2017 results

Operational review
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Consolidated financial statements
Parent company financial statements

DISCLAIMER

Worldline consolidated and statutory financial statements for the year ended December 31, 2017, were approved by the Board of Directors on February 19, 2018.These financial statements have been audited.

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as market conditions or competitors behaviours. Any forward-looking statements made in this document are statements about Worldline' beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Worldline's plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical information. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the 2016 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 28, 2017 under the registration number: R.17-032 and its update filed with the Autorité des Marchés Financiers (AMF) on August 3, 2017 under the registration number: D.17-0407-A01. Worldline does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law.

E.1 OPERATIONAL REVIEW

E.1.1 SIGNIFICANT EVENT OF THE YEAR

Acquisition of First Data Baltics

On September 27, 2017, Worldline announced the completion of the acquisition of 100% of the share capital of First Data's fully owned subsidiaries in Lithuania, Latvia, Estonia (together "First Data Baltics" or "FDB") for c.€ 72 million, financed by available cash.

Having generated revenue of c. € 23 million in 2016, presenting a strong financial profile with EBITDA margin materially above Worldline's EBITDA, FDB currently employs c.200 employees and is the leading financial processor in the Baltics, providing to the main Baltic banking groups and also to some banks in the wider Nordic region, a large range of outsourcing services.

Through this acquisition, Worldline gains a unique leading position in the fast-growing Baltic countries, significant development perspectives in the Baltics (n°1 in Latvia & Lithuania, n°2 in Estonia) thanks to structural electronic payments growth. Numerous synergy levers with Worldline portfolio have been identified allowing the acceleration of both revenue and profitability.

FDB has been consolidated in the Financial Services division of Worldline since October 1st, 2017.

Acquisition of Digital River World Payments (DRWP)

On October 18, 2017, Worldline successfully completed the merger and integration of Digital River World Payments (DRWP), a leading online global payment service provider, from Digital River, Inc., a leading global provider of Commerce-as-a-Service solutions.

Founded in 1997 and headquartered in Stockholm, Sweden, DRWP is a subsidiary of Digital River and employs approximately 120 employees worldwide. With global payment gateway, multi-acquiring and collecting services under one roof and having generated yearly gross revenue of c. 37 million euros in 2016, DRWP delivers comprehensive online payment acceptance and optimization solutions for leading enterprise brands, spanning a variety of industries, including travel, retail, direct selling and digital goods. DRWP's global platform and large geographical footprint support international payment schemes and currencies across 175 countries, a wide range of local payment brands and methods, and more than 40 acquiring bank connections. With its global reach, positioning as a PSP and collector, DRWP represents a perfect fit with Worldline's existing and proven internet payment gateway, Sips.

Through the acquisition of DRWP, Worldline increases its internet payment capabilities, notably with online payment collecting services, and gain access to a client base composed of Tier 1 e-Merchants. The Group also expands its global reach to new geographies (USA, Brazil, Sweden). With this acquisition, Worldline is today in a unique position to deliver the next generation of payment services for the digital commerce market.

DRWP has been consolidated in the Merchant Services division of Worldline since November 1st, 2017.

Acquisition of MRL Posnet

On October 27, 2017, Worldline announced the completion of the agreement to acquire 100 percent of the share capital of MRL Posnet, for a consideration up to c. 6.5 billion Indian rupees (approximately € 84 million), representing a transaction multiple based on the 2017 estimated OMDA a bit below Worldline's current trading OMDA multiple. The transaction is financed by the available cash of Worldline.

Founded in 2008 and headquartered in Chennai, India, MRL PosNet employs approximately 140 highly skilled engineers in Payment in India. Operating an innovative and state-of-the-art terminal management platform, enabling very cost efficient deployment and management of new terminals, MRL PosNet currently processes payment transactions on behalf of 18 Indian banks, through the management of c.100,000 payment terminals.

Presenting a very strong growth track record since incorporation and an OMDA rate above Worldline's OMDA rate, the transaction is expected to be immediately margin accretive, before synergies.

MRL Posnet has been consolidated in the Merchant Services division of Worldline since November 1st, 2017.

Disposal of the Cheque Service

As part of the regular review of its portfolio, the Group has decided to sell its Cheque Services business in France through a management buy-out, as there were low synergies with the other activities of Worldline and as this business was dilutive to the Group's growth and profitability. This activity generated revenue of less than €20 million and was dilutive to the Group's OMDA margin in 2016.

This transaction, which is supported by Cheque Service employees, will allow Cheque Service to pursue its commercial expansion in France.

This business, which as reported within the Financial Services division, has been excluded from the consolidation scope since July 1st, 2017.

Worldline, jointly with Total, partners with the African payment Fintech InTouch

On July 13, 2017, Worldline and Total signed a binding technological, commercial, and financing agreement with African fintech InTouch. Worldline and Total will support the deployment acceleration of the "Guichet Unique" platform in eight African countries (Senegal, Ivory Coast, Cameroon, Burkina Faso, Guinea (Conakry), Mali, Morocco and Kenya). This solution allows merchants to aggregate payment means (e.g. mobile money, payments through private label cards, cash) and to sell third party services (subscriptions to media content, bill settlements, money transfer, cards top-up, etc.) through a unique interface. As part of the agreement, Worldline will take along with Total a minority stake in InTouch and will provide, as a first step of a broader technological agreement, a secure and industrial hosting infrastructure to enable the fast deployment of Guichet Unique.

Reinforcement of Worldline's Account Payments division through the acquisition of Diamis

On December 21, 2017, Worldline has purchased from Atos Intégration, a wholly owned subsidiary of its parent Atos SE, 100 percent of the share capital of Diamis, for an enterprise value of c.€ 11 million, value determined by an independent expert.

It is reminded that Atos Integration owned 60% of the share capital of Diamis and recently acquired the 40% remaining stake in the company from a minority shareholder on October 20, 2017.

Founded in 1990 and headquartered in Bezons, France, Diamis is notably the editor of the Cristal software that is used by many leading European banks in order to manage SEPA and domestic mass payments, through the module "Mass Payment Highway" as well as the intra-day liquidity for interbank payments and securities trading (modules "Proactive Liquidity Manager" and "Target2-Securities"). Cristal is currently being used to exchange 15% of the high-value payments in Europe, which represents more than € 500 billion processed daily.

This transaction was initiated by Worldline in order to reinforce the commercial portfolio of its Financial Services Global Business Line, which is currently the European leader in Account Payments (ACH – Automated Clearing Houses, direct debits and credit transferts solutions for corporates, instant payments, etc.) through a strongly complementary software offer, notably for the contemplated deployment of instant payment solutions in Europe and for the T2/T2S consolidation project of the European Central Bank.

Diamis is consolidated in the financial statements of Worldline from December 31, 2017, in the "Financial Services" Global Business Line. Diamis generated a revenue of c.€ 8 million in 2017 and its OMDA rate is expected to be in line with Worldline's profitability.

E.1.2 EXECUTIVE SUMMARY

At constant scope and exchange rates, Worldline revenue stood at **€ 1,593.9 million** representing an organic growth of **+4.0%** (+€ 61.0 million) compared with 2016. Revenue growth in H2 2017 (+6.3%) accelerated sequentially as planned compared with the growth rate reported in H1 2017 (which was +1.7%), as the negative comparative effect arising from the termination of the RADAR contract in June 2016 ended in June 2017.

- **Merchant Services**, which represented 34% of Worldline's revenue, grew by **+5.4%** organically and reached **€ 535.5 million**, mainly led by the growth in *Merchant Payment Services*.

- Accounting for 44% of total revenue, **Financial Services** revenue reached € 708.3 million, improving organically by **+6.4%** compared to 2016. All four business divisions of the Global Business Line contributed to that growth.

- Representing 22% of total revenue, **Mobility & e-Transactional Services** revenue reached **€ 350.0** million, decreasing by **-2.6%** as the *Trusted Digitization* business line was impacted as planned during the first semester, by the termination of the RADAR aforementioned. Excluding that effect, the growth of MeTS would have exceeded +7% in 2017.

Sales through Atos decreased organically by €-2.9 million (-6.3%) and reached € 43.9 million in 2017.

By geography, revenue growth was mostly driven by Emerging Markets (€+45.0 million or +40.1%) reflecting in particular the strong growth of the Group's Indian operations, by the Netherlands (€+21.7 million or +12.6%) thanks to projects in Issuing Processing and Accounts Payments and by North & South Europe (€+15.2 million or +12.4%) with the ramp up of the contract with the OP bank and good commercial activity in Private Label Cards in Spain. Growth in Germany & Central and Eastern Europe was moderate (€+3.4 million or +1.5%), sales in Belgium were stable and revenue decreased by €-7.2 million or -6.2% in the United Kingdom due to temporary less sales of e-Ticketing services. Last, France (€-17.0 million or -4.1%) was impacted by the termination of the Radar contract in H1 (-10.9%) but renew with growth during the second half of the year (+3.6%).

As a percentage of revenue, Worldline's Operating Margin before Depreciation and Amortization ("**OMDA**") increased by **+240 basis points** ("bp") or €+50.1 million organically and reached **€ 335.4 million** (**21.0% of revenue**).

- This strong improvement was driven by the **Financial Services** division (+**680 basis points**), thanks to good transaction volume growth and to the fast delivery of equensWorldline synergies;
- In **Merchant Services**, despite the very good business dynamism in India and the overall transaction volume growth, the OMDA decreased by **-140 basis points** compared with 2016 as it adapted its pricing structure in 2016 to retrocede the interchange fee reduction, as well as commercial efforts to develop business in the faster growing geographies;
- Last, **Mobility & e-Transactional Services** OMDA decreased by **-130 basis points**, as it was temporarily impacted by the end of a mature contract (RADAR), which was partly substituted by new business consisting of project activities and ramping-up volumes with a lower profitability at start.

The **backlog** at the end of December 2017 remained high and amounted to **€ 2.6 billion**.

The **total headcount** was **9,467** at the end of December 2017, compared to **8,725** at the end of 2016. The increase of +8.5% (or +742 staff) of the Group total workforce was mainly related to:

- The acquisitions of Digital River World Payments, First Data Baltics and MRL Posnet which brought 438 employees, while 38 employees left the company upon the disposal of the Cheque Service business; and
- The net increase in direct workforce of 363 staff. This increase in staff was linked to strong business development, in particular in India and in France.

E.1.3 STATUTORY TO CONSTANT SCOPE AND FOREIGN EXCHANGE RATES RECONCILIATION

For the analysis of the Group's performance, revenue and OMDA for 2017 is compared with 2016 revenue and OMDA at constant scope and foreign exchange rates.

Reconciliation between the 2016 reported revenue and OMDA and 2016 revenue and OMDA at constant scope and foreign exchange rates, per Global Business Line is presented below:

	Revenue			
In € million	**FY 2016 Statutory**	**Scope effect**	**Exchange rates effect**	**FY 2016***
Merchant Services	439.6	+51.4	-2.2	508.0
Financial Services	500.0	+186.0	-1.3	665.5
Mobility & e-Transactional Services	369.6	+0.0	-10.2	359.3
Worldline	**1,309.1**	**+237.5**	**-13.8**	**1,532.9**

* At constant scope and December 2017 YTD average exchange rates

In € million	**FY 2016 Statutory**	**Scope effect**	**Exchange rates effect**	**FY 2016***
France	428.5	-8.7	0	419.7
Belgium	358.5	+0.1	0	358.5
Germany / CEE	159.0	+72.9	+0.6	232.6
Netherlands	67.1	+105.2	0	172.3
Emerging markets	115.7	+1.8	-5.5	112.0
Rest of Europe	56.5	+66.2	-0.1	122.6
UK	124.0	0.0	-8.9	115.1
Worldline	**1,309.1**	**+237.5**	**-13.8**	**1,532.9**

* At constant scope and December 2017 YTD average exchange rates

	OMDA			
In € million	**FY 2016 Statutory**	**Scope effect**	**Exchange rates effect**	**FY 2016***
Merchant Services	99.3	+7.3	-0.3	113.5
Financial Services	130.6	+21.9	-0.5	144.9
Mobility & e-Transactional Services	51.5	-0.0	-2.0	49.5
Corporate	-22.6			-22.6
Worldline	**258.7**	**+29.2**	**-2.7**	**285.3**

* At constant scope and December 2017 YTD average exchange rates

Internal transfers correspond to the reclassification in Merchant Services of the revenue from Worldline India previously classified in Financial Services, as this revenue relates primarily to business done directly or indirectly (through banks) with merchants.

Scope effects refer mainly to:

- The acquisitions of Equens, Paysquare and KB Smartpay on September 30, 2016. Hence, Equens, Paysquare and KB Smartpay revenue and OMDA for the first three quarters of 2016 are included in the 2016 revenue and OMDA at constant scope and exchange rates, for a like-for-like

comparison with FY 2017.
- The consolidation of and First Data Baltics on October 1, 2017. Hence, First Data Baltics revenue and OMDA for the fourth quarter of 2016 are included in the 2016 revenue and OMDA at constant scope and exchange rates, for a like-for-like comparison with FY 2017.
- The consolidation of Digital River World Payments and MRL Posnet on November 1, 2017. Hence, Digital River World Payments and MRL Posnet revenue and OMDA for November and December 2016 are included in the 2016 revenue and OMDA at constant scope and exchange rates, for a like-for-like comparison with FY 2017.
- The disposal of the Cheque Service business on July 1, 2017. Hence revenue and OMDA related to Cheque Service in H2 2016 have been excluded from the 2016 revenue and OMDA at constant scope and exchange rates, for a like-for-like comparison with FY 2017.
- The disposal of PaySquare Belgium, on March 31, 2017. The 2016 revenue and OMDA at constant scope and exchange rates has been similarly adjusted for a like-for-like comparison with FY 2017.

Exchange rate effects reflect mostly the depreciation of the British Pound and the Argentinian Peso versus the Euro.

The 2016 figures presented in this Operational review are based on the constant scope and foreign exchange rates data.

E.1.4 REVENUE PROFILE EVOLUTION

Worldline's 2017 revenue profile reflects the new scope of the Group, following:
- the closing of the Equens, PaySquare and KB SmartPay transactions end of Q3 2017,
- the consolidation of Digital River World Payments, First Data Baltics and MRL Posnet in the course of Q4 2017
- the disposal of the Cheque Service business and of PaySquare Belgium.

	Revenue		
In € million	**FY 2017**	**FY 2016***	**% of Total**
Merchant Services	535.5	508.0	33.6%
Financial Services	708.3	665.5	44.4%
Mobility & e-Transactional Services	350.0	359.3	22.0%
Worldline	**1,593.9**	**1,532.9**	**100.0%**

** At constant scope and December 2017 YTD average exchange rates*

Europe remained Worldline's main operational base, generating c.90% of total revenue.

	Revenue		
In € million	**FY 2017**	**FY 2016***	**% of Total**
France	402.7	419.7	25.3%
Belgium	358.5	358.5	22.5%
Germany / CEE	236.0	232.6	14.8%
Netherlands	194.1	172.3	12.2%
Emerging markets	156.9	112.0	9.8%
North & South Europe	137.8	122.6	8.6%
UK	107.9	115.1	6.8%
Worldline	**1,593.9**	**1,532.9**	**100.0%**

** At constant scope and December 2017 YTD average exchange rates*

E.1.5 PERFORMANCE BY GLOBAL BUSINESS LINE

In € million	Revenue			OMDA		OMDA %	
	FY 2017	FY 2016*	% Growth	FY 2017	FY 2016*	FY 2017	FY 2016*
Merchant Services	535.5	508.0	+5.4%	112.3	113.5	21.0%	22.3%
Financial Services	708.3	665.5	+6.4%	202.1	144.9	28.5%	21.8%
Mobility & e-Transactional Services	350.0	359.3	-2.6%	43.6	49.5	12.5%	13.8%
Corporate Costs				-22.6	-22.6	-1.4%	-1.5%
Worldline	**1,593.9**	**1,532.9**	**+4.0%**	**335.4**	**285.3**	**21.0%**	**18.6%**

** At constant scope and December 2017 YTD average exchange rates*

E.1.5.1 Merchant Services

In € million	Merchant Services		
	FY 2017	FY 2016*	% Growth
Revenue	535.5	508.0	+5.4%
OMDA	112.3	113.5	
% OMDA	21.0%	22.3%	-1.4 pt

** At constant scope and December 2017 YTD average exchange rates*

Revenue

Merchant Services, which represented 34% of Worldline's revenue, grew by **+5.4%** organically and reached **€ 535.5 million**.

- The growth mainly came from *Merchant Payment Services*, which benefitted from a strong momentum in India with the demonetization impact leading to higher volumes of transactions and from positive business trends in Continental Europe, in particular in Germany, Netherlands and Eastern Europe. These good operational performances more than compensated the negative price/volume mix effect that occurred as planned in the course of the first semester in Belgium in *Commercial Acquiring.*
- *Merchant Digital Services* grew slightly, thanks to Private Label Cards & Loyalty services in Spain as well as to higher project revenues with transportation companies in the United Kingdom.

OMDA

Merchant Services' OMDA reached **€ 112.3 million** at the end of December or 21.0% of revenue, decreasing organically by €-1.1 million (-140 basis points compared with 2016). Despite the very good dynamism of *Merchant Payment Services* in India and the overall transaction volume growth, the Global Business Line was indeed impacted by the adaptation during 2016 of its pricing structure to retrocede the interchange fee reduction, as well as commercial efforts to develop business in the faster growing geographies.

E.1.5.2 Financial Services

In € million	FY 2017	FY 2016*	% Growth
	Financial Services		
Revenue	708.3	665.5	+6.4%
OMDA	202.1	144.9	
% OMDA	28.5%	21.8%	+6.8 pt

** At constant scope and December 2017 YTD average exchange rates*

Revenue

Representing 44% of Worldline's total revenue, **Financial Services** revenue reached € 708.3 million, improving organically by €+42.8 million or **+6.4%** compared to 2016. All four business divisions contributed to that growth:

- Revenue in *Issuing processing* grew thanks to good transaction volume growth (+11%), successful sale of added value services such as strong authentication services (c. x2), high level of software licenses sales and projects in Asia, and overall significant project work;
- *Acquiring processing* was also particularly dynamic during the period thanks to more volume and projects mainly in South of Europe and in France;
- *Digital banking* grew mainly thanks to continued development and good fertilization on projects in France and in the United Kingdom;
- The business line *Accounts Payments* grew thanks to increased transaction of non-card payments (+7%), notably on SEPA payment in the Netherlands and in Germany, and for iDeal in the Netherlands (+32%). Promising new projects were also conducted on new payment functionalities such as Instant Payments.

OMDA

Financial Services reached an **OMDA** of **€ 202.1 million** (28.5% of revenue) representing an organic increase of +680 basis points or €+57.1 million, compared to the same period in 2016. This performance was mainly driven by operating leverage, particularly due to good trends in *Acquiring and Issuing Processing* businesses, and also by significant savings in the cost base (notably a reduction of external costs in equensWorldline), resulting from the faster than planned implementation of the synergy plan that started end of 2016. Profitability also improved thanks to some Ac*quiring Processing* contract set-up costs incurred in 2016 that did not occur again in 2017.

E.1.5.3 Mobility & e-Transactional services

In € million	Mobility & e-Transactional Services		
	FY 2017	**FY 2016***	**% Growth**
Revenue	350.0	359.3	-2.6%
OMDA	43.6	49.5	
% OMDA	12.5%	13.8%	-1.3 pt

** At constant scope and December 2017 YTD average exchange rates*

Revenue

Representing 22% of total revenue, **Mobility & e-Transactional Services** revenue reached **€ 350.0 million,** decreasing by **-2.6%** as the *Trusted Digitization* business line was impacted for the last time as planned during the first semester, by the termination of the French automated traffic offence management system (the "RADAR" contract) that occurred in June 2016. Excluding that effect, the growth of MeTS would have exceeded +7% in 2017. This performance could be achieved thanks to:

- A good activity in *Trusted Digitization* notably in France with government agencies and in Latin America (healthcare services and tax collection activities);
- A double digit growth in *e-Consumer &* Mobility thanks to the ramp up of projects in France and in Germany;
- The double digit growth of *e-Ticketing* business in Latin America and in Germany, which nearly compensated for the temporarily decline of *e-Ticketing* services in the United Kingdom, which was affected by lower projects delivered to rail transport companies.

OMDA

Mobility & e-Transactional Services OMDA reached **€ 43.6 million** or 12.5% of revenue, decreasing by €-5.9 million or -130 basis points. Despite margin improvement in the United Kingdom (end of loss making projects in 2016), in Germany (higher revenue combined to costs reduction) and in Latin America (higher *e-Ticketing* volumes and price renegotiation), the OMDA of the Global Business Line was impacted by the end of a mature contract (RADAR), which was partly substituted by new business consisting of project activities and ramping-up volumes with a temporarily lower profitability.

E.1.6 PERFORMANCE BY GEOGRAPHY

The primary operating segments of the Group are the Global Business Lines ("GBLs"). The secondary axis is by geography, for which revenue is presented below.

The revenue presented in one geography can refer to sales or services rendered in different countries or regions (for example, most of the sales of payment terminals worldwide are reported under Belgium revenue).

