



**FIRST-HALF 2017 FINANCIAL REPORT**

**PERIOD ENDED 30 JUNE 2017**

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## **FIRST-HALF 2017 REPORT ON OPERATIONS**

## FIRST-HALF 2017 REPORT ON OPERATIONS

### Net asset value (NAV)

Net asset value (NAV) is calculated as the market value of Peugeot SA securities plus the gross value of FFP's Investment Assets, less financial liabilities. Listed companies are valued at market price at the balance sheet date. Details of the valuation methodology used (unchanged from previous publications) are available on the FFP website and in the FFP Registration Document.

At 30 June 2017:

- The market value of Peugeot SA shares was €1,473 million, up €166 million over the six-month period, driven by a 12.7% rise in the share price.
- The gross value of FFP's Investment Assets was €2,624 million, up from €2,317 million at 31 December 2016.
- FFP's net asset value was €3,915 million (€156.1 per share) as opposed to €3,295 million (€131.4 per share) at 31 December 2016, up 18.8% over the six-month period.

In €m	*	% hold	Valuation	% Gross Asset value
<b>Peugeot SA (A)</b>		<b>9,3%</b>	<b>1 473</b>	<b>36%</b>
Lisi	a)	5,1%	115	3%
CID (Lisi)	b)	25,2%	315	8%
SEB S.A.	a)	5,0%	397	10%
Zodiac Aerospace	a)	5,2%	359	9%
Orpéa	a)	6,3%	372	9%
CIEL group	a)	7,6%	22	1%
DKSH	a)	5,9%	272	7%
Tikehau Capital	a)	3,0%	52	1%
Non listed holdings	c)		107	3%
<b>Total Holdings (i)</b>			<b>2 011</b>	<b>49%</b>
Private Equity funds	d)		365	9%
IDI	a)	10,1%	24	1%
<b>Total private equity vehicules (ii)</b>			<b>389</b>	<b>9%</b>
Immobilière Dassault	a)	19,7%	58	1%
FFP-Les Grésillons	e)	100,0%	18	0%
Other Real Estate	c)		47	1%
<b>Total Real Estate (iii)</b>			<b>123</b>	<b>3%</b>
Other financial assets	a;f)		63	2%
Cash			38	1%
<b>Total Other Assets (iv)</b>			<b>101</b>	<b>2%</b>
<b>Investment Gross Asset Value (i)+(ii)+(iii)+(iv) = (B)</b>			<b>2 624</b>	<b>64%</b>
<b>Gross Asset Value = (A) + (B)</b>			<b>4 097</b>	<b>100%</b>
<b>Debt (C)</b>			<b>182</b>	
<b>Net Asset Value = (A) + (B) - (C)</b>			<b>3 915</b>	
<b>i.e. per share</b>			<b>156,1 €</b>	

\* Letters refer to valuation methods. Details on [www.groupe-ffp.fr](http://www.groupe-ffp.fr)

## Activity and results of main equity investments

### Groupe PSA

Group revenue totalled €29.2 billion in the first half of 2017, up 5% year-on-year. The Automotive division achieved revenue of €19.9 billion, up 3.6% year-on-year, due to the success of new models (particularly the 3008 and C3) along with good discipline regarding pricing. Group sales rose 2.3% to 1,579,934 units, driven by firm performance in Latin America (+8.5%), Eurasia (+26.4%) and Africa and the Middle East (+217.9%), with the latter region benefiting from Groupe PSA's relaunch in Iran. Sales in China fell 48.6% because of the tough competitive situation.

Recurring operating income rose 11.5% year-on-year to €2,041 million, driven by excellent performance in the Automotive division and at Faurecia. Recurring operating income in the Automotive division rose 10.7% year-on-year to €1,442 million in the first half of 2017, equal to 7.3% of revenue. That strong performance resulted in particular from a favourable product mix and further cost-cutting.

Operating free cash flow totalled €1,116 million in the first half of 2017. Industrial and commercial activities showed a net cash position of €7.6 billion at 30 June 2017, €818 million more than at 31 December 2016.

Overall, despite a difficult operating environment – caused by factors including Brexit and weak sterling, higher commodity prices, a fire at a supplier and difficulties in China – the group achieved record profitability in the first half of 2017. Management has confirmed all of the targets set in the “Push to pass” plan. The product offensive is set to continue, with new models due to be launched starting in September 2017.

In March 2017, Groupe PSA and General Motors Co. reached an agreement under which Groupe PSA would acquire GM's Opel/Vauxhall subsidiary and the European operations of GM Financial for a total of €2.2 billion. That transaction closed on 1 August 2017. The Opel/Vauxhall acquisition has strengthened Groupe PSA's position as Europe's second largest carmaker, with a 17% market share.

### Investment Assets

Almost all of FFP's investee companies achieved firm organic growth in the first half of 2017, with organic growth particularly strong at Lisi (6.1%), SEB (10.1%) and ORPEA (5.5%).

## New investments / disposals

### Equity holdings

#### ***Disposal of Sanef:***

In April 2017, FFP sold to Abertis its 5.1% stake in Holding d'Infrastructures de Transport (HIT), which owns 100% of motorway operator Sanef, for €238 million.

FFP had been a shareholder in HIT since Sanef was privatised by the French government in 2006.

#### ***Disposal of the second tranche of Onet SA shares:***

In 2007, FFP and the Reinier family joined forces to inject fresh momentum into ONET SA. FFP's invested €72 million in Holding Reinier, enabling the Reinier family to strengthen its control over ONET SA, which was delisted.

As part of agreements signed by FFP and the Reinier family in 2007, FFP was granted partial liquidity for its investment. That resulted in the Reinier family acquiring half of FFP's stake for €45 million on 21 January 2016.

In May 2017, Holding Reinier, which owns almost 100% of ONET SA, carried out a capital reduction. That transaction followed the EMZ fund acquiring a stake in Holding Reinier. As part of the capital reduction, FFP received €48 million on 29 May 2017, and it no longer owns any shares in Holding Reinier.

#### ***Disposal of Ipsos***

In 2011, FFP bought a 10.1% stake in LT Participations, the Ipsos group's largest shareholder, and took up seats on the boards of directors of both LT Participations and Ipsos. FFP helped finance Ipsos' acquisition of Synovate, which made Ipsos the world's third-largest market research group.

In 2016, Didier Truchot allowed 144 executives to buy shares in his DT & Partners holding company, in order to safeguard that company's role as Ipsos' main shareholder. Following that transaction, LT Participations and Ipsos merged. FFP became a direct shareholder of Ipsos, with a stake of only 2.1%, and accordingly sold its Ipsos shares in the market for €30 million in the first half of 2017.

#### ***Additional investment in EREN Renewable Energy:***

FFP took part in this company's second capital increase totalling almost €100 million, to enable it to pursue existing renewable energy projects with total capacity of 1,500 MW. FFP's invested €14 million in this capital increase.

#### ***Additional investment alongside ELV:***

FFP has joined forces with several families in Europe to support the development of real-estate projects in the USA, which are being devised and managed by a US team of professionals within ELV Associates, which was founded in 1991. The projects mainly involve residential developments, but also office and retail developments. In 2017, FFP carried out \$10 million of new investments in these projects.

### Co-investments

#### ***Investment in Lineage Logistics:***

FFP invested \$25 million in Lineage Logistics, the USA's most dynamic player in temperature-controlled logistics and a market leader, offering integrated refrigerated storage and distribution solutions to the world's largest operators in food processing, farming and distribution. Lineage operates one of only two national networks in the USA, with 85 refrigerated warehouses across 20 states, and has annual revenue of around €1 billion.

FFP made its investment via Bay Grove, a vehicle investing exclusively in Lineage.

***Investment in AmaWaterways:***

As part of a consortium led by Certares LP, FFP invested \$25 million in AmaWaterways, a family-controlled company that has been organising river cruises, mainly in Europe for English-speaking holidaymakers, for 15 years. FFP joined forces with Certares, an investment company focusing on the travel and hotel sectors, which will manage the stake. AmaWaterways has 20 vessels that sail on the Danube, Rhine, Moselle, Main, Rhône, Seine and Garonne rivers, along with waterways in Belgium and the Netherlands, the Douro, the Mekong in Southeast Asia and the Chobe in Africa.

## **Private equity funds**

***Chequers XVII:***

FFP made a commitment to invest €10 million in this €1.1 billion European buyout fund, which focuses on France, Germany and Italy and on companies in the following sectors: niche manufacturing, B2B and technology services, healthcare and consumer goods. The fund intends to invest in around 15 companies.

