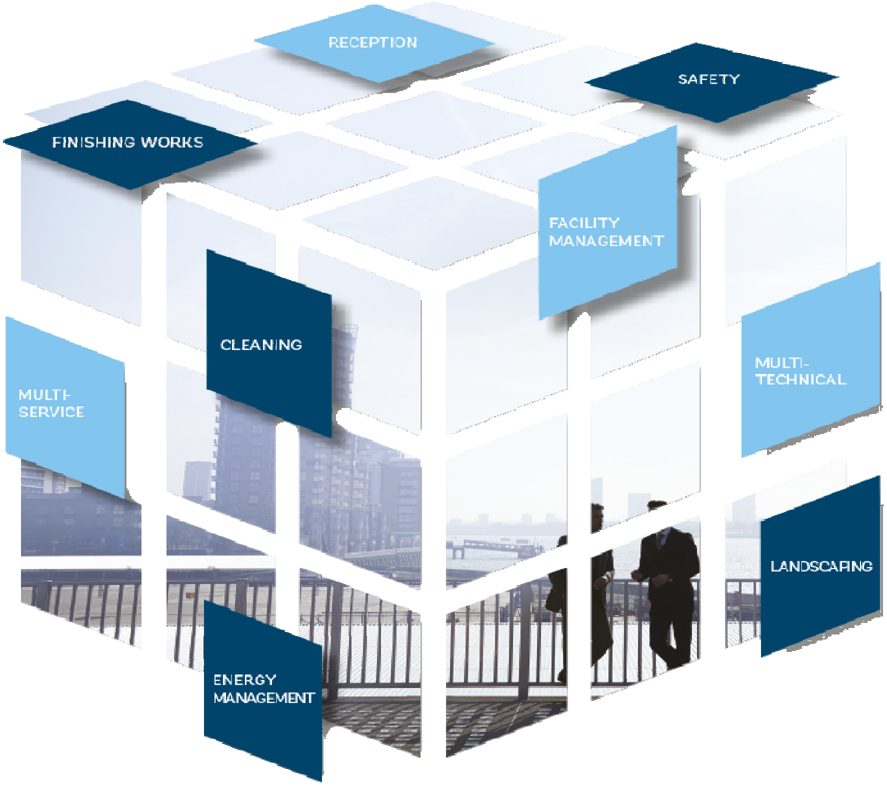
LA FINANCIERE ATALIAN

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2019



LA FINANCIERE ATALIAN - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in millions of euros	Note	H1 2019	Q2 2019	H1 2018	Q2 2018
REVENUE	3	**1 509.8**	**763.2**	**1 224.4**	**710.2**
Raw materials & consumables used		(352.0)	(180.3)	(251.2)	(153.4)
External expenses		(67.4)	(33.6)	(76.6)	(43.1)
Staff costs		(989.1)	(495.9)	(814.3)	(466.6)
Taxes (other than on income)		(17.9)	(9.1)	(14.6)	(8.1)
Other operating revenues		22.2	9.7	12.1	9.7
Other operating expenses		(6.5)	(3.2)	(20.3)	(17.7)
OPERATING INCOME BEFORE DEPRECIATION, AMORTIZATION, PROVISIONS AND IMPAIRMENT LOSS	3	**99.1**	**50.8**	**59.6**	**31.0**
Depreciation and amortization, net		(52.0)	(27.5)	(23.0)	(13.7)
Provision and impairment loss, net		(4.8)	(3.8)	(2.2)	(0.2)
CURRENT OPERATING PROFIT		**42.3**	**19.5**	**34.4**	**17.1**
Other operating income & expenses		(0.0)	0.2	(0.0)	(0.0)
OPERATING PROFIT		**42.3**	**19.7**	**34.4**	**17.1**
Financial debt cost		(42.2)	(21.8)	(22.6)	(14.4)
Income from cash and cash equivalents		0.6	0.2	0.6	0.5
NET FINANCIAL DEBT COST	4	**(41.6)**	**(21.6)**	**(22.0)**	**(13.9)**
Other net financial expenses		(1.1)	(2.5)	0.0	1.3
NET FINANCIAL EXPENSES	4	**(42.7)**	**(24.0)**	**(22.0)**	**(12.6)**
Income tax expenses		(11.0)	(4.3)	(10.1)	(5.2)
Share of net income (loss) of other equity-accounted entities		(16.0)	(8.8)	0.1	0.0
NET INCOME FOR THE PERIOD		**(27.4)**	**(17.5)**	**2.3**	**(0.7)**
Attributable to owners of the company		**(29.5)**	**(18.3)**	**(1.8)**	**(3.3)**
Attributable to non-controlling interests		**2.1**	**0.8**	**4.2**	**2.6**

