Press Release

Paris, 25 July 2018

Half-year results and signing of the combination agreement of BS PAYONE and Ingenico Retail in Germany, Austria and Switzerland

- **Revenue of €1,229 million**
  - Up 1% on a reported basis
  - Down 3% on a comparable basis[1] and up 3% adjusted from the 2017 one-offs
- **Retail grew by 6% on a comparable[1] basis, in line with our expectations**
- **Banks & Acquirers impacted by a high comparison basis**
- **EBITDA[2]: €193 million**
- **Strong improvement of the profitability expected in H2 thanks to a significant operating leverage**
- **2018 outlook adjusted: EBITDA[2] at least €545m**
  - Outlook adjusted from the progressive phasing out of the sales to Iran representing €16 million EBITDA
- **Signing of a deal with Sparkassen-Finanzgruppe to create a joint venture combining BS PAYONE and Ingenico Retail in Germany, Austria and Switzerland**
  - Strengthen the Group's position as a leader in these three countries, which is one of the largest growth opportunities in Europe
  - Accelerate the direct-to-merchants strategy with the integration of a portfolio of more than 250,000 merchants (SMBs and large accounts)
  - Joint venture majority owned and controlled by Ingenico Group

Ingenico Group, (Euronext: FR0000125346 - ING), global leader in seamless payment, announced today its results for the six-month period ended as of 30 June 2018.

Philippe Lazare, Chairman and Chief Executive Officer of Ingenico Group, commented: ***"The first half year came in line with our expectations. The Bambora integration is very satisfactory and the direct access to merchant strategy is already paying off. In this timeframe we have successfully launched the Axium platform with great commercial successes. Furthermore, as we are in line with US law, we have anticipated in our full year guidance the phasing out of our activities in Iran."*** He also welcomed the agreement with BS Payone: ***"I am proud to announce that we have signed the agreement with the Sparkassen-Finanzgruppe in order to create the undisputed leader in payment services in Germany, Austria and Switzerland. The Joint Venture between BS PAYONE and Ingenico Group will enable to create value through the combination of the respective portfolio of merchants and to accelerate the deployment of our Retail strategy across all channels within the DACH[1] region, the largest growth opportunity in Europe."***

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[1] *On a like-for-like basis at constant exchange rates*
[2] *EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before depreciation, amortization and provisions, and before share-based compensations*

H1 2018 results

Key figures

(in millions of euros)	H1'18	H1'17 PF*	H1'17	*Changes vs. H1'17*
Revenue	1,229	1,345	1,222	*1%*
Adjusted gross profit	489	567	517	*(5)%*
As a % of revenue	*39.7%*	*42.2%*	*42.3%*	*(260) bps*
Adjusted operating expenses	-295	-307	-272	*8%*
As a % of revenue	*-24.0%*	*-22.8%*	*-22.3%*	*170 bps*
EBITDA	193	260	244	*(21)%*
As a % of revenue	*15.7%*	*19.3%*	*20.0%*	*(430) bps*
Profit from ordinary activities, adjusted (EBIT)	159	235	221	*(28)%*
As a % of revenue	*12.9%*	*17.5%*	*18.1%*	*(520) bps*
Operating margin	94	183	191	*(51)%*
Net profit	55	122	132	*(58)%*
Net profit attributable to Group shareholders	54	120	130	*(58)%*

Adjusted Free cash-flow[3]	40	-	76	*(47)%*
Free cash-flow	23	-	69	*(67)%*
Net debt	1,702	-	178	*N/A*
Net debt-to-EBITDA ratio[4]	3.6x	-	0.4x	*3.2x*
Equity attributable to Group shareholders	1,686	-	1,771	*(5)%*

** The H1 2017 PF figures include the acquisitions made during 2017 at 100%*

2018 outlook adjusted from the anticipated phasing out from Iran

In 2018 Ingenico Group expects an EBITDA of at least €545m vs. a range of €545 million and €570 million previously. Following the US withdrawal from the JCPOA[5] announced on 8th May 2018, the Group has anticipated the phasing out of its distribution partnership in Iran, in line with the US law. The Iran contribution, now excluded from our 2018 adjusted guidance, represents €16 million. However, the EBITDA related to these sales to Iran is still possible to execute within the timeframe. The guidance factors in a negative impact from currencies of c. €25-30 million.