	Revenue			
In € million	**FY 2017**	**FY 2016***	**Var**	**% Var.**
France	402.7	419.7	-17.0	-4.1%
Belgium	358.5	358.5	0.0	0.0%
Germany / Central & Eastern Europe	236.0	232.6	3.4	1.5%
Netherlands	194.1	172.3	21.7	12.6%
Emerging markets	156.9	112.0	45.0	40.1%
North & South Europe	137.8	122.6	15.2	12.4%
United Kingdom	107.9	115.1	-7.2	-6.2%
Worldline	**1,593.9**	**1,532.9**	**61.0**	**4.0%**

* *At constant scope and December 2017 YTD average exchange rates*

France posted revenue of **€ 402.7 million**, decreasing organically by **-4.1**%, Revenue decreased by -10.9% during the first half of the year (mainly due to Mobility & e-Transactional Services , which was indeed impacted by the end, in June 2016, of the RADAR contract) but increased sequentially during H2 2017, where the growth reached +3.6%

Belgium had revenue of **€ 358.5 million** in 2017, stable organically with 2016**.** Growth in Financial Services, driven by steady increase in transaction volumes and in fraud management services was offset by the decrease in sales of Merchant Services, which was impacted by the negative price/volume mix effect that was anticipated in Commercial Acquiring.

In **Germany and CEE**, revenue amounted to **€ 236.0 million** in 2017, representing an organic growth of **+1.5%**. The good growth of Merchant Payment Services and Mobility & e-Transactional Services was partly offset by lower revenue in Issuing Processing, as a consequence of inactive accounts cleaning activities performed by some clients and in Accounts Payments.

Netherlands recorded revenue of **€ 194.1 million**, growing by **+12.6%** organically. Financial Services was supported by good business trends, including significant project activity, in Issuing Processing and Account Payments, and Merchant Services benefitted from the double digit revenue growth of PaySquare in the Netherlands.

Revenue in **Emerging markets** was **€ 156.9 million**, up **+40.1%** organically, as revenue in India grew significantly thanks to the increase in number of transactions processed in Merchant Services, and to a double digit growth in Latin America (eTicketing and Trusted Digitization contracts) and in Asia-Pacific.

The **North and South Europe** region (Baltic countries, Finland, Spain and Italy) recorded sales of **€ 137.8 million**, **+12.4%** organically, thanks to strong activity in Financial Services in Southern Europe and in Private Label cards in Spain.

Finally, revenue in the **United Kingdom** reached **€ 107.9 million**, decreasing by **-6.2%** organically as higher sales of Private Label cards and Loyalty services could not fully compensate less revenue with transport companies in e-Ticketing.

E.1.7 COMMERCIAL ACTIVITY

E.1.7.1 Main signatures of the year

Merchant Services

The commercial activity in Merchant Services was dynamic in 2017. In Commercial Acquiring, the Group maintained its market leadership position in Benelux and grew rapidly in Central and Eastern Europe following the acquisition of Paysquare and KB Smartpay in 2016.

Also, Worldline India played a crucial role in digitalization drive by deploying a total of c.500,000 net installations of terminals and QR code acceptance. As of December 2017, Worldline was managing about 850,000 POS terminals in addition to 160,000 alternative touch points (QR code) which, beyond their short term contribution to the turn-over of the division are set to generate additional recurring revenues in the future. Also in India, a key contract was renewed with Axis Bank.

Other key commercial success for the year included:

- In acceptance services, the existing contract with Trinity Purchasing, a leading company specialized in hospitality purchasing services, was extended to the Nordics: through this new agreement, Worldline will have the opportunity to provide end-to-end payment acceptance services (commercial acquiring, payment terminals, DCC, connected hotel solutions) to 1,200 hotels throughout Europe.
- In online payment acceptance, Worldline implemented a P2P payment acceptance solution for a leading global customer. Worldline also extended its market position in e-acquiring, where its innovative e-Bancontact mobile payments solution has been selected by a major international player in Belgium.
- Also, the Global Business Line renewed an important long term Private Label Cards contract with Whitbread Plc in the UK and a large contract was concluded with Arriva Rail London for the provision of ticketing digital kiosks.
- Last, fast commercial development is recorded for the newly launched VALINA unattended payment terminal.

Financial Services

Key commercial successes of Financial Services in 2017 included the renewal or extension of key contracts in the Group's home markets across Europe. In this respect:

- The partnership agreement with Santander Consumer Bank was extended, for payment services in Poland, which includes a real-time "instalment credit" solution.
- A major Issuing Processing contract was renewed with a Belgium bank for a period of five years
- Worldline significantly increased the scope of services provided to one of its German clients by signing a contract related to the outsourcing of Swift payment processing;
- Also, a major Finnish bank decided to consolidate all its issuing processing volumes with equensWorldline.

In Payment Software Licencing, a new payment licensing contract was concluded with RHB Bank Berhad in Malaysia and a new client was won in Indonesia for issuing Processing services (Lanka Orix Finance Plc).

In addition, equensWorldline was particularly involved during the year in the deployment of new payments means or form factors:

- Belfius bank started its rollout of the HCE Mobile Payment solution based on equensWorldline technology and products, enabling the use of Maestro-, Visa- and MasterCard, but also the Belgium local scheme Bancontact with the mobile phone, allowing cardholders to use their Android mobile phone for payments.
- As PSD2 came into force in January 2018, Worldline won a number of contracts for PSD2 compliant secured platform to manage requests to access bank accounts;
- Instant payment services will be provided to several Dutch bank;
- The Group Mobile P2P payment service went live at a major Dutch bank and paves the way for future growth in the field of peer-to-peer and instant payment services.

- More generally, equensWorldline is positioned as a major actor for the adoption of instant payments. In particular, following the decision by the Governing Council of the European Central Bank (ECB) to develop a new service for the settlement of instant payments (called "TIPS"), equensWorldline announced it will connect its European and national Instant Payments Clearing and Settlement services to TIPS from the first day TIPS is operational.

Mobility & e-Transactional Services

In 2017, Worldline reaffirmed its strong market position in advanced innovations for real-time secured transaction management.

- In particular, order entry in *Trusted Digitization* has been very healthy:
    - Worldline has signed a contract with the French Ministry of Justice to design and run the future highly secured information system that will be used to manage prisoners' bracelets;
    - Also, a contract signed for the provision of a new highly secured real time and mutualized solution for the "SAMU", the French nationwide medical emergency call centre organization, which will enable a better management and real time dispatch of incoming calls during sanitary crisis as well as secured traceability and archiving of all related transactions;
    - In the frame of the digital Military Medical centre project, Worldline will deliver an end-to-end solution (information system, e-Health digital services and IT infrastructure) to support the military-health activity of the medical arm of the du service de santé des armées (SSA); and
    - The contract for the secured management of the French Personal Medical Record was renewed for a period of 3 years.

- In *e-Ticketing:*
    - Worldline developed its next-generation Digital Ticketing platform that will allow consumers to travel without the need to buy a ticket. In this regard, Worldline announced that it is one of the first companies globally to participate in Visa's new Visa Ready for Transit programme. The Worldline solution, Worldline Tap 2 Use, which has also received a prize in France, enables contactless cards, mobile devices and wearable technology to be used for entry and exit of transit systems and is using the acquiring and issuing capability of the Group;
    - A contract was signed with UK's largest rail franchise, Govia Thameslink Railway, to replace the operator's current desktop Ticketing Issuing Services (TIS) with the Worldline Mobile Ticketing Service, @Station, which will provide significant advantages of a Mobile point-of-sale system;
    - Also, the Group will sell its rail operations suite of solutions and its on board retailing solution, enabling the new South Western Rail franchise franchise selected to be able to operate from Day 1;
    - Last, the contract for mobile parking payment solution developed by Worldline for the City of Vienna (Austria) was renewed

- Last, in *e-Consumer & Mobility*, Worldline, together with Atos, will implement several "Worldline Contact" solutions, a state of the art contact centre, for a global leader in medical technologies and for a Dutch insurer for its UK operations.

In terms of innovation:

- Worldline has entered an agreement with Apigee to combine and integrate Apigee Edge Software with its services and expertise to implement digital solutions; and
- Financed by the European Commission, a consortium of companies & entities led by Worldline will implement a Blockchain platform for media copyright information, to enable fast micropayments of media content and to increase transparency in copyright management and monetization.

E.1.7.2 Backlog and commercial perspectives

The **backlog** at the end of December 2017 was stable at **€ 2.6 billion**.

On the commercial side, perspectives are very positive:

- Merchant Services is expected to benefit in 2018 from the deployment of the new online payment offerings (cross border acceptance, payment collecting services, etc.) as well as from the launch of new payment terminals notably the Valina unattended POS terminal. Strong commercial synergies in On-Line payments are also expected between Worldline and Digital River World Payments (now renamed Worldline Online Payment Acceptance).
- In Financial Services, Worldline anticipates another year of growth thanks to its strong pipeline of payment processing outsourcing opportunities and Instant Payment & API management platforms, for which there is a currently a strong market appetite in the context of the PSD2 and Instant Payment regulations implementation.
- Last, Worldline anticipates a continued deployment of its Open Payment technologies for *e-Ticketing* as well as new implementations of its Contact platform for banks and industrial companies.

E.1.8 INTEGRATION AND SYNERGY PLANS

Regarding the integration and synergy plans of equensWorldline, the implementation speed of the program is faster than anticipated. While the Group fully confirms the objective of c.€ 40 million of OMDA run rate synergies expected in 2018, a higher benefit on the Group's run-rate OMDA of c.€ 25 million is expected in 2017 (vs. c.€ 20 million communicated previously) from that program.

E.1.9 HUMAN RESOURCES

The **total headcount** was **9,467** at the end of December 2017, compared to **8,725** at the end of 2016. The increase of +8.5% (or +742 staff) of the Group total workforce was mainly due to:

- The acquisitions of Digital River World Payments, First Data Baltics and MRL Posnet which brought 438 employees, while 38 employees left the company upon the disposal of the Cheque Service business; and
- The net increase in direct workforce of 363 staff, mainly in the emerging markets. This increase in staff was linked to strong business development, in particular in India and in France.

The number of direct employees at the end of December 2017 was 8,682, representing 91.7% of the total Group headcount, stable since December 2016. Indirect staff was 785, increased by +32 employees compared to the end of December 2016.

Attrition rate slightly increased to -6.61% at Worldline Group level. Attrition rate for direct employees was -6.51% for 2017, and indirect staff attrition rate was -7.70%.

Headcount movements for the first semester of 2017 are detailed by nature and country here below:

Headcount	Opening JAN-17	Reclass	Adjusted opening	Scope effects	Hiring	Leavers	Dismissals / Restructurings	Other	Closing Dec-17	Changes	%
France	**2,769**		**2,769**	-38	+255	-125	-12	-45	**2,804**	+35	+1.3%
Belgium	**1,074**		**1,074**	+0	+66	-36	-5	-26	**1,073**	-1	-0.1%
Germany / CEE	**1,265**	-39	**1,226**	+1	+140	-39	-6	-46	**1,276**	+50	+4.1%
Netherlands	**707**	-95	**612**	+0	+41	-55	-7	-8	**583**	-29	-4.7%
Emerging markets (Americas, Asia)	**1,127**	0	**1,127**	+127	+422	-170	-12	-8	**1,486**	+359	+31.9%
Rest of Europe (Spain, Italy, Finland, Baltics, Sweden)	**676**	-26	**650**	+250	+121	-28	-15	-2	**976**	+326	+50.2%
UK	**514**		**514**	+7	+50	-81	-4	-2	**484**	-30	-5.8%
Direct	**8,132**	-160	**7,972**	+347	+1095	-534	-61	-137	**8,682**	+710	+8.9%
Indirect	**593**	160	**753**	+53	+118	-57	-9	-73	**785**	+32	**+4.2%**
Total (D+I)	**8,725**	0	**8,725**	+400	+1213	-591	-70	-210	**9,467**	+742	**+8.5%**

2017 opening has been adjusted so as to incorporate Equens, Paysquare and KB Smartpay indirect staff. Therefore the number of direct staff at 2016 closing decreased by -160 employees while the number of indirect staff increased by +160 to reach 753 employees.

E.2 2018 OBJECTIVES

Fully in line with 2019 ambition (6 to 8% organic growth, OMDA rate above 23% (*) and between €230 million and €245 million of free cash flow), the 2018 objectives are as follows:

Revenue

The Group expects to achieve an organic growth of its revenue, at constant scope and exchange rates, of **between 5% and 7%**.

OMDA

The Group targets an OMDA margin **between 22% and 23%** (*)**.**

Free cash flow

The Group has the ambition to generate a free cash flow of between **€ 200 million and € 210 million,** including c.€20 million of synergy implementation costs.

(*) Calculated based on revenue recognized under IFRS15

E.3 FINANCIAL REVIEW

E.3.1 INCOME STATEMENT

The Group reported a net income (attributable to owners of the parent Worldline SA) of € 105.5 million for the full year 2017 (€ 144.2 million for the full year 2016), which represented 6.6% of Group revenue for the period. The normalized net income before unusual and infrequent items (net of tax) for the period was € 144.1 million, representing 9.0% of revenues compared to € 127.4 million in 2016.

E.3.1.1 Reconciliation from operating margin to net income

(In € million)	**12 months ended 31 December 2017**	**% Margin**	**12 months ended 31 December 2016**	**% Margin**
Operating margin	**253.1**	**15.9%**	**196.6**	**15.0%**
Other operating income/(expenses)	(67.6)		13.3	
Operating income	**185.5**	**11.6%**	**210.0**	**16.0%**
Net financial income/(expenses)	(8.1)		(5.9)	
Tax charge	(44.1)		(53.7)	
Share of net profit/(loss) of associates	0.1			
Non-controlling interests and associates	(27.9)		(6.2)	
Net income – Attributable to owners of the parent	**105.5**	**6.6%**	**144.2**	**11.0%**
Normalized net income – Attributable to owners of the parent (*)	**144.1**	**9.0%**	**127.4**	**9.7%**

(*) Defined hereafter.

E.3.1.2 Operating margin before depreciation and amortization

Operating margin before depreciation and amortization (OMDA) represents the underlying operational performance of the current business and is analysed in the operational review.

(In € million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016**	**Variation**
Operating margin	**253.1**	**196.6**	**56.4**
+ Depreciation of fixed assets	90.5	54.6	35.9
+ Net book value of assets sold/written off	1.1	7.3	(6.2)
+/- Net charge/(release) of pension provisions	(10.1)	3.0	(13.1)
+/- Net charge/(release) of provisions	0.8	(2.8)	3.6
OMDA	**335.4**	**258.7**	**76.6**

E.3.1.3 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent. They represent a net cost € 67.6 million in 2017. The following table presents this amount by nature:

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016
Staff reorganization	(4.9)	(4.5)
Rationalization and associated costs	(4.3)	(4.5)
Integration and acquisition costs	(25.6)	(9.9)
Equity based compensation	(7.9)	(6.8)
Customer relationships and patents amortization	(14.2)	(6.1)
Other items	(10.8)	45.0
Total	**(67.6)**	**13.3**

Staff reorganization expenses of € 4.9 million increased by € 0.4 million compared to last year and correspond mainly to the restructuring costs induced following the acquisition of Equens and Paysquare, and are also related to the adaptation of the organization mainly in France and in Belgium.

The € 4.3 million of **rationalization and associated costs** resulted mainly from costs linked to the continuation of the TEAM program and to the reorganization of office premises in France and in Belgium. Those costs have decreased by € 0.2 million compared to 2016.

Integration and acquisition costs reached € 25.6 million (increase of € +15.7 million compared to the prior period) and correspond to the costs related to the execution of the Equens and Paysquare post-acquisition integration costs. They also included the costs linked to the acquisitions of First Data Baltics, Digital River World Payment and MRL Posnet for a total amount of € - 2.7 million.

The 2017 **customer relationships amortization** of € 14.2 million corresponds to:

- € 10.0 million of Equens and Paysquare customer relationships;
- € 2.6 million of Cataps (KB Smartpay) customer relationships;
- € 0.7 million related to the portion of the consideration paid allocated to the value of the customer relationships and backlog brought by Quality Equipements and Siemens IT Solutions & Services;
- € 0.4 million of MRL Posnet customer relationships and technologies amortization starting November 1st 2017
- € 0.3 million of First Data Baltics customer relationships amortization starting October 1st 2017
- € 0.2 million of Digital River World Payment customer relationships and technologies amortization starting November 1st 2017

The € -10.8 million of **other items** mainly consisted on non-recurring costs. In 2016 the other items included the gain on the Visa Share disposal for € 51.2 million.

E.3.1.4 Net financial expense

Net financial expense amounted to € 8.1 million in 2017 compared to € 5.9 million in 2016 and was composed of a net cost of financial debt of € 1.1 million and non-operational financial costs of € 6.9 million.

The net cost of financial debt amounted to € 1.1 million in 2017 compared to € 0.6 million in 2016.

The other financial income / expenses were mainly composed of foreign exchange losses for € 4.1 million and pension financial costs for € 2.1 million. The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded (Cf. Note 21 "Pensions and similar benefits").

E.3.1.5 Corporate tax

The tax charge at the end of December 2017 was € 44.1 million with a profit before tax of € 177.4 million. The annualized Effective Tax Rate (ETR) was 24.9% (26.3% in 2016).

E.3.1.6 Normalized net income

The normalized net income is defined as net income excluding unusual, abnormal, and infrequent items net of tax attributable to owners of the parent. For 2017, the amount was € 144.1 million.

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016
Net income - Attributable to owners of the parent	**105.5**	**144.2**
Other operating income and expenses	(54.7)	15.8
Tax impact on unusual items	16.1	1.0
Normalized net income - Attributable to owners of the parent	**144.1**	**127.4**

E.3.1.7 Earning per share

The number of shares as at January 1, 2017 was 132,346,996 shares. The weighted average number of shares amounts to 132,557,598 shares for the period. As at the end of December 2017, potential dilutive instruments comprised stock subscription (equivalent to 771,637 options).

(In € million)	12 months ended 31 December 2017	% Margin	12 months ended 31 December 2016	% Margin
Net income [a]	**105.5**	**6.6%**	**144.2**	**11.0%**
Normalized net income [b]	**144.1**	**9.0%**	**127.4**	**9.7%**
Average number of shares [c]	132,557,598		132,102,935	
Impact of dilutive instruments	771,637		323,007	
Diluted average number of shares [d]	133,329,234		132,425,942	
(In EUR)				
Basic EPS [a] / [c]	**0.80**		**1.09**	
Diluted EPS [a] / [d]	**0.79**		**1.09**	
Normalized basic EPS [b] / [c]	**1.09**		**0.96**	
Normalized diluted EPS [b] / [d]	**1.08**		**0.96**	

E.3.2 CASH FLOW

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016
Operating Margin before Depreciation and Amortization (OMDA)	**335.4**	**258.7**
Capital expenditures	(107.0)	(85.3)
Change in working capital requirement	33.8	33.4
Cash from operation	**262.2**	**206.8**
Taxes paid	(44.1)	(39.1)
Net cost of financial debt paid	(1.1)	(0.6)
Reorganization in other operating income	(6.5)	(5.2)
Rationalization & associated costs in other operating income	(4.1)	(4.1)
Integration and acquisition costs	(20.1)	(9.9)
Net Long term financial investments	(2.0)	(1.3)
Other changes (*)	(8.4)	(10.1)
Free Cash Flow	**176.0**	**136.5**
Net material (acquisitions)/disposals	(220.1)	(111.0)
Capital increase/(decrease)	10.7	7.5
Proceeds from the disposal of the Visa Share	0.0	35.6
Change in net cash/(debt)	**(33.5)**	**68.6**
Opening net cash/(debt)	**347.7**	**276.0**
Change in net cash/(debt)	(33.5)	68.6
Foreign exchange rate fluctuation on net cash/(debt)	(5.1)	3.0
Closing net cash/(debt)	**309.1**	**347.7**

Note: Figures have been restated from change in Worldline's intermediation activities presentation (effect of €-47m on 2016 opening net cash, €-3,9m on 2016 FCF, and €-51m on 2017 opening net cash) detailed in "Accounting rules and policies".
(*) "Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), dividends paid to non-controlling interests and other financial items with cash impact.

Free cash flow represented by the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, disposal of Visa Share, purchase of shares, impact of foreign exchange rate fluctuation on opening net cash balance, and net acquisitions and disposals, reached € 176.0 million compared to € 136.5 million in 2016 corresponding to an increase of + 28.9%.

Cash From Operations amounted to € 262.2 million and increased by € 55.4 million compared to last year, including the following items:

- OMDA (€+76.7 million),
- Higher capital expenditures (€-21.7 million),
- Higher improvement in change in working capital requirement (€+0.4 million).

OMDA of € 335.4 million, representing an increase of €+76.7 million compared to December 2017, reached 21.0% of revenues against 19.8% of revenues in 2016.

Capital expenditures amounted to € 107.0 million or 6.7% of revenue slightly above the level of 2016 at 6.5%. Main part is related to investment in software platforms through capitalized cost, in connection with the modernization of proprietary technological platforms for € 46.6 million.

The positive **change in working capital requirement** was € 33.8 million. The DSO ratio reached 39 days at the end of December 2017, while the DPO was 78 days as of December 2017.

Cash out related to **taxes paid** reached € 44.1 million increasing by € 5.0 million compared to 2016.

Net outflow related to **cost of net debt** of € 1.1 million increased by € 0.5 million compared to the year 2016.

Cash outflow linked to **reorganization costs** represented € 6.5 million.

Integration costs linked to the acquisitions and post-acquisition integration costs realized in 2016 and in 2017 reached € 20.1 million.

Net financial investments amounted to € 2.0 million and related mainly to investments in non-consolidated companies.

Other changes of € -8.4 million corresponded to:
- Foreign exchange losses and other financials costs for € 4.9 million;
- Other nonrecurring items for € 3.5 million.

As a result, the **Free Cash Flow (FCF)** generated in 2017 was € 176.0 million.