***Portobello IV:***

After investing in the Portobello II and III funds, which have delivered good returns, FFP made a commitment to invest €15 million in Portobello IV, a Spanish buyout fund with a target size of €550 million. The fund will focus on the following sectors: healthcare, consumer goods, manufacturing, tourism/leisure and business services. The fund is likely to invest in around 10 companies.

***Levine Leichtman VI:***

FFP made a commitment to invest \$15 million in this North American structured equity fund, which has a target size of \$2.2 billion. It will mainly invest in the following sectors: consumer goods, health and wellbeing, education, real-estate services, financial services and manufacturing. The fund intends to invest in around 15 companies.

***Valor Equity IV:***

FFP made a commitment to invest \$15 million in this North American development capital and buyout fund, which invests in companies capable of transforming their market with their product or service, or of reducing costs through extensive use of digital technology. The fund has a target size of \$750 million and intends to invest in 12 companies.

***Veritas VI:***

FFP made a commitment to invest \$10 million in this North American buyout fund. The fund invests in companies whose products and services are mainly in niche technology areas and that work with the US government, particularly in the sectors of healthcare, national security, government services, communication, energy, education, defence and aerospace. The fund has a target size of \$3.5 billion and intends to invest in 10-12 companies.

**Alpha Diamant II:**

FFP made a commitment to invest €2 million in this €30 million French co-investment fund. Any capital gains made by the fund will go to the Alpha-Omega charity, which provides funding and skills to charities specialising in the education of disadvantaged young people in France.

**Other information****Share buyback:**

FFP bought back 336,483 of its own shares for a total amount of €29.2 million, equating to an average price of €89.35 per share.

The transaction was carried out as part of the company's share buyback programme approved by shareholders in the 3 May 2016 General Meeting. Some of the shares will be used in bonus share plans, and the unused shares will be cancelled. No shares had yet been cancelled by 30 June 2017.

**Bond issue:**

FFP carried out its first bond issue in June 2017: a Euro Private Placement consisting of €155 million of 8-year bonds (maturing in July 2025) paying an annual coupon of 2.5%.

The issue's settlement date was Monday 3 July. The bonds were placed with leading European investors and they are listed on Euronext Access (ISIN FR0013265485). The proceeds from the issue will be used to finance the company's development. Alongside its traditional bank financing, this first bond issue extended the average maturity of FFP's debt, while diversifying its lender base to include institutional investors.

## Results and financial position

The consolidated financial statements have been prepared using the same accounting methods and principles as those applied in 2016. Regarding the new IFRS 9 and IFRS 15 standards applicable from 1 January 2018, and IFRS 16 applicable from 1 January 2019, the company is currently assessing their potential impact on the financial statements.

Changes in the scope of consolidation were as follows: FFP Investments US-2, created in early 2017, was consolidated for the first time. It is wholly owned by the FFP Invest subsidiary and is fully consolidated. Its purpose is to hold a \$25 million co-investment in Lineage Logistics.

Through its FFP Invest subsidiary and as part of a consortium led by Certares LP, FFP invested \$25 million, via Certares Redford USA and Certares Redford EU, in AmaWaterways. Certares Redford USA and Certares Redford EU were consolidated for the first time at 30 June 2017 and are accounted for under the equity method.

Following Financière Guiraud's capital increase, in which FFP Invest purchased €3.7 million of shares, the ownership percentage has risen from 71.62% to 74.49%.

### Consolidated profit / (loss)

FFP's consolidated net profit attributable to equity holders of the parent was €210.6 million in the first half of 2017, as opposed to €2.8 million in the first half of 2016. That profit breaks down as follows:

- Income from available-for-sale securities totalled €221.7 million as opposed to €39.8 million in the first half of 2016. It mainly comprised:
  - €73.8 million of dividends from non-consolidated companies versus €33.7 million in the year-earlier period;
  - €147.9 million of capital gains on disposals and money returned by private equity funds, compared with €5.1 million in the first half of 2016.
- FFP's share in the net profit of associated companies was €10.7 million, compared with €9.6 million in the first half of 2016.
- The cost of debt was stable at €5.1 million, versus €5.3 million in the first half of 2016.
- General administration costs increased to €13.2 million from €9.3 million in the first half of 2016, because of efforts to strengthen the workforce and higher professional fees.
- Tax expense amounted to €2.5 million versus €33.7 million in the year-earlier period.

In terms of consolidated comprehensive income attributable to equity holders of the parent, FFP made a profit of €549.4 million as opposed to a loss of €393.3 million in the first half of 2016. Comprehensive income for the first half of 2017 comprised the profit for the period, the €332.7 million increase in the value of non-consolidated financial assets (of which €160.4 million was due to the increase in Peugeot SA's share price), a €3.2 million change in the fair value of derivatives and a €2.9 million impact from changes in the equity of companies consolidated under the equity method.

## Balance sheet and cash flows

The main changes affecting the consolidated balance sheet were as follows:

- A €308.4 million increase in the fair value of non-consolidated equity investments, mainly because of the aforementioned rise in Peugeot SA's share price, partly offset by changes in scope (negative impact of €138.0 million caused by disposals of HIT, Holding Reinier and Ipsos) resulting in a net increase of €170.4 million;
- a €456.9 million increase in equity attributable to owners of the parent;

Current and non-current financial liabilities (excluding derivatives and subscription commitments) amounted to €192.2 million at 30 June 2017, down €147.8 million compared with the 30 June 2016 figure of €340.0 million.

The main cash flows in the first half of 2017 were as follows:

- net cash flow from operating activities: €67.6 million;
- disposals of long-term investments: €324 million;
- purchases of long-term investments: -€129 million
- purchases of own shares: -€29.3 million;
- repayments of FFP credit facilities: -€147.5 million;
- dividends paid to shareholders -€45.1 million.

## Main risks and contingencies

The principal risk factors are detailed in the 2016 Registration Document, pages 99 to 101. There were no significant changes in the nature of these risks during the first half of 2017.

## Events since 30 June

Settlement of the bond issue initiated in June 2017 took place on Monday 3 July.

In July 2017, FFP took part in Tikehau Capital's €702 million capital increase at a price of €22 per share, and also that of its controlling holding company Tikehau Capital Advisors. In total, FFP invested €25.7 million in those transactions.

Alongside the Apax France IX fund, FFP co-invested €15 million in Ciprés Assurances. Founded in 2000, Ciprés Assurances is a French wholesale insurance broker and a leading provider of additional welfare benefits to self-employed people and SMEs.

On 5 September 2017, FFP formed an agreement with Clayax Acquisition Luxembourg 5 SCA (Clayax), owned by Clayton, Dublier & Rice and Ardian, under which FFP will buy 8 million shares in SPIE from Clayax for €189 million. After that investment, FFP will own 5.2% of SPIE's capital.

## Outlook

After a very busy first half in terms of investments and divestments, FFP will continue its efforts to find investee companies that meet its criteria and that operate in growth markets and regions.

In 2017, the PSA Group expects the auto market to grow 3% in Europe and 5% in China, Latin America and Russia. Against that background, management has confirmed the targets of the "Push to Pass" plan: recurring operating margin averaging 4.5% in the Automotive division between 2016 and 2018 and over 6% by 2021, along with Group revenue growth of 10% between 2015 and 2018 and a further 15% by 2021.

As regards Investment Assets, most investees operate in buoyant markets that should enable them to maintain their organic growth.

## Related party transactions

Note 27 to the condensed first-half consolidated financial statements covers related-party transactions.

