

# HALF-YEAR FINANCIAL REPORT

## JUNE 30, 2018



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## I. Group businesses and results

### 1. H1 2018 activity

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For Eurazeo, H1 2018 was marked by a strong momentum in both investments and divestments, with nearly €2.1 billion in new investments for the group, including Eurazeo's share of €1.1 billion, and €2.2 billion in total or partial divestments, of which an Eurazeo share of €1.3 billion, including signed divestments that have yet to be completed.

Furthermore, the two strategic investments that had been announced were finalized in H1 2018 with €465 million invested for Idinvest and Rhône in April 2018. Idinvest stepped up its fundraising momentum with nearly €1.1 billion raised since the start of the year. Since the launch of the Rhône – WeWork joint venture, Rhône has raised more than US\$800 million.

Both our H1 2018 performance and financial structure remained solid. H1 2018 economic revenue at constant Eurazeo scope stood at €3,020 million, for an increase of +10%. At constant exchange rates, the increase totaled +14%, and +17% excluding ongoing divestments. Net income attributable to owners of the Company increased by +22% to €190 million, compared to a pro forma €156 million for the first six months of 2017. Finally, cash and cash equivalents of Eurazeo SE stood at €292 million as of June 30, 2018 and €714 million pro forma of all signed deals. There is no structural debt at the Eurazeo SE level.

The value creation momentum remained steady, as demonstrated by two key indicators. NAV per share totaled €78.3, up +5.3% compared to December 31, 2017 (+6.9% dividends included). Total assets under management totaled €16.5 billion, up +8.5% compared to December 31, 2017, driven by the increase in the NAV and the successful fundraising.

### 2. Assets under management

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#### **Increase of nearly +9% in total assets under management (AUM) as of June 30, 2018**

- **NAV per share<sup>1</sup> up +5.3% and +6.9% dividends included in H1 2018**

As of June 30, 2018, Eurazeo's Net Asset Value stood at €6,050 million, i.e. €78.3 per share, up +5.3% compared to December 31, 2017 and +6.9% adjusted for the dividend paid in 2018.

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<sup>1</sup> Pro forma of the investments in Rhône and Idinvest and adjusted in 2017 for the 2018 bonus share grant

The changes in NAV over the half-year reflect scope impacts and value creation:

**Eurazeo Capital:** 7% value creation in H1 2018 due to a +9% increase in listed assets (+64% increase in the value of Moncler shares) and a +7% rise in unlisted assets. In accordance with our methodology, the investments of less than one year in our portfolio were recorded at cost. They represented €592 million in H1 2018, i.e. 23% of Eurazeo Capital's unlisted companies. NAV decreased by -6.2% on a reported basis, taking into account changes in scope, which primarily involved the sale of all Accor shares, the reinvestment in Novacap to finance its external growth and the syndication of a portion of our investment in WorldStrides.

**Eurazeo PME:** +16% value creation in H1 2018 due to Odéalim (formerly AssurCopro), revalued at the price of the sale agreement. NAV increased by +19% on a reported basis due to changes in scope mainly relating to the reinvestment at In'Tech Medical to finance its build-up.

**Eurazeo Patrimoine:** +12% value creation in H1 2018 driven by Grape Hospitality and Reden Solar. NAV increased by +46% on a reported basis due to the acquisitions of C2S, Highlight and the partnership with Dazia Capital.

**Eurazeo Croissance:** +8% value creation partly attributable to the revaluation of PeopleDoc based on the ongoing divestment. Scope changes involved new investments in ContentSquare and Back Market.

**Eurazeo Brands:** NAV increased by +89% on a reported basis due to the new investment in Pat McGrath.

**Eurazeo Development:** the +9% NAV increase on a reported basis stemmed from the investments in Capzantine and IM Square. The NAV takes into account €234 million, for the 30% interest in Rhône that was paid in cash for €85 million and Eurazeo shares (for 2 million Eurazeo shares issued) and €231 million for the 70% interest in Idinvest.

In total, the NAV includes 13 companies not yet revalued due to the methodology used (investment of less than 1 year). Their value stood at €1,380 million, or 29% of the NAV excluding cash and cash equivalents, treasury shares and listed assets.

- **An improvement in total assets under management by nearly +9% as of June 30, 2018**

As of June 30, 2018, total assets under management stood at nearly €16.5 billion, up +8.5% compared to December 31, 2017. This total breaks down into an NAV for €6.05 billion and AUM for investment partners for €10.5 billion.

This increase was attributable to the +10.5% rise in AUM for investment partners to €10.5 billion following the very positive fundraising momentum at Idinvest, and the +5.3% increase in NAV. The investment partner activity is being developed by:

**Eurazeo Capital:** assets under management totaled €4,467 million, breaking down into an NAV for €3,806 million, and €661 million for AUM for investment partners, including €104 million not yet called;

- **Eurazeo PME:** assets under management totaled €879 million, breaking down into an NAV for €456 million and €424 million for AUM for investment partners. Uncalled commitments for managed funds amounted to €228 million, including €200 million for Eurazeo PME III;

**Eurazeo Patrimoine:** assets under management totaled €522 million, breaking down into an NAV for €466 million, and €56 million for AUM for investment partners;

**Idinvest:** assets under management rose by +14.6% to €7,935 million driven by the fundraising momentum (See Section II);

**Rhône:** assets under management rose slightly by +0.9% to €4.7 billion (100%), for an Eurazeo share of €1.4 billion. The 2017 pro forma figure was adjusted for the actual data.

## Assets under management (€ millions)

<i>In € millions</i>	12/31/2017	12/31/2017	6/30/2018
	PF Idinvest & Rhône:		
<b>PORTFOLIO NAV</b>	<b>5,057</b>	<b>5,057</b>	<b>5,138</b>
<b>Eurazeo Capital</b>	<b>4,058</b>	<b>4,058</b>	<b>3,806</b>
Eurazeo Capital Unlisted	2,505	2,505	2,620
Eurazeo Capital Listed	1,553	1,553	1,186
<b>Eurazeo PME</b>	<b>382</b>	<b>382</b>	<b>456</b>
<b>Eurazeo Patrimoine</b>	<b>320</b>	<b>320</b>	<b>466</b>
<b>Eurazeo Croissance</b>	<b>237</b>	<b>237</b>	<b>298</b>
<b>Eurazeo Brands</b>	<b>60</b>	<b>60</b>	<b>112</b>
<b>NAV - Eurazeo Development</b>	<b>240</b>	<b>704</b>	<b>769</b>
<b>Net cash &amp; other items</b>	<b>300</b>	<b>(15)</b>	<b>144</b>
Cash and cash equivalents	379	63	292
Other securities and assets/liabilities	(93)	(93)	(129)
Tax on unrealized capital gains	(58)	(58)	(59)
Treasury shares	72	72	38
<b>Total NAV</b>	<b>5,597</b>	<b>5,746</b>	<b>6,050</b>
# Shares**	75,156,640	77,256,640	77,256,640
NAV per share (€)	74.5	74.4	78.3
<b>Eurazeo Capital *</b>	<b>730</b>	<b>730</b>	<b>661</b>
<b>Eurazeo PME *</b>	<b>396</b>	<b>396</b>	<b>424</b>
<b>Eurazeo Patrimoine</b>	<b>45</b>	<b>45</b>	<b>56</b>
<b>Idinvest * (@100%)</b>	<b>0</b>	<b>6,924</b>	<b>7,935</b>
<b>Rhône * (@30%)</b>		<b>1,389</b>	<b>1,401</b>
<b>Total AUM for investment partners</b>	<b>1,171</b>	<b>9,484</b>	<b>10,476</b>
<b>TOTAL ASSETS UNDER MANAGEMENT</b>	<b>6,768</b>	<b>15,230</b>	<b>16,527</b>

\* Including uncalled commitments

\*\*For 2017, the number of shares is adjusted for the 2018 bonus share grant and the shares issued as part of Eurazeo's investment in Rhône.

## NAV valuation methodology

Net Asset Value (NAV) is determined based on net equity as presented in the Eurazeo company financial statements<sup>(1)</sup> adjusted to include investments at their estimated fair value in accordance with the recommendations set out in the International Private Equity Valuation Guidelines<sup>(2)</sup> (IPEV).

<sup>1</sup> These recommendations are recognized by the majority of private equity associations around the world, and particularly France Invest in France, and are applied by numerous funds. They may be consulted at the following Internet address: <http://www.privateequityvaluation.com/>.

<sup>2</sup> These recommendations are recognized by the majority of private equity associations around the world, and particularly France Invest in France, and are applied by numerous funds. They may be consulted at the following Internet address: <http://www.privateequityvaluation.com/>.

Pursuant to these recommendations, which propose a multi-criteria approach, the preferred method for valuing Eurazeo's unlisted investments is based on comparable multiples (stock market capitalization or transactions) applied to earnings figures taken from the income statement.

This valuation approach requires the exercise of judgment, particularly in the following areas:

- in order to ensure the relevance of the approach, samples of comparables are stable over time and include companies presenting characteristics as close as possible to our investments, particularly with respect to their business and market position; where appropriate, these samples may be adjusted to reflect the most relevant comparables;
- the earnings to which multiples are applied to obtain the enterprise value are primarily operating income (EBIT) or gross operating income (EBITDA). The multiples are applied to data taken from the historical accounts (preferred method)<sup>(3)</sup> or alternatively forecast accounts for the coming year where these contribute additional, relevant information (PeopleDoc, Younited Credit, IES, Farfetch, I-Pulse and Vestiaire Collective as of June 30, 2018);
- the value of each investment is then obtained by subtracting the following amounts from the enterprise value, determined after adjustment, where applicable, for a control premium applied to equity (i) historical or forecast net debt at nominal value, as appropriate, (ii) a discount for liquidity, where applicable and (iii) the amount payable, where applicable, to other investors according to their rank and investment managers.

When the comparables method cannot be applied, other valuation methods are adopted, such as the Discounted Cash Flow method.

As of June 30, 2018, the values adopted for CPK, Fintrax, LPCR, Neovia, Novacap, Sommet Education, Farfetch IES, I-Pulse, PeopleDoc, Vestiaire Collective, Younited Credit, Grape Hospitality, Reden Solar and the investment partner fund management business, were subject to a detailed review by an independent professional appraiser, Sorgem Evaluation<sup>(4)</sup>. The value adopted for Trader Interactive was subject to a detailed review by an independent professional appraiser, Duff & Phelps<sup>(4)</sup>. These reviews concluded that the values adopted are reasonable and prepared in accordance with a valuation methodology pursuant to IPEV recommendations. Recent investments (Iberchem, WorldStrides, Doctolib, Back Market, ContentSquare, C2S, Dazia, Highlight, Idinvest, Rhône Capital, PMG and Nest Fragrances) are valued at

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<sup>3</sup> Consolidated financial statements of each investment used to prepare the Eurazeo IFRS consolidated financial statements, before impairment of goodwill and amortization of intangible assets recognized on business combinations. Figures are adjusted, where appropriate, for non-recurring items.

<sup>4</sup> In accordance with the terms of their engagement, Sorgem Evaluation and Duff & Phelps based their opinion on a comparison of values adopted by Eurazeo with a range of estimates obtained using the valuation methods considered most pertinent. The procedures performed by Sorgem Evaluation and Duff & Phelps were based on (i) information communicated by Eurazeo, primarily business plans and available forecast data and (ii) publicly available information.



acquisition cost. Eurazeo PME investment valuations were reviewed by the statutory auditors of the funds managed by Eurazeo PME as part of their review of the funds' statutory financial statements that present investments at fair value in accordance with the accounting principles specific to investment funds.

Listed investments<sup>(5)</sup> (listed investments and other listed assets) are valued based on the average, over the 20 days preceding the valuation date, of average daily share prices weighted for trading volumes. As the liquidity of the shares concerned is satisfactory, neither a discount nor a premium is applied to the share prices adopted. When the shares are held through a company that secured debt specifically to finance the investment, the transparent amount, net of borrowings secured by the holding company carrying the shares, is taken into account in the NAV.

Real Estate investments are valued as follows, at the valuation date: (i) for investment funds (Colyzeo and Colyzeo 2), based on the most recent information communicated by fund managers; (iii) for CIFA, based on expert valuations and finally (iv) for Grape Hospitality, based on an average of expert valuations and a valuation based on comparable multiples.

The investment partner fund management business was valued based on long-term stock market comparable multiples.

Cash and cash equivalents<sup>(6)</sup> and Eurazeo treasury shares are valued at the valuation date. Treasury shares allocated to share purchase option plans are valued at the lower of the closing price and the strike price.

Net Asset Value is reported after adjustment for the taxation of unrealized capital gains and invested capital likely to be due to management teams. The number of shares is the number of shares comprising the Eurazeo share capital less any treasury shares earmarked for cancellation.

## **Valuation definition and methodology regarding assets managed for investment partners**

The valuation of assets managed for investment partners comprises:

- The fair value of investments managed for investment partners by Eurazeo or companies that Eurazeo controls;
- The uncalled capital of funds managed for investment partners;
- The share of assets under management managed by strategic partnerships in which Eurazeo holds a minority interest.

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<sup>5</sup> *Listed investments comprise investments in listed companies in which Eurazeo exercises control or significant influence. This is not the case for other listed securities.*

<sup>6</sup> *Cash and cash equivalents net of other assets and operating liabilities of Eurazeo, at their net carrying amount.*

Idinvest's assets are fully consolidated, in line with the consolidation policy for this company. The valuation methodology for its assets is identical to that used for the funds managed directly by Eurazeo.

The Rhône assets are taken into account at 30% and the valuation method is also the same as that of the funds managed directly by Eurazeo.

### ▪ Total Assets under management generating management fees

The following table presents total assets under management generating fees or likely to serve as a basis for fees.

In € millions	Basis of calculation for management fees			
	Eurazeo	Idinvest (@100%)	Rhône (@30%)	Eurazeo balance sheet (theoretical base)
Private equity	789	1,793	1,001	3,852
Private debt	-	2,730	-	-
Real estate	-	-	69 *	389
Mandates and dedicated funds	-	1,616	-	-
<b>Total</b>	<b>789</b>	<b>6,139</b>	<b>1,070 *</b>	<b>4,241</b>

\*€/€ exchange rate: 1.16. Rhône has a 50% stake in the Rhône - WeWork joint venture

## 3. Extensive activity and performance across all business lines

### A. AN EXTREMELY BUOYANT INVESTMENT AND DIVESTMENT ACTIVITY SINCE THE START OF THE YEAR THAT PERFECTLY ILLUSTRATES OUR INVESTMENT BUSINESS

Since the start of 2018, business has been particularly brisk: Eurazeo, Idinvest and Rhône invested and reinvested €2.1 billion (Eurazeo share of €1.1 billion) and carried out total and partial divestments of €2.2 billion (Eurazeo share of €1.3 billion). These figures include i) Eurazeo, Idinvest (100%) and Rhône (30%); and ii) deals in exclusive negotiations, signed or completed up to July 25, 2018.

- New investments (65 deals signed or completed): nearly €1.6 billion, including an Eurazeo share of €965 million:  
Eurazeo invested in 11 new companies: Albingia at Eurazeo Capital; Vitaprotech and 2RH Group at Eurazeo PME; C2S, Dazeo and Highlight at Eurazeo Patrimoine; Back Market and ContentSquare at Eurazeo Croissance; Pat McGrath at Eurazeo Brands and 2 strategic investments in Idinvest and Rhône.  
Idinvest and Rhône completed 54 deals amounting to more than €570 million.
- Re-investments: €463 million, including the €125 million Eurazeo share. Eurazeo's portfolio companies completed 13 external growth transactions.

- Total and partial sales: over 310 deals for a total divestment of nearly €2.2 billion, including 5 deals for Eurazeo in the amount of €1.3 billion: one sale completed (AccorHotels) and 4 others signed or in exclusive negotiations: Asmodee, Neovia at Eurazeo Capital, Odealim (formerly AssurCopro) at Eurazeo PME, and PeopleDoc at Eurazeo Croissance. Eurazeo has achieved an average 3.2x cash-on-cash multiple on the 4 ongoing divestments.