LA FINANCIERE ATALIAN - UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of euros

ASSETS	Note	H1 2019	FY 2018
Goodwill	8.1	1 080.4	1 066.0
Intangible assets		82.3	85.7
Property, plant and equipment		185.9	190.3
Other non-current financial assets		26.3	25.2
Investments in associates		86.4	102.3
Deferred tax assets		61.4	62.0
NON-CURRENT ASSETS		**1 522.7**	**1 531.5**
Inventories		59.4	57.0
Prepayment to suppliers		5.8	5.6
Trade receivables		571.0	525.9
Current tax assets		9.2	8.2
Other receivables		260.5	278.2
Cash and cash equivalents		119.6	105.7
CURRENT ASSETS		**1 025.5**	**980.5**
TOTAL ASSETS		**2 548.2**	**2 512.0**

EQUITY AND LIABILITIES	Note	H1 2019	FY 2018
Equity			
- Share capital		116.2	116.2
- Share capital premium		33.5	33.5
- Retained earnings and other reserves		(103.2)	(31.2)
- Translation reserves		(16.8)	(16.7)
- Net income for the period		(29.5)	(65.1)
Equity attributable to owners of the company		0.3	36.7
Non-controlling interests		47.7	46.3
TOTAL EQUITY		**48.0**	**83.0**
Non current financial liabilities	6.1	1 314.2	1 305.8
Non-current provisions		25.2	25.9
Deferred tax liabilities		12.1	12.9
NON-CURRENT LIABILITIES		**1 351.5**	**1 344.6**
Customers prepayment		8.6	6.1
Current portion of financial liabilities	6.1	220.4	144.5
Current tax liabilities		9.5	9.0
Trade payables		285.0	282.8
Current provisions		24.0	22.6
Liabilities related to payroll tax credit prefinancing		131.6	162.0
Other current liabilities		462.5	454.0
Bank overdrafts and other cash position items		4.8	1.3
Financial instruments		2.5	2.1
CURRENT LIABILITIES		**1 148.9**	**1 084.4**
TOTAL EQUITY AND LIABILITIES		**2 548.4**	**2 512.0**