**CONDENSED FIRST-HALF 2017**

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED FINANCIAL STATEMENTS****Consolidated income statement****Other comprehensive income****Consolidated balance sheet at 30 June 2017****Consolidated statement of cash flows****Statement of changes in consolidated equity****Notes to the consolidated financial statements****General information**

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# FFP

30 JUNE 2017

## Consolidated income statement

(in thousands of euros)	Notes	30/06/2017	30/06/2016
Income from available-for-sale securities and other long-term investments	3	221 667	39 813
Income from investment properties	4	420	658
Income from other activities	5	2 007	1 756
<b>Income from ordinary activities</b>		<b>224 094</b>	<b>42 227</b>
General administrative expenses	6	(13 185)	(9 298)
Cash management income	7	-	4
Impairment of available-for-sale securities	8	(3 477)	(804)
Cost of debt	9	(5 148)	(5 267)
<b>Pre-tax profit from consolidated companies</b>		<b>202 284</b>	<b>26 862</b>
Share in the net profit or loss of companies at equity	10	10 711	9 552
<b>Consolidated pre-tax profit</b>		<b>212 995</b>	<b>36 414</b>
Income tax (including deferred tax)	11	(2 536)	(33 711)
<b>CONSOLIDATED NET PROFIT</b>		<b>210 459</b>	<b>2 703</b>
Of which attributable to equity holders of the parent		210 575	2 809
Of which attributable to minority interests		<b>(116)</b>	<b>(106)</b>
<b>Net profit attributable to equity holders of the parent per share (in euro)</b>	12	<b>8,40</b>	<b>0,11</b>
<b>Diluted net profit attributable to equity holders of the parent per share</b>	12	<b>8,40</b>	<b>0,11</b>
Number of shares outstanding		25 072 589	25 072 589
Par value per share (in euros)		1,00	1,00

## Other comprehensive income

(in thousands of euros)	Notes	30/06/2017	30/06/2016
<b>Consolidated net profit</b>	13	210 459	2 703
Impact of equity-accounted companies on comprehensive income	13	2 891	(2 401)
Net effect of remeasuring available-for-sale financial assets at fair value (1)	13	332 710	(387 956)
Net effect of remeasuring derivative instruments at fair value	13	3 234	(4 727)
Net effect of other remeasurements taken directly to equity	13	-	(1 075)
<b>Total other comprehensive income</b>		<b>338 835</b>	<b>(396 159)</b>
<b>CONSOLIDATED COMPREHENSIVE INCOME</b>		<b>549 294</b>	<b>(393 456)</b>
Of which attributable to equity holders of the parent		549 410	(393 350)
Of which attributable to minority interests		(116)	(106)

(1) Including impact of remeasuring equity securities taken to income.

Details on gross amounts and tax are provided in note 13.

# FFP

30 JUNE 2017

## Consolidated balance sheet at 30 June 2017

### Assets

(in thousands of euros)	Notes	30/06/2017	31/12/2016
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Concessions, patents and similar items		50	12
<b>Property, plant and equipment</b>			
Investment properties	14	17 500	17 500
Land	14	13 347	13 347
Buildings	14	477	497
Vineyards	14	1 221	1 190
Other assets	14	1 463	1 200
		<b>34 008</b>	<b>33 734</b>
<b>Non-current financial assets</b>			
Investments in companies accounted for under the equity method	15	248 528	222 067
Available-for-sale securities (investments in non-consolidated compa	15	3 137 750	2 967 371
Available-for-sale securities (Portfolio Investment Securities)	15	582 049	485 239
Other non-current financial assets	15	10 467	3 626
		<b>3 978 794</b>	<b>3 678 303</b>
<b>Deferred tax assets</b>	16	<b>1 996</b>	<b>3 311</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4 014 848</b>	<b>3 715 360</b>
<b>Current assets</b>			
Inventories	17	10 230	10 355
Current tax assets	16	645	2 021
Other receivables	18	1 710	1 502
Cash and cash equivalents	19	37 505	6 374
<b>TOTAL CURRENT ASSETS</b>		<b>50 090</b>	<b>20 252</b>
<b>GRAND TOTAL</b>		<b>4 064 938</b>	<b>3 735 612</b>

# FFP

30 JUNE 2017

## Consolidated balance sheet at 30 June 2017

### Equity and liabilities

(in thousands of euros)	Notes	30/06/2017	31/12/2016
<b>Equity</b>			
Share capital	20	25 073	25 073
Share premium	20	158 410	158 410
Reserves	20	3 132 925	2 736 783
<b>Profit for the period</b> (attributable to equity holders of the parent)		<b>210 575</b>	<b>149 786</b>
<b>Total capital and reserves</b> (attributable to equity holders of the parent)	20	<b>3 526 983</b>	<b>3 070 052</b>
Minority interests	20	411	(903)
<b>TOTAL EQUITY</b>		<b>3 527 394</b>	<b>3 069 149</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	21	440 719	586 861
Deferred tax liabilities	16	86 521	68 459
Provisions	22	550	550
Other non-current liabilities	23	4	603
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>527 794</b>	<b>656 473</b>
<b>Current liabilities</b>			
Current financial liabilities	21	3 895	4 713
Current tax liabilities	16	-	-
Other liabilities	23	5 855	5 277
<b>TOTAL CURRENT LIABILITIES</b>		<b>9 750</b>	<b>9 990</b>
<b>GRAND TOTAL</b>		<b>4 064 938</b>	<b>3 735 612</b>

# FFP

30 JUNE 2017

## Consolidated statement of cash flows

(in thousands of euros)	<b>30/06/2017</b>	<b>30/06/2016</b>
<b>Consolidated net profit</b>	<b>210 459</b>	<b>2 703</b>
Net additions to depreciation, amortisation and provisions	3 346	1 059
Gains or losses on disposals of non-current assets	(147 814)	(5 098)
Unrealised gains and losses resulting from changes in fair value	227	(1 057)
Share of profit or loss of equity-accounted entities, net of dividends received	(6 269)	(5 781)
Net cost of debt	5 148	5 267
Current and deferred tax expense	2 536	33 711
<b>CASH FLOW BEFORE COST OF NET DEBT AND TAX (A)</b>	<b>67 633</b>	<b>30 804</b>
Current tax expense (B)	(1 614)	414
Change in the operational working capital requirement (C)	1 621	(9 378)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (D) =(A+B+C)</b>	<b>67 640</b>	<b>21 840</b>
Purchases of property, plant and equipment and intangible assets	(647)	(73)
Income from disposals of property, plant and equipment and intangible assets	-	-
Purchases and sales of treasury shares	(29 280)	(25)
Purchases of long-term investments (available-for-sale securities)	(128 984)	(116 645)
Income from disposals of long-term investments (available-for-sale securities)	324 025	60 788
Change in other non-current assets	(3 413)	(5 339)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (E)</b>	<b>161 701</b>	<b>(61 294)</b>
Dividends paid during the period	(45 129)	(40 115)
Proceeds from new borrowings	176	77 274
Debt repayments	(147 511)	(1 243)
Change in other non-current financial liabilities	(598)	(1 000)
Net interest paid	(5 148)	(5 267)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (F)</b>	<b>(198 210)</b>	<b>29 649</b>
Impact of measuring investments in money-market UCITS at fair value (G)	-	(1)
<b>CHANGE IN NET CASH AND CASH EQUIVALENTS (D+E+F+G)</b>	<b>31 131</b>	<b>(9 806)</b>
Cash and cash equivalents at beginning of period	6 514	16 320
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>37 505</b>	<b>6 514</b>

# FFP

30 JUNE 2017

## Statement of changes in consolidated equity

(in thousands of euros)	Par value of shares	Share premium	Treasury shares	Consolidated reserves and retained earnings	asset valuation reserve	Total
<b>Equity at 01/01/2016 (attributable to equity holders of the parent)</b>	<b>25 157</b>	<b>158 410</b>	<b>(4 285)</b>	<b>1 374 572</b>	<b>1 374 477</b>	<b>2 928 331</b>
. Comprehensive income in the first half of 2016				(1 267)	(392 083)	(393 350)
. Dividends paid with respect to 2015				(40 115)		(40 115)
. Treasury shares	<b>(84)</b>		4 200	(4 138)		(22)
<b>Equity at 30/06/2016 (attributable to equity holders of the parent)</b>	<b>25 073</b>	<b>158 410</b>	<b>(85)</b>	<b>1 329 052</b>	<b>982 394</b>	<b>2 494 844</b>
. Comprehensive income in the second half of 2016				158 681	416 483	575 164
. Treasury shares and other			36	8		44
<b>Equity at 31/12/2016 (attributable to equity holders of the parent)</b>	<b>25 073</b>	<b>158 410</b>	<b>(49)</b>	<b>1 487 741</b>	<b>1 398 877</b>	<b>3 070 052</b>
. Comprehensive income in the first half of 2017				213 466	335 944	549 410
. Other changes in equity				(18 070)		(18 070)
. Dividends paid with respect to 2016				(45 129)		(45 129)
. Treasury shares			(29 328)	48		(29 280)
<b>Equity at 30/06/2017 (attributable to equity holders of the parent)</b>	<b>25 073</b>	<b>158 410</b>	<b>(29 377)</b>	<b>1 638 056</b>	<b>1 734 821</b>	<b>3 526 983</b>

Dividends paid in 2016 with respect to 2015 amounted to €40,115 thousand, or €1.60 per share.

Dividends paid in 2017 with respect to 2016 amounted to €45,129 thousand, or €1.80 per share.

## Note 1. Accounting policies

The accounting principles used to prepare the financial statements for the six months ended 30 June 2017 are identical to those used for the year ended 31 December 2016. FFP's consolidated financial statements for full-year 2016 and the first half of 2017 were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

All texts (standards, interpretations and amendments) published by the IASB, as adopted by the European Union and mandatorily applicable for financial statements for periods ending 30 June 2017, were applied. No text was applied early.

