2018 HALF-YEARLY FINANCIAL REPORT

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I.

BUSINESS REVIEW FOR THE FIRST HALF OF 2018

BUSINESS REVIEW FOR THE FIRST HALF 2018

THE GROUP'S ECONOMIC ENVIRONMENT AND MARKET OVER THE PERIOD

GDP in the Eurozone recorded steady growth over the first two quarters of 2018. Spain and the Netherlands enjoyed a level of growth above that of the Eurozone, making them the fastest-growing economies in the second quarter of 2018.

Household food consumption slowed slightly across the entire Eurozone in the first half of 2018 (+1.3%) compared to the first half of 2017 (+1.7%). Household expenditure fell in Italy (-0.9%), Spain (-0.4%) and Belgium (-0.2%), due in particular to food price inflation. Conversely, good results for consumption were recorded in Portugal (+3.3%) and the Netherlands (+1.7%). French household food consumption remains very dynamic (+3.0%), although economic growth has slowed.

The price of Brent rose by +7.7% in the first half-year. In June 2018, the price of Brent was 60% higher than during the same period in 2017.

MACRO-ECONOMIC TRENDS [1]

	GDP in the Group's operating countries		Household food consumption in the 1st half of 2018
	Q1	Q2	
Eurozone	0.4%	0.4%	1.3%
France	0.2%	0.2%	3.0%
Italy	0.3%	0.2%	-0.9%
Spain	0.7%	0.6%	-0.4%
Portugal	0.4%	0.5%	3.3%
Belgium	0.3%	0.3%	-0.2%
Netherlands	0.6%	0.7%	1.7%*
Switzerland	0.6%	*n.a*	0.6%

** Cumulative change January- May 2018*
n.a = Data not published at date (14.08.2018)

[1] Source: Eurostat

The economic environment of the countries in which the Group operates remained steady in the first half-year.

- The Netherlands benefited from robust growth, driven by dynamic job creation and a high level of household confidence;
- Spain and Portugal maintained their balance due to the growth in external trade;
- Conversely, Italy continued to suffer the uncertainties of its economic policies and experienced the largest fall in household food consumption in the Eurozone.

TRENDS OBSERVED IN THE GROUP'S MAIN CUSTOMER SEGMENTS

AGRIFOOD PRODUCTION

In the first half of 2018, agrifood production in the Eurozone was steady, although it levelled off in France compared with other European countries. However, this remains a sector under pressure. Consumer expectations, the costs of raw materials and production and the difficulty of passing these on downstream, means that manufacturers need a strong ability to adapt. Some are focusing on or diversifying into quality and organic product segments or innovating with new products. For others, it means acquiring or merging with another organisation to achieve critical size.
In France, the meat products sector was affected by collective proceedings.

RETAIL

The retail industry is dealing with three phenomena. While facing a slowdown in food consumption and a growing share of online purchases, the range of services continues to grow, leading to lower returns. In this context, firms are continuing with their strategies of price wars and promotional pressure. At the same time, they must also deal with the breakthrough of international e-commerce giants in food in Europe.
Since distribution is increasingly fragmented with the arrival of specialist companies and the expansion of alternative channels, retail is now seeking legitimacy and looking to offer new buying experiences (new in-store services, digitalisation).

CATERING

Following on from 2017, the out-of-home foodservice sector has maintained its growth. Although exposed to an increase in small emerging networks, the major fast food chains saw good results in the first half of 2018.
These brands are implementing development plans in order to strengthen their presence and conquer new markets over the coming months and years. The mass catering situation remains more critical.
The complexity of consumers' needs and preferences (safe and local food, sustainability, experience, functionality, etc.) is promoting diversification in the concepts of food services.

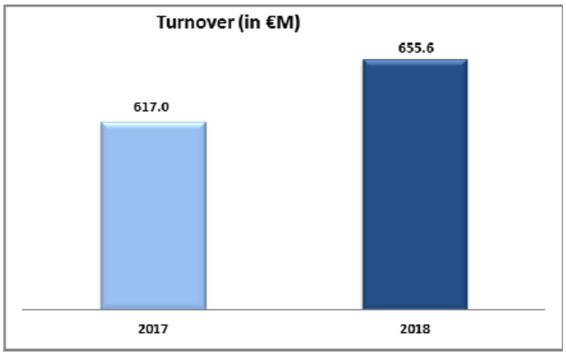
ACTIVITY OF THE FOUR OPERATIONAL SEGMENTS

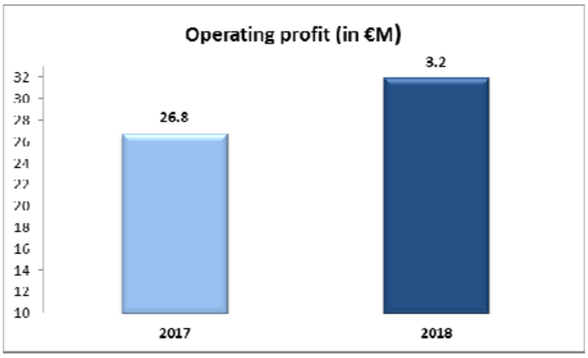
In the first half of 2018, the STEF Group's activities were well positioned with a turnover of €1,557.6 million, an increase of 8.7% compared with the first half of 2017 (7.7% at comparable scope).

Milestones in the first half 2018:

- The strengthening of the Group's positions in Europe with two external growth operations: the acquisition of the Frozen business of the company MARCONI in Italy and, with effect from 1 July 2018, the acquisition of the company Express Marée in France, which specialises in seafood products logistics.
- Clear organic growth for transport and logistics operations in France;
- A more mixed growth for international activities;
- An improved operating profit (+6.9%), although with heterogeneous contributions depending on the Group’s activities;
- An increase in the Group’s workforce, marked by negotiating and signing a high number of contracts with temporary staff.

TRANSPORT FRANCE





For the Transport division, 2018 began in a context of sustained activity. The volumes recorded during the half-year rose by +2.7% in tonnes.
Turnover increased by 6.3% driven by a dynamic commercial activity, combined with the favourable effect of fuel prices (+12% compared with the same period in 2017).

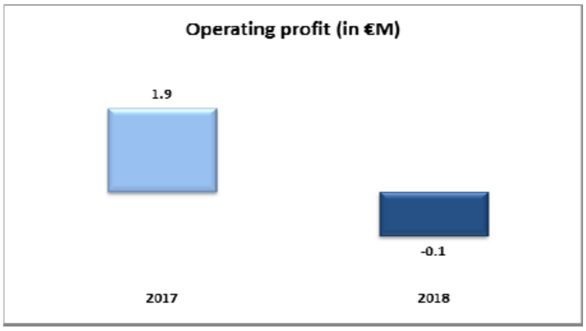
Most of the growth resulted from mid-market activity (+8.9%) and mainly benefited the fresh food sector, other markets displaying a relatively stable trend.

