FIRST HALF FINANCIAL REPORT
2019

SPIE, sharing a vision for the future

Key figures

H1 2019

REVENUE
in € billions
3.2

EBITA
in € millions
156

4
ACQUISITIONS
in Austria, France and Germany

ACQUIRED REVENUE
in € millions
210

WORKFORCE
at 31 December 2018
46,400
employees

34%
Employees are company shareholders

H1 2019 REVENUE
by reporting segment

8%
Oil & Gas and Nuclear

21%
North-Western Europe

32%
Germany and Central Europe

39%
France

I - Management Report

II – Interim Consolidated Financial Statements

Summary

In the first half of 2019, SPIE delivered a strong set of results, combining strong revenue growth and solid margins. This performance illustrates the robustness of our model and the particular value of our services, which are instrumental in enabling both the energy and the digital transitions across Europe. Our French business, in particular, is reaping significant benefits from its deep transformation completed at the end of 2018.

Consolidated revenue[1] grew by +3.7% compared to H1 2018, including a healthy +3.1% organic growth, a +0.8% growth from acquisitions, a -0.4% impact from 2018 disposals and a +0.3% impact from currency movements.

EBITA[1] was €156.3 million in H1 2019, up +4.5% compared to H1 2018. EBITA margin was 4.8%, in line with H1 2018.

Taking into account the amortisation of allocated goodwill, as well as restructuring costs and non-recurring items, which decreased very significantly compared to H1 2018, operating income amounted to €123.7 million, a marked increase compared to H1 2018 (+41.5%).

Net income attributable to owners of the parent was €42.4 million, a strong rebound compared to H1 2018 net loss of €(17.5) million, primarily reflecting a much lower impact from non-recurring costs and discontinued activities. The implementation of IFRS 16 as of January 1st, 2019 had a €(1.6) million impact on H1 2019 net income.

Net cash flow from operating activities is typically negative in the first half of the year due to working capital and margin seasonality. In H1 2019, it was €(310.9) million, an improvement compared to H1 2018 level of €(340.3) million.

SPIE's structurally negative Working capital represented (7) days of revenue at June 30th, 2019 a significant improvement compared to June 30th, 2018 level of (3) days.

Net cash flow from investing activities was €(54.0) million in H1 2019, including capital expenditure, the cost of bolt-on acquisitions and the proceeds from the disposal of German offshore cabling activities. It compares to a €12.6 million inflow in H1 2018, which included proceeds from the disposal of SPIE's Moroccan operations.

Including the payment of the 2018 final dividend for €(63.8) million (€0.41 per share, on top of a €0.17 interim dividend paid in September 2018), net cash flow was €(361.6) million in H1 2019, compared to €(159.1) million in H1 2018.

Net debt decreased by €154.4 million over 12 months, to €(1,842.3) million or a 3.9x leverage[2] at June 30th, 2019, compared with €(1,996.7) million or a 4.3x leverage at June 30th, 2018. As a result of SPIE's usual seasonality pattern, leverage increased by 0.9x in H1 2019 compared to 1.0x in H1 2018. Net debt and leverage at the end of June 2019 are consistent with SPIE's stated deleveraging trajectory. which is expected to lead to a leverage around 2.5x at the end of December 2020.

On June 11th, 2019, SPIE successfully placed a €600 million bond issue with a 7-year maturity and an annual coupon of 2.625%. The proceeds were used to refinance half of the Group's existing senior credit facility. This operation enhanced the Group's debt structure by extending its average maturity and increasing its fixed-rate component, while further diversifying its sources of funding.

The Group's liquidity remained high, at €828 million at June 30th, 2019, including €418 million euros in net cash and €410 million of undrawn revolving credit facility.

To date, SPIE has completed 4 bolt-on acquisitions, totalling annualised revenue of €210 million and has already achieved its full-year target in terms of cumulative revenue acquired.

On the back of these solid H1 2019 results, SPIE is confident for the second half of the year and confirms its full-year outlook of revenue growth, including bolt-on acquisitions, between 2.5% and 4.5% at constant currency in 2019, an EBITA margin of at least 6.0%, a cash conversion of c. 100% and a dividend pay-out ratio of c. 40% of adjusted net income.

[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] Ratio of net debt at end June over pro-forma EBITDA on a trailing twelve-month basis

2. H1 2018 highlights

2.1 €600 million bond issue

On June 11th, 2019, SPIE successfully placed a €600 million bond issue with a 7-year maturity and an annual coupon of 2.625%. The proceeds were used to refinance half of the Group's existing senior credit facility. This operation enhanced the Group's debt structure by extending its average maturity and increasing its fixed-rate component, while further diversifying its sources of funding.

The issue was largely oversubscribed, reflecting institutional investors' confidence in SPIE's credit quality, rated BB by Standard & Poor's and Ba3 by Moody's.

The joint bookrunners of this transaction were BNP Paribas, Natixis and Société Générale (acting together as Global Coordinators), Crédit Agricole CIB, Commerzbank, HSBC and ING.

2.2 Bolt-on acquisitions

External growth, through targeted bolt-on acquisitions financed by a strong and regular 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 2019 to date, SPIE has made 4 acquisitions, totalling annualised revenue of €210 million and has already achieved its full-year target in terms of cumulative revenue acquired.

On May 3rd, 2019, SPIE finalised the acquisition of Christof Electrics in Austria. Christof Electrics specialises in the field of electrical engineering, measurement, control and regulation technology as well as automation. The company employs around 150 employees and generated revenue of approximately €36 million in 2018. This acquisition enables SPIE to strengthen its Germany & Central Europe segment in Austria and to offer an important part of the SPIE multi-technical services portfolio to local customers.

On June 14th, 2019, SPIE finalised the acquisition of TELBA Group in Germany. The acquisition of TELBA Group allows SPIE to strengthen its presence in the German information & communication services market. TELBA Group is one of the leading German companies for technical services in the fields of information, communication and security technology, with around 400 qualified employees and revenue of €67 million in 2018.

On July 8th, 2019, SPIE finalised the acquisition of Cimlec in France. Cimlec is a recognized provider of electrical, automation and robotic solutions for the industrial sector. Its range of services include design, assembly, installation and maintenance for a loyal and diversified base of industrial customers. With around 310 qualified employees, Cimlec generated total revenues of around €42 million in 2018.

On July 24th, 2019, SPIE announced the signing of an agreement for the acquisition of Osmo in Germany. The acquisition of OSMO will allow SPIE to further strengthen its presence in the German market, primarily in the electrical and automation technology as well as information and communication technology. Furthermore the acquisition of OSMO will allow SPIE to enter the market segment of traffic engineering. OSMO is well positioned in Germany for the complete technical equipment for tunnel systems and traffic control centers (e.g. electrical and fire detection systems, video surveillance and tunnel radio communication systems, ventilation, lighting and water systems as well as automated process control technology). With more than 270 employees, Osmo generated revenue of c. €65 million in 2018.

3. Activity report

3.1 IFRS 16 application

SPIE's H1 2019 consolidated financial statements have been prepared in accordance with the IFRS 16 standard, which came to force in January 1st, 2019. In SPIE's H1 2019 consolidated financial statements, presented in the following pages, the comparison basis for H1 2018 has not been restated in accordance with IFRS 16.

The impacts of IFRS 16 application on SPIE's H1 2019 figures are presented in the table below.

However, for the purpose of a consistent comparison with H1 2018 and with the Group's full year outlook, H1 2019 financial information presented in sections 3.2 and 3.3 of the present document excludes, unless otherwise stated, the impacts of the implementation of IFRS 16.

€m	H1 2019 excl. IFRS 16	IFRS 16 impacts	H1 2019 incl. IFRS 16
Revenue	3,244.0	-	3,244.0
Operating income incl. Equity-accounted companies	**123.7**	**0.0**	**123.7**
Financial result	(36.8)	(2.2)	(39.0)
Income tax expense	(35.8)	0.7	(35.1)
Net income from discontinued operations	(7.1)	0	(7.1)
Net income	44.1	(1.6)	42.5
Non-controlling interests	(0.1)	0	(0.1)
Net income Group share	**43.9**	**(1.6)**	**42.4**
Net debt at end June	(1,842.3)	(349.3)	(2,191.6)
Last-twelve-month pro forma EBITDA	468.8	87.5	556.3
Leverage ratio	**3.9x**		**3.9x**

3.2 Consolidated

Consolidated revenue was €3,223.8 million in H1 2019, up +3.7% compared to H1 2018, including a +3.1% organic growth, a +0.8% growth from acquisitions, a -0.4% impact from 2018 disposals and a +0.3% impact from currency movements. In the second quarter of 2019, Group revenue grew +3.1%, including a +2.9% organic growth.

EBITA was €156.3 million in H1 2019, up +4.5% compared to H1 2018. EBITA margin was 4.8%, in line with H1 2018.

3.3 Segment information

The France segment revenue grew +5.7% in H1 2019, including a strong +4.8% organic growth and a +0.9% impact from 2018 acquisitions (Buchet and Sietar & VTI). EBITA margin progressed to 5.8%, from 5.7% in H1 2018.

The operational transformation of SPIE's French business, completed at the end of 2018, has allowed the Group to step up its performance in the country which remains the largest contributor to its earnings. In H1 2019, SPIE France was particularly effective in capturing market opportunities, notably in information and communication services, industry and telecom infrastructure, the latter strongly fuelled by the optic fibre roll-out. In commercial installation, while maintaining contract selectivity, revenue started to recover slightly.

Leveraging on its new organisation, SPIE France strengthened its operational processes, increased its efficiency and therefore continued to deliver margin improvement in H1 2019.

With the acquisition of Cimlec (c. €42 million revenue in 2018), finalised in July 2019, SPIE France's Industry division scales up its capabilities in robotics and automation, which are key to address Industry 4.0 opportunities.

The **Germany & Central Europe** segment's revenue increased by +2.0% in H1 2019, including a +1.9% organic growth and a +0.1% impact from currency movements. Segmental EBITA margin increased to 4.4%, compared to 4.2% in H1 2018.

Activity levels in Germany were high in H1 2019, with organic growth at +1.0% on a high comparison basis. Business levels were particularly good in transmission and distribution services, which play a crucial role in supporting Germany's current energy transition, and in information and communication services. The full-year impact from synergies, gradually delivered throughout 2018, resulted in a 40 basis points year-on-year EBITA margin improvement.