New IFRSs that will be applicable in future periods, subject to their adoption by the European Union, are as follows:

	Applicable to accounting periods starting on or after
- IFRS 9 – Financial instruments	01/01/2018
- IFRS 15 – Revenue from contracts with customers	01/01/2018
- IFRS 16 – Leases (1).	01/01/2019

(1) Not adopted by the European Union

The potential impacts of these new standards on the Group's consolidated financial statements are currently being analysed.

FFP's consolidated financial statements for the six months ended 30 June 2017 were prepared in accordance with IAS 34 "Interim financial reporting", which permits the presentation of a selection of notes. These financial statements must be read in conjunction with the full-year 2016 consolidated financial statements. Note 1 below covers only consolidation principles and principles applied to financial assets and liabilities (unchanged relative to 31/12/2016). For other information, please refer to the consolidated financial statements for the year ended 31/12/2016.

The first-half 2017 consolidated financial statements and the related notes were approved by FFP's Board of Directors on 11 September 2017.

## SCOPE OF CONSOLIDATION

### A. Parent company

FFP  
Société anonyme (public limited company)  
66 Avenue du Général de Gaulle  
92200 Neuilly sur Seine  
Business activity: investment management

Listing market: Euronext Paris (compartment A)

## **B. Subsidiaries**

Subsidiaries are entities over which FFP has sole control. Subsidiaries are fully consolidated from the date on which control is transferred to FFP.

They are recognised at acquisition cost, which corresponds to the fair value of assets acquired and liabilities assumed, plus costs directly attributable to the acquisition. The surplus of the acquisition cost over the fair value of the acquired company's identifiable assets and liabilities is recognised as goodwill under intangible assets.

Intra-group transactions and balances on transactions between group companies are eliminated. The accounting policies of subsidiaries have been aligned with those of FFP.

## **C. Associates**

Associates are all entities over which the group does not have control, but over which it has significant influence, which is generally the case if the group holds 20-50% of its voting rights. Investments in associates are accounted for under the equity method, on the basis of the associates' consolidated financial statements, and initially recognised at cost.

The ownership percentage used for consolidation purposes is calculated by dividing the number of shares held in the associate by the associate's total number of shares in issue minus treasury shares that are destined to be cancelled.

## **FINANCIAL ASSETS AND LIABILITIES**

The group classifies its financial assets (excluding investments in associates) in the following categories:

- Available-for-sale securities, divided between investments in non-consolidated companies and Portfolio Investment Securities;
- Loans and receivables;
- Assets measured at fair value through profit and loss, mainly warrants, cash and cash equivalents.

The classification depends on the reasons for which the financial assets were acquired. That classification is determined at initial recognition.

## **A. Non-current financial assets**

### **a. Investments in associates**

This item includes investments in associates accounted for under the equity method.

#### Measurement

The group's share in the net profit of associates after the acquisition is recognised under consolidated profit, and the group's share of changes in equity (with no impact on profit) after the acquisition is recognised directly in equity. The carrying amount of the investment is adjusted to reflect cumulative changes after the acquisition.

#### Impairment

At each balance sheet date, FFP examines whether there is an objective indication of non-temporary and substantial impairment in each of its investments in associates, such as a material change that has a negative effect on the technological, market, economic or legal environment in which each company operates. If such an indication is found, an impairment test is performed. Where the recoverable amount is lower than the carrying amount, the investment in the associate is written down. The recoverable amount of the investment is the higher of its fair value less costs to sell and value in use. Value in use may be calculated in several ways: peer-group comparison, discounted estimated future cash flows where FFP has reliable medium-term cash flow projections, and the company's net worth.

## **b. Available-for-sale securities**

### **b1. Investments in non-consolidated companies**

This item includes securities in companies over which FFP has neither sole control, joint control nor significant influence. The securities are held for an indeterminate period. They are recognised at purchase cost including material related costs.

#### Measurement

At each balance sheet date, securities are measured at fair value. Changes in fair value are taken to equity, net of deferred tax.

The fair value of listed companies is based on the period-end market share price.

The fair value of unlisted companies is determined as follows:

- Assets acquired recently, generally in the last year, are measured at cost, except where the company's economic variables (e.g. operations, balance sheet and liquidity) have deteriorated materially;
- Other companies are valued on the basis of:
  - discounted cash flows where possible,
  - various multiples, particularly market multiples, transaction multiples or, where applicable, multiples stated in shareholder agreements signed by FFP,
  - with reference to Net Asset Value,
  - otherwise and where fair value cannot be measured in a reliable and appropriate manner, at historic cost, except where the company's economic variables have deteriorated materially.

#### Impairment

At each balance sheet date, FFP examines whether there is an objective indication of non-temporary or substantial impairment of financial assets. The following objective indications of impairment are used:

- material changes, with a negative effect on the technological, market, economic or legal environment in which the company operates;
- a material or prolonged decline in the fair value of the shares their purchase cost. FFP takes the view that a decline is material if the price or valuation has fallen by 30% relative to purchase cost; the decline is prolonged if the price or valuation has been below purchase cost for more than one year.

Securities in companies that are similar to private equity funds are written down using the same criteria as those used for private equity funds (see section b2).

Where a decline in the value of a security is established, the cumulative fair value adjustments recognised in equity are taken to income.

If fair value subsequently increases, the unrealised gain is recognised in equity until the final disposal of the securities.

## **b2. Portfolio Investment Securities**

This portfolio consists mainly of units in private equity funds and diversified UCITS, which represent investments over varying timeframes, with the aim of generating a satisfactory return from them.

These securities fall into the “available-for-sale securities” category.

Subscription commitments are also reported in this item, with a balancing entry in the “non-current financial liabilities” item for their nominal value (see sub-section C below).

### Measurement

At each balance sheet date, fair value is measured on the basis of the closing market price for listed securities, the last reported net asset value for asset management companies, or any other information that is representative of a transaction value (see above “Measurement of unlisted securities”). Changes in fair value are taken to equity, net of deferred tax.

### Impairment

Impairment may be recorded where fair value declines in a material or prolonged manner below the securities’ purchase cost:

- for listed securities, the same criteria are used as for equity securities;
- for private equity funds more than 90% invested, impairment is recognised if net asset value remains below the purchase price in a material (at least 30%) or prolonged (more than one year) manner.

Impairment is treated in the same way as with equity securities.

## **b3. Accounting treatment of income linked to available-for-sale securities**

Where available-for-sale securities are sold, cumulative fair value adjustments recognised in equity are taken to income under “income from available-for-sale securities”.

Dividends received from these securities are recognised in the income statement under “Income from available-for-sale securities” following the dividend payment decisions taken in the companies’ AGMs.

## **B. Current financial assets**

### **a. Other receivables**

These are initially recorded at fair value then measured at amortised cost less impairment provisions. An impairment provision is set aside where there is an objective indication that it will be difficult to recover all amounts due under the initial terms of the transaction. Any loss of value is taken to income.

### **b. Cash and cash equivalents**

Cash and cash equivalents include demand deposits held with banks, units in money-market funds and negotiable debt instruments that are readily convertible into known amounts of cash and are subject to a non-material risk of changes in value in the event of an increase in interest rates. All these components are measured at fair value.

Interest income is recognised on a *pro rata temporis* basis using the effective interest-rate method.

## **C. Non-current financial liabilities**

Non-current financial liabilities mainly include long-term borrowings and firm commitments to subscribe to private equity funds.

Borrowings are initially recognised at fair value, net of transaction costs. They are subsequently recognised at amortised cost. They are not discounted.

Commitments to subscribe to private equity funds are recorded under assets and liabilities at their nominal value without discounting, since discounting has no material impact.

## **D. Derivative instruments – Hedging instruments**

FFP has hedged the risk of interest-rate movements on part of its borrowings with interest-rate swaps.

The effective portion of the change in fair value of these swaps, which meet the criteria for cash flow hedging, is taken directly to equity. The gain or loss resulting from the ineffective portion is taken immediately to income for the year.

Changes in the fair value of financial instruments that do not qualify as hedges are taken to income.

To measure the fair value of hedging instruments, CVA-DVA impacts are deemed to be non-material and so are not recognised.