In June, the Group opened a new platform at Rungis international market, enabling it to operate the retail delivery business directly in the Paris region. The Group wanted to position itself as a leading operator on this segment.

Following the launch of the STEF Seafood Business Unit in 2017, which is dedicated to managing seafood products operations, in early July, STEF acquired Express Marée, a long-standing partner of the Group, specialising in the transport and logistics of seafood products. With the contribution of the nine Express Marée platforms in France, the STEF Seafood network has now optimised its coverage of France which also includes the south-west and the Languedoc-Roussillon region. This operation also consolidates the Group’s position on the seafood products segment in Europe.

The operating profit of €32 million, an improvement of 19.4% compared to 2017, is the result of a solid model which can rapidly take advantage of any recovery in food consumption.

LOGISTICS FRANCE



Over the half-year, the turnover of STEF Logistics France rose by 7.3% for an exclusively organic and homogeneous growth across all activities with the exception of ambient and temperature-controlled operations (temperature-controlled products).

The agrifoods ambient and temperature-controlled business fell by 8% impacted by the gradual decline in market share with one customer. However, all other customers showed an increase in activity, confirming the Group's investment choices with the growing importance of Orléans Nord, opened in early 2017 and the Isle d'Abeau (east Lyon) which became operational in June 2018.

The agrifood fresh products business grew by nearly 11%. The continued rise in operations at the Darvault (Paris region) and Chaponnay (Lyon region) sites, delivered in 2017, was the driver for this performance.

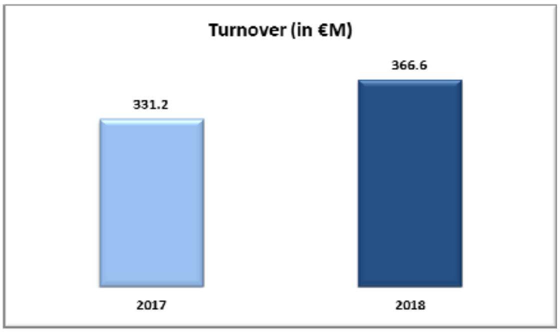
The dedicated supermarket business (retail) returned to a steady growth at +8.5%. This was driven by the launch of a new site dedicated to food e-commerce logistics for a retail customer in the Paris region.
This tool is designed to supply the drive and pedestrian drive services of this brand across Paris and its region.
The organic growth of the historical business across Paris and Lyon, also contributed to the performance of this segment over the half-year.

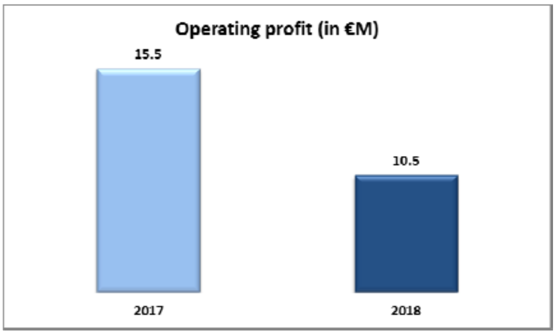
The frozen business showed a growth of 6%, sustained by a historically high occupancy coefficient for its warehouses at over 91% on average for the half-year, compared to 86% in 2017. The scheme in the Pays de Loire was complemented by the extensions to the Essarts site in the Vendée region and the Carquefou site in Loire Atlantique becoming operational, each with a capacity of 35,000 m^3 of negative cold storage. The Essarts site in particular is aimed at customers in the bakery/pastry and poultry industries.

The business unit dedicated to out-of-home foodservices maintained a strong growth over the half-year, with an increased turnover of over 10%, driven by its three main commercial restaurant chain customers.
Investments related to the structuring of the business unit continued with the extension of two sites at Rethel and St Pierre des Corps. New technical solutions were also implemented, designed to improve the control of order preparation and delivery traceability.

The operating profit of the Logistics France division was negative, impacted by the costs of simultaneously launching new sites and customer businesses.

STEF INTERNATIONAL





STEF International ended the first half of 2018 with a 10.7% increase in turnover (6.3% at constant scope). The results are mixed depending on the country, due to the investments made and the current integration of external growth operations (Transports Badosa in Spain). However, commercial momentum was particularly marked on the Iberian peninsula and in Italy.

The change in scope is a result of the acquisition of the activities of MARCONI in Italy.

Italy

Italy maintained its strong growth with an increase in turnover of nearly 9% in the 1st half-year (at comparable scope).
Following the cycle of consolidation and streamlining of its positions on the fresh food segment, the milestone in the first half-year was the purchase of the frozen business of the MARCONI Group, the leading frozen products logistics company in Italy. The Group has therefore acquired a frozen logistics platform in Fidenza (Parma) and a warehouse in Ascoli Piceno (Marches region), giving a total warehouse volume of 1.3 million m^3, along with the logistics and transport activities associated with both sites.
In view of the presence of an entity dedicated to transport activities, this acquisition has also led to the expansion of STEF's network of partner transport companies in Italy.

Spain

Spain ended the first half of 2018 with a turnover up by 12% (7.5% at constant scope) compared to the first half of 2017.

The organic growth was mainly driven by the strong increase in out-of-home foodservices activities, the development of international consignments and by good growth in logistics activities as a result of an occupancy rate which rose by 12.5%. The launch of new symbolic businesses in Madrid and Barcelona, also played a part in the country’s performance.

The Group continued the work to integrate Transports Badosa as part of its construction of a domestic groupage network in Spain.

Portugal

Portugal maintained a strong growth in turnover compared to the first half of 2017 (+10%).

The business was galvanised by the launch of a large out-of-home foodservices operation in late 2017 and by the increase in logistics capacities due to real estate investments made in Porto and Lisbon over the last two years.

The Group has continued to increase the density of its transport network with the opening of a site on the Algarve in early July and consolidated its position on the frozen market with new extensions to its Lisbon and Porto platforms.

Strong development in recent years and system changes are now allowing the Group to focus on specialising the activities of its sites in Portugal.

Belgium

In Belgium, a rescue plan for the activities at the Transport de Saintes site was launched and the delivery of an extension to the platform in late 2018 will help optimise the operation.

Netherlands

In the Netherlands, the capacity of the groupage network was increased with the delivery of an extension to the Bodegraven platform. The objective is to create a groupage transport network between the Group's three sites in the country, Bodegraven, Eindhoven and Raalte. The volumes transported have been driven by a strong commercial momentum.