With the acquisition of TELBA Group (c. €67 million revenue in 2018), finalised in June 2019, SPIE is stepping up its information and communication services capabilities in Germany, in line with the Group's development priorities. In June 2019, SPIE also announced its collaboration with Rheinenergie through 'TankE', a joint-venture which will provide a full service offer for charging infrastructure for e-mobility across Germany.

On July 24th, 2019, SPIE announced the signing of an agreement for the acquisition of Osmo in Germany. With this acquisition, SPIE will further strengthen its presence in the German market, primarily in electrical and automation technology as well as information and communication technology, and will enter the traffic engineering market. With more than 270 employees, Osmo generated revenue of c. €65 million in 2018.

In Central European countries, revenue growth was solid, driven by transmission and distribution services in Hungary. In May 2019, SPIE significantly increased its footprint in Austria with the acquisition of Christof Electrics (c. €36 million revenue in 2018).

In Switzerland, SPIE reported a strong profitable growth in H1 2019, with dynamic momentum in all divisions.

Revenue in the **North-Western Europe** segment decreased slightly in H1 2019, by -0.9%, including a +1.7% contribution from the full-year consolidation of Systemat in Belgium and a -1.9% impact from the disposal of SPIE's UK overhead lines services business, completed in June 2018. Organic growth was -0.8%, as robust growth in the Netherlands and in Belgium was offset by a contraction in the UK. The EBITA margin decrease from 2.4% in H1 2018 to 1.7% in H1 2019 is also due to the UK.

Our UK business (6% of the Group's revenue in 2018) continued to suffer from adverse market conditions, with a significant amount of customer activity being on hold due to Brexit uncertainty. Revenue contracted in H1 2019 and margin came into negative territories due to under-absorption of overheads. SPIE UK is rapidly adapting its structure and implementing action plans in order to restore performance, with the first impacts expected in H2.

Revenue in the Netherlands grew well in H1 2019. The energy transition is creating vast opportunities related to the upgrade of the electrical grid. As a response to climate change, Dutch authorities are scaling up investments in 'wet infrastructure', where SPIE Nederland is the leading service provider. Trends were well-oriented in industry services. Optic fibre roll out is kicking off and offers good medium-term prospects. While SPIE Infratechniek (formerly Ziut) is still dilutive for SPIE Nederland's margin, the turnaround process has been stepped up, with the onboarding of a new management.

In Belgium, revenue growth was robust in H1 2019, on the back of dynamic market trends in infrastructure services, particularly in the transport sector, and good development in industry services. EBITA margin was solid. With SPIE Belgium's ICS division (formerly Systemat), the Group is now a significant player on the local information and communication services market.

The **Oil & Gas and Nuclear** segment grew strongly in H1 2019, by +15.8%, including a +11.9% organic growth, a +0.5% growth from acquisitions (Fluigetec in Nuclear services, acquired in May 2018) and a +3.4% impact from currency movements, related to the USD exposure of Oil & Gas Services. EBITA margin was 8.5%, compared to 8.0% in H1 2018.

Oil & Gas Services delivered a strong, profitable organic growth in H1 2019, in excess of 15%. Leveraging on its strong positions in West Africa, SPIE was able to win new contracts amid a revived tendering activity. Reflecting a higher comparison basis, growth is expected to moderate in the second half of the year.

Nuclear services turned in a solid H1 2019 performance, further evidencing SPIE's position as a key long-term partner to the vital French nuclear sector. The Flamanville EPR contract ramp down, expected to occur in H2, could translate into a small revenue contraction over the full year.

3.4 Results

3.4.1 Consolidated revenue under IFRS

Consolidated revenue under IFRS amounted to €3,244.0 million in H1 2019, increasing by +3.8% compared to H1 2018.

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 2019	H1 2018
Consolidated revenue as per management accounts	**3,223.8**	**3,109.0**
Holding activities	16.4	11.0
OCTG activities	(0.9)	(1.0)
Others	4.7	6.4
Consolidated revenue under IFRS	**3,244.0**	**3,125.4**

3.4.2 Operating income

Consolidated operating income (including equity-accounted companies) amounted to €123.7 million in H1 2019, a strong increase compared to €87.4 million in H1 2018.

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 2019	H1 2018
EBITA	**156.3**	**149.6**
Amortisation of intangible assets (allocated goodwill)	(28.9)	(28.9)
Restructuring costs	(2.0)	(9.7)
Financial commissions	(0.6)	(0.7)
Non-controlling interests	(0.3)	0.1
Other non-recurring items	(0.8)	(23.0)
Consolidated operating income	**123.7**	**87.4**

3.4.3 Cost of net financial debt

Cost of net financial debt amounted to €(32.7) million in H1 2019, compared with €(38.1) million in H1 2018. This year-on-year decrease mainly results from a lower interest charge on the term loan, which margin decreases with the Group's year-end leverage ratio (see paragraph 3.5). Cost of net financial debt in H1 2019 includes the write-off of half of the non-amortised borrowing costs from the term loan put in place last year, for €(4.0) million. A similar write off was recorded in H1 2018 following the June 2018 refinancing, for €(6.7) million.

3.4.4 Pre-tax income

As a result of the above, pre-tax income increased strongly to €84.8 million in H1 2019, from €41.4 million H1 2018.

3.4.5 Income tax

A €(35.1) million income tax charge was recorded in H1 2019 (vs. €(22.2) million in H1 2018). This charge reflects a 30% effective corporate income tax rate for the period (excluding the French 'CVAE' levy), in line with 2018 and 2017 rates adjusted for non-recurring items.

3.4.6 Net income attributable to owners of the parent

Net income attributable to owners of the parent was €42.4 million in H1 2019, a strong rebound compared to the €(17.5) million net loss recorded in H1 2018, which included much higher non-recurring costs and net losses from discontinued operations.

3.5 Cash flow

Net cash flow from operating activities was €(310.9) million in H1 2019, compared to €(340.3) million in H1 2018. The strong seasonality of the Group's activity and working capital, as well as the payment cycle of certain personnel and social security costs, results every year in a negative change in working capital requirements in the first half of the year. The seasonal working capital outflow amounted to €(477.0) million in H1 2019, higher than that of H1 2018 (€(386.0) million) due to (i) the Group's growth between the two periods, (ii) the higher negative working capital level for the continued perimeter at the end of December 2018 compared to December 2017 and (iii) an unfavourable impact from discontinued operations in H1 2019.

Net cash flow from investing activities was a €(54.0) million outflow in H1 2019 and primarily reflected bolt-on acquisitions paid for in the period, as well as the proceeds from the disposal of German offshore cabling activities. Capital expenditure amounted to €(26.4) million, a slight increase compared to H1 2018 level (€(23.5) million).

Net cash flow from financing activities was a €2.6 million inflow in H1 2019. This amount included a €190 million inflow from the Group's revolving credit facility, drawn upon every year to finance the seasonal change in working capital, offset by a reduction in the amount drawn from the securitization line, net interest and dividends paid in the period, as well as rent payments made on lease contracts subject to IFRS 16 restatement.

Including the impact from changes in exchange rates, which remained very limited, at €0.7 million (€(0.1) million in H1 2018), **net cash flow** amounted to €(361.6) million in H1 2019, compared with €(159.1) million in H1 2018.

Cash and cash equivalents as at June 30th, 2019 amounted to €418.1 million, compared to €361.0 million as at June 30th, 2018.

3.6 Balance sheet

Shareholder equity attributable to owners of the parent at June 2019 amounted to €1,382.9 million compared to €1,473.6 million at December 2018.

Net debt as per the Group's Senior Facility Agreement totalled €1,842.3 million at the end of June 2019 (see note 18.4 of the 2019 interim financial statements). This figure does not include IFRS 16 restatement (see section 3.1 of the present document). Including IFRS 16, net debt as of June 30th, 2019 was €2,191.6 million, with no impact on the Group's leverage ratio.

Net debt at the end of June 2019 includes (i) a €600 million senior term loan facility with a 2023 maturity, (ii) a €600 million bond placed in March 2017, with a 2024 maturity and a fixed 3.125% annual coupon, (iii) a €600 million bond place in June 2019, with a 2026 maturity and a fixed 2.625% annual coupon, and (iv) €190 million drawn from the Group's revolving credit facility, which matures in 2023. Financial leverage[1] reached 3.9x at June 30th, 2019, a significant decrease compared to its June 30th, 2018 level of 4.3x. As a result of SPIE's usual working capital seasonality, net debt and leverage increased in H1 compared to December 31st, 2018 levels (€1,349.1 net debt; 3.0x leverage).

The Group's liquidity remains high, at €828 million at June 30th, 2019, including with €418 million euros in net cash and cash equivalent and €410 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
> 4.0X	1.950%	2.250%
≤ 4.0X and > 3.5X	1.600%	2.000%
≤ 3.5X and > 3.0X	1.300%	1.700%
≤ 3.0X and > 2.5X	1.150%	1.550%
≤ 2.5x and > 2.0X	1.000%	1.400%
≤ 2.0X	0.850%	1.250%

4. 2019 full-year outlook

In 2019, SPIE expects:

- Group revenue to grow by 2.5% to 4.5%, including bolt-on acquisitions, at constant currency;
- Full-year revenue acquired through bolt-on acquisitions in the order of €200 million;
- Group EBITA margin[2] to be at least 6.0%.
- A cash conversion around 100% and a continued reduction in leverage[3].

The dividend pay-out ratio will be c.40% of Adjusted Net Income attributable to the Group[4].

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

[2] Excluding the impact of IFRS 16

[3] Ratio of net debt at end December to pro forma EBITDA (including full-year impact of acquisitions)

[4] Adjusted for the amortisation of allocated goodwill and exceptional items

5. Transactions with related parties

No material related party transactions arose during the period ending June 2019, and there were no significant changes concerning the related party transactions in the consolidated financial statements as at December 31st, 2019.

6. Risk factors

Risk factors do not differ from those identified in the 2018 Registration Document, which received the AMF visa n° D. 19 - 0354 on April 17th, 2019. Information on risk factors included in Section 2 'Risk factors' of the 2018 Registration Document is complemented by the information included in note 19 of the interim consolidated financial statements as at June 30th, 2019.

