Worldline

First half 2018

Operational review
Financial review
Interim condensed consolidated financial statements

Disclaimer

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The review procedures on the interim financial information have been performed by the statutory auditors. Their review report is currently being issued.

In the operational review, revenue organic growth and OMDA are presented at constant scope and exchange rates, and restated for the impacts of IFRS 15. 2018 objectives have been considered with exchange rates as of December 31, 2017.

Unless otherwise stated, 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.

Global Business Lines include Merchant Services (in Argentina, Belgium, Brazil, Czech republic, France, Germany, India, Luxembourg, Malaysia, Poland, Spain, Sweden, The Netherlands, United Kingdom, USA), Financial Services (in Belgium, China, Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, Taiwan, The Netherlands and the United Kingdom.), and Mobility & e-Transactional Services (in Argentina, Austria, Belgium, Chile, China, France, Germany, Spain, The Netherlands and United Kingdom).

This document does not contain or constitute an offer of Worldline's shares for sale or an invitation or inducement to invest in Worldline's shares in France, the United States of America or any other jurisdiction.

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A OPERATIONAL REVIEW

A.1 Significant event of the period:

A.1.1 Acquisition of SIX Payment Services

Worldline and SIX, announced on May 15, 2018 that they have signed an agreement to enter into a strategic partnership where Worldline would acquire SIX Payment Services, the payment services division of SIX, for a consideration of € 2,303 million[1] (CHF 2,750 million).

SIX Payment Services (SPS), the payment services division of SIX, with c. € 530 million 2019 estimated net revenue, c. 1,600 staff and 6 countries of significant direct presence, is the clear leader of the DACH region, with n°1 commercial acquiring market positions in Switzerland, Austria and Luxembourg and a sizeable presence in Germany.

With 81 % of its turnover in merchant services (c. € 430 million), SIX Payment Services is one of the largest and most successful non-bank commercial acquirers in Continental Europe, servicing c. 210.000 merchants both off-line and on-line. It also has a significant scale in Financial Services, delivering c. € 100 million revenue from financial processing services to c. 180 banks and financial institutions, in particular to the Swiss banking community.

A major transformational transaction for Worldline

The merger of SIX Payment Services within Worldline would allow major enhancement to the business profile and positions of the combined group as follows:

- c. +30 % Group revenue increase and staff increase of +1.600 (+17 %);
- c. +65% increase in the Merchant Services business attaining over € 1 billion annual revenue and a n°1 position in continental Europe;
- major rebalancing of Worldline European geographic presence thanks to the acquisition of many new leading positions in the DACH region;
- c. +12% increase in the Financial Services business, which will reach c. € 900 million revenue, further reinforcing its existing n°1 position;
- a new 10 year commercial relationship, through and with SIX, to deliver financial processing services to the Swiss banking ecosystem.

In Merchant Services, the acquisition of SIX Payment Services would be a clear quantum leap allowing Worldline to establish itself as the n°1 non-bank acquiring platform in Continental Europe

Key transaction financial terms

- Worldline to acquire SIX Payment Services from SIX for a consideration of € 2,303 million (CHF 2,750 million) composed of:
  - 49.1 million of new Worldline shares to be issued, representing 27% of the share capital; and
  - € 283 million (CHF 338 million) in cash, subject to customary net debt and working capital adjustments.

  After the completion of the transaction, Atos would own 51% of Worldline shares and SIX would become the second largest shareholder of the Company.

  The transaction implied EV/ 2019e OMDA multiple is estimated at 17.5x post 2019 synergies, and at 11.0x multiple post run-rate synergies.

[1] 1 EUR = 1.194 CHF

- The agreement also includes a mechanism to potentially compensate SIX up to € 139 million (CHF 166 million) in Q2 2020 depending on Worldline value creation by then.

- In addition, Worldline purchases from SIX specific identified assets (the deferred payment related to the Visa Europe Share[2] and specific tax losses carried forward in Luxemburg) for a total amount of € 46 million (CHF 55 million).

- The transaction comprises a 10-year commercial contract with SIX to deliver a wide range of processing services to the Swiss banking community. In that context, Worldline has undertaken in a related transaction to become a 20% shareholder in TWINT (the Swiss next-generation bank owned mobile and P2P payment scheme and solution) for a € 25 million (CHF 30 million) investment, alongside SIX and other banking actors.

- Transaction costs are estimated to € 15~20 million.

Synergy plan

A detailed industrial program would be implemented with the objective to reach c. € 110 million additional OMDA in 2022, of which c. 25% will be achieved in 2019 and c. 50% in 2020. The cost to implement the synergies is estimated at € 110 million.

Timing of the transaction

The parties are working towards swift completion of this acquisition, which is in particular subject to regulatory clearances in Austria, Belgium, Luxembourg, the Netherlands and Sweden. Competition clearances have already been obtained in Austria, Germany and Serbia and are progressing in Switzerland.

Respective clearances are expected to be obtained in due course, and as soon as all the conditions precedent are satisfied, Worldline's General Shareholders' Meeting will be convened in order to approve the contribution during the fourth quarter of 2018.

The closing process of the transaction is on track for a completion by the end of the year.

A.1.2 New large contract: Commerzbank and equensWorldline form a strategic partnership for Payments Processing

During the semester, equensWorldline has signed a strategic partnership and a very large contract with Commerzbank. The partnership will see equensWorldline process all SEPA, instant payments, multi-currency, and domestic payments for Commerzbank, for a period of ten years upon migration on Worldline's platforms. equensWorldline will onboard and transition Commerzbank's applications to its newest platform technologies. After this migration, approximately 4 billion additional SEPA transactions will be processed per year by equensWorldline for Commerzbank.

In a separate contract signed earlier this year, Commerzbank has granted the outsourcing of its Financial Messaging SWIFT Infrastructure to equensWorldline.

[2] *Visa Class C convertible preferred stock*

A.2 Executive Summary

At constant scope and exchange rates, Worldline H1 revenue stood at € 818.6 million representing an organic growth of +5.8% (€+44.6 million) compared with H1 2017.

- Merchant Services, which represented 35% of Worldline's revenue, grew by +4.4% organically and reached € 287.4 million, mainly led by the growth in Merchant Payment Services.
- Accounting for 45% of total revenue, Financial Services revenue reached € 371.7 million, improving organically by +7.3% compared to H1 2017. All four business divisions of the Global Business Line contributed to that growth.
- Representing 20% of total revenue, Mobility & e-Transactional Services revenue reached €159.5 million, increasing by +4.7% organically.

By geography, revenue organic growth was mostly driven by:

- North & South Europe (€+17.3 million or +22.6%) thanks to a high project activity;
- Emerging Markets (€+13.2 million or +18.7%) reflecting in particular the strong growth of the Group's operations in Latin America and in India; and
- France (5.4% or +€9.8 million) thanks to new contracts signed in 2017 with government agencies.

UK, Germany - Central & Eastern Europe (€+6.2 million or +3.7%) also grew thanks good volumes and to a software license revenue recognized on a large outsourcing contract, which was partly offset by a revenue decrease in e-Ticketing in the United Kingdom.

Sales in Belgium increased slightly (€+4.0 million or +2.3%) while sales in The Netherlands decreased by -5.8% or €-6.0 million due to a negative comparison effect with 2017, where strong project revenue was recorded.