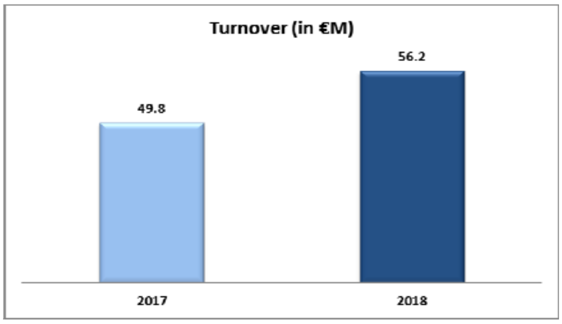
Switzerland

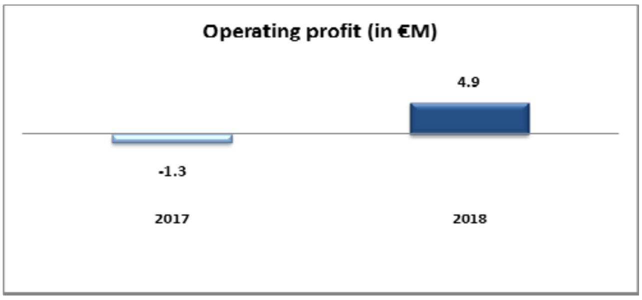
With the final delivery of the Kolliken warehouse in German-speaking Switzerland at the end of the half-year, the challenge now is to develop the activity on this sector.
The partnership with the leading Swiss dairy group to create a joint logistics and distribution network for fresh products saw the launch of a structuring business in the first quarter.

European flows

European flow activities remain grounded in their growth (+3.8%), mainly on the historical north-south axis but the development of flows from the Iberian peninsula to northern Europe is also well-known. One of the milestones of the half-year remains the increasing scarcity of vehicle fleets across the whole of Europe.

MARITIME





For La Méridionale, the first half-year was characterised by good commercial momentum and a strong performance for freight and passenger activities.

It is important to highlight a change in the breakdown of the financial compensation, based on estimated activity in 2018, compared with a linear breakdown in 2017. This is a payment arrangement that has not had a full year impact.

- Freight: at the end of July, the market between the French continent and Corsica grew and the activity at the Port of Marseille increased again (+6%) to the detriment of the Ports of Toulon and Nice. La Méridionale has taken advantage of this trend with an increase in transported volumes of +2.6%;

- Passenger transport: despite a dynamic tourist environment (+5% over 12 months) driven by air transport (+8%) while maritime growth was weaker (+1.5%), La Méridionale has managed to increase its passenger volume (+8.6%) with an improvement in unit revenue.

Operating profit stood at €4.9 million.

Following a July which was less dense in terms of volumes compared to 2017, the rest of the summer season was buoyant, with August noticeably positive. Customer satisfaction levels were very high.

The call for tenders for the next public service concession, for a term of 15 months from 1 October 2019, was launched in early August.

ACTIVITY OF THE GROUP'S REAL ESTATE CENTRE OF EXPERTISE

IMMOSTEF supports the Group's long-term growth by constantly updating its real estate instrument, through a sustained acquisition policy and reconfiguration and renovation projects.

Main building projects started and delivered in 2018

Building projects delivered in the 1st half-year:

- A 16,300 m^2 refrigerated and frozen logistics warehouse in German-speaking Switzerland (Kölliken) and 111,600 m^3 of positive and negative cold;
- A 34,000 m^3 extension for the frozen warehouse of Essarts (Vendée);
- Transport platform at Rungis international market, comprising 6,180 m^2 of refrigerated quay and a negative cold transit chamber;
- Transport platform in Bologna (Italy), with a total net floor area of 5,500 m^2;
- Transport platform in the Algarve (Portugal) with a total net floor area of 1,150 m^2.

Building projects started, to be delivered in the 2nd half of 2018:

- A tri-temperature warehouse for out-of-home foodservice operations at Plessis-Pâté with a total net floor area of 11,800 m^2,
- An ambient and temperature-controlled products warehouse at L'Isle-d'Abeau (east Lyon), with a total net floor area of 23,600 m^2,
- Extensions to existing sites for a total additional volume of 78.000 m^3: frozen warehouse in Carquefou in Loire Atlantique, transport and logistics site in Chambéry, frozen site at Corbas in the Lyon region.

Acquisitions of land reserves in 2018

- Italy:
  - acquisition of two building complexes in Fidenza (Parma) and Ascoli (Marches region), comprising negative cold warehouses of a total volume of 1,300,000 m^3;
  - acquisition of a 4,350 m^2 warehouse in Guidonia (Rome) intended to be converted into a new Seafood platform.
- Spain:
  - acquisition of two plots of land for the construction of transport platforms, one at Miranda de Ebro (Burgos province) and the second near Barcelona.

- France:
  - reservation of two plots of land, one at Miramas (south-east) and the second at Bédée (west Rennes) for the construction of two tri-temperature platforms specialising in out-of-home foodservices;
  - reservation of a plot of land in Névian, near Narbonne, for the construction of a transport platform.

WORKFORCE

At 30 June 2018, the Group's workforce (long-term and temporary employment contracts) changed as follows, compared to 30 June 2017:

WORKFORCE BY DIVISION

Permanent and fixed term employment contracts	30/06/2017	30/06/2018
Transport France	7,954	8,288
Logistics France	3,871	4,120
STEF International	3,488	3,826
Maritime (mainly La Méridionale)	534	570
Other activities and central functions	608	645
GROUP TOTAL	**16,455**	**17,449**

WORKFORCE BY COUNTRY

France	**13,025**	**13,689**
Outside France:	**3,430**	**3,760**
Spain	1561	1731
Portugal	486	519
Italy	684	802
Belgium	363	365
Netherlands	235	237
Switzerland	101	106
GROUP TOTAL	**16,455**	**17,449**

The Group's workforce (long-term and temporary employment contracts) grew by 6.0%, continuing the trend of 2017 (+5.2%). This resulted from:

- The launch of new customer businesses and new sites;
- The purchase of companies, particularly Transports Badosa in Spain and Marconi in Italy;
- Confirmation of the Group’s hiring efforts and the reduction in the use of temporary workers. Thus in France, as part of the plan to recruit drivers, the workforce increased by 235 employees in this category over the period.

CONSOLIDATED FINANCIAL STATEMENTS

Change in scope

Change in the consolidation scope during the first half of 2018:

- Acquisition from Marconi of frozen activities in Italy (Transport and Logistics) along with 2 real estate sites.

Overview of turnover

Cumulative half-year (In millions of euros))	*2017*	*2018*	*Variation %*	*At constant scope %*
Transport France	617.0	655.6	6.3%	6.3%
Logistique France	256.2	274.9	7.3%	7.3%
International Activities	331.2	366.6	10.7%	6.3%
Sub-total Transport and Logistics	**1,204.4**	**1,297.0**	**7.7%**	**6.5%**
Maritime	49.8	56.2	13.0%	13.0%
Others	178.8	204.3	14.2%	14.2%
TOTAL	**1,433.0**	**1,557.6**	**8.7%**	**7.7%**

All the Group's activities were buoyant in the first half of 2018. Turnover increased by 8.7%, driven by good growth on the French market in particular.