7. Statutory Auditor's review report on the 2019 half-yearly financial information (Six-month period ended June 30th, 2019)

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, 2019;

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

We 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

We 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 26th, 2019
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, 2019

“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 26th, 2019

Mr Gauthier Louette
Chairman and Chief Executive Officer

2019 FIRST-HALF FINANCIAL REPORT

Climate engineering: The Tertiaire Division is carrying out work at the Forum des Halles mall

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1. CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	First half 2018	First half 2019
Revenue	**6**	**3,125,401**	**3,243,991**
Other income		27,826	26,319
Operating expenses		(3,044,783)	(3,143,242)
Recurring operating income		**108,444**	**127,068**
Other operating expenses		(26,760)	(10,290)
Other operating income		5,625	6,740
Total other operating income (expenses)	**7**	**(21,135)**	**(3,550)**
Operating income		**87,309**	**123,518**
Net income (loss) from companies accounted for under the equity method		84	203
Operating income including companies accounted for under the equity method		**87,393**	**123,721**
Interests charges and losses from cash equivalents*		(38,276)	(32,728)
Gains from cash equivalents		181	65
Costs of net financial debt	**8**	**(38,095)**	**(32,663)**
Other financial expenses		(22,391)	(11,273)
Other financial income		14,454	4,974
Other financial income (expenses)	**8**	**(7,937)**	**(6,299)**
Pre Tax Income		**41,361**	**84,759**
Income tax expenses	9	(22,230)	(35,135)
Net income from continuing operations		**19,131**	**49,624**
Net income from discontinued operations	10	(36,814)	(7,120)
NET INCOME		**(17,683)**	**42,504**
Net income from continuing operations attributable to:			
. Owners of the parent		19,281	49,491
. Non-controlling interests		(150)	133
		19,131	**49,624**
Net income attributable to:			
. Owners of the parent		(17,533)	42,371
. Non-controlling interests		(150)	133
		(17,683)	**42,504**
Net income Share of the Group – earning per share	11	(0.11)	0.27
Net income Share of the Group – diluted earnings per share		(0.11)	0.27
Net income - diluted earnings per share		(0.11)	0.27

** Amounts for June 2019 are not directly comparable to June 2018 due to the first application of the IFRS 16 standard following the simplified-retrospective approach (see Note 2.2).*

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	Notes	First Half 2018	First Half 2019
Net income recognized in income statement		**(17,683)**	**42,504**
Actuarial losses on post-employment benefits	16.1	-	(95,049)
Tax effect		-	29,027
Items that will not be reclassified to income		**-**	**(66,022)**
Currency translation adjustments		(1,267)	(1,093)
Fair value adjustments of hedges on future cash flows		(528)	-
Other		-	-
Tax effect		182	-
Items that may be reclassified to income		**(1,613)**	**(1,093)**
TOTAL COMPREHENSIVE INCOME		**(19,295)**	**(24,611)**
Attributable to:			
. Owners of the parent		(19,143)	(24,732)
. Non-controlling interests		(152)	121

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros	Notes	Dec 31, 2018	June 30, 2019
Non-current assets			
Intangible assets	14.2	1 028 308	1,001,663
Goodwill	13	3 102 689	3,105,954
Property, plant and equipment		174 087	166,997
Right of use on operating and financial lease*	2.2	-	339,408
Investments in companies accounted for under the equity method	18.7	3 151	3,174
Non-consolidated shares and long-term loans	18.1	45 377	98,283
Other non-current financial assets		5 908	5,365
Deferred tax assets		299 645	327,873
Total non-current assets		**4 659 165**	**5,048,716**
Current assets			
Inventories		43 149	43,273
Trade receivables	17.3	1 877 875	1,962,779
Current tax receivables		29 408	31,119
Other current assets		271 960	373,168
Other current financial assets		6 961	7,497
Cash management financial assets	18.2	4 051	2,500
Cash and cash equivalents	18.2	780 446	437,055
Total current assets from continuing operations		**3 013 850**	**2,857,392**
Assets classified as held for sale	10	117 352	174,513
Total current assets		**3 131 202**	**3,031,904**
TOTAL ASSETS		**7 790 367**	**8,080,620**

** Amounts for June 2019 are not directly comparable to December 2018 due to the first application of the IFRS 16 standard following the simplified-retrospective approach (see Note 2.2).*

In thousands of euros	Notes	Dec 31, 2018	June 30, 2019
Equity			
Share capital	15	73,108	73,108
Share premium		1,190,120	1,190,120
Consolidated reserves		118,886	77,265
Net income attributable to the owners of the parent		91,442	42,371
Equity attributable to owners of the parent		**1,473,556**	**1,382,864**
Non-controlling interests		2,449	2,570
Total equity		**1,476,005**	**1,385,434**
Non-current liabilities			
Interest-bearing loans and borrowings	18.3	1,796,406	1,796,283
Non-current debt on operating and financial leases*	2.2.	-	237,120
Non-current provisions	16	53,173	52,456
Accrued pension and other employee benefits	16	714,975	815,236
Other non-current liabilities		6,520	5,777
Deferred tax liabilities		348,790	352,115
Total non-current liabilities		**2,919,864**	**3,258,987**
Current liabilities			
Trade payables		1,101,956	905,140
Interest-bearing loans and borrowings	18.3	332,466	486,608
Current debt on operating and financial leases*	2.2	-	104,557
Current provisions	16	143,061	140,049
Income tax payable		34,052	30,362
Other current operating liabilities	17.1	1,647,164	1,570,993
Total current liabilities from continuing operations		**3,258,700**	**3,237,709**
Liabilities associated with assets classified as held for sale	10	135,798	198,490
Total current liabilities		**3,394,498**	**3,436,199**
TOTAL EQUITY AND LIABILITIES		**7,790,367**	**8,080,620**

** Amounts for June 2019 are not directly comparable to December 2018 due to the first application of the IFRS 16 standard following the simplified-retrospective approach (see Note 2.2).*

4. CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Notes	First Half 2018	First Half 2019
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**520,113**	**779,751**
Operating activities			
Net income		(17,683)	42,504
Loss from companies accounted for under the equity method		(84)	(203)
Depreciation, amortization, and provisions*		56,243	93,111
Proceeds on disposals of assets		2,141	(627)
Dividend income		-	-
Income tax expense		6,023	32,505
Elimination of costs of net financial debt		38,659	32,721
Other non-cash items		(5,381)	517
Internally generated funds from (used in) operations		**79,917**	**200,528**
Income tax paid		(34,440)	(34,557)
Changes in operating working capital requirements		(385,956)	(477,025)
Dividends received from companies accounted for under the equity method		200	180
Net cash flow from (used in) operating activities		**(340,278)**	**(310,874)**
Investing activities			
Effect of changes in the scope of consolidation		32,950	(57,948)
Acquisition of property, plant and equipment and intangible assets		(23,497)	(26,426)
Net investment in financial assets		-	(25)
Changes in loans and advances granted		1,926	1,226
Proceeds from disposals of property, plant and equipment and intangible assets		1,230	29,149
Proceeds from disposals of financial assets		-	-
Dividends received		-	-
Net cash flow from (used in) investing activities		**12,608**	**(54,024)**
Financing activities			
Issue of share capital		-	-
Proceeds from loans and borrowings		1,865,982	791,925
Repayment of loans and borrowings*		(1,596,415)	(690,675)
Net interest paid		(39,239)	(34,870)
Dividends paid to owners of the parent		(61,630)	(63,774)
Dividends paid to non-controlling interests		(13)	-
Other cash flows from (used in) financing activities		-	-
Net cash flow from (used in) financing activities		**168,685**	**2,606**
Impact of changes in exchange rates		(144)	672
Net change in cash and cash equivalents		**(159,128)**	**(361,620)**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**18**	**360,985**	**418,131**

** Amounts for June 2019 are not directly comparable to June 2018 due to the first application of the IFRS 16 standard following the simplified-retrospective approach (see Note 2.2).*

Notes to the cash flow statement

The cash flow statement presented above includes discontinued operations or operations held for sale (see 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, 2017	**154,076,156**	**72,416**	**1,170,496**	**246,153**	**(8,835)**	**266**	**(41,095)**	**1,439,399**	**2,949**	**1,442,348**
Net income				(17,533)				(17,533)	(150)	(17,683)
Other comprehensive income (OCI)					(1,264)	(346)		(1,610)	(3)	(1,613)
Total comprehensive income		**-**	**-**	**(17,533)**	**(1,264)**	**(346)**		**(19,143)**	**(152)**	**(19,296)**
Distribution of dividends				(61,630)				(61,630)	-	(61,630)
Share issue								-		-
Change in the scope of consolidation and other								-		-
Other movements							3,005	3,005	(1)	3,004
AT JUNE 30, 2018	**154,076,156**	**72,416**	**1,170,496**	**166,990**	**(10,099)**	**(80)**	**(38,091)**	**1,361,631**	**2,795**	**1,364,426**
AT DECEMBER 31, 2018	**155,547,949**	**73,108**	**1,190,120**	**249,522**	**(5,630)**	**(10)**	**(33,551)**	**1,473,556**	**2,449**	**1,476,005**
Net income				42,371				42,371	133	42,504
Other comprehensive income (OCI)					(1,081)		(66,022)	(67,104)	(12)	(67,115)
Total comprehensive income		**-**	**-**	**42,371**	**(1,081)**	**-**	**(66,022)**	**(24,732)**	**121**	**(24,611)**
Distribution of dividends				(63,774)				(63,774)		(63,774)
Share issue								-		-
Change in the scope of consolidation and other								-		-
Other movements							(2,186)	(2,186)		(2,186)
AT JUNE 30, 2019	**155,547,949**	**73,108**	**1,190,120**	**228,119**	**(6,711)**	**(10)**	**(101,759)**	**1,382,864**	**2,570**	**1,385,434**

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.

The SPIE Group interim consolidated financial statements were authorized for issue by the Board of Directors on July 25, 2019.

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, 2018, which were prepared in compliance with IFRS standards 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, 2018 and described in the notes to the 2018 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, 2019

The IFRS 16 standard has come to force in financial statements since January 1st, 2019. This standard, which supersedes the IAS 17 standard and its interpretations, has led to account for in the balance sheet of the lessee most of the leasing contracts, following a unique model, in the form of right-of-use of the asset, and of a finance lease obligation (cessation for the lessees of the classification of contracts into operating lease or finance lease).