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## Note 2 Scope of consolidation

### 2.1 Scope of consolidation at 30/06/2017

The scope of consolidation consists of:

<b>Fully consolidated companies:</b>	<b>% control</b>	<b>% interest</b>
The parent company FFP		
- FFP Invest	100,00%	100,00%
- FFP Investment UK	100,00%	100,00%
- FFP US-1	100,00%	100,00%
- FFP US-CC	100,00%	100,00%
- FFP US-2	100,00%	100,00%
- FFP-Les Grésillons (private partnership)	100,00%	100,00%
- Financière Guiraud (SAS)	74,49%	74,49%
- Château Guiraud (private farming partnership)	100,00%	74,49%
<b>Companies accounted for under the equity method:</b>		
- Zephyr Investissements		46,67%
- LDAP		45,00%
- Certares Redford USA		29,94%
- Certares Redford EU		29,94%
- OPCI Lapillus		23,26%
- Compagnie Industrielle de Delle (CID)		25,25%
- LISI		5,09%

### 2.2 Changes in scope and ownership percentages

#### FFP US-2

FFP US-2 was set up in early 2017 and is wholly owned by FFP Invest. The company's purpose is to hold a \$25 million co-investment in Lineage Logistics, a leading player in temperature-controlled logistics that offers integrated refrigerated storage and distribution solutions to the world's largest operators in food processing, farming and distribution.

#### Certares Redford USA and Certares Redford EU

Via its FFP Invest subsidiary and as part of a consortium led by Certares LP, FFP has invested \$25 million in AmaWaterways, a company that organises river cruises, mainly in Europe for English-speaking holidaymakers.

#### Financière Guiraud

Following Financière Guiraud's capital increase, in which FFP Invest purchased €3.7 million of shares, the ownership percentage has risen from 71.62% to 74.49%.

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## Note 3 Income from available-for-sale securities and other long-term investments

(in thousands of euros)	30/06/2017	30/06/2016
<b>Income</b>		
Dividends	73 853	33 657
Disposal gains	147 857	5 098
<b>Total</b>	<b>221 710</b>	<b>38 755</b>
<b>Expenses</b>		
Disposal losses	(43)	-
<b>Total</b>	<b>(43)</b>	<b>-</b>
<b>GROSS INCOME STATEMENT IMPACT</b>	<b>221 667</b>	<b>38 755</b>
Remeasurement at fair value	-	1 058
<b>INCOME STATEMENT IMPACT</b>	<b>221 667</b>	<b>39 813</b>

Disposal gains and losses mainly correspond to the capital gains on HIT shares (€135,836 thousand) and on Ipsos (€7,848 thousand).

## Note 4 Income from investment properties

(in thousands of euros)	30/06/2017	30/06/2016
<b>Income</b>		
Rent and other revenue	659	659
Expenses invoiced to tenants	102	117
<b>Total</b>	<b>761</b>	<b>776</b>
<b>Expenses</b>		
Rental and building management expenses	(114)	(118)
<b>Total</b>	<b>(114)</b>	<b>(118)</b>
<b>GROSS INCOME STATEMENT IMPACT</b>	<b>647</b>	<b>658</b>
Remeasurement at fair value	(227)	-
<b>INCOME STATEMENT IMPACT</b>	<b>420</b>	<b>658</b>

## Note 5 Income from other activities

(in thousands of euros)	30/06/2017	30/06/2016
<b>Income</b>		
Sales of merchandise	2 033	2 238
Other revenue	97	94
Change in inventories	(123)	(576)
<b>INCOME STATEMENT IMPACT</b>	<b>2 007</b>	<b>1 756</b>

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## Note 6 General administrative expenses

(in thousands of euros)	30/06/2017	30/06/2016
<b>Administrative expenses</b>		
Staff	(4 967)	(3 486)
External expenses	(6 442)	(2 966)
Other expenses	(1 669)	(2 669)
<b>GROSS INCOME STATEMENT IMPACT</b>	<b>(13 078)</b>	<b>(9 121)</b>
Depreciation and amortisation of non-current assets (excluding investment properties)	(107)	(177)
<b>INCOME STATEMENT IMPACT</b>	<b>(13 185)</b>	<b>(9 298)</b>

## Note 7 Cash management income

(in thousands of euros)	30/06/2017	30/06/2016
<b>Income</b>		
Cash investments		
- Disposal gains	-	5
- Other income	-	-
<b>GROSS INCOME STATEMENT IMPACT</b>	<b>-</b>	<b>5</b>
Remeasurement at fair value	-	(1)
<b>INCOME STATEMENT IMPACT</b>	<b>-</b>	<b>4</b>

## Note 8 Impairment of available-for-sale securities

(in thousands of euros)	30/06/2017	30/06/2016
Portfolio Investment Securities	(3 477)	(804)
<b>INCOME STATEMENT IMPACT</b>	<b>(3 477)</b>	<b>(804)</b>

## Note 9 Cost of debt

(in thousands of euros)	30/06/2017	30/06/2016
Interest on FFP borrowings	(5 030)	(5 173)
Other	(118)	(94)
<b>INCOME STATEMENT IMPACT</b>	<b>(5 148)</b>	<b>(5 267)</b>

Cost of debt includes the impact of interest-rate hedges.

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## Note 10 Share in the profit or loss of associates

(in thousands of euros)	30/06/2017	30/06/2016
<b>Share in the profit or loss of associates</b>		
Compagnie Industrielle de Delle (CID)	7 920	8 075
LISI	2 963	3 008
LDAP	(114)	(1 591)
OPCI Lapillus	19	-
Zephyr investment	(77)	60
<b>INCOME STATEMENT IMPACT</b>	<b>10 711</b>	<b>9 552</b>

## Note 11 Income tax expense

### Note 11.1. Income tax expense

(in thousands of euros)	30/06/2017	30/06/2016
Current tax expense	(1 614)	414
Deferred tax	(922)	(34 125)
<b>INCOME STATEMENT IMPACT</b>	<b>(2 536)</b>	<b>(33 711)</b>

FFP and FFP Invest have elected to adopt the tax consolidation regime since 1 January 2012.

### 11.2. Reconciliation between the statutory tax rate in France and the effective tax rate in the consolidated financial statements

(in thousands of euros)	30/06/2017	30/06/2016
Statutory tax rate in France	<b>(28,9)</b>	<b>(34,4)</b>
Effect of companies accounted for under the equity method	1,4	8,9
Income taxable at reduced rates	26,5	(60,6)
Other permanent differences	(0,2)	(6,5)
<b>Effective tax rate in the consolidated financial statements</b>	<b>(1,2)</b>	<b>(92,6)</b>

The current tax expense corresponds to income tax payable to the French tax authorities in respect of the financial year.

The basic rate of corporate income tax is 34.43% in France given the additional contribution.

France's 2017 finance act reduced the tax rate in France to 28.92% from 2020, including the additional contribution.

Capital gains on the securities of mostly property-related companies are taxed at 19%.

Deferred tax assets and liabilities have been calculated accordingly.

Permanent differences arise mainly from unrealised capital gains in the securities portfolio.

## Note 12 Earnings per share

Earnings per share are shown at the bottom of the consolidated income statement.

They were calculated on the basis of all shares making up the share capital, i.e. 25,072,589 shares.

There are no financial instruments giving eventual access to the capital.

## Note 13 Details of other comprehensive income

(in thousands of euros)	30/06/2017			30/06/2016		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Impact of equity-accounted companies on comprehensive income	2 891	-	2 891	(2 401)	-	(2 401)
Remeasurements of available-for-sale securities at fair value	350 188	(17 478)	332 710	(406 945)	18 989	(387 956)
Remeasurements of derivative instruments at fair value	4 549	(1 315)	3 234	(7 210)	2 483	(4 727)
Other remeasurements taken directly to equity	-	-	-	(1 475)	400	(1 075)
<b>Total</b>	<b>357 628</b>	<b>(18 793)</b>	<b>338 835</b>	<b>(418 031)</b>	<b>21 872</b>	<b>(396 159)</b>

**FFP**

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**Note 14** Property, plant and equipment

## Changes in 2017, depreciation and impact of fair value measurement

(in thousands of euros)	Land	Buildings	Investment properties	Vineyards	Other	Total
<b>Gross</b>						
<b>At beginning of period</b>	13 347	1 577	17 500	2 698	3 866	<b>38 988</b>
Purchases/additions	-	-	-	62	316	<b>378</b>
Disposals	-	-	-	-	-	-
Fair value remeasurement	-	-	-	-	-	-
<b>At end of period</b>	<b>13 347</b>	<b>1 577</b>	<b>17 500</b>	<b>2 760</b>	<b>4 182</b>	<b>39 366</b>
<b>Depreciation</b>						
<b>At beginning of period</b>	-	1 080	-	1 508	2 665	<b>5 253</b>
Purchases/additions	-	20	-	31	54	<b>105</b>
Disposals	-	-	-	-	-	-
<b>At end of period</b>	-	<b>1 100</b>	-	<b>1 539</b>	<b>2 719</b>	<b>5 358</b>
<b>Net amount at beginning of period</b>	<b>13 347</b>	<b>497</b>	<b>17 500</b>	<b>1 190</b>	<b>1 201</b>	<b>33 735</b>
<b>Net amount at end of period</b>	<b>13 347</b>	<b>477</b>	<b>17 500</b>	<b>1 221</b>	<b>1 463</b>	<b>34 008</b>

The investment property was externally appraised in December 2016.