Consolidated income statement

Cumulative half-year (In millions of euros)	2017	2018	Change in %
Turnover	**1,433.0**	**1,557.6**	8.7%
Operating profit	**44.9**	**48.0**	6.9%
Financial income	(5.1)	(3.5)	
Profit before tax	**39.8**	**44.5**	11.9%
Tax expense	(10.7)	(12.0)	
Share in net profit of companies accounted for by the equity method	1.7	0.6	
Net profit (loss)	**30.8**	**33.1**	7.7%
- **of which profit attributable to Group shareholders**	**30.7**	**33.0**	7.8%
- of which profit attributable to minorities	0.1	0.1	

The Group’s operating profit rose by 6.9% over the half-year. It was driven by a steady growth in activity, particularly in France.

The Group's financial expenses fell due to the combined effect of still very low interest rates and the expansion of the commercial papers programme.

The Group maintained an effective tax rate well below the legal tax rate in France, through the combined effect:

- of the special tax system for maritime;
- the differences in foreign tax rates;
- and the inclusion of the CICE tax measure which is non-taxable income.

The net profit attributable to Group shareholders stood at €33.0 million, an increase of 7.8% compared to the first half of 2017.

Financial structure
Consolidated equity amounted to €634.7 million against €628.5 million at 31 December 2017. This change includes the distribution of €30.2 million for the 2017 dividend.

Financial flows
Cash flow from operations increased, mainly due to the cash flow generated by the business.

The Group maintained a steady investment programme with €176.3 million invested over the period, impacted in particular by the acquisition of two frozen warehouses in Italy from the Marconi group.

Transactions between related parties
The nature, terms and amounts of the transactions with related parties did not change significantly over the first half of 2018.

Significant changes compared with the last annual report
On the date of this financial report, there is no significant change compared with the 2017 annual report.
More specifically, there is no change or uncertainty relating to the principal risk factors set out in the 2017 annual report and which would likely have a significant impact on the business and the results of the second half of 2018.

Important events occurring between the balance sheet date and the date of this report

In early July, the Group acquired the company Express Marée specialising in the transport and logistics of seafood products in France and internationally.

OUTLOOK FOR 2018

In the first half-year, the STEF Group took advantage of a promising economic trend and a growth in consumption in France.

However, the economic environment requires careful attention, especially in France, given the latest growth forecasts and the increasing scarcity in human resources, notably drivers, which makes the development of our activities more complex.

For the second half of the year, the Group will have to succeed in launching new sites in France and increase the occupancy of new real estate assets in Europe (acquisition or development).

II.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018

Condensed consolidated financial statements at 30 June 2018
CONSOLIDATED BALANCE SHEET

(In thousands of euros)

ASSETS	note	30 juin 2018	31 décembre 2017
Non-current assets			
Goodwill	14	177,731	139,604
Other intangible assets	15	16,155	14,776
Tangible fixed assets	15	1,177,473	1,064,434
Non-current financial assets		29,301	29,157
Investments in associated companies	20	28,456	29,039
Deferred tax assets		24,402	19,909
Total non-current assets		**1,453,518**	**1,296,919**
Current assets			
Inventories and work in progress		56,143	58,187
Customers		512,085	475,305
Other receivables and current financial assets		129,108	126,183
Current tax assets		8,660	21,794
Cash and cash equivalents (a)		46,580	59,419
Total current assets		**752,576**	**740,888**
Total assets		**2,206,094**	**2,037,807**
EQUITY AND LIABILITIES			
Equity			
Share capital		13,166	13,166
Share premium account		-	-
Reserves		618,949	612,656
Equity, Group share	16	**632,115**	**625,822**
Minority interests		2,547	2,629
Total equity		**634,662**	**628,451**
Non-current liabilities			
Non-current provisions	17	37,505	37,680
Deferred tax liabilities		36,700	36,746
Non-current financial liabilities (b)	18	294,321	251,819
Total non-current liabilities		**368,526**	**326,245**
Current liabilities			
Trade accounts payable		384,207	397,555
Current provisions	17	16,384	18,262
Other current liabilities		354,010	333,390
Current tax liabilities		208	133
Current financial liabilities (c)	18	448,097	333,771
Total current liabilities		**1,202,906**	**1,083,111**
Total equity and liabilities		**2,206,094**	**2,037,807**
Net debt (b) + (c) - (a)		**695,838**	**526,171**
Debt/equity ratio		**1.10**	**0.84**

Condensed consolidated financial statements at 30 June 2018
CONSOLIDATED INCOME STATEMENT

(In thousands of euros)

	note	1st half 2018	1st half 2017	Change	2017 financial year
TURNOVER	8	1,557,555	1,433,019	8.7%	2,975,650
Purchases from third parties	9	(1,000,830)	(916,500)	9.2%	(1,908,839)
Taxes and related expenses		(33,930)	(32,387)	4.8%	(62,210)
Payroll expenses		(420,149)	(390,031)	7.7%	(773,583)
Depreciation and amortisation		(54,578)	(51,433)	6.1%	(108,143)
(Allocations) net reversals to provisions		(796)	991	-180.3%	(1,154)
Other operating income and expenses	10	726	1,220	-40.5%	10,614
OPERATING PROFIT	8	**47,998**	**44,879**	**6.9%**	**132,335**
Financial expenses	11	(3,984)	(5,081)		(8,856)
Net financial expense	11	532	0		259
Net financial expense		**(3,452)**	**(5,081)**	**-32.1%**	**(8,597)**
PROFIT BEFORE TAX	8	**44,546**	**39,798**	**11.9%**	**123,738**
Tax expense	12	(11,994)	(10,747)		(33,284)
Share in net profit of companies accounted for by the equity method	20	552	1,691		3,445
PROFIT FOR THE PERIOD		**33,104**	**30,742**	**7.7%**	**93,899**
*** of which attributable to Group shareholders**		**33,055**	**30,672**	**7.8%**	**93,638**
* of which attributable to minorities		49	70		261
EBITDA	13	**103,372**	**95,321**	**8.4%**	**241,632**
Earnings per share:		(in euros)	(in euros)		(in euros)
- basic earnings per share:		2.68	2.50		7.61
- diluted:		2.67	2.49		7.59

Condensed consolidated financial statements at 30 June 2018

COMPREHENSIVE INCOME STATEMENT

(In thousands of euros)

	1st half 2018	1st half 2017
PROFIT FOR THE PERIOD	**33,104**	**30,742**
Actuarial gains and losses on pension plans	289	1,338
Tax expense on non-recyclable items	(62)	(407)
Other items of comprehensive income, net of income tax which are not subsequently reclassified into income	**227**	**931**
Unrealised foreign exchange gains or losses from activities abroad	274	(597)
Effective portion of change in fair value of cash flow hedging derivatives	452	3,684
Tax expense on recyclable items	(16)	(1,005)
Other items of comprehensive income, net of income tax which are subsequently reclassified into income	**710**	**2,082**
Comprehensive income for the period	**34,042**	**33,754**
*** of which attributable to Group shareholders**	**33,993**	**33,684**
* of which attributable to minorities	49	70

