

HALF-YEAR FINANCIAL REPORT

JUNE 30, 2019



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HALF-YEAR FINANCIAL REPORT

I. Group businesses and results

1. H1 2019 activity

Eurazeo's first half-year is marked by a solid momentum and concrete results for third-party asset management, thus confirming the performance of its model.

STEADY INVESTMENT, CREATING VALUE

- Acquisitions/reinvestments of €1.3 billion / Total or partial divestments of €1.2 billion
- Economic revenue¹: +7.1% to €3,065 million, Economic EBITDA: +2.7% to €457 million
- Value creation of +8.1% in all investment divisions versus December 31, 2018
- NAV per share: €77.8, up +5.5% versus December 31, 2018 (+7.1% including dividends)

SIGNIFICANT BOOST IN THIRD-PARTY ASSET MANAGEMENT²

- Management fees up significantly: +13% to €95.9 million
- Fee-related earnings up +30% to €17.8 million
- Performance-related earnings: 2.7x to €74.5 million

HIGH LEVEL OF FUNDRAISING

- Fundraising of €1.2 billion³, a record level (including €547 million for Idinvest and €692 million for Eurazeo Capital IV)
- Total assets under management: €17.7 billion, up 8.9% compared to December 31, 2018⁴, including €11.6 billion in assets for partners (Limited Partners)

MAJOR INTERNATIONAL ACHIEVEMENTS

- New international investments (United States, Germany, Netherlands, Asia)
- Ongoing international expansion
- Strategic partnerships with CIC (China Investment Corporation) and MCH

SOLID RESULTS AND A ROBUST FINANCIAL POSITION

- Net income attributable to owners of the Company of €176 million
- €732 million in cash as of June 30, 2019 and €600 million pro forma of post-closing deals
- Buyback of 1.73% of share capital during the half-year for €90 million

¹ Fully-consolidated companies + proportionate share of equity-accounted companies. Figures at constant Eurazeo scope and exchange rates.

² Cf details page 2

³ Pro forma of the Eurazeo Capital IV final closing

⁴ Pro forma of the Eurazeo Capital IV final closing and the 25% interest in MCH

2. Financial results

Consolidated financial statements and assets under management

Recap: preamble to the H1 2019 financial statements:

▪ Consolidated financial statements

Eurazeo is an investment company and manager of diversified assets, whose DNA combines permanent capital investment and a solid balance sheet. Following the acquisition of Idinvest and the 30% investment in Rhône Group in 2018, investment partner management accounted for 65% of assets under management as of June 30, 2019. To support this growth, Eurazeo has detailed its income statement and now presents directly the contribution of portfolio companies, the contribution of investment activity and the contribution of asset management activity. The income statement by activity forms an integral part of the notes to the financial statements pursuant to IFRS 8 and is reviewed by statutory auditors (See Appendix 1: information on the consolidated financial statements, FRE and PRE).

For reasons of comparability, the information contained in this press release includes a full half-year of activity for Idinvest and Rhône in 2018, corresponding to the 2019 scope. Finally, the previous year's financial statements are presented at constant exchange rates for year Y.

In millions of euros	H1 2018 PF & IFRS 16	H1 2019	% variation
Adjusted consolidated EBITDA	342.2	357.5	4.5%
Adjusted consolidated EBIT	222.9	234.8	5.4%
Net finance costs	(104.3)	(114.8)	10.1%
Adjusted consolidated EBIT, net of finance costs	118.6	120.1	1.2%
Net income of equity-accounted companies *	10.1	5.3	-47.7%
1. Contribution of companies net of finance costs	128.7	125.3	-2.6%
Net capital gains or losses & dividends and other investment revenue	249.6	252.9	1.3%
Impairment	(0.0)	(0.3)	
Operating expenses	(52.0)	(57.5)	10.5%
2. Contribution of the investment activity	197.6	195.1	-1.3%
Management fees	85.1	95.9	12.6%
<i>Management fees on third parties funds</i>	49.6	60.8	22.4%
<i>Management fees calculated on the Eurazeo Balance Sheet</i>	35.5	35.1	-1.1%
Performance fees	2.7	45.4	n.s
<i>Performance fees on third parties funds</i>	2.7	2.6	-4.3%
<i>Performance fees calculated on the Eurazeo Balance Sheet</i>	0.0	42.8	
Operating expenses **	(70.1)	(78.2)	11.6%
Other ***	(1.4)	0.2	
3. Contribution of the asset management activity	16.4	63.2	286.0%
Amortization of contracts and other assets relating to GW allocation	-113.5	-78.4	-31.0%
Income tax expense	-2.9	-38.1	
Non-recurring items	-16.0	-62.9	292.2%
Consolidated net income/(loss)	210.1	204.1	-2.9%
Attributable to owners of the Company	190.7	176.1	-7.6%
Attributable to non-controlling interests	19.0	28.0	46.7%

(*) Excluding non-recurring items

(**) Including 100% of Eurazeo costs, less strategic management and listing costs, and 100% of Idinvest and iM Global Partner costs and a prorata of Rhône costs

(**) Other: Rhône Group's results are now allocated to management fees and operating expenses

- **IFRS 16 impact**

The IFRS 16 impact breaks down as follows:

in millions of euros	IFRS 16 impact Debt	IFRS 16 impact EBITDA
Eurazeo Capital	+281	+20
Eurazeo PME	+121	+14
Eurazeo Patrimoine	+70	+4
Eurazeo Brands	+0	+0
Other	+28	+0
Total	+500	+38
<i>of which portfolio companies</i>	+471	

- **Assets under management**

As of June 30, 2019, assets under management (AuM) by the Group, pro forma of the most recent Eurazeo Capital IV fundraising in July and MCH for 25% of its assets, totaled €17.7 billion, up +8.9% compared to December 31, 2018. This total breaks down into a NAV of €6.1 billion and AuM for investment partners of €11.6 billion.

Net asset values: Value creation in all investment strategies totaled +8.1% as of June 30, 2019. Eurazeo's Net Asset Value was €77.8 per share (€6,120 million), up +5.5% compared with December 31, 2018 and +7.1% adjusted for the dividend paid in May 2019.

- **Fee Related earnings (FRE), Performance Related earnings (PRE)**

In H1 2019, Fee Related Earnings rose by 30.4% to €17.8 million, while Performance Fee Related Earnings increased by 2.7x to €74.5 million reflecting the impact of the Moncler and Neovia sales.

Portfolio company activity and contribution

- **Economic revenue by investment division**

In H1 2019, Eurazeo reported steady growth in its economic revenue at constant Eurazeo scope and exchange rates of +7.1% to €3,065 million (+4.6% in Q1 2019 and +9.3% in Q2).

By division, Eurazeo Capital reported growth of +8.2% (and +10.4% for Eurazeo Capital's unlisted assets) thanks to a solid performance in highly diversified sectors such as insurance, tax-free shopping, fragrances and flavors, nurseries and e-commerce platforms in the United States for recreational vehicles. Eurazeo PME posted moderate growth of +0.7%, hindered for several companies by the sluggishness of the consumer sector in France and difficulties in the automotive sector. Eurazeo Brands delivered steady +13.4% growth. Eurazeo Patrimoine (+12.7% revenue growth) benefited from the robust activity of the

C2S clinics group, the positive impact of hotel refurbishments in the Grape Hospitality hotel group and a steady production at Reden Solar photovoltaic plants.

	Q1 2019				Q2 2019				H1 2019			
	Constant Eurazeo scope				Constant Eurazeo scope				Constant Eurazeo scope			
	2018	2019	2019/2018 change	2019/2018 change At constant exchange rates	2018	2019	2019/2018 change	2019/2018 change At constant exchange rates	2018	2019	2019/2018 change	2019/2018 change At constant exchange rates
<i>in millions of euros</i>												
Eurazeo Capital	892.3	938.0	+ 5.1%	+ 4.6%	1,032.3	1,151.5	+ 11.6%	+ 11.3%	1,924.6	2,089.5	+ 8.6%	+ 8.2%
Eurazeo PME	310.1	315.6	+ 1.8%	+ 0.9%	311.5	315.6	+ 1.3%	+ 0.5%	621.7	631.1	+ 1.5%	+ 0.7%
Eurazeo Brands	5.0	6.5	+ 29.1%	+ 29.1%	9.8	10.3	+ 5.4%	+ 5.4%	14.8	16.8	+ 13.4%	+ 13.4%
Eurazeo Patrimoine	102.9	115.0	+ 11.8%	+ 11.8%	121.7	138.0	+ 13.5%	+ 13.5%	224.5	253.0	+ 12.7%	+ 12.7%
Eurazeo Development	24.8	29.2	+ 17.7%	+ 17.7%	27.2	35.4	+ 30.0%	+ 30.0%	52.1	64.6	+ 24.1%	+ 24.1%
Eurazeo Holdings	2.6	2.6	+ 3.1%	+ 3.1%	10.5	7.8	- 25.7%	- 25.7%	13.0	10.4	- 20.1%	- 20.1%
Economic revenue	1,337.7	1,406.8	+ 5.2%	+ 4.6%	1,513.0	1,658.6	+ 9.6%	+ 9.3%	2,850.7	3,065.5	+ 7.5%	+ 7.1%
Consolidated revenue	1,034.7	1,090.9	+ 5.4%	+ 4.7%	1,179.5	1,310.6	+ 11.1%	+ 10.7%	2,214.2	2,401.4	+ 8.5%	+ 7.9%
Proportionate revenue	302.9	316.0	+ 4.3%	+ 4.2%	333.5	348.1	+ 4.4%	+ 4.3%	636.5	664.0	+ 4.3%	+ 4.3%

Constant Eurazeo scope corresponds to 2018 reported data, restated for the following movements: 1) 2018 scope entries: Vitaprotech (July 2018) and 2 Ride (July 2018) for Eurazeo PME; C2S (April 2018) for Eurazeo Patrimoine; Idinvest (July 2018); 2) 2018 scope exits: Neovia (July 2018), Desigual (July 2018) and Asmodee (October 2018) for Eurazeo Capital; Odealim (formerly Assurcopro) (July 2018) and Vignal Lighting Group (December 2018) for Eurazeo PME; 3) 2019 scope entries: Albingia (January 2019) for Eurazeo Capital; Efeso Consulting (January 2019) for Eurazeo PME; Euston House (April 2019) for Eurazeo Patrimoine; Bandier (March 2019) and Q Mixers (May 2019) for Eurazeo Brands; 4) 2019 scope exits: Elis (April 2019); 5) Changes in percentage interests for equity-accounted companies, and Europcar; 6) IFRS 5 (discontinued operations in Seqens, Elis and MK Direct); 7) At constant euros for the companies denominated in US\$ (WorldStrides, Trader Interactive, Nest, Bandier and Q Mixers), CHF (Sommet Education) and GBP (Euston House)

At constant Eurazeo scope and exchange rates corresponds to constant Eurazeo figures, restated for foreign currency impacts in investments.

Economic EBITDA

	H1 2019			
	Constant Eurazeo scope			
	2018	2019	2019/2018 change	2019/2018 change At constant exchange rates
<i>In millions of euros</i>				
Eurazeo Capital	308.7	316.2	+ 2.4%	+ 1.1%
Eurazeo PME	77.2	74.0	- 4.1%	- 5.2%
Eurazeo Brands	-0.9	-1.6	- 73.4%	- 73.4%
Eurazeo Patrimoine	55.6	68.7	+ 23.6%	+ 23.6%
Economic EBITDA	440.6	457.3	+ 3.8%	+ 2.7%
Consolidated EBITDA	342.2	357.5	+ 4.5%	+ 3.0%
Proportionate EBITDA	98.3	99.9	+ 1.6%	+ 1.6%

Private Equity

▪ **Eurazeo Capital: earnings growth in H1 2019**

At constant Eurazeo scope and exchange rates, Eurazeo Capital economic revenue rose +8.2% to €2,090 million in H1 2019. EBITDA increased +1.1% to €316 million at constant Eurazeo scope and exchange rates.

- The economic revenue of Eurazeo Capital's nine unlisted companies increased by +10.4% at constant exchange rates, while economic EBITDA was up +2.8%.
- Seven companies posted steady revenue growth:
 - 1) **Planet** delivered a steady performance in its two businesses, payment services and tax-free shopping - and opened the tax-free shopping business in the United Arab Emirates;
 - 2) **Iberchem** reported double-digit growth in its two businesses, fragrances and flavors, and at numerous destinations, with an acceleration in Asia;
 - 3) **Trader Interactive** posted revenue growth of +10% due to the development of its market place activities and a Q2 2018 acquisition;
 - 4) **Grandir** reported +15% growth following the increase in its interest in Germany, an additional acquisition in the UK and organic growth in France supported by new nursery openings;
 - 5) the consolidation of Lutti, acquisition completed in Q4 2018, enabled **CPK** to post revenue growth despite declining sales in France;
 - 6) **WorldStrides**, whose fiscal year has recently ended, recorded +7% full-year growth backed by most of its programs;
 - 7) **Albingia** posted solid growth in collected premiums in H1 2019 with revenue up by +8%.
- **Sommet Education** again performed well at new school term starts that have increased significantly. However, revenue declined due to a one-month shift in the academic calendar (from January to February 2019) for one of the two schools.
- **Seqens** posted slight business growth following the acquisition of PCI in the CDMO in 2018 and its results suffered due to the performance of PCAS.
- **DORC**, which was not consolidated during the half-year, reported +6% revenue growth, driven by the United States and Central Europe.

▪ **Eurazeo PME: Moderate performance in H1 2019**

Eurazeo PME revenue totaled €631 million, up +1.5% in H1 2019.

Consolidated EBITDA for the Eurazeo PME companies amounted to €74 million, down -5.2% on a constant Eurazeo scope basis.

These results reflect:

- Solid performances by:
 - 1) In'Tech Médical with vigorous first half-year activity, particularly in the US where the group carries out over 50% of its business;
 - 2) Smile: robust activity driven by the integration of 2 build-ups in the last twelve months;
 - 3) Péters Surgical confirmed its robust growth tied to its international activity;
 - 4) Vitaprotech which incorporated two acquisitions, ARD and TDSI.
- A slowdown in the German automotive market partly impacting Redspher's business in H1 2019. Redspher also acquired a company in Spain, Speedpack, which specializes in maximum emergency transport services.
- The portfolio's B-to-C companies experienced less buoyant economic context.