The contracts mainly relate to property, plant and equipment and to vehicles. The "simplified" retrospective approach has been chosen.

The lease term is defined contract by contract and corresponds is defined as the non-cancellable period for which a lessee has the right to use an underlying asset, including any periods covered by a lessor's termination option.

Accordingly with the simplified approach proposed by the standard,

- An incremental borrowing rate of 2% has been used to discount lease payments at the date of initial application. The latter represents the group's marginal borrowing rate, based on the zero-coupon loan rate, adjusted with foreign currency risk and country risk premiums, the term of contracts and the credit risk of the subsidiary;
- The assessment of existing contract identified as per IAS 17 standard has not been changed.

Besides, in application of the two exemptions proposed by the standard, the Group has chosen not to recognize:

- Contracts with a term below or equal to 12 months (and for the transition, all contracts which termination stands within the following 12 months after the date of first application of the standard)
- Lease contracts for items which individual cost stands below $ 5,000.

The implementation of this standard as at January 1st, 2019 generated an increase of the financial debts and right-of-use assets in the statement of financial position for an amount of 305 million euros, and an improvement of the operating income for the first half year by 0.02 million euros as well as an increase of the financial expenses by around 2.2 million euros in the Group income statement (of which € 2.3 million relating to financial expenses and € 0.1 million relating to currency gains).

The impacts on the consolidated cash flow statement are detailed as follows:

In thousands of euros	**First Half 2019**
Net cash flow from (used in) operating activities	**38,019**
Repayment of loans and borrowings	(35,647)
Net interest paid	(2,372)
Net cash flow from (used in) financing activities	**(38,019)**
Net change in cash and cash equivalents	**-**

The reconciliation between operational lease commitments presented as at December 31, 2018 in application of IAS 17 and the debt on lease as per IFRS 16 as at January 1st, 2019 is as follows :

In thousands of euros	
Commitments relating to operating lease as at December 31, 2018	**422,606**
Not recognized contracts in application of the exemptions of IFRS 16	(131,900)
Effect relating to optional period not included in commitments	28,030
Effect of scope change	1,902
Non actualized debt on lease	**328, 238**
Effect of discounting	(16,137)
Actualized debt on lease as at January 1st, 2019	**304,501**

As at June 30, 2019, the actualized debt lease stands at € 341.7 million (see Note 18.3) and the right of use on operating and financial lease stands at € 339.4 million.

The other new standards and interpretations applicable from January 1, 2019 are the following:

- Amendments to IAS 19 - "Employee Benefits"
- Amendments to IAS 28 –" Investments in Associates and Joint Ventures"
- Amendments to IFRS 9 –" Financial Instruments"
- IFRIC 23 – "Uncertainty over income tax treatments".

The Group did not identify any significant impact at the application of these other standards and amendments.

Published new standards and interpretations for which application is not mandatory as of January 1, 2019

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 17 "Insurance contracts"

- Amendments to IFRS 3 “Definition of a Business”
- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to IAS 1 and IAS 8 “Definition of Material”

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, 2019. 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, 2019 is calculated on the basis of the latest available valuations as at December 31, 2018. 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 led to the booking of an increase in the provision relating to actuarial differences as at June 30, 2019 for an amount of € 95 million.

Income taxes

Current and deferred income tax expense is calculated by applying the estimated income tax rate that would be applicable to year-end 2019 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

In 2019, no adjustment on the previous period has been made. In particular, no additional operation has requested the application of the IFRS 5 standard (non-current assets held for sale and discontinued operations), see Note 10. As a consequence, financial income statements of June 30, 2018 have not been restated.

Significant events of the period

NOTE 4. SIGNIFICANT EVENTS

4.1. ISSUANCE OF BOND FOR AN AMOUNT OF €600 MILLION AND FINANCIAL DEBT REFINANCING AS AT JUNE 18th 2019

On 18 June, 2019, SPIE SA issued a bond for an amount of € 600 million. The bonds, with a 7 year maturity and a 2.625% annual interest rate, have been admitted for trading on Euronext Paris regulated market.

On the same date, the Group repaid half of its “Facility A” financing line, for an amount of € 600 million, initially due on June 7, 2023.

This bond issuance has enabled SPIE SA to extend the average maturity of its financial debt and reduce its variable rate portion. (See Note 18.3).

Scope of consolidation

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 did 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

Nil.

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

- On August 1st, 2018, SPIE acquired **Siétar & VTI** in France, a company specializing in pipework and boiler making for liquid processes in the agri-food industry. Siétar & VTI employs 44 people and generates average annual revenue of € 6 million in 2018. The transferred counterpart stood at 2 million euros.

- On November 6, 2018, SPIE DZE acquired the company **FLM Freileitungsmontagen** GmbH ("FLM"). FLM, founded in 2007 and headquartered in Lienz, Austria, is mainly active in Germany in the fields of overhead power line installation and switchgear engineering services. With this acquisition, SPIE strengthens its expertise in overhead power line installations in demanding terrain. The 34 highly qualified industrial climbers (out of 44 employees) of FLM are specially trained to operate in challenging areas of the alpine and pre-alpine landscape. FLM generates annual revenue of approximately € 4 million. The transferred counterpart stood at 1.6 million euros (of which 0.4 million euros paid in 2018).

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

- On May 21, 2019, SPIE DZE acquired the **Christof Electrics** group in Austria. Christof Electrics offers complete solutions in the fields of electrical engineering, measurement, control and regulation technology as well as automation. The firm enjoys an excellent reputation on the market and has long-standing business relationships with a broad and loyal customer base in the energy, industry and the public sectors. The company employs 154 people and generated revenue of approximately € 36 million in 2018. The transferred counterpart stands at 20 million euros.

- On June 14, 2019, SPIE DZE acquired the **TELBA** Group located in Germany. TELBA Group is one of the leading German companies for technical services in the fields of information, communication and security technology and has a broad and loyal customer base. With around 400 qualified employees, TELBA Group generated total revenues of around € 67 million in 2018. The transferred counterpart stands at 35.6 million euros.

These companies will be consolidated subsequently.

5.1.4. NEWLY CREATED COMPANIES

The Group consolidated in 2019 the company **Spie Oil And Gas Services Tchad SARL** created in December 18, 2018.

5.1.5. DISPOSED COMPANIES

During the first semester of 2019, the Group sold or disposed several entities which did not represent any strategic interest for itself. The operations are the following:

- The companies **Foraid** and **Foraid Algérie**, which carry the activity of SPIE Oil & Gas Services in Algeria, were sold on January 8, 2019s. In accordance with IFRS 3R, the consequences of this sale were fully recognized in the SPIE Group consolidated income statement during the first half of 2019.

- On April 30, 2019, the Group disposed the **Shopmat** company, located in Belgium. The disposal had no significant impact in the Group’s accounts.

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, 2019						
Revenue	**1,248.9**	**1,022.8**	**700.2**	**251.9**	**-**	**3,223.8**
EBITA	72.2	45.1	11.7	21.4	5.9	**156.3**
EBITA as a % of revenue	*5.8%*	*4.4%*	*1.7%*	*8.5%*	*n/a*	*4.8%*
January 1 to June 30, 2018						
Revenue	**1,181.6**	**1,003.1**	**706.7**	**217.6**	**-**	**3,109.0**
EBITA	67.6	41.8	17.1	17.3	5.7	**149.6**
EBITA as a % of revenue	*5.7%*	*4.2%*	*2.4%*	*7.9%*	*n/a*	*4.8%*

Reconciliation between revenue (as per management accounts) and revenue from contracts with customers

In millions of euros		First Half 2018	First Half 2019
Revenue		**3,109.0**	**3,223.8**
SONAID	(a)	(1.0)	(0.9)
Holding activities	(b)	11.0	16.4
Others	(c)	6.4	4.7
Revenue from contracts with customers		**3,125.4**	**3,244.0**

(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.

Reconciliation between EBITA and operating income

In millions of euros		First Half 2018	First Half 2019
EBITA		**149.6**	**156.3**
Amortization of intangible assets (allocated goodwill)	(a)	(28.9)	(28.9)
Restructuring costs	(b)	(9.7)	(2.0)
Financial commissions		(0.7)	(0.6)
Minority interests		0.1	(0.3)
Other non-recurring items	(c)	(23.0)	(0.8)
Consolidated Operating Income		**87.4**	**123.7**

(a) In 2019 and 2018, the amount relating to the allocated goodwills of the Group includes an amount of € 20.6 million for SAG group in Germany.

(b) In 2019, restructuring costs relate to reorganizations in the United Kingdom for an amount of € 2.0 million.

In 2018, restructuring costs mainly related to reorganizations in France for € 4.1 million and to the integration of SAG in Germany for an amount of € 4.2 million.

(c) The “Other non-recurring items” mainly correspond to costs related to a restatement made pursuant to IFRIC 21 (€ (2.3) million), to the recognition of a cost related to the performance share plan allocation, in accordance with IFRS 2 (€ +2.4 million), and to the impact of the IFRS 16 standard application for € 0.02 million.

In H1 2018, “Other non-recurring items” mainly corresponded to costs related to external growth project (€ (1.4) million), a restatement made pursuant to IFRIC 21 (€ (2.0) million), to the recognition of a cost related to the performance share plan allocation, in accordance with IFRS 2 (€ (3.5) million), and to costs associated to the sale of the “distribution network activities” (overhead part) in the United Kingdom (€ (13.6) million).

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, 2019	**462,477**	**1,499,069**	**251,434**	**78,040**	**2,323,002**	**4,614,022**
December 31, 2018	309,239	1,448,848	191,053	44,477	2,311,467	**4,305,084**

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 2019 Revenue under IFRS	**1,404,092**	**843,706**	**996,193**	**3,243,991**
January to June 2018 Revenue under IFRS	1,366,837	790,297	968,267	**3,125,401**

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 2018	First Half 2019
Business combination acquisition costs	(a)	(1,351)	(82)
Net book value of financial assets and security disposals		(530)	(52)
Net book value of assets		(598)	(5,579)
Other operating expenses	(b)	(24,281)	(4,577)
Total other operating expenses		**(26,760)**	**(10,290)**
Gain on security disposals		-	83
Gains on asset disposals		1,005	5,688
Other operating income		4,620	969
Total other operating income		**5,625**	**6,740**
Other operating income and expenses		**(21,135)**	**(3,550)**

(a) In 2018, “Business combination acquisition costs” related to the acquisition of Systemat by SPIE Belgium for an amount of € (688) thousand, and to the acquisition of S-Cube by SPIE ICS for an amount of € (475) thousand (see Note 5 for the detail of acquisitions).