CONSOLIDATED CASH FLOW STATEMENT

in millions of euros		H1 2019	Q2 2019	H1 2018	Q2 2018
A - NET CASH FROM OPERATING ACTIVITIES					
Net income for the period		**(27.4)**	**(17.4)**	**2.3**	**(0.7)**
Elim. Share of net income (loss) of equity-accounted companies		16.0	8.9	(0.1)	(0.1)
Elim. Operating depreciations, amortization, provisions & impairment losses		53.4	29.0	22.3	12.7
Elim. Gains/ losses on disposal		4.6	4.0	0.3	0.3
Elim. Other non-cash items				0.0	0.0
Operating cash flow before changes in working capital		**46.7**	**24.5**	**24.8**	**12.2**
Elim. Net finance costs		41.6	21.6	22.0	13.9
Elim. Income tax expense		11.0	4.3	0.2	(1.0)
Elim. Net other financial expenses		1.3	2.6	10.1	5.2
Operating cash flow before changes in working capital, net financial debts and income tax expenses		**100.6**	**53.0**	**57.1**	**30.3**
Income taxes paid		**(11.7)**	**(9.1)**	**(13.8)**	**(13.7)**
Changes in operating working capital (including change in deconsolidated Factoring)		**(63.3)**	**(0.6)**	**(76.6)**	**3.7**
NET CASH FROM OPERATING ACTIVITITES	**A**	**25.7**	**43.3**	**(33.3)**	**20.3**
B - NET CASH USED IN INVESTING ACTIVITIES					
Purchases of intangible assets, property, plant & equipment		**(20.3)**	**(11.3)**	**(20.3)**	**(15.0)**
Proceeds on disposal of intangible assets, property, plant & equipment		**1.6**	**0.8**	**2.9**	**2.1**
Purchases of consolidated companies (net of cash acquired & sold)		**(8.5)**	**(5.3)**	**(467.3)**	**(422.8)**
Other cash flows from investing activities		**(0.9)**	**2.3**	**(1.7)**	**(1.8)**
NET CASH USED IN INVESTING ACTIVITIES	**B**	**(28.1)**	**(13.4)**	**(486.4)**	**(437.5)**
C - NET CASH USED IN FINANCING ACTIVITITES					
Increase in capital		**0.0**	**(0.0)**	**37.0**	**37.0**
Dividends paid during the year:		**(0.0)**	**(0.0)**	**(17.8)**	**(17.8)**
- Dividends paid to the shareholders of the parent company		(0.0)	(0.0)	(15.3)	(15.3)
- Dividends paid to non-controlling interests		0.0	0.0	(2.5)	(2.5)
Increase in borrowings		**89.3**	**49.9**	**686.7**	**576.5**
Decrease in borrowings		**(36.3)**	**(17.3)**	**(189.7)**	**(186.1)**
Net financial interest paid		**(38.9)**	**(35.9)**	**(25.3)**	**(23.9)**
Other financial expenses (not related to net debt)		**(1.3)**	**(2.6)**		**1.2**
Other cash flows from financing activities		**0.1**	**(0.3)**	**(3.4)**	**(3.7)**
NET CASH USED IN FINANCING ACTIVITITES	**C**	**12.8**	**(6.2)**	**487.4**	**383.1**
IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS	**D**	**0.1**	**(1.5)**	**(1.1)**	**(2.4)**
CHANGES IN NET CASH AND CASH EQUIVALENTS	**(A + B + C + D)**	**10.5**	**22.0**	**(33.4)**	**(36.5)**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**104.3**	**92.8**	**144.3**	**147.4**
Net cash flows for the period		**10.5**	**22.0**	**(33.4)**	**(36.5)**
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**114.8**	**114.8**	**110.9**	**110.9**

NOTE 1 — GENERAL INFORMATION AND SIGNIFICANT EVENTS

❑ SIGNIFICANT EVENTS DURING FIRST HALF YEAR 2019

- **New management team**

The Group's Management Board will be comprised of Mr Julien as Chief Executive Officer, Mr Rob Legge as Deputy CEO and Chief Operating Officer and Mr Jean-Jacques Gauthier as Deputy CEO and Chief Financial Officer, in charge of all Corporate functions, including finance, legal and compliance and HR.

- **Reinforcement of governance**

- Atalian Holding Development and Strategy S.A. ("AHDS"), represented by Mr Julien, is the chairman of the Group;
- Appointment of three independent directors to the board of AHDS: Mrs Hélène Ploix, Mr Henri Proglio and Mr Georges Fenech;
- Two board committees set up: an Audit, Legal and Compliance committee headed by Mrs Ploix and a Strategy and Investment committee headed by Mr Proglio;
- About the Independent Directors:
    - Mrs Hélène Ploix is a former Executive Board Member of the IMF and the World Bank. She was Deputy Managing Director of La Caisse des Dépôts et Consignations and has held several board seats in listed and unlisted companies, including BNP Paribas, Publicis and Lafarge
    - Mr Henri Proglio is the former CEO of Électricité de France (EDF) and Veolia.
    - Mr Georges Fenech is a former Judge and was a member of the French Parliament.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Group's consolidated financial statements for the first half year 2019 are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

In compliance with Regulation (EC) No. 1606/2002 of the European Parliament and Council dated 19 July 2002, these consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as at the preparation date, including IASs, IFRSs and the interpretations issued by IFRIC and its predecessor the SIC.

