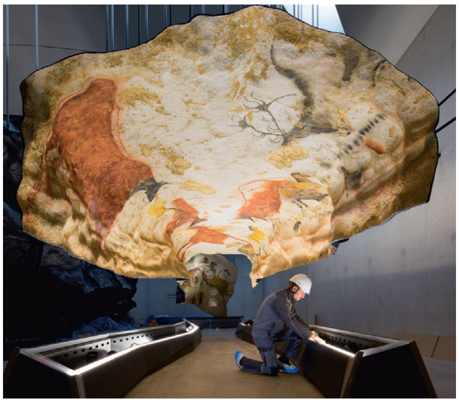
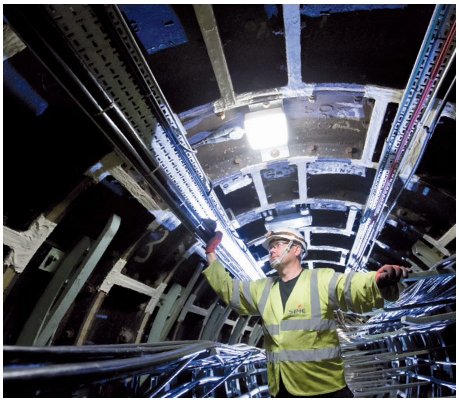
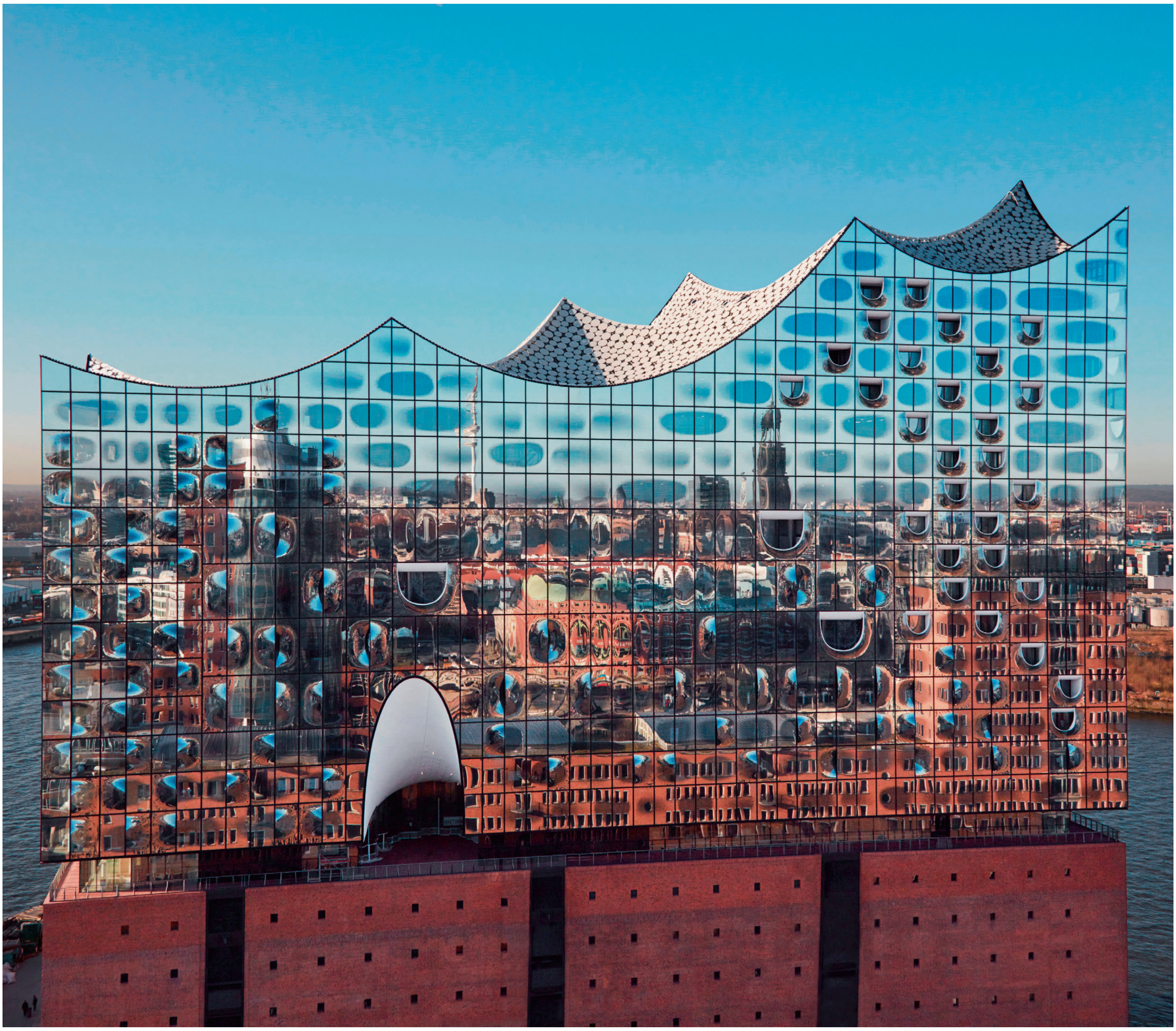




2017 FIRST-HALF FINANCIAL REPORT



I - Management Report

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II – Interim Consolidated Financial Statements

1. Summary

In the first half of 2017, SPIE reported its first set of results including SAG, which is already changing the reach and balance of the Group. The acquisition of SAG, the German leader in energy infrastructure services, was finalised in March 2017 and allowed SPIE to accelerate strongly its strategic development in Germany & Central Europe, where it is now a diversified, leading technical services provider.

Consolidated revenue[1] growth was a strong +15.4% in H1 2017, due not only to the consolidation of SAG starting in the second quarter of 2017 (which, itself, translated into a +11.3% year-on-year growth), but also to bolt-on acquisitions (+6.4%). Organic growth was -1.1%, and foreign exchange accounted for -1.2%.

EBITA[1] was €145.5 million, up +1.2% year-on-year. EBITA margin was 5.3%, down compared to a strong 6.0% in H1 2016, mainly due to an underperformance in SPIE's UK business. Furthermore, Group margin was negatively impacted by a change in segmental mix, as the share of Group revenue contributed by higher-margin segments (France and Oil & Gas and Nuclear) was lower than in H1 2016.

Recurring operating income was €130.2 million, compared with €121.0 million in H1 2016 (+7.6%). Taking into account non-recurring items, mainly costs related to external growth and restructuring incurred in H1 2017, operating income amounted to €109.3 million, compared to €123.2 million in H1 2016 (-11.3%).

Net income attributable to owners of the parent was €34.0 million, down from €47.2 million in H1 2016. While this decrease is primarily due to the aforementioned non-recurring items, it also reflects an increase in the cost of net financial debt, stemming from the successful placing, in March 2017, of a €600 million bond in order to finance the acquisition of SAG.

Net cash flow from operating activities is typically negative in the first half of the year due to working capital seasonality. In H1 2017, it was €(203.6) million, compared to €(104.1) million in H1 2016, a decrease partly reflecting the seasonality of SAG's working capital.

Acquisition spend was €(158.3) million in H1 2017, reflecting the acquisition of SAG' equity, as well as strong bolt-on M&A.

Including the bond proceeds, the refinancing of SAG's historical debt, as well as the payment of the 2016 dividend for €(81.7) million (€0.53 per share, up 6.0% compared to 2015), net cash flow was €(178.2) million in H1 2017, compared to €(265.1) million in H1 2016.

Reflecting the above, net debt increased year-on-year, from €(1,248) million at June 30th, 2016 to €(1,907) million at June 30th, 2017, which resulted in a 4.0x leverage[2]. Excluding the impact of the acquisition of SAG, Leverage at June 30th, 2017 would have been 3.3x, compared with 3.2x at June 30th, 2016.

The Group's liquidity remained high, at €490 million at June 30th, 2017, including €340 million euros in net cash and €150 million of undrawn Revolving Credit Facility.

To date, SPIE has made, or secured, 8 bolt-on acquisitions, totalling annualised revenue of €267 million, and is already well-ahead of its full year objective of €200 million. Based on a rich pipeline, the Group expects to complete additional acquisitions in the second half of 2017.

[1] Revenue and EBITA (Earnings Before Interests, Taxes and Amortisation) are non GAAP measures used by management to assess the performance of the Group. Please refer to notes 6 of the interim consolidated financial statements for reconciliation with GAAP measures

[2] Net debt / pro-forma EBITDA on a trailing twelve-month basis

2. H1 2017 highlights

2.1 Closing of the acquisition of SAG and first steps of the integration process

On March 31st, 2017, SPIE completed the acquisition of the SAG Group ('SAG'), following the approval of the European competition authorities. With the acquisition of SAG, the German leader in energy infrastructure services, SPIE strongly accelerates its strategic development in Germany & Central Europe, and becomes a diversified, leading technical services provider in this region.

At the date of this report, the integration of SAG is progressing well. As a result of the strategic review initiated at closing, SPIE has decided to divest SAG's Gas and Off-shore Services business (14% of SAG FY16 revenue). This business is therefore accounted for under IFRS 5 as discontinued activity in the Group's interim consolidated accounts.

2.2 Successful placing of a €600 million bond

In order to finance this acquisition, on March 15th, 2017, SPIE issued a €600 million bond, with a 7-year maturity and a 3.125% coupon. The placing of this bond was met with good success, reflecting institutional investors' confidence in SPIE's credit quality, rated BB by Standard & Poor's and Ba3 by Moody's.

This operation allowed SPIE to take advantage of supportive market conditions, and enhanced the Group's debt structure by diversifying its sources of funding and extending its average maturity.

2.3 Bolt-on acquisitions

External growth, through targeted bolt-on acquisitions financed by our strong free cash flow, constitutes the pillar of SPIE's growth model, increasing the Group's network density, expanding the range of its services and broadening its customer portfolio.

In 2017 to date, SPIE has made, or committed to[3], 8 acquisitions, totalling annualised revenue of €267 million, well-ahead of the Group's guidance for the full year.

On January 3rd, 2017, SPIE acquired Ad Bouman BV, active in the Dutch retail installation market. The company employs 22 people and generates annual revenue of approximately €5 million. Following the recent acquisition of Aaftink, this acquisition reinforces SPIE's leading position in the Dutch retail installation market;

On January 26th, 2017, SPIE acquired Maintenance Mesure Contrôle ('MMC'), through its subsidiary SPIE Nucléaire. MMC, a specialist in predictive maintenance on electronuclear sites, employs 15 people and generates annual revenue of approximately €3 million.

On April 6th, 2017, SPIE acquired PMS Sicherheitstechnik und Kommunikation GmbH in Germany. The company installs and maintains building security and communication systems, employs 24 people and generates annual revenue of approximately €3 million.

On April 13th, 2017, SPIE acquired Lück Verwaltungs GmbH in Germany, a specialist in building technology services employing 1,000 people and generating annual revenue of approximately €130 million. SPIE will capitalize on this acquisition to develop its mechanical and electrical services capabilities in Germany, and progress towards a balanced activity portfolio, in keeping with its stated objectives.

On May 10th, 2017, SPIE acquired Mer ICT in the Netherlands, a provider of integrated communication solutions with 20 employees and annual revenue of approximately €4 million.

On July 11th, 2017, SPIE signed a protocol for the acquisition of Ziut BV in the Netherlands, an expert in installation, management and maintenance of public lighting, traffic control systems and video surveillance, employing 440 people and generating annual revenue of approximately €114 million. With this acquisition, SPIE Nederland will step up its service offering in the 'Smart City' market. Subject to finalizing the consultations and obtaining the antitrust approval, the acquisition shall be completed before year-end.

On July 12th, 2017, SPIE acquired JM Electricité in France, a specialist in electrical installation works in the housing and tertiary sectors, mainly active in the Marseille area. With 22 employees, JM Electricité generated 2016 revenues of approximately €5 million.

On July 20th, 2017, SPIE acquired Probia Ingénierie in France, a company involved in the design and delivery of automated equipment for the agri-food industry, with annual revenue of approximately €3 million.

[3] The acquisition of Ziut B.V., for which SPIE signed a protocol on July 11th, 2017, is subject to finalisation of Works Councils consultations and antitrust approval

3. Financial review

3.1 Consolidated

Preliminary comment: H1 2016 figures presented in this Management Report have been restated, where applicable, in accordance with IFRS 5. Refer to Note 10 to the 2017 interim consolidated financial statements for further details.

Consolidated revenue was €2,760.7 million in H1 2017, up +15.4% year-on-year, primarily due to the consolidation of SAG since April 1st, 2017 (+11.3%) and the continued strong contribution from bolt-on acquisitions (+6.4%). Organic growth was -1.1% and foreign exchange impact -1.2%.