As a percentage of revenue, Worldline's Operating Margin before Depreciation &Amortization ("OMDA") increased by +120 basis points ("bp") or €+19.5 million organically and reached € 179.5 million (21.9% of revenue). This improvement was led by Financial Services, with an OMDA progressing by +280 basis points or €+17.0 million thanks to good volumes, synergies realized at equensWorldline and positive one-offs. Merchant Services' OMDA was up by +70 basis points (€+4.4 million), while Mobility & e-Transactional Services OMDA decreased by €-5.0 million or -380 basis points, impacted by the investment phase linked to numerous recently won contracts.

The backlog at the end of June 2018 remained strong and increased to € 2.7 billion.

The total headcount was 9,857 at the end of June 2018, compared to 9,467 at the beginning of 2018. The increase of +4.1% (or +390 staff) of the Group total workforce was mainly due to the net increase in direct workforce of +381 staff, mainly to strong business development in India, in France and in North & South Europe.

A.3 Statutory to constant scope and exchange rates reconciliation

For the analysis of the Group's performance, revenue and OMDA for H1 2018 is compared with H1 2017 revenue and OMDA at constant scope and foreign exchange rates and restated from IFRS15 impacts.

Reconciliation between the H1 2017 reported revenue and OMDA and the H1 2017 revenue and OMDA at constant scope and foreign exchange rates and restated from IFRS15 impacts are presented below (per Global Business Lines):

	Revenue					
In € million	**H1 2017**	**IFRS 15**	**Internal transfers**	**Scope effects**	**Exchange rates effects**	**H1 2017***
Merchant Services	260.8	-0.5	-0.9	+20.1	-4.1	275.4
Financial Services	345.1	-4.3		+6.6	-1.0	346.4
Mobility & e-Transactional Services	172.2	-12.7	+0.9		-8.0	152.3
Worldline	**778.1**	**-17.6**	**+0.0**	**+26.7**	**-13.1**	**774.1**

** At constant scope and June 2018 YTD average exchange rates, and restated from IFRS 15*

	OMDA					
In € million	**H1 2017**	**IFRS 15**	**Internal transfers**	**Scope effects**	**Exchange rates effects**	**H1 2017***
Merchant Services	53.3		-0.2	+5.9	-1.5	57.5
Financial Services	88.9			+3.9	-0.3	92.4
Mobility & e-Transactional Services	22.7		+0.2		-1.5	21.4
Corporate	-11.3					-11.3
Worldline	**153.5**	**0**	**+0.0**	**+9.8**	**-3.3**	**160.0**

** At constant scope and June 2018 YTD average exchange rates, and restated from IFRS 15*

IFRS 15 accounting standard "Revenue from contracts with customers" is applicable from January 1, 2018 onwards and its impact on the H1 2017 revenue is −2.3%

Internal transfers correspond to transfer and refocus of some contracts between Merchant Services and Mobility & e-Transactional Services.

Scope effects correspond to:

- In Merchant Services: addition of H1 2017 revenue of MRL Posnet and Digital River World Payments, deduction of H1 2017 revenue from Paysquare Belgium;
- In Financial Services: addition of H1 2017 revenue of First data Baltics and Diamis, and deduction of H1 2017 revenue from Cheque Service.

Exchange rate effects correspond mainly to the depreciation of the Argentinian Peso and of Asian currencies (mostly the Indian Rupee).

The H1 2017 figures presented in this operational review are based on the constant scope and foreign exchange rates data and restated from IFRS15 impacts.

A.4 Revenue profile evolution

In € million	Revenue		
	H1 2018	H1 2017*	% of Total
Merchant Services	287.4	275.4	35.1%
Financial Services	371.7	346.4	45.4%
Mobility & e-Transactional Services	159.5	152.3	19.5%
Worldline	**818.6**	**774.1**	**100.0%**

** At constant scope and June 2018 YTD average exchange rates*

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

In € million	Revenue		
	H1 2018	H1 2017*	% of total revenue
France	191.8	182.0	23.4%
UK, Germany and CEE	175.8	169.6	21.5%
Belgium	175.7	171.7	21.5%
Netherlands	97.4	103.5	11.9%
North & South Europe	94.2	76.8	11.5%
Emerging markets	83.8	70.6	10.2%
Worldline	**818.6**	**774.1**	**100%**

** At constant scope and June 2018 YTD average exchange rates*

A.5 Performance by Global Business Line

In € million	Revenue			OMDA		OMDA %		
	H1 2018	H1 2017*	% Organic Growth	H1 2018	H1 2017*	H1 2018	H1 2017*	Var.
Merchant Services	287.4	275.4	+4.4%	61.9	57.5	21.5%	20.9%	+0.7 pt
Financial Services	371.7	346.4	+7.3%	109.5	92.4	29.4%	26.7%	+2.8 pt
Mobility & e-Transactional Services	159.5	152.3	+4.7%	16.4	21.4	10.3%	14.0%	-3.8 pt
Corporate Costs				-8.4	-11.3	-1.0%	-1.5%	+0.4 pt
Worldline	**818.6**	**774.1**	**+5.8%**	**179.4**	**160.0**	**21.9%**	**20.7%**	**+1.2 pt**

** At constant scope and June 2018 YTD average exchange rates, and restated from IFRS 15*

A.5.1 Merchant Services

In € million	H1 2018	H1 2017*	% Organic Growth
	Merchant Services		
Revenue	287.4	275.4	+4.4%
OMDA	61.9	57.5	
% OMDA	21.5%	20.9%	+0.7 pt

** At constant scope and June 2018 YTD average exchange rates, and restated from IFRS 15*

Merchant Services revenue at the end of H1 2018 reached **€ 287.4 million**, improving organically by €+12.1 million or **+4.4%** compared to H1 last year:

- Growth in ***Merchant Payment Services*** was primarily fueled by *Commercial Acquiring* services, thanks notably to:
  - A strong revenue growth in Continental Europe, triggered by higher volumes on international card transactions in Belgium as well as positive developments in all other European countries ; and
  - A solid double digit growth in India.

  This strong acceleration of *Commercial Acquiring* was nonetheless partly offset by the temporary slowdown of *Payment Terminal Services*. Indeed, despite the successful commercial development of newly launched products such as the unattended payment terminal VALINA, the volumes of payment terminals sold in 2018 do not reach the high level of 2017 sales. In H1 2018, the growth of Merchant Services without *Payment Terminal Services* would have been above +7.5%.

- ***Merchant Digital Services*** grew as well, thanks mainly to *Digital Retail* project revenue in the United Kingdom.

Merchant Services' OMDA was up by **+70 basis points** at the end of June 2018 compared to last year (€+4.4 million) and reached **€ 61.9 million** or 21.5% of revenue, thanks to:
- Good business trends in Commercial Acquiring;
- Contributive effect of MRL Posnet integration; and
- The impacts of transversal productivity improvement actions.

This good performance was partly offset by the lower revenue in payment terminals.

A.5.2 Financial services

In € million	Financial Services		
	H1 2018	H1 2017*	% Organic Growth
Revenue	371.7	346.4	+7.3%
OMDA	109.5	92.4	
% OMDA	29.4%	26.7%	+2.8 pt

** At constant scope and June 2018 YTD average exchange rates, and restated from IFRS 15*

Revenues in **Financial Services** reached **€ 371.7 million**, improving organically by €+25.3 million or **+7.3%** compared to H1 2017. All four business divisions contributed to that growth:

- ***Acquiring Processing*** grew thanks to high project activity as well as to strong growth in authorization volumes, notably in France, Southern Europe and Germany;
- ***Account payments*** benefitted from good SEPA payment transaction volumes, strong volume growth on transactions on the Dutch iDeal scheme as well as from a strong project activity for Instant Payments and SWIFT payments. This division also benefited from the recognition of a software license revenue linked to a large outsourcing contract;
- ***Issuing Processing*** enjoyed a continuous increase in e-Payment strong authentication services and e-Wallet transactions. Worldline Baltics also contributed to growth beyond its acquisition business plan;
- Growth in ***Digital Banking*** was fueled by new projects in France in e-Brokerage and in digital banking platforms related to Access to Accounts (PSD2).

