

LA FINANCIERE ATALIAN - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in thousands of euros

ASSETS	<u>Period ended</u> <u>March 2018</u>	<u>Year ended</u> <u>December 31,</u> <u>2017</u>
Goodwill	659,121	608,430
Intangible assets	20,539	21,260
Property, plant and equipment	85,573	85,732
Other non-current financial assets	20,208	18,268
Deferred tax assets	61,927	62,108
NON CURRENT ASSETS	847,368	795,799
Inventories	6,171	5,917
Prepayment to suppliers	5,793	3,525
Trade receivables	458,896	387,876
Current tax assets	2,965	4,716
Other receivables	216,476	239,118
Cash and cash equivalents	152,336	144,503
CURRENT ASSETS	842,636	785,655
TOTAL ASSETS	1,690,004	1,581,454
EQUITY AND LIABILITIES		
	<u>Period ended</u> <u>March 2018</u>	<u>Year ended</u> <u>December 31,</u> <u>2017</u>
Equity		
- Share capital	112,728	112,728
- Share premium and other reserves	(13,246)	(16,860)
- Translation reserves	(15,599)	(13,720)
- Net income for the period	1,521	11,225
Equity attributable to owners of the Company	85,404	93,373
Non-controlling interests	52,507	50,031
TOTAL EQUITY	137,911	143,404
Non current financial liabilities	640,884	636,216
Non-current provisions	27,509	27,858
Deferred tax liabilities	5,264	2,338
NON CURRENT LIABILITIES	673,657	666,413
Customers prepayment	4,893	3,716
Current portion of financial liabilities	137,869	25,718
Current tax liabilities	11,988	8,252
Trade payables	197,064	198,353
Short-term provisions	15,548	17,862
Liabilities related to payroll tax credit prefinancing	129,889	98,812
Other current liabilities	374,915	417,444
Bank overdrafts and other cash position items	5,050	212
Financial instruments	1,218	1,268
CURRENT LIABILITIES	878,436	771,637
TOTAL EQUITY AND LIABILITIES	1,690,004	1,581,454

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CONSOLIDATED INCOME STATEMENT

	in thousands of euros	<u>3 months</u> <u>2018</u>	<u>3 months</u> <u>2017</u>
REVENUE		514,176	460,103
Raw materials & consumables used		(97,791)	(92,116)
External expenses		(33,496)	(26,748)
Staff costs		(347,631)	(306,080)
Taxes (other than on income)		(6,534)	(5,466)
Other operating revenue		2,395	9,992
Other operating expenses		(2,542)	(5,931)
OPERATING INCOME BEFORE DEPRECIATION, AMORTIZATION PROVISIONS AND IMPAIRMENT LOSSES		28,576	33,754
Depreciation and amortization, net		(9,323)	(8,457)
Provisions and impairment losses, net		(2,024)	(117)
OPERATING PROFIT		17,229	25,180
Cost of gross debt		(8,183)	(9,506)
Income from cash and cash equivalents		74	130
NET FINANCE COSTS		(8,109)	(9,376)
Other financial income and expenses		(1,261)	(7,159)
NET FINANCIAL EXPENSE		(9,370)	(16,535)
Income tax expense		(4,878)	(5,567)
Share of net income (loss) of other equity-accounted entities		62	130
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		3,043	3,208
NET INCOME FOR THE PERIOD		3,043	3,208
Attributable to owners of the Company		1,521	2,692
Attributable to non-controlling interests		1,522	516

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CONSOLIDATED CASH FLOW STATEMENT

in thousands of euros	<u>3 months</u> <u>2018</u>	<u>3 months 2017</u>
A - NET CASH FROM OPERATING ACTIVITIES		
<u>Operating cash flow before changes in working capital:</u>		
Net income for the period	3,043	3,212
Share of net income (loss) of equity-accounted companies	(62)	(130)
Operating depreciation, amortization, provisions and impairment losses	9,658	8,762
Gains/losses on disposal	(25)	1,288
Other non cash items	-	-
<u>Operating cash flow before changes in working capital</u>	<u>12,614</u>	<u>13,132</u>
Net finance costs	8,109	9,376
Other non cash financial net expenses	1,221	(0)
Income tax expense	4,878	5,567
<u>Operating cash flow before changes in working capital, net finance costs and income tax expense</u>	<u>26,822</u>	<u>28,074</u>
Income taxes paid	(137)	(1,919)
Changes in operating working capital (excluding change in deconsolidated Factoring)	(80,352)	35,531
NET CASH FROM (USED IN) OPERATING ACTIVITIES	A	(53,667)
B - NET CASH USED IN INVESTING ACTIVITIES		
Purchases of intangible assets, property, plant and equipment	(5,343)	(6,950)
Proceeds from disposal of intangible assets, property, plant and equipment	754	739
<u>Changes in consolidation scope</u>		
Purchases of consolidated companies (net of cash acquired and sold)	(44,496)	(30,499)
Other cash flows from investing activities	103	(547)
NET CASH USED IN INVESTING ACTIVITIES	B	(48,981)
C - NET CASH USED IN FINANCING ACTIVITIES		
Dividends paid to shareholders of the parent company	(0)	(11,000)
Increase in borrowings	110,256	64,046
Decrease in borrowings	(3,542)	(27,322)
Net finance costs	(8,109)	(9,376)
Non-cash interest expenses	6,688	(6,453)
Other non cash financial net expenses	(1,221)	-
Other cash flows from financing activities	280	350
NET CASH USED IN FINANCING ACTIVITIES	C	104,352
D - EFFECT OF FOREIGN EXCHANGE RATE CHANGES AND OTHER	1,291	1,340
CHANGE IN NET CASH AND CASH EQUIVALENTS (A + B + C + D)	2,995	36,014
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	144,291	89,051
Net cash flows for the period	2,995	36,014
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	147,286	125,065