## **B. FUNDRAISING**

**Idinvest** has maintained its fundraising momentum, raising €1,079 million in H1 2018, i.e. 80% of capital raised in 2017, which breaks down into 40% for private equity funds, 38% for private debt funds and 22% for dedicated portfolios. Idinvest Partners announced:

- The first closing of its third digital fund for €180 million. Idinvest Digital Fund III, whose target size is €300 million, has therefore outperformed the previous fund, Idinvest Digital Fund II, which raised €154 million.
- The final closing of its fourth direct lending fund, Idinvest Private Debt IV, for €715 million, surpassing the initial target of €600 million.

The **joint venture Rhône - WeWork** has raised over \$800 million since its creation, including nearly \$280 million in H1 2018.

## **C. SOLID PERFORMANCE FOR ALL THE INVESTMENT DIVISIONS**

### **Eurazeo Capital (14 companies, 63% of NAV as of June 30, 2018)**

As of June 30, 2018, the Eurazeo Capital portfolio comprised 14 investments: Asmodee, CPK, Desigual, Elis, Europcar, Planet (formerly Fintrax), Iberchem, Grandir (formerly Les Petits Chaperons Rouges), Moncler, Neovia, Novacap, Sommet Education, Trader Interactive and WorldStrides.

### **Investments and divestments in H1 2018**

Investments and re-investments (Eurazeo share):

- Eurazeo Capital reinvested €30 million in Novacap to support the development of its pharmaceuticals division via the acquisition of PCI, a U.S. Contract Development and Manufacturing Organization (CDMO);
- At the same time, the portfolio companies conducted 7 external growth transactions: Versachem in South Africa by Iberchem, HI Nutrients in Nigeria and Pilardière by Neovia, PCI by Novacap, Coiledspring in the UK, Rebel in Poland and Lookout Mayfair in Germany by Asmodee;
- Signature of an agreement for the acquisition of Albingia (see Section IV) that should be finalized in H2 2018.

## Divestments and dividends (Eurazeo share)

In H1 2018, Eurazeo completed one sale and one syndication and signed, in July 2018, two exclusivity agreements for a total estimated amount of €1,328 million.

- In March 2018, Eurazeo sold its entire stake in Accor SA and generated cash net of taxes, expenses and other liabilities of €484 million. During the ownership of AccorHotels, Eurazeo realized a cash-on-cash multiple of 2.0x on its initial May 2008 investment, taking into account the sale of Edenred in May 2013;
- Syndication of WorldStrides to Primavera for €85 million;
- Signature of 2 exclusive negotiations to sell Asmodee and Neovia (See Section IV).

## Growth in economic revenue and EBITDA at constant Eurazeo scope and exchange rates in H1 2018

At a constant Eurazeo scope, the economic revenue of Eurazeo Capital rose by +10.3% to €2,202 million, and economic EBITDA increased by +2.6% to €287 million in H1 2018. Excluding the exchange rate impact, the increases stood at +16.1% and +11.4%, respectively.

Eurazeo Capital unlisted companies: revenue up +12% and EBITDA up +9% on a constant Eurazeo scope and exchange rate basis:

- Three companies posted revenue growth of over +20%: 1) Novacap (acquired in July 2016) posted +32% revenue growth due to acquisitions completed in H2 2017. On a constant scope basis, revenue would be down, mainly due to a one-off 2017 for the Performance Chemicals division which benefited from competitors' supply chain disruptions and production problems. 2) Planet reported +32% revenue growth thanks to the acquisition of Planet Payment in December 2017, and organic growth of +7% driven by its two business lines - tourist tax-free shopping and payment. 3) Grandir continued its growth, with revenue up by +27%, following its 2017 acquisitions in the UK and the opening of new nurseries in France over the past 12 months;
- Two companies posted revenue growth of between +10% and +20%: 1) **Iberchem** (acquired in July 2017) posted substantial revenue growth of +17% across all the geographies where it is present or to where it exports, against a backdrop of rising raw material prices. The acquisition of Versachem, a company specializing in food flavors based in South Africa, will help boost sales development across the African continent; 2) Trader Interactive (acquired in June 2017) sustained its Q1 growth momentum, with revenue up by +11% in the first half of 2018;

- Two companies have delivered performances of between 0 and +10%: 1) WorldStrides (acquired in December 2017) posted steady revenue growth of +5%, adjusted for non-recurring events organized in 2017, thanks to travel and studies abroad for students of all ages. WorldStrides is also examining acquisition opportunities to continue to expand its service offering; 2) Sommet Education (acquired in July 2016) posted adjusted revenue growth of nearly +5% in H1 2018, mainly due to a higher retention rate and the new activities launched by the group;
- Desigual continues to bear the brunt of a drop in sales across its distribution channels;
- An exclusivity agreement covering the sale of Asmodee and Neovia has been signed;
- Carambar & Co (CPK, acquired in 2017), which cannot be compared to H1 2017 (company created in May 2017), posted a performance that was in line with the budget.

### **Eurazeo PME (10 companies, 8% of NAV as of June 30, 2018)**

As of June 30, 2018, the Eurazeo PME portfolio comprised 10 investments: Odealim (formerly AssurCopro), Dessange, Redspher (formerly Flash Europe), In'Tech Medical, Léon de Bruxelles, MK Direct, Orolia, Péters Surgical, Smile and Vignal Lighting Group.

### **Investments and divestments in H1 2018**

**Investments and reinvestments:** Eurazeo's share amounted to €13 million (€21 million at 100%). This mainly involved its stake in the build-up carried out by In'Tech Medical: Bradshaw Medical, a U.S. manufacturer of orthopedic surgical instruments, specializing in silicone handles, that generated revenue of \$30 million in 2017.

**Divestments:** Odealim sale agreement. The transaction is expected to be completed in H2 2018.

### **Ongoing robust economic revenue and EBITDA growth for Eurazeo PME in H1 2018**

At constant Eurazeo scope, Eurazeo PME's economic revenue totaled €609 million for the half-year ended June 30, 2018, i.e. +13.9%, while economic EBITDA rose by +6.8% to €73 million. Excluding the exchange rate impact, the increases stood at +15.7% and +10.7%, respectively.

In H1 2018, Eurazeo PME's investments delivered excellent performances at constant scope and exchange rates:

- Three of the ten investments reported growth of over +20%: 1) Redspher (formerly Flash Europe, acquired in September 2015): the group's core business, Premium Freight, has developed substantially both in France and internationally. Since Eurazeo PME's investment, the Group has boosted its international reach and digital strategy through external and organic growth; 2) Smile (acquisition in July 2017): steady business growth of +20% driven by a high market demand; 3) In'Tech Médical (acquired in July 2017) has benefited from these two external growth transactions since its acquisition by Eurazeo PME: (i) Pyxidis, a French manufacturer of sterilization cases and trays for orthopedic surgery and (ii) Bradshaw Medical, a U.S. manufacturer of orthopedic surgical instruments. The transaction enabled the company to double its local presence in the U.S. and strengthen its market position as the leading orthopedics manufacturer, providing end-to-end solutions to its customers worldwide;
- Two companies posted revenue growth of between +10% and +20%: Vignal Lighting Group reported growth both in Europe and the United States across all its business segments; and Peters Surgical posted solid growth through its export business;
- Three companies posted revenue growth of between 0% and +10%: **1) Orolia** (acquired in May 2016) was awarded a multi-year \$34 million contract covering the manufacture of Personnel Recovery Devices for the U.S. Army; **2) MK Direct** reported H1 2018 growth due to its consolidation in the Envie de Fraise Group, partly offset by the decline in the Françoise Saget activity, the group's entry level brand; **3) Léon de Bruxelles**: the activity was impacted by the transport strikes;
- **Dessange** suffered a drop in revenue due to the adverse weather impact on its product distribution and logistics activity at the start of the year.
- Odealim (formerly AssurCopro) is in the process of being sold.

### **Eurazeo Croissance (9 companies, 5% of NAV as of June 30, 2018)**

As of June 30, 2018, the Eurazeo Croissance portfolio comprised nine companies (Back Market, ContentSquare, Doctolib, Farfetch, PeopleDoc, Vestiaire Collective, Younited Credit, IES and I-Pulse).

#### **A solid portfolio performance in H1 2018**

The performances delivered by Eurazeo Croissance's portfolio companies met with expectations, and were in line with last year's trends.

In particular, Doctolib continued to grow at an extremely fast pace, both in France and Germany and is now a pivotal player in the MedTech sector in Europe, especially since the acquisition of its main French competitor MonDocteur (see Section IV). Farfetch continued to expand very quickly in all its geographies and hosts an increasing number of brands directly on its platform. Younited Credit now generates 40% of its business outside France, and has surpassed €100 million in cumulative loans in Italy since its launch in April 2016. Fintech has continued to enhance its dual B2C and B2B2C model, with a promising partnership in Italy with the online insurer ConTe, a subsidiary of the UK group Admiral. ContentSquare and IES speeded up their growth in H1 2018, following their fundraising initiatives, particularly abroad. Vestiaire Collective has continued its efforts to improve the user experience and maintained its growth rate. I-Pulse reported growth in all its businesses, with an increasing number of promising projects.

#### **Investments and divestments in H1 2018**

In June 2018, Eurazeo Croissance contributed to the €41 million fundraising in Back Market, Europe's leading marketplace for refurbished devices and appliances. The start-up now employs around one hundred people with over ten nationalities in Paris, Bordeaux and New York, and plans to use this fundraising to considerably bolster its teams and further its expansion in France and internationally.

### **Eurazeo Patrimoine (6 companies, 8% of NAV as of June 30, 2018)**

As of June 30, 2018, Eurazeo Patrimoine's portfolio comprised 6 companies (Grape Hospitality, Reden Solar, C2S, CIFA, Highlight and Dazeo).

#### **Growth at a constant Eurazeo scope of +4.8% in revenue and +11.8% in economic EBITDA in H1 2018**

At constant Eurazeo scope, Eurazeo Patrimoine's economic revenue stood at €177 million and its EBITDA totaled €45 million for the half-year ended June 30, 2018, i.e. up +4.8% and +11.8% at constant Eurazeo scope, respectively. This

growth mainly stemmed from the solid performances of Grape Hospitality and Reden Solar.

The robust performance of Grape Hospitality was primarily attributable to the hotels that were refurbished in phase 1 of the refurbishment plan (all 21 hotels) and the hotels located in the Greater Paris region and internationally (Belgium, Netherlands, Italy and Spain in particular). To secure the Group's growth in the years to come, phase 2 of the refurbishments is underway (28 hotels in 2018) and two acquisitions in Rome and Berlin have already been confirmed for H2 2018.

The revenue growth posted by the C2S Group was mostly due to a rise in the number of patients over the period. This growth should accelerate in H2 2018 with the integration within the group of two new clinics located in Auxerre and Vesoul as well as an ophthalmologic care center in Lyon.

Finally, Reden Solar posted sharp revenue and EBITDA growth at a constant scope. This improvement reflects the growth of the Group's solar assets and its international expansion mainly through the contribution of Globalwatt and Infrapar over the period. The trend should continue in H2 2018 as phase 1 of the Puerto Rico plant's reconstruction is finalized.

CIFA's performance dipped slightly primarily due to non-recurring items, since rents were only marginally lower.

## **Investments and divestments in H1 2018**

In H1 2018, Eurazeo Patrimoine continued to roll out two of the three pillars of its investment strategy: investing in value-added real estate and platforms that use and operate real estate assets.

- On March 27, 2018, Eurazeo Patrimoine acquired 80.7% of the private clinic group C2S for €95 million, following the investment of the group's practitioners. The C2S group is the eighth largest private clinic operator in France (11 clinics, seven of which are owned by C2S).
- On May 24, 2018, Eurazeo Patrimoine signed a partnership with Dazia Capital. The partnership, known as Dazeo, involves a three-year investment program for a maximum amount of €70 million (Eurazeo Patrimoine share) dedicated to the acquisition, renovation and resale of residential buildings in Madrid and the main Spanish cities. As of June 30, 2018, 4 projects were secured for a total commitment of €19 million by Eurazeo Patrimoine.
- On May 29, 2018, Eurazeo Patrimoine closed an off-plan sale with the Kaufman & Broad Group. The project consists in the conversion and refurbishment of an historic building located on the banks of the river Seine in Courbevoie, for a total surface area of 24,000 m<sup>2</sup>. The total capital investment represents around €70 million, including a minority interest in partnership with the Decaux family's



investment holding company. As of June 30, 2018, 10% of the capital was invested by Eurazeo Patrimoine.

- In Q1 2018, Reden Solar completed two new acquisitions, Globalwatt and Infrapar, thereby boosting total production capacity by more than 46MW. These two acquisitions were funded via refinancing at the end of June 2018 for more than €270 million, representing the most significant French refinancing transaction in the solar industry.
- In June 2018, to boost its development, the C2S group acquired a new clinic in Auxerre and an ophthalmologic care center in Lyon for €2 million.
- Finally, the Colyzeo fund, in which Eurazeo Patrimoine is a shareholder, continued its divestment phase by signing the sale of Data4 in early July 2018.

### **Eurazeo Brands (2 companies, 2% of NAV as of June 30, 2018)**

As of June 30, 2018, the Eurazeo Brands portfolio comprised two companies (Nest Fragrance and Pat McGrath).

#### **Investments in H1 2018**

Eurazeo Brands completed its 2nd investment with the U.S. makeup brand Pat McGrath. Founded by Pat McGrath in 2016, Pat McGrath Labs quickly revolutionized modern beauty through its must-have, straight-from-the-runway makeup experience. In the fall of 2017, Pat McGrath Labs launched a sophisticated range of lip, eye and face makeup products sold at patmcgrath.com and in selected Sephora stores in the U.S. Eurazeo has invested in the U.S. company to support its international growth strategy.

#### **Portfolio performance**

Revenue at Eurazeo Brands comprised one consolidated asset for H1 2018, Nest Fragrances, based in the U.S.

Nest Fragrances posted solid revenue growth of +6.5%, excluding a foreign exchange impact of €11.2 million (\$13.7 million), compared to H1 2017. Second quarter performance overcame the first quarter's temporary shipping delays, relating to the new distribution facility. Nest sales rose +12% in Q2, with Nest-branded product sales increasing +19%, a testament to the brand's vibrancy. The percentage revenue of other products was deliberately reduced. In addition, retail sell-through rose +14% in Q2, up from +12% in Q1, with e-commerce sales recording the largest channel gain.

To support the brand's growth, management has reinforced both the company's structure and its team, particularly via the relocation to a new logistics center and the recruitment of a new CFO.

## **Eurazeo Development (13% of NAV as of June 30, 2018)**

### **Completion of two strategic investments**

In H1 2018, Eurazeo completed two strategic investments in (i) Rhône, a transatlantic private equity fund manager, and (ii) Idinvest, an investment company specializing in French SME financing. These major deals confirmed the strategic shift undertaken by Eurazeo towards managing on behalf of French and international partners. These investments will strengthen the company by diversifying its business lines and providing the networks and know-how of two renowned teams.

### **Performance of Idinvest and Rhône since the start of 2018**

Rhône completed its 5th investment in the V fund by acquiring the Brazilian steakhouse chain, Fogo de Chaõ, which currently operates over 45 restaurants in the U.S., Brazil and Mexico. Fogo de Chaõ was formerly listed on the Nasdaq. The V fund is currently 40% invested.

Idinvest invested nearly €510 million in 53 new companies through its various businesses, reinvested over €320 million and divested for nearly €569 million.

- **Private equity:** over €100 million was invested in 22 new companies in H1 2018, including Drive For Me (car leasing service for private hire car drivers) in the smart city sector, +simple.fr (new generation insurance broker for professionals and very small businesses), Klaxoon (collective intelligence platform) and Lendix (crowdfunding platform) in the digital sector. Idinvest also conducted 15 total sales for €120 million, including Winamax (sports betting and online poker platform) and Eden Games (independent video game developer) that both operate in the digital sector.
- **Debt activity:** 17 new investments in H1 2018 for €233 million and 15 portfolio companies sold, including Le Groupe Bertrand (catering leader in France) and Appart'city (no.1 apartment hotel search and comparison platform in France).