## Note 15 Non-current financial assets

## 15.1. Position at 30/06/2017

(in thousands of euros) Securities	% control	Cost	Prior impairment on remaining securities	Cost net of prior impairment	Measurement at 30 June		Impact of equity-accounted companies or fair value measurement taken to equity	Amount on the balance sheet 30/06/2017	Amount on the balance sheet 31/12/2016	
					Net of impairment (2)	Overall				
<b>I - Securities in associates (accounted for under the equity method)</b>										
Certares Redford B USA II	29,94	2 432	-	2 432		2 265	-	(167)	2 265	-
Certares Redford B EU II	29,94	17 662	-	17 662		16 454	-	(1 208)	16 454	-
Compagnie Industrielle de Delle (CID)	25,25	7 101	-	7 101		126 238	-	119 137	126 238	120 839
LDAP	45,00	19 403	-	19 403		17 324	-	(2 079)	17 324	18 900
LISI	5,09	14 889	-	14 889		45 577	-	30 688	45 577	43 790
OPCI Lapillus	23,26	10 000	-	10 000		10 648	-	648	10 648	10 291
Zephyr Investissement	46,67	28 191	-	28 191		30 022	-	1 831	30 022	14 247
Subscription commitments		-	-	-		-	-	-	-	14 000
<b>TOTAL</b>		<b>99 678</b>	<b>-</b>	<b>99 678</b>		<b>248 528</b>	<b>-</b>	<b>148 850</b>	<b>248 528</b>	<b>222 067</b>
<b>II - Available-for-sale assets - Investments in non-consolidated companies</b>										
Peugeot SA	9,32	899 753	-	899 753	17,47	1 472 704	-	572 951	1 472 704	1 306 587
Zodiac Aerospace	5,17	186 301	(51 235)	135 066	23,75	359 004	-	223 938	359 004	327 141
DKSH	5,87	49 387	-	49 387	71,23	272 083	-	222 696	272 083	248 820
SEB SA	5,03	80 088	(25 976)	54 112	157,25	396 509	-	342 397	396 509	324 646
ORPEA	6,29	114 854	-	114 854	96,58	368 100	-	253 246	368 100	292 559
Tikehau Capital	3,02	45 000	-	45 000	23,58	50 529	-	5 529	50 529	-
Ipsos		-	-	-		-	-	-	-	27 587
Immobilière Dassault	19,70	26 949	(4 142)	22 807	45,99	58 249	-	35 442	58 249	52 473
IDI	10,06	25 714	(15 838)	9 876	31,31	22 736	-	12 860	22 736	18 880
CIEL	7,55	16 355	-	16 355	0,19	22 074	-	5 719	22 074	19 082
Other securities		103 933	-	103 933		115 762	-	11 829	115 762	349 596
<b>TOTAL</b>		<b>1 548 334</b>	<b>(97 191)</b>	<b>1 451 143</b>		<b>3 137 750</b>	<b>-</b>	<b>1 686 607</b>	<b>3 137 750</b>	<b>2 967 371</b>
<b>III - Available-for-sale assets - Portfolio Investment Securities</b>										
Private equity funds										
French LBO funds		24 402	(9 635)	14 767		39 707	-	24 940	39 707	28 576
Co-investments		86 035	-	86 035		143 862	-	57 827	143 862	107 988
Emerging-market funds		42 978	(2 793)	40 185		57 614	(47)	17 476	57 614	53 874
Other funds		62 385	(68)	62 317		68 609	-	6 292	68 609	42 888
Subscription commitments		234 776	-	234 776		234 776	-	-	234 776	219 519
<b>Total private equity funds</b>		<b>450 576</b>	<b>(12 496)</b>	<b>438 080</b>		<b>544 568</b>	<b>(47)</b>	<b>106 535</b>	<b>544 568</b>	<b>452 845</b>
Other investments										
Equities		38 647	(4 125)	34 522		37 481	(3 430)	6 389	37 481	32 394
Other		8	(8)	-		-	-	-	-	-
<b>Total other investments</b>		<b>38 655</b>	<b>(4 133)</b>	<b>34 522</b>		<b>37 481</b>	<b>(3 430)</b>	<b>6 389</b>	<b>37 481</b>	<b>32 394</b>
<b>TOTAL (1)</b>		<b>489 231</b>	<b>(16 629)</b>	<b>472 602</b>		<b>582 049</b>	<b>(3 477)</b>	<b>112 924</b>	<b>582 049</b>	<b>485 239</b>
<b>IV - Other non-current assets</b>										
Other		10 467	-	10 467		10 467	-	-	10 467	3 626
<b>TOTAL</b>		<b>10 467</b>	<b>-</b>	<b>10 467</b>		<b>10 467</b>	<b>-</b>	<b>-</b>	<b>10 467</b>	<b>3 626</b>
<b>GRAND TOTAL</b>		<b>2 147 710</b>	<b>(113 820)</b>	<b>2 033 890</b>		<b>3 978 794</b>	<b>(3 477)</b>	<b>1 948 381</b>	<b>3 978 794</b>	<b>3 678 303</b>

(1) The remeasurement of Portfolio Investment Securities at fair value, with changes taken to equity, totalled €112,924 thousand, consisting of an unrealised gain of €115,723 thousand and an unrealised loss of €2,799 thousand.

(2) Net of dividends receivable.

# FFP

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## Note 15 Non-current financial assets

### 15.2. Changes during 2017

(in thousands of euros) Securities	At 1 January 2017		Additions		Disposals		At 30 June 2017	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost
<b>I - Securities in associates (accounted for under the equity method)</b>								
Certares Redford B USA II		-	5 179	2 432		-	5 179	2 432
Certares Redford B EU II		-	18 807	17 662		-	18 807	17 662
Compagnie Industrielle de Delle (CID)	40 265	7 101		-		-	40 265	7 101
LDAP	19 767 645	19 403		-		-	19 767 645	19 403
LISI	2 750 000	14 889		-		-	2 750 000	14 889
OPCI Lapillus	100 000	10 000		-		-	100 000	10 000
Zephyr Investissement	14 190 917	14 191	14 000 000	14 000		-	28 190 917	28 191
Subscription commitments		14 000		-		(14 000)		-
<b>TOTAL</b>		<b>79 584</b>		<b>34 094</b>		<b>(14 000)</b>		<b>99 678</b>
<b>II - Available-for-sale assets - Investments in non-consolidated companies</b>								
Peugeot SA	84 323 161	899 753		-		-	84 323 161	899 753
Zodiac	14 996 135	183 899	119 829	2 402		-	15 115 964	186 301
DKSH	3 820 000	49 387		-		-	3 820 000	49 387
SEB	2 521 522	80 088		-		-	2 521 522	80 088
ORPEA	3 811 353	114 854		-		-	3 811 353	114 854
Tikehau Capital		-	2 142 858	45 000		-	2 142 858	45 000
Immobilière Dassault	1 234 957	25 764	31 598	1 185		-	1 266 555	26 949
Ipsos	924 337	22 101		-	924 337	(22 101)	-	-
IDI	726 146	25 714		-		-	726 146	25 714
CIEL	114 887 172	16 355		-		-	114 887 172	16 355
Other securities		268 459		30 596		(195 122)		103 933
<b>TOTAL</b>		<b>1 686 374</b>		<b>79 183</b>		<b>(217 223)</b>		<b>1 548 334</b>
<b>III - Available-for-sale assets - Portfolio Investment Securities</b>								
<b>Private equity funds</b>								
French LBO funds		17 793		6 886		(277)		24 402
Co-investments		80 583		20 554		(15 102)		86 035
Emerging-market funds		42 747		3 335		(3 104)		42 978
Other funds		39 104		28 311		(5 030)		62 385
Subscription commitments		219 519		64 455		(49 198)		234 776
<b>Total private equity funds</b>		<b>399 746</b>		<b>123 541</b>		<b>(72 711)</b>		<b>450 576</b>
<b>Other investments</b>								
Equities		42 451		1 346		(5 150)		38 647
Other		8		-		-		8
<b>Total other investments</b>		<b>42 459</b>		<b>1 346</b>		<b>(5 150)</b>		<b>38 655</b>
<b>TOTAL</b>		<b>442 205</b>		<b>124 887</b>		<b>(77 861)</b>		<b>489 231</b>
<b>IV - Other non-current assets</b>								
Other		3 626		7 039		(198)		10 467
<b>TOTAL</b>		<b>3 626</b>		<b>7 039</b>		<b>(198)</b>		<b>10 467</b>
<b>GRAND TOTAL</b>		<b>2 211 789</b>		<b>245 203</b>		<b>(309 282)</b>		<b>2 147 710</b>

