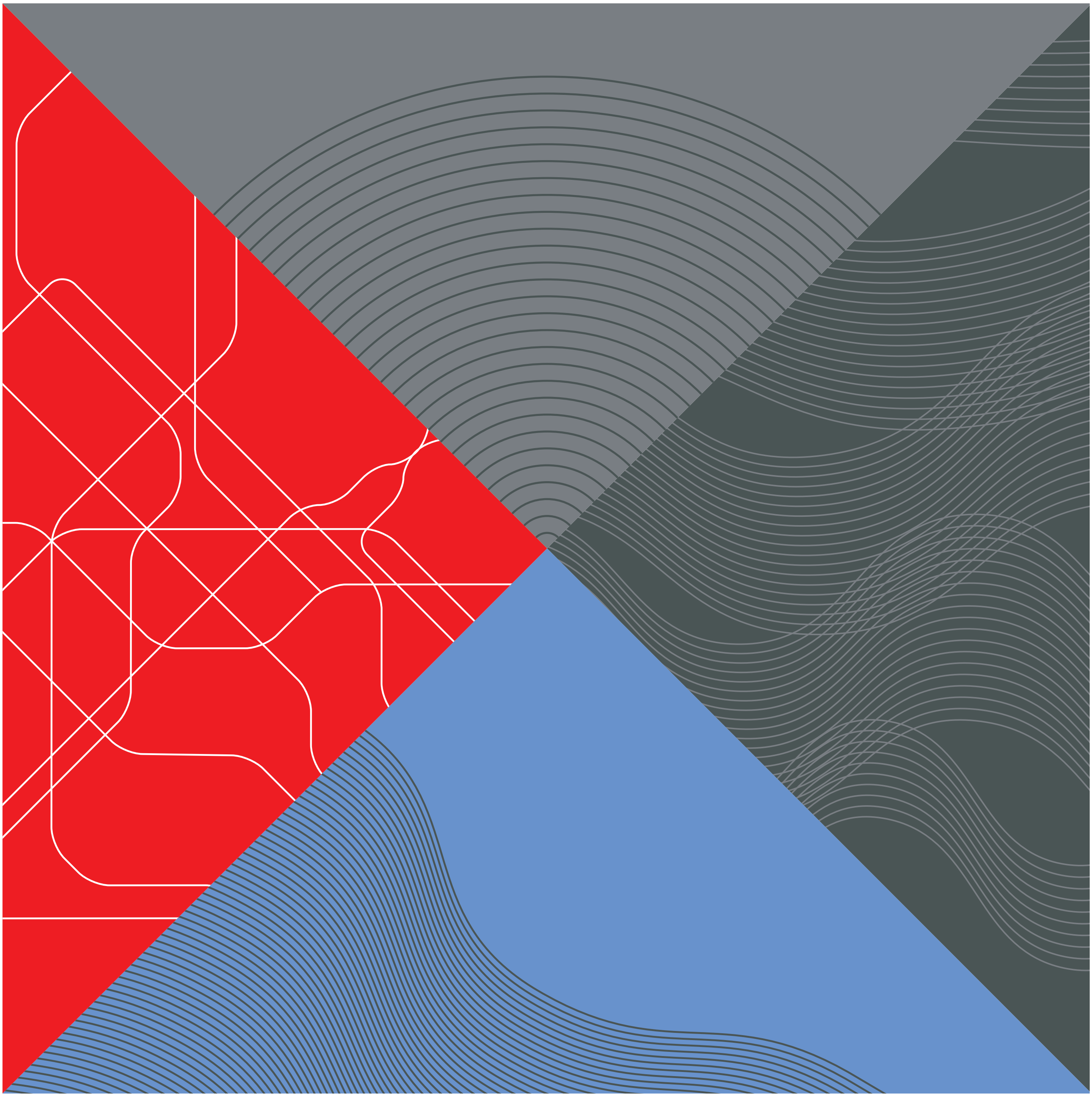

FINANCIAL REPORT

AS OF DECEMBER 31, 2016

transdev
INVENTONS VOTRE MOBILITÉ

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BOARD OF DIRECTORS' MANAGEMENT REPORT ON THE 2016 CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS

TO THE ORDINARY GENERAL MEETING

transdev

INVENTONS VOTRE MOBILITÉ

CONTENTS

KEY FIGURES – CONSOLIDATED FINANCIAL STATEMENTS

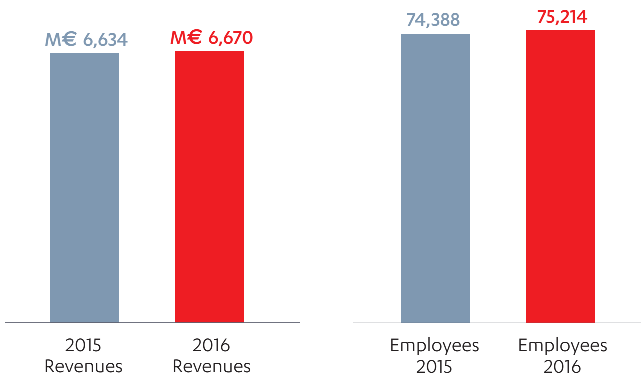
(€ millions)	FISCAL YEAR 2015 (12 MONTHS)	FISCAL YEAR 2016 (12 MONTHS)
Revenue from ordinary activities	6,634.3	**6,669.6**
EBITDA (*Earnings before interest, taxes, depreciation and amortization*) [1]	416.9	**392.1**
Current operating result [1]	145.7	**123.7**
Net income	84.8	**67.9**
Net income – Group share	82.1	**65.8**
Net financial debt (NFD)	**740.7**	**592.3**

[1] Note VII.14.2. of the notes to the consolidated financial statements describes the conversion from EBITDA to current operating result and operating result.

GROUP KEY FIGURES

- The Group operates in **19 countries**
- Annual revenue : **€ 6,670 millions**
- **75,214 employees** [1]

2016 REVENUE - 12 MONTHS & NUMBER OF EMPLOYEES IN 2016 [1]



[1] Figures do not include the contribution of public-private partnerships. Data on number of employees are stated as a weighted average number of employees and do not include discontinued operations or employees of joint ventures and associates.

GROUP PERFORMANCE IN 2016

The financial results for 2016 confirm the financial stability of Transdev Group, which shows a net income Groupe share of €65.8 million.

In 2016, the Group continued to make the effort to invest in new products (first full year of operations in the long distance bus market in France) and to adapt its on-demand transportation operations to the market in a highly competitive environment. The Group posted a Current Operating Result (COR) of €123.7 million, bolstered by the operational performance of the public transportation business in France, the United States, Germany, Sweden and the Netherlands.

In terms of external growth, the Group acquired the remaining 50% equity stake in the company that manages and maintains the Sydney Ferries service, as well as 100% of Urbis Park Services, the third-largest company providing car parking management services in France. This last acquisition gives the Group the ability to offer a broader range of services, by combining transportation and parking.

Furthermore, the Group reduced its Net Financial Debt (NFD) by €148 million during the year. In addition, the Group gained financial autonomy during the fiscal year by:

- Refinancing the debt owed to shareholders through two credit facilities obtained from banks;
- Raising a loan on the “Schuldschein” market (private placements governed by German law) directly with international banks and institutional investors.

(see note VII.3.2 to the consolidated financial statements).

These transactions, combined with the increase in share capital of Caisse des Dépôts, which now holds a 70% stake in Transdev, provide the Group with additional leeways, now forward-looking future growth prospects.

BUSINESS DEVELOPMENT AND ACTIVITIES

The Group experienced notable commercial successes during the year in numerous locations.

In France, the Group was the successful bidder for the TADAO operating contract (communities of Lens-Liévin, Hénin-Carvin and Béthune-Bruay), the contract to operate the Ulysse network (in the Aix-Marseille metropolitan area), and the contract to operate and manage the Pau-Pyrénées airport as part of the Air'Py consortium. It also renewed the Calais urban and Côtes d'Armor interurban transportation contracts.
Moreover, the Group is actively preparing offers for several significant tenders.

In the Netherlands, the operating contract of the Amsterdam region (Amstelland-Meerlanden), one of the Group's largest contracts in that geographical area, was renewed.

In Germany

- The Group was awarded the Bad Homburg, Rendsburg, Kirchheim-Treck, Wiesbaden Nord, RTK-Baderstabe and Offenbach-Ost bus contracts;
- In the rail sector, the Group was awarded the contract to operate the R6 rail line in Saxony, between Leipzig and Döbeln, and the contract for ticket sales and subscription management in the Rhein-Main region.

In the United States, the Group was awarded the QLINE streetcar contract (M1-Rail) in Detroit and the Valley Metro paratransit contract in Arizona.

In addition to these offensive and defensive commercial successes, several contracts were extended (in particular in Sweden, the Netherlands, Germany and Chile), with the effect of increasing the weighted average maturity of the contract portfolio already in operation.

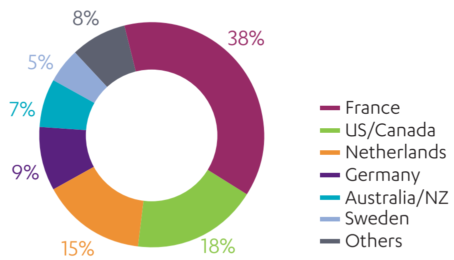
Innovation is at the core of the Group's commercial policy, as confirmed by the following major initiatives in 2016:

- Development of electric mobility solutions in most countries in which the Group operates, in particular in the Netherlands, where the renewal of the Amstelland-Meerlanden contract, together with the fleets in Helmond and Eindhoven, will ultimately bring up to 400 the number of 100% electric buses operated by the Group in that country, one of the largest electric bus fleets in Europe;
- Start of the first transportation service using 100% electric autonomous shuttles at the EDF Civaux power plant.

GROUP ACTIVITIES AND RESULTS IN 2016

The Group's consolidated revenue totaled €6,670 million in 2016, a level of business that was adversely affected by an unfavorable foreign exchange impact of €24 million due to the depreciation of the British and Swedish currencies.
Excluding this foreign exchange impact, revenue increased due to the commencement of the Mittelsachsen rail contract in Germany and the Wellington rail contract in New Zealand, as well as the vigorous growth of public transportation operations in the United States and Sweden.

BREAKDOWN OF THE 2016 REVENUE BY LOCATION



At year-end 2016, EBITDA totaled €392 million, i.e. a margin of 5.9% of revenue, lightly decreasing compared to 2015.

Current Operating Result (COR) totaled €123.7 million at year-end versus €145.7 million in 2015.

Despite the operational improvement of the public transportation business, EBITDA and COR declined in the B2C sector, where the Group faces fierce competition from new and disruptive operators. The Group intends to continue its operations in these activities where new mobility solutions are designed and to implement actions plans that should lead to improved results.

Revised forecasts in the United States due to this competitive situation led the Group to recognize an impairment of €38.3 million on intangible assets with an indefinite useful life used in the on-demand transportation business.

The cost of the Net Financial Debt totaled €24.6 million for the fiscal year. The level of Net Financial Debt fell to €592.3 million at year-end 2016, which provides the Group with renewed leeways to pursue its growth.

FORESEEABLE TRENDS AND OUTLOOK

The 2017-2022 strategic plan submitted to the Transdev Group's Board of Directors substantiates a positioning on the mobility chain, which increasingly combines both collective and individual means of transportation.

The plan focuses on the following key operational commitments: strengthening our customer relationships, expanding our activities in targeted locations, improving performance in our core businesses, consolidating the Group's positioning in the multimodal sector based on rail and on-demand transportation, and investing in new mobility solutions (electric buses, autonomous vehicles, Mobility as a Service, etc.).

The plan emphasizes in achieving a balanced allocation of resources between transit growth and business lines under development, as well as on actions to be taken to convert the digital transformation into an opportunity.

RECENT DEVELOPMENTS AND SUBSEQUENT EVENTS

This information is provided in the consolidated and statutory financial statements.

RESEARCH AND DEVELOPMENT

We believe that the mobility sector will continue to evolve and increasingly personalized solutions will develop, in particular thanks to the contribution of digital tools.

The Group is involved in various programs in the areas of:

- Electric mobility, as confirmed by the conclusion of contracts that make the Group the leading operator of electric buses in Europe;
- New on-demand mobility solutions, in the B2C sector, but also in the B2B sector with service offers for businesses (transportation services using digital technologies for private companies) and the B2G sector in contracts entered with public bodies (ChronoPro and FleetMe solutions in France, Link in the U.S., etc.);
- "Mobility as a Service," which covers all means of information and ticketing on mobile phones, and that provide a facilitated access to a range of transportation offers proposed by various operators;
- Autonomous vehicles.

In 2016, the Group's innovation activities continued to expand:

- within Digital Factory, with the incubation of M-ticket solutions, etc.;
- in the management of autonomous vehicles;
- by investing in start-ups.

KEY FACTORS

The Group's business is influenced by key factors of a technical, contractual and economic nature. The principal factors are:

- The adaptability to contractual changes;
- The ability to meet the increasing demands of customer passengers and public transport authorities in terms of new services, as well as sustainable development and innovation;
- The ability to conduct its business in densely populated, extended and increasingly complex territories: increased operating complexity and expanded use of intermodal transportation.

To mitigate and manage its exposure to the risks of fluctuation in interest rates, foreign exchange rates and commodity prices, Transdev uses derivative instruments, not all of which qualified as hedge accounting. Additional information on these instruments is presented in note VII.19 to the consolidated financial statements.

KEY FIGURES - STATUTORY FINANCIAL STATEMENTS

(€ thousands)	FISCAL YEAR 2015	FISCAL YEAR 2016
Revenue	76,704	83,500
Operating result	(5,640)	(23,534)
Financial result	83,922	44,356
Extraordinary result	(1,912)	(1,087)
NET RESULT	**107,893**	**47,850**

BUSINESS ACTIVITIES OF THE COMPANY

On December 21, 2016, Caisse des Dépôts and Veolia reached agreement on a reorganization of the shareholder structure of Transdev Group SA and on the terms for Veolia's divestment from the company. Caisse des Dépôts acquired 20% of Transdev's capital. At the conclusion of this transaction, Caisse des Dépôts held 70% of Transdev's capital and assumed sole control thereof, whereas Veolia provisionally retained 30% of the company's capital.

The company's operating result was -€23.5 million, compared to -€5.6 million in 2015. Financial result totaled €44.3 million and consisted primarily of dividends paid by the subsidiaries, the net finance costs on the debt of the Transdev Group and changes in impairment of investments.

After taking into account the tax consolidation bonus, net result is a profit of €47.8 million for the fiscal year.

NEW INVESTMENTS AND DISPOSALS DURING THE FISCAL YEAR

LIn fiscal year 2016, the investments acquired by the Company included:
- Transdev Australasia (100%)
- Transdev GmbH (100%)
- 110,400 shares held by FNM2 in Transdev Eurolines (100%)
- 8% of the capital of Seoul Line 9 (SL9 Korea)
- TD ventures (100%)

In fiscal year 2016, the Company disposed of the following investments:
- Tramvia Métropolita
- Tramvia Metropolita del Besos

Connex Jersey, a wholly-owned subsidiary, was dissolved.

EXISTING BRANCHES

The Company opened a secondary establishment within the territorial jurisdiction of the Nanterre Commercial Court Registry.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Transdev Group engages in research and development activities in its new business lines.

MISCELLANEOUS INFORMATION

In fiscal year 2016, the total amount of lavish expenses within the meaning of Article 39-4 of the French General Tax Code (Code général des impôts) totaled €124,245.

TABLE OF POWERS DELEGATED TO THE BOARD OF DIRECTORS

IN THE FIELD OF CAPITAL INCREASES

In accordance with the provisions of Articles L 225-129.1 and L 225.129.2 of the French Commercial Code (Code de Commerce):

DATE OF THE DELEGATION OF POWERS TO THE BOARD OF DIRECTORS	MAXIMUM CAPITAL AUTHORIZED	DURATION	USE MADE BY THE BOARD OF DIRECTORS
None	None	None	None

EMPLOYEE SHAREHOLDING

As of December 31, 2013, the Company's employees did not hold any of its shares. A resolution that proposed, in accordance with Article L225-129-6 of the French Commercial Code, that the shareholders approve a capital increase meeting the requirements of Part III, Title III, Chapter II, section 4, of the French Labor Code (Code du travail) (Article L3332-18 et seq.), and cancelling preemptive subscription rights in favor of employees who were members of a corporate savings plan, was submitted to the general shareholders' meeting held on April 23, 2013, which rejected the proposal. A proposal was also submitted to the general shareholders' meeting held on December 11, 2013 following the decision to increase the Company's share capital by €560 million in consideration for cash, which was also rejected because the balance of capital among the shareholders did not lend itself thereto. The general shareholders' meeting must vote on a new resolution to this effect before June 23, 2018.

INFORMATION CONCERNING CORPORATE OFFICERS AND EXECUTIVE MANAGEMENT

As of the date of this report, the Board of Directors is comprised of the 11 directors listed below, who include one independent director and one director who represents employees.

DIRECTORS	DATE APPOINTED/REAPPOINTED	DATE TERM OF OFFICE EXPIRES
Ms. Anne-Marie Couderc *(Independent director)*	March 26, 2015	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2018 [(1)]
Mr. Thierry Mallet *(Chairman and Chief Executive Officer since September 9, 2016)*	July 11, 2016 (effective September 9, 2016) (cooptation)	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2018 [(1)]
Caisse des dépôts et consignations, represented by Ms. Françoise Tauzinat	March 26, 2015	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2018 [(1)]
Mr. Franck Silvent (Chairman of the Supervisory Board from July 4, 2016 to September 9, 2016) [(3)]	March 26, 2015	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2018 [(1)]
Mr. Antoine Frérot	March 26, 2015	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2018 [(1)]
Mr. Philippe Capron	March 26, 2015	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2018 [(1)]
Ms. Delphine Pons	January 9, 2017 (temporary appointment)	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2018 [(1)]
Mr. Jean-Michel Fenaut *(Director representing employees)*	July 1, 2016	July 1, 2020 [(2)]
Mr. Waël Rizk	January 9, 2017	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2020
Mr. Pierre Aubouin	January 9, 2017	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2020
Ms. Virginie Fernandes	February 14, 2017	General shareholders' meeting that will vote on the financial statements for the fiscal year ending December 31, 2020

[(1)] The term of office of directors has been four years since the combined general shareholders' meeting of October 7, 2016 adopted a resolution extending directors' terms of office from two years to four years and extending the terms of office in progress.

[(2)] The term of office of the director representing employees has been four years since the combined general shareholders' meeting of January 9, 2017 adopted a resolution extending the term of office of the director representing employees from two years to four years, and the Group Works Council extending the term of office in progress.

[(3)] The office of Chief Executive Officer, which was held by the Chairman of the Board of Directors until July 4, 2016, was separated from that of Chairman of the Board from July 4, 2016 to September 9, 2016. Since September 9, 2016, the positions have been combined once again, and the office of Chief Executive Officer is held by the Chairman of the Board of Directors.

No director comes within the scope of the compensation disclosure obligations imposed by Article L. 225-102-1 of the French Commercial Code, as amended by Order 2014-863 of July 31, 2014.

In addition, Appendix 2 lists the offices and positions that the various corporate officers held in all companies.

Statutory auditors

The terms of office of ERNST & YOUNG AND OTHERS, principal statutory auditor, and AUDITEX, alternate statutory auditor, were renewed by the combined general shareholders' meeting of March 24, 2016.

The terms of office of MAZARS, principal statutory auditor, and Ms. Anne Vaute, alternate statutory auditor, are expiring ; we propose to (i) renew the terms of office of MAZARS as principal statutory auditor for a six-year term, (ii) not renew Ms. Anne Vaute as alternate statutory auditor, (iii) not replace Ms. Anne Vaute with a new alternate statutory auditor.

DIRECTORS' FEES

We propose that you grant a gross annual amount of €60,000 in directors' fees for fiscal year 2017.

PROPOSED APPROPRIATION OF INCOME FOR 2016

We propose that you appropriate the income for fiscal year 2016, i.e., €47,849,856.36, as follows: €6,985,869.74 to the legal reserve fund and €20,863,920.58 to the retained earnings account. Interim dividends in the amount of €20,000,066.04 were distributed on December 20, 2016.

The company did not distribute any dividends in the fiscal years ended December 31, 2014 and December 31, 2015.

AGREEMENTS ENTERED INTO BETWEEN SENIOR MANAGERS OR SIGNIFICANT SHAREHOLDERS OF THE COMPANY AND A SUBSIDIARY

None.

AMOUNT OF LOANS GRANTED BY THE COMPANY THAT ARE ANCILLARY TO ITS MAIN BUSINESS

(ARTICLE L511-6 3 BIS, PAR. 2, OF THE FRENCH MONETARY AND FINANCIAL CODE (CODE MONÉTAIRE ET FINANCIER))

None.

INFORMATION ON TRANSDEV GROUP S.A. PAYMENT PERIODS

	BALANCE ON DECEMBER 31, 2015			BALANCE ON DECEMBER 31, 2016		
(€ thousands)	WITHIN THE ECONOMIC MODENIZATION ACT DELAY	PAST THE ECONOMIC MODENIZATION ACT DELAY	TOTAL	WITHIN THE ECONOMIC MODENIZATION ACT DELAY	PAST THE ECONOMIC MODENIZATION ACT DELAY	TOTAL
Third party suppliers in France	4,323	-	4,323	5,926	-	5,926
Intra-group suppliers in France	4,615	-	4,615	4,649	-	4,649
Third party foreign suppliers			140			393
Invoices to be received			21,794			22,451
TOTAL TRADE PAYABLES	**8,939**	**-**	**30,873**	**10,575**	**-**	**33,420**

After the statutory auditors have read their reports to you, we will request that you approve the consolidated and corporate financial statements and the appropriation of income.

We will also submit for your approval the transactions covered by Article L. 225-38 of the French Commercial Code.

If you agree with these proposals, we request that you approve the resolutions submitted to you for a vote.

APPENDICE 1

RESULTS (AND OTHER KEY FIGURES) OF THE COMPANY DURING THE LAST FIVE FISCAL YEARS

(€ thousands)	FISCAL YEAR 2012	FISCAL YEAR 2013	FISCAL YEAR 2014	FISCAL YEAR 2015	FISCAL YEAR 2016
I - Capital at the end of the period					
Capital	1,182,037	1,137,120	1,137,120	1,137,120	1,137,120
Number of ordinary shares issued	118,203,700	118,203,700	118,203,700	118,203,700	118,203,700
II - Transactions and results for the period					
Revenue, excluding taxes	-	-	-	-	-
Income before taxes, employee profit sharing and allowances/reversals of depreciation, amortization and provisions	(31,033)	(9,031)	1,780	29,602	319,974
Corporate income tax	32,461	35,291	31,289	30,715	27,768
Employee profit sharing owed for the period	-	-	-	-	-
Income after taxes, employee profit sharing and depreciation, amortization and provisions	(239,220)	(12,300)	789	107,893	47,850
Income distributed	-	-	-	-	20,000
III - Income per share (in euros)					
Income after taxes, employee profit sharing, but before depreciation, amortization and provisions	0.01	0.22	0.29	0.51	2.94
Income after taxes, employee profit sharing and depreciation, amortization and provisions	(2.02)	(0.10)	0.01	0.91	0.40
Dividend paid per share	-	-	-	-	0.17
IV - Workforce					
Average number of employees during the period	250	310	319	326	335
Payroll during the period	28,618	20,696	25,766	25,365	27,072
Amounts paid as employee benefits during the period (Social Security, benefit programs)	12,540	9,997	14,259	12,915	13226

APPENDICE 2

OFFICES AND POSITIONS HELD BY THE VARIOUS CORPORATE OFFICERS IN ALL COMPANIES

Thierry MALLET

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Chairman and Chief Executive Officer, Director:
- TRANSDEV GROUP
- TRANSDEV
- TRANSDEV ILE DE FRANCE

Director:
- RATP DEV TRANSDEV ASIA

Member of the Executive Committee, Member of the Strategy Committee:
- TRANSDEV GROUP

Member of the Group Management Committee:
- CAISSE DES DEPÔTS ET CONSIGNATIONS

Director:
- TRANSDEV AUSTRALASIA
- TRANSDEV NORTH AMERICA

Director, Chairman of the Board of Directors:
- TRANSDEV SVERIGE AB
- TRANSDEV NORTHERN EUROPE

Director class A, Chairman:
- TRANSDEV BNG CONNEXXION HOLDING BV

Anne-Marie COUDERC

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Chairman of the Board of Directors:
- PRESSTALIS

Independent director:
- TRANSDEV GROUP
- PLASTIC OMNIUM
- GENERALE DE SANTE
- AIR FRANCE/KLM

Chairman and member of the Appointments and Compensation Committee until December 21, 2016:
- TRANSDEV GROUP

Chairman and member of the Audit Committee since January 9, 2016:
- TRANSDEV GROUP

Member of the Strategy Committee since January 9, 2016:
- TRANSDEV GROUP

Chairman and member of the Appointments and Compensation Committee:
- PLASTIC OMNIUM
- GENERALE DE SANTE

Chairman and member of the Appointments Committee:
- PLASTIC OMNIUM
- AIR FRANCE/KLM

Member of the Supervisory Committee:
- ALMA CONSULTING

Member of the Audit Committee:
- GENERALE DE SANTE
- AIR FRANCE/KLM

Jean-Michel FENAUT

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Director representing employees:

- TRANSDEV GROUP, since July 1, 2016

Pierre AUBOUIN

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Chairman of the Board of Directors:

- MOBILITE AGGLOMERATION REMOISE

Chief Executive Officer:

- CDC INFRASTRUCTURE

Director:

- TRANSDEV GROUP, since January 9, 2017
- COMPAGNIE EIFFAGE DU VIADUC DE MILLAU
- VERDUN PARTICIPATION 1
- VERDUN PARTICIPATION 2

Member of the Supervisory Board:

- ALICORNE

Chairman of the Oversight Committee:

- LISEA

Member of the Audit Committee:

- TRANSDEV GROUP, since January 9, 2017

Antoine COLAS

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

General Secretary:
- TRANSDEV GROUP, since December 12, 2016

Director:
- Bpifrance PARTICIPATIONS, until December 16, 2016
- Bpifrance INVESTISSEMENT, until December 16, 2016
- CDC ENTREPRISES ELAN PME, until December 16, 2016

Member of the Audit and Risks Committee:
- Bpifrance PARTICIPATIONS, until December 16, 2016

Permanent representative of Caisse des Dépôts et Consignations, Director:
- TRANSDEV GROUP, until October 21, 2016
- COMPAGNIE DES ALPES, until January 25, 2017
- SCET

Permanent representative of Caisse des Dépôts et Consignations, Member of the Supervisory Board:
- SNI

Permanent representative of Caisse des Dépôts et Consignations, Member of the Audit Committee and Member of the Strategic Orientation Committee:
- SNI

Permanent representative of Caisse des Dépôts et Consignations, Member of the Appointments and Compensation Committee, Member of the Audit Committee, Member and Vice-Chairman of the Strategic Orientation Committee:
- TRANSDEV GROUP, until October 21, 2016

Permanent representative of Caisse des Dépôts et Consignations, Member of the Appointments and Compensation Committee, Member of the Strategic Committee:
- COMPAGNIE DES ALPES

Delphine PONS

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Director:
- TRANSDEV GROUP, since January 9, 2017
- Société Anonyme des Téléphériques de la Grande Motte – STGM

Member of the Supervisory Board:
- Société du Parc du Futuroscope SA

Chairman:
- CDA MANAGEMENT SAS
- COMPAGNIE DES ALPES (BEIJING) BUSINESS CONSULTING CO., LTD.,

Waël RIZK

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Chief of Staff of the Chief Executive Officer of Caisse des Dépôts et Consignations

Director:

- TRANSDEV GROUP, since January 9, 2017

Françoise TAUZINAT

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Permanent representative of Caisse des Dépôts et Consignations, Director:

- CDC Infrastructure

Member of the Strategy Committee:

- CDC Arkhineo

Director:

- EGIS
- EGIS Environmental Investments

Chairman of the Commitments Committee:

- EGIS

Member of the Compensation Committee:

- EGIS

Permanent representative of Caisse des Dépôts et Consignations, Member of the Supervisory Board:

- Compagnie Nationale du Rhône.

Member of the Audit Committee:

- Compagnie Nationale du Rhône.

Member of the Appointments and Compensation Committee:

- Compagnie Nationale du Rhône.

Permanent representative of Caisse des Dépôts et Consignations, Director:

- TRANSDEV GROUP, since October 21, 2016

Permanent representative of Caisse des Dépôts et Consignations, Member of the Audit Committee:

- TRANSDEV GROUP, since November 7, 2016

Permanent representative of Caisse des Dépôts et Consignations, Member of the Appointments and Compensation Committee:

- TRANSDEV GROUP, since November 7, 2016

Permanent representative of Caisse des Dépôts et Consignations, Vice-Chairman of the Strategy Committee:

- TRANSDEV GROUP, since January 9, 2017

Franck SILVENT
List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Head, Finance, Strategy and Investments division:
- Caisse des Dépôts et Consignations Group

Member of the Management Committees (Public institution and Group):
- Caisse des Dépôts et Consignations and Caisse des Dépôts et Consignations Group

Director:
- TRANSDEV GROUP
- ICADE
- LA POSTE
- CNP ASSURANCES
- Bpifrance SA
- Bpifrance INVESTISSEMENT
- Bpifrance PARTICIPATIONS

Chairman of the Board of Directors:
- TRANSDEV GROUP, from July 4, 2016 to September 9, 2016

Permanent representative of Caisse des Dépôts et Consignations, Director:
- CDC INTERNATIONAL CAPITAL

Chairman of the Audit Committee:
- LA POSTE
- TRANSDEV GROUP, until January 9, 2017

Vice-Chairman of the Audit Committee:
- TRANSDEV GROUP, since January 9, 2017

Member of the Strategy Committee:
- TRANSDEV GROUP, since January 9, 2017

Chairman of the Appointments and Compensation Committee:
- TRANSDEV GROUP, since January 9, 2017

Member of the Appointments and Governance Committee:
- LA POSTE

Member of the Appointments and Compensation Committee:
- ICADE
- TRANSDEV GROUP
- Bpifrance SA

Chairman of the Investment Committee:
- CDC INTERNATIONAL CAPITAL

Member of the Investment Committee:
- Bpifrance PARTICIPATIONS

Member of the Strategy and Investments Committee:
- LA POSTE
- CNP ASSURANCES

Virginie FERNANDES
List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Head, Group Management Department in the Finance, Strategy and Investments division

Chairman of the Supervisory Board:
- HOLDCO SIIC, until May 23, 2016

Director:
- TRANSDEV GROUP, since February 14, 2017

Member of the Supervisory Board:
- SNI
- SANTOLINE SAS, until December 6, 2016

Permanent representative of Caisse des Dépôts et Consignations, Director:
- ICADE
- Compagnie des Alpes, since January 25, 2017

Chairman of the Audit Committee:
- SANTOLINE SAS, until December 6, 2016

Member of the Audit Committee:
- SNI
- TRANSDEV GROUP, since February 14, 2017

Member of the Appointments and Compensation Committee:
- Compagnie des Alpes, since January 25, 2017

Member of the Strategy Committee:
- Compagnie des Alpes, since January 25, 2017

Antoine FREROT

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Chairman and Chief Executive Officer, Director:
- VEOLIA ENVIRONNEMENT

Manager:
- VEOLIA EAU – COMPAGNIE GENERALE DES EAUX

Director:
- TRANSDEV GROUP
- SOCIETE DES EAUX DE MARSEILLE
- ASSOCIATION ENVIE

Director representing the founding members:
- FONDATION D'ENTREPRISE VE

Chairman:
- FONDATION D'ENTREPRISE VE
- ASSOCIATION ENVIE
- INSTITUT VEOLIA ENVIRONNEMENT

Permanent representative of VEOLIA ENVIRONNEMENT to the Board of Directors:
- INSTITUT VEOLIA ENVIRONNEMENT

Vice-Chairman of the Orientation Board:
- INSTITUT DE L'ENTREPRISE (Association)

Member of the Appointments and Compensation Committee:
- TRANSDEV GROUP

Member of the Executive Committee:
- CAMPUS VEOLIA ENVIRONNEMENT

Patrice FONLLADOSA

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Chairman and CEO for Africa and the Middle East:
- VEOLIA ENVIRONNEMENT

Chairman of the Association of Employee Shareholders:
- VEOLIA ENVIRONNEMENT

Director:
- SEEN (NIGER)
- VEOLIA (MAURITIUS) LTD
- REDAL (MOROCCO)
- AMENDIS (MOROCCO)
- TRANSDEV GROUP (until December 21, 2016)
- MEDEF INTERNATIONAL
- FONDATION D'ENTREPRISE VE

Member:
- CEPS

Chairman - Chief Executive Officer and Director:
- SEURECA
- VEOLIA AFRICA

Chairman of the Board and Director:
- SEEG (GABON)

Chairman and Director:
- VEOLIA WATER MENA

Chairman:
- VEOLIA MIDDLE EAST
- VEIC
- THINK TANK (RE) SOURCES
- AAVE
- MEDEF AFRICA COMMITTEE

Chairman and Member of the Audit Committee:
- SEEG (GABON)

Manager:
- BAHWAN VEOLIA WATER LLC
- SEURECA MUSCAT
- VEOLIA ARABIA

Director :
- SEURECA OVERSEAS
- ENOVA FACILITIES MANAGEMENT SERVICES LLC

Chairman and Director :
- SHARQIYAH DESALINATION COMPANY

Philippe CAPRON

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Member of the Executive Committee:
- VEOLIA ENVIRONNEMENT

Deputy Chief Executive Officer:
- VEOLIA ENVIRONNEMENT

Chairman of the Board of Directors, Director:
- VE SERVICES-RE

Director:
- TRANSDEV GROUP
- ECONOCOM
- VEOLIA ENERGIE INTERNATIONAL

Director representing the founding members:
- FONDATION D'ENTREPRISE VE

***Ex officio* director, active member of the Association and Treasurer of the Bureau:**
- INSTITUT VEOLIA

Member of the Supervisory Board:
- VEOLIA EAU CGE

Member of Supervisory Board A:
- VIRBAC FRANCE

Chairman of the Board of Directors :
- VNA INC

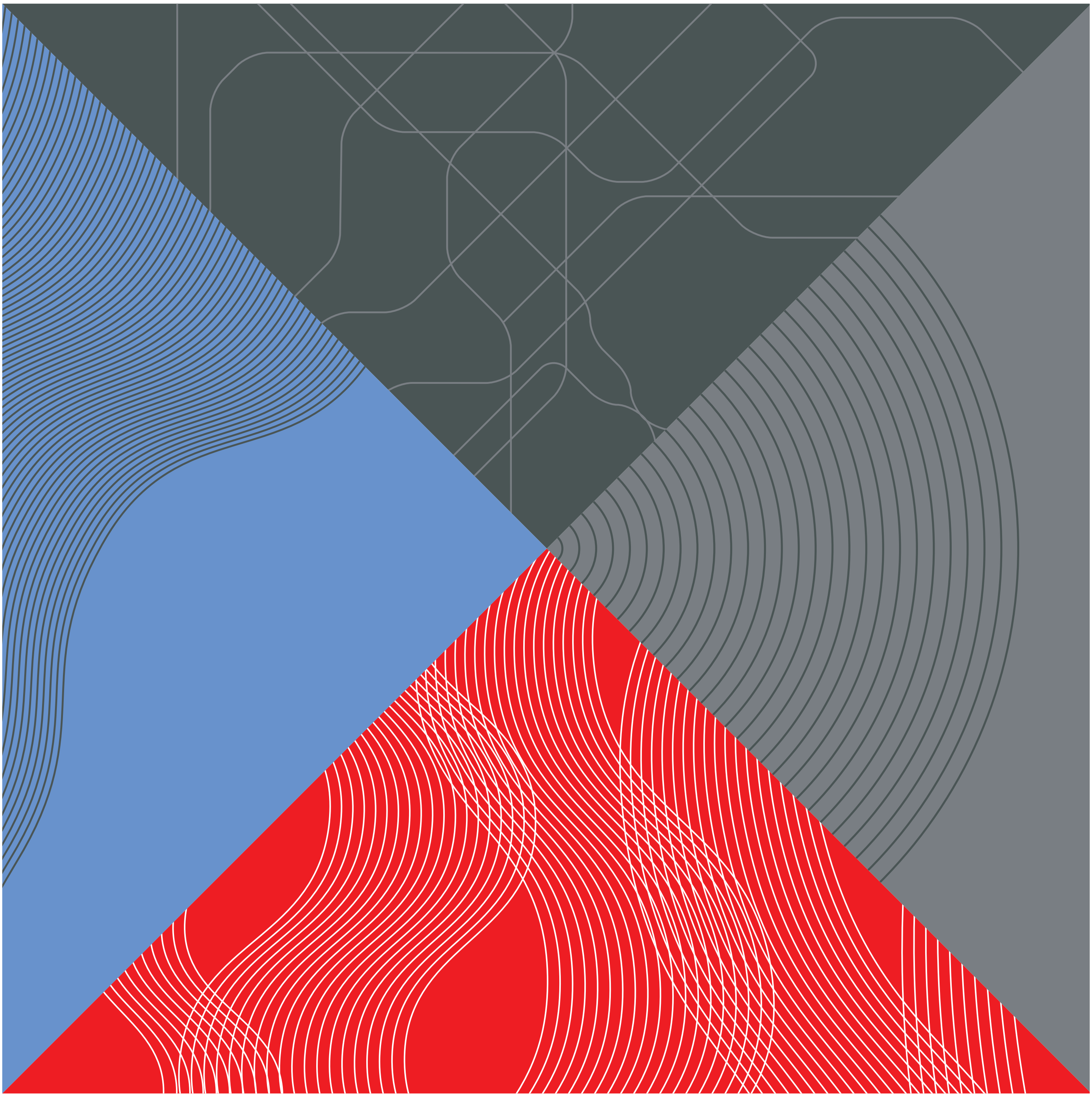
Member and Chairman of the Strategy Committee,
Member and Vice-Chairman of the Audit Committee,
Member of the Appointments and Compensation Committee:
- TRANSDEV GROUP (until December 21, 2016)

Director :
- VEOLIA UK LIMITED

Omar ISSOP

List of offices or positions held in all companies during the fiscal year ended December 31, 2016

Director representing employees:
- TRANSDEV GROUP



Consolidated Financial Statements

AS OF DECEMBER 31, 2016

transdev
MOBILITY INSPIRED BY YOU

CONTENTS

I. THE TRANSDEV GROUP

I.1. GENERAL INFORMATION

The Transdev group was created on March 3, 2011 by consolidating the transportation businesses of the Caisse des Dépôts (Transdev) and Veolia (Veolia Transport) groups.