The standards and interpretations adopted by the European Union can be viewed on the European Commission's website at:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

There is no new IFRS standard applied during this first half year 2019.

2.1 CONSOLIDATION

2.1.1 Financial year-end

The Group's companies have been consolidated based on their financial statements as of June 30, 2019 for a period of 6 months.

2.1.2 Consolidation methods and scope of consolidation

2.1.2.1 Subsidiaries

Subsidiaries are entities over which La Financière Atalian exercises control, either directly or indirectly. Control is presumed to exist when the Group has the power to govern an entity's financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding representing more than a half of the voting rights. Subsidiaries are fully consolidated taking into account the existence and effect of the voting rights of non-controlling interests. Control may also arise when a contract exists entitling the Group to govern an entity's financial and operating policies, or when the Group is able to govern the financial and operating policies by virtue of de facto control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Intra-group transactions and balances and unrealised gains on transactions between Group companies are eliminated in consolidation.

The profit or loss of subsidiaries is allocated between the Group and non-controlling interests based on their percentage interest in the subsidiary concerned, even if this results in the recognition of negative amounts.

2.1.2.2 Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding representing between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified at the time of acquisition. If the Group's interest in an associate is reduced to zero, additional losses are provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations on behalf of the associate.

The Group's share of the profit or loss of associates is recognised in the consolidated income statement, and its share of movements in other comprehensive income is recognised in other comprehensive income. Unrealised gains on transactions between the Group and its associates are eliminated pro rata to the Group's interest in the associates concerned. Accounting policies of subsidiaries and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Shares in companies that do not represent material amounts for the Group or over which La Financière Atalian does not exercise any influence are recognised as investments in non-consolidated companies.

2.1.2.3 Changes in the scope of consolidation

	30/06/2019	31/12/2018
. Fully consolidated companies:	275	282
. Companies accounted for by the equity method:	8	7
	--------	--------
	283	289

2.1.3 Translation of the financial statements of foreign subsidiaries

The results and financial position of consolidated subsidiaries that have a functional currency other than the euro are translated into euros as follows: (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet (except for equity which is translated at historical rates), and (ii) income and expenses and cash flow statement items are translated at average exchange rates for the year, unless the rate concerned underwent major fluctuations during the period in which case transaction date exchange rates are used. All resulting exchange differences are recognised under “translation reserve” in other comprehensive income.

In application of IAS 21, the loans constituting in substance a monetary item that is part of the net investment in foreign subsidiaries were analysed in order to identify the loans whose payment is neither planned nor probable in the foreseeable future.

In compliance with IAS 21.15 and 32, exchange differences relative to a loan are recognised in other comprehensive income (OCI) and must be reclassified later to profit or loss on disposal of the net investment. Financing which qualifies as a net investment in foreign subsidiaries concerns subsidiaries in UK, Asia and US particularly.

2.1.4 Translation of foreign-currency transactions

Foreign-currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the closing rate. Any resulting exchange differences are recognised in the income statement.

2.1.5 Financial risks

The financial risks as of June 30, 2019 are the same as those indicated in 2018 Financial report.

2.1.6 Statement of cash flows

The Group has opted to use the indirect method for presenting the consolidated statement of cash flows,

Under this method, the cash flows from operating activities are determined by adding back to or deducting from profit for the period all non-cash transactions and all cash flows relating to investing and financing activities.

Net cash and cash equivalents – whose movements are analysed in the statement of cash flows – are defined as cash and cash equivalents less short-term bank loans and overdrafts.

2.2 CHANGE OF THE METHOD

No change of accounting method as of June 30, 2019 compared to December 31, 2018.

NOTE 3	SEGMENT REPORTING

o Identification of segments

In fiscal year 2018, the Group's business has been restructured into three strategic divisions which each constitute an operating segment within the meaning of IFRS 8, Segment Reporting as they sell distinct products and services or serve different customer segments.