CHANGES IN EQUITY STATEMENT

(In thousands of euros)

	Share capital	Share premium account	Consolidated reserves	Translation reserves	Treasury shares	Fair value reserve	Equity attributable to equity shareholders of the parent company STEF	Minority interests	Total equity
Equity at 1 January 2017	**13,166**	**0**	**590,798**	**923**	**(41,352)**	**(6,502)**	**557,032**	**2,327**	**559,359**
Dividends paid			(27,650)				**(27,650)**		**(27,650)**
Acquisition and disposal of treasury shares					211		**211**		**211**
Cancellation operation of treasury shares			2,001				**2,001**		**2,001**
Transactions with minority interests			100				**100**	(100)	**0**
Total transactions with shareholders	**0**	**0**	**(25,549)**	**0**	**211**	**0**	**(25,338)**	**(100)**	**(25,438)**
Comprehensive income for the period			**31,602**	**(597)**		**2,679**	**33,684**	**71**	**33,755**
Equity at 30 June 2017	**13,166**	**0**	**596,851**	**326**	**(41,141)**	**(3,823)**	**565,378**	**2,297**	**567,675**
Equity at 1 January 2018	**13,166**		**659,735**	**(1,640)**	**(40,438)**	**(5,001)**	**625,822**	**2,629**	**628,451**
Dividends paid			(30,232)				**(30,232)**	(65)	**(30,297)**
Acquisition and disposal of treasury shares					346		**346**		**346**
Other share transactions			2,186				**2,186**		**2,186**
Transactions with minority interests							**0**	(66)	**(66)**
Total transactions with shareholders	**0**	**0**	**(28,046)**	**0**	**346**	**0**	**(27,700)**	**(131)**	**(27,831)**
Comprehensive income for the period			**33,282**	**274**		**436**	**33,993**	**49**	**34,042**
Equity at 30 June 2018	**13,166**	**0**	**664,971**	**(1,366)**	**(40,092)**	**(4,565)**	**632,115**	**2,547**	**634,662**

Condensed consolidated financial statements at 30 June 2018

CASH FLOW STATEMENT

(In thousands of euros)

	1st half 2018	1st half 2017	31-Dec-17
Profit for the period	**33,103**	**30,742**	**93,899**
+/- Net depreciation, amortisation, impairment of non-current assets and provisions	54,942	49,383	108,076
+/- Gains or losses from the sale of non-current assets	(1,015)	19	(6,220)
+/- Share in net profit (loss) of associated companies	(552)	(1,691)	(3,445)
+/- Change in market value of derivatives	(34)	382	(188)
+/- Other expenses and income, generating no change in cash	2,186	2,001	1,944
- Deferred tax	0	0	(3,099)
Cash flow from operations (A)	**88,630**	**80,836**	**190,967**
Cancellation of the tax expense (income)	11,994	10,747	33,284
Taxes paid (not including the CICE tax measure)	(13,275)	(15,112)	(34,839)
Changes in the other items of the WC	(19,259)	9,652	(5,863)
+/- Change in working capital (B)	**(20,540)**	**5,287**	**(7,418)**
NET CASH FROM OPERATING ACTIVITIES (C) = (A+B)	**68,090**	**86,123**	**183,549**
- Cash used in acquiring intangible assets	(4,311)	(2,202)	(4,822)
- Cash used in acquiring tangible fixed assets	(172,002)	(77,381)	(169,362)
+/- Change in granted loans and advances + financial assets	(161)	2,134	(823)
- Proceeds and cash used in the acquisition and sale of subsidiaries net of acquired cash (*)	(35,865)	(7,424)	(7,442)
+ Proceeds from sale of tangible and intangible fixed assets	3,053	1,656	10,867
+ Dividends received from associated companies	1,134	1,087	1,051
NET CASH FROM INVESTMENT ACTIVITIES (D)	**(208,152)**	**(82,130)**	**(170,531)**
+/- Acquisition and disposal of treasury shares	346	211	914
- Dividends paid to STEF owners	(30,232)	(27,650)	(27,650)
- Dividends paid to minority shareholders	(65)	0	0
+ Proceeds from new borrowings	202,469	108,804	142,157
- Repayment of borrowings	(40,372)	(125,047)	(147,929)
NET CASH FROM FINANCING ACTIVITIES (E)	**132,146**	**(43,682)**	**(32,508)**
Net cash position at beginning of period	(5,556)	13,934	13,934
Net cash position at end of period	(13,472)	(25,755)	(5,556)
= CHANGE IN NET CASH POSITION (C+D+E)	**(7,916)**	**(39,689)**	**(19,490)**

Net cash positions at the balance sheet dates are as follows:	1st half 2018	1st half 2017	31-Dec-17
Cash and cash equivalents	46,580	34,019	59,419
Bank overdrafts and short-term loans (note 18)	(60,052)	(59,774)	(64,975)
	(13,472)	**(25,755)**	**(5,556)**

(*)	1st half 2018	1st half 2017	31-Dec-17
Cost of acquiring financial assets of purchased companies	(34,603)	(6,246)	(6,270)
Acquired cash/cash outflow from sold companies	(1,262)	(1,178)	(1,172)
Net cash paid out	**(35,865)**	**(7,424)**	**(7,442)**

STEF GROUP

NOTES TO THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2018

1 – ENTITY PRESENTING THE FINANCIAL STATEMENTS

STEF SA, is a public limited company incorporated under French law with its registered office in Paris and its shares listed on the NYSE Euronext Paris' B compartment. The interim condensed consolidated financial statements for the half-year ended on 30 June 2018 include STEF S.A. and its subsidiaries, collectively referred to as “the Group” and the Group’s share in associated companies. Unless otherwise specified, they are presented in euros, rounded to the nearest thousand.
These interim condensed consolidated financial statements were approved by the Board of Directors of STEF S.A. on 30 August 2018.

2 – ACCOUNTING STANDARDS

The interim condensed consolidated financial statements for the half-year ended on 30 June 2018 have been prepared in accordance with the IAS 34 standard *“Interim financial information”* of the International Financial Reporting Standards (IFRS) as adopted by the European Union.
These interim condensed accounts do not include all the information required for the annual accounts and must be read alongside the consolidated financial statements for the financial year ended on 31 December 2017.

3 – ACCOUNTING PRINCIPLES AND PRESENTATION OPTIONS

The accounting methods applied by the Group for the preparation of the interim financial statements are the same as those applied to the consolidated financial statements for the financial year ended on 31 December 2017, to which it is important to refer, with the exception of the standards, amendments to standards and interpretations applicable for the first time in 2018 and the evaluation methods specific to interim financial reporting described in paragraph 4 below.

