2019 INTERIM FINANCIAL REPORT

Financial period I 1 January to 30 June

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Registered office: 13, rue Louis Pasteur 92100 Boulogne Billancourt
A French public limited company (*société anonyme)* with share capital of €6,596,648
Registered in Nanterre (RCS No. 391 504 693) - French industry code (APE) 6202A

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INTERIM MANAGEMENT REPORT

The Company's Board of Directors, chaired by Mr. Christian Aubert, met on 18 September 2019 to review the consolidated financial statements for the six-month period ended 30 June 2019. These financial statements are presented according to International Financial Reporting Standards (IFRS).

Results of operations

Aubay once again registered a very solid performance in the 2019 first half, with sales of €208.1 million and organic growth of 5.5%, despite one less billable day than in the same period last year. Aubay demonstrated its ability to deliver consistent growth and improve its operating margin on ordinary activities from one six-month period to the next. These good results are based on an effective business model driven by expanding cloud and digital offerings within the Digital universe while maintaining its reputation for expertise in managing its customers' application portfolios. Growth was consistent between the regions, up 5.6% in France, and 5.3% internationally.

This growth was underpinned by both a strong increase in the average daily billing rate, reflecting the success of the innovation strategy and the shift towards higher added-value services at Group level, and the increase in headcount enabling the Group to add new market share and customers.

In France (52% of Group sales), revenue remained robust with growth of 5.6% in the first half, outperforming its benchmark market. In this period, the telecom, insurance and banking sectors were key contributors. The operating margin on ordinary activities again rose 50 basis points year-on-year to reach 9.7%.

International markets (48% of Group sales) also registered strong organic growth of 5.3% in the period. The services/utilities, insurance and bank segments were particularly robust. The Iberian Peninsula and Italy continued to exceed the Group's overall performance. The operating margin on ordinary activities was up marginally from 8.4% to 8.6% in the first half, notably in response to the increase of 70 basis points by Italy. For the Iberian Peninsula, profitability rose marginally (+10 basis points) whereas Belgium/Luxembourg were impacted by a non-recurring event (the expiration of a contract with the European Parliament) negatively impacting the business volume and margin for this region.

The productivity rate remains high at 92.5% compared to 93.1% one year earlier.

In €m	**Q2 2018**	**Q2 2019**	**Change**	**H1 2018**	**H1 2019**	**Change**
France*	49.3	**51.9**	+5.1%	101.6	107.3	+5.6%
International	48.6	**51.0**	+5.1%	95.8	100.8	+5.3%
Total	**97.9**	**102.9**	**+5.1%**	**197.4**	**208.1**	**+5.5%**

* including the UK

Operating profit from ordinary activities amounted to €19,1 million up 9.2% compared to €17.5 million at 30 June 2018. The operating margin on ordinary activities came to 9.2%, up 40 basis points year-on-year. By region, this margin was 9.7% for France and 8.6% for international operations.

At 30 June 2019, headcount grew 5.5% to 6,236 employees compared to 5,913 t 30 June 2018 and 6,166 at 31 December 2018.

First half financial highlights:

(€ '000s)	30/06/2019	30/06/2018	Change
Revenue	**208,115**	**197,346**	**+5.5%**
Other operating income	72	89	
Purchases used in production and external charges	(37,711)	(39,724)	
Staff costs	(146,237)	(137,684)	
Taxes other than on income	(1,713)	(1,692)	
Amortisation, depreciation and provisions	(3,546)	(835)	
Change in inventories of work in progress and finished goods	0		
Other operating income and expenses	89	(43)	
Operating profit from ordinary activities	**19,069**	**17,457**	+9.2%
% of revenue	**9.2%**	**8.8%**	
Expenses linked to restricted share unit awards and similar share-based payments	(743)	(733)	
Current operating income	**18,326**	**16,724**	**+9.6%**
% of revenue	**8.8%**	**8.5%**	
Other operating income and expenses	(690)	(695)	
Operating profit	**17,636**	**16,029**	**+10.0%**
% of revenue	**8.5%**	**8.1%**	
Income from cash and cash equivalents			
Net borrowing costs	(177)	(249)	
Other financial income and expenses	(129)	94	
Net financial income (expense)	**(306)**	**(155)**	
Income tax expense	(5,838)	(4,847)	
Income from equity-accounted investees			
Net income before results of discontinued operations or assets held for sale	**11,492**	**11,027**	
Net income after tax of discontinued operations or assets held for sale			
Net income	**11,492**	**11,027**	**+4.2%**
% of revenue	**5.5%**	**5.6%**	
Attributable to shareholders	11,492	11,027	
Attributable to non-controlling interests	-	-	

		30/06/2019		**30/06/2018**
In €m	Revenue	Operating margin on ordinary activities*	Revenue	Operating margin on ordinary activities*
Group	**208.1**	**9.2%**	**197.4**	**8.8%**
France	107.3	9.7%	101.6	9.2%
International	100.8	8.6%	95.8	8.4%

*Percentage of sales

Headcount end of reporting period	30/06/2019	30/06/2018
France	2,545	2,455
Belgium/Luxembourg	189	262
Italy	1,836	1,681
Spain/Portugal	1,666	1,515
Total	**6,236**	**5,913**

Consultants	5,754	5,472
Consultants (%)	92.4%	92.5%
Administration and sales	482	441
Total	**6,236**	**5,913**

Analysis of the interim condensed consolidated financial statements for the six-month period ending 30 June 2019

Group results

Revenue in the 2019 first half amounted to €208.1 million compared to €197.4 million in the same period in 2018, up 5.5%.

Operating profit from ordinary activities amounted to €19,069,000, up from €17,457,000 in the 2018 first half or 9.2% and representing a margin of 9.2% compared to 8.8% one year earlier.

Other operating income and expenses represented a net expense of €690,000, down from €695,000 in the 2018 first half. Expenses consist primarily of restructuring costs.

Operating profit rose on that basis 10% to €17,636,000, up from €16,029,000 one year earlier.

Net financial expense amounted to €306,000, up from €155,000 in 2018, and increase reflecting mainly the first-time application of IFRS 16.

The tax expense amounted to €5,838,000, compared to €4,847,000 in H1 2018 representing an effective tax rate of 34% compared to 31% one year earlier.

This increase is a consequence of the adoption of new tax provisions in France replacing the CICE (French Competitiveness and Employment Tax Credit).

Net income amounted to €11,492,000 in the 2019 first half representing a net margin of 5.5% (compared to €11,027,000 in the 2018 first half), up 4.2%. Net earnings per share amounted to €0.87 for 13,180,931 shares (weighted average number) compared to €0.84 for 13,113,301 shares at the end of the 2018 first half.

Consolidated statement of financial position

Net equity amounted to €173.,0 million, up €7.6 million from 31 December 2018.

Key changes in the period included:

- Recognition of €11.5 million in net income,
- Payment of €4.4 million in dividends to shareholders,

Non-current assets amounted to €158.7 million, up €24.2 million after taking into account €24 million in right-of-use assets in connection with the first-time application of IFRS 16 – Leases.

Trade receivables and contract assets amounted to €138.3 million at 30 June 2019 compared to €136.4 million at 31 December 2018. The number of days sales outstanding (DSO) was 90 compared to 89 at 31 December 2018.

Cash and cash equivalents amounted to €21.4 million compared to €19.5 million six months earlier.

Gross financial debt excluding lease liabilities amounted to €16.7 million at 30 June 2019 compared to €19.3 million at the end of 2018.

This decrease was the result of a net cash position (excluding lease liabilities) of €4.6 million compared to €0.2 million at 31 December 2018.

In addition, the main items impacting net debt were as follows:

- cash flows from operating activities of €12.1 million, after taking into account the negative change of WCR of €4.3 million,
- €0.6 million in capital expenditures for intangible assets and property, plant and equipment,
- €4.4 million for the payment of a dividend to shareholders,
- €4.2 million for the repayment of bank loans.

Non-current liabilities amounted to €32.7 million, up €19.6 million, an increase largely reflecting the recognition of €21.5 million in lease liabilities in connection with the first-time application of IFRS 16.

Organisation

There were no changes impacting the Group's overall structure.

Buyout of non-controlling interests, acquisition of equity interests in or disposals of companies, mergers

Buyout of non-controlling (minority) interests

None.

Acquisitions of equity interests

No equity interests were acquired in the 2019 first half within Aubay Group.

Disposals of equity interests/Disposals of business lines

None.

Mergers

There were no mergers within the Group in the 2019 first half.

Principal risks and uncertainties for the remaining six months of the fiscal year

There have been no substantial changes in the risk factors as presented in the registration document filed with the AMF (*Autorité des Marchés Financiers*), the French financial market authority, on 9 April 2019 (No. D.19-0292) in the first half period under review.

Material subsequent events after 30 June 2019

There have been no material events to report since 30 June 2019.

2019 outlook

The markets in which Aubay is positioned remain very strong and the Group expects another year of revenue and earnings growth in 2019. The second half of 2019 includes the same number of billable days as the same period last year.

Based on this good first half year fully in line with expectations, Aubay is confident about meeting the 2019 targets announced with the publication of its 2018 annual results:

- Revenue of **€425 million** corresponding to organic growth of between 5% and 7%,
- An operating margin on ordinary activities of between **9.5% and 10.5%**.

Board of Directors

CONDENSED INTERIM FINANCIAL STATEMENTS

1. Consolidated statement of financial position

ASSETS (€ '000s)	30/06/2019	31/12/2018
Goodwill	124,101	124,101
Intangible assets	665	678
Property, plant and equipment	5,242	5,284
Right-of-use assets for leases	24,063	
Equity-accounted investees	-	-
Other financial assets	2,319	2,309
Deferred tax assets	2,173	2,126
Other non-current assets	141	
NON-CURRENT ASSETS	**158,704**	**134,498**
Inventories and work in progress	436	378
Contract assets	36,868	20,649
Trade receivables and related accounts	101,462	115,760
Other receivables and accruals	35,856	35,892
Marketable securities	977	0
Cash at bank and in hand	20,393	19,519
CURRENT ASSETS	**195,992**	**192,198**
TOTAL ASSETS	**354,696**	**326,696**

EQUITY AND LIABILITIES (€ '000s)	30/06/2019	31/12/2018
Capital	6,597	6,568
Additional paid-in capital and consolidated reserves	154,863	131,515
Net income attributable to the Group	11,492	27,327
Shareholders' equity attributable to the Group	**172,952**	**165,410**
Attributable to non-controlling interests	0	0
SHAREHOLDERS' EQUITY	**172,952**	**165,410**
Borrowings and financial liabilities - non-current portion	8,392	10,493
Lease liabilities - non-current portion	18,776	-
Deferred tax liabilities	5	6
Provisions for contingencies and expenses	5,567	5,328
Other non-current liabilities	3	2
NON-CURRENT LIABILITIES	**32,743**	**15,829**
Borrowings and financial liabilities - current portion	8,334	8,819
Lease liabilities - current portion	5,373	-
Trade payables and related accounts	26,915	26,530
Contract liabilities	12,513	17,528
Other payables and accruals	95,866	92,580
CURRENT LIABILITIES	**149,001**	**145,457**
TOTAL EQUITY AND LIABILITIES	**354,696**	**326,696**

2. Consolidated income statements

Consolidated statement of comprehensive income at 30 June 2019

(€ 000s)	30/06/2019	%	30/06/2018	%
Revenue	**208,115**	**100%**	**197,346**	**100%**
Other operating income	72		89	
Purchases used in production and external charges	(37,711)		(39,724)	
Staff costs	(146,237)		(137,684)	
Taxes other than on income	(1,713)		(1,692)	
Amortisation, depreciation and provisions	(3,546)		(835)	
Change in inventories of work in progress and finished goods				
Other operating income and expenses	89		(43)	
Operating profit from ordinary activities	**19,069**	**9.2%**	**17,457**	**8.8%**
Expenses linked to restricted share unit awards and similar share-based payments	(743)		(733)	
Current operating income	**18,326**	**8.8%**	**16,724**	**8.5%**
Other operating income and expenses	(690)		(695)	
Operating profit	**17,636**	**8.5%**	**16,029**	**8.1%**
Income from cash and cash equivalents				
Net borrowing costs	(177)		(249)	
Other financial income and expenses	(129)		94	
Net financial income (expense)	**(306)**		**(155)**	
Tax expenses	(5,838)		(4,847)	
Income from equity-accounted investees				
Net income before results of discontinued operations or assets held for sale	**11,492**		**11,027**	
Net income after tax of discontinued operations or assets held for sale				
Net income	**11,492**	**5.5%**	**11,027**	**5.6%**
Attributable to shareholders	11,492		11,027	
Attributable to non-controlling interests	0		0	
Basic weighted average number of shares	13,180,931		13,113,301	
Earnings per share	**0.87**		**0.84**	
Diluted weighted average number of shares	13,279,431		13,214,801	
Diluted earnings per share	**0.87**		**0.83**	

Consolidated statement of comprehensive income

(€ 000s)

Net income and gains and losses recognised directly in equity	30/06/2019	30/06/2018
Translation adjustments	-3	(1)
Revaluation of hedging derivatives		
Items that will not be subsequently recycled through profit or loss		
Actuarial gains and losses on retirement schemes	-175	150
Other impacts		
Items that will not be recycled through profit or loss	-178	149
Net gains and loss recognised directly in equity attributed to the Group	-178	149
Net income	**11,492**	**11,027**
Gains and losses recognised directly in equity attributed to the Group	-178	149
Comprehensive income attributable to the Group	**11,314**	**11,176**

3. Consolidated statement of cash flows

(€ '000s)	30/06/2019	30/06/2018
Consolidated net income(including non-controlling interest)	**11,492**	**11,027**
Income from equity-accounted investees		
Net allowances for amortisation, depreciation and provisions and right-of-use assets for leases	3,661	813
Non-cash expenses and income relating to share-based payments	743	733
Other non-cash items		(31)
Dividend income	(88)	(7)
Gains and losses on disposals of fixed assets	6	(17)
Cash flow after net interest expense and tax	**15,814**	**12,518**
Net borrowing costs	177	249
Tax expense (including deferred taxes)	5,838	4,847
Cash flow before net interest expense and tax (A)	**21,829**	**17,614**
Income tax payments (B)	(5,403)	(5,484)
Change in trade and other receivables (C)	(5,753)	(13,673)
Change in trade and other payables (C)	1,457	3,039
Net cash provided by (used in) operating activities (D) = (A+B+C)	**12,130**	**1,496**
Outflows for the acquisition of tangible and intangible fixed assets	(646)	(1,308)
Inflows from the disposal of tangible and intangible fixed assets		
Outflows for the acquisition of financial assets	(4)	
Inflows from the disposal of financial assets	32	
Change in loans and advances granted	(6)	30
Outflows (inflows) linked to business combinations net of cash acquired		
Dividends and grants received	88	7
Net cash provided by (used in) investing activities	**(536)**	**(1,271)**
Proceeds from capital increases		
Amounts received upon the exercise of stock options		31
Purchases of treasury shares for cancellation		
Purchases of and proceeds from the sale of treasury shares		31
Dividends paid in the period		
Net dividends paid to parent company shareholders	(4,354)	(3,151)
Dividends paid to the non-controlling shareholders of consolidated companies		(18)
Inflows from new borrowings	10	8,155
Repayment of financial debt	(5,558)	(6,025)
Repayment of lease liabilities	(1,225)	
Net interest payments	(173)	(283)
The purchase of non-controlling interests (put options)		(2,196)
Other financial flows		
Net cash provided by (used in) financing activities (F)	**(11,300)**	**(3,456)**
Effects of changes in foreign exchange rates (G)	**(1)**	**(2)**
Change in net cash (D+E+F+G)	293	(3,233)
Opening cash and cash equivalents	**19,372**	**16,492**
Closing cash and cash equivalents	**19,665**	**13,259**

4. Changes in consolidated shareholders' equity

	Share capital	Additional paid-in capital and consolidated reserves	Net income attributable to owners of the parent	Total equity attributable to the Group	Non-controlling interests	Total
Shareholders' equity at 1 January 2019	**6,568**	**131,516**	**27,327**	**165,410**	**0**	**165,410**
Capital increase	29	(29)	-	-	-	-
Share-based payments	-	569	-	569	-	569
Dividends paid	-	(4,354)	-	(4,354)	-	(4,354)
Net income appropriation	-	27,327	(27,327)		-	0
Net income for the period	-	-	11,492	11,492	-	11,492
Change in treasury shares	-	33	-	33	-	33
Transactions with non-controlling interests	-	-	-		-	0
Flows related to equity-accounted investments	-	-	-		-	0
Other changes	-	(20)	-	(20)	-	(20)
Other comprehensive income	-	(178)	-	(178)	-	(178)
Shareholders' equity at 30 June 2019	**6,597**	**154,864**	**11,492**	**172,952**	**0**	**172,952**

	Share capital	Additional paid-in capital and consolidated reserves	Net income attributable to owners of the parent	Total equity attributable to the Group	Non-controlling interests	Total
Shareholders' equity at 1 January 2018	**6,544**	**113,382**	**23,937**	**143,862**	**0**	**143,862**
Capital increase	24	7	-	31	-	31
Share-based payments	-	(120)	-	(120)	-	(120)
Dividends paid	-	(3,169)	-	(3,169)	-	(3,169)
Net income appropriation	-	23,937	(23,937)	0	-	0
Net income for the period	-	-	11,027	11,027	-	11,027
Change in treasury shares	-	(73)	-	(73)	-	(73)
Transactions with non-controlling interests	-	-	-	0	-	0
Flows related to equity-accounted investments	-	-	-	0	-	0
Other changes	-	7	-	7	-	7
Other comprehensive income	-	149	-	149	-	149
Shareholders' equity at 30 June 2018	**6,568**	**134,120**	**11,027**	**151,714**	**0**	**151,714**

5. Notes to the consolidated financial statements

Accounting policies

Aubay Group prepared its consolidated financial statements in compliance with IFRSs (International Financial Reporting Standards) in effect as of 30 June 2019, as adopted by the European Union. Interim financial statements are prepared in accordance with the same rules and methods as those used to prepare the annual financial statements. The condensed interim financial statements for 2019 first half were prepared in accordance with the provisions of IAS 34 "Interim financial reporting". As such, they do not include all the information required for the annual financial statements and should be read in conjunction with the 2018 annual report.

New standards and interpretations applicable in 2019

The rules and accounting methods applied to the interim financial statements are identical to those used to prepare the annual financial statements for the period ending on 31 December 2018, with the exception of new standards entering into effect for periods beginning on or after 1 January 2019.

- IFRS 16 "Leases",
- Amendments to IFRS 19: "Employee benefits: plan amendment, curtailment or settlement",
- Amendments to IFRS 28: "Long-term interests in associates and joint ventures",
- Amendments to IFRS 9: "Prepayment features with negative compensation",
- Annual improvements (2015-2017) to IFRS cycle,
- IFRIC 23 "Uncertainty over income tax treatments".

Application of IFRS 16 on 1 January 2019

Under this standard, the lessee recognises a depreciable right-of-use asset and a lease liability in the balance sheet.

During 2018, all leases (property, computer equipment and vehicles) were identified by the Group and an initial analysis of the potential impacts was performed.

The Group has opted to apply the modified retrospective method for this standard. On 1 January 2019, the Group recognised a right-of-use asset and a corresponding lease liability in the same amount representing the present value of future lease payments receivable over the legally binding contractual term (except where there exists a reasonably certain intention to renew or terminate the contract) without restating comparable periods. For Aubay, the main contracts falling under the scope of application of this standard concern property and premises and secondarily, vehicles and computer equipment.

The discount rates applied on the transition date are based on the incremental borrowing rate of the Group estimated on the basis of market data available on that date. The discount rates were determined in reference to the residual lives of the leases at 1 January 2019;

The Group also applied the two exemptions provided for by the standard, and namely the exclusion of leases having terms less than or equal to 12 months and/or leases whose unit value is less than US$5,000.

The presentation of lease liabilities in the balance sheet is separated into current (less than one year and non-current (more than one year) portions. Right-of-use assets are amortised on a straight-line basis over the lease term as with the amortisation of lease liabilities. In the income statement, amortisation and depreciation expenses are recognised under allowances for amortisation, depreciation and provisions of operating profit from ordinary activities. Interest expenses on lease liabilities are included under net financial income.

The following table presents the impact of the first-time application of IFRS 16 in the consolidated statement of financial position at 1 January 2019.

The main impact is the recognition of right-of-use assets for leases and the corresponding lease liabilities.

ASSETS (€ 000s)	31/12/2018	IFRS 16 first-time application	01/01/2019
Goodwill	124,101		124,101
Intangible assets	678		678
Property, plant and equipment	5,284		5,284
Right-of-use assets for leases		25,525	25,525
Equity-accounted investees	-		-
Other financial assets	2,309		2,309
Deferred tax assets	2,126		2,126
Other non-current assets			
NON-CURRENT ASSETS	**134,498**	**25,525**	**160,023**
Inventories and work in progress	378		378
Contract assets	20,649		20,649
Trade receivables	115,760		115,760
Other receivables and accruals	35,892		35,892
Marketable securities	0		0
Cash at bank and in hand	19,519		19,519
CURRENT ASSETS	**192,198**	**0**	**192,198**
TOTAL ASSETS	**326,696**	**25,525**	**352,221**

LIABILITIES (€ 000s)	31/12/2018	IFRS 16 first-time application	01/01/2019
Capital	6,568		6,568
Additional paid-in capital and consolidated reserves	131,515		131,515
Net income attributable to the Group	27,327		27,327
Shareholders' equity attributable to the Group	**165,410**		**165,410**
Attributable to non-controlling interests	0		0
SHAREHOLDERS' EQUITY	**165,410**		**165,410**
Borrowings and financial liabilities - non-current portion	10,493		10,493
Lease liabilities -non-current portion		20,404	20,404
Deferred tax liabilities	6		6
Provisions for contingencies and expenses	5,328		5,328
Other non-current liabilities	2		2
NON-CURRENT LIABILITIES	**15,829**	**20,404**	**36,233**
Borrowings and financial liabilities - current portion	8,819		8,819
Lease liabilities- current portion		5,121	5,121
Trade payables and related accounts	26,530		26,530
Contract liabilities	17,528		17,528
Other current financial liabilities	92,580		92,580
CURRENT LIABILITIES	**145,457**	**5,121**	**150,578**
TOTAL EQUITY AND LIABILITIES	**326,696**	**25,525**	**352,221**

Furthermore, the reconciliation of off-balance sheet commitments at 31 December 2018 with lease liabilities on 1 January 2019 breaks down as follows:

(€ '000s)		
Commitments given on non-cancellable leases at 31/12/2018		**15,868**
Adjustments linked to the probable renewal of leases		11,963
	Total adjustments	**27,831**
Effect of discounts		-1,466
Effect of exemptions		-840
Lease liabilities after discounting on 1 January 2019		**25,525**

Other texts whose application became mandatory on 30 June 2019:

- Amendments to IAS 19: "Employee benefits: plan amendment, curtailment or settlement"
- Amendments to IAS 28: "Long-term interests in associates and joint ventures"
- Amendments to IFRS 9: "Prepayment features with negative compensation"
- Annual improvements (2015-2017) to IFRS cycle;
- IFRIC 23 – Recognition of uncertainty over income tax treatments.

These new texts did not have a material impact on the Group's interim financial statements."

These financial statements were approved by the Board of Directors on 18 September 2019.

Consolidation methods: Companies over which Aubay exercises exclusive control, whether directly or indirectly, are fully consolidated. Exclusive control is presumed to exist when Aubay holds the majority of a company's voting rights, exercises contractual control or power to manage a company's operations.
The equity method is applied to the financial statements of companies in which Aubay exercises significant influence but without control. Equity accounting involves recognising in the income statement the Group's share in the associate's profit or loss for the year. The carrying amount of the investment is adjusted is adjusted to reflect cumulative changes after the acquisition date of the equity interests. The Group's investments in associates include goodwill.

Financial reporting periods and consolidation dates : All companies are consolidated based on their interim financial statements for the six-month periods ending 30 June 2019, and restated, as applicable, in accordance with Group accounting principles. The consolidation date for companies on first-time consolidation is the date the shares acquired in these companies are legally transferred. This same principle applies in the case of deconsolidation. To this end, financial statements are prepared for all acquired companies.

Translation of foreign financial statements:: Only the United Kingdom's subsidiary (Aubay UK) is concerned by translation differences, as all other companies of the Group are in the Eurozone.

- Assets and liabilities are translated at the closing rate at the end of the reporting period;
- Income, expenses and cash flows are translated at the average exchange rate for the period;
- All resulting translation differences are recognised as a separate component of equity.

Goodwill: Goodwill arises from the difference between the purchase price of shares of companies and the Group's share in restated net assets acquiree. This difference in value is divided between:

(1) Identifiable balance sheet items classified under the appropriate headings in accordance with applicable accounting rules.
(2) Goodwill for the unallocated balance.

The purchase price and its allocation must be finalised within 12 months from the acquisition date. Negative goodwill is recognised as a gain directly in the statement profit or loss.

Acquisition-related costs incurred by the Group in connection with a business combination is recognised under "other operating expenses" in the period incurred.

Put options written on non-controlling interests (business combinations) are accounted for as share buybacks to be recognised as an operating debt and offset by a reduction in non-controlling interests for the year they are recorded (full goodwill method). Amounts recognised are calculated according to commitments incurred, and mainly a multiple of earnings for the subsidiaries in question. Any year-on-year changes in debt related to changes in estimates are offset against "Other operating income and charges".

Goodwill is tested for impairment whenever there is evidence of impairment and at once a year at the end of the reporting period. This test consists of comparing the recoverable amount of cash generating units (CGU) or CGU groups with the net carrying value of the corresponding assets including goodwill.

Goodwill is allocated and tested for impairment by CGU or CGU group, i.e. by geographical market (France, Italy, Spain, Portugal and Belux) corresponding to the level at which the rates of returns on these investments are monitored. The Group's organisational structure provides for one legal entity per region (by integrating the companies followed by their merger).

The recoverable value of each CGU or CGU group is the value in use as determined from the discounted cash flow method. Its measurement is based on:

- criteria derived from the budget process and forecasts over a period of five years, including the rates of growth and return considered reasonable,
- a perpetuity growth rate was based on the growth potential of all CGUs or the CGU group set at 2.5% at 31 December 2018, based on an analysis of past experience and prospects for future development
- a discount rate before representing the weighted average cost of capital (WACC) applied to cash flow projections of 8.4% at 31 December 2018 for all CGUs or the CGU group (euro zone) This rate was based on the analysis of external sources of information, and notably a benchmark originating from financial analysts.

However, it is considered that the recoverable value of each CGU or CGU group may not be less than 0.6 times the revenue of the CGU or CGU group in question, except in special cases.

When an impairment loss is recognised, the difference between the carrying value of the asset and the remeasured value is charged in priority to goodwill and recognised under "Other operating income and expenses".

Goodwill impairment charges are irreversible.

Intangible assets:
Licenses and software: Licenses and software acquired with full title are amortised over a maximum of five years using the straight-line method except for inexpensive software packages which are amortised on a time proportion basis in the year acquired. Internally generated software and solutions providing lasting and measurable economic benefits are capitalised and subject to amortisation over the same periods.
The cost of internally generated software and solutions are those associated directly with their production, i.e. expenses linked to payroll costs of employees having developed the software.

Property, plant and equipment:

(1) Property, plant and equipment are recognised at cost and depreciated over their expected useful lives.

(2) By exceptions, they are subject to the same depreciation schedules used for the parent company financial statements (excluding items eligible for special tax depreciation provisions).

These items are generally depreciated according to the straight-line method:

Buildings	20 years
Fixtures and fittings	5 to 10 years
IT equipment	3 to 5 years
Office furniture and equipment	3 to 5 years

IFRS 16 leases:
The Group recognises a lease when it obtains substantially all of the economic benefits from use of the asset and it possesses a right to control the use of this asset.
On the lease inception date, the value of the right-of-use asset for leases corresponds to the lease liability adjusted for the initial direct costs for implementing the lease, advance payments, benefits received from lessors on this date and exceptional costs, if any, that the lessee will incur at the end of the lease term. The value of the liability for the asset is initially calculated in reference to the present value of future payments over the binding contractual lease term, after taking into account the options for renewal or termination that it can reasonably expected to be exercised at the Group's incremental borrowing rate.
This rate is based on market data available on this date, in accordance with the residual lives of the leases as from 1 January 2019. Lease payments take into account fixed lease instalments and variable payments linked to an index or interest rate when they are known at the lease inception date. For vehicles, they do not take into account the service component which may be included in leases recognised under expenses.

Right-of-use assets for leases are amortised over the terms used to calculate the lease liabilities. These items are depreciated according to the straight-line method.

Property leases	3 to 9 years
Vehicle leases	3 to 5 years
Leases for computer and other equipment	3 to 5 years

The presentation of lease liabilities in the balance sheet are separated into current (less than one year and non-current (more than one year) portions.
In the income statement, amortisation and depreciation expenses are recognised under allowances for amortisation, depreciation and provisions of operating profit from ordinary activities. Interest expenses on lease liabilities are included under net financial income.
The cost relating to leases corresponding to assets with a low unit value (<US$5000) or short-term leases (<12 months) continue to be recognised under operating expenses.

Trade receivables:
Receivables are stated at nominal value. They are assessed individually and, when necessary, a provision for depreciation is recorded to cover potential collection risks.

Cash and cash equivalents: Cash and cash equivalents include cash assets immediately available for sale and subject to an insignificant risk of short-term changes in value. Marketable securities are recognised in the balance sheet at cost. A provision for impairment is recognised when the carrying value is less than the acquisition cost.

Treasury shares: Aubay shares held by the parent company are deducted from consolidated shareholders' equity. Gains or losses from disposals are eliminated in changes in shareholders' equity.

Grants and tax credits: operating grants and tax credits are deducted from expenses presented according to the function of expense method (mainly staff costs for the Research Tax Credit and the "CICE" wage tax credit).

Provisions: The Group adheres to the provisions of IAS 37. This standard defines a liability as a balance sheet item with a negative value for the company, and namely an obligation towards a third party for which it is probable or certain to result in an outflow of resources to this third-party with no equivalent consideration expected in return.

When business combinations are recognised, the Group may record provisions (for contingencies, litigation, etc.) in the opening balance sheet. These provisions constitute liabilities that create or increase the amount of goodwill. After the twelve-month allocation period from the opening balance sheet, the reversal of unused provisions resulting from changes in estimates as defined in IAS 8 is recorded in the income statement under "Other operating income and expenses".

Provisions for pensions and similar commitments: In compliance with IAS 19, the Group records long-term post-employment benefits or benefits contingent on accruing seniority within the Group such as retirement severance benefits (*indemnités de départ à la retraite*), etc. These benefits may be provided under different types of plans:

- Defined-contribution plans for which the Group pays defined benefits to external organisations. The corresponding expenses are recognised as they are paid.
- Defined-benefit plans under which the Group has an obligation towards employees. The characteristics of these plans vary according to the laws and regulations which apply in each country.

In France, the main actuarial assumptions applied to measure defined-benefit plan obligations are as follows:

- Retirement age: 67 years
- Average salary of reference: 1/13th of annual remuneration excluding bonuses
- Salary escalation rate: 1%
- Social security contributions: 45%
- Discount rate: 0.77%
- Turnover ratio: based on the company's own table
- Life expectancy according to the INSEE 2018 table

In Italy, the provision corresponds to the legal severance payments (TFR or *Trattamento di Fine Rapporto*). These severance benefits are recorded each year for a percentage of gross annual salary and payable to employees at the end of their employment contract.

In Spain, Belgium and Luxembourg, there are no pension liabilities.

Measurement and recognition of financial liabilities: Long-term financial debt includes mainly bank borrowings, bonds and put options written on non-controlling interests .

Bonds are measured on their issue date at fair value and then recognised until maturity according to the amortised cost method. On the bond issue date, fair value is defined as the present value of future outflows at the market rate. In addition, issuance costs and bond issue premium are deducted from the fair value of the bond. The difference between the nominal value of the bond and its fair value as calculated above is recognised in shareholders' equity. For each period thereafter, interest expense recorded in the statement of profit or loss represents the theoretical interest expense calculated by applying the effective interest rate to the carrying value of the debt. The effective interest rate is calculated when the bond is subscribed and corresponds to the rate used to bring future outflows in line with the initial fair value of the bond. The difference between the interest expense as calculated above and the nominal interest is recognised as an offset to the bond in the balance sheet under liabilities.

Revenue: Revenue is recognised when a contract exists between the Group and its customer. A contrast is considered to exist if it is probable that the consideration to which the Group is entitled to in exchange for the goods or services will be collected, the payment terms can be identified, and the parties undertake to perform their respective obligations. The revenue generated from contracts with customers is recognised in exchange for an asset of the contract or trade receivable before actual payment.*

The method for recognising revenues and costs depends on the nature of the services rendered.

Resources-based contracts

Revenue from resources-based contracts are recognised as the Group earns the right to bill the customer as the amount invoiced corresponds directly to the value for the customer of the performance completed to date. Each obligation to provide services is recognised in revenue on a proportionate performance basis as the customer receives and consumes the benefits of the services provided in a continuous manner. The services are priced based on the number of hours spent on the contract. The amount to be billed is representative of the value of the service delivered to the customer and revenue is recognised over time based on the hours spent. The related costs on resources-based contracts are expensed as incurred.

Deliverables-based contracts

Deliverables-based contracts typically include fixed price projects (construction of an asset application, specific developments for a customer, etc.).

For deliverables-based contracts, revenues are generally recognised over time, because at least one of the following conditions is met:

- The service provided by the Group improves an asset of which the customer obtained control over the period the services are rendered,
- The Group builds an asset that has no alternative use other than as used by the customer and the Group has an irrevocable right to payment for performance to date according to the contractual conditions and local laws.

The related costs on deliverable-based contracts are expensed as incurred.

Services-based contracts

Services-based contracts include infrastructure management, application management and business services (application management and third-party testing services, services centres…). Contract terms typically range from 3 to 5 years.

Services are generally built on a monthly basis, based on a fixed-price per work unit consumed, or based on monthly fixed fees subject to adjustment mechanisms for volume or scope changes.

These contracts generally provide for service-level penalties.

Recurring services are generally considered as constituting a single performance obligation, comprised of a series of distinct daily units of service delivered over time. Revenue on services-based contracts is recognised as rights to invoice arise. Service-level penalties or bonuses, if any, are accrued in full over the period when the performance targets are failed or achieved, as appropriate.

Resale activities

The Group resells software and hardware purchased from third-party suppliers. When the asset or service is distinct from the other services provided by the Group, it assesses whether it is acting as an agent or a principal in the purchase and resale transaction.

According to IFRS 15, the Group is considered as a "principal" when it obtains control of the software, hardware and services before their transfer to the customer. In such case, the transaction is presented on a gross basis.

If the Group acts as an “agent”, the transaction is recorded on a net basis (amounts charged by suppliers are recorded as a deduction to revenue) and corresponding to the Group's compensation and commissions as an agent.

Contract costs – costs to obtain and fulfil contracts

Incremental costs incurred for obtaining contracts are never capitalised as "contract costs) and amortised over the lifespan of the contract. This also applies to costs associated with the transition and transformation phases.

If the budgeted cost of a contract comes to exceed the contractual amount of sales, a provision for losses on completion is recorded at the end of the reporting period.

Presentation in the consolidated statements of financial position

Contract assets are presented separately from trade receivables. This represents revenue recognised for which the corresponding rights to receive consideration are contingent on a condition other than the passage of time, notably the future performance of the Group and the achievement of invoicing milestones or the customer acceptance.

When customer contract assets cease to be contingent, except for the passage of time (unbilled receivables), they convert into trade receivables.

Contract liabilities represent consideration received or receivable and recognised under liabilities in advance of performance (the payments from customers and prepaid income).

Other operating income and expenses:: This includes items that are infrequent, unusual in nature, unforeseeable and involving significant amounts. For example, this includes restructuring costs, goodwill impairment charges, capital gains and losses from disposals, the costs of acquisitions and the integration of companies acquired by the Group;

Stock options: in accordance with IFRS 2, stock options are to be recognised under expenses at fair value on the date they are granted to employees or managers. This provision applies to plans established after 7 November 2002. Stock options are measured using the Black & Scholes model based on criteria that include namely, the exercise price of the options, their lifespan, the share price on the grant date, the implied volatility of the share price, employee turnover assumptions and the risk-free interest rate. The exact value of the options are set on their grant date. This value is amortised according to the straight-line method.

Restricted stock awards: performance shares are granted to selected employees and officers of the Group subject to market performance and service conditions (2 to 3 years). The stock market benchmark is the "STOXX Europe TMI Software & Computer Services". The fair value of the share is determined by applying a model complying with IFRS 2 ("Monte Carlo") that includes the share price on the grant date, the implied volatility of the share price, the risk-free interest rate, the dividend yield for the period, the benchmark price on the grant date.

Corporate income tax: Tax expenses are equal to the sum of current taxes, deferred taxes plus certain local French and Italian business taxes (namely the CVAE and IRAP respectively). Deferred taxes are calculated according to the expiration periods for tax liabilities under the different local tax regimes and to the probability that future taxable profit will be available against which unused tax losses can be utilised.

Earnings per share: Basic earnings per share are calculated by dividing net income attributable to Group equity holders by the weighted average number of shares outstanding in the period.
Diluted earnings per share are calculated by dividing net income attributable to Group equity holders, restated to eliminate the financial cost, net of tax, of dilutive debt instruments, by the weighted average number of shares outstanding in the period, increased by the average number of shares to be issued through the following dilutive instruments: stock options and performance stock awards in the money at 30 June 2019.

Use of estimates: Producing financial statements according to IFRS requires the use of estimates and assumptions which affect the amounts presented in the financial statements, and concerning namely the following items:

- the measurement of provisions and pension liabilities;
- measurements used for impairment tests;
- the measurement of share-based payments;
- the measurement of financial liabilities.

These estimates are based on assumptions established according to information available when the financial statements were prepared. They may be revised if there is a change in the circumstances on which they are based or on obtaining new information. Actual results may differ from the estimates.

Alternative performance measures:

The following internal performance measures are used by the Group:

Organic or like-for-like revenue growth:

Growth at constant structure for a given period, excluding revenues of companies acquired or disposed of since the previous period. Because Aubay 's business is concentrated in the euro zone, it is completely or virtually unaffected by changes in exchange rates.

Operating profit from ordinary activities

This indicator corresponds to operating profit before the cost of restricted stock units (free shares) and other unusual, significant or infrequent income and expenses shown on a separate line to present a clearer view of the performance generated from recurring operations.

Operating profit after non-recurring items

This indicator corresponds to operating profit from ordinary activities after the cost of restricted stock units (free shares) and before other income and expenses that are unusual, significant or infrequent and shown on a separate line in order to present a clearer view of the performance generated from recurring operations.

Net debt (or net cash):

This indicator represents the difference between an entity's cash and financial debt. If the result is negative, it is referred to as net debt. If it is positive, it is referred to as net cash. Lease liabilities are not included in net debt.

Notes to the balance sheet

Changes in the Group structure in the 2019 first half

No acquisitions were carried out in the 2016 first half.

Goodwill

(€ '000s)	Beginning of period	Acquisitions/increases	Disposals/reversals	End of period
Gross value	141,878	-	-	141,878
Amortisation	(17,777)	-	-	(17,777)
Value	124,101	-	-	124,101

Leases

Right-of-use assets by lease category

(€ '000s)	Land and buildings	Vehicles	Machinery and equipment	Total
Gross amounts				
At 01/01/2019	**21,666**	**2,014**	**1,845**	**25,525**
Acquisitions/Increases	817	323	85	1,225
Disposals/Decreases				
At 30/06/2019	**22,483**	**2,337**	**1,930**	**26,750**
Amortisation				
At 01/01/2019	**0**	**0**	**0**	**0**
Allowances and impairment	-1,933	-441	-313	**-2,687**
Reversals and disposals				
At 30/06/2019	**-1,933**	**-441**	**-313**	**-2,687**
Net values				
At 30/06/2019	**20,550**	**1,896**	**1,617**	**24,063**

Lease liabilities by maturity

(€ '000s)	Carrying value					
At 30/06/2019		Current	Non-current	1 to 2 years	2 to 5 years	> 5 years
Lease liabilities	**24,149**	5,373	18,776	5,135	13,641	0

Trade receivables and related accounts linked to leases

(€ '000s)	**30/06/2019**	**31/12/2018**
Trade receivables - Gross value	102,292	116,493
Impairment	(830)	(733)
Contract assets	36,868	20,649
Trade receivables and contract assets	**138,330**	**136,409**
Contract liabilities	(12,513)	(17,528)
Trade receivables and contract assets net of contract liabilities	**125,817**	**118,881**
Days sales outstanding (DSO)	**90**	**89**

Dealings in own shares in the 2019 first half

Number of treasury shares held at 01/01/2019	7,657
Acquisitions/Disposals 2019 (net)	-1,077
Number of treasury shares held at 30/06/2019	6,580

Changes in provisions

(€ '000s)	**30/06/2019**	**31/12/2018**
Provisions for litigation contingencies	2,561	2,766
Provisions for pensions and retirement benefits	3,006	2,562
Total	**5,567**	**5,328**

Breakdown of deferred taxes

	Opening	Increase	Decrease	Closing amount
Deferred tax assets	-	-	-	-
Tax loss carryforwards	526	-	170	356
- Temporary differences	1,600	217	-	1,817
Total deferred tax assets	**2,126**	**217**	**170**	**2,173**
Deferred tax liabilities	-	-	-	-
- Temporary differences	6	-	1	5
Total deferred tax liabilities	**6**	**0**	**1**	**5**

Borrowings, financial debts and cash

At 30 June 2019

	30/06/2019			2018
(€ '000s)	**Amount**	**Less than 1 year**	**More than 1 year**	**Amount**
Bank debt	15,021	6,629	8,392	19,165
Creditor banks	1,705	1,705	-	147
Other financial liabilities	0	-	-	0
DEBT	**16,726**	**8,334**	**8,392**	**19,312**
Marketable securities	977	-	-	-
Cash at bank and in hand	20,393	-	-	19,519
CASH AND CASH EQUIVALENTS	**21,370**	**-**	**-**	**19,519**
(NET DEBT)/NET CASH	**4,644**	**(8,334)**	**(8,392)**	**207**

Cash and cash equivalents (€ '000s)	**30/06/2019**	**31/12/2018**
Cash at bank and in hand	20,393	19,519
Short-term investments	977	-
Bank overdrafts	(1,705)	(147)
Total cash and cash equivalents	**19,665**	**19,372**

Off-balance sheet commitments

There are no significant changes in off-balance sheet commitments to report with the exception of contractual obligations of leases now presented in the balance sheet in accordance with IFRS 16 "Leases".

Transactions with related parties

There were no significant transactions with related parties in the 2019 first half.

Notes to the income statement

Income statement highlights by region and business segment

	30/06/2019		30/06/2018	
In €m	Revenue	Operating margin on ordinary activities*	Revenue	Operating margin on ordinary activities*
Group	**208.1**	**9.2%**	**197.4**	**8.8%**
France/UK	107.3	9.7%	101.6	9.2%
International	100.8	8.6%	95.8	8.4%

*Percentage of sales

30 June 2019			
(€ millions) - Operating Segment	**France/UK**	**International**	**Total**
Geographical regions			
France/UK	107.3		107.3
Italy		53.5	53.5
Iberian Peninsula		37.7	37.7
Belux		9.7	9.7
Total	**107.3**	**100.8**	**208.1**
Customer business sectors			
Banking/Finance	49.0	30.8	79.8
Insurance and personal protection coverage	40.4	8.7	49.1
Public sector	1.5	14.1	15.6
Services/Utilities	4.1	12.4	16.5
Industry & Transport	6.3	8.3	14.6
Telecoms, Media & Gaming	5.4	25.5	30.9
Retail and distribution	0.6	1.0	1.6
Total	**107.3**	**100.8**	**208.1**
Revenue recognition method			
Goods/services on a proportional performance basis	107.3	99.9	207.2
Goods/services on completed sales basis		0.9	0.9
Total	**107.3**	**100.8**	**208.1**

30 June 2018			
(€ millions) - Operating Segment	**France/UK**	**International**	**Total**
Geographical regions			
France/UK	101.6		101.6
Italy		49.7	49.7
Iberian Peninsula		34.2	34.2
Belux		11.9	11.9
Total	**101.6**	**95.8**	**197.4**
Customer business sectors			
Banking/Finance	47.4	28.7	76.1
Insurance and personal protection coverage	37.5	8.1	45.6
Public sector	1.0	15.2	16.2
Services/Utilities	4.0	9.2	13.2
Industry & Transport	6.3	8.8	15.1
Telecoms, Media & Gaming	4.4	24.4	28.8
Retail and distribution	1.0	1.4	2.4
Total	**101.6**	**95.8**	**197.4**
Revenue recognition method			
Goods/services on a proportional performance basis	101.6	95.4	197.0
Goods/services on completed sales basis		0.4	0.4
Total	**101.6**	**95.8**	**197.4**

At 30 June 2019 (€ '000s)	France/UK	International	Inter-segment adjustments	Total
Revenue	107,517	101,183	(585)	208,115
Other operating income		71		71
Purchases	(13,426)	(15,418)	535	(28,309)
External charges	(2,927)	(6,527)	52	(9,402)
Staff costs	(77,395)	(68,842)		(146,237)
Taxes other than on income	(1,676)	(37)		(1,713)
Allowances for depreciation and amortisation	(1,603)	(1,784)		(3,387)
Amortisation, depreciation and provisions	(2)	(157)		(159)
Other operating income and expenses	(48)	139	(2)	89
Total operating profit from ordinary activities	**10,441**	**8,628**	**0**	**19,069**
Other operating income and expenses	(672)	(761)		(1,433)
Operating profit	**9,769**	**7,867**	**0**	**17,636**

At 30 June 2018 (€ '000s)	France/UK	International	Inter-segment adjustments	Total
Revenue	101,690	96,200	(544)	197,346
Other operating income		90	(1)	89
Purchases	(13,131)	(15,555)	425	(28,261)
External charges	(4,116)	(7,454)	107	(11,463)
Staff costs	(72,988)	(64,696)		(137,684)
Taxes other than on income	(1,652)	(40)		(1,692)
Allowances for depreciation and amortisation	(367)	(452)		(819)
Amortisation, depreciation and provisions	(16)	0		(16)
Other operating income and expenses	(54)	(2)	13	(43)
Total operating profit from ordinary activities	**9,366**	**8,091**	**0**	**17,457**
Other operating income and expenses	(989)	(439)		(1,428)
Operating profit	**8,377**	**7,652**	**0**	**16,029**

Staff costs

(€ '000s)	30/06/2019	30/06/2018
Salaries	107,959	101,333
Social charges	37,959	36,093
Net allowances for provisions for retirement	319	258
Total	**146,237**	**137,684**
Revenue	**208,115**	**197,346**
Ratio Staff costs/Revenue	70.3%	69.8%

Headcount end of reporting period	30/06/2019	30/06/2018
France	2,545	2,455
Belgium/Luxembourg	189	262
Italy	1,836	1,681
Spain/Portugal	1,666	1,515
Total	**6,236**	**5,913**

Consultants	5,754	5,472
Consultants (%)	92.4%	92.5%
Administration and sales	482	441
Total	**6,236**	**5,913**

Other operating income and expenses

(€ '000s)	30/06/2019	30/06/2018
Net non-recurring items	(690)	(695)
Gains and losses on disposals of fixed assets	-	-
Remeasurement of liabilities linked to put options of non-controlling interests	-	-
Total	**(690)**	**(695)**

Net non-recurring items consist primarily of restructuring costs.

Income tax expenses

(€ '000s)	30/06/2019	30/06/2018
Current taxes	(5,884)	(5,060)
Deferred taxes	46	213
Total	**(5,838)**	**(4,847)**

Current tax includes €4.1 million in income tax and €1.7 million in local French and Italian business taxes (namely the CVAE and IRAP respectively).

STATUTORY AUDITORS' REPORT
ON THE 2019 INTERIM FINANCIAL STATEMENTS

For the period from January 1, 2019 to 30 June 2019

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This is an unsigned free translation into English of the auditor's review report issued in the French language 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 standards applicable in France.

To the shareholders of Aubay
In accordance with the terms of our appointment by your General Meeting, and in accordance with Article L.451-1-2 III of the French monetary and financial code, we hereby submit our report regarding:

- the limited review of the accompanying interim condensed consolidated financial statements of Aubay SA for the six-month period ending 30 June 2019;

- The verification of the information given in the interim management report.

These interim condensed financial statements were prepared under the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these statements based on our limited review.

1 Review of the financial statements

We have conducted our limited review in accordance with the professional standards applicable in France. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. The scope of a review is substantially less than for an audit conducted in accordance with generally accepted audit standards in France. As such, it provides a moderate assurance that the financial statements as a whole are free of material misstatements that is lower than that which would result from an audit.

Based on our limited review, nothing has come to our attention to suggest that the condensed interim financial statements do not comply in all material respects with IAS 34 in accordance with IFRS as adopted by the European Union governing interim financial reporting.

Without qualifying the above conclusion, we draw your attention as an emphasis of matter to the paragraphs "New standards and interpretations applicable in 2019" and "Application of IFRS 16 on 1 January 2019" of the Section " Accounting policies" of Part 5 of the notes to the interim condensed consolidated financial statements which presents the impacts of the mandatory application for periods beginning on or after 1 January 2019 of IFRS 16 "Leases".

2 Specific procedures and disclosures

We have also reviewed the information in the interim report commenting on the interim condensed consolidated financial statements that were the subject of our limited review. We have no matters to report regarding its fair presentation and consistency with the interim consolidated financial statements.

Paris and Paris-La Défense, 24 September 2019
The Statutory Auditors

[*French original signed by*:]

BCRH & ASSOCIES

CONSTANTIN ASSOCIES
members of the Deloitte network

François SORS

Philippe SOUMAH

RESPONSIBILITY STATEMENT FOR THE ORIGINAL FRENCH VERSION OF THE INTERIM FINANCIAL REPORT

"To the best of my knowledge, and in accordance with applicable reporting principles for interim financial reporting, the interim condensed consolidated financial statements of the company and all consolidated operations provide a fair view of its assets and liabilities, financial position and earnings, and the interim management report provides a fair view of material events of the first six months, their impact on the interim financial statements, the main transactions with related parties as well as a description of the key risks and uncertainties for the remaining six months."

Philippe Rabasse
Chief Executive Officer of Aubay Group