The new division results from a significant reorganization of internal reporting and managerial responsibilities within the group due to the acquisition of Servest activities. These divisions are used for the management and internal reporting, reviewed by the chief operating decision maker namely the President Atalian Financial SAS.

The group has identified three operating segments that correspond to the geographical location of the assets as follows:
- A "France" division, comprising all of the companies located in France.
- A "Servest" division, comprising all companies within Servest group which are acquired in 2018.
- An "International" division, comprising all the companies outside France and not the ones within Servest Group.

The previous operating segments of the Group were as follows:
- A "Cleaning" division: including all the companies in the cleaning division in France.
- A "Multitechnique" division: comprising all the business lines specialized in technical fields in France.
- An "International" division: grouping all companies outside France.

o Segment indicators

For each of its operating segments, the Group presents the following income statement items which are monitored by the chief operating decision maker:
- revenue;
- and recurring operating profit before depreciation, amortization, provisions and impairment losses.

The accounting methods applied for each operating segment are those used for preparing the consolidated financial statements.
The information presented for each operating segment corresponds to "contributive data", i.e. after eliminating inter-segment transactions.

Based on these principles, the Group's segment information is as follows:

PERIOD ENDED 30 JUNE 2019 - 6 months	**By operating segment**				
(in millions of euros)	**France**	**International excl. Servest**	**Servest**	**Others**	**TOTAL GROUP**
Revenue	675.9	435.7	401.7	(3.5)	**1 509.8**
Recurring operating profit before depreciation, amortization, provisions and impairment losses	61.5	27.6	26.2	(16.2)	**99.1**

PERIOD ENDED 31 DECEMBER 2018 - 12 months	**By operating segment**				
(in millions of euros)	**France**	**International excl. Servest**	**Servest 8 months**	**Others**	**TOTAL GROUP**
Revenue	1 294.8	877.1	527.2	(3.7)	**2 695.4**
Recurring operating profit before depreciation, amortization, provisions and impairment losses	121.7	51.8	31.3	(20.0)	**184.8**

The Group's chief operating decision maker does not monitor any other indicators for the operating segments presented above.

NOTE 4

FINANCE COSTS, NET & OTHER FINANCIAL INCOME AND EXPENSES

This line of the consolidated income statement reflects the impacts of the Group's financing transactions and comprises the following:
- Finance costs, net, which include interest paid on the Group's borrowings, the amortization of issuing costs and interest received on available cash.
- Other financial income and expenses.

4. 1. BREAKDOWN OF NET FINANCE DEBT COSTS

(41.6) M€

(in millions of euros)	30/06/2018	30/06/2019
Financial expenses	(22.6)	(42.2)
Financial income	0.6	0.6
FINANCIAL COSTS, NET	**(22.0)**	**(41.6)**

Analysis:

	30/06/2018	30/06/2019
- Net interest on borrowings	(22.0)	(37.8)
of which amortization of issue costs	*(1.5)*	*(2.8)*
- Income from cash and cash equivalents	0.6	0.6
- Interest on finance leases	(0.6)	(1.2)
- Interest on new IFRS16 leases	-	(3.2)
Total	**(22.0)**	**(41.6)**

4. 2. BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

(1.1) M€

(in millions of euros)	30/06/2018	30/06/2019
Dividends received from non-consolidated companies		
Net (additions to)/reversals of provisions for financial items	-	-
Foreign exchange gains and losses	0.3	(1.0)
Others : Waivers of current accounts, gains and losses on disposals of non-consolidated shares and other financial assets, net interest other than on debt…	(0.3)	(0.1)
OTHER FINANCIAL INCOME AND EXPENSES	-	**(1.1)**

NOTE 5	LEASES: IFRS 16

THE IMPLEMENTATION OF IFRS16 ON THE ATALIAN GROUP

ATALIAN Group had decided to implement the IFRS16 "Leases" since January 1, 2018 with a simplified retrospective method (not the restatement of comparative periods).
This standard replaces the IAS 17 and the interpretations IFRIC4, SIC 15 and SIC 27.

The Group has chosen to apply these two capitalization exemptions proposed by the standard:

- contracts with a lease term of less than 12 months
- contracts with value of underlying assets of less than € 5,000.

