accordance with applicable laws and regulations for a maximum period of 26 months from the date of this meeting, on the basis of the report of the equity auditor(s) mentioned in the 1<sup>st</sup> and 2<sup>nd</sup> of Article L. 225-147 above mentioned, to issue ordinary shares of the Company or securities conferring present or future rights to existing ordinary shares or shares to be issued in payment for contributions of kind granted to the Company consisting of equity securities or other securities giving access to the share capital when the provisions of article L.225-148 of the French commercial code do not apply, and resolve, as necessary, to cancel, in favour of holders of shares or securities concerned by the contribution in kind, the pre-emptive subscription rights of shareholders to ordinary shares and securities thus issued.

The maximum nominal amount of the capital increase, present or future, resulting from the issues carried out under this authority shall not exceed 10 % the Company's share capital (on the basis of the amount on the date of this meeting).

The shareholders duly note that this authorisation shall entail waiver by existing shareholders of the pre-emptive rights to which they may be entitled to subscribe for ordinary shares issued under this resolution.

The Board of Directors will be vested with all powers to implement this resolution, and to establish the list of equity shares or securities tendered, determine the share exchange rate, and when applicable the balance to be paid in cash, rule, on the basis of the report of the equity auditor(s) mentioned in the 1<sup>st</sup> and 2<sup>nd</sup> paragraphs of article L. 225-147 mentioned above, on the evaluation of the contributions and the grant of special benefits, record the completion of the capital increases undertaken by virtue of this authority, amend the company's bylaws in consequence, and in general undertake all formalities and representations necessary for the completion of the contribution.

**RESOLUTION ELEVEN**

*(Modification of article 16 of the articles of association provide for the appointment of non-voting members to the Board of Directors).*

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary general meetings, after considering the Board of Directors' report, decide to add at the end of article 16 of the articles of association the following paragraph:

"On the proposal of the Chairman, the Board of Directors may appoint one or more non-voting members (censeurs) (with a maximum number of six), natural persons or legal entities selected from or outside the shareholders. Their mission is set in compliance with the law and the company's articles of association by the Board of Directors.

The non-voting members are convened and participate in an advisory capacity in the meetings of the Board of

Directors and/or special committees, without interfering in the administration of the Company.

They are appointed for two years and their appointments may be renewed and also may be terminated at any time by decision of the Board of Directors. The functions of each non-voting member expire at the end of the general meeting called to approve the financial statements for the period ended and held in the year in which their term of office expires.

The procedures for the remuneration of non-voting members are determined annually by the Board of Directors, that may pay to them a portion of the attendance fees allocated by the ordinary general meeting of the shareholders to its members."

**III : Powers**

**RESOLUTION TWELVE**

*(Powers for formalities)*

Full authority is hereby granted to the bearer of the minutes of this general meeting or a copy thereof for the purpose of performing all required legal and administrative formalities.



## **INFORMATION AVAILABLE ON WEBSITES** ([WWW.GL-EVENTS.COM](http://WWW.GL-EVENTS.COM) AND [WWW.AMF-FRANCE.ORG](http://WWW.AMF-FRANCE.ORG))

### **PRESS RELEASES**

<b>Date</b>	<b>Announcements</b>
2016	Monthly and weekly disclosures - Purchases and sales of own shares
2016	Monthly disclosures - Voting rights
January 2016	Annual report on the liquidity agreement
19 January 2016	2015 revenue
8 March 2016	2015 results
9 March 2016	Presentation of 2015 results
25 March 2016	Preliminary notice of meeting (avis de réunion) of the shareholders' meeting of 29 April 2016
6 April 2016	Group response to the "Panama Papers" story
27 April 2016	2016 first-quarter sales
3 May 2016	Cop 22: GL events signs a €35 million contract
July 2016	Half-year report on the liquidity agreement
7 July 2016	Result of the option given to receive dividends in the form of shares for fiscal 2015
12 July 2016	2016 second-quarter sales
21 July 2016	GL events: A second successful private placement of a €100 million bond issue
6 September 2016	2016 first-half results
29 September 2016	GL events enters into a joint venture with Yuexiu Group for a future convention centre in Guangzhou (Canton)
18 October 2016	2016 third-quarter sales:
7 November 2016	GL events provides the installations for COP22 in Marrakech from 7 to 18 November 2016
17 November 2016	Sao Paulo Expo stages Latin America's largest auto show
January 2017	Annual report on the liquidity agreement
17 January 2017	2017 revenue
7 March 2017	2016 results
8 March 2017	Presentation of 2016 results
24 March 2017	Preliminary notice of meeting (avis de réunion) of the shareholders' meeting of 28 April 2017