The **net acquisitions** of € 220.1 million represented mainly the net cash effects linked to the acquisitions realized in 2017 (First Data Baltics, Digital River World Payment, MRL Posnet, Diamis and In Touch) and the cash/debt included in the acquired companies at the date of the closing. It also includes the effect of disposals of Cheque Service activities and Paysquare Belgium.

In December 2017, the € 10.7 million **Capital increase** corresponded to issuance of common stock following employee's exercise of stock options issued in September 2014 and in September 2015.

In 2016, it is reminded the **proceeds from disposal of the Visa Share** of € 35.6 million related to the cash impact of the Visa share disposal in Belgium.

Foreign exchange rate fluctuation which is determined on debt or cash exposure by country had a negative impact on net cash of € -5.1 million.

E.3.3 FINANCING POLICY

E.3.3.1 Financing structure

Worldline's expected liquidity requirements are currently fully covered by the positive cash position and if needed, would be financed by long-term committed loans or other appropriate long-term financial instruments.

In this respect, on 26 June 2014, Worldline SA (as Borrower) signed a Revolving Credit Facility (RCF) with Atos SE (as Lender) for an amount € 300 million, in order to cover the Group's liquidity requirements, including temporary fluctuations in its working capital needs, that was renewed on November 2nd, 2015 and transferred to Bull International (subsidiary of the Atos group) on January 2, 2016. The RCF has a duration until June 26th, 2019, is concluded at customary market conditions and contains no financial covenants.

E.3.3.2 Investment policy

Worldline has a policy to lease its office space and other real estate assets either administrative or technical. Some other fixed assets such as IT equipment and company cars may be financed through leases depending on the cost of funding and on the most appropriate type of financing for each new investment.

E.4 CONSOLIDATED FINANCIAL STATEMENTS

E.4.2. Consolidated Income Statement [GRI 201-1]

(In € million)		12 months ended 31 December 2017	12 months ended 31 December 2016
Revenue	**Note 3**	**1,593.9**	**1,309.2**
Personnel expenses	Note 4	(611.6)	(536.3)
Operating expenses	Note 5	(729.2)	(576.3)
Operating margin		**253.1**	**196.6**
% of revenue		**15.9%**	**15.0%**
Other operating income and expenses	Note 6	(67.6)	13.3
Operating income		**185.5**	**210.0**
% of revenue		**11.6%**	**16.0%**
Financial expenses		(11.5)	(13.6)
Financial income		3.4	7.7
Net financial expenses	Note 7	(8.1)	(5.9)
Net income before tax		**177.4**	**204.0**
Tax charge	Note 8	(44.1)	(53.7)
Share of net profit/(loss) of associates		0.1	0.0
Net income		**133.4**	**150.4**
Of which:			
- attributable to owners of the parent		**105.5**	**144.2**
- non-controlling interests	Note 10	27.9	6.2

(in € and number of shares)

Net income - Attributable to owners of the parent			
Weighted average number of shares		132,557,598	132,102,935
Basic earnings per share	**Note 11**	**0.80**	**1.09**
Diluted weighted average number of shares		133,326,472	132,425,942
Diluted earnings per share	**Note 11**	**0.79**	**1.09**

E.4.3. Consolidated statement of comprehensive income

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016
Net income	**133.4**	**150.4**
Other comprehensive income		
- to be reclassified subsequently to profit / (loss) recyclable:	**(16.2)**	**(43.9)**
Cash flow hedging	(0.1)	0.1
Change in fair value of available for sale financial assets	3.7	(43.7)
Exchange differences on translation of foreign operations	(20.6)	(0.5)
Deferred tax on items recyclable recognized directly on equity	0.8	0.2
- not reclassified to profit / (loss) non-recyclable:	**9.2**	**(17.8)**
Actuarial gains and (losses) generated in the period on defined benefit plan	11.5	(22.2)
Deferred tax on items non-recyclable recognized directly on equity	(2.3)	4.4
Total other comprehensive income	**(7.0)**	**(61.7)**
Total comprehensive income for the period	**126.4**	**88.7**
Of which:		
- attributable to owners of the parent	**97.7**	**81.3**
- non-controlling interests	28.7	7.4

E.4.4. Consolidated statement of financial position

(In € million) **ASSETS**		**As at December 31, 2017**	**As at December 31, 2016 (*)**
Goodwill	Note 12	933.8	766.4
Intangible assets	Note 13	352.6	312.2
Tangible assets	Note 14	129.2	103.8
Non-current financial assets	Note 15	35.4	27.8
Deferred tax assets	Note 9	52.4	45.3
Total non-current assets		**1,503.4**	**1,255.4**
Trade accounts and notes receivables	Note 16	315.6	294.9
Current taxes		14.1	6.7
Other current assets	Note 18	136.3	129.0
Assets linked to intermediation activities	Note 17	316.6	249.6
Current financial instruments		0.4	0.3
Cash and cash equivalents	Note 19	355.8	374.0
Total current assets		**1,138.9**	**1,054.5**
Total assets		**2,642.2**	**2,309.9**

(In € million) **LIABILITIES AND SHAREHOLDERS' EQUITY**		**As at December 31, 2017**	**As at December 31, 2016 (*)**
Common stock		90.4	90.0
Additional paid-in capital		259.2	248.7
Consolidated retained earnings		843.6	675.0
Translation adjustments		(47.3)	(26.7)
Net income attributable to the owners of the parent		105.5	144.2
Equity attributable to the owners of the parent		1,251.3	1,131.1
Non-controlling interests	Note 10	175.1	160.9
Total shareholders' equity		**1,426.4**	**1,292.0**
Provisions for pensions and similar benefits	Note 21	116.0	131.6
Non-current provisions	Note 22	14.2	8.0
Borrowings	Note 23	3.1	2.2
Deferred tax liabilities	Note 9	57.4	47.2
Other non-current liabilities		0.0	0.4
Total non-current liabilities		**190.7**	**189.5**
Trade accounts and notes payables	Note 24	264.1	223.7
Current taxes		51.2	37.5
Current provisions	Note 22	12.0	22.4
Current financial instruments		0.2	0.1
Current portion of borrowings	Note 23	43.6	24.1
Liabilities linked to intermediation activities	Note 17	316.6	249.6
Other current liabilities	Note 25	337.5	271.1
Total current liabilities		**1,025.2**	**828.4**
Total liabilities and shareholders' equity		**2,642.2**	**2,309.9**

(*) 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

E.4.5. Consolidated cash flow statement

(In € million)		As at December 31, 2017	As at December 31, 2016 (*)
Profit before tax		**177.4**	**204.0**
Depreciation of assets	Note 5	90.5	54.6
Net charge / (release) to operating provisions		(9.3)	0.2
Net charge / (release) to financial provisions		2.1	2.0
Net charge / (release) to other operating provisions		12.9	(0.8)
Customer relationships & Patent amortization		14.2	6.1
Losses / (gains) on disposals of fixed assets		0.4	(44.1)
Net charge for equity-based compensation		7.1	6.8
Losses / (gains) on financial instruments		-	(0.2)
Net cost of financial debt	Note 7	1.1	0.6
Cash from operating activities before change in working capital requirement, financial interest and taxes		**296.3**	**229.2**
Taxes paid		(44.1)	(39.1)
Change in working capital requirement		33.8	33.4
Net cash from / (used in) operating activities		**286.0**	**223.5**
Payment for tangible and intangible assets		(107.0)	(85.3)
Proceeds from disposals of tangible and intangible assets		0.1	0.2
Net operating investments		**(106.8)**	**(85.1)**
Amounts paid for acquisitions and long-term investments		(238.5)	(142.8)
Cash and cash equivalents of companies purchased /sold during the period		17.9	37.4
Proceeds from disposals of financial investments		1.7	35.9
Cash and cash equivalents of companies sold during the period		(2.6)	-
Net long-term investments		**(221.4)**	**(69.5)**
Net cash from / (used in) investing activities		**(328.2)**	**(154.6)**
Common stock issues on the exercise of equity-based compensation		10.7	4.4
Capital increase subscribed by non-controlling interests		-	3.1
New borrowings	Note 23	18.3	0.8
New finance lease	Note 23	0.1	-
Repayment of long and medium-term borrowings	Note 23	(2.6)	(0.6)
Net cost of financial debt paid		(1.1)	(0.6)
Net cash from / (used in) financing activities		**25.5**	**7.2**
Increase / (decrease) in net cash and cash equivalents		**(16.8)**	**76.0**
Opening net cash and cash equivalents		**357.0**	**277.9**
Increase / (decrease) in net cash and cash equivalents	Note 23	(16.8)	76.0
Impact of exchange rate fluctuations on cash and cash equivalents		(6.1)	3.0
Closing net cash and cash equivalents	**Note 19**	**334.2**	**357.0**

(*) 31 december 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

E.4.6. Consolidated statement of changes in shareholder's equity

(In € million)	Number of shares at period-end (thousands)	Common Stock	Additional paid-in capital	Retained earnings			Net income	Equity attributable to the owners of the parent	Non controlling interests	Total shareholders' equity
				Retained earnings	Business combination impact	Translation adjustments				
At January 1st, 2016	**131,926**	**89.7**	**241.5**	**581.1**	**(200.8)**	**(26.2)**	**103.4**	**788.7**	**-**	**788.7**
* Common stock issued	421	0.3	7.2					7.5		7.5
* Appropriation of prior period net income				103.4			(103.4)	-		-
* Equity-based compensation				6.8				6.8		6.8
* Scope Changes					246.8			246.8	153.5	400.3
Transactions with owners	421	0.3	7.2	110.2	246.8	-	(103.4)	261.1	153.5	414.6
* Net income							144.2	144.2	6.2	150.4
* Other comprehensive income				(62.3)		(0.5)		(62.9)	1.2	(61.7)
Total comprehensive income for the period	-	-	-	(62.3)	-	(0.5)	144.2	81.3	7.4	88.7
At December 31st, 2016	**132,347**	**90.0**	**248.7**	**629.0**	**46.0**	**(26.7)**	**144.2**	**1,131.1**	**160.9**	**1,292.0**
* Common stock issued	552	0.4	10.5					10.9		10.9
* Appropriation of prior period net income				144.2			(144.2)	0.0		0.0
* Equity-based compensation				7.1				7.1		7.1
* Scope Changes					14.5			14.5	(14.5)	0.0
* Transaction under commun control				(9.9)				(9.9)		(9.9)
Transactions with owners	552	0.4	10.5	141.3	14.5	-	(144.2)	22.6	(14.5)	8.1
* Net income							105.5	105.5	27.9	133.4
* Other comprehensive income				12.8		(20.6)		(7.8)	0.7	(7.1)
Total comprehensive income for the period	-	-	-	12.8	-	(20.6)	105.5	97.7	28.7	126.4
At December 31st, 2017	**132,899**	**90.4**	**259.2**	**783.1**	**60.5**	**(47.3)**	**105.5**	**1,251.3**	**175.1**	**1,426.4**

E.4.7. Appendices to the consolidated financial statements

E.4.7.1. General information

Worldline SA, the Worldline Group's parent company, is a public limited company under French law whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. The company is registered with the Registry of Commerce and Companies of Pontoise under the reference 378 901 946 RCS Pontoise. Worldline SA shares are traded on the Euronext Paris market under ISIN code FR0011981968. The shares are not listed on any other stock exchange and Worldline SA is the only listed company in the Group. The company is administrated by a Board of Directors.

Worldline is a European leader and a global market player in the electronic payment and transactional services sector. Worldline activities are organized around three axes: Merchant Services, Financial Services and Mobility & e-Transactional Services.

Worldline SA is majority-owned by Atos SE, its parent company, whose shares are traded on the Euronext Paris market, under ISIN Code FR0000051732.

These consolidated financial statements were approved by the Board of Directors on February 19, 2018. The consolidated financial statements will then be submitted to the approval of the General Meeting of Shareholders scheduled to take place on May 24, 2018.

E.4.7.2. Accounting rules and policies

Basis of preparation of consolidated financial statements

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements for the twelve months ended December 31, 2017 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31, 2017. The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

Accounting policies applied by the Group comply with those standards and interpretations, which can be found at: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

As of December 31, 2017, the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB). Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB. The new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning January 1, 2017 had no material impact on the consolidated financial statements:

- Amendment to IAS 7 - Disclosure Initiative;
- Amendment to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses;
- Annual improvements to IFRSs 2014-2016 Cycle – various standards (Amendment to IFRS 12).

A number of new standards are effective for annual periods beginning after January 1, 2018 and an earlier application is permitted. However, the Worldline Group has not early applied the following new or amended standards in preparing these consolidated statements.

IFRS 15, applicable to Worldline Group starting January 1, 2018, and IFRS 16, applicable to Worldline Group starting January 1, 2019 are expected to have a material impact on the Group's financial statements in the period of initial application.

IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Constructions Contracts and IFRIC 13 Customers Loyalty Programs. IFRS 15 is effective for Worldline Group starting January 1st, 2018. Worldline took part in Syntec Numérique task force to assess the impacts of this new standard in the computer services companies and conducted an analysis in its contracts portfolio to identify impacts in its consolidated financial statements which are the following.

Principal versus agent

The Group has performed an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as an agent in the delivery of its contracts or part of it and in particular in the commercial acquiring and issuing businesses, resale of IT services and telecommunication embedded in the delivery to customers.

Under IAS 18, the Group currently applies a risks and rewards analysis to determine whether it is acting as an agent or as principal in a transaction. Under IFRS 15, the Group is considered as acting as principal if it controls goods and services before delivering them to the client.

Segmenting versus combining obligations of contracts including build phases

The Group performed an analysis of the contracts where the IFRS 15 criteria may change the current revenue recognitions rules.

For the run phases, no changes have been identified. Worldline will apply the practical expedient of IFRS 15 and recognize revenue when invoiced as invoicing is phased with delivery to the customer.

As Worldline is providing standalone value to its customers as part of the build phases, build phases will be considered as a separate obligation under IFRS 15 and revenue will be recognize during the build phase (no expected changes compared to previous practices).

Costs to acquire a contract

Under IFRS 15, incremental costs to acquire a contract have to be capitalized. Such change has no major impacts at Group level.

Financial impacts at Group level

The Group will adopt the full retrospective method with restatement of 2017 comparative figures. 2017 revenue will decrease by circa -2.6%, most of the impact being generated by principal versus agent restatements. The cumulative effect in equity as of January 1st, 2017 will be nil.

IFRS 16

The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 replaces existing leases guidance IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. There are recognition exemptions for short-term leases and leases of low-value items.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. Worldline Group, as a lessee, will have to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has completed an initial assessment of potential impact on its consolidated financial statements but has not yet completed its detailed assessment. So far, the most significant impact identified is that the Group will recognize assets and liabilities for its operating leases of Real Estate and IT equipment. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge of right-of-use assets and interest expense on lease liabilities.

The Group is required to adopt IFRS 9 Financial Instruments from January 1st 2018. IFRS 9 application will have no material impact on the Group consolidated Financial Statements.

IFRS 9

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The following three main areas have been amended by IFRS 9.

Classification of Financial assets

IFRS 9 defines a new classification and measurement approach for financial assets. There are three principal classification categories for financial assets: measured at amortized cost, Fair FVOCI, FVTPL.

Based on its assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for trade receivables, loans, investments in receivables, contract assets, loans, and cash and cash equivalent.

Impairment of financial assets and contract assets

IFRS 9 introduces a new forward-looking "expected loss" impairment model which will replace the existing "incurred loss" impairment model.

Trade and other receivables, including contract assets

The Group has assessed the actual credit losses experienced over the past several years and estimated that the application of IFRS 9's impairment requirement at 1 January 2018 results in no material impact over the impairment recognized under IAS 39.

Cash and cash equivalent

The cash and cash equivalents are held with bank and financial institution counterparties, majority of which are rated from A- to AA-. The Group used not to depreciate such assets, the estimated impairment on cash and cash equivalent was calculated based on the S&P ratings and is not material on the Group accounts.

Hedge accounting

While initially applying IFRS 9, the Group has to choose as its accounting policy to continue to apply the hedge accounting requirement of IAS 39 instead of the requirements in IFRS 9. The Group has elected to apply the new requirements of IFRS 9.
The Group uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchanges rates relating to foreign currency sales and purchases.

The Group designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationship. Under IAS 39, the change in fair value of the forward element of the forward exchange contracts is recognized immediately in profit and loss.

On adoption of IFRS 9 requirements, the Group has elected to separately account for the forward points as a cost of hedging. Consequently, the changes in forward points will be recognized in OCI and accumulated in a cost of hedging reserve as a separate component within equity and accounted for subsequently as gain and losses accumulated in the cash flow hedge reserve.

The estimated impact on reserves and retained earnings at 1 January 2018 as result of the application of IFRS 9 hedge accounting requirements is not material.

The following other standards, potentially applicable to the Group consolidated financial statements, are not expected to have a significant impact on Worldline Group's consolidated financial statements.

- Annual Improvement to IFRSs 2014-2016 Cycle – Amendments to IFRS 1 and IAS 28
- Amendment to IFRS 2 Classification and Measurement of Share-based Payment
- Transfers of Investment property (Amendment to IAS 40)
- Sale or Contribution of Assets between an Investor and its Associate or Joint venture (Amendment to IFRS 10 and IAS 28)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- IFRIC 23 Uncertainty over Income Tax treatments

Intermediation activities of Worldline

Acquiring is part of the business of Worldline consisting in contracting with merchants for payment card acceptance. The key role of an acquirer is to transfer to the merchant's bank account the funds received in a card transaction from the cardholder's issuing bank.

Through this intermediation activity, Worldline and its affiliates are facing cash fluctuations due to the lag that may exist between the payment to the merchants and the receipt of the funds from the payment schemes (Visa, MasterCard or other schemes). Payment Schemes also define interchange fees that apply except if there is a bilateral agreement between the Acquirer and the Issuer. Worldline has no such bilateral agreement with the Issuers. Interchange fees are consequently completely driven by the rates defined by the Schemes.

In the past, the Group had elected to net the assets and liabilities related to its intermediation activities (funds received in advance and payables to merchants). With respect to interchange fees collected from merchants, the Group used to consider them as a cash item and to recognize a liability for the corresponding payments to be made to the issuers. Interchange fees positions were not netted.
In recent years, the Group completed several acquisitions in the "Commercial Acquiring" business and witnessed that in some instances the time lag of intermediation flows was not as short as that experienced by the Group in the past. In addition, the Group noted that the de-netted presentation of the flows had become a common practice among larger acquiring listed players publishing their Financial Statements in IFRS or US Gaap.

In order to take into account the new variety of its acquiring activities and allow for a better comparability of its financial statements with its main peers, the Group decided to stop netting and to change the presentation of its balance sheet by isolating in dedicated lines assets and liabilities related to its intermediation activities (including interchange fees for consistency purposes). The Group believes that this change provides reliable and more relevant information about effects of acquiring transactions on Worldline consolidated financial position. This change has been applied retrospectively and Worldline has restated its opening statement of financial position accordingly presenting those intermediation positions in current assets and current liabilities.

The effects of the change of presentation on the cash are: €-47 million on 2016 opening net cash, €-3,9 million on 2016 free cash flow and €-51 million on 2017 opening net cash.

See note 17 Intermediation activities

Transaction of entities under common control

In order to better reflect the economics of those transactions between entities under common control the Group has elected to account for the assets and liabilities, of acquired companies under common control, at their historical value in the IFRS consolidated account of Worldline. Difference between the purchase price and the net assets is recognized directly in retained earnings.

These consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € million with one decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

The policies set out below have been applied in consistency with all years presented.

Accounting estimates and judgments

he preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date. The estimates, assumptions and judgments that may result in significant adjustments to the carrying amounts of assets and liabilities are essentially related to:

Goodwill impairment tests

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies stated below. The recoverable amounts of cash generating units are determined based on value-in-use calculations or on their fair value reduced by the costs of sales. These calculations require the use of estimates as described in Note 12 "Goodwill".

Revenue recognition and associated costs on long-term contracts

Revenue recognition and associated costs, including forecast losses on completion are measured according to policies stated below. Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs that have a direct influence on the level of revenue and possible forecast losses on completion that are recognized.

Capitalization of development costs

The Group capitalizes development costs corresponding to technical solutions developed for its own use, for some customers or made available to a group of customers. The criteria to recognize such assets require some judgment and a global overview of the amount of costs that can be capitalized. Such capitalized development costs are amortized over their estimated average life (Cf. Note on accounting rules "Intangible assets other than goodwill" & Note 13 "Intangible assets").

Consolidation methods

Subsidiaries
Subsidiaries are entities controlled directly or indirectly by the Group. Control is defined by the ability to govern the financial and operating policies generally, but not systematically, consolidated with a shareholding of more than 50 percent of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the consolidation from the date on which control ceases.

Associates
Associates are entities over which the Group has significant influence but not control or joint control, generally, but not systematically, accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for by the equity method.

Translation of financial statements denominated in foreign currencies

The balance sheets of companies based outside the euro zone are translated at closing exchange rates. Income statement items are translated based on average exchange rate for the period. Balance sheet and income statement translation adjustments arising from a change in exchange rates are recognized as a separate component of equity under "Translation adjustments".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of that foreign entity and translated into euro at the closing date.

The Group does not consolidate any entity operating in a hyperinflationary economy.

Translation of transactions denominated in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading "Other financial income and expenses", except where hedging accounting is applied.

Revenue recognition

Services

Services constitute the major part of the revenue of the Group.

Revenues arising from transactional activities, particularly in the area of payments are recognized over the period during which the treatment has been completed.

The proceeds from subscriptions are recognized on a straight line basis over the term of the contract.