EBITA was €145.5 million, up +1.2% year-on-year. EBITA margin was 5.3%, compared to a strong 6.0% in H1 2016 (up from 5.6% in H1 2015), mainly due to an underperformance in the UK. Furthermore, Group margin was negatively impacted by a change in segmental mix, as the share of Group revenue contributed by higher-margin segments (France and Oil & Gas and Nuclear) was lower than in H1 2016.

3.2 Segmental review

In the ***France*** segment, revenue growth was +3.9% year-on-year, driven by acquisitions, most notably the addition of SAG's French activities. Organic growth was -1.1%, with good momentum at the recently created SPIE CityNetworks (telecoms and electrical grid services), and a slight increase in public sector activity, offset by high contract selectivity in the commercial sector. Current market trends and tendering activity remain consistent with our forecast of stabilized revenue over the full year of 2017, pointing to an improvement in the medium term.

EBITA margin was 5.8%, against a very strong 6.2% in H1 2016 (up from 5.7% in H1 2015). This reflected a still challenging environment in the commercial sector, as well as rapidly expanding activity with telecom operators, particularly in fiber-to-the-home deployment. Such digital network services typically have lower initial margins, and are expected to reach their full potential over time.

The ***Germany & Central Europe*** segment changed scale in H1 2017. On top of a robust +3.8% organic growth, revenue was markedly up year-on-year as a result of the consolidation of SAG in Q2 2017 (+52.4%) and the strong contribution from recent bolt-on acquisitions (+13.9%). EBITA was up +163%, with margin progressing to 4.9% (3.2% in H1 2016).

In Germany, the market background continued to be very supportive, translating into solid organic growth and further margin development at our historical operations. The integration of SAG is progressing well and the first synergies have already been delivered to plan. We have initiated the divesture of SAG's Gas and Off-shore activities (14% of SAG FY16 revenue), which is, therefore, accounted for as discontinued activity under IFRS 5.

In Switzerland, our operations are now aligned with the SPIE model, and on the way to profitable growth.

Revenue in the ***North-Western Europe*** segment grew strongly, by +9.2% in H1 2017, despite a -4.1% foreign exchange impact. Contribution from acquisitions was +13.7%, while organic growth was -0.4%. EBITA was €16.4 million (-34%), with margin at 2.4% (4.0% in H1 2016).

The steep EBITA decrease is entirely attributable to the underperformance in our UK business, where a loss was booked in our electricity distribution business. Corrective actions have been swiftly taken so that no further impact is expected in H2. An increasingly competitive environment has also led to reduced activity.

In the Netherlands, both revenue and margins were good in H1 2017, underpinned by excellent organic growth across the board and a good contribution form recent acquisitions. In Belgium, while activity this year is skewed towards H2, overall trends remained very solid, and margins made further progress.

Revenue in the ***Oil & Gas and Nuclear*** segment decreased by -12.5%, with EBITA margin at 8.4% in H1 2017 (compared to 10.0% in H1 2016 and 8.9% in H1 2015).

In our Oil & Gas activities (now less than 5% of Group revenue), we saw continued deterioration in customer activity, and we are actively managing the further downsizing of our operations. Revenue contracted and margins were affected, while remaining well-above Group average.

Our Nuclear activities turned in a robust performance, reflecting SPIE's strong position on this market, with stable revenue year-on-year and solid margins. In light of H1 2017 performance, the full-year revenue decline linked to Grand Carénage cyclicality is expected to be more modest than initially forecast.

3.3 Results

3.3.1 Consolidated revenue under IFRS

Consolidated revenue under IFRS amounted to €2,760.0 million in H1 2017, a strong increase compared to H1 2016 (€2,426.3 million) primarily due to the consolidation of SAG in the Group's accounts starting in Q2 2017.

The table below shows the reconciliation between consolidated revenue as per management accounts and consolidated revenue under IFRS. Refer to note 6.1 of the attached interim financial statements for further details.

€m	H1 2017	H1 2016R
Consolidated revenue as per management accounts	**2,760.7**	**2,392.4**
Holding activities	14.7	19.5
OCTG activities	(4.9)	(8.9)
Others	(10.5)	23.3
Consolidated revenue under IFRS	**2,760.0**	**2,426.3**

3.3.2 Operating income

Consolidated operating income (including equity-accounted companies) amounted to €109.4 million in H1 2017, compared to €123.4 million in H1 2016. The table below shows the reconciliation between EBITA and consolidated operating income. Refer to note 6.1 of the attached interim financial statements for further details.

€m	H1 2017	H1 2016R
EBITA	**145.5**	**143.7**
Amortisation of intangible assets (allocated goodwill)	(7.8)	(19.8)
Discontinued activities and restructuring costs	(15.5)	(2.2)
Financial commissions	(0.7)	(0.8)
Non-controlling interests	(0.6)	(0.1)
Others	(11.5)	2.6
Consolidated operating income	**109.4**	**123.4**

3.3.3 Cost of net financial debt

Cost of net financial debt amounted to €(23.7) million in H1 2017, compared with €(18.5) million in H1 2016. Interest charges increased year-on-year consequently to the issuance of a €600 million bond in March 2017, to finance the acquisition of SAG (7-year maturity, with a fixed 3.125% annual coupon).

3.3.4 Pre-tax income

Pre-tax income was €76.2 million in H1 2017, a decrease compared to H1 2016 (€84.7 million) reflecting higher non-recurring acquisition and restructuring costs, as well as higher cost of net financial debt.

3.3.5 Income tax

A €(32.3) million income tax charge was recorded in H1 2017 (vs. €(34.5) million in H1 2016). This charge reflects a 30% effective corporate income tax rate for the period (excluding the French 'CVAE' levy), in line with H1 2016.

3.3.6 Net income attributable to owners of the parent

Net income attributable to owners of the parent was €34.0 million in H1 2017, compared to €47.2 million in H1 2016.

3.4 Cash flow

Net cash flow from operating activities was €(203.6) million in H1 2017, compared to €(104.1) million in H1 2016. The first half decrease in financing from working capital (which stems from both the seasonality of the Group's activity and the payment cycle of certain personnel and social security costs) was stronger in H1 2017 than in H1 2016, partly due to the seasonality of SAG's working capital.

Net cash flow from investing activities amounted to €(190.8) million in H1 2017, compared to €(116.7) million in H1 2016. The difference primarily results from a higher net cash outflow from changes in perimeter, reflecting a higher M&A activity than in the same period last year, primarily reflecting the acquisition of SAG. Net capital expenditure amounted to €(16.1) million, a slight increase compared to H1 2016 (€(13.4) million), reflecting the increasing size of the Group. Capital expenditure remained however within the long term average when expressed as a percentage of revenue (0.6%).

Net cash flow from financing activities was a €219.6 million inflow in H1 2017, compared to a €(37.3) million outflow in H1 2016.

The H1 2017 inflow reflects the proceeds from the €600 million bond issued on March 15th, 2017 (7-year maturity, fixed 3.125% coupon), used to finance the acquisition of SAG. It also includes the payment of the 2016 dividend for €(81.7) million (€0.53 per share), up 6% compared with the previous period (€(77.0) million or €0.50 per share).

Including a €(3.5) million impact from changes in exchange rates (€(7.0) million in H1 2016), **net cash flow** amounted to €(178.2) million in H1 2017, compared with €(265.1) million in H1 2016.

Cash and cash equivalents as at June 30th, 2017 amounted to €340.3 million, compared to €286.7 million as at June 30th, 2016.

3.5 Balance sheet

Shareholder equity attributable to owners of the parent at June 2017 amounted to €1,369.5 million compared to €1,415.1 million at December 2016.

Net financial debt as per the Group's Senior Facility Agreement totalled €1,907 million at the end of June 2017 (see note 18.4 of the 2017 interim financial statements), including a €1,125 million Senior Term Loan Facility with a 2020 maturity, a €600 million bond placed in March 2017, with a 2024 maturity and a fixed 3.125% annual coupon, and €250 million drawn from the Group's Revolving Credit Facility, which matures in 2020. Leverage reached 4.0x at June 30th, 2017. Excluding the impact of the acquisition of SAG, Leverage at June 30th, 2017 would have been 3.3x, compared with 3.2x at June 30th, 2016.

The Group's liquidity remains high, at €490 million at June 30th, 2017, including with €340 million euros in net cash and cash equivalent and €150 million of undrawn Revolving Credit Facility.

The following margins apply to the group financial debt based on the ratchet table below:

Group's debt net/EBITDA ratio	Revolving Facility	Senior Term Loan Facility
> 3.5X	2.525%	2.625%
≤ 3.5X and > 3.0X	2.275%	2.375%
≤ 3.0X and > 2.5X	2.025%	2.125%
≤ 2.5x and > 2.0X	1.775%	1.875%
≤ 2.0X	1.525%	1.625%

4. 2017 full-year outlook

The outlook for 2017 is slightly revised due to the initiated divestiture of SAG's Gas & Off-shore activities (now accounted for as per IFRS 5 in the Group's consolidated accounts) and lower margin expectations in the UK and in Oil & Gas.

Revenue acquired in 2017 through bolt-on acquisitions is now expected between €270 million and €300 million on a full-year basis.

Excluding SAG's Gas & Off-shore activities and other discontinued activities:

- Group revenue is expected to grow by 23% to 25% at constant FX (c.6% ex SAG, above previous expectation);
- Group EBITA margin is expected between 6.3% and 6.5%, slightly below previous expectation.

Cash conversion is expected to be c.100%.

Adjusted EPS is expected to grow strongly, in line with previous expectation.

The dividend pay-out ratio will remain at c.40% of adjusted net income attributable to the Group. SPIE will pay an interim cash dividend of €0.16 (30% of the approved dividend for 2016) in September 2017.

5. Transactions with related parties

No material related party transactions arose during the period ending June 2017, and there were no significant changes concerning the related party transactions in the consolidated financial statements as at December 31st, 2016.

6. Risk factors

Risk factors do not differ from those identified in the 2016 Registration Document, which received the AMF visa n° R. 17 - 017 on April 18th, 2017.

Information on risk factors included in Section 4 'Risk factors' of the 2016 Registration Document is complemented by the information included in note 19 of the interim consolidated financial statements as at June 30th, 2017.

7. Statutory Auditor's review report on the 2017 half-yearly financial information (Six-month period ended June 30th, 2017)

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders

In compliance with the assignment entrusted to us by your General 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 review of the accompanying condensed half-yearly consolidated financial statements of SPIE SA, for the six months ended June 30, 2017;

the verification of the information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of your Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

WWe conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A 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 review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

2. Specific verification

e have also verified the information presented in the half-yearly management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Paris-La Défense, July 27h, 2017

The Statutory Auditors

PricewaterhouseCoopers Audit
Yan Ricaud

ERNST & YOUNG et Autres
Henri-Pierre Navas

8. Statement by the person responsible for the half-year financial report as of June 30th, 2017

““I certify, to the best of my knowledge, that the condensed half-year consolidated financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and of the Group formed by the companies included in the consolidated financial statements, taken as a whole, and that the management report for the half-year period faithfully presents the important events that have occurred during the first six months of the financial year and their impact on the half-year financial statements, of the main transactions between related parties, as well as a description of the main risks and uncertainties in respect of the remaining six months of the financial year.”