# FFP

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## Note 16 Tax receivable and payable

(in thousands of euros)	Start of period	Goodwill	Profit/loss	Equity	Payments	End of period
Current tax liabilities	-	-	-	-	-	-
Current tax assets	2 021	-	(1 614)	-	238	645
<b>Sub-total</b>	<b>2 021</b>	<b>-</b>	<b>(1 614)</b>	<b>-</b>	<b>238</b>	<b>645</b>
Deferred tax assets	3 311	-	141	(1 456)	-	1 996
Deferred tax liabilities	(68 459)	-	(1 063)	(16 999)	-	(86 521)
<b>Sub-total</b>	<b>(65 148)</b>	<b>-</b>	<b>(922)</b>	<b>(18 455)</b>	<b>-</b>	<b>(84 525)</b>
<b>Total</b>	<b>(63 127)</b>	<b>-</b>	<b>(2 536)</b>	<b>(18 455)</b>	<b>238</b>	<b>(83 880)</b>

## Note 17 Inventories

(in thousands of euros)	30/06/2017			31/12/2016		
	Gross	Provision	Net	Gross	Provision	Net
Wine	9 319	327	8 992	10 705	565	10 140
Other	1 238	-	1 238	215	-	215
<b>Total</b>	<b>10 557</b>	<b>327</b>	<b>10 230</b>	<b>10 920</b>	<b>565</b>	<b>10 355</b>

## Note 18 Other receivables

(in thousands of euros)	30/06/2017			31/12/2016		
	Gross	Provision	Net	Gross	Provision	Net
Trade receivables	668	-	668	295	-	295
Government tax receivables (exclud	247	-	247	549	-	549
Other receivables	795	-	795	658	-	658
<b>Total</b>	<b>1 710</b>	<b>-</b>	<b>1 710</b>	<b>1 502</b>	<b>-</b>	<b>1 502</b>

## Note 19 Cash and cash equivalents

### Cash and cash equivalents

(in thousands of euros)	30/06/2017	31/12/2016
Money-market UCITS	2 487	2 297
Cash	35 018	4 077
<b>Total cash and cash equivalents</b>	<b>37 505</b>	<b>6 374</b>

The "Money-market UCITS" item consists of units in regular money-market SICAV funds expressed in euros.

# FFP

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## Note 20 Equity

### 20.1. Equity management policy

The equity management policy relates to equity as defined under IFRS.

It is intended to secure the group's long-term capital resources, in order to foster its development and allow it to implement an appropriate distribution policy.

Equity breaks down into portions attributable to minority interests and to equity holders of the parent.

The portion attributable to minority interests consists of the portion attributable to non-group shareholders of Financière Guiraud (SAS), which holds the investment in SCA Château Guiraud.

Equity attributable to equity holders of the parent comprises FFP's share capital plus reserves and retained earnings resulting from the group's business activities.

The distribution policy implemented by FFP has for many years, and as far as possible, aimed to ensure a consistent and rising dividend.

### 20.2. Composition of the share capital

FFP's share capital consists of 25,072,589 shares with par value of €1 each. The shares are fully paid-up.

### 20.3. Equity

(in thousands of euros)	30/06/2017	31/12/2016
FFP share capital	25 073	25 073
FFP share premiums	158 410	158 410
FFP statutory reserve	2 541	2 541
Treasury shares	(29 377)	(49)
Other reserves	3 159 761	2 734 291
Consolidated earnings	210 575	149 786
Minority interests	411	(903)
<b>Total</b>	<b>3 527 394</b>	<b>3 069 149</b>

### 20.4. Treasury shares

At 30 June 2017, the Company held 328,755 of its own shares, including 2,272 purchased under a liquidity agreement. The shares held are recognised at cost and recognised as a reduction in equity.

46,199 shares have been allocated to bonus share plans for 2016 and 2017 (note 20.5).

# FFP

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## Note 20 Equity

### 20.5. Bonus share plans

On 7 July 2016 and 9 March 2017, in accordance with the authorisation given by the Shareholders' General Meeting on 3 May 2016, FFP's Board of Directors decided to set up bonus share plans subject to performance conditions for certain employees and corporate officers of FFP and companies related to it. The bonus performance shares will vest after a three-year period, and there will be no subsequent lock-up period. The grants are subject to beneficiaries being continually employed within the Group or related companies during the vesting period.

Vesting is subject to performance conditions in terms of the increase in FFP's NAV:

- between 31 December 2015 and 31 December 2018 for the 2016 plan,
- between 31 December 2016 and 31 December 2019 for the 2017 plan.

#### A. 2016 bonus share plan

The maximum number of FFP shares that may be granted under the plan is 17,277.

The personnel expense associated with this plan, measured in accordance with IFRS 2, was €237 thousand for the first half of 201

#### A. 2017 bonus share plan

The maximum number of FFP shares that may be granted under the plan is 28,922.

The personnel expense associated with this plan, measured in accordance with IFRS 2, was €249 thousand for the first half of 201

## Note 21 Current and non-current financial liabilities

### 21.1. Position

(in thousands of euros)	30/06/2017	31/12/2016
Bank borrowings		
- FFP	181 000	328 000
- Château Guiraud	7 157	7 165
Subscription commitments and shares not paid-up	246 083	240 739
Derivative instruments	6 329	10 878
Other	150	79
<b>Total non-current financial liabilities</b>	<b>440 719</b>	<b>586 861</b>
Bank borrowings		
- Château Guiraud	3 242	3 569
Accrued interest on borrowings	653	1 144
<b>Total current financial liabilities</b>	<b>3 895</b>	<b>4 713</b>
<b>Total financial liabilities</b>	<b>444 614</b>	<b>591 574</b>

FFP has hedged its credit facilities against interest-rate risk by taking out fixed-for-floating interest-rate swaps in an amount of €280,000 thousand. The fair value of those instruments at 30 June 2017 was €6,329 thousand.

Subscription commitments and shares not paid-up comprised US-dollar commitments of €130,463 thousand at 30 June 2017 and €143,956 thousand at 31 December 2016.

All other commitments are stated in euros.

# FFP

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## Note 21 Current and non-current financial liabilities

### 21.2. Maturity schedule at 30/06/2017

Amounts due (in thousands of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Bank borrowings				
- FFP borrowings	-	181 000	-	181 000
- Château Guiraud borrowings	3 242	317	6 840	10 399
Derivative instruments	-	4 666	1 663	6 329
Subscription commitments and shares not paid-up (1)	-	246 083	-	246 083
Accrued interest on borrowings and other	789	14	-	803
<b>Total (2)</b>	<b>4 031</b>	<b>432 080</b>	<b>8 503</b>	<b>444 614</b>

(1) Since calls are made by funds depending on their respective investments, and generally within 5 years from the subscription of units, their timing cannot be determined accurately, and so they have been included in the "between 1 and 5 years" category. These calls correspond to commitments at their nominal value, without any discounting effect.

(2) The portion due in less than 1 year breaks down as follows: €3,870 thousand in less than 3 months and €161 thousand in between 3 and 12 months.

A €100 million credit facility due to expire in 2019 has been extended until 2020.

### 21.3. Subscription commitments and shares not paid-up

(in thousands of euros)	30/06/2017	31/12/2016
<b>Investments in associates</b>		
Unlisted company	1 535	14 000
<b>Available-for-sale securities</b>		
<b>Equity securities</b>		
Unlisted securities	3 384	5 512
<b>Portfolio Investment Securities</b>		
French LBO funds	32 289	29 839
Co-investments	42 611	50 570
Emerging-market funds	28 912	34 827
Other funds	137 352	105 991
<b>Total</b>	<b>246 083</b>	<b>240 739</b>

**FFP**

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**Note 22 Provisions**

(in thousands of euros)	01/01/2017	Provisions for business combinations	Additions	Releases		30/06/2017
				Amounts used	Amounts unused	
Employee benefits	550	-	-	-	-	550
<b>Total</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>550</b>

**Note 23 Other current and non-current liabilities**

(in thousands of euros)	30/06/2017	31/12/2016
Customer advances due in more than 1 year	4	603
<b>Total other non-current liabilities</b>	<b>4</b>	<b>603</b>
Customer advances	1 027	541
Tax and social security liabilities (excluding income tax)	2 033	2 782
Other liabilities	2 795	1 954
<b>Total other current liabilities</b>	<b>5 855</b>	<b>5 277</b>
<b>Total other liabilities</b>	<b>5 859</b>	<b>5 880</b>

**Note 24 Change in working capital requirement**

(in thousands of euros)	30/06/2017	31/12/2016
(Increase)/decrease in inventories	363	1 151
(Increase)/decrease in receivables	(208)	(227)
Change in tax	1 376	(7 295)
Increase/(decrease) in debt	90	(352)
<b>Total change in working capital requirement</b>	<b>1 621</b>	<b>(6 723)</b>

**Note 25 Market risk management**

There was no material change in methods used to manage market risks relative to those described in the 2016 consolidated financial statements.

# FFP

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## Note 26 Segment reporting

FFP is one of the three largest shareholders in Peugeot SA and is a long-term shareholder in other companies. Its business activities also involve financial investments and cash management, as well as real-estate and winemaking activities, which remain marginal in terms of their contribution to revenue, profits and risks.

The information presented below is based on figures in each of FFP's business areas, with "Other segments" covering the real-estate and winemaking businesses. The "Reconciliation" column shows the unallocated amounts in each segment that allow segment figures to be reconciled with the financial statements.

### Segment reporting at 30 June 2017

(in thousands of euros)	PSA Peugeot Citroën group	Investments	Net cash/ (debt)	Other segments	Reconciliation	Total
Dividends	40 475	33 378	-	-	-	73 853
Net disposal gains	-	147 814	-	-	-	147 814
Unrealised gains and losses	-	-	-	-	-	-
Business revenue	-	-	-	2 427	-	2 427
<b>Income from ordinary activities</b>	<b>40 475</b>	<b>181 192</b>	<b>-</b>	<b>2 427</b>	<b>-</b>	<b>224 094</b>
General administrative expenses	-	(3 376)	-	(2 243)	(7 566)	(13 185)
Cash management income	-	-	-	-	-	-
Impairment of available-for-sale securities	-	(3 477)	-	-	-	(3 477)
Cost of debt	-	-	(5 030)	(118)	-	(5 148)
<b>Pre-tax profit from consolidated companies</b>	<b>40 475</b>	<b>174 339</b>	<b>(5 030)</b>	<b>66</b>	<b>(7 566)</b>	<b>202 284</b>
Share in profit of associates	-	10 711	-	-	-	10 711
<b>Consolidated pre-tax profit</b>	<b>40 475</b>	<b>185 050</b>	<b>(5 030)</b>	<b>66</b>	<b>(7 566)</b>	<b>212 995</b>
Income tax	-	-	-	-	(2 536)	(2 536)
<b>Consolidated net profit</b>	<b>40 475</b>	<b>185 050</b>	<b>(5 030)</b>	<b>66</b>	<b>(10 102)</b>	<b>210 459</b>
<b>Segment assets</b>						
Intangible assets and property, plant and equipment	-	-	-	33 161	897	34 058
Non-current financial assets	1 472 704	2 505 541	-	23	526	3 978 794
Of which investments in companies accounted for under	-	248 528	-	-	-	248 528
Deferred tax assets	-	-	1 831	60	105	1 996
Current assets	-	-	37 468	11 375	1 247	50 090
<b>Total assets</b>	<b>1 472 704</b>	<b>2 505 541</b>	<b>39 299</b>	<b>44 619</b>	<b>2 775</b>	<b>4 064 938</b>
<b>Segment equity and liabilities</b>						
Non-current financial liabilities	47 000	246 083	140 329	7 171	136	440 719
Current financial liabilities	6	-	593	3 296	-	3 895
Equity including minority interests	-	-	-	-	3 527 394	3 527 394
Other liabilities	36 490	44 193	-	8 322	3 925	92 930
<b>Total equity and liabilities</b>	<b>83 496</b>	<b>290 276</b>	<b>140 922</b>	<b>18 789</b>	<b>3 531 455</b>	<b>4 064 938</b>
<b>Net investment</b>	<b>-</b>	<b>(163 368)</b>	<b>-</b>	<b>374</b>	<b>(72)</b>	<b>(163 066)</b>

# FFP

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## Note 27 Related party transactions

### 27.1. Associates

At 30 June 2017, current-account advances granted by FFP to associates were as follows:

- €1,452 thousand to OPCI Lapillus II. This advance bears interest at an annual rate of 1%.
- €2,299 thousand to Certares Redford B USA II. This advance bears interest at an annual rate of 8%.

### 27.2. Related parties that have significant influence over the group

No transactions are carried out with any directors or officers or any shareholder owning more than 5% of FFP's capital.

## Note 28 Off-balance sheet commitments

(in thousands of euros)	30/06/2017	31/12/2016
<b>Reciprocal commitments</b>		
Undrawn credit facilities	556 000	409 000
Pre-orders of wine on an "en primeur" basis	1 626	1 555
<b>Commitments given</b>	-	-
Collateral given for borrowings	52 473	56 148

### Other commitments

At 30 June 2017:

- borrowings amounting to €7,000 thousand were secured by a first mortgage on real estate owned by Château Guiraud;
- borrowings amounting to €2,500 thousand were secured by wine inventories.

Securities pledged as collateral for borrowings from financial institutions:

- 5,683,192 Peugeot SA shares pledged to BNP Paribas as security for a €47,000 thousand loan taken out by FFP.

## Note 29 Post-balance sheet events

On 3 July 2017, FFP issued €155 million of 8-year bonds, with an annual coupon of 2.5%, through a private placement.

In July 2017, FFP subscribed to the capital increases of Tikehau Capital (in an amount of €21.2 million) and Tikehau Capital Advisors (in an amount of €4.5 million).

On 5 September 2017, FFP formed an agreement to acquire 8 million shares in SPIE from Clayax for €189 million.

**AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL STATEMENTS**

# FFP

Public limited company (*société anonyme*) with capital of  
€25,072,589

Registered office: 66 avenue Charles de Gaulle 92522 Neuilly sur  
Seine

Registered with the Nanterre trade and companies register under  
number 562 075 390

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## Report of the Statutory Auditors on the 2017 first-half financial information

Period from 1 January 2017 to 30 June 2017

FFP

*First-half financial  
information  
Period from 1  
January 2017 to 30  
June 2017*

## **Statutory auditors' report on the first-half financial information**

To the shareholders,

In compliance with the assignment entrusted to us by your general meeting and with article L.451-1-2 III of the French Monetary and Financial Code, we have:

- carried out a limited review of the accompanying condensed first-half consolidated financial statements of FFP for the period from 1 January 2017 to 30 June 2017;
- examined information provided in the first-half management report.

The Board of Directors was responsible for the preparation of these condensed first-half consolidated financial statements. Our role is to express a conclusion on these financial statements based on our limited review.

### **I - Conclusion on the financial statements**

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

A limited review consists mainly of conducting discussions with members of management responsible for accounting and financial matters, and carrying out analytical procedures. This work is less extensive than that required by an audit carried out according to the prevailing standards of the profession in France. As a result, a limited review provides a moderate level of assurance, i.e. a lower level of assurance than that provided by an audit, that the financial statements as a whole are free of material misstatement.

On the basis of our limited review, we have not seen any material misstatements that would make the condensed first-half consolidated financial statements non-compliant with IAS 34 "Interim financial reporting" as adopted by the European Union.

FFP

*First-half financial  
information  
Period from 1  
January 2017 to 30  
June 2017*

## **II – Specific verification**

We have also verified the information presented in the first-half management report commenting on the condensed first-half consolidated financial statements on which we carried out our limited review.

We are satisfied that the information is fairly stated and agrees with the condensed first-half consolidated financial statements.

Paris and Paris La Défense, 12 September 2017

The Statutory Auditors

**SEC 3**

**MAZARS**

Philippe Spandonis

Virginie Chauvin

**DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR  
FINANCIAL REPORT**

# **DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT**

## **Person responsible for the half-year financial report**

Robert Peugeot, Chairman and Chief Executive Officer

## **Declaration by the person responsible for the half-year financial report**

I hereby declare that, to the best of my knowledge, the condensed financial statements for first half of 2017 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and results of the company and all the companies included in the scope of consolidation, and that the half-year report on operations provides an accurate description of the significant events during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and contingencies for the remaining six months of the financial year.

Neuilly-Sur-Seine, 12 September 2017

Robert Peugeot  
Chairman and Chief Executive Officer