Expenses relating to contracts with a term of less than 12 months and/or with a value of less than €5,000 and (for which the Group has chosen exemptions which are provided for in IFRS 16) represent at December 31, 2018: - € 14.3 million for the Group as a whole.

The lessee is required to record:
- a non-current asset represented the right to use the lease asset (on the assets side of the consolidated statement of financial position)
- a financial debt represented the obligation to pay this right (on the liabilities side of the consolidated statement of financial position)
- depreciation expenses and interest expenses on the leasing expenses in the consolidated income statement.

The cumulative impact of the first application of IFRS16 is recognized as an opening equity adjustment as of January 1, 2018.
The gross value of the right of use ex IAS17 as of 01/01/2018 corresponds to the net value of fixed assets ex IAS17 at 31/12/2017.

Duration of assets assumptions:

The lease term for Real estate contracts corresponds to the noncancellable period and is supplemented with the option of renewal (or termination) for certain contracts of which the exercise for the Group is considered reasonably certain.
The ANC position was used in term of the "3/6/9" according to French commercial lease to limit the duration of the contract to the maximum of 9 years.

Discount rate assumptions:

An unique discount rate is determined for each portfolio of homogeneous contracts. Discount rates are based on the marginal borrowing rate (or implicit rate of contracts where available) by currency, taking into account, in particular, the economic environments specific to each geographical area.
Discount rates were determined as of January 1, 2018 using the remaining lease terms (rather than the original terms).

The impacts of IFRS16 as of 30/06/2019 :

Impacts of new standard IFRS16 **(in millions of euros)**	**New contracts eligible for IFRS16 (former single leases)**	**Former financial leases ex IAS17**	**30/06/2019 Group**
Non- current assets	69.0	29.5	98.5
Financial debts	72.5	31.2	103.7
Recurring operating profit before depreciation, amortization, provisions & impairment losses	17.8	8.1	25.9
Net depreciation & provision	(15.9)	(7.3)	(23.2)
Financial expenses related to the debts	(3.2)	(1.3)	(4.5)
Net result	**(1.3)**	**(0.5)**	**(1.8)**

5.1 Fixed assets

The tangible and intangible assets held by the Group are allocated as below:

(in millions of euros)	**30/06/2019**
Tangible assets	87.4
Right-of-use	98.5
Total tangible assets	**185.9**
Intangible assets	82.3
Right-of-use	-
Total intangible assets	**82.3**

The main leasing contracts include real estate, vehicles and materials & equipment.

5.2 Breakdowns of Right-of-Use

GBV (in millions of euros)	Real estate	Vehicles	Materials & equipment	Others	TOTAL
31 DECEMBER 2018	**53.9**	**53.8**	**27.6**	**4.0**	**139.3**
Foreign exchange gap	0.1	0.1			0.2
Inter-item transfers					
Changes in Group structure					
Investments	11.7	10.9	5.7		28.3
Sundry disposals and reductions	(3.7)	(4.4)	(4.4)	(3.9)	(16.4)
30 JUNE 2019	**62.0**	**60.4**	**28.9**	**0.1**	**151.4**

AMOTIZATION AND LOSS OF VALUE (in millions of euros)	Real estate	Vehicles	Materials & equipment	Others	TOTAL
31 DECEMBER 2018	**(12.9)**	**(16.7)**	**(8.5)**	**(0.2)**	**(38.3)**
Foreign exchange gap					
Inter-item transfers					
Changes in Group structure					
Investments	(7.3)	(11.0)	(5.0)		(23.3)
Sundry disposals and reductions	2.4	3.9	2.3	0.1	8.7
30 JUNE 2019	**(17.8)**	**(23.8)**	**(11.2)**	**(0.1)**	**(52.9)**

NET (in millions of euros)	Real estate	Vehicles	Materials & equipment	Others	TOTAL
31 DECEMBER 2018	**41.0**	**37.1**	**19.1**	**3.8**	**101.0**
30 JUNE 2019	**44.2**	**36.6**	**17.7**		**98.5**

NOTE 6	LONG- AND SHORT-TERM FINANCIAL LIABILITIES

The financial debts comprise the following:
- a bond debt representing a principle amount of € 350 million maturing in 2025
- a bond debt representing a principle amount of £ 225 million maturing in 2025
- a bond debt representing a principle amount of € 625 million maturing in 2024
- borrowings taken out with leading banks;
- employee profit-sharing liabilities;
- factoring companies;
- finance lease liabilities;
- financial instrument

Debt issuance costs are recognized in the year of the transaction concerned as a deduction from the underlying financial liabilities and are included in the effective interest rate used to calculate finance costs for the year.

6.1. BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

Financial liabilities	SHORT-TERM	LONG-TERM		TOTAL
(in millions of euros)	-Due within 1year	-Due in 1 to 5 years	-Due beyond 5 years	30/06/2019
- Bonds*	0.5	(19.3)	1 220.3	**1 201.5**
- Bank borrowings	109.5	2.6	0.8	**112.9**
- Finance lease liabilities		107.4		**107.4**
- Other borrowings and financial liabilities	0.2			**0.2**
- Loans from subsidiaries and associates		2.4		**2.4**
- Factoring loans	110.0			**110.0**
Total interest-bearing borrowings at 30 June 2019	**220.2**	**93.1**	**1 221.1**	**1 534.4**
Total interest-bearing borrowings at 31 Dec. 2018	**144.5**	**89.4**	**1 216.4**	**1 450.3**

** bonds net of amortizable issuance costs (- € 30.3 million), these being the only difference compared to the contractual schedule.*

6.2. CONFIRMED CREDIT LINES

(in millions of euros)	Confirmed lines
Bonds*	1 226.0
Bank borrowings	112.8
Factoring loans **	215.5
Total	**1 554.4**

** Principal, excluding issuance costs*
*** Included €56.5 million of derecognized debts*

6.3. FACTORING

Several of the Group's subsidiaries sell their trade receivables on a monthly basis under factoring contracts.

concerned to the factoring
date, giving the Group
€57 million in cash with the remaining €5 million corresponding to a security deposit.

In addition, factored receivables for which the Group has not transferred substantially all the risks and rewards of ownership are not derecognized and remain recorded in the balance sheet under "Trade receivables", with the recognition of a corresponding financial liability. These receivables totaled € 126 million, with guarantee deposit of € 16 million and generate a current financial debt of € 110 million. The debt was € 106 million as of December 31, 2018.
The Group has been mandated by the factoring companies to manage on their behalf the recovery of the receivables that have been sold to them.

6.4. VARIATION OF CURRENT AND NON-CURRENT FINANCIAL DEBT

(in millions of euros)	31/12/2018	Increase	Decrease	Other	30/06/2019
. Non-current financial debts	1 305.8	4.1	(27.0)	31.3	1 314.2
of which debts from leasing	*104.2*		*(27.0)*	*30.2*	*107.4*
. Current financial debts	144.5	85.2	(9.3)	(0.2)	220.2
Gross debt	**1 450.3**	**89.3**	**(36.3)**	**31.1**	**1 534.4**
. Financial instrument	2.1			0.4	2.5
Gross debt incl. Financial instrument	**1 452.4**	**89.3**	**(36.3)**	**31.5**	**1 536.9**