On July 28th, 2017

Mr Gauthier Louette
Chairman and Chief Executive Officer, SPIE SA


SPIE

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	First half 2016 Restated*	First half 2017
Revenue	6	**2,426,280**	**2,759,956**
Other income		17,522	25,276
Operating expenses		(2,322,815)	(2,655,063)
Recurring operating income		**120,987**	**130,169**
Other operating expenses		(1,082)	(24,178)
Other operating income		3,276	3,336
Total other operating income (expenses)	**7**	**2,194**	**(20,842)**
Operating income		**123,181**	**109,327**
Net income (loss) from companies accounted for under the equity method		172	40
Operating income including companies accounted for under the equity method		**123,353**	**109,367**
Interests charges and losses from cash equivalents		(18,457)	(23,656)
Gains from cash equivalents		81	39
Costs of net financial debt	**8**	**(18,376)**	**(23,616)**
Other financial expenses		(26,082)	(14,644)
Other financial incomes		5,841	5,106
Other financial income (expenses)	**8**	**(20,241)**	**(9,538)**
Pre Tax Income		**84,736**	**76,213**
Income tax expenses	9	(34,534)	(32,272)
Net income from continuing operations		**50,202**	**43,941**
Net income from discontinued operations	10	(2,932)	(8,870)
NET INCOME		**47,270**	**35,071**
Net income from continuing operations attributable to:			
. Owners of the parent		50,085	42,829
. Non-controlling interests		117	1,112
		50,202	**43,941**
Net income attributable to:			
. Owners of the parent		47,153	33,959
. Non-controlling interests		117	1,112
		47,270	**35,071**
Net income Share of the Group – earning per share	11	0.33	0.28
Net income Share of the Group – diluted earnings per share		0.33	0.28
Diluted earnings per share		**0.31**	**0.22**

** Comparative data for the first half of 2016 have been restated, See Note 3*

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	First Half 2016 Restated*	First Half 2017
Net income recognized in income statement	**47,270**	**35,071**
Actuarial losses on post-employment benefits	-	-
Tax effect	-	-
Items that will not be reclassified to income	**-**	**-**
Currency translation adjustments	4,133	(253)
Fair value adjustments on future cash flows	531	239
Other		
Tax effect	(183)	(83)
Items that may be reclassified to income	**4,481**	**(97)**
TOTAL COMPREHENSIVE INCOME	**51,751**	**34,974**
Attributable to:		
. Owners of the parent	51,613	33,860
. Non-controlling interests	138	1,114

** Comparative data for the first half of 2016 have been restated, See Note 3*

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	Notes	Dec 31, 2016	June 30, 2017
Non-current assets			
Intangible assets	14	777,366	774,894
Goodwill	13	2,207,341	3,111,132
Property, plant and equipment		99,923	219,083
Investments in companies accounted for under the equity method	18	2,913	2,778
Non-consolidated shares and long-term loans	18	58,421	136,925
Other non-current financial assets		4,633	4,839
Deferred tax assets		235,364	325,415
Total non-current assets		**3,385,961**	**4,575,066**
Current assets			
Inventories		24,554	37,907
Trade receivables		1,370,872	1,958,160
Current tax receivables		26,960	35,502
Other current assets		226,361	345,640
Other current financial assets		7,629	8,261
Cash management financial assets	18	5,500	4,855
Cash and cash equivalents	18	560,157	347,763
Total current assets from continuing operations		**2,222,033**	**2,738,088**
Assets classified as held for sale	10	15,238	28,264
Total current assets		**2,237,271**	**2,766,352**
TOTAL ASSETS		**5,623,232**	**7,341,418**

In thousands of euros	Notes	Dec 31, 2016	June 30, 2017
Equity			
Share capital	15	72,416	72,416
Share premium		1,170,496	1,170,496
Consolidated reserves		(11,844)	92,589
Net income attributable to the owners of the parent		184,020	33,959
Equity attributable to owners of the parent		**1,415,088**	**1,369,460**
Non-controlling interests		2,160	3,298
Total equity		**1,417,248**	**1,372,758**
Non-current liabilities			
Interest-bearing loans and borrowings	18	1,126,947	1,735,609
Non-current provisions	16	49,226	71,337
Accrued pension and other employee benefits	16	291,974	758,781
Other non-current liabilities		6,066	6,633
Deferred tax liabilities		267,845	280,972
Total non-current liabilities		**1,742,058**	**2,853,332**
Current liabilities			
Trade payables		780,008	836,582
Interest-bearing loans and borrowings	18	332,293	517,734
Current provisions	16	93,225	126,809
Income tax payable		30,425	32,425
Other current operating liabilities	17	1,211,062	1,572,497
Total current liabilities from continuing operations		**2,447,013**	**3,086,047**
Liabilities associated with assets classified as held for sale	10	16,913	29,281
Total current liabilities		**2,463,926**	**3,115,328**
TOTAL EQUITY AND LIABILITIES		**5,623,232**	**7,341,418**

4. CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Notes	First Half 2016	First Half 2017
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**551,799**	**518,535**
Operating activities			
Net income		47,271	35,071
Loss from companies accounted for under the equity method		(172)	(40)
Depreciation, amortization, and provisions		9,083	39,476
Proceeds on disposals of assets		7	(751)
Dividend income		-	-
Income tax expense		34,283	28,301
Elimination of costs of net financial debt		18,400	24,304
Other non-cash items		3,956	(7,888)
Internally generated funds from (used in) operations		**112,828**	**118,473**
Income tax paid		(22,803)	(26,778)
Changes in operating working capital requirements		(194,312)	(295,425)
Dividends received from companies accounted for under the equity method		175	175
Net cash flow from (used in) operating activities		**(104,112)**	**(203,555)**
Investing activities			
Effect of changes in the scope of consolidation		(101,993)	(158,342)
Acquisition of property, plant and equipment and intangible assets		(15,482)	(19,681)
Net investment in financial assets		-	-
Changes in loans and advances granted		(1,248)	(16,308)
Proceeds from disposals of property, plant and equipment and intangible assets		2,033	3,552
Proceeds from disposals of financial assets		-	8
Dividends received		-	-
Net cash flow from (used in) investing activities		**(116,690)**	**(190,771)**
Financing activities			
Issue of share capital		-	24
Proceeds from loans and borrowings		102,363	845,537
Repayment of loans and borrowings		(46,078)	(527,190)
Net interest paid		(16,381)	(17,119)
Dividends paid to owners of the parent		(77,037)	(81,660)
Dividends paid to non-controlling interests		(170)	-
Other cash flows from (used in) financing activities		-	-
Net cash flow from (used in) financing activities		**(37,303)**	**219,592**
Impact of changes in exchange rates		(7,007)	(3,459)
Impact of changes in accounting policies		-	-
Net change in cash and cash equivalents		**(265,112)**	**(178,193)**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**18**	**286,687**	**340,342**

Notes to the cash flow statement

The cash flow statement presented above includes discontinued operations or operations held for sale whose impact is described in Note 18.2.

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euros except for the number of shares	**Number of outstanding shares**	**Share capital**	**Additional paid-in capital**	**Consoli-dated reserves**	**Foreign currency translation reserves**	**Cash flow hedge reserves**	**OCI, and others**	**Equity attribu-table to owners of the parent**	**Non control-ling interests**	**Total equity**
AT DECEMBER 31, 2015	**154,076,156**	**72,416**	**1,170,496**	**133,329**	**497**	**(188)**	**(58,437)**	**1,318,112**	**(1,277)**	**1,316,835**
Net income				47,153				47,153	117	47,270
Other comprehensive income (OCI)					4,112	348		4,460	21	4,481
Total comprehensive income		**-**	**-**	**47,153**	**4,112**	**348**	**-**	**51,613**	**138**	**51,751**
Distribution of dividends				(77,038)				(77,038)		(77,038)
Share issue										
Change in the scope of consolidation and other					(610)			(610)	3,821	3,211
Other movements				(4)				(4)		(4)
AT JUNE 30, 2016	**154,076,156**	**72,416**	**1,170,496**	**103,439**	**3,999**	**160**	**(58,437)**	**1,292,073**	**2,681**	**1,294,754**
AT DECEMBER 31, 2016	**154,076,156**	**72,416**	**1,170,496**	**242,062**	**(991)**	**25**	**(68,919)**	**1,415,088**	**2,160**	**1,417,248**
Net income				33,958				33,958	1,112	35,071
Other comprehensive income (OCI)					(255)	156		(98)	2	(97)
Total comprehensive income		**-**	**-**	**33,958**	**(255)**	**156**	**-**	**33,860**	**1,114**	**34,974**
Distribution of dividends				(81,660)				(81,660)	24	(81,636)
Share issue										
Change in the scope of consolidation and other					110			110		110
Other movements				2,063			(1)	2,062		2,062
AT JUNE 30, 2017	**154,076,156**	**72,416**	**1,170,496**	**196,423**	**(1,135)**	**181**	**(68,920)**	**1,369,460**	**3,298**	**1,372,758**

Notes to the consolidated statement of changes in equity

See Note 15.

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

The SPIE Group, operating under the brand name SPIE, is the independent European leader in electrical and mechanical engineering and HVAC services, energy and communication systems.

SPIE SA is a joint-stock company (*société anonyme*) incorporated in Cergy (France), listed on the Euronext Paris regulated market since June 10, 2015.

SPIE SA's share capital ownership is diversified, with two reference shareholders holding together 18.6%, Clayax Acquisition Luxembourg 5 (10.2%) and Caisse de Dépôt et Placements du Québec (8.4%), and a free float of around 70%.

The SPIE Group interim consolidated financial statements were authorized for issue by the Board of Directors on July 27, 2017.

Accounting policies and measurement methods

NOTE 2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

The Group condensed interim consolidated financial statements have been prepared in compliance with IAS 34 – Interim Financial Reporting. As these are condensed interim financial statements, they do not contain all the disclosures required under the International Financial Reporting Standards (IFRS). They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2016, which were prepared in compliance with IFRSs as adopted by the European Union.

2.2. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the Group's interim consolidated financial statements are identical to those used for the year ended December 31, 2016 and described in the notes to the 2016 financial statements, with the exception of regulations specific to the preparation of interim financial statements and new standards and interpretations.

New standards and interpretations applicable from January 1, 2017

- Amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its Associate or Joint Venture";

The application of these amendments has no significant impact at the Group level.

Published new standards and interpretations for which application is not mandatory as of January 1, 2017

Standards, interpretations and amendments already published by the International Accounting Standards Board (IASB) which have been endorsed by the European Union but not applicable before January 1st, 2018 are as follows:

- IFRS 9 “Financial instruments”;
- IFRS 15 “Revenue from contracts with customers”;

An analysis of the application of the IFRS 15 standard shows that the rules of recognition for the revenue in the Group’ accounts are compliant with the principles prescribed by IFRS 15.

Standards, interpretations and amendments already published by the International Accounting Standards Board (IASB) which are not yet endorsed by the European Union are as follows:

- IFRS 14 “Regulatory deferral accounts”
- IFRS 16 “Lease contracts” ;
- IFRS 17 “Insurance contracts” ;
- Amendement to IFRS 2 “Classification and measurement of share-based payment transactions”
- Amendement to IFRS 4 on Insurance contracts “applying IFRS 9 financial instruments with IFRS 4 insurance contracts”
- Amendment to IAS 7 “Statement of Cash Flow: information to provide”;
- Amendment to IAS 12 “Income Tax: recovery of underlying assets”.
- Amendment to IAS 40 “Transfers of investment properties”.

The Group is currently assessing the impact and practical implications resulting from the application of the standards and interpretations published but whose application is not yet compulsory.

Impairment of assets

No indication of impairment was identified as of June 30, 2017. As a result, no interim impairment tests were performed.

Employee benefit obligations

The net provision for pensions and other employee benefits as at June 30, 2017 is calculated on the basis of the latest available valuations as at December 31, 2016. Actuarial assumptions are reviewed to take into account any potential significant changes or one-off impacts during the first half of the year. This review did not led to the identification of significant actuarial differences as at June 30, 2017compared to the amounts of the Group’s equity and to the employee benefit obligations.

Income taxes

Current and deferred income tax expense is calculated by applying the estimated income tax rate that would be applicable to year-end 2017 taxable income, i.e., by applying the average effective annual tax rate for the current year to the Group’s taxable income for the current period.

Seasonality

Working capital requirements are seasonal, although they are negative throughout the year due to the contractual structure of the activity and to a dynamic approach of the Group in terms of invoicing and cash collection. The Group's cash flow is generally negative during the first half of the year due to the seasonality of the Group's activity (which is less significant during the first half of the year) and also due to the payment cycle of certain personnel costs and social security contributions.

By contrast, cash flow is typically positive in the second half of the year due to the increased level of activities during that period generating higher invoicing and collection.

2.3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with IFRSs is based on management estimates and assumptions used to determine the value of assets and liabilities at the reporting date, as well as income and expenses reported during the period.

The main sources of uncertainty relating to key assumptions and estimates are related to the impairment of goodwill, employee benefits, revenue recognition and profit margin recognition on long-term service agreements, provisions for liabilities and charges and deferred tax assets recognition.

NOTE 3. ADJUSTEMENTS ON PREVIOUS PERIODS

3.1. IFRS 5 RESTATEMENTS

The accounts for June 2016 have been restated pursuant to IFRS 5 (non-current assets held for sale and discontinued operations).These restatements refer specifically to activities which were processed as discontinued operations during the first half of 2017 (see Note 10 for further details).

The financial statements of June 30, 2016 presented in comparison to June 30, 2017 are restated in accordance to the present Note.

Significant events of the period

NOTE 4. SIGNIFICANT EVENTS

4.1. SPIE's STRATEGIC DEVELOPMENT IN GERMANY

On March 31, 2017, the Group acquired the German group SAG ("SAG"), a European provider of services and systems for electric, gas, water and telecommunications networks which focused primarily on servicing transport and distribution networks. SAG's technical expertise covers the entire chain of energy infrastructure, including the design, engineering and installation; SAG also offers a wide range of asset support services. SAG is the German market leader, where it generates about 75% of its revenue, and is also present in France, in Poland, in Slovakia, in Czech Republic, and in Hungary. SAG employs approximately 8,000 highly qualified employees over more than 170 sites, including 120 in Germany.