### **REGISTRATION DOCUMENT AND OFFERING MEMORANDUMS**

<b>Date</b>	<b>Announcements</b>
8 April 2016	Registration document 2015 D.16-0311

## ADDITIONAL INFORMATION

INFORMATION AVAILABLE ON WEB SITES / ANNUAL FILINGS AND DISCLOSURES /  
OFFICER RESPONSIBLE FOR THE REGISTRATION DOCUMENT

### INFORMATION PUBLISHED THROUGH THE PRESS

Date	Announcements	Publication
20 January 2016	2015 revenue: €942 million, Organic growth averaging +8% over 2 years - 2016, a year of growth	Les Echos
9 March 2016	2015 annual results: Strong growth in current operating income: +11%, rise in net income: +8%, solid foundations and a favourable calendar for profitable growth in 2016	Les Echos
29 April 2016	A dynamic 2016 first-quarter, on track with annual targets, teams mobilised for Euro 2016 and the Rio Olympic Games	Les Echos
13 July 2016	2016 second-quarter sales: +17%, a solid business model and a positive outlook for the second half	Les Echos
7 September 2016	2016 first-half results: growth and profitability, revenue; +5%, current operating income: +7.6%, EBITDA: €66 million, +12.1%	Les Echos
19 October 2016	Revenue at 30 September 2016: €697.5m (+3.8 %), continuing growth and positive outlook	Les Echos
8 November 2016	GL events provides the installations for COP22 in Marrakesh from 7 to 18 November 2016	Les Echos
18 November 2016	Sao Paulo Expo stages Latin America's largest auto show	Les Echos

### OFFICIAL LEGAL ANNOUNCEMENTS *(BULLETIN DES ANNONCES LEGALES ET OBLIGATOIRES)*

Date	Announcements	Publication date
25-mars-16	Preliminary notice of the General Meeting	37
13-avr-16	Second notice of the General Meeting	45
13-mai-16	Voting rights	58
13-mai-16	Certification of the Statutory Auditors	58
24-mars-17	Preliminary notice of the General Meeting	34

### FILINGS WITH THE REGISTRAR OF THE LYON COMMERCIAL COURT

Date	Announcements
1 August 2016	Filing of the 2015 annual financial statements
1 August 2016	Filing of the 2015 consolidated financial statements

### ANNUAL FILINGS AND DISCLOSURES

This annual information document has been published in accordance with article 451-1-1 of the French Monetary and Finance Code and article 221-1-1 of the AMF General Regulation. This document contains information published or rendered public by GL events between 1 January 2017 and 31 March 2017 in compliance with legal or regulatory disclosure obligations.

### OFFICER RESPONSIBLE FOR THE REGISTRATION DOCUMENT

**Olivier GINON**  
Chairman

## RESPONSIBILITY STATEMENT

"I hereby certify, having taken all reasonable care to ensure that such is the case, that the information contained in this document provides a true and fair picture of the company's existing situation. It does not contain any omissions that could affect the validity of this document. I furthermore declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the company and the group formed by the companies included in the consolidated financial statements, and that the management report for the period, included on page 60 herein faithfully

presents business trends, the results and financial position of the company and consolidated operations and the description of the main risks and uncertainties.

I have obtained a letter from the company's statutory auditors confirming the completion of their engagement whereby, in compliance with accounting doctrine and professional standards applicable in France, they performed procedures to verify the information on the financial position and financial statements presented in this registration document and reviewed its entire content. The statutory auditors have issued reports on the historical information presented in the registration document."