Financial Services reached an **OMDA** of **€ 109.5 million** (29.4% of revenue) representing an organic increase of **+280 basis points** or €+17.0 million, compared to the same period in 2017. This performance was driven by savings in the cost base resulting from the implementation of the synergy plan that started with the integration of equensWorldline and by good business trends in all four business lines, supported by software license revenues and the specific revenue linked to contract renegotiations.

A.5.3 Mobility & e-Transactional Services

In € million	H1 2018	H1 2017*	% Organic Growth
	Mobility & e-Transactional Services		
Revenue	159.5	152.3	+4.7%
OMDA	16.4	21.4	
% OMDA	10.3%	14.0%	-3.8 pt

** At constant scope and June 2018 YTD average exchange rates, and restated from IFRS 15*

Mobility & e-Transactional Services reached **€ 159.5 million**, improving organically by €+7.2 million or **+4.7%** compared to last year:

- ***Trusted Digitization*** grew double digit, benefiting from a strong momentum with French government agencies following the good order entry recorded in 2017. In addition, business was robust in Latin America, both in healthcare transactional services and in tax collection services;
- Growth in ***e-Consumer & Mobility*** was fueled notably by Connected Living activities in Germany and in Iberia; and
- Despite good business growth in Latin America and the ramp-up of Tap-2-Use projects in France based on the new Open Payment technologies, revenue in ***e-Ticketing*** decreased impacted by lower project revenue in the United Kingdom.

Mobility & e-Transactional Services OMDA reached **€16.4 million** or 10.3% of revenue, decreasing by €-5.0 million or **-380 basis points**. The OMDA of the Global Business Line is indeed impacted by the investment phase linked to numerous recently won contracts. To cope with the challenges of fast resource ramp-up accentuated by tensions on the recruitment market, a strong productivity improvement plan has been launched for H2 2018 and 2019.

A.5.4 Corporate costs

Corporate costs have decreased by -2.9 million thanks the successful impact of TEAM² program.

A.6 Revenue performance per geography

In € million	Revenue			
	H1 2018	**H1 2017***	**Var**	**% Var.**
France	191.8	182.0	9.8	5.4%
UK, Germany and CEE	175.8	169.6	6.2	3.7%
Belgium	175.7	171.7	4.0	2.3%
Netherlands	97.4	103.5	-6.0	-5.8%
North & South Europe	94.2	76.8	17.3	22.6%
Emerging markets	83.8	70.6	13.2	18.7%
Worldline	**818.6**	**774.1**	**44.6**	**5.8%**

** At constant scope and June 2018 YTD average exchange rates*

France posted revenue of € 191.8 million, increasing organically by **+5.4%** in H1 2018, primarily thanks to a high single digit growth recorded in Mobility & e-Transactional Services mainly driven by Trusted Digitization projects. Financial Services grew as well, thanks to Digital Banking services, while revenue in Merchant Services was stable.

In **UK, Germany and CEE**, revenue amounted to € 175.8 million in H1 2018, representing an organic growth of **+3.7%,** driven by Financial Services in Germany thanks to good transaction volumes and software license revenue recognition, while revenue decreased in the United Kingdom due to lower project activity in e-Ticketing.

Belgium had revenue of € 175.7 million in H1 2018, up **+2.3% organically**. That growth was primarily fueled by Commercial Acquiring thanks to a better price mix (higher proportion of transactions on International card schemes), offset by a decrease in Payment Terminal services due to less unit sold.

Netherlands revenue stood at € 97.4 million and decreased by **-5.8%** organically: the good performance in Account Payments (increase in iDeal number of transactions by +40%) could not compensate the negative comparison effect arising from a high non-recurring activity in Issuing Processing last year.

Revenue in **North & South Europe** (€ 94.2 million, **+22.6%** organically) was supported by overall good transaction volume growth as well as by specific revenue linked to contract renegotiations.

Emerging markets revenue (€83.8 million) grew by **+18.7%** organically**.** Revenue in India continued to grow significantly. Good business trends in APAC and in Latin America contributed positively as well.

A.7 Commercial activity

A.7.1 Main achievements and contract signatures of the period

Merchant Services

Good momentum and top line synergies with recently acquired companies

- **Business in India** remains strong and as of June 30, 2018, Worldline India manages over 1.3 million payment acceptance points (circa 1 million POS payment terminals as well as circa 300 thousand QR codes). Important contracts were renewed, in particular with Bank of Baroda, Yes Bank, Central Bank of India and Sodexo for a period of three years each. Last, revenue synergies with MRL Posnet, which was acquired in November last year, materialize fast with in particular already 5,000 MRL customized payment terminals sold to historical Worldline India customers.

- **Regarding online payments**, the relevance of the acquisition of Digital River World Payments last year was demonstrated by a new contract signed with AvailPro, Europe's leading centralized hotel booking engine. 10.500 hotels are connected to AvailPro's Channel Manager which in turn is connected to all booking engines. Worldline will deliver an end-to-end solution in e-Commerce, helping the hotels via Availpro to take payment directly. That solution relies on Worldline Online Payment Acceptance solution, covering gateway and commercial acquiring services for a period of 3 years.

Very solid growth in online acquiring

- After a specific commercial push, Worldline is experiencing a circa +20% revenue growth in e-acquiring services in Europe.

Commercial successes of Worldline mobile payment & omni-channel solutions

- A digital platform was sold to a major French appliance retailer. In addition, Total, in collaboration with Worldline, has launched Total e-wallet, a 100% digital and connected solution for customers to fill up and pay for purchases through their mobile phone in just a few clicks.

Payment terminals

- Despite a more difficult market context in Europe, good orders were recorded for Worldline's newest unattended **payment terminal VALINA**, with in particular circa 1000 units sold in the United Kingdom for London city shared bike infrastructure.

Two new PSD2 licenses

- Worldline has obtained two new licenses, linked to the PSD2, from the National Bank of Belgium enabling the company to become a Payment Initiation Service Provider (PISP) and an Account Information Service Provider (AISP).

Financial Services

Significant contract signatures and renewals

- Worldline signed, beyond the large Commerzbank deal, significant contract renewals, such as the payment processing contract with De Volksbank that was extended for another five years. That contract includes issuing services and iDeal services, together with the set-up of a new Instant Payment Engine for the back office and a multi-currency payments back office module.

In online and mobile payments:

- equensWorldline is supporting Commerzbank with technology based on its mobile payment platform for the launch of Google Pay, Google's mobile payment system. The mobile payment platform is certified by both Visa and MasterCard and, in conjunction with their tokenization services and Google Wallet, guides the cardholder's entire registration process; and
- In May, Trusted Authentication transactions volumes exceeded **10 million**, which represent a very strong increase against the average volume recorded in 2017, which was around 3.7 million transactions per month.