These results do not include all the build-ups performed in Q2 2019. Nolan (2 RH) and TDSI (Vitaprotech) will be consolidated in H2 2019.

▪ **Eurazeo Growth: excellent performance in H1 2019**

The Eurazeo Growth portfolio companies delivered an excellent performance in H1 2019.

- **ManoMano** delivered a solid performance in H1 2019, with the very promising start-up of the B2B activity.
- **Back Market** continued to post growth of over 100% period-on-period, boosted by its new identity revealed as part of an effective marketing campaign.
- **Doctolib** also recorded a more than twofold increase in revenue in H1 2019, mainly thanks to the acquisition of MonDocteur and its ongoing rapid organic development in France and Germany.
- **Younited Credit** stepped up its growth in H1 2019, particularly due to the excellent start-up of the B2B activity.
- **ContentSquare** delivered an excellent performance in H1 2019, organically and through the additional acquisitions of Pricing Assistant and Clicktale.

- **Vestiaire Collective** regularly boosted its growth in H1 2019 under the impetus of its new management.
- **I Pulse** and **IES** pursued their development in line with previous half-years.

▪ **Eurazeo Brands: solid revenue growth in H1 2019**

In H1 2019, Eurazeo Brands portfolio companies posted economic revenue of €17 million, an increase of +13% versus the prior year.

- **Nest Fragrances** generated revenue of U.S.\$15 million, an increase of +10% versus 2018 driven by strong growth across wholesale and e-commerce channels. Furthermore, Nest Fragrances obtained exclusive distribution in Ulta for its new body care line.
- **Bandier** posted strong growth across digital and physical channels. Together with Eurazeo Brands, the Company recruited new CEO, Adrienne Lazarus, who has 25+ years of retail experience with a proven track record in building brands. Bandier opened its seventh store in Los Angeles, CA in May 2019, which represents its first physical presence on the West Coast of the U.S.
- **Q Mixers** posted double-digital sales growth and strong performance in both the on-premise and off-premise channels as distribution continues to grow nationally. During the first months of Eurazeo Brands' involvement, the Company has accelerated its focus on key strategic initiatives, including enhancing and upgrading its marketing strategy and investment.
- **Pat McGrath** is not consolidated but continues to deliver strong consumer and retail demand globally.

Real estate and real assets

▪ **Eurazeo Patrimoine: H1 2019 growth at constant Eurazeo scope and exchange rates of +12.7% in revenue and +23.5% in economic EBITDA**

At constant Eurazeo scope and exchange rates, Eurazeo Patrimoine economic revenue and economic EBITDA for the half-year ended June 30, 2019 totaled €253 million, up +12.7% and €69 million, up +23.5%, respectively. This improvement was mainly due to the solid performances of **Grape Hospitality**, **C2S** and **Reden Solar** during the half-year.

- **Grape Hospitality**'s performance in H1 2019 was primarily attributable to the contribution of hotels refurbished in phases 1 and 2 of the refurbishment plan (49 out of 85 hotels) and the hotels located in the Greater Paris region and internationally (Germany and Spain in particular). This trend will continue until the end of the year due to the finalization of phase 2 of the capex plan, the launch of phase 3 and the contribution of a new hotel acquired in Berlin.
- **C2S** posted strong revenue and EBITDA growth in H1 2019. This increase was due to the joint impact of the external growth strategy rolled out in 2018 via the acquisition of two clinics and an ophthalmologic care center in Lyon and

in 2019 via the acquisition of the Belledonne clinic in Grenoble and the rise in the number of patients during the period.

- In keeping with 2018, **Reden Solar** reported sharp revenue and EBITDA growth over the period. This improvement was due to the excellent performance of the French solar assets as well as the Reden Solar's international expansion mainly via acquisitions in Spain and Chile during the half-year. This trend should continue over the coming period, with the resumption of production at the Mexican and Puerto Rico solar plants scheduled for H2 2019.
- **Euston House** revenue and EBITDA over the period were in line with expectations; up on 2018 at constant exchange rates due to a higher occupancy rate and lower structural costs.
- **CIFA** delivered a performance in line with 2018 and expectations.

Contribution of companies, net of finance costs

Adjusted EBITDA of fully-consolidated companies in H1 2019 rose by +4.5% to €357 million period-on-period, driven by Eurazeo Capital and Eurazeo Patrimoine. Adjusted EBIT totaled €235 million, up +5.4%, again spurred by these 2 divisions.

After the IFRS 16 impact, the contribution of companies, net of finance costs totaled €125 million in H1 2019, down -2.6% due to higher interest costs relating to the leveraged recaps of two portfolio companies, the set-up of shareholder loans and numerous external growth deals, some of which will be consolidated in H2 2019 and do not therefore contribute to H1 2019 results.

The IFRS 16 impact on the contribution of companies, net of finance costs, totaled -€6.4 million in H1 2019.

A. Investment activity

▪ **Contribution of the investment activity**

Investment activity net income totaled €195 million in H1 2019, similar to H1 2018:

- **Revenue from net capital gains, fair value changes, dividends and other investment revenue** totaled €253 million as of June 30, 2019 (€250 million in H1 2018). This was mainly attributable to the proceeds from the sale of Neovia, Moncler securities and the change in the value of Eurazeo Growth companies. It is comparable to H1 2018 figure, which was particularly high due to the increase in the fair value of Moncler shares following the rise in the stock market price.
- **Operating expenses:** these include transaction costs relating to investment activities, Group strategic management and listing costs and opex related to calculated management fees (these fees are revenue for the asset management activity and are therefore neutral in the consolidated income

statement). These operating expenses totaled -€57.5 million in H1 2019 compared with -€52.0 million period-on-period, mainly due to an increase in transaction costs. Calculated management fees opex totaled -€35.1 million, stable compared with H1 2018 (-€35.5 million).

▪ **Investments and divestments in H1 2019**

In line with Q1 2019 results, investment activity in Q2 2019 was particularly robust. In H1 2019, the Eurazeo Group completed 241 investment, reinvestment, external growth and total and partial divestment transactions totaling €2.5 billion. This performance illustrates the wide diversity of Eurazeo's activities in its business lines and geographical coverage.

In H1 2019, Eurazeo and its investment partners invested €1,327 million (140 transactions) and performed divestments totaling €1,169 million (101 transactions). Eurazeo itself invested €621 million and divested nearly €1,040 million.

Private Equity

- **Eurazeo Capital (12 companies): Albingia, CPK, DORC, Elis, Europcar, Planet (formerly Fintrax), Grandir (formerly Les Petits Chaperons Rouges), Iberchem, Seqens (formerly Novacap), Sommet Education, Trader Interactive (US) and WorldStrides (US).**

Investment / reinvestment (€306 million, with a Eurazeo share of €248 million), including the acquisition in April 2019 of **DORC** (Dutch Ophthalmic Research Center), one of the global leading specialists of vitreoretinal surgery. Headquartered in the Netherlands, DORC designs, manufactures and distributes ophthalmic surgery equipment, consumables and instruments worldwide. It enjoys strong market positions notably in Germany, Western Europe, and more recently in the U.S.

Divestments (€683 million, including a Eurazeo share of €626 million):

- Divestment in March 2019 of the entire stake in Moncler for a net cash impact of €445 million. Eurazeo's 8-year investment in Moncler generated a multiple of 4.8x the initial investment and an IRR of 43%. The multiple on this last transaction is close to 10x.
 - Divestment in January 2019 of Neovia for €224 million (Eurazeo share of €169 million), generating a multiple of nearly 2x the initial investment and an IRR of approximately 20%.
- **Eurazeo Capital IV investment partner syndication:** In July, Eurazeo finalized the Eurazeo Capital IV fundraising for a total of €692 million. This led to the sale of a share of the 5 investments completed by Eurazeo Capital since January 2017, Albingia, DORC, Iberchem, Trader Interactive and

WorldStrides, to the Eurazeo Capital IV fund. This syndication was carried out based on a NAV for revalued investments or the invested amount plus carrying costs for non-revalued investments, i.e. a syndicated amount of €365 million (of which almost €315 million in H1 2019). The balance available for new investments, reinvestments and fund costs is €327 million.

- **Eurazeo PME (11 companies): Dessange International, Efeso Consulting, In'Tech Medical, Léon de Bruxelles, MK Direct, Orolia, Péters Surgical, Redspher (formerly Flash Europe), Smile, Vitaprotech and 2 Ride.**

Investments / reinvestments in H1 2019 (€82 million, including a Eurazeo share of €51 million):

- New investment in EFESO Consulting, a global leader in business excellence consulting, for an investment of €55 million (Eurazeo share: €34 million).
- 6 new build-ups within its portfolio companies: 1) expansion of the 2 Ride Holding brand portfolio with the acquisition in April 2019 of Nolan, a leader in helmets for motorcycles or other means of transport. Eurazeo PME reinvested €22 million (Eurazeo share of €14 million); 2) Speed Pack Europe for Redspher, a Spanish company specializing in maximum emergency transport services; 3) ARD for Vitaprotech in April 2019, a major French player in access control and monetization; 4) TDSI for Vitaprotech, a UK build-up; 5) Skydel (GPS innovation) for Orolia in 2019; 6) ROI for Efeso Consulting in July 2019, a business excellence firm based in Munich.

Post-closing divestment of Smile (See Subsequent events).

- **Eurazeo Growth (23 companies⁵): Eurazeo Growth was formed by combining Eurazeo Croissance (Back Market, ContentSquare, Doctolib, Farfetch, Vestiaire Collective, Younited Credit), Idinvest Growth investments and 4 joint investments: ManoMano, Payfit, Meero and Adjust, the latter two being finalized post-closing (see Subsequent events).**

Investments / reinvestments (€248 million, including a Eurazeo share of €114 million)

- In June 2019, Eurazeo Growth acquired a minority share in Payfit, the leader in payroll management and HR solutions for SMEs/micro-companies. Eurazeo Growth contributed €35 million (including €25 million from Eurazeo) as lead investor to a €70 million funding round, alongside Bpifrance and the company's historical partners, Accel, Frst (formerly Ofium Venture) and Xavier Niel.
- Eurazeo Growth also reinvested a total of €83 million from Eurazeo's balance sheet in ContentSquare (a leader in SaaS web and mobile customer journey analytics), Doctolib, Younited Credit and Vestiaire Collective to accelerate their development.

⁵ Eurazeo Growth Core, i.e. excluding I-Pulse, IES and IGF I

▪ **Idinvest Venture (191 companies)**

Investments: Idinvest Venture's business was particularly steady in H1 2019, with investments of more than €144 million in 56 companies, including 16 new entities, among which three in digital – Lifen (digital healthcare messaging platform), Active Asset Allocation (digital portfolio management platform) and Malt (digital freelance platform); in the Smart City sector, Flash in Germany (company specializing in medium distance transportation solutions), Meteo Swift (best weather forecasts for solar and wind energy producers) and WeMaintain (freelance platform specializing in elevator maintenance).

▪ **Eurazeo Brands (4 companies): Bandier, Nest Fragrances, Pat McGrath Labs and Q-Mixers.**

Investments: Eurazeo Brands invested in two new companies in the U.S. for almost €60 million:

- In February, Eurazeo Brands acquired a minority stake in Bandier, a luxury, multibrand activewear U.S. retailer offering the latest trends in fashion and fitness. Eurazeo Brands invested US\$25 million in Bandier, as part of a funding round of US\$34.4 million, in partnership with company founders Jennifer Bandier and Neil Boyarsky, and venture capital firm C Ventures, led by Adrian Cheng and Clive Ng.
- In April 2019, a first-ever investment in the agro-food sector with a minority stake in Q Mixers, a premium carbonated mixer brand based in New York. In partnership with founders Jordan Silbert and Ben Karlin, Eurazeo Brands has invested \$40 million in Q Mixers, joining existing investors including First Beverage Ventures.

Real estate and real assets

▪ **Eurazeo Patrimoine (7 companies): C2S, CIFA, Highlight, Dazeo, Euston House, Grape Hospitality and Reden Solar.**

Investments in H1 2019 (€90 million): in March 2019, Eurazeo Patrimoine acquired Euston House for approximately €110 million, representing a capital investment of around €46 million. This office building located in the London Borough of Camden has a surface area of approximately 11,000 m².

- As part of its external growth strategy and to boost its regional coverage, in May 2019 C2S Group acquired the Belledonne clinic in Grenoble. This acquisition was financed by a €30 million reinvestment from Eurazeo Patrimoine that was also intended to cover the group's capex plan.
- Reden Solar furthered its international growth with the acquisition of power plants in Spain and Chile, boosting its production capacity by around 31MW. Eurazeo Patrimoine reinvested around €5 million in the company to help finance the Spanish acquisitions.

- In H1 2019, the roll-out of Dazeo's Spanish investment program continued with the launch of two new projects in Madrid in March and May 2019 for a total of €6 million.
- Finally, around €3 million was invested during the period under the Highlight building off-plan acquisition agreement.

Private debt

- **Idinvest Private Debt (133 companies):** Idinvest Private Debt financed 19 investments, including 11 new companies, for €184 million, among which Vertex Bioenergy (bioethanol manufacturer), Groupe Consultim (reference in investment real estate) and Redspher (European transport and logistics group). At the same time, the team completed 18 full or partial divestments for €201 million, including Babilou (leader in corporate and community nurseries), Scalian (French engineering consulting firm) and Konecta (Spanish CRM solutions company).

Mandates and dedicated funds

Idinvest Private Funds Group: the mandates and funds of the Private Funds Group invested €131 million in H1 2019 through one secondary transaction, three primary funds and one direct co-investment. Furthermore, divestments in the various portfolios during the half-year enabled the distribution of €59 million to investors.

- **Strategic partnerships:**

iM Global Partner (Eurazeo holds 68% of capital) is a global investment and distribution platform which invests in first-rate traditional and alternative entrepreneurial management companies in the United States, Europe and Asia.

- In April 2019, iM Global Partner furthered its development and announced the acquisition of a 40% interest in Scharf Investments, a U.S. equity value management company with US\$3.4 billion in AuM. With this acquisition, iM Global Partners now has five minority investments in some of the market's most successful asset management firms. Pro rata to its stake in these companies, iM Global Partners' AuM totaled over \$10 billion as of June 30, 2019. The company also continues to ramp up its distribution platform, with the support of its affiliates.

Rhône Group: assets under management increased by +1.2% to €1,495 million (Eurazeo share), i.e. €5,525 million for Rhône at 100%. The Rhône funds invested €81 million in H1 2019. This month, the company launched the fundraising process for Fund VI, with a target of €3.0 billion.