Transdev Group SA, the parent company of the Transdev group (hereinafter "Transdev" or the "Group") is a société anonyme (corporation) incorporated under French law, which has stated capital of €1,137,119,594, and which was registered with the Nanterre Trade and Companies Registry under number 521 477 851 on December 12, 2011. Its registered office is located at 32 Boulevard Gallieni, 92130 Issy-les-Moulineaux, France.

Transdev Group SA and its subsidiaries primarily operate urban and long-distance transportation services. The Transdev group also performs rail service contracts and offers on-demand transportation solutions.

In 2016, the Group generated consolidated revenue of €6.7 billion and did business in 19 countries. The Group comprises 652 consolidated subsidiaries and has 75,214 employees (FTE). In addition, the Group participates in *sociétés d'économie mixte* (part state-owned corporations) in France, in which the Group holds non-controlling interests.

I.2. REORGANIZATION OF TRANSDEV'S SHAREHOLDER STRUCTURE

On December 21, 2016, Caisse des Dépôts and Veolia reached agreement on a reorganization of the shareholder structure of Transdev Group SA and on the terms for Veolia's divestment from the company:

- Caisse des Dépôts has acquired 20% of Transdev's capital, bringing its holding to 70% and giving it sole control of the company, while Veolia provisionally retains a 30% stake.
- After this initial transaction, Veolia and Caisse des Dépôts will promptly take the necessary steps to find a new shareholder willing to purchase the balance of Veolia's holding (30%) and able to support Transdev's future development. If no shareholder has been found at the end of a two-year period, Veolia will have an option to sell its remaining interest to Caisse des Dépôts. Similarly, Caisse des Dépôts will have an option to buy that interest for the same price.

As of December 31, 2016, following this agreement, the Group is fully consolidated in the accounts of Caisse des Dépôts, and is accounted for using the equity method in Veolia's accounts.

II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016	NOTES
Goodwill	706.4	719.7	VII.4
Concession intangible assets	6.4	6.8	VII.5
Other intangible assets	247.9	192.2	VII.5
Property, plant and equipment	1,064.1	1,084.4	VII.6
Investments in joint ventures	35.2	29.7	VII.7
Investments in associates	26.0	27.9	VII.7
Non-current operating financial assets	218.5	308.1	VII.8
Other non-current financial assets	104.0	106.0	VII.8
Non-current derivative instruments - assets	-	0.2	VII.19
Deferred tax assets	218.1	221.9	VII.9
Other non-current assets	-	-	
TOTAL NON-CURRENT ASSETS (I)	**2,626.6**	**2,696.9**	
Inventories and work in progress	91.7	102.7	VII.10
Operating receivables	1,200.4	1,246.9	VII.10
Current operating financial assets	33.6	44.0	VII.8
Other current financial assets	42.9	41.4	VII.8
Current derivative instruments - assets	1.5	2.3	VII.19
Cash and cash equivalents	195.0	448.4	VII.13
Assets held for sale	0.4	0.4	
TOTAL CURRENT ASSETS (II)	**1,565.5**	**1,886.1**	
TOTAL ASSETS (I+II)	**4,192.1**	**4,583.0**	

EQUITY AND LIABILITIES

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016	NOTES
Capital	1,137.1	1,137.1	
Additional paid-in capital	-	-	
Reserves and retained earnings attributable to owners of the parent company	(287.6)	(205.0)	
Equity and net income attributable to owners of the parent company	**849.5**	**932.1**	VII.11
Equity and net income attributable to non-controlling interests	75.0	60.9	VII.11
EQUITY (I)	**924.5**	**993.0**	
Non-current provisions	277.4	284.2	VII.12
Non-current financial liabilities	864.0	966.8	VII.13
Provision of rolling stock under concession arrangements - Non-current part (1)	-	87.6	
Non-current derivative instruments - liabilities	9.4	6.3	VII.19
Other non-current liabilities	34.1	37.0	
Deferred tax liabilities	268.7	234.0	VII.9
TOTAL NON-CURRENT LIABILITIES (II)	**1,453.6**	**1,615.9**	
Operating payables	1,635.0	1,789.3	VII.10
Current provisions	95.6	101.2	VII.12
Current financial liabilities	45.9	54.8	VII.13
Provision of rolling stock under concession arrangements - Current part (1)	-	10.3	
Current derivative instruments - liabilities	15.8	6.8	VII.19
Overdrafts	21.4	11.4	VII.13
Liabilities held for sale	0.3	0.3	
TOTAL CURRENT LIABILITIES (III)	**1,814.0**	**1,974.1**	
TOTAL EQUITY AND LIABILITIES (I+II+III)	**4,192.1**	**4,583.0**	

(1) These liabilities are described in note VII.1.19 "Assets made available to the Group by the concession grantors".

The accompanying notes are an integral part of the consolidated financial statements.

III. CONSOLIDATED INCOME STATEMENT

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016	NOTES
REVENUE FROM ORDINARY ACTIVITIES	**6,634.3**	**6,669.6**	VII.14
Cost of sales	(5,866.8)	(5,902.8)	
Selling costs	(39.8)	(49.3)	
General and administrative expenses	(582.0)	(593.8)	
Other items of current operating result	-	-	
CURRENT OPERATING RESULT	**145.7**	**123.7**	VII.14
Other operating income and expenses	(44.2)	(45.0)	VII.14
OPERATING RESULT	**101.5**	**78.7**	VII.14
Share of net income (loss) of equity-accounted entities	2.2	(1.0)	
o/w share of net income (loss) of joint ventures	(0.1)	3.9	VII.7
o/w share of net income (loss) of associates	2.3	(4.9)	VII.7
OPERATING RESULT after share of net income (loss) of equity-accounted entities	**103.7**	**77.7**	
Finance costs	(35.3)	(24.8)	VII.15
Revenue from cash and cash equivalents	0.2	0.2	VII.15
Other financial income and expenses	(7.3)	(8.7)	VII.15
Income tax expense	16.5	23.7	VII.16
NET INCOME FROM CONTINUING OPERATIONS	**77.8**	**68.1**	
Net income (loss) from discontinued operations [1]	7.0	(0.2)	
NET INCOME (LOSS)	**84.8**	**67.9**	
Share of non-controlling interests	(2.7)	(2.1)	
SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	**82.1**	**65.8**	

[1] This line incorporates:
- the residual impacts of the operations of the "SNCM" CGU, for fiscal years 2015 and 2016;
- the residual impacts of the disposal of operating assets in Israel that occurred in August 2015, for fiscal year 2016.

The accompanying notes are an integral part of the consolidated financial statements.

IV. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016
NET INCOME (LOSS) FOR THE YEAR	**84.8**	**67.9**
Actuarial gains or losses on pension obligations	26.9	(2.2)
Related income tax expense	(3.4)	2.0
Amount net of tax	23.5	(0.2)
OTHER ITEMS OF COMPREHENSIVE INCOME NOT SUBSEQUENTLY RELEASED TO NET INCOME	**23.5**	**(0.2)**
o/w attributable to joint ventures	-	-
o/w attributable to associates	*(0.1)*	*(0.2)*
Fair value adjustments on available-for-sale assets	1.2	-
Related income tax expense	-	-
Amount net of tax	1.2	-
Fair value adjustments on derivatives used as cash flow hedge	0.6	16.2
Related income tax expense	0.8	(3.0)
Amount net of tax	1.4	13.1
Foreign currency translation		
Translation differences on the accounts of subsidiaries kept in foreign currencies	4.4	7.8
Translation differences on net foreign investment financing	-	-
Tax	-	-
Amount net of tax	-	-
Net foreign exchange gains and losses	4.4	7.8
OTHER ITEMS OF COMPREHENSIVE INCOME SUBSEQUENTLY RELEASED TO NET INCOME	**7.0**	**20.9**
o/w attributable to joint ventures	*(1.7)*	*0.3*
o/w attributable to associates	*2.1*	*0.6*
TOTAL OTHER COMPREHENSIVE INCOME [(1)]	**30.5**	**20.7**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**115.3**	**88.6**
Attributable to owners of the parent company	111.3	85.6
Attributable to non-controlling interests	4.0	3.0

(1) Other comprehensive income attributable to discontinued operations as defined in IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, totaled 0 million for the year ended December 31, 2016 (11.9 million for the year ended December 31, 2015).

The accompanying notes are an integral part of the consolidated financial statements.

V. CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016
NET INCOME (LOSS) FOR THE YEAR	**84.8**	**67.9**
Operating depreciation, amortization, provisions and impairment losses	252.6	326.7
Financial amortization and impairment losses	3.4	2.5
Gain (losses) on disposal	(19.5)	(18.0)
Unwinding of discounted provisions, receivables and payables	4.3	6.0
Share of net income (loss) of joint ventures	0.1	(3.9)
Share of net income (loss) of associates	(2.3)	4.9
Dividends received	(3.3)	(2.7)
Net finance costs	35.1	24.6
Income tax expense	(13.7)	(23.7)
Other items	0.8	(0.6)
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL REQUIREMENTS	**342.3**	**383.7**
Income taxes paid	52.1	(26.9)
Changes in working capital requirements	6.2	102.1
I. NET CASH FROM OPERATING ACTIVITIES	**400.6**	**458.9**
Capital investments	(237.3)	(248.9)
Proceeds on disposal of intangible assets and property, plant and equipment	49.6	40.5
Net investments in operating financial assets		
New operating financial assets	(39.9)	(38.3)
Principal payments on operating financial assets	37.4	38.6
Purchase of financial investments	(11.9)	(6.0)
Sale of financial assets	9.7	1.1
Dividends received (including dividends received from joint ventures and associates)	6.6	9.6
Non-current financial receivables, cash out	(4.1)	(5.2)
Non-current financial receivables, cash in	4.6	2.5
Net increase / decrease in current financial receivables	4.7	4.0
II. NET CASH USED IN INVESTING ACTIVITIES	**(180.6)**	**(202.1)**
Capital increase	-	-
Dividends paid	(12.0)	(23.8)
New non-current borrowings	26.5	804.1
Principal payments on non-current borrowings	(253.8)	(699.6)
Net increase (decrease) in current borrowings	(88.4)	(56.4)
Interest paid	(35.9)	(23.7)
Transactions between shareholders - acquisitions and divestitures, without change in control	-	-
III. NET CASH FROM (USED IN) FINANCING ACTIVITIES	**(363.6)**	**0.6**
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES AND OTHER	**3.2**	**6.0**
NET CASH AT THE BEGINNING OF THE YEAR	**314.0**	**173.6**
Changes in cash, cash equivalents and overdrafts (I+II+III+IV)	(140.4)	263.4
NET CASH AT THE END OF THE YEAR	**173.6**	**437.0**
Cash and cash equivalents	195.0	448.4
Overdrafts	(21.4)	(11.4)
NET CASH AT THE END OF THE YEAR	**173.6**	**437.0**

The accompanying notes are an integral part of the consolidated financial statements.

VI. STATEMENT OF CHANGES IN EQUITY

(€ millions)	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	CONSOLIDATED RESERVES AND RETAINED EARNINGS	FOREIGN EXCHANGE TRANSLATION RESERVES	FAIR VALUE RESERVES	EQUITY ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
AS OF JANUARY 1, 2015	**1,137.1**	**–**	**(366.2)**	**(2.3)**	**(15.1)**	**753.5**	**34.1**	**787.6**
Issues of the share capital of the parent company	-	-	-	-	-	-	-	-
Third party share in share capital increases of subsidiaries and in changes in consolidation scope	-	-	-	-	-	-	(0.2)	(0.2)
Third party share in dividend distributions of subsidiaries	-	-	-	-	-	-	(10.2)	(10.2)
Transactions between shareholders	-	-	(15.3)	-	-	(15.3)	47.3	32.0
TOTAL TRANSACTIONS BETWEEN SHAREHOLDERS	**-**	**-**	**(15.3)**	**-**	**-**	**(15.3)**	**36.9**	**21.6**
Foreign exchange translations	-	-	-	3.5	-	3.5	0.9	4.4
Actuarial gains or losses on pension obligations	-	-	23.5	-	-	23.5	-	23.5
Fair value adjustment on hedge derivatives and available for sale assets	-	-	-	-	2.2	2.2	0.4	2.6
Other changes in comprehensive income	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME	**-**	**-**	**23.5**	**3.5**	**2.2**	**29.2**	**1.3**	**30.5**
NET INCOME (LOSS) FOR THE YEAR 2015	**-**	**-**	**82.1**	**-**	**-**	**82.1**	**2.7**	**84.8**
AS OF DECEMBER 31, 2015	**1,137.1**	**–**	**(275.9)**	**1.2**	**(12.9)**	**849.5**	**75.0**	**924.5**
Issues of the share capital of the parent company	-	-	-	-	-	-	-	-
Third party share in share capital increases of subsidiaries and in changes in consolidation scope	-	-	-	-	-	-	-	-
Third party share in dividend distributions of subsidiaries	-	-	-	-	-	-	(0.7)	(0.7)
Transactions between shareholders	-	-	(3.0)	-	-	(3.0)	(16.4)	(19.4)
TOTAL TRANSACTIONS BETWEEN SHAREHOLDERS	**-**	**-**	**(3.0)**	**-**	**-**	**(3.0)**	**(17.1)**	**(20.1)**
Foreign exchange translations	-	-	-	7.6	-	7.6	0.2	7.8
Actuarial gains or losses on pension obligations	-	-	(0.3)	-	-	(0.3)	0.1	(0.2)
Fair value adjustment on hedge derivatives and available for sale assets	-	-	-	-	12.5	12.5	0.6	13.1
Other changes in comprehensive income	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME	**-**	**-**	**(0.3)**	**7.6**	**12.5**	**19.8**	**0.9**	**20.7**
NET INCOME (LOSS) FOR THE YEAR 2016	**-**	**-**	**65.8**	**-**	**-**	**65.8**	**2.1**	**67.9**
AS OF DECEMBER 31, 2016	**1,137.1**	**–**	**(213.4)**	**8.8**	**(0.4)**	**932.1**	**60.9**	**993.0**

The accompanying notes are an integral part of the consolidated financial statements.

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VII.1. ACCOUNTING PRINCIPLES AND POLICIES

VII.1.1. ACCOUNTING STANDARDS FRAMEWORK

Basis underlying the preparation of the financial statements

Pursuant to Regulation no. 1606/2002 of July 19, 2002, as amended by European Regulation no. 297/2008 of March 11, 2008, the consolidated financial statements for fiscal year 2016 are prepared in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union and published by the International Accounting Standards Board (IASB). These standards are available on the following European Union website:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The company's financial statements are presented, for comparison purposes, with the financial statements for fiscal year 2015, which were prepared using the same accounting standards framework.

In the absence of IFRS standards or interpretations, and in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, Transdev refers to other IFRS standards that address similar or related issues, as well as to the conceptual framework. If necessary, the Group may use other standards, in particular US standards.

Standards, amendments to standards and interpretations applicable as of fiscal year 2016

The accounting policies and valuation rules applied by the Group in preparing the consolidated financial statements as of December 31, 2016 are identical to those that the Group used as of December 31, 2015, with the exception of the amendments to standards that became mandatory as of January 1, 2016 and amendments to standards adopted early, which are described below:

- Amendments to IAS 1 *Disclosure Initiative;*
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization;*
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions;*
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations;*
- Amendments resulting from the IFRS annual improvement process (2010-2012 cycle and 2012-2014 cycle).

The first-time application of these texts does not have a material impact for the Group. Similarly, the clarification of IFRIC 12, adopted in September 2016 (Agenda Paper 7), confirmed the analysis made by the Group until then.

Main texts applicable after December 31, 2016 and not adopted early by the Group

The main texts which became mandatory after December 31, 2016 are listed below:

- IFRS 9 *Financial Instruments;*
- IFRS 15 *Revenue from Contracts with Customers* and amendments to IFRS 15;
- IFRS 16 *Leases;*
- Amendment to IAS 12, *Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses;*
- Amendment to IAS 7, *Statement of Cash Flows, under its disclosure initiative;*
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;*
- Amendments resulting from the IFRS annual improvements process (2014-2016 cycle).

Subject to their definitive adoption by the European Union, these standards, amendments and interpretations are of mandatory application for the Group for annual periods beginning on or after January 1, 2017. The Group is currently assessing the potential impact of the first-time application of these texts.

As regards IFRS 15 more specifically, the Group participates in the working group of the *Union des Transports Publics et Ferroviaires* (UTP) in France, which aims at defining a common position on the main methods of revenue recognition, in order for the standard to be applied uniformly among the various players in the sector. At this stage of the analysis, which has not yet been completed, the Group expects in particular that the application of this new standard will lead to an increase of around €250 million in revenue from ordinary activities, due to the reinstatement of payments by the public transport authorities in Germany for access rights to the rail network, with no impact on operating margins or net income.

VII.1.2. GENERAL PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The accounting policies described below have been applied consistently for all periods presented in the consolidated financial statements.

The consolidated financial statements are presented on a historical cost basis, with the exception of assets and liabilities held for sale measured in accordance with IFRS 5 (lower of the carrying amount and the fair value less costs to sell) and assets and liabilities recognized at fair value: derivatives, financial instruments held for trading, financial instruments designated at fair value and available-for-sale financial instruments (in accordance with IAS 32 and IAS 39).

The Transdev consolidated financial statements as of December 31, 2016 were approved by the Board of Directors at its meeting on March 1, 2017.

VII.1.3. BASIS FOR PRESENTING THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016

The consolidated financial statements are presented in millions of Euros, unless stated otherwise.

The consolidated financial statements include the financial statements of Transdev Group SA and its subsidiaries. The financial statements of subsidiaries are drawn up for the same reference period as those of the parent company, from January 1 to December 31, 2016, in accordance with uniform accounting policies and methods.

The Group reassesses whether or not it controls an entity if facts and circumstances indicate that one or more of the elements of control have changed.

VII.1.4. PRINCIPLES OF CONSOLIDATION

Controlled entities

Transdev fully consolidates all entities over which it exercises control.

Definition of control

Control exists when the Group

- holds power over an entity, and
- is exposed or has rights to variable returns from its involvement with the entity, and
- has the ability to use its power over the entity to affect the amount of its returns.

Full consolidation method

The Group consolidates a subsidiary in its consolidated financial statements from the date it obtains control of the entity to the date it ceases to control the entity.

Non-controlling interests represent the equity in a subsidiary that is not directly or indirectly attributable to the Group.

Net income and each component of other comprehensive income are attributed to owners of the Company and to non-controlling interests. Total comprehensive income of subsidiaries is attributed to owners of the Company and to non-controlling interests, even if this results in non-controlling interests having a deficit balance.

Change in ownership interests in consolidated subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in a change of control over the subsidiaries are accounted for as equity transactions, as they are transactions performed by shareholders acting in this capacity.

The effects of these transactions are recognized in equity at their net-of-tax amount and do not therefore impact the Consolidated Income Statement of the Group.

These transactions are presented in the net cash from financing activities in the Statement of Cash Flows.

Investments in joint ventures and associates

Definitions

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties ("joint venturers") that have joint control of the entity have rights to its net assets.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Equity method

The results and assets and liabilities of associates or joint ventures are accounted for in the Group consolidated financial statements using the equity method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with the provisions of IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations*.

Under the equity method, the investment in the associate or joint venture is initially recognized at acquisition cost and is adjusted thereafter to reflect the Group's share of the net income and other comprehensive income of the associate or joint venture.

An investment is accounted for using the equity method from the date on which the entity becomes an associate or joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the entity's identifiable assets and liabilities is recognized as goodwill; this goodwill is integrated in the line "Investments in joint ventures" or "Investments in associates". Any excess of the net fair value of the entity's identifiable assets and liabilities over the cost of the investment is recognized in profit or loss.

Presentation of the share of net income of the Group's equity-accounted entities in the consolidated income statement

Following the coming into force of Recommendation No. 2013-01 issued by the French Accounting Standards Authority (Autorité des Normes Comptables, ANC) on April 4, 2013, and if the activities of the equity-accounted entities are in line with the Group's activities, the share of net income of the Group's equity-accounted entities is included in the line "Operating result after share of net income (loss) of equity-accounted entities".

When a Group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transaction with the associate or joint venture are recognized in the Group's consolidated financial statements solely to the extent of the interests held by third parties in the associate or joint venture.

Impairment tests

The requirements of IAS 39, *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to test for impairment with respect to the investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36, Impairment of Assets.

Loss of significant influence or joint control

The equity method is no longer applied from the date the investment ceases to be an associate or a joint venture. If the Group retains a residual interest in the entity and that interest is a financial asset, the financial asset is measured at fair value at the date the investment ceases to be an associate or a joint venture.

If an investment in an associate becomes an investment in a joint venture, or vice versa, the equity method continues to be applied and the change in ownership interest does not trigger remeasurement to fair value.

Investments in joint operations

Definition

A joint operation is a joint arrangement whereby the parties ("joint operators") that have joint control of the arrangement have direct rights to the assets, and obligations for the liabilities, relating to the arrangement.

Accounting for joint operations

As a joint operator in a joint operation, the Group recognizes in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output generated by the joint operation;
- its expenses, including its share of any expenses incurred jointly.

As a joint operator, the Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

VII.1.5. TRANSACTIONS IMPACTING THE CONSOLIDATION SCOPE

Business combinations and goodwill

Business combinations are accounted for using the acquisition method, as defined in IFRS 3. Under this method, identifiable assets acquired and liabilities assumed of the entity acquired are recognized at their fair value on the acquisition date.

Goodwill generated by a business combination is measured as the excess of the total consideration transferred, the amount of any non-controlling interest and, if applicable, the fair value of any previously held interest, over the net of the amounts, on the acquisition date, of identifiable assets acquired and liabilities assumed. This goodwill is measured in the functional currency of the entity acquired and is recognized as an asset in the statement of financial position.

On the acquisition date, the Group may elect for each transaction to measure non-controlling interests at either fair value ("full goodwill method") or at the proportionate share in the fair value of the acquired entity's net identifiable assets ("partial goodwill method").

Pursuant to IFRS, goodwill is not amortized but is subject to impairment tests performed annually, and more frequently if there are indications that call into question the carrying amounts recognized as assets in the consolidated statement of financial position (see note VII.1.11 – Impairment of fixed assets and non-financial assets).

If a business combination is made on particularly advantageous terms, negative goodwill is recognized. The corresponding gain is recognized as income on the acquisition date.

Acquisition-related costs are recognized in profit or loss in the period in which the costs are incurred and the services received.

Pursuant to IFRS 3, the Group has a measurement period in which to finalize recognition of business combinations. This period ends when all necessary information has been obtained and no later than one year from the acquisition date.

When accounting for acquisitions of joint ventures, the Group applies the acquisition method, as defined by IFRS 3, *Business Combinations*.

Assets/liabilities classified as held for sale, discontinued operations

IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, specifies the accounting treatment applicable to assets held for sale and the presentation and information to be disclosed about discontinued operations.

In particular, it requires that assets held for sale be presented separately in the consolidated statement of financial position at the lower of their carrying amount or their fair value, less sale costs, when the criteria under the standard are satisfied.

When the Group is committed to a sale process leading to the loss of control of a subsidiary, all assets and liabilities of that subsidiary are reclassified as held for sale where the standard classification criteria are met, irrespective of whether the Group retains a residual interest in the entity after sale.

In addition, the standard requires that the results of discontinued operations be presented separately in the consolidated income statement, retrospectively, for all periods presented.

A discontinued operation is a component of an entity that has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

VII.1.6. TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS

Statements of financial position, income statements and statements of cash flows of subsidiaries whose functional currency is different from the parent company's presentation currency are translated into the currency used to present the consolidated financial statements at the applicable exchange rate, i.e., the year-end rate for statement of financial position items and the average annual rate for income statement and cash flow statement items. Foreign exchange translation gains and losses are recognized in equity as other comprehensive income.

The exchange rates of the major currencies of non-euro countries used in preparing the consolidated financial statements were as follows:

1 € = X foreign currency

AVERAGE RATE	2015	2016
U.S. Dollar	1.1096	1.1066
Australian Dollar	1.4765	1.4886
Swedish Krona	9.3545	9.4667
Pound Sterling	0.7260	0.8189
CLOSING RATE	**2015**	**2016**
U.S. Dollar	1.0887	1.0541
Australian Dollar	1.4897	1.4596
Swedish Krona	9.1895	9.5525
Pound Sterling	0.7340	0.8562

VII.1.7. FOREIGN CURRENCY TRANSACTIONS

The functional currency of Group subsidiaries is their local currency. Transactions denominated in foreign currency are translated by the subsidiaries into their functional currencies at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated by the subsidiaries into their functional currencies at the year-end exchange rate. The resulting foreign exchange gains and losses are recorded in income for the period.

Loans to a foreign subsidiary for which payment is neither planned nor probable in the foreseeable future are essentially a portion of the Group's net investment in that foreign operation. Foreign exchange gains and losses on monetary items that are part of a net investment are recognized directly in other comprehensive income as foreign exchange translation adjustments, and are released to income on the disposal of the net investment.

Foreign exchange gains and losses on borrowings denominated in foreign currencies or foreign currency derivatives used to hedge net investments in foreign subsidiaries are recognized in other comprehensive income as foreign exchange translation adjustments. Amounts recognized in other comprehensive income are released to income on the sale date of the relevant investment.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated using the exchange rate on the date that fair value is measured.

VII.1.8. PROPERTY, PLANT AND EQUIPMENT

Recognition in the statement of financial position

Property, plant and equipment are accounted for at historical acquisition cost to the Group, less accumulated depreciation and any accumulated impairment losses.

Borrowing costs incurred to finance the acquisition and construction of installations

Borrowing costs for the purpose of financing the acquisition and construction of specific installations that are incurred during the construction period are included in the cost of these assets, in accordance with IAS 23, *Borrowing Costs*.

Depreciation

Property, plant and equipment are recorded by component and each component is depreciated over its useful life. Tangible assets are depreciated on a straight-line basis over their useful life, unless another systematic depreciation basis better reflects the rate of consumption of the asset.

In the case of buses and coaches, an analysis of maintenance costs led the Group to deem that each vehicle is a homogenous and coherent whole and therefore, under IFRS, constitutes a single component. However, the Group's rail equipment is broken down into several components.

The range of useful lives used for the Group is as follows, by type of fixed assets:

PROPERTY, PLANT AND EQUIPMENT	RANGE OF USEFUL LIVES IN NUMBER OF YEARS [1]
Buildings	20 to 25 years
Installations, fixtures and improvements	8 to 15 years
General plant assets	10 years
Machinery and equipment	5 to 10 years
Computer equipment	3 to 5 years
Office equipment and furniture	3 to 10 years
Coaches and buses	6.5 to 16 years
Taxis, shuttles and minibuses	3 to 8 years
Locomotive frames / bogies / cabs	24 years
Locomotive engines	18 to 24 years
Periodic major overhaul of rolling stock	8 years

[1] The range of useful lives is due to the diversity of relevant assets and to the ways assets are used.

Finance leases

A finance lease is a contract that transfers to the Group substantially all the risks and rewards incidental to ownership of an asset.

In accordance with IAS 17, *Leases*, assets financed by finance leases are initially recognized at the lower of fair value or the present value of minimum lease payments. Thereafter, the Group applies the cost model rather than the revaluation model, as permitted by IAS 16 and IAS 38. These assets are depreciated over the shorter of the asset's useful life and the lease term, unless it is reasonably certain that the assets will become the property of the lessee at the end of the lease. This accounting policy is consistent with IAS 17 and the Group's accounting policies concerning recognition and valuation of property, plant and equipment and intangible assets.

Operating leases do not give rise to capitalization and are described in note VII.1.20.

VII.1.9. GOVERNMENT GRANTS

Investment grants for property, plant and equipment
In accordance with the option offered by IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, investment grants are deducted from the gross carrying amount of the assets for which they were received. They are recognized as a reduction in the depreciation charge over the useful life of the depreciable asset.

If construction of an asset takes place over more than one period, the portion of the grant not yet used is recorded as a liability in "other liabilities".

Investment grants related to concession arrangements
Investment grants received in connection with concession arrangements are generally vested and are therefore not repayable (note VII.1.19).

In accordance with the option offered by IAS 20, these grants are presented as a deduction from intangible assets or financial assets, depending on the model chosen when the concession arrangement is interpreted (IFRIC 12):

- under the intangible asset model, investment grants reduce the amortization expense for intangible assets within the scope of the concession over the residual term of the concession arrangement,
- under the financial asset model, investment grants are treated as a method of repaying the operational financial asset.

Investment tax credits
Investment tax credits are not included in the scope of either IAS 20 or IAS 12. Analyses are implemented on a case-by-case basis, considering in particular the local treatment in the relevant tax jurisdiction.

VII.1.10. INTANGIBLE ASSETS, NOT INCLUDING GOODWILL

Nature
Intangible assets are identifiable non-monetary assets without physical substance. They include mainly access fees paid to local authorities under public service contracts, the value of contracts and portfolios acquired in connection with business combinations, assets constituted under IFRIC 12 concession arrangements, trademarks, patents, licenses, software and operating rights.

Recognition in the statement of financial position
Intangible assets (excluding goodwill) are recognized at historical acquisition cost, less accumulated depreciation and any accumulated impairment losses.

Useful lives and impairment
If intangible assets have a definite useful life, they are amortized on a straight-line basis over their useful life, unless another systematic amortization basis better reflects the rate of consumption of the asset.

Useful lives are as follows:

	RANGE OF USEFUL LIVES IN NUMBER OF YEARS [1]
Contractual rights	contract-based
Portfolios	based on a period covering 80% of discounted flows
Purchased software	3 to 10 years

[1] The range of useful lives is due to the diversity of relevant assets.

All intangible assets excluding goodwill are subject to impairment testing annually, as soon as there are indicators that may call into question the value recognized in assets in the consolidated statement of financial position (note VII.1.11).

VII.1.11. IMPAIRMENT OF FIXED ASSETS AND NON-FINANCIAL ASSETS

The carrying amounts of non-financial assets, other than inventory and deferred tax assets, are reviewed at year-end to determine if there is any indication that the value of an asset has become impaired. If such indication exists, the recoverable amount (equal to the higher of fair value less costs to sell and value in use) of the asset or group of assets is estimated.

Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at year-end following the updating of the long-term plan and at any other time if there is any indication of impairment.

If the recoverable amount calculated is less than the net carrying amount of an asset or group of assets, an impairment loss is recognized.

Impairments of fixed assets may be reversed, except impairments of goodwill.

Goodwill and impairment testing
A cash generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows generated by other assets or groups of assets. In light of the Group's business, cash generating units generally coincide with a country.

For the purposes of impairment testing, as of the acquisition date, goodwill is allocated to each cash generating unit or group of cash generating units that should benefit from the business combination.

A cash generating unit to which goodwill is allocated is subject to impairment testing every year, as well as any time there is an indication that the cash generating unit has suffered an impairment loss, by comparing the carrying amount of the cash generating unit, including goodwill, with its recoverable amount.

Therefore, changes in the overall economic and financial context, deterioration in local economic environments and changes in performances are among the external indicators of impairment that the Group analyzes to determine if impairment tests should be conducted more frequently.

If applicable, impairment of goodwill is recognized in the operating result, in "Other operating income and expenses"; it is definitive.

Measuring recoverable amounts
The need to recognize an impairment loss is determined by comparing the carrying amounts of a CGU or group of CGUs and their recoverable amounts.

