2019 Interim Financial Report

Six months ended 30 June 2019

REPORT ON OPERATIONS – FIRST HALF 2019

Net asset value (NAV)

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

At 30 June 2019:

- The market value of Peugeot SA shares was €1,827 million, up €255 million over the six-month period, driven by a 16.2% rise in the share price.
- The gross asset value of Investments was €3,292 million, up from €2,745 million at 31 December 2018.
- FFP's net asset value was €4,395 million (€176.4 per share), compared with €3,746 million (€150.3 per share) at 31 December 2018, up 17.3% over the six-month period.

In €m	% held	Valuation	% Gross Asset value
Peugeot SA (A)	**9,3%**	**1 827**	**36%**
Lisi	5,1%	78	2%
CID (Lisi)	25,3%	217	4%
SEB S.A.	5,0%	399	8%
Safran	0,7%	413	8%
Orpéa	5,0%	346	7%
CIEL group	6,9%	18	0%
Tikehau Capital	2,3%	64	1%
SPIE	5,5%	139	3%
Non listed holdings		151	3%
Holdings (i)		**1 824**	**36%**
Private Equity funds		292	6%
IDI	10,1%	33	1%
Private equity vehicules (ii)		**325**	**6%**
Co-investments (iii)		**662**	**13%**
Immobilière Dassault	19,8%	87	2%
Non listed Real Estate		308	6%
Real Estate (iv)		**395**	**8%**
Other financial assets		33	1%
Cash		54	1%
Other Assets (v)		**87**	**2%**
Investment Gross Asset Value (i)+(ii)+(iii)+(iv)+(v) = (B)		**3 292**	**64%**
Gross Asset Value = (A) + (B)		**5 119**	**100%**
Debt (C)		**724**	
Net Asset Value = (A) + (B) - (C)		**4 395**	
i.e. per share		**176,4 €**	

Operations and results of main investments

Groupe PSA

Groupe PSA posted revenue of €38,340 million in the first half of 2019, a slight decline of 0.7% year on year. Revenue for the Automotive division totalled €30,378 million, down 1.1% relative to the first half of 2018. Positive product mix and price effects partially offset lower sales to partners as well as the negative impact of exchange rates, volumes, country mix and others.

The Group's recurring operating income rose 10.6% to €3,338 million, with the Automotive division's recurring operating income up 12.6% year on year to €2,657 million. The Group's strong profitability level of 8.7% was achieved thanks to the positive product mix effect and continuing cost reductions, despite exchange rate headwinds.

The Group's recurring operating margin was 8.7%, up 0.9% compared with the first half of 2018.

Consolidated net profit reached €2,048 million, up €335 million from its level in the first half of 2018. Net profit group share was €1,832 million, an increase of €351 million year on year.

The free cash flow of manufacturing and sales companies was €1,599 million, of which €2,287 million for the Automotive division. At 30 June 2019, the Group's manufacturing and sales companies had a net cash position of €7,906 million after the IFRS 16 adjustment and the acquisition of Clarion by Faurecia.

In conclusion, Groupe PSA continues to deliver performance at record levels in a complex and turbulent environment. The Group's management has confirmed all of the targets set in the "Push to Pass" plan.

Investments

Nearly all of FFP's listed investments achieved positive organic growth in the first half of 2019, with particularly strong organic revenue growth at Safran (14.2%), SEB (8.4%), Orpea (4.7%) and Spie (3.1%).

New investments / disposals

Shareholdings

Disposal of investment in DKSH

In February 2019, FFP sold its stake in DKSH, a leading Swiss market expansion services group with a focus in South East Asia, for a total consideration of 212 million Swiss francs. The disposal of this investment in DKSH, which FFP had held since 2008, generated an equity multiple of 4.3, dividends included.

Investment in SIGNA Prime Selection

In June 2019, FFP acquired a 5% stake in the real estate company SIGNA Prime Selection ("SIGNA Prime") for €186 million. SIGNA Prime's strategy is to retain ownership of its high-quality assets (mainly office and retail properties) over the very long term. Most of these assets are in prime city-centre locations in Germany, Austria and northern Italy. The portfolio offers significant potential for value appreciation. With this new investment, FFP has doubled the value of its real estate assets while increasing its geographical diversification.

Investment in Acteon

In June 2019, FFP made a €15 million investment in the French medtech company Acteon alongside Dentressangle Mid & Large Cap. Acteon specialises in the design and manufacture of high-technology dental and medical devices. Recognised for its innovation, the quality of its products and the expertise of its management, Acteon is ideally positioned in a growing market with great potential over the long term. The company's diversified geographic presence is also key to its success.

Additional investment in Tikehau Capital Advisors

In May 2019, FFP took part in the capital increase of Tikehau Capital Advisors with a further investment of €25 million in order to support the growth of Tikehau, which currently manages €23.4 billion in assets and has entered a new phase of expansion.

Additional investment and disposal alongside ELV

FFP has joined forces with several families in Europe to support the development of real estate projects in the United States, which are being devised and managed by a US team of professionals within ELV Associates, which was founded in 1991. The projects mainly involve residential developments, but also office and retail developments. To date in 2019, FFP has made total commitments of $9 million for additional investments, $6.8 million of which had been called at 30 June 2019.

Co-investments

Additional investment in Lineage

Following an initial investment of $25 million in 2017, FFP took the opportunity of a capital increase launched by Lineage in April 2019 to invest a further $15 million. This fundraising has allowed Lineage, a global cold storage leader, to acquire Preferred Freezer, the fourth-largest player in the US market, thus consolidating its leadership position in this region.

Investment in Transact

In April 2019, FFP invested alongside Reverence Capital II in Transact, a US-based software provider to universities and other educational institutions, when this former business unit of Blackboard Inc. was split off as a separate entity. The services covered by the company's software solutions include campus access, mobile credentials, point-of-sale transactions, electronic tuition payment solutions, events authorisation and bookstore management. The total commitment of $15 million was called in full in April 2019. FFP thus indirectly holds a 4.4% stake in Transact.

Investment in The Lian
The Lian is a Chinese services company helping international beauty and skincare brands (e.g. Shiseido) sell their products via the main Chinese e-commerce sites, and Tmall in particular. In June 2019, FFP committed to invest $20 million in this company via a co-investment fund managed by Crescent Point in conjunction with the departure of one of its investors. A first tranche of $13.9 million will be called in early September 2019. FFP will thus indirectly hold a 6.6% stake in The Lian.

It is also worth noting that commitments made last year for certain investments bore fruit in the first half of 2019: JAB Holding acquired Compassion First, a US chain of veterinary hospitals, and MED Platform I launched a bid to acquire Bomi, an Italian provider of transport, warehousing and supply chain management services for healthcare companies.

Private equity funds and real estate

Summit Partners Growth Equity Fund X
FFP has made a commitment to invest $12.5 million in this US-based growth equity / buyout fund with a target size of $4 billion, focused on minority and majority investments in companies having arrived at a turning point in their development. The three primary sectors targeted by the fund are software, healthcare and life sciences, and high-growth products and services. The fund will invest in 25 to 35 companies, in amounts ranging from $75 million to $300 million.

Quadrille Technologies Fund IV
FFP has decided to make a €10 million investment in this fund of high-growth technology venture funds. With a target size of €400 million, the fund invests in funds but also makes direct equity investments in portfolio companies via co-investments made alongside these funds. Its investments are mainly focused in the United States and Europe.