(b) In 2019, the “Other operating expenses” mainly includes restructuring costs in SPIE UK for an amount of € (2,006) thousand. The “Other operating expenses” also include some non-recurring costs on management operations in France for an amount of € (1,488) thousand.

In 2018, the “Other operating expenses” included the costs related to the disposal of the distribution services activities (overhead lines part) in the United Kingdom for an amount of € (13,606) thousand and to the restructuring costs on the continued activity of the housing market projects activity in SPIE Industrie & Tertiaire for an amount of € (2,796) thousand.

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 2018	First Half 2019
Interest expenses	(a)	(37,480)	(30,232)
Interest expenses on operating and financial leases	(b)	(208)	(2,449)
Interest expenses on cash equivalents		(588)	(47)
Interest expenses and losses on cash equivalents		**(38,276)**	**(32,728)**
Interest income on cash equivalents		181	65
Net proceeds on sale of marketable securities		-	-
Gains on cash and cash equivalents		**181**	**65**
Costs of net financial debt		**(38,095)**	**(32,663)**
Loss on exchange rates	(c)	(15,021)	(2,850)
Allowance for financial provisions for pensions		(5,318)	(6,741)
Other financial expenses		(2,052)	(1,682)
Total other financial expenses		**(22,391)**	**(11,273)**
Gain on exchange rates	(d)	10,700	4,056
Reversal of financial provisions for pensions		10	11
Gains on financial assets excl. cash and cash equivalents		253	20
Allowance / Reversal on financial assets		134	-
Other financial income		3,357	887
Total other financial income		**14,454**	**4,974**
Other financial income and expenses		**(7,937)**	**(6,299)**

(a) The interest expenses mainly include the interest charges related to existing loans during the first half of the year. They also included the recognition in the income statement of non-amortized balance amount costs related to the repayment of the Group's loans :
- On June 18, 2019, for an amount of € 3,963 thousand accounted for in the 2019 financial statements;
- On June 7, 2018, for an amount of € 6,700 thousand, accounted for in the 2018 financial statements.

(b) The "other financial expenses" include in 2019 the interest charges related to the leases accounted for under the IFRS 16 standard, for an amount of € 2,310 thousand. In 2018, they only included the interest charges on finance lease contracts.

(c) In 2019, the "Loss on exchange rates" relates on the one hand to the SPIE OGS subgroup for an amount of € 2,596 thousand, and on the other hand to SPIE SA for entities in the United Kingdom, and to SPIE DZE for the Hungarians and Polish entities.

(d) In 2019, the "Gain on exchange rates" relate to SPIE OGS subgroup for an amount of € 2,486 thousand, to the SPIE Opérations entity for € 1,146 thousand and to SPIE DZE entity for € 259 thousand.

NOTE 9. INCOME TAX

9.1. TAX RATE

The effective tax rate on income for the period ended June 30, 2019 stands at 30%, in line with the 2018 and 2017 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 2018	First Half 2019
Income tax expense reported in the income statement		
Current income tax	(24,466)	(30,341)
Deferred income tax	2,236	(4,794)
Total income tax reported in the income statement	**(22,230)**	**(35,135)**
Income tax expense reported in the statement of comprehensive income		
Net (loss)/gain on cash flow hedge derivatives	182	-
Net (loss)/gain on post-employment benefits	-	29,027
Total income tax reported in the statement of comprehensive income	**182**	**29,027**

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 2018		First Half 2019	
In thousands of euros		Revenue	Contribution to net income	Revenue	Contribution to net income
SPIE Industrie & Tertiaire – operations of SPIE in Morocco	(a)	2,141	(2,355)	-	-
SPIE Industrie & Tertiaire –MSI business	(b)	2,486	(725)	737	(261)
SPIE UK – underground utilities services	(c)	26,956	(21,074)	114	115
SPIE UK – soft FM activity	(d)	19,440	(267)	18,844	21
SPIE DZE - Gas & Offshore Services	(e)	41,670	(26,637)	53,387	(4,552)
SPIE Industrie & Tertiaire - housing market projects activity	(f)	1,915	(2,763)	(182)	(612)
SPIE DZE – Services Solutions business in Greece		-	(2)	-	(1)
SPIE OGS – Algeria business		1,117	22	-	(1)
SPIE Holdings - S.G.T.E. Ingénierie		-	(14)	-	(10)
Adjustment of effective tax rate on discontinued operations			17,001		(1,819)
TOTAL		**95,724**	**(36,814)**	**72,900**	**(7,120)**

(a) SPIE's Moroccan operations. On December 20, 2017, SPIE signed an agreement in order to sell its activities of SPIE Morocco to ENGIE. The disposal has been concluded on March 2, 2018.

(b) The conception and assembly of specialized equipment for aeronautics activity (MSI) of SPIE Industrie & Tertiaire (formerly SPIE South-West). The disposal process has been initiated during the second half of 2017. The disposal has been concluded on September 28, 2018. The 2019 first semester movements derive from non-transferred contracts to be completed by SPIE.

(c) Underground utilities services in the United Kingdom (water and gas networks). A divesture process has been initiated during the third quarter of 2017 and the disposal has been concluded on June 26, 2018. The 2019 first semester movements derive from non-transferred contracts to be completed by SPIE.

(d) "Total facility management" activities in the United Kingdom (soft FM activity), including technical maintenance services combined to one or several non-technical services (cleaning, etc.). A divesture process has been initiated during the second quarter of 2018 and is still in progress as at June 30, 2019.

(e) The Gas & Off-shore business of SAG, for which a disposal process has been initiated during the second quarter of 2017. On December 21, 2018 an agreement had been signed with Royal Boskalis Westminster NV for the sale of its offshore cabling activities, and the completion of the operation took place in April 1st, 2019. The remaining Gas & Offshore division includes a construction activity and a "Gas Technology" activity for which a separate sale process is in progress.

(f) Activities in "Housing market Projects" of the French company SPIE Industrie & Tertiaire (formerly SPIE IDF North-West). The discontinued process was initiated in the second half of the year 2016 and was still in progress as at June 30, 2019.

As a result, as at June 30, 2019, all of these activities 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, 2019. Assets and liabilities of these activities have been valued at the lower of their accounting value and 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 2018	First Half 2019
Continuing operations		
Basic earnings from continuing operations attributable to owners of the parent (excluding minority shareholders)	19,281	49,491
(-) Basic earnings attributable to preferential owners	-	
Earnings from continuing operations distributable to shareholders of the Company, used for the calculation of the earnings per share	**19,281**	**49,491**
Earnings from discontinued operations distributable to shareholders of the Company, used for the calculation of the earnings per share	**(36,814)**	**(7,120)**
Total operations		
Basic earnings from continuing operations attributable to owners of the parent (excluding minority shareholders)	(17,533)	42,371
(-) Basic earnings attributable to preferential owners	-	
Earnings attributable to shareholders of the Company, used for the calculation of the earnings per share	**(17,533)**	**42,371**

11.2. NUMBER OF SHARES

In compliance with "IAS 33- Earnings per share", the weighted average number of ordinary shares in the first half of 2019 (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.

There has been no change in the number of shares during the first half of 2019.

Performance Shares

2016 – 2018 Plan

On September 19th 2016, SPIE has issued a first Performance Shares plan with the following characteristics:

	At original date Sept 19, 2016	June 30, 2018	June 30, 2019
Number of beneficiaries	420	377	319
Acquisition date	2019-07-28	2019-07-28	2019-07-28
Number of granted shares under performance conditions	1,098,155	1,098,155	1,098,155
Number of granted shares cancelled	-	(152,943)	(786,175)
Number of granted shares under performance conditions	**1,098,155**	**945,212**	**311,980**

2019 – 2021 Plan

On May 31st 2019, SPIE has issued a second Performance Shares plan with the following characteristics:

	At original date May 31, 2019	June 30, 2019
Number of beneficiaries	255	255
Acquisition date	2022-03-15	2022-03-15
Number of granted shares under performance conditions	530 629	530 629
Number of granted shares cancelled	-	-
Number of granted shares under performance conditions	**530 629**	**530 629**

The vesting of performance shares is under condition of presence of the beneficiary throughout the three-year duration of the acquisition period.

Thus, the fair value valuation of the performance shares takes into consideration a turnover rate of the beneficiaries as read per country in the employers companies.

The impact of the Free Performance Shares plan issued during the second half of 2016 is presented hereafter:

	June 30, 2018	June 30, 2019
Average number of shares used for the calculation of earnings per share	**154,076,156**	**155,547,949**
Effect of the diluting instruments	945,212	400,418
Average number of diluted shares used for the calculation of earnings per share	**155,021,368**	**155,948,367**

The fair value of the performance shares, is valued as at June 30th, 2019 to € 5,673 thousand for the plan issued in 2016 and to € 4,938 thousand for the plan issued in 2019.

The fair value of these two plans, is amortized over the three-year vesting period with a profit for the current 1st half year of € 2 333 thousand relating to the plan issued in 2016 and an expense of € 147 thousand relating to the plan issued in 2019.

Applicable taxes and employers contributions, due by employer companies in their own countries, have been accrued:

- for the first plan, over the period from 2016 to June 30th 2019 for a cumulative amount of € 872 thousand, of which a profit of € 270 thousand relating to the current half year,
- for the second plan, for an expense of € 19 thousand relating to the current half year, and in particular to the period between May 31 and June 30, 2019.