H1 2019 activity remained steady with 5 deals signed or completed in Fund V:

- Three new investments: i) acquisition of **Rexair Holdings, Inc**, a leading direct-seller and manufacturer of premium vacuum cleaning systems for residential customers; ii) final agreement in April 2019 with the subsidiaries of Schlumberger Limited for the spin-off and acquisition of its Fishing & Remedial activities, DRILCO and Tubular Rental. This new independent entity will be called **Wellbore Integrity Solutions ("WIS")**. Rhône's investment should amount to around €300 million and the deal should be finalized in H2 2019; iii) acquisition of **JetSmarter** by VistaJet's holding company which develops, sells and maintains a real-time booking mobile software and Web application designed to purchase whole aircraft charters or utilize a sharing economy model for aviation travel.
- Two divestments: i) planned sale by Hudson's Bay Company to SIGNA of its remaining stake in a joint venture specializing in the distribution and real estate sectors. Following this announcement, a consortium of shareholders, including Rhône, submitted a bid to privatize HBC; ii). In June 2019, Rhône sold part of its stake in Fluidra for total proceeds of €92 million, including €51 million for Fund V.

In June, Rhône finalized in Fund IV the sale of Ranpak Corp. to One Madison Corporation, generating a gross IRR of 13% and a multiple of 1.8x its investment. Rhône Group has signed a definitive agreement to sell the equity interests of Fund V and limited partner co-investors in GardaWorld (see Subsequent events).

WeWork Property Investors (WPI) real estate business: the Rhône-We Company joint-venture acquired 3 new properties in the fund, for a total of \$202 million capital deployed (17% of total capital) through June 30, 2019.

The real estate asset joint venture was restructured to take into account a much wider scope (such as North American core real estate, real estate in Asia), and Rhône negotiated in order to convert its 50% interest in the manager WPI into a 20% interest in the global manager of all the real estate activities affiliated to WeWork.

MCH: In March 2019, Eurazeo announced a strategic alliance with the Iberian fund manager MCH Private Equity by acquiring a 25% minority stake in the GP and participating as a limited partner into MCH's fifth fund vintage ("MCH V") which is expected to be launched in the coming months. As of June 30, 2019, the MCH IV portfolio comprised 8 companies: Brasmar, HC Clover, Pumping Team, Pacha, Extol, Altafit, Litalisa and Palacios.

- For MCH, H1 2019 was marked by a positive momentum in both investments and divestments, with three acquisitions and two exits.
- During H1 2019, MCH acquired, together with Ardian, a majority stake in the food company **Grupo Palacios** from The Carlyle Group, acquired a controlling stake in the metal printing player, Litalisa and completed a bolt-on acquisition for Brasmar, Balinesa. (Spécialiste de la distribution de produits de mer surgelés)

- Regarding divestments, MCH partially exited from Jeanologia, the leading supplier of innovative and sustainable solutions for the denim industry and sold its remaining stake in Madrid-listed train manufacturer Talgo.
- **Eurazeo Development sold to AXA its 22% stake in Capzanine, an independent European management company specializing in private investment. The total deal amounted to around €82 million. This includes the management company shares on which Eurazeo achieved a multiple of just over 3x its initial investment, and the fund units that were recently subscribed by Eurazeo.**

B. Asset management activity

The contribution of this activity includes the management and performance fees of Eurazeo, Idinvest and IM Global Partner collected from investment partners and those calculated on the balance sheet, and their related expenses. Rhône is proportionally included in these aggregates.

▪ Contribution of the asset management activity

Asset management activity net income totaled €63.2 million in H1 2019, compared to €16.4 million period-on-period. This very substantial increase reflects strong momentum in the management activity and a controlled increase in costs:

- **Management fee revenue in H1 2019** rose by +13% to €95.9 million, and breaks down into i) calculated management fees of €35 million, stable compared to H1 2018 following the sales of Moncler and Neovia, the syndication of four portfolio companies and the new investment in DORC and ii) asset management activities, up +22% to €60.8 million, driven by fundraising in private equity (Eurazeo Capital IV), private debt and IM Global Partner.
- **Performance fee revenue realized** amounted to €45.5 million in H1 2019 compared with €2.7 million period-on-period: it mainly comprises fees calculated on Eurazeo's balance sheet, corresponding to divestments performed during the year (Moncler and Neovia). It is recalled that Eurazeo is entitled to carried interest on (i) Idinvest funds raised from 2018 and (ii) Rhône funds, but only for funds currently in the investment phase (Fund V).
- **Operating expenses** totaled €78.2 million, up +11.6%. and include all expenses incurred by the Eurazeo Group (excluding Group strategic management and listing costs), including Idinvest, iM Global Partner and the pro rata share of Rhône. This increase in costs was attributable to recruitment in the various investment functions through the Group's various strategies to support the development of all the businesses, as well as the consolidation of iM Global Partner that was not consolidated in H1 2018.

▪ Fee-related earnings and Performance-related earnings: FRE and PRE

In H1 2019, Fee Related Earnings rose by 30.4% to €17.8 million while Performance Fee Related Earnings increased by 2.7x to €74.5 million, reflecting the impact of the Moncler and Neovia sales on performance earnings.

<i>In millions of euros</i>	H1 2018 PF & IFRS 16	H1 2019	% Change
Fee-Related Earnings (FRE)	13.6	17.8	30.4%
Management fees *	85.1	95.9	12.6%
Operating expenses *	(70.1)	(78.2)	11.6%
Other **	(1.4)	0.2	
Performance-Related Earnings (PRE)	27.6	74.5	2.7x
Realized performance fees***	2.7	45.4	n.s.
Accrued performance fees	24.8	29.1	17.2%
Performance of the asset management company	41.2	92.3	123.9%

(*) Including 100% of Eurazeo costs, less strategic management and listing costs, and 100% of Idinvest and iM Global Partner costs and a prorata of Rhône costs

(**) Other: Rhône Group's results are now allocated to management fees and operating expenses

(***) of which €42,8m of calculated performance fees in H1 2019

Information on the consolidated financial statements, FRE and PRE

This segment reporting by business presents the performance of the Group's three activities:

- **Contribution of companies, net of finance costs:** as in previous publications, this heading comprises the EBITDA and EBIT of fully-consolidated groups and the net income of equity-accounted companies, net of finance costs;
- **Contribution of the investment activity:** this comprises Eurazeo net income from investment activities using its own balance sheet, as if it had entrusted its management to an asset manager under market conditions. The investment activity receives capital gains and dividends and pays management fees and performance fees to Eurazeo asset manager. The calculated management fees are income for the asset management activity (see below) and are therefore neutral in Eurazeo's consolidated income statement. Performance fees reduce capital gains of the investment activity and are recognized in income of the asset management activity. They are also therefore neutral in Eurazeo's consolidated income statement. The contribution of the investment activity also includes transaction costs relating to the investment activity and Group strategic management and listing costs;
- **Contribution of the asset management activity:** this activity manages assets on behalf of investment partners and the investor Eurazeo. Revenue includes management fees and realized performance fees (known as "realized carried interest"), a portion of which is invoiced to the investor Eurazeo. All operating expenses incurred by Eurazeo SE (excluding Group strategic management and listing costs), Idinvest and iM Global Partner are allocated to the asset management activity.

In addition to its IFRS financial statements, Eurazeo has chosen to present the performance of the asset management activity including changes in the fair value of performance commission and to break it down between the two

revenue sources: Fee-related earnings and Performance-related earnings. This presentation seeks to value these two revenue sources separately, as they respond to different dynamics given their nature. Fee-related earnings generate a predictable revenue flow over time while Performance-related earnings depend on capital gains realized above a given performance threshold (known as the “hurdle rate”).

Fee-Related Earnings (FRE) comprise all management fees on third-party funds and management fees on balance sheet investment activities, financial income and other items, less operating expenses. These expenses include 100% of Eurazeo costs, less strategic management and listing costs, as well as 100% of Idinvest and iM Global Partner costs and the pro rata share of Rhône Group expenses. Management fees are equal to a percentage of fee-paying assets under management and generate, by their nature, predictable revenue.

Performance-Related Earnings (PRE) are equal to realized performance fees (realized and therefore recognized under IFRS) and unrealized fees (not recognized under IFRS) corresponding to fair value gains and losses on invested amounts (“unrealized / accrued carried interest”). PRE fluctuates in line with realized and unrealized capital gains. They are not included in the IFRS financial statements, which only present realized performance fees.

FEE-PAYING ASSETS UNDER MANAGEMENT

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

	Eurazeo	Idinvest (@100%)	Rhône (@30%)	Total investment partners	Eurazeo's balance sheet (theoretical basis)	Total
Private equity	1,222	2,108	1,068	4,397	3,515	7,912
Private debt	-	2,742	-	2,742	-	2,742
Real estate	37	-	59 *	96	449	545
Private funds group		1,324	-	1,324	-	1,324
Total	1,259	6,174	1,127 *	8,559	3,964	12,523

* Rhône has a 50% interest in the General Partner and economics in the Rhône WeWork joint venture

▪ Assets under management

As of June 30, 2019, assets under management (AUM) by the Group, pro forma of the most recent Eurazeo Capital IV fundraising in July and MCH for 25% of its assets, totaled €17.7 billion, up +8.9% compared to December 31, 2018. This total breaks down into a NAV of €6.1 billion and AuM for investment partners of €11.6 billion.

By activity, total AuM, excluding Eurazeo Development and cash and cash equivalents, break down as follows: Private Equity for 61%, private debt for 20%, real assets for 4%, Mandates and dedicated funds for 15%.

Net asset values: Value creation in all investment strategies totaled +8.1% as of June 30, 2019. As of June 30, 2019, Eurazeo's Net Asset Value was €77.8 per share (€6,120 million), up +5.5% compared with December 31, 2018 and +7.1% adjusted for the dividend paid in May 2019.

In total, the NAV includes 13 companies not yet revalued due to the methodology used. Their cumulative value stood at €800 million, or nearly 14% of the NAV excluding cash and cash equivalents, treasury shares, other assets and deferred tax balances.

- **Eurazeo Capital's NAV** (45% of NAV as of June 30, 2019): **+4.8% value created** as of June 30, 2019, compared to December 31, 2018. On a reported basis, NAV totaled €2,750 million, down €536 million due to the divestments (sales of Neovia and Moncler securities), the syndication of Albingia, Iberchem, Trader Interactive and WorldStrides as part of the syndication of the Eurazeo Capital IV fundraising, the new investment in DORC for €243 million, and value creation for €158 million. 72% of this value was created by Eurazeo Capital's unlisted investments.
- **Eurazeo PME's NAV** (7% of NAV as of June 30, 2019) **+6.9% value created** as of June 30, 2019. On a reported basis, NAV increased by +18% to €446 million primarily due to the value creation arising from the sale of Smile, the new investment in Efeso Consulting, and a 2 Ride build-up.
- **Eurazeo Growth's NAV** (9% of NAV as of June 30, 2019) **+16.1% value created** as of June 30, 2019. On a reported basis, NAV totaled €555 million, up +46% due to the build-ups of Doctolib, ContentSquare and Younited Credit as well as the new investment in Payfit.
- **Eurazeo Brand's NAV** (3% of NAV as of June 30, 2019) **+2.1% value created** as of June 30, 2019. On a reported basis, NAV rose by +55% to €173 million, driven by new investments in Bandier and Q-Mixers.
- **Eurazeo Patrimoine's NAV** (10% of NAV as of June 30, 2019) **+10.7% value created** as of June 30, 2019. On a reported basis, NAV rose by +30% to €623 million due to the new investment in Euston House, the acquisition of the Belledonne clinic by C2S and new solar power plants in Spain by Reden Solar as well as the roll-out of the Dazeo and Highlight investment programs.
- **Eurazeo Development's NAV** (16% of NAV as of June 30, 2019) includes investments in management companies (Idinvest, Rhône, iM Global Partner), the valuation of the third-party fund management of Eurazeo Capital and Eurazeo PME and Eurazeo's investments in funds managed by Raise. This NAV totaled €991 million as of June 30, 2019, i.e. **+16.9% value created**. On a reported basis, NAV rose by +13.5% due to the increase in the stake in IM Global Partner (Eurazeo now owns 68% of the company) and the sale of the interest in Capzanine.

Assets under management for investment partners: Eurazeo raised €1,239 million. Fundraising breaks down as follows between Private Equity and Private Debt:

- **Private Equity for €719 million:** In July 2019, Eurazeo successfully finalized the Eurazeo Capital IV fundraising, with €692 million subscribed by investment partners out of a total of €2.5 billion (including Eurazeo's capital contribution), i.e. a +40% increase compared to the previous fund, confirming French and international investors' interest in the Eurazeo model. Five investments (Trader Interactive, WorldStrides, Iberchem, Albingia and DORC) make up this fund. Idinvest Venture raised €27 million.
- **Private debt** for (€580 million, of which €60 million invested from the Eurazeo balance sheet). Idinvest announced the closing of its first ISIA fund, used to finance industrial SMEs, in the amount of €340 million.