Lyon, 5 April 2017

**Olivier GINON**  
Chairman

## AUDITORS

	Date of first appointment	Renewal date	End of appointment (AGM approving the accounts closed at)
<b>Statutory auditors:</b> <b>MAZA – SIMOENS</b> Sébastien BELMONT 26, rue Raspail 69600 Oullins	16 may 2008	25 april 2014	31 december 2019
<b>MAZARS</b> Thierry COLIN Paul-Armel JUNNE 131, boulevard Stalingrad 69624 Villeurbanne	13 july 2005	25 april 2014	31 december 2019
<b>Alternate auditors:</b> <b>Raphael VAISON DE FONTAINE</b> 513, rue de Sans Souci 69760 Limonest	16 may 2008	25 april 2014	31 december 2019
<b>Olivier BIETRIX</b> 54 rue de la République 69002 Lyon	13 juy 2005	25 april 14	31 december 2019

## INFORMATION INCORPORATED BY REFERENCE

In accordance with article 28 of the Commission Regulation (EC) 809-2004 implementing the prospectus directive, the following information shall be incorporated by reference in this registration document:

- The consolidated financial statements for the period ended 31 December 2015 and the auditors' report on these financial statements presented respectively on pages 102 to 135 and 136 of the registration document No. D16-0311 filed with the French financial market authority (AMF) on 8 April 2016;
- The consolidated financial statements for the period ended 31 December 2014 and the auditors' report on these financial statements presented respectively on pages 97 to 127 and 128 of the registration document No. D15-0304 filed with the AMF on 9 April 2015.

# TABLE OF CONCORDANCE WITH ART R225-105-1 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*)

## I. EMPLOYMENT INFORMATION

### Employment

Total workforce and breakdown by gender, age and geographical region .....	34, 37, 38
New hires and dismissals .....	34
Remuneration and compensation trends .....	40

### Work organisation

Work time organisation .....	40
Absenteeism .....	40

### Labour relations

The organisation of dialogue between employees and management and notably procedures for providing information, consultation and negotiations with employees .....	39
Assessment of collective agreements .....	40

### Health and safety

Occupational health and safety conditions .....	38-39
Report on agreements signed with trade unions or employee representatives concerning occupational health and safetyl .....	40
Occupational accidents, including in particular frequency and severity rates, as well as occupational illnesses .....	39

### Training

Training policies implemented .....	35
Total training hours .....	35

### Equal opportunity and non-discrimination

Measures adopted to promote gender equality .....	38
Policy implemented to combat discriminations .....	37
Measures adopted to promote integration of disabled persons .....	36

### Promoting compliance with the core conventions of the International Labour Organisation

Respecting the right of freedom of association and collective bargaining .....	40
Eliminating discrimination in employment and professional life .....	40
Eliminating forced or compulsory labour .....	40
Effective abolition of child labour .....	40

## II. ENVIRONMENTAL INFORMATION

### General environmental policy

The company's organisational structure to take into account environmental issues, and if need be, steps taken for environmental evaluation or certification .....	41, 44
Training and employee information actions relating to environmental protection .....	43, 54
Resources devoted to preventing environmental risks and pollution .....	44-47
The amount of provisions and guarantees for environmental risks, subject to the condition that its disclosure would not constitute a serious prejudice to the company with respect to litigation in progress .....	48

**Pollution and waste management**

Measures to prevent reduce or repair serious adverse effects on the environment  
from the release of waste into the atmosphere, water and soil ..... 48  
The management of noise pollution and other forms of pollution specific to an activity ..... 48

**Sustainable use of resources**

Measures taken to prevent, recycle and eliminate waste ..... 44-45  
Action to combat food waste ..... 45

**Sustainable use of resources**

Water consumption and supply in relation to local constraints ..... 47  
The consumption of raw materials and measures taken for improving efficiencies in their use ..... 48  
Energy consumption, energy performance measures and use of renewable energies ..... 46  
Land use ..... 48

**Climate change**

Greenhouse gas emissions ..... 42,48  
Adapting to the consequences of climate change ..... 48

**Protection of biodiversity**

Measures taken to preserve or develop biodiversity ..... 48

**III. INFORMATION RELATING TO SOCIETAL COMMITMENTS IN FAVOUR OF SUSTAINABLE DEVELOPMENT**

**Regional, economic and social impact**

In terms of employment and regional development ..... 50-52  
On neighbouring or local populations ..... 52

**Relations with stakeholders, including in particular associations promoting social integration, educational institutions, environmental defence groups, consumer associations and local populations**

Conditions of dialogue with these stakeholders ..... 50, 52  
Partnerships or corporate sponsorship initiatives ..... 54

**Outsourcing and suppliers**

The manner in which the company’s purchasing policy takes into account social and environmental issues ..... 36, 53  
The volume of outsourcing and manner in which relations with suppliers and subcontractors are taken into account in the company’s social and environmental responsibility ..... 40, 53

**Fair practices**

Measures taken to prevent corruption ..... 53  
Measures taken in favour of consumer health and safety ..... 54

**Other actions undertaken in favour of human rights** ..... 40

**Methodology note** ..... 56

**Independent assurance report on sustainable development** ..... 58

# TABLE OF CONCORDANCE

This concordance table provides cross-references with the minimum disclosure requirements for annual registration documents.