For the financial year ended 31 December, 2016 SAG has generated consolidated revenue of €1,325 million, a consolidated EBITA of €77 million (i.e. an EBITA margin of 5.8%).

With this acquisition, the Group expects to run, in the next two years, synergies related to purchases as well as administrative and operating expenses, for an amount of approximately €20 million (before tax).

The Group considers that the combination of its activities and SAG's activities will make it a leading figure in multi-technical services in Germany by implementing the key indicators that contribute to its enterprise model success, which is specific to the Group, and by relying on a wide range of complementary technical skills, a diversified client base and a densified geographical footprint. Moreover, the Group believes that SAG's acquisition is a good way to pursue its future expansion in central Europe. Benefiting from a strong exposure to long term growth drivers, an existing potential to targeted "bolt-on" acquisitions and significant synergies (as anticipated by the Group), this new platform should be well positioned to ensure the Group's long term revenue growth and margin progress. In addition, the Group considers that because of their complementarity, their deeply rooted enterprise culture, their enterprise model which is highly similar, and the full support of SAG's management, the integration of the latter to the Group should be completed swiftly and in favorable conditions.

SAG's entry in the Group's scope of consolidation is effective on April 1st, 2017, the acquisition having been closed on March 31, 2017. As a consequence, the first consolidated accounts of the Group including SAG are the ones published on June 30, 2017. This group is hereafter designated as "SPIE SAG".

4.2. ISSUANCE OF BOND FOR AN AMOUNT OF €600 MILLION

On 22 March, 2017, for the purpose of the SAG acquisition (see Note 4.1.), SPIE SA issued a bond for an amount of €600 million, in order to finance said acquisition. The bonds, with a 7 year maturity and a 3.125% annual interest rate, have been admitted for trading on Euronext Paris regulated market (Code ISIN FR0013245263).

4.3. "AMBITION 2020" PROJECT

As part of its "Ambition 2020" project, SPIE has created, since January 1, 2017, two new French subsidiaries to cover the national territory, each in its own specialty. These two companies combine corresponding activities of the five French regional multi-technical subsidiaries that previously operated.

SPIE Citynetworks is dedicated to the telecoms and outdoor networks market, and SPIE Facilities which is dedicated to the building maintenance market. SPIE Citynetworks is dedicated to the market of external networks and telecoms.

It has 2,600 employees spread over more than 130 locations. Addressing public and private customers, the entity focuses on issues related to electric mobility, urban video surveillance or intelligent public lighting. It proposes supports to national or regional contracts for the digital development of the territories, from the phases of studies / design up to the maintenance, until completion. SPIE Citynetworks is involved in the deployment of 4G and 5G telephony networks, the deployment of fiber and the installation of charging infrastructures for electric vehicles.

SPIE Facilities, for its part, is dedicated to the market of the maintenance of the buildings and the "facility management". It has the same number of employees but only 65 locations in France. It offers to its customers in the residential / tertiary and industrial sectors (real estate assets) solutions that meet the latest technological, energy and environmental challenges. With a growth market, its mission will be to propose and manage services to enhance the performance of buildings and the comfort of their occupants. The entity intends to position itself on predictive services.

As of January 1, 2017, the SPIE Group in France is based on a two main structures, with five regional subsidiaries (SPIE Île-de-France Nord-Ouest, SPIE Est, SPIE Sud-Est, SPIE Sud-Ouest, SPIE Ouest-Centre) and also three national subsidiaries of specialty (SPIE ICS, SPIE Facilities and SPIE Citynetworks). This sub-group has 16,200 employees.

NOTE 5. SCOPE OF CONSOLIDATION

5.1. CHANGES IN SCOPE

Changes in scope of consolidation include:

- companies acquired during the period;
- companies acquired during previous periods, which do not have the operational resources necessary to prepare financial statements in line with Group standards within the time allocated. These companies are included in the Group's scope of consolidation once the financial information is available;
- companies temporarily held as financial assets
- newly created companies;
- companies disposed of.

5.1.1. COMPANIES ACQUIRED AND CONSOLIDATED DURING THE PERIOD

On January 3rd, 2017, SPIE acquired the **AD Bouman BV** company, a key player in the Dutch retail installation market. Created in 1980, AD Bouman BV ("Bouman") focuses on non-food retail spaces, where it provides a broad range of installation services, including electro-technical work, heating systems, air conditioning, climate control and security. The company provides turnkey installation to a high quality and diverse customer base of national and international retailers. Bouman employs 22 people and generates annual revenue of approximately 5 million euros in 2016. The transferred counterpart stands at € 3.5 million.

On January 25, 2017, SPIE acquired, through its subsidiary SPIE Nucleaire, the **Maintenance Mesure Contrôle** company ("MMC"), a company specialized in predictive maintenance on electronuclear sites. Founded in 1989 and based in Yutz, Lorraine, MMC specializes in acoustic control, air leakage tests and infrared thermography on the French electronuclear sites. MMC employs 15 people and recorded revenues of 3 million euros in the year ended March 31st, 2016. The transferred counterpart stands at € 4 million.

On March 31st, 2017, SPIE completed the acquisition of the **SAG Group**, based in Langen in Germany (see Note 4.1.). The SAG Group has generated a revenue of €1.3 billion and EBITA of € 77 million in 2016. In the context of the acquisition, SAG was valued at 11.0x 2016 expected EBITA pre synergies, and 8.8x post run-rate synergies. The transferred counterpart stands at €107 million plus a debt repayment for € 479 million. The whole amount has been financed through the issuance of a bond of € 600 million (see Note 4.2.)

5.1.2. COMPANIES ACQUIRED IN THE PREVIOUS PERIOD AND CONSOLIDATED DURING THE PERIOD

The **Tevean** company acquired in December 2016 in Belgium and the entities of the **Environmental Engineering** group in the UK in November 2016 have been consolidated in the Group's accounts in 2017.

5.1.3. COMPANIES ACQUIRED DURING THE PERIOD AND HELD AS FINANCIAL ASSETS

On December 9, 2016, SPIE acquired the group **Aaftink** (“Aaftink”) in the Netherlands. Based in Abcoude, Aaftink is specialises in the design, installation, maintenance and repair of building-related systems for retail clients. With 80 employees, Aaftink generates annual revenue of approximately €12 million. The transferred counterpart stands at € 2.2 million.

On April 6, 2017, SPIE acquired, through its subsidiary SPIE GmbH, the **PMS Sicherheitstechnik Kommunikation GmbH** (“PMS”) company . Located in Dresden, PMS was founded in 1991 and covers the entire value chain in the area of security and communications, from design and planning to installation and maintenance of fire detection, burglar alarm and access control systems, as well as smoke and heat extraction systems. In 2016, PMS generated approximately €3 million in revenues with 24 high qualified employees at its Dresden and Chemnitz locations. The transferred counterpart stands at € 2.3 million.

On April 13, 2017, SPIE acquire the **Lück Verwaltungs GmbH** group (“Lück”),a German specialist in building technology services. Established in 1965 and headquartered in Lich-Langsdorf and Gießen, Lück Group is a provider of holistic building technology services with a strong focus on data centre solutions. The company provides a complete range of services, from design and consulting, through installation and maintenance of HVAC, electro-technical, security and communication solutions. With 1,000 employees working from 18 locations in 6 German Länder, Lück Group generated a production of approximately €130 million in 2016. The transferred counterpart stands at € 70 million.

On May 10, 2017, SPIE acquired in the Netherlands the **Mer ICT** company which provides integrated communication solutions. Based in Zwolle, Mer ICT employs 20 people and generated revenue of € 4 million in 2016. The business model of Mer ICT, including technical capabilities related to business communication delivered as a service, fits well with SPIE’s approach, aimed at unburdening its customers as much as possible. The acquisition of Mer ICT will allow SPIE Nederland to expand its current portfolio of services with regards to workspace, mobile device management and ICT management. The transferred counterpart stands at € 2 million.

5.1.4. NEWLY CREATED COMPANIES

On January 12, 2017, SPIE OGS created with a local partner the company **SPIE OGS Doha LLC**, located in Qatar and held at 49%.

5.1.5. DISPOSED COMPANIES

During the first half year 2017, the Group sold or disposed several entities which did not represent any strategic interest for itself. The operations are the following:

- On January 6, 2017, the Group sold the activity "**logistics and integration of communications equipment and systems**" of SPIE Infoservices, a French subsidiary of SPIE ICS SAS. The disposal process had been initiated during the second half of 2016.
- On March 2, 2017, the Group sold the **Sono Technic** entity. The selling process of this French entity Sono Technic, operating on low voltage electricity activities in the Toulouse region, had been initiated in November 2016.
- On January 4, 2017, the **SPIE EDGO Energy Ventures Limited** company located in the United Arab Emirates has been liquidated. Without significant activity since 2016, the liquidation of this company did not have any impact on the Group’s accounts.

5.2. CHANGES IN CONSOLIDATION METHOD

Nil.

Segment information

NOTE 6. SEGMENT INFORMATION

Summarized information intended for strategic analysis by general management of the Group for decision-making purposes (the concept of chief operating decision-maker in accordance with IFRS 8) is based on revenue (as per management accounts) and EBITA indicators broken down by operating segment.

6.1. INFORMATION BY OPERATING SEGMENT

Revenue (as per management accounts) represents the operational activities conducted by the Group's companies, while consolidating on a proportionate basis subsidiaries that have minority shareholders or using the equity method.
EBITA, as per management accounts, is the Group operating result. It is calculated before amortization of allocated goodwill (brands, backlogs and customers). The margin is expressed as a percentage of revenue (as per management accounts).

In millions of euros	France	Germany and Central Europe	North-Western Europe	Oil & Gas and Nuclear	Holdings	TOTAL
January 1 to June 30, 2017						
Revenue (as per management accounts)	**1,098.6**	**737.3**	**681.5**	**243.4**	**-**	**2,760.7**
EBITA	63.4	36.2	16.4	20.5	9.1	**145.5**
EBITA as a % of revenue (as per management accounts)	*5.8%*	*4.9%*	*2.4%*	*8.4%*	*n/a*	*5.3%*
January 1 to June 30, 2016 Restated						
Revenue (as per management accounts)	**1,057.2**	**432.7**	**624.3**	**278.2**	**-**	**2,392.4**
EBITA	65.5	13.8	25.0	27.8	11.7	**143.7**
EBITA as a % of revenue (as per management accounts)	*6.2%*	*3.2%*	*4.0%*	*10.0%*	*n/a*	*6.0%*

Reconciliation between revenue (as per management accounts) and revenue under IFRS

In millions of euros		First Half 2016 Restated	First Half 2017
Revenue (as per management accounts)		**2,392.4**	**2,760.7**
SONAID	(a)	(8.9)	(4.9)
Holding activities	(b)	19.5	14.7
Others	(c)	23.3	(10.5)
Revenue under IFRS		**2,426.3**	**2,760.0**

(a) SONAID is consolidated under the equity method in the Group's IFRS consolidated accounts and proportionally (55%) in the management accounts.

(b) Non-Group revenue from SPIE Operations and other non-operational entities.

(c) Re-invoicing of services provided by Group entities to non-managed joint ventures; Revenue that does not correspond to operational activity (essentially re-invoicing of expenses incurred on behalf of partners); Restatement of revenue from entities consolidated under the equity method, or not yet consolidated, or for which IFRS 5 restatement has been decided but is pending at the end of the period.

Reconciliation between EBITA and operating income

In millions of euros		First Half 2016 Restated	First Half 2017
EBITA		**143.7**	**145.5**
Amortization of intangible assets (allocated goodwill)		(19.8)	(7.8)
Discontinued activities and restructuring costs	(a)	(2.2)	(15.5)
Financial commissions		(0.8)	(0.7)
Non-controlling interests	(b)	(0.1)	(0.6)
Others	(c)	2.6	(11.5)
Consolidated Operating Income		**123.4**	**109.4**

(a) Restructuring costs pertaining to the France segment and to Oil & Gas activities; Operating result contribution from activities for which IFRS 5 restatement has been decided but is pending at the end of the period.

(b) Restatement of SPIE's Share of SONAID's EBITA (55%) in H1 2017. Although SONAID is equity accounted in the Group's IFRS consolidated accounts, no contribution from SONAID is included in H1 2017 Operating income, due to negative retained earnings.

(c) In H1 2017, "other" items mainly include costs related to external growth projects (€ (8.0) million), a restatement made pursuant to IFRIC 21 (€ 2.1) million) and the recognition of a cost related to the free share plan allocation, in accordance with IFRS 2 (€ 2.4) million).
In 2016, the "other" items mainly included the capital gain subsequent to the change in consolidation method of SONAID pursuant to IFRS 11 (€ 5.3 million), to a restatement made pursuant to IFRIC 21 (€ (2.1) million) and costs related to external growth projects.