Given the high comparison basis in the first half and the projects pipeline, the phasing of the year has resulted in a soft first half and we expect a stronger second half. The adjusted FCF[2] to EBITDA conversion ratio is expected to be above 45%.

Over the full year, our assumptions are based on a soft organic decline for the Banks & Acquirers business unit and a double-digit organic growth in Retail. The second half of the year will benefit from a higher growth, driven by an acceleration of growth in the Retail business unit and an improvement in the Banks & Acquirers business unit.

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[3] Free Cash flow adjusted from non-recurring items (acquisition and restructuring costs)
[4] On an LTM basis
[5] Joint comprehensive plan of action

	Q2 2018			H1 2018		
	€m	% Change		€m	% Change	
		Comparable[1]	Reported		Comparable[1]	Reported
Retail	328	5%	21%	630	6%	22%
SMBs	98	12%	150%	186	12%	146%
Global Online	126	5%	-1%	245	8%	3%
Enterprise	105	-1%	-1%	200	-2%	-1%
Banks & Acquirers	319	-8%	-10%	599	-11%	-15%
EMEA	128	-11%	-13%	243	-13%	-16%
Latin America	38	21%	3%	72	10%	-7%
North America	46	-9%	-15%	77	-8%	-17%
Asia-Pacific	107	-13%	-9%	208	-17%	-17%
TOTAL	648	-2%	3%	1,229	-3%	1%

Key financial highlights of the first half of 2018

In the first half of 2018, revenue totalled €1,229 million, up 1% on a reported basis, including a negative foreign exchange impact of €71 million. On a comparable basis, revenue was 3% lower than the first half of 2017. Restated from the impact coming from the PCI V1 to V3 migration in Europe and the demonetization process in India, revenue would have grown 3% on a comparable basis.

EBITDA reached €193 million in the first half of 2018, i.e. a 15.7% EBITDA margin on gross revenues, down 3.6 points compared to last year on a pro forma basis. It has been impacted by the business mix. The second half of the year will be more favourable in terms of business mix which gives us confidence in the EBITDA improvement to reach our adjusted full-year guidance.

During the period, the **Retail Business Unit** reported a revenue of €630 million, an increase of 22% on reported figures, including a negative foreign exchange impact of €34 million. On a comparable basis, revenue was up 6%, driven by the strong SMB dynamic and the Global Online performance. In Enterprise, growth has been impacted by the tough comparison basis of the first semester 2017 related to the demonetization process in India and a contract that sifted to Q3.
EBITDA reached €77 million, representing an EBITDA margin of 12.2%, compared to €63 million last year.

The **Banks and Acquirers Business Unit** posted a revenue of €599 million, a 15% decline on reported figures including a negative foreign exchange impact of €37 million. On a comparable basis revenue declined by 11%, mainly impacted by the very tough comparison basis in India (demonetization process) and in Europe (PCI V1 to V3 migration), partially offset by the strong recovery in Latin America, especially in Brazil. Restated from these tough comparison basis, revenue would have been stable on a comparable basis.
EBITDA reached €116 million, representing an EBITDA margin of 19.4%, compared to €182 million last year.

Key strategic highlight of the first half of 2018:

Signing of BS PAYONE combination with Ingenico Retail assets in DACH

Ingenico Group today announced it signed a deal with DSV Group (Deutscher Sparkassenverlag), a subsidiary of the Sparkassen-Finanzgruppe, regarding the combination of BS PAYONE with Ingenico Retail assets in DACH (Germany, Austria, Switzerland). This non-cash business combination, at a time when transaction multiples keep on rising, will be 52% owned and controlled by Ingenico Group.

Within the DACH region, Germany, which is the main exposure of BS PAYONE, is the third largest market in Europe and the most dynamic country in the region in terms of electronic payment. With predominant cash transactions representing more than 70% of the overall transactions, cashless volumes are accelerating and should grow by 7% over the next five years. It offers strong growth perspectives for those players who are able to provide comprehensive and end-to-end electronic payment acceptance solutions to merchants.