Regarding Account Payment processing and Instant Payment:

- The Group reaffirmed its technology leadership with the French bank BRED selecting Worldline's CRISTAL Instant Payments licensed software for the implementation of its Instant Payment platform;
- The PSD2 compliant digital banking platform and the access to accounts platform sold to a major European financial institution are now in full operation;
- Seven north European banks decided to implement the equensWorldline ASPSP-solution to help them meet the compliance deadline for access to account, leveraging "Worldline Digital Banking Platform" which received the PayFORUM Award 2018 in the category "API" (Application Programing Interface"); and
- The Mobile Proxi Forum, a body of the European Payment council (EPC), appointed equensWorldline as its preferred Standardised Proxy Lookup (SPL) service. This service is designed to allow and operate interoperability between participating mobile peer-to-peer payment solutions

Mobility & e-Transactional Services

Regarding ***e-Ticketing***, in cooperation with Dijon Métropole, Keolis, the Caisse d'Epargne de Bourgogne Franche-Comté and Visa, Worldline announced the launch of a new innovation in the field of Open Payment for public transport in Dijon, where, for the first time in France, a transport network in a large city has equipped its trams with contactless validation terminals, enabling passengers to pay for their journeys directly on board using their usual contactless bank debit card.
Following the success of this solution, where after only 2 months the operator has reached half the objectives set for 2020, Worldline signed two other contracts based on the same Tap2Use solution:

- One in the French "Grand Est" Region, where Worldline will implement and operate a cross-border ticketing solution with Germany;
- The other with the metropolis of Amiens where Worldline will implement a multi-service platform allowing citizens to access with a single identifier (mobile, contactless card) to a wide variety of mobility, cultural and sports services.

In Trusted Digitization:

- A contract was signed with the ANCV (Agence Nationale des Chèques Vacances – holiday vouchers), with whom Worldline will implement a secured digital platform to transition from paper vouchers, integrating technologies developed for Merchant Services and Financial Services;
- Worldline signed a new contract in France with the pension fund *CNSA* to build and run new services allowing handicapped and elderly people to remotely manage their payment benefits;
- Also, in Austria, Worldline renewed its contract with the city of Vienna for their mobile parking payment solution; and
- The very successful Go-to-Market of Worldline Track & trace solution was demonstrated by further contracts this semester with tobacco manufacturers in the context of the implementation of the mandatory Tobacco Product Directive, securing the mandatory payment of the various excises and duties due to the European governments.

In e-Consumer and Mobility:

- Worldline enjoyed an excellent commercial development for its WL Contact offer;
- A new contract was signed in Austria with Worldline Energy Security Suite, a solution to secure smart meters communications.

Also, Worldline and Bureau Veritas announced the **launch of Origin**, a jointly developed **traceability solution built on blockchain technology** and offering a smart and practical way for consumers to access information on each stage of a product's journey. For the first time in the world, a traceability label will give consumers a complete end-to-end proof of a product's journey, from farm to fork. The use of blockchain makes Bureau Veritas' Origin technologically innovative and resolves key challenges that have made full food traceability elusive until now. It is first solution of its kind to leverage that technology. Projects are underway with a number of Bureau Veritas clients, and the technology is now ready to be launched to the wider market.

A.7.2 Backlog

Backlog remains high and increased to **€ 2.7 billion**.

A.8 Human resources

The **total headcount** was **9,857** at the end of June 2018, **compared to 9,467 at the beginning of 2018**. The increase of +4.1% (or +390 staff) of the Group total workforce was mainly due to the net increase in direct workforce of +381 staff, mainly in the emerging markets. This increase in staff was linked to strong business development, in particular in India and in France. The business growth of the North and South Europe geography, especially Finland, Italy and Spain, has also contributed to these movements.

The number of direct employees at the end of June 2018 was 9,063, representing 91.9% of the total Group headcount, stable since the beginning of January 2018. Indirect staff was 794, stable since the beginning of the year (+9 employees).

Headcount movements for H1 2018 are detailed by nature and country here below:

Headcount	Opening Jan-18	Reclass	Adjusted opening	Scope effects	Hiring	Leavers	Dismiss / Restruc	Other	Closing June-18	Changes	%
France	**2 852**	-48	**2 804**	+48	+127	-56	-4	-24	**2 896**	+92	+3,3%
Belgium	**1 073**		**1 073**	+0	+87	-49	-7	-7	**1 097**	+24	+2,2%
UK, Germany and CEE	**1 760**		**1 760**	+0	+152	-67	-12	-17	**1 816**	+56	+3,2%
Netherlands	**583**		**583**	+0	+44	-10	-4	+0	**613**	+30	+5,1%
Emerging markets	**1 486**		**1 486**	+0	+238	-125	+0	-14	**1 585**	+99	+6,7%
North & South Europe	**976**		**976**	+0	+110	-11	-18	-1	**1 056**	+80	+8,2%
Direct	**8 730**	-48	**8 682**	+48	+758	-318	-45	-63	**9 063**	+381	+4,4%
Indirect	**787**	-2	**785**	+2	+85	-47	-1	-30	**794**	+9	+1,1%
Total (D+I)	**9 517**	-50	**9 467**	+50	+843	-365	-46	-93	**9 857**	+390	**+4,1%**

2018 opening has been adjusted according to the reclassification of +50 employees coming from Diamis in "Scope effects".

B 2018 OBJECTIVES

Worldline confirms all the objectives for 2018 as stated in the February 20, 2018 press release:

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 circa € 20 million of synergy implementation costs and excluding SIX transaction costs.

C FINANCIAL REVIEW

C.1 Financial review

In this financial review, the financial statements as of and for the period ended June 2018 are compared with statutory data for the similar period in 2017.

C.1.1 Income statement

The Group reported a net income (attributable to owners of the parent) of € 57.2 million for the half year 2018 which represented 7.0% of Group revenue of the period. The normalized net income before unusual and infrequent items (net of tax) was € 77.0 million, representing 9.4% of revenue.

C.1.1.1 Operating Margin

(In € million)	6 months ended 30 June 2018	% Margin	6 months ended 30 June 2017	% Margin
Operating margin	**129.5**	**15.8%**	**113.7**	**15.0%**
Other operating income/(expenses)	(34.2)		(28.1)	
Operating income	**95.3**	**11.6%**	**85.6**	**11.3%**
Net financial income/(expenses)	2.2		(4.3)	
Tax charge	(24.2)		(20.4)	
Share of net profit/(loss) of associates	0.0		0.0	
Non-controlling interests and associates	(16.1)		(10.1)	
Net income – Attributable to owners of the parent	**57.2**	**7.0%**	**50.8**	**6.7%**
Normalized net income – Attributable to owners of the parent (*)	**77.0**	**9.4%**	**67.4**	**8.9%**

(*) Defined hereafter.

C.1.1.2 Operating margin before depreciation and amortization

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

(In € million)	6 months ended 30 June 2018	6 months ended 30 June 2017	Variation
Operating margin	**129.5**	**113.7**	**15.7**
+ Depreciation of fixed assets	47.5	44.1	3.4
+ Net book value of assets sold/written off	0.1	0.3	(0.1)
+/- Net charge/(release) of pension provisions	1.9	(4.8)	6.7
+/- Net charge/(release) of provisions	0.4	0.3	0.1
OMDA	**179.4**	**153.5**	**25.9**

C.1.1.3 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent. They represent a net expense of € 34.2 million for the six-month period ended June 2018. The following table presents this amount by nature:

(In € million)	6 months ended 30 June 2018	6 months ended 30 June 2017
Staff reorganization	(2.0)	(4.2)
Rationalization and associated costs	(2.5)	(1.2)
Integration and acquisition costs	(13.4)	(7.4)
Equity based compensation	(6.9)	(3.1)
Amortization of intangible assets (PPA from acquisitions)	(8.2)	(6.9)
Other items	(1.1)	(5.2)
Total	**(34.2)**	**(28.1)**

Staff reorganization expenses of € 2 million decreased by € 2.2 million compared to last year and correspond mainly to the restructuring costs induced by the recent acquisitions.