11.3. EARNINGS PER SHARE

In euros	June 30, 2018	June 30, 2019
Continuing operations		
. Basic earnings per share	0.13	0.32
. Diluted earnings per share	0.12	0.32
Discontinued operations		
. Basic earnings per share	(0.24)	(0.05)
. Diluted earnings per share	(0.23)	(0.05)
Total operations		
. Basic earnings per share	**(0.11)**	**0.27**
. Diluted earnings per share	**(0.11)**	**0.27**

NOTE 12. DIVIDENDS

On the proposal of the Board of Directors, the General Shareholders' Meeting held on May 24, 2019 approved a dividend payment of € 0.58 per share based on 2018 year's results, for a total amount of € 90,218 thousand.

Since an interim dividend of € 0.17 per share was paid in September 2018 for a total amount of € 26,443 thousands. A final dividend of € 0.41 per share has been paid on May 31, 2019 for a total amount of € 63,775 thousands.

Notes to the statement of financial position

The following notes relate to the assets and liabilities of continuing operations as at June 30, 2019.

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 value of the Group's goodwills as at June 30, 2019 stands at € 3,106 million. This value was of € 2,136 million at IPO date, on June 10, 2015, and included an amount of € 1,805 million relating to the previous Leverage Buy Out conducted in 2011.

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

In thousands of euros	Dec 31, 2018	Acquisitions and adjustments of preliminary goodwill	Disposals	Change in scope of consolidation and other	Translation adjustments	June 30, 2019
CGU - SPIE Industrie & Tertiaire	593,580	2,065		(861)		594,784
CGU - SPIE Citynetworks	244,767					244,767
CGU - SPIE Facilities	176,664			861		177,525
CGU - SPIE ICS (France)	180,194					180,194
CGU - SPIE DZE	992,617	935			(4)	993,548
CGU - SPIE ICS A.G. (Switzerland)	48,246				(386)	47,860
CGU - SPIE UK	197,814				(256)	197,558
CGU - SPIE Nederland	176,896					176,896
CGU - SPIE Belgium	108,640	910				109,550
CGU - SPIE Nucléaire	130,045					130,045
CGU - SPIE OGS	253,226					253,226
Total goodwill	**3,102,689**	**3,910**			**(645)**	**3,105,954**

Acquisitions and goodwill adjustments which occurred between January and June 2019 mainly relate to the temporary allocations of goodwill and to the ongoing processes of purchase price allocation for the different acquisitions of the period, i.e.:

- in France:
  - € 709 thousand relating to the earn-out for the Buchet company acquired by SPIE Industrie & Tertiaire in July 2018;
  - € 1,356 thousand for the Sietar & VTI company acquired on August 1st, 2018 by SPIE Industrie & Tertiaire.
- In Belgium:
  - € 910 thousand relating to the definitive allocation of the goodwill for the whole Systemat group.
- In Germany:
  - € 935 thousand for the FLM company acquired on November 6th, 2018 by SPIE DZE in Austria.

The "change in scope of consolidation" column includes the asset transfers for the between the CGUs SPIE Industrie & Tertiaire and SPIE Facilities.

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 December 31, 2017	**8,255**	**890,707**	**381,758**	**114,586**	**1,395,306**
Business combination effect	20	2,064	9,125	(588)	10,621
Other acquisitions in the period	401			11,105	11,507
Disposals in the period	(211)			(977)	(1,188)
Exchange difference	5	4	157	(72)	94
Other movements	717			(779)	(62)
Assets held for sale				(3)	(3)
At December 31, 2018	**9,186**	**892,775**	**391,041**	**123,272**	**1,416,275**
Business combination effect	(1)		415		414
Other acquisitions in the period	32			6,102	6,134
Disposals in the period	(8)			1,115	1,107
Exchange difference	6	298	296	175	775
Other movements	3			870	873
Assets held for sale				2	2
At June 30, 2019	**9,218**	**893,073**	**391,752**	**131,537**	**1,425,580**

Period ended June 30, 2019

Brands mainly correspond to the value of the SPIE brand (amounting to € 731 million) which has an indefinite useful life, and the SAG brand (amounting to €134.6 million) which is amortized over 9 years.

The SPIE brand is tested for impairment at least once a year or whenever there is an indication of impairment.

The “Other acquisitions in the period”, representing € 6,102 thousand relate:

- On the one hand to intangible assets in progress (mainly software) for a global amount of € 631 thousand of which € 460 thousand relate to SPIE Nucléaire;
- On the other hand to other intangible assets held by SPIE DZE, and relating to the implementation of a ERP project for an amount of € 2,086 thousand and to multiple intangible assets for an amount of € 3,044 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 December 31, 2017	**(6,294)**	**(87,272)**	**(147,946)**	**(78,204)**	**(319,716)**
Amortization for the period	(899)	(16,690)	(43,534)	(8,023)	(69,145)
Reversal of impairment losses				306	306
Disposals in the period	202			392	594
Exchange difference	(4)	(4)	(120)	1	(126)
Other movements	(151)			258	107
Assets held for sale				14	14
At December 31, 2018	**(7,146)**	**(103,966)**	**(191,600)**	**(85,257)**	**(387,969)**
Amortization for the period	(463)	(8,082)	(20,777)	(4,915)	(34,237)
Reversal of impairment losses					-
Disposals in the period	8			(1,115)	(1,107)
Exchange difference	(4)	(298)	(209)	(95)	(605)
Other movements					-
Assets held for sale				(2)	(2)
At June 30, 2019	**(7,604)**	**(112,346)**	**(212,585)**	**(91,383)**	**(423,917)**
Net value					
At December 31, 2017	**1,961**	**803,435**	**233,812**	**36,382**	**1,075,590**
At December 31, 2018	**2,041**	**788,809**	**199,441**	**38,017**	**1,028,308**
At June 30, 2019	**1,614**	**780,727**	**179,167**	**40,154**	**1,001,663**

Period ended June 30, 2019

Amortization of intangible assets during the period mainly include:

(a) The amortization of the brands SAG for € 7,478 thousand (amortization over 9 years), GfT for € 320 thousand (amortization over 3 years), S-Cube for € 111 thousand (amortization over 3 years) and Systemat for € 175 thousand (amortization over 3 years).

(b) The amortization of the customer relationship assets and backlogs of the Group' acquisitions, and in particular of the SAG group for respectively € 9,527 thousand and € 3,565 thousand.

NOTE 15. EQUITY

As at June 30, 2019 the share capital of SPIE SA stands at 73,107,563.03 euros divided into 155,547,949 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, 2019.

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

	Holding percentage
Caisse de dépôt et placement du Québec	12.1%
Société Foncière Financière et de Participation (FFP Invest)	5.5%
Managers [1]	4.7%
Employee shareholding [2]	4.3%
Public [3]	73.4%
Treasury shares	0.0%
Total	**100.0%**

[1] Managers and senior executives, current and former, of the Group (as at December 31, 2018).

[2] Stake held by the Group employees, directly or through the FCPE SPIE Actionnariat (as at December 31, 2018).

[3] Based on the information disclosed on December 31, 2018 for the shares held by managers and employees.

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, 2019, these commitments were revalued using December 31, 2018 projections.

In thousands of euros		Dec 31, 2018	June 30, 2019
Retirement benefits	(a)	688,951	789,009
Other long-term employee benefits		26,024	26,227
Employee benefits		**714,975**	**815,236**
		First Half 2018	**First Half 2019**
Expense recognized through income in the period			
Retirement benefits		13,947	15,586
Other long-term employee benefits		428	214
Total		**14,375**	**15,800**

(a) The « retirement benefits increase includes a change in actuarial differences for € 86,355 thousand in Germany and for € 8,694 thousand in France, deriving from the lowering of discount rates consequently by 80bps and 50bps during the first half of 2019.

The obligations of the German entities account for 78% of the total commitment. The remaining 22% mainly comprises commitments in the French (18%), Swiss (4%), and Belgian subsidiaries and relates to the local obligations for employee retirement benefits.

16.2.OTHER PROVISIONS

Provisions include:

- provisions for warranty 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, 2018	Increase during the period	Decrease during the period	Translation adjustments	Assets held for sale / disconti-nued	Change in scope/ others	June 30, 2019
Provisions for vendor warranties	**1,904**						**1,904**
Tax provisions and litigations	**30,320**	742	(987)	66		860	**31,001**
Restructuring	**9,694**	8	(1251)			(164)	**8,287**
Litigations	**49,382**	2,272	(5,338)	22		803	**47,141**
Losses at completion	**44,397**	21,159	(22,262)	24		(1,191)	**42,128**
Social provisions and disputes	**10,123**	2,246	(1,357)			112	**11,124**
Warranties and claims on completed contracts	**50,414**	4,691	(5,099)	140		773	**50,920,**
Provisions for losses and contingencies	**196,235**	**31,117**	**(36,293)**	**253**	**-**	**1,193**	**192,505**
. Current	*143,061*	*18,446*	*(24,463)*	*208*		*2,797*	*140,049*
. Non-current	*53,173*	*12,671*	*(11,831)*	*45*		*(1,603)*	*52,456*

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

During the first half of 2019, reversals of unused provisions amounted to € 2,751 thousand.

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, 2019
Provisions for vendor warranties	1,904		**1904**
Tax provisions and litigations	776	30,225	**31,001**
Restructuring		8,287	**8,287**
Litigations	11,937	35,204	**47,141**
Losses at completion	16,925	25,203	**42,128**
Social provisions and disputes	2,737	8,387	**11,124**
Warranties and claims on completed contracts	18,177	32,743	**50,920**
Provisions for losses and contingencies	**52,456**	**140,049**	**192,505**

The breakdown into current and non-current by category of provisions for 2018 was as follows:

In thousands of euros	Non-current	Current	Dec 31, 2018
Provisions for vendor warranties	1,904		**1,904**
Tax provisions and litigations	657	29,663	**30,320**
Restructuring	114	9,580	**9,694**
Litigations	11,832	37,550	**49,382**
Losses at completion	17,491	26,906	**44,397**
Social provisions and disputes	3,037	7,086	**10,123**
Warranties and claims on completed contracts	18,138	32,276	**50,414**
Provisions for losses and contingencies	**53,173**	**143,061**	**196,235**

NOTE 17. WORKING CAPITAL REQUIREMENT

17.1. CHANGE IN WORKING CAPITAL

				Other changes of the period			
In thousands of euros	Notes	Dec 31, 2018	Change in Working capital related to activity (1)	Change in scope (2)	Currency transla-tions & fair values	Disconti-nued Activities	June 30, 2019
Inventories and receivables							
Inventories and work in progress (net)		43,149	84	29	10		43,273
Trade receivables	(a)	1,877,875	84,300	190	328	86	1,962,779
Of which accrued income	*(b)*	*807,722*	*127,934*	*(836)*	*1,228*		*936,049*
Current tax receivables		29,408	1,329	127	254		31,119
Other current assets	(c)	271,960	104,809	(3,790)	189		373,168
Other non-current assets	(d)	5,708	(532)				5,176
Liabilities							
Trade payables	(e)	(1,101,956)	197,372	(122)	(433)		(905,140)
Income tax payable		(34,052)	3,920		(229)		(30,362)
Other long-term employee benefits	(f)	(26,024)	(214)	11			(26,227)
Other current liabilities	(g)	(1,647,163)	75,715	(469)	928		(1,570,988)
Other non-current liabilities		(6,520)	793	(35)	(16)		(5,777)
Working capital requirement		**(587,615)**	**467,577**	**(4,059)**	**1,032**	**86**	**(122,979)**

(1) Balances of working capital as at take-over date of incoming entities, and balances of working capital as at date of loss of control for outgoing entities.
(2) Includes the flows from incoming entities since their take-over date and includes outgoing entities until their date of loss of control.