Revenues for development projects and/or migration of platform with customers are recognized as and when the service is performed, based on the stage of completion when the outcome can be determined reliably. The percentage of completion is determined by comparing the cumulative costs incurred, on a given date, with the expected total costs of the contract. Benefits from these contracts are recorded in the balance sheet under "Trade accounts and notes receivables" for the share of proceeds to be received and under "Other current liabilities" for the portion of deferred revenue. When the outcome of a fixed price contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred probably recoverable.

Income relating to other services performed on behalf of clients is recognized at the completion of the service.

The Group may sign in some cases service contracts with multiple elements, which may include a combination of different services. Revenue is recognized separately for each of the elements when they are separately identifiable. A set of contracts is combined and treated as a single contract when the group of contracts is negotiated as a single package, the contracts are so closely interrelated that they are, in fact, part of a single project with an overall margin and that the contracts are performed concurrently or following one another without interruption.

The Group performs regularly and in special circumstances, profitability studies on service contracts to determine whether the latest estimates of revenue, costs and percentage of completion need to be revised. If these estimates indicate that the contract will be unprofitable, a provision for loss is recorded immediately covering the loss in its entirety.

Payment terminals

Revenues from the sale of payment terminals installed by the technical staff of the company are recognized at the time of installation. In the event that payment terminals are only delivered to a wholesaler, the income from their sale is recognized at the time of delivery of goods in accordance with the Incoterm agreed.

Income from the rental of terminals merchants is recognized over the term of the contract. A similar recognition of revenues from maintenance contracts is applied, that is to say, spread over the contract period.

Agent

When the Group acts as an agent between the client and the supplier, revenue is accounted for net of suppliers' billings. Factors generally considered to determine whether or not the Group acts as an agent include contractual liability towards the client, the responsibility for credit risk and the risk level of service and added value to services or products provided by the supplier.

The "Merchant Services" external revenue is presented net of interchange bank commissions received on behalf credit card companies.

Operating margin and Operating Margin before Depreciation and Amortization (OMDA)

The underlying operating performance on the Group ongoing business is presented within operating margin, while unusual operating income/expenses are separately itemised and presented below the operating margin, in line with the ANC (Autorité des Normes Comptables) recommendation n°2013-03 (issued on November 7th, 2013) regarding the financial statements presentation.

The Operating Margin before Depreciation and Amortization is based on Operating margin minus items without impact on the cash flows from operations and excluding amortization and depreciation.

Other operating income and expenses

"Other operating income and expenses" covers income or expense items that are unusual, abnormal and infrequent. They are presented below the operating margin.

Classification of charges to (or release from) restructuring and rationalization and associated costs provisions in the income statement depends on the nature of the plan:

- Plans directly in relation with operations are classified within the "Operating margin";
- Plans related to business combinations or qualified as unusual, abnormal and infrequent are classified in the "Other operating expenses";
- If a restructuring plan qualifies for "Other operating expenses", the related real estate rationalization & associated costs expenses regarding premises and buildings is also presented in "Other operating expenses".

"Other operating income and expenses" also include major litigations, and capital gains and losses on the disposal of tangible and intangible assets, significant impairment losses on assets other than financial assets, the amortization of the Customer Relationships, the amortization cost of equity based compensation plans or any other item that is infrequent, abnormal and unusual.

Current and deferred taxes

The income tax charge includes current and deferred tax expenses. Deferred tax is calculated wherever temporary differences occur between the tax base and the consolidated base of assets and liabilities, using the liability method. The deferred tax is valued using the enacted tax rate at the closing date that will be in force when the temporary differences reverse.

In case of change in tax rate, the deferred tax assets and liabilities are adjusted counterpart the income statement except if those change related to items recognized in other comprehensive income or in equity.

The deferred tax assets and liabilities are netted off at the taxable entity, when there is a legal right to offset. Deferred tax assets corresponding to temporary differences and tax losses carried over forward are recognized when they are considered to be recoverable during their validity period, based on historical and forecast information.

Deferred tax liabilities for taxable temporary differences relating to goodwill are recognized, to the extent they do not arise from the initial recognition of goodwill.

Deferred tax assets are tested for impairment at least annually at the closing date, based on December actuals, business plans and impairment test data.

Earnings per share

Basic earnings per share are calculated by dividing the net income (attributable to owners of the parent), by the weighted average number of ordinary shares outstanding during the period. Treasury shares are not taken into account in the calculation in the basic or diluted earnings per share.

Diluted earnings per share are calculated by dividing the net income (attributable to owners of the parent), adjusted for the financial cost (net of tax) of dilutive debt instruments, by the weighted average number of ordinary shares outstanding during the period, plus the average number of shares which, according to the share buyback method, would have been outstanding had all the issued dilutive instruments been converted.

Business combination and goodwill

A business combination may involve the purchase of another entity, the purchase of all the net assets of another entity or the purchase of some of the net assets of another entity that together form one or more businesses.

Major services contracts involving staff and asset transfers that enable the Group to develop or significantly improve its competitive position within a business or a geographical sector are accounted for as business combinations.

Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries

Business combinations are accounted for according to the acquisition method. The consideration transferred in exchange for control of the acquired entity is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Direct transaction costs related to a business combination are charged to the income statement when incurred.

During the first consolidation, all the assets, liabilities and contingent liabilities of the subsidiary acquired are measured at their fair value.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, of the amount of any non-controlling interests in the acquiree and of the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to Global Business Lines defined by IFRS 8.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted cash-flows method. When this value is less than its carrying amount, an impairment loss is recognized in the operating income.

The impairment loss is first recorded as an adjustment of the carrying amount of the goodwill allocated to the CGU and remainder of the loss, if any, is allocated pro rata to the other long term asset of the unit.

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3 year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable.

Such events and circumstances include but are not limited to:

- Significant deviance of economic performance of the asset when compared with budget;
- Significant worsening of the asset’s economic environment;
- Loss of a major client;
- Significant increase in interest rates.

Intangible assets other than goodwill

Intangible assets other than goodwill consist primarily of software and user rights acquired directly by the Group, internally developed IT solutions as well as software and customer relationships acquired in relation with a business combination.

No intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Expenditure on research (or on the research phase of an internal project) shall be recognized as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and to use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and;
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development expenses correspond to assets developed for the own use of the group, to specific implementation projects for some customers or innovative technical solutions made available to a group of customers. These projects are subject to a case-by-case analysis to ensure they meet the appropriate criteria for capitalization. Are capitalized as development costs only those directly attributable to create produce and prepare the asset to be capable of operating in the manner intended by management.

Development expenses that are capitalized are accounted for at cost less accumulated depreciation and any impairment losses. They are amortized on a straight-line basis over a useful life between 3 and 12 years, of which two categories can be identified:

- For internal software development with fast technology serving activities with shorter business cycle and contract duration, the period of amortization will be between 3 and 7 years, the standard scenario being set at 5 years in line with the standard contract duration;
- For internal software development with slow technology obsolescence serving activities with long business cycle and contract duration, the period of amortization will be between 5 and 12 years with a standard scenario at 7 years. It is typically the case for large mutualized payment platforms.

The customer relationships recognised as a business combination in accordance with IFRS 3, are valued as per the multi-period excess earning method that consists in summing future operating margins attributable to contracts, after tax and capital employed.

Intangible assets are amortized on a straight-line basis over their expected useful life in operating margin. Customer relationships and patents acquired in a business combination, are amortized on a straight-line basis over their expected useful life; their related depreciation is recorded as other operating expenses.

Tangible assets

Tangible assets are recorded at acquisition cost. They are depreciated on a straight-line basis over the following expected useful lives:

- Buildings — 20 years
- Fixtures and fittings — 5 to 20 years
- Computer hardware — 3 to 5 years
- Vehicles — 4 years
- Office furniture and equipment — 5 to 10 years

Leases

Asset leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance lease are depreciated over the shorter of the assets' useful life and the lease term.

The corresponding liability to the lessor is included in the statements of financial position as a liability arising from a lease financing. Payments under the leases are apportioned between finance charges and reduction of the debt arising from the lease so as to produce a constant rate of interest on the remaining balance of the liability. Finance charges are recognized directly in profit or loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the general method used by the Group for accounting for borrowing costs.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are expensed linearly throughout the duration of the lease.

Terminals leases are treated as an operating lease and their revenue is recognized according to the accounting rules described in this note (§ "Revenue recognition").

Impairment of assets other than goodwill

At the end of each reporting period of the financial information, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If it is not possible to assess the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If a reasonable and consistent method of allocation can be identified, corporate assets are also allocated to cash-generating units individually; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation method can be determined.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the estimated recoverable amount (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

Financial assets non-current and current assets

Financial assets non-current and current assets are accounted for at trade date.

Assets securitization programs, in which the Group retains substantially all the risks and rewards of ownership of the transferred assets, do not qualify for de-recognition. A financial liability for the consideration received is recognized. The transferred assets and the financial liability are valued at their amortized costs.

Available-for-sale financial assets include equity investments in non-consolidated entities. They are measured at fair value, with changes in fair value recognized in other comprehensive income. When an available-for-sale financial asset is sold or impaired; the cumulative fair value adjustment recognized in other comprehensive income is transferred to the income statement.

For securities listed on an active market, fair value is considered to equal market value. If no active market exists, fair value is generally determined based on appropriate financial criteria for the specific security. If the fair value of an available-for-sale financial asset cannot be reliably measured, it is recognized at cost.

Loans are part of non-current financial assets. Loans are recorded initially at their fair value and subsequently at their amortized value.

Currents assets and current Liabilities

Presentation rules

Assets and liabilities classified as current are expected to be realized, used or settled during the normal cycle of operations, which can extend beyond 12 months following period-end. All other assets and liabilities are classified as non-current. Current assets and liabilities, excluding the current portion of borrowings, financial receivables and provisions represent the Group’s working capital requirement.

Trade accounts and notes receivable

Trade accounts and notes receivable are recorded initially at their fair value and subsequently at their amortized value. The nominal value represents usually the initial fair value for trade accounts and notes receivable. In case of deferred payment over one year, where the effect is significant on fair value, trade accounts and notes receivables are discounted. Where appropriate, a provision is raised on an individual basis to take likely recovery problems into account.

Inventory

Inventory recognised under "Other current assets", which mainly consists in payment terminals, are assessed at the lower cost or net realizable value. The net realizable value is the estimated selling price in the normal course of business, less estimated costs deemed necessary to sell. Inventory cost is determined according to the weighted average method and include the acquisition costs and incidental expenses.

Cash and cash equivalents

Cash and cash equivalent include cash at bank and financial instruments such as money market funds. Such financial instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. They are held for the purpose of meeting short-term cash commitments and have a short maturity, in general three months or less from the date of acquisition.

Some instruments, such as term deposits, that have at inception a longer maturity but provide for early withdrawal and a capital guarantee may also be classified as cash equivalents under certain circumstances. Money market funds are recognized at their fair value. Changes in fair value are recorded in the income statement under "Other financial income and expenses".

For entities having subscribed to the Group cash pooling agreement, the cash/debt balance sheet position which are linked to this agreement are mutualized and only the net position is presented in the consolidated balance sheet.

Borrowings

Borrowings are recognized initially at fair value, net of debt issuance costs. Borrowings are subsequently stated at amortized costs. The calculation of the effective interest rate takes into account interest payments and the amortization of the debt issuance costs.

Debt issuance costs are amortized in financial expenses over the life of the loan. The residual value of issuance costs for loans repaid in advance is expensed in the year of repayment.

Bank overdrafts are recorded in the current portion of borrowings.

Pensions and similar benefits

Employee benefits are granted by the Group through defined contribution and defined benefit plans. Costs relating to defined contribution costs are recognized in the income statement based on contributions paid or due in respect of the accounting period when the related services have been accomplished by beneficiaries.

The valuation of Group defined benefit obligation is based on a single actuarial method known as the "projected unit credit method". This method includes the formulation of specific assumptions, detailed in Note 21 "Pensions and similar benefits", which are periodically updated, in close liaison with external actuaries of the Group.

Plan assets usually held in separate legal entities are measured at their fair value, determined at closing. The fair value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate.

From one accounting period to the other, any difference between the projected and actual pension plan obligation and their related assets is actuarial differences. These actuarial differences may result either from changes in actuarial assumptions used, or from experience adjustments generated by actual developments differing, in the accounting period, from assumptions determined at the end of the previous accounting period. All actuarial gains and losses generated on post-employment benefit plans on the period are recognized in "other comprehensive income".

Benefit plans costs are recognized in the Group's "Operating Margin", except for interest costs on net obligations which are recognized in "other financial income and expenses".

Equity-based compensation

Stocks options are granted to management and certain employees at regular intervals. These equity-based compensations are measured at fair value at the grant date using the binomial option-pricing model. Changes in the fair value of options - taking into account assumptions such as personnel turnover and fulfilment of performance conditions - after the grant date have no impact on the initial valuation. The fair value of share options is recognized in "Other Operating Income", on a straight-line basis over the period during which those rights vest, using the straight-line method, with the offsetting credit recognized directly in equity.

Employee Share Purchase Plans offer employees the opportunity to invest in Group's shares at a discounted price. Shares are subject to a lock-up period restriction. Fair values of such plans are measured taking into account:

- The exercise price based on the average opening share prices quoted over the 20 trading days preceding the date of grant;
- The percent discount granted to employees;
- The number of free shares granted linked to the individual subscriptions
- The consideration of a lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share; and
- The grant date: date on which the plan and its term and conditions, including the exercise price, is announced to employees.

Provisions

Provisions are recognized when:

- The Group has a present legal, regulatory, contractual or constructive obligation as a result of past events,
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- The amount has been reliably quantified.

E.4.7.3. Notes to the consolidated financial statements

Note 1 Main changes in the scope of consolidation

Equens - Paysquare

On September 30, 2016, Worldline acquired a 63.6% interest in equensWorldline and a 100% interest in Paysquare.

The business combination was made up of two components:

1/ equensWorldline

The merger of the Financial Services Business of Worldline with Equens resulted in the creation of equensWorldline held at 63.6% by Worldline and 36.4% by Equens' previous shareholders.

In accordance with IFRS 3, this operation has been treated as a business combination with the takeover of equensWorldline by the Group and the sale to the previous shareholders of Equens of a Non-controlling interest in the Financial Services Business. equensWorldline is controlled by the Worldline Group and fully consolidated within Worldline Group since October 1, 2016. The company equensWorldline is consolidated within the Group's Financial Services division ("FS") since October 1, 2016.

As the transaction is non cash, the consideration transferred by the Group to the previous shareholders of Equens corresponds to 36.4% of the fair value of the Financial Services Business (on the basis of a valuation of € 700 million by an independent expert for the full business) and to the counterpart received by the Group of 63.6% of the fair value of Equens (on the basis of a valuation of € 400.3 million by an independent expert for the full business).

The net assets and liabilities acquired from Equens have been booked at fair value in the Group consolidated financial statements. The net assets and liabilities of the Financial Services Business are kept at their net book value before business combination as well as the part transferred to the previous Equens' Shareholders for € 7.8 million. The impacts as at December 31th, 2017 of the Business combination in the equity of the group are as follows:

(in € million)	Consideration transferred from Worldline	Consideration transferred from Equens	Total consideration
Group share	(7.8)	254.6	246.8
Non controlling interests	7.8	145.7	153.5
Total shareholder's equity	**0.0**	**400.3**	**400.3**

2/ Paysquare

As of September 30, 2016, Worldline acquired from Equens 100% of its commercial acquiring subsidiary Paysquare. The cash consideration paid is € 116.4 million. Paysquare is fully consolidated in Worldline Group since October 1, 2016. Paysquare is consolidated in the Group's Merchant Services division ("MS") since October 1, 2016.

The fair value of Equens and Paysquare net assets acquired are set out in the table below:

(in € million)	Assets acquired and liabilty assumed at the end of the measurement period
Fixed assets	178.2
Net debt	36.6
Provisions	(55.3)
Other net assets	(48.4)
Fair value of acquisition	**111.1**

Identifiable assets acquired and liabilities assumed have been further analysed during the measurement period which finished at the end of September 2017, based on the better understanding of Equens-Paysquare acquired business. This analysis led to a decrease by € 36.7 million of the equity acquired mainly due to impairment of technological assets and recognition of a provision for an onerous contract, all originating prior to September 30, 2016.

Final Goodwill

The Group has opted to measure the non-controlling interests at fair value (full goodwill method).

Goodwill was recognized as a result of the acquisition is detailed as follows:

(in € million)	Goodwill
Consideration transfered for Equens	254.6
Consideration transfered for Paysquare	116.4
Total Consideration	**371.0**
Fair Value of Non controlling Interest	**145.7**
Equity acquired (Equens & Paysquare)	42.7
Customer RelationShips acquired net of deferred tax	68.4
Fair Value of net assets	**111.1**
Total	**405.6**

The customer relationships has been recognized for an amount of € 92.0 million and is amortized over a period from 8.3 to 12.3 years. Those valuations have been performed by an independent expert.

Note 2 Other significant event of the year

<u>Other acquisitions</u>

KB SmartPay / Cataps

This entity is fully consolidated in Worldline consolidated financial statements since October 1st, 2016 and led to the recognition of customer relationships for € 23.6 million amortized over 11.3 years and a goodwill of € 30,4 million. The Group has recognized a financial liability of € 6.7 million as at December 31th, 2016 corresponding to the fair value of the put option owned by Non-Controlling Interests on the outstanding 20 % shares exercisable at any time from the date of the transaction.

First Data Baltics / Digital River World Payments / MRL Posnet

During the second half of 2017, Worldline completed acquisitions of First Data Baltics ("FDB"), Digital River World Payments ("DRWP") and MRL Posnet ("MRL"). FDB is consolidated in financial statements since October 1st, 2017 and DRWP and MRL since November 1st, 2017. Those acquisitions led to the recognition of customer relationships for € 49.1 million amortized over between 14 and 16 years and a preliminary goodwill of € 126.0 million. The total consideration was € 218.8 million.

Through those acquisitions, Worldline gains leading positions in fast-growing countries such as the Baltics countries or India and significant development perspectives in online payments. Numerous synergy levers with Worldline portfolio have also been identified allowing the acceleration of both revenue and profitability.

Diamis

On December 21st 2017 the Group acquired 100% of the shares in Diamis SA from Atos Integration SA. The company was consolidated as from December 31st 2017. The Group has elected to account for transactions between entities under common control at their historical value in the IFRS consolidated account of Worldline. Difference between the purchase price and the net assets at December 31st are recognized in retained earnings.

In Touch

Worldline and Total signed a binding technological, commercial, and financing agreement with African fintech InTouch. The company is consolidated in financial statements under the equity method.

Disposal

Cheque Service

Worldline has sold as of July 1, 2017 its Cheque Services business in France through a management buy-out, as there were low synergies with the other activities of Worldline and as this business was dilutive to the Group's growth and profitability. This activity generated revenue of less than €20 million and was dilutive to the Group's OMDA margin in 2016.

Note 3 Segment information by Global Business Line

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO who makes strategic decisions.

The internal management reporting is designed based on Global Business Lines (Merchant Services, Financial Services and Mobility & e-Transactional Services). Global Business Lines have been determined by the Group as key indicators by the Chief operating decision maker. As a result and for IFRS 8 requirements, the Group discloses Global Business Lines (GBL) as operating segments. Each GBL is managed by a dedicated member of the Executive Committee.

The P&L indicators as well as the assets have been allocated according to these GBL segments. On OMDA, a part of the cost related to Global Structures has not been allocated by GBL. Regarding Group Assets, the shared assets not allocated by GBL primarily relate to shared infrastructure delivering mutualized services to those three GBL.

The geographical scope and the activities covered by each operating segment are as follows:

Operating segments	Business divisions	Geographical areas
Merchant Services	Commercial Acquiring, Terminal Services, Omnichannel Payment Acceptance, Private label Card & Loyalty Services, Digital Retail	Argentina, Belgium, Brazil, Czech republic, France, Germany, India, Luxembourg, Malaysia, Poland, Spain, Sweden, The Netherlands, United Kingdom, USA
Financial Services	Issuing Processing, Acquiring Processing, Digital Banking, Account Payments	Belgium, China,Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, Taiwan, The Netherlands and the United Kingdom.
Mobility & e-Transactional Services	Trusted Digitization, e-Ticketing, Contact & consumer cloud, Connected Living & Mobility	Argentina, Austria, Belgium, Chile, China, France, Germany, Spain, The Netherlands and United Kingdom,

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

No external customer generates more than 10% of total Group sales.

The operating segment information for the period was the following:

(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	**Total Group**
12 months ended 31 December 2017				
External revenue by Global Business Lines	**535.5**	**708.3**	**350.0**	**1,593.9**
% of Group revenue	33.6%	44.4%	22.0%	100.0%
12 months ended 31 December 2016				
External revenue by Global Business Lines	**439.6**	**500.0**	**369.6**	**1,309.2**
% of Group revenue	33.6%	38.2%	28.2%	100.0%

The "Merchant Services" external revenue is presented net of interchange bank commissions received on behalf credit card companies.

(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Global structures	**Total Group**
12 months ended 31 December 2017					
Operating Margin before Depreciation and Amortization (OMDA)	**112.3**	**202.1**	**43.6**	**(22.6)**	**335.4**
% revenue	21.0%	28.5%	12.5%	-1.4%	21.0%
12 months ended 31 December 2016					
Operating Margin before Depreciation and Amortization (OMDA)	**99.3**	**130.6**	**51.5**	**(22.6)**	**258.7**
% revenue	22.6%	26.2%	13.9%	-1.7%	19.8%

Operating margin before depreciation and amortization (OMDA) represents the underlying operational performance of the current business and is determined as follows:

(In € million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016**	**Variation**
Operating margin	**253.1**	**196.6**	**56.4**
+ Depreciation of fixed assets	90.5	54.6	35.9
+ Net book value of assets sold/written off	1.1	7.3	(6.2)
+/- Net charge/(release) of pension provisions	(10.1)	3.0	(13.1)
+/- Net charge/(release) of provisions	0.8	(2.8)	3.6
OMDA	**335.4**	**258.7**	**76.6**

The assets detailed above by Global Business Lines are reconciled to total assets as follows:

(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Shared (Not allocated) *	**Total Group**
As at December 31, 2017					
Total fixed assets by Global Business Lines	**605.6**	**690.6**	**56.7**	**62.7**	**1,415.6**
Goodwill	**427.3**	**480.6**	**25.8**	**-**	**933.8**
% of Group goodwill	45.8%	51.5%	2.8%	-	100.0%
Other intangible assets	**136.3**	**171.7**	**27.5**	**17.1**	**352.6**
Tangible assets	**42.0**	**38.3**	**3.3**	**45.5**	**129.2**

(*) Part of intangible and tangible assets are not directly attributable to one single Global Business Line as they are mutualized assets usable and shared between the three GBL.

(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Shared (Not allocated *)	**Total Group**
As at December 31, 2016					
Total fixed assets by Global Business Lines	**404.6**	**655.1**	**57.1**	**65.5**	**1,182.3**
Goodwill	**293.6**	**446.9**	**25.9**	**-**	**766.4**
% of Group goodwill	38.3%	58.3%	3.4%	-	100.0%
Other intangible assets	**88.9**	**182.4**	**26.2**	**14.5**	**312.1**
Tangible assets	**22.1**	**25.8**	**5.0**	**51.0**	**103.8**

(*) Part of intangible and tangible assets are not directly attributable to one single Global Business Line as they are mutualized assets usable and shared between the three GBL.

The geographical segment information for the period was the following:

(In € million)	France	Belgium	Germany & CEE	UK	Netherlands	North & South Europe	Emerging Markets	**Total Group**
12 months ended 31 December 2017								
External revenue by geographical area	**402.7**	**358.5**	**236.0**	**107.9**	**194.1**	**137.8**	**156.9**	**1,593.9**
% of Group revenue	25.3%	22.5%	14.8%	6.8%	12.2%	8.6%	9.8%	100.0%
12 months ended 31 December 2016								
External revenue by geographical area	**428.5**	**358.5**	**159.0**	**124.0**	**67.1**	**56.5**	**115.7**	**1,309.2**
% of Group revenue	32.7%	27.4%	12.1%	9.5%	5.1%	4.3%	8.8%	100.0%

The non-current assets are mainly comprised of goodwill and capitalized development expenses which are non attributable by geographical area because they are allocated to several areas. The rest is composed of tangible assets which are not significant.

Therefore, it is not relevant to present the non-current assets by geographical area.

Note 4 Personnel expenses

(In € million)	12 months ended 31 December 2017	% Revenue	12 months ended 31 December 2016	% Revenue
Wages, salaries & social security charges	(617.2)	38.7%	(526.9)	40.2%
Tax, training, profit-sharing	(5.0)	0.3%	(6.5)	0.5%
Net (charge)/release to provisions for staff expenses	0.6	0.0%	0.1	0.0%
Net (charge)/release to provisions for pensions and similar benefits	10.1	-0.6%	(3.0)	0.2%
Total	**(611.6)**	**38.4%**	**(536.3)**	**41.0%**

In 2017, the net charge to provision for pensions and similar benefit has been impacted by the change in the plan rules for the Railways Pension Scheme in the UK. See note 21 - Pensions and similar benefits

Note 5 Non personnel operating expenses

(In € million)	12 months ended 31 December 2017	% Revenue	12 months ended 31 December 2016	% Revenue
Subcontracting costs direct	(292.6)	18.4%	(244.3)	18.7%
Hardware and software purchase	(64.1)	4.0%	(49.6)	3.8%
Maintenance costs	(50.2)	3.1%	(31.4)	2.4%
Rent & Lease expenses	(59.1)	3.7%	(45.0)	3.4%
Telecom costs	(42.4)	2.7%	(38.3)	2.9%
Travelling expenses	(14.0)	0.9%	(11.8)	0.9%
Company cars	(9.6)	0.6%	(7.9)	0.6%
Professional fees	(41.8)	2.6%	(42.9)	3.3%
Taxes & Similar expenses	(8.8)	0.6%	(10.2)	0.8%
Scheme fees	(41.0)	2.6%	(20.7)	1.6%
Other expenses	(55.0)	3.5%	(55.0)	4.2%
Subtotal expenses	**(678.7)**	**42.6%**	**(557.1)**	**42.6%**
Depreciation of assets	(90.5)	5.7%	(54.6)	4.2%
Net (charge)/release to provisions	(1.4)	0.1%	2.7	-0.2%
Gains/(Losses) on disposal of assets	(1.0)	0.1%	(7.1)	0.5%
Trade Receivables write-off	(4.3)	0.3%	(5.4)	0.4%
Capitalized Production	46.6	-2.9%	45.4	-3.5%
Subtotal other expenses	**(50.5)**	**3.2%**	**(19.1)**	**1.5%**
Total	**(729.2)**	**45.7%**	**(576.3)**	**44.0%**

Note 6 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent.

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016
Staff reorganization	(4.9)	(4.5)
Rationalization and associated costs	(4.3)	(4.5)
Integration and acquisition costs	(25.6)	(9.9)
Equity based compensation	(7.9)	(6.8)
Customer relationships and patents amortization	(14.2)	(6.1)
Other items	(10.8)	45.0
Total	**(67.6)**	**13.3**

Staff reorganization expenses of € 4.9 million increased by € 0.4 million compared to last year and correspond mainly to the restructuring costs induced following the acquisition of Equens and Paysquare, and are also related to the adaptation of the organization mainly in France and in Belgium.

The € 4.3 million of **rationalization and associated costs** resulted mainly from costs linked to the continuation of the TEAM program and to the reorganization of office premises in France and in Belgium. Those costs have decreased by € 0.2 million compared to 2016.

Integration and acquisition costs reached € 25.6 million (increase of € 15.7 million compared to the prior period) and correspond to the costs related to the execution of the Equens and Paysquare post-acquisition integration costs. They also included the costs linked to the acquisitions of First Data Baltics, Digital River World Payment and MRL Posnet for a total amount of € 2.7 million.

The 2017 **customer relationships amortization** of € 14.2 million corresponds to:

- € 10.0 million of Equens and Paysquare customer relationships;
- € 2.6 million of Cataps (KB Smartpay) customer relationships;
- € 0.7 million related to the portion of the consideration paid allocated to the value of the customer relationships and backlog brought by Quality Equipements and Siemens IT Solutions & Services;
- € 0.4 million of MRL Posnet customer relationships and technologies amortization starting November 1st 2017
- € 0.3 million of First Data Baltics customer relationships amortization starting October 1st 2017
- € 0.2 million of Digital River World Payment customer relationships and technologies amortization starting November 1st 2017

The € -10.8 million of **other items** mainly consisted on non-recurring costs. In 2016 the other items included the gain on the Visa Share disposal for € 51.2 million.

Equity-based compensation

The € 7.9 million expense recorded within "Others Operation Income" for equity based compensation (€ 6.8 million in 2016) is mainly related to 2016 & 2017 free share plans, the 2015 & 2016 stock option plans and previous Atos free share plans.

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016
Free share plans Worldline	6.5	1.2
Stock option plans	1.3	4.8
Free share plans Atos	0.1	0.1
Employee share purchase plans	-	0.7
Total	**7.9**	**6.8**

Free share plans

Rules governing the free share plans are as follows:

- To receive the share, the grantee must generally be an employee or a corporate officer of the Group or a company employee related to Worldline;
- Vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial ones;
- The financial performance criteria are the following :
    - Group Free Cash Flow (FCF);
    - Group Operating Margin before Depreciation and Amortization (OMDA); and
    - Group revenue growth.
- The vesting period varies according to the plans rules but never exceeds 4 years;
- The number of shares are subject to a multiplier from 85% to 115% according to an under/over performance;
- The lock-up period is 0 to 1 year;
- Free shares plans give the right to issue Worldline shares.

The Group has implemented two new free shares plans in January 2nd, 2017 and July 24th, 2017.

The plans impacting the 2017 charge for € 6.5 million are detailed as follows:

Grant Date	25 July 2016 French plan	25 July 2016 Foreign plan	2 January 2017	24 July 2017
Number of shares granted	229,250	133,000	229,500	441,000
Share price at grant date (€)	26.865	26.865	26.775	33.240
Vesting Date(s)	25 July 2018	25 July 2019	1 February 2019 1 September 2019 1 April 2020	24 July 2020
Expected Life	2 years	3 years	2.0 / 2.65 / 3.25 years	3 years
Lock-up period	1 year	-	-	-
Risk free interest rate	-0.047%	-	-	-
Borrowing-lending spread	4.0%	-	-	-
Expected dividend yield	1.10%	1.10%	1.10%	1.10%
Fair value of shares granted (in €)	**26.28**	**25.99**	**26.17/26.00/25.84**	**32.16**
Expense recognized in 2017 (in € million)	**2.9**	**0.9**	**1.3**	**1.4**

Stock option plans

Rules governing the stock options plans are as follows:

- To exercise the option, the grantee must generally be an employee or corporate officer of the Group or a company employee related to Worldline;
- Vesting is also conditional on the achievement of performance criteria, financial and non-financial ones;
- The financial performance criteria are the following :
  - Group Free Cash Flow (FCF);
  - Group Operating Margin before Depreciation and Amortization (OMDA); and
  - Group revenue growth.
- The vesting period varies according to the plans rules but never exceeds 2 years;
- The option expiration date varies according to the plans rules but never exceeds 8.5 years after the vesting date;
- The exercise of the option is equity-settled.

The Group recognized a total expense of € 1.3 million on stock options detailed as follows:

Grant Date	2017 Expense (in € million)	Number of options initially granted	Vesting Date	Number of options vested
1 September 2015	0.8	1,558,500	15 May 2017	1,404,000
25 May 2016	0.4	196,000	25 May 2018	N/A
16 August 2016	0.1	45,000	25 May 2018	N/A
Total	**1.3**	**1,799,500**		**1,404,000**

The characteristics of each current stock options plans are detailed as follows:

Grant Date	1 September 2015	25 May 2016	16 August 2016
Number of options granted	1,558,500	196,000	45,000
Share price at grant date (€)	21.38	27.10	27.35
Strike price (€)	22.87	26.82	28.58
Vesting date	15 May 2017	25 May 2018	25 May 2018
Expected volatility	21%	21%	21%
Expected maturity of the plan	5 years	5 years	5 years
Risk free interest rate	0.352%	-0.196%	-0.325%
Expected dividend yield	1.10%	1.10%	1.10%
Fair value of options granted (€)	**2.94**	**4.21**	**3.67**
Expense recognized in 2017 (in € million)	**0.8**	**0.4**	**0.1**

The change in outstanding share options for Worldline SA during the period was the following:

	12 months ended 31 December 2017		12 months ended 31 December 2016	
	Number of shares	**Weighted average strike price (in €)**	**Number of shares**	**Weighted average strike price (in €)**
Outstanding at the beginning of the year	**2,851,641.0**	**20.9**	**2,997,420.0**	**20.1**
Granted during the year	-	-	241,000.0	27.1
Forfeited during the year	-29,500.0	22.9	-129,500.0	21.5
Exercised during the year	-551,967.0	19.7	-257,279.0	17.2
Expired during the year	-	-	-	-
Outstanding at the end of the year	**2,270,174.0**	**21.2**	**2,851,641.0**	**20.9**
Exercisable at the end of the year, below year-end stock price (*)	**2,270,174.0**	**21.2**	**2,851,641.0**	**20.9**

Note 7 Net Financial Result

Net financial expense amounted to € 8.1 million for the period (compared to € 5.9 million in 2016) and was made up of:

- A net cost of financial debt of € 1,1 million (€ 0.6 million in 2016) ; and
- A non-operational financial cost of € 7.0 million.

Net cost of financial debt of € 1.1 million is made up of:

- € 1,9 million of cost of gross debt of the Group's subsidiaries representing an average interest rate of 1.06%; and
- € 0.8 million of remuneration of gross cash of the Group's subsidiaries representing an average interest rate of 0.28%.

The other financial income / expenses were mainly composed of foreign exchange losses for € 4.1 million and pension financial costs for € 2.1 million. The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for funded plans (cf. Note 21 «Pensions and similar benefits») .

Note 8 Income tax expenses

Current and deferred taxes

(In € million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016**
Current taxes	(52.0)	(43.2)
Deferred taxes	7.9	(10.5)
Total	**(44.1)**	**(53.7)**

Effective tax rate

The difference between the French standard tax rate and the Group Effective tax rate is explained as follows:

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016
Profit before tax	177.4	204.0
French standard tax rate	34.4%	34.4%
Theoretical tax charge at French standard rate	**(61.1)**	**(70.3)**
Impact of permanent differences	5.8	26.2
Differences in foreign tax rates	11.1	8.1
Movement on recognition of deferred tax assets	4.5	(9.6)
Equity-based compensation	(2.4)	(2.3)
Change in deferred tax rates	(2.3)	(0.6)
Withholding taxes	(1.1)	(1.9)
CVAE net of tax	(2.4)	(3.2)
French Tax credit	2.4	1.8
Other	1.4	(2.0)
Group tax expense	**(44.1)**	**(53.7)**
Effective tax rate	**24.9%**	**26.3%**

Note 9 Deferred taxes

(In € million)	As at December 31, 2017	As at December 31, 2016
Deferred tax assets	52.4	45.3
Deferred tax liabilities	57.4	47.2
Net deferred tax	**(5.0)**	**(1.9)**

Breakdown of deferred tax assets and liabilities by nature

(In € million)	Tax losses carry forward	Customer relation-ships	Fixed assets	Pensions	Other	Total
As at December 31, 2015	**11.7**	**(2.2)**	**9.5**	**17.5**	**1.3**	**37.8**
Charge to profit or loss for the year	2.7	1.7	(5.5)	1.6	(10.9)	(10.4)
Change of scope	3.2	(26.9)	(36.5)	9.6	19.7	(30.9)
Charge to equity	-	-	-	5.2	(0.5)	4.7
Reclassification	-	-	(1.7)	-	1.7	0.0
Exchange differences	-	(0.2)	(3.0)	(0.1)	0.3	(3.0)
As at December 31, 2016	**17.6**	**(27.6)**	**(37.2)**	**33.8**	**11.6**	**(1.9)**
Charge to profit or loss for the year	7.5	4.1	(9.5)	0.4	5.3	7.8
Change of scope	-	(13.8)	5.3	0.2	-	(8.3)
Charge to equity	-	-	0.9	(2.4)	0.1	(1.4)
Reclassification	(0.2)	3.9	(14.2)	(0.2)	10.5	(0.2)
Exchange differences	(0.1)	0.4	(0.2)	(0.1)	(1.0)	(1.0)
As at December 31, 2017	**24.8**	**(33.0)**	**(54.9)**	**31.7**	**26.5**	**(5.0)**

Tax losses carry forward schedule (basis)

(In € million)	12 months ended 31 December 2017			12 months ended 31 December 2016		
	Recog-nized	**Unrecog-nized**	**Total**	**Recog-nized**	**Unrecog-nized**	**Total**
2020	-	-	-	0.6	6.3	6.9
2021	3.0	6.6	9.6	-	-	-
Tax losses available for carry forward for 5 years and more	0.0	0.0	0.0	12.7	0.0	12.7
Ordinary tax losses carry forward	**3.0**	**6.6**	**9.6**	**13.3**	**6.3**	**19.5**
Evergreen tax losses carry forward	**84.8**	**3.0**	**87.7**	**48.8**	**21.1**	**69.9**
Total tax losses carry forward	**87.8**	**9.5**	**97.3**	**62.1**	**27.4**	**89.4**

Countries with the largest tax losses available for carry forward were France (€ 55.6 million), Spain (€ 18.9 million), Germany (€ 9.5 million), Poland (9.1 million) and Italy (€ 1.2 million).

Deferred tax assets not recognized by the Group

(In € million)	12 months 31 December 2017	12 months 31 December 2016
Tax losses carry forward	1.8	6.1
Temporary differences	20.0	17.8
Total	**21.8**	**23.9**

Note 10 Non-controlling Interests

(In EUR million)	As at December 31, 2016	2017 Income	Capital Increase	Dividends	Other	As at December 31, 2017
Equens	160.9	27.9	-	-	(13.8)	175.1
Total	**160.9**	**27.9**	**-**	**-**	**- 13.8**	**175.1**

Note 11 Earnings per Share

(In € million and shares)	12 months ended 31 December 2017	12 months ended 31 December 2016
Net income - Attributable to owners of the parent [a]	**105.5**	**144.2**
Impact of dilutive instruments	-	-
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**105.5**	**144.2**
Average number of shares outstanding [c]	132,557,598	132,102,935
Impact of dilutive instruments [d]	771,637	323,007
Diluted average number of shares [e]=[c]+[d]	133,329,234	132,425,942
Earnings per share in EUR [a]/[c]	**0.80**	**1.09**
Diluted earnings per share in EUR [b]/[e]	0.79	1.09

Basic and diluted earnings per share are reconciled in the table below. Potential dilutive instruments comprise stock options, which do not generate any restatement of net income used for the diluted EPS calculation. The average number of stock options not exercised in December 2017 amounted to 2,270,174 shares. As of end of December 2017, potential dilutive instruments comprised stock subscription (equivalent to 771,637 options).

Note 12 Goodwill

(In € million)	As at December 31, 2016	Disposals Deprecia-tions	Impact of business combi-nation	Exchange rate fluctuations	As at December 31, 2017
Gross value	767.0	-	175.6	(8.2)	**934.4**
Impairment loss	(0.6)	-	-	-	**(0.6)**
Carrying amount	**766.4**	**-**	**175.6**	**(8.2)**	**933.8**

(In € million)	As at December 31, 2015	Disposals Deprecia-tions	Impact of business combi-nation	Exchange rate fluctuations	As at December 31, 2016
Gross value	380.7	-	387.4	(1.1)	**767.0**
Impairment loss	(0.6)	-	-	-	**(0.6)**
Carrying amount	**380.1**	**-**	**387.4**	**(1.1)**	**766.4**

As of 31 December 2017, goodwill mainly corresponds to:

- € 243.3 million related to Banksys acquisition
- € 437.6 million related to acquisitions of Equens/Paysquare and Cataps. The impact of business combination includes € 32.0 million related to Cataps acquisition
- € 42.3 million related to the acquisition of First Data Baltics
- € 33.4 million related to the acquisition of Digital River World Payments
- € 45.5 million related to the acquisition of MRL Posnet

During 2017, the Group has not recorded any impairment for any CGUs as there was not any triggering event as of December 31, 2017.

Goodwill is allocated to Cash Generating Units (CGUs) which correspond to the three operating segments disclosed in note 3 "Segment information by Global Business Line".

(In € million)	**As at December 31, 2017**	**As at December 31, 2016**
Merchant Services	427.3	293.6
Financial Services	480.6	446.9
Mobility & e-transactional services	25.8	25.9
Total	**933.8**	**766.4**

The recoverable amount of a CGU is based on the following assumptions:

- Terminal value is calculated after the three-year period, using an estimated perpetuity growth rate of 2.5%. This rate reflects specific perspectives of the payment sector, and;
- Discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates. The Group considers that the weighted average cost of capital should be determined based on a historical equity risk premium of 6.53%, in order to reflect the long-term assumptions factored in the impairment tests.

The discount rate of 7.8% is used for all the CGUs (Merchant Services, Financial Services and Mobility & e-Transactional services).

On the basis of impairment tests carried at year end, no loss of value has been identified as at December 31, 2017.

A varying plus or minus 50 basis points of the key parameters (operating margin, discount rates and perpetual growth rate) did not reveal the existence of any risk on the Group's CGUs.

Note 13 Intangible assets

(In € million)	Software & Licenses	Customer Relation-ships/ Patent	Other assets	Total
Gross value				
As at January 1st, 2017	**333.2**	**128.4**	**25.2**	**486.7**
Additions	11.4	-	0.1	11.5
R&D capitalized	46.6	-	-	46.6
Impact of business combination	(11.4)	65.5	-	54.1
Disposals (*)	(1.1)	-	-	(1.1)
Exchange differences	(1.1)	(1.1)	(1.2)	(3.4)
Other	(0.1)	-	(0.1)	(0.1)
As at December 31st, 2017	**377.5**	**192.8**	**24.1**	**594.3**
Accumulated depreciation				
As at January 1st, 2017	**(122.0)**	**(31.5)**	**(21.1)**	**(174.6)**
Depreciation charge for the year	(55.3)	(14.2)	(0.4)	(69.9)
Disposals/reversals (*)	1.1	-	-	1.1
Exchange differences	0.7	-	0.7	1.4
Other	0.3	-	(0.1)	0.2
As at December 31st, 2017	**(175.1)**	**(45.7)**	**(21.0)**	**(241.7)**
Net value				
As at January 1st, 2017	**211.2**	**96.9**	**4.1**	**312.2**
As at December 31st, 2017	**202.4**	**147.1**	**3.1**	**352.6**

(*) Writte-off of fully depreciated assets

(In € million)	Software & Licenses	Customer Relation-ships/ Patent	Other assets	Total
Gross value				
As at January 1st, 2016	**209.8**	**31.2**	**27.2**	**268.2**
Additions	5.9	-	0.1	6.0
R&D capitalized	45.4	-	-	45.4
Impact of business combination	80.1	97.6	-	177.7
Disposals	(6.0)	-	-	(6.0)
Exchange differences	(2.0)	(0.4)	(2.1)	(4.5)
As at December 31st, 2016	**333.2**	**128.4**	**25.2**	**486.7**
Accumulated depreciation				
As at January 1st, 2016	**(96.3)**	**(25.2)**	**(23.0)**	**(144.5)**
Depreciation charge for the year	(32.2)	(6.1)	-	(38.3)
Disposals/reversals	6.1	-	-	6.1
Exchange differences	0.6	(0.2)	1.9	2.3
Impairment	(0.2)	-	-	(0.2)
As at December 31st,2016	**(122.0)**	**(31.5)**	**(21.1)**	**(174.6)**
Net value				
As at January 1st, 2016	**113.5**	**6.0**	**4.2**	**123.7**
As at December 31st,2016	**211.2**	**96.9**	**4.1**	**312.2**

Development capitalized cost is related to the modernization of proprietary technological platforms for € 46.6million. At December 31, 2017, the net book value of those capitalized cost amounted to 172.7 million of euros.

Note 14 Tangible assets

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
As at January 1st, 2017	**62.6**	**225.9**	**29.1**	**317.6**
Additions	2.4	48.8	4.1	55.3
Impact of business combination	(0.4)	15.0	1.6	16.2
Disposals	(1.5)	(15.2)	(0.2)	(16.9)
Exchange differences	(0.1)	(3.1)	(1.4)	(4.7)
Other	(2.2)	(2.8)	(1.9)	(7.0)
As at December 31st, 2017	**60.8**	**268.5**	**31.2**	**360.5**
Accumulated depreciation				
As at January 1st, 2017	**(38.2)**	**(157.7)**	**(17.9)**	**(213.8)**
Depreciation charge for the year	(4.9)	(35.3)	(1.8)	(42.1)
Disposals/Reversals	1.2	14.7	0.2	16.1
Exchange differences	0.1	1.8	0.7	2.6
Other	1.8	4.9	(0.6)	6.1
As at December 31st, 2017	**(40.3)**	**(171.6)**	**(19.4)**	**(231.4)**
Net value				
As at January 1st, 2017	**24.4**	**68.2**	**11.2**	**103.8**
As at December 31st, 2017	**20.5**	**96.9**	**11.8**	**129.2**

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
As at January 1st, 2016	**66.2**	**225.5**	**29.3**	**321.0**
Additions	1.4	25.9	4.6	31.9
Impact of business combination	4.7	31.1	0.0	35.8
Disposals	(9.7)	(56.8)	(2.0)	(68.5)
Exchange differences	(0.1)	(1.9)	(0.8)	(2.9)
Other	0.2	2.2	(2.1)	0.2
As at December 31st, 2016	**62.6**	**225.9**	**29.1**	**317.6**
Accumulated depreciation				
As at January 1st, 2016	**(40.0)**	**(196.8)**	**(18.0)**	**(254.8)**
Depreciation charge for the year	(5.1)	(20.2)	(2.1)	(27.4)
Disposals/Reversals	6.6	58.3	1.8	66.7
Exchange differences	0.1	2.0	0.4	2.6
Other	0.1	(1.0)	(0.0)	(0.9)
As at December 31st,2016	**(38.2)**	**(157.7)**	**(17.9)**	**(213.8)**
Net value				
As at January 1st, 2016	**26.2**	**28.7**	**11.3**	**66.2**
As at December 31st,2016	**24.4**	**68.2**	**11.2**	**103.8**

Tangible capital assets of the Worldline Group mainly include computer equipment used in the production centers, particularly in the processing datacenters, and terminals rented to merchants. Land and buildings are mostly composed of technical infrastructures of datacenters.

Note 15 Non current financial Assets

(In € million)		As at December 31, 2017	As at December 31, 2016
Pension prepayments	Note 21	2.0	1.5
Fair value of non-consolidated investments net of impairment		21.3	17.5
Investments in associates		3.8	0.4
Other (*)		8.3	8.4
Total		**35.4**	**27.8**

(*) "Other" include loans, deposits and guarantees.

The increase in investments in associates is due to the investment in InTouch. See note 2 Other significant event of the year

Note 16 Trade accounts and notes receivable

(In € million)	As at December 31, 2017	As at December 31, 2016
Gross value	321.2	299.6
Provision for doubtful debt	(5.7)	(4.7)
Net asset value	**315.6**	**294.9**
Prepayments	(15.0)	(12.9)
Deferred income and upfront payments received	(91.6)	(92.7)
Net accounts receivable	**209.0**	**189.3**
Number of days sales outstanding (DSO)	**39**	**40**

For balances outstanding for more than 60 days, the Group considers the need for depreciation on a case-by-case basis through a quarterly review of its balances.

Ageing of past due net receivables

(In € million)	As at December 31, 2017	As at December 31, 2016
0-30 days overdues	16.5	23.9
30-60 days overdues	8.1	4.3
60-90 days overdues	3.0	1.2
Beyond 90 days overdues	13.0	3.1
Total	**40.6**	**32.5**

Note 17 Intermediation activities

(In € million)	As at December 31, 2017	As at December 31, 2016 (*)
Receivables linked to intermediation activities	171.7	112.6
Funds related to intermediation activities	145.0	137.0
Total assets linked to intermediation activities	**316.6**	**249.6**
Payables linked to intermediation activities	316.6	249.6
Total liabilities linked to intermediation activities	**316.6**	**249.6**

(*) 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

Note 18 Other current assets

(In € million)		As at December 31, 2017	As at December 31, 2016
Inventories		19.7	17.7
State - VAT receivables		27.4	24.2
Prepaid expenses	Note 24	60.9	60.1
Other receivables & current assets		26.5	24.8
Advance payment		1.9	2.1
Total		**136.3**	**129.0**

Note 19 Cash and cash equivalents

(In € million)	As at December 31, 2017	As at December 31, 2016 (*)
Cash and cash equivalents	350.2	119.9
Current accounts with Atos entities - Assets	5.6	1.4
Short-term bank deposits	-	250.0
Money market funds	0.1	2.8
Total cash and cash equivalents	**355.8**	**374.0**
Overdrafts	(17.0)	(14.5)
Current accounts with Atos entities - Liabilities	(4.7)	(2.5)
Total overdrafts and equivalents	**(21.6)**	**(17.0)**
Total net cash and cash equivalents	**334.2**	**357.0**

(*) 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

Note 20 Shareholder equity

In March, in June, in September and in December 2017, 551,967 new shares were created following the exercise of the stock-options plan from the September 2014 and September 2015 plans.

At the end of December 2017, the total of shares reached at 132,898,963 with a nominal value of € 0.68. Common stock was increased from € 89,995,957.28 to €90,371,294.84.

Note 21 Pensions and similar benefits

The total amount recognized in the Worldline balance sheet in respect of pension plans and associated benefits was € 114.0 million at December 31, 2017. It was € 130.1 million at December 31, 2016.

Worldline's obligations are located predominantly in Germany (35.0 % of total obligations), the United Kingdom (24.0 %), Belgium (20.0 %) and France (16.0 %).

Characteristics of significant plans and associated risks

In **Germany**, the majority of obligations flow from a defined benefit pension plan which is closed to new entrants. The plan is subject to the German regulatory framework, which has no funding requirements, but does include compulsory insolvency insurance (PSV). The plan is partially funded via an insurance company. The investment strategy is set by the insurance company.

In the **United Kingdom**, these obligations are generated by legacy defined benefit plans, which have been closed to new entrants. The plans are subject to the UK regulatory framework where funding requirements are determined by an independent actuary based on a discount rate reflecting the plan's expected return on investments. The plans are governed by an independent board of trustees with representatives of the employer and beneficiaries. Recovery periods are agreed between the plans' trustees and the sponsoring companies and may run up to 20 years if appropriate securities are provided by sponsors. Since the plan has just a few pensioners, the current asset allocation across United Kingdom plans is predominantly return seeking, with 80.0 % invested in return seeking instruments and the rest in government and non-government bonds, property and infrastructure.

In **Belgium**, the majority of obligations flow from a defined benefit pension plan which is closed to new entrants. The plan is subject to the Belgian regulatory framework where funding requirements are based on a 6.0 % discount rate and prescribed mortality statistics. In case of underfunding, a deficit must be supplemented immediately. The plan is insured with a professional insurance company. The investment strategy is set by the insurance company.

Worldline's obligations are also generated, but to a lesser extent, by legal or collectively bargained end of service benefit plans and other long term benefits such as jubilee plans.

These plans do not expose Worldline to any specific risks that are unusual for these types of benefit plans. Typical risks include, increase in inflation, longevity and a decrease in discount rates and adverse investment returns.

Worldline recognized all actuarial gains and losses asset ceiling effects generated in the period in other comprehensive income.

Events in 2017

In 2017, a change in the plan rules was introduced over the first semester for the Railways Pension Scheme in the UK to freeze the pensionable pay on an ongoing basis. As a result, pensionable benefits will no longer increase with salary evolutions. The corresponding reduction in the obligation was recorded in Profit and Loss.

Amounts recognized in the financial statements

The amounts recognized in the balance sheet as at December 31, 2017 rely on the following components, determined at each benefit plan's level:

(In € million)	As at December 31, 2017	As at December 31, 2016
Amounts recognized in financial statements consist of :		
Prepaid pension asset – post employment plans	2.0	1.5
Accrued liability – post employment plans	(112.4)	(128.0)
Accrued liability – other long term benefits	(3.5)	(3.6)
Net amounts recognized – Total	**(114.0)**	**(130.1)**
Components of net periodic cost		
Service cost (net of employees contributions)	9.1	7.6
Past service cost, Settlements	(11.4)	(1.5)
Actuarial (gain)/loss in other long term benefits	0.1	(0.5)
Operating expense	**(2.2)**	**5.6**
Interest cost	4.9	5.2
Interest income	(2.8)	(3.2)
Financial expense	**2.1**	**2.0**
Net periodic pension cost – Total expense/(profit)	**(0.1)**	**7.6**
Of which, net periodic pension cost – post employment plans	*(0.2)*	*7.5*
Of which, net periodic pension cost – other long term benefits	*0.1*	*0.1*
Change in defined benefit obligation		
Defined benefit obligation –post employment plans at January 1st	262.9	184.8
Defined benefit obligation – other long term benefits at January 1st	3.6	1.0
Total Defined Benefit Obligation at January 1st	**266.5**	**185.8**
Exchange rate impact	(2.9)	(10.5)
Service cost (net of employees contributions)	8.9	7.6
Interest cost	4.9	5.2
Employees contributions	0.6	0.7
Past service cost, Settlements	(11.4)	(1.5)
Business combinations/(disposals)	-	52.5
Benefits paid	(5.6)	(3.5)
Actuarial (gain)/loss - change in financial assumptions	(1.0)	22.9
Actuarial (gain)/loss - change in demographic assumptions	(3.4)	6.6
Actuarial (gain)/loss - experience results	(1.0)	0.7
Other movements	(0.2)	-
Defined benefit obligation at December 31st	**255.4**	**266.5**

The weighted average duration of the liability is 17.2 years.

(In € million)	As at December 31, 2017	As at December 31, 2016
Change in plan assets		
Fair value of plan assets at January 1st	**136.4**	**111.0**
Exchange rate impact	(2.3)	(8.7)
Actual return on plan assets	8.4	11.8
Employer contributions	1.4	1.6
Employees contributions	0.6	0.7
Benefits paid by the fund	(3.0)	(2.5)
Business combinations/(disposals)	-	22.5
Fair value of plan assets at December 31st	**141.5**	**136.4**
Reconciliation of prepaid/(accrued) Benefit cost (all plans)		
Funded status-post employment plans	(110.5)	(126.5)
Funded status-other long term benefit plans	(3.5)	(3.6)
Prepaid/(accrued) pension cost	**(114.0)**	**(130.1)**
Reconciliation of net amount recognized (all plans)		
Net amount recognized at beginning of year	**(130.1)**	**(74.8)**
Net periodic pension cost	0.1	(7.6)
Benefits paid by by the employer	2.6	1.0
Employer contributions	1.4	1.6
Business combinations/(disposals)	-	(30.0)
Amounts recognized in Other Comprehensive Income	11.4	(22.2)
Exchange rate	0.6	1.9
Net amount recognized at end of year	**(114.0)**	**(130.1)**

The obligations in respect of benefit plans which are partially or totally funded through external funds (pension or insurance funds) were € 191.7 million at December 31, 2017 and € 207.5 million at December 31, 2016, representing almost 75% of Worldline total obligations.

Actuarial assumptions

Worldline obligations are valued by independent actuaries, based on assumptions that are periodically updated. These assumptions are set out in the table below:

	United Kingdom		**Eurozone**	
	2017	**2016**	**2017**	**2016**
Discount rate as at December 31st	2.70%	2.80%	1.50% ~ 1.95%	1.40% ~ 1.95%
Inflation assumption as at December 31st	3.20%	3.25%	1.45%	1.45%

The inflation assumption is used for estimating the impact of indexation of pensions in payment or salary inflation based on the various rules of each plan.

Sensitivity of the defined benefit obligations of the significant plans to the discount rate and inflation rate assumptions is as follows:

	Discount rate +25bp	Inflation rate +25bp
United Kingdom main pension plan	-4.9%	+2.8%
German main pension plan	-5.0%	-
Belgian main pension plan	-2.5%	-

These sensitivities are based on calculations made by independent actuaries and do not include cross effects of the various assumptions, they do however include effects that the inflation assumption would have on salary increase assumptions for the United Kingdom. The defined benefit obligations of the plans in Belgium and Germany are not sensitive to the inflation assumption.

Plan assets

Plan assets were invested as follows:

	31 December 2017	**31 December 2016**
Equity	36%	27%
Bonds	14%	25%
Other (*)	50%	48%

(*) of which 49% of insurance contracts in 2017 (vs. 46% in 2016)

Of these assets the equity and bonds are valued at market value. Of the other assets a small proportion relates to illiquid investments where valuations are based on the information provided by the investment managers and the majority relates to insurance contracts.

Summary net impacts on profit and loss and cash

The net impact of defined benefits plans on Worldline financial statements can be summarized as follows:

Profit and loss

(In € million)	**31 December 2017**			**31 December 2016**		
	Post-employment	Other LT benefit	**Total**	Post-employment	Other LT benefit	**Total**
Operating margin	2.3	(0.1)	**2.2**	(5.5)	(0.1)	**(5.6)**
Financial result	(2.1)	-	**(2.1)**	(2.0)	-	**(2.0)**
Total (expense)/profit	0.2	(0.1)	**0.1**	(7.5)	(0.1)	**(7.6)**

Cash impacts of pensions

The cash impact of pensions in 2017 was mainly composed of cash contributions to pension or insurance funds for € 1.4 million, the remaining part of € 2.6 million being benefit payments directly made by the group to the beneficiaries.

Contributions in 2018 are expected to be of the same order of magnitude.

Note 22 Provisions

(In € million)	As at December 31, 2016	Charge	Release used	Release unused	Business combina-tion	Other (*)	As at December 31, 2017	Current	Non-current
Project commitments	2.3	1.4	(0.5)	(0.1)	-	(0.1)	3.0	1.5	1.5
Litigations and contingencies	24.5	1.5	(1.8)	(0.7)	1.0	(3.2)	21.3	8.9	12.4
Reorganization	3.6	2.0	(3.2)	(0.4)	-	(0.1)	1.9	1.6	0.3
Rationalization	0.2	-	-	-	-	(0.1)	-	-	-
Total provisions	**30.5**	**4.9**	**(5.5)**	**(1.2)**	**1.0**	**(3.5)**	**26.2**	**12.0**	**14.2**

(*) Other movements mainly consist of currency translation adjustments.

(In € million)	As at December 31, 2015	Charge	Release used	Release unused	Business combinati on	Other (*)	As at December 31, 2016	Current	Non-current
Project commitments	4.6	0.7	(2.1)	(0.6)	-	(0.2)	2.3	2.0	0.3
Litigations and contingencies	3.6	2.0	(0.6)	(2.1)	21.6	(0.1)	24.5	17.5	7.1
Reorganization	1.6	1.9	(2.4)	(0.3)	2.8	-	3.6	2.8	0.7
Rationalization	0.4	-	(0.2)	-	-	-	0.2	0.1	-
Total provisions	**10.2**	**4.6**	**(5.3)**	**(3.1)**	**24.4**	**(0.3)**	**30.5**	**22.4**	**8.0**

(*) Other movements mainly consist of currency translation adjustments.

The closing position of contingency provisions of € 21.3 million included a number of litigation issues, such as tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers.

The legal department and the lawyers of the Group closely monitor these situations with a view to minimize the ultimate liability.

Note 23 Borrowings

(In € million)	As at December 31, 2017			As at December 31, 2016		
	Cur-rent	Non-current	Total	Cur-rent	Non-current	Total
Finance leases	0.2	1.4	1.6	0.1	2.0	2.1
Overdrafts	17.0	-	17.0	14.5	-	14.5
Current accounts with Atos entities	4.7	-	4.7	2.5	-	2.5
Other borrowings	21.7	1.7	23.4	6.9	0.2	7.1
Total borrowings	**43.6**	**3.1**	**46.7**	**24.1**	**2.2**	**26.3**

Current accounts with a short-term maturity – less than one month- have no remuneration.

Under "Other Borrowings", the Group has recognized a financial liability of € 6.7 million related to Cataps acquisition as at December 31, 2016 corresponding to the fair value of the put option owned by Non-Controlling Interests on the outstanding of 20 % shares exercisable at any time from the date of the transaction and a liability linked to the contingency consideration of MRL Posnet.

Borrowings in currencies

(In € million)	EUR	SGD	Other currencies	Total
31 December 2017	30.0	13.9	2.8	**46.7**
31 December 2016	26.0	-	0.3	**26.3**

Non-current borrowings maturity

(In € million)	2019	2020	2021	2022	>2022	Total
Finance leases	0.2	0.2	0.2	0.1	0.7	1.4
Other borrowings	0.7	0.9	-	-	-	1.7
As at December 31st, 2017 long-term debt	**1.0**	**1.1**	**0.2**	**0.1**	**0.7**	**3.1**

(In € million)	2018	2019	2020	2021	>2021	Total
Finance leases	0.7	0.1	0.1	0.1	0.9	2.0
Other borrowings	-	0.1	-	-	-	0.1
As at December 31st, 2016 long-term debt	**0.7**	**0.2**	**0.1**	**0.1**	**0.9**	**2.1**

Assumptions retained regarding the presentation of the maturity of non-current borrowings

The evaluation of financial liabilities has been conducted based on:

- Exchange rates prevailing as at December 31st, 2017, and
- Interest rate presented hereafter.

The effective interest rates in 2017 were as follows:

(In € million)	Carrying value	Fair value	Effective interest rate
Finance leases	1.6	1.6	3.04%
Other borrowings	23.4	23.4	
Total borrowings	**25.0**	**25.0**	

Change in net cash/(debt) over the period

(In € million)	As at December 31, 2017	As at December 31, 2016 (*)
Opening net cash/(debt)	**347.7**	**276.0**
New borrowings	(18.3)	(0.8)
Repayment of long and medium-term borrowings	2.6	0.6
Variance in net cash and cash equivalents	(16.8)	76.1
New finance leases	(0.1)	(0.2)
Long and medium-term debt of companies acquired during the period	(0.7)	(7.1)
Impact of exchange rate fluctuations on net long and medium-term debt	(5.1)	3.0
Closing net cash/(debt)	**309.1**	**347.7**

(*) 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

Net Cash/ (debt)

(In € million)	As at December 31, 2017	As at December 31, 2016 (*)
Cash and cash equivalents	355.8	374.0
Borrowings	(3.1)	(2.2)
Current portion of borrowings	(43.6)	(24.1)
Total	**309.1**	**347.7**

(*) 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

Note 24 Trade accounts and notes payable

(In € million)	As at December 31, 2017	As at December 31, 2016 (*)
Trade payables and notes payable	264.1	223.7
Trade payables and notes payable	**264.1**	**223.7**
Advance payments	(1.9)	(2.1)
Prepaid expenses	(60.9)	(60.1)
Net accounts payable	**201.3**	**161.5**
Number of days payable outstanding (DPO)	**78**	**70**

(*) 31 December 2016 adjusted to reflect change in presentation disclosed in Note "Accounting rules and policies"

Trade accounts and notes payable are expected to be paid within one year.

Note 25 Other current liabilities

(In € million)	As at December 31, 2017	As at December 31, 2016
Advances and down payments received on client orders	15.0	12.9
Employee-related liabilities	80.7	76.0
Social security and other employee welfare liabilities	45.3	35.3
VAT payable	46.7	39.2
Deferred income	84.1	81.8
Other operating liabilities	65.7	25.9
Total	**337.5**	**271.1**

Other current liabilities are expected to be settled within one year, except for deferred income that is released over the particular arrangement of the corresponding contract.

Note 26 Off-balance sheet commitments

Contractual commitments

The table below illustrates the minimum future payments for firm obligations and commitments over the coming years. Amounts indicated under the finance leases caption are recorded in the Group statement of financial position.