The Group has applied the standards IFRS 15 “Income from ordinary activities derived from contracts concluded with customers” and IFRS 9 “Financial Instruments” the application of which became compulsory within the European Union on 1 January 2018. The impacts of the implementation of these new standards are presented below:

- *The IFRS 15 standard*“Income from ordinary activities derived from contracts concluded with customers”

This standard defines the principles of revenue recognition applicable to all contracts with customers, except for leases, insurance contracts, financial instruments and guarantees.
The reporting method for this revenue in the profit and loss account must reflect the transfer of control of the good or service sold to the customer, and do so for the amount that the seller expects to be entitled to in exchange for the good or service.

The analysis of customer contracts in the countries in which the Group generates revenues did not result in any change in the accounting treatments for the recognition of revenue. Consequently, the

IFRS 15 standard did not have any impact on the net position at the beginning of the 2018 financial year.

- *The IFRS 9 standard "Financial instruments"*

There are 3 sections in the IFRS 9 standard, which replaces the IAS 39 standard on financial instruments:
classification and evaluation, depreciation and hedge accounting.
The IFRS 9 standard is applied retrospectively with effect from 1 January 2018.

  - Classification and evaluation

The Group's financial assets and liabilities were subject to an analysis in accordance with IFRS 9.

- The accounting treatment of non-consolidated equity interests in particular was clarified. Thus, given their low value, the change in fair value of this category of financial assets are allocated to other items in the comprehensive income.
- Financial loans and receivables are still reported at amortised cost because the management model is to hold these items in order to collect contractual cash flows, consisting solely of payments made up of the principal and its interest.

  - Depreciation

IFRS 9 establishes a new depreciation model based on accounting for expected credit losses from the moment that the financial instruments are accounted for (forward vision).
Previously, the Group accounted for depreciations for any commercial debt which was at risk of becoming a bad debt. This risk was assessed with regards information as to the creditworthiness of the customer, abnormal late payments and the lack of appropriate hedging.

The Group conducted an analysis to:

- list the expenses incurred over past financial years under bad debts
- analyse its balance of provisions for depreciation at 31/12/2017 in order to identify unpaid debts due to an obvious credit risk or an ongoing commercial dispute. And therefore to identify the actual credit risk estimated by the Group on this date.
- list the different available credit risk hedging such as credit insurances, use of the Gayssot law...

The Group has not identified a material impact following application of this new depreciation method.

  - Hedge accounting

The IFRS 9 hedge accounting changes are intended to reconcile accounting procedures with companies' risk management activities. The application of the IFRS 9 provisions relating to hedge accounting does not therefore have any significant impact given the nature of the derivatives – rate swaps – used by the Group.

The Group has not applied any standards, amendments or interpretations early.

- *The IFRS 16 standard "Leases"*

The Group is continuing its work to implement the IFRS 16 standard "Leases" which will have to be applied from 1 January 2019. It has a specific management tool for managing such adjustments. With regards the transition method, the Group will choose the simplified method for the first application of the standard without presentation of an adjusted comparative period.
Debt and usage right will be evaluated based on future rents. So there will not be any impact on equity at the beginning of the 2019 financial year. The Group will increase the analysis of contracts entering the standard's scope of application and the rates to be used, particularly on long-term real estate leases.

4 – ESTIMATES

The preparation of the interim consolidated financial statements requires the Group's management to make estimates and assumptions that have an impact on the application of the accounting methods and on the values used to close the accounts for the financial year concerned. In particular, the definitive actual values may differ from the estimated values.

For the preparation of the interim consolidated financial statements, the significant assumptions used to apply the Group's accounting methods and the main sources of uncertainty relating to the estimates were identical to those described in the consolidated financial statements for the financial year ending on 31 December 2017.

The specific evaluation methods applied to the interim financial reports were as follows:

- the tax expense for the half-year was evaluated by applying the profit before tax for the half-year excluding the Maritime profit, the estimated average effective tax rate for the full year;
- expenses relating to the contractual incentives for personnel corresponded to half the estimated expenses for the entire financial year;
- employee profit-sharing expenses were estimated based on the budget for the 2018 financial year. At 30 June the share of profit-sharing expenses was accounted for depending on the profit before tax;
- the amounts recognised as pension benefit commitments in the consolidated balance sheet at 30 June were determined by adjusting the net book value on the opening of the accrued benefits, the interest costs, actuarial gains and losses and contributions to the plan depending on the amounts estimated at 31 December 2017 for 2018.

5 – SEASONAL NATURE OF THE BUSINESS

Business in the second half-year is generally stronger than the first due to the concentration of the summer period and the end-of-year festive period. Consequently, the operating profit for the first half-year is traditionally lower than that for the second half-year.

6 – SCOPE OF CONSOLIDATION

On 3 May 2018, the Group acquired, from the Marconi group,
- 100% equity interest in two frozen transport and logistics companies.
- the real estate sites of Fidenza and Ascoli.

In the Netherlands, the company Speksnijder Transport was merged into STEF Bodegraven BV (formerly Speksnijder Transport Bodegraven).

7 – FINANCIAL RISK MANAGEMENT

The Group hedges the rate risk on floating rate debt related to long-term real estate and maritime financing through interest rate swaps.

At 30 June 2018, the total notional amount of the instruments for hedging the rate risk on floating rate debt was €229 million compared with €174 million at 31 December 2017.

The Group’s exposure to customer credit risk did not record any unfavourable change in the last half-year. None of its customers is of a such a size that their bankruptcy could have a significant effect on the financial situation of the Group which, notwithstanding the protection mechanisms that it has due to the applicable regulations, continues to use credit insurance in the transport sector and for all its international activities.

With regards exchange rate risk, the Group operates mainly in the Eurozone and its exposure to the exchange rate fluctuations in other currencies remains low.

Finally, in terms of liquidity risk, the Group is still relatively unexposed given the existing margins on the available credit lines due to its active policy of centralising cash flow in France and in its principal European subsidiaries.

8 – SEGMENT INFORMATION

1st half 2018	Transport	Logistics	International	Maritime	Others	Consolidated data
External turnover	655,858	274,930	366,466	56,241	204,060	**1,557,555**
Operating profit	32,041	- 1,028	10,502	4,937	1,546	**47,998**
Profit before tax	31,116	- 2,050	9,035	4,088	2,357	**44,546**

1st half 2017	Transport	Logistics	International	Maritime	Others	Consolidated data
External turnover	616,987	256,217	331,191	49,775	178,849	**1,433,019**
Operating profit	26,823	1,942	15,482	- 1,271	1,903	**44,879**
Profit before tax	25,048	797	14,094	- 2,650	2,509	**39,798**

The turnover of the “Other activities” sector includes goods trading for third parties for €192.5 million in the 1st half of 2018 compared with €168.2 million in the 1st half of 2017.