## 4. Consolidated financial statements

### Consolidated financial statements

<i>(In millions of euros)</i>	H1 2018	H1 2017 PF
<b>Eurazeo Capital</b>	<b>160.8</b>	<b>153.3</b>
<b>Eurazeo Patrimoine</b>	<b>58.0</b>	<b>55.9</b>
<b>Eurazeo PME</b>	<b>21.2</b>	<b>20.6</b>
<b>Eurazeo Brands</b>	<b>(1.2)</b>	<b>(1.9)</b>
<b>Adjusted EBIT of fully consolidated companies</b>	<b>238.8</b>	<b>227.9</b>
Net finance costs	(88.8)	(91.8)
<b>Adjusted EBIT net of finance costs</b>	<b>150.1</b>	<b>136.1</b>
<b>Net income of equity-accounted companies (*)</b>	<b>5.4</b>	<b>10.6</b>
<b>Contribution of companies net of finance costs</b>	<b>155.4</b>	<b>146.7</b>
<b>Fair value gains (losses) on investment properties</b>	<b>0.2</b>	<b>(36.5)</b>
<b>Net capital gains or losses</b>	<b>236.7</b>	<b>305.1</b>
<b>Net income (loss) from the holding company business</b>	<b>(29.0)</b>	<b>(14.0)</b>
<b>Amortization of contracts and other assets relating to GW allocation</b>	<b>(106.3)</b>	<b>(112.2)</b>
<b>Income tax expense</b>	<b>(2.3)</b>	<b>(4.8)</b>
Non-recurring items	(44.5)	(95.9)
<b>Consolidated net income/(loss)</b>	<b>210.2</b>	<b>188.5</b>
<b>Attributable to owners of the Company</b>	<b>189.7</b>	<b>155.5</b>
Attributable to non-controlling interests	20.5	33.0

(\*) Excluding non-recurring items

The figures of U.S. companies such as WorldStrides and Nest Fragrances are presented using €/ \$ exchange rates of 1.08 (H1 2017) and 1.21 (H1 2018). The exchange rate impact is largely theoretical since the acquisitions were completed at the end of 2017 based on an exchange rate of 1.18, close to the H1 2018 exchange rate.

### Economic revenue on a constant Eurazeo scope basis up by nearly +10% in H1 2018

In H1 2018, Eurazeo posted economic revenue growth of +14% to €3,020 million on a constant Eurazeo scope basis (+15.8% in Q1 and +13.4% in Q2). This breaks down as +16.1% for Eurazeo Capital, +15.7% for Eurazeo PME, +4.8% for Eurazeo Patrimoine and +6.5% for Eurazeo Brands.

Pro forma of ongoing divestments, economic revenue growth stood at +17.3% on a constant Eurazeo scope and exchange rate basis.

## **Increase in the contribution of companies net of finance costs**

The contribution of companies net of finance costs rose by +5.9% to €155 million, due to the improvement in the adjusted EBIT of the fully consolidated investments, net of finance costs, by +10.2% to €150 million and a decline in the net income of equity-accounted companies to €5.4 million, compared to €10.6 million in H1 2017.

## **Capital gains**

Eurazeo recorded pre-tax capital gains totaling €237 million (full share) in H1 2018, primarily as a result of the change in Moncler's stock price for €176 million, valued in the Eurazeo financial statements under financial assets at fair value through profit or loss.

## **Non-recurring items**

Non-recurring items totaled -€45 million in H1 2018. They include €26 million in investment expenses and €19 million in exceptional costs spread out across the entire scope.

## **Net income attributable to owners of the Company**

Net income attributable to owners of the Company was €190 million in H1 2018, compared with pro forma net income of €156 million in H1 2017.

## **Financial position and cash and cash equivalents**

Eurazeo's cash and cash equivalents stood at €292 million as of June 30, 2018, compared to €379 million as of December 31, 2017.

The main changes compared to December 31, 2017 were attributable to:

- Investments and reinvestments totaling €620 million;
- Total and partial sales totaling €590 million: sale of AccorHotels shares (€484 million), syndication for €85 million at WorldStrides, sale of Banca Leonardo (€20 million);
- Paid dividends for €90 million and dividends received for €16 million.

Pro forma of subsequent events (particularly ongoing deals), net cash and cash equivalents amounted to €714 million.

As of June 30, 2018, share capital comprised 78,030,886 shares, including 774,246 shares for cancellation. There was a total of 1,689,939 treasury shares (excluding shares for cancellation) or 2.2% of share capital.

## 5. Subsequent events

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- **Exclusive discussions or agreements signed for new investments and a build-up**

### **Eurazeo Capital**

- On July 2, 2018, Eurazeo announced that it had entered into exclusive discussions with the Chevrillon and IDI Groups to acquire Albingia, a French insurance company, alongside Financière de Blacailoux, controlled by Bruno Chamoin (Albingia's CEO), and the management teams represented by Financière de l'Elbe. Founded in Germany in 1901 and established in France since 1962, Albingia is the only independent industrial risk insurance player on the French market. Albingia generated over €220 million in premiums in 2017, while maintaining a net combined ratio below 85% and posted nearly €1 billion in assets.

### **Eurazeo PME**

- Signature in June 2018 of an agreement to acquire Vitaprotech (formerly ST Group), the French leader in securing physical accesses to sensitive sites through its subsidiaries SORHEA, PROTECH and TIL Technologies. The company generated revenue of €29 million in 2017. Eurazeo has invested €40 million alongside the managers (Eurazeo share of €25 million) to hold around 60% of capital.
- Signature in June 2018 of an agreement to acquire 2RH Group (Shark, Bering, Segura and Cairn brands), under which Eurazeo will become the majority shareholder. The investment amounted to €63 million (Eurazeo share of €39 million). 2RH Group is the European leader in protective motorcycle and winter sports equipment. The company generated revenue of €98 million in 2017.

### **Eurazeo Croissance**

- Doctolib acquired MonDocteur, one of the European leaders in online medical appointment booking. With 150 employees, MonDocteur is now one of the main French start-ups. With this merger, Doctolib will consolidate its position as the leading e-healthcare player in Europe. With 55,000 user practitioners and 20 million visits by patients each month, the new group now offers the world's most popular online medical appointment booking service.

- **Four sales agreements**

### **Eurazeo Capital**

In July 2018, Eurazeo signed a sales agreement and an exclusivity contract for total proceeds (Eurazeo share) of €603 million:

- On July 20, Eurazeo announced that it had entered into exclusive negotiations with PAI Partners to sell its investment in Asmodee, a leading international games publisher and distributor, based on an enterprise value of €1.2 billion. The total proceeds arising from this deal could represent around €580 million for Eurazeo and its investment partners, including €435 million for Eurazeo, i.e. a multiple of 4.0x its initial investment and an IRR of 35%.
- On July 2, Eurazeo and its partners, all shareholders since 2015, announced that they had entered into exclusive discussions with Archer Daniels Midland Company to sell Neovia outright based on an enterprise value of €1,535 million. For Eurazeo, the deal will generate a cash-on-cash multiple of about 2.0x and an IRR of 20%.

### **Eurazeo PME**

- On July 16, 2018, Eurazeo PME announced that it had entered into an agreement to sell Odealim (formerly AssurCopro) for €111 million (Eurazeo share of €78 million), i.e. a multiple of 2.0x its investment. The deal is expected to close in H2 2018, following the preliminary transactions.

### **Eurazeo Croissance**

- Eurazeo Croissance and the other shareholders of PeopleDoc entered into an exclusive agreement with Ultimate Software, a Nasdaq-listed U.S. company and leader in human resource management solutions to sell the company for around \$300 million.

## **6. Transactions with related parties**

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The compensation set for members of the Executive Board for 2018 and share transactions covered by Article L. 621-18-2 of the Financial and Monetary Code (*Code Monétaire et Financier*) performed by these individuals are presented in the section "Compensation and Other Benefits received by Corporate Officers" of the Executive Board's report, in the 2017 Registration Document filed with the AMF on March 20, 2018.

## 7. Risk management and disputes

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The Group's businesses are exposed to a number of macro-economic, sector, operational, market, industrial, environmental and legal risks. The main risk factors facing the Group are detailed in the section "Risk management, internal control and main risk factors" of the 2017 Registration Document filed with the AMF on March 20, 2018. There were no material changes in these risks during the first six months of 2018.

## 8. Outlook

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### ▪ An extensive Eurazeo transformation

Today, the private equity market has a predominant role in financing and developing the economy: the leading employers in Europe and the U.S., private equity firms fund and own assets worth \$2,500 billion (source: Preqin).

In an increasingly complex environment and to anticipate the future changes and requirements of the global economy (economic players), Eurazeo has been radically transformed over the past ten years with three main growth phases:

- **Business diversification:** Eurazeo is now present in 4 asset classes through 8 different investment strategies: private equity, real estate assets, a debt activity and dedicated portfolios.
- **Significant geographical expansion** for Eurazeo with a local presence in 9 countries. The **Eurazeo and Rhône portfolio companies** generate over 50% of their revenue outside their domestic markets. More than half of Idinvest's portfolio companies are not French.
- A **dual model**, combining investment in permanent capital and fund management for investment partners, that offers multiple advantages: greater investment opportunities and investment capacity by creating an international network of investors, development of new strategies and generation of recurring revenues. As of June 30, 2018, funds managed on behalf of investment partners represented 63% of total assets under management.

This transformation has a triple objective: i) facilitate support for companies at each stage of their development; ii) create more value by diversifying sources of growth and maximizing the return/risk ratio; and iii) adapt strategies according to macroeconomic cycles.

As a long-term investor whose purpose is to create value by supporting the transformation of the companies it partners. Eurazeo is one of the leading private equity firms in Europe and is now positioned as a key transatlantic player. The three self-sustaining pillars - multi-businesses, multi-countries and dual model - are designed to ramp up Eurazeo's growth.



## II. 2018 Condensed Interim Consolidated Financial Statements

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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**HALF-YEAR ENDED JUNE 30, 2018**

## Consolidated Statement of Financial Position

<i>(In thousands of euros)</i>	Notes	06/30/2018 net	06/30/2017 net restated	12/31/2017 net restated
<b>ASSETS</b>				
Goodwill	5	2,935,008	1,491,479	2,907,768
Intangible assets	5	1,693,433	1,175,358	1,960,692
Property, plant and equipment	5	1,410,285	1,100,701	1,282,827
Investment properties	6	254,424	220,000	234,349
Investments in associates	7.1	1,327,192	1,547,632	1,299,025
Financial assets	7.2	1,469,491	1,649,383	1,499,372
Other non-current assets		32,998	17,964	17,312
Deferred tax assets		35,176	36,531	40,765
<b>Total non-current assets</b>		<b>9,158,007</b>	<b>7,239,049</b>	<b>9,242,109</b>
Inventories		324,989	279,281	349,647
Trade and other receivables		866,835	749,667	932,269
Current tax assets		42,451	16,081	51,452
Financial assets	7.2	15,066	252,278	18,783
Other financial assets		783	2,889	3,360
Other current assets		62,010	35,081	61,729
Other short-term deposits	11.1	15,173	15,128	15,306
Cash and cash equivalents	11.1	785,573	745,950	891,003
<b>Total current assets</b>		<b>2,112,882</b>	<b>2,096,355</b>	<b>2,323,549</b>
Assets classified as held for sale	2.2	1,013,798	1,084,301	955
<b>TOTAL ASSETS</b>		<b>12,284,686</b>	<b>10,419,705</b>	<b>11,566,613</b>
<b>EQUITY AND LIABILITIES</b>				
Issued capital		237,994	220,561	220,561
Share premium		143,452	2,383	2,383
Consolidated reserves		4,712,667	4,317,380	4,575,773
<b>Equity attributable to owners of the Company</b>		<b>5,094,112</b>	<b>4,540,324</b>	<b>4,798,717</b>
Non-controlling interests		1,266,773	1,280,747	1,198,058
<b>Total equity</b>	<b>10.1</b>	<b>6,360,886</b>	<b>5,821,071</b>	<b>5,996,775</b>
Provisions	9	19,286	17,650	32,912
Employee benefit liabilities	9	92,390	75,343	90,664
Long-term borrowings	8.1	3,134,214	2,256,475	3,154,690
Deferred tax liabilities		426,131	359,029	471,324
Other non-current liabilities		83,173	37,002	82,029
<b>Total non-current liabilities</b>		<b>3,755,194</b>	<b>2,745,499</b>	<b>3,831,620</b>
Current portion of provisions	9	13,751	6,936	11,443
Current portion of employee benefit liabilities	9	197	-	1,072
Current income tax payable		22,511	18,484	29,300
Trade and other payables		834,473	593,757	964,457
Other liabilities		543,337	370,204	587,444
Other financial liabilities		2,968	4,654	1,509
Bank overdrafts and current portion of long-term borrowings	8.1	224,880	234,954	142,483
<b>Total current liabilities</b>		<b>1,642,118</b>	<b>1,228,991</b>	<b>1,737,708</b>
Liabilities directly associated with assets classified as held for sale	2.2	526,488	624,144	510
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,284,686</b>	<b>10,419,705</b>	<b>11,566,613</b>

## Consolidated Income Statement

<i>(In thousands of euros)</i>	Notes	2018 (6 months)	2017 (6 months) restated	2017 (12 months) restated
Revenue	4.1	2,267,409	1,571,283	3,484,142
Other income	4.2	264,349	256,416	602,217
Cost of sales		(1,083,898)	(651,605)	(1,531,053)
Taxes other than income tax		(31,172)	(30,611)	(48,353)
Employee benefits expense		(493,221)	(366,203)	(792,296)
Administrative expenses		(404,568)	(317,475)	(719,615)
Depreciation and amortization (excluding intangible assets relating to acquisitions)		(86,854)	(56,142)	(132,032)
Additions to/(reversals of) provisions		3,418	2,325	4,238
Other operating income and expenses		(15,199)	(11,838)	(58,250)
<b>Operating income before other income and expenses</b>		<b>420,262</b>	<b>396,150</b>	<b>808,998</b>
Amortization of intangible assets relating to acquisitions		(106,324)	(22,962)	(70,762)
Impairment of goodwill/investments in associates		-	-	(26,495)
Other income and expenses	4.3	(23,148)	(60,456)	(72,726)
<b>Operating income</b>	<b>4.3</b>	<b>290,791</b>	<b>312,732</b>	<b>639,015</b>
Income and expenses on cash and cash equivalents and other financial instrument	8.2	1,375	400	(42)
Finance costs, gross	8.2	(90,424)	(78,177)	(167,548)
<b>Finance costs, net</b>		<b>(89,049)</b>	<b>(77,777)</b>	<b>(167,590)</b>
Other financial income and expenses	8.2	1,467	(1,789)	(21,864)
Share of income of associates		9,935	(7,869)	27,616
Income tax expense		(2,284)	(25,837)	48,738
<b>NET INCOME (loss) before net INCOME (loss) from discontinued operations</b>		<b>210,859</b>	<b>199,461</b>	<b>525,915</b>
Net income (loss) from discontinued operations		(638)	(1,024)	(1,040)
<b>NET INCOME (LOSS)</b>		<b>210,222</b>	<b>198,438</b>	<b>524,876</b>
Net income (loss) attributable to non-controlling interests		20,549	26,559	45,654
<b>NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>189,673</b>	<b>171,879</b>	<b>479,221</b>
Earnings per share	12.2	2.71	2.56	7.04
Diluted earnings per share	12.2	2.74	2.56	7.09

## Consolidated Statement of Other Comprehensive Income

Pursuant to IAS 1 revised, Eurazeo is required to present total income and expenses recognized indirectly (that is through net income (loss) for the period) and directly in equity:

<i>(In thousands of euros)</i>	Notes	06/30/2018 (6 months)	2017 (6 months) restated	2017 (12 months) restated
<b>Net income for the period</b>		210,222	198,438	524,876
Fair value gains (losses) on available-for-sale financial assets		34	-	-
Fair value reserves reclassified to profit or loss		-	-	-
<b>Total change in fair value reserves</b>		<b>34</b>	-	-
Tax impact		-	-	-
<b>Fair value reserve, net (not reclassifiable)</b>		<b>34</b>	-	-
Gains (losses) arising on the fair value measurement of hedging instruments		(8,638)	9,814	7,597
Hedging reserve reclassified to profit or loss	8.2	-	2,868	14,673
<b>Total change in hedging reserves</b>		<b>(8,638)</b>	<b>12,682</b>	<b>22,270</b>
Tax impact		296	(1,453)	(1,754)
<b>Hedging reserves, net (potentially reclassifiable)</b>		<b>(8,342)</b>	<b>11,229</b>	<b>20,516</b>
<b>Recognition of actuarial gains and losses in equity</b>		<b>1,464</b>	<b>(4,162)</b>	<b>(9,151)</b>
Tax impact		(50)	(860)	(404)
<b>Actuarial gains and losses, net (not reclassifiable)</b>		<b>1,414</b>	<b>(5,022)</b>	<b>(9,555)</b>
Gains (losses) arising on foreign currency translation		23,551	(29,720)	(96,190)
Foreign currency translation reserves reclassified to profit or loss		97	-	4,105
<b>Foreign currency translation reserves (potentially reclassifiable)</b>		<b>23,648</b>	<b>(29,720)</b>	<b>(92,085)</b>
<b>TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY</b>		<b>16,754</b>	<b>(23,513)</b>	<b>(81,124)</b>
<b>TOTAL RECOGNIZED INCOME AND EXPENSES</b>		<b>226,976</b>	<b>174,925</b>	<b>443,752</b>
Attributable to:				
- Eurazeo shareholders		199,123	153,555	417,227
- Non-controlling interests		27,853	21,370	26,525

The change in fair value reserves reflects fair value gains and losses on non-consolidated assets, measured at fair value through reserves.