<b>HEADINGS OF APPENDIX I OF EC REGULATION 809/2004</b>	<b>REGISTRATION DOCUMENT PAGES</b>
<b>1. PERSONS RESPONSIBLE</b> .....	178
<b>2. STATUTORY AUDITORS</b> .....	179
<b>3. SELECTED FINANCIAL INFORMATION</b>	
3.1. Historical information .....	8 - 19
3.2. Financial information for interim periods .....	N/A
<b>4. RISK FACTORS</b> .....	65 - 69
<b>5. INFORMATION ABOUT THE ISSUER</b>	
5.1. History and development of the issuer .....	17 - 19
5.2. Investments .....	64
<b>6. BUSINESS OVERVIEW</b>	
6.1. Principal activities .....	22 - 28
6.2. Principal markets .....	21
6.3. Exceptional factors .....	8 - 11
6.4. Potential dependencies .....	N/A
6.5. Competitive position .....	22 - 29
<b>7. ORGANISATIONAL STRUCTURE</b>	
7.1. Description of the group .....	7
7.2. Significant subsidiaries .....	122 - 123
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>	
8.1. Existing or planned material tangible, fixed assets .....	125, 127
8.2. Environment issues that may affect the issuer's utilisation of tangible fixed assets .....	41 - 48
<b>9. OPERATING AND FINANCIAL REVIEW</b>	
9.1. Financial condition .....	62 - 69
9.2. Operating profit .....	63
<b>10. CAPITAL RESOURCES</b>	
10.1. Information concerning the issuers' capital resources .....	112, 130 - 131
10.2. Sources and amounts of the issuer's cash flow .....	64, 111
10.3. Information on the borrowing requirements and funding structure of the issuer. ....	64 - 68
10.4. Information regarding any restrictions on the use of capital resources that may have materially affected or could materially affect, directly or indirectly, the issuer's operations .....	N/A
10.5. Anticipated sources of funds .....	64
<b>11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES</b> .....	69
<b>12. TREND INFORMATION</b> .....	29, 65
<b>13. PROFIT FORECASTS OR ESTIMATES</b> .....	N/A

**14. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**

14.1. Directors and officers .....	82 - 85
14.2. Potential conflicts of interest at the level of directors and officers .....	94

**15. REMUNERATION AND BENEFITS**

15.1. Remuneration paid and benefits in-kind .....	87 - 90
15.2. Total sums set aside or accrued to provide pension, retirement or similar benefits .....	87 - 90

**16. BOARD PRACTICES**

16.1. Date of expiration of current terms of office .....	82
16.2. Information about service contracts between directors and officers with the issuer .....	90
16.3. Information about the issuer's audit committee and remuneration committee .....	86, 100 - 101
16.4. Compliance with issuer's countries of incorporation corporate governance regime(s) .....	82

**17. EMPLOYEES**

17.1. Number of employees .....	138
17.2. Shareholdings and stock options .....	88 - 90, 165 - 167
17.3. Description of any arrangement involving the employees in the capital of the issuer .....	88

**18. MAJOR SHAREHOLDERS**

18.1. Shareholders holding more than 5% of the share capital or voting rights .....	168
18.2. Existence of different voting rights .....	164
18.3. Information about controlling interests in the issuer .....	169
18.4. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer .....	170

**19. RELATED PARTY TRANSACTIONS** ..... 139, 154

**20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

20.1. Historical financial information .....	17 - 19
20.2. Pro forma financial information .....	N/A
20.3. Financial statements .....	108
20.4. Auditing of historical annual financial information .....	156
20.5. Age of latest financial information .....	109
20.6. Interim and other financial information .....	N/A
20.7. Dividend policy .....	16
20.8. Legal and arbitration proceedings .....	68
20.9. Significant change in the issuer's financial or trading position .....	64