9 – PURCHASES FROM THIRD PARTIES

	1st half 2018	1st half 2017
Purchases other than energy (including foodservice goods)	208,513	184,628
Purchases of diesel and other fuels	69,103	59,796
Purchases of other energy	23,021	21,349
Subcontracting	464,812	426,084
Rent and lease expenses	40,518	40,016
Maintenance	41,459	39,853
External staff and intermediaries' wages and salaries	81,803	78,898
Insurance and losses	27,513	22,160
External services and miscellaneous	44,088	43,716
Total:	**1,000,830**	**916,500**

The change in this item can be explained primarily by:

- the increase in the purchase of out-of-home foodservice goods following the signing of new contracts
- the rise in diesel expenses linked to the upward trend in fuel prices over the period
- the growth in subcontracting expenses in relation to the increase in the Group's activity in the 1st half of 2018.

10 – OTHER OPERATING INCOME AND EXPENSES

In 2018, this item includes the capital gain from the sale of a real estate site in a suburb of Lyon. In 2017, it included a payment obtained from one of our suppliers.

11 – FINANCIAL INCOME

	1st half 2018	1st half 2017
Financial income		
Dividends received from assets held for sale		
Income from fair value of financial assets and liabilities recorded at fair value in profit and loss	35	
Other financial income	497	
Financial expenses		
Net interest expenses on financial liabilities measured at amortised cost	(3,975)	(4,641)
Expenses from fair value of financial assets and liabilities recorded at fair value in profit and loss		(381)
Net foreign exchange losses	(9)	(59)
NET FINANCIAL EXPENSES	**(3,452)**	**(5,081)**

Interest rates were stable during the 1st half of 2018 and particularly the Euribor 3 month which averaged -0.33 (same at 30 June 2017).

12 – TAX EXPENSE

The effective tax rate paid during the first half of 2018 stood at 27%, identical to that of 30 June 2017. Excluding Maritime profits, the effective rate was 29.4% compared to 25.2% in the 1st half of 2017. This 4-point difference is mainly explained by the special tax system applied to the profits of the maritime business, the differences in foreign tax rates and the inclusion of the CICE tax measure which is non-taxable income.

13 – EBITDA

	1st half 2018	1st half 2017
Operating profit	47,998	44,879
Net allocation to amortisations	54,578	51,433
Net allocations (reversals) on depreciations and provisions	796	(991)
TOTAL	**103,372**	**95,321**

14 – GOODWILL

Goodwill developed by €38 million over the period due to the acquisition of the Italian companies. This acquisition represents an annual turnover of approximately €55 million. Its goodwill is currently being allocated on the balance sheet date.

The Group has not identified an indication of loss in value on its goodwill and intangible assets with an indeterminate lifetime over the course of the half-year ended on 30 June 2018.

15 – INTANGIBLE AND TANGIBLE FIXED ASSETS

The principal acquisitions of tangible fixed assets over the period (excluding maintenance investments) covered:

- the acquisition of the real estate sites of Fidenza and Ascoli under the Italian external growth operation for €76.2 million (including €1.7 million in costs)
- the construction of new sites at Plessis Pate and Vaulx-Milieu for €15 million
- the acquisition of transport equipment through ownership or finance leases for €10 million.

16 – EQUITY

At 30 June 2018, the share capital of STEF S.A. was comprised of 13,165,649 paid shares with a nominal value of 1 euro. The dividend paid in the first half of 2018, under the result of the 2017 financial year amounted to 2.45 euros per share.

17 – PROVISIONS

The change in the provisions for risks and expenses is presented as follows:

	31 December 2017	**Allocations**	**Reversals**	**Scope**	**Others**	**30 June 2018**
Length-of-service awards payable on retirement	21,710	616	(413)	730	(285)	22,358
Long-service awards	10,069	420	(221)		4	10,272
Dispute provisions	14,238	9,395	(10,403)		(5)	13,225
Other provisions	9,925	1,399	(3,262)		(28)	8,034
TOTAL	**55,942**	**11,830**	**(14,299)**	**730**	**(314)**	**53,889**

18 – LOANS AND FINANCIAL LIABILITIES

These are analysed as follows:

	30-Jun-18	31-Dec-17
Non-current financial liabilities		
Bank borrowings and drawdowns of confirmed credit lines of more than one year	257,495	213,036
Liabilities associated with finance leases	31,971	33,234
Fair value of financial derivatives	4,855	5,549
Total non-current debts	**294,321**	**251,819**
Current financial liabilities		
Portion at less than one year of:		
- Bank loans and spot lines of credit	54,525	53,296
- Liabilities associated with finance leases	12,651	9,319
- Miscellaneous financial liabilities	2,484	2,596
- Commercial papers	315,000	201,500
Fair value of financial derivatives	3,385	2,085
Bank overdrafts and short-term loans	60,052	64,975
Total current debts	**448,097**	**333,771**
Total financial liabilities	**742,418**	**585,590**

And have changed as follows over the past half-year:

	31 December 2017	new loans	repayments	Change in scope	other net changes	30 June 2018
Bank loans and credit line drawdowns	265,229	82,062	- 35,534		263	312,020
Liabilities associated with finance leases	42,554	6,907	- 4,839			44,622
Commercial papers	201,500	113,500				315,000
Miscellaneous financial liabilities & accrued interest	2,598				- 114	2,484
Bank overdrafts and short-term loans	64,975			1,569	- 6,492	60,052
Fair value of financial derivatives	8,734				- 494	8,240
Total:	**585,590**	**202,469**	**(40,373)**	**1,569**	**- 6,837**	**742,418**

The Group has spot loans totalling €32 million, of which €12 million were used at 30 June 2018 (€17 million were used at 31 December 2017) and overdraft agreements, with no agreed expiry dates, totalling €103 million (same amount at 31 December 2017) of which €60 million was used at 30 June 2018 (€65 million at 31 December 2017).

The current cash needs required for the Group's operations are mainly provided by credit lines at parent company level. The Group had 11 confirmed medium-term credit lines, totalling €128.5 million unused at 30 June 2018 (12 credit lines available at 31 December 2017 for €138 million. None of these credit lines had been used at this date).

Since February 2016, in order to complement and diversify its lenders' base and make savings on financial expenses, the Group implemented a commercial papers programme of an initial maximum amount of €250 million. During the first half of 2018, the Group increased this maximum amount to €350 million. These papers are issued by STEF SA on maturities ranging from 1 day to 1 year. The outstanding amount of the programme at 30 June 2018 was €315 million (€201.5 million at 31 December 2017).