The change in hedging reserves reflects fair value gains and losses on derivatives qualifying for hedge accounting.

Actuarial gains and losses arising on the measurement of employee benefits correspond to the impact of changes in assumptions (obligation discount rate, pay increase rate, pension increase rate and expected return on plan assets) used to value defined benefit plan obligations.

## Consolidated Statement of Changes in Equity

<i>(In thousands of euros)</i>	Issued capital	Share premium	Fair value reserves	Hedging reserves	Foreign currency translation reserves	Share-based payment reserves	Treasury shares	Actuarial gains and losses	Deferred tax	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
<b>As of January 1, 2017 restated</b>	212,597	710	91,564	(21,775)	7,975	115,344	(76,348)	(123,115)	14,086	4,334,572	4,555,612	1,220,518	5,776,130
Net income for the period	-	-	-	-	-	-	-	-	-	171,879	171,879	26,559	198,438
Gains (losses) recognized directly in equity	-	-	-	8,984	(20,867)	-	-	(4,557)	(1,884)	-	(18,324)	(5,189)	(23,513)
<b>Total recognized income and expenses</b>	-	-	-	8,984	(20,867)	-	-	(4,557)	(1,884)	171,879	153,555	21,370	174,925
Capital increase	10,680	1,673	-	-	-	-	-	-	-	(12,352)	-	-	-
Treasury shares	(2,716)	-	-	-	-	-	(24,183)	-	-	(74,095)	(100,994)	-	(100,994)
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(78,707)	(78,707)	(19,615)	(98,322)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	7,155	7,155	71,019	78,174
Other changes	-	-	-	-	-	6,643	-	-	-	(2,941)	3,703	(12,544)	(8,842)
<b>As of June 30, 2017 restated</b>	220,561	2,383	91,564	(12,791)	(12,892)	121,987	(100,531)	(127,672)	12,202	4,345,512	4,540,324	1,280,747	5,821,071
Net income for the period	-	-	-	-	-	-	-	-	-	307,341	307,341	19,097	326,438
Gains (losses) recognized directly in equity	-	-	-	9,558	(48,092)	-	-	(5,167)	31	-	(43,670)	(13,941)	(57,611)
<b>Total recognized income and expenses</b>	-	-	-	9,558	(48,092)	-	-	(5,167)	31	307,341	263,671	5,156	268,827
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	13,745	-	-	979	14,724	-	14,724
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(6,683)	(6,683)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	(23,569)	(23,569)	(315,978)	(339,547)
Other changes	-	-	-	-	-	1,964	-	-	(7,327)	8,932	3,569	234,815	238,384
<b>As of December 31, 2017 restated</b>	220,561	2,383	91,564	(3,233)	(60,984)	123,951	(86,786)	(132,839)	4,906	4,639,195	4,798,717	1,198,058	5,996,775
Net income for the period	-	-	-	-	-	-	-	-	-	189,673	189,673	20,549	210,222
Gains (losses) recognized directly in equity	-	-	-	(7,232)	15,449	-	-	1,123	111	-	9,450	7,304	16,754
<b>Total recognized income and expenses</b>	-	-	-	(7,232)	15,449	-	-	1,123	111	189,673	199,123	27,853	226,976
Capital increase	17,433	141,069	-	-	-	-	-	-	-	(10,723)	147,779	-	147,779
Treasury shares	-	-	-	-	-	-	17,474	-	-	5,045	22,519	-	22,519
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(89,794)	(89,794)	(662)	(90,456)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	8,447	8,447	(6,317)	2,129
Other changes	-	-	-	-	-	6,473	-	-	-	849	7,322	47,842	55,164
<b>As of June 30, 2018</b>	237,994	143,452	91,564	(10,465)	(45,535)	130,424	(69,312)	(131,716)	5,017	4,742,691	5,094,112	1,266,774	6,360,886
						4,712,668							

# Consolidated Statement of Cash Flows

<i>(In thousands of euros)</i>	Notes	06/30/2018 (6 months)	06/30/2017 (6 months) restated	12/31/2017 (12 months) restated
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Consolidated net income</i>				
		210,222	198,439	524,875
Net depreciation, amortization and provision allowances		176,659	79,005	208,082
Impairments (including on financial assets)		(132,248)	11,290	10,081
Unrealized fair value gains (losses)	4.2	(66,170)	(145,312)	(266,588)
Share-based payments		6,399	5,389	8,221
Other calculated income and expenses		(4,403)	19,357	(899)
Capital gains (losses) on disposals, dilution gains (losses)		(39,393)	(120,474)	(283,130)
Share of income of associates		(9,935)	7,869	(27,616)
Dividends (excluding holding companies)		(2)	-	-
<i>Cash flows after net finance costs and income tax expense</i>				
		141,129	55,564	173,027
Net finance costs	8.2	89,049	77,776	167,593
Income tax expense		2,284	25,837	(48,738)
<i>Cash flows before net finance costs and income tax expense</i>				
		232,463	159,178	291,881
Income taxes paid		(12,901)	(31,982)	(69,035)
Change in operating WCR		(229,185)	(65,285)	(26,413)
<b>NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	11.2	<b>(9,624)</b>	<b>61,911</b>	<b>196,434</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of intangible assets		(28,309)	(27,434)	(47,946)
Proceeds from sales of intangible assets		9	70	674
Purchases of property, plant and equipment		(79,206)	(81,279)	(144,516)
Proceeds from sales of property, plant and equipment		2,211	228	4,036
Purchases of investment properties		(19,903)	(38,090)	(40,105)
Proceeds from sales of investment properties		-	1,108	1,108
Purchases of non-current financial assets				
. Investments		(457,439)	(822,287)	(2,135,919)
. Financial assets		(360,548)	(85,445)	(248,654)
. Other non-current financial assets		(349)	(8)	(757)
Proceeds from sales of non-current financial assets				
. Investments		747,676	140,425	1,231,694
. Financial assets		1,808	40,194	70,763
. Other non-current financial assets		780	25,516	575
Impact of changes in consolidation scope		350	8,297	151,473
Dividends received from associates		12,549	35,761	37,108
Change in other short-term deposits		106	49,789	49,754
Other investment flows		-	-	-
<b>NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>	11.3	<b>(180,265)</b>	<b>(753,156)</b>	<b>(1,070,711)</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of shares				
- paid by parent company shareholders		-	-	-
- paid by minority interests in consolidated entities		54,933	37,218	211,021
Treasury share repurchases and sales		22,518	(100,993)	(86,270)
Dividends paid during the fiscal year				
- paid to parent company shareholders	10.2	(89,794)	(78,707)	(78,707)
- paid to minority interests in consolidated entities		(117,121)	(90,837)	(125,525)
Proceeds from new borrowings		317,783	524,759	1,035,780
Repayment of borrowings		(48,817)	(303,792)	(555,110)
Payment of balancing amount		(107)	0	(271)
Net interest paid		(70,403)	(61,177)	(140,374)
Other financing flows		(568)	127	39
<b>NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>	11.4	<b>68,423</b>	<b>(73,403)</b>	<b>260,583</b>
<i>Net increase (decrease) in cash and cash equivalents</i>				
		(121,466)	(764,647)	(613,694)
<b>Cash and cash equivalents at the beginning of the year</b>				
		880,643	1,504,781	1,504,781
Effect of foreign exchange rate changes		3,405	(4,307)	(10,444)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (net of bank overdrafts)</b>	11.1	<b>762,417</b>	<b>735,881</b>	<b>880,643</b>
<i>Including restricted cash of:</i>		<i>17,893</i>	<i>21,879</i>	<i>20,441</i>

## Notes to the Consolidated Financial Statements

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The Eurazeo condensed interim consolidated financial statements for the half-year ended June 30, 2018 were drawn up in accordance with IAS 34, *Interim Financial Reporting*. Since these financial statements are condensed, they do not include all the information required under IFRS and should therefore be read alongside Eurazeo's consolidated financial statements for the year ended December 31, 2017, drawn up in accordance with IFRS as adopted by the European Union.

The consolidated financial statements were authorized for publication by the Eurazeo Executive Board on July 23, 2018. They were reviewed by the Audit Committee on July 24, 2018 and by the Supervisory Board on July 25, 2018.

### **Specific characteristics of interim financial statements**

At interim period-ends, the income tax expense (current and deferred) is calculated by applying the estimated annual average effective tax rate for the current year to taxable income for the period.

Revenue, operating income and all operating performance indicators (including working capital requirements) are subject to a certain degree of seasonality, which varies across Group business sectors.

As such, the interim results for the half-year ended June 30, 2018 are not necessarily indicative of the results which may be expected for fiscal year 2018.

### **1.1. Basis of preparation of the consolidated financial statements**

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The accounting policies used to prepare the consolidated financial statements are compliant with IFRS standards and interpretations as adopted by the European Union on June 30, 2018, and available on the website: [http://ec.europa.eu/finance/company-reporting/standards-interpretations/index\\_en.htm](http://ec.europa.eu/finance/company-reporting/standards-interpretations/index_en.htm).

The interim consolidated financial statements are prepared on an historical cost basis, except for investment properties, derivative financial instruments and financial assets which are measured at fair value. The financial statements are presented in euros, rounded to the nearest thousand. Rounding may sometimes lead to slight discrepancies in totals or changes presented.



The accounting principles adopted are identical to those used to prepare the annual consolidated financial statements for the year ended December 31, 2017, updated for the following standards which are of mandatory application for fiscal years beginning on or after January 1, 2018. These standards did not have an impact on the financial statements for the period:

- the amendment to IFRS 4, *Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts*, applicable to fiscal years beginning on or after January 1, 2018;
- IFRS 15, *Revenue from Contracts with Customers*, applicable to fiscal years beginning on or after January 1, 2018;
- the IFRS 15 clarification applicable to fiscal years beginning on or after January 1, 2018;
- the amendment to IFRS 2, *Classification and measurement of share-based payment transactions*, applicable to fiscal years beginning on or after January 1, 2018;
- the amendment to IAS 40, *Transfers of investment properties*, applicable to fiscal years beginning on or after January 1, 2018;
- IFRIC 22, *Foreign Currency Transactions and Advance Consideration*, applicable to fiscal years beginning on or after January 1, 2018;
- IFRS annual improvements (2014-2016 cycle) for IFRS 1 and IAS 28, applicable to fiscal years beginning on or after January 1, 2018.

The principles adopted do not differ from the IFRS as published by the IASB. In addition, the Group did not opt for early application of the following standards and interpretations not of mandatory application in 2018:

- IFRS 16, *Leases*, applicable to fiscal years beginning on or after January 1, 2019;
- the amendment to IFRS 9, *Prepayment features*, applicable to fiscal years beginning on or after January 1, 2019;
- the amendments to IAS 28, *Long-term interests in Associates and Joint Ventures*, applicable to fiscal years beginning on or after January 1, 2019 (not adopted by the European Union);
- IFRIC 23, *Uncertainty over income tax treatment*, applicable to fiscal years beginning on or after January 1, 2019 (not adopted by the European Union);
- IFRS annual improvements (2015-2017 cycle), applicable to fiscal years beginning on or after January 1, 2019 (not adopted by the European Union);
- IFRS 17, *Insurance contracts*, applicable to fiscal years beginning on or after January 1, 2021 (not adopted by the European Union);
- the amendment to IAS 19, *Plan amendment, curtailment or settlement* (not adopted by the European Union);
- IFRS 14, *Regulatory Deferral Accounts*, applicable to fiscal years beginning on or after January 1, 2016 (the European Commission decided not to launch the adoption process for this standard considering it transitional);

- the amendments to IFRS 10 and IAS 28, *Sales or contributions of assets between an investor and its associate/joint venture*, (postponed by the European Union to an undefined date).

Eurazeo is currently determining the potential impacts of these new standards and standard amendments on the Group's consolidated financial statements.

The Group has set up working groups in each of the investments to assess the impact of the adoption of IFRS 16. Contracts falling within the scope of this new standards were identified and an initial analysis of the impact on the financial statements and the information systems performed.

The main expected impacts concern the recognition of the right to use leased assets in the consolidated balance sheet, as well as the corresponding debt and interest.

## **1.2. Critical accounting estimates and judgments**

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When preparing its interim consolidated financial statements, Eurazeo must make estimates and assumptions that affect the carrying amount of certain assets, liabilities, revenue and expenses and can have an impact on the information contained in the Notes to the consolidated financial statements. Eurazeo regularly reviews these estimates and judgments, taking into consideration past experience and other factors deemed relevant in light of economic conditions.

Depending on changes in those assumptions or if conditions vary from those anticipated, amounts in future financial statements could differ from the current estimates.

### **1.2.1. Critical accounting estimates and assumptions**

The estimates and assumptions adopted for the preparation of the financial statements for the year ended June 30, 2018 concern:

- the recoverable amount of goodwill and intangible assets with an indefinite useful life (see Note 5);
- the fair value of investment properties (see Note 6);
- the recoverable amount of investments in associates (see Note 7).

### **1.2.2. Critical judgments in applying accounting policies**

When preparing the financial statements in accordance with Group accounting policies, Eurazeo makes assumptions, in addition to those involving the use of estimates, which can have a material impact on amounts recognized in the financial statements.

These assumptions are identical to those adopted in the consolidated financial statements for the year ended December 31, 2017, except for assumptions concerning the recognition of interests held by co-investors in the Eurazeo Partners and Eurazeo Capital II funds (see Note 1.3. Presentation of the restated comparative financial statements).

They concern determining the material or prolonged nature of a loss in value of available-for-sale (AFS) financial assets.

### **1.3. Presentation of the restated comparative financial statements**

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The comparative financial statements (Statement of Financial Position, Income Statement and Statement of Cash Flows) for the half-year ended June 30, 2017 have been restated for the following items:

- Adoption of IFRS 9 from January 1, 2017;
- Deconsolidation of investment funds managed for investment partners.

The comparative financial statements (Statement of Financial Position, Income Statement and Statement of Cash Flows) for the year ended December 31, 2017 have been restated for the following items:

- Allocation of the WorldStrides group purchase price (acquired December 15, 2017);
- Deconsolidation of investment funds managed for investment partners.

#### **ADOPTION OF IFRS 9, FINANCIAL INSTRUMENTS, FROM JANUARY 1, 2017,**

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Eurazeo adopted IFRS 9, *Financial Instruments*, early from January 1, 2017, as disclosed in the consolidated financial statements for the year ended December 31, 2017. This change in method was not applied in the interim consolidated financial statements for the half-year ended June 30, 2017. The comparative financial statements have therefore been restated for the impact of adopting this new standard.