**21. ADDITIONAL INFORMATION**

21.1. Capital stock .....	163
21.2. Memorandum and Articles of Association .....	163 - 164

**22. MATERIAL CONTRACTS** ..... 94

**23. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTERESTS** ..... N/A

**24. DOCUMENTS ON DISPLAY** ..... 16

**25. INFORMATION ON HOLDINGS** ..... 122 - 123

# TABLE OF CONCORDANCE OF THE MANAGEMENT REPORT

This Registration Document contains all information of the management report of the Company required by articles L.225-100 *et seq.*, L.232-1, II, and R. 225-102 the French commercial code.

## **Presentation of the business and trends for sales, earnings and the financial position of the company and group**

Activity of the company and the group in the period including information regarding the maturity of trade payables and receivables (art. L. 441-6-1 of the French commercial code .....	61 - 75
Research and development .....	69
Equity interests acquired in the period .....	121
Dividend distribution policy and dividends distributed over the last three financial years .....	16
Future operating trends and outlook .....	29, 65
Significant post-closing events .....	65

<b>The main risks to which the Company and the group are exposed .....</b>	<b>65 - 69</b>
--	----------------

<b>Summary of authorizations in progress .....</b>	<b>72</b>
--	-----------

## **Information concerning the share capital**

Disclosures in the period on the crossing of ownership thresholds required by law and the articles of association .....	168
Analysis of the share capital and voting rights .....	168
Restrictions under the articles of association on the exercise of voting rights and the transfer of shares .....	164
Provisions of agreements of article L. 233-11 of the French commercial code .....	N/A

<b>Employee share ownership .....</b>	<b>74</b>
---------------------------------------	-----------

## **Information on officers**

Rules concerning the appointment and replacement of members of the Board of Directors .....	96
Compensation of corporate officers .....	87 - 90
Appointments and functions exercised in any company by each of the corporate officers .....	91 - 93
Dealings in the Company's shares in the period ended by corporate officers, senior executives and persons with whom they are related .....	88 - 90, 74
Rules applying to the modification of the articles of association .....	163
Corporate social responsibility information .....	30

<b>Report of the preceding share buyback program .....</b>	<b>131</b>
--	------------

## **Agreements concluded in the period ended on 31 December 2016 covered by article L. 225-38 of the French commercial code .....**

72, 157-159

<b>Five-year financial summary .....</b>	<b>73</b>
--	-----------

<b>Items with potential impacts in connection with public offerings .....</b>	<b>73</b>
---	-----------



# TABLE OF CORRESPONDENCE WITH THE ANNUAL FINANCIAL REPORT <sup>(1)</sup>

Annual financial statements.....	143 - 155
Consolidated financial statements .....	109 - 141
Auditors' report on the parent company financial statements annuels .....	156
Auditors report on the consolidated financial statements .....	142
Corporate social responsibility report .....	58 - 59
Auditors' fees .....	141
Chairman to pass report on the conditions of the preparation and organization of the work of the board as well as the internal control procedures implemented by the company .....	95 - 105
Auditors' report on internal control .....	106 - 107
Description of the share buyback program .....	80

*(1) In accordance with articles L.451-1-2 of the French financial and monetary code and article 222-3 of the AMF General Regulation. NA: Non Applicable.*

*Translation disclaimer: This document is a free translation of the original "document de référence" or registration document issued in French for the year ended 31 December 2016 filed with the AMF on 5 April 2015. As such, the English version has not been registered by this Authority. The English version of this document has not been audited by our Statutory Auditors and the English translations of their reports included herein are provided for information only. In the event of any ambiguity or conflict between corresponding statements or other items contained in these documents and the original French version, the relevant statement or item of the French version shall prevail and only the original version of the document in French is legally binding. As such, this translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and GL events expressly disclaims all liability for any inaccuracy herein.*



"This registration document was filed with the French financial market authority (Autorité des Marchés Financiers or AMF) under No.°D.17-0325, on 5 April 2017 in compliance with Article 212-13 of the AMF General Regulation. It may be used in connection with a financial transaction only if accompanied by a memorandum approved by the AMF." The issuer prepared this document and the signatories are responsible for the information herein.