19 – INFORMATION ON THE FAIR VALUE OF FINANCIAL INSTRUMENTS BY CATEGORY

	Balance sheet value 30/06/2018	Fair value through the income statement	Fair value through OCI	Assets at amortised cost
Unconsolidated equity instruments	94		94	
Other non-current financial assets	7,534			7,534
Loans and receivables from financial activities	21,238			21,238
Marketable securities	435		435	
Sub-total: non-current financial assets	***29,301***	-	***529***	***28,772***
Customers	512,085			512,085
Other accounts receivable	137,768			137,768
Cash and cash equivalents	46,580	46,580		
Assets	**725,734**	**46,580**	**529**	**678,625**

	Balance sheet value 30/06/2018	Fair value through the income statement	Fair value through OCI	Debts measured at amortised cost
Derivative financial liabilities	8,240	208	8,032	
Debts from financial activities	674,126			674,126
Bank overdrafts	60,052			60,052
Sub-total: Financial liabilities	***742,418***	***208***	***8,032***	***734,178***
Trade accounts payable	384,207			384,207
Other accounts payable	354,218			354,218
Liabilities	**1,480,843**	**208**	**8,032**	**1,472,603**

Financial instruments recognised at fair value are classified according to the following hierarchy levels:

- Level 1: financial instruments which are listed on an active market;

- Level 2: financial instruments whose evaluation requires the use of valuation techniques based on observable parameters;

- Level 3: financial instruments whose evaluation requires the use of valuation techniques based in whole or in part on non-observable parameters.

	Level 1	Level 2	Level 3
Assets at fair value via OCI		529	
Cash and cash equivalents	2,561	44,019	
Assets	**2,561**	**44,548**	
Derivative instruments		8,240	
Liabilities	**-**	**8,240**	

20 – OPERATIONS WITH RELATED PARTIES

In terms of the STEF Group, related parties are associated companies, directors (including members of the Group’s Executive Management) and the shareholding structures of managers and senior executives who are not directors and employee investment funds.
The nature, terms and amounts of the transactions with related parties did not experience any significant change over the 1st half of 2018.

The values of the shares and the Group's share of the profit of associated companies is broken down as follows:

30-Jun-18	Group share	Total turnover	Total assets	Total liabilities excluding equity	Company's net assets	Equity value	Net profit (loss)	Net profit (loss) attributable to Group
FROIDCOMBI	25.50%	3,879	10,347	6,548	3,799	969	440	112
MESSAGERIES LAITIERES	38.69%	NA	NA	NA	14,554	6,967	1,059	410
NETKO	40.00%	NA	NA	NA	272	218	115	46
NORFRIGO	37.65%	NA	NA	NA	24,455	6,330	(54)	(20)
OLANO SEAFOOD IBERICA	32.00%	19,514	19,775	15,330	4,445	1,769	(4)	(1)
OLANO VALENCIA	20.00%	NA	NA	NA	1,819	785	178	36
QSL- STEF	49.00%	107,361	48,303	47,624	679	333	(285)	(140)
NORMANDIE EXPORT LOGISTICS	38.69%	NA	NA	NA	8,374	3,240	(494)	(191)
STEFOVER TUNISIE	49.00%	NA	NA	NA	131	121		-
GROUPE PRIMEVER	49.00%	NA	NA	NA	14,287	7,699	613	300
SCCV INNOVESPACE CORBAS	25.00%	NA	NA	NA	1	0		-
SCCV PARC DIJON CHAMPOLLION	49.00%	NA	NA	NA	1	0		-
SCCV SILSA	49.00%	NA	NA	NA	50	25		-
TOTAL					**72,867**	**28,456**	**1,568**	**552**

NA: information not available

21 – POSSIBLE LIABILITIES

On 22 February 2018, Corsica Ferries called the group of companies SNCM (represented by its liquidators) and La Méridionale before the Commercial Court of Marseille. Corsica Ferries believes that the joint response of both companies to the consultation for the awarding of the public service concession for the 2014-2023 period (a concession now cancelled), was an anti-competitive practice, even though it was authorised by the specifications of this consultation.
The Group is preparing a defence with the assistance of its lawyers and believes that this legal action is not legitimate and that there is no liability to be recognised.
Although the procedural timetable is not yet known, it is unlikely that a judgement will be made before the 1st quarter 2019.

22 – POST CLOSURE EVENT

In early July, the Group acquired the company Express Marée specialising in the transport and logistics of seafood products in France and internationally. This entity generates an annual turnover of €42 million with a workforce of 450 people.

III.

RESPONSIBILITY STATEMENT IN RESPECT OF THE 2018 HALF-YEARLY FINANCIAL REPORT

STATEMENT FROM THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

I certify, to the best of my knowledge, that the condensed consolidated financial statements at 30 June 2018 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of all the companies included in the scope of consolidation of the STEF Group and that the business review for the first half of 2018 gives an accurate picture of the information referred to in Article 222-6 of the AMF's General Regulations.

Paris, 29 August 2018

Stanislas LEMOR
Deputy Chief Executive Officer Finance

IV.

STATUTORY AUDITORS' REPORT ON THE 2018 HALF-YEARLY FINANCIAL INFORMATION

KPMG AUDIT IS
Tour EQHO
2 avenue Gambetta
CS 60055
92066 Paris La Défense Cedex
France

MAZARS
Exaltis
61 rue Henri Regnault
92400 Courbevoie
France

STEF S.A.

Statutory auditors' report on the half-yearly financial information

Period from 1 January to 30 June 2018

Period from 1 January to 30 June 2018
STEF S.A.
93, boulevard Malesherbes – 75008 Paris
This report contains 16 pages

STEF

Head Office: 93, boulevard Malesherbes – 75008 Paris
Share capital: €.13 165 649

Statutory auditors' report on the half-yearly financial information

Période du 1er janvier 2018 au 30 juin 2018

At the STEF Shareholders' Meeting,

In accordance with the assignment entrusted to us by your Shareholders' Meeting and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have conducted:

- a limited review of the accompanying half-yearly consolidated financial statements for the company STEF, relating to the period from 1 January 2018 to 30 June 2018, as attached to this report;
- verification of the information given in the half-yearly business review.

These half-yearly condensed consolidated financial statements have been prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these consolidated financial statements based on our limited review.

1 Conclusion on the accounts

We conducted our limited review in accordance with the professional standards applicable in France.

A limited review essentially involves interviewing the members of management responsible for accounting and financial matters and applying analytical procedures. These works are substantially less extensive than those required for an audit conducted in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free of material misstatement obtained under a limited review is a limited assurance, lower than that given by an audit.

Based on our limited review, we found no material misstatement that would call into question the compliance of the condensed half-yearly consolidated financial statements with the IAS 34 standard of the IFRS relating to interim financial information as adopted by the European Union.

Without prejudice to the conclusion expressed above, we draw your attention to the note "Accounting principles and presentation options" which sets out the impacts of the first applications of the standards IFRS 15 "Income from ordinary activities derived from contracts concluded with customers" and IFRS 9 "Financial Instruments".

2 Specific procedures

We also verified the information given in the half-yearly business review commenting on the condensed half-yearly consolidated financial statements subject to our limited review. We have no comment to make as to the fair presentation of this information or its consistency with the half-yearly consolidated financial statements.

Paris La Défense and Courbevoie, 30 August 2018

The Statutory Auditors

KPMG Audit	MAZARS
Jérémie Lerondeau	Anne-Laure Rousselou
Associate	*Associate*