(In € million)	As at December 31, 2017	Maturing Up to 1 year	1 to 5 years	Over 5 years	As at December 31, 2016
Finance leases	1.6	0.2	1.4	-	2.1
Recorded on the balance sheet	**1.6**	**0.2**	**1.4**	**-**	**2.1**
Operating leases: land, buildings, fittings	93.2	19.5	44.8	28.9	102.7
Operating leases: IT equipment	-	-	-	-	0.9
Operating leases: other fixed assets	9.3	4.0	5.2	0.0	9.9
Non-cancellable purchase obligations (> 5 years)	6.3	-	6.3	-	12.0
Commitments	**108.7**	**23.6**	**56.2**	**28.9**	**125.5**
Total	**110.3**	**23.8**	**57.6**	**28.9**	**127.6**

Commercial commitments

(In € million)	As at December 31, 2017	As at December 31, 2016
Bank guarantees	**27.2**	**32.6**
- Operational - Performance	15.3	17.9
- Operational - Bid	0.4	0.1
- Operational - Advance Payment	4.7	2.0
- Financial or Other	6.8	12.6
Parental guarantees	**43.2**	**30.3**
- Operational - Performance	43.2	30.3
Pledges	**0.2**	**1.4**
Total	**70.6**	**64.3**

For various large long term contracts, the Group provides parental guarantees to its clients. These guarantees amount to € 43.2 million as of December 31st, 2017, compared to € 30.3 million at the end of December 2016.

Note 27 Related parties

The related parties include:

- Worldline's parent company (Atos SE) and its subsidiaries which are not part of the Worldline's consolidation scope;
- The entities that are controlled or jointly controlled by the Group, the entities that are a post-employment defined benefit plan for the benefit of the employees of the Group or the entities that are controlled or jointly controlled by a member of the key management personnel of the Group; and
- The key management personnel of the Group, defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors as well as the Chief Executive Officer.

Transactions between Worldline and its subsidiaries, which are related parties, have been eliminated in consolidation and are not disclosed in this note.

Transactions between the related parties

The main transactions between the related entities are composed of:

- The reinvoicing of the premises;
- The invoicing of delivery services such as personnel costs or use of delivery infrastructure;
- The invoicing of administrative services; and
- The interest expenses related to the financial items.

These transactions are entered into at market conditions.

The related party transactions are detailed as follows**:**

(In € million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016**
Revenue	43.9	47.7
Operating income / expenses	(108.4)	(104.8)
Other operating expenses	(4.2)	(1.4)
Net cost of financial debt	(0.9)	(0.7)

The receivables and liabilities included in the statement of financial position linked to the related parties are detailed as follows:

(In € million)	**12 months ended 31 December 2017**	**12 months ended 31 December 2016**
Trade accounts and notes receivables	13.2	12.1
Other current assets	15.6	22.7
Current accounts & cash agreement - Assets	5.6	1.4
Trade accounts and notes payables	59.6	47.0
Other current liabilities	2.9	2.2
Current accounts & cash agreement with Atos entities - Liabilities	4.8	2.5

The off balance sheet commitments regarding the related parties are detailed as follows:

(In € million)	**As at December 31, 2017**	**Up to 1 year**	**Maturing 1 to 5 years**	**Over 5 years**	**As at December 31, 2016**
Operating leases: land, buildings, fittings	23.5	5.5	15.5	2.5	29.4
Operating leases: IT equipment	0.1	-	-	-	0.1
Non-cancellable purchase obligations (> 5 years)	-	-	-	-	0.5
Commitments	**23.6**	**5.5**	**15.5**	**2.5**	**30.0**
Total	**23.6**	**5.5**	**15.5**	**2.5**	**30.0**

Cost of Key management personnel of the Group

In 2017, the expenses related to key management personnel included:

- Those related to the Worldline CEO in accordance with the agreement entered into with Atos in relation to his dedication and remuneration;
- The expenses related to the General Manager;
- The cost of the members of the Board (Director’s fees expensed in 2017).

No cost was recorded in relation to the Chairman of the Board of Directors.

The distribution of the expense recorded in the consolidated financial statements for key management of the Group is as follows:

(In € million)	12 months ended 31 December 2017	12 months ended 31 December 2016
Short-term benefits	1.7	1.5
Employer contributions	0.5	0.5
Free share plans & stock options (*)	1.0	1.2
Total	**3.2**	**3.2**

(*) Worldline stock options and free shares plans granted to key management personnel of Worldline as of September 03, 2014, September 01, 2015, July 26, 2016 and July 24,2017

Short-term benefits include salaries, bonuses and fringe benefits. On performance shares and stock options, the cost includes the IFRS 2 charge on the prorata temporis since the grant date.

Bonuses correspond to the total charge reflected in the income statement including the bonuses effectively paid during the year, the accruals related to current year and the release of accruals relating to previous year. No post-employment compensation has been paid to the key management personnel during the year.

Note 28 Market risk

Foreign exchange risk

Majority of the Group's revenues, expenses and obligations are denominated in euro. In 2017, 81.4% of the Group's revenues were generated in euro-zone countries whereas 18.6% were generated in non-euro zone countries, including 6.8% in pounds sterling.

Since the Group's financial statements are denominated in euros, its revenues are affected by the relative value of the euro versus the currency of the non-euro zone countries in which it generates revenues (currency translation exposure). In terms of currency transaction exposure (i.e., a mismatch between the currencies in which revenues are generated and costs are incurred), the Group considers its exposure to be limited as its costs in the euro zone are generally incurred in euros and its revenues are generated in euros and in non-eurozone countries it generally makes its sales and incurs the majority of its operating expenses in the local currency.

The Group maintains a policy for managing its foreign exchange position if and to the extent it enters into commercial or financial transactions denominated in currencies that differ from the relevant local currencies. Pursuant to this policy, any material foreign exchange rate exposure must be hedged as soon as it occurs using various financial instruments, including, principally, forward contracts and foreign currency swaps. As of December 31st, 2017, the Group did not have any material foreign exchange rate exposure and did not have any such hedging instruments in place.

Interest rate risk

All of the Group's borrowings, the vast majority of which are with Atos group as lender, and deposits bear interest at floating interest rates mainly based on Euribor or EONIA plus or minus a margin. The Group considers that its exposure to interest rate fluctuations is not material considering it does not bear any net debt. Net cash (Borrowings net of cash and cash equivalents) of the Group as of December 31st, 2017 was € 309.1 million.

Liquidity risk

Liquidity risk management involves maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

Worldline's policy is to cover fully its expected liquidity requirements by a long-term committed line of credit. Terms and conditions of the loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

In this respect, on 26 June 2014, Worldline SA (as Borrower) signed a Revolving Credit Facility (RCF) with Atos SE (as Lender) for an amount € 300 million, in order to cover the Group's liquidity requirements, including temporary fluctuations in its working capital needs. The duration was renewed during 2015 until June 26th, 2019 and transferred to Bull International (subsidiary of the Atos group) on January 2, 2016. The RCF contains no financial covenants as Worldline has a net cash position.

Credit and/or Counterparty Risk

Credit and/or counterparty risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group believes that it has limited exposure to concentrations of credit risk due to its large and diverse customer base. The Group's greatest credit risk position is borne with respect to its financial institution customers. The Group manages this credit risk by consistently selecting leading financial institutions as clients and by using several banking partners.

The Group is also exposed to some credit risk in connection with its commercial acquiring and checks services businesses:

- *Commercial acquiring*. For each transaction, the Group provides a performance guarantee to the merchant in respect the cardholder's payment. Therefore, the Group is exposed to a credit risk in the event of non-payment by the cardholder. Additionally, the Group offers a guarantee of "service rendered" to the cardholder. Accordingly, in the event a merchant goes bankrupt (or ceases to operate) before delivering the product or rendering the service purchased by a cardholder, the cardholder can require the Group to reimburse it for the amount of the transaction. This credit risk exposure is especially significant where services are purchased through e-Commerce well in advance of the time that they are actually rendered (e.g., ticket purchases through travel agencies). The Group monitors these risks by selecting financially sound clients, requesting guarantees (collateral build up, delegation of insurance, etc.) and checking daily transaction flows to avoid excessive exposure to these risks.

- *Cheque service*. Under its Cheque Service business, the Group pays its merchant clients indemnities for unpaid Cheques that have been approved by the Group based on a credit scoring system. To the extent that fees received from merchants for this service are less than the average levels of bad Cheques, the activity can become loss-making. The Group manages this risk by analysing bad debt levels for each type of merchant business and adjusts fees charged to merchants accordingly. Following the disposal of Cheque service, the risk does not longer exist at end of the year, see note 1 Main changes in the scope of consolidation.

Note 29 Operating entities part of scope of consolidation as of December 31st, 2017

	% of Interest	Conso-lidation method	% of Control	Address
FRANCE				
Worldline SA	100	FC	100	80, quai Voltaire - 95870 Bezons
Mantis SAS	63,6	FC	100	55 rue de Rivoli - 75001 Paris
Worldline Participation 1	100	FC	100	80, quai Voltaire - 95870 Bezons
Santeos	100	FC	100	80, quai Voltaire - 95870 Bezons
Worldline Bourgogne	100	FC	100	80, quai Voltaire - 95870 Bezons
Similo SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
GERMANY				
equensWorldline GmbH	63,6	FC	100	Hahnstraße 25 - 60528 Frankfurt - Germany
Worldline Germany GmbH	100	FC	100	Hahnstraße 25 - 60528 Frankfurt - Germany
DZ Service GmbH	63,6	FC	100	Dieselstrasse 1 - 76227 Karlsruhe - Germany
BD-POS GmbH	100	FC	100	Hörselbergblick 1 - 99820 Hörselberg-Hainich - Germany
THE NETHERLANDS				
Worldline B.V.	100	FC	100	Wolweverstraat 18 - 2980 CD Ridderkerk - The Nederlands
equensWorldline SE	63,6	FC	100	Eendrachtlaan 315 - 3526 LB Utrecht - The Netherlands
InterEGI B.V.	63,6	FC	100	Eendrachtlaan 315 - 3526 LB Utrecht - The Netherlands
Paysquare SE	100	FC	100	Eendrachtlaan 315 - 3526 LB Utrecht - The Netherlands
BELGIUM				
Worldline NV/SA	100	FC	100	Chaussée de Haecht 1442 - B-1130 Brussel - Belgium
Worldline PropCo SA	100	FC	100	Chaussée de Haecht 1442 - B-1130 Brussel - Belgium
OTHER EUROPE - MIDDLE EAST - AFRICA				
Austria				
Worldline Austria GmbH	100	FC	100	Siemensstraße 92 - 1210 Vienna - Austria
Czech Republic				
Cataps s.r.o.	100	FC	100	Lazarská 11/6 - 120 000 Praha 2 - Czech Republic
Luxembourg				
Worldline Luxembourg SA	100	FC	100	2, rue Nicolas Bové - L1253 Luxembourg
Estonia				
Worldline Payment Estonia	100	FC	100	Lootsa str. 2a, Tallinn, Estonia
Lietuva				
UAB Worldline Lietuva	100	FC	100	Ukmerges str. 220, Vilnius, Lietuva
Latvia				
SIA Worldline Latvia	100	FC	100	Dzirnavu str. 37, Riga, Latvia
Spain				
Worldline Iberia SA	100	FC	100	Avda. Diagonal, 210-218 - Barcelona 08018 - Spain

	% of Interest	Conso-lidation method	% of Control	Address
OTHER EUROPE - MIDDLE EAST - AFRICA				
Sweden				
Worldline Sweden AB (formely DRWP Sweden)	100	FC	100	Textilgatan 31, 120 30 Stockolm, Sweden
The United Kingdom				
Worldline IT Services UK Limited	100	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG- United Kingdom
ASIA PACIFIC				
China				
Worldline (China) Co Ltd	100	FC	100	Building B, No.7, Zhonghuan South Road WangJing, Chaoyang District Beijing 100102 People Republic of China
Hong Kong				
Worldline International (Hong Kong) Co Limited	100	FC	100	8/F Octa Tower, 8 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong
India				
Worldline India Private Ltd	100	FC	100	Raiaskaran Tech park, 2nd Floor of Tower I,Phase II, Sakinaka, M.V. Road, Andheri (East), Mumbai -400072 India
MRL Posnet Limited	100	FC	100	Sunny Side, Central Block , 8/17 shafee Mohammed Road – B Block CHENNAI 600034 – India
Indonesia				
PT Worldline International Indonesia	100	FC	100	Plaza Sentral - 19th Floor, Jl. Jend. Sudirman No.47 Jakarta 12930 Indonesia
Malaysia				
Worldline International (Malaysia) Sdn. Bhd	100	FC	100	Suite 19.02, Level 19 Centrepoint South Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Malaysia
Singapore				
Worldline IT and Payment Services (Singapore) Pte Ltd	100	FC	100	Blk 988 Toa Payoh North, #07-02/03, Singapore 319002
Taiwan				
Worldline (Taiwan)	100	FC	100	5F, No.100, Sec.3, Min Sheng E. Road - Taipei 105 - Taiwan - R.O.C.
AMERICAS				
Argentina				
Atos IT Solutions and Services SA	100	FC	100	Cnel. Manuel Arias 3751 - piso 18 - C.A.B.A
Brazil				
DRWP Servicos Ltd	100	FC	100	Av Das Nacoes Unidas 12551, 17 Andar - Brooklin Paulista – CEP:04578-000 SAO PAULO - BRAZIL
Chili				
Worldline Chile S.A	100	FC	100	Av. Andres Bello 2115, piso 7, Providencia 7510094 – Santiago de Chile – Chile
USA				
MRL PAY Inc	100	FC	100	790, Turnpike Street – Suite 204 North and Over – MA – 01845 . US
Worldline US, Inc (formely DRWP US)	100	FC	100	4851, Regent Blvd, Irving TX 75063, USA

Note 30 Auditors' Fees

(In € Thousands) and %)	Deloitte				Grant Thornton			
	Deloitte & Associés		**Réseau**		***Grant Thornton***		**Réseau**	
	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	190.0	62%	-	-	200.0	90%	-	-
Subsidiaries	74.0	24%	749.0	75%	21.0	10%	182.0	100%
Sub-total Audit	**264.0**	**86%**	**749.0**	**75%**	**221.0**	**100%**	**182.0**	**100%**
Non audit services								
Parent company	42.0	14%	218.0	22%	-	-	-	-
Subsidiaries	-	-	27.6	3%	-	-	-	-
Sub-total Non Audit	**42.0**	**14%**	**245.6**	**25%**	**-**	**-**	**-**	**-**
Total fees 2017	**306.0**	**100%**	**994.6**	**100%**	**221.0**	**100%**	**182.0**	**100%**

In 2017, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligences, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries.

(In € Thousands) and %)	Deloitte				Grant Thornton			
	Deloitte & Associés		**Réseau**		***Grant Thornton***		**Réseau**	
	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	330.0	80%	-	-	200.0	90%	-	-
Subsidiaries	11.0	3%	817.0	35%	21.0	10%	135.0	100%
Sub-total Audit	**341.0**	**83%**	**817.0**	**35%**	**221.0**	**100%**	**135.0**	**100%**
Non audit services								
Parent company	71.0	17%	1,335.0	57%	-	-	-	-
Subsidiaries	-	-	171.0	7%	-	-	-	-
Sub-total Non Audit	**71.0**	**17%**	**1,506.0**	**65%**	**-**	**-**	**-**	**-**
Total fees 2016	**412.0**	**100%**	**2,323.0**	**100%**	**221.0**	**100%**	**135.0**	**100%**

In 2016, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligences and audit and/or agreed upon procedures reports issued for the purpose of the transaction with Equens, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries.

Note 31 Subsequent events

There is no subsequent event post 2017 closing.

E.5 PARENT COMPANY FINANCIAL STATEMENTS

E.5.1

E.5.2

E.5.3 WORLDLINE SA FINANCIAL STATEMENTS

E.5.3.1 Balance sheet

(In € thousand)	Notes	December 31, 2017	December 31, 2016
ASSETS			
Intangible fixed assets	Note 1	4 822	4 217
Tangible fixed assets	Note 2	32 716	32 491
Participating interests	Note 3	647 531	643 320
Other financial investments	Note 3	1 343	1 331
Total fixed assets		**686 411**	**681 359**
Inventory			
Advances paid on orders in progress		459	877
Trade accounts and notes receivable	Note 4	104 054	108 009
Other receivables	Note 5	20 648	20 170
Cash and securities	Note 6	9 396	252 594
Total current assets		**134 556**	**381 650**
Prepaid expenses	Note 7	23 666	26 751
TOTAL ASSETS		**844 634**	**1 089 761**

(In € thousand)	Notes	December 31, 2017	December 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		90 371	89 996
Additional paid-in capital		259 217	248 698
Legal reserves		9 000	8 316
Other reserves and retained earnings		242 107	5 657
Net income for the period		-24 392	237 133
Shareholders' equity	Note 8	**576 303**	**589 801**
Provisions for contingencies and losses	Note 9	**16 309**	**14 362**
Borrowings	Note 10	67 854	325 371
Payments on account		2 136	713
Trade payables & associated accounts	Note 11	97 064	78 528
Tax and social security	Note 11	62 709	58 955
Debts on fixed assets and associated accounts	Note 11	740	935
Other liabilities	Note 11	8 193	8 681
Total liabilities		**238 696**	**473 183**
Deferred income	Note 12	13 326	12 415
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**844 634**	**1 089 761**

E.5.3.2 Income statement

(In € thousand)	Notes	December 31, 2017	December 31, 2016
Sales of goods		17 172	13 323
Sales of services		329 560	421 456
Revenue	Note 13	**346 732**	**434 779**
Operating subsidies		0	483
Reversals of depreciations and provisions; transfers of costs		6 225	3 116
Other income		13 175	12 846
Total operating income		**366 133**	**451 223**
Cost of sales		-15 133	-10 563
Other purchases and external charges		-147 314	-169 588
Taxes (other than corporation tax)		-7 596	-10 188
Salaries and stipends		-114 595	-139 668
Social security costs		-49 602	-63 445
Depreciation amortisation and provisions		-13 383	-14 657
Other expenses		-35 798	-47 548
Total operating expenses		**-383 421**	**-455 657**
Operating result		**-17 288**	**-4 434**
Financial income		3 185	2 637
Financial expenses		-1 462	-1 876
Net financial result	Note 14	**1 723**	**761**
Non-recurring items income		2 816	268 433
Non-recurring items expenses		-10 997	-23 948
Non-recurring items result	Note 15	**-8 181**	**244 485**
Employee profit sharing		-2 793	-5 689
Corporate income tax	Note 16	2 147	2 010
Net income for the period		**-24 392**	**237 133**

E.5.4 NOTES TO WORLDLINE STATUTORY FINANCIAL STATEMENTS

E.5.4.1 Worldline Activity

Worldline continued its main activities through two global business lines:

- Merchant services (2017 revenue: €73.4 million, 21.2% of total revenue). Worldline's merchant services & terminals global business line offers merchants an extensive range of solutions and services, allowing them to accompany their customers across the entire sales cycle, while optimizing payment-related activities, whatever the sales channel used. This global business line has three business divisions: online services, private label card & loyalty programs and terminals.

- Mobility & e-transactional services (2017 revenue: €185.9 million, 53.6% of total revenue). Worldline's mobility & e-transactional services global business line goes beyond its traditional client base of merchants and banks and financial institutions to address the needs of private and public sector clients by proposing new digital solutions and business models that take advantage of the digitization of the physical world. This global business line has three business divisions: eticketing, e-government collection and e-consumer & mobility.

2017 revenue amounts to € 346.7 million, decreasing by 20% compared with last year, with contrasted evolutions between the three global business lines.
Revenue decreased by 20 % due:

- To the sale of the Financial Services activities of the company to Equensworldline SE on september 30, 2016
- On mobility & e-transactional services by the termination of the automated traffic offence management contract with the french government (the radar contract) in june 2016 despite new revenue increase on recent awarded contracts in 2017 (si samu, bracelets electroniques)
- On Merchant Services impacted by the termination of miscellaneous contracts and high level of activities in 2016.

Worldline posted an operating result of €-17.3 million impacted by the termination of radar and a decrease in revenue directly impacting operating result.
The company worldline SA is the parent company of the worldline group and consequently establishes consolidated financial statements.
Worldline acts as the parent company for the worldline group and as such supports a significant share of the costs related to overhead, corporate and central functions. It also establishes financial flows with its subsidiaries to reflect the services rendered from the parent company to the companies of the group.

E.5.4.2 Highlights

The Worldline Group has reached an agreement with the Atos Integration SAS in order to acquire DIAMIS.
Diamis is specialized in inter-banking flow processing within the Euro zone allowing Worldline Group to reinforce its activity position in the field of Financial Services concerning products as well as client data base and knowhow.
This acquisition is structured through a transaction in numerous purchased by Atos Integration at 100% for a total amount of €15.4 million. The signing of this acquisition was on December 21. 2017.

E.5.4.3 Rules and accounting methods

In application with anc n° 2016-07, the financial statements of worldline have been prepared in accordance with generally accepted accounting principles in france and with the provisions of the french general accounting plan (*plan comptable général*).

General conventions were applied, in the respect of:

- Principle of prudence;
- Principle of going concern;
- Permanence of the accounting methods from one exercise to another;
- Cut off principle.

As a principle, items are booked based on historical cost. The annual accounts are established and presented in thousands of euros.

INTANGIBLE ASSETS

Intangible assets are booked at their acquisition cost and consist mainly of software, licenses, merger deficit and goodwill.

Software created for an internal use and development costs of application used for operational needs are recognized as an expense.

Software is amortized on a straight-line basis over their expected useful life, not exceeding 3 years.
If need be, a provision on goodwill can be booked based on the value in use.

TANGIBLE ASSETS

The tangible fixed assets are evaluated at their acquisition value excluding any financial expenses.

The depreciation calculation is based on a straight-line method over the useful life of the assets, as follows:

- Buildings: 20 years
- Fixtures and fittings: 5 to 20 years
- Computer hardware: 3 to 5 years
- Vehicles: 4 years
- Office furniture and equipment: 5 to 10 years

FINANCIAL ASSETS

Financial assets consist of participating interests and other financial investments (security deposit, loans). Financial assets are initially booked at their acquisition cost. An impairment loss is recognized when the acquisition cost exceeds the value-in-use.

The value-in-use takes in account net assets and earnings outlooks.

TRADE ACCOUNTS AND NOTES RECEIVABLE

Trade accounts and notes receivable are recorded at their nominal value. They are individually analyzed and, if necessary, are subject to an impairment loss.

In the balance sheet they are recorded under "trade accounts and notes receivables". When invoicing exceeds the revenue recognition, this excess is presented under “deferred income”.

SECURITIES

Securities are recorded at their acquisition cost. They are depreciated when the carrying amount is lower than the book value.

PROVISIONS

Provisions are recognized when:

- Worldline has a present legal, regulatory, contractual or constructive obligation as a result of past events,
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- The amount has been reliably quantified.

PENSIONS

Long-term staff benefits provisions are recognized in accordance with the anc recommendation 2013-02.

Provision is accrued under the "corridor" method. Worldline only recognizes in its income statement, the cumulative actuarial gains and losses exceeding a normal fluctuation margin of 10% at year end. This amortization is made on the remaining working lives of the beneficiaries of each plan.

REVENUE

Services constitute the major part of the revenue of the group.

Revenues arising from transactional activities, particularly in the area of payments are recognized over the period during which the treatment has been completed.

The proceeds from subscriptions are recognized on a straight line basis over the term of the contract.

Revenues for development projects and/or migration of platform with customers are recognized as and when the service is performed, based on the stage of completion when the outcome can be determined reliably. The percentage of completion is determined by comparing the cumulative costs incurred, on a given date, with the expected total costs of the contract. Benefits from these contracts are recorded in the balance sheet under "trade accounts and notes receivables" for the share of proceeds to be received and under "other current liabilities" for the portion of deferred revenue. When the outcome of a fixed price contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred probably recoverable.

Income relating to other services performed on behalf of clients is recognized at the completion of the service.

The group may sign in some cases service contracts with multiple elements, which may include a combination of different services.

- Revenue is recognized separately for each of the elements when they are separately identifiable.
- A set of contracts is combined and treated as a single contract when the group of contracts is negotiated as a single package, the contracts are so closely interrelated that they are, in fact, part of a single project with an overall margin and that the contracts are performed concurrently or following one another without interruption.

The group performs regularly and in special circumstances, profitability studies on service contracts to determine whether the latest estimates of revenue, costs and percentage of completion need to be revised. If these estimates indicate that the contract will be unprofitable, a provision for loss is recorded immediately covering the loss in its entirety.

OTHER OPERATING INCOME AND EXPENSES

“Other operating income and expenses” include exceptional items coming from ordinary activities and extraordinary items.

Exceptional items from ordinary activities are those whose achievement is not related to the current operation of the business either because they are unusual in amount or impact or because they rarely occur.

TAX CONSOLIDATION AGREEMENT

As per article 223-a of the french fiscal code, worldline signed a group tax consolidation agreement with its french subsidiaries with effect as of january 1, 2015. Subsidiaries which are part of this tax consolidation are:

- Worldline participations 1
- Similo
- Santeos
- Worldline Bourgogne

Following Equens's operation, the subsidiaries Mantis and Arabor are not part of the tax consolidation anymore.

Worldline as parent company of the group is designated as the only entity liable for the corporate tax of the group tax consolidation.

The main features of the agreement are:

- The result of the consolidated companies is determined as if they had been taxed individually;
- Tax savings related to the use of the tax losses of the tax consolidation members will be only temporary since the subsidiaries concerned will still be able to use them.

The agreement uses the same neutrality principples to the extend that each entity have to report in their accounts, during the integration period within the group, a tax income or expense equal to what it would report if it was not integrated to the group.

TAX CREDIT FOR COMPETITIVENESS AND EMPLOYMENT (CICE)

The relative income to cice is €3.1 million for 2017. Cice is reported as a reduction in staff costs.

During 2017, this CICE was used to invest in different projects, to develop new features which reinforce offers to our customers.

E.5.4.4 Identity of Worldline Holding Company

Worldline is fully consolidated by atos se, its parent company.

E.5.4.5 Notes to the financial statements

NOTE 1 INTANGIBLE ASSETS

(In € thousand)	December 31, 2016	Increase	Decrease	December 31, 2017
Software	20 621	2 798		23 419
Concessions and similar rights	1 034			1 034
Goodwill	1 587			1 587
Gross value of Intangible assets	**23 242**	**2 798**	**0**	**26 040**
Software	-17 269	-2 193		-19 462
Concessions and similar rights	-1 034			-1 034
Goodwill	-722			-722
Total of amortisation & depreciation	**-19 026**	**-2 193**	**0**	**-21 219**
Software	3 352	605	0	3 957
Concessions and similar rights	0	0	0	0
Goodwill	865	0	0	865
Net value of intangible assets	**4 216**	**605**	**0**	**4 821**

Goodwill was generated through the merger of atos worldline financial market in 2013 for a net book value of € 0.8 million.

NOTE 2 TANGIBLE FIXED ASSETS

(In € thousand)	December 31, 2016	Increase	Decrease	December 31, 2017
Land	869			869
Buildings	1 557	143		1 700
Fixtures and fittings	78 636	7 399	-585	85 451
Other tangible assets	51 890	1 682	-46	53 525
Tangible assets in progress	3 756		-211	3 545
Gross value of tangible fixed assets	**136 708**	**9 224**	**-842**	**145 090**
Land	-61	-3		-65
Buildings	-325	-128		-454
Fixtures and fittings	-66 495	-5 391	491	-71 395
Other tangible assets	-37 336	-3 172	46	-40 461
Tangible assets in progress	0			0
Total of depreciation & amortization	**-104 218**	**-8 695**	**537**	**-112 375**
Land	808	-3	0	804
Buildings	1 232	15	0	1 246
Fixtures and fittings	12 141	2 008	-94	14 056
Other tangible assets	14 553	-1 490	0	13 064
Tangible assets in progress	3 756	0	-211	3 545
Net value of tangible fixed assets	**32 491**	**530**	**-305**	**32 715**

NOTE 3 FINANCIAL FIXED ASSETS

(In € thousand)	December 31, 2016	Increase (1)	Decrease	December 31, 2017
Investments in associates	637 421	19 642	-807	656 256
Loans and accrued interests	51		-2	49
Deposits	16 280	23	-15 010	1 293
Financial assets	**653 752**	**19 665**	**-15 819**	**657 597**
Investments in associates	-9 101	376		-8 725
Loans and accrued interests	0			0
Deposits	0			0
Total of depreciation & amortization	**-9 101**	**376**	**0**	**-8 725**
Investments in associates	628 320	20 018	-807	647 531
Loans and accrued interests	51	0	-2	49
Deposits	16 280	23	-15 010	1 293
Net value of financial assets	**644 651**	**20 041**	**-15 819**	**648 873**

(1) The increase in financial fixed assets mainly deals with €15.4 million of DIAMIS and €3.7 million of Intouch Dakar investment.

MATURITY OF LOANS AND OTHER FINANCIAL FIXED ASSETS

(In € thousand)	Gross amount December 31, 2017	Up to 1 year	1 to 5 years
Loans and accrued interests	49	49	
Deposits	1 295		1 294
TOTAL LOANS AND OTHER FINANCIAL FIXED ASSETS	**1 343**	**49**	**1 294**

MAIN SUBSIDIARIES AND INVESTMENTS

(In € thousand)	Gross value at December 31, 2017	Net value at December 31, 2017	% interest	Net Income at December 31, 2017	Shareholders' equity
A - Subsidiaries (50% or more of common stock)					
France					
Santeos	4 294	4 294	100%	943	2 620
Worldline Bourgogne	373	373	100%	488	537
Similo SAS	600	600	100%	419	501
Worldline participation 1 SA	2 426	-	100%	-4	18
Diamis (1)	15 367	15 367	100%	988	4 547
Benelux					
Worldline SA (Luxembourg)	33 900	33 900	100%	17 450	110 474
Worldline NV/SA	324 466	324 466	100%	10 654	531 638
Equens SE	254 086	254 086	23,14%	5 927	200 655
Asia					
Worldline (Taiwan)	900	900	100%	337	761
B - Others (Less than 50%)					
Buyster	6 299	(0)	25%	575	671
Atos Intégration	620	620	5%	7 625	-41 290
Atos IT Solutions and Services SA (Argentina)	9 211	9 211	24%	-953	1 563
In Touch	3 675	3 675	26,0%	-	-
Other participations	39	39			
TOTAL MAIN INVESTMENTS	**656 256**	**647 531**			

(1) See "E.5.4.2 highlight" for detail regarding fair value of investments in DIAMIS.

NOTE 4 TRADE ACCOUNTS AND NOTE RECEIVABLE

(In € thousand)	Gross amount at December 31, 2017	Depreciation	Net value December 31, 2017	Net value December 31, 2016
Trade accounts and note receivable	57 632		57 632	74 972
Doubtful debtors	1 016	-885	131	130
Invoices to be issued	46 291		46 291	32 907
TOTAL TRADE ACCOUNTS AND NOTE RECEIVABLE	**104 939**	**-885**	**104 054**	**108 009**

The maturity of trade accounts and note receivable is less than one year.

NOTE 5 OTHER RECEIVABLES

(In € thousand)	December 31, 2017	December 31, 2016
Debtor suppliers	1 296	1 395
Staff	108	125
Social-security receivables	48	49
Tax (Corporation tax, VAT, R&D tax credit, …)	16 986	15 656
Group current accounts	2 065	2 945
Other	145	
TOTAL OTHER RECEIVABLE	**20 648**	**20 170**

The maturity of other receivables is less than one year.

ACCRUED INCOME

(In € thousand)	December 31, 2017	December 31, 2016
Trade accounts, notes receivable and other receivables	46 291	32 907
Other receivables	1 296	1 395
TOTAL ACCRUED INCOME	**47 587**	**34 301**

NOTE 6 CASH AND SECURITIES

(In € thousand)	Gross amount at December 31, 2017	Depreciation	Net value December 31, 2017	Net value December 31, 2016
Securities	0	0	0	252 594
Cash at bank	9 396	0	9 396	0
TOTAL CASH AND SECURITIES	**9 396**	**0**	**9 396**	**252 594**

At year end, worldline owned no treasury shares in the frame of its liquidity contract signed with Rothschild Martin Maurel.
Securities correspond to short-term investments of available cash surpluses.

NOTE 7 PREPAID EXPENSES

(In € thousand)	**December 31, 2017**	**December 31, 2016**
Support fonctions services	6 911	14 662
Maintenance	1 304	959
Rentals	5 410	3 959
Insurance	2 100	1 989
Other external expenses	7 941	5 183
TOTAL Prepaid expenses	**23 666**	**26 751**

NOTE 8 SHAREHOLDERS' EQUITY

COMMON STOCK

	December 31, 2017	**December 31, 2016**
Number of shares	132 898 963	132 346 996
Nominal value (in EUR)	0.68	0.68
Common stock (In € thousand)	**90 371**	**89 996**

In 2017, number of shares increased by 551,967 shares following the exercise of stock-options by employees of the worldline group.

CHANGES IN SHAREHOLDERS' EQUITY

(In € thousand)	**December 31, 2016**	**Dividends**	**Appropriation of result**	**Capital increase**	**Net Income 2017**	**December 31, 2017**
Common stock	89 996			375		90 371
Additional paid-in capital	248 698			10 519		259 217
Legal reserve	8 316		683			8 999
Retained earnings	5 657		236 450			242 107
Net income for the period	237 133		-237 133		-24 392	-24 392
Total of the shareholders's equity	**589 800**	**0**	**0**	**10 894**	**-24 392**	**576 302**

NOTE 9 PROVISIONS

(In € thousand)	**December 31, 2016**	**Charges**	**Release used**	**Release unused**	**Scope**	**December 31, 2017**
Pensions	13 139	2 529	-314	0	0	15 355
Litigations and contingencies	854	438	-534	-51	0	706
Termination loss contracts	2	0	-2	0	0	0
Other provisions	366	33	-152	0	0	247
TOTAL PROVISIONS	**14 362**	**3 000**	**-1 002**	**-51**	**0**	**16 308**
Of which - operating		*2 616*	*-1 002*	*-51*		
- financial		*384*				

PENSIONS

Pension evolution over 2017 is presented below:

(In € thousand)	
Pensions at January 1, 2017	**13 102**
Service cost	1 669
Interest costs	379
Contributions paid	-314
Scope	0
Amortization of actuarial gain and loss	479
Other	41
Pensions at December 31, 2017	**15 355**

Reconciliation between pension commitments and computed provision is presented below:

(In € thousand)	
Commitment at January1, 2017	**26 197**
Service cost	1 669
Interest costs	379
Contributions paid	-314
Actuarial gain and loss generated during the period	157
Scope impact	0
Other	-516
Commitment at December 31, 2017	**27 572**
Non recognized actuarial gain and loss	-12 217
Pensions provision at December 31, 2017	**15 355**

Evaluation is carried out on an individual basis and main parameters of the calculation are described below:

- Discount rate: 1.5%
- Future reevaluation of wages: 1.6%
- Estimated turnover rate :
  - Executives (ie cadres) : decreasing (from 7.80% at the age of 25 years old) according to the age and zero as from 56 years old
  - Non cadres (ie non-cadres) : decreasing (from 5.46% at the age of 20 years old) according to the age and zero as from 56 years old

NOTE 10 FINANCIAL BORROWINGS

CLOSING NET DEBT

(In € thousand)		Up to 1 year	1 to 5 years	Gross value December 31, 2017	Gross value December 31, 2016
Bank overdraft		67 265		67 265	324 686
Other borrowings		417	172	589	686
Group current accounts					
Total Borrowings		**67 682**	**172**	**67 854**	**325 371**
Group current accounts		-2 863		-2 863	-991
Securities	Note 6	0		0	252 594
Cash at bank	Note 6	9 396		9 396	
Closing net debt		**-61 149**	**-172**	**-61 321**	**-73 768**

NOTE 11 TRADE ACCOUNTS, NOTES PAYABLE AND OTHER LIABILITIES

(In € thousand)	Gross amount December 31, 2017	Gross amount December 31, 2016
Accounts payable	97 064	78 528
Personnel	22 558	22 407
Social security and other employee welfare liabilities	24 814	21 630
VAT payable	15 337	14 918
Intercompany current account liabilities	4 927	3 936
Other liabilities	4 006	5 680
TOTAL PAYABLES	**168 706**	**147 099**

Maturity of accounts payable is up to one year.

ACCRUED LIABILITIES

(In € thousand)	December 31, 2017	December 31, 2016
Invoices to be received	57 730	56 290
State and employee related liabilities	39 079	28 381
Other accrued liabilities	3 178	3 026
TOTAL ACCRUED LIABILITIES	**99 987**	**87 697**

NOTE 12 DEFERRED INCOMES

At the end of 2017, deferred incomes reach € 13.3 million and mainly relates to timing difference on project revenue versus invoicing.

NOTE 13 REVENUE

REVENUE SPLIT

(In € thousand)	December 31, 2017	%	December 31, 2016	%
Merchant Services	73 387	21,2%	75 468	17,4%
Financial Processing & Software licensing	0	0,0%	109 010	25,1%
Financial Services	185 948	53,6%	203 331	46,8%
Other revenue from group services	87 397	25,2%	46 970	10,8%
Total revenue by Global Business Lines	**346 732**	**100%**	**434 779**	**100%**
France	286 902	82,7%	373 087	85,8%
Foreign countries	59 830	17,3%	61 692	14,2%
Total revenue by geographical area	**346 732**	**100%**	**434 779**	**100%**

Revenue decreased by 20 % due to:

- The sale of the financial services activities of the company to Equensworldline SE on september 30, 2016
- The termination of the automated traffic offence management contract with the french government (the radar contract) in june 2016 despite new revenue increase on recent awarded contracts in 2017 (si samu, bracelets electroniques)
- The end of miscellaneous contracts and high level of activities in 2016.

NOTE 14 FINANCIAL RESULT

(In € thousand)	December 31, 2017	December 31, 2016
Dividends received	1 643	1 206
Investment banking revenues	1 115	876
Other financial income	427	555
Total of the financial income	**3 185**	**2 637**
Intercompany loans interests		
Intercompany current accounts interests		
Provision for depreciation on investments in non consolidated companies		
Other financial provisions	-384	-514
Short term borrowing interests		
Foreign exchange losses	-75	-39
Other financial expenses	-1 003	-1 323
Total of the financial expenses	**-1 462**	**-1 876**
Net financial result	**1 723**	**761**

Dividends received in 2017 were paid by Worldline Bourgogne and Santeos, two french subsidiaries.

Other financial expenses include mainly non utilization fees related to the €300 million revolving credit facillity granted by Bull International SAS.

NOTE 15 NON RECURRING ITEMS

(In € thousand)	December 31, 2017	December 31, 2016
Selling price from disposal of financial investments (1)	74	254 517
Reversal of provision for tangible assets		5 488
Reversal of provision for trade accounts receivable	439	413
Other income	2 376	8 015
Total of non recurring income	**2 815**	**268 433**
Net book value of financial investments sold (2)	-94	-6 651
Provisions for liabilities and charges	-121	-124
Other expenses	-10 782	-17 173
Total of non recurring expenses	**-10 996**	**-23 948**
Non recurring items	**-8 181**	**244 485**

(1) Impact of Equens carveout in 2016: FPL Equens shares received for +254.5 M€

(2) Impact of the contribution of the Mantis and Arabor entities to Equens in 2016 for € 6.7 million.

Other expenses for 2016 mainly include corporate costs (Equens SE acquisition and transformation plan Team) of € 10.7 million and the disposal of fixed assets related to the Radar project for € 4.7 million (disposal compensated by reversal of the corresponding provision). Other revenue mainly corresponds to the re-invoicing of the transformation plan Team, Equens SE acquisition costs and insurance premium subscribred for subsidiaries.

Other expenses for 2017 mainly include corporate costs (Equens SE acquisition, transformation plan Team re-invoicing and the ERP set up) of € 3.7 million. Other revenue mainly corresponds to the re-invoicing of these costs to the group subsidiaries.

NOTE 16 TAX

TAX CONSOLIDATION AGREEMENT

Worldline fiscal tax group presents indefinably usable loss carry forward which reach €-55 million at year end

Decrease and increase of the future tax charge of worldline taxed separately.

At year end, decreases and increases of the future tax charge were broken down as follows:

(In € thousand)	Basis Decrease	Basis Increase
Temporary differences	**16 934**	
TOTAL TEMPORARY DIFFERENCES	**16 934**	

No deferred tax assets or liabilities had been recognized.

BREAKDOWN BETWEEN NET INCOME ON ORDINARY ACTIVITIES AND NON-RECURRING ITEMS

(In € thousand)	Before tax	Computed tax	Net amount
Net income on ordinary activities	(15 565)		(15 565)
Non recurring items, tax credit and employee participation	(10 974)	2 147	(8 827)
TOTAL CORPORATE TAX	**(26 539)**	**2 147**	**(24 392)**

During the year, worldline received a tax credit for the research tax credit for €2.3 million, the tax consolidation bonus of €-0.3 million and a withholding tax of €0.5 million.

NOTE 17 OFF-BALANCE SHEET COMMITMENTS

COMMITMENTS GIVEN

(In € thousand)	December 31, 2017	December 31, 2016
Parantal guarantees	2 900	2 900
TOTAL COMMITMENTS GIVEN	**2 900**	**2 900**

COMMITMENTS RECEIVED

(In € thousand)	December 31, 2017	December 31, 2016
Bank guarantees	798	498
TOTAL COMMITMENTS RECEIVED	**798**	**498**

NOTE 18 RELATED PARTIES

Income statement

(In € thousand)	December 31, 2017	December 31, 2016
Financial expenses	(745)	(747)
Financial income	1 878	1 566
Other operating expenses	(4 083)	(9 306)
Other operating income	2 303	262 531
TOTAL	**(647)**	**254 044**

Assets

(In € thousand)	December 31, 2017	December 31, 2016
Trade accounts and notes receivables	49 749	52 144
Group current accounts	2 065	2 945
Other current assets	852	540
TOTAL	**52 666**	**55 629**

Liabilities

(In € thousand)	December 31, 2017	December 31, 2016
Trade accounts and note payable	42 082	33 959
Group current accounts	4 927	3 936
Other current liabilities	251	
TOTAL	**47 260**	**37 895**

During 2017 there was no transaction referring to the article r.123-198 11 of "code du commerce" with related parties. Transactions made by the company with those related parties were performed under market conditions.

NOTE 19 OTHER INFORMATION

AVERAGE WORKFORCE PER CATEGORY

	December 31, 2017	December 31, 2016
Engineers and managerial staff	1 896	2 376
Employees, technicians and supervisory staff	387	365
TOTAL AVERAGE WORKFORCE	**2 283**	**2 741**

COST OF KEY MANAGEMENT PERSONNEL OF THE GROUP

In 2017, the expenses related to key management personnel include those related to the CEO since its appointment and in accordance with the agreement entered into with atos in relation to the dedication and remuneration of the Worldline CEO.

The expenses related to the general manager have been taken at 100% for the full year. No cost was recorded in relation to the chairman of the board of directors. These expenses amounted to € 2,2 million.

Director fee expense for 2017 amounted to € 0.1 million.

NOTE 20 SUBSEQUENT EVENTS

There are no subsequent events.