6.2. NON-CURRENT ASSETS BY ACTIVITY

Non-current assets include intangible assets, property, plant and equipment, and goodwill allocated to Cash Generating Units.

In thousands of euros	France	Germany & CE	North-Western Europe	Oil & Gas - Nuclear	Holdings	TOTAL
June 30, 2017	**270,544**	**1,319,042**	**159,666**	**39,468**	**2,316,389**	**4,105,109**
December 31, 2016	275,179	301,026	153,894	37,735	2,316,797	**3,084,630**

6.3. PERFORMANCE BY GEOGRAPHIC AREA

Revenue under IFRS is broken down by geographical location of customers.

In thousands of euros	France	Germany	Rest of the world	TOTAL
January to June 2017 Revenue under IFRS	**1,250,501**	**620,133**	**889,322**	**2,759,956**
January to June 2016 Restated Revenue under IFRS	1,239,018	352,657	834,605	2,426,280

6.4. INFORMATION ABOUT MAJOR CUSTOMERS

No external customer individually represents 10% or more of the Group's consolidated revenue.

Notes to the consolidated income statement

NOTE 7. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses break down as follows:

In thousands of euros	Notes	First Half 2016 Restated	First Half 2017
Business combination acquisition costs	(a)	(414)	(7,957)
Net book value of financial assets and security disposals	(b)	5,211	(117)
Net book value of assets		(1,982)	(2,484)
Other operating expenses	(c)	(3,897)	(13,620)
Total other operating expenses		**(1,082)**	**(24,178)**
Gain on security disposals		-	8
Gains on asset disposals		1,981	3,063
Other operating income	(d)	1,295	265
Total other operating income		**3,276**	**3,336**
Other operating income and expenses		**2,194**	**(20,842)**

(a) "Business combination acquisition costs" relate in 2017 to the acquisitions of SAG group for € 7,104 thousand, of Environmental Engineering for € 293 thousand, of Trios for € 291 thousand, and the remaining amount for the other acquisitions of 2017 (see Note 5 for further details).

(b) In 2017, the "Net book value of disposal assets and security disposals" relates to the NBV booked consequently to the liquidation of SPIE Edgo. In 2016, the net book value of financial assets and security disposals used to correspond to the NBV booked consequently to the loss of control of SONAID entity by SPIE OGS for an amount of € 5,260 thousands, and to the share disposal of SPIE Czech of € (49) thousand.

(c) The "other operating expenses" mainly correspond to restructuring costs in SPIE Oil & Gas Services and in France, consequently to the Ambition 2020 project (see Note 4.3), and to penalties in contracts.

(d) The "other operating income" mainly relates to penalties received.

NOTE 8. NET FINANCIAL COST AND FINANCIAL INCOME AND EXPENSES

Cost of net debt and other financial income and expenses are broken down in the table below:

In thousands of euros	Notes	First Half 2016 Restated	First Half 2017
Interest expenses	(a)	(18,145)	(23,417)
Interest expenses on financial leases		(299)	(231)
Interest expenses on cash equivalents		(13)	(8)
Interest expenses and losses on cash equivalents		**(18,457)**	**(23,656)**
Interest income on cash equivalents		58	34
Net proceeds on sale of marketable securities		23	5
Gains on cash and cash equivalents		**81**	**39**
Costs of net financial debt		**(18,376)**	**(23,616)**
Loss on exchange rates	(b)	(22,973)	(8,336)
Allowance for financial provisions for pensions		(2,620)	(4,061)
Other financial expenses		(488)	(2,247)
Total other financial expenses		**(26,082)**	**(14,644)**
Gain on exchange rates		5,098	3,256
Reversal of financial provisions for pensions		8	-
Gains on financial assets excl. cash and cash equivalents		-	22
Allowance / Reversal on financial assets		-	8
Other financial income		735	1,820
Total other financial income		**5,841**	**5,106**
Other financial income and expenses		**(20,241)**	**(9,538)**

(a) The difference between the first half of 2016 and the first half of 2017 particularly relates to interest charges deriving to the bond issued for the acquisition of SAG.

(b) In 2017, the “loss on exchange rates” mainly relate on the one hand to the SPIE OGS subgroup, and on the other hand to SPIE UK subgroup. In 2016, the variation of the exchange rate between pound sterling and euro during the first half of 2016 (Brexit effect) contributed to losses on exchange rates up to a net amount of € 14,751 thousand, without any significant cash impact.

NOTE 9. INCOME TAX

9.1. TAX RATE

The effective tax rate on income for the period ended June 30, 2017 stands at 30%, in line with the 2016 and 2015 rates, excluding CVAE and adjusted for non-recurring items. To the tax expense calculated based on this tax rate, the CVAE of the period must be added.

9.2. CONSOLIDATED INCOME TAXES

Income taxes are detailed as follows:

In thousands of euros		First Half 2016 Restated	First Half 2017
Income tax expense reported in the income statement			
Current income tax		(32,502)	(33,250)
Deferred income tax	(a)	(2,032)	978
Total income tax reported in the income statement		**(34,534)**	**(32,272)**
Income tax expense reported in the statement of comprehensive income			
Net (loss)/gain on cash flow hedge derivatives		(183)	(83)
Net (loss)/gain on post-employment benefits		-	-
Total income tax reported in the statement of comprehensive income		**(183)**	**(83)**

(a) The deferred tax amounts derive from the application of the effective tax rate (see Note 9.1).

NOTE 10. DISCONTINUED OPERATIONS

The Group's assets held for sale and discontinued operations requiring the application of IFRS 5 are outlined below:

	First Half 2016 Restated		First Half 2017	
In thousands of euros	Revenue	Contribution to net income	Revenue	Contribution to net income
TECNOSPIE SA (Ex OELE)	9,547	(607)	-	-
S.G.T.E. INGENIERIE	-	(15)	-	(13)
FORAID ALGERIE EURL	1,623	166	1,235	356
ADVAGO S.A.	-	(6)	-	(2)
SONO TECHNIC	1,063	42	469	(69)
SPIE IFS AG	3,155	(648)	1,235	(166)
SPIE MAROC – ONEE business line	1,769	(2,564)	(271)	(256)
SPIE Ile de France Nord Ouest – « housing market projects » activity	4,833	(544)	4,123	(3,040)
SPIE Infoservices – logistics activity	-	(492)	-	104
SPIE FS NORTHERN	13,279	1,735	11,204	(4,498)
SPIE SAG – Gas & Offshore Services activity	-	-	48,154	(5,269)
Effective tax rate adjustment on discontinued operations	-	-	-	3,982
TOTAL	**35,269**	**(2,933)**	**66,150**	**(8,870)**

- The liquidation process of SGTE Ingénierie located in France, started in 2007, was still in progress as at June 30, 2017.
- The disposal process of Foraid Algérie, initiated in 2011, was still in progress as at June 30, 2017.
- The entity Advago SA in Greece was acquired on September 6, 2013, together with the Services Solutions activity of the Hochtief Group in Germany. The disposal process was initiated in 2014 and was still in progress as at June 30, 2017.
- The French entity Sono Technic, operating on low voltage electricity activities in the Toulouse region. The disposal process was initiated in November 2016 and resulted in a disposal on March 31, 2017 (see Note 5.1.5).

- The entity SPIE IFS AG (previously SPIE Schweiz AG) located in Switzerland was acquired on September 6, 2013, together with the Services Solutions activity of the Hochtief Group. The disposal process was initiated in November 2016. It has been finally decided to merge its activity in SPIE ICS AG as at June 30, 2017;
- The discontinuation of the lines and substations activities of the ONEE (Office National de l'Electricité et de l'Eau potable) client of SPIE Maroc, initiated in march 2016 was still in progress as at June 30, 2017.
- Activities in "Housing market Projects" of the French company SPIE Ile-de-France Nord-Ouest. The discontinued process was initiated in the second half of the year 2016 and is planned to be finalized within 2017;
- The activity "logistics and integration of communications equipment and systems" of SPIE Infoservices, the French subsidiary of SPIE ICS Sas, was sold on January 6, 2017 (see Note 5.1.5).
- "Total facility management" activities in the UK (SPIE FS Northern entity), which include technical maintenance services combined with non-technical services (cleaning, etc.). The divesture of these activities has been initiated in the 2nd quarter of 2017.
- SAG's Gas & Off-shore activities, which divesture has been initiated in the 2nd quarter of 2017.

Entities classified as held for sale in 2016 which do not have any impact in the Group's 2017 accounts:

- The company TecnoSPIE SA in Portugal for which a disposal process was initiated in December 2015 was sold on July 6, 2016; It is presented in the June 2016 accounts, as a comparative purpose for June 2017.

As a result, as at June 30, 2017, the financial statements of , SGTE Ingénierie, Foraid Algérie, Advago SA, Sono Technic, SPIE IFS AG, the business line "Housing market Projects" of SPIE IDF Nord-Ouest, the "logistics and integration of communications equipment and systems" of SPIE Infoservices, SPIE FS Northern, the activity Gas & Offshore services of SPIE SAG and the lines and substations activities of the ONEE client of SPIE Maroc have been reclassified in a separate line on the income statement, representing the contribution to net income of these operations.

The assets and liabilities of these operations have been respectively reclassified as "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in the consolidated statement of financial position as at June 30, 2017. Assets and liabilities of these activities have been valued at their fair value less potential costs of sale of the assets.

NOTE 11. EARNINGS PER SHARE

11.1. NET EARNINGS

In thousands of euros	First Half 2016 Restated	June 30, 2017
Continuing operations Basic earnings from continuing operations attributable to owners of the parent (excluding minority shareholders) (-) Basic earnings attributable to preferential owners	50,085	42,829
Earnings from continuing operations distributable to shareholders of the Company, used for the calculation of the earnings per share	**50,085**	**42,829**
Earnings from discontinued operations distributable to shareholders of the Company, used for the calculation of the earnings per share	**(2,932)**	**(8,870)**
Total operations Basic earnings from continuing operations attributable to owners of the parent (excluding minority shareholders) (-) Basic earnings attributable to preferential owners	47,153	33,959
Earnings attributable to shareholders of the Company, used for the calculation of the earnings per share	**47,153**	**33,959**

11.2. NUMBER OF SHARES

	June 30, 2016	June 30, 2017
Number of shares at period end	**154,076,156**	**154,076,156**

In compliance with "IAS 33- Earnings per share", the weighted average number of ordinary shares in the first half of 2017 (and for all presently shown periods) has been adjusted to take into account events that impacted the number of outstanding shares without having a corresponding impact on the entity's resources.

On September 19, 2016, SPIE has issued a new Free Performance Shares plan which consequently dilutes the average number of share. The characteristics are presented below:

	Dec 31, 2016
Number of beneficiaries	420
Acquisition date	2019/07/28
Number of granted shares under performance conditions	1,098,155
Number of granted shares cancelled	-
Number of granted shares under performance conditions at year end	**1,098,155**

There has been no change in the number of shares during the first half of 2017. Likewise, no diluted instrument has been issued by the parent company during the period. However, the impact of the Free Performance Shares plan issued during the second half of 2016 is presented hereafter:

	June 30, 2016	June 30, 2017
Average number of shares used for the calculation of earnings per share	**154,076,156**	**154,076,156**
Effect of the diluting instruments	-	299,305
Average number of diluted shares used for the calculation of earnings per share	**154,076,156**	**154,375,461**

11.3. EARNINGS PER SHARE

In euros	First Half 2016 Restated	June 30, 2017
Continuing operations		
. Basic earnings per share	0.33	0.28
. Diluted earnings per share	0.33	0.28
Discontinued operations		
. Basic earnings per share	(0.02)	(0.06)
. Diluted earnings per share	(0.02)	(0.06)
Total operations		
. Basic earnings per share	**0.31**	**0.22**
. Diluted earnings per share	**0.31**	**0.22**

NOTE 12. DIVIDENDS

On May 31, 2017, SPIE SA proceeded to the payment of dividends which had previously been approved by the Annual Shareholders' Meeting of May 16, 2017 for an amount of € 0.53 per share, i.e. a global amount of € 81,660 thousand euros.

Notes to the statement of financial position

The following notes relate to the assets and liabilities of continuing operations as at June 30, 2017.

Assets and liabilities of operations held for sale are presented in a separate line "Activities held for sale" in the statement of financial position.