	12/31/2018	06/30/2019	06/30/2019 PF Eurazeo Capital IV final closing and MCH	% change
Assets under management (€M)				
Eurazeo Capital	3,792	3,851	3,938	3.8%
Eurazeo PME *	741	820	820	10.6%
Eurazeo Growth	981	1,115	1,115	13.7%
Idinvest Venture *	2,017	1,970	1,970	-2.3%
Eurazeo Brands	112	173	173	54.8%
Sub-total Private Equity	7,643	7,929	8,015	4.9%
Eurazeo Patrimoine	544	688	688	26.5%
Idinvest Private Debt *	2,904	3,251	3,251	11.9%
Idinvest Private Funds Group *	2,428	2,438	2,438	0.4%
Eurazeo Development	869	984	984	13.2%
Rhône (30%)	1,477	1,495	1,495	1.2%
MCH (25%)	-	-	250	
Net cash and other items	396	580	580	46.7%
Total AuM	16,260	17,365	17,702	8.9%

* Excluding Eurazeo commitments in Idinvest funds

In millions of euros	12/31/2018	06/30/2019	06/30/2019 PF	%	% change
	Eurazeo Capital IV final closing and MCH			Value creation	06/30/2019 PF vs. 12/31/2018
Eurazeo balance sheet - NAV					
Eurazeo Capital	3,287	2,750	2,750	4.8%	-16.3%
Eurazeo Capital unlisted	2,384	2,260	2,260	4.8%	-5.2%
Eurazeo Capital listed***	903	490	490	4.9%	-45.7%
Eurazeo PME	379	446	446	6.9%	17.7%
Eurazeo Growth	380	555	555	16.1%	46.1%
Idinvest Venture	5	8	8		64.2%
Eurazeo Brands	112	173	173	2.1%	54.8%
Eurazeo Patrimoine	481	623	623	10.7%	29.5%
Idinvest Private Debt	-	2	2		
Idinvest Private Funds Group	-	-	-		
Eurazeo Development	869	984	984	16.9%	13.2%
Investment in management companies	799	972	972		21.6%
Investment in funds under management of mgt. companies	70	12	12		-82.6%
Net cash and other items	396	580	580		
Cash and cash equivalents	428	732	732		
Other securities and assets/liabilities	-37	-145	-145		
Tax on unrealized capital gains	-60	-56	-56		
Treasury shares	65	50	50		
Eurazeo balance sheet - NAV	5,907	6,120	6,120		
# shares**	80,074,733	78,645,486	78,645,486		
NAV per share (€)	73.8	77.8	77.8		5.5%

Investment partners' AuM					
Eurazeo Capital *	505	1,101	1,187		134.9%
Eurazeo PME *	362	374	374		3.2%
Eurazeo Growth *	601	560	560		-6.8%
Idinvest Venture	2,012	1,963	1,963		-2.5%
Eurazeo Patrimoine	63	65	65		3.8%
Idinvest Private Debt	2,904	3,249	3,249		11.9%
Idinvest Private Funds Group	2,428	2,438	2,438		0.4%
Rhône * (30%)	1,477	1,495	1,495		1.2%
MCH * (25%)	-	-	250		-
Investment partners' AuM	10,353	11,245	11,582		11.9%
TOTAL ASSET UNDER MANAGEMENT	16,260	17,365	17,702		8.9%

* Including all uncalled commitments.

Eurazeo's commitments in Idinvest funds are excluded from Idinvest AuM and vice-versa (i.e. allocated accordingly) for a total amount of €129m

** For 2018, the number of shares is adjusted for the 2019 bonus share grant

*** Stock prices as of 30 June 2019 (20 days VWAP)

LISTED COMPANY SHARE PRICES (20-day average of share prices weighted for volumes)

	% interest	Number of shares	Share price (€)	NAV as of June 30, 2019 (€m)
Eurazeo Capital Listed				
Europcar	30.42%	48,988,006	6.03	295.4
Elis	5.67%	12,525,382	15.53	194.5
Eurazeo Croissance Listed				
Farfetch	1.55%	3,725,345	18.49	68.9

OTHER FINANCIAL ITEMS AND CASH AND CASH EQUIVALENTS

▪ Non-recurring items and depreciation and amortization

Non-recurring items totaled -€63 million in H1 2019. They primarily comprise restructuring and transformation project costs in the portfolio companies (€52 million). H1 2019 non-recurring items should be compared to a low amount of -€16 million in H1 2018 that took into account the positive impact from the sale of Car2Go by Europcar.

▪ Eurazeo SE's cash and cash equivalents

Eurazeo SE's cash and cash equivalents stood at €732 million as of June 30, 2019, compared with €428 million as of December 31, 2018. The main changes compared to December 31, 2018 involved investments and reinvestments totaling €621 million, and total or partial divestments for €1.0 billion.

In H1 2019, Eurazeo bought back shares for €90 million (1.73% of share capital as of December 31, 2018) which were canceled or are in the course of cancellation.

Pro forma of post-closing transactions - new investments in MCH, Adjust, Meero, Emerige, divestment of Smile and final closing of Eurazeo Capital IV, pro forma cash and cash equivalents totaled €600 million.

As of June 30, 2019, the share capital comprised 78,764,149 shares, including 118,663 shares for cancellation.

CONSOLIDATED BALANCE SHEET

<i>In millions of euros</i>	06/30/2019	12/31/2018		06/30/2019	12/31/2018
	Net	Net - Restated		Restated	Restated
Goodwill	3,691	3,221	Equity attributable to owners of the Company	5,105	5,082
Intangible assets	1,769	1,779	Non-controlling interests	1,584	1,212
Investments in associates and financial assets	2,460	2,669	Total equity	6,688	6,294
Other non-current assets	2,625	1,789	Long-term borrowings	3,827	3,125
Non-current assets	10,546	9,459	Other non-current liabilities	854	701
Inventories and receivables	1,566	1,353	Non-current liabilities	4,681	3,826
Cash assets	1,192	966	Short-term borrowings	445	282
Current assets	2,758	2,319	Other current liabilities	1,541	1,626
Assets classified as held for sale	205	257	Current liabilities	1,986	1,908
TOTAL ASSETS	13,509	12,035	Liabilities directly associated with assets classified as held for sale	153	6
			TOTAL EQUITY AND LIABILITIES	13,509	12,035

3. Subsequent events

▪ Exclusive discussions or agreements signed for new investments

In June 2019, **Eurazeo Growth** announced two new investments:

- The first Eurazeo Growth investment in Germany with a minority stake in Adjust, the leader in mobile attribution, measurement and fraud prevention. Eurazeo Growth contributed €60 million as the lead investor in a funding round alongside Adjust's historical investor, Highland Europe and other investors. It is

to date Europe's largest financing round in 2019 and Eurazeo Growth's first investment in Germany;

- The acquisition of a minority stake in Meero, the start-up that is revolutionizing the professional photography industry by enabling customers to access personalized photo and video offers worldwide, while facilitating the everyday work of photographers (prospection, invoicing, debt recovery, etc.). Eurazeo Growth contributed US\$56 million to the US\$230 million funding round.

Eurazeo PME signed an exclusivity agreement with Keensight Capital for the sale of its interest in Smile, a digital services company and leading European integrator and outsourcer of open source solutions in which Eurazeo has invested since 2017. The deal would generate total divestment proceeds of €108 million for Eurazeo PME, including a €30 million reinvestment in the transaction. This would represent a multiple of 2.3x the initial investment.

Rhône Group has signed a definitive agreement to sell the equity interests of Fund V and limited partner co-investors in GardaWorld (leader in security services in Canada) for an estimated amount of €510 million to Fund V. This deal would represent a multiple of 2.2x the initial investment and estimated IRR of 28.4%.

In July, **Eurazeo Patrimoine** announced the acquisition of a 44% stake in the Emerige group, alongside Naxicap and Laurent Dumas. Founded in 1989 by Laurent Dumas, Emerige is a major player in real estate development in Ile-de-France that has expanded in two business segments:

- The residential market which benefits from solid fundamentals and a structural imbalance between supply and demand. Emerige Résidentiel is the no. 5 real estate developer in Ile-de-France;
- Service sector real estate driven by a high demand and vigorous investment marked by iconic operations; winner of numerous competitions, particularly in 2016 with "Morland Mixité Capital" as part of the "Réinventer Paris" call for proposals.
- This investment will enable Eurazeo Patrimoine to support Emerige in the development of the two business segments, not only in Ile-de-France but across France, by providing its real estate expertise and experience in developing companies.

4. Transactions with related parties

The compensation set for members of the Executive Board for 2019 and share transactions covered by Article L. 621-18-2 of the Financial and Monetary Code (*Code Monétaire et Financier*) performed by these individuals are presented in the section "Compensation and Other Benefits received by Corporate Officers" of the Executive Board's report, in the 2018 Registration Document filed with the AMF on March 20, 2019.

5. Risk management and disputes

The Group's businesses are exposed to a number of macro-economic, sector, operational, market, industrial, environmental and legal risks. The main risk factors facing the Group are detailed in the section "Risk management, internal control and main risk factors" of the 2018 Registration Document filed with the AMF on March 20, 2019. There were no material changes in these risks during the first six months of 2019.

6. Outlook

- **An extensive Eurazeo transformation**

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

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

- **Business diversification:** Eurazeo is now present in 4 asset classes through 8 different investment strategies: private equity, real estate assets, a debt activity and dedicated portfolios.
- **Significant geographical expansion** for Eurazeo with a local presence in 9 countries. The **Eurazeo and Rhône portfolio companies** generate over 50% of their revenue outside their domestic markets. More than half of Idinvest's portfolio companies are not French.
- A **dual model**, combining investment in permanent capital and fund management for investment partners, that offers multiple advantages: greater investment opportunities and investment capacity by creating an international network of investors, development of new strategies and generation of recurring revenues. As of June 30, 2019, funds managed on behalf of investment partners represented 63% of total assets under management.

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

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

II. 2019 Condensed Interim Consolidated Financial Statements

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019

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Consolidated Statement of Financial Position

<i>(In thousands of euros)</i>	Notes	06/30/2019 net	06/30/2018 net	12/31/2018 net
ASSETS				
Goodwill	5	3,691,342	2,935,008	3,221,473
Intangible assets	5	1,769,416	1,693,433	1,778,627
Property, plant and equipment	5	1,604,600	1,410,285	1,441,049
Right-of-use assets	5	505,349	-	-
Investment properties	6	367,227	254,424	251,485
Investments in associates	7.1	1,200,844	1,327,192	1,339,461
Financial assets	7.2	1,258,987	1,469,491	1,329,931
Other non-current assets		43,039	32,998	32,449
Deferred tax assets		104,804	35,176	64,334
Total non-current assets		10,545,609	9,158,007	9,458,809
Inventories		431,966	324,989	360,949
Trade and other receivables		871,564	866,835	855,068
Current tax assets		46,386	42,451	59,094
Financial assets	7.2	149,629	15,066	24,064
Other financial assets		151	783	765
Other current assets		66,061	62,010	53,179
Other short-term deposits	11.1	299	15,173	15,220
Cash and cash equivalents	11.1	1,191,794	785,573	950,715
Total current assets		2,757,850	2,112,882	2,319,053
Assets classified as held for sale	2.2	205,350	1,013,798	256,873
TOTAL ASSETS		13,508,809	12,284,686	12,034,735
EQUITY AND LIABILITIES				
Issued capital		240,231	237,994	233,456
Share premium		143,390	143,452	143,390
Consolidated reserves		4,721,122	4,712,667	4,705,142
Equity attributable to owners of the Company		5,104,742	5,094,112	5,081,988
Non-controlling interests		1,583,623	1,266,773	1,212,433
Total equity	10.1	6,688,366	6,360,886	6,294,421
Provisions	9	14,475	19,286	18,050
Employee benefit liabilities	9	120,793	92,390	90,640
Long-term borrowings	8.1	3,238,490	3,134,214	3,125,364
Long-term lease liability	8.2	588,750	-	-
Deferred tax liabilities		424,732	426,131	423,846
Other non-current liabilities		294,223	83,173	168,463
Total non-current liabilities		4,681,463	3,755,194	3,826,363
Current portion of provisions	9	24,428	13,751	22,202
Current portion of employee benefit liabilities	9	6,752	197	2,647
Current income tax payable		31,495	22,511	26,727
Trade and other payables		902,419	834,473	938,804
Other liabilities		575,169	543,337	632,376
Short-term lease liability	8.2	79,314	-	-
Other financial liabilities		646	2,968	3,338
Bank overdrafts and current portion of long-term borrowings	8.1	365,410	224,880	282,216
Total current liabilities		1,985,634	1,642,118	1,908,310
Liabilities directly associated with assets classified as held for sale	2.2	153,347	526,488	5,642
TOTAL EQUITY AND LIABILITIES		13,508,809	12,284,686	12,034,735

Consolidated Income Statement

<i>(In thousands of euros)</i>	Notes	2019 (6 months)	2018 (6 months) restated	2018 (12 months) restated
Revenue	4.1	2,401,447	2,267,409	4,366,403
Other income	4.2	315,624	264,349	620,670
Cost of sales		(1,072,851)	(1,083,898)	(2,030,711)
Taxes other than income tax		(36,258)	(31,172)	(59,199)
Employee benefits expense		(582,331)	(493,221)	(1,028,528)
Administrative expenses		(397,067)	(404,568)	(828,146)
Depreciation and amortization (excluding intangible assets relating to acquisitions)		(126,415)	(86,854)	(181,034)
Additions to/(reversals of) provisions		(3,498)	3,418	(1,750)
Other operating income and expenses		(13,055)	(15,199)	(11,504)
Operating income before other income and expenses		485,598	420,262	846,202
Amortization of intangible assets relating to acquisitions		(74,312)	(106,324)	(178,121)
Impairment of goodwill/investments in associates		(249)	-	(177,129)
Other income and expenses	4.3	(38,237)	(23,148)	(108,958)
Operating income		372,800	290,791	381,994
Income and expenses on cash and cash equivalents and other financial instrument	8.2	(5,093)	1,375	(1,391)
Finance costs, gross	8.2	(105,527)	(90,424)	(185,120)
Finance costs, net		(110,619)	(89,049)	(186,511)
Other financial income and expenses	9.4	(15,375)	1,467	(489)
Share of income of associates	7.1	(8,901)	9,935	51,507
Income tax expense		(38,141)	(2,284)	8,526
NET INCOME (loss) before net INCOME (loss) from discontinued operations		199,764	210,859	255,027
Net income (loss) from discontinued operations		4,334	(638)	(44,050)
NET INCOME (LOSS)		204,098	210,222	210,977
Net income (loss) attributable to non-controlling interests		27,950	20,549	(40,071)
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY		176,148	189,673	251,048
Earnings per share	12.2	2.46	2.83	3.69
Diluted earnings per share	12.2	2.47	2.83	3.74

Consolidated Statement of Other Comprehensive Income

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

<i>(In thousands of euros)</i>	Notes	06/30/2019 (6 months)	2018 (6 months)	2018 (12 months)
Net income for the period		204,098	210,222	210,977
Fair value gains (losses) on available-for-sale financial assets		(20,649)	34	-
Fair value reserves reclassified to profit or loss		-	-	-
Total change in fair value reserves		(20,649)	34	-
Tax impact		5,333	-	-
Fair value reserve, net (potentially reclassifiable)		(15,316)	34	-
Gains (losses) arising on the fair value measurement of hedging instruments		(13,182)	(8,638)	(9,963)
Hedging reserve reclassified to profit or loss	8.2	6,695	-	1,526
Total change in hedging reserves		(6,487)	(8,638)	(8,437)
Tax impact		1,124	296	1,224
Hedging reserves, net (potentially reclassifiable)		(5,363)	(8,342)	(7,213)
Recognition of actuarial gains and losses in equity		(13,784)	1,464	(3,723)
Tax impact		3,402	(50)	608
Actuarial gains and losses, net (not reclassifiable)		(10,382)	1,414	(3,115)
Gains (losses) arising on foreign currency translation		4,112	23,551	56,664
Foreign currency translation reserves reclassified to profit or loss		21,039	97	(1,762)
Foreign currency translation reserves (potentially reclassifiable)		25,151	23,648	54,902
TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY		(5,910)	16,754	44,574
TOTAL RECOGNIZED INCOME AND EXPENSES		198,188	226,976	255,551
Attributable to:				
- Eurazeo shareholders		173,768	199,123	281,987
- Non-controlling interests		24,420	27,853	(26,436)

The change in the fair value reserve reflects changes in the fair value of a put option on minority interests.