(a) The balance of trade receivables as at June 30, 2018 was of € 2,011,979 thousand;
(b) The balance of accrued income as at June 30, 2018 was of € 984,134 thousand.
(c) The other current assets mainly include tax receivables and deferred charges recognized on contracts accounted according to the percentage of completion method.
(d) 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.
(e) Trade and other payables include accrued invoices.
(f) Other long-term employee benefits correspond to length-of-service awards.
(g) The detail of the other current liabilities is presented hereafter:

In thousands of euros		Dec 31, 2018	June 30, 2019
Social and tax liabilities		(684,008)	(620,695)
Deferred revenue		(384,734)	(416,134)
Advance and down-payments	(a)	(305,788)	(331,686)
Others		(272,633)	(202,472)
Other current liabilities*		**(1,647,163)**	**(1,570,988)**

(*) The «other current liabilities» of the working capital do not include the dividends to be paid included in the consolidated statement of financial position.

(a) The balance of advance payments as at June 30, 2018 was of € (350,593) thousand.

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:

In thousands of euros	Dec 31, 2018	Change in W.C. related to activity	Other movements of the period: Change in scope	Other movements of the period: Currency translation & fair values	Other movements of the period: Discontinued Activities	June 30, 2019
Working Capital	**(587,615)**	**467,577**	**(4,059)**	**1,032**	**86**	**(122,979)**
(-) Accounts payables on purchased assets	8,595	(705)		15		7,905
(-) Accounts receivables on assets disposed	(3,068)	70	(11)			(3,009)
(-) Tax receivables	(30,145)	(592)	(127)	(254)		(31,119)
(-) Tax payables	34,652	(4,519)		229		30,363
Working capital excl. acc. payables on purchased assets, excl. tax receivables and payables	**(577,581)**	**461,831**	**(4,197)**	**1,022**	**86**	**(118,839)**
Assets held for sale		14,944				
(-) Other non-cash operations which impact the working capital as per balance sheet (*)		251				
Changes in Working Capital as presented in C.F.S		**477,025**				

(*) 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.

17.3. TRADE AND OTHER RECEIVABLES

Current trade and other receivables break down as follows:

In thousands of euros		Dec 31, 2018	June 30, 2019: Gross	June 30, 2019: Provisions	June 30, 2019: Net
Trade receivables	(a)	1,067,974	1,067,049	(41,409)	1,025,641
Notes receivables		2,179	1,090		1,090
Contract assets	(b)	807,722	936,049		936,049
Trade receivables and contract assets		**1,877,875**	**2,004,188**	**(41,409)**	**1,962,779**

(a) Trade receivables past due but not impaired mainly correspond to public sector receivables.

The following table presents the detail of trade receivables, contract assets and contract liabilities relating to contracts with customers:

In thousands of euros		Dec 31, 2018	June 30, 2019
Trade receivables and notes receivables		1,070,153	1,026,731
Trade receivables included in assets held for sale		11,819	10,578
Contract assets	(i)	807,722	936,049
Contract liabilities	(ii)	(701,308)	(758,009)

(i) Contract assets comprise accrued income.
(ii) The detail of contract liabilities is presented below:

In thousands of euros	Dec 31, 2018	June 30, 2019
Prepaid income	(384,777)	(416,212)
Down payments received from customers	(305,788)	(331,686)
Contract guaranties provisions	(10,744)	(10,110)
Contract liabilities	**(701,308)**	**(758,009)**

As at June 30, 2018, prepaid income stood at € 396,602 thousand and down payments received from customers stood at € 350,593 thousand.

(b) Contract assets comprise accrued income which stem mainly from contracts being recorded using the percentage of completion method.

NOTE 18. FINANCIAL ASSETS AND LIABILITIES

18.1. NON-CONSOLIDATED SHARES

As at June 30, 2019 non-consolidated shares stand as follows:

In thousands of euros	Dec 31, 2018	June 30, 2019
Equity securities	4,507	57,673
Depreciation of equity securities	(1,058)	(1,058)
Net value of securities	**3,449**	**56,615**

Equity securities as at June 30, 2019 include the shares of the Christof Electrics GmbH companies acquired by SPIE DZE on May 21, 2019 for an amount of € 20,000 thousands, and the shares of the Telba company also acquired by SPIE DZE on June 14, 2019 for an amount of € 35,600 thousand. These companies will be consolidated subsequently. Furthermore, the “depreciation of equity securities” include the shares of Serec, held by SPIE Enertrans, which were full depreciated for an amount of € 676 thousand.

During the first half of 2019, there were no significant change on the Group’s other equity securities.

As at December 31, 2018, securities include the shares of the Siétar & VTI companies acquired on August 1st, 2018 by SPIE Industrie & Tertiaire for an amount of € 2,039 thousand, and the shares of FLM GmbH acquired on November 6, 2018 by SPIE DZE for an amount of € 1,537 thousand. All these companies have been consolidated in 2019 (see Note 5.1).

18.2. NET CASH AND CASH EQUIVALENTS

As at June 30, 2019 net cash and cash equivalents break down as follows:

In thousands of euros	Notes	Dec 31, 2018	June 30, 2019
Marketable securities – Cash equivalents		4,051	2,500
Fixed investments (current)		-	-
Cash management financial assets		**4,051**	**2,500**
Cash and cash equivalents		780,446	437,055
Total cash and cash equivalents		**784,497**	**439,555**
(-) Bank overdrafts and accrued interests		(3,185)	(22,394)
Net cash and short term deposits as per Balance Sheet		**781,312**	**417,161**
(+) Cash and cash equivalents from discontinued operations		(1,706)	(26)
(-) Accrued interests not yet disbursed		145	996
Cash and cash equivalents as per CFS		**779,751**	**418,131**

18.3. BREAKDOWN OF FINANCIAL ENDEBTEDNESS

Interest-bearing loans and borrowings break down as follows:

In thousands of euros	Notes	Dec 31, 2018	June 30, 2019
Loans and borrowings from banking institutions			
Bond (maturity March 22, 2024)	(a)	600,000	600,000
Bond (maturity June 18, 2026)	(c)	-	600,000
Facility A (maturity June 07, 2023)	(b)	1,200,000	600,000
Revolving (maturity June 07, 2023)	(b)	-	190,000
Others		11,351	2,060
Capitalization of loans and borrowing costs	(d)	(18,239)	(15,971)
Securitization	(e)	298,658	258,763
Total bank overdrafts (cash liabilities)			
Bank overdrafts (cash liabilities)		3,019	21,398
Interests on bank overdrafts (cash liabilities)		166	996
Other loans, borrowings and financial liabilities			
Debts on operating and financial leases		-	341,667
Debt on financial leases (pre-existing contracts as at January 1st, 2019)	(f)	17,675	13,580
Accrued interest on loans		14,733	5,742
Other loans, borrowings and financial liabilities		1,432	4,423
Derivatives		76	1,900
Interest-bearing loans and borrowings		**2,128,871**	**2,624,568**
Of which			
. Current		332,466	591,165
. Non-current		1,796,406	2,033,403

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 in Germany.

(b) As part of the refinancing of its bank debt, related to the senior term loan established by the Group following its IPO in 2015, SPIE concluded a credit agreement on June 7, 2018 for a global amount of € 1,800 million through two new financing credit lines:

- A term loan of € 1,200 million maturing on June 7, 2023, of which € 600 million have been repaid on June 18, 2019;

- A “Revolving Credit Facility (RCF)” line aiming to finance the current activities of the Group along with external growth, for an amount of 600 million of euros maturing on June 7, 2023, of which 190 million of euros have been drawn as at June 30, 2019.

This revolving line has the following characteristics:

In thousands of euros	Repayment	Fixed / floating rate		June 30, 2019
Revolving Credit Facility	At maturity	Floating -	1 month Euribor +1.15%	190,000
Loans and borrowings from banking Institutions				**190,000**

The senior term loan line has now the following characteristics:

In thousands of euros	Repayment	Fixed / floating rate		June 30, 2019
Facility A	At maturity	Floating -	1 month Euribor +1.55%	600,000
Loans and borrowings from banking Institutions				**600,000**

These two loans ‘Facility A” and “Revolving Credit Facility (RCF)”, contracted under the “New Senior Credit Agreement” as established on June 7, 2018, bare interests 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 or Swedish Krona, plus the applicable margin. Applicable margins are as follows:

- For the Senior Term Loan Facility (“Facility A”): between 2.25% and 1.25% per year, according to the level of the Group’s leverage ratio (Net Debt / EBITDA) during the last closed year;
- For the Revolving Facility: between 1.95% and 0.85% per year, according to the level of the Group’s leverage ratio (Net Debt / EBITDA) during the last closed year.

As at June 30, 2019, a quarterly financial commitment fee for 0.4025% is applied to the unwithdrawn portion of the Revolving Facility line.
A quarterly financial commitment fee also applies on the withdrawn portion of the RCF under following conditions:

- Utilization between 0% et 33% = 0.10% + margin
- Utilization between 33% and 66% = 0.20% + margin
- Utilization higher than 66% = 0.40% + margin

(c) On June 18, 2019, SPIE issued a € 600 million fixed-rated euro-dominated bond, with a 7-year maturity and an annual coupon of 2.625%. The bond is listed on the regulated market of Euronext Paris. This issuance allowed SPIE to refinance half of its senior term loan “Facility A” and to extend the average maturity of its debt.

(d) 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, 2019 is 15.9 million of euros and relates to the two credit lines and to the two bonds.

(e) The securitization program established in 2007 with a maturity at June 11, 2020, has been renewed under the conditions below:

- The duration of the Securitization program is a period of five years 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 € 258.8 million as at June 30, 2019.

(f) The debt on financial leases relating to pre-existing contracts as at January 1st, 2019, are still included in the determination of the published net debt as at June 30, 2019 as disclosed in the Note 18.4.

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, 2018	June 30, 2019
Loans and borrowings as per balance sheet	**2,128.9**	**2,624.6**
Debt on operating and financial leases - continued activities	-	(341.7)
Capitalized borrowing costs	18.2	16.0
Others	(14.9)	(8.7)
Gross financial debt (a)	**2,132.2**	**2,290.2**
Cash management financial assets as per balance sheet	4.1	2.5
Cash and cash equivalents as per balance sheet	780.4	437.1
Accrued interests	-	-
Gross cash (b)	**784.5**	**439.6**
Consolidated net debt (a) - (b)	**1,347.7**	**1,850.7**
(-) Net debt in discontinued activities	1.7	-
Unconsolidated net debt	(0.3)	(8.4)
Published net debt*	**1,349.1**	**1,842.3**
Debt on operating and financial leases – continued activities	**-**	341.7
Debt on operating and financial leases – discontinued activities	**-**	7.6
Net debt including IFRS 16 impact	1,349.1	**2,191.6**

** Excluding IFRS 16*

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, 2018	Loan issue	Loan repay-ments	Changes	Changes in scope	Others (*)	Currency and fair values changes	Changes in methods	June 30, 2019
Bond 2017	594,976					440			595 416
Bond 2019		597,900				(1,457)			596,443
Bank loans	1,496,794	190,001	(651,560)		366	7,392			1,042,993
Other debts and liabilities	1,432	4,024	(1,076)				(18)	60	4,422
Debt on operating and financial leases	-		(33,674)			78,937	(293)	296,706	341,677
Debt on financial leases (pre-existing contracts as at January 1st, 2019)	17,675		(4,366)			272	(1)		13,580
Financial instruments	76					1,824			1,900
Financial indebtedness as per C.F.S	**2,110,952**	**791,925**	**(690,675)**		**366**	**87,408**	**(311)**	**296,766**	**2,596,432**
(-) Accrued financial interests	14,733	11,234	(20,165)					(60)	5,742
(+) Bank overdrafts	3,185			19,159			50		22,394
Consolidated financial indebtedness	**2,128,871**	**803,159**	**(710,840)**	**19,159**	**366**	**87,408**	**(262)**	**296,706**	**2,624,568**

** 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, 2019
Loans and borrowings from banking institutions				
Bond (maturity March 22, 2024)		600,000		600,000
Bond (maturity June 18, 2026)			600,000	600,000
Facility A (maturity June 07, 2023)		600,000		600,000
Revolving (maturity June 07, 2023)	190,000			190,000
Others	1,676	384		2,060
Capitalization of loans and borrowing costs	(3,353)	(11,546)	(1,072)	(15,971)
Securitization	258,763			258,763
Total Bank overdrafts (cash liabilities)				
Bank overdrafts (cash liabilities)	21,398			21,398
Interests on bank overdrafts (cash liabilities)	996			996
Other loans, borrowings and financial liabilities				
Debt on operating and financial leases	104,557	237,120		341,677
Debt on financial leases (pre-existing contracts as at January 1st, 2019)	9,486	4,031	63	13,580
Accrued interest on loans	5,742			5,742
Other loans, borrowings and financial liabilities		4,045	378	4,423
Derivatives	1,900			1,900
Interest-bearing loans and borrowings	**591,165**	**1,434,034**	**599,369**	**2,624,568**

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

The companies of the Group accounted for under the equity method, following the IFRS 11 standard requirements, are the following:

- Gietwalsonderhoudcombinatie (GWOC) BV held at 50% by SPIE Nederland
- Cinergy SAS held at 50% by SPIE France
- « Host GmbH (Hospital Service + Technik) » held at 25.1% by SPIE DZE
- AM Allied Maintenance GmbH held at 25% by SPIE DZE
- Sonaid company held at 55% by SPIE OGS.
- Grand Poitiers Lumière held at 50% by SPIE France.

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

In thousands of euros	Dec 31, 2018*	June 30, 2019*
Value of shares at the beginning of the period	**3,062**	**3,151**
Net income attributable to the Group	489	203
Dividends paid	(401)	(180)
Value of shares at the end of the period	**3,151**	**3,174**

** Based on available information as at December 31, 2018 for Host GmbH and for Allied Maintenance.*

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

In thousands of euros	Dec 31, 2018 *	June 30, 2019*
Non-current assets	6,122	6,039
Current assets	96,757	94,137
Non-current liabilities	(43,525)	(44,870)
Current liabilities	(72,971)	(69,231)
Net asset	**(13,618)**	**(13,924)**
Income statement		
Revenue	76,244	52,829
Net income	(8,732)	(5,356)

** Based on available information as at December 31, 2018 for Host GmbH and for Allied Maintenance.*

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.

		Forward rate agreement in foreign currency						
	Fair value *(In thousands of euros)*	**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	47	3,742						**3,742**
Forward sales - USD	-							
Forward purchases - CHF	6	1,142	729					**1,871**
Forward sales - CHF	5	1,023	221					**1,244**
	58							
Liability derivatives qualified for designation as cash flow hedges (b)								
Forward purchase - USD	(3)	1,416						**-**
Forward sales - USD	(249)	8,901						**8,901**
Forward sales - CHF	(14)	2,947						**2,947**
	(266)							
Total net derivative qualified for designation as cash flow hedges (a) + (b)	**(208)**							
Liability derivatives not qualified for designation as cash flow hedges								
Forward purchases - GBP	47	15,000						**15,000**
Forward sales - GBP	144	2,500						**2,500**
Forward purchases - GBP	(1,634)	30,000						**30,000**
	(1,443)							
Total fair value of qualified and not qualified derivatives	**(1,651)**							

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, 2019, 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 2019.

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, 2019		
Currencies	**USD (American Dollar)**	**CHF (Swiss Franc)**	**GBP (Sterling Pound)**
Closing rate	**1.1245**	**1.1319**	**0.8635**
Risks	3,238	8,626	46,096
Hedges	(3,049)	(1,991)	(48,786)
Net positions excluding options	**189**	**6,635**	**(2,689)**
Sensitivity to the currency rate -10% vs Euro			
P&L Impact	(572)	(965)	(395)
Equity Impact	n/a	n/a	n/a
Sensitivity to the currency rate +10% vs Euro			
P&L Impact	699	1,180	323
Equity Impact	n/a	n/a	n/a
Impact on the Group reserves of the cash flow hedge	**n/a**	**n/a**	**n/a**

The estimated amount of credit risk on currency hedging as at June 30, 2019 is not significant (the risk of fluctuation during 2019 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 manages its cash and cash equivalents with its 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, 2019:

- BNP: 44 %
- Crédit du Nord: 19 %
- CA CIB: 27 %
- Autres: 10 %.

19.5. LIQUIDITY RISK

As at June 30, 2019, the unused amount of the revolving credit facility (RCF) line stands at € 410 million.

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

- Nine 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, 2019 transferred receivables represented a total amount of € 487.6 million with financing obtained amounting to € 258.7 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 revenue 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 and improving the information systems used to manage the trade item.

The net impairment losses on financial and contract assets are presented below:

In thousands of euros	**Dec. 31, 2018**	**June 30, 2019**
Impairment losses on contract assets	(10,467)	(8,860)
Write-back of impairment losses on contract assets	15,758	7,093
Impairment losses on financial assets	-	-
Write-back of impairment losses on financial assets	-	-
Net impairment losses on financial and contract assets	**5,292**	**(1,767)**

Other notes

NOTE 20. RELATED PARTY TRANSACTIONS

No material related party transactions arose during the period ending June 2019, and there were no significant changes concerning the related party transactions described in the consolidated financial statements as at December 31, 2018.

NOTE 21. CONTRACTUAL OBLIGATIONS AND OFF BALANCE SHEET COMMITMENTS

21.1. 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, 2018	June 30, 2019
Commitments given		
Bank guarantees	414,246	402 783
Insurance guarantees	426,560	425 594
Parent company guarantees	546,523	580,094
Total commitments given	**1,387,329**	**1,408,471**

The variation in the “Parent company guarantees” mainly relates to the increase of guarantees in Germany for SPIE DZE and SPIE GmbH for an amount of € 20 million, and to the guarantees settled for Boskalis Offshore Subops GmbH and Bolhen & Doyen GmbH relating to the consortium constituted by these two companies for an amount of € 19.5 million.

Furthermore, there have been no major changes in the other commitments received since December 31, 2018.

21.2. PLEDGING OF SHARES

As at June 30, 2019, no shares were pledged.

NOTE 22. SUBSEQUENT EVENTS

22.1. EXTERNAL GROWTH

Cimlec

On July 8, 2019, SPIE Industrie & Tertiaire, a subsidiary of SPIE France, acquired the French company **Cimlec**. Cimlec is specialized in design, manufacturing, installation and maintenance of robotic, electrical and automation solutions. With 310 employees, Cimlec generated a turnover of around 42 million euros in 2018.

OSMO-Anlagenbau

SPIE announced, on July 24th 2019, that it has signed an agreement for the acquisition of **OSMO-Anlagenbau GmbH & Co. KG (“OSMO”)** in Germany. Founded in 1970 and located in Georgsmarienhütte, Lower Saxony, OSMO provides a range of technical services to industrial customers and public authorities, including traffic engineering, electrical systems, automation technology, switchgear and power supply assembly, energy supply systems and communication and security technology. OSMO generated total revenues of approximately 65 million euros in 2018 and employs more than 270 highly qualified employees. The final closing of the transaction is expected by September 2019 and is subject to approval by the German antitrust authorities.