NOTE 13. GOODWILL

The following table shows the changes in carrying amount of goodwill by cash generating unit:

In thousands of euros	Dec 31, 2016	Acquisitions and adjustments of preliminary goodwill	Disposals	Change in scope of consolidation and other	Translation adjustments	June 30, 2017
CGU - SPIE Ile de France Nord-Ouest	275,688			(135,931)		139,757
CGU - SPIE Est	91,943			(23,351)		68,592
CGU - SPIE Sud Est	197,983			(68,739)		129,244
CGU - SPIE Sud Ouest	229,233			(97,108)		132,125
CGU - SPIE Ouest Centre	218,735			(101,825)		116,910
CGU - SPIE Citynetworks	-			244,148		244,148
CGU – SPIE Facilities	-			179,133		179,133
CGU - SPIE ICS (France)	162,392	(42)				162,350
CGU - SPIE Holding GmbH	162,379				121	162,500
CGU - SPIE SAG	-	891,806				891,806
CGU - SPIE ICS A.G. (Switzerland)	46,996			3,674	(976)	49,694
CGU - SPIE UK	206,016	4,568			(2,452)	208,132
CGU - SPIE Nederland	156,650	2,717				159,367
CGU - SPIE Belgium	78,299	5,889				84,188
CGU - SPIE Nucléaire	127,801	2,160				129,961
CGU - SPIE OGS	253,226					253,226
Total goodwill	**2,207,341**	**907,098**		**-**	**(3,307)**	**3,111,132**

Acquisitions and goodwill adjustments which occurred between January and June 2017 mainly relate to:

- The finalization of the process of purchase price allocation for SPIE ICS (France) related to the acquisition of RDI on May 2016 for a global amount of € (42) thousand;
- To the temporary allocation of goodwill relating to the acquisition of SAG on March 2017 (see Note 5.1.1) for a global amount of € 891,806 thousand; this amount corresponds to the difference between a transferred counterpart of € 107 million and a preliminary valued net assets for a negative amount of € 784,8 million, including on the one hand a financial debt of € 479 million and on the other hand pension scheme of € 390 million net of tax;
- For SPIE UK:
  - o The temporary allocation of goodwill related to the acquisition on November 2016 of the TRIOS Group for a global amount of € 937 thousand;
  - o The temporary allocation of goodwill related to the acquisition of the Environmental Engineering group on December 2016, for a global amount of € 3,631 thousand;
- The temporary allocation of the goodwill relating to the acquisition of AD Bouman on January 2017 in the CGU SPIE Netherlands, for a global amount of € 2,717 thousand.
- To the initialization of the purchase price allocation process for SPIE Belgium which relates to the acquisition of Tevean in December 2016 for an amount of € 5,889 thousand.

- To the initialization of the purchase price allocation process for SPIE Nucléaire which relates to the acquisition of MMC in January 2017 for an amount of € 2,160 thousand.

Changes in scope of consolidation relate to the asset transfers from the five French regional entities to SPIE Citynetworks and SPIE Facilities created for the Ambition 2020 project (see Note 4.3), and to the transfer of Swiss entities from the CGU SPIE Sud-Est to the CGU SPIE ICS AG (Switzerland) for a global amount of € 3,674 thousand.

Currency translation adjustments mainly relate to:

- € 121 thousand for SPIE Holding GmbH relating to the acquisition of AGIS Poland;
- € (976) thousand relating to SPIE ICS A.G. (Switzerland) and to all other Swiss entities which have been transferred from the SPIE Sud Est CGU to the SPIE ICS AG CGU;
- And to € (2,452) thousand for all British entities with the SPIE UK CGU.

NOTE 14. INTANGIBLE ASSETS

14.1. INTANGIBLE ASSETS – GROSS VALUES

In thousands of euros	Concessions, patents, licenses	Brands	Backlog and customer relationship	Others	Total
Gross value					
At Dec 31, 2015	**6,772**	**754,750**	**163,815**	**82,895**	**1,008,232**
Business combination effect	8	1,595	11,243	279	13,125
Other acquisitions in the period	562			19,336	19,898
Disposals in the period	(538)			(4,728)	(5,266)
Exchange difference	7	(1,331)	(2,477)	(472)	(4,273)
Other movements	635			(463)	172
Assets held for sale					-
At Dec 31, 2016	**7,446**	**755,013**	**172,582**	**96,847**	**1,031,888**
Business combination effect	3,072		64	22	3,158
Other acquisitions in the period	160			7,288	7,448
Disposals in the period				(181)	(181)
Exchange difference	6	(283)	(563)	(227)	(1,067)
Other movements	495			(510)	(15)
Assets held for sale					-
At June 30, 2017	**11,179**	**754,730**	**172,083**	**103,239**	**1,041,230**

Period ended June 30, 2017

Brands mainly correspond to the value of the SPIE brand (which amounts to € 731 million), which has an indefinite useful life and is tested for impairment at least once a year or whenever there is an indication of impairment.

The line “Business combination effect”, which concerns the concessions, patents and licenses for an amount of € 3,072 thousand relate to licenses acquired through the SAG acquisition in Germany.

The “Other acquisitions in the period”, representing € 7,288 thousand relate:

- On one hand to intangible assets in progress (mainly softwares) within SPIE Nucléaire for € 296 thousand and to SPIE Opérations for € 266 thousand;
- On the other hand to other intangible assets (mainly relating to the implementation of the SAP project) held by SPIE GmbH for an amount of € 6,371 thousand and by SPIE Limited for an amount of € 275 thousand.

14.2. INTANGIBLE ASSETS – AMORTIZATION AND NET VALUES

In thousands of euros	Concessions patents, licenses	Brands (a)	Backlog and customer relationship (b)	Others	Total
Amortization					
At Dec. 31, 2015	**(5,627)**	**(59,273)**	**(89,634)**	**(61,707)**	**(216,241)**
Amortization for the period	(582)	(13,786)	(19,799)	(7,333)	(41,500)
Reversal of impairment losses					-
Disposals in the period	531			369	900
Exchange difference	(5)	1,331	812	144	2,283
Other movements	169			(133)	36
Assets held for sale					-
At Dec. 31, 2016	**(5,514)**	**(71,727)**	**(108,621)**	**(68,660)**	**(254,521)**
Amortization for the period	(746)	(482)	(7,338)	(4,114)	(12,680)
Reversal of impairment losses					-
Disposals in the period				153	153
Exchange difference	(2)	283	287	105	673
Other movements	(50)			89	39
Assets held for sale					-
At June 30, 2017	**(6,312)**	**(71,926)**	**(115,672)**	**(72,427)**	**(266,336)**
Net value					0
At Dec. 31, 2015	**1,145**	**695,477**	**74,182**	**21,188**	**791,992**
At Dec. 31, 2016	**1,932**	**683,286**	**63,961**	**28,188**	**777,366**
At June 30, 2017	**4,867**	**682,804**	**56,411**	**30,812**	**774,894**

Period ended June 30, 2017

Amortization of intangible assets during the period includes:

(a) The amortization of the brands Hartmann for € 266 thousand (amortization over 3 years ending on June 2017) and Fleischhauer for € 216 thousand (amortization over 4 years).

(b) The amortization of the CRA (customer relationship asset) mainly corresponds to SPIE GmbH for € 2,743 thousand, to Leven for € 1,175 thousand, to SPIE ICS (formerly Connectis) for € 806 thousand, to Fleischhauer for € 464 thousand, to Hartmann for € 440 thousand, to RDI for € 269 thousand, to Numac for € 214 thousand, to Infrastructure Services & Projects for € 186 thousands, to Scotshield for € 217 thousand, to CRIC for € 134 thousand and to GPE for € 24 thousand.

The amortization of backlogs for the current period corresponds to the backlogs of SPIE GmbH for € 667 thousand.

NOTE 15. EQUITY

As at June 30, 2017 the share capital of SPIE SA stands at 72,415,793.32 euros divided into 154,076,156 ordinary shares, all of the same class, with a nominal value of 0.47 euro.

No operation took place on the SPIE SA share capital since January 1, 2017.

The allocation of SPIE SA capital's ownership is as follows:

	Holding percentage
Clayax Acquisition Luxembourg 5 S.C.A. [(1)]	**10.24%**
Caisse de dépôt et placement du Québec [(2)]	**8.38%**
Managers [(3)]	**7.76%**
Employee shareholding [(4)]	**3.88%**
Public	**69.74%**
Treasury shares	**0.0%**
Total	**100.0%**

[(1)] Clayax Acquisition Luxembourg 5 SCA is held at 78.8 % by funds controlled, managed or advised by Clayton, Dubilier & Rice and at 21.2 % by funds controlled, managed or advised by Ardian (data as per June 30, 2017).

[(2)] Stake directly held by Caisse de dépôt et placement du Québec (data as per June 30, 2017).

[(3)] Current and former managers, on the basis of the information known at December 31st, 2016.

[(4)] Shares held by employees, directly or through the FCPE SPIE Actionnariat, on the basis of the information known at December 31st, 2016.

NOTE 16. PROVISIONS

16.1. PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

Employee benefits relate to retirement benefits, pension obligations and other long-term benefits mainly relate to length-of-service awards.

As at June 30, 2017, these commitments were revalued using December 31, 2016 projections.

In thousands of euros	Dec 31, 2016	June 30, 2017
Retirement benefits	275,008	732,198
Other long-term employee benefits	16,966	26,583
Employee benefits	**291,974**	**758,781**
	First Half 2016 Restated	**First Half 2017**
Expense recognized through income in the period		
Retirement benefits	9,429	11,429
Other long-term employee benefits	499	112
Total	**9,928**	**11,541**

The change of € 457,190 thousands on the retirement benefits relate to € 451,102 thousands from the acquisition of SAG. Likewise, the other long-term employee benefits change of € 9,607 thousand are composed of € 9,499 thousands relating to the acquisition of SAG.

The obligations of the French entities account for 18% of the total commitment. The remaining 82% mainly comprises commitments in the German (75%), Swiss (7%), Dutch, and Belgian subsidiaries and relates to the local obligations for employee retirement benefits.

16.2. OTHER PROVISIONS

Provisions include:

- provisions for contingent liabilities against specific risks in business combinations;
- provisions for tax risks, arising where tax audits have led to proposals from the tax authorities for adjustments in respect of prior years;
- provisions for restructuring;
- provisions for lawsuits with employees and labor cases;
- provisions for litigation still pending on the previous year's contracts and activities.

The short-term portion of provisions is presented under "Current provisions" and beyond this time horizon, provisions are presented as "Non-current provisions".

In thousands of euros		Dec 31, 2016	Additions during the period	Reversals during the period	Translation adjustments	Assets held for sale / disconti-nued	Change in scope/ others	June 30, 2017
Contingent liabilities		**1,361**					15,713	**17,074**
Tax provisions		**17,245**	519	(331)	(262)		14,249	**31,421**
Restructuring	**(a)**	**1,657**	5,807	(1,999)			4,425	**9,890**
Litigations		**41,948**	4,361	(2,529)	(93)		1,635	**45,322**
Losses at completion	**(b)**	**29,312**	14,705	(16,501)	(62)		9,459	**36,914**
Social provisions and disputes		**15,663**	2,183	(2,838)	(18)		75	**15,065**
Warranties and claims on completed contracts		**35,263**	1,720	(4,841)	(127)		10,445	**42,459**
Other provisions		**142,450**	**29,294**	**(29,039)**	**(561)**	**-**	**56,001**	**198,146**
. Current		*93,225*	*20,999*	*(22,338)*	*(308)*		*35,231*	*126,809*
. Non-current		*49,226*	*8,295*	*(6,701)*	*(253)*		*20,770*	*71,337*

(a) Restructuring provisions relate on the one hand to SPIE Oil and Gas Services (for € 5,700 thousand) and on the other hand to provisions already booked in SAG prior to acquisition (for € 4,425 thousand) for SAG internal projects.

(b) In June 2014, the ongoing purchase price allocation process relating to the acquisition of SPIE GmbH led the Group to recognize new provisions for loss on completion for a total amount of € 33,057 thousand in connection with loss making contracts recognized at the date of the takeover.

These provisions were used and hence reversed in the statement of financial position for an amount of € 30,957 thousand since their recognition date and did not change during the first half of 2017. Furthermore, the € 9,459 thousand additional losses at completion provisions relate to the SAG acquisition.

Provisions comprise a large number of items each with low values. Related reversals are considered as used. However, the incurred and assigned amounts in provisions that stand out due to their significant value are closely monitored.

During the first half of 2017, all provisions reversed were used.