BDT Capital Partners Fund III
FFP has also invested $30 million in this US-based long-hold buyout fund with a 16-year life span. With a target size of $9 billion, the fund focuses primarily on majority and structured minority investments in US-based companies. It plans to invest in 10 to 15 companies, with ticket sizes ranging from $150 million to $5 billion.

Advent Global Private Equity IX
FFP has made a €15 million commitment to this global large buyout fund, which reached its hard cap of $17.5 billion in June 2019. The fund invests primarily in Europe and North America and selectively in Asia and Latin America. It is focused on five core industry sectors: business and financial services; healthcare; manufacturing; retail, consumer and leisure; and technology, media and telecommunications. It expects to make around 30 to 35 investments, with an average ticket size of $300 million.

Wisequity V
FFP has made a €10 million investment in this Italian buyout fund, which has a target size of €250 million. It plans to make around 10 investments in leading B2B companies in northern Italy operating in niche sectors, with ticket sizes of €20 million to €30 million.

Warburg Pincus China-Southeast Asia II
In 2018, FFP had made a commitment to invest $20 million in the global fund Warburg Pincus Global Growth. FFP has entered into a new, $12 million commitment this year, to this fund invested exclusively in Chinese and South-East Asian companies included in the global fund’s portfolio.

Icawood

FFP has made a commitment to invest €25 million in this fund managed by Icamap in partnership with Woodeum, a French civil engineering and property development company using cross-laminated timber (CLT) as its primary construction material. The fund invests uniquely in CLT office assets in the Grand Paris metropolitan area.
It is a development fund aimed at investing in 5 to 10 development projects for new office buildings or the redevelopment of existing assets.

TREO 2018

FFP has invested €20 million in Tikehau's first value-add real estate fund, which has a target size of €750 million and aims to invest in European property assets offering the potential for value creation (restructuring, redevelopment). Investment sizes will range from €20 million to €500 million.

Analysis of results and financial position

The consolidated financial statements have been prepared in line with the change in accounting policy resulting from the application of IFRS 16, the new standard on lease accounting, which is effective for periods beginning on or after 1 January 2019. For lessees, all leases must now be recorded on the balance sheet by recognising an asset (representing the right to use the underlying asset over the term of the lease) and a corresponding liability (in respect of the obligation to make lease payments). For FFP, the initial application of this standard at 1 January 2019 mainly involves the lease for its head office building, resulting in the recognition of an asset and a liability of €4.3 million in its balance sheet at 30 June 2019.

There were no changes in the scope of consolidation in the first half of 2019.

Consolidated profit

Net profit attributable to equity holders of the parent was €103.1 million in the first half of 2019, compared with €86.4 million in the year-earlier period, and breaks down as follows:

- Income from long-term investments totalled €124.3 million, as against €100.2 million in the first half of 2018. It mainly comprised:
  - dividends from non-consolidated companies, up 33% to €104.1 million, compared with €78.3 million in the year-earlier period, mainly due to PSA's excellent earnings in 2018, which gave rise to a higher dividend payment;
  - the remeasurement at fair value in the amount of €17.9 million, as against €22.9 million at 30 June 2018.

- FFP's share of the net profit of associates was €5.1 million, compared with €8.9 million in the first half of 2018. This decrease was mainly due to the results of Lisi, which recognised a depreciation charge in its income statement at 30 June 2019 following the disposal of two production sites.

- The cost of debt rose slightly to €8.4 million, compared with €7.1 million in the first half of 2018. This rise was mainly due to the €150 million increase in FFP's bank borrowings, together with the renewal fees for certain credit facilities.

- General administrative expenses were stable at €12.5 million, compared with €12.1 million in the first half of 2018.

Consolidated comprehensive income attributable to equity holders of the parent was €603.6 million, versus €361.3 million in the first half of 2018. Apart from profit for the period, its change reflects growth in the value of FFP's equity investments, in the total amount of €360.4 million, due to increases in share prices in the first half of 2019, especially for Peugeot SA, Safran and SEB.

Balance sheet and cash flows

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

- a €577.3 million rise in the fair value of non-consolidated equity investments in the first half of 2019, mainly as a result of the aforementioned increases in share prices for Peugeot SA, Safran and SEB, partly offset by changes in scope (negative impact of €230 million corresponding to the disposal of the investment in DKSH);
- a €178 million increase in portfolio investment securities (TIAP), mainly corresponding to new private equity commitments and the remeasurement of certain co-investments;
- a €42 million increase in cash and cash equivalents, pending calls for several commitments expected to be made in early July;
- a €551 million increase in equity attributable to equity holders of the parent in the first half of 2019, in line with the rise in comprehensive income.

The main cash flows in the first half of 2016 were as follows:

- net cash flow from operating activities in the amount of €90.5 million, mainly corresponding to dividends received from investments;
- purchases of long-term investments for €342.8 million, corresponding for the most part to FFP's investments in SIGNA Prime, Acteon, Transact and ELV, its additional investments in Tikehau Capital Advisors and Lineage, as well as calls made by private equity funds and co-investments (JAB Holding and MED Platform I);
- disposals of long-term investments in the amount of €199.6 million, mainly relating to the sale of the stake in DKSH;
- new drawings on credit facilities made by FFP, totalling €150.5 million;
- total dividends paid to shareholders of €53.2 million.

Main risks and contingencies

The main risk factors are described in the 2018 Registration Document, pages 113 to 121. There were no significant changes in the nature of these risks during the first half of 2019.

Events since 30 June

No material transactions have occurred since 30 June.

Outlook

For 2019 as a whole, Groupe PSA expects the auto market to shrink 1% in Europe, 7% in China and 4% in Latin America, while growing 3% in Russia. The Group's management has confirmed the targets in the "Push to Pass" plan announced at the start of the year (operating margin averaging 4.5% in the Automotive division between 2019 and 2021).

As regards Investments (assets other than Peugeot SA shares), most investees operate in buoyant markets that should enable them to maintain their organic growth.

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

Related party transactions

Note 26 to the interim condensed consolidated financial statements covers related party transactions.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	30/06/2019	30/06/2018
Income from long-term investments	3	124,271	100,164
Income from investment properties	4	641	657
Income from other activities	5	1,892	2,572
Income from ordinary activities		**126,804**	**103,393**
General administrative expenses	6	(12,495)	(12,111)
Cost of debt	7	(8,385)	(7,087)
Pre-tax profit from consolidated companies		**105,924**	**84,195**
Share of net profit of associates	8	5,122	8,856
Consolidated pre-tax profit		**111,046**	**93,051**
Income tax (including deferred tax)	9	(8,010)	(6,613)
CONSOLIDATED NET PROFIT		**103,036**	**86,438**
Of which attributable to equity holders of the parent		103,117	86,444
Of which attributable to non-controlling interests		(81)	(6)
Net profit attributable to equity holders of the parent per share (in euros)	10	**4.14**	**3.45**
Diluted net profit attributable to equity holders of the parent per share (in euros)	10	**4.17**	**3.49**
Number of shares outstanding		24,922,589	25,072,589
Par value per share (in euros)		1.00	1.00