On adopting IFRS 9, the Group designated all its investments in equity instruments at fair value through profit or loss. Accordingly, the change in fair value reserves of €35,425 thousand recognized as of June 30, 2017 is recorded in "Other income" in the restated Income Statement.

#### **ALLOCATION OF THE WORLDSTRIDES GROUP PURCHASE PRICE**

---

The WorldStrides group was acquired on December 15, 2017. The purchase price allocation was performed in the first-half of 2018 and the comparative

financial statements for the year-ended December 31, 2017 have been restated accordingly.

The main impacts on the Statement of Financial Position are as follows:

- Recognition of brands valued at €129.1 million;
- Recognition of customer relationships valued at €297.5 million;
- Recognition of deferred tax liabilities valued at €100.1 million.

The main impacts on the Income Statement are as follows:

- Amortization of intangible assets of €5.9 million;
- Deferred tax income relating to the amortization of intangible assets of €1.1 million;
- Impact of changes in U.S. tax rates on deferred tax recognized on the purchase price allocation of €48.4 million.

#### **DECONSOLIDATION OF INVESTMENT FUNDS MANAGED FOR INVESTMENT PARTNERS.**

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Historically a direct investor, Eurazeo raised its first fund in 2006 to syndicate a minority stake in its investments (approximately 15%). Recent fundraising (Eurazeo Capital II, Eurazeo PME III) and the acquisition of and a strategic alliance with pure investment funds (Idinvest, Rhône Capital), mark a change in the Group's business model, making the investment partner fund management activity a core business.

Given this change in the Group's investment strategy, the control exercised by Eurazeo over the companies comprising the funds was reassessed, leading to the deconsolidation of the investment funds managed for investment partners. This also led to the harmonization of the accounting treatment of the various investment partner management funds involving the Group.

The main impacts of the retrospective application of this deconsolidation are as follows:

- In the Statement of Financial Position, inclusion of the line "Interests relating to investments in investment funds" specific to consolidated funds, in the line "Non-controlling interests";
- In the Income Statement, recognition of commission billed to funds (revenue) and other inter-company transactions (notably financial income) previously eliminated;
- Cancellation in associates of the share in net income of funds.

## RECONCILIATION OF THE REPORTED AND RESTATED COMPARATIVE FINANCIAL STATEMENTS

### Restated Consolidated Statement of Financial Position

(In thousands of euros)	Notes	06/30/2017 reported	restatement	06/30/2017 restated	12/31/2017 reported	restatement	12/31/2017 restated
<b>ASSETS</b>							
Goodwill	5	1,493,716	(2,237)	1,491,479	3,255,625	(347,857)	2,907,768
Intangible assets	5	1,175,358	(0)	1,175,358	1,466,970	493,723	1,960,692
Property, plant and equipment	5	1,100,701	-	1,100,701	1,282,827	-	1,282,827
Investment properties	6	220,000	-	220,000	234,349	-	234,349
Investments in associates	7.1	1,640,244	(92,612)	1,547,632	1,374,988	(75,963)	1,299,025
Financial assets	7.2	1,627,868	21,515	1,649,383	1,507,894	(8,522)	1,499,372
Other non-current assets		17,964	-	17,964	17,312	-	17,312
Deferred tax assets		36,531	-	36,531	41,619	(855)	40,765
<b>Total non-current assets</b>		<b>7,312,383</b>	<b>(73,334)</b>	<b>7,239,049</b>	<b>9,181,584</b>	<b>60,526</b>	<b>9,242,109</b>
Inventories		279,281	-	279,281	349,647	-	349,647
Trade and other receivables		749,819	(152)	749,667	932,846	(577)	932,269
Current tax assets		16,093	(12)	16,081	51,472	(20)	51,452
Financial assets	7.2	19,757	232,521	252,278	18,783	-	18,783
Other financial assets		2,889	-	2,889	3,359	1	3,360
Other current assets		35,088	(7)	35,081	61,789	(60)	61,729
Other short-term deposits	11.1	15,128	-	15,128	15,306	-	15,306
Cash and cash equivalents	11.1	747,126	(1,176)	745,950	892,833	(1,830)	891,003
<b>Total current assets</b>		<b>1,865,181</b>	<b>231,174</b>	<b>2,096,355</b>	<b>2,326,035</b>	<b>(2,486)</b>	<b>2,323,549</b>
Assets classified as held for sale	2.2	1,084,301	-	1,084,301	955	-	955
<b>TOTAL ASSETS</b>		<b>10,261,865</b>	<b>157,840</b>	<b>10,419,705</b>	<b>11,508,573</b>	<b>58,040</b>	<b>11,566,613</b>
<b>EQUITY AND LIABILITIES</b>							
Issued capital		220,561	-	220,561	220,561	-	220,561
Share premium		2,383	-	2,383	2,383	-	2,383
Consolidated reserves		4,244,695	72,685	4,317,380	4,499,162	76,611	4,575,773
<b>Equity attributable to owners of the Company</b>		<b>4,467,639</b>	<b>72,685</b>	<b>4,540,324</b>	<b>4,722,105</b>	<b>76,611</b>	<b>4,798,717</b>
Non-controlling interests		767,498	513,249	1,280,747	756,603	441,455	1,198,058
<b>Total equity</b>	10.1	<b>5,235,137</b>	<b>585,934</b>	<b>5,821,071</b>	<b>5,478,708</b>	<b>518,066</b>	<b>5,996,775</b>
<b>Interests relating to investments in investment funds</b>		<b>326,751</b>	<b>(326,751)</b>	<b>-</b>	<b>467,770</b>	<b>(467,770)</b>	<b>-</b>
Provisions	9	17,650	-	17,650	29,579	3,333	32,912
Employee benefit liabilities	9	75,343	-	75,343	90,664	-	90,664
Long-term borrowings	8.1	2,352,307	(95,832)	2,256,475	3,216,781	(62,091)	3,154,690
Deferred tax liabilities		359,029	-	359,029	371,267	100,057	471,324
Other non-current liabilities		37,002	-	37,002	82,029	-	82,029
<b>Total non-current liabilities</b>		<b>2,841,331</b>	<b>(95,832)</b>	<b>2,745,499</b>	<b>3,790,321</b>	<b>41,299</b>	<b>3,831,620</b>
Current portion of provisions	9	6,936	-	6,936	11,443	-	11,443
Current portion of employee benefit liabilities	9	-	-	-	1,072	-	1,072
Current income tax payable		18,507	(23)	18,484	29,037	263	29,300
Trade and other payables		598,196	(4,439)	593,757	969,252	(4,795)	964,457
Other liabilities		370,234	(30)	370,204	616,428	(28,984)	587,444
Other financial liabilities		4,654	-	4,654	1,509	-	1,509
Bank overdrafts and current portion of long-term borrowings	8.1	235,973	(1,019)	234,954	142,523	(40)	142,483
<b>Total current liabilities</b>		<b>1,234,502</b>	<b>(5,511)</b>	<b>1,228,991</b>	<b>1,771,264</b>	<b>(33,556)</b>	<b>1,737,708</b>
Liabilities directly associated with assets classified as held for sale	2.2	624,144	-	624,144	510	-	510
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,261,865</b>	<b>157,840</b>	<b>10,419,705</b>	<b>11,508,573</b>	<b>58,040</b>	<b>11,566,613</b>

## Consolidated Income Statement

(In thousands of euros)	Notes	06/30/2017		06/30/2017	12/31/2017		12/31/2017
		(6 months) reported	restatement	(6 months) restated	(12 months) reported	restatement	(12 months) restated
Revenue	4.1	1,568,619	2,664	1,571,283	3,478,110	6,032	3,484,142
Other income	4.2	220,609	35,807	256,416	607,414	(5,197)	602,217
Cost of sales		(651,605)	-	(651,605)	(1,531,053)	-	(1,531,053)
Taxes other than income tax		(30,661)	50	(30,611)	(48,424)	71	(48,353)
Employee benefits expense		(366,203)	-	(366,203)	(792,296)	-	(792,296)
Administrative expenses		(318,140)	665	(317,475)	(720,523)	908	(719,615)
Depreciation and amortization (excluding intangible assets relating to acquisitions)		(56,142)	-	(56,142)	(132,032)	-	(132,032)
Additions to/(reversals of) provisions		2,325	-	2,325	4,238	-	4,238
Other operating income and expenses		(11,838)	-	(11,838)	(58,250)	-	(58,250)
<b>Operating income before other income and expenses</b>		<b>356,964</b>	<b>39,186</b>	<b>396,150</b>	<b>807,183</b>	<b>1,815</b>	<b>808,998</b>
Amortization of intangible assets relating to acquisitions		(22,962)	-	(22,962)	(64,809)	(5,953)	(70,762)
Impairment of goodwill/investments in associates		-	-	-	(26,495)	-	(26,495)
Other income and expenses	4.3	(60,456)	-	(60,456)	(72,726)	-	(72,726)
<b>Operating income</b>		<b>273,546</b>	<b>39,186</b>	<b>312,732</b>	<b>643,153</b>	<b>(4,138)</b>	<b>639,015</b>
Income and expenses on cash and cash equivalents and other financial instrument	8.2	(957)	1,357	400	(42)	-	(42)
Finance costs, gross	8.2	(78,042)	(135)	(78,177)	(168,902)	1,354	(167,548)
<b>Finance costs, net</b>		<b>(78,999)</b>	<b>1,222</b>	<b>(77,777)</b>	<b>(168,944)</b>	<b>1,354</b>	<b>(167,590)</b>
Other financial income and expenses	8.2	(1,789)	-	(1,789)	(22,683)	819	(21,864)
Share of income of associates		(6,014)	(1,855)	(7,869)	30,300	(2,684)	27,616
Income tax expense		(25,837)	-	(25,837)	(736)	49,473	48,738
<b>NET INCOME (loss) before net INCOME (loss) from discontinued operations</b>		<b>160,908</b>	<b>38,553</b>	<b>199,461</b>	<b>481,090</b>	<b>44,824</b>	<b>525,915</b>
Net income (loss) from discontinued operations		(1,024)	-	(1,024)	(1,040)	-	(1,040)
<b>NET INCOME (LOSS)</b>		<b>159,884</b>	<b>38,553</b>	<b>198,438</b>	<b>480,050</b>	<b>44,824</b>	<b>524,876</b>
Net income (loss) attributable to non-controlling interests		23,442	3,117	26,559	39,441	6,213	45,654
<b>NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>136,442</b>	<b>35,436</b>	<b>171,879</b>	<b>440,609</b>	<b>38,611</b>	<b>479,221</b>
Earnings per share	12.2	2.03		2.56	6.47		7.04
Diluted earnings per share	12.2	2.03		2.56	6.52		7.09

# Consolidated Statement of Cash Flows

(In thousands of euros)	Notes	06/30/2017 (6 months) published	restatement	06/30/2017 (6 months) restated	12/31/2017 (12 months) published	restatement	12/31/2017 (12 months) restated
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Consolidated net income		159,884	38,555	198,439	480,050	44,824	524,875
Net depreciation, amortization and provision allowances		79,005	-	79,005	202,129	5,953	208,082
Impairments (including on available-for-sale assets)		11,672	(382)	11,290	4,531	5,550	10,081
Unrealized fair value gains (losses)	4.2	(109,887)	(35,425)	(145,312)	(266,584)	(4)	(266,588)
Share-based payments		5,389	-	5,389	8,221	-	8,221
Other calculated income and expenses		18,723	634	19,357	(2,105)	1,207	(899)
Capital gains (losses) on disposals, dilution gains (losses)		(120,474)	-	(120,474)	(282,044)	(1,086)	(283,130)
Share of income of associates		6,014	1,855	7,869	(30,300)	2,684	(27,616)
Dividends (excluding holding companies)		(4,291)	4,291	-	-	-	-
<b>Cash flows after net finance costs and income tax expense</b>		<b>46,037</b>	<b>9,528</b>	<b>55,564</b>	<b>113,898</b>	<b>59,129</b>	<b>173,027</b>
Net finance costs	8.2	78,998	(1,222)	77,776	168,944	(1,351)	167,593
Income tax expense		25,837	-	25,837	736	(49,474)	(48,738)
<b>Cash flows before net finance costs and income tax expense</b>		<b>150,872</b>	<b>8,306</b>	<b>159,178</b>	<b>283,578</b>	<b>8,303</b>	<b>291,881</b>
Income taxes paid		(32,004)	22	(31,982)	(69,014)	(21)	(69,035)
Change in operating WCR		(65,336)	51	(65,285)	(27,759)	1,346	(26,413)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	11.2	<b>53,532</b>	<b>8,379</b>	<b>61,911</b>	<b>186,805</b>	<b>9,629</b>	<b>196,434</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchases of intangible assets		(27,434)	-	(27,434)	(47,946)	-	(47,946)
Proceeds from sales of intangible assets		70	-	70	674	-	674
Purchases of property, plant and equipment		(81,279)	-	(81,279)	(144,516)	-	(144,516)
Proceeds from sales of property, plant and equipment		228	-	228	4,036	-	4,036
Purchases of investment properties		(38,090)	-	(38,090)	(40,105)	-	(40,105)
Proceeds from sales of investment properties		1,108	-	1,108	1,108	-	1,108
Purchases of non-current financial assets		-	-	-	-	-	-
. Investments		(822,675)	388	(822,287)	(2,135,301)	(618)	(2,135,919)
. Financial assets		(85,445)	-	(85,445)	(248,654)	-	(248,654)
. Other non-current financial assets		(8)	-	(8)	(757)	-	(757)
Proceeds from sales of non-current financial assets		-	-	-	-	-	-
. Investments		132,197	8,229	140,425	1,051,585	180,109	1,231,694
. Financial assets		40,194	-	40,194	70,764	(0)	70,763
. Other non-current financial assets		25,516	-	25,516	575	-	575
Impact of changes in consolidation scope		8,297	-	8,297	151,473	-	151,473
Dividends received from associates		40,122	(4,361)	35,761	40,867	(3,759)	37,108
Change in other short-term deposits		49,789	-	49,789	49,754	-	49,754
<b>NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>	11.3	<b>(757,411)</b>	<b>4,256</b>	<b>(753,156)</b>	<b>(1,246,442)</b>	<b>175,731</b>	<b>(1,070,711)</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Proceeds from issuance of shares		-	-	-	-	-	-
- paid by parent company shareholders		-	-	-	-	-	-
- paid by minority interests in consolidated entities		42,780	(5,562)	37,218	511,228	(300,207)	211,021
Proceeds from the exercise of stock options		-	-	-	-	-	-
Treasury share repurchases and sales		(100,993)	-	(100,993)	(86,270)	-	(86,270)
Dividends paid during the fiscal year		-	-	-	-	-	-
- paid to parent company shareholders	10.2	(78,707)	-	(78,707)	(78,707)	-	(78,707)
- paid to minority interests in consolidated entities		(86,368)	(4,469)	(90,837)	(172,931)	47,406	(125,525)
Proceeds from new borrowings		525,759	(1,000)	524,759	1,069,259	(33,479)	1,035,780
Repayment of borrowings		(306,438)	2,646	(303,792)	(658,267)	103,157	(555,110)
Payment of balancing amount		0	-	0	(271)	-	(271)
Net interest paid		(61,049)	(128)	(61,177)	(141,727)	1,352	(140,374)
Other financing flows		(0)	127	127	35	4	39
<b>NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>	11.4	<b>(65,016)</b>	<b>(8,387)</b>	<b>(73,403)</b>	<b>442,349</b>	<b>(181,766)</b>	<b>260,583</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(768,895)</b>	<b>4,248</b>	<b>(764,647)</b>	<b>(617,288)</b>	<b>3,594</b>	<b>(613,694)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,510,205</b>	<b>(5,424)</b>	<b>1,504,781</b>	<b>1,510,205</b>	<b>(5,424)</b>	<b>1,504,781</b>
Other changes		54	-	54	-	-	-
Effect of foreign exchange rate changes		(4,307)	-	(4,307)	(10,444)	-	(10,444)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (net of bank overdrafts)</b>	11.1	<b>737,057</b>	<b>(1,177)</b>	<b>735,881</b>	<b>882,473</b>	<b>(1,830)</b>	<b>880,643</b>
Including restricted cash of:		21,879	-	21,879	20,441	-	20,441

## NOTE 2 CONSOLIDATION SCOPE

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Non-consolidated entities are not material compared with the consolidated financial statements of the companies included in the scope of consolidation.