The breakdown into current and non-current by category of provisions for the current period was as follows:

In thousands of euros	Non-current	Current	June 30, 2017
Contingent liabilities	17,074		17,074
Tax provisions	4,781	26,639	31,421
Restructuring	269	9,621	9,890
Litigations	12,719	32,603	45,322
Losses at completion	18,935	17,979	36,914
Social provisions and disputes	6,335	8,730	15,065
Warranties and claims on completed contracts	11,223	31,236	42,459
Other provisions	**71,337**	**126,809**	**198,146**

The breakdown into current and non-current by category of provisions for 2016 was as follows:

In thousands of euros	Non-current	Current	Dec 31, 2016
Contingent liabilities	1,361		1,361
Tax provisions	5,106	12,139	17,245
Restructuring		1,657	1,657
Litigations	11,345	30,603	41,948
Losses at completion	19,029	10,283	29,312
Social provisions and disputes	6,939	8,724	15,663
Warranties and claims on completed contracts	5,445	29,818	35,263
Other provisions	**49,226**	**93,225**	**142,450**

NOTE 17. WORKING CAPITAL REQUIREMENT

17.1. CHANGE IN WORKING CAPITAL

				Other changes of the period			
In thousands of euros	Notes	Dec 31, 2016	Change in Working capital related to activity	Change in scope	Currency translations & fair values	Change in method	June 30, 2017
Inventories and receivables							
Inventories and work in progress (net)		24,554	557	12,916	(120)		37,907
Trade receivables	(a)	1,370,872	70,953	532,956	(7,376)	(9,245)	1,958,160
Current tax receivables		26,960	4,751	4,306	(516)		35,502
Other current assets	(b)	226,361	90,824	29,990	555	(2,090)	345,640
Other non-current assets	(c)	4,471	(62)	270	(0)		4,679
Liabilities							
Trade payables	(d)	(780,008)	78,783	(140,929)	3,764	1,808	(836,582)
Income tax payable		(30,425)	1,955	(4,565)	610		(32,425)
Other long-term employee benefits	(e)	(16,966)	(112)	(9,499)	(6)		(26,583)
Other current liabilities	(f)	(1,211,124)	62,223	(446,555)	4,965	17,994	(1,572,496)
Other non-current liabilities		(6,066)	(159)	(715)	15	291	(6,633)
Working capital requirement		**(391,371)**	**309,712**	**(21,824)**	**1,891**	**8,759**	**(92,832)**

(a) Receivables include accrued income.

(b) The other current assets mainly include tax receivables and deferred charges recognized on contracts accounted according to the percentage of completion method.

(c) Other non-current assets mainly correspond to exercisable vendor warranties. They represent the amount identified in business combinations that can be contractually claimed from vendors.

(d) Trade and other payables include accrued invoices.

(e) Other long-term employee benefits correspond to length-of-service awards.

(f) The detail of the other current liabilities is presented below:

In thousands of euros	Dec 31, 2016	June 30, 2017
Deferred revenue and advance payments	(436,173)	(775,669)
Social and tax liabilities	(561,924)	(596,605)
Others	(213,027)	(200,222)
Other current liabilities*	**(1,211,124)**	**(1,572,496)**

** As at December 31, 2016, the "other current liabilities" as per working capital requirements do not include the dividends to be paid included in the consolidated balance sheet.*

17.2. CHANGE IN WORKING CAPITAL: RECONCILIATION BETWEEN BALANCE SHEET AND CASH FLOW STATEMENT

The reconciliation between the working capital accounts presented in the balance sheet and the change in working capital presented in the cash flow statement is detailed hereafter:

			Other movements of the period			
In thousands of euros	Dec 31, 2016	Change in W.C. related to activity	Change in scope	Currency transla-tion & fair values	Change in method	June 30, 2017
Working Capital	**(391,371)**	**309,712**	**(21,824)**	**1,891**	**8,759**	**(92,832)**
(-) Accounts payables on purchased assets	8,394	(2,363)	8,209	(444)	(7,813)	5,984
(-) Accounts receivables on assets disposed	(25)	8				(17)
(-) Tax receivables	(26,960)	(4,751)	(4,306)	516		(35,502)
(-) Tax payables	30,573	(1,884)	5,165	(610)		33,244
Working capital excl. acc. payables on purchased assets, excl. tax receivables and payables	**(379,389)**	**300,722**	**(12,757)**	**1,354**	**947**	**(89,123)**
(-) Assets held for sale		(10,087)				
(-) Other non-cash operations which impact the working capital as per balance sheet (*)		4,790				
Changes in Working Capital as presented in C.F.S		**295,425**				

(*) The "other non-cash operations which impact the working capital as per balance sheet" relate to the neutralization of the non-cash impacts related to the French CICE tax credit and to the IFRIC 21 application.

NOTE 18. FINANCIAL ASSETS AND LIABILITIES

18.1. NON-CONSOLIDATED SHARES

As at June 30, 2017 non-consolidated shares stand as follows:

In thousands of euros	Dec 31, 2016	June 30, 2017
Equity securities	19,712	79,532
Depreciation of equity securities	(1,074)	(1,066)
Net value of securities	**18,638**	**78,465**

Equity securities as at June 30, 2017 include the shares of following companies: Aaftink acquired in December 2016 in the Netherlands for € 2,200 thousand, PMS acquired in Germany on April 2017 for an amount of € 2,364 thousand, Lück acquired in Germany on May 2017 for an amount of € 70,840 thousand and Mer ICT acquired on May 2017 in the Netherlands for an amount of € 2,000 thousand. These companies will be consolidated during the second half of 2017. Furthermore, the amounts of December 2016 include the shares of Serec, held by SPIE Enertrans, which were full depreciated for an amount of € 676 thousand. During the first half of 2017, there were no significant change on the Group's other equity securities.

As at December 31, 2016, securities included the shares of following companies: Environmental Engineering acquired in November, 2016 in the United Kingdom for an amount of € 7,943 thousand, Tevean acquired in December, 2016 in the Netherlands for an amount of € 7,500 thousand, and Aaftink acquired on December 8, for an amount of € 2,200 thousand. Excluding Aaftink, all these companies have been consolidated in 2017 (see Note 5.1).

18.2. NET CASH AND CASH EQUIVALENTS

As at June 30, 2017 net cash and cash equivalents break down as follows:

In thousands of euros	Notes	Dec 31, 2016	June 30, 2017
Marketable securities – Cash equivalents		5,500	4,855
Fixed investments (current)		-	-
Cash management financial assets		**5,500**	**4,855**
Cash and cash equivalents		560,157	347,763
Total cash and cash equivalents		**565,657**	**352,618**
Bank overdrafts and accrued interests		(40,129)	(9,731)
Net cash and short term deposits as per Balance Sheet		**525,528**	**342,887**
Cash and cash equivalents from discontinued operations	(a)	(6,972)	(2,720)
Accrued interests not yet disbursed		(22)	175
Cash and cash equivalents as per CFS		**518,535**	**340,342**

(a) Cash and cash equivalents relating to assets classified as held for sale are composed of cash and cash equivalents from Foraid Algérie for an amount of € 1,606 thousand and from Advago for an amount of € 9 thousand, hence a total amount of € 1,615 thousand. Furthermore, the lines and substations activities of the ONEE client in SPIE Maroc and SGTE show a bank overdraft of respectively € 4,332 thousand and € 3 thousand, hence a total of € 4,335 thousand.

18.3. BREAKDOWN OF FINANCIAL ENDEBTEDNESS

Interest-bearing loans and borrowings break down as follows:

In thousands of euros	Notes	Dec 31, 2016	June 30, 2017
Loans and borrowings from banking institutions			
Bond – SAG acquisition (maturity March 22, 2024)	(a)		600,000
Facility A (maturity June 11, 2020)	(b)	1,125,000	1,125,000
Revolving (maturity May 11, 2020)	(b)	-	250,000
Others		2,524	3,873
Capitalization of loans and borrowing costs	(c)	(11,353)	(15,893)
Securitization	(d)	287,783	244,406
Total bank overdrafts (cash liabilities)			
Bank overdrafts (cash liabilities)		39,986	9,542
Interests on bank overdrafts (cash liabilities)		143	189
Other loans, borrowings and financial liabilities			
Finance leases		14,006	29,018
Accrued interest on loans		77	5,238
Other loans, borrowings and financial liabilities		940	1,924
Derivatives		134	46
Interest-bearing loans and borrowings		**1,459,240**	**2,253,343**
Of which			
. Current		332,293	517,734
. Non-current		1,126,947	1,735,609

The Group loans are detailed hereafter:

(a) On March 22, 2017, SPIE issued a € 600 million fixed-rated euro-dominated bond, with a 7-year maturity and an annual coupon of 3.125%. The bond is listed on the regulated market of Euronext Paris. This issuance allowed SPIE to acquire the SAG group (see Note 4).

(b) Following the IPO, SPIE SA and Financière SPIE established on June 11, 2015 a Senior Term Loan ("Facility A") with a five year maturity, for a nominal amount of 1,125 million of euros maturing on June 11th 2020.

This senior credit line has the following characteristics:

In thousands of euros	Repayment	Fixed / floating rate		June 30, 2017
Facility A	At maturity	Floating -	1 month Euribor +1.875%	1,125,000
Loans and borrowings from banking Institutions				**1,125,000**

A "Revolving Credit Facility (RCF)" line, with a five-year maturity, aiming to finance the current activities of the Group along with external growth, has been established on June 11, 2015 for an amount of 400 million of euros of which 250 million of euros have been drawn as at June 30, 2017.

In thousands of euros	Repayment	Fixed / floating rate		June 30, 2017
Revolving	At maturity	Floating -	1 month Euribor +1. 775%	250,000
Loans and borrowings from banking Institutions				**250,000**

Interests are payable on these two loans under the new Senior Credit Facilities Agreement, established on May 15, 2015, at a floating rate indexed to Euribor for advances in euros, a floating rate indexed to Libor for advances denominated in a currency other than the euro, and at a floating rate indexed to any appropriate reference rate for advances denominated in Norwegian or Danish Krone, Swedish Krona or Swiss Francs, plus the applicable margin. Applicable margins are as follows:

- For the Senior Term Loan Facility (“Facility A”): between 2.625% and 1.625% per year, according to the level of the Group’s leverage ratio (Net Debt / EBITDA) during the last closed semester;
- For the Revolving Facility: between 2.525% and 1.525% per year, according to the level of the Group’s leverage ratio (Net Debt / EBITDA) during the last closed semester.

As at June 30, 2017, a quarterly financial commitment fee for 0.62125% is applied to the unwithdrawn portion of the Revolving Facility line.

(c) Financial liabilities are presented for their contractual amount. Transaction costs that are directly attributable to the issuance of financial debt instruments have been deducted, for their total amount, from the nominal amount of the respective debt instruments. The balance as at June 30, 2017 is 15.9 million of euros and relates to the two credit lines and to the bond.

(d) The securitization program established in 2007 for an amount of 300 million of euros, with a maturity at August 30, 2017, has been renewed under the conditions below:

- The duration of the Securitization program is a period of five years minus one month from June 11, 2015 (except in the event of early termination or termination by agreement);
- maximum funding of € 450 million;

The Securitization program represented funding of € 244.4 million as at June 30, 2017.

18.4. NET DEBT

The financial reconciliation between consolidated financial indebtedness and net debt as reported is as follows:

In millions of euros	**Dec 31, 2016**	**June 30, 2017**
Loans and borrowings as per balance sheet	1,459.2	2,253.3
Capitalized borrowing costs	11.4	15.9
Others	(0.7)	(5.8)
Gross financial debt (a)	**1,469.9**	**2,263.4**
Cash management financial assets as per balance sheet	5.5	4.9
Cash and cash equivalents as per balance sheet	560.2	347.8
Accrued interests	0.1	0.3
Cash held in discontinued activities	(7.0)	(2.7)
Gross cash (b)	**558.8**	**350.1**
Consolidated net debt (a) - (b)	**911.1**	**1,913.2**
Unconsolidated net cash	(1.7)	(5.9)
Net debt	**909.4**	**1,907.3**

18.5. RECONCILIATION WITH THE CASH FLOW STATEMENT POSITIONS

The reconciliation between the financial debt of the Group (see Note 18.3) and the cash flows presented in the cash flow statement (see Chart 4) is detailed hereafter:

		Cash flows (corresponding to the CFS)			Non-cash flows			
In thousands of euros	Dec 31, 2016	Loan issue	Loan repay-ments	Changes	Changes in scope	Others (*)	Currency and fair values changes	June 30, 2017
Bond		594,152				(290)		593,862
Bank loans	1,403,954	250,000	(43,797)		1,713	1,598	56	1,613,524
Other debts and liabilities	940	1,385	(479,889)		479,537	(5)	(26)	1,942
Finance Leases	14,006		(3,501)		17,647	893	(28)	29,018
Financial instruments	134		(4)				(84)	46
Financial indebtedness as per C.F.S	**1,419,034**	**845,537**	**(527,190)**		**498,897**	**2,196**	**(82)**	**2,238,392**
(-) Financial interests	77	7,370	(2,209)					5,238
(-) Indebtedness of discontinued entities		(18)						(18)
(+) Bank overdrafts	40,129			(30,300)			(98)	9,731
Consolidated financial indebtedness	**1,459,240**	**852,888**	**(529,399)**	**(30,300)**	**498,897**	**2,196**	**(180)**	**2,253,343**

(*) the « Others » non-cash movements relate to the restatement of borrowing costs on one hand, and on the other hand to the new finance lease contracts.

18.6. SCHEDULED PAYMENTS FOR FINANCIAL LIABILITIES

The scheduled payments for financial liabilities based on the capital redemption table are as follows:

In thousands of euros	Less than 1 year	From 2 to 5 years	Over 5 years	June 30, 2017
Loans and borrowings from banking institutions				
Bond – SAG acquisition			600,000	600,000
Facility A		1,125,000		1,125,000
Revolving	250,000			250,000
Others	3,264	609		3,873
Capitalization of loans and borrowing costs	(4,093)	(10,091)	(1,709)	(15,893)
Securitization	244,406			244,406
Total Bank overdrafts (cash liabilities)				0
Bank overdrafts (cash liabilities)	9,542			9,542
Interests on bank overdrafts (cash liabilities)	189			189
Other loans, borrowings and financial liabilities				0
Finance leases	7,978	16,292	4,748	29,018
Accrued interest on loans	5,238			5,238
Other loans, borrowings and financial liabilities	1,164	688	72	1,924
Derivatives	46			46
Interest-bearing loans and borrowings	**517,734**	**1,132,498**	**603,111**	**2,253,343**

18.7. FINANCIAL DISCLOSURES FROM COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

During the first half of 2016, the Group lost the decision-making control of the SONAID company held at 55%. Consequently, the integration method went from full consolidation to equity method.

In 2013, the Group acquired "Host GmbH (Hospital Service + Technik)" at the time of the acquisition of the Hochtief GmbH Group's Services Solutions activities. SPIE GmbH owns 25.1% of the company and consequently consolidates it under the equity method.

On January 8, 2016, SPIE acquired the Allied Maintenance through the acquisition of the Hartmann group in Germany. SPIE GmbH holds 25% of this company and consolidates it under the equity method. Moreover, since 2015 and after applying IFRS 11, Gietwalsonderhoudcombinatie (GWOC) BV and Cinergy SAS are consolidated under the equity method.

The carrying amount of the Group's equity securities is as follows:

In thousands of euros	**Dec 31, 2016**	**June 30, 2017**
Value of shares at the beginning of the period	2,837	2,913
Business combinations	-	-
Net income attributable to the Group	426	40
Dividends paid	(350)	(175)
Value of shares at the end of the period	**2,913**	**2,778**

Financial information relating to Group companies consolidated under the equity method is as follows:

In thousands of euros	**Dec 31, 2016 ****	**June 30, 2017***
Non-current assets	20,151	20,242
Current assets	122,220	115,883
Non-current liabilities	(35,728)	(35,837)
Current liabilities	(113,431)	(106,576)
Net asset	**(6,788)**	**(6,288)**
Income statement		
Revenue	91,876	59,440
Net income	(2,591)	275

** Based on available information as at April 30, 2016 for Allied Maintenance and based on available information as at December 31, 2015 for Host GmbH*

*** Based on December 31, 2015 information for Host GmbH*

NOTE 19. FINANCIAL RISK MANAGEMENT

19.1. DERIVATIVE FINANCIAL INSTRUMENTS

The Group is mainly exposed to interest rate, foreign exchange and credit risks in the course of its export activities. In the context of its risk management policy, the Group uses derivative financial instruments to hedge risks arising from fluctuations in interest rates and foreign exchange rates, and in particular interest rate swaps to hedge its variable rate debts.

	Fair value *(In thousands of euros)*	Forward rate agreement in foreign currency						
		Under 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
Asset derivatives qualified for designation as cash flow hedges (a)								
Forward purchases - USD	-							
Forward sales - USD	269	6,139						**6,139**
Forward purchases - CHF	-							
Forward sales - CHF	54	1,454	2,475					**3,929**
	323							
Liability derivatives qualified for designation as cash flow hedges (b)								
Forward purchase - USD	(46)	2,461						**2,461**
Forward sales - USD	-							
Forward sales - CHF	-	359						**359**
	(46)							
Total net derivative qualified for designation as cash flow hedges (a) + (b)	**277**							
Liability derivatives not qualified for designation as cash flow hedges								
Forward purchases - GBP	341	14,798						**14,798**
	341							
Total fair value of qualified and not qualified derivatives	**618**							

Main financial instruments deal with forward purchases and sales to cover operations in US dollars to GB pounds and to Swiss francs.

These derivative instruments are accounted for at their fair value. As they are not quoted on an active market, their valuation is classified as level 2 according to IFRS 13, and is based on a generic model and data observed on active markets for similar transactions.

19.2. INTEREST RATE RISK

Financial assets or liabilities with a fixed rate are not subject to transactions intended to convert them into floating rates. Interest rate risks on underlying items with floating rates are considered on a case-by-case basis. When the decision is made to hedge these risks, they are hedged by SPIE Operations by means of an Internal Interest Rate Shortfall Guarantee according to market conditions.

According to IFRS 13 relating to the credit risk to be taken into account when valuing the financial assets and liabilities, the estimation made for derivatives is based on default probabilities from secondary market data (mainly required credit spread) for which a recovery rate is applied.

As at June 30, 2017, given the evolution of variable rates (negative Euribor), no swap on rates has been settled to cover the new debt. The Group examines the possibility to settle new swap contracts during the second half of 2017.

19.3. FOREIGN EXCHANGE RISK

Foreign exchange risks associated with French subsidiaries' transactions are managed centrally by the intermediate holding, SPIE Operations:

- Through an Internal Exchange Shortfall Guarantee Agreement for currency flows corresponding to 100% of SPIE Group's operations
- By intermediation for currency flows corresponding to equity operations.

In both cases SPIE Operations hedges itself through forward contracts. Foreign exchange risks on calls for tender are also hedged wherever possible by means of COFACE policies.

The Group's exposition to the exchange risk relating to the US dollar, to the Swiss Franc and to the Sterling pound is presented hereafter:

In thousands of euros		June 30, 2017	
Currencies	**USD (American Dollar)**	**CHF (Swiss Franc)**	**GBP (Sterling Pound)**
Closing rate	**1.1059**	**1.0958**	**0.8587**
Risks	3,211	9,564	147,880
Hedges	(3,249)	(3,962)	(17,193)
Net positions excluding options	**(37)**	**5,602**	**130,688**
Sensitivity to the currency rate -10% vs Euro			
P&L Impact	349	1,063	14,460
Equity Impact	369	440	n/a
Sensitivity to the currency rate +10% vs Euro			
P&L Impact	(286)	(869)	(11,831)
Equity Impact	(302)	(360)	n/a
Impact on the Group reserves of the cash flow hedge	**180**	**58**	**n/a**

The estimated amount of credit risk on currency hedging as at June 30, 2017 is not significant (the risk of fluctuation during 2017 is also not significant).

19.4. COUNTERPARTY RISK

The Group is not exposed to any significant counterparty risk. Counterparty risks are primarily related to:

- Cash investments;
- Trade receivables;
- Loans granted;
- Derivative instruments.

The Group makes most of its cash investments in money market funds invested in European government securities with banks and financial institutions.

Existing derivatives in the Group (forward purchases and forward sales in USD, in GBP and in CHF) are distributed as follows at June 30, 2017:

- BNP Paribas: 8 %

- Société Générale: 18 %
- Natixis: 33 %
- CA CIB: 41%

19.5. LIQUIDITY RISK

As at June 30, 2017, the unused amount of the revolving credit facility (RCF) line stands at € 150 million.

The Group introduced a securitization program on its trade receivables which has the following characteristics:

- Fourteen of the Group's subsidiaries act as assignors in the securitization program in which assets are transferred to a securitization mutual fund named SPIE Titrisation;
- SPIE Operations is involved in this securitization program as a centralizing entity on behalf of the Group in relation to the depository bank.

This receivables securitization program allows participating companies to transfer full ownership of their trade receivables to the SPIE Titrisation mutual fund allowing them to obtain funding for a total amount of € 300 million, with the possibility to extend this amount to € 450 million. The use of this program is accompanied by early repayment clauses for certain bank loans.

As at June 30, 2017 transferred receivables represented a total amount of € 446.2 million with financing obtained amounting to € 244.4 million.

19.6. CREDIT RISK

The main credit policies and procedures are defined at Group level. They are coordinated by the Group's Financial Division and monitored both by the latter and by the various Financial Divisions within each of its subsidiaries.

Credit risk management remains decentralized at Group level. Within each entity, credit risk is coordinated by the Credit Management function which is underpinned by the "Group Credit Management" policy and a shared Best Practices Manual. Payment terms are defined by the general terms of business applied within the Group.

Consequently, the Credit Management Department manages and monitors credit activity, risks and results and is in charge of collecting trade receivables regardless of whether or not they have been transferred.

Monthly management charts are used to monitor, among other things, customer financing at operational level. These provide the means to assess customer credit taking into account pre-tax invoicing and production data as well as customer data (overdue debts and advances) calculated in terms of the number of billing days.

The policy to improve working capital requirements implemented by General Management plays an important role in improving cash flow, serving more particularly to reduce overdue payments. Other actions have focused primarily on improving the invoicing process, introducing the securitization program and improving the information systems used to manage the trade item.

Other notes

NOTE 20. RELATED PARTY TRANSACTIONS

No material related party transactions arose during the period ending June 2017, and there were no significant changes concerning the related party transactions described in the consolidated financial statements as at December 31, 2016.

NOTE 21. CONTRACTUAL OBLIGATIONS AND OFF BALANCE SHEET COMMITMENTS

21.1. OPERATING LEASE COMMITMENTS

Commitments relating to operating lease stand at € 353 million and breakdown per categories of equipment as follows:

In thousands of euros	Dec 31, 2016	June 30, 2017	< 1 year	2 to 5 years	> 5 years
Buildings	**216,216**	**217,885**	29,009	131,401	57,475
Cars & trucks	**150,890**	**135,288**	51,131	73,822	10,335
Total operating leases	**367,106**	**353,173**	**80,140**	**205,223**	**67,810**

Commitments do not include the SAG amounts yet.

21.2. OPERATIONAL GUARANTEES

In the course of its operations, the Group SPIE is required to provide a certain number of commitments in terms of guarantees for the completion of work, the redemption of advances or the repayment of retention money or parent company guarantees.

In thousands of euros	Dec 31, 2016	June 30, 2017
Commitments given		
Bank guarantees	361,602	471,368
Insurance guarantees	196,220	334,788
Parent company guarantees	606,646	807,549
Total commitments given	**1,164,468**	**1,613,705**

The change in bank and insurance guarantees relates to the inclusion of SAG group commitments since May 31, 2017.

The increase of nearly € 200 million on the parent company guarantees compared to December 31, 2016 is mainly linked to the settlement on March 31, 2017 of two commitments given to Zurich insurance and Commerzbank (respectively for € 100 million and € 90 million) for guarantees granted to SPIE SAG GmbH.

Furthermore, there have been no major changes in the other commitments received since December 31, 2016.

21.3. PLEDGING OF SHARES

As at June 30, 2017, no shares were pledged.

NOTE 22. SUBSEQUENT EVENTS

22.1. EXTERNAL GROWTH

Ziut B.V.

On July 10, 2017, SPIE Nederland signed a protocol with Ziut's shareholders, to acquire this company.

Headquartered in Arnhem, Ziut is an expert in the installation, management and maintenance of public lighting, traffic control systems and video surveillance. The company provides cities with innovative and smart solutions that have long-term beneficial impacts on energy consumption, security, and environmental issues faced by its customers. Ziut employs approximately 440 people and generated revenue of €114 million in 2016.

This acquisition is still subject to prior consultation of the Works Councils of SPIE Nederland, Ziut and its two shareholders and to the approval of the Dutch antitrust authorities.

JM Électricité

On July 12, 2017, SPIE Sud-Est acquired the French company JM Électricité. JM Électricité, founded in 1996 and headquartered in Vedène, France (Vaucluse), is specialized in electrical installation works in the housing and tertiary sectors. The company is mainly active in the Marseille area and serves private clients as well as public communities. With 22 employees, the company generated 2016 revenues of approximately € 5 million.

Probia Ingénierie

On July 20, 2017, SPIE Ouest-Centre acquired the French company Probia Ingénierie. Probia Ingénierie, established in 2006 and headquartered in Saint-Martin-des-Champs in France (Finistère), is specialized in the design and delivery of automated industrial equipments for material handling. The company is mainly active in the west of France and generates annual revenues of approximately €3 million, mostly with customers in the agri-food industry.