Recoverable amount is defined as the higher of fair value less costs to sell and value in use.

Fair value less costs to sell is measured on the basis of available information enabling the best estimate of sale value less the costs necessary to make a sale, under normal competitive conditions between well-informed and consenting parties.

The value in use measured by the Group is equal to the present value of future cash flows from CGUs or groups of CGUs, less residual value, on the basis of the following factors:

- Projected cash flows are based on the long-term plan prepared during the first semester and subsequently revised. This plan covers the year in progress and the next six years. This period corresponds to the average duration of the Group's portfolio of long-term contracts and its short-term business activities;
- Final values are measured on the basis of the present value of projected cash flows for the last year of the long-term plan (2022). These cash flows are estimated for each CGU on the basis of a continuous growth rate that takes factors such as inflation into account;
- A discount rate (weighted average cost of capital) is determined for each asset and cash generating unit. This rate corresponds to a risk-free rate, increased by a risk premium weighted on the basis of specific country risks (see note VII.2). Therefore, the discount rates estimated by management for each cash generating unit reflect only current assessments of the market, the time value of money and country risks specific to the CGU; other risks are included in future cash flows;
- Investments included in cash flow projections are investments that make it possible to maintain the level of economic benefits that the assets should generate in their current condition, and to satisfy contractual obligations;
- Restructuring plans not yet implemented are not included in the cash flow projections used to measure value in use.

VII.1.12. INVENTORIES

In accordance with IAS 2, *Inventories*, inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

VII.1.13. PROVISIONS

In accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, provisions are recognized if, at year-end, the Group has a present legal or constructive obligation to a third party as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

In the event of restructuring, an obligation exists if, prior to year-end, the restructuring has been announced and a detailed plan produced or implementation has commenced. No provision is recognized for future operating costs.

Provisions covering outflows after more than one year are discounted if the impact is material. The discount rates used reflect current assessments of the time value of money and specific risks associated with the obligation. The effects of the unwinding of discounted provisions are recorded in the income statement, under the heading "Other financial income and expenses".

VII.1.14. FINANCIAL INSTRUMENTS

Financial assets and liabilities
Financial assets include available-for-sale assets, assets measured at fair value in income, asset derivative instruments, loans and receivables and cash and cash equivalents.

Financial liabilities include borrowings, other financing and bank overdrafts, liability derivative instruments and operating debts.

The measurement and recognition of financial assets and liabilities are governed by IAS 39, *Financial Instruments: Recognition and Measurement*.

Measurement, recognition and derecognition of financial assets
Financial assets are initially recognized at fair value, less transaction costs, if the relevant assets are not subsequently measured at fair value in income. In the case of assets measured at fair value in income, transaction costs are recognized directly in income.

On the acquisition date, the Group classifies financial assets into one of the four accounting categories specified in IAS 39.

Available-for-sale assets
Available-for-sale assets mainly consist of non-consolidated investments which are measured at fair value.
Non-consolidated investments principally concern unlisted securities. If their fair value cannot be determined reliably, the securities continue to be measured at their cost of acquisition.

Variations in value are recognized directly in other comprehensive income and are released to income on the sale of the available-for-sale assets.

Whenever there is an objective indication that these assets are impaired, the corresponding loss is recognized in profit or loss and may not be reversed. The factors considered are the decrease in value of the share of equity held and the absence of prospects for generating profits.

Loans and receivables

This category includes loans to non-consolidated investments, operating financial assets, other loans and receivables and trade receivables. After initial recognition at fair value, these instruments are recognized and measured at amortized cost using the effective interest rate method (EIR).

An impairment loss is recognized when an indication of impairment exists, if the carrying amount of these assets exceeds the present value of future cash flows discounted at the initial effective interest rate. The impairment loss is recognized in the consolidated income statement.

The impairment of trade receivables is calculated using an individual method: the probability and amount of loss is assessed on a case-by-case basis, in particular for non-State public debtors (prior past due payments, other receivables or payables with the counterparty, geographical location).

Net gains and losses on loans and receivables consist of interest income and impairment losses.

Assets and liabilities measured at fair value in income

This category includes:

- Trading assets and liabilities that the Group acquires with the intention of selling them in the near term in order to realize a gain, that are part of a portfolio of financial instruments managed together and for which there is a practice of short-term profit-taking. Derivative instruments not classified as hedging instruments are also considered trading assets and liabilities;
- Assets optionally measured at fair value. This category consists primarily of the portfolio of cash UCITS whose management and performance are based on fair value.

Changes in the value of these assets are recognized in the consolidated income statement.

Net gains and losses on assets measured at fair value in the income statement consist of interest income, dividends and fair value adjustments.

Net gains and losses on derivatives acquired for trading purposes consist of flows exchanged and variations in the value of the instrument.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the contractual rights to the cash flows from the financial asset pursuant to a transaction under which nearly all the rights and obligations inherent to ownership of the financial asset are transferred. Any interest created or retained by the Group in financial assets transferred is recognized separately as an asset or liability.

Cash and cash equivalents

Cash equivalents are held to meet short-term cash commitments. For an investment to be considered a cash equivalent, it must be easily convertible into a known amount of cash and have negligible risk of a change in value, thereby meeting the criteria of IAS 7 Statement of Cash Flows.

Cash and cash equivalents include all cash balances, certain term deposits, negotiable debt instruments and cash UCITS.

Cash and cash equivalents are measured at fair value in income. Note VII.1.21 sets out the method of determining fair value. Cash and cash equivalents belong to fair value levels 1 and 2:

- Instruments with a quoted price in an active market in level 1;
- Other instruments that are not quoted but the fair value of which is determined using valuation techniques involving standard mathematical calculation methods integrating observable market data, in level 2.

Bank overdrafts repayable on demand that form an integral part of the Group's cash management policy represent a component of cash and cash equivalents for the purposes of the statement of cash flows.

Recognition and measurement of financial liabilities

With the exception of trading liabilities and liability derivative instruments that are measured at fair value, borrowings and other financial liabilities are initially recognized at fair value, less transaction costs, and are subsequently measured at amortized cost using the effective interest rate method (EIR).

The effective interest rate is the rate that exactly discounts future cash payments or receipts over the estimated term of the financial instrument or, if applicable, over a shorter period, enabling calculation of the net carrying amount of the financial asset or liability.

If a financial liability issued includes an embedded derivative that must be recognized separately, the amortized cost is calculated on the debt component only. The amortized cost at the acquisition date is equal to the proceeds from the issue, less the fair value of the embedded derivative.

Recognition and measurement of derivative instruments

The Group uses financial instruments primarily to hedge its exposure to foreign exchange, interest rate and commodities risks resulting from its operating, financial and investment activities. Certain transactions carried out in accordance with the Group's risk management policy that do not meet hedge accounting criteria are recorded as trading instruments.

Derivative instruments are recognized at fair value in the consolidated statement of financial position. Other than the exceptions detailed below, changes in the fair value of derivative instruments are recognized in the consolidated income statement. The fair value of derivatives is estimated using standard valuation models that take into account active market data.

Net gains or losses on instruments at fair value in the consolidated income statement (trading) correspond to flows exchanged and the change in the value of the instrument.

Derivative instruments may be classified as hedges under one of three types of hedging relationship: fair value hedge, cash flow hedge or hedge of a net investment in a foreign operation:

- A fair value hedge is a hedge of exposure to changes in the fair value of a recognized asset or liability, or an identified portion of such asset or liability, that is attributable to a specific risk (in particular, interest rate or foreign exchange risk) and could affect net income for the period;
- A cash flow hedge is a hedge of exposure to variations in cash flows that are attributable to a specific risk associated with a recognized asset or liability or a highly probable forecast transaction (such as a fuel purchase) and could affect net income for the period.

An asset, liability, firm commitment or highly probable forecast cash-flow qualifies for hedge accounting if:

- The hedging relationship is precisely defined and documented at the inception date;
- The effectiveness of the hedge is demonstrated at the outset and by regular subsequent verification of the offsetting nature of movements in the market value of the hedging instrument and the hedged item. The actual results of the hedge have to be within a range of 80–125 per cent over the hedging period. The ineffective portion is systematically recorded in income.

The use of hedge accounting has the following consequences:

- In the case of fair value hedges of existing assets and liabilities, the hedged portion of these items is measured at fair value in the consolidated statement of financial position. Changes in fair value are recognized in the consolidated income statement, where they are set off against matching changes in the fair value of the hedging financial instruments, to the extent they are effective;
- In the case of cash flow hedges, the effective portion of changes in fair value of the hedging instrument is recognized directly in other comprehensive income, and changes in the fair value of the underlying item are not recognized in the consolidated statement of financial position. The ineffective portion of fair value variations is recognized in income. Amounts recognized in other comprehensive income are released to income in the same period or periods in which the asset acquired or liability issued impacts income.

VII.1.15. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

Transdev and its subsidiaries have set up several pension plans.

Defined-contribution plans

Defined-contribution plans are plans under which the Group (or a Group entity) pays an agreed contribution to a separate entity, relieving it of any liability for future payments. These obligations are recognized as an expense when due.

Defined-benefit plans

Defined-benefit plans are plans that do not meet the definition of a defined-contribution plan. The net obligations of each Group entity are calculated for each plan based on an estimate of the amount employees will receive in exchange for services rendered during the current and past periods. This amount is then discounted to present value and the fair value of plan assets is deducted.

If the calculation shows a plan surplus, the asset is recognized for the maximum of the total present value of profits, in the form of future repayments or reductions in plan contributions. In such a case, the plan surplus is recognized in non-current financial assets.

Certain obligations of the Group or Group entities may carry repayment rights, corresponding to a commitment by a third party to repay, in full or in part, the expenses related to these obligations. Repayment rights are recognized in financial assets.

For the purpose of financing defined-benefit plans, the Group may make voluntary payments to pension funds. If applicable, such voluntary payments are presented on the consolidated statement of cash flows in net cash generated by the activity, in the same manner as other employer contributions paid.

Employee obligations of the Group are calculated using the projected unit credit actuarial method. This method is based on the probability of personnel remaining with companies in the Group until retirement, foreseeable changes in remuneration, the appropriate discount rate and, in some jurisdictions, the length of the operated public service contracts. Specific discount rates are adopted for each currency zone. They are determined based on the yield offered by bonds issued by top-quality companies (rated AA) or treasury bonds or equivalent where the market is not liquid, with maturities equivalent to the average term of the plans valued in the relevant regions. This results in the recognition of pension-related assets or provisions in the consolidated statement of financial position, and the recognition of the related net expenses.

Pursuant to IAS 19 *Employee Benefits*, actuarial gains and losses related to post-employment benefits are recognized in other comprehensive income.

VII.1.16. REVENUE FROM ORDINARY ACTIVITIES

Revenue from ordinary activities represents sales of goods and services, measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods or services is recognized when the following conditions are met:

- The amount of revenue can be measured reliably;
- The significant risks and rewards of ownership of the goods have been transferred to the buyer, in the case of sales of goods;
- The stage of completion of the transaction at year-end may be reasonably determined, in the case of sales of services;
- Recovery of the consideration is considered probable;
- The costs incurred or to be incurred in connection with the transaction can be measured reliably.

Sales of services

The majority of the Group's activities involve sales of services.

Revenue from these activities is recognized when the service is rendered and it is probable that the economic benefits thereof will accrue to Group entities.

These activities involve the performance of a service agreed contractually (nature, price) with a public sector or industrial customer, within a set period.

It should be noted that fees and taxes collected on behalf of local authorities, as well as rail network access rights, are excluded from revenue from ordinary activities if the Group does not bear the risk of payment default by third parties.

Concession arrangements (IFRIC 12)

See note VII.1.19 on concession arrangements.

VII.1.17. FINANCIAL ITEMS IN THE CONSOLIDATED INCOME STATEMENT

Finance costs consist of interest payable on borrowings, calculated using the amortized cost method, and losses on interest rate derivatives, whether or not classified as hedges.

Interest costs included in payments under finance leases are recognized using the effective interest rate method.

Income from financial indebtedness includes gains on interest rate derivatives, whether or not classified as hedges, and income from investments of cash and cash equivalents.

Interest income is recognized in the consolidated income statement when earned, using the effective interest rate method.

Other financial income and expenses primarily include income from financial receivables calculated using the effective interest rate method, dividends, foreign exchange gains and losses, impairment losses on financial assets and the unwinding of discounted provisions.

VII.1.18. INCOME TAX

Income tax (expense or credit) includes the current tax expense (or credit) and deferred tax expense (or credit).

Temporary differences and tax losses generally result in the recognition of deferred tax assets or liabilities.

Deferred tax assets resulting from temporary differences are recognized only if it is probable that:

- Sufficient taxable temporary differences will be available within the same tax entity or the same tax group, and it is likely that they will reverse during the period in which these deductible temporary differences will arise or during the periods in which the tax loss resulting from the deferred tax asset may be carried forward or back;
- The Group will have future taxable profits against which the asset can be set off.

At each year-end, the Group reviews the value of recoverable deferred tax assets associated with significant tax loss carryforwards. Deferred tax assets associated with such tax losses are not recognized or are reduced if facts and circumstances specific to each relevant company or tax group require, in particular if:

- The time frame of projections and uncertainties about the economic environment no longer allow an assessment of the level of probability that they will be used;
- The companies have not begun to use these losses;
- The time frame of foreseeable use exceeds the deferral period authorized by the tax laws and/or a period of about five years from the end of the relevant fiscal year; or
- A set-off against future taxable profits appears uncertain due to the risk of diverging interpretations concerning the application of tax laws.

Deferred tax assets and liabilities are adjusted to take into account the effect of amendments to the tax laws and changes in tax rates in force at year-end. Deferred taxes are not discounted.

VII.1.19. CONCESSION ACTIVITIES

Group's assets

A share of the Group's assets is used in connection with concession or public service management (*affermage*) contracts granted by public sector customers ("concession grantors") or signed by concessionaires purchased by the Group pursuant to total or partial privatizations. The characteristics of these contracts vary significantly by country.

Nevertheless, they generally provide, directly or indirectly, for the concession grantor's involvement in determining the service and compensation therefor, as well as the return of assets at the end of the contract necessary to perform the service.

IFRIC Interpretation 12, *Service Concession Arrangements*, is applicable to concession arrangements comprising a public service obligation and meeting the following criteria:

- The concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and prices applied; and

- The concession grantor controls the residual economic value of the infrastructure at the end of the arrangement.

Pursuant to IFRIC Interpretation 12, such infrastructures are not recognized as fixed assets of the operator, but as financial assets ("financial asset model") and/or intangible assets ("intangible asset model"), depending on the compensation paid by the concession grantor.

Financial asset model

The financial asset model applies if the operator has an unconditional right to receive cash or another financial asset from the concession grantor, in remuneration for concession services.

In the case of concession services, the operator has such an unconditional right if the concession grantor contractually guarantees payment of:

- Amounts specified or determined in the contract, or
- Any shortfall, i.e. the difference between amounts received from users of the public service and amounts specified or determined in the contract.

Financial assets resulting from the application of IFRIC Interpretation 12 are recorded in the consolidated statement of financial position under the heading "Operating financial assets", and recognized at amortized cost.

Unless otherwise indicated in the contract, the effective interest rate retained is equal to the weighted average cost of capital of the entities carrying the relevant assets.

Cash flows associated with these operating financial assets are included in the consolidated statement of cash flows in net cash used in investing activities.

Pursuant to IAS 39 *Financial Instruments: Recognition and Measurement*, an impairment loss is recognized if the carrying amount of these assets exceeds the present value of future cash flows discounted at the initial effective interest rate.

The portion that matures in less than one year is presented in "Current operating financial assets", and the portion that matures in more than one year is presented in "Non-current operating financial assets".

Revenue from ordinary activities associated with this financial model includes remuneration of the operating financial asset accounted for in Revenue from operating financial assets (excluding principal payments) and also the compensation for the service.

Intangible asset model

The intangible asset model applies if the operator is paid by the users or if the concession grantor makes no contractual guarantee concerning the recoverable amount. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service compensation for the concession services.

Intangible assets resulting from the application of IFRIC Interpretation 12 are recognized in the consolidated statement of financial position under a separate heading entitled "Concession intangible assets" and are amortized, generally on a straight-line basis, over the contract term.

Outgoing cash flows, i.e. disbursements, associated with infrastructure construction pursuant to "financial asset model" concession arrangements are presented in the consolidated statement of cash flows in net cash from investing activities, and incoming cash flows are presented in net cash generated by the activity.

Under the intangible asset model, revenue from ordinary activities corresponds to compensation for the service.

Mixed or bifurcation model

The choice of the financial asset or intangible asset model depends on the existence of payment guarantees made by the concession grantor.

However, certain contracts may include a payment commitment on the part of the concession grantor covering only part of the investment, with the balance covered by fees charged to users.

In such a case, the investment amount guaranteed by the concession grantor is recognized using the financial asset model and the balance is recognized using the intangible asset model.

Assets made available to the Group by concession grantors

Under certain concession arrangements, the rolling stock is provided to the Group in consideration for lease payments, in which case the arrangement takes the legal form of a lease contract. At the same time, the concession grantor grants the Group unconditional repayment rights for an equivalent amount.

Due to the fact that the concession grantors control the use of the rolling stock, the Group cannot apply IAS 17 to these contracts. Therefore, these future lease payments are treated as the acquisition cost of the concession contract, and their present value is reported in the "Provision of rolling stock under concession arrangements - non-current part" and "Provision of rolling stock under concession arrangements - current part" items of the consolidated statement of financial position. These liabilities are not included in the definition of the Group's "Net Financial Debt" indicator because they are future lease payments for rolling stock that are fully secured by revenues, of the same amount and with the same maturities, to be paid by the concession grantors.

The repayment rights, of an equivalent amount, are classified as "Non-current operating financial assets" and "Current operating financial assets" in the consolidated statement of financial position.

These transactions have no impact on the consolidated statement of cash flows throughout the term of the contract.

In the consolidated income statement, revenues from the concession grantors are recognized as a reduction in the cost of lease payments, under cost of sales.

VII.1.20. LEASES

Financial leases
See note VII.1.8.

Operating leases
These contracts meet the criteria set out in IAS 17. Payments made for the purpose of operating leases are recognized as expenses in the consolidated income statement on a straight-line basis over the lease contract term.

VII.1.21. PRINCIPLES FOR MEASURING FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of all financial assets and liabilities is measured at year-end, either for recognition in the accounts or disclosure in the notes to the financial statements (see note VII.20).

Fair value is determined:
- Based on quoted prices in an active market (level 1); or
- Using internal valuation techniques involving standard mathematical calculation methods integrating observable market data (forward rates, interest rate curves, etc.). Valuations produced by these models are adjusted to take into account a reasonable change in the credit risk of the Group or the counterparty (level 2) or;
- Using internal valuation techniques integrating parameters estimated by the Group in the absence of observable market data (level 3).

VII.2. USE OF MANAGEMENT ESTIMATES IN APPLYING GROUP ACCOUNTING STANDARDS

Transdev may make estimates and use assumptions that affect the carrying value of assets, liabilities, revenue and expenses, as well as the disclosures concerning contingent assets and liabilities. The actual future results may be appreciably different from these estimates.

Underlying estimates and assumptions are made based on past experience and other factors considered as reasonable given the circumstances. They act as a basis for making judgments necessary for measuring the carrying amounts of assets and liabilities, which cannot be obtained directly from other sources. Actual values may differ from these estimates.

All of these estimates are based on an organized process for collecting forecast information on future flows, after validation by operating management, and on anticipated market data based on external indicators, which are used in accordance with consistent and documented methodologies.

Underlying estimates and assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognized in the period the change is made.

Accounting estimates underlying the preparation of the accounts were made in an uncertain economic and financial environment (Brexit, extraordinary support measures introduced by the European Central Bank, government austerity measures, etc.), making economic forecasting more difficult. In this context, the consolidated financial statements for the period were prepared based on the current environment, particularly with respect to the estimates presented below.

Note VII.25 describes ongoing legal or arbitration proceedings. In accordance with the criteria of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Group has determined that, as of December 31, 2016, no provision or accrued income should be recognized in connection with ongoing legal or arbitration proceedings when their outcome is considered more uncertain than probable or the financial consequences thereof are not quantifiable to date.

Notes VII.12 and VII.21 on provisions and employee benefits describe the provisions recognized by Transdev. In determining these provisions, Transdev has used the best estimates of these obligations.

Notes VII.1.5, VII.1.11 and VII.4 concern goodwill and fixed asset impairment tests. The Group's management has performed tests based on the best forecasts of discounted future cash flows of the activities of the relevant cash-generating units. Sensitivity analyses were also performed on the values of invested capital and are presented in the aforementioned notes.

Notes VII.9 and VII.16 concern deferred tax asset and liability balances and the income tax expense. They present the tax position of the Group and are based on best estimates available to the Group of results of tax audits in progress and trends in future tax results.

The calculation methodology used for discount rates is the following:
- Application of IAS 36, *Impairment of assets:* the discount rates used correspond to the weighted average cost of capital, calculated at the end of the second semester of 2016;
- Application of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets:* the discount rates used consist of a risk-free interest rate and a risk premium specific to the underlying assets and liabilities;
- Application of IAS 19, *Employee Benefits:* commitments are measured using a range of market indices, in particular the iboxx index, and data provided by the Group consulting actuaries.

VII.3. SIGNIFICANT EVENTS DURING THE FISCAL YEAR

VII.3.1. COMMERCIAL OPERATIONS

France
In France, Transdev won the TADAO operating contract, which covers the public transportation network of the communities of Lens-Liévin, Hénin-Carvin and Béthune-Bruay. This seven-year contract, which began on January 1, 2017, generates annual revenue of around €63 million.

Netherlands

In the Netherlands, the Amstelland-Meerlanden contract was renewed for a term of ten years, with a possible five-year extension (average annual revenue of around €122 million). In addition, the Haaglanden contract was extended for two years (annual revenue of around €33 million).

In 2016, Transdev continued to perform the SRE contract (Eindhoven region), which was renewed in 2015 for a ten-year term (with an option for a two-year extension), and which generates annual revenue of around €55 million.

The fleets in Amstelland-Meerlanden, Helmond and Eindhoven will, over the terms of the contracts, bring the number of 100% electric buses operated by Transdev in the Netherlands to a total of 400. This will thus be one of the largest electric bus fleets in Europe.

The performance of the Limburg and Utrecht province contracts ended in December 2016.

Germany

In the rail sector, in June 2016 Transdev started to perform the Mittelsachsen contract, which was awarded in 2015 for a term of 14.5 years (average annual revenue of around €30 million).

Furthermore, in December 2016, Transdev continued operations pursuant to the Weser Ems regional train service contract for a term of ten years, which is expected to generate annual revenue of around €33 million.

New Zealand

In July 2016, Transdev and its partner Hyundai Rotem began performing the contract to operate the Greater Wellington rail network. This nine-year contract, which may be extended for another six years, will generate annual revenue of around 65 million New Zealand dollars.

VII.3.2. REFINANCING OF THE GROUP

As of December 31, 2015, the Group was financed primarily by:

- Caisse des Dépôts in the form of a bilateral line of credit with the following features: a term loan of €345 million and a new €200 million line of credit, which had not been drawn down as of December 31, 2015. In addition, Transdev had a €150 million liquidity line.
- Veolia in the form of a bilateral line of credit with the following features: a term loan of €345 million and a new €200 million line of credit, which had not been drawn down as of December 31, 2015. In addition, Transdev had a €180 million liquidity line.

On March 23, 2016, Transdev Group SA signed an agreement with a syndicate of 15 banks providing for the refinancing of its shareholder loans and credit facilities, for a total amount of €1.2 billion, in the form of two credit facilities:

- a term loan of €500 million with a maturity of five years;
- a new €700 million credit line with a maturity of five years, with two options for one-year extensions, at the lenders' discretion.

These loans carry a financial covenant that will be tested semi-annually (see note VII.13.9).

Private placements (Schuldschein)

In addition, Transdev completed a financing transaction on the "Schuldschein" market (private placements governed by German law) with international banks and institutional investors. This multi-tranche financing, with a maturity of four, seven and ten years depending on the currency, generated a total amount of US$ 122.5 million and €68.5 million (see note VII.13).

VII.3.3. MAIN ACQUISITIONS DURING THE FISCAL YEAR

In France, to better meet its customers' needs, on December 20, 2016 Transdev Stationnement acquired:

- 100% of Urbis Park Services and other companies that operate the parking facilities of the Urbis Park group;
- 10% of Urbis Park Infrastructures, a company that holds long-term parking concessions.

As a result, Transdev is now the third largest operator of parking facilities in France.

In Australia, on November 30, 2016, Transdev acquired the 50% stake of its partner, Transfield Services, in Harbour City Ferries, which manages and maintains the Sydney Ferries service, thereby raising Transdev's stake in that company to 100%.

VII.3.4. RAILROAD ACCIDENT IN GERMANY

On February 9, 2016 a head-on collision occurred in Bad Aibling (Bavaria) between two regional trains operated by a subsidiary of the Group, Bayerische Oberlandbahn (BOB). As a result of the accident, 12 people died and 89 people were injured.

An investigation was ordered by the Traunstein prosecutor, and an excerpt of the final report was made public on July 12, 2016. It attributed responsibility for the accident entirely to DB Netz, which provided traffic control services. DB Netz did not appeal this decision.

Therefore, the Group, which has operated the line since December 2013, has been cleared of any liability for the accident. As a result, this incident had no material impact on the consolidated income statement for the period.

VII.3.5. SOCIETE NATIONALE CORSE MEDITERRANEE (SNCM) - FRANCE

At year-end 2015, SNCM ceased to be a consolidated subsidiary in the Group's financial statements. The CGU's residual balance sheet positions in the Group's financial statements were not material on December 31, 2015.

On February 18, 2016, MCM, a subsidiary of the transportation contractor Patrick Rocca, whose takeover bid had been chosen by the Marseille Commercial Court, signed the title deeds, which *inter alia* transferred title to the six vessels under the disposal plan. On December 21, 2016, the Group sold to Veolia, for a non-material amount, all shares it held in SNCM, which is in liquidation (see note VII.8).

VII.4. GOODWILL

VII.4.1. CHANGES DURING THE PERIOD AND BREAKDOWN BY CASH GENERATING UNIT

(€ millions)	"FRANCE" CGU (1)	"NETHERLANDS" CGU	"GERMANY" CGU	"UNITED STATES" CGU	"AUSTRALIA AND NEW ZEALAND" CGU	"UNITED KINGDOM" CGU	"CANADA" CGU	"SWEDEN" CGU	"IBERIA" CGU	GOODWILL
January 1, 2015	**498.9**	**3.6**	**24.2**	**89.1**	**29.8**	**16.4**	**23.8**	**-**	**4.7**	**690.5**
Change in consolidation scope	0.1	-	-	6.2	-	5.0	-	-	-	11.3
Currency impact	-	-	-	10.7	(0.1)	0.9	(1.7)	-	-	9.8
Impairment losses	-	-	-	-	-	(5.2)	-	-	-	(5.2)
Other movements	-	-	-	-	-	-	-	-	-	-
TOTAL DECEMBER 31, 2015	**499.0**	**3.6**	**24.2**	**106.0**	**29.7**	**17.1**	**22.1**	**-**	**4.7**	**706.4**
o/w gross amounts	*619.5*	*317.1*	*144.7*	*133.1*	*69.6*	*52.1*	*36.7*	*35.1*	*14.7*	*1,422.6*
o/w cumulated impairment	*(120.5)*	*(313.5)*	*(120.5)*	*(27.1)*	*(39.9)*	*(35.0)*	*(14.6)*	*(35.1)*	*(10.0)*	*(716.2)*
As of December 31, 2015	**499.0**	**3.6**	**24.2**	**106.0**	**29.7**	**17.1**	**22.1**	**-**	**4.7**	**706.4**
Change in consolidation scope	4.6	-	-	-	6.7	-	-	-	-	11.3
Currency impact	-	-	-	3.4	0.5	(2.5)	1.5	-	-	2.9
Impairment losses	-	-	-	-	-	-	-	-	(1.4)	(1.4)
Other movements	-	-	-	0.5	-	-	-	-	-	0.5
TOTAL DECEMBER 31, 2016	**503.6**	**3.6**	**24.2**	**109.9**	**36.9**	**14.6**	**23.6**	**-**	**3.3**	**719.7**
o/w gross amounts	*615.6*	*317.2*	*144.7*	*137.9*	*77.6*	*44.6*	*39.1*	*33.8*	*23.3*	*1,433.8*
o/w cumulated impairment	*(112.0)*	*(313.6)*	*(120.5)*	*(28.0)*	*(40.7)*	*(30.0)*	*(15.5)*	*(33.8)*	*(20.0)*	*(714.1)*

(1) Including the activities carried out by Isilines and Eurolines.

VII.4.2. IMPAIRMENT TESTS

Goodwill and other intangible assets with an indefinite useful life are systematically tested for impairment each fiscal year and whenever there is an indication that the cash generating unit ("CGU") may have lost value, in accordance with the procedures described in note VII.1.11.

Key assumptions used to measure recoverable amounts

The bases for calculating recoverable amounts are described in note VII.1.11.

Changes in the economic and financial context and changes of a competitive or regulatory nature may affect estimates of recoverable amounts, as well as unforeseen changes in the political, economic and legal systems of certain countries. Cash flow projections in the long-term plan reflect changes in volumes, rates, direct costs and investments during the period, established on the basis of, firstly, contracts or business activities using historical data and, secondly, expected changes during the period covered by the long-term plan.

Other assumptions that affect the measurement of recoverable amounts are the discount rates and the perpetual growth rates. These vary depending on the cash generating unit's country or geographical area, in accordance with the criteria specified in notes VII.1.11 and VII.2. The discount rates and average perpetual growth rates for the main CGUs in 2016 are shown below:

CASH GENERATING UNIT	DETERMINATION OF THE RECOVERABLE AMOUNT	DISCOUNT RATES	PERPETUAL GROWTH RATES
France	Value in use	6.4%	1.7%
Netherlands	Value in use	6.5%	1.8%
Germany	Value in use	6.4%	2.0%
United States	Value in use	6.9%	2.3%
Australia and New Zealand	Value in use	7.7%	2.5%
United Kingdom and Ireland	Value in use	7.0%	2.0%

VII.4.3. SENSITIVITY OF IMPAIRMENT TESTS

Recoverable amounts measured in connection with impairment tests underwent a sensitivity analysis on the basis of a discount rate increased by 1%, a perpetual growth rate decreased by 1% and operating cash flow decreased by 5%. These assumptions concerning changes are considered reasonable in light of the Group's business activities and the geographical areas where such business activities are conducted.

For the "Netherlands" CGU, these changes led to recognition of recoverable amounts lower than the carrying amount of the cash generating unit:

CASH GENERATING UNIT (€ millions)	DIFFERENCE BETWEEN RECOVERABLE AMOUNT AND CARRYING AMOUNT	DIFFERENCE BETWEEN THE RECOVERABLE AMOUNT AND THE NET CARRYING AMOUNT		
		DIFFERENCE BETWEEN RECOVERABLE AMOUNT AND NET CARRYING AMOUNT DUE TO AN INCREASE IN THE DISCOUNT RATE (1%)	DIFFERENCE BETWEEN RECOVERABLE AMOUNT AND NET CARRYING AMOUNT DUE TO A DECREASE IN THE PERPETUAL GROWTH RATE (1%)	DIFFERENCE BETWEEN RECOVERABLE AMOUNT AND NET CARRYING AMOUNT DUE TO A DECREASE IN OPERATING CASH FLOWS (5%)
"Netherlands" CGU	-	(5.3)	-	-
TOTAL	-	(5.3)	-	-

VII.5. CONCESSION INTANGIBLE ASSETS AND OTHER INTANGIBLE ASSETS

The table below shows net intangible assets, broken down by asset class and flow:

(€ millions)	CONCESSION INTANGIBLE ASSETS	TRADEMARKS	OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE	INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE	CONTRACTS AND PORTFOLIOS ACQUIRED	SOFTWARE ACQUIRED	OTHER INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE	INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE	OTHER INTANGIBLE ASSETS
As of January 1, 2015	**8.3**	**140.9**	**29.1**	**170.0**	**76.2**	**24.8**	**31.5**	**132.5**	**302.5**
Investments	-	-	-	-	-	5.0	10.6	15.6	15.6
Disposals	-	-	(1.5)	(1.5)	-	-	(0.6)	(0.6)	(2.1)
Impairment losses and amortization	(1.9)	(26.7)	(6.9)	(33.6)	(30.6)	(11.5)	(5.6)	(47.7)	(81.3)
Change in consolidation scope	-	-	-	-	2.5	-	(7.4)	(4.9)	(4.9)
Currency impact	-	11.5	2.6	14.1	0.4	-	0.6	1.0	15.1
Other movements	-	-	-	-	-	3.6	(0.6)	3.0	3.0
TOTAL AS OF DECEMBER 31, 2015	**6.4**	**125.7**	**23.3**	**149.0**	**48.5**	**21.9**	**28.5**	**98.9**	**247.9**
o/w gross amounts	*21.4*	*156.0*	*38.3*	*194.3*	*246.2*	*73.5*	*56.1*	*375.8*	*570.1*
o/w cumulated impairment	*(15.0)*	*(30.3)*	*(15.0)*	*(45.3)*	*(197.7)*	*(51.6)*	*(27.6)*	*(276.9)*	*(322.2)*
As of December 31, 2015	**6.4**	**125.7**	**23.3**	**149.0**	**48.5**	**21.9**	**28.5**	**98.9**	**247.9**
Investments	-	-	-	-	0.1	8.6	10.4	19.1	19.1
Disposals	-	-	-	-	-	(0.3)	(1.3)	(1.6)	(1.6)
Impairment losses and amortization	(2.0)	(31.6)	(6.8)	(38.4)	(26.5)	(11.1)	(7.7)	(45.3)	(83.7)
Change in consolidation scope	2.4	-	-	-	4.2	0.4	1.7	6.3	6.3
Currency impact	-	1.8	(0.7)	1.1	0.5	(0.1)	(0.4)	-	1.1
Other movements	-	-	(0.5)	(0.5)	-	7.1	(3.5)	3.6	3.1
TOTAL AS OF DECEMBER 31, 2016	**6.8**	**95.9**	**15.3**	**111.2**	**26.8**	**26.5**	**27.7**	**81.0**	**192.2**
o/w gross amounts	*26.0*	*131.2*	*62.9*	*194.1*	*249.9*	*90.9*	*63.6*	*404.4*	*598.5*
o/w cumulated impairment	*(19.2)*	*(35.3)*	*(47.6)*	*(82.9)*	*(223.1)*	*(64.4)*	*(35.9)*	*(323.4)*	*(406.3)*

In 2016, impairment of intangible assets with an indefinite useful life primarily concerned brands and licenses in the United States (€38.4 million, due to changes in the highly competitive environment of the on-demand transportation business).

VII.6. PROPERTY, PLANT AND EQUIPMENT

The table below shows property, plant and equipment, broken down by asset class and flow:

(€ millions)	ROLLING STOCK AND OTHER TRANSPORTATION EQUIPMENT	PLANT AND EQUIPMENT	BUILDINGS	LAND	OTHER	PROPERTY, PLANT AND EQUIPMENT
As of January 1, 2015	**700.7**	**89.1**	**121.9**	**65.7**	**96.7**	**1,074.1**
Investments	157.6	24.1	3.9	0.8	39.9	226.3
Disposals	(17.1)	(1.3)	(2.3)	(1.1)	(1.0)	(22.8)
Impairment losses and depreciation	(159.2)	(27.6)	(13.6)	(0.6)	(20.0)	(221.0)
Change in consolidation scope	0.1	(0.5)	(0.1)	(0.2)	0.1	(0.6)
Currency impact	7.2	2.0	0.7	0.3	0.1	10.3
Other movements	19.9	5.1	1.3	(0.3)	(28.2)	(2.2)
TOTAL AS OF DECEMBER 31, 2015	**709.2**	**90.9**	**111.8**	**64.6**	**87.6**	**1,064.1**
o/w gross amounts	*1,600.4*	*222.0*	*182.2*	*68.6*	*171.8*	*2,245.0*
o/w cumulated impairment	*(891.2)*	*(131.1)*	*(70.4)*	*(4.0)*	*(84.2)*	*(1,180.9)*
As of December 31, 2015	**709.2**	**90.9**	**111.8**	**64.6**	**87.6**	**1,064.1**
Investments	259.0	23.7	9.2	2.7	43.0	337.6
Disposals	(68.2)	(0.6)	(2.6)	(0.9)	(0.5)	(72.8)
Impairment losses and depreciation	(178.2)	(27.9)	(12.6)	(0.7)	(19.1)	(238.5)
Change in consolidation scope	-	0.5	-	-	0.5	1.0
Currency impact	0.5	0.7	(0.3)	(0.4)	(0.1)	0.4
Other movements	15.4	0.4	1.4	0.2	(24.8)	(7.4)
TOTAL AS OF DECEMBER 31, 2016	**737.7**	**87.7**	**106.9**	**65.5**	**86.6**	**1,084.4**
o/w gross amounts	*1,831.8*	*247.7*	*189.1*	*70.4*	*189.1*	*2,528.1*
o/w cumulated impairment	*(1,094.1)*	*(160.0)*	*(82.2)*	*(4.9)*	*(102.5)*	*(1,443.7)*

VII.7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	EQUITY VALUE		SHARE OF NET INCOME	
(€ millions)	AS OF DECEMBER 31, 2015	AS OF DECEMBER 31, 2016	AS OF DECEMBER 31, 2015	AS OF DECEMBER 31, 2016
France	12.4	11.9	0.2	(0.1)
Iberia	10.8	8.0	0.3	0.1
Germany	5.4	5.6	0.8	1.2
Colombia	4.1	5.1	-	0.9
Asia	2.5	(0.9)	(1.4)	1.8
Other	-	-	-	-
INVESTMENTS IN JOINT VENTURES	**35.2**	**29.7**	**(0.1)**	**3.9**
o/w share of net income (loss) of equity-accounted entities in continuing operations			*(0.1)*	*3.9*
Asia	19.3	19.9	2.6	2.1
Iberia	4.5	-	0.1	(4.5)
France	6.1	6.8	1.1	0.3
Netherlands	1.2	1.2	-	-
Other	(5.1)	-	(1.5)	(2.8)
INVESTMENTS IN ASSOCIATES	**26.0**	**27.9**	**2.3**	**(4.9)**
o/w share of net income (loss) of equity-accounted entities in continuing operations			*2.3*	*(4.9)*

Joint ventures and associates are not considered individually material at the Group level.

Most of the Group's joint arrangements under joint control are joint ventures within the meaning of IFRS 11, and are accounted for using the equity method (see note VII.1.4). The Group's principal joint ventures operate in France, Colombia and Germany.

Changes in the investments in joint ventures and associates are explained by the movements shown below:

(€ millions)	JOINT VENTURES	ASSOCIATES
AS OF JANUARY 1, 2015	**25.1**	**24.9**
Change in consolidation scope	6.2	-
Net income	(0.1)	2.3
Currency impact	(1.7)	2.1
Other	5.7	(3.3)
AS OF DECEMBER 31, 2015	**35.2**	**26.0**
Change in consolidation scope	-	3.3
Net income	3.9	(4.9)
Currency impact	0.1	0.6
Other	(9.5)	2.9
INVESTMENTS AS OF DECEMBER 31, 2016	**29.7**	**27.9**

VII.8. OPERATING FINANCIAL ASSETS AND OTHER NON-CURRENT AND CURRENT FINANCIAL ASSETS

VII.8.1. NON-CURRENT AND CURRENT OPERATING FINANCIAL ASSETS

(€ millions)	OPERATING FINANCIAL ASSETS REPRESENTING PROPERTY, PLANT AND EQUIPMENT RESTATED IN ACCORDANCE WITH IFRIC 12	OPERATING FINANCIAL ASSETS COVERING FUTURE LEASE PAYMENTS [1]	OPERATING FINANCIAL ASSETS
As of January 1, 2015	**249.8**	**-**	**249.8**
Additions	39.9	-	39.9
Repayments/disposals	(37.4)	-	(37.4)
Change in consolidation scope	-	-	-
Impairment losses	-	-	-
Currency impact	(0.1)	-	(0.1)
Non-current/current reclassification	-	-	-
Other movements	(0.1)	-	(0.1)
TOTAL AS OF DECEMBER 31, 2015	**252.1**	**-**	**252.1**
o/w gross amounts	*252.1*	-	*252.1*
o/w impairment	-	-	-
As of December 31, 2015	**252.1**	**-**	**252.1**
Additions	38.3	-	38.3
Repayments/disposals	(38.6)	-	(38.6)
Change in consolidation scope	-	-	-
Impairment losses	-	-	-
Currency impact	0.8	-	0.8
Non-current/current reclassification	-	-	-
Other movements	1.6	97.9	99.5
TOTAL AS OF DECEMBER 31, 2016	**254.2**	**97.9**	**352.1**
o/w gross amounts	*254.2*	*97.9*	*352.1*
o/w impairment	-	-	-
o/w < 1 year	*33.7*	*10.3*	*44.0*
o/w > 1 year and < 5 years	*136.1*	*37.7*	*173.8*
o/w > 5 years	*84.4*	*49.9*	*134.3*

[1] These amounts correspond to the unconditional rights to receive remuneration from the concession grantors in respect of lease payments to be made related to rolling stock.

Operating financial assets include financial assets recognized as a result of applying IFRIC 12 in the accounting treatment of concession arrangements (see note VII.1.19). They also include the unconditional rights for repayment by certain concession authorities for lease payments related to rolling stock provided to the Group (see note VII.13).

With respect to operating financial assets representing property, plant and equipment restated applying IFRIC 12 (Group assets):

- Cash flows associated with these operating financial assets (new assets and principal repayments) are broken down in the net cash flows associated with investment transactions presented in the consolidated statement of cash flows (see note V).
- Revenue generated by operating financial assets is reported as revenue from ordinary activities, which is presented in note VII.14.1.

As of December 31, 2016, operating financial assets were concentrated primarily in France (€216.2 million), Germany (€97.9 million) and Australia (€38 million).

VII.8.2. OTHER NON-CURRENT AND CURRENT FINANCIAL ASSETS

(€ millions)	FINANCIAL ASSETS - NON-CURRENT LOANS AND RECEIVABLES	NON-CONSOLIDATED INVESTMENTS	OTHER NON-CURRENT FINANCIAL ASSETS	TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	FINANCIAL ASSETS - CURRENT LOANS AND RECEIVABLES	OTHER CURRENT FINANCIAL ASSETS	TOTAL OTHER CURRENT FINANCIAL ASSETS
As of January 1, 2015	**60.7**	**28.4**	**11.6**	**100.7**	**26.0**	**25.5**	**51.5**
Additions	0.4	0.4	3.7	4.5	-	2.8	2.8
Repayments/disposals	(1.5)	(0.8)	(3.4)	(5.7)	(4.7)	(0.3)	(5.0)
Change in consolidation scope	0.4	-	-	0.4	-	-	-
Impairment losses	-	(1.0)	2.1	1.1	(4.9)	-	(4.9)
Currency impact	0.3	0.3	-	0.6	0.1	2.7	2.8
Non-current/current reclassification	-	-	-	-	-	-	-
Other movements	(8.2)	1.4	9.2	2.4	1.2	(5.5)	(4.3)
TOTAL AS OF DECEMBER 31, 2015	**52.1**	**28.7**	**23.2**	**104.0**	**17.7**	**25.2**	**42.9**
o/w gross amounts	*52.5*	*33.0*	*23.2*	*108.7*	*23.9*	*25.2*	*49.1*
o/w cumulated impairment	*(0.4)*	*(4.3)*	-	*(4.7)*	*(6.2)*	-	*(6.2)*
As of December 31, 2015	**52.1**	**28.7**	**23.2**	**104.0**	**17.7**	**25.2**	**42.9**
Additions	3.1	2.6	3.0	8.7	-	1.1	1.1
Repayments/disposals	(0.8)	(0.8)	(2.4)	(4.0)	(3.8)	(0.5)	(4.3)
Change in consolidation scope	-	-	1.6	1.6	-	-	-
Impairment losses	-	(2.0)	-	(2.0)	(0.2)	-	(0.2)
Currency impact	-	(0.7)	0.1	(0.6)	-	0.9	0.9
Non-current/current reclassification	(0.5)	-	-	(0.5)	0.5	-	0.5
Other movements	0.2	0.7	(2.1)	(1.2)	-	0.5	0.5
TOTAL AS OF DECEMBER 31, 2016	**54.1**	**28.5**	**23.4**	**106.0**	**14.2**	**27.2**	**41.4**
o/w gross amounts	*54.4*	*34.8*	*23.4*	*112.6*	*20.7*	*27.2*	*47.9*
o/w cumulated impairment	*(0.3)*	*(6.3)*	-	*(6.6)*	*(6.5)*	-	*(6.5)*

Non-consolidated investments

Non-consolidated investments are treated in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, and measured at fair value or at cost. Unrealized gains and losses are reported as other comprehensive income, except unrealized losses deemed to be material or long-lasting, which are recognized on the consolidated income statement as “Other financial revenue and expenses” (see note VII.15).

The Group’s principal non-consolidated investments consist of:

- Investments in non-controlled concession holders that own public transportation infrastructures (MTSA, VT Mumbai Concessionaire, Nottingham City TPS, etc.); or
- Investments in certain “sociétés d’économie mixte” (part state-owned corporations) in France (Grenoble, Nantes, etc.).

In fiscal year 2016, the main changes included:

- the 10% investment in the capital of Urbis Park Infrastructures (see note VII.3.3);
- the sale to Veolia, for a non-material amount, of the investment in the French company Société Nationale Corse Méditerranée (SNCM), which is in liquidation. This sale was made in connection with the reorganization of the Group’s shareholder structure (see note I.2).

Financial assets - loans and receivables (current and non-current)

As of December 31, 2016, financial assets consisting of loans and receivables for a total amount of €68.3 million primarily concerned Germany (€52 million in security deposits in connection with railroad equipment leases).

VII.9. DEFERRED TAX ASSETS AND LIABILITIES

VII.9.1. CHANGES

Changes in deferred tax assets and liabilities in fiscal years 2015 and 2016 are shown below:

(€ millions)	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET DEFERRED TAX
As of January 1, 2015	**220.9**	**(307.7)**	**(86.8)**
Change in business recognized in net income	(12.1)	49.9	37.8
Change in business recognized in equity	2.2	-	2.2
Change in consolidation scope	(0.3)	-	(0.3)
Currency impact	7.2	(10.6)	(3.4)
Other movements	0.2	(0.3)	(0.1)
TOTAL AS OF DECEMBER 31, 2015	**218.1**	**(268.7)**	**(50.6)**
As of December 31, 2015	**218.1**	**(268.7)**	**(50.6)**
Change in business recognized in net income	2.5	37.5	40.0
Change in business recognized in equity	(1.5)	0.1	(1.4)
Change in consolidation scope	1.4	(1.2)	0.2
Currency impact	2.1	(3.2)	(1.1)
Other movements	(0.7)	1.5	0.8
TOTAL AS OF DECEMBER 31, 2016	**221.9**	**(234.0)**	**(12.1)**

Business movements through equity primarily include tax impacts on fair value adjustments and actuarial gains and losses.

As of December 31, 2016, the amount of deferred tax assets not reflected on the balance sheet totaled €244.5 million, of which €223.4 million are deferred tax assets generated by tax losses.

VII.9.2. BREAKDOWN BY TYPE AND USE

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016
Deferred tax assets recognized in net income	203.4	208.7
Deferred tax assets recognized in equity	14.7	13.2
NET DEFERRED TAX ASSETS	**218.1**	**221.9**
Deferred tax liabilities recognized in net income	(266.5)	(232.0)
Deferred tax liabilities recognized in equity	(2.2)	(2.0)
DEFERRED TAX LIABILITIES	**(268.7)**	**(234.0)**
NET DEFERRED TAX	**(50.6)**	**(12.1)**
Including:		
Tax losses	16.5	26.2
Tangible and intangible fixed assets	(137.7)	(118.1)
Provisions and employee benefits	84.0	86.5
Additional tax depreciation allowance in France	(50.4)	(40.1)
Others	37.0	33.4

VII.9.3. EXPIRATION SCHEDULE FOR DEFERRED TAX ASSETS ON TAX LOSSES (NET)

Below is the expiration schedule for deferred tax assets on tax losses as of December 31, 2016:

(€ millions)	EXPIRATION AT DECEMBER 31, 2016			
	< OR = 5 YEARS	> 5 YEARS	UNLIMITED	TOTAL
DEFERRED TAX ASSETS ON TAX LOSSES (NET VALUE)	**-**	**0.2**	**26.0**	**26.2**

The procedures for reviewing the recoverable amount of deferred tax assets associated with tax loss carryforwards are explained in note VII.1.18, in particular, the use of a five-year tax schedule.

VII.10. WORKING CAPITAL REQUIREMENTS

VII.10.1. CHANGES IN WORKING CAPITAL REQUIREMENTS BY TYPE

Net WCR includes "operating" WCR (inventories, trade receivables, trade payables, other operating receivables and payables and tax receivables and payables excluding current taxes), "tax" WCR (current tax receivables and payables) and "investment" WCR (current receivables and payables on fixed asset acquisitions).

Changes in each of these types of WCR in fiscal year 2016 are shown below:

(€ millions)	DECEMBER 31, 2015	CHANGE IN BUSINESS	NET IMPAIRMENT LOSSES	CHANGE IN CONSOLIDATION SCOPE	CURRENCY IMPACT	OTHER CHANGES	DECEMBER 31, 2016
Inventories and work in progress [1]	91.7	6.5	0.3	2.9	0.5	0.8	102.7
Operating receivables (o/w tax receivables, except current tax)	1,138.0	(25.6)	12.6	9.7	4.5	(0.4)	1,138.8
Operating payables (o/w tax payables, except current tax)	(1,561.9)	(95.7)	-	(17.9)	(5.1)	2.8	(1,677.8)
OPERATING WORKING CAPITAL REQUIREMENTS [2]	**(332.2)**	**(114.8)**	**12.9**	**(5.3)**	**(0.1)**	**3.2**	**(436.3)**
Tax receivables (current tax)	20.2	3.1	-	0.3	-	(0.3)	23.3
Tax payables (current tax)	(14.7)	7.6	-	(0.1)	0.1	(0.4)	(7.5)
TAX AMOUNTS IN WORKING CAPITAL REQUIREMENTS	**5.5**	**10.7**	**-**	**0.2**	**0.1**	**(0.7)**	**15.8**
Other receivables	42.2	44.1	-	-	-	(1.5)	84.8
Other payables	(58.4)	(46.8)	-	-	0.2	1.0	(104.0)
INVESTMENTS IN WORKING CAPITAL REQUIREMENTS	**(16.2)**	**(2.7)**	**-**	**-**	**0.2**	**(0.5)**	**(19.2)**
NET WORKING CAPITAL REQUIREMENTS	**(342.9)**	**(106.8)**	**12.9**	**(5.1)**	**0.2**	**2.0**	**(439.7)**

(1) Net inventories and work in progress correspond mainly to raw materials and spare parts.
(2) The change in working capital requirements in the Consolidated Cash Flow Statement is equal to the sum of the "Changes in business" and the "Net impairment losses" of the operating working capital requirements presented above.

VII.10.2. CHANGES IN OPERATING RECEIVABLES

Changes in operating receivables in fiscal year 2016 are shown below:

OPERATING RECEIVABLES (€ millions)	DECEMBER 31, 2015	CHANGE IN BUSINESS	IMPAIRMENT LOSSES (1)	REVERSAL OF IMPAIRMENT LOSSES (1)	CHANGE IN CONSOLIDATION SCOPE	CURRENCY IMPACT	OTHER CHANGES	DECEMBER 31, 2016
Trade receivables	879.6	(45.8)	-	-	7.6	3.8	2.8	848.0
Impairment on trade receivables	(56.5)	-	(11.0)	23.2	(0.1)	(0.4)	(2.6)	(47.4)
Trade receivables, net (2)	**823.1**	**(45.8)**	**(11.0)**	**23.2**	**7.5**	**3.4**	**0.2**	**800.6**
Other operating receivables	320.3	20.2	-	-	2.2	1.1	(1.4)	342.4
Impairment on other operating receivables	(5.4)	-	(2.2)	2.6	-	-	0.8	(4.2)
Other operating receivables, net (2)	**314.9**	**20.2**	**(2.2)**	**2.6**	**2.2**	**1.1**	**(0.6)**	**338.2**
Other receivables	42.2	44.1	-	-	-	-	(1.5)	84.8
Tax receivables	20.2	3.1	-	-	0.3	-	(0.3)	23.3
OPERATING RECEIVABLES, NET	**1,200.4**	**21.6**	**(13.2)**	**25.8**	**10.0**	**4.5**	**(2.2)**	**1,246.9**

(1) Impairment losses are recorded in operating income and included in the line "Changes in working capital requirements" in the Consolidated Cash Flow Statement.
(2) Financial assets as defined by IAS 39, valued in accordance with the rules applicable to loans and receivables.

Short-term trade receivables and payables with no stated interest rate are measured at their nominal amount, unless discounting using the market interest rate has a material impact.

VII.10.3. CHANGES IN OPERATING PAYABLES

Changes in operating payables in fiscal year 2016 are shown below:

OPERATING PAYABLES (€ millions)	DECEMBER 31, 2015	CHANGE IN BUSINESS	CHANGE IN CONSOLIDATION SCOPE	CURRENCY IMPACT	OTHER CHANGES	DECEMBER 31, 2016
Trade payables (1)	525.7	29.1	2.5	0.4	0.3	558.0
Other current operating payables (1)	1,036.2	66.6	15.4	4.7	(3.1)	1,119.8
Other payables	58.4	46.8	-	(0.2)	(1.0)	104.0
Tax payables	14.7	(7.6)	0.1	(0.1)	0.4	7.5
OPERATING PAYABLES	**1,635.0**	**134.9**	**18.0**	**4.8**	**(3.4)**	**1,789.3**

(1) Financial liabilities as defined by IAS 39, valued at amortized cost.

VII.11. EQUITY

VII.11.1. EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY

Stated capital
As of December 31, 2016, stated capital totaled €1,137,119,594. It was divided into 118,203,700 shares with a par value of €9.62, all of the same class, and all of which have been fully subscribed and paid in (no dilutive securities are in circulation).

Appropriation of 2015 net income
Net income in fiscal year 2015 attributable to the owners of the parent company, in the amount of €82.1 million, was appropriated to the "consolidation reserve" item.

Distribution of interim dividends
In fiscal year 2016, Transdev Group SA distributed interim dividends in the amount of €20 million.

Fair value reserves

(€ millions)	AVAILABLE-FOR-SALE SECURITIES	COMMODITY DERIVATIVES USED AS CASH FLOW HEDGE	INTEREST RATE DERIVATIVES HEDGING CASH FLOWS	TOTAL	O/W ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY
As of January 1, 2015	**(1.0)**	**(16.2)**	**(0.2)**	**(17.4)**	**(15.1)**
Fair value adjustments	(0.3)	1.3	0.1	1.1	0.8
Change in consolidation scope	0.9	-	-	0.9	0.8
Other movements	0.6	-	-	0.6	0.6
As of December 31, 2015	**0.2**	**(14.9)**	**(0.1)**	**(14.8)**	**(12.9)**
Fair value adjustments	-	13.1	-	13.1	12.5
Change in consolidation scope	-	-	-	-	-
Other movements	-	-	-	-	-
AS OF DECEMBER 31, 2016	**0.2**	**(1.8)**	**(0.1)**	**(1.7)**	**(0.4)**

Foreign currency translation, breakdown by currency in total equity attributable to the owners of the parent company

(€ millions)	AS OF DECEMBER 31, 2015	AS OF DECEMBER 31, 2016
U.S dollar	11.4	9.5
Pound sterling	3.1	5.6
Hong Kong dollar	2.7	3.5
Korean won	1.1	1.1
Colombian peso	(1.6)	(1.3)
Australian dollar	(6.8)	(3.4)
Canadian dollar	(7.1)	(5.2)
Other currencies (1)	(1.6)	(1.0)
TOTAL	**1.2**	**8.8**

(1) Other foreign currencies: amounts individually under € 1 million.

VII.11.2. NON-CONTROLLING INTERESTS

A breakdown of changes in non-controlling interests is shown in the statement of changes in equity (see note VI).

VII.12. NON-CURRENT AND CURRENT PROVISIONS

VII.12.1. DISCOUNT RATES

The discount rates used as of December 31, 2016, except for provisions for employee benefit obligations (see note VII.21.3), are shown below:

	AS OF DECEMBER 31, 2015	AS OF DECEMBER 31, 2016
Euro		
2 to 5 years	0.34%	0.29%
6 to 10 years	1.19%	1.24%
More than 10 years	2.31%	2.65%
U.S dollar		
2 to 5 years	2.43%	2.45%
6 to 10 years	3.95%	3.90%
More than 10 years	5.18%	4.93%

The methodology used to calculate these discount rates is described in note VII.2 entitled "Use of management estimates in applying Group accounting standards".

VII.12.2. BREAKDOWN OF PROVISIONS

(€ millions)	PROVISIONS FOR LITIGATIONS	PROVISIONS FOR EMPLOYMENT BENEFIT OBLIGATIONS	PROVISIONS FOR RESTRUCTURING	OTHER PROVISIONS FOR CONTINGENT LIABILITIES	PROVISIONS
January 1, 2015	**31.5**	**166.0**	**3.9**	**215.4**	**416.8**
Additions during the period	18.3	18.0	0.3	99.0	135.6
Used during the period	(16.0)	(15.5)	(2.7)	(135.4)	(169.6)
Reversal	(4.9)	(2.1)	(0.2)	(7.4)	(14.6)
Actuarial gains (or losses)	-	(6.2)	-	-	(6.2)
Unwinding of discount	0.3	4.2	-	0.1	4.6
Change in consolidation scope	-	0.1	-	0.2	0.3
Currency impact	0.1	4.1	-	7.9	12.1
Other movements	-	(6.0)	0.2	(0.2)	(6.0)
TOTAL AS OF DECEMBER 31, 2015	**29.3**	**162.6**	**1.5**	**179.6**	**373.0**
o/w non-current part	*11.9*	*162.6*	*0.7*	*102.2*	*277.4*
o/w current part	*17.4*	*-*	*0.8*	*77.4*	*95.6*
As of December 31, 2015	**29.3**	**162.6**	**1.5**	**179.6**	**373.0**
Additions during the period	17.1	19.3	3.0	103.3	14.,7
Used during the period	(7.1)	(22.1)	(1.2)	(95.4)	(125.8)
Reversal	(6.9)	(2.2)	-	(6.2)	(15.3)
Actuarial gains (or losses)	-	-	-	-	-
Unwinding of discount	0.2	4.4	-	1.8	6.4
Change in consolidation scope	0.1	3.5	-	-	3.6
Currency impact	0.1	(2.0)	-	2.2	0.3
Other movements	0.9	0.3	-	(0.7)	0.5
TOTAL AS OF DECEMBER 31, 2016	**33.7**	**163.8**	**3.3**	**184.6**	**385.4**
o/w non-current part	*14.0*	*163.8*	*1.1*	*105.3*	*284.2*
o/w current part	*19.7*	*-*	*2.2*	*79.3*	*101.2*

Provisions for employee benefit obligations

As of December 31, 2016, provisions for employee benefit obligations totaled €163.8 million, of which €129.7 million were for pension plans and other post-employment benefits, and €34.1 million were for other long-term benefits. Movements in obligations under pension plans and other post-employment benefits are broken down in note VII.21 on employee benefit obligations.

Provisions for litigation

Provisions for litigation include all losses deemed probable in connection with litigation of all types (tax, employment and other disputes) that the Group faces in the course of its business.

Other provisions for contingent liabilities

Other provisions for contingent liabilities include:

- Provisions for self-insurance, which essentially concern operations in the United States (€87.8 million);
- Provisions for maintenance costs (major overhaul) in connection with the rail business in Germany; and
- Other provisions for contingent liabilities.

VII.13. NET FINANCIAL DEBT

Net financial debt consists of gross debt (non-current and current financial liabilities and overdrafts) net of cash and cash equivalents, and after taking into account the fair value of interest rate and foreign exchange derivatives.

VII.13.1. COMPONENTS OF NET FINANCIAL DEBT

The refinancing that the Group negotiated in fiscal year 2016 is described in note VII.3.2. As of December 31, 2016, the Group's main sources of financing were:

- a syndicated loan consisting of a €500 million term loan, supplemented by a €150 million drawdown of a new credit line for a total amount of €700 million;
- a Schuldschein placement for an amount of $122.5 million and €43.5 million (an additional €25 million with a maturity of ten years was disbursed on January 4, 2017).

As of December 31, 2016, the Group's net financial debt breaks down as follows:

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016
Non-current financial liabilities	864.0	966.8
Current financial liabilities	45.9	54.8
Overdrafts	21.4	11.4
FINANCIAL LIABILITIES (incl. overdrafts)	**931.3**	**1,033.0**
Cash and cash-equivalents	(195.0)	(448.4)
Fair value of interest rate and foreign exchange derivatives related to net financial debt	4.4	7.7
Deposits related to net financial debt	-	-
NET FINANCIAL DEBT [1]	**740.7**	**592.3**

[1] Liabilities related to the provision of rolling stock under concession arrangements are not included in the indicator "Net Financial Debt" (see note VII.1.19, "Assets made available to the Group by concession grantors").

VII.13.2. CASH AND CASH EQUIVALENTS AND OVERDRAFTS

A review of the Group's cash and cash equivalents balances at year-end did not disclose any material amounts that were unavailable to the Group.

(€ millions)	CASH	CASH EQUIVALENTS	CASH AND CASH EQUIVALENTS	OVERDRAFTS	NET CASH
As of January 1, 2015	**254.4**	**74.3**	**328.7**	**(14.7)**	**314.0**
Change in business	(63.4)	(69.5)	**(132.9)**	**(6.3)**	(139.2)
Change in consolidation scope	(3.9)	(0.2)	**(4.1)**	**(0.3)**	(4.4)
Currency impact	3.6	-	**3.6**	-	3.6
Reclassification in assets/liabilities held for sale	(0.4)	-	**(0.4)**	-	(0.4)
Other movements	-	0.1	**0.1**	**(0.1)**	-
TOTAL AS OF DECEMBER 31, 2015	**190.3**	**4.7**	**195.0**	**(21.4)**	**173.6**
As of December 31, 2015	**190.3**	**4.7**	**195.0**	**(21.4)**	**173.6**
Change in business	113.9	116.0	**229.9**	**6.9**	236.8
Change in consolidation scope	17.6	-	**17.6**	**3.1**	20.7
Currency impact	6.0	-	**6.0**	**0.3**	6.3
Other movements	(0.5)	0.4	**(0.1)**	**(0.3)**	(0.4)
TOTAL AS OF DECEMBER 31, 2016	**327.3**	**121.1**	**448.4**	**(11.4)**	**437.0**

VII.13.3. NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

Changes in and the breakdown by type of current and non-current financial liabilities in fiscal years 2015 and 2016 are shown below:

(€ millions)	LOANS FROM VEOLIA	LOANS FROM CAISSE DES DÉPÔTS	SYNDICATED LOAN	SCHULDSCHEIN PRIVATE PLACEMENT	FINANCE LEASES	OTHER FINANCIAL LIABILITIES	TOTAL FINANCIAL LIABILITIES
January 1, 2015	**465.3**	**465.3**	**-**	**-**	**163.0**	**79.7**	**1,173.3**
Cash flows	**(120.0)**	**(120.0)**	**-**	**-**	**(32.4)**	**(43.3)**	**(315.7)**
Increases/subscriptions	-	-	-	-	-	26.5	26.5
Repayments	(120.0)	(120.0)	-	-	(32.4)	(69.8)	(342.2)
Non-Cash flows	**-**	**-**	**-**	**-**	**14.7**	**37.6**	**52.3**
Increases/subscriptions	-	-	-	-	14.5	-	14.5
Change in consolidation scope	-	-	-	-	0.1	-	0.1
Currency impact	-	-	-	-	0.1	37.6	37.7
TOTAL AS OF DECEMBER 31, 2015	**345.3**	**345.3**	**-**	**-**	**145.3**	**74.0**	**909.9**
o/w current part	*0.3*	*0.3*	-	-	*30.0*	*15.3*	*45.9*
o/w non-current part	*345.0*	*345.0*	-	-	*115.3*	*58.7*	*864.0*
As of December 31, 2015	**345.3**	**345.3**	**-**	**-**	**145.3**	**74.0**	**909.9**
Cash flows	**(345.3)**	**(345.3)**	**650.0**	**159.7**	**(40.2)**	**(30.8)**	**48.1**
Increases/subscriptions	-	-	650.0	159.7	-	(5.6)	804.1
Repayments	(345.3)	(345.3)	-	-	(40.2)	(25.2)	(756.0)
Non-Cash flows	**-**	**-**	**-**	**-**	**56.3**	**7.3**	**63.6**
Increases/subscriptions	-	-	-	-	56.5	-	56.5
Change in consolidation scope	-	-	-	-	-	6.5	6.5
Currency impact	-	-	-	-	(0.2)	-	(0.2)
Other movements	-	-	-	-	-	0.8	0.8
TOTAL AS OF DECEMBER 31, 2016	**-**	**-**	**650.0**	**159.7**	**161.4**	**50.5**	**1,021.6**
o/w current part	-	-	-	-	*40.8*	*14.0*	*54.8*
o/w non-current part	-	-	*650.0*	*159.7*	*120.6*	*36.5*	*966.8*

Assignment of CICE receivable (France)

In fiscal year 2016, the Group assigned, without recourse, its 2016 Competitiveness and Employment Tax Credit (Crédit d'Impôt Compétitivité Emploi – "CICE") receivable to a financial institution in order to monetize it.

VII.13.4. MATURITY OF FINANCIAL LIABILITIES

(€ millions)	DECEMBER 31, 2016	AS OF DECEMBER 31, 2016, TO MATURE: < 1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	> 5 YEARS
Syndicated loan	650.0					650.0	
Schuldschein private placement	159.7				96.8		62.9
Finance leases	161.4	40.8	34.1	15.8	11.2	9.5	50.0
Other current and non-current financial liabilities	50.5	14.0	6.2	10.2	8.3	2.3	9.5
CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	**1,021.6**	**54.8**	**40.3**	**26.0**	**116.3**	**661.8**	**122.4**

VII.13.5. BREAKDOWN OF NON-CURRENT AND CURRENT FINANCIAL LIABILITIES BY CURRENCY

The majority of debt is denominated in euros. Currency swaps between euro lenders and borrowers in the foreign currencies used to finance foreign subsidiaries have been set up (see note VII.19.2).

VII.13.6. BREAKDOWN OF NON-CURRENT AND CURRENT FINANCIAL LIABILITIES BY INTEREST RATE

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016
Fixed rates	178.5	284.1
Floating rates	731.4	737.5
CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	**909.9**	**1,021.6**

VII.13.7. FINANCE LEASES

The Group uses finance leases to finance certain operating assets (essentially rolling stock and real property). These assets are recognized in the consolidated statement of financial position as property, plant and equipment or as financial assets in the case of assets (rolling stock) recognized in accordance with IFRIC 12, *Service Concession Arrangements*.

The breakdown of the net carrying amount of these assets by asset class is shown below:

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016
Rolling stock and other transportation equipment	148.7	165.4
Other net property, plant and equipment	17.8	16.0
TOTAL	**166.5**	**181.4**

As of December 31, 2016, future minimum payments under these contracts break down as follows:

(€ millions)	FINANCE LEASE
2017	46.0
2018-2019	57.8
2020-2021	25.4
2022 and subsequent years	54.5
TOTAL FUTURE MINIMUM LEASE PAYMENTS	**183.7**
Interest	(22.3)
PRESENT VALUE OF PAYMENTS UNDER FINANCIAL LEASES	**161.4**

VII.13.8. UNUSED CREDIT LINES

As of December 31, 2016, unused credit lines totaled €609 million and break down as follows:

		AS OF DECEMBER 31, 2016, TO MATURE :			
(€ millions)	DECEMBER 31, 2016	< 1 YEAR	> 1 YEAR AND < 3 YEARS	> 3 YEARS AND < 5 YEARS	> 5 YEARS
€700 million credit facility (see note VII.3.2)	550.0	-	-	550.0	-
Other credit lines	59.0	-	59.0	-	-
TOTAL	**609.0**	**-**	**59.0**	**550.0**	**-**

Unused credit lines with a value of €590 million carry financial covenants, which must be complied with at the time of each maturity date.

VII.13.9. COVENANTS

The legal documents relating to the two credit facilities (€500 million term loan and new €700 million credit line, see note VII.3.2) include a financial covenant, i.e., a commitment to comply with a coverage ratio, non-compliance with which could lead to a demand for the early repayment of the facilities concerned. The ratio to be complied with, on a half-yearly basis, is the ratio between adjusted net financial debt and adjusted EBITDA.

This covenant was met as of December 31, 2016.

VII.14. OPERATING RESULT

VII.14.1. BREAKDOWN OF OPERATING RESULT

(€ millions)	FISCAL YEAR 2015	FISCAL YEAR 2016
Revenue from services	6,605.5	6,639.5
Revenue from sales of goods	13.3	14.8
Revenue from operating financial assets	15.5	15.3
REVENUE FROM ORDINARY ACTIVITIES	**6,634.3**	**6,669.6**
Employee expenses	(3,682.4)	(3,756.8)
Impairment of operating receivables, net of reversals	(8.1)	12.8
Depreciation, amortization and operating provisions, net of reversals (excluding restructuring and impairment of operating receivables and goodwill)	(266.1)	(276.2)
Gains (losses) on disposals of capital assets	2.6	6.7
Others	(2,534.6)	(2,532.4)
CURRENT OPERATING RESULT	**145.7**	**123.7**
Restructuring costs *(net of provisions and reversals)*	(1.3)	(6.9)
Gains (losses) on disposals of financial assets	0.2	10.8
Impairment of goodwill and other non-current charges related to impairment tests	(40.3)	(39.8)
Others	(2.8)	(9.1)
OPERATING RESULT	**101.5**	**78.7**
Share of net income (loss) of equity-accounted entities	2.2	(1.0)
OPERATING RESULT after share of net income (loss) of equity-accounted entities	**103.7**	**77.7**

At year-end 2016, the Group's consolidated revenue from ordinary activities totaled €6,669.6 million. The main geographical areas in which the Group does business are France (€2,548.9 million), the United States (€1,138.4 million), the Netherlands (€1,003.7 million) and Germany (€621.4 million).

VII.14.2. CONVERSION OF EBITDA TO OPERATING RESULT

(€ millions)	FISCAL YEAR 2015	FISCAL YEAR 2016
EBITDA *(Earnings Before Interest, Taxes, Depreciation, and Amortization)* [1]	416.9	392.1
Depreciation and amortization	(273.4)	(288.2)
Operating provisions, net of reversals	7.3	12.0
Gains (losses) on disposals of capital assets	2.6	6.7
Others	(7.7)	1.1
CURRENT OPERATING RESULT	**145.7**	**123.7**
Restructuring costs *(net of provisions and reversals)*	(1.3)	(6.9)
Gains (losses) on disposals of financial assets	0.2	10.8
Impairment of goodwill and other non-current charges related to impairment tests	(40.3)	(39.8)
Others	(2.8)	(9.1)
OPERATING RESULT	**101.5**	**78.7**
Share of net income (loss) of equity-accounted entities	2.2	(1.0)
OPERATING RESULT after share of net income (loss) of equity-accounted entities	**103.7**	**77.7**

[1] Including impairment related to operating working capital requirements.

In fiscal year 2015, the "impairment of goodwill and other non-current charges related to impairment tests" item included the impairment of the "United Kingdom" CGU, as well as the impairment of the brands and licenses of the on-demand transportation business in the United States.

In fiscal year 2016, the "impairment of goodwill and other non-current charges related to impairment tests" item included the impairment of the "Iberia" CGU and, primarily, the impairment of the brands and licenses of the on-demand transportation business in the United States.

VII.14.3. BREAKDOWN OF EMPLOYEE EXPENSES AND WORKFORCE

Employee expenses

(€ millions)	FISCAL YEAR 2015	FISCAL YEAR 2016
Employee expenses	(3,660.0)	(3,729.9)
Profit-sharing and incentive plans	(22.4)	(26.9)
TOTAL EMPLOYEE EXPENSES	**(3,682.4)**	**(3,756.8)**

Employee expenses include the impact of the Competitiveness and Employment Tax Credit (France). This credit is offset against income tax owed for the fiscal year in which it is earned and, thereafter, against any tax owed for the next three fiscal years. At the end of this credit period, any portion of the credit that has not been used must be refunded.

Workforce

The consolidated full-time equivalent workforce is equal to the number of employees of each subsidiary, calculated as a full-time equivalent for the fiscal year, on the basis of working hours and employment rates. That figure is then consolidated using the consolidation method applied to the company within the consolidation scope:

- Employees of fully consolidated companies are included in full during the consolidation period;
- Employees of joint operations are included only in proportion to their consolidation rate during the consolidation period;
- Employees of companies consolidated using the equity method are not included.

The consolidated full-time equivalent workforce totals 75,214 employees and breaks down geographically as follows:

(Average number of employees)	DECEMBER 31, 2015	DECEMBER 31, 2016
France	31,510	31,416
United States	13,247	13,711
Netherlands	8,853	8,768
Pacific	4,643	4,926
Germany	3,886	4,129
Others	12,249	12,264
TOTAL	**74,388**	**75,214**

VII.14.4. BREAKDOWN OF RESTRUCTURING COSTS

(€ millions)	FISCAL YEAR 2015	FISCAL YEAR 2016
Restructuring costs	(3.9)	(5.1)
Restructuring provisions, net of reversals	2.6	(1.8)
RESTRUCTURING COSTS	**(1.3)**	**(6.9)**

In fiscal year 2016, restructuring costs primarily concerned operations in France, the United States and the United Kingdom.

VII.15. FINANCIAL INCOME

(€ millions)	FISCAL YEAR 2015	FISCAL YEAR 2016
Revenues from cash and cash equivalents	0.2	0.2
Finance costs	(35.3)	(24.8)
NET FINANCE COSTS	**(35.1)**	**(24.6)**
Unwinding of discounted provisions	(4.3)	(6.0)
Assets and liabilities measured at fair value in income	8.6	(3.4)
Income from available-for-sale assets (1)	4.1	3.3
Net gains/losses on loans and receivables	(2.5)	(1.5)
Foreign exchange gains or losses (before the impact of swaps not yet matured)	(8.8)	2.4
Others	(4.4)	(3.5)
OTHER FINANCIAL INCOME AND EXPENSES	**(7.3)**	**(8.7)**

(1) Including dividends of € 2.7 million received in 2016 and of € 3.3 million received in 2015.

Average net financing costs were around 3.5% in 2016 (4% in 2015).

Foreign exchange gains or losses should be analyzed together with assets and liabilities measured at fair value in income, most of which concern currency swaps. Net of these two items, foreign exchange gains or losses in 2016 reported a loss of €1.0 million (loss of €0.2 million in 2015).

VII.16. INCOME TAX

VII.16.1. BREAKDOWN OF INCOME TAX

The Group's income tax for fiscal year 2016 represented proceeds of €23.7 million, and breaks down as follows:

(€ millions)	FISCAL YEAR 2015	FISCAL YEAR 2016
Current income tax	(21.3)	(16.3)
Deferred income tax	37.8	40.0
INCOME TAX	**16.5**	**23.7**

In 2016, deferred tax revenue of €40 million included the partial reversal of provisions for deferred tax assets generated by tax losses in Sweden, Germany, France and Spain, as well as the reversal of deferred tax liabilities in the Unites States following the impairment of brands and licenses (see note VII. 5).

(€ millions)	FISCAL YEAR 2015	FISCAL YEAR 2016
Transdev Group tax group (France)	3.3	12.2
Netherlands	(0.6)	0.7
United States	15.5	12.2
Germany	1.6	7.7
Australia	(9.9)	(4.4)
Portugal	(0.9)	(0.4)
Sweden	10.6	(0.3)
Others	(3.1)	(4.0)
INCOME TAX	**16.5**	**23.7**

Nearly all French subsidiaries have opted for the tax consolidation group headed by Transdev Group SA (agreement with a five-year term entered into in 2011). Transdev Group SA is solely liable to the French Treasury for current corporate income taxes calculated on the basis of the overall tax return. Transdev Group SA, the consolidating company, is entitled to any tax savings that may be generated.

VII.16.2. TAX RECONCILIATION (TAX PROOF)

(€ millions)	FISCAL YEAR 2015	FISCAL YEAR 2016
Net income (loss) from continuing operations (a)	77,8	68,1
Income (loss) from joint ventures and associates (b)	2,2	(1,0)
Income tax expense (c)	16,5	23,7
Pre-tax income (loss) from continuing operations (d)=(a)-(b)-(c)	59,1	45,4
THEORETICAL TAX RATE (e) (1)	**34,43%**	**34,43%**
THEORETICAL INCOME TAX -(d) x (e)	**(20,3)**	**(15,6)**
Net goodwill impairment expense	(1,0)	(1,4)
Tax rate differences (2)	5,7	13,6
Gain (loss) on disposals	0,2	2,1
Non-basis taxes	(0,9)	(0,3)
Tax visibility (3)	27,0	17,4
Other factors	5,8	7,9
INCOME TAX (effective tax)	**16,5**	**23,7**

(1) The theoretical tax rate given is the French tax rate (normal rate of 33.33%, to which is added the social contribution of 3.3%, bringing the total rate to 34.43%, excluding the additional contribution of 5%).
(2) The differences in tax rates are due to the fact that the Group does business in countries that apply tax rates that are different from the tax rate in France.
(3) Tax visibility includes primarily the movements of unrecognized deferred tax assets.

VII.16.3. TAX AUDITS

In connection with their ordinary business activities, the entities of the Group in France and abroad are the subject of regular tax audits. In its estimates of risks, the Group takes into account the expenses that could result from the consequences of such tax audits, based on a technical analysis of the positions the Group defends before the tax authorities. The estimates of such risks are revised from time to time in light of any developments in the audits and disputes.

VII.17. BREAKDOWN OF NET DEPRECIATION, AMORTIZATION, PROVISIONS AND IMPAIRMENT

The breakdown of the net depreciation, amortization, provisions and impairment expense in fiscal year 2016 is shown below:

(€ millions)	OPERATING	FINANCIAL	TAX	DISCONTINUED ACTIVITIES	TOTAL
Net provisions for impairment of assets (1)	12.8	(2.2)	39.5	-	50.1
Provisions for contingent liabilities	(1.1)	(0.2)	(0.2)	-	(1.5)
Sub-total current and non-current provisions	**11.7**	**(2.4)**	**39.3**	**-**	**48.6**
Depreciation, amortization and impairment of tangible and intangible fixed assets	(285.8)	-	-	-	(285.8)
Impairment of reveivables on disposal of property, plant and equipment & intangible assets	-	-	-	-	-
Impairment of goodwill and other charges related to impairment tests	(39.8)	-	-	-	(39.8)
TOTAL DEPRECIATION, AMORTIZATION, PROVISIONS AND IMPAIRMENT	**(313.9)**	**(2.4)**	**39.3**	**-**	**(277.0)**

(1) Impairment losses on inventories and receivables are recorded in changes in working capital requirements in the Consolidated Cash Flow Statement.

The net depreciation and amortization, provisions and impairment expense of –€277.0 million includes a depreciation and amortization expense of –€288.1 million.

VII.18. MANAGEMENT OF CREDIT RISK

Credit risk is essentially due to the possibility that customers will be unable to meet their payment obligations. In light of the nature of its business and customers, Transdev considers it unlikely that credit risk will generate a material potential impact.

VII.18.1. ANALYSIS OF VARIOUS TYPES OF CUSTOMERS

Credit risk must be analyzed differently for operating financial assets and operating receivables. Credit risk incurred on operating financial assets is assessed on the basis of the rating given to clients, most of which are public entities. The risk incurred on other operating receivables is assessed on the basis of an analysis of risk dilution and payment delays in the case of private-sector customers and, exceptionally, on the basis of a credit analysis in the case of government and public sector customers.

The Group's analysis of customer credit risk is based on the following four types of customers (public sector customers-concession grantors, private sector customers-individuals, corporate customers and other public sector customers):

(€ millions)	NOTE	DECEMBER 31, 2016	PUBLIC SECTOR - GRANTORS	PUBLIC SECTOR - OTHERS	PRIVATE SECTOR - INDIVIDUALS	PRIVATE SECTOR - COMPANIES AND OTHER COUNTERPARTIES
Non-current and current operating financial assets	VII.8.1	352.1	352.1	-	-	-
Net trade receivables	VII.10.2	800.6	477.3	82.6	15.8	224.9
Net other operating receivables		242.8	73.2	51.4	5.8	112.4
Net non-current financial receivables	VII.8.2	54.1	2.6	0.2	-	51.3
Net current financial receivables	VII.8.2	14.2	0.8	3.0	-	10.4
Other non-current financial assets (excluding financial receivables)	VII.8.2	23.4	12.8	0.1	0.1	10.4
Other current financial assets (excluding financial receivables)	VII.8.2	27.2	0.1	-	-	27.1
TOTAL		**1,514.4**	**918.9**	**137.3**	**21.7**	**436.5**

Currently, approximately 70% of outstanding trade receivables concern public sector counterparties (concession grantors and public sector customers).

There is no significant credit risk concentration due to the very broad geographical distribution of the Group's operations.

VII.18.2. AGED TRIAL BALANCE OF ASSETS OVERDUE BUT NOT IMPAIRED

The aged trial balance of assets overdue but not impaired as of December 31, 2016 is shown below:

		DECEMBER 31, 2016				OVERDUE NOT IMPAIRED		
(€ millions)	NOTE	GROSS VALUE	IMPAIRMENT	NET VALUE	ASSETS NOT YET DUE	OVERDUE BETWEEN 0-6 MONTHS	OVERDUE BETWEEN 6-12 MONTHS	OVERDUE FOR MORE THAN 1 YEAR
Non-current and current operating financial assets	VII.8.1	352.1	-	352.1	352.1	-	-	-
Trade receivables	VII.10.2	848.0	(47.4)	800.6	675.3	111.2	8.3	5.8
Other operating receivables		247.0	(4.2)	242.8	217.0	10.8	8.8	6.2
Non-current financial receivables	VII.8.2	54.4	(0.3)	54.1	54.1	-	-	-
Current financial receivables	VII.8.2	20.7	(6.5)	14.2	14.1	-	-	0.1
Other non-current financial assets (excl. financial receivables)	VII.8.2	23.4	-	23.4	23.4	-	-	-
Other current financial assets (excl. financial receivables)	VII.8.2	27.2	-	27.2	26.7	-	-	0.5
TOTAL		**1,572.8**	**(58.4)**	**1,514.4**	**1,362.7**	**122.0**	**17.1**	**12.6**

VII.19. MANAGEMENT OF MARKET RISK – DERIVATIVE FINANCIAL INSTRUMENTS

Transdev uses various derivative instruments to reduce and manage its exposure to fluctuations in interest rates, foreign exchange rates and commodity prices. Some of these derivatives qualify for hedge accounting and some do not. They are all recognized in the consolidated statement of financial position at fair value.

The fair value of derivatives recognized in the consolidated statement of financial position as of December 31, 2016 is shown below:

			AS OF DECEMBER 31, 2016 SPLIT BY NATURE		
(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016	INTEREST RATE RISK	FOREIGN CURRENCY RISK	COMMODITIES
Current assets					
- Derivatives - Cash flow hedges	-	1.2	-	-	1.2
- Non-hedge derivatives	1.5	1.1	-	1.1	-
Non current assets					
- Derivatives - Cash flow hedges	-	0.2	-	-	0.2
- Non-hedge derivatives	-	-	-	-	-
Current liabilities					
- Derivatives - Cash flow hedges	13.6	1.6	-	-	1.6
- Non-hedge derivatives	2.2	5.2	-	5.2	-
Non current liabilities					
- Derivatives - Cash flow hedges	5.8	2.8	0.1	-	2.7
- Non-hedge derivatives	3.6	3.5	3.5	-	-
TOTAL	**(23.7)**	**(10.6)**	**(3.6)**	**(4.1)**	**(2.9)**

VII.19.1. MANAGEMENT OF COMMODITY RISK

To manage changes in fuel prices, a fuel hedging policy has been adopted for contracts with indexation deemed inadequate or to hedge contractual commitments. The Group uses either firm fuel purchase contracts or derivatives whose features (notional amount and maturity) are defined on the basis of forecast fuel requirements (based on firm orders or highly probable forecast flows). These derivatives are swaps concluded in local currency that set the future price of fuels.

These derivatives have been analyzed in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, and are classified as hedging instruments (cash flow hedges). The impact of these derivative instruments on performance and financial position is shown in the table below:

CASH FLOW HEDGE DERIVATIVES						INCOME (LOSS) OF THE YEAR				
(€ millions)		NOMINAL AT DECEMBER 31, 2016								
NATURE	UNIT	TOTAL	< 1 YEAR	> 1 YEAR < 5 YEARS	> 5 YEARS	RECYCLING OF FAIR VALUE RESERVES INTO INCOME	INCOME (LOSS), INEFFECTIVE PART	TOTAL INCOME (LOSS)	FAIR VALUE RESERVES (NET OF TAX)	FAIR VALUE IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Swaps	Ton, EUR	18,554	14,124	4,430	-	(7.7)	-	(7.7)	0.2	-
Swaps	Ton, GBP	6,666	5,436	1,230	-	(1.1)	-	(1.1)	0.5	0.6
Swaps	Ton, AUD	36,678	10,236	26,442	-	(2.9)	-	(2.9)	(2.5)	(3.5)
TOTAL		**61,898**	**29,796**	**32,102**	**-**	**(11.7)**	**-**	**(11.7)**	**(1.8)**	**(2.9)**

VII.19.2. MANAGEMENT OF CURRENCY RISK

Currency risk associated with the financing of foreign subsidiaries

The Group is financed primarily in euros (see note VII.3.2). Transdev has set up currency swaps between euro lenders and borrowers in the foreign currencies used to finance foreign subsidiaries. These swaps have been analyzed in accordance with IAS 39 and have not been classified as hedging instruments. Accordingly, the reassessment of financing in foreign currencies granted to subsidiaries and changes in the value of swaps are recognized at the same time in income.

The impact of these currency derivatives on performance and financial position is shown in the table below:

NATURE	NON HEDGE DERIVATIVES - NOMINAL AS AT DECEMBER 31, 2016 (LOCAL CURRENCY MILLIONS)		*(€ millions)*	
	TOTAL	< 1 YEAR	INCOME (LOSS) OF THE YEAR	FAIR VALUE IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Swap EUR/CAD	59.3	59.3	-	0.7
Swap CAD/EUR	1.0	1.0	0.2	-
Swap EUR/SEK	825.0	825.0	(1.2)	(2.1)
Swap EUR/USD	310.0	310.0	(2.0)	(3.0)
Swap EUR/GBP	13.4	13.4	(0.5)	0.2
Swap EUR/AUD	10.0	10.0	0.2	0.2
Swap AUD/EUR	10.0	10.0	(0.1)	(0.1)
TOTAL			**(3.4)**	**(4.1)**

Transactional currency risk

The Group has low exposure to transactional currency risk because the Group's business is conducted by subsidiaries that operate in their own countries and in their own currencies. Their exposure to currency risk is therefore naturally limited.

Translation risk

Transdev incurs translation risk as a result of translating the financial information of its subsidiaries in the consolidated financial statements. The main currencies concerned are the U.S. dollar, the Australian dollar and the Swedish krona.

The table below presents the sensitivity of the Group's revenue from ordinary activities to fluctuations of more or less than 10% in the euro exchange rate, associated with the translation of subsidiaries' accounts denominated in foreign currencies:

	CONTRIBUTION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2016						SENSITIVITY TO AN INCREASE OR DECREASE IN THE FOUR MAIN CURRENCIES AGAINST EURO	
(€ millions)	EURO	U.S. DOLLAR	AUSTRALIAN DOLLAR	SWEDISH KRONA	OTHER CURRENCIES	TOTAL	10% GAIN IN EURO	10% LOSS IN EURO
Revenue from ordinary activities	4,377.4	1,138.4	395.4	360.3	398.1	**6,669.6**	189.4	(189.4)

VII.19.3. MANAGEMENT OF INTEREST RATE RISK

The structure of the Group's financing naturally exposes it to fluctuations in interest rates. Debts with variable interest rates impact financial results in line with fluctuations in interest rates.

The impact of interest rate derivatives on performance and financial position is shown in the table below:

	INSTRUMENTS						INCOME (LOSS) OF THE YEAR					
			NOMINAL AS AT DECEMBER 31, 2016									
(€ millions)	NATURE	UNIT	TOTAL	< 1 YEAR	> 1 YEAR < 5 YEARS	> 5 YEARS	RECYCLING OF FAIR VALUE RESERVES INTO INCOME	INCOME (LOSS), INEFFECTIVE PART	INCOME (LOSS) OF NON-ELIGIBLE INSTRUMENTS	TOTAL INCOME (LOSS)	FAIR VALUE RESERVES (NET OF TAX)	FAIR VALUE IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Non hedge derivatives	*Swaps*	EUR	16.9	1.6	4.2	11.1	-	-	0.2	0.2	-	(3.5)
Cash flow hedge derivatives	*Swaps*	EUR	19.9	6.7	13.2	-	(0.1)	-	-	(0.1)	(0.1)	(0.1)
TOTAL			**36.8**	**8.3**	**17.4**	**11.1**	**(0.1)**	**-**	**0.2**	**0.1**	**(0.1)**	**(3.6)**

Assuming a constant net debt structure and management policy as of December 31, 2016, a change of 1% in interest rates would have an impact on financial income of around €6 million (based on the cost of debt after hedging by the Group).

VII.20. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

The principles used to measure fair value are described in note VII.1.21.

The fair value of loans and receivables is very close to the value in the consolidated statement of financial position.

As of December 31, 2016, the only financial assets and/or liabilities covered by enforceable master netting agreements are derivatives managed pursuant to FBF and ISDA contracts. These instruments are netted only in the event of a default by one of the parties to the contract. Therefore, they are not netted for accounting purposes.

VII.20.1. FINANCIAL ASSETS

The table below shows the net carrying amount and fair value of the Group's financial assets, grouped according to the categories defined by IFRS 7, as of December 31, 2016:

	AS OF DECEMBER 31, 2016						
	CARRYING AMOUNT ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION		CLASSES OF FINANCIAL ASSETS MEASURED AT FAIR VALUE				METHOD OF MEASURING FAIR VALUE
(€ millions)	NOTE	TOTAL	AVAILABLE-FOR-SALE ASSETS	LOANS AND RECEIVABLES	ASSETS MEASURED ON THE CONSOLIDATED INCOME STATEMENT USING THE FAIR VALUE OPTION	DERIVATIVE INSTRUMENTS	
Non-consolidated equity investments [1]	VII.8.2	28.5	28.5	-	-	-	
Current and non-current operating financial assets	VII.8.1	352.1	-	352.1	-	-	
Other non-current financial assets	VII.8.2	77.5	-	77.5	-	-	
Non-current and current derivative instruments - assets	VII.19	2.5	-	-	-	2.5	Level 2
Trade receivables	VII.10.2	800.6	-	800.6	-	-	
Other current operating receivables	VII.10.2	338.2	-	338.2	-	-	
Other current financial assets	VII.8.2	41.4	-	15.0	26.4	-	Level 1
Cash and cash equivalents	VII.13.1	448.4	-	-	448.4	-	Level 2
TOTAL		**2,089.2**	**28.5**	**1,583.4**	**474.8**	**2.5**	

[1] Non-consolidated equity investments are mainly measured at cost.

VII.20.2. FINANCIAL LIABILITIES

The table below shows the net carrying amount and fair value of financial liabilities, grouped according to the categories defined by IFRS 7, as of December 31, 2016:

	AS OF DECEMBER 31, 2016						
	CARRYING AMOUNT IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION		CLASSES OF FINANCIAL LIABILITIES MEASURED AT FAIR VALUE				METHOD OF MEASURING FAIR VALUE
(€ millions)	NOTE	TOTAL	LIABILITIES AT AMORTIZED COST	LIABILITIES MEASURED AT FAIR VALUE ON THE CONSOLIDATED INCOME STATEMENT	LOANS AND RECEIVABLES	DERIVATIVE INSTRUMENTS	
Borrowings and other financial liabilities							
non-current financial liabilities	*VII.13.1*	*966.8*	*966.8*	*-*	*-*	*-*	
current financial liabilities	*VII.13.1*	*54.8*	*54.8*	*-*	*-*	*-*	
overdrafts	*VII.13.1*	*11.4*	*-*	*11.4*	*-*	*-*	*Level 2*
Non-current and current derivative instruments - liabilities	VII.19	13.1	-	-	-	13.1	Level 2
Non-current and current part of lease payments to be made under concession arrangements		97.9	-	-	97.9	-	
Trade payables	VII.10.3	558.0	-	-	558.0	-	
Other operating payables	VII.10.3	1,119.8	-	-	1,119.8	-	
TOTAL		**2,821.8**	**1,021.6**	**11.4**	**1,775.7**	**13.1**	

VII.21. EMPLOYEE BENEFIT OBLIGATIONS

Depending on local regulations and collective bargaining agreements, the Group has set up defined-contribution pension plans, defined-benefit pension plans (covering one company or several employers) and other post-employment benefits for its employees.

VII.21.1. BREAKDOWN OF PROVISIONS IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	FRANCE (1)	SWEDEN	UNITED STATES	UNITED KINGDOM	AUSTRALIA / NEW ZEALAND	OTHER	TOTAL
Pension plans and early-retirements (except retiree medical coverage)	-	19.0	20.7	15.0	-	13.4	68.1
End-of-career allowances	54.1	-	-	-	0.8	5.4	60.3
Other post-employment benefits	0.4	-	-	-	-	0.9	1.3
Total post-employment benefits	**54.5**	**19.0**	**20.7**	**15.0**	**0.8**	**19.7**	**129.7**
Long-service awards	5.4	-	-	-	-	3.2	8.6
Other long-term benefits	-	-	-	-	17.8	7.7	25.5
Total other long-term benefits	**5.4**	**-**	**-**	**-**	**17.8**	**10.9**	**34.1**
PROVISIONS FOR EMPLOYMENT BENEFIT OBLIGATIONS AS OF DECEMBER 31, 2016	**59.9**	**19.0**	**20.7**	**15.0**	**18.6**	**30.6**	**163.8**

(1) The reported "France" activity does not include the activities carried out by the holding company (included in the column "Other").

VII.21.2. DEFINED-CONTRIBUTION PLANS

As described in note VII.1.15, defined-contribution plans refer to plans under which the Group (or a Group entity) pays an agreed contribution to a separate entity, relieving it of any liability for future payments. These obligations are recognized as an expense when they come due.

Mandatory basic pension plans in the various countries where the Group does business are generally defined-contribution plans. Additional defined-contribution plans have been set up within certain subsidiaries. The Group's expenses for these plans totaled about €56 million in 2016 (€61 million in 2015).

VII.21.3. CORPORATE DEFINED-BENEFIT PLANS

Certain companies of the Group have set up defined benefit plans (primarily supplemental pensions and end-of-career allowances) and/or plans that offer other post-employment benefits.

These obligations are measured using the defined benefit obligation (DBO) concept or the discounted value of the obligation. These future payment obligations may be financed in part or in full (through "plan assets").

Non-financed plans

Non-financed plans are essentially retirement benefit plans for which rights vest only if the employee is still employed by the Group at the time he/she retires. A provision is recognized, without any obligation to pre-finance it because the payment of these benefits remains uncertain. In some cases, funds have been placed with external organizations (such as insurance companies) but without any future financing obligation.

In France, nearly all actuarial debt is for legally required retirement allowances paid in a single installment. These allowances are a multiple of the employee's last salary based on his/her length of service and are required to be paid at the time employees retire, pursuant to the collective bargaining agreements. The two main collective bargaining agreements applicable in France are the Urban Public Transportation Collective Bargaining Agreement (CCN-3099) and the Trucking Industry Collective Bargaining Agreement (CCN-3085).

Financed plans

Financed plans are essentially pension plans in the United States and the United Kingdom. These obligations are pre-financed by contributions paid by the Group's subsidiaries and the employees to external funds that are separate legal entities and whose investments are subject to the fluctuations of the financial markets.

United States

In the United States, defined-benefit plans essentially concern retirement obligations pursuant to a contract, which are managed through a pension fund. All rights acquired under this contract (based on salary and number of years of service with the Group) have been frozen; beneficiaries who are still employed cannot acquire additional rights.

United Kingdom

In the United Kingdom, the Group's obligations are managed essentially through pension funds. Each fund is managed by a council of trustees, who are representatives of the Group's subsidiaries, employees and retirees, and at times are advised by independent experts.

In 2010, all rights acquired (based on salary and number of years of service with the Group) were frozen; beneficiaries who are still employed cannot acquire additional rights.

Risk exposure

The main risks to which the Group is exposed through the pension plans in the United Kingdom and North America are plan asset volatility, changes in bond rates and longevity.

Obligations with respect to defined-benefit pension plans and other post-employment benefits

The tables below show the Group's obligations with respect to defined benefit pension plans (see note VII.1.15) and post-employment benefits. They exclude, by definition, defined contribution plans and multi-employer retirement plans, in particular the SPOV plan in the Netherlands (see note VII.21.4).

Actuarial assumptions

Actuarial assumptions used for the calculations vary according to the country in which the plans are set up.

	AS OF DECEMBER 31, 2015	AS OF DECEMBER 31, 2016
Discount rate		
Euro zone	2.0%	1.4%
United States	4.2%	4.0%
United Kingdom	3.6%	2.7%
Inflation rate		
Euro zone	1.6%	1.8%
United States	2.5%	2.5%
United Kingdom (1)	3.0%/2.0%	3.3%/2.3%
Rate of salary increases (excluding SPOV plan)	2.3%	2.4%

(1) RPI/RCI

Changes in the defined-benefit obligation (DBO) and plan assets

Changes in the defined-benefit obligation	As of December 31, 2015			As of December 31, 2016		
(€ millions)	Non-financed plans	Financed plans	Total	Non-financed plans	Financed plans	Total
Discounted value of the defined benefit obligation at beginning of year	**152.2**	**189.2**	**341.4**	**88.6**	**187.5**	**276.1**
Current service cost	4.9	1.0	5.9	3.7	1.0	4.7
Interest cost	1.8	6.9	8.7	1.7	6.6	8.3
Benefit obligation assumed on acquisitions	1.6	-	1.6	1.0	-	1.0
Benefit obligation transferred on divestures	(66.3)	-	(66.3)	-	-	-
Curtailments/settlements	(0.2)	0.2	-	-	-	-
Actuarial losses (gains)	0.9	(10.7)	(9.8)	3.0	8.2	11.2
o/w experience actuarial losses (gains)	*3.6*	*1.9*	*5.5*	*(0.2)*	*(5.2)*	*(5.4)*
o/w demographic assumptions actuarial losses (gains)	*0.1*	*(4.7)*	*(4.6)*	*(3.2)*	*(3.8)*	*(7.0)*
o/w financial assumptions actuarial losses (gains)	*(2.8)*	*(7.9)*	*(10.7)*	*6.4*	*17.2*	*23.6*
Benefits paid	(7.1)	(13.9)	(21.0)	(7.3)	(8.3)	(15.6)
Plan amendments	0.4	-	0.4	-	-	-
Other (including foreign exchange translation)	0.4	14.8	15.2	(5.1)	(9.1)	(14.2)
Discounted value of the defined benefit obligation at end of year (1)	**88.6**	**187.5**	**276.1**	**85.6**	**185.9**	**271.5**
Changes in plan assets						
Fair value of plan assets at beginning of year	**2.2**	**132.6**	**134.8**	**2.0**	**137.8**	**139.8**
Actual return on plan assets	-	1.5	1.5	-	16.0	16.0
o/w interest income on plan assets	-	*5.0*	*5.0*	-	*4.8*	*4.8*
o/w actuarial gains (losses)	-	*(3.5)*	*(3.5)*	-	*11.2*	*11.2*
Employer contributions	0.5	7.8	8.3	0.4	2.2	2.6
Benefits paid	(0.7)	(13.9)	(14.6)	(0.6)	(8.3)	(8.9)
Other (including foreign exchange translation)	-	9.8	9.8	-	(7.3)	(7.3)
Fair value of plan assets at end of year (2)	**2.0**	**137.8**	**139.8**	**1.8**	**140.4**	**142.2**
Funding status (a) = (2) - (1)	**(86.6)**	**(49.7)**	**(136.3)**	**(83.8)**	**(45.5)**	**(129.3)**
Asset limit (b)	0.3	-	0.3	0.5	-	0.5
NET OBLIGATION (-a + b)	**86.9**	**49.7**	**136.6**	**84.3**	**45.5**	**129.8**
Provisions	86.8	49.7	136.5	84.3	45.4	129.7
Other	0.1	-	0.1	-	0.1	0.1

Plan assets

The actual rate of return on assets in fiscal year 2016 is around 11.5%.

The average allocation of the Group's plan assets is shown below:

	As of December 31, 2015	As of December 31, 2016
Equities	43.5%	34.2%
Goverment bonds	7.9%	1.4%
Corporate bonds	30.0%	30.3%
Quoted assets	**81.4%**	**66.0%**
Real estate	0.8%	0.9%
Insurance contract	14.2%	13.6%
Other [(1)]	3.6%	19.6%
Non-quoted assets	**18.6%**	**34.0%**

[(1)] *Including Liability Driven Investment (LDI).*

In 2017, the contribution to the funding of defined benefit plans should be about €3 million.

Change in reimbursement rights

Reimbursement rights concern the portion of employee rights in respect of post-employment benefits that correspond to the period worked with their previous employer, or when the operating agreement states that the employees' rights in respect of these commitments are reimbursed by a third party. They totaled €7.0 million as of December 31, 2016 (€8.9 million as of December 31, 2015).

Net cost of post-employment benefits

	2015			2016		
(€ millions)	NON-FINANCED PLANS	FINANCED PLANS	TOTAL	NON-FINANCED PLANS	FINANCED PLANS	TOTAL
Current service cost	(4.9)	(1.0)	(5.9)	(3.7)	(1.0)	(4.7)
Interest cost	(1.8)	(6.9)	(8.7)	(1.7)	(6.6)	(8.3)
Interest income on plan assets	-	5.0	5.0	-	4.8	4.8
Interest income on reimbursement rights	-	0.4	0.4	-	-	-
Curtailments/settlements	0.2	(0.2)	-	-	-	-
Plan amendments	(0.4)	-	(0.4)	-	-	-
Other	(0.5)	(1.1)	(1.6)	0.2	(0.6)	(0.4)
Net cost of post-employment benefits in the consolidated income statement [1]	**(7.4)**	**(3.8)**	**(11.2)**	**(5.2)**	**(3.4)**	**(8.6)**
Actuarial gains (losses) on assets	-	(3.5)	(3.5)	-	11.2	11.2
Experience actuarial gains (losses)	(3.6)	(1.9)	(5.5)	0.2	5.2	5.4
Actuarial gains (losses) on demographic assumptions	(0.1)	4.7	4.6	3.2	3.8	7.0
Actuarial gains (losses) on financial assumptions	2.8	7.9	10.7	(6.4)	(17.2)	(23.6)
Actuarial gains (losses) on reimbursement rights	3.2	-	3.2	(1.0)	-	(1.0)
Other	-	-	-	-	-	-
Net cost of post-employment benefits in other comprehensive income [1]	**2.3**	**7.2**	**9.5**	**(4.0)**	**3.0**	**(1.0)**
TOTAL [1]	**(5.1)**	**3.4**	**(1.7)**	**(9.2)**	**(0.4)**	**(9.6)**

[1] Including the net cost of benefits for discontinued activities.

Costs recognized on the income statement are posted to operating income, with the exception of the net interest expense, which is recognized as financial income.

Sensitivity of the discounted value of the obligation and of the current service cost

The Group's actuarial debt is particularly sensitive to discount rates and salary increases.

For example, an increase of 0.5% in the discount rate would reduce the discounted value of the Group's obligation by about €16.9 million and the current service cost provided the following year by €0.4 million. A decrease of 0.5% in the discount rate would increase the discounted value of the Group's obligation by about €18.8 million and the current service cost provided the following year by €0.2 million.

In addition, an increase of 0.5% in the salary increase rate would increase the discounted value of the Group's obligation by about €3.5 million.

VII.21.4. MULTI-EMPLOYER PLANS

Pursuant to collective bargaining agreements, certain Group companies participate in multi-employer defined-benefit plans.

General situation
The principal multi-employer plans are primarily in the Netherlands, the United States and Sweden. The corresponding expense recognized in the consolidated income statement is equal to the contributions made during the year. This amount was approximately €12 million in 2016 (approximately €13 million in 2015), and does not include the contribution to the SPOV plan in the Netherlands (see below).

Specific situation: SPOV plan in the Netherlands
The Group also participates in a defined benefit multi-employer plan through its subsidiaries in the Netherlands, the SPOV (Stichting Pensioenfonds Openbaar Vervoer) multi-employer plan. The retirement pension is based on a percentage of the average reference salary per career for each year of length of service.

The SPOV plan is an optional pension fund available to companies covered by the Public Transportation National Collective Bargaining Agreement in the Netherlands. Twenty-seven companies were members at year-end 2016. Eligible employees of Transdev group companies that are members acquire rights as of 21 years on the basis of 1.8% of the reference salary per year of service (2016 rate).

A board of directors composed of employer and employee representatives is responsible for the fund's governance and is assisted by committees of experts. The pension fund's financial situation is assessed by the Dutch Central Bank and the local Financial Markets Authority.

As of December 31, 2016:
- Plan assets (100% coverage) totaled €3.7 billion. As of December 31, 2015, they were mainly composed of equities (35%), government bonds (28%) and real estate (9%).
- The discounted value of the obligation according to local accounting principles was estimated at €3.6 billion (100% coverage).

Accordingly, the plan is in surplus. Because the Group has no right to this surplus, no asset is recognized in the consolidated statement of financial position (asset ceiling).

As of December 31, 2016, the economic assumptions used to calculate the obligation according to local principles were as follows:
- a discount rate of 1.2%;
- a retirement benefits indexation rate of 0%, which is conditional on meeting the minimum coverage ratio for pension funds under the Dutch legislation in force.

The Group's subsidiaries in the Netherlands accounted for less than 50% of the contributions to the fund at year-end 2016. The Group's contribution to the SPOV plan primarily concerns employees in the Public Transportation sector, where the duration of operations depends on the renewal of contracts. When a contract is lost to another operator, the Group's obligations to the employees who are transferred to the new operator are also transferred, and the Group owes no further obligation to the former plan beneficiaries.

The current service cost totaled €34.8 million in 2016, which is equal to the employer's contribution.

VII.22. OPERATING LEASES

The Transdev group has concluded operating and finance leases, essentially for rolling stock. Finance leases are described in note VII.13.

VII.22.1. FUTURE MINIMUM LEASE PAYMENTS

(€ millions)	OPERATING LEASE
2017	310.2
2018-2019	464.8
2020-2021	301.6
2022 and subsequent years	285.6
TOTAL FUTURE MINIMUM LEASE PAYMENTS	**1,362.2**

VII.22.2. LEASE PAYMENTS OWED DURING THE PERIOD

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016
Minimum lease payments expensed in the period	(397.3)	(398.0)
Contingent lease payments expensed in the period	-	-
TOTAL LEASE PAYMENTS FOR THE PERIOD	**(397.3)**	**(398.0)**

VII.22.3. "STRUCTURED ENTITIES"

The Group has entered into operating leases for its rail operations in Germany. Some of these leases are carried by "structured entities" held by third parties. The Group has analyzed these arrangements and concluded that the entities are not controlled by Transdev. The commitments under these leases are limited to operating lease commitments and are shown in the table in note VII.22.1.

VII.23. OFF-BALANCE SHEET COMMITMENTS AND COLLATERAL

VII.23.1. OFF-BALANCE SHEET COMMITMENTS MADE AND RECEIVED

Commitments and guarantees given

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016	MATURITY < 1 YEAR	BETWEEN 1 AND 5 YEARS	> 5 YEARS
Operating guarantees including performance bonds	672.1	718.5	260.0	234.5	224.0
Capital investment and purchase obligations	61.9	57.4	47.9	6.2	3.3
Other operating commitments given	53.0	50.5	45.9	2.9	1.7
Commitments in connection with operating activities	**787.0**	**826.4**	**353.8**	**243.6**	**229.0**
Seller's warranties of assets and liabilities	57.2	55.7	15.0	37.1	3.6
Purchase and sale obligations	-	-	-	-	-
Commitments in connection with the Group's scope	**57.2**	**55.7**	**15.0**	**37.1**	**3.6**
Letters of credit	121.6	176.9	176.9	-	-
Other financing commitments	2.2	2.7	-	1,7	1.0
Commitments in connection with financing	**123.8**	**179.6**	**176.9**	**1.7**	**1.0**
TOTAL COMMITMENTS MADE	**968.0**	**1,061.7**	**545.7**	**282.4**	**233.6**

Commitments and guarantees received

(€ millions)	DECEMBER 31, 2015	DECEMBER 31, 2016	MATURITY < 1 YEAR	BETWEEN 1 AND 5 YEARS	> 5 YEARS
Operating guarantees	37.4	44.5	22.3	13.1	9.1
Commitments in connection with operating activities	**37.4**	**44.5**	**22.3**	**13.1**	**9.1**
Seller's warranties of assets and liabilities	0.6	1.4	-	1.4	-
Other guarantees in connection with changes in scope	-	-	-	-	-
Commitments in connection with the Group's scope	**0.6**	**1.4**	**-**	**1.4**	**-**
TOTAL COMMITMENTS RECEIVED	**38.0**	**45.9**	**22.3**	**14.5**	**9.1**

Operating guarantees

Operating guarantees are any commitments not associated with financing transactions that are required under agreements or contracts and, more broadly, that are required in connection with carrying on the business of the Group's companies. These guarantees include bid bonds, advance payment bonds and completion or performance bonds posted in connection with the execution of contracts or concession arrangements.

Investment and purchase obligations

These are irrevocable commitments associated with the acquisition of operating assets.

Letters of credit

Letters of credit are issued by financial institutions to creditors, customers or suppliers of the Group's companies as guarantees in connection with their operating activities. Letters of credit granted are primarily guarantees given to insurers in the United States guaranteeing payment of deductible amounts in the event of claims. Each insurer updates the total amount required, on the basis of an actuarial calculation of claim risk, either annually or upon renewal of the insurance policy.

VII.23.2. COLLATERAL PROVIDED TO SECURE FINANCIAL LIABILITIES

As of December 31, 2016, collateral provided by the Group totaled €87.5 million and is intended to guarantee financial liabilities. The amount of drawdowns under credit facilities outstanding at year-end 2016 totaled €47.1 million.

VII.24. RELATED PARTY TRANSACTIONS

VII.24.1. COMPENSATION AND RELATED BENEFITS PAID TO PRINCIPAL OFFICERS

The Group's principal officers consist of the members of Transdev's Executive Committee and the directors.

Compensation of Executive Committee members

Changes were made to the Executive Committee in fiscal year 2016, with the departure and replacement of the Chairman and Chief Executive Officer and the General Secretary. In addition, a new Human Resources Director was appointed and joined the Executive Committee. Previously, this function was performed by the General Secretary.

The table below summarizes the amounts that the Group has paid as compensation of all types and other benefits granted to the members of Transdev's Executive Committee.

(€ thousands)	2015	2016
Short-term benefits excluding employer contributions (1)	3,446.6	3,646.9
Employer contributions (2)	1,102.4	1,093.2
Post-employment benefits (3)	95.8	104.8
Other long-term benefits (4)	14.6	14.2
TOTAL	**4,659.4**	**4,859.1**

(1) Fixed and variable compensation, employee benefits in kind. Variable compensation comprises amounts due in respect of the prior fiscal year and paid during the next fiscal year.
(2) Except employer contributions related to post-employment benefits.
(3) Current service cost.
(4) Other compensation vested but payable in the long-term.

The change between 2015 and 2016 is due primarily to the early payment of bonuses to persons who left the Group.

Directors' fees paid to Transdev Group SA directors

Transdev Group SA's general meeting of shareholders held on March 24, 2016 voted to set the total gross annual amount of directors' fees to be paid to the Board of Directors in 2016 at €60,000. This amount is to be divided among the directors.

VII.24.2. RELATIONSHIPS WITH COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD

Investments in joint ventures and associates are broken down in note VII.7. Transactions with joint ventures and associates are concluded on arm's-length terms.

VII.24.3. RELATIONSHIPS WITH CAISSE DES DÉPÔTS AND VEOLIA COMPANIES AND THEIR SUBSIDIARIES NOT AFFILIATED WITH TRANSDEV

	RELATIONSHIPS WITH CAISSE DES DÉPÔTS COMPANIES AND SUBSIDIARIES NOT AFFILIATED WITH TRANSDEV		RELATIONSHIPS WITH VEOLIA COMPANIES AND SUBSIDIARIES NOT AFFILIATED WITH TRANSDEV	
(€ millions)	AS OF DECEMBER 31, 2015	AS OF DECEMBER 31, 2016	AS OF DECEMBER 31, 2015	AS OF DECEMBER 31, 2016
Non-consolidated investments	**-**	**-**	**0.1**	**-**
Receivables				
Operating receivables	0.1	0.1	1.7	2.7
Current financial receivables	3.2	4.0	-	-
Non-current derivative instruments - liabilities	**-**	**-**	**3.6**	**3.5**
Liabilities				
Operating payables	0.2	0.1	6.7	0.8
Current financial liabilities	0.3	-	0.3	-
Non-current financial liabilities	345.0	-	345.0	-
Revenue from ordinary activities	-	-	0.7	0.3
Operating expenses	-	-	(3.3)	(8.6)
Net finance expenses	(11.9)	(2.4)	(11.9)	(2.4)

Following the Group's refinancing transaction (see note VII.3.2), all financing lines provided by the shareholders were terminated and the lines drawn down were repaid.

VII.25. PENDING LEGAL OR ARBITRATION PROCEEDINGS

In the ordinary course of its operations, the Group is involved in a number of legal and arbitration proceedings with third parties or the tax authorities in certain countries. Provisions are recognized in connection with these legal and arbitration proceedings if an obligation (legal, contractual or implicit) is owed to a third party on the balance sheet date, if it is probable that an outflow of funds without consideration will be necessary to extinguish the obligation, and if the amount of such outflow of funds can be estimated with sufficient reliability.

The main pending legal proceedings are described below.

VII.25.1. REGIONAL AID FOR ROAD TRANSPORTATION OF PASSENGERS - FRANCE

In 2004, Syndicat Autonome des Transports de Voyageurs (SATV) and Société Autocars R. Suzanne petitioned the Ile-de-France Region to cancel its decisions adopted in 1994, 1998 and 2001 creating aid programs, on the grounds that the Region had breached Article 108-3 of the Treaty on the Functioning of the European Union, which requires that all aid programs must be reported to the European Commission before they are implemented.

By a judgment rendered on June 4, 2013, the Paris Administrative Court ordered the Region to recover aid that it had paid. The Region appealed that decision and, at the same time, requested that enforcement of the decision be stayed. That request was denied on December 31, 2013.

Because the operators were not parties to these various actions, on February 27, 2015, they voluntarily intervened in the case before the Paris Administrative Court of Appeal by filing a third-party opposition against the decision rendered by the Paris Administrative Court on July 12, 2010.

On November 27, 2015, the Paris Administrative Court of Appeal denied the third-party opposition and ordered the Ile-de-France Region to recover this aid within a period of nine months.

On January 27, 2016, Transdev Ile-de-France and its subsidiary Transports Rapides Automobiles (TRA) filed an appeal before the Conseil d'Etat challenging the decision that denied their third-party opposition.

If the Ile-de-France Region were to issue a payment order, Transdev Group or its relevant subsidiaries would be entitled to file an appeal before the administrative court, thereby staying enforcement of the payment order.

In addition, in October 2008, a complaint was filed with the European Commission with regard to the aid and subsidies program that the Ile-de-France Region had set up in 1994 for certain public transportation companies in that region. In March 2014, the Commission announced that it was initiating an in-depth inquiry and notified the French government of its decision to open a formal investigation. The "interested parties", including Transdev Ile-de-France and its subsidiary Transports Rapides Automobiles (TRA), submitted their views to the Commission.
In a press release dated February 2, 2017, the European Commission announced the decision it had adopted, which concludes that the government aid granted by the Ile-de-France Region, and then by the Syndicat des Transports d'Ile-de-France, to the operators of public bus transportation services in the region was in compliance with the European Union's government aid rules.

Transdev Ile-de-France and its subsidiary, Transports Rapides Automobiles (TRA), are awaiting publication of this decision of the European Commission and will submit it to the *Conseil d'Etat*, which is currently considering the appeal against the lower court's decision, in support of its position that it has no obligation to repay the aid to the region.

No provision has been recognized in the Group's financial statements.

VII.25.2. METROLINK (UNITED STATES)

On October 17, 2012, certain insurers sued Connex Railroad LLC and Transdev North America Inc. in California to recover amounts they had paid as a result of an accident that occurred in 2008. Several insurers that were parties to that action for payment have since withdrawn their complaints, thereby reducing the amount claimed from $132 million to $22.4 million. The case will be tried according to the law of New York, as ordered by the California court on October 9, 2014. In the event of an unfavorable judgment, the terms, conditions, exclusions and coverage limits of the insurance policies of Connex Railroad LLC and Veolia will apply.

Moreover, the court has rejected the insurers' claims against Connex Railroad LLC. The insurers' claims against Transdev North America Inc. were also denied. The insurers have appealed that decision.

VII.26. FEES INVOICED FOR AUDITING THE FINANCIAL STATEMENTS

EY and Mazars are the Group's external auditors.

(€ millions)	EY NETWORK	MAZARS NETWORK	OTHER
Statutory audit	3.3	2.9	0.1
Directly related services	0.4	0.1	-
AUDIT	**3.7**	**3.0**	**0.1**
Other services [1]	-	0.1	-
TOTAL	**3.7**	**3.1**	**0.1**

[1] Legal, tax, employment-related, etc.

VII.27. RECENT DEVELOPMENTS AND POST-YEAR-END EVENTS

VII.27.1. DECISION OF THE SYNDICAT DES TRANSPORTS D'ILE-DE-FRANCE (STIF)

In Ile-de-France, at year-end 2016, the type 2 contracts ("CT2") were extended by contractual amendment to cover the operation of lines until the end of July 2017. At its board of directors' meeting on January 26, 2017, the Syndicat des Transports d'Ile-de-France (STIF) adopted a new type 3 contract ("CT3") for bus lines in the Paris suburbs (operated by the members of the Optile network, which comprises Ile-de-France operators, including Transdev), for a four-year term expiring on December 31, 2020.

Transdev's type 3 contracts are being finalized and are expected to be signed during the first half of 2017.

VII.28. LIST OF COMPANIES CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016

As of December 31, 2016, 652 entities were consolidated by the Transdev group (657 as of December 31, 2015), of which:

- 571 companies were fully consolidated;
- 3 companies were proportionately consolidated;
- 78 companies were consolidated using the equity method, of which 56 were joint ventures.

In fiscal year 2016, the principal changes in the consolidation scope were due to the acquisitions during the period (see note VII.3.3). They are not deemed material individually.

Below is the list of companies consolidated at year-end 2016:

Consolidation Method	Entity Name	Percentage of interest
ALGERIA		
FC	VEOLIA TRANSPORT PILOTE SARL	100,00
AUSTRALIA		
FC	ACN 105 260 099	100,00
EM	BRISBANE FERRIES	50,00
PC	BUSLINK VIVO PTY LTD	50,00
FC	CONNEX MELBOURNE PTY LTD	100,00
FC	HARBOUR CITY FERRIES PTY LTD	100,00
EM	MAINCO MELBOURNE PTY LTD	30,00
EM	METROLINK VICTORIA PTY LTD	50,00
FC	TRANSDEV AUSTRALASIA PTY LTD	100,00
FC	TRANSDEV AUSTRALIA PTY LTD	100,00
FC	TRANSDEV BRISBANE FERRIES PTY LTD	100,00
FC	TRANSDEV FERRIES SYDNEY PTY LTD	100,00
FC	TRANSDEV MAINTENANCE SERVICES PTY LTD	100,00 NC
FC	TRANSDEV MELBOURNE PTY LTD	100,00
FC	TRANSDEV NSW PTY LTD	100,00
FC	TRANSDEV NSW SOUTH PTY LTD	100,00
FC	TRANSDEV QUEENSLAND PTY LTD	100,00
FC	TRANSDEV SOUTH WEST PTY LTD	100,00
FC	TRANSDEV SYDNEY PTY LTD	100,00
FC	TRANSDEV SYDNEY FERRIES PTY LTD	100,00 NC
FC	TRANSDEV TSL PTY LTD	100,00
FC	TRANSDEV VICTORIA PTY LTD	100,00
FC	TRANSDEV WA PTY LTD	100,00
FC	VIVO CONNECT PTY LTD	100,00
AUSTRIA		
FC	TRANSDEV ÖSTERREICH GMBH	100,00
BELGIUM		
FC	EUROLINES BELGIQUE	100,00
FC	WITTE KRUIS BELGIË BVBA	85,56
FC	WITTE KRUIS BELGIË VZW	86,42
CANADA		
FC	CITYWAY CANADA	100,00
FC	TRANSDEV CANADA INC.	100,00
FC	TRANSDEV QUEBEC, INC.	100,00
FC	TRANSDEV SERVICES (CANADA) INC	100,00
FC	YORK BRT SERVICES I INC.	100,00
CHILE		
FC	REDBUS URBANO SA	100,00
FC	VEOLIA TRANSPORT CHILE	100,00
CHINA		
EM	ANQING ZHONGBEI BUS CO., LTD	19,88
EM	HONG KONG ENGINEERING	50,00
EM	HONG KONG TRAMWAYS LIMITED	49,50
EM	HUAIBEI ZHONGBEI BUS CO., LTD.	14,01
EM	NANJING ZHONGBEI	26,95
FC	VEOLIA TRANSPORT CHINA LTD HK	55,00
EM	VT RATP CHINA	50,00
EM	VT RATP CONSULTING CO.LTD	50,00
COLOMBIA		
EM	CITY MOVIL	25,52
EM	CIUDAD MOVIL	38,50
EM	CONEXION MOVIL	33,41

Consolidation Method	Entity Name	Percentage of interest
CROATIA		
EM	TOURING CROATIA	20,79
CZECH REPUBLIC		
EM	TOURING BOHEMIA	20,79
FC	VEOLIA EUROLINES CZ A.S.	100,00
DENMARK		
EM	TOURING SCANDINAVIA	20,79
FINLAND		
FC	AJELO	85,00
FC	TRANSDEV FINLAND OY	100,00
FC	TRANSDEV HELSINKI OY	100,00
FC	VEOLIA TRANSPORT ESPOO OY	100,00
FC	VEOLIA TRANSPORT VANTAA OY	100,00
FRANCE		
FC	AÉROPASS	100,00
FC	AÉRO-PISTE	100,00
FC	AIRCAR	100,00
EM	AIR PY	24,50 NC
EM	ALBATRANS	57,55
FC	ALTIBUS.COM	65,97
FC	ANTRAS HOLDING	99,97
FC	ARY	99,97
FC	ARTOIS GOHELLE	100,00NC
FC	ATRIOM DU BEAUVAISIS	99,97
FC	ATRIOM DU COMPIEGNOIS	95,91
FC	AUTOBUS AUBAGNAIS	100,00
FC	AUTOBUS AURELIENS	69,67
FC	AUTOBUS DE L'ÉTANG	100,00
FC	AUTOCARS ALIZÉS	99,97
FC	AUTOCARS DARCHE GROS	100,00
FC	AUTOCARS DE L'AVESNOIS	99,97
FC	AUTOCARS DE MARNE LA VALLÉE	100,00
FC	AUTOCARS MARTIN HAUTE TARENTAISE VOYAGES	100,00
FC	AUTOCARS MUSSO	99,97
FC	AUTOCARS SABARDU	100,00
FC	AUTOCARS TOURNEUX	100,00
FC	AUXERROIS MOBILITÉS	100,00
FC	BEAUVAISIS MOBILITÉ	99,97 NC
FC	BESANÇON MOBILITÉS	100,00
FC	BIÈVRE BUS MOBILITÉS	100,00
EM	BIO SERVICE LOGISTIQUE	50,00
FC	BUS DE L'ÉTANG DE BERRE	99,69
FC	BUS EST	100,00
FC	CABARO	99,97
FC	CAP PAYS CATHARE	99,97
FC	CARBU-WASH	100,00
FC	CARS DU PAYS D'AIX	100,00
FC	CEA TRANSPORTS	100,00
FC	CENTRALE DE RESERVATION EUROPE AUTOCAR	100,00
FC	CFTA	100,00
FC	CFTA CENTRE-OUEST	99,97
FC	CFTA PUY DE DÔME	100,00
FC	CFTA RHÔNE	100,00
FC	CHARTRES MOBILITÉ	100,00
FC	CIE ARMORICAINE DE TRANSPORTS	99,92
FC	CIE DES AUTOCARS DE TOURAINE	99,97
FC	CIOTABUS	100,00

FC : Fully consolidated; **PC :** Proportional method; **EM :** Equity method; **NC :** Newly consolidated

Consolidation Method	Entity Name	Percentage of interest
FC	CITEBUS DES DEUX RIVES	100,00
FC	CITRAM AQUITAINE	99,97
FC	CITRAM PYRÉNÉES	99,97
FC	CITYWAY	100,00
FC	COMPAGNIE DES AUTOCARS DE PROVENCE	100,00
FC	COMPAGNIE DES BACS DE LOIRE	100,00
FC	COMPAGNIE DES PARCS ET DES PASSEURS DU MONT SAINT MICHEL	99,97
EM	COMPAGNIE DES TRANSPORTS COLLECTIFS DE L'OUEST PARISIEN	50,00
FC	COMPAGNIE DES TRANSPORTS DE LA PORTE OCÉANE	100,00
FC	COMPAGNIE DES TRANSPORTS DU PAYS DE VANNES	100,00
FC	COMPAGNIE FERROVIAIRE SUD FRANCE	100,00
FC	COMPAGNIE FRANÇAISE DE TRANSPORT INTERURBAIN	99,97
FC	COMPAGNIE OCÉANE	100,00
FC	COMPAGNIE SAINT-QUENTINOISE DE TRANSPORTS	99,97
FC	CONNEX LOCATION CARS ET BUS	100,00
FC	COURRIERS DE LA GARONNE	99,97
FC	CREUSOT MONTCEAU TRANSPORTS	100,00
FC	E.A.P	100,00
FC	ECAUXMOBILITÉ	99,97
FC	EQUIVAL SAS	100,00
FC	ÉTABLISSEMENTS BREMOND FRÈRES	100,00
FC	ÉTABLISSEMENTS MONEGER ET COMPAGNIE	99,97
FC	EURE ET LOIR MOBILITÉ	99,97
EM	EURL LITTORAL	50,00
EM	EURL MEDISUD	50,00
FC	EUROLINES FRANCE	100,00
FC	FLEET ME	95,03
FC	FNM2	99,97
FC	FOURAS AIX	100,00
FC	FRIOUL-IF- EXPRESS	100,00
FC	GREENTOMATOCARS	100,00
FC	GREENTOMATOCARS LEASING	100,00
EM	IBERFRAN	12,71
EM	IBEROLINES	25,42
FC	INTER PISTES	100,00
FC	INTER VAL	100,00
FC	KERDONIS	100,00
FC	LAVAL U.P	100,00 NC
FC	LAON MOBILITÉ	100,00
FC	LES AUTOBUS ARTÉSIENS	99,96
FC	LES AUTOBUS DU FORT	100,00
FC	LES CARS D'ORSAY	100,00
FC	LES CARS ROSE	100,00
FC	LES COURRIERS AUTOMOBILES PICARDS	97,87
FC	LES COURRIERS DE L'AUBE	99,81
FC	LES COURRIERS DE SEINE ET OISE	100,00
FC	LES LIGNES DU VAR	99,94
FC	LES RAPIDES DU VAL DE LOIRE	100,00
FC	L'IMMOBILIÈRE DES FONTAINES	100,00
FC	LITTORAL NORD AUTOCARS	99,97
FC	MAINTENANCE, ÉTUDES ET RÉALISATIONS EN CIRCULATION URBAINE ET RÉGULATION	100,00
FC	MANU-PISTE	100,00
FC	MÉCA PISTE	100,00
FC	MOBILITÉ ET SERVICES	99,97
EM	MOBILITÉ LOGISTIQUE SANTÉ	50,00
FC	MONT-BLANC BUS	74,89
FC	MOUV'IDÉES	100,00
FC	MULHOUSE MOBILITÉS	87,83
FC	N'4 MOBILITÉS	96,54

Consolidation Method	Entity Name	Percentage of interest
FC	NORMANDIE VOYAGES	99,97
FC	ODULYS	55,00
FC	PASSAGERS PÔLE SERVICES	100,00
FC	PAYS D'OC MOBILITÉS	96,80
FC	PÔLE ILE-DE-FRANCE IMMOBILIER AND FACILITIES	100,00
FC	PREVOST	99,97
FC	PROGETOURS	100,00
FC	PROXIWAY	100,00
FC	RAMBOUILLET U.P	99,97 NC
FC	RAPIDES CÔTE D'AZUR	99,97
FC	RAPIDES DE BOURGOGNE	100,00
FC	RAPIDES DE SAÔNE ET LOIRE	100,00
FC	RAPIDES DU LITTORAL	99,85
EM	RATP DEV TRANSDEV ASIA SA	50,00
FC	REGIE MIXTE DES TRANSPORTS TOULONNAIS	71,40
EM	RHÔNEXPRESS	28,20
FC	S.E.R.I 49	99,38
EM	SAEM DES AUTOCARS ET AUTOBUS AUNIS ET SAINTONGE	49,98
FC	SAINT QUENTIN MOBILITÉ	100,00
FC	SANTÉ MOBILITÉ SERVICES	70,00 NC
EM	SARL DELEYROLLE AAAC	48,00
EM	SARL GETS	50,00
EM	SARL LA BELLE AUTO	50,00
EM	SARL MARTEGALES	50,00
EM	SARL MIDI PROVENCE	50,00
EM	SARL PATRICK	50,00
EM	SARL PONT DE L'ARC	50,00
EM	SARL PROVENCE SECOURS	50,00
EM	SARL SE LA MIMETAINE	50,00
EM	SARL SUD LOGISTIQUE	50,00
FC	SAS AUTONOMIE ET SANTÉ	100,00
EM	SAS GENTY	50,00
EM	SAS HOLDING MIMETAINE	50,00
FC	SCI DE LA MARE AU MOULIN	100,00
FC	SCI DU CLOS PIERVIL	99,84
EM	SCI LE PRÉ BOUDROT	49,00
FC	SCI LES MÉLÈZES	100,00
FC	SENONAIS MOBILITÉS	100,00
FC	SEVM SAS	100,00 NC
FC	SITE.OISE	66,00
FC	SNC MASSILIA	100,00
EM	SOCIÉTÉ AÉROPORTUAIRE DE GESTION ET D'EXPLOITATION DE BEAUVAIS	49,00
EM	SOCIÉTÉ DE GESTION DE L'AÉROPORT DE LA RÉGION DE LILLE	34,00
FC	SOCIÉTÉ DE PRESTATIONS TRANSDEV IDF	100,00
FC	SOCIÉTÉ DE SERVICES ET D'EXPLOITATION DE GARES ROUTIÈRES	100,00
FC	SOCIÉTÉ DE TRANSPORT D'ANNONAY DAVEZIEUX ET EXTENSIONS	95,10
FC	SOCIÉTÉ DE TRANSPORTS AUTOMOBILES ET DE VOYAGES	100,00
FC	SOCIÉTÉ DES TRANSPORTS BERARD	100,00
FC	SOCIÉTÉ DES TRANSPORTS BRIANÇONNAIS	100,00
FC	SOCIÉTÉ DES TRANSPORTS DE CALAIS ET EXTENSIONS	100,00
FC	SOCIÉTÉ DES TRANSPORTS DE DUNKERQUE ET EXTENSIONS	100,00
FC	SOCIÉTÉ DES TRANSPORTS DE L'AGGLOMÉRATION CHÂLONNAISE	80,00
EM	SOCIÉTÉ DES TRANSPORTS DE L'AGGLOMÉRATION THONONAISE	50,00
FC	SOCIÉTÉ DES TRANSPORTS DÉPARTEMENTAUX DU GARD	99,97
FC	SOCIÉTÉ DES TRANSPORTS DÉPARTEMENTAUX DU LOIR-ET-CHER	99,97
FC	SOCIÉTÉ DES TRANSPORTS DU BASSIN CHELLOIS	100,00

FC : Fully consolidated; **PC :** Proportional method; **EM :** Equity method; **NC :** Newly consolidated

Consolidation Method	Entity Name	Percentage of interest
FC	SOCIÉTÉ DES TRANSPORTS LIBOURNAIS	100,00
FC	SOCIÉTÉ DES TRANSPORTS PAR AUTOCARS DE L'OUEST PAYS DE LA LOIRE	99,97
FC	SOCIÉTÉ DES TRANSPORTS URBAINS DE DIEPPE	100,00
FC	SOCIÉTÉ D'EXPLOITATION DE TRANSPORTS ET DE RÉPARATIONS AUTOMOBILES	100,00
FC	SOCIÉTÉ DU MÉTRO DE L'AGGLOMÉRATION ROUENNAISE	100,00
FC	SOCIÉTÉ NIÇOISE D'ENLÈVEMENT ET DE GARDIENNAGE	100,00
FC	SOCIÉTÉ NOUVELLE CPL	100,00
FC	SOCIÉTÉ NOUVELLE DES AUTOBUS AJACCIENS	100,00
FC	SOCIÉTÉ NOUVELLE DES TRANSPORTS DE L'AGGLOMÉRATION NIÇOISE	100,00
FC	SOCIÉTÉ VAROISE DE TRANSPORTS	100,00
FC	SOLEA	87,83
FC	SUD CARS	100,00
FC	SUD EST MOBILITÉS	100,00
FC	SURESNES U.P	100,00 NC
FC	TIPS	93,01
FC	TPMR STRASBOURG	99,97
FC	TPMR TOULOUSE	99,94
FC	TPMR TOURS	99,97
FC	TRANS PROVENCE	99,53
FC	TRANS VAL DE FRANCE	100,00
FC	TRANS VAL D'OISE	100,00
FC	TRANSAMO	95,05
FC	TRANSAVOIE	99,50
FC	TRANSDEV	100,00
FC	TRANSDEV FOUGÈRES	100,00
FC	TRANSDEV AÉROPORT CARCASSONNE	100,00
FC	TRANSDEV AÉROPORT LIAISONS	100,00
FC	TRANSDEV AÉROPORT PERPIGNAN	100,00
FC	TRANSDEV AÉROPORT SERVICES	100,00
FC	TRANSDEV AÉROPORT TRANSIT	100,00
FC	TRANSDEV AGGLOMÉRATION DE BAYONNE	100,00
FC	TRANSDEV ALPES	100,00
FC	TRANSDEV ALPES MARITIMES	99,97
FC	TRANSDEV ARLES	100,00
FC	TRANSDEV AUVERGNE	100,00
FC	TRANSDEV BASSIN D'ARCACHON	100,00
FC	TRANSDEV BRIVE	100,00
FC	TRANSDEV BUSINESS INFORMATION SOLUTIONS	100,00
FC	TRANSDEV CHAMBÉRY	100,00
FC	TRANSDEV DAUPHINE	100,00
FC	TRANSDEV DU MARSAN	100,00
FC	TRANSDEV ESPACES	100,00
FC	TRANSDEV EST	100,00
FC	TRANSDEV EUROLINES	100,00
FC	TRANSDEV EXPRESS	100,00
FC	TRANSDEV EXPRESS RHÔNE-ALPES AUVERGNE	100,00
FC	TRANSDEV EXPRESS GRAND OUEST	100,00 NC
FC	TRANSDEV EXPRESS SUD OUEST	100,00
FC	TRANSDEV GRAND EST	99,97
FC	TRANSDEV GROUP	100,00
FC	TRANSDEV HAUTE SAVOIE	100,00
FC	TRANSDEV ICM	100,00
FC	TRANSDEV ILE-DE-FRANCE	100,00
FC	TRANSDEV ILE-DE-FRANCE CSP CONTRÔLE	100,00
FC	TRANSDEV ISTRES	99,97
FC	TRANSDEV LIGNES VOSGES	99,97
FC	TRANSDEV LYS	100,00 NC
FC	TRANSDEV LOCATION DE VÉHICULES	100,00
FC	TRANSDEV MARITIME	100,00

Consolidation Method	Entity Name	Percentage of interest
FC	TRANSDEV MÉDITERRANÉE	100,00
FC	TRANSDEV MONTPELLIER	100,00
FC	TRANSDEV NANCY	100,00
FC	TRANSDEV ON DEMAND FRANCE	100,00
FC	TRANSDEV OUTRE MER	100,00
FC	TRANSDEV PARIS EST	100,00
FC	TRANSDEV PARIS SUD	100,00
FC	TRANSDEV PAYS D'OR	100,00
FC	TRANSDEV PAYS ROCHEFORTAIS	100,00
FC	TRANSDEV PICARDIE	99,97
FC	TRANSDEV POITOU-CHARENTES	99,97
FC	TRANSDEV RAIL	100,00
FC	TRANSDEV REIMS	100,00
FC	TRANSDEV RHÔNE ALPES INTERURBAIN	99,97
FC	TRANSDEV ROANNE	100,00
FC	TRANSDEV ROYAN ATLANTIQUE	100,00
FC	TRANSDEV SAINT-DIZIER	100,00
FC	TRANSDEV SERVICES RÉUNION	100,00
FC	TRANSDEV SHUTTLE FRANCE	100,00
FC	TRANSDEV SUD	100,00
FC	TRANSDEV SUD OUEST	100,00
FC	TRANSDEV STATIONNEMENT	100,00 NC
FC	TRANSDEV URBAIN	100,00
FC	TRANSDEV VALENCE	100,00
EM	TRANSÉVRY	44,37
FC	TRANSPORT DU VAL DE SEINE	99,97
FC	TRANSPORTS DE TOURISME DE L'OCÉAN	99,97
FC	TRANSPORTS D'EURE-ET-LOIR	99,97
FC	TRANSPORTS DU VAL D'OISE	100,00
FC	TRANSPORTS EN COMMUN DE COMBS-LA-VILLE	100,00
FC	TRANSPORTS EN COMMUN DE LA RÉGION AVIGNONAISE	100,00
EM	TRANSPORTS EN COMMUN DE LA RÉGION MESSINE	39,96
FC	TRANSPORTS EN COMMUN DE L'AGGLOMÉRATION ROUENNAISE	100,00
FC	TRANSPORTS EN COMMUN D'ORANGE	51,00
FC	TRANSPORTS MARNE ET MORIN	100,00
EM	TRANSPORTS PARIS BEAUVAIS	49,00
FC	TRANSPORTS PUBLICS DE L'AGGLOMÉRATION STÉPHANOISE	100,00
FC	TRANSPORTS RAPIDES AUTOMOBILES	100,00
FC	TRANSPORTS URBAINS DU VALENCIENNOIS	100,00
FC	URBIS PARK SERVICES SAS	100,00 NC
FC	VAD	99,97
FC	VAL D'EUROPE AIRPORTS	100,00
FC	VE AIRPORT	100,00
FC	VELOWAY	100,00
EM	VEOLIA EDF NICE AUTO PARTAGE	69,98
FC	VEOLIA TRANSPORT BORDEAUX	100,00
FC	VILLENEUVE MOBILITÉS	100,00
FC	VISUAL	100,00
FC	VOYAGES CROLARD	100,00
FC	VOYAGES ET TRANSPORTS DE NORMANDIE	99,97
GERMANY		
FC	AHRWEILER VERKEHRS GMBH	100,00
FC	ALPINA IMMOBILIEN GMBH	100,00
FC	BAYERISCHE OBERLANDBAHN GMBH IG	100,00
FC	BAYERISCHE REGIOBAHN GMBH	100,00
FC	BUSTOURISTIK TONNE GMBH	100,00
EM	DEUTSCHE TOURING GMBH	20,79
FC	EISENBAHNWERKSTATT-GESELLSCHAFT MBH	100,00
EM	EUROLINES FRANKFURT	20,79
FC	GRIENSTEIDL GMBH	100,00

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Consolidation Method	Entity Name	Percentage of interest
EM	HABUS GMBH VERKEHRSBETRIEBE	51,00
FC	HEIDENHEIMER VERKEHRSGESELLSCHAFT MBH	74,84
EM	KSA VERWALTUNG GMBH AUGSBURG	49,00
EM	KSI GMBH & CO.KG AUGSBURG	49,00
FC	MITTELRHEINISCHER VERKEHRBETRIEB GMBH	90,00
FC	MOVE ON TELEMATIC SERVICE GMBH	100,00
FC	NASSAUISCHE VERKEHRS-GESELLSCHAFT MBH	100,00
FC	NBRB TEILE UND LOGISTIKGESELLSCHAFT MBH	66,70
FC	NIEDERSCHLESISCHE VERKEHRSGESELLSCHAFT GMBH	85,00
FC	NORDDEUTSCHE VERKEHRSBETRIEBE GMBH	65,00
FC	NORD-OSTSEE-BAHN GMBH	100,00
FC	NORDWESTBAHN GMBH	64,00
FC	NUTZFAHRZEUGZENTRUM MITTELRHEIN GMBH	94,90
FC	OBERLANDBAHN FAHRZEUGBEREITSTELLUNGS GMBH	100,00
FC	OMNIBUS-VERKEHR RUOFF GMBH	100,00
FC	OSTSEELAND VERKEHR GMBH	100,00
FC	PALATINA BUS GMBH	100,00
FC	PERSONENVERKEHR GMBH MÜRITZ	100,00
EM	R M V BETEILIGUNGS GMBH	50,00
EM	RHEIN-BUS VERKEHRSBETRIEB GMBH	51,00
FC	ROHDE VERKEHRSBETRIEBE GMBH	100,00
FC	SAX-BUS EILENBURGER BUSVERKEHR GMBH	56,00
FC	SCHAUMBURGER VERKEHRS-GESELLSCHAFT MBH	51,00
FC	STADTBUS SCHWÄBISCH HALL GMBH	100,00
FC	TAETER-TOURS GMBH	51,00
FC	TRANS REGIO DEUTSCHE REGIONALBAHN GMBH	100,00
FC	TRANSDEV GMBH	100,00
FC	TRANSDEV MITTELDEUTSCHLAND GMBH	100,00
FC	TRANSDEV NIEDERSACHSEN/WESTFALEN GMBH	100,00
FC	TRANSDEV NORD GMBH	100,00 NC
FC	TRANSDEV OSTWESTFALEN GMBH	100,00
FC	TRANSDEV PERSONALSERVICE GMBH	100,00
FC	TRANSDEV REGIO GMBH	100,00
FC	TRANSDEV REGIO OST GMBH	100,00
FC	TRANSDEV RHEINLAND GMBH	100,00
FC	TRANSDEV RHEIN-MAIN GMBH	100,00
FC	TRANSDEV SACHSEN-ANHALT GMBH	100,00
FC	TRANSDEV SERVICE GMBH	100,00
FC	TRANSDEV SERVICE WEST GMBH	100,00
FC	TRANSDEV STADT GMBH	100,00
FC	TRANSDEV SUD-WEST GMBH	100,00
FC	TRANSDEV TAUNUS GMBH	100,00
FC	TRANSDEV VERTRIEB GMBH	100,00 NC
FC	TRANSDEV WEST GMBH	100,00
FC	VERKEHRSBETRIEB LAHN DILL GMBH	100,00
FC	VERKEHRSBETRIEB RHEIN EIFEL MOSEL GMBH	100,00
FC	VERKEHRSBETRIEB RHEIN LAHN GMBH	100,00
FC	VERKEHRSBETRIEB RHEIN-WESTERWALD GMBH	100,00
FC	VERKEHRSGESELLSCHAFT GÖRLITZ GMBH	49,00
EM	WEST - BUS GMBH	49,00
FC	WURTTEMBERGISCHE BUS-GESELLSCHAFT GMBH	100,00 NC
FC	WÜRTTEMBERGISCHE EISENBAHN-GESELLSCHAFT MBH	100,00
GUERNESEY		
FC	CAMELBACK INSURANCE LIMITED GUERNSAY	100,00
INDIA		
FC	METRO ONE OPERATION	38,50
EM	RATP DEV TRANSDEV INDIA	50,00

Consolidation Method	Entity Name	Percentage of interest
IRELAND		
FC	TRANSDEV DUBLIN LFCHT RAIL LTD	100,00
FC	TRANSDEV IRELAND BUS LIMITED	100,00
FC	TRANSDEV IRELAND LIMITED	100,00
ISRAEL		
FC	VEOLIA TRANSPORTATION ISRAEL LTD	100,00
KOREA		
FC	SEOUL LINE 9	44,00
EM	TRANSDEV KOREAN	50,00
EM	VT RATP KOREAN	50,00
LUXEMBURG		
FC	TRANSDEV RÉ	100,00
MAROCCO		
FC	TRANSDEV RABAT SALE SA	99,99
NETHERLANDS		
FC	ABEL TECHNOLOGIE B.V	86,41
FC	ACM OPLEIDINGEN BV	86,42
FC	ACM ZORGOPLEIDINGEN BV	86,42
EM	BEDRIJFSVERVOER LIMBURG BV	21,60
FC	CONNEXXION FINANCE BV	86,42
FC	CONNEXXION MULTIMODAL BV	86,42
FC	CONNEXXION NEDERLAND NV	86,42
FC	CONNEXXION OPENBAAR VERVOER NV	86,42
FC	CONNEXXION RETAIL BV	86,42
FC	CONNEXXION TAXI SERVICES BV	86,42
FC	CONNEXXION TOURS BV	86,42
FC	CONNEXXION VLOOT BV	86,42
FC	CONNEXXION WATER BV	86,42
EM	COÖPERATIE REGIONAL AMBULANCEVOORZIENING KENNERMERLAND U.A.	43,21
EM	COÖPERATIE REGIONALE AMBULANCEVOORZIENING HAAGLANDEN U.A.	21,60
EM	CTS NOORD BV	44,07
FC	DE GROOTH VERVOER BV	86,42
FC	EUROLINES NETHERLANDS NV	100,00
FC	FUTURE TECHNOLOGY NEDERLAND BV	86,42
FC	GVU NV	86,42
FC	HEART SAFE LIVING BV	86,42
FC	HERMES GROEP NV	86,42
FC	HERMES OPENBAAR VERVOER BV	86,42
FC	OMNITAX BV	100,00
FC	OV REGIO IJSSELMOND BV	86,42
FC	PERSONEELSVOORZIENING BRABANTS BUSVERVOER BV	100,00
EM	PERSONENVERVOER GRONINGEN BV	28,80
FC	PERSONENVERVOER VAN DIJK DELFTZIJL BV	86,42
FC	PERSONENVERVOER ZUID-NEDERLAND BV	100,00
EM	REISINFORMATIEGROEP BV	28,35
FC	ROLINE BV	86,42
EM	SCHIPHOL TRAVEL TAXI BV	43,21
FC	STADSBUS GROEP MAASTRICHT NV	100,00
FC	STADSBUS MAASTRICHT PARTICIPATIES BV	100,00
FC	STAN ECOZORG B.V.	86,42 NC
FC	STICHTING AMBULANCEZORG NOORD EN OOST GELDERLAND	86,42
FC	STICHTING REGIONALE AMBULANCEVOORZIENING ZEELAND	86,42
FC	TAXI CENTRALE MIDDEN-BRABANT	100,00
FC	TBC HOLDING B.V.	86,42
FC	TECHNO SERVICE NEDERLAND NV	86,42

FC : Fully consolidated; **PC :** Proportional method; **EM :** Equity method; **NC :** Newly consolidated

Consolidation Method	Entity Name	Percentage of interest
FC	VEOLIA TRANSPORT BRABANT N.V.	100,00
FC	VEOLIA TRANSPORT FAST FERRIES B.V.	100,00
FC	VEOLIA TRANSPORT LIMBURG B.V.	100,00
FC	VEOLIA TRANSPORT LIMBURG BUS B.V.	100,00
FC	VEOLIA TRANSPORT LIMBURG TOUR	100,00
FC	VEOLIA TRANSPORT NEDERLAND HOLDING B.V.	100,00
FC	VEOLIA TRANSPORT NEDERLAND OPENBAAR VERVOER B.V	100,00
FC	VEOLIA TRANSPORT PERSONEELSVOORZIENING	100,00
FC	VEOLIA TRANSPORT RAIL B.V.	100,00
EM	VERENIGING AMBULANCEZORG REGIO NOORD-HOLLAND NOORD IN COÖPERATIEF VERBAND U.A.	43,21
FC	WITTE KRUIS AMBULANCE BV	86,42
FC	WITTE KRUIS AMBULANCEZORG BV	86,42
FC	WITTE KRUIS BV	86,42
FC	WITTE KRUIS HOLDING BV	86,42
FC	WITTE KRUIS MIDELEN BV	86,42
FC	WITTE KRUIS ZORG BV	86,42
FC	WKA ZEELAND	86,42 NC
NEW CALEDONIA		
EM	CARSUD SA	27,96
NEW ZEALAND		
FC	TRANSDEV AUCKLAND LTD	100,00
FC	TRANSDEV NEW ZEALAND LTD	100,00
FC	TRANSDEV WELLINGTON LTD	100,00 NC
PORTUGAL		
EM	AUTO-PENAFIEL, LDA (ROCALDAS)	25,42
FC	AUTO VIACAO AVEIRENSE	100,00
FC	CAIMA TRANSPORTES	100,00
FC	EMPRESA DE TRANSPORTES ANTONIO CUNHA	100,00
EM	GPS TRANSPORTES	25,42
EM	IBERO EUROSUR S.L.	25,10
FC	INTERCENTRO	49,24
EM	INTERGALIZA	25,42
FC	INTERNORTE	50,84
FC	MINHO BUS	100,00
FC	RODOVIARIA DA BEIRA INTERIOR	100,00
FC	RODOVIARIA DA BEIRA LITORAL	100,00
FC	RODOVIARIA DE ENTRE D'OURO E MINHO	100,00
EM	RODOVIARIA DO TEJO	25,42
FC	TRANSDEV DOURO	100,00
FC	TRANSDEV INTERIOR	100,00
FC	TRANSDEV MOBILIDADE	100,00
FC	TRANSDEV NORTE	100,00
FC	TRANSDEV PARTICIPACÕES SGPS	100,00
FC	TRANSDEV PORTO	100,00
SERBIA		
EM	TOURING SERBIA	20,79
UNITED KINGDOM		
FC	BLAZEFIELD BUSES LTD	100,00
FC	BLAZEFIELD TRAVEL GROUP LTD	100,00
FC	BURNLEY & PENDLE TRAVEL LTD	100,00
FC	CABFIND LTD	100,00
FC	COMET CAR HIRE LTD	100,00
FC	CONNEX SOUTH EASTERN LTD	100,00
FC	GREEN TOMATO CARS LTD	100,00
FC	HARROGATE & DISTRICT TRAVEL LTD	100,00
FC	KEIGHLEY & DISTRIC TRAVEL LTD	100,00

Consolidation Method	Entity Name	Percentage of interest
FC	LANCASHIRE UNITED LTD	100,00
FC	TRANSDEV BLAZEFIELD LTD	100,00
FC	TRANSDEV CLAIMS INVESTIGATIONS LTD	100,00
FC	TRANSDEV NORTHEN BLUE LTD	100,00
FC	TRANSDEV PLC	100,00
FC	TRANSDEV TRAM UK LTD	100,00
FC	TRANSDEV YORK LTD	100,00
FC	TRANSPORT LONDON LTD	100,00
FC	TRIDENT HERITAGE LTD	100,00
FC	YORKSHIRE COASTLINER LTD	100,00
UNITED STATES OF AMERICA		
FC	10-10 TAXI AR, LLC	100,00
FC	10-10 TAXI FL 1, LLC	100,00
FC	10-10 TAXI MN, LLC	100,00
FC	10-10 TAXI NY, LLC	100,00
FC	10-10 TAXI TX 1, LLC	100,00
FC	10-10 TRANSPORTATION, LLC	100,00
FC	AIRLINES ACQUISITION CO., INC	100,00
FC	AIRPORT LIMOUSINE SERVICE, INC.	100,00
FC	ASSOCIATED CAB, LLC	100,00
FC	ATC PARTNERS LLC	100,00
FC	ATC/VANCOM OF ARIZONA, LIMITED PARTNERSHIP	100,00
FC	BELLE ISLE CAB COMPANY, INC.	100,00
FC	BLUE BOOTH INCORPORATED	84,21
FC	BLUE VAN JV	76,00
FC	BLUE VAN LEASING CORPORATION	100,00
FC	CENTRAL CAB COMPANY, INC.	100,00
FC	CENTURY CAB COMPANY, INC.	100,00
FC	CHAMPION CAB COMPANY, INC	100,00
FC	CHECKER AIRPORT TAXI, INC	100,00
FC	CHECKER CAB ASSOCIATION, INC.	100,00
FC	CHECKER YELLOW CAB OF JACKSONVILLE, LLC	100,00
FC	CHOICE CAB COMPANY, INC.	100,00
FC	CIRCLE CAB COMPANY, INC.	100,00
FC	CLASSIC CAB COMPANY, INC.	100,00
FC	CLEARWATER TRANSPORTATION, LLC	100,00
FC	CLOUD 9 SHUTTLE, INC.	100,00
FC	COAST CAB COMPANY, INC.	100,00
FC	COLONIAL CAB COMPANY, INC.	100,00
FC	COLORADO AIRPORT SHUTTLE SERVICES, LLC	100,00
FC	COLORADO CAB COMPANY, LLC	100,00
FC	COLORADO SPRINGS TRANSPORTATION, LLC D/B/A YELLOW CAB COMPANY OF COLORADO SPRINGS	100,00
FC	COLORADO TRANS MANAGEMENT, LLC	100,00
FC	COMPUTER CAB COMPANY, INC.	100,00
FC	CONNEX RAILROAD LLC	100,00
FC	CORDIAL CAB COMPANY, INC.	100,00
FC	DHTC, LLC	100,00
FC	DULLES TRANSPORTATION PARTNERSHIP	60,00
FC	ENVIRO CAB, LLC TX	100,00
FC	ENVIROCAB, LLC VIRGINIA	100,00
FC	GOLDEN TOUCH TRANSPORTATION OF NEW YORK, INC	100,00
FC	GOLDEN TOUCH TRANSPORTATION OF THE DISTRICT OF COLUMBIA	100,00
FC	GREEN TOMATO CARS DC, LLC	100,00
FC	GREEN TOMATO CARS VA, LLC	100,00
FC	HOUSTON O & M LLC	100,00
FC	HUNTLEIGH TRANSPORTATION SERVICES LLC	100,00
FC	INTELLIRIDE LLC	100,00
FC	JIMMY'S CAB, INC.	100,00
FC	KANSAS CITY LIMOUSINE LLC	100,00

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Consolidation Method	Entity Name	Percentage of interest
FC	KANSAS CITY SHUTTLE LLC	100,00
FC	KANSAS CITY TAXI LLC	100,00
FC	MASSACHUSSETS BAY COMMUTER RAILROAD COMPANY, LLC	60,00
FC	MCLEAN CONSULTING, LLC	100,00
FC	MINI BUS SYSTEMS, INC.	100,00
FC	NATIONAL HARBOR TRANSPORTATION SERVICES LLC	100,00
FC	OAK STREET SALES, INC.	100,00
FC	PHOENIX TRANSIT JOINT VENTURE	82,00
FC	PITTSBURGH CAB COMPANY, INC.	100,00
FC	PITTSBURGH TRANSPORTATION COMPANY	100,00
FC	PITTSBURGH TRANSPORTATION GROUP CHARTER SERVICES, INC.	100,00
FC	PROFESSIONAL FLEET MANAGEMENT LLC	100,00
FC	PROFESSIONAL TRANSIT MANAGEMENT, LTD.	100,00
FC	PROFESSIONNAL TRANSIT SOLUTIONS LLC	100,00
FC	PTM OF ASHEVILLE, INC.	100,00
FC	PTM OF ATTLEBORO, INC.	100,00
FC	PTM OF BOISE, LLC	100,00
FC	PTM OF CAPE COD, INC.	100,00
FC	PTM OF DUTCHESS COUNTY, INC.	100,00
FC	PTM OF GEORGIA, INC.	100,00
FC	PTM OF JACKSON, INC.	100,00
FC	PTM OF RACINE, INC.	100,00
FC	PTM OF TUCSON, INC.	100,00
FC	PTM OF WAUKESHA, INC.	100,00
FC	PTM OF WILMINGTON, INC.	100,00
FC	PTM PARATRANSIT OF TUCSON, INC.	100,00
FC	RAYRAY CAB COMPANY, LLC	100,00
FC	SACRAMENTO TRANSPORTATION, INC.	100,00
FC	SAFETY CAB COMPANY, INC.	100,00
FC	SCOUT CAB COMPANY, INC.	100,00
FC	SE FLORIDA TRANSPORTATION, LLC	100,00
FC	SECURE CAB COMPANY, INC.	100,00
FC	SELECT CAB COMPANY, INC.	100,00
FC	SENTINEL CAB COMPANY, INC.	100,00
FC	SERENE CAB COMPANY, INC.	100,00
FC	SERVICE CAB COMPANY, INC.	100,00
FC	SFO AIRPORTER, INC.	100,00
FC	SHAMROCK CHARTERS, INC	100,00
FC	SHAMROCK LEASING LLC	100,00
FC	SHAMROCK LUXURY LIMOUSINE LLC	100,00
FC	SHAMROCK TAXI OF FORT COLLINS, INC	100,00
FC	SHUTTLE ASSOCIATES LLC	100,00
FC	SHUTTLE EXPRESS, INC.	100,00
FC	SHUTTLEPORT ARIZONA JOINT VENTURE	65,00
FC	SHUTTLEPORT CALIFORNIA LLC	100,00
FC	SHUTTLEPORT CONNECTICUT LLC	100,00
FC	SHUTTLEPORT DC LLC	100,00
FC	SHUTTLEPORT FLORIDA LLC	100,00
FC	SHUTTLEPORT SERVICES ARIZONA LLC	100,00
FC	SKYLINE CAB COMPANY, INC.	100,00
FC	SMARTER MOBILITY, LLC	100,00
FC	SPENCER LEASING LLC	100,00
FC	SPLIT	85,00
FC	SUN TAXICAB ASSOCIATION, INC.	100,00
FC	SUNRISE CAB COMPANY, INC.	100,00
FC	SUPER TRANSPORTATION OF FLORIDA, LLC	100,00
FC	SUPERIOR CAB COMPANY, INC.	100,00
FC	SUPERSHUTTLE ARIZONA, INC.	100,00
FC	SUPERSHUTTLE ATLANTA, LLC	100,00
FC	SUPERSHUTTLE DALLAS FORT WORTH, INC.	100,00

Consolidation Method	Entity Name	Percentage of interest
FC	SUPERSHUTTLE FRANCHISE CORPORATION	100,00
FC	SUPERSHUTTLE INTERNATIONAL DENVER, INC.	100,00
FC	SUPERSHUTTLE INTERNATIONAL, INC	100,00
FC	SUPERSHUTTLE LAS VEGAS, LLC	100,00
FC	SUPERSHUTTLE LEASING, INC.	100,00
FC	SUPERSHUTTLE LOS ANGELES, INC.	100,00
FC	SUPERSHUTTLE LOUISIANA, LLC	100,00
FC	SUPERSHUTTLE OF HOUSTON, LLC	100,00
FC	SUPERSHUTTLE OF MINNESOTA, INC.	100,00
FC	SUPERSHUTTLE OF PENNSYLVANIA, LLC	100,00
FC	SUPERSHUTTLE ORANGE COUNTY, INC.	100,00
FC	SUPERSHUTTLE RALEIGH-DURHAM, INC	100,00
FC	SUPERSHUTTLE SAN FRANCISCO, INC.	100,00
FC	SUPERSHUTTLE TENNESSEE, INC	100,00
FC	SUPERTAXI, INC	100,00
FC	SUPREME CAB COMPANY, INC.	100,00
FC	TEMPE ARIZONA VF JOINT VENTURE	85,00
FC	THE LIMO, INC.	100,00
FC	THE YELLOW CAB COMPANY	100,00
FC	TRANSDEV BUS ON DEMAND LLC	100,00
FC	TRANSDEV NORTH AMERICA INC	100,00
FC	TRANSDEV ON DEMAND, INC	100,00
FC	TRANSDEV SERVICES, INC	100,00
FC	TRANSPORTATION TECHNOLOGY SERVICES, INC.	100,00
FC	UNIFIED DISPATCH, LLC	100,00
FC	VEOLIA TRANSPORTATION MAINTENANCE AND INFRASTRUCTURE, INC.	70,00
FC	WASHINGTON SHUTTLE, INC.	90,00
FC	WIER TRANSPORTATION	49,00
FC	YC HOLDINGS, INC	100,00
FC	YELLOW CAB ASSOCIATION, INC.	100,00
FC	YELLOW CAB COMPANY OF PITTSBURGH	100,00
FC	YELLOW TAXI ASSOCIATION, INC.	100,00
FC	ZTRIP, INC	100,00
SPAIN		
PC	CGT, S.A., CGEA CONNEX, S.A., MARFINA, S.L., ARANDE, S.L. Y SOLER & SAURET, S.A., UTE LEY 18/1982, DE 26 DE MAYO	66,00
PC	DETREN COMPANIA GENERAL DE SERVICIOS FERROVIARIOS, S.L., MARFINA, S.L. Y ARANDE, S.L., UTE, LEY 118/1982, DE 26 DE MAYO	66,00
EM	EUROLINES PENINSULAR	50,00
EM	MOVEBUS	50,00
FC	TENEMETRO, S.L	60,00
FC	TRANSDEV ESPANA SLU	100,00
FC	VEOLIA TRANSPORTE ESPAÑA SLU	100,00
EM	VIAJES EUROLINES	37,50
SWEDEN		
EM	BUSSDEPAN I KRISTIANSTAD AB	43,00
FC	GÖTEBORG STYRSÖ SKÄRGÅRDSTRAFIK AB	100,00
FC	KOMMANDITBOLAGET BUSSNINGEN	100,00
FC	MERRESOR AB	100,00
FC	PEOPLE TRAVEL GROUP AB	100,00
FC	TRANSDEV NORTHERN EUROPE AB	100,00
FC	TRANSDEV SVERIGE AB	100,00

FC : Fully consolidated; **PC :** Proportional method; **EM :** Equity method; **NC :** Newly consolidated

TRANSDEV GROUP

YEAR ENDED DECEMBER 31, 2016

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

MAZARS
61, rue Henri Regnault
92400 Courbevoie
S.A. au capital de € 8.320.000

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

TRANSDEV GROUP

YEAR ENDED DECEMBER 31, 2016

**Statutory auditors' report
on the consolidated financial statements**

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of Transdev Group;
- the justification of our assessments;
- the specific verification required by law.

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

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

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

- Your Group has carried out impairment tests on goodwill (notes VII.1.11, VII.2 and VII.4 to the consolidated financial statements). As part of our assessments, our work consisted in reviewing the methods of implementation of these impairment tests, as well as the assumptions used to make the cash flow projections. We also verified that the appropriate disclosure was made in the notes to the consolidated financial statements.
- Other intangible assets with a definite useful life, property, plant and equipment, financial assets, taxes, provisions and employee obligations, and financial instruments are recognized and measured according to the methods described in the notes to the consolidated financial statements (notes VII.5, VII.6, VII.8, VII.9, VII.16, VII.19, VII.20 and VII.21 to the consolidated financial statements). As part of our assessments, our work consisted in assessing the data and assumptions on which the judgments and estimates concerning these accounts were based, in reviewing, through sampling, the calculations made by your Group, and in verifying that the various notes to the consolidated financial statements provide the appropriate disclosures.
- In the normal course of its business, your Group is involved in legal and arbitration proceedings with third parties or the tax authorities in certain countries. We verified that an appropriate disclosure was made in note VII.25 to the consolidated financial statements.

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

III. SPECIFIC VERIFICATION

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

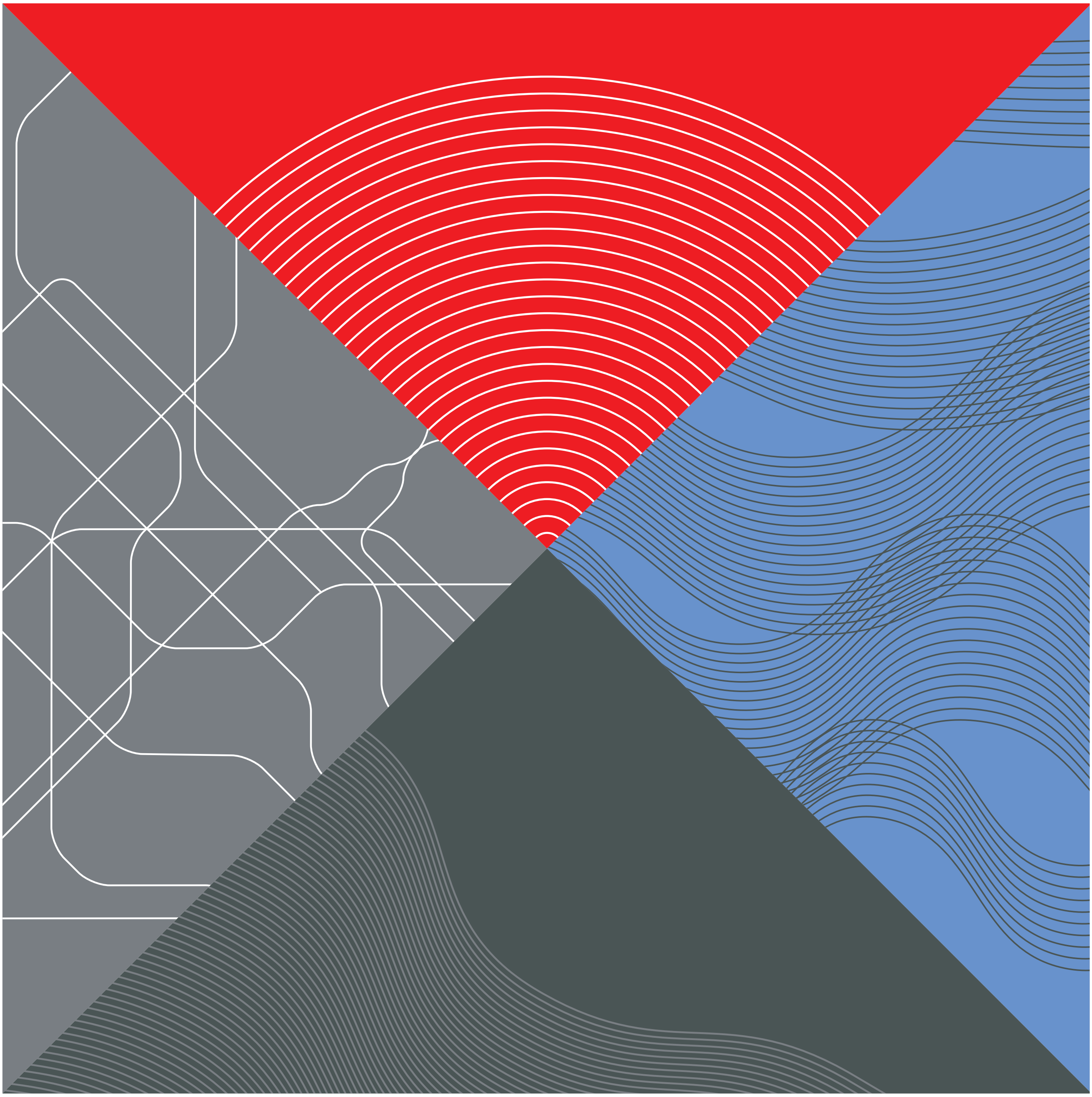
We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense, March 8, 2017

The Statutory Auditors

French original signed by

MAZARS		ERNST & YOUNG et Autres	
Gilles Rainaut	Gonzague Senlis	Jean-Christophe Goudard	Vincent Coste



TRANSDEV GROUP S.A.

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2016

transdev
INVENTONS VOTRE MOBILITÉ

CONTENTS

I. STATEMENT OF FINANCIAL POSITION

ASSETS	FISCAL YEAR 2015	FISCAL YEAR 2016			REF. NOTE
(€ thousands)	NET	GROSS	DEPRECIATION, AMORTIZATION	NET	
FIXED ASSETS					
Intangible assets:					
Start-up costs	-	-	-	-	
Concessions, patents and similar rights	13,200	13,200	-	13,200	
Goodwill	-	283	283	-	
Other intangible assets	6,406	20,628	14,241	6,387	
Intangible asset advances and down payments	-	-	-	-	
TOTAL INTANGIBLE ASSETS	19,606	34,111	14,524	19,587	III.7.1 & 7.2
Property, plant and equipment:					
Land	-	-	-	-	
Buildings	-	-	-	-	
Transportation equipment	-	-	-	-	
Machinery and equipment	-	-	-	-	
Other	2,157	9,076	8,188	889	
Property, plant and equipment in progress and down payments	143	774	-	774	
Advances and down payments	-	-	-	-	
TOTAL PROPERTY, PLANT AND EQUIPMENT	2,300	9,851	8,188	1,663	III.7.1 & 7.2
Investments:					
Equity investments	1,193,174	2,384,672	1,070,455	1,314,217	
Loans related to investments	946,823	804,657	6,300	798,357	
Other long-term securities	-	-	-	-	
Other loans	-	-	-	-	
Other	3,012	3,032		3,032	
TOTAL INVESTMENTS	2,143,009	3,192,361	1,076,755	2,115,606	III.7.1 & 7.2
TOTAL FIXED ASSETS (I)	2,164,916	3,236,322	1,099,467	2,136,856	III.7.1 & 7.2
Current assets					
Inventories and work in progress:					
Inventories of raw materials and other supplies	-	-	-	-	
Advances and down payments to suppliers	99	54	-	54	
Operating receivables:					
Trade receivables	27,082	15,999	-	15,999	III.7.3 & 7.4
Other	10,699	6,190	126	6,064	III.7.3 & 7.4
Marketable securities	-	116,213	-	116,213	
Cash and cash equivalents	4,083	49,649	-	49,649	
Prepaid expenses	2,195	2,131	-	2,131	
TOTAL CURRENT ASSETS (II)	44,158	190,236	126	190,110	
EXPENSES TO BE APPORTIONED OVER MORE THAN ONE PERIOD (III)	-	-	-	-	
BOND REDEMPTION PREMIUMS (IV)	-	-	-	-	
EXCHANGE UNREALIZED LOSSES (V)	1,664	1,978	-	1,978	III.7.5
GRAND TOTAL (I+II+III+IV+V)	2,210,738	3,428,536	1,099,592	2,328,944	

LIABILITIES

(€ thousands)	FISCAL YEAR 2015	FISCAL YEAR 2016	REF. NOTE
EQUITY			
Capital	1,137,120	1,137,120	
Issue, contribution premiums	-	-	
Revaluation of assets	-	-	
Reserves:			
Legal reserve	-	4,835	
Other reserves	-	-	
Regulated reserves	-	-	
Retained earnings	(11,191)	71,867	
Income (loss) for the period	107,893	47,850	
Investment grants	-	-	
Regulated provisions	-	-	
TOTAL EQUITY (I)	**1,233,822**	**1,261,672**	III.7.6
PROVISIONS			
Contingency provisions	7,662	7,656	
Loss provisions	3,570	4,264	
TOTAL PROVISIONS (II)	**11,232**	**11,920**	III.7.7
LIABILITIES			
Borrowings from financial institutions [1]	9,530	811,043	III.7.8
Various debts	814,220	69,478	III.7.8
Advances and down payments on orders in progress	-	-	III.7.8
Trade payables	29,708	31,020	III.7.8
Taxes payables and employee commitments	18,804	17,193	III.7.8
Liabilities to fixed asset suppliers	1,165	2,400	III.7.8
Other liabilities	90,451	118,153	III.7.8
Prepaid income			III.7.8
TOTAL LIABILITIES (III) [2]	**963,879**	**1,049,286**	
EXCHANGE UNREALIZED GAINS (IV)	**1,804**	**6,066**	III.7.5
GRAND TOTAL (I+II+III+IV)	**2,210,737**	**2,328,944**	

[1] Of which, bank borrowings for ordinary operations and credit balances on bank accounts:	9,472	182	
[2] Prepaid expenses and income maturing within one year:	197,061	146,197	

II. INCOME STATEMENT

(€ thousands)	FISCAL YEAR 2015	FISCAL YEAR 2016	REF. NOTE
Revenue from operations:			
Sale of goods	-	-	
Production sold (goods)	-	-	
Production sold (services)	-	-	
NET SALES			
Changes in inventories	-	-	
Operating grants	-	-	
Reversals of provisions, depreciation (and amortization), expense transfers	1,691	3,297	
Other revenues	75,013	80,203	
TOTAL REVENUE FROM OPERATIONS (I)	**76,704**	**83,500**	
Operating expenses:			
Supply purchases	-	-	
Changes in inventories	-	-	
Other purchases and external expenses	36,448	45,641	
Taxes	3,286	3,068	
Wages and salaries	25,365	27,072	
Social security contributions	12,915	13,226	
Depreciation and amortization:			
- fixed assets: amortization	3,907	4,397	
- fixed assets: depreciation	-	2,822	
- current assets: depreciation	-	-	
- contingencies and losses: depreciation	27	848	
Other expenses	396	9,959	
TOTAL OPERATING EXPENSES (II)	**82,344**	**107,034**	
OPERATING INCOME (I-II)	**(5,640)**	**(23,534)**	
PROFIT ATTRIBUTED OR LOSS TRANSFERRED (III)	**808**	**345**	
LOSS INCURRED OR PROFIT TRANSFERRED (IV)			
Financial income:			
Income from equity investments	65,691	359,352	
From other capitalized securities and receivables	-	-	
Other interest and similar income	5,333	6,405	
Reversals of provisions, depreciation (and amortization), expense transfers	115,132	32,883	
Foreign exchange gains	84,885	49,679	
TOTAL FINANCIAL INCOME (V)	**271,040**	**448,319**	
Financial expenses:			
Depreciation, amortization and provisions	62,972	330,700	
Interest and similar expenses	26,826	18,971	
Foreign exchange losses	97,319	54,293	
TOTAL FINANCIAL EXPENSES (VI)	**187,118**	**403,963**	
FINANCIAL INCOME (LOSS) (V-VI)	**83,922**	**44,356**	*III.8.4*
CURRENT INCOME (LOSS) BEFORE INCOME TAX (I-II+III-IV+V-VI)	**79,090**	**21,168**	
Extraordinary income:			
From operations	-	1	
From asset disposals	301	405	
Reversals of provisions, depreciation (and amortization), expense transfers	116	39	
TOTAL EXTRAORDINARY INCOME (VII)	**417**	**445**	
Extraordinary expenses:			
From operations	19	1	
From asset disposals	9	1,405	
Depreciation, amortization and provisions	2,300	126	
TOTAL EXTRAORDINARY EXPENSES (VIII)	**2,329**	**1,532**	
EXTRAORDINARY INCOME (LOSS) (VII-VIII)	**(1,912)**	**(1,087)**	*III.8.5*
EMPLOYEE PROFIT-SHARING (IX)	**-**	**-**	
INCOME TAX (X)	**(30,715)**	**(27,768)**	*III.8.6*
TOTAL REVENUE (I+III+V+VII)	**348,969**	**532,610**	
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	**241,076**	**484,761**	
NET INCOME (LOSS)	**107,893**	**47,850**	

III. NOTES TO THE FINANCIAL STATEMENTS

III.1. NOTEWORTHY ACTIONS AND SIGNIFICANT EVENTS DURING THE PERIOD

III.1.1. REORGANIZATION OF TRANSDEV'S SHAREHOLDER STRUCTURE

On December 21, 2016, Caisse des Dépôts and Veolia reached agreement on a reorganization of the shareholder structure of Transdev Group SA and on the terms for Veolia's divestment from the company:

- Caisse des Dépôts has acquired 20% of Transdev's capital, bringing its holding to 70% and giving it sole control of the company, while Veolia provisionally retains a 30% stake.
- After this initial transaction, Veolia and Caisse des Dépôts will promptly take the necessary steps to find a new shareholder willing to purchase the balance of Veolia's holding (30%) and able to support Transdev's future development. If no shareholder has been found at the end of a two-year period, Veolia will have a put option to sell its remaining interest to Caisse des Dépôts. Similarly, Caisse des Dépôts will have a call option to buy that interest for the same price.

As of December 31, 2016, following this agreement, the Group is fully consolidated in the accounts of Caisse des Dépôts, and Veolia accounts for the Group using the equity method.

III.1.2. REFINANCING OF THE GROUP

As of December 31, 2015, the Group was financed primarily by:

- Caisse des Dépôts in the form of a bilateral line of credit with the following features: a term loan of €345 million and a new €200 million line of credit, which had not been drawn down as of December 31, 2015. In addition, Transdev had a €150 million line of credit.
- Veolia in the form of a bilateral line of credit with the following features: a term loan of €345 million and a new €200 million line of credit, which had not been drawn down as of December 31, 2015. In addition, Transdev had a €180 million liquidity line.

On March 23, 2016, Transdev Group SA signed an agreement with a syndicate of 15 banks providing for the refinancing of its shareholder loans and credit facilities, for a total amount of €1.2 billion, in the form of two credit facilities:

- a term loan of €500 million with a maturity of five years;
- a new €700 million credit line with a maturity of five years, with two options for one-year extensions, at the lenders' discretion.

Private placements (Schuldschein)
In addition, Transdev completed a financing transaction on the "Schuldschein" market (private placements governed by German law) with international banks and institutional investors. This multi-tranche financing, with a maturity of four, seven and ten years depending on the currency, generated a total amount of US$ 122.5 million and €68.5 million.

Assignment of competitiveness and employment tax credit receivable
In fiscal year 2016, the Group assigned, without recourse, its 2016 competitiveness and employment tax credit (crédit d'impôt compétitivité emploi – "CICE") receivable to a financial institution in order to monetize it.

III.1.3. EQUITY INVESTMENTS

Pursuant to the internal legal reorganization of the Transdev Group authorized by the Board of Directors on December 13, 2011, in November 2016 Transdev Group acquired from Transdev Ile de France the latter's shares in Transdev GmbH for €166.5 million and in Transdev Australasia for €196.2 million.

III.1.4. TAX CONSOLIDATION

On April 21, 2011, Transdev Group SA elected to be part of a tax group, as defined in Articles 223 A et seq. of the French General Tax Code (Code général des impôts).
The tax consolidation election took effect on January 1, 2011 for a period of five years. It is renewable automatically unless expressly terminated by Transdev Group SA.
Income tax expense is allocated to the accounts of the various entities that comprise the tax group in accordance with the "neutrality" method required by the French National Accounting Institute (Conseil National de la Comptabilité), and reiterated in the Official Tax Bulletin no. 4H-9-88.
Pursuant to this principle, each subsidiary pays the tax it would have paid in the absence of tax consolidation, and Transdev Group SA, the company that heads the tax consolidation group, pays its own tax and either receives the benefit of any tax savings or bears the burden of any additional tax due to application of tax consolidation.
For 2016, the tax consolidation option led to the recognition of a consolidated tax bonus of €31 million on the parent company's financial statements and Group tax savings of €3.5 million.

III.1.5. CREATION OF AN ESTABLISHMENT

Transdev Group Innovation, an establishment dedicated to innovation, was created.

This establishment was created on September 1, 2016, and its corporate purpose is to develop, implement and market innovative projects, in particularly in the field of mobility.

III.1.6. PLANNED TRANSFER OF THE PRINCIPAL OFFICE

At its meeting on March 24, 2016, the Board authorized the plan to group the activities of the principal office at a new site in Issy les Moulineaux in 2017.

III.2. GENERAL RULES AND PRINCIPLES APPLIED

The financial statements for fiscal year 2016 have been prepared in accordance with the French accounting principles in force.

To the extent possible, detailed figures are provided in table form and expressed in thousands of euros.

III.3. CONSOLIDATION

Following the agreements described in section III.1.1, as of December 31, 2016, the Group is fully consolidated in the accounts of Caisse des Dépôts, and Veolia accounts for the Group using the equity method.

III.4. MEASUREMENT PROCEDURES AND METHODS APPLIED TO VARIOUS STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT ITEMS

Items recognized on the financial statements are measured using the "historical costs" method. More specifically, the measurement procedures and methods described below are used for the various items reported on the annual financial statements.

III.4.1. INTANGIBLE ASSETS

Intangible business assets are measured at acquisition cost. In accordance with the accounting regulations applicable to assets under ANC 2015-06, intangible business assets with an indefinite useful life are not amortized, but are tested each year for impairment. Impairment is recognized if the market value of the asset is less than its net carrying amount.

The accounting regulations on intangible business assets had no impact on the financial statements as of December 31, 2016.

Depending on its type, computer software is amortized over a period of three to five years.

III.4.2. PROPERTY, PLANT AND EQUIPMENT

Assets are depreciated on a straight-line basis over their useful lives:

- Buildings: ....20 years
- Machinery and equipment : ....8 years
- Computer equipment: ....5 years
- Office equipment: ....5 to 7 years
- Office furniture: ....5 to 10 years

III.4.3. INVESTMENTS

For securities acquired, the gross value of long-term securities is equal to acquisition cost including ancillary expenses, if any.

Provisions for impairment of investment securities are recognized on the basis of (i) the financial performance of the investments, (ii) changes in income or (iii) their probable sale value. The company relies *inter alia* on the business plans prepared by the subsidiaries.

Other investments are recognized as assets at their initial recognition value. Impairment is recognized if the market value of an asset falls below net carrying amount.

III.4.4. RECEIVABLES AND LIABILITIES

Receivables and liabilities are recognized at their nominal values.

If applicable, impairment is recognized on receivables to take into account the risk of non-collection.

III.4.5. TRANSFERABLE SECURITIES

Time deposit accounts are reported in this item. They are recognized at their acquisition cost, and a provision for impairment is recognized if their market value is less than their carrying amount.

III.4.6. CONTINGENCY AND LOSS PROVISIONS

Contingency and loss provisions are estimated according to the data known to the company as at the balance sheet date.

Provisions are broken down by type in section III-7.7 of the notes to the financial statements.

III.4.7. FOREIGN CURRENCY TRANSACTIONS

During the fiscal year, transactions in foreign currencies are reported at their equivalent value in euros at the exchange rate in effect on the date of the transaction.

Receivables, liabilities, loans and borrowings in foreign currencies are reported on the balance sheet for their equivalent value using the year-end exchange rate. Any difference generated by updating the value of liabilities and receivables in foreign currencies using the year-end exchange rate is reported in the "unrealized foreign exchange gains or losses" item on the balance sheet.

In accordance with Article 420-7 of the General Chart of Accounts, the impact of converting cash accounts held in foreign currency is recognized directly on the income statement as a foreign exchange translation gain (loss). Similarly, the impact of converting current accounts held with subsidiaries that, by their nature, are comparable to cash accounts are recognized directly on the income statement as a foreign exchange translation gain (loss).

A contingency provision is recognized for the net amount of the total amount of any unrealized foreign exchange losses, assessed by currency and maturity group, after taking into account forward transactions classified as hedging transactions for accounting purposes.

III.4.8. FOREIGN EXCHANGE DERIVATIVE TRANSACTIONS

Since July 5, 2011, Transdev Group has managed market risks associated with fluctuations in foreign exchange rates through the use of derivatives, in particular currency futures, currency swaps and currency options. These instruments are used for hedging purposes.

Foreign exchange derivatives classified as hedging transactions for accounting purposes are reported as foreign exchange gains or losses symmetrically to the hedged items.

The overall position of derivatives not classified as hedging transactions for accounting purposes is reported by currency.
A provision is recognized for unrealized foreign exchange losses, unrealized gains are not recognized in income, and realized gains or losses are recognized in income.

III.4.9. PENSION COMMITMENT

The company has opted for an external management contract for future post-employment benefits. The corresponding expenses are covered by the capitalized value of the funds paid.

The rights accrued by the employees in respect of post-employment benefits were calculated on the basis of the age and length of service of each employee, using a method that takes into account assumptions concerning trends in salaries, life expectancy and personnel turnover, in accordance with the principles applied in the Transdev Group.

Expenses and income from discounting are recognized on the income statement using the preferential method described in CNC Recommendation no. 2003 R-01 of April 1, 2003.

In 2016, a rate of 1.35% was used for discounting.

As of December 31, 2016, a provision of €3.8 million was recognized for a shortfall in commitment coverage.

III.4.10. COMMITMENT IN RESPECT OF LENGTH OF SERVICE BENEFITS

The rights accrued by employees in respect of length of service benefits were determined according to the age and length of service of each employee, using a method that takes into account assumptions concerning trends in salaries, life expectancy and personnel turnover, in accordance with the principles applied in the Transdev Group.
As of December 31, 2016, the commitments were covered by a provision of €0.1 million.

III.4.11. INDIVIDUAL TRAINING RIGHTS

The management of hours accumulated in respect of individual training rights is now handled by Caisse des Dépôts pursuant to the Personal Training Account system created by the law of March 5, 2014, which came into force on January 1, 2015.
Under this new system, the company has no further obligation or future expense risk to take into account.

III.4.12. COMPETITIVENESS AND EMPLOYMENT TAX CREDIT

The competitiveness and employment tax credit ("CICE") was introduced by the Amended Budget Act for 2012, which was published on December 29, 2012. It comprises a tax credit, the amount of which is calculated in proportion to the gross wage bill, excluding salaries that are more than 2.5 times the statutory minimum wage ("SMIC"). In 2016, the CICE was set at 6% of eligible remuneration paid.
In accordance with accounting standards and group instructions, the CICE was credited to the "Corporate income tax (695*)" account in the Transdev Group financial statements.
In respect of the 2016 fiscal year, Transdev Group reported a CICE of €142,945. This CICE was used, in particular, to finance training programs, new recruitments and development initiatives. In addition, the balance of the CICE was used to rebuild the company's working capital.
The impact of the CICE on Transdev Group's net income breaks down as follows:

(€ thousands)

	2016
Net income (loss)	47,850
CICE year N	142
Net income (loss) excluding CICE	47,708
Result for year N distributed in the form of dividends in year N+1	20,000

The CICE is offset against the corporate income tax owed in respect of the fiscal year during which it is recognized, then against any tax owed in respect of the subsequent three fiscal years. At the end of this offsetting period, any surplus that has not been offset is reimbursed. In 2016, the group decided to assign its CICE receivable without recourse to a financial institution.

III.5. OTHER INFORMATION

III.5.1. RELATED-PARTY TRANSACTIONS

Related-party transactions concerned by Article R.123-198 11 of the French Commercial Code (Code de commerce)
Pursuant to the regulations of the Accounting Standards Authority (Autorité des Normes Comptables or "ANC") and Article R.123-198 11 of the French Commercial Code concerning related parties, Transdev Group confirms that it did not engage any such transactions in fiscal year 2016.

Transactions with affiliates
As part of its holding activities, the company provides services to its subsidiaries on behalf of the Group. These activities primarily cover technical assistance, a brand fee, employee lending and the issue of guarantees.

III.5.2. STATUTORY AUDITORS' FEES

Pursuant to Decree no. 2008-1487 of December 30, 2008, information concerning statutory auditors' fees is not provided in these notes, as it is provided in the notes to the Transdev Group consolidated financial statements.

III.6. POST-YEAR-END EVENTS

None.

III.7. ADDITIONAL INFORMATION CONCERNING THE BALANCE SHEET

III.7.1. STATEMENT OF FIXED ASSETS: CHANGES IN GROSS VALUES

(€ thousands)	GROSS VALUES AT THE START OF THE PERIOD	ACQUISITIONS, INCREASES DURING THE PERIOD	DISPOSALS, REDUCTIONS DURING THE PERIOD	OTHER FLOWS	UNREALIZED CURRENCY LOSSES	GROSS VALUES AT THE END OF THE PERIOD
Intangible assets	**30,655**	**2,027**	**-**	**258**	**-**	**32,940**
Intangible assets advances and down payments	**982**	**737**	**(291)**	**(257)**	**-**	**1,171**
Property, plant and equipment	**8,713**	**331**	**-**	**32**	**-**	**9,076**
Property, plant and equipment in progress	**143**	**664**	**-**	**(33)**	**-**	**774**
Investments, of which	**2,921,947**	**872,364**	**(601,950)**	**-**	**-**	**3,192,361**
Equity investments	1,958,629	427,448	(1,405)	-	-	2,384,672
Loans related to investments	960,306	444,878	(600,527)	-	-	804,657
Other long-term securities	-	-	-	-	-	-
Other loans	-	-	-	-	-	-
Other investments	3,012	38	(17)	-	-	3,032
TOTAL FIXED ASSETS	**2,962,441**	**876,123**	**(602,241)**	**-**	**-**	**3,236,322**

Below is a breakdown of the main transactions involving investment securities:

(€ thousands)	ACQUISITIONS DURING THE PERIOD	CAPITAL INCREASE	TRANSFER OF ALL ASSETS	OTHER FLOWS	CHANGES DURING THE PERIOD
Transdev Australasia	196,200	-	-	-	196,200
Transdev GmbH	166,500	-	-	-	166,500
Transdev ré	-	3,325	-	-	3,325
Transdev Eurolines	-	30,000	-	-	30,000
Transdev Plc	-	29,902	-	-	29,902
Seoul Line 9	1,511		-	-	1,511
Connex Jersey liquidation	-	-	(1,000)	-	(1,000)
Miscellaneous	10	-	(405)	-	(395)
TOTAL	**364,221**	**63,227**	**(1,405)**	**-**	**426,043**

III.7.2. STATEMENT OF FIXED ASSETS: CHANGES IN DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(€ thousands)	POSITION AT THE START OF THE PERIOD	AMOUNTS RECOGNIZED DURING THE PERIOD	REVERSALS OR REDUCTIONS DURING THE PERIOD	RECLASSIFICATIONS	DEPRECIATION AND AMORTIZATION AT THE END OF THE PERIOD
Depreciation and amortization on intangible assets	12,031	3,329	(836)	-	14,524
Depreciation and amortization on property, plant and equipment	6,556	3,890	(2,259)	-	8,188
Impairment of investments	778,938	330,700	(32,883)	-	1,076,755
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF FIXED ASSETS	**797,525**	**337,919**	**(35,978)**	**-**	**1,099,466**
of which recognition and reversals					
operating	-	7,219	(3,095)	-	-
financial	-	330,700	(32,883)	-	-
extraordinary	-	-	-	-	-

Impairment of investments and related receivables

(€ thousands)	POSITION AT THE START OF THE PERIOD	AMOUNTS RECOGNIZED DURING THE PERIOD	REVERSALS DURING THE PERIOD	RECLASSIFICATIONS	POSITION AT THE END OF THE PERIOD
Transdev Eurolines	14,463	26,500	-	-	40,963
Transdev SA	419,753	-	(24,900)	-	394,853
TD Participacoes SGPS SA	40,000	-	-	-	40,000
Transdev PLC	39,983	30,700	(7,983)		62,700
Transdev Finland OY	5,501	-	-	-	5,501
Transdev North America INC.	32,972	16,900	-	-	49,872
Transdev Ile de France SA	226,266	256,600	-	-	482,866
TOTAL	**778,938**	**330,700**	**(32,883)**	**-**	**1,076,755**

III.7.3. STATEMENT OF RECEIVABLE MATURITY DATES

(€ thousands)	FISCAL YEAR 2016 GROSS	MATURING IN LESS THAN ONE YEAR	OF WHICH AFFILIATES OR CONTROLLED ENTITIES	FISCAL YEAR 2015 GROSS
Fixed assets				
Receivables from controlled entities	804,657	340,631	804,657	960,306
Other investments	3,032	177	-	3,012
Current assets				
Trade receivables	15,999	15,999	15,724	27,082
Other receivables	6,190	6,190	1,305	10,737
Prepaid expenses	2,131	2,131	-	2,195
TOTAL	**832,009**	**365,128**	**821,686**	**1,003,333**

III.7.4. STATEMENT OF CURRENT ASSETS: CHANGES IN IMPAIRMENT

Changes over the period were as follows:

(€ thousands)	POSITION AT THE START OF THE PERIOD	AMOUNTS RECOGNIZED DURING THE PERIOD	REVERSALS DURING THE PERIOD	RECLASSIFICATIONS	IMPAIRMENT AT THE END OF THE PERIOD
Inventories and work in progress	-	-	-	-	-
Trade and other receivables	-	-	-	-	-
Other accounts receivable	39	126	(39)	-	126
TOTAL IMPAIRMENT OF CURRENT ASSETS	**39**	**126**	**(39)**	**-**	**126**
of which recognition and reversals					
operations	-	-	-	-	-
financial	-	-	-	-	-
extraordinary	-	126	(39)	-	-

III.7.5. CURRENCY IMPACT

The breakdown of currency impact at year-end is shown below:

(€ thousands)	UNREALIZED CURRENCY TRANSLATION LOSSES	UNREALIZED CURRENCY TRANSLATION GAINS
Receivables from controlled entities	893	4,986
Trade receivables	5	1
Transferable securities	1,079	-
Loans and other debts	-	1,079
TOTAL	**1,978**	**6,066**

and breaks down as follows by currency:

(€ thousands)	UNREALIZED CURRENCY TRANSLATION LOSSES	UNREALIZED CURRENCY TRANSLATION GAINS
Canadian dollar CAD	684	-
Pound sterling GBP	209	-
Israeli Shekel ILS	-	1
Australian Dollar AUD	5	-
Swedish krona SEK	-	2,112
US dollar USD	1,079	3,953
TOTAL	**1,978**	**6,066**

III.7.6. STATEMENT OF CHANGES IN EQUITY

(€ thousands)	POSITION AT THE START OF THE PERIOD	APPROPRIATION OF NET INCOME 2015	CAPITAL REDUCTION	INTERIM DIVIDENDS	NET INCOME (LOSS) 2016	POSITION AT THE START OF THE PERIOD
Capital subscribed, called and paid in	1,137,120	-	-	-	-	1,137,120
Contribution premium	-	-	-	-	-	-
Legal reserve	-	4,835	-	-	-	4,835
Other Reserves	-	103,058	-	-	-	103,058
Retained earnings	(11,191)	-	-	-	-	(11,191)
Income (loss) for the period	107,893	(107,893)	-	(20,000)	47,850	27,850
TOTAL EQUITY	**1,233,822**	**-**	**-**	**(20,000)**	**47,850**	**1,261,672**

At year-end, Transdev Group's share capital consists of 118,203,700 shares with a nominal value of €9.62, fully paid up and of the same class.

In accordance with the ordinary general meeting's resolutions of March 24, 2016 approving the financial statements for 2015, the accounting profit for the fiscal year was allocated to the statutory reserve and retained earnings

At its December 20, 2016 meeting, the Board of Directors voted to pay an interim dividend totaling €20,000,066.04, i.e., a dividend of €0.1692 for each of the 118,203,700 shares.

III.7.7. CONTINGENCY AND LOSS PROVISIONS

The movements during the period are shown below:

(€ thousands)	AMOUNT AT THE START OF THE PERIOD	RECOGNITION DURING THE PERIOD	REVERSALS DURING THE PERIOD: USED	REVERSALS DURING THE PERIOD: UNNECESSARY	CONTRIBUTION SUCCESSOR AGREEMENT	AMOUNT AT THE END OF THE PERIOD
Provision for impairment (1)	7,662	-	(6)	-	-	7,656
Provision for pensions and length of service benefits	3,280	782	(143)	-	-	3,920
For employee contingencies	290	66	(12)	-	-	344
TOTAL	**11,232**	**848**	**(161)**	**-**	**-**	**11,920**
of which recognition and reversals						
operating	-	848	(161)	-	-	-
financial	-	-	-	-	-	-
extraordinary	-	-	-	-	-	-

The main changes concern the types below:

(€ thousands)	AMOUNT AT THE START OF THE PERIOD	INCREASES DURING THE PERIOD	DECREASES, REVERSALS DURING THE PERIOD	RECLASSIFICATIONS	AMOUNT AT THE END OF THE PERIOD
(1) **Provisions for impairment**					
Provision for impairment of subsidiary value	7,540	-	-	-	7,540
Other provisions for risks	122	-	(6)	-	116
TOTAL PROVISIONS FOR IMPAIRMENT	**7,662**	**-**	**(6)**	**-**	**7,656**

III.7.8. STATEMENT OF DEBT MATURITY DATES

(€ thousands)	FISCAL YEAR 2016	MATURING IN LESS THAN 1 YEAR	MATURING IN MORE THAN 1 YEAR AND LESS THAN 5 YEARS	MATURING IN MORE THAN 5 YEARS	OF WHICH AFFILIATES OR CONTROLLED ENTITIES	FISCAL YEAR 2015
Borrowings from financial institutions	811,043	1,330	746,765	62,948	-	9,530
Various debts	69,478	66,697	2,781	-	69,478	814,220
Advances and down payments on orders in progress	-	-	-	-	-	-
Trade payables	31,020	31,020	-	-	7,200	29,708
Taxes payables and employee commitments	17,193	17,193	-	-	-	18,804
Liabilities to fixed asset suppliers	2,400	2,400	-	-	620	1,165
Other liabilities	118,153	27,557	90,596	-	117,463	90,451
Prepaid income	-					-
TOTAL	**1,049,286**	**146,196**	**840,142**	**62,948**	**194,761**	**963,879**

III.7.9. STATEMENT OF FINANCIAL COMMITMENTS

The total amount of the company's financial commitments breaks down as shown below:

TYPES OF COMMITMENTS (€ thousands)	TOTAL	SUBSIDIARIES, CONTROLLED ENTITIES AND OTHER AFFILIATES	OTHER	MATURING IN LESS THAN 1 YEAR	MATURING IN MORE THAN 1 YEAR AND LESS THAN 5 YEARS	MATURING IN MORE THAN 5 YEARS
Operational performance guarantees	275,843	270,179	5,664	40,941	80,921	153,981
Guarantees on operating leases	335,055	333,829	1,226	2,845	83,452	248,759
Operational guarantees other	47,157	19,180	27,977	35,951	11,059	147
TOTAL OPERATIONAL GUARANTEES	**658,055**	**623,188**	**34,867**	**79,737**	**175,432**	**402,887**
Guarantees related to financial transactions	-	-	-	-	-	-
Commitments made	-	-	-	-	-	-
Financial guarantees	184,360	184,184	176	84,467	75,519	24,373
TOTAL OTHER GUARANTEES AND COMMITMENTS GIVEN	**184,360**	**184,184**	**176**	**84,467**	**75,519**	**24,373**
Commitments received	550,000	-	550,000	-	550,000	-

The commitments made by Transdev Group mainly relate to financing and performance guarantees on behalf of its French and foreign subsidiaries. Commitments received consist of unused credit lines with banks.

III.7.10. FINANCIAL LEASE COMMITMENTS

(€ thousands)	FISCAL YEAR 2016 TOTAL	FISCAL YEAR 2015 TOTAL
Original value of assets	n.a.	n.a.
Amortization during the period	n.a.	n.a.
Total amortization	n.a.	n.a.
Lease payments during the period	n.a.	n.a.
Lease payments still outstanding	n.a.	n.a.

III.8. ADDITIONAL INFORMATION CONCERNING THE INCOME STATEMENT

III.8.1. COMPENSATION OF CORPORATE OFFICERS

(€ thousands)	FISCAL YEAR 2016 AMOUNT	FISCAL YEAR 2015 AMOUNT
Compensation paid to members of management bodies (directors' fees)	60	60

III.8.2. AVERAGE NUMBER OF EMPLOYEES

	SALARIED PERSONNEL	PERSONNEL LOANED TO THE COMPANY
Management employees	291	7
Supervisors and technicians	24	-
White-collar employees	20	-
TOTAL	**335**	**7**

III.8.3. BREAKDOWN OF NET SALES

(€ thousands)	FISCAL YEAR 2016 AMOUNT	FISCAL YEAR 2015 AMOUNT
A) Distribution by business sector		
Not applicable	n.a.	n.a.
TOTAL	**-**	**-**
B) Distribution by geographical area		
Not applicable	n.a.	n.a.
TOTAL	**-**	**-**

III.8.4. ANALYSIS OF FINANCIAL INCOME (LOSS)

TYPE OF TRANSACTIONS *(€ thousands)*	FISCAL YEAR 2016 AMOUNT	OF WHICH AFFILIATES OR CONTROLLED ENTITIES
Financial revenue		
Revenue from controlled entities	334,577	334,577
Revenue from receivables of controlled entities	24,776	24,776
Other financial income	6,405	6,382
Reversals of financial provisions and expense transfers	32,883	32,883
Currency translation gains	49,679	-
TOTAL FINANCIAL REVENUE	**448,319**	**398,617**
Financial Expenses		
Financial amortization and provisions	(330,700)	(330,700)
Interest and similar expenses	(18,970)	(7,395)
Currency translation losses	(54,293)	-
TOTAL FINANCIAL EXPENSES	**(403,963)**	**(338,095)**
FINANCIAL INCOME (LOSS)	**44,356**	**60,521**

III.8.5. ANALYSIS OF EXTRAORDINARY EXPENSES AND REVENUE

TYPE OF TRANSACTIONS (€ thousands)	EXTRAORDINARY EXPENSES	EXTRAORDINARY REVENUE
Extraordinary expenses and revenue from management operations	(1)	1
Disposals of long-term investments	(1,405)	405
Disposals of property, plant and equipment	-	-
Disposals of intangible assets	-	-
Recognition/reversal of extraordinary depreciation, amortization and provisions:		
Other extraordinary recognition/reversals	(126)	39
Excess tax depreciation	-	-
TOTAL	**(1,532)**	**445**

III.8.6. CORPORATE INCOME TAX BREAKDOWN

(€ thousands)	CURRENT INCOME (LOSS)	EXTRAORDINARY INCOME (LOSS)	TOTAL
1. Pre-tax income	21,168	(1,087)	20,081
2. Temporary differences	2,476	-	2,476
3. Permanent differences	(15,165)	1,088	(14,077)
4. Tax bases	8,478	1	8,480
5. Deferred tax losses and depreciation deemed deferred	-	-	-
6. Taxable income after deduction of losses	8,478	1	8,480
7. Corporate income tax	27,768	-	27,768
8. Long-term capital gains tax (reduced rate)	-	-	-
9. After-tax income	48,936	(1,087)	47,850

Temporary differences correspond to expenses included in the book income that will be deducted from or added back to taxable income in future fiscal years.

Permanent differences primarily correspond to dividends received from subsidiaries, long-term net capital gains and losses and provisions for impairment of the financial assets.

In 2016, as a result of tax consolidation, Transdev Group recognised a tax saving of 31 532 K€ in its individual financial statements and a tax liability of 3 568 K€

III.8.7. UNRECOGNIZED TAX SITUATION

As of December 31, 2016, Transdev Group held:

- Tax losses that can be carried forward indefinitely in the amount of (cerfa 2058-B Bis)..............................81,925 K€
- Total tax losses for the consolidated group of..382,267 K€

III.9. INFORMATION ON SUBSIDIARIES, EQUITY INTERESTS AND THE PORTFOLIO

A) Detailed information on each subsidiary and equity interest of more than 10% whose gross value exceeds 1% of Transdev Group's capital

The detailed information on each subsidiary is taken from the consolidated data (local bases) as of January 15, 2017. As an exception, the data concerning Transdev Ile de France SA and Transdev SA is taken from the parent company financial statements.

The data for subsidiaries outside the Euro Zone is converted at the December 31 exchange rate for equity and at the average rate for income statement information.

COMPANIES				EQUITY INCLUDING NET INCOME (LOSS) FOR THE PERIOD EXCLUDING CAPITAL (1)		CURRENT VALUE OF SECURITIES HELD			GUARANTEES AND PLEDGES GRANTED BY TDG	SALES	NET INCOME (LOSS)	DIVIDENDS RECEIVED
(€ thousands)	CAPITAL	PAR VALUE	SHARE CAPITAL OF THE SUBSIDIARY		% HELD	GROSS	NET	LOANS AND ADVANCES MADE BY TDG		2016	2016	2016
1. SUBSIDIARIES												
Transdev Ile de France SA 32 Bd Gallieni 92130 Issy Les Moulineaux	20,000,000	10 €	200,000	150,273	100%	890,999	408,133	437	3,425	183,961	208,701	240,000
Transdev SA 32 Bd Gallieni 92130 Issy Les Moulineaux	1,241,266	140 €	173,777	86,974	100%	691,000	296,147	320,533	76	149,615	63,911	32,323
Transdev Eurolines 32 Bd Gallieni 92130 Issy Les Moulineaux	5,400,000	10 €	54,000	(44,178)	100%	50,100	9,137	10,226	-	1,812	(40,345)	-
Transdev Plc 401 King Street London Royaume Uni	40,500,000	£1	47,303	(13,824)	100%	61,902	2	17,579	-	2,488	(26,032)	-
Transdev Participacoes SGPS SA Avenida D Afonso Henriques n°1462 1° Edificio Olympus 4450-013 MATOSINHOS Portugal	17,000,000	1 €	46,144	111,970	100%	108,000	68,000	4,460	-	-	10,698	12,424
Transdev CANADA 1100 Bd Rene-Levesque, Bureau 1305, Montreal, Quebec H3B4N4	40,000,100	100 $CAD	38,060	761	100%	33,001	33,001	41,854	-	3,425	9,601	9,436
Transdev North America Inc 720 E Butterfield Road Suite 300 Lombard 60148 IL Etats-Unis	1,000	1 $US	127,011	(54,333)	100%	98,000	48,128	294,516	171,853	44,293	(7,726)	-
Transdev Northern Europe Box 14091, 16714 BROMA Suède	7,000,000	100 SEK	5,234	13,439	100%	65,500	65,500	87,140	-	-	19,545	15,916
Transdev GmbH Georgenstr. 22, 10117 Berlin Allemagne	25,600	1 €	26	250,820	100%	166,500	166,500	6,040	-	45,274	17,750	-
Transdev Australasia Level 8, 469 Latrobe Street Melbourne Victoria Australia	67,100,000	0,70 AUD	32,269	17,421	100%	196,200	196,200	-	-	10,376	23,714	18,036
2. EQUITY STAKES												
Not applicable												

B) General information on subsidiaries and equity interests of more than 10% whose value does not exceed 1% of Transdev Group's capital

(€ thousands)	CURRENT VALUE OF SECURITIES HELD		LOANS AND ADVANCES MADE BY TDG	GUARANTEES AND PLEDGES GRANTED BY TDG	SALES	NET INCOME (LOSS)	DIVIDENDS RECEIVED
	GROSS	NET			2016	2016	2016
1. Subsidiaries in which an equity stake of more than 50% is held							
1.1. French subsidiaries	1,302	1,302	5	89	-	-	361
1.2. Foreign subsidiaries	20,427	20,426	13,415	9,860	-	-	4,723
2. Equity interests (of between 10 and 50%)							
2.1. In French companies	27	27	-	-	-	-	-
2.2. In foreign companies	1,711	1,711	-	46,378	-	-	-

C) General information on subsidiaries and equity interests of more than 10%

1. Subsidiaries							
1.1. French subsidiaries	1,633,401	714,719	331,201	3,590	-	-	272,683
1.2. Foreign subsidiaries	749,530	597,757	465,003	181,713	-	-	60,534
2. Equity interests							
2.1. In French companies	27	27	-	-	-	-	-
2.2. In foreign companies	1,711	1,711	-	46,378	-	-	-
GRAND TOTAL	2,384,669	1,314,214	796,203	231,680	-	-	333,218

MAZARS

ERNST & YOUNG et Autres

TRANSDEV GROUP

YEAR ENDED DECEMBER 31, 2016

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

MAZARS
61, rue Henri Regnault
92400 Courbevoie
S.A. au capital de € 8.320.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

TRANSDEV GROUP

YEAR ENDED DECEMBER 31, 2016

Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying financial statements of Transdev Group;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

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

Your Company has booked and valued the equity interests according to the methods described in note III.4.3 to the financial statements. As part of our assessments, our work consisted in examining the methods of implementation of these rules, assessing the data and assumptions on which the judgments and estimates used by your company are based, and examining, on a test basis, the calculations made by your company.

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

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Courbevoie and Paris-La Défense, March 8, 2017

The Statutory Auditors
French original signed by

MAZARS		ERNST & YOUNG et Autres	
Gonzague Senlis	Gilles Rainaut	Jean-Christophe Goudard	Vincent Coste

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92442 Issy-les-Moulineaux Cedex

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