OTHER COMPREHENSIVE INCOME

(in thousands of euros)	Notes	30/06/2019	30/06/2018
Consolidated net profit	11	103,036	86,438
Impact of equity-accounted companies on comprehensive income	11	4,811	1,308
Net effect of remeasuring financial assets (1)	11	360,371	77,814
Capital gains on disposals of equity securities	11	135,834	185,873
Net effect of remeasuring derivative instruments	11	(5,249)	(511)
Exchange differences	11	2,345	4,773
Net effect of other remeasurements taken directly to equity	11	2,445	5,594
Total other comprehensive income		500,557	274,851
CONSOLIDATED COMPREHENSIVE INCOME		**603,593**	**361,289**
Of which attributable to equity holders of the parent		603,674	361,295
Of which attributable to non-controlling interests		(81)	(6)

(1) Details on gross amounts and tax are provided in Note 11.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2019

ASSETS

(in thousands of euros)	Notes	30/06/2019	31/12/2018
Non-current assets			
Intangible assets			
Concessions, patents and similar items		**18**	**27**
Property, plant and equipment			
Investment properties	12	18,600	18,600
Land	12	13,349	13,347
Buildings	12	1,541	1,797
Vineyards	12	1,261	1,277
Other assets	12	1,529	1,412
Right-of-use assets	12	4,253	-
		40,533	**36,433**
Investments in associates (accounted for under the equity method)	13	**263,093**	**257,667**
Non-current financial assets			
Investments in non-consolidated companies	14	3,748,875	3,171,562
Portfolio investment securities (TIAP)	14	1,311,010	1,132,935
Other non-current financial assets	14	11,143	5,629
		5,071,028	**4,310,126**
Deferred tax assets	15	**4,358**	**2,590**
TOTAL NON-CURRENT ASSETS		**5,379,030**	**4,606,843**
Current assets			
Inventories	16	7,626	7,331
Current tax assets	15	-	-
Other receivables	17	1,307	2,393
Cash and cash equivalents	18	53,669	11,405
TOTAL CURRENT ASSETS		**62,602**	**21,129**
GRAND TOTAL		**5,441,632**	**4,627,972**

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2019

EQUITY AND LIABILITIES

(in thousands of euros)	Notes	30/06/2019	31/12/2018
Equity			
Share capital	19	24,923	24,923
Share premium	19	158,410	158,410
Reserves	19	3,834,223	3,271,437
Profit for the period (attributable to equity holders of the parent)		**103,117**	**114,872**
Total capital and reserves (attributable to equity holders of the parent)	19	4,120,673	3,569,642
Minority interests	19	(322)	(235)
TOTAL EQUITY		**4,120,351**	**3,569,407**
Non-current liabilities			
Non-current financial liabilities	20	1,176,712	934,591
Deferred tax liabilities	15	118,996	98,441
Provisions	21	568	568
Other non-current liabilities	22	571	201
TOTAL NON-CURRENT LIABILITIES		**1,296,847**	**1,033,801**
Current liabilities			
Current financial liabilities	20	15,402	12,034
Current tax liabilities	15	4,358	6,555
Other liabilities	22	4,674	6,175
TOTAL CURRENT LIABILITIES		**24,434**	**24,764**
GRAND TOTAL		**5,441,632**	**4,627,972**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)		30/06/2019	30/06/2018
Consolidated net profit		103,036	86,438
Net additions to depreciation, amortisation and provisions		508	(51)
Gains or losses on disposals of non-current assets		(2,235)	1,131
Unrealised gains and losses resulting from changes in fair value		(17,888)	(22,950)
Share of profit or loss of equity-accounted entities, net of dividends received		(253)	(3,675)
Net cost of debt		8,385	7,087
Current and deferred tax expense		8,010	6,613
CASH FLOW BEFORE COST OF NET DEBT AND TAX	**(A)**	**99,563**	**74,593**
Current tax expense	**(B)**	(6,364)	(9,387)
Change in the operational working capital requirement	**(C)**	(2,632)	19,536
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(D) = (A) + (B) + (C)**	**90,567**	**84,742**
- Purchases of property, plant and equipment and intangible assets		(81)	(963)
Income from disposals of property, plant and equipment and intangible assets			-
Purchases and sales of treasury shares		551	(76)
Purchases of long-term investments		(342,822)	(301,897)
Income from disposals of long-term investments		199,571	176,828
Change in other non-current assets		(509)	1,605
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(E)**	**(143,290)**	**(124,503)**
Dividends paid during the period		(53,194)	(49,485)
Proceeds from new borrowings		150,494	97,570
Debt repayments		(131)	(177)
Change in other financial liabilities		3,142	3,047
Net interest paid		(5,324)	(7,087)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(F)**	**94,987**	**43,868**
Impact of measuring investments in money-market UCITS at fair value	**(G)**	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	**(D) + (E) + (F) + (G)**	**42,264**	**4,107**
Cash and cash equivalents at beginning of period		11,405	17,414
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**53,669**	**21,521**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in thousands of euros)	Par value of shares	Share premium	Treasury shares	Consoli-dated reserves and retained earnings	Exchange differences	Asset valuation reserve	Total
Equity at 01/01/2018 (attributable to equity holders of the parent)	**25,073**	**158,410**	**(29,445)**	**1,854,358**	**(11,878)**	**1,512,356**	**3,508,874**
. Comprehensive income in the first half of 2018				279,219	4,773	77,303	361,295
. Dividends paid with respect to 2017				(49,485)			(49,485)
. Treasury shares			(144)	67			(77)
Equity at 30/06/2018 (attributable to equity holders of the parent)	**25,073**	**158,410**	**(29,589)**	**2,084,159**	**(7,105)**	**1,589,659**	**3,820,607**
. Capital reduction	(150)			(13,248)			(13,398)
. Comprehensive income in the second half of 2018				84,938	7,627	(342,868)	(250,303)
. Treasury shares and other			12,864	(128)			12,736
Equity at 31/12/2018 (attributable to equity holders of the parent)	**24,923**	**158,410**	**(16,725)**	**2,155,721**	**522**	**1,246,791**	**3,569,642**
. Comprehensive income in the first half of 2019				246,207	2,345	355,122	603,674
. Dividends paid with respect to 2018				(53,194)			(53,194)
. Treasury shares			510	41			551
Equity at 30/06/2019 (attributable to equity holders of the parent)	**24,923**	**158,410**	**(16,215)**	**2,348,775**	**2,867**	**1,601,913**	**4,120,673**

Dividends paid in 2018 with respect to 2017 amounted to €49,485 thousand, or €2.00 per share.

Dividends paid in 2019 with respect to 2018 amounted to €53,194 thousand, or €2.15 per share.

Notes to the consolidated financial statements
30 June 2019

The interim consolidated financial statements for the six months ended 30 June 2019 and the related notes were approved by FFP's Board of Directors on 9 September 2019.

Note 1. ACCOUNTING POLICIES

FFP's interim consolidated financial statements for the six months ended 30 June 2019 were prepared in accordance with IAS 34 "Interim Financial Reporting", which permits the presentation of a selection of notes. These financial statements should be read in conjunction with FFP's annual financial statements at 31 December 2018.
Note 1 below covers only consolidation principles and principles applied to financial assets and liabilities as well as leases. For other information, please refer to the consolidated financial statements for the year ended 31 December 2018.

FFP's 2018 consolidated financial statements and 2019 interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The accounting policies used in preparing the financial statements at 30 June 2019 are the same as those used for the year ended 31 December 2018, with the exception of the application at 1 January 2019 of IFRS 16 "Leases" and IFRIC 23 "Uncertainty over Income Tax Treatments", the latter having no impact on the interim financial statements.

1.1 INITIAL APPLICATION OF IFRS 16

IFRS 16 "Leases" replaces IAS 17 and its interpretations (IFRIC 4, SIC 15 and SIC 27).

For lessees, lease accounting is now based on a single model, resulting from the elimination of the distinction between operating and finance leases. All leases must be recorded on the balance sheets of lessees by recognising an asset (representing the right to use the underlying asset over the term of the lease) and a liability (in respect of the obligation to make lease payments).

For lessors, the distinction between operating and finance leases still applies, with no change in accounting.

For FFP, the initial application of this standard at 1 January 2019 mainly involves the lease for FFP's head office building.

For the first reporting period following the adoption of IFRS 16, FFP has opted to implement the following principles:

- use of the simplified retrospective approach, with no restatement of the comparative periods presented;
- exemption of low value leases;
- the right-of-use asset (excluding initial direct costs) at the transition date is equal to the lease liability at its initial recognition, adjusted for the amount of any lease payments made in advance or to be paid;
- the lease liability is measured as the present value of all unpaid lease payments over the remaining lease term;
- the discount rate applied at the transition date is the lessee's incremental borrowing rate over the remaining lease term.

At the beginning of the period, the amount recognised for the lease liability and the corresponding right-of-use asset was €4.5 million.

1.2 SCOPE OF CONSOLIDATION

The scope of consolidation and its changes during the period are described in Note 2.

A. Subsidiaries

Subsidiaries are entities over which FFP has sole control. Subsidiaries are fully consolidated from the date on which control is transferred to FFP.
They are recognised at acquisition cost, which corresponds to the fair value of assets acquired and liabilities assumed, plus costs directly attributable to the acquisition. The surplus of the acquisition cost over the fair value of the acquired company's identifiable net assets is recognised as goodwill under intangible assets.

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

B. Associates

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

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

1.3 FINANCIAL ASSETS AND LIABILITIES

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

- assets measured at fair value through other comprehensive income, corresponding to non-consolidated equity investments;

- assets measured at fair value through profit and loss, which includes portfolio investment securities (TIAP), together with cash and cash equivalents;

- assets at amortised cost, relating to loans and receivables.

The classification depends on the reasons for which the financial assets were acquired as well as their characteristics and is determined at initial recognition.

A. Investments in associates

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

Measurement

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

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

B. Non-current financial assets

a. Assets measured at fair value through other comprehensive income

a1. Investments in non-consolidated companies

This item includes securities in companies over which FFP has neither sole control, joint control nor significant influence. The securities are held for an indeterminate period and must meet the criteria to be considered as equity instruments. Their classification is performed at acquisition and is definitive.
They are recognised at purchase cost including material related costs.

Measurement

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

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

The fair value of unlisted companies is determined as follows:

- Assets acquired recently, generally in the last year, are measured at cost, except where the company's economic variables (e.g. operations, balance sheet and liquidity) have deteriorated materially.

- Other companies are valued on the basis of:

    - discounted cash flows where possible;
    - various multiples, particularly market multiples, transaction multiples or, where applicable, multiples stated in shareholder agreements signed by FFP;
    - with reference to net asset value;
    - otherwise and where fair value cannot be measured in a reliable and appropriate manner, at historic cost, except where the company's economic variables have deteriorated materially.

When securities are definitively sold, the difference between the selling price and the fair value previously recognised is taken to equity.

Dividends received from these securities are recognised in the income statement under "Income from long-term investments" following the dividend payment decisions taken in the companies' AGMs.

b. Assets measured at fair value through profit and loss

b1. Portfolio investment securities (TIAP)

This portfolio consists mainly of units in private equity funds and diversified UCITS, which represent investments over varying timeframes, with the aim of generating a satisfactory return from them.
Subscription commitments are also reported in this item, with a balancing entry in the "Non-current financial liabilities" item for their nominal value (see sub-section D below).

Measurement

At each balance sheet date, fair value is measured on the basis of the closing market price for listed securities, the last reported net asset value for asset management companies, or any other information that is representative of a transaction value (see above "Measurement of unlisted securities").

Changes in fair value are included in profit and loss, net of deferred tax.

When portfolio investment securities (TIAP) are sold, the difference between the selling price and the recognised fair value is taken to income.

C. Current financial assets

a. Other receivables

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

b. Cash and cash equivalents

Cash and cash equivalents include demand deposits held with banks, units in money-market funds and negotiable debt instruments that are readily convertible into known amounts of cash and are subject to a non-material risk of changes in value in the event of an increase in interest rates. All these components are measured at fair value.
Interest income is recognised on a *pro rata temporis* basis using the effective interest method.

D. Non-current financial liabilities

Non-current financial liabilities mainly include long-term borrowings and firm commitments to subscribe to private equity funds.
Borrowings are initially recognised at fair value, net of transaction costs. They are subsequently recognised at amortised cost. They are not discounted.
Commitments to subscribe to private equity funds are recorded under assets and liabilities at their nominal value without discounting, since discounting has no material impact.

E. Derivative instruments – Hedging instruments

FFP has hedged the risk of interest rate movements on part of its borrowings with interest rate swaps. The effective portion of the change in fair value of these swaps, which meet the criteria for cash flow hedging, is taken directly to equity. The gain or loss resulting from the ineffective portion is taken immediately to income for the year.
Changes in the fair value of financial instruments that do not qualify as hedges are taken to income.
To measure the fair value of hedging instruments, CVA-DVA impacts are deemed to be non-material and so are not recognised.

1.4 LEASES

Leases relating to the assets used by the Group for business purposes, with a term of more than one year, are recorded on the balance sheet.

Leases relating to low value assets or with a term of less than 12 months are not restated, in accordance with IFRS 16 “Leases”.

The term of each lease corresponds to the non-cancellable period of the lease commitment, after taking account of any contractual options for renewal or termination, to the extent that the Group is reasonably certain to exercise them.

At the commencement date of the lease:

- An asset is recognised within property, plant and equipment, under “Right-of-use assets”, reflecting the right to use the underlying asset over the life of the lease. This asset is recognised in the amount of the lease liability (defined below), plus any prepayments, initial direct costs incurred by the lessee, and restoration costs as provided for in the lease agreement, where applicable.

These long-term investments are amortised on a straight-line basis over the life of the lease and the corresponding expense is recognised in the income statement.

- A liability is recorded within financial liabilities in respect of the obligation to make lease payments, under “Lease obligations”. This liability is measured as the present value of lease payments remaining due and is amortised according to the schedule of lease payments.

The discount rate corresponds to the incremental borrowing rate over the remaining lease term.

Note 2 SCOPE OF CONSOLIDATION

2.1 Scope of consolidation at 30/06/2019

The scope of consolidation consists of:

	% control	% interest
Fully consolidated companies:		
- The parent company FFP		
- FFP Invest	100.00%	100.00%
- FFP Investment UK Ltd.	100.00%	100.00%
- FFP US-1	100.00%	100.00%
- FFP US-CC	100.00%	100.00%
- FFP US-2	100.00%	100.00%
- FFP US SRL Inc.	100.00%	100.00%
- FFP Stovall Inc.	100.00%	100.00%
- FFP-Les Grésillons	100.00%	100.00%
- Financière Guiraud SAS	74.94%	74.94%
- SCA Château Guiraud	100.00%	74.94%
Companies accounted for under the equity method:		
- Zéphyr Investissement		33.75%
- LDAP		45.00%
- Redford USA II Holdings		29.94%
- Redford EU II Holdings		29.94%
- OPCI Lapillus II		23.26%
- Compagnie Industrielle de Delle (CID)		25.27%
- Lisi		5.09%

2.2 Changes in scope and ownership percentages

Zéphyr Investissement

Following the capital increases carried out in the first half, with regard to which the subsidiary FFP Invest waived its preferential subscription rights, the ownership percentage in Zéphyr Investissement fell from 46.67% at 31 December 2018 to 33.75% at 30 June 2019.

Note 3 INCOME FROM LONG-TERM INVESTMENTS

(in thousands of euros)	30/06/2019	30/06/2018
Income		
Dividends	104,148	78,345
Disposal gains	2,236	2,703
Total	**106,384**	**81,048**
Expenses		
Disposal losses	(1)	(3,834)
Total	**(1)**	**(3,834)**
GROSS INCOME STATEMENT IMPACT	**106,383**	**77,214**
Remeasurement at fair value	17,888	22,950
INCOME STATEMENT IMPACT	**124,271**	**100,164**

Note 4 INCOME FROM INVESTMENT PROPERTIES

(in thousands of euros)	30/06/2019	30/06/2018
Income		
Rent and other revenue	666	662
Expenses invoiced to tenants	195	113
Total	**861**	**775**
Expenses		
Rental and building management expenses	(220)	(118)
Total	**(220)**	**(118)**
GROSS INCOME STATEMENT IMPACT	**641**	**657**
Remeasurement at fair value	-	-
INCOME STATEMENT IMPACT	**641**	**657**

Note 5 INCOME FROM OTHER ACTIVITIES

(in thousands of euros)	30/06/2019	30/06/2018
Income		
Sales of merchandise	1,415	2,345
Other revenue	166	319
Change in inventories	311	(92)
GROSS INCOME STATEMENT IMPACT	**1,892**	**2,572**
Additions to provisions	-	-
INCOME STATEMENT IMPACT	**1,892**	**2,572**

Note 6 GENERAL ADMINISTRATIVE EXPENSES

(in thousands of euros)	30/06/2019	30/06/2018
Administrative expenses		
Staff	(6,237)	(6,109)
External expenses	(5,381)	(5,460)
Other expenses	(369)	(337)
GROSS INCOME STATEMENT IMPACT	**(11,987)**	**(11,906)**
Depreciation and amortisation of non-current assets (excluding investment properties)	(223)	(205)
Depreciation of right-of-use assets	(285)	-
INCOME STATEMENT IMPACT	**(12,495)**	**(12,111)**

Note 7 COST OF DEBT

(in thousands of euros)	30/06/2019	30/06/2018
Interest on FFP borrowings	(8,221)	(6,966)
Interest on lease obligations	(55)	-
Other	(109)	(121)
INCOME STATEMENT IMPACT	**(8,385)**	**(7,087)**

Cost of debt includes the impact of interest rate hedges.

Note 8 SHARE OF PROFIT OR LOSS OF ASSOCIATES

(in thousands of euros)	30/06/2019	30/06/2018
Share of profit or loss of associates		
Redford EU II Holdings	(23)	(20)
Redford USA II Holdings	(107)	(95)
Compagnie Industrielle de Delle (CID)	3,399	6,302
Lisi	1,266	2,330
LDAP	149	318
OPCI Lapillus II	19	20
Zéphyr Investissement	(107)	1
GROSS INCOME STATEMENT IMPACT	**4,596**	**8,856**
LDAP provision	526	-
INCOME STATEMENT IMPACT	**5,122**	**8,856**

Note 9 INCOME TAX

9.1 Income tax expense

(in thousands of euros)	30/06/2019	30/06/2018
Current tax expense	(4,677)	(2,302)
Deferred tax	(3,333)	(4,311)
INCOME STATEMENT IMPACT	**(8,010)**	**(6,613)**

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

9.2 Reconciliation between the statutory tax rate in France and the effective tax rate in the consolidated financial statements

(in thousands of euros)	30/06/2019	30/06/2018
Statutory tax rate in France	**(25.8)**	**(25.8)**
Effect of companies accounted for under the equity method	0.9	2.2
Income taxable at reduced rates	18.7	23.3
Other permanent differences	(1.1)	(6.8)
Effective tax rate in the consolidated financial statements	**(7.3)**	**(7.1)**

The current tax expense corresponds to income tax payable to the French tax authorities in respect of the financial year. The basic rate of corporate income tax is 32.02% in France given the additional contribution.

France's 2017 finance act reduced the tax rate in France to 25.825% from 2022, including the additional contribution. Capital gains on the securities of mostly property-related companies are taxed at 19%.

Deferred tax assets and liabilities have been calculated accordingly.

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

Note 10 EARNINGS PER SHARE

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

They were calculated on the basis of all shares making up the share capital, i.e. 24,922,589 shares.

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

Note 11 DETAILS OF OTHER COMPREHENSIVE INCOME

	30/06/2019			30/06/2018		
(in thousands of euros)	Before tax	Tax	After tax	Before tax	Tax	After tax
Impact of equity-accounted companies on comprehensive income	4,811	-	4,811	1,308	-	1,308
Remeasurement of equity securities	377,199	(16,828)	360,371	83,626	(5,812)	77,814
Capital gains on disposals of equity securities	137,521	(1,687)	135,834	192,958	(7,085)	185,873
Remeasurement of derivative instruments	(7,078)	1,829	(5,249)	(691)	180	(511)
Exchange differences	2,345		2,345	4,773	-	4,773
Other remeasurements taken directly to equity	2,772	(327)	2,445	5,781	(187)	5,594
Total	**517,570**	**(17,013)**	**500,557**	**287,755**	**(12,904)**	**274,851**

Note 12 PROPERTY, PLANT AND EQUIPMENT

12.1 Changes in 2019, depreciation and impact of fair value measurement

(in thousands of euros)	Land	Buildings	Investment properties	Vineyards	Other	Right-of-use assets	Total
Gross							
At beginning of period	13,347	3,010	18,600	2,903	4,588	-	**42,448**
Impact of initial application of IFRS 16 (1)	-	-	-	-	-	4,538	4,538
At 1 January 2019	13,347	3,010	18,600	2,903	4,588	4,538	**46,986**
Purchases/additions	2	(223)	-	8	294	-	**81**
Disposals	-	-	-	-	-	-	**-**
Fair value remeasurement	-	-	-	-	-	-	**-**
At end of period	13,349	2,787	18,600	2,911	4,882	4,538	**47,067**
Depreciation							
At beginning of period	-	1,213	-	1,626	3,176	-	**6,015**
Purchases/additions	-	33	-	24	177	285	**519**
Disposals	-	-	-	-	-	-	**-**
At end of period	-	1,246	-	1,650	3,353	285	**6,534**
Net amount at beginning of period	13,347	1,797	18,600	1,277	1,412	-	**36,433**
Net amount at end of period	**13,349**	**1,541**	**18,600**	**1,261**	**1,529**	**4,253**	**40,533**

The investment property was externally appraised in December 2018.

(1) The initial application of this standard at 1 January 2019 mainly involves the lease for FFP's head office building (see Note 1.1).

Note 13 INVESTMENTS IN ASSOCIATES (ACCOUNTED FOR UNDER THE EQUITY METHOD)

13.1 Position at 30/06/2019

(in thousands of euros) Securities	% control	Cost	Measurement at 30 June Per unit (in euros)	Overall	Fair value remeasurement taken to income	Impact of equity-accounted companies or fair value remeasurement taken to equity	Amount on the balance sheet 30/06/2019	Amount on the balance sheet 31/12/2018
I - Securities in associates (accounted for under the equity method)								
Redford USA II Holdings	29.94	2,432		2,910	-	478	2,910	2,998
Redford EU II Holdings	29.94	17,662		26,211	-	8,549	26,211	26,076
Compagnie Industrielle de Delle (CID)	25.27	7,129		134,273	-	127,144	134,273	132,519
LDAP	45.00	19,403		6,970	(11,993)	(440)	6,970	6,969
Lisi	5.09	14,889		48,114	-	33,225	48,114	47,617
OPCI Lapillus II	23.26	10,000		11,628	-	1,628	11,628	11,471
Zéphyr Investissement	33.75	28,261		32,987	-	4,726	32,987	30,017
TOTAL		**99,776**		**263,093**	**(11,993)**	**175,310**	**263,093**	**257,667**

13.2 Changes in the period

	At 1 January 2019		Additions		Disposals		At 30 June 2019	
(in thousands of euros) Securities	Number	Cost	Number	Cost	Number	Cost	Number	Cost
I - Securities in associates (accounted for under the equity method)								
Redford USA II Holdings	5,179	2,432		-	-	-	5,179	2,432
Redford EU II Holdings	18,807	17,662		-	-	-	18,807	17,662
Compagnie Industrielle de Delle (CID)	40,303	7,129		-	-	-	40,303	7,129
LDAP	19,767,645	19,403		-	-	-	19,767,645	19,403
Lisi	2,750,000	14,889		-	-	-	2,750,000	14,889
OPCI Lapillus II	100,000	10,000		-	-	-	100,000	10,000
Zéphyr Investissement	28,190,917	28,191	65,419	70	-	-	28,256,336	28,261
TOTAL		**99,706**		**70**	**-**	**-**		**99,776**

Note 14 NON-CURRENT FINANCIAL ASSETS

14.1 Position at 30/06/2019

(in thousands of euros) **Securities**	**% control**	**Cost**	**Measurement at 30 June** **Per unit (in euros) (1)**	**Overall**	**Fair value remeasurement taken to income**	**Impact of equity-accounted companies or fair value remeasurement taken to equity**	**Amount on the balance sheet 30/06/2019**	**Amount on the balance sheet 31/12/2018**
I - Investments in non-consolidated companies								
Peugeot SA	9.32	899,752	21.67	1,827,283	-	927,531	1,827,283	1,572,205
Zodiac Aerospace								
Safran	0.74	267,398	128.85	413,316	-	145,918	413,316	338,094
Spie	5.46	200,680	16.33	138,805		(61,875)	138,805	98,515
DKSH								229,998
SEB	5.03	80,088	158.10	398,653	-	318,565	398,653	284,428
Orpea	5.05	98,279	104.90	342,116	-	243,837	342,116	290,978
Tikehau Capital	2.28	66,214	20.50	63,697	-	(2,517)	63,697	61,055
Immobilière Dassault	19.79	30,137	65.00	86,622	-	56,485	86,622	68,612
IDI	10.06	25,714	43.60	31,660	-	5,946	31,660	28,901
Ciel	6.92	16,355	0.15	17,453	-	1,098	17,453	18,776
Other securities		384,104		429,270	-	45,166	429,270	180,000
TOTAL		**2,068,721**		**3,748,875**	**-**	**1,680,154**	**3,748,875**	**3,171,562**
II - Portfolio investment securities (TIAP)								
Private equity funds								
Buyout funds		115,516		150,095	34,579	-	150,095	124,673
Growth equity funds		45,569		58,265	12,696	-	58,265	58,198
Technology growth funds		44,176		50,999	6,823	-	50,999	29,638
Real estate funds		2,558		6,331	3,773	-	6,331	8,185
Other funds		11,396		15,329	3,933	-	15,329	18,685
Subscription commitments		364,013		364,013	-	-	364,013	280,604
Total private equity funds		**583,228**		**645,032**	**61,804**	**-**	**645,032**	**519,983**
Co-investments								
Co-investments		438,139		574,085	135,946	-	574,085	522,354
Subscription commitments		71,080		71,080	-	-	71,080	73,732
Total co-investments		**509,219**		**645,165**	**135,946**	**-**	**645,165**	**596,086**
Other investments								
Equities		18,610		20,813	2,203	-	20,813	16,866
Total other investments		**18,610**		**20,813**	**2,203**	**-**	**20,813**	**16,866**
TOTAL (2)		**1,111,057**		**1,311,010**	**199,953**	**-**	**1,311,010**	**1,132,935**
III - Other non-current assets								
Other		11,143		11,143	-	-	11,143	5,629
TOTAL		**11,143**		**11,143**	**-**	**-**	**11,143**	**5,629**
GRAND TOTAL		**3,190,921**	**-**	**5,071,028**	**199,953**	**1,680,154**	**5,071,028**	**4,310,126**

(1) Net of dividends receivable.

(2) The changes in fair value of portfolio investment securities (TIAP) were taken to income for €17,888 thousand (see Note 3).

Note 14 NON-CURRENT FINANCIAL ASSETS

14.2 Changes in the period

(in thousands of euros)	At 1 January 2019		Additions		Disposals		At 30 June 2019	
Securities	Number	Cost	Number	Cost	Number	Cost	Number	Cost
I - Investments in non-consolidated companies								
Peugeot SA	84,323,161	899,752		-		-	84,323,161	899,752
Safran	3,207,729	267,398		-		-	3,207,729	267,398
Spie	8,500,000	200,680		-		-	8,500,000	200,680
DKSH	3,820,000	49,387		-	(3,820,000)	(49,387)		-
SEB	2,521,522	80,088		-		-	2,521,522	80,088
Orpea	3,261,353	98,279		-		-	3,261,353	98,279
Tikehau Capital	3,107,147	66,214		-		-	3,107,147	66,214
Immobilière Dassault	1,304,417	28,520	28,228	1,617		-	1,332,645	30,137
IDI	726,146	25,714		-		-	726,146	25,714
Ciel	114,887,172	16,355		-		-	114,887,172	16,355
Other securities (1)		136,222		247,347		535	-	384,104
TOTAL		**1,868,609**		**248,964**		**(48,852)**		**2,068,721**
II - Portfolio investment securities (TIAP) (1)								
Private equity funds								
Buyout funds		96,150		23,424		(4,058)		115,516
Growth equity funds		44,869		1,577		(877)		45,569
Technology growth funds		23,806		20,308		62		44,176
Real estate funds		2,750		609		(801)		2,558
Other funds		14,785		638		(4,027)		11,396
Subscription commitments		280,604		127,891		(44,482)		364,013
Total private equity funds (1)		**462,964**		**174,447**		**(54,183)**		**583,228**
Co-investments								
Co-investments		396,268		39,654		2,217		438,139
Subscription commitments		73,732		17,574		(20,226)		71,080
Total co-investments (1)		**470,000**		**57,228**		**(18,009)**		**509,219**
Other investments								
Equities		18,610		-		-		18,610
Total other investments		**18,610**		**-**		**-**		**18,610**
TOTAL		**951,574**		**231,675**		**(72,192)**		**1,111,057**
III - Other non-current assets								
Other		5,629		6,188		(674)		11,143
TOTAL		**5,629**		**6,188**		**(674)**		**11,143**
GRAND TOTAL		**2,825,812**	**-**	**486,827**	**-**	**(121,718)**		**3,190,921**

(1) Disposals include the gains or losses arising on the translation of investments denominated in foreign currencies.

Note 15 TAX RECEIVABLE AND PAYABLE

(in thousands of euros)	Start of period	Goodwill	Profit/loss	Equity	Payments	End of period
Current tax liabilities	(6,555)	-	(4,677)	(1,687)	8,561	(4,358)
Current tax assets	-	-	-	-	-	-
Subtotal	**(6,555)**	**-**	**(4,677)**	**(1,687)**	**8,561**	**(4,358)**
Deferred tax assets	2,590	-	(140)	1,908	-	4,358
Deferred tax liabilities	(98,441)	-	(3,193)	(17,362)	-	(118,996)
Subtotal	**(95,851)**	**-**	**(3,333)**	**(15,454)**	**-**	**(114,638)**
Total	**(102,406)**	**-**	**(8,010)**	**(17,141)**	**8,561**	**(118,996)**

Note 16 INVENTORIES

	30/06/2019			31/12/2018		
(in thousands of euros)	Gross	Provision	Net	Gross	Provision	Net
Wine	8,282	1,969	6,313	9,291	2,244	7,047
Miscellaneous	1,313	-	1,313	284	-	284
Total	**9,595**	**1,969**	**7,626**	**9,575**	**2,244**	**7,331**

Note 17 OTHER RECEIVABLES

	30/06/2019			31/12/2018		
(in thousands of euros)	Gross	Provision	Net	Gross	Provision	Net
Trade receivables	256	-	256	510	-	510
Government tax receivables (excluding income tax)	203	-	203	1,447	-	1,447
Other receivables	848	-	848	436	-	436
Total	**1,307**	**-**	**1,307**	**2,393**	**-**	**2,393**

Note 18 CASH AND CASH EQUIVALENTS

(in thousands of euros)	30/06/2019	31/12/2018
Cash	53,669	11,405
Total cash and cash equivalents	**53,669**	**11,405**

Note 19 EQUITY

19.1 Equity management policy

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

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

Equity breaks down into portions attributable to non-controlling interests and to equity holders of the parent.

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

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

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

19.2 Composition of the share capital

FFP's share capital consists of 24,922,589 shares with a par value of €1 each. The shares are fully paid up.

19.3 Equity

(in thousands of euros)	30/06/2019	31/12/2018
FFP share capital	24,923	24,923
FFP share premiums	158,410	158,410
FFP statutory reserve	2,541	2,541
Treasury shares	(16,215)	(16,725)
Exchange differences	2,867	522
Other reserves	3,845,030	3,285,099
Consolidated earnings	103,117	114,872
Non-controlling interests	(322)	(235)
Total	**4,120,351**	**3,569,407**

19.4 Treasury shares

Treasury shares held are recognised at cost and as a reduction in equity.

At 30 June 2019, the Company held 181,270 of its own shares.

(in number of shares)	30/06/2019	31/12/2018
Coverage of future share plans	130,143	130,143
Coverage of the 2016 bonus share plan	17,277	17,277
Coverage of the 2017 bonus share plan	29,063	29,063
Liquidity agreement	4,787	10,600
Total	**181,270**	**187,083**

Note 19 EQUITY

19.5 Bonus share plans

A. Features of the bonus share plans set up in 2016, 2017 and 2018

On 7 July 2016, 9 March 2017 and 17 August 2018, in accordance with the authorisations given by the General Meeting on 3 May 2016 and 17 May 2018, FFP's Board of Directors decided to set up bonus share plans subject to performance conditions for certain employees and corporate officers of FFP and companies related to it. The bonus performance shares will vest after a three-year period, and there will be no subsequent lock-up period. The grants are subject to beneficiaries being continually employed within the Group or related companies during the vesting period.

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

- between 31 December 2015 and 31 December 2018 for the 2016 plan;
- between 31 December 2016 and 31 December 2019 for the 2017 plan;
- between 31 December 2017 and 31 December 2020 for the 2018 plan.

B. Features of the bonus share plan set up in 2019

On 15 May 2019, in accordance with the authorisation given by the General Meeting on 17 May 2018, FFP's Board of Directors decided to set up a bonus share plan subject to performance conditions for certain employees and corporate officers of FFP and companies related to it. The bonus performance shares will vest after a three-year period, and there will be no subsequent lock-up period. The grants are subject to beneficiaries being continually employed within the Group or related companies during the vesting period.

Vesting is subject to performance conditions in terms of the increase in FFP's NAV as well as environmental, social and governance (ESG) criteria taken into account in the selection of investment opportunities, between 31 December 2018 and 31 December 2021.

C. Status of plans at 30 June 2019

The personnel expense associated with each plan is measured in accordance with IFRS 2 and is taken to equity. Details for all plans are as follows:

	30/06/2019		31/12/2018	
	Maximum number of shares in awards	**IFRS 2 expense (in thousands of euros)**	**Maximum number of shares in awards**	**IFRS 2 expense (in thousands of euros)**
2016 bonus share plan	17,277	199	17,277	473
2017 bonus share plan	29,063	412	29,063	973
2018 bonus share plan	31,940	542	31,940	730
2019 bonus share plan	48,180	116	-	-
Total		**1,269**		**2,176**

Note 20 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

20.1 Position at 30/06/2019

(in thousands of euros)	30/06/2019	31/12/2018
Bonds	242,500	242,500
Bank borrowings		
- FFP	470,000	320,000
- SCA Château Guiraud	7,980	7,561
Subscription commitments and shares not paid up	437,839	357,186
Derivative instruments (1)	14,628	7,298
Lease obligations (2)	3,742	-
Miscellaneous	23	46
Total non-current financial liabilities	**1,176,712**	**934,591**
Bank borrowings		
- FFP	5,000	5,000
- SCA Château Guiraud	3,214	3,270
Derivative instruments (1)	308	560
Lease obligations (2)	534	-
Accrued interest on borrowings	6,346	3,204
Total current financial liabilities	**15,402**	**12,034**
Total financial liabilities	**1,192,114**	**946,625**

(1) FFP has hedged its credit facilities against interest rate risk by taking out fixed-for-floating interest rate swaps in an amount of €280,000 thousand. The fair value of those instruments at 30 June 2019 was €14,936 thousand.

Subscription commitments and shares not paid up comprised US-dollar commitments of €159,517 thousand at 30 June 2019 and €139,103 thousand at 31 December 2018.

All other commitments are stated in euros.

(2) Liability resulting from the obligation to make lease payments for the FFP head office building (see Note 1.1 "Initial application of IFRS 16").

20.2 Maturity schedule at 30/06/2019

Amounts due (in thousands of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Bonds	-	-	242,500	242,500
Bank borrowings				
- FFP borrowings	5,000	425,000	45,000	475,000
- SCA Château Guiraud borrowings	3,214	119	7,861	11,194
Derivative instruments	308	1,631	12,997	14,936
Lease expense	534	2,276	1,466	4,276
Subscription commitments and shares not paid up (1)	-	437,839	-	437,839
Accrued interest on borrowings and other	6,346	23	-	6,369
Total (2)	**15,402**	**866,888**	**309,824**	**1,192,114**

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

(2) The portion due in less than one year breaks down as follows: €11,372 thousand in less than three months and €4,171 thousand between three and 12 months.

20.3 Subscription commitments and shares not paid up

(in thousands of euros)	30/06/2019	31/12/2018
Investments in non-consolidated companies		
Unlisted securities	1,893	1,893
Portfolio investment securities (TIAP)		
Buyout funds	195,794	155,091
Growth equity funds	18,333	20,319
Technology growth funds	84,919	84,088
Real estate funds	61,014	16,619
Other funds	4,806	5,444
Co-investments	71,080	73,732
Total	**437,839**	**357,186**

Note 21 PROVISIONS

(in thousands of euros)	01/01/2019	Provisions for business combinations	Additions	Releases: Amounts used	Releases: Amounts unused	30/06/2019
Employee benefits	568	-	-	-	-	568
Total	**568**	**-**	**-**	**-**	**-**	**568**

Note 22 OTHER CURRENT AND NON-CURRENT LIABILITIES

(in thousands of euros)	30/06/2019	31/12/2018
Customer advances due in more than 1 year	571	201
Total other non-current liabilities	**571**	**201**
Customer advances	8	760
Tax and social security liabilities (excluding income tax)	2,119	3,433
Other liabilities	2,547	1,982
Total other current liabilities	**4,674**	**6,175**
Total other liabilities	**5,245**	**6,376**

Note 23 CHANGE IN WORKING CAPITAL REQUIREMENT

(in thousands of euros)	30/06/2019	31/12/2018
(Increase)/decrease in inventories	(20)	449
(Increase)/decrease in receivables	1,086	4,333
Change in tax	(2,197)	10,613
Increase/(decrease) in debt	(1,501)	(1,506)
Total change in working capital requirement	**(2,632)**	**13,889**

Note 24 MARKET RISK MANAGEMENT

There was no material change in methods used to manage market risks relative to those described in the 2019 consolidated financial statements.

Note 25 SEGMENT REPORTING

FFP is one of the three largest shareholders in Peugeot SA and is a long-term shareholder in other companies. Its business activities also involve financial investments and cash management, as well as real estate and winemaking activities, which remain marginal in terms of their contribution to revenue, profits and risks. The information presented below is based on figures in each of FFP's business areas, with "Other segments" covering the real estate and winemaking businesses. The "Reconciliation" column shows the unallocated amounts in each segment that allow segment figures to be reconciled with the financial statements.

25.1 Segment reporting at 30 June 2019

(in thousands of euros)	Groupe PSA Peugeot Citröen	Investments	Net cash / (debt)	Other segments	Reconciliation	Total
Dividends	65,772	38,376	-	-	-	104,148
Net disposal gains	-	2,235	-	-	-	2,235
Unrealised gains and losses	-	17,888	-	-	-	17,888
Business revenue	-		-	2,533	-	2,533
Income from ordinary activities	**65,772**	**58,499**	**-**	**2,533**	**-**	**126,804**
General administrative expenses	-	(247)	-	(2,026)	(10,222)	(12,495)
Cash management income	-	-	-	-	-	-
Cost of debt	-	-	(8,276)	(109)	-	(8,385)
Pre-tax profit from consolidated companies	**65,772**	**58,252**	**(8,276)**	**398**	**(10,222)**	**105,924**
Share of profit of associates	-	5,122	-	-	-	5,122
Consolidated pre-tax profit	**65,772**	**63,374**	**(8,276)**	**398**	**(10,222)**	**111,046**
Income tax	-	-	-	-	(8,010)	(8,010)
Consolidated net profit	**65,772**	**63,374**	**(8,276)**	**398**	**(18,232)**	**103,036**
Segment assets						
Intangible assets and property, plant and equipment	-	-	-	35,365	5,186	40,551
Investments in associates	-	263,093	-	-	-	263,093
Non-current financial assets	1,827,283	3,242,723	-	124	898	5,071,028
Deferred tax assets	-	354	3,858	31	115	4,358
Current assets	-	-	53,533	8,414	655	62,602
Total assets	**1,827,283**	**3,506,170**	**57,391**	**43,934**	**6,854**	**5,441,632**
Segment equity and liabilities						
Non-current financial liabilities	-	437,839	727,128	7,993	3,752	1,176,712
Current financial liabilities	-	-	11,604	3,264	534	15,402
Equity including non-controlling interests	-	-	-	-	4,120,351	4,120,351
Other liabilities	43,569	68,393	-	7,422	9,783	129,167
Total equity and liabilities	**43,569**	**506,232**	**738,732**	**18,679**	**4,134,420**	**5,441,632**
Net investment	**-**	**143,458**	**-**	**73**	**8**	**143,539**

Note 26 RELATED PARTY TRANSACTIONS

26.1 Associates

At 30 June 2019, current account advances granted by FFP to associates were as follows:

- €1,250 thousand to OPCI Lapillus II. This advance bears interest at an annual rate of 1%.
- €2,554 thousand to Certares Redford B USA II. This advance bears interest at an annual rate of 8%.

26.2 Related parties that have significant influence over the Group

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

Note 27 OFF-BALANCE SHEET COMMITMENTS

(in thousands of euros)	30/06/2019	31/12/2018
Reciprocal commitments		
Undrawn credit facilities	345,000	415,000
Pre-orders of wine on an "en primeur" basis	584	1,326
Commitments given		
Collateral given for borrowings	45,600	49,319

Other commitments

At 30 June 2019:

- borrowings amounting to €7,000 thousand were secured by a first mortgage on real estate owned by SCA Château Guiraud;
- borrowings amounting to €2,700 thousand were secured by wine inventories.

Note 28 POST-BALANCE SHEET EVENTS

None.

STATUTORY AUDITOR'S REPORT

ON THE INTERIM FINANCIAL INFORMATION

FFP

Public limited company (*société anonyme*) with share capital of €24,922,589

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

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

Statutory Auditors’ report on the interim financial information

Period from 1 January 2019 to 30 June 2019

Statutory Auditors’ report on the interim financial information

To the Shareholders,

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

- carried out a limited review of the accompanying interim condensed consolidated financial statements of FFP for the period from 1 January 2019 to 30 June 2019;

- examined information provided in the interim management report.

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

I - Conclusion on the financial statements

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

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

On the basis of our limited review, we have not seen any material misstatements that would make the interim condensed consolidated financial statements non-compliant with IAS 34 “Interim Financial Reporting” as adopted by the European Union.

Without qualifying the conclusion expressed above, we draw your attention to the “Initial application of IFRS 16” section of Note 1 “Accounting policies”, which explains the effects of the change in presentation and the application of this new accounting standard in relation to the interim condensed consolidated financial statements for the six months ended 30 June 2019.

II - Specific verification

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

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

Paris and Paris-La Défense, 10 September 2019

The Statutory Auditors

French original signed by

SEC 3	Mazars
Philippe Spandonis	Virginie Chauvin

DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

Person responsible for the interim financial report

Robert Peugeot, Chairman and Chief Executive Officer

Declaration by the person responsible for the interim financial report

I hereby declare that, to the best of my knowledge, the condensed financial statements for the first half of 2019 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and results of the company and all the companies included in the scope of consolidation, and that the interim report on operations provides an accurate description of the significant events during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and contingencies for the remaining six months of the financial year.

Neuilly-sur-Seine, 9 September 2019

Robert Peugeot
Chairman and Chief Executive Officer