The € 2.5 million of **rationalization and associated costs** resulted mainly from costs linked to the acceleration of the TEAM² program, including administrative back office transformation. Those costs have increased by € 1.3 million compared to the first half of 2017.

Integration and acquisition costs reached € 13.4 million, an increase of € 6.0 million compared to the prior period, and corresponded mainly to Equens post-acquisition integration, the post integration programs of companies acquired in 2017 and SIX transaction costs.

The six-month 2018 **Amortization of intangible assets (PPA from acquisitions)** of € 8.2 million corresponds to:

- € 5.0 million of Equens and Paysquare customer relationships;
- € 1.1 million of Cataps (KB Smartpay) customer relationships;
- € 1.1 million of MRL Posnet customer relationships and technologies;
- € 0.6 million of WOPA (Former Digital River World Payments) customer relationships and technologies;
- € 0.5 million of Worldline Baltics (former First Data Baltics) customer relationships.

C.1.1.4 Net financial income

Net financial income amounted to € 2.2 million for the period and was composed of a net cost of financial debt of € 0.6 million and non-operational financial income of € 2.8 million.

The net cost of financial debt amounted to € 0.6 million in the first semester 2018 compared to € 0.4 million in the first semester 2017.

The other financial income / expenses were mainly composed of foreign exchange gains for € 0.6 million, the recognition of the reevaluation of the Visa preferred share through P&L for € 3.3 million and pension financial costs for € 0.9 million. The pension financial costs represent the difference between interest costs on defined benefit obligations and interest income on plan assets for plans which are funded (Cf. Note 16 "Pensions and similar benefits").

C.1.1.5 Corporate tax

The tax charge for the six-month period ended June 30, 2018 was € 24.2 million with a profit before tax of € 97.5 million. The annualized Effective Tax Rate (ETR) of 24.9% adjusted for tax discrete items leads to an ETR of 24.8% to compare with an ETR of 24.9% for the year 2017.

C.1.1.6 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 H1 2018, the amount was € 77.0 million.

(In € million)	6 months ended 30 June 2018	6 months ended 30 June 2017
Net income - Attributable to owners of the parent	**57.2**	**50.8**
Other operating income and expenses	(28.3)	(21.9)
Tax impact on unusual items	8.5	5.4
Normalized net income - Attributable to owners of the parent	**77.0**	**67.4**

C.1.1.7 Half year Earning Per Share

The number of shares as at January 1, 2018 was 132,898,963. The weighted average number of shares amounts to 132,712,980 for the period. As of end of June 2018, potential dilutive instruments comprised stock subscription (equivalent to 1,005,014 options).

(In € million)	6 months ended 30 June 2018	% Margin	6 months ended 30 June 2017	% Margin
Net income [a]	**57.2**	**7.0%**	**50.8**	**6.7%**
Normalized net income [b]	**77.0**	**9.4%**	**67.4**	**8.9%**
Average number of shares [c]	132,712,980		132,406,976	
Impact of dilutive instruments	1,005,014		642,203	
Diluted average number of shares [d]	133,717,994		133,049,179	
(In EUR)				
Basic EPS [a] / [c]	**0.43**		**0.38**	
Diluted EPS [a] / [d]	**0.43**		**0.38**	
Normalized basic EPS [b] / [c]	**0.58**		**0.51**	
Normalized diluted EPS [b] / [d]	**0.58**		**0.51**	

C.1.2 Cash Flow

(In € million)	6 months ended 30 June 2018	6 months ended 30 June 2017
Operating Margin before Depreciation and Amortization (OMDA)	**179.4**	**153.5**
Capital expenditures	(45.8)	(50.6)
Change in working capital requirement	12.1	24.1
Cash from operation	**145.7**	**127.0**
Taxes paid	(26.6)	(16.6)
Net cost of financial debt paid	(0.6)	(0.4)
Reorganization in other operating income	(2.1)	(3.5)
Rationalization & associated costs in other operating income	(2.5)	(1.0)
Integration and acquisition costs	(10.1)	(7.0)
Net Long term financial investments	(0.6)	(0.6)
Other changes (*)	(0.6)	(9.8)
Free Cash Flow	**102.6**	**88.0**
Net material (acquisitions)/disposals	(3.1)	0.7
Capital increase/(decrease)	6.2	5.5
Change in net cash/(debt)	**105.7**	**94.2**
Opening net cash/(debt)	**309.1**	**347.7**
Change in net cash/(debt)	105.7	94.2
Foreign exchange rate fluctuation on net cash/(debt)	(0.7)	(1.8)
Closing net cash/(debt)	**414.1**	**440.1**

(*) "Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals, and profit sharing amounts payable transferred to debt

Starting January 1, 2018, dividends paid to non controlling interests are not anymore a Free Cash Flow item but reported in line 'Dividends paid'. The 2017 full year impact was nil.

Free cash flow represented by the change in net cash or net debt, excluding equity changes (notably cash received from the exercise of stock options), dividends paid, impact of foreign exchange rate fluctuation on opening net cash balance, and net acquisitions and disposals, reached € 102.6 million compared to € 88.0 million in 2017 corresponding to an increase of + 16.6%.

Cash From Operations amounted to € 145.7 million and increased by € 18.6 million compared to last year, including the following items:

- OMDA (€+25.9 million),
- Lower capital expenditures (€ 4.8 million),
- Lower improvement in change in working capital requirement (€-12.0 million).

OMDA of € 179.4 million, representing an increase of €+25.9 million compared to June 2017, reached 21.9% of revenue versus 20.2% of revenue in June 2017.

Capital expenditures amounted to € 45.8 million or 5.6% of revenue below the level of the first semester of 2017 at 6.7%. They mainly relate to investments in software platforms through capitalized cost, in connection with the modernization of proprietary technological platforms for € 19.7 million.

The positive **change in working capital requirement** was € 12.0 million. The DSO ratio reached 41 days at the end of June 2018, while the DPO was 94 days.

Cash out related to **taxes paid** reached € 26.6 million increasing by € 10.0 million compared to June 2017. This increase is mainly due to the remaining part of the tax payment in Belgium for € 4.4 million, tax payment in the Netherlands for € 2.0 million and also tax payments related to new acquisitions realized in 2017 for € 1.9 million.

Net outflow related to **cost of net debt** of € 0.6 million increased by € 0.2 million compared to the first semester 2017.

Cash outflow linked to **reorganization costs** and **rationalization costs** represented respectively € 2.1 million and € 2.5 million.

Integration costs linked to the post-acquisition integration costs and SIX transaction costs reached € 10.1 million.

Net financial investments amounted to € 0.6 million and related mainly to investments in non-consolidated companies.

Other changes of € -0.6 million corresponded to foreign exchange gains and losses and other financial income for € 0.3 million and other non-recurring items for €- 0.9 million.

As a result, the **Free Cash Flow (FCF**) generated in the first semester 2018 was € 102.6 million.

In June 2018, the € 6.2 million **Capital increase** corresponded to the issuance of common stock following employee's exercise of stock options issued in September 2014 and September 2015.