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

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

Consolidated Statement of Changes in Equity

<i>(In thousands of euros)</i>	Issued capital	Share premium	Fair value reserves	Hedging reserves	Foreign currency translation reserves	Share-based payment reserves	Treasury shares	Actuarial gains and losses	Deferred tax	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
As of January 1, 2018	220,561	2,382	91,564	(3,233)	(60,984)	123,951	(86,786)	(132,839)	4,906	4,639,193	4,798,716	1,198,058	5,996,775
Net income for the period	-	-	-	-	-	-	-	-	-	189,673	189,673	20,549	210,222
Gains (losses) recognized directly in equity	-	-	-	(7,232)	15,449	-	-	1,123	111	-	9,450	7,304	16,754
Total recognized income and expenses	-	-	-	(7,232)	15,449	-	-	1,123	111	189,673	199,123	27,853	226,976
Capital increase	17,433	141,069	-	-	-	-	-	-	-	(10,723)	147,779	-	147,779
Treasury shares	-	-	-	-	-	-	17,474	-	-	5,045	22,519	-	22,519
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(89,794)	(89,794)	(662)	(90,456)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	8,447	8,447	(6,317)	2,129
Other changes	-	-	-	-	-	6,473	-	-	-	849	7,322	47,842	55,164
As of June 30, 2018	237,994	143,451	91,564	(10,465)	(45,535)	130,424	(69,312)	(131,716)	5,017	4,742,689	5,094,112	1,266,774	6,360,886
Net income for the period	-	-	-	-	-	-	-	-	-	61,375	61,375	(60,620)	755
Gains (losses) recognized directly in equity	-	-	-	(2)	24,672	-	-	(4,415)	1,233	-	21,489	6,331	27,820
Total recognized income and expenses	-	-	-	(2)	24,672	-	-	(4,415)	1,233	61,375	82,864	(54,289)	28,575
Capital increase	-	(61)	-	-	-	-	-	-	-	12,465	12,404	-	12,404
Treasury shares	(4,538)	-	-	-	-	-	(26,292)	-	-	(64,738)	(95,568)	-	(95,568)
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	-	-	(436)	(436)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	(10,435)	(10,435)	(20,275)	(30,709)
Other changes	-	-	-	-	-	5,474	-	-	2,542	(9,405)	(1,389)	20,658	19,269
As of December 31, 2018	233,456	143,390	91,564	(10,467)	(20,863)	135,898	(95,604)	(136,131)	8,793	4,731,951	5,081,988	1,212,432	6,294,420
Net income for the period	-	-	-	-	-	-	-	-	-	176,148	176,148	27,950	204,098
Gains (losses) recognized directly in equity	-	-	(14,393)	(6,819)	22,767	-	-	(11,117)	7,182	-	(2,380)	(3,530)	(5,910)
Total recognized income and expenses	-	-	(14,393)	(6,819)	22,767	-	-	(11,117)	7,182	176,148	173,768	24,420	198,188
Capital increase	(4,898)	-	-	-	-	-	-	-	-	(94,499)	(99,397)	-	(99,397)
Treasury shares	11,673	-	-	-	-	-	9,832	-	-	(8,922)	12,583	-	12,583
Dividends paid to shareholders	-	-	-	-	-	-	-	-	-	(91,551)	(91,551)	(4,485)	(96,036)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	23,386	23,386	269,923	293,309
Other changes	-	-	-	-	-	5,563	-	-	-	(1,598)	3,966	81,332	85,298
As of June 30, 2019	240,231	143,390	77,171	(17,286)	1,904	141,461	(85,772)	(147,248)	15,975	4,734,915	5,104,742	1,583,622	6,688,365

4,721,121

Consolidated Statement of Cash Flows

<i>(In thousands of euros)</i>	Notes	06/30/2019 (6 months)	06/30/2018 (6 months) restated	12/31/2018 (12 months) restated
NET CASH FLOWS FROM OPERATING ACTIVITIES				
Consolidated net income		204,098	210,222	210,977
Net depreciation, amortization and provision allowances		208,000	176,659	481,335
Impairments (including on available-for-sale assets)		(36)	(132,248)	(171,698)
Unrealized fair value gains (losses)	4.2	(93,183)	(66,170)	(132,835)
Share-based payments		6,717	6,399	8,853
Other calculated income and expenses		(4,084)	(4,403)	(3,413)
Capital gains (losses) on disposals, dilution gains (losses)		(194,990)	(39,393)	(112,826)
Share of income of associates	0	8,901	(9,935)	(51,507)
Dividends (excluding holding companies)		(3)	(2)	-
Cash flows after net finance costs and income tax expense		135,418	141,129	228,886
Net finance costs	8.2	110,619	89,049	186,511
Income tax expense		38,141	2,284	(8,526)
Cash flows before net finance costs and income tax expense		284,179	232,463	406,872
Income taxes paid		(27,574)	(12,901)	(55,314)
Change in operating WCR	0	(170,234)	(229,185)	(109,353)
NET CASH FLOWS FROM OPERATING ACTIVITIES	11.2	86,370	(9,624)	242,205
NET CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of intangible assets		(20,584)	(28,309)	(69,773)
Proceeds from sales of intangible assets		24	9	838
Purchases of property, plant and equipment		(154,776)	(79,206)	(180,343)
Proceeds from sales of property, plant and equipment		498	2,211	17,972
Purchases of investment properties		(10,286)	(19,903)	(21,485)
Proceeds from sales of investment properties		-	-	-
Purchases of non-current financial assets		-	-	-
. Investments		(773,029)	(457,439)	(1,208,239)
. Financial assets	0	(262,505)	(360,548)	(499,316)
. Other non-current financial assets		(62)	(349)	(3,873)
Proceeds from sales of non-current financial assets		-	-	-
. Investments		1,005,083	747,676	1,423,629
. Financial assets		206,267	1,808	202,714
. Other non-current financial assets		1,150	780	(1,565)
Impact of changes in consolidation scope		24,840	350	120,837
Dividends received from associates		14,664	12,549	14,421
Change in other short-term deposits		15,275	106	73
Other investment flows		-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	11.3	46,558	(180,265)	(204,110)
NET CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares		-	-	-
- paid by parent company shareholders		-	-	-
- paid by minority interests in consolidated entities		77,624	54,933	101,321
Treasury share repurchases and sales		(89,501)	22,518	(57,083)
Dividends paid during the fiscal year		-	-	-
- paid to parent company shareholders	10.2	(91,551)	(89,794)	(89,794)
- paid to minority interests in consolidated entities		(4,143)	(117,121)	(181,967)
Proceeds from new borrowings		502,748	317,783	473,040
Repayment of borrowings		(210,609)	(48,817)	(101,191)
Payment of balancing amount		(665)	(107)	2,345
Net interest paid		(84,564)	(70,403)	(139,079)
Other financing flows		(0)	(568)	(0)
NET CASH FLOWS FROM FINANCING ACTIVITIES	11.4	99,338	68,423	7,593
Net increase (decrease) in cash and cash equivalents		232,266	(121,466)	45,688
Cash and cash equivalents at the beginning of the year		935,112	880,643	878,834
Effect of foreign exchange rate changes		1,362	3,405	10,590
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (net of bank overdrafts)	11.1	1,168,872	762,417	935,112
<i>Including restricted cash of:</i>		<i>18,469</i>	<i>17,893</i>	<i>16,193</i>

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The Eurazeo condensed interim consolidated financial statements for the half-year ended June 30, 2019 were drawn up in accordance with IAS 34, *Interim Financial Reporting*. Since these financial statements are condensed, they do not include all the information required under IFRS and should therefore be read alongside Eurazeo's consolidated financial statements for the year ended December 31, 2018, drawn up in accordance with IFRS as adopted by the European Union.

The consolidated financial statements were authorized for publication by the Eurazeo Executive Board on July 22, 2019. They were reviewed by the Audit Committee on July 24, 2019 and by the Supervisory Board on July 25, 2019.

Specific characteristics of interim financial statements

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

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

As such, the interim results for the half-year ended June 30, 2019 are not necessarily indicative of the results which may be expected for fiscal year 2019.

1.1. Basis of preparation of the consolidated financial statements

The accounting policies used to prepare the consolidated financial statements are compliant with IFRS standards and interpretations as adopted by the European Union on June 30, 2019, and available on the website:

http://ec.europa.eu/finance/company-reporting/standards-interpretations/index_en.htm.

The interim consolidated financial statements are prepared on an historical cost basis, except for investment properties, derivative financial instruments and financial assets which are measured at fair value. The financial statements are presented in euros, rounded to the nearest thousand. In certain cases, this rounding may lead to a slight difference in totals and variations.

The accounting principles adopted are identical to those used to prepare the annual consolidated financial statements for the year ended December 31, 2018, updated for the adoption of the following standards which are of mandatory application for fiscal years beginning on or after January 1, 2019:

- IFRS 16, *Leases*, applicable to fiscal years beginning on or after January 1, 2019;
- the amendment to IFRS 9, *Prepayment features*, applicable to fiscal years beginning on or after January 1, 2019;
- IFRS annual improvements (2015-2017 cycle), applicable to fiscal years beginning on or after January 1, 2019;
- IFRIC 23, *Uncertainty over income tax treatment*, applicable to fiscal

- years beginning on or after January 1, 2019;
- the amendments to IAS 28, *Long-term interests in Associates and Joint Ventures*, applicable to fiscal years beginning on or after January 1, 2019;
- the amendment to IAS 19, *Plan amendment, curtailment or settlement*, applicable to fiscal years beginning on or after January 1, 2019;

Except for IFRS 16, *Leases*, these standards did not have a material impact on the interim consolidated financial statements.

The principles adopted do not differ from the IFRS as published by the IASB. In addition, the Group did not opt for early application of the following standards and interpretations not of mandatory application in 2019:

- limited amendments to IFRS 3, *Definition of a business*, applicable to fiscal years beginning on or after January 1, 2020 (not adopted by the European Union);
- the amendments to IAS 1 and IAS 8, *Definition of material*, applicable to fiscal years beginning on or after January 1, 2020 (not adopted by the European Union);
- IFRS 17, *Insurance contracts*, applicable to fiscal years beginning on or after January 1, 2021 (not adopted by the European Union).
- IFRS 14, *Regulatory Deferral Accounts*, applicable to fiscal years beginning on or after January 1, 2016 (the European Commission has decided not to launch the adoption process for this standard considering it transitional);
- the amendments to IFRS 10 and IAS 28, *Sales or contributions of*

assets between an investor and its associate/joint venture, (postponed by the European Union to an undefined date).

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

ADOPTION OF IFRS 16, LEASES, WITH EFFECT FROM JANUARY 1, 2019

The Eurazeo Group chose to apply the modified retrospective transition method on adopting IFRS 16. The lease liability is therefore equal to the right-of-use recognized in assets (adjusted for the effects of rent-free periods) (see Note 8.1).

The following practical expedients were applied:

- exclusion of contracts with a residual term of less than 12 months;
- exclusion of leases of low-value assets.

A lease liability of €524.2 million (see Note 8.1.1) and a right-of-use asset of €518.4 million (see Note 5) was recognized as of January 1, 2019, with the following impact on the consolidated income statement:

	2019 (6 months) with IAS 17	IFRS 16 application	2019 (6 months)
Revenue	2 401 447	-	2 401 447
Other income	315 624	-	315 624
Cost of sales	(1 072 851)	-	(1 072 851)
Taxes other than income tax	(35 708)	(550)	(36 258)
Employee benefits expense	(582 331)	-	(582 331)
Administrative expenses	(438 894)	41 827	(397 067)
Depreciation and amortization (excluding intangible assets relating to acquisitions)	(89 639)	(36 776)	(126 415)
Additions to/(reversals of) provisions	(3 498)	-	(3 498)
Other operating income and expenses	(13 055)	-	(13 055)
Operating income before other income and expenses	481 097	4 501	485 598
Amortization of intangible assets relating to acquisitions	(74 312)	-	(74 312)
Impairment of goodwill/investments in associates	(249)	-	(249)
Other income and expenses	(38 237)	-	(38 237)
Operating income	368 299	4 501	372 800
Income and expenses on cash and cash equivalents and other financial instrument	(5 093)	-	(5 093)
Finance costs, gross	(97 159)	(8 368)	(105 527)
Finance costs, net	(102 251)	(8 368)	(110 619)
Other financial income and expenses	(15 375)	-	(15 375)
Share of income of associates	(6 748)	(2 153)	(8 901)
Income tax expense	(39 010)	869	(38 141)
NET INCOME (loss) before net INCOME (loss) from discontinued operations	204 914	(5 151)	199 764
Net income (loss) from discontinued operations	4 334	-	4 334
NET INCOME (LOSS)	209 249	(5 151)	204 098

1.2. Critical accounting estimates and judgments

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

Depending on changes in those assumptions or if conditions vary from those anticipated, amounts in future

financial statements could differ from the current estimates.

The estimates and assumptions adopted for the preparation of the financial statements for the half-year ended June 30, 2019 concern:

- the fair value of identifiable assets and liabilities and contingent liabilities for the purpose of allocating the goodwill (see Note 5);
- the recoverable amount of goodwill and intangible assets with an indefinite useful life (see Note 5);
- the fair value of investment properties (see Note 6);
- the recoverable amount of investments in associates (see Note 7.1).
- the fair value of financial assets (see Note 7.2).

NOTE 2 CONSOLIDATION SCOPE

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

2.1. Changes in consolidation scope

The main changes in the scope of consolidation in the year ended June 30, 2019 are as follows:

EURAZEO BRANDS

Eurazeo acquired the Bandier (28%) and Q Mixers (32%) groups in February and April 2019.

These two groups are equity accounted for four and two months, respectively, in the first-half of 2019.

EURAZEO CAPITAL

At the end of April 2019, Eurazeo acquired an 81.6% stake (post syndication) in the Dorc group (Dutch Ophthalmic Research Center). This investment is fully consolidated from April 30, 2019. Only the balance sheet was included in the Eurazeo Group consolidated financial statements, as the income statement impact in May and June was considered not material at Group level.

On May 23, 2019, Eurazeo lost its significant influence in the Elis group, following the loss of a seat on the group's Supervisory Board. The Elis group was therefore deconsolidated from this date based on its reserves as of January 1, 2019.

The Elis shares are now measured at fair value through profit or loss.

EURAZEO PATRIMOINE

On March 12, 2019, Eurazeo acquired Euston House, a London office building. This investment is fully consolidated from April 1, 2019.

EURAZEO PME

On January 17, 2019, Eurazeo PME acquired the EFESO group. This group is fully consolidated from January 1, 2019.

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

Following the signature of an agreement with a view to selling the stake in the Smile group, this group's contribution was transferred to assets and liabilities classified as held for sale as of June 30, 2019.

Assets and liabilities classified as held for sale as of December 31, 2018 consisted of the stake in the Neovia group, Capzantine shares and certain Asian business lines of the Seqens group (one of the Asian business lines was sold in the first-half of 2019).

The related assets and liabilities were measured at the lower of net carrying amount and fair value less costs to sell in accordance with IFRS 5. They are presented below:

<i>(In thousands of euros)</i>	Note	06/30/2019	12/31/2018
Non-current assets			
Intangible assets		127,154	1,557
Property, plant and equipment		16,281	2,784
Investments in associates		-	124,983
Available-for-sale financial assets		819	115,629
Deferred tax assets		180	690
Current assets			
Inventories		4,606	6,482
Trade and other receivables		38,801	2,327
Current tax assets		5,808	(14)
Other current assets		2,496	-
Cash and cash equivalents		9,205	2,434
ASSETS CLASSIFIED AS HELD FOR SALE		205,350	256,873

<i>(In thousands of euros)</i>	Note	06/30/2019	12/31/2018
Non-current liabilities			
Provisions		1,466	-
Employee benefit liabilities		272	-
Long-term borrowings		91,834	-
Deferred tax liabilities		13,027	-
Current liabilities			
Current income tax payable		95	-
Trade and other payables		8,271	1,833
Other liabilities		35,666	1,777
Bank overdrafts and current portion of long-term borrowings		2,716	2,032
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS		151,881	5,642

NOTE 3 SEGMENT REPORTING

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

Eurazeo's business model has significantly changed in recent years, with the development of third-party management (asset management) and the growing importance of monitoring by activity or division rather than investment. The income statement by business reflects the operating segments as monitored by Eurazeo's

Executive Board. Net income is identical to IFRS consolidated net income. A reconciliation is presented in Note 3.1.2.

Eurazeo remains fundamentally an investment company, as demonstrated by the asset allocation. Its asset management activity is mainly attributable to its subsidiary, Idinvest, and to a lesser extent, to the contribution of its investment in Rhône Capital. The Income Statement by business presented below seeks to provide a transversal perspective and enable our analysts and investors to more precisely value the Eurazeo group.

3.1. Consolidated Income Statement by business

In millions of euros	H1 2019	H1 2018 PF & IFRS 16
Adjusted consolidated EBITDA	357.5	342.2
Adjusted consolidated EBIT	234.8	222.9
Contribution of companies net of finance costs	125.3	128.7
Net capital gains or losses & dividends and other investment revenue	252.9	249.6
Impairment	(0.3)	(0.0)
Operating expenses	(57.5)	(52.0)
Contribution of the investment activity	195.1	197.6
Management fees	95.9	85.1
<i>Third-party fund management fees</i>	60.8	49.6
<i>Management fees calculated on the Eurazeo balance sheet</i>	35.1	35.5
Performance fees	45.4	2.7
<i>Third-party management realized performance fees</i>	2.6	2.7
<i>Realized performance fees calculated on the Eurazeo balance sheet</i>	42.8	0.0
Operating expenses	(78.2)	(70.1)
Other	0.2	(1.4)
Contribution of the asset management activity	63.2	16.4
Amortization of contracts and other assets relating to GW allocation	(78.4)	(113.5)
Income tax expense	(38.1)	(2.9)
Non-recurring items	(62.9)	(16.0)
Consolidated net income	204.1	210.1
Attributable to owners of the Company	176.1	190.7
Attributable to non-controlling interests	28.0	19.0

<i>In millions of euros</i>	H1 2019	H1 2018 PF & IFRS 16
Fee-Related Earnings (FRE)	17.8	13.6
Management fees	95.9	85.1
Operating expenses	(78.2)	(70.1)
Other	0.2	(1.4)
Performance-Related Earnings (PRE)	74.5	27.6
Realized performance fees	45.4	2.7
Accrued performance fees	29.1	24.8
Performance of the asset management company	92.3	41.2

(*) Including 100% of Eurazeo costs, less strategic management and listing costs, and 100% of Idivest and iM Global Partner

(**) Other: including Eurazeo share in Rhône Group net income

Net income in the Income Statement by business is identical to IFRS consolidated net income. The identified segments represent each of the three businesses, as follows:

- **Contribution of portfolio companies:** EBIT/EBITDA of fully-consolidated groups and the net income of equity-accounted companies, net of finance costs;

The **Contribution of portfolio companies** is also allocated to the Group's various sub-segments which seek to acquire control or significant influence over assets.

- **Eurazeo Capital:** invests in market leaders and supports them with their extensive transformations;
- **Eurazeo PME:** invests in French SMEs and supports their transformation to international companies;
- **Eurazeo Patrimoine:** specializes in management and investment activities for physical assets and particularly real estate;
- **Eurazeo Brands:** specializes in European and U.S. consumer brands with global growth potential.
- **Contribution of the investment activity:** this comprises Eurazeo net income from investment activities using its own balance sheet, as if it had entrusted the management of

its investments to an asset manager under market conditions. The investment activity receives realized and accrued capital gains (on a consolidated basis) and dividends (from non-consolidated companies) and pays management fees to the asset manager, as well as performance fees when the hurdle is attained. Accordingly, calculated management fees are recognized in income in "Management fees" received by the asset management activity and in expenses in "Operating expenses" paid by the investment activity. Performance fees are recognized in income in "Performance fees" received by the asset management activities and are deducted from "Net capital gains and losses & dividends and other investment revenue" received by the investment activity. These two reclassifications are therefore neutral in Eurazeo's consolidated income statement by business;

- "Calculated management fees" total €35.1 million in the first-half of 2019, compared with €35.5 million in 2018. "Calculated performance fees" total €42.8 million in the first-half of 2019, compared with nil in 2018;
- the contribution of the investment company also includes Group strategic management and listing costs of €4.6 million in the first-half of

2019, compared with €3.1 million in 2018;

- **contribution of the asset management activity:** this comprises Eurazeo's net income as an asset manager using its own balance sheet (see above) and on behalf of investment partners (see above).

The amortization of assets relating to goodwill allocation, the income tax expense and other non-recurring items are allocated directly and in full to Group net income.

This contribution is presented in Note 3.2, together with a reconciliation of key aggregates (EBIT/EBITDA) with the IFRS consolidated financial statements.

Furthermore, the additional table presents a breakdown of asset management results between two profit sources: Fee-related earnings and Performance-related earnings. This presentation primarily seeks to value these two revenue sources separately, as they respond to different dynamics given their nature.

Fee-Related Earnings (FRE) comprise all management fees (i) on third-party funds and (ii) calculated on balance sheet investment activities, less operating expenses of the asset management activity.

Performance-Related Earnings (PRE) are equal to (i) realized performance fees (realized and therefore recognized under IFRS) - on third-party funds and calculated on Eurazeo's balance sheet and (ii) accrued performance fees (not recognized under IFRS) based on fair value gains and losses on invested amounts. PRE are not included in the IFRS financial statements, which only include realized performance fees.

3.1.1. Pro forma information

Comparative information is presented at **Constant Eurazeo scope**, i.e. it corresponds to first-half 2018 published data restated for the following movements:

- 2018 scope entries: Vitaprotech (July 2018) and 2RH (July 2018) for Eurazeo PME; C2S (April 2018) for Eurazeo Patrimoine; Idinvest (July 2018) and Rhône (July 2018);
- 2018 scope exits and discontinued operations: Neovia (July 2018 – discontinued operation), Desigual (July 2018) and Asmodee (September 2018) for Eurazeo Capital; Odealim (formerly Assurcopro) (July 2018) and Vignal Lighting Group (December 2018) for Eurazeo PME;
- 2019 scope entries: Albingia (January 2019) for Eurazeo Capital; EFESO (January 2019) for Eurazeo PME; Euston House (April 2019) for Eurazeo Patrimoine; Bandier (March 2019) and Q Mixers (May 2019) for Eurazeo Brands;
- 2019 scope exits: Elis (January 2019);
- Changes in percentage interests for the equity-accounting of Europcar.

2018 comparative information is presented at constant exchange rates (monthly average rate for the first six months of 2019) for the companies that prepare their financial statements in U.S. dollar (Bandier, Nest, Trader Interactive, Q Mixers and WorldStrides) Swiss francs (Sommet) or pound sterling (Euston House).

Finally, for illustrative purposes, pro forma information has been restated for the application of IFRS 16 in 2018, to improve comparability.

Only the Income Statement by business was restated, as the choice of the modified retrospective method does not enable the restatement of the 2018 IFRS financial statements.

3.1.2. Reconciliation of the Income Statement by business and the IFRS Income Statement

<i>(In millions of euros)</i>	H1 2019
Adjusted EBITDA	357.5
Depreciation of portfolio companies	(122.6)
Adjusted EBIT	234.8
Net capital gains or losses & dividends and other investment revenue	232.3
Costs of calculated management fees	(35.1)
Other costs	(7.1)
Contribution of the investment activity - before impairment, transaction costs and financial items	190.1
Management fees	91.2
Calculated performance fees	42.8
Operating expenses of the asset management activity	(73.1)
Other	20.1
Contribution of the asset management activity - before financial items and income (loss) of associates	81.0
Non-recurring items	(41.3)
Reclassification of hedging and translation reserves - share disposal and other impacts	20.9
Operating income (loss) before other income and expenses	485.6
Amortization of contracts and other assets relating to GW allocation	(74.3)
Impairment	(0.2)
Transaction costs	(25.9)
Non-recurring items - other income and expenses	(12.3)
Other operating income and expenses	(112.8)
Operating income (loss)	372.8
Net finance costs	(114.8)
Financial items from investment and asset management activities	10.6
Change in fair value of derivatives	(6.4)
Other financial income and expenses	(15.4)
Net financial expense	(126.0)
income (loss) of associates - contribution of the companies	5.3
income (loss) of associates - asset management activity	(1.3)
Non-recurring items	(12.9)
Share of income (loss) of associates	(8.9)
Income tax expense	(38.1)
Net income (loss) from discontinued operations	4.3
NET INCOME (LOSS)	204.1
Net income (loss) attributable to non-controlling interests	(28.0)
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY	176.1

3.2. Segment aggregates for the contribution of portfolio companies

The main performance indicators for portfolio companies are as follows:

- adjusted EBITDA (earnings before interest, taxes, depreciation and amortization);
- adjusted EBIT (earnings before interest and taxes);
- IFRS net debt

Adjustments between operating income before other income and expenses and the income statement performance indicators mainly concern non-recurring items. These adjustments were calculated directly based on the IFRS contributions of each operating segment and can be reconciled directly with the published consolidated financial statements.

SEGMENT INCOME STATEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2019

(In millions of euros)	2019 (6 months)	Investment activity	Asset management activity	Contribution of portfolio companies			
				Eurazeo Capital	Eurazeo PME	Eurazeo Brands	Eurazeo Patrimoine
Revenue	2 401,4	10,4	56,1	1 457,5	631,1	13,3	233,0
Contribution of investment and asset management companies *	271,1	190,1	81,0	-	-	-	-
Other items	(0,3)	(0,1)	(0,1)	-	-	-	-
Operating income before other income & expenses	485,6	190,0	80,9	141,3	45,3	(1,4)	29,5
Restructuring and transaction costs				16,6			
Acquisition costs and earn-out				4,6			
Other non-recurring personnel costs				1,6			
Reclassification of reserves on disposals				(21,3)			
Other non-recurring items				16,8			
Adjusted EBIT	234,8			159,5	44,5	(0,7)	31,5
Charges to/reversals of deprec, amort & provisions	122,6			71,5	29,5	0,4	21,3
Adjusted EBITDA	357,5			231,0	74,0	(0,4)	52,8
Impairment		(0,3)					
Net income of associates		-	(1,3)				
Transaction costs and financial items		195,4	64,5				
Contribution of investment and asset management activities		195,1	63,2				

* Before impairment, transaction costs and financial items (for the investment activity) – before financial items and net income of associates (for the asset management activity).

SEGMENT NET DEBT AS OF JUNE 30, 2019

(In millions of euros)	06/30/2019	Investment activity	Asset management activity	Contribution of portfolio companies			
				Eurazeo Capital	Eurazeo PME	Eurazeo Brands	Eurazeo Patrimoine
Borrowings	3,603.9	(0.0)	0.0	2,112.7	792.0	8.9	690.3
Cash assets	(1,192.1)	(733.8)	(24.0)	(253.0)	(92.4)	(1.4)	(87.5)
Net debt	2,411.8	(733.8)	(24.0)	1,859.7	699.5	7.5	602.9
Lease liabilities	668.1	15.5	12.2	281.1	134.9	-	224.4
IFRS net debt	3,079.9	(718.3)	(11.8)	2,140.8	834.4	7.5	827.2

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

SEGMENT INCOME STATEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2018

(In millions of euros)	2018	Investment activity	Asset management activity	Contribution of portfolio companies			
				Eurazeo Capital	Eurazeo PME	Eurazeo Brands	Eurazeo Patrimoine
Revenue	2,267.4	13.1	7.4	1,463.2	609.2	11.2	163.2
Contribution of investment and asset management companies	215.8	203.1	12.7	-	-	-	-
Other items	(0.2)	0.1	(0.3)	-	-	-	-
Operating income before other income & expenses	420.2	203.2	12.3	125.5	58.5	(1.6)	22.2
Restructuring and transaction costs							
Acquisition costs and earn-out							
Other non-recurring personnel costs							
Other non-recurring items							
Adjusted EBIT	238.6			160.8	57.9	(1.2)	21.0
Charges to/reversals of deprec, amort & provisions	85.8			58.1	15.0	0.8	12.0
Adjusted EBITDA	324.4			218.9	72.9	(0.4)	33.0

SEGMENT NET DEBT AS OF DECEMBER 31, 2018

(In millions of euros)	12/31/2018	Investment activity	Asset management activity	Contribution of portfolio companies			
				Eurazeo Capital	Eurazeo PME	Eurazeo Brands	Eurazeo Patrimoine
Borrowings	3,407.6	-	-	1,933.4	772.4	6.6	695.2
Cash assets	(965.9)	(445.1)	(31.9)	(272.3)	(113.7)	(0.3)	(102.6)
IFRS net debt	2,441.6	(445.1)	(31.9)	1,661.1	658.7	6.2	592.6

4.1. Revenue

Eurazeo group revenue is €2,401 million for the first-half of 2019, compared with €2,267 million for the first-half of 2018.

The revenue increase is mainly due to changes in consolidation scope (inclusion of half-year revenue for the Idinvest, IM Global Partners, EFESO, 2RH and Vitaprotech groups and the first-quarter revenue for the C2S group not included in the consolidation scope in the first-half of 2018, offset by the exit of the Asmodee, Vignal and Odealim groups in 2018).

4.2. Other income

Other income for the half-years ended June 30, 2019 and 2018 breaks down as follows:

<i>(In thousands of euros)</i>	Notes	06/30/19 (6 months)	06/30/2018 (6 months)	2018 (12 months)
Capital gains (losses) on the securities portfolio		211,767	57,123	416,414
Fair value gains (losses) on investment properties	6	(778)	172	(4,349)
Fair value gains (losses) on financial assets		93,961	179,703	136,741
Other income and expenses		10,674	27,351	71,865
OTHER INCOME		315,624	264,349	620,670

4.2.1. Capital gains (losses) on the securities portfolio

In the first-half of 2019, capital gains on the securities portfolio primarily concern the disposal of Moncler shares (€92.0 million, net of disposal costs) and Neovia shares (€94.7 million, net of disposal costs and before the release of foreign currency translation and hedging reserves to profit or loss).

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

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

Fair value gains and losses on financial assets mainly concern investments of the Eurazeo Growth and Eurazeo Development divisions (€81.1 million), as well as Elis shares (€13.3 million) and Colyzeo shares – see Note 7.

In the first-half of 2018, fair value gains and losses on financial assets concerned Moncler and Colyzeo shares and investments by the Eurazeo Growth and Eurazeo Development divisions.

4.3. Operating income and other income and expenses

Operating income totaled €372.8 million in the first-half of 2019, compared with €290.8 million in the first-half of 2018.

The first-time application of IFRS 16 had an impact of €4.5 million on operating income in the first-half of 2019 (see breakdown in Note 1). Lease payments not restated totaled €8.7 million (including €4.0 million due to the exclusion of short-term leases).

Other income and expenses break down as follows:

<i>(In thousands of euros)</i>	06/30/19 (6 months)	06/30/2018 (6 months)	2018 (12 months)
Restructuring/relocation/reorganization	(1,310)	(1,046)	(2,775)
Acquisition costs	(25,791)	(18,308)	(33,625)
Impairment of trademarks	-	-	(54,090)
Other income and expenses	(11,136)	(3,794)	(18,468)
OTHER INCOME AND EXPENSES	(38,237)	(23,148)	(108,958)

NOTE 5 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

5.1. Goodwill, intangible assets, property, plant and equipment and right-of-use assets

Goodwill totals €3,691 million as of June 30, 2019, compared with €3,221 million as of December 31, 2018. This increase is mainly due to the entry into the consolidation scope of the Dorc group, partially offset by the allocation of goodwill during the period.

Other intangible assets, property, plant and equipment and right-of-use assets total €3,879 million as of June 30, 2019 (including right-of-use assets totaling €505 million), compared with €3,220 million as of December 31, 2018.

5.1.1. Right-of-use assets

<i>(In thousands of euros)</i>	01/01/2019	Additions	Depreciation	Changes in scope	Other	06/30/2019
Land	33 971	1 482	(1 675)	-	(99)	33 679
Buildings	456 640	13 108	(30 192)	(9 943)	2 195	431 807
Installations and equipment	39 470	1 843	(5 387)	(1 644)	55	34 337
Other	6 150	851	(1 279)	(189)	(7)	5 525
TOTAL RIGHT-OF-USE ASSETS	536 230	17 284	(38 533)	(11 776)	2 144	505 349
<i>Right-of-use assets</i>	<i>558 896</i>					<i>564 168</i>
<i>Depreciation of right-of-use assets</i>	<i>(22 666)</i>					<i>(58 819)</i>

As of January 1, 2019, the IFRS 16 impact for newly restated operating leases is €518.4 million. The difference between right-of-use assets as of January 1, 2019 and the impact of the IFRS 16 restatement is due to finance leases previously restated under IAS 17.

5.2. Impairment losses on fixed assets

5.2.1. Impairment tests

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

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

TEST METHODOLOGY

The test methodology adopted as of June 30, 2019 is unchanged on the

methodology described in the consolidated financial statements for the year ended December 31, 2018.

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

5.2.2. Impairment tests

Impairment tests may be performed at investment level, with each investment representing a CGU and for indefinite life intangible assets. The business plans were reviewed, where appropriate.

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

NOTE 6 INVESTMENT PROPERTIES

Group investment properties consist of real estate holdings held by Eurazeo Patrimoine, measured as of June 30, 2019 at fair value (level 3) based on expert reports.

<i>(In thousands of euros)</i>	06/30/2019	12/31/2018
CIFA Fashion Business Center	229,500	230,000
Euston House	105,956	-
Highlight	31,771	21,485
TOTAL INVESTMENT PROPERTIES	367,227	251,485

NOTE 7 ASSOCIATES AND FINANCIAL ASSETS

7.1. Investments in associates

<i>(In thousands of euros)</i>	06/30/2019	12/31/2018
Europcar	341 938	391 686
Albingia	278 799	262 802
Rhône	215 525	207 869
Elis	-	177 255
Trader Interactive	139 883	142 678
Other	224 700	157 171
INVESTMENTS IN ASSOCIATES	1 200 844	1 339 461

Elis shares were reclassified in financial assets following loss of significant influence (see Notes 1 and 7.2).

7.1.1. Impairment tests on investments in associates

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

Europcar securities were adjusted as of December 31, 2018 based on a value of €8 per share. After taking account of net income for the year and other reserve movements and with the impairment recorded in 2018 maintained, the cost price is €6.99 per share. The value of the Europcar shares was confirmed by both internal data (short- and medium-term outlook of the company) and external data (broker ratings).

As of June 28, 2019, the stock market price of listed associates was as follows:

<i>(In thousands of euros)</i>	Number of shares held	Stock market price as of 06/28/2019	Total
Europcar (shares held by Eurazeo)	48,988,238	6.27	307,156

7.1.2. Summary financial information on material associates

Information on the listed associates is available in the financial statements of these companies on their websites.

7.2. Financial assets

The fair value of financial assets breaks down as follows:

<i>(In thousands of euros)</i>	06/30/2019 Net carrying amount	12/31/2018 Net carrying amount
<i>Fair value by direct reference to published prices in an active market (Level 1)</i>		
Elis	199,780	
Farfetch (Eurazeo Growth)	68,673	66,600
Moncler	-	352,938
Listed securities	268,453	419,538
<i>Fair value according to valuation techniques based on observable data (Level 2)</i>		
Colyzeo and Colyzeo II	12,908	12,957
<i>Fair value according to valuation techniques based on non-observable data (Level 3)</i>		
Eurazeo Growth	501,408	333,924
Eurazeo Development	358,120	222,354
Other unlisted assets	198,365	297,780
Unlisted securities	1,070,801	867,015
Financial assets at fair value through profit or loss	1,339,254	1,286,553
Debt instruments at amortized cost	69,362	67,441
FINANCIAL ASSETS	1,408,616	1,353,994
Available-for-sale financial assets - non-current	1,258,987	1,329,931
Available-for-sale financial assets – current	149,629	24,064

NOTE 8 FINANCING

8.1. Net debt

Net debt (including lease liabilities), as defined by the Group, breaks down as follows:

(In thousands of euros)	06/30/19			Comments/Nature of main covenants
	Gross debt	Cash assets	Net debt	
Eurazeo	15,511	(731,574)	(716,063)	
Other companies	-	(2,227)	(2,227)	
Investment activity	15,511	(733,801)	(718,290)	
Idinvest	8,794	(6,854)	1,940	
IM Square	427	(7,407)	(6,980)	
Eurazeo PME	-	(4,313)	(4,313)	
Other companies	2,972	(5,414)	(2,443)	
Asset management activity	12,192	(23,988)	(11,796)	
Carambar & Co	32,592	(30,447)	2,145	- Maturities: 2020 to 2024 - Covenants: ~ Net debt / EBITDA ⁽¹⁾ ~ Debt service coverage ratio
Dorc	151,156	(17,338)	133,818	- Maturities: 2034 - Covenants: ~ Net debt / EBITDA ⁽¹⁾
Planet	424,204	(54,731)	369,473	- Maturities: 2019 (credit facility), 2019-2025 (other loans) - Cov-Lite Loan
Iberchem	128,601	(23,966)	104,635	- Maturities: 2024 - Covenants: ~ Net debt / EBITDA ⁽¹⁾
Seqens	790,195	(45,760)	744,435	- Maturities: 2023 (credit facility) and 2025 (other loans) - Cov-Lite Loan
Sommet Education	345,162	(26,496)	318,666	- Maturities: 2023 - Covenants: ~ Net debt / EBITDA ⁽¹⁾ ~ Capex ⁽³⁾ ~ Minimum cash amount
WorldStrides	516,595	(30,351)	486,243	- Maturities: 2024 (credit facility), 2022 (revolving)
Other companies	5,264	(23,894)	(18,630)	
Eurazeo Capital	2,393,769	(252,983)	2,140,787	
Eurazeo PME Capital	926,858	(92,431)	834,427	- Maturity: 2019 to 2028 - Covenants: ~ Debt service coverage ratio ~ Net debt / EBITDA ⁽¹⁾ ~ EBITDA ⁽¹⁾ / net interest expenses ~ Liquidity ratio ~ Capex ⁽³⁾
Eurazeo PME	926,858	(92,431)	834,427	
Nest Fragrances	8,941	-	8,941	- Maturity: 2019 (credit facility)
Other companies	-	(1,422)	(1,422)	
Eurazeo Brands	8,941	(1,422)	7,519	

	06/30/19			
(In thousands of euros)	Gross debt	Cash assets	Net debt	Comments/Nature of main covenants
Grape Hospitality	397 288	(48 584)	348 704	~ Net debt / EBITDA ⁽¹⁾ - Maturity : 2020 (finance leases), 2023 (acquisition debt and Capex) - Covenants: ~ LTV ⁽⁴⁾ ~ Debt service coverage ratio ~ Net debt / EBITDAR ⁽²⁾ ~ Capex ⁽³⁾ ~ Hedging
CIFA Assets / CIFA 4 Assets	153 478	(7 330)	146 148	- Maturity : 2027 / 2029 (finance leases)
C2S	256 473	(14 665)	241 808	- Maturity : 2028 (finance leases), 2028 (other loans) - Covenants: ~ Net debt / EBITDA ⁽¹⁾
HighLight	26 289	(322)	25 967	- Maturity : 2023 - Covenants: ~ LTV ⁽⁴⁾
Dazeo	14 223	(1 056)	13 167	- Maturity : 2049 - Covenants: ~ Minimum pre-commercialization level
Euston	63 280	(2 595)	60 684	- Maturity : 2024 - Covenants: ~ LTV ⁽⁴⁾ ~ Interest Coverage Ratio ⁽⁵⁾
Other companies	3 663	(12 915)	(9 253)	
Eurazeo Patrimoine	914 693	(87 468)	827 225	
Contribution of portfolio companies	4 244 261	(434 304)	3 809 957	
TOTAL NET DEBT	4 271 965	(1 192 093)	3 079 871	
<i>o/w borrowings maturing in less than one year</i>	444 725			
<i>o/w borrowings maturing in more than one year</i>	3 827 240			
Cash and cash equivalent assets	11.1	(1 173 325)		
Restricted cash	11.1	(18 469)		
Other short-term deposits	11.1	(299)		

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

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

⁽³⁾ Capex: Capital Expenditure.

⁽⁴⁾ LTV: Loan To Value.

⁽⁵⁾ ICR: Interest Coverage Ratio.

The companies' debts are without recourse against Eurazeo SE. Loans extended to Group companies may be subject to requests for early repayment in the event of payment default or failure to fulfill contractual obligations.

In addition to cash flows relating to new borrowings secured and principal payments on borrowings (see Note 11.4), the change in total borrowings is mainly due to the first-time application of IFRS 16 (€524.2 million), changes in scope (€48.3 million) and foreign exchange impacts (€6.7 million).

8.1.1. Lease liabilities

Lease liabilities recognized as a result of the application of IFRS 16 total €668.1 million as of June 30, 2019, including finance lease liabilities of €168.9 million previously recognized pursuant to IAS 17.

Lease liabilities break down by business as follows:

(In thousands of euros)	06/30/2019	Investment activity	Asset management activity	Contribution of portfolio companies			
				Eurazeo Capital	Eurazeo PME	Eurazeo Brands	Eurazeo Patrimoine
Less than one year	79,314	2,726	2,477	29,039	37,571	-	7,502
One to five years	270,493	11,322	7,908	110,822	61,835	-	78,607
More than five years	318,257	1,463	1,808	141,256	35,475	-	138,255
TOTAL LEASE LIABILITY	668,065	15,511	12,192	281,117	134,881	-	224,364

This liability was recognized through right-of-use assets (Note 5) and lease financed CIFA investment properties (Note 6).

The weighted incremental borrowing rate is 3.46%.

Off-balance sheet commitments in respect of operating leases totaled €536.1 million as of December 31, 2018 (compared with an IFRS 16 restatement of €524.2 million for newly restated operating leases). The difference is due to both discounting (negative effect) and changes in scope during the period (positive effect).

8.2. Net financial expense

(In thousands of euros)	Note	06/30/19 (6 months)	06/30/2018 (6 months)	2018 (12 months)
Interest on borrowings		(105 527)	(90 424)	(185 120)
Total finance costs gross		(105 527)	(90 424)	(185 120)
Income and expenses on changes in derivatives		428	909	(1 007)
Hedging reserve reclassified to profit or loss		(6 695)	-	(1 526)
Other financial income and expenses		1 174	465	1 141
Total income and expenses on cash, cash equivalents and other financial instruments		(5 093)	1 375	(1 391)
Total finance costs net		(110 619)	(89 049)	(186 511)
Foreign exchange losses		(21 269)	(16 459)	(26 597)
Foreign exchange gains		24 961	19 919	26 597
Interest expense relating to the employee benefits obligation		696	(504)	(1 833)
Reclassification of the hedging reserve - impact of share disposals		(7 668)	-	1 762
Reclassification of the foreign currency translation reserve - impact of share disposals		(13 371)	-	-
Other		1 275	(1 489)	(418)
Total other financial income and expenses		(15 375)	1 467	(489)
NET FINANCIAL EXPENSE		(125 995)	(87 582)	(187 000)

The increase in interest on borrowings is mainly due to changes in consolidation scope.

NOTE 9 PROVISIONS

Provisions break down as follows:

(In thousands of euros)	Employee benefit liabilities	Disputes	Other	Total
As of 12/31/2018	93,287	11,246	29,004	133,537
As of 06/30/2019	127,545	12,191	26,712	166,448
Due in less than one year	6,752	7,272	17,156	31,180
Due in more than one year	120,793	4,919	9,556	135,268

9.1. Employee benefit liabilities

The nature of employee benefits is similar to that described in the Notes to the consolidated financial statements for the year ended December 31, 2018.

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

9.2. Provisions for litigation and other provisions

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

NOTE 10 EQUITY AND EARNINGS PER SHARE

10.1. Total equity

Equity attributable to owners of the Company is €5,104.7 million, or €66.53 per share, as of June 30, 2019.

10.1.1. Share capital

As of June 30, 2019, the share capital was €240,230,666, comprising 78,764,149 fully paid-up shares of two classes: 78,739,641 ordinary shares and 24,508 preference shares.

Eurazeo holds 2,035,969 treasury shares as of June 30, 2019.

10.1.2. Dividends paid

The Shareholders' Meeting of April 25, 2019 approved the distribution of a dividend of €1.25 per share. The total distribution to shareholders was therefore €91,551 thousand.

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

10.2. Non-controlling interests

Non-controlling interests break down by division as follows:

<i>(In thousands of euros)</i>	Notes	06/30/2019	12/31/2018
Eurazeo Capital		1,088,071	738,818
Eurazeo PME		279,475	261,992
Eurazeo Brands		10,745	6,974
Eurazeo Patrimoine		117,987	112,950
Investment and asset management activities		87,345	91,698
Non-controlling interests		1,583,623	1,212,433

<i>(In thousands of euros)</i>	Notes	2019 (6 months)	2018 (6 months)	2018 (12 months)
Eurazeo Capital		22,727	(7,140)	(56,121)
Eurazeo PME		(8,336)	4,325	(19,628)
Eurazeo Brands		(412)	(255)	(102)
Eurazeo Patrimoine		1,828	2,200	6,315
Investment and asset management activities		12,144	21,419	29,465
Non-controlling interests		27,950	20,549	(40,071)

The Group has identified three entities or sub-groups, all in Eurazeo Capital, where non-controlling interests are the most material:

- **the Planet group** is controlled by Eurazeo. Its main business is helping travelers claim back VAT on retail purchases (Tax Free Shopping). Minority interests at Eurazeo group level are entitled to 31.55% of this group's net income;

- **the Seqens group** is controlled by Eurazeo. It is a major player in

pharmaceutical synthesis and the specialty chemicals industry. Minority interests at Eurazeo group level are entitled to 52.86% of this group's net income;

- **the WorldStrides group** is controlled by Eurazeo. It is a leader in educational travel. Minority interests at Eurazeo group level are entitled to 50.54% of this group's net income;

	Planet	Seqens	WorldStrides
Total Assets	980,707	1,495,347	1,390,662
Total Equity	39,963	168,882	243,162
<i>o/w minority interests</i>	112,198	220,728	247,389
Revenue	172,622	504,828	476,059
Net income (loss)	1,828	(4,672)	15,954
<i>o/w minority interests</i>	2,306	(2,577)	8,599
Net cash flows from operating activities	2,639	45,365	6,184
Net cash flows from investing activities	(11,709)	(64,772)	(3,642)
Net cash flows from financing activities	13,645	(14,749)	(23,030)
<i>o/w dividends paid to minority interests</i>	-	-	-

10.3. Earnings per share

<i>(In thousands of euros)</i>	2019 (6 months)	2018 (6 months)	2018 (12 months)
Net income attributable to owners of the Company	176,148	189,673	251,048
Net income from continuing operations attributable to owners of the Company	174,137	190,068	271,544
Weighted average number of ordinary shares outstanding	71,592,658	70,054,641	71,287,001
Reported basic earnings per share	2.46	2.71	3.52
Basic earnings per share adjusted for bonus share grants ⁽¹⁾	-	2.58	3.35
Reported basic earnings per share from continuing operations	2.43	2.71	3.81
Basic earnings per share from continuing operations, adjusted for bonus share grants ⁽¹⁾	-	2.58	3.63
Weighted average number of potential ordinary shares	72,494,497	70,197,764	72,387,398
Reported diluted earnings per share	2.47	2.74	3.53
Diluted earnings per share adjusted for bonus share grants	-	2.61	3.36
Reported diluted earnings per share from continuing operations	2.44	2.74	3.81
Diluted earnings per share from continuing operations, adjusted for bonus share grants	-	2.61	3.63

⁽¹⁾ Adjusted for the decision of the Shareholders' Meeting of April 25, 2018 (distribution of 3,827,142 bonus shares on May 13, 2019).

NOTE 11 BREAKDOWN OF CASH FLOWS

11.1. Cash assets

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

As of June 30, 2019, restricted cash mainly consists of cash allocated to the Eurazeo liquidity contract and the restricted cash of the Eurazeo Capital companies.

<i>(In thousands of euros)</i>	Note	06/30/2019	06/30/2018	12/31/2018
Demand deposits		1,156,229	756,611	921,922
Term deposits and marketable securities		17,096	11,070	12,600
Cash and cash equivalent assets	8.1	1,173,325	767,680	934,522
Restricted cash	8.1	18,469	17,893	16,193
Bank overdrafts		(22,923)	(23,157)	(15,603)
Cash and cash equivalent liabilities	8.1	(22,923)	(23,157)	(15,603)
NET CASH AND CASH EQUIVALENTS		1,168,872	762,417	935,112
Other short-term deposits	8.1	299	15,173	15,220
TOTAL GROSS CASH ASSETS		1,192,093	800,747	965,934

11.2. Net cash flows from operating activities

Cash flows from operating activities totaled €86.4 million (compared with -€9.6 million in the first-half of 2018). This change is mainly due to changes in scope and the good performance of Group companies.

11.3. Net cash flows from investing activities

Purchases of investments and financial assets mainly reflect the acquisition of Dorc group (€447.1 million), Bandier group (€22.8 million), Q Tonic group (€36.3 million) and Euston House (€45.1 million) by Eurazeo and the acquisition of EFESO (€70.2 million) by Eurazeo PME, as well as various build-ups and acquisitions in the C2S, Seqens and Eurazeo PME groups.

Proceeds from sales of investments mainly reflect the sale of Capzanine (€17.1 million), the sale of Neovia

(€223.6 million) and the sale of Moncler shares (€445.3 million).

Changes in consolidated scope mainly concern the entry into the consolidation scope of the Dorc, Euston and EFESO groups.

Finally, dividends received from associates were distributed by the Europcar (€12.7 million) and Rhône (€1.9 million) groups.

11.4. Net cash flows from financing activities

Net cash flows from financing activities mainly include the various acquisition financing flows (particularly Dorc, the Belledonne clinic in C2S and build-ups in Eurazeo PME).

The €91.5 million dividend distribution by Eurazeo is also reflected in net cash flows from financing activities. Other dividends paid during the half-year primarily concern amounts paid by IM Global Partners and Idinvest to minority interests.

12.1. Post-balance sheet events

Post-balance sheet events are presented in Section I.3 of the Half-Year Financial Report.

12.2. Off-balance sheet commitments

(In millions of euros)	06/30/2019					12/31/2018
	Total	Investment activity	Contribution of portfolio companies			
				Eurazeo Capital	Eurazeo PME	Eurazeo Patrimoine
Commitments given	(1 840,2)	(436,1)	(855,6)	(22,8)	(525,7)	(2 957,7)
Assigned receivables not due (Daily forms, etc.)	-	-	-	-	-	-
Pledges, mortgages and collateral	-	-	-	-	-	-
- Other pledges, mortgages and collateral	(1 258,0)	-	(737,4)	(1,3)	(519,2)	(1 795,5)
Sureties, deposits and guarantees given	(31,5)	(13,2)	-	(11,9)	(6,5)	(48,1)
Operating leases	-	-	-	-	-	-
-Minimum lease payments under non-cancellable operating leases (< 1 year)	-	-	-	-	-	(69,5)
-Minimum lease payments under non-cancellable operating leases (1 to 5 years)	-	-	-	-	-	(224,2)
- Minimum lease payments under non-cancellable operating leases (< 5 years)	-	-	-	-	-	(242,4)
Vendor warranties	(20,1)	(15,3)	(3,3)	(1,5)	-	(19,5)
Other commitments given	-	-	-	-	-	-
- Purchase commitments	(406,2)	(406,2)	-	-	-	(454,6)
- Other	(124,4)	(1,4)	(114,9)	(8,1)	-	(104,0)
Commitments received	1 096,5	1 002,0	47,8	46,7	-	1 152,7
Sureties, deposits and guarantees received	21,6	-	18,5	3,0	-	21,6
Vendor warranties	4,9	-	-	4,9	-	4,9
Syndicated credit facility	1 000,0	1 000,0	-	-	-	1 000,0
Other commitments received	70,1	2,0	29,3	38,8	-	126,2

The main changes in off-balance sheet commitments since December 31, 2018 are detailed below:

NEW LEGENDRE HOLDING 35 COMMITMENTS

InVivo and Legendre Holding 35 undertook (pro rata to the number of shares sold by each of them) to reimburse ADM France SAS and/or Neovia group, all amounts payable by the Neovia group in respect of a dispute concerning its sale of the Brazilian company, Total Alimentos. In return, ADM France SAS undertook to reimburse InVivo and Legendre Holding 35 (pro rata to the number of shares sold by each of them) all amounts received by the group in respect of the same dispute (net of related costs incurred). Based on estimates by InVivo and Legendre Holding 35, ADM France SAS is expected to pay approximately €12,000,000 to InVivo and Legendre

Holding 35, representing approximately €2,000,000 for Legendre Holding 35.

NEW LH GP COMMITMENTS

Under the terms of a share acquisition contract dated March 29, 2019, LH GP undertook to acquire 25% of the share capital of MCH Private Equity Investments SCEIC SAU, for an acquisition price of €12.9 million, on the condition precedent of the transaction receiving the authorization of the Spanish market authorities.

NEW EREL AND EREL 4 (EUSTON HOUSE) COMMITMENTS

Commitments given

Under the terms of a shareholders' agreement entered into on December 20, 2018, EREL granted the following purchase commitments covering 100% of the shares held by Alto Properties Limited, at a price equal to market value:

- Absence of a liquidity event during the 8 years following transaction completion (i.e. March 12, 2027)
- Change in control of EREL
- Breach of the shareholders' agreement or termination for fault of the asset management contract.

Commitments received

Under the terms of the shareholders' agreement, Alto Properties granted the following sales commitments to EREL, covering 100% of shares held by Alto Properties Limited :

- Breach of the shareholders' agreement or asset management contract (price equal to the market value less a discount and subject to a 5-year vesting mechanism).
- Termination for fault of the asset management contract by EREL if the above purchase commitment is not exercised. Price equal to the market value plus an earn-out in the event of a liquidity event by EREL in the six months following exercise of the sales commitment.

NEW LEGENDRE HOLDING 66 (BANDIER) COMMITMENTS

Pursuant to the investment in the Bandier group, Eurazeo Bandier US Blocker Inc., a subsidiary of Legendre Holding 66, received extended warranties from the vendors covering the company's activities during a period of one year from the transaction completion date (i.e. up to February 22,

2020). In this context, Eurazeo Bandier US Blocker Inc. granted standard warranties covering its existence and capacity.

Eurazeo Bandier US Blocker holds a commitment from Bandier Holdings LLC to purchase its shares, that may be exercised at any time between January 1, 2024 and December 31, 2024 in the absence of an IPO or sale of control of the company before December 31, 2023.

NEW LEGENDRE HOLDING 67 (Q-DRINKS) COMMITMENTS

Pursuant to the investment in the Q Mixers group, Eurazeo Q US Blocker Inc., a subsidiary of Legendre Holding 67, received extended warranties from the vendors covering the company's activities during a period of one year from the transaction completion date (i.e. up to April 3, 2020), with the exception of the fundamental warranties that will remain in effect until expiry of the applicable limitations period. In this context, Eurazeo Q US Blocker Inc. granted standard warranties covering its existence and capacity.

Eurazeo Q US Blocker holds a commitment from Q Tonic LLC to purchase its shares, that may be exercised at any time during the 60 days following the fifth anniversary of the investment (i.e. April 3, 2024), in the absence of an IPO or sale of control of the company before April 3, 2024.

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

EURAZEO SE
1, Rue Georges Berger
75017 PARIS

STATUTORY AUDITORS' REVIEW REPORT ON THE 2019 HALF-YEAR FINANCIAL INFORMATION

(January 1st 2019 to June 30th 2019)

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

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting 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-year consolidated financial statements of Eurazeo SE, for the six months period ended June 30, 2019;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Executive board. 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-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRS as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to Notes 1.1, 4.3, 5.1.1 et 8.1.1 to the condensed half-year consolidated financial statements, regarding the impact of the first implementation of IFRS 16 on leases.

2. Specific verification

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

Neuilly-sur-Seine and Courbevoie, July 26, 2019

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

Mazars

David Clairotte

Isabelle Massa

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

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

Virginie Morgon
Chairwoman of the Executive Board