Headquartered in Frankfurt, BS PAYONE is a leading full-service payment provider offering instore and online payment solutions and employing around 700 people. Serving more than 250,000 merchants in various industries, from small and medium-sized businesses to large international accounts, BS PAYONE is the second largest international card acquirer in Germany and a major Network Service Provider (NSP), with a volume of over €50 billion processed, of which €27 billion is from international card acquiring, and more than 135,000 point-of-acceptance devices. BS PAYONE benefits from close partnerships with the savings banks ("Sparkassen") in Germany. In 2017 BS PAYONE generated €324 million in gross revenues[6] and €31m EBITDA[6].

The joint venture would have a unique footprint in DACH with a combined volume processed of €125 billion and close to 335,000 point-of-acceptance devices. The combined entity would have generated a gross revenue[6] of over €500 million and an EBITDA[6] of c.€75 million in 2017. Over the period 2017-2021, the combined entity is expected to grow at a low double digit CAGR in term of revenues and a high double digit CAGR in term of EBITDA. The ambition of the combined entity is to become the largest acquirer in DACH and to further consolidate its Network Service Provider (NSP) leadership. The combination between the two assets is expected to generate significant synergies of €30 million, largely realized by 2022.

The partnership will represent a significant milestone in the execution of Ingenico Group's strategy:

- Create the clear market leader in the attractive German market with the broadest offering instore and online covering the specific needs of all types of merchants;
- Build an operational long-term partnership with the Sparkassen, including an 8-year lock-up;
- Develop the SMB offering by combining Ingenico and BS PAYONE portfolios while rolling-out Bambora's customer-centric approach in the future JV;
- Offer end-to-end payment acceptance solutions to large accounts;
- Leverage Ingenico's global infrastructure to capture growth potential in the region and beyond.

The closing is expected to occur during the first quarter of 2019, subject to approval from the relevant regulatory and antitrust authorities.

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[6] *Estimated IFRS figures derived from German GAAP subject to adjustment*

Performance in the second quarter of 2018

In the second quarter of 2018, Ingenico Group reported a revenue of €648 million, up 3% on a reported basis, including a negative foreign exchange impact of €31 million. On a comparable basis, revenue declined by 2% compared to the second quarter of 2017. Adjusted from the tough comparison basis coming from the PCI V1 to V3 migration in Europe and the demonetization process in India, revenue would have grown 3% on a comparable basis.

The Retail Business Unit has continued to grow in the second quarter, following a similar trend to the first quarter despite some non-recurring low growth profile in Global Online. Over the second quarter, revenue reached €328 million, up 21% on a reported basis and impacted by a negative foreign exchange impact of €16 million. On a comparable basis, revenue increased by 5%. Compared with Q2'17, the various activities performed as follows on a like-for-like basis:

- SMB (up 12%): The quarterly performance has been strong, including Bambora growing fully in line with the expectations stated at the time of the acquisition. Over the second quarter, the teams have been able to sign more than 4,000 new merchants per month, to successfully deploy the pilot of the merchant cash advance offering and to increase the acquiring volumes by more than 20% compared to the second quarter of 2017. The Switzerland activities continue to grow and significant technical milestones have been reached in Germany regarding its Bambora model roll out. The pilot of the new offer is on track and its commercial launch is planned for the third quarter. Online SMB activities were still very dynamic, driven by the full-services offer which grew by more than 50% this quarter.

- Global Online (up 5%): As already stated, the performance of the quarter came in line with our expectations. The churn rate continues to improve, with this being the second consecutive quarter it has reached an historical low level and the lowest since 2015. These improvements enabled us to gain new merchants such as Pearson, ShineZone or Liverpool Football Club with whom the Fraugster solution has been implemented. Several awards have been won during the quarter, such as the best international CNP Program awarded by the merchants for the third consecutive year, as well as the Best Use of Social networks or Gamification thanks to its partnership with LuckyCycle. In the meantime, teams were focused on optimizing the cost base enabling us to be more agile and flexible.

- Enterprise (down 1%): The overall dynamic has been strongly impacted by the North American following a tough comparison basis this quarter with a client that made a meaningful order last year. On top of that a significant contract has been shifted to the third quarter, impacting the region's dynamic. Nevertheless, we remain confident in the dynamic ramp up in the second part of the year driven by the beginning of the EMV refreshment cycle. Europe is still strong, sustained by the instore gateway processing business growing at 15% in the second quarter. Significant projects have been managed in order to support big retailers abroad and iconic new clients have been won over the quarter. In the meantime, the Enterprise strategy is still focused on expanding its geographical footprint both in Europe and outside Europe, with ongoing new local certifications. It will enable the Group to reach a wider geographical area where it could leverage the positioning of its existing clients as well as enlarging its addressable market.