Foreign exchange rate fluctuation which is determined on debt or cash exposure by country had a negative impact on net cash of € -0.7 million.

C.1.2.1 Financing policy

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 2nd, 2016. The RCF has a duration until June 26th, 2019, is concluded at customary market conditions and contains no financial covenants.

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.

C.1.3 Parent company results

The income before tax of the parent company amounts to € -20.7 million for the first half of 2018, compared to € -16.0 million for the first semester 2017.

C.2 Interim condensed consolidated financial statements

C.2.1 Interim condensed consolidated income statement

(In € million)		6 months ended 30 June 2018	6 months ended 30 June 2017 (*)
Revenue	**Note 2**	**818.6**	**760.5**
Personnel expenses	Note 3	(338.1)	(309.1)
Operating expenses	Note 4	(351.1)	(337.6)
Operating margin		**129.5**	**113.7**
% of revenue		**15.8%**	**15.0%**
Other operating income and expenses	Note 5	(34.2)	(28.1)
Operating income		**95.3**	**85.6**
% of revenue		**11.6%**	**11.3%**
Financial expenses		(3.0)	(6.2)
Financial income		5.2	1.9
Net financial result	Note 6	2.2	(4.3)
Net income before tax		**97.5**	**81.3**
Tax charge	Note 7	(24.2)	(20.4)
Share of net profit/(loss) of associates		0.0	0.0
Net income		**73.3**	**60.9**
Of which:			
- attributable to owners of the parent		**57.2**	**50.8**
- non-controlling interests		16.1	10.1

(*) June 30, 2017 adjusted to reflect accounting changes disclosed in "Basis of preparation and significant accounting policies"

(in € and number of shares)

Net income - Attributable to owners of the parent		6 months ended 30 June 2018	6 months ended 30 June 2017
Weighted average number of shares		132,712,980	132,406,976
Basic earnings per share	**Note 8**	**0.43**	**0.38**
Diluted weighted average number of shares		133,717,994	133,049,179
Diluted earnings per share	**Note 8**	**0.43**	**0.38**

C.2.2 Interim condensed consolidated statement of comprehensive income

(In € million)	6 months ended 30 June 2018	6 months ended 30 June 2017
Net income	**73.3**	**60.9**
Other comprehensive income		
- to be reclassified subsequently to profit / (loss) recyclable:	**(5.8)**	**(2.9)**
Cash flow hedging	8.0	(0.1)
Change in fair value of available for sale financial assets	0.0	1.4
Exchange differences on translation of foreign operations	(12.5)	(4.2)
Deferred tax on items recyclable recognized directly on equity	(1.4)	-
- not reclassified to profit / (loss) non-recyclable:	**1.6**	**1.7**
Actuarial gains and (losses) generated in the period on defined benefit plan	2.2	2.0
Deferred tax on items non-recyclable recognized directly on equity	(0.6)	(0.3)
Total other comprehensive income	**(4.2)**	**(1.3)**
Total comprehensive income for the period	**69.1**	**59.6**
Of which:		
- attributable to owners of the parent	**52.8**	**49.5**
- non-controlling interests	16.3	10.1

C.2.3 Interim condensed consolidated statements of financial position

(In € million)		As at June 30, 2018	As at December 31, 2017
ASSETS			
Goodwill	Note 9	928.3	933.8
Intangible assets	Note 10	342.4	352.6
Tangible assets		122.4	129.2
Non-current financial assets	Note 11	37.4	35.4
Deferred tax assets		50.1	52.4
Total non-current assets		**1,480.6**	**1,503.4**
Trade accounts and notes receivables	Note 12	337.5	315.6
Current taxes		16.0	14.1
Other current assets	Note 13	144.1	136.3
Assets linked to intermediation activities		136.9	316.6
Current financial instruments		8.1	0.4
Cash and cash equivalents	Note 14	455.2	355.8
Total current assets		**1,097.8**	**1,138.9**
Total assets		**2,578.4**	**2,642.2**

(In € million)		As at June 30, 2018	As at December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		90.6	90.4
Additional paid-in capital		266.2	259.2
Consolidated retained earnings		960.7	843.6
Translation adjustments		(58.4)	(47.3)
Net income attributable to the owners of the parent		57.2	105.5
Equity attributable to the owners of the parent		1,316.3	1,251.3
Non-controlling interests		191.9	175.1
Total shareholders' equity		**1,508.2**	**1,426.4**
Provisions for pensions and similar benefits	Note 16	115.5	116.0
Non-current provisions		21.5	14.2
Borrowings		1.8	3.1
Deferred tax liabilities		50.7	57.4
Total non-current liabilities		**189.5**	**190.7**
Trade accounts and notes payables	Note 17	277.2	264.1
Current taxes		56.7	51.2
Current provisions		4.4	12.0
Current financial instruments		0.0	0.2
Current portion of borrowings		39.3	43.6
Liabilities linked to intermediation activities		136.9	316.6
Other current liabilities	Note 18	366.1	337.5
Total current liabilities		**880.7**	**1,025.2**
Total liabilities and shareholders' equity		**2,578.4**	**2,642.2**

C.2.4 Interim condensed consolidated cash flow statement

(In € million)		6 months ended 30 June 2018	6 months ended 30 June 2017
Profit before tax		**97.5**	**81.3**
Depreciation of assets	Note 4	47.5	44.1
Net charge / (release) to operating provisions		2.3	(4.5)
Net charge / (release) to financial provisions		0.9	1.0
Net charge / (release) to other operating provisions		3.3	1.0
Amortization of intangible assets (PPA from acquisitions)		8.2	6.9
Losses / (gains) on disposals of fixed assets		0.1	(1.2)
Net charge for equity-based compensation		6.9	3.1
Unrealized losses / (gains) on changes in fair value and other		(3.2)	(0.1)
Net cost of financial debt	Note 6	0.6	0.4
Cash from operating activities before change in working capital requirement, financial interest and taxes		**164.1**	**132.0**
Taxes paid		(26.6)	(16.6)
Change in working capital requirement		12.1	24.1
Net cash from / (used in) operating activities		**149.6**	**139.5**
Payment for tangible and intangible assets		(45.8)	(50.6)
Proceeds from disposals of tangible and intangible assets		0.0	0.1
Net operating investments		**(45.8)**	**(50.5)**
Amounts paid for acquisitions and long-term investments		(4.0)	(1.8)
Cash and cash equivalents of companies purchased /sold during the period		0.0	-
Proceeds from disposals of financial investments		0.2	2.1
Cash and cash equivalents of companies sold during the period		0.0	(0.2)
Net long-term investments		**(3.8)**	**0.1**
Net cash from / (used in) investing activities		**(49.6)**	**(50.4)**
Common stock issues on the exercise of equity-based compensation		6.2	5.5
Capital increase subscribed by non-controlling interests		-	-
New borrowings		(0.0)	3.3
New finance lease		0.1	-
Repayment of long and medium-term borrowings		(9.4)	(1.0)
Net cost of financial debt paid		(0.6)	(0.4)
Net cash from / (used in) financing activities		**(3.7)**	**7.5**
Increase / (decrease) in net cash and cash equivalents		**96.3**	**96.5**
Opening net cash and cash equivalents		**334.2**	**357.0**
Increase / (decrease) in net cash and cash equivalents		96.3	96.5
Impact of exchange rate fluctuations on cash and cash equivalents		(0.6)	(1.8)
Closing net cash and cash equivalents	**Note 14**	**429.9**	**451.7**