NOTE 7	WORKING CAPITAL

7. 1. BREAKDOWN OF WORKING CAPITAL

(in millions of euros)	GROSS 31/12/2018	Cash in / Cash out	Forex	Other (incl. Scope change)	GROSS 30/06/2019
WC - Assets Strict	**611.9**	**60.3**	**0.7**	**(13.2)**	**659.7**
Inventories	57.1	15.5	-	(13.0)	59.4
Accounts receivable	492.0	42.5	0.3	0.4	535.3
Doubtful receivable	14.5	(0.8)	0.1	-	13.8
Accrued Receivables	87.8	16.2	0.1	-	104.1
Advanced payments to suppliers	5.5	0.6	0.2	(0.6)	5.8
Accounts receivable - Factor	(48.8)	(13.4)	-	-	(62.2)
Suppliers - Rebates / Discounts to be received	3.8	(0.3)	-	-	3.4
WC - Liabilities Strict	**289.8**	**14.3**	**0.1**	**0.5**	**304.8**
Accounts payable	126.1	3.9	0.3	(0.4)	129.9
Accrued Payables	148.5	2.0	(0.2)	0.9	151.2
Advanced payments from customers	6.1	2.5	-	-	8.6
Customers - Accrued Discounts and credit notes	9.1	6.0	-	-	15.1
STRICT WORKING CAPITAL	**(322.1)**	**(46.0)**	**(0.6)**	**13.7**	**(354.9)**
Asset WC non strict	**270.1**	**(15.7)**	**0.5**	**(1.2)**	**253.8**
Liability WC non strict	**604.9**	**(33.0)**	**0.5**	**(0.2)**	**572.3**
NON STRICT WORKING CAPITAL	**334.8**	**(17.3)**	**-**	**1.0**	**318.5**
WORKING CAPITAL TOTAL	**12.7**	**(63.3)**	**(0.6)**	**14.7**	**(36.4)**

NOTE 8	GOODWILL

8.1. GOODWILL

1080.4 M€

Acquisitions are accounted for under the acquisition method in accordance with the revised version of IFRS 3. Under this method, the purchase price is allocated to the identifiable assets acquired and liabilities assumed based on their acquisition-date fair values.

Their fair values are based on best estimates at the acquisition date and may be adjusted within twelve months of that date.

Cost directly related to the acquisition are expensed as incurred and are included in "External charges" in the consolidated income statement.

Goodwill corresponds to the excess of (i) the aggregate of the consideration transferred and the amount of any non-controlling interests in the acquiree, as measured at fair value, over (ii) the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. Positive goodwill is recognized in the balance sheet, under "Goodwill" and negative goodwill is recorded in the income statement in the year of the acquisition.

Goodwill is not amortized, but, as required under IAS 36 "Impairment of Assets", is tested for impairment at least annually, at the same time each year, and whenever there is an indication that it may be impaired.
An impairment loss is recognized if the net book value of the Cash-Generating Unit (CGU) is greater than its recoverable amount. If applicable, an impairment loss recognized in respect of one CGU is allocated first to the reduction in the carrying amount of any goodwill allocated to the CGU and then to the reduction in the carrying amount of the other assets of the CGU. unit prorated to the book value of each asset in the unit. Any impairment of goodwill is then definitive.

For the purpose of impairment testing, goodwill is allocated to each CGUs that is expected to benefit from the synergies of the business combination, depending on the level at which the return on investments is monitored. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of those generated by other assets of the entity. The CGUs correspond for the Group in general to each country given the centralized management of customers and staff within each country.

Goodwill is tested at the level of groups of CGUs corresponding to the operating segments as belows:
- A "France" CGU, comprising all of the companies located in France,
- A "Servest" CGU, comprising all companies within Servest group which are acquired in 2018.
- An "International" CGU, comprising all companies outside France and excepting Servest companies

8.1.1 Movements

(in millions of euros)	Gross	Impairment	Net
31 December 2017	**615.2**	**(6.8)**	**608.4**
Goodwill finalization	(7.8)		(7.8)
Impact of changes in Group structure, exchange rates & others	463.0	2.4	465.4
Impairment			
31 December 2018	**1 070.4**	**(4.4)**	**1 066.0**
Goodwill finalisation			
Impact of changes in Group structure, exchange rates & other	14.4		14.4
Impairment			
30 June 2019	**1 084.8**	**(4.4)**	**1 080.4**

8.1.2 Breakdown of goodwill by CGU

(in millions of euros)	30-juin-19	31-déc-18
France	455.1	454.4
International	204.4	203.7
Servest	420.9	407.9
Total	**1 080.4**	**1 066.0**

The increase in the Group GW maintly results from reevaluation of the Servest GW at the end of the authorized 12-months period.

8.1.3 CGU impairment testing

There is no performance of the impairment test in ATALIAN Group for the first half year 2019.