### 2.1. Changes in consolidation scope

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Other than the deconsolidation of the funds, the main changes in the scope of consolidation in the half-year ended June 30, 2018 are as follows:

#### **EURAZEO PATRIMOINE**

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On March 28, 2018, Eurazeo Patrimoine acquired the C2S group, the eighth largest private clinic operator in France and a regional leader in Auvergne Rhône-Alpes and Burgundy Franche-Comté. Eurazeo Patrimoine acquired 81% of the share capital, along with management, after the investment of the group's practitioners and a minority co-investor. The C2S group is fully consolidated from April 1, 2018.

On May 24, 2018, Eurazeo Patrimoine signed a partnership with Dazia Capital to create a joint venture, known as Dazeo, to hold real estate investments in the Spanish market. This investment will be consolidated from July 1, 2018.

On May 30, 2018, Eurazeo Patrimoine closed an off-plan sale for a 24,000 square meter office complex on the banks of the river Seine in Courbevoie. This real estate complex is carried by the full-consolidated company, Highlight.

#### **EURAZEO BRANDS**

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At the end of 2017, Eurazeo invested USD 68 million in Nest Fragrances. Given the proximity of the transaction closing date to the December 31, 2017 year-end, the Nest Fragrances group was fully consolidated from January 1, 2018.



On April 12, 2018, Eurazeo acquired 70% of the share capital of Idinvest Partners, a leading pan-European private equity firm focused on the mid-market segment. The company will be fully consolidated from July 1, 2018, as the impact on the Eurazeo consolidated financial statements for the half-year ended June 30, 2018 was considered immaterial.

On April 20, 2018, Eurazeo acquired a 30% stake in Rhône, through a share capital increase of 2 million Eurazeo shares and a cash payment of USD 100 million.

The Rhône group will be equity-accounted from July 1, 2018. The shares purchased were transferred to investments in associates.

### **2.2. IFRS 5 reclassification - group of assets classified as held for sale**

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Following the launch of exclusive negotiations for the sale of investments in the Asmodee, Neovia and PeopleDoc groups and the signature of an agreement for the sale of the Odealim group (formerly AssurCopro) in Eurazeo PME, the contribution of these groups was transferred to assets and liabilities held for sale as of June 30, 2018. The relevant assets and liabilities were measured at the lower of net carrying amount and fair value less costs to sell in accordance with IFRS 5.

Assets and liabilities classified as held for sale as of December 31, 2017 comprised certain assets and liabilities of Eurazeo PME investments.

The assets and directly associated liabilities reclassified as of June 30, 2018 pursuant to IFRS 5, *Non-current Assets held for Sale and Discontinued Operations*, are as follows:

<i>(In thousands of euros)</i>	Note	06/30/2018	12/31/2017
<b>Non-current assets</b>			
Intangible assets		604,041	-
Property, plant and equipment		9,402	900
Investments in associates		126,856	-
Financial assets		41,660	-
Other non-current assets		541	-
Deferred tax assets		4,463	-
<b>Current assets</b>			
Inventories		97,613	-
Trade and other receivables		84,706	-
Current tax assets		805	-
Financial assets		1,686	-
Other current assets		11,581	55
Cash and cash equivalents		30,444	-
<b>ASSETS CLASSIFIED AS HELD FOR SALE</b>		<b>1,013,798</b>	<b>955</b>
<i>(In thousands of euros)</i>	Note	06/30/2018	12/31/2017
<b>Non-current liabilities</b>			
Provisions		48	-
Employee benefit liabilities		1,228	-
Long-term borrowings		346,293	-
Deferred tax liabilities		68,482	-
Other non-current liabilities		191	-
<b>Current liabilities</b>			
Current portion of provisions		57	-
Current income tax payable		7,995	-
Trade and other payables		65,628	510
Other liabilities		34,544	-
Bank overdrafts and current portion of long-term borrowings		2,022	-
<b>LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS</b>		<b>526,488</b>	<b>510</b>

Pursuant to IFRS 8, *Operating Segments*, segment reporting is presented in line with internal reporting and information presented to the chief operating decision maker (Eurazeo's Executive Board) for the purposes of allocating resources to the segment and assessing its performance.

Eurazeo group operating segments can be allocated to the following seven divisions:

- **Holding companies:** investment in non-consolidated investments and the co-investment fund business.  
**Eurazeo Capital:** this division invests in companies with an enterprise value of over €200 million.  
**Eurazeo PME:** this division invests in high-performing and ambitious small and medium-sized enterprises with an enterprise value of between €50 million and €200 million that are market leaders with significant capacity to maximize growth transactions.
- **Eurazeo Patrimoine:** this division specializes in management and investment activities for real estate and physical assets.
- **Eurazeo Brands:** this division specializes in European and U.S. consumer brands with global growth potential.
- **Eurazeo Développement:** this division develops Eurazeo's network of partners.  
It does not currently include any consolidated investments.
- **Eurazeo Croissance:** this division is dedicated to investing in young, high-growth companies, destined to be the international leaders of tomorrow. This division solely comprises non-consolidated companies.

Depending on the operating segment, the main performance indicators are as follows:

- adjusted EBIT (earnings before interest and taxes);
- adjusted EBITDA (earnings before interest, taxes, depreciation and amortization).

Adjustments between operating income before other income and expenses and the various income statement performance indicators mainly concern:

- adjustments for non-recurring items: restructuring costs, acquisition costs, amortization of assets recognized on the allocation of the purchase price;
- fair value gains and losses on investment properties (Eurazeo Patrimoine).

These adjustments were calculated directly based on the IFRS contributions of each operating segment and can be reconciled directly with the published consolidated financial statements.

### 3.1. Segment reporting as of June 30, 2018

#### SEGMENT INCOME STATEMENT

<i>(In millions of euros)</i>	2018 (6 months)	Holding companies	Eurazeo Capital	Eurazeo PME	Eurazeo Brands	Eurazeo Patrimoine
Revenue	2,267.4	20.0	1,463.2	609.2	11.2	163.7
Operating income before other income & expenses	420.3	219.7	120.8	58.6	(1.6)	22.9
Accretion loss			4.4	-	-	-
Acquisition costs and earn-outs			4.0	-	-	-
Restructuring and transition costs			1.9	-	-	-
Non-recurring employee benefits expense			9.1	-	-	-
Other non-recurring items			20.6	(0.6)	0.5	(1.9)
<b>Adjusted EBIT</b>	<b>238.6</b>		<b>160.8</b>	<b>58.0</b>	<b>(1.2)</b>	<b>21.0</b>
Charges to/reversals of deprec, amort & provisions			58.1	15.0	0.8	12.0
<b>Adjusted EBITDA</b>	<b>324.7</b>		<b>218.9</b>	<b>73.0</b>	<b>(0.4)</b>	<b>33.2</b>

#### SEGMENT NET DEBT

<i>(In millions of euros)</i>	06/30/2018	Holding companies	Eurazeo Capital	Eurazeo PME <sup>(1)</sup>	Eurazeo Brands	Eurazeo Patrimoine
Borrowings	3,359.1	15.4	1,938.4	678.9	6.4	720.0
Cash assets	(800.7)	(322.8)	(283.0)	(93.8)	(0.0)	(101.1)
<b>IFRS net debt</b>	<b>2,558.3</b>	<b>(307.4)</b>	<b>1,655.4</b>	<b>585.1</b>	<b>6.3</b>	<b>618.9</b>

(1) Excluding the holding company.

Detailed information on debt maturities and the nature of covenants is presented in Note 8.1.

### 3.2. Segment reporting as of June 30, 2017

#### SEGMENT INCOME STATEMENT

<i>(In millions of euros)</i>	2017 (6 months)	Holding companies	Eurazeo Capital	Eurazeo PME	Eurazeo Patrimoine
<b>Revenue</b>	1,571.3	37.8	775.2	615.3	142.9
<b>Operating income before other income &amp; expenses</b>	396.1	149.8	89.1	135.6	21.6
Fair value gains (losses) on investment properties <sup>(1)</sup>			-	-	9.6
Capital gains (losses) on disposals			(28.3)	(73.5)	-
Acquisition costs			7.1	-	-
Restructuring and transition costs			3.8	-	-
Non-recurring employee benefits expense			3.2	-	-
Other non-recurring items			5.5	(0.7)	0.2
<b>Adjusted EBIT</b>	285.0		80.4	61.4	31.4
Charges to/reversals of deprec, amort & provisions			31.6	14.5	10.5
<b>Adjusted EBITDA</b>	383.8		112.0	75.9	42.0

(1) Fair value gains (losses) on investment properties before IFRS 5 impact

#### SEGMENT NET DEBT

<i>(In millions of euros)</i>	06/30/2017	Holding companies	Eurazeo Capital	Eurazeo PME <sup>(1)</sup>	Eurazeo Patrimoine
Borrowings	2,491.4	108.3	1,330.4	563.3	489.5
Cash assets	(761.2)	(455.1)	(161.2)	(75.9)	(69.0)
<b>IFRS net debt</b>	1,730.3	(346.9)	1,169.2	487.4	420.5

(1) Excluding the holding company.

### 3.3. Segment reporting as of December 31, 2017

#### SEGMENT INCOME STATEMENT

<i>(In millions of euros)</i>	2017	Holding companies Total	Eurazeo Capital	Eurazeo PME	Eurazeo Patrimoine
<b>Revenue</b>	3,484.1	50.9	1,963.8	1,190.6	278.8
<b>Operating income before other income &amp; expenses</b>	809.0	365.0	192.0	197.5	54.4
Fair value gains (losses) on investment properties			-	-	4.3
Capital gains (losses) on disposals / accretion gain			(87.7)	(73.7)	-
Acquisition costs			22.2	-	-
Non-recurring employee benefits expense			15.9	-	-
Inventory revaluation (purchase price allocation)			18.8	-	-
Other non-recurring items			39.5	0.1	9.2
<b>Adjusted EBIT</b>	392.5		200.7	123.9	67.9
Charges to/reversals of deprec, amort & provisions			84.7	27.2	19.0
<b>Adjusted EBITDA</b>	523.3		285.4	151.1	86.9

## SEGMENT NET DEBT

<i>(In millions of euros)</i>	12/31/2017	Holding companies	Eurazeo Capital	Eurazeo PME	Eurazeo Patrimoine
Borrowings	3,297.1	8.4	2,032.1	752.2	504.5
Cash assets	(906.3)	(399.3)	(317.3)	(112.0)	(77.7)
<b>IFRS net debt</b>	<b>2,390.8</b>	<b>(391.0)</b>	<b>1,714.8</b>	<b>640.2</b>	<b>426.8</b>

## NOTE 4 OPERATING DATA

### 4.1. Revenue

Eurazeo group revenue is €2,267 million for the first-half of 2018, compared with €1,571 million for the first-half of 2017.

The revenue increase is mainly due to changes in consolidation scope (inclusion of half-year revenue for the WorldStrides, C2S, CPK and Nest Fragrances groups not included in the consolidation scope in the first-half of 2017).

### 4.2. Other income

Other income for the half-years ended June 30, 2017 and 2018 breaks down as follows:

<i>(In thousands of euros)</i>	Notes	06/30/2018 (6 months)	06/30/2017 (6 months)	2017 (12 months)
Capital gains (losses) on the securities portfolio		57,123	113,783	315,671
Fair value gains (losses) on investment properties	6	172	(46,074)	(4,258)
Fair value gains (losses) on financial assets		179,703	183,473	255,465
Fair value gains (losses) on other non-current assets		(34)	(3,444)	(3,203)
Other income and expenses		27,385	8,678	38,542
<b>OTHER INCOME</b>		<b>264,349</b>	<b>256,416</b>	<b>602,217</b>

#### 4.2.1. Capital gains (losses) on the securities portfolio

In the first-half of 2018, capital gains on the securities portfolio primarily concern the sale of Moncler shares (€19.4 million) and the sale of AccorHotels shares (€27.3 million).

In the first-half of 2017, capital gains on the securities portfolio primarily concern the sale of Colisée (Eurazeo PME group, €73.5 million), as well as the dilution gain on Europcar (€28.3 million), the gain on the spin-off of the Fonroche group / Reden Solar (€7.8 million, net of costs) and the partial sale of Moncler shares (€4.4 million).

#### 4.2.2. Fair value gains (losses) on financial assets at fair value through profit or loss

Fair value gains and losses on financial assets concern Moncler shares (€157.6 million) and Colyzeo shares (€1.7 million), as well as Eurazeo Croissance and Eurazeo Développement investments (€20.3 million) – see Note 7.2.

In the first-half of 2017, fair value gains and losses on financial assets concern AccorHotels and Moncler shares. On adopting IFRS 9, the Group designated all its investments in equity instruments at fair value through profit or loss. The change in fair value reserves of €35,425 thousand in respect of the Eurazeo Croissance and Développement divisions, was therefore recorded in “Other income” and more specifically “Fair value gains and losses on financial assets” in the income statement.

#### 4.3. Operating income and other income and expenses

Operating income totaled €290.8 million in the first-half of 2018, compared with €312.7 million in the first-half of 2017.

Other income and expenses break down as follows:

<i>(In thousands of euros)</i>	06/30/2018 (6 months)	06/30/17 (6 months)	2017 (12 months)
Restructuring/relocation/reorganization	(1,046)	(2,704)	(2,339)
Acquisition costs	(18,308)	(35,145)	(44,815)
Other income and expenses	(3,794)	(22,607)	(25,572)
<b>OTHER INCOME AND EXPENSES</b>	<b>(23,148)</b>	<b>(60,456)</b>	<b>(72,726)</b>

### NOTE 5 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

#### 5.1. Goodwill, intangible assets and property, plant and equipment

Goodwill totals €2,935 million as of June 30, 2018, compared with €2,908 million as of December 31, 2017.

Other intangible assets and property, plant and equipment total €3,104 million as of June 30, 2018, compared with €3,243 million as of December 31, 2017.

## 5.2. Impairment losses on fixed assets

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### 5.2.1. Impairment tests

Pursuant to IAS 36, Eurazeo looked for indicators of impairment, using both internal and external information sources.

External information sources primarily consist of the Group's general assessment of the economic situation in a specific country or market. Internal information sources include the main types of reporting: a significant drop in revenue/profitability or failure to meet the budget are indicators of impairment.

### **TEST METHODOLOGY**

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The test methodology adopted as of June 30, 2018 is unchanged on the methodology described in the consolidated financial statements for the year ended December 31, 2017.

In particular, Eurazeo used the same WACC calculation parameters but updated the market data at the period-end.

### 5.2.2. Impairment tests

Impairment tests may be performed for each Group company across all CGUs and for intangible assets with an indefinite useful life. The business plans were reviewed, where appropriate.

The review of impairment indicators led to the performance of two impairment tests. No impairment losses were recognized following these tests.



## NOTE 6 INVESTMENT PROPERTIES

Group investment properties solely consist of Eurazeo Patrimoine real estate holdings, measured as of June 30, 2018 at fair value based on their appraisal value (estimated by CBRE Valuation), except for the HighLight complex recognized at acquisition cost (acquired on May 30, 2018).

<i>(In thousands of euros)</i>	06/30/2018	12/31/2017
CIFA Fashion Business Center	234,521	234,349
Highlight	19,903	-
<b>TOTAL INVESTMENT PROPERTIES</b>	<b>254,424</b>	<b>234,349</b>

## NOTE 7 ASSOCIATES AND FINANCIAL ASSETS

### 7.1. Investments in associates

<i>(In thousands of euros)</i>	06/30/2018	12/31/2017
Europcar	503,754	515,695
Elis	177,451	202,489
Trader Interactive	192,259	185,972
Desigual	117,842	117,600
Neovia	-	124,082
Rhône	181,299	-
Other	154,587	153,187
<b>INVESTMENTS IN ASSOCIATES</b>	<b>1,327,192</b>	<b>1,299,025</b>

Neovia shares were transferred to assets held for sale (see Note 2).

The Rhône shares are valued at the investment amount, as the shares were merely transferred to Investments in associates. The group is equity-accounted from July 1, 2018.

### 7.1.1. Impairment tests on investments in associates

With the exception of its investments in Desigual and Europcar, Eurazeo did not test any of its investments in associates for impairment as it did not identify any indication of loss in value. Indications of loss in value include an actual or expected decline in EBITDA or an unfavorable change in one or more market data potentially impacting the value of an investment.

Europcar securities were adjusted as of December 31, 2016 based on a value of €10 per share. After taking account of net income for the year and other reserve movements and with the impairment recorded in 2016 maintained, the cost price is €10.29 per share.

As of December 31, 2017, the value of Desigual shares was brought into line with its NAV of €117.6 million (after impairment). This impairment was retained in the first-half of 2018.

As of June 29, 2018, the stock market price of listed associated was as follows:

<i>(In thousands of euros)</i>	<b>Number of shares held</b>	<b>Stock market price as of 06/29/2018</b>	<b>Total</b>
Elis (shares held by Eurazeo)	12,525,382	19.64	245,999
Europcar (shares held by Eurazeo)	48,960,740	8.94	437,464

### 7.1.2. Summary financial information on material associates

Information on the listed associates (Elis and Europcar) is available in the financial statements of these companies on their websites.

## 7.2. Financial assets

The fair value of financial assets breaks down as follows:

	06/30/2018 Net carrying amount	Acquisition cost	Change in fair value (cumulative)	12/31/2017 Net carrying amount
<i>(In thousands of euros)</i>				
<i>Fair value by direct reference to published prices in an active market (Level 1)</i>				
AccorHotels	-			523,968
Moncler	475,788	45,823	429,965	352,866
<b>Listed securities</b>	<b>475,788</b>	<b>45,823</b>	<b>429,965</b>	<b>876,834</b>
<i>Fair value according to valuation techniques based on observable data (Level 2)</i>				
Colyzeo and Colyzeo II	31,705	36,625	(4,920)	29,811
<i>Fair value according to valuation techniques based on non-observable data (Level 3)</i>				
Eurazeo Croissance	256,833	211,579	45,254	237,151
Eurazeo Développement	223,567	215,831	7,736	157,139
Other unlisted assets	429,522	1,054,709	(625,187)	139,596
<b>Unlisted securities</b>	<b>941,627</b>	<b>1,518,744</b>	<b>(577,117)</b>	<b>563,697</b>
<b>Financial assets at fair value through profit or loss</b>	<b>1,417,415</b>	<b>1,564,567</b>	<b>(147,152)</b>	<b>1,440,531</b>
<b>Debt instruments at amortized cost</b>	<b>67,142</b>	<b>67,142</b>	<b>-</b>	<b>77,624</b>
<b>FINANCIAL ASSETS</b>	<b>1,484,557</b>	<b>1,631,709</b>	<b>(147,152)</b>	<b>1,518,155</b>
Financial assets - non-current	1,469,491			1,499,372
Financial assets – current	15,066			18,783

The Group reviewed its entire financial asset portfolio in order to identify any indicators of impairment. No impairment losses were recognized following these tests.

## NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

### 8.1. Net debt

Net debt, as defined by the Group, breaks down as follows:

<i>(In thousands of euros)</i>	Note	06/30/2018	12/31/2017
Asmodee bond issue		-	1,597
C2S bond issue		40,237	-
Eurazeo PME investments' bond issues		238,241	230,967
WorldStride bond issue		89,981	83,382
<b>Bond issues</b>		<b>368,459</b>	<b>315,946</b>
Asmodee loans		-	223,539
C2S loans		149,953	-
Eurazeo PME investments' loans		385,333	461,668
Fintrax loans		411,068	388,464
Grape Hospitality loans		344,583	336,931
Highlight loans		17,638	-
Iberchem loans		124,877	120,679
Nest loans		6,360	-
Novacap loans		707,064	650,178
Sommet Education loans		143,418	141,460
WorldStrides loans		395,464	343,535
Bank overdrafts	11.1	23,157	10,360
Finance leases		188,866	193,566
Other loans		92,855	110,847
<b>Loans</b>		<b>2,990,636</b>	<b>2,981,227</b>
<b>BORROWINGS</b>		<b>3,359,095</b>	<b>3,297,173</b>
<i>o/w borrowings maturing in less than one year</i>		224,880	80,432
<i>o/w borrowings maturing in more than one year</i>		3,134,214	3,216,741
Cash and cash equivalent assets	11.1	767,680	870,562
Restricted cash	11.1	17,893	20,441
Other short-term deposits	11.1	15,173	15,306
<b>Cash assets</b>		<b>800,747</b>	<b>906,309</b>
<b>TOTAL NET DEBT</b>		<b>2,558,348</b>	<b>2,390,864</b>

The net debt position of the Group's investments is presented below.

The companies' debts are without recourse against Eurazeo SE.

### CONSOLIDATED DEBT-RELATED COMMITMENTS

Loans extended to Group companies may be subject to requests for early repayment in the event of payment default or failure to fulfill contractual obligations.

The table below provides details of the amounts (including accrued interest), the maturity dates and the nature of the covenants of the financing held by the Group's various investments.

<i>(In thousands of euros)</i>	06/30/2018			Comments/Nature of main covenants
	Gross debt	Cash assets	Net debt	
Carambar & Co	-	(79,813)	(79,813)	
Fintrax	423,946	(37,239)	386,707	- Maturities: 2018 (credit facility), 2025 (other borrowings) - Covenants: - Cov-Lite Term Loan
Iberchem	125,237	(12,280)	112,957	- Maturities: 2024 - Covenants: - Net debt / EBITDA <sup>(1)</sup>
Novacap	759,444	(77,082)	682,362	- Maturities: 2023 (credit facility), 2025 (other borrowings) - Cov-Lite Term Loan
Sommet Education	143,418	(30,003)	113,415	- Maturities: 2023 - Covenants: - Net debt / EBITDA <sup>(1)</sup> - Capex <sup>(3)</sup> - Minimum cash amount
WorldStrides	486,360	(46,620)	439,740	- Maturities: 2024 (credit facility), 2022 (revolver) - Cov-Lite Term Loan
Other companies	-	(9)	(9)	
<b>Total "Eurazeo Capital" net debt</b>	<b>1,938,405</b>	<b>(283,046)</b>	<b>1,655,359</b>	
Eurazeo PME	678,948	(93,810)	585,138	- Maturity: 2018 to 2031 - Covenants: - Debt service coverage ratio - Net debt / EBITDA <sup>(1)</sup> - EBITDA <sup>(1)</sup> / net interest expense - Capex <sup>(3)</sup>
<b>Total "Eurazeo PME" net debt</b>	<b>678,948</b>	<b>(93,810)</b>	<b>585,138</b>	
Eurazeo Croissance	-	-	-	
<b>Total "Eurazeo Croissance" net debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Grape Hospitality	345,624	(69,130)	276,494	- Maturity: 2023 (acquisition debt and capex) - Covenants: - LTV <sup>(4)</sup> - Debt service coverage ratio - Capex <sup>(3)</sup> - Hedging
CIFA Assets / CIFA 4 Assets	162,001	(5,108)	156,893	- Maturity: 2027/2029 (finance leases)
C2S	191,192	(16,282)	174,910	- Maturity: 2024 (revolving) / 2025 (Term Loan B) - Covenants: - Net debt / EBITDA <sup>(1)</sup>
Highlight	17,638	(548)	17,090	- Maturity: 2023 - Covenants: - LTV <sup>(4)</sup>
Other companies	3,555	(10,011)	(6,456)	
<b>Total "Eurazeo Patrimoine" net debt</b>	<b>720,010</b>	<b>(101,079)</b>	<b>618,931</b>	
Nest Fragrances	6,360	(20)	6,340	- Credit facilities - Covenants: - Fixed charge coverage Ratio
Other companies	-	-	-	
<b>Total "Brands" net debt</b>	<b>6,360</b>	<b>(20)</b>	<b>6,340</b>	
Eurazeo	10,353	(302,976)	(292,623)	
Other companies	5,019	(19,816)	(14,797)	
<b>Total "Holding company" net debt</b>	<b>15,372</b>	<b>(322,792)</b>	<b>(307,420)</b>	
<b>TOTAL NET DEBT</b>	<b>3,359,095</b>	<b>(800,747)</b>	<b>2,558,348</b>	

<sup>(1)</sup> EBITDA: Earnings before interest, taxes, depreciation and amortization; adjusted where applicable in accordance with bank documents.

<sup>(2)</sup> EBITDAR: Earnings before interest, taxes, depreciation, amortization and rent; adjusted where applicable in accordance with bank documents.

<sup>(3)</sup> Capex: Capital Expenditure.

<sup>(4)</sup> LTV: Loan To Value.

## 8.2. Net financial expense

<i>(In thousands of euros)</i>	Note	06/30/2018 (6 months)	06/30/2017 (6 months)	2017 (12 months)
Interest on borrowings		(90,424)	(78,177)	(167,548)
<b>Total finance costs gross</b>		<b>(90,424)</b>	<b>(78,177)</b>	<b>(167,548)</b>
Income and expenses on changes in derivatives		909	1,517	3,318
Hedging reserve reclassified to profit or loss		0	(2,868)	(4,282)
Other financial income and expenses		465	1,751	922
<b>Total income and expenses on cash, cash equivalents and other financial instruments</b>		<b>1,375</b>	<b>400</b>	<b>(42)</b>
<b>Total finance costs net</b>		<b>(89,049)</b>	<b>(77,777)</b>	<b>(167,590)</b>
Foreign exchange losses		(16,459)	(4,928)	(16,239)
Foreign exchange gains		19,919	2,357	9,853
Interest expense relating to the employee benefits obligation		(504)	(423)	226
Reclassification of the hedging reserve - impact of share disposals		-	-	(10,391)
Reclassification of the foreign currency translation reserve - impact of share disposals		-	-	(4,105)
Other		(1,489)	1,206	(1,208)
<b>Total other financial income and expenses</b>		<b>1,467</b>	<b>(1,789)</b>	<b>(21,864)</b>
<b>NET FINANCIAL EXPENSE</b>		<b>(87,582)</b>	<b>(79,565)</b>	<b>(189,454)</b>

The increase in interest on borrowings is mainly due to changes in consolidation scope (inclusion of half-year interest for the C2S, WorldStrides and Nest Frangrances groups not included in the consolidation scope in the first-half of 2017).

## NOTE 9 PROVISIONS

Provisions break down as follows:

<i>(In thousands of euros)</i>	Employee benefits liabilities	Disputes	Other	Total
<b>Opening balance</b>	<b>91,736</b>	<b>8,257</b>	<b>32,765</b>	<b>132,758</b>
<b>Closing balance</b>	<b>92,587</b>	<b>7,947</b>	<b>25,089</b>	<b>125,623</b>
Due in less than one year	197	2,012	11,739	<b>13,948</b>
Due in more than one year	92,390	5,935	13,350	<b>111,675</b>

The increase in employee benefits liabilities is partly due to actuarial gains and losses, charges for the period and changes in consolidation scope.

### 9.1.1. Employee benefits liabilities

The nature of employee benefits is similar to that described in the Notes to the consolidated financial statements for the year ended December 31, 2017.

## 9.1.2. Provisions for litigation and other provisions

Provisions for litigation and other provisions primarily concern litigation, restructuring, provisions for tax risks and miscellaneous provisions.

## NOTE 10 EQUITY AND EARNINGS PER SHARE

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### 10.1. Equity

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Equity attributable to owners of the Company is €5,094 million, or €67.41 per share, as of June 30, 2018.

#### 10.1.1. Share capital

As of June 30, 2018, the share capital was €237,994 thousand, comprising 78,030,886 fully paid-up shares of two classes: 78,006,378 ordinary shares and 24,508 preference shares. Eurazeo holds 2,464,185 of its own shares as of June 30, 2018.

#### 10.1.2. Dividends paid

<i>(In euros)</i>	2018	2017
Total dividend distribution	89,793,770.00	78,707,124.00
Dividend per share paid in cash	1.25	1.20

The Shareholders' Meeting of April 25, 2018 approved the distribution of a dividend of €1.25 per share. The total distribution to shareholders was therefore €89,794 thousand.

In addition, a bonus share issue of one free share for 20 shares held was performed.

## 10.2. Non-controlling interests

Non-controlling interests break down by division as follows:

<i>(In thousands of euros)</i>	Notes	06/30/2018	12/31/2017
Eurazeo Capital		454,968	344,006
Eurazeo PME		279,006	257,799
Eurazeo Brands		6,759	-
Eurazeo Patrimoine		106,734	97,590
Holding companies		419,307	498,663
<b>Non-controlling interests</b>		<b>1,266,774</b>	<b>1,198,058</b>

<i>(In thousands of euros)</i>	Notes	2018 (6 months)	2017 (6 months)
Eurazeo Capital		(8,086)	657
Eurazeo PME		4,325	1,988
Eurazeo Brands		(255)	-
Eurazeo Patrimoine		2,197	4,359
Holding companies		22,368	19,555
<b>Net income - Non-controlling interests</b>		<b>20,549</b>	<b>26,559</b>

## 10.3. Earnings per share

<i>(In thousands of euros)</i>	2018 (6 months)	2017 (6 months)	2017 (12 months)
Net income attributable to owners of the Company	189,673	171,879	479,221
Weighted average number of ordinary shares outstanding	70,054,641	67,129,768	68,069,772
<b>Reported basic earnings per share</b>	<b>2.71</b>	<b>2.56</b>	<b>7.04</b>
<b>Basic earnings per share adjusted for bonus share grants <sup>(1)</sup></b>	<b>2.58</b>	<b>2.44</b>	<b>6.7</b>
Weighted average number of potential ordinary shares	70,197,764	67,129,768	68,140,493
<b>Reported diluted earnings per share</b>	<b>2.74</b>	<b>2.56</b>	<b>7.09</b>
<b>Diluted earnings per share adjusted for bonus share grants</b>	<b>2.61</b>	<b>2.44</b>	<b>6.75</b>

<sup>(1)</sup> Adjusted for the decision of the Shareholders' Meeting of May 12, 2016 (distribution of 3,715,756 bonus shares on May 4, 2018).

## NOTE 11 BREAKDOWN OF CASH FLOWS

### 11.1. Cash assets

The cash flow statement analyzes changes in cash presented net of bank overdrafts and including restricted cash.

As of June 30, 2018, restricted cash mainly consists of cash allocated to the Eurazeo liquidity contract and the restricted cash of the Eurazeo PME and Eurazeo Capital groups.



<i>(In thousands of euros)</i>	Note	06/30/2018	06/30/2017	12/31/2017
Demand deposits		756,611	370,598	865,404
Term deposits and marketable securities		11,070	353,474	5,158
<b>Cash and cash equivalent assets</b>	8.1	<b>767,680</b>	<b>724,071</b>	<b>870,562</b>
<b>Restricted cash</b>	8.1	<b>17,893</b>	<b>21,879</b>	<b>20,441</b>
Bank overdrafts		(23,157)	(10,069)	(10,360)
<b>Cash and cash equivalent liabilities</b>	8.1	<b>(23,157)</b>	<b>(10,069)</b>	<b>(10,360)</b>
<b>NET CASH AND CASH EQUIVALENTS</b>		<b>762,417</b>	<b>735,881</b>	<b>880,643</b>
Other short-term deposits	8.1	15,173	15,128	15,306
<b>TOTAL GROSS CASH ASSETS</b>		<b>800,747</b>	<b>761,079</b>	<b>906,309</b>

## 11.2. Net cash flows from operating activities

Cash flows from operating activities totaled -€9.6 million (compared with €61.9 million in the first-half of 2017). This change is mainly due to movements in the consolidation scope (impact of the deconsolidation of the ANF Immobilier group and the consolidation of the C2S, Nest Fragrances and WorldStrides groups).