C.2.5 Interim condensed 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		Translation adjustments	Net income	Equity attributable to the owners of the parent	Non controlling interests	Total shareholders' equity
				Retained earnings	Business combination impact					
At January 1st, 2017	**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	-
* Transaction under common 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	28.6	126.3
At December 31st, 2017	**132,899**	**90.4**	**259.2**	**783.1**	**60.5**	**(47.3)**	**105.5**	**1,251.4**	**175.0**	**1,426.4**
* Common stock issued	340	0.2	7.0					7.2		7.2
* Appropriation of prior period net income				105.5			(105.5)	0.0		-
* Equity-based compensation				5.0				5.0	0.5	5.5
* Scope Changes								0.0		0.0
* Transaction under common control								0.0		0.0
Transactions with owners	340	0.2	7.0	110.4	-	-	(105.5)	12.2	0.5	12.7
* Net income							57.2	57.2	16.1	73.3
* Other comprehensive income				6.7		(11.1)		(4.4)	0.2	(4.2)
Total comprehensive income for the period	-	-	-	6.7	-	(11.1)	57.2	52.8	16.3	69.1
At June 30th, 2018	**133,239**	**90.6**	**266.2**	**900.2**	**60.5**	**(58.4)**	**57.2**	**1,316.3**	**191.9**	**1,508.2**

C.2.6 Appendices to the interim condensed consolidated financial statements

C.2.6.1 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 interim condensed consolidated financial statements were approved by the Board of Directors on July 21st, 2018.

C.2.6.2 Accounting rules and policies

Basis of preparation of interim condensed consolidated financial statements

The 2018 interim condensed consolidated financial statements have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union and of mandatory application as at January 1, 2018.

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).

These interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2017. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

This is the first set of Group's consolidated financial statements where IFRS 15 and IFRS 9 have been applied.

Changes in accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017.

IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Group has adopted IFRS 15 using the full retrospective method. Accordingly, the information presented for 2017 has been restated.

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 applied a risks and rewards analysis to determine whether it was acting as principal or as an agent 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 recognized during the build phase (no expected changes compared to previous practices).

Financial impacts at Group level

2017 revenue under IFRS 15 decreases by € 41.5 million of which € 17.6 million as of June 30th, 2017. The cumulative effect in equity as of January 1st, 2018 is nil.

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 Value through Other Comprehensive Income (FVOCI), Fair Value through Profit & Loss. Those new reclassification requirements have no material impact on the group's accounting for trade receivables, contract assets, loans and cash and cash equivalent.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

On the Visa preferred share, under IFRS 9, the analysis applied is the approach for debt instrument. The accounting treatment of debt instruments is determined by the business model of the financial instrument and the contractual characteristics of the incoming cash flows of the financial instruments. The understanding is that Visa's Convertible preferred stock do not pass the SPPI (Solely Payment of Principal and Interests) test because the cash flows generated by those stock include an indexation to the value of the Visa shares, and such equity indexation gives rise to a variability that do not solely represent a payment of principal and interests. In this situation, the accounting treatment of the debt instruments is fair value through P&L.

Impairment of financial assets and contract assets

IFRS 9 introduces a new forward-looking "expected loss" impairment model that replaces the existing "incurred loss" impairment model. The new model will apply to financial assets measured at amortized costs or FVOCI except to contract assets.

The Group assessed the actual credit losses experienced over the past several years and estimates 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.

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

Hedge accounting

While initially applying IFRS 9, the Group may 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 chosen 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 impact on reserves and retained earnings at 1 January 2018 as result of the application of IFRS 9 hedge accounting requirements is not significant.

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, IT equipment's and cars used by employees. 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.

Other standards

The Group has not early adopted any standard or interpretation not required to be applied in fiscal year 2018. The Group does not apply IFRS standards and interpretations that have not been yet approved by the European Union at the closing date.

This interim condensed consolidated financial statements is presented in euro, which is the Group's functional currency. All figures are presented in € million with one decimal.

Accounting estimates and judgments

In addition to the accounting principles as disclosed in the annual accounts, the following accounting principles are relevant for the interim accounts:

Impairment of assets

Goodwill and assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount could not be recoverable. If necessary, an impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable value. 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.

Pensions and similar benefits

The remeasurement principle for pension liabilities and assets at interim periods is the following: actuarial remeasurements are only triggered if there are significant impacts on both the obligations and plan assets and limited to the Group's most significant pension plans. For less significant plans actuarial projections are used.

Corporate income tax

The income tax charge includes current and deferred tax expenses. For the purposes of the interim condensed consolidated financial statements, consolidated income tax expense is determined by applying the estimated effective tax rate for the full year to the "half-year net income before tax". The estimated effective tax rate for the full-year is determined on the basis of forecasted current and deferred tax expense for the year in the light of full-year earnings projections.

Revenue recognition policies

Multiple arrangements services contracts

The Group may enter into multiple-element arrangements, which may include combinations of different goods or services. Revenue is recognized for each distinct good or service which is separately identifiable from other items in the arrangement and if the customer can benefit from it.

When transition or transformation activities represent knowledge transfer to set up the recurring service and provide no incremental benefit to the customer (set up activities), no revenue is recognized in connection with these activities. The costs incurred during these activities are capitalized either as tangible or intangible assets or as fulfilment costs if they create a resource that will be used in performing the recurring service and are recoverable. They are amortized on a systematic basis over the contractual period, taken into account any anticipated contract. The cash collected for such activities are considered as advance payment and recognized as revenue over the recurring service period.

In contrast, when these activities transfer to the customer the control of a good or service and the customer could benefit from this good or service independently from the recurring services, they are accounted for separately and revenues relating to these activities are recognized.

When a single contract contains multiple distinct goods or services, the consideration is allocated between the goods and services based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the goods or services separately. Otherwise, the Group estimates stand-alone selling prices using a cost plus margin approach.

Principal versus agent

When the Group resells telecommunication embedded and IT services purchased from third-party suppliers, it performs an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as agent in the delivery of the good or service. The Group is a principal if it controls the specified good or service before it is transferred to the customer. In such case, revenue is recognized on a gross basis. If the Group is an agent, revenue is recognized on a net basis (net of suppliers costs), corresponding to any fee or commission to which the Group is entitled. When the Group is providing a significant service of integrating the specified good or service, it is acting as a principal in the process of resale. If the specified good or service is distinct from the other services promised to its customer, the Group is acting as a principal notably if it is primarily responsible for the good or service meeting the customer specifications or assumes inventory or delivery risks.

Revenue generated by acquiring activities is recognized net of interchange fees charged by issuing banks. The Group does not provide a significant service of integrating the service performed by the issuing bank and is not responsible for the execution of this service. These fees are transferred to the merchant in a pass-through arrangement and are not part of the consideration to which the Group is entitled in exchange for the service it provides to the merchant. In contrast, scheme fees paid to the payment schemes (Visa, Mastercard, Bancontact,…) are accounted for in expenses as fulfilment costs and recognized as revenue when invoiced to merchants. The Group provides commercial acquiring services by integrating the services purchased from the payment schemes.

At a point of time versus over time recognition

Revenue is recognized when the Group transfers the control of a good or service to the customer, either at a point in time or over time.

For recurring services, the revenue is recognized over time as the customer simultaneously receives and consumes the benefit provided by the Group's performance as the Group perfoms. If the Group has a right to invoice a customer at an amount that corresponds directly with its performance to date, the revenue is recognized at that amount. Otherwise, revenue is recognized on a straight-line basis or based on the costs incurred if the entity's efforts are not expensed evenly throughout the period covered by the service.