The Banks & Acquirers Business Unit has shown, in the second quarter, the beginning of the expected recovery, despite the very tough comparison basis. Revenue reached €319 million, down 10% on a reported basis and negatively impacted by €15 million of foreign exchange. On a comparable basis revenue declined by 8%. Adjusted from the impact coming from the PCI V1 to V3 migration in Europe and the demonetization process in India, revenue would have been up 1% on a comparable basis. Compared with Q2'17, the various regions performed as follows on a like-for-like basis:

- **Europe, Middle-East & Africa (down 11%)**: The performance was strongly impacted by the tough comparison basis of the PCI V1 to V3 migration that took place during the first half of last year and a softer than expected dynamic in Middle East. Despite those specific situations, the remaining dynamic was in line with our expectations in most of the countries in Western and Eastern Europe, except for Germany and Switzerland, that came in softer than expected. Those two countries have been impacted by the ongoing consolidation that creates turmoil in the market landscape and its evolution. We are continuing to closely monitor developments and expect a return to stabilization over the near to medium term. As already stated, the launch of Axium has raised lot of interest from clients and the first orders have already been signed with Lottomatica in Italy, which should fuel the growth of the second half of the year.

- **Asia-Pacific (down 13%)**: The tough comparison basis in India is still impacting the region's overall dynamic despite good momentum in the market. India continues to return to normal after the strong demonetization process that positively impacted the region last year. The South-East Asia market has experienced a slowdown in demand in Thailand and Indonesia following an important cycle of orders and shipments. China performed in line with our expectations, i.e. no major evolution in terms of activity, still benefiting from the APOS (c. 380k unit shipped) but with a comparison basis that limits the growth potential. As expected, Australia is now back on track after the phasing of local tenders that negatively impacted the first quarter, and Japan is still ramping up in light of the EMV equipment phase.

- **Latin America (up 21%)**: The recovery expected for a few quarters in Brazil is now live as the Group has benefited from the impact of the first local tender offers, using Telium Tetra and in some cases APOS solutions designed and manufactured by Landi. Therefore, Brazil is accelerating significantly with an important pipeline of projects that give confidence for the remaining part of the year. Other countries, such as Argentina, remain very dynamic whereas Mexico is slowing down temporarily due to to recent presidential elections.

- **North America (down 9%)**: The performance came in as expected overall, with Canada performing strongly thanks to last time buys tied to the conversion to Telium Tetra deployment with one of the major local acquirers. In the United States, the Independent Sales Vendors (ISV) certifications are still ongoing and the channel continues to see traction especially in the Healthcare, Unattended and Hospitality verticals. The second half of the year should benefit from these new certifications as well as the acceleration of the mobility range of products, especially the newly launched M70 that is currently in the pilot phase.

Gross profit

During the first half of 2018, adjusted gross profit reached €489 million, or 39.7% of revenue, representing a 250 basis points drop compared to the first half of 2017 pro forma adjusted gross profit. This fall is mainly attributable to the business mix evolution this semester that has weighed on the margin.

Operating expenses contained over the semester

In the first half of 2018, adjusted operating costs were €295 million, representing 24% of revenue compared to 22.3% in the first half of 2017. Compared to the same period last year on a pro forma basis, the OPEX have decreased by €12 million during the first semester.

EBITDA margin and profit from operating activities

EBITDA was €193 million in the first half of 2018, equal to 15.7% and has been negatively impacted by €19 million of foreign exchange. The margin has been impacted this semester by an incompressible part of OPEX in a declining Banks & Acquirers business unit. The latter was facing two significant comparison bases that led to a strong fall this first half and so a compression of the EBITDA margin. Nevertheless, thanks to the growth acceleration we expect in both our business unit and to the operating leverage, we remain confident with our adjusted full year EBITDA objective.

After accounting for Purchase Price Allocation and other operating income and expenses, profit from operations totalled €94 million. The Group's operating margin was equal to 7.7% of revenue.

Profit attributable to Group shareholders

Financial results reached €-19 million, against €-10 million last year on the same period.

Income tax expense decreased to €20 million compared to €51 million in the first half of 2017. The reduction of the tax expenses is the consequence of the decline in income before taxes as well as a weakening of the effective tax rate.

The net profit attributable to Ingenico's shareholders in the first half of 2018 reached €54 million.

Free cash flow and financial position

The adjusted free cash flow[7] reached €40 million, i.e. an EBITDA conversion rate of 20.7% compared to €76 million last year. Following a dynamic year in terms of acquisition, the first semester 2018 has been impacted by a non-recurring expenses increase. The Group's operations, post other income and expenses, generated a free cash flow of €23 million, i.e. an FCF/EBITDA conversion ratio of 11.7%. Investments increased to €53 million, related to the acquisition of Bambora.

The Group net debt increased to €1,702 million, against €1,471 million at the beginning of the year. The increase of the net debt level is mainly related to the Fosun stake purchase, share buyback and the dividend payment. The cash dividend paid in respect of 2017 was €48 million, whereas 50.3% of the total dividend amount was paid in stock (781,413 shares), reflecting the shareholder confidence. The ratio of net debt to equity is 101% and the ratio of net debt to EBITDA is up to 3.6x from 2.8x at the end of 2017.

[7] *Free Cash flow adjusted from non-recurring items (acquisition and restructuring costs)*

Conference Call

The results for the first half 2018 will be discussed in a Group telephone conference call which will be held on the July, 25th 2018 at 6.00pm Paris Time (5.00pm UK Time). The call will be accessible by dialing one of the following numbers: +33 (0)1 72 72 74 03 (from France), +1 646 722 4916 (from the US) and +44 (0)20 7194 3759 (from other countries), with the conference ID: 27107040#. A presentation will be available at www.ingenico.com/finance

This press release contains forward-looking statements. The trends and objectives given in this release are based on data, assumptions and estimates considered reasonable by Ingenico Group. These data, assumptions and estimates may change or be amended as a result of uncertainties connected in particular with the performance of Ingenico Group and its subsidiaries. These forward-looking statements in no case constitute a guarantee of future performance, and involve risks and uncertainties. Actual performance may differ materially from that expressed or suggested in the forward-looking statements. Ingenico Group therefore makes no firm commitment on the realization of the growth objectives shown in this release. Ingenico Group and its subsidiaries, as well as their executives, representatives, employees and respective advisors, undertake no obligation to update or revise any forward-looking statements contained in this release, whether as a result of new information, future developments or otherwise. This release shall not constitute an offer to sell or the solicitation of an offer to buy or subscribe for securities or financial instruments.

About Ingenico Group

Ingenico Group (Euronext: FR0000125346 – ING) is the global leader in seamless payment, providing smart, trusted and secure solutions to empower commerce across all channels, in-store, online and mobile. With the world's largest payment acceptance network, we deliver secure payment solutions with a local, national and international scope. We are the trusted world-class partner for financial institutions and retailers, from small merchants to several of the world's best known global brands. Our solutions enable merchants to simplify payment and deliver their brand promise.
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Upcoming events
Q3'18 revenue: 24th October 2018

EXHIBIT 1
Basis for preparing the 2018 interim financial statements

The consolidated interim financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS). In order to provide meaningful comparable information, these data have been presented on an adjusted basis, i.e. restated to reflect the depreciation and amortization expenses arising on the acquisition of new entities. Pursuant to IFRS3R, the purchase price for new entities is allocated to the identifiable assets acquired and subsequently amortized over specified periods.

The main financial data for 2018 has been analyzed on an adjusted basis, i.e., before purchase price allocation (PPA). Please see Exhibit 4.

The adjusted gross margin and the adjusted operational expenses disclosed are excluded from depreciation and amortization, provisions, expenses for share distributed to employees and officers and purchase price allocation ("PPA"). – Please see Exhibit 4.

EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before depreciation, amortization and provisions, and before expenses for shares distributed to employees and officers. The reconciliation of adjusted profit from ordinary operations to EBITDA is available in Exhibit 4.

EBIT (Earnings Before Interest and Taxes) is equal to profit from ordinary activities, adjusted for amortization of the purchase price for newly acquired entities allocated to the identifiable assets acquired.

Free cash flow is equal to EBITDA less: cash and other operating income and expenses, changes in working capital requirements, investing activities net of disposals, financial expenses net of financial income, and tax paid.

The financial net debt disclosed excludes the financing line of merchants pre-financing.

EXHIBIT 2

Following the evolution of its activities and in order to support its position as world leader in omnichannel payments, Ingenico Group has put in place a new client-focused organization. The Group's reporting is structured around two business units: Banks and Acquirers (B&A) and Retail.

The pro forma revenue for the period ended on 31st December 2017 integrates Techprocess, IECISA, SST and Bambora. It has been produced as if each of these acquisitions were integrated from 1st January 2017.

1. NEW ORGANIZATIONAL REPORTING ON A REPORTED BASIS

In millions of euros	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017
Retail	243	272	260	325	1 099
SMBs	33	35	35	72	175
Global Online	111	127	124	131	494
Enterprise	99	110	101	122	431
Banks & Acquirers	351	356	337	367	1,411
EMEA	142	147	155	159	602
Latin America	40	37	44	49	170
North America	37	55	45	50	187
APAC	132	118	93	111	454
TOTAL	594	628	597	692	2,510

2. NEW ORGANIZATIONAL REPORTING ON A PRO FORMA BASIS

In millions of euros	Q1 2017 PF	Q2 2017 PF	Q3 2017 PF	Q4 2017 PF	2017 PF
Retail	299	328	316	343	1,286
SMBs	81	90	89	89	349
Global Online	118	127	124	131	500
Enterprise	100	112	103	122	438
Banks & Acquirers	354	363	343	369	1,428
EMEA	137	146	152	158	594
Latin America	40	37	44	49	170
North America	37	55	45	50	187
APAC	140	126	101	114	480
TOTAL	653	692	658	711	2,714

EXHIBIT 3
Income statements, balance sheet, cash flow statements

1. INTERIM CONSOLIDATED INCOME STATEMENTS (REVIEWED)

(in millions of euros)	30 June 2018	30 June 2017*
REVENUE	1,229	1,222
Cost of sales	-768	-715
GROSS PROFIT	461	507
Distribution and marketing costs	-131	-108
Research and development expenses	-87	-91
Administrative expenses	-132	-109
PROFIT FROM ORDINARY ACTIVITIES	112	200
Other operating income	0	0
Other operating expenses	-17	-7
PROFIT FROM OPERATING ACTIVITIES	94	194
Finance income	49	21
Finance costs	-68	-31
NET FINANCE COSTS	-19	-10
Share of profits in equity-accounted investees	0	0
PROFIT BEFORE INCOME TAX	75	184
Income tax expense	-20	-51
NET PROFIT	55	132
Attributable to:		
- Ingenico Group SA shareholders	54	130
- non-controlling interests	0	2
EARNINGS PER SHARE (in euros)		
Net earnings:		
- basic earnings per share	0.88	2,12
- diluted earnings per share	0.88	2,08

** Restated from IFRS 15*

2. INTERIM CONSOLIDATED BALANCE SHEET (REVIEWED)

ASSETS *(in millions of euros)*	30 June 2018	31 Dec. 2017*
Goodwill	2,367	2,479
Other intangible assets	983	958
Property, plant and equipment	88	88
Investments in equity-accounted investees	8	8
Financial assets	21	20
Deferred tax assets	61	63
Other non-current assets	36	39
TOTAL NON-CURRENT ASSETS	3,564	3,654
Inventories	190	171
Trade and related receivables	596	557
Receivables related to intermediation activities	171	173
Other current assets	48	46
Current tax assets	33	21
Derivative financial instruments	10	8
Funds related to intermediation activities	574	461
Cash and cash equivalents	606	596
TOTAL CURRENT ASSETS	2,230	2,031
TOTAL ASSETS	5,794	5,685

EQUITY AND LIABILITIES *(in millions of euros)*	30 June 18	31 Dec. 2017*
Share capital	63	62
Share premium account	867	818
Other reserves	851	973
Translation differences	(95)	(22)
Equity for the period attributable to Ingenico Group SA shareholders	1,686	1,832
Non-controlling interests	5	11
TOTAL EQUITY	1,691	1,843
Non-current borrowings and long-term debt	1,860	1,549
Provisions for retirement and benefit obligations	25	25
Other long-term provisions	24	24
Deferred tax liabilities	242	227
Other non-current liabilities	53	67
TOTAL NON-CURRENT LIABILITIES	2,204	1,892
Short-term loans and borrowings	504	553
Other short-term provisions	18	19
Trade and related payables	559	511
Payables related to intermediation activities	688	598
Other current liabilities	118	243
Current tax liabilities	10	24
Derivative financial instruments	2	3
TOTAL CURRENT LIABILITIES	1,900	1,951
TOTAL LIABILITIES	4,103	3,843
TOTAL EQUITY AND LIABILITIES	5,794	5,685

* *Restated from IFRS 15*

3. INTERIM CONSOLIDATED CASH FLOW STATEMENTS (REVIEWED)

(in millions of euros)	30 June 2018	31 Dec. 2017
Profit for the period	55	260
Adjustments for:		
- Share of profit of equity-accounted investees	0	1
- Income tax expense/(income)	20	87
- Depreciation, amortization and provisions	83	111
- Change in fair value	1	3
- (Gains)/losses on disposal of assets	0	0
- Net interest costs/(revenue)	15	19
- Share-based payment expense(1)	1	13
Interest paid	(11)	(12)
Income tax paid	(48)	(97)
Cash flows from operating activities before change in net working capital	**115**	**386**
Inventories	(23)	(10)
Trade and other receivables	(45)	(65)
Trade payables and other payables	24	7
Change in net working capital	**(44)**	**(68)**
Change in NWC related to intermediation activities	(26)	21
NET CASH FLOWS FROM OPERATING ACTIVITIES	45	340
Acquisition of fixed assets	(54)	(88)
Proceeds from sale of tangible and intangible fixed assets	0	1
Acquisition of subsidiaries, net of cash acquired	-	0
Disposal of subsidiaries, net of cash disposed of	(15)	(1,257)
Loans and advances granted and other financial assets	(1)	(4)
Loan repayments received	1	8
Dividend received	0	6
Interest received	4	7
CASH FLOWS FROM INVESTING ACTIVITIES	(64)	(1,327)
Proceeds from share capital issues	0	2
Purchase/sale of treasury shares	(87)	0
Proceeds from loans and borrowings	304	919
Repayment of loans and borrowings	(69)	(275)
Change in the Group's ownership interests in controlled entities	(93)	9
Bambora merchant prefinancing	24	(21)
Changes in other financial liabilities	0	(1)
Effect of financial derivative instruments	0	-
Dividends paid to shareholders	(55)	(40)
Taxes on financing activities	4	(2)
NET CASH FLOWS FROM FINANCING ACTIVITIES	28	591
Effect of exchange rate fluctuations	3	(18)
CHANGE IN CASH AND CASH EQUIVALENTS	12	(415)
Net cash and cash equivalents at beginning of the year	589	1,003
Net cash and cash equivalents at year end	600	589
CASH AND CASH EQUIVALENT		
Short-term investments and short-term deposits	94	90
Cash	512	506
Bank overdrafts	(6)	(7)
TOTAL NET CASH AND CASH EQUIVALENTS	600	589

EXHIBIT 4

Impact of purchase price allocation ("PPA")

(in millions of euros)	H1'18 excl. PPA	PPA Impact	H1'18
Gross profit	478	(17)	461
Operating expenses	(319)	(30)	(349)
Profit from ordinary activities	159	(47)	112

Reconciliation of profit from ordinary activities to EBITDA

EBITDA represents profit from ordinary activities, restated to include the following:

- Provisions for impairment of tangible and intangible assets, net of reversals (including impairment of goodwill or other intangible assets with indefinite lives, but not provisions for impairment of inventories, trade and related receivables and other current assets), and provisions for risks and charges (both current and non-current) on the liability side of the balance sheet, net of reversals.
- Expenses related to the restatement of finance lease obligations on consolidation.
- Expenses recognized in connection with the award of stock options, free shares or any other payments to be accounted for using IFRS 2, Share-based compensation.

Reconciliation:

(in millions of euros)	H1'18	H1'17
Profit from ordinary activities	112	198
Allocated assets amortization	47	23
EBIT	159	221
Other D&A and changes in provisions	34	17
Share-based compensation	1	7
EBITDA	193	244