## 11.3. Net cash flows from investing activities

Purchases of investments and financial assets mainly reflect the acquisition of the C2S group (€178.4 million), Idinvest (€219.4 million) and Rhône (€33 million) and the investment in Pat McGrath (€51.9 million) by Eurazeo and in PCI by Novacap (€106.8 million).

Proceeds from sales of investments mainly reflect the sale of Accor shares (€551.7 million) and Banca Leonardo shares (€20.2 million) and partial disposals of Moncler shares (€54.1 million) and Elis shares (€25.7 million).

Changes in consolidated scope mainly concern the C2S (entry into scope), Odealim (formerly AssurCopro) and Asmodee (recognition pursuant to IFRS 5) groups.

Finally, dividends received from associates were primarily distributed by the Europcar (€7.4 million) and Elis (€5.1 million) groups.

## 11.4. Net cash flows from financing activities

Net cash flows from financing activities mainly include the various acquisition financing flows (notably C2S, PCI in Novacap and builds-ups in Eurazeo PME).

The €89.8 million dividend distribution by Eurazeo is also reflected in net cash flows from financing activities. Other dividends paid during the half-year primarily concern amounts paid by ECIP Moncler to minority interests and contribution repayments to LH 19 co-investors (following the sale of Accor shares).

## NOTE 12 OTHER INFORMATION

### 12.1. Post-balance sheet events

Post-balance sheet events are presented in Section I.5 of this Half-Year Financial Report.

### 12.2. Off-balance sheet commitments

(in millions of euros)	06/30/2018					12/31/2017	
	Total	Holding companies	Eurazeo Capital	Eurazeo PME	Eurazeo Patrimoine		Eurazeo Brands
<b>Commitments given</b>	<b>(2,770.2)</b>	<b>(606.2)</b>	<b>(1,333.7)</b>	<b>(52.7)</b>	<b>(774.5)</b>	<b>(3.1)</b>	<b>(1,925.9)</b>
Assigned receivables not due (Daily forms, etc.)	-	-	-	-	-	-	(2.3)
Pledges, mortgages and collateral	(22.2)	-	-	-	(22.2)	-	-
- Other pledges, mortgages and collateral	(1,566.5)	-	(964.6)	-	(601.9)	-	(1,325.5)
Sureties, deposits and guarantees given	(42.2)	(25.7)	-	(8.5)	(7.9)	-	(44.0)
Operating leases							
-Minimum lease payments under non-cancellable operating leases (< 1 year)	(50.5)	(3.8)	(34.0)	(4.8)	(7.3)	(0.5)	(41.1)
-Minimum lease payments under non-cancellable operating leases (1 to 5 years)	(173.2)	(13.9)	(102.3)	(24.3)	(30.2)	(2.5)	(150.3)
-Minimum lease payments under non-cancellable operating leases (> 5 years)	(201.1)	(4.4)	(150.4)	(0.3)	(46.0)	-	(123.3)
Vendor warranties	(20.3)	(15.5)	(1.3)	(3.5)	-	-	(20.1)
Other commitments given							
- IM Square	-	-	-	-	-	-	(7.2)
- Purchase commitments	(677.5)	(542.9)	(75.5)	-	(59.1)	-	(115.5)
- Key employee	(8.0)	-	-	(8.0)	-	-	(6.0)
- Other	(8.8)	-	(5.5)	(3.3)	-	-	(90.6)
<b>Commitments received</b>	<b>1,377.5</b>	<b>1,107.7</b>	<b>47.9</b>	<b>165.3</b>	<b>56.6</b>	<b>-</b>	<b>1,261.3</b>
Sureties, deposits and guarantees received	10.0	-	7.0	3.0	-	-	14.2
Vendor warranties	5.2	-	-	5.2	-	-	5.7
Syndicated credit facility	1,000.0	1,000.0	-	-	-	-	1,000.0
Other commitments received	362.3	107.7	40.8	157.1	56.6	-	241.4

\* Odealim (formerly AssurCopro) and Asmodee group off-balance sheet commitments are not included in amounts presented as of June 30, 2018, as the assets and liabilities of these companies have been transferred to assets and liabilities held for sale. As of June 30, 2018, commitments given total €29.9 million, including €28.2 million in respect of operating leases and commitments received total €10 million. As of December 31, 2017, commitments given total €16.9 million and commitments received total €10 million.

The main changes in off-balance sheet commitments since December 31, 2017 are detailed below:

## NEW COMMITMENTS INVOLVING EURAZEO

### Commitments given

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Pursuant to the acquisition of Idinvest Partners, Eurazeo gave the following commitments:

- commitment to provide LH GP with the necessary funds to fulfill its obligation to acquire the Idinvest Partners shares held by manager shareholders, in the event of exercise of the various purchase commitments granted to these managers; this commitment is currently estimated at €128 million;
- commitment to invest under the following conditions:
  - (i) in 2018:
    - (a) Eurazeo will subscribe, directly or through one or more of its affiliates, firm commitments in the amount of (α) fifty million euros (€50,000,000) in “*IDINVEST Growth Fund II S.L.P.*”, (β) forty million euros (€40,000,000) in “*Idinvest Digital Fund III FCPI*” (γ) fifteen million euros (€15,000,000) in “*Electranova Capital II FCPI*” and (δ) sixty million euros (€60,000,000) in “*Idinvest Private Debt Fund V*” (for 2018 and 2019 for this fund); and
    - (b) Eurazeo will allocate, directly or through one or more of its affiliates, one hundred and fifty million euros (€150,000,000) to the Eurazeo Croissance investment segment; and
  - (ii) in 2019, Eurazeo will subscribe, directly or through one or more of its affiliates, firm commitments in the amount of sixty million euros (€60,000,000) in “*Idinvest Secondary Fund IV FPCI*”.

Pursuant to the acquisition of the Highlight real estate project on May 29, 2018 (off-plan sale) by SNC HIGHLIGHT (JV with the JC Decaux group), Eurazeo issued a letter of intent (including performance obligations) to Natixis for a maximum amount of €56.6 million covering the investment obligations of its subsidiaries LHH1 and LHH2.

On June 29, 2018, Eurazeo undertook to ensure that its subsidiary, Legendre Holding 65, has the necessary resources up to €259.2 million, to finance the direct and indirect acquisition of the entire share capital and voting rights of Albingia SA.

## **Vendor warranties received**

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Pursuant to the acquisition of an investment in the Rhône Group, Eurazeo holds specific vendor warranties.

## **Other commitments received**

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Pursuant to agreements entered into with Rhône Capital LLC and Rhône Group LLC on November 28, 2017, Eurazeo SE obtained the right to invest certain amounts in the Wework Property Investors LLC fund and other funds managed by Rhône Group LLC at preferential terms and conditions.

## **NEW COMMITMENTS INVOLVING LH 35**

On June 27, 2018, the U.S. Company, Archers Daniels Midland Company, through a French subsidiary, granted a purchase commitment to all Neovia SAS shareholders, to acquire the company's entire share capital and voting rights. In this context, the Neovia SAS shareholders:

- granted an exclusivity commitment in favor of the grantor;
- received from the grantor's parent company, Archers Daniels Midland Europe B.V., a joint and several guarantee covering the fulfillment of all obligations to Neovia SAS shareholders pursuant to the signed documentation and confirming the availability of the necessary funds enabling the grantor to fulfill its obligations under the signed agreements; and
- accepted to terminate early the share lock-up period set in the shareholders' agreement.

## **NEW COMMITMENTS INVOLVING LH GP**

### **Commitments received**

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Pursuant to the acquisition of Idinvest Partners on April 12, 2018, LH GP received from the vendors: (i) a general warranty covering the vendors' ability to sell the shares acquired and ownership of the shares acquired, (ii) specific warranties covering the share capital structure and existence of Idinvest Partners, and (iii) specific warranties covering compliance, taxation and employees issues and the financial statements of the company for the half-year ended June 30, 2017. These warranties were granted for periods corresponding to the applicable statute of limitations periods, except for the warranty covering compliance issues and the financial statements which will expire 18 months after the acquisition completion date (i.e. on October 12, 2019). Compensation receivable under these warranties is capped at either 10% or 100% of the acquisition price received by each vendor, depending on the warranty.

In addition, certain vendors undertook to compensate LH GP for the financial consequences, above a floor of €0.6 million, payable by Idinvest Partners or LH GP as a result of the ongoing litigation with Mr. Peter Mayrl.

Finally, LH GP received sales commitments covering Idinvest Partners shares held by certain executives and managers available for exercise (i) in three installments (2020, 2021 and 2022) and (ii) on departure from the company.

## **Commitments given**

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Pursuant to the acquisition of Idinvest Partners on April 12, 2018, LH GP:

- undertook to pay the vendors €10,837,988.66 in consideration for the transfer of ownership of the 1,212 Idinvest Partners shares concerned by the aforementioned litigation with Mr. Peter Mayrl;
- granted purchase commitments covering Idinvest Partners shares held by certain executives and managers available for exercise (i) in three installments (2020, 2021 and 2022) and (ii) on the death or disability of the executives and managers.

### **NEW COMMITMENTS INVOLVING LH 65**

On June 29, 2018, Legendre Holding 65, a Eurazeo subsidiary, granted a purchase commitment covering, directly or indirectly, the entire share capital and voting rights of Albingia SA. In this context, Legendre Holding 65 received a commitment from Financière de l'Elbe, grouping together the main executives and employees of Albingia group, to invest €107,652 thousand alongside it.

### **NEW COMMITMENTS INVOLVING THE C2S GROUP**

Pursuant to the acquisition of the C2S group, LH Titan Bidco received standard warranties from the vendors covering (i) the capacity, power and existence of the vendors, the ownership and free enjoyment of the shares transferred, the absence of cessation of payments/collective proceedings involving the vendors and (ii) the existence, scope and absence of cessation of payments/collective proceedings involving group companies, for periods equal to the statute of limitations periods (for representations covered by (i)) or twelve months (for representations covered by (ii)).

### **NEW COMMITMENTS INVOLVING LHH1 AND LHH2**

Pursuant to the acquisition of the Highlight real estate project on May 29, 2018 (off-plan sale) by SNC HIGHLIGHT (JV with the JC Decaux group), LHH1 and LHH2, Eurazeo Patrimoine subsidiaries and SNC HIGHLIGHT shareholders:

- gave an investment commitment of €59.1 million (residual amount post financing paid on signature of the off-plan sales agreement);
- gave a commitment to hold the shares in SNC Highlight through which the acquisition was performed for a period of five years (subject to exceptions such as receipt of a third-party offer for the SNC Highlight shares);
- granted several security interests guaranteeing bank financing (mortgage on the building, subrogation in the vendor's preferential rights, pledge over SNC Highlight shares, pledge over inter-company loan receivables).

Eurazeo Patrimoine:

- undertook to hold, throughout the term of the agreement with JC Decaux Holding, the entire share capital of LHH1 and LHH2 (in the event of the transfer of 100% of LHH2 shares to an affiliate, the affiliate shall be required to hold at least two-thirds of LHH2 shares);
- undertook to assume the obligations of its subsidiary, Eurazeo Patrimoine AM, under the asset management service agreement with SNC Highlight.

#### NEW COMMITMENTS INVOLVING DAZEO

Pursuant to the creation of the Spanish company, DAZEO JV, SL, a partnership between Erel 2 S.à.r.l. (a subsidiary of Eurazeo SE) and Dazia Capital Real Estate Investments, Erel 2 S.à.r.l. granted to Dazia Capital Real Estate Investments, S.L. and received from Dazia Capital Real Estate Investments, S.L. standard representations and warranties for this type of transaction. Erel 2 S.à.r.l. also received from Dazia Capital Real Estate Investments, S.L. a commitment to hold its shares in the Spanish company, DAZEO JV, SL, for a period of six years and a sales commitment covering the shares in the Spanish company, DAZEO JV, SL, held by Dazia Capital Real Estate Investments, S.L. in certain cases of default by Dazia Capital Real Estate Investments, S.L. under the shareholders' agreement with Erel 2 S.à.r.l.

Finally, DAZEO HOLDCO, SL (a subsidiary of DAZEO JV, SL) granted a sales commitment to Dazia Capital Real Estate Investments, S.L. under which Dazia Capital Real Estate Investments, S.L. undertakes to sell to DAZEO HOLDCO, SL, the entire share capital and shareholders' current account held by Dazia Capital Real Estate Investments, S.L. in Dazia Capital Alcalá, S.L. (owner of a building located at Alcalá 141, Madrid, Spain). Pursuant to this acquisition:

- DAZEO HOLDCO, SL undertook to pay Dazia Capital Real Estate Investments, S.L. an earn-out of €937.5 thousand;
- Dazia Capital Real Estate Investments, S.L. granted standard representations and warranties for this type of transaction to DAZEO HOLDCO, SL for a period of 18 months (except for basic representations and warranties covering the

capacity and ownership of shares and tax and employee issues which run for the applicable statute of limitations period).

#### **NEW COMMITMENTS INVOLVING EURAZEO PMG US BLOCKER INC.**

Pursuant to the acquisition of a minority stake in Pat McGrath Cosmetics LLC, Eurazeo PMG US Blocker Inc., a U.S. company wholly-owned by Legendre Holding 63, in turn wholly-owned by Eurazeo SE, received standard representations and warranties for this type of transaction from Pat McGrath Cosmetics LLC. In addition, Eurazeo PMG US Blocker Inc. received purchase commitments from and granted sales commitments to Pat McGrath Cosmetics LLC covering its entire stake in the share capital of Pat McGrath Cosmetics LLC, exercisable under certain conditions and during certain periods.

#### **NEW COMMITMENTS INVOLVING LEGENDRE HOLDING 62**

Pursuant to the acquisition of a minority stake in Jung SAS on May 18, 2018, Legendre Holding 62, a Eurazeo SE subsidiary, received warranties from the founding shareholders and the company covering the shares transferred and the company's activities, expiring at the date of the Jung SAS Shareholders' Meeting held to approve the company financial statements for the year ending December 31, 2018. Legendre Holding 62 granted standard representations and warranties regarding its capacity.

In addition, Legendre Holding 62 granted purchase commitments to and received sales commitments from certain founding shareholders covering 18,980 Jung SAS shares, exercisable in 2019.

### III. Statutory Auditors' review report on the half-year financial information

PricewaterhouseCoopers Audit  
63 rue de Villiers  
92208 Neuilly-sur-Seine

Mazars  
61 rue Henri Regnault  
92400 Courbevoie

#### STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

(January 1, 2018 to June 30, 2018)

*This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France*

To the Shareholders,  
EURAZEO  
1 rue Georges Berger  
75017 Paris

In compliance with the assignment entrusted to us by your Shareholders' Meetings and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the limited review of the accompanying condensed interim consolidated financial statements of Eurazeo, for the period January 1, 2018 to June 30, 2018;
- the verification of the information contained in the half-year management report.

These condensed interim consolidated financial statements are the responsibility of the Executive Board. Our role is to express a conclusion on these financial statements based on our limited review.

#### I. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of half-year financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A



limited review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the European Union.

Without qualifying the above opinion, we draw your attention to Note 1.3 to the condensed interim consolidated financial statements, "Presentation of the restated comparative financial statements", setting out the restatements made to the comparative financial statements for the half-year ended June 30, 2017 and the year ended December 31, 2017.

II. Specific verification

We have also verified the information given in the half-year management report on the condensed interim consolidated financial statements subject to our limited review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, July 26, 2018  
The Statutory Auditors

PricewaterhouseCoopers Audit

Mazars

David Clairotte

Isabelle Masse

Emilie Loréal

#### **IV. Statement by the person responsible for the half-year financial report**

I hereby certify that, to the best of my knowledge, the condensed interim consolidated financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all consolidated companies, and that the appended Half-Year Financial Report provides a fair review of the major events that occurred during the first six months of the fiscal year, their impact on the financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties concerning the remaining six months of the fiscal year.

Virginie Morgon

Chairwoman of the Executive Board