When the Group builds an asset or provides specific developments, revenue is recognized over time, generally based on costs incurred, when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced or when the performance does not create an asset with an alternative use and the Group has an enforceable right to payment for the performance completed to date. Otherwise, revenue is recognized at a point in time.

Upfront Payments

Upfront payments to clients made at the inception of a contract are recorded in "Contract Asset" and spread as a reduction of revenue over the length of the contract. Upfront payment received from clients at the inception of a contract are recorded in "Contract liability" and spread as an increase in revenue over the term of the contract.

Costs to acquire a contract

Under IFRS 15, incremental costs to acquire a contract are capitalized and amortized over the life of the contract.

Balance sheet presentation

Notes 12 and 18 to the consolidated financial statements include contract assets and liabilities. Contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date on transformation projects and time and material contracts. Contract assets also include upfront payments to clients made at the inception of a contract and incremental costs that are not eligible for revenue recognition at the reporting date. Contract liabilities relate to upfront payment received from customers.

C.2.6.3 Significant event of the semester

SIX Payment Services

During the first half of 2018, the Group announced they have signed an agreement to enter into a strategic partnership where Worldline would acquire SIX Payment Services, the payment services division of SIX. The transaction will be mostly paid in Worldline shares with a cash component of CHF 0.34 billion valuing SIX Payment Services at an enterprise value of CHF 2.75 billion.

The transaction is expected to close during the fourth quarter of 2018, after the finalization of the carve out of SIX Payment Services from SIX Group and a Worldline Extraordinary General Meeting that will approve the issuance of new Worldline shares in exchange for the contribution of SIX Payment Services to Worldline. The transaction is also subject to work councils' information and European companies work council consultation processes in Worldline and Atos European companies work council, as well as customary antitrust and regulatory approvals.

C.2.7 Notes to the consolidated financial statements

Note 1 Changes in the scope of consolidation

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 € 125.6 million. The total consideration was € 218.4 million.

Cataps

During H1 2018, and in accordance with the agreement signed in 2016 with Komercni banka for the acquisition of Cataps, the financial liability corresponding to the put option belonging to Cataps s.r.o (KB SmartPay) minority shareholders on 19% of the share capital, has been fully paid for € 6.7 million.

Note 2 Segment information by Global Business Lines

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, Latvia, 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**
6 months ended 30 June 2018				
External revenue by Global Business Lines	**287.4**	**371.7**	**159.5**	**818.6**
% of Group revenue	35.1%	45.4%	19.5%	100.0%
6 months ended 30 June 2017 (*)				
External revenue by Global Business Lines	**260.3**	**340.8**	**159.5**	**760.5**
% of Group revenue	34.2%	44.8%	21.0%	100.0%

(*) June 30, 2017 adjusted to reflect accounting changes disclosed in "Basis of preparation and significant accounting policies"

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

(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Global structures	**Total Group**
6 months ended 30 June 2018					
Operating Margin before Depreciation and Amortization (OMDA)	**61.9**	**109.5**	**16.4**	**(8.4)**	**179.4**
% revenue	21.5%	29.5%	10.3%	-1.0%	21.9%
6 months ended 30 June 2017 (*)					
Operating Margin before Depreciation and Amortization (OMDA)	**53.3**	**88.9**	**22.7**	**(11.3)**	**153.5**
% revenue	20.5%	26.1%	14.2%	-1.5%	20.2%

(*) June 30, 2017 adjusted to reflect accounting changes disclosed in "Basis of preparation and significant accounting policies"

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

(In € million)	**6 months ended 30 June 2018**	**6 months ended 30 June 2017**	**Variation**
Operating margin	**129.5**	**113.7**	**15.7**
+ Depreciation of fixed assets	47.5	44.1	3.4
+ Net book value of assets sold/written off	0.1	0.3	(0.1)
+/- Net charge/(release) of pension provisions	1.9	(4.8)	6.7
+/- Net charge/(release) of provisions	0.4	0.3	0.1
OMDA	**179.4**	**153.5**	**25.9**

The geographical segment information for the period was the following:

(In € million)	France	UK, Germany and CEE	Belgium	Netherlands	North & South Europe	Emerging Markets	**Total Group**
6 months ended 30 June 2018							
External revenue by geographical area	**191.8**	**175.8**	**175.7**	**97.4**	**94.2**	**83.8**	**818.6**
% of Group revenue	23.4%	21.5%	21.5%	11.9%	11.5%	10.2%	100.0%
6 months ended 30 June 2017 (*)							
External revenue by geographical area	**186.6**	**172.0**	**172.4**	**96.0**	**59.2**	**74.2**	**760.5**
% of Group revenue	24.5%	22.6%	22.7%	12.6%	7.8%	9.8%	100.0%

(*) June 30, 2017 adjusted to reflect accounting changes disclosed in "Basis of preparation and significant accounting policies"

Note 3 Personnel expenses

(In € million)	6 months ended 30 June 2018	% Revenue	6 months ended 30 June 2017	% Revenue
Wages, salaries & social security charges	(332.7)	40.6%	(310.4)	40.8%
Tax, training, profit-sharing	(3.7)	0.5%	(4.0)	0.5%
Net (charge)/release to provisions for staff expenses	0.2	0.0%	0.5	-0.1%
Net (charge)/release to provisions for pensions and similar benefits	(1.9)	0.2%	4.8	-0.6%
Total	**(338.1)**	**41.3%**	**(309.1)**	**40.6%**

Note 4 Non personnel operating expenses

(In € million)	6 months ended 30 June 2018	% Revenue	6 months ended 30 June 2017 (*)	% Revenue
Subcontracting costs direct	(142.6)	17.4%	(129.8)	17.1%
Hardware and software purchase	(27.3)	3.3%	(24.3)	3.2%
Maintenance costs	(23.7)	2.9%	(18.9)	2.5%
Rent & Lease expenses	(25.0)	3.0%	(31.3)	4.1%
Telecom costs	(18.9)	2.3%	(18.4)	2.4%
Travelling expenses	(7.5)	0.9%	(7.1)	0.9%
Company cars	(4.5)	0.5%	(4.7)	0.6%
Professional fees	(22.4)	2.7%	(20.8)	2.7%
Taxes & Similar expenses	(3.8)	0.5%	(5.0)	0.7%
Scheme fees	(25.2)	3.1%	(18.3)	2.4%
Other expenses	(19.6)	2.4%	(30.6)	4.0%
Subtotal expenses	**(320.6)**	**39.2%**	**(309.2)**	**40.7%**
Depreciation of assets	(47.5)	5.8%	(44.1)	5.8%
Net (charge)/release to provisions	(0.6)	0.1%	(0.7)	0.1%
Gains/(Losses) on disposal of assets	(0.1)	0.0%	(0.2)	0.0%
Trade Receivables write-off	(1.9)	0.2%	(1.5)	0.2%
Capitalized Production	19.7	-2.4%	18.1	-2.4%
Subtotal other expenses	**(30.5)**	**3.7%**	**(28.5)**	**3.7%**
Total	**(351.1)**	**42.9%**	**(337.6)**	**44.4%**

(*) June 30, 2017 adjusted to reflect accounting changes disclosed in "Basis of preparation and significant accounting policies"

Note 5 Other operating income and expenses

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

(In € million)	6 months ended 30 June 2018	6 months ended 30 June 2017
Staff reorