

La Société d'Articles Hygiéniques Group
"SAH Group"

Auditors' Report on

Consolidated financial statements for the year ended December 31, 2016

This is a free translation into English of the statutory auditors' reports issued in the French language and is provided solely for the convenience of English readers. The statutory auditors' reports include information specifically required by Tunisian laws in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements.

These reports should be read in conjunction with, and prepared in accordance, with Tunisian law and professional auditing standards applicable in Tunisia.

General Rapport

Tunis, April 28, 2017

**To the shareholders of
« La Société d'Articles Hygiéniques » Group
« SAH Group »
5, Rue 8610 Zone Industrielle. Charguia I –Tunis-**

Dear Sirs,

In accordance to the assignment entrusted to us by your General Assembly, we hereby report to you, for the year ended December 31, 2016:

- The audit of the consolidated financial statements of « La Société d'Articles Hygiéniques » Group, joined to the present report,
- The specific verifications and information required by law.

Report on the financial statements

We have audited the accompanying consolidated financial statements of “la Société d'Articles Hygiéniques” Group (SAH Group) as presented in the following report which comprise the balance sheet as at December 31, 2016, the income statement and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, showing a total positive consolidated Group Equity of TND 164.570.941 including the net Group income of the period of TND 33.248.488 and minority interest of TND 14.306.158.

Board of director's responsibility for the financial statements

The board of directors is responsible for the preparation and fair presentation of these financial statements in accordance with the Tunisian Generally Accepted Accounting Principles, and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in circumstances.

Auditors' responsibility

The financial statements have been prepared by your Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional Standards on Auditing applicable in Tunisia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of “la Société d’Article Hygiéniques Group” «SAH Group» as at December 31, 2016, its financial performance and its cash flows for the year then ended in accordance with the Tunisian Generally Accepted Accounting Principles.

Verifications and specific information

We have also performed the specific verifications as required by law, in accordance with the profession standards applicable in Tunisia.

Based on these verifications, we have no matters to report regarding the fair presentation and conformity with the annual financial statements of the information given in the Group management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

In addition we have not noted major deficiencies on the Group’s internal control procedures.

Les Commissaires aux Comptes Associés
M.T.B.F

Cabinet HAYET LABIDI

Ahmed BELAIFA

Hayet Labidi

***Consolidated Financial
statements***

**Balance sheet
at December 31
(In Tunisian Dinars)**

<u>Assets</u>	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<u>Non-current assets</u>			
<u>Fixed assets</u>			
Goodwill		7 840 394	7 840 394
Accumulated Depreciation		<1 176 059>	<784 039>
		6 664 335	7 056 355
Intangible assets		2 300 625	2 131 662
Accumulated Depreciation		<1 692 795>	<1 325 896>
	III.1	607 830	805 766
Property Plant and Equipment		246 310 135	218 665 180
Accumulated Depreciation		<77 238 202>	<61 910 503>
	III.2	169 071 933	156 754 677
Financial assets	III.3	1 293 782	1 009 975
Total fixed assets		177 637 880	165 626 773
Other non-current assets	III.4	899 090	1 361 272
Total non-current assets		178 536 970	166 988 045
<u>Current assets</u>			
Inventories		107 458 562	83 654 381
Less: provisions		<4 554 369>	<3 217 283>
	III.5	102 904 193	80 437 098
Accounts receivable		86 153 560	70 142 196
Less: provisions		<4 823 752>	<4 116 131>
	III.6	81 329 808	66 026 065
Other current assets		15 239 093	13 554 492
Less: provisions		<637 494>	<637 495>
	III.7	14 601 599	12 916 997
Available for sale financial assets	III.8	4 216	3 004 216
Cash and Cash equivalents	III.9	31 922 381	21 466 000
Total current assets		230 762 197	183 850 376
Total assets		409 299 167	350 838 421

**Balance sheet
at December 31
(In Tunisian Dinars)**

<u>Shareholders Equity & Liabilities</u>	<i>Notes</i>	<u>2016</u>	<u>2015</u>
Shareholders' Equity			
Share capital		43 879 431	43 879 431
Legal reserve		4 387 943	3 656 621
Retained earnings		50 278 344	37 717 867
Investment subsidy		1 793 656	2 256 163
Share premium		28 988 711	28 988 711
Foreign currency adjustment		1 994 368	316 720
Consolidated Profit (Group Share)		33 248 488	26 391 964
Total Equity (Group)	III.10	164 570 941	143 207 477
Minority share	III.10	14 306 158	10 972 152
Liabilities			
<u>Non-current liabilities</u>			
Long term bank loans	III.11	58 698 493	69 298 913
Other non-current liabilities	III.12	2 587 123	1 517 771
Total non-current liabilities		61 285 616	70 816 684
<u>Current liabilities</u>			
Accounts payable	III.13	55 150 386	46 682 920
Other current liabilities	III.14	21 039 507	13 929 499
Other financial liabilities	III.15	88 734 752	59 814 319
Bank overdrafts	III.16	4 211 807	5 415 370
Total current liabilities		169 136 452	125 842 108
<u>Total liabilities</u>		230 422 068	196 658 792
<u>Total Equity and liabilities</u>		409 299 167	350 838 421

Income statement
Year ended December, 31
(In Tunisian Dinar)

	<i>Notes</i>	<u>2016</u>	<u>2015</u>
Operating income			
Revenue		339 171 987	323 068 369
Others operating income		2 089 337	1 891 711
<u>Total operating income</u>	IV.1	341 261 324	324 960 080
Operating expenses			
Changes in inventories		17 971 917	<2 558 102>
Consumed purchases	IV.2	<221 958 498>	<198 380 017>
Payroll expenses	IV.3	<31 414 240>	<29 005 673>
Allowances for depreciation and provisions	IV.4	<19 170 869>	<16 955 093>
Other operating expenses	IV.5	<41 119 980>	<38 708 576>
<u>Total operating expenses</u>		<295 691 670>	<285 607 461>
Operating profit		45 569 654	39 352 619
Finance costs - net	IV.6	<9 079 312>	<11 098 612>
Finance income		4 179	23 038
Other ordinary gains	IV.7	1 956 579	1 084 935
Other ordinary losses	IV.8	<112 524>	<55 775>
<u>Profit before income tax</u>		38 338 576	29 306 205
Income taxes		<1 404 754>	<1 143 388>
<u>Profit after tax</u>		36 933 822	28 162 817
Extraordinary Items		<1 297 481>	-
<u>Net income</u>		35 636 341	28 162 817
<u>Group net income</u>		33 248 488	26 391 964
<u>Minority net income</u>		2 387 853	1 770 853

Cash flow statement
Year ended December, 31
(In Tunisian Dinar)

	2016	2015
Cash flows from operating activities		
Net income	35 636 341	28 162 817
Adjustments for:		
• Amortization and depreciation	20 455 695	17 137 297
• Gains or losses from disposal of fixed assets	<207 504>	<78 844>
• Share of investment grants	<725 262>	<776 598>
Change in :		
• Inventories	< 23 804 181>	< 1 777 286>
• Accounts receivable	< 16 011 364>	< 9 904 916>
• Other assets	< 2 684 601>	< 2 591 656>
• Accounts payable	7 973 432	< 6 442 846>
• Other liabilities	7 110 008	3 358 956
• Held for sale investments	3 000 000	900 019
<u>Operating cash flows</u>	30 742 564	27 986 943
Cash flows from investing activities		
Investments subsidy	-	316 825
Purchase of property, plant and equipment	< 27 711 548>	< 16 783 670>
Proceeds from equipment disposal	228 366	90 000
Purchase of financial assets	<283 807>	<38 515>
Other non-current assets acquisition	<422 035>	-
<u>Net cash used in investing activities</u>	< 28 189 024>	< 16 415 360>
Cash flows from financing activities		
Issuance of share capital	< 12 543 839>	< 9 321 638>
Long term and operating loans collection/repayment	18 320 013	7 700 313
Receipt /Investment subsidy	1 000 000	-
<u>Net cash from financing activities</u>	6 776 174	< 1 621 325>
Change in cash and cash equivalents	9 329 714	9 950 258
Foreign currency adjustment	2 330 230	< 3 819 873>
Cash and cash equivalents at beginning of the year	16 050 630	9 920 245
Cash and cash equivalents at end of year	27 710 574	16 050 630

***Notes to consolidated financial
statements***

These notes are a part of “Société d’Articles Hygiéniques” Group’s Consolidated Financial Statements as at December 31, 2016, covering the period starting from January 1st, 2016 to December 31st, 2016 in accordance with Tunisian generally accepted Accounting Principles including SAH SA and its subsidiaries SAH Algeria, SAH Algeria Distribution, SAH Libya, SAH Morocco, AZUR Papier SA, SAH Ivory coast and AZUR Detergent.

The group’s consolidated financial statements were established from subsidiaries’ individual financial statements as at December 31, 2016.

I. SAH Group

- Group presentation

The “Société d’Articles Hygiéniques” Group is composed of SAH SA as parent company and its subsidiaries SAH Algeria, SAH Algeria Distribution, SAH Libya, SAH Morocco, AZUR Papier SA, SAH Ivory Coast and AZUR Detergent SARL.

- Scope of consolidation and control percentage

Group participations are presented as follows:

- SAH SA holds **100%** of SAH Morocco shares, i.e. 500.000 shares. This subsidiary is exclusively controlled by SAH SA.
- SAH SA holds **70%** of SAH Algeria shares, i.e. 394.788 shares. This subsidiary is exclusively controlled by SAH SA.
- SAH SA holds **60%** of SAH Libya shares, i.e. 25.200 shares. This subsidiary is exclusively controlled by SAH SA.
- SAH Algeria holds **51%** of SAH Algeria Distribution, i.e. 20.391 shares. Since SAH Algeria is exclusively controlled by SAH SA, exclusive control is presumed for SAH Algeria Distribution.
- SAH SA holds **100%** of AZUR Papier SA shares, i.e. 2.649.988 shares. This subsidiary is exclusively controlled by SAH SA.
- SAH SA holds **100%** of AZUR Detergent SARL shares, i.e. 119.999 shares. This subsidiary is exclusively controlled by SAH SA.
- SAH SA holds **100%** of SAH Ivory Coast shares, i.e. 80.000 shares. This subsidiary is exclusively controlled by SAH SA.

- Consolidation procedures

Given that all companies within the scope of consolidation are exclusively controlled by SAH SA, full consolidation method (The Global Method) is adopted for all subsidiaries. It consists of the following:

- Homogenization of accounting methods and disclosure rules
- Combination of like items of assets, liabilities, Equity, income, expenses and cash flows of the parent with those of its subsidiaries
- Elimination of intragroup assets and liabilities, Equity, income, expenses and cash flows relating to transactions between entities of the Group.
- Unrealized losses resulting from intragroup transactions are to be eliminated unless their cost cannot be recovered.
- Eliminate the carrying amount of the parent's investments in each subsidiary and the parent's portion of Equity of each subsidiary.

- Identify minority interests in the consolidated subsidiaries net incomes and subtract them from the Group's result in order to obtain the net result attributable to the owners of the parent company ;
- Identify the minority interests in the consolidated subsidiaries Equity and present them in the consolidated balance sheet separately from the liabilities and the Equity of the parent company.

II. Principles, Rules and Accounting Methods

The consolidated financial statements as at December 31, 2016 were prepared in accordance with the Tunisian Generally Accepted Principles as determined by:

- Law n° 96-112 of December 30, 1996 on the corporate accounting system.
- Decree n° 96-2459 of December 30, 1996 approving the accounting framework.

In terms of presentation of the consolidated financial statements, the company has chosen to use the authorized model for the income and the cash flows statements.

II.1 Basic Principles

The financial statements were prepared in accordance with the Tunisian Generally Accepted Principles.

The financial statements have been prepared in accordance with the historical cost method.

II.2 Fixed assets

All fixed assets are initially recognized at acquisition or production cost. All fixed assets are valued at historical cost less depreciation.

Amortization rates applied to the company's tangible and intangible assets are:

- Goodwill	5%
- Intangible assets	33%
- Buildings	5%
- Plant, machinery and tools	10%
- Transport equipment	20%
- Office furniture and equipment	10%
- Fixtures, fittings and equipment	10%
- Production Machines	6,66%

II.3 Long term bank loans

Long term bank loans are included in the balance sheet for the released part under "Non-current liabilities". The portion due within less than one year is reclassified as a current liability.

II.4 Inventories

Inventories are recognized as follows:

- Raw materials, furniture and spare parts are recognized at the actual cost using the weighted average cost ("WAC"). Purchase costs include the purchase price, import duties and other non-recoverable taxes, transport and handling costs.

- Finished goods are recognized at the lower amount between the production cost and net realizable value.

II.5 Revenue

Revenue is recognized at the sale price less any discounts and rebates granted by the Group companies.

III. Balance sheet notes

III.1 Intangible assets (In TND)

Intangible fixed assets net book value is of TND607.830 as at December 31, 2016, compared to TND805.766 at December 31, 2015, detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Design, patent, trademark	423 667	398 772
Software	1 876 958	1 732 890
TOTAL	2 300 625	2 131 662
<i>Less: Accumulated depreciation</i>	<i>< 1 692 795 ></i>	<i>< 1 325 896 ></i>
Net intangible assets	607 830	805 766

III.2 Property, Plant and equipment (In TND)

Property, Plant and Equipment net book value is of TND169.071.933 as at December 31, 2016, compared to TND156.754.677 at December 31, 2015, detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Lands	8 587 712	8 270 870
Buildings	44 954 042	43 882 368
Fixtures, fittings and improvements to buildings	20 255 628	14 004 617
Office equipment	745 792	679 440
Laboratory equipment	166 368	166 368
Technical installations	16 095 147	13 188 034
Collection equipment	51 521	51 521
Transport equipment	13 785 437	12 633 269
Transport equipment acquired with Leasing	-	69 100
Hardware	2 049 663	1 669 023
Industrial tools and equipment	117 742 243	105 198 670
Payments on account on orders for tangible fixed assets	9 295 557	6 380 180
Property, plants and equipment's in progress	12 581 025	12 471 720
TOTAL	246 310 135	218 665 180
<i>Less: Accumulated depreciation</i>	<i>< 77 238 202 ></i>	<i>< 61 910 503 ></i>
Net tangible assets	169 071 933	156 754 677

III.3 Investments and financial assets (In TND)

Investments and financial assets are of TND1.293.782 as at December 31, 2016, compared to TND1.009.975 at December, 31, 2015, and are detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Loans to employees	523 771	551 465
Grants and deposits	770 011	458 510
TOTAL	1 293 782	1 009 975

III.4 Other non-current assets (In TND)

Other non-current assets are of TND899.090 as at December 31, 2016, compared to TND1.361.272 at December 31, 2015, and are detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Capitalized expenses	-	140 096
Preliminary costs	899 090	1 221 176
Total	899 090	1 361 272

III.5 Inventories (In TND)

Inventories net book value is of TND102.904.193 as at December 31, 2016 compared to TND80.437.098 at December 31, 2015, detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Raw material	80 744 802	62 001 381
Spare parts	6 156 999	5 270 675
Finished goods	20 556 761	16 382 325
Total	107 458 562	83 654 381
Provisions for depreciation of raw materials	< 2 489 001>	< 2 261 948>
Provisions for depreciation of spare parts	<121 500>	<210 208>
Provisions for depreciation of finished goods	< 1 943 868>	<745 127>
Net total	102 904 193	80 437 098

III.6 Accounts receivable (In TND)

Accounts receivable net book value is of TND81.329.808 as at December 31, 2016 compared to TND66.026.065 at December 31, 2015, detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Customers	73 182 590	61 977 529
Doubtful or contested customer accounts	3 755 592	3 556 191
Customers - Bills receivable	9 015 385	2 452 748
Bills under collection	23 292	968 990
Discounted bills	176 701	1 186 738
Total	86 153 560	70 142 196
<i>Less: provisions</i>	< 4 823 752>	< 4 116 131>
Net total	81 329 808	66 026 065

III.7 Other current assets (In TND)

Other current assets net book value is of TND14.601.599 as at December 31, 2016 compared to TND12.916.997 at December 31, 2015, detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Suppliers - Payments on account on orders	1 481 441	927 156
Purchase rebates and other outstanding debits	511 342	616 131
Tax receivables	10 667 620	9 029 566
Prepaid expenses	1 125 923	278 019
Other debtors	1 337 341	1 694 870
Investment subsidy to be received	8 750	1 008 750
Employee related receivables	106 676	-
Total	15 239 093	13 554 492
<i>Less: Provisions</i>	<i><637 494></i>	<i><637 495></i>
Net total	14 601 599	12 916 997

III.8 Held for sale investments (In TND)

Short term investments are of TND4.216 as at December 31, 2016, compared to TND3.004.216 at December 31, 2015 and are SAH SA investments.

III.9 Cash and cash equivalents (In TND)

Cash and cash equivalents are of TND31.922.381 as at December 31, 2016, compared to TND21.466.000 at December 31, 2015, and are detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Cash and cash equivalents SAH Tunisia	14 920 063	7 331 102
Cash and cash equivalents SAHD Algeria	297 065	259 988
Cash and cash equivalents SAH Morocco	531 707	56 432
Cash and cash equivalents SAH Libya	9 085 015	10 795 063
Cash and cash equivalents AZUR Papier SA	2 725 304	1 853 890
Cash and cash equivalents SAH Algeria	2 167 752	1 169 525
Cash and cash equivalents Ivory Coast	2 195 475	-
Total	31 922 381	21 466 000

III.10 Shareholders' Equity (In TND)

The Group shareholders' Equity as at December 31, 2016 is of TND164.570.941 compared to TND143.207.478 at December 31, 2015, detailed as follows:

<u>SAH TUNISIA</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Share capital	43 879 431	43 879 431
Legal reserve	4 387 943	3 656 621
Investment subsidy	1 793 657	2 256 163
Share premium	28 988 711	28 988 711
Retained earnings	41 418 600	31 044 931
Net income	28 004 859	23 900 344
Total	148 473 201	133 726 201

<u>SAH ALGERIA</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Share capital (Minority interest)	3 312 285	3 312 285
Other shareholders' Equity (Consolidation reserves)	2 325 321	2 325 321
Legal reserve and retained earnings	4 743 335	3 935 130
Net income	2 874 726	808 205
Foreign currency adjustment	1 967 676	148 162
Total	15 223 343	10 529 103
SAH Group Equity	9 025 314	5 749 271
Minority interest	6 198 029	4 779 832

<u>SAHD ALGERIA</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Share capital (Minority interest)	363 061	363 061
Other shareholders' Equity (Consolidation reserves)	<25 977>	<25 977>
Legal reserve and retained earnings	578 276	522 069
Net income	<211 109>	94 408
Foreign currency adjustment	73 142	<29 804>
Total	777 393	923 757
SAH Group Equity	131 209	183 459
Minority interest	646 184	740 298

<u>SAH MOROCCO</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Other shareholders' Equity (Consolidation reserves)	1 183	1 183
Net income	< 1 288 146>	< 1 404 821>
Retained earnings	< 2 359 742>	<954 921>
Foreign currency adjustment	<230 728>	<9 594>
Total	< 3 877 433>	< 2 368 153>

<u>SAH LIBYA</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Share capital (Minority interest)	1 980 405	1 980 405
Other shareholders' Equity (Consolidation reserves)	<81 039>	<81 039>
Legal reserve and retained earnings	8 289 849	4 620 693
Net income	4 152 772	3 669 156
Foreign currency adjustment	1 260 738	388 740
Total	15 602 725	10 577 955
SAH Group Equity	8 140 976	5 126 115
Minority interest	7 461 749	5 451 840

<u>AZUR PAPIER</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Share capital (Minority interest)	177	177
Other shareholders' Equity (Consolidation reserves)	<209 783>	<209 783>
Share premium	88 086	88 086
Investment subsidy	2 774 182	3 036 938
Legal reserve and retained earnings	< 2 124 651>	< 3 220 173>
Net income	2 103 238	1 095 522
Total	2 631 249	790 767
SAH Group Equity	2 631 053	790 584
Minority interest	196	183

<u>SAH CI</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Foreign currency adjustment	46 621	-
Total	46 621	-

III.11 Long term loans (In TND)

Long term loans are of TND58.698.493 as at December 31, 2016, compared to TND69.298.913 at December 31, 2015. These are detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
SAH Tunisia SA long term loans	35 829 416	38 763 467
AZUR Papier SA long term loans	17 874 862	25 344 155
SAH Algeria long term loans	4 994 215	5 191 291
Total	58 698 493	69 298 913

III.12 Other non-current liabilities (In TND)

Other non-current liabilities are of TND2.587.123 as at December 31, 2016, compared to TND1.517.771 at December 31, 2015 and represent provisions for risks recognized by the group entities.

III.13 Accounts payable (In TND)

Accounts payable are of TND55.150.386 as at December 31, 2016, compared to TND46.682.920 at December 31, 2015. These are detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
SAH Tunisia SA suppliers	43 425 822	35 971 875
SAHD Algeria suppliers	47 452	146 753
SAH Morocco suppliers	68 957	50 318
SAH Libya suppliers	741 748	840 461
AZUR Papier SA suppliers	2 499 585	1 971 530
SAH Algeria suppliers	7 260 182	7 701 983
SAH CI suppliers	1 106 640	-
Total	55 150 386	46 682 920

III.14 Other current liabilities (In TND)

Other current liabilities are at TND21.039.507 as for December 31, 2016 compared to TND13.929.499 at December 31, 2015, and are detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Accrued charges payables	5 511 754	1 934 176
Other creditors	4 152 476	2 494 545
Employees payables	5 966 227	4 670 835
Partners/associates - Dividends payable	172 925	17 803
Tax debts	3 230 432	2 976 461
Sales rebates other credits not yet issued	1 982 806	1 834 112
Deferred revenue	22 887	1 567
Total	21 039 507	13 929 499

III.15 Other financial liabilities (In TND)

Other financial liabilities are of TND88.734.752 as at December 31, 2016 compared to TND59.814.319 at December 31, 2015, and are detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Other financial liabilities SAH Tunisia	52 896 114	27 572 984
Other financial liabilities AZUR Papier	27 600 166	27 480 887
Other financial liabilities SAH Algeria	8 238 472	4 760 448
Total	88 734 752	59 814 319

III.16 Bank Overdraft (In TND)

Bank overdraft are of TND4.211.807 as at December 31, 2016 compared to TND5.415.370 at December 31, 2015, and are detailed as follows:

<u>Detail</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
SAH Tunisia SA	1 013 646	436 329
SAHD Algeria	385	10 527
AZUR Papier SA	3 192 043	4 712 936
SAH Algeria	-	255 578
SAH Morocco	5 733	-
Total	4 211 807	5 415 370

IV. Income statement notes**IV.1 Revenue (In TND)**

Revenue amounted TND341.261.324 as of December 31, 2016, compared to TND324.960.080 as of December 31, 2015, detailed as follows:

<u>Detail</u>	<u>2016</u>	<u>2015</u>
Revenues	344 801 682	327 236 266
Other operating income	2 089 337	1 891 711
Sales rebates, discounts, allowances granted by the entity	< 5 629 695>	< 4 167 897>
Total	341 261 324	324 960 080

IV.2 Consumed purchases (In TND)

Consumed purchases amounted TND221.958.498 as of December 31, 2016, compared to TND198.380.017 as of December 31, 2015, detailed as follows:

<u>Detail</u>	<u>2016</u>	<u>2015</u>
Purchases of raw materials	197 590 218	176 625 618
Purchases Packaging	23 821 101	21 277 229
Purchase of goods	1 294 740	964 314
Purchase rebates, discounts and allowances	<747 561>	<487 144>
Total	221 958 498	198 380 017

IV.3 Payroll expenses (In TND)

Payroll expenses amounted TND31.414.240 as of December 31, 2016, compared to TND29.005.673 as of December 31, 2015, detailed as follows:

<u>Detail</u>	<u>2016</u>	<u>2015</u>
Personnel wages and salaries	28 456 800	25 519 408
Paid leaves	208 706	892 393
Other staff costs	2 711	280 058
Employer social expenses	2 746 023	2 313 814
Total	31 414 240	29 005 673

IV.4 Allowances for depreciation and provisions (In TND)

Allowances for depreciation and provisions amounted TND19.170.869 as of December 31, 2016 compared to TND16.955.093 as of December 31, 2015, detailed as follows:

<u>Detail</u>	<u>2016</u>	<u>2015</u>
Amortization of intangible and tangible fixed assets	15 257 464	13 227 521
Amortization of deferred operating charges	967 645	2 405 834
Provisions for liabilities and charges	1 087 539	622 774
Provisions for inventories depreciation	1 225 015	291 250
Provisions for accounts receivable depreciation	635 923	407 714
Provisions reversal	<2 717>	-
Total	19 170 869	16 955 093

IV.5 Other operating expenses (In TND)

Other operating expenses amounted TND41.119.980 as of December 31, 2016 compared to TND38.708.576 as of December 31, 2015, detailed as follows:

<u>Detail</u>	<u>2016</u>	<u>2015</u>
Advertising expenses	9 903 370	9 702 313
Spare parts and other consumables	4 025 824	3 952 903
Electricity	8 141 494	7 767 150
Fuel and vehicle repairs	1 672 013	2 147 698
Maintenance and repairs	2 672 045	1 024 678
Rental expenses	1 366 108	1 794 187
Insurance	1 063 154	965 777
Remuneration of intermediaries and fees	1 783 353	822 047
Transport of goods Freight out	4 592 055	3 658 853
Business travel, missions and receptions	796 716	756 328
Postal and telecommunication costs	401 486	242 491
Banking and similar services	835 014	1 210 730
Taxes, levies and similar payments	1 381 631	1 137 868
Other operating expenses	2 485 717	3 525 553
Total	41 119 980	38 708 576

IV.6 Net financial expenses (In TND)

Net financial expenses amounted TND9.079.312 as of December 31, 2016, compared to TND11.098.612 as of December 31, 2015, detailed as follows:

<u>Detail</u>	<u>2016</u>	<u>2015</u>
Interests	8 114 368	8 864 101
Exchange losses	7 390 727	4 485 930
Exchange gains	< 4 986 371 >	< 1 148 055 >
Other expenses and financial income	< 1 439 412 >	< 1 103 364 >
Total net	9 079 312	11 098 612

IV.7 Other ordinary gains (In TND)

Other ordinary gains amounted TND1.956.579 as of December 31, 2016, compared to TND1.084.935 as of December 31, 2015, detailed as follows:

<u>Detail</u>	<u>2016</u>	<u>2015</u>
Investments subsidy profit and loss share	725 263	803 237
Other gains	1 019 228	182 919
Net income from disposal of assets	212 088	98 779
Total	1 956 579	1 084 935

IV.8 Other ordinary losses (In Tnd)

Other ordinary losses amounted TND112.524 as of December 31, 2016, compared to TND55.775 as of December 31, 2015, detailed as follows:

	<u>2016</u>	<u>2015</u>
Net loss on disposal of assets	92 524	55 775
Others	20 000	-
Total	112 524	55 775

VII Cash flow statement**Change in inventories**

<u>Detail</u>	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>Change</u>
Raw material	80 744 802	62 001 381	18 743 421
Finished Goods	20 556 761	16 382 325	4 174 436
Spare parts	6 156 999	5 270 675	886 324
Total	107 458 562	83 654 381	23 804 181

Change in account receivable

<u>Detail</u>	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>Change</u>
Customers	73 182 590	61 977 529	11 205 061
Doubtful or contested customer accounts	3 755 592	3 556 191	199 401
Customers - Bills receivable	9 015 385	2 452 748	6 562 637
Bills under collection	23 292	968 990	<945 698>
Discounted Bills	176 701	1 186 738	<1 010 037>
Total	86 153 560	70 142 196	16 011 364

Change in other current assets

<u>Detail</u>	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>Change</u>
Suppliers - Payments on account on orders	1 481 441	927 156	554 285
Purchase rebates and other outstanding debits	511 342	616 131	<104 789>
Tax receivables	10 667 620	9 029 566	1 638 054
Prepaid expenses	1 125 923	278 019	847 904
Other debtors	1 337 341	1 694 870	<357 529>
Employee related receivables	106 676	-	106 676
Total	15 230 343	12 545 742	2 684 601

Change in suppliers

<u>Detail</u>	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>Change</u>
SAH Tunisia SA suppliers	43 425 822	35 971 875	7 453 947
SAHD Algeria suppliers	47 452	146 753	<99 301>
SAH Morocco suppliers	68 957	50 318	18 639
SAH Libya suppliers	741 748	840 461	<98 713>
AZUR Papier SA suppliers	2 499 585	1 971 530	528 055
SAH Algeria suppliers	7 260 182	7 701 983	<441 801>
AZUR Detergent SARL suppliers	1 106 640	-	1 106 640
Total	55 150 386	46 682 920	8 467 466

V. Related Parties

a- Transactions with Libyan partners:

- During 2016, sales to the Libyan partners Tacharoukiet EL OFOK and Gharb El MOUTAWASSET amounted to TND48.029 thousand and TND1.219 thousands, respectively.
- The Libyan partners Tacharoukiet EL OFOK and Tacharoukiet EL MAWADA accounts receivable balance, amounts to TND7.804 thousands and TND621 thousands, respectively at December 31, 2016.
- During 2016, sales made by SAH Libya to Libyan partners totaled TND21.524 thousands.
- The Libyan partners accounts receivable balance amounts to TND6.831 thousands.

b- Mezni Jalila& Mounir Jaiez :

- During 2016, rental expenses relating to the storage deposits at Charguia owned by Mrs MEZNI Jalila and Mr Mounir JAIEZ, totaled TND98 thousands;
- Mme Jalila Mezni current account balance in SAH books amounts to TND91 thousands as at December 31, 2016.
- Mme Jalila Mezni current account balance in AZUR Papier books amounts to TND128 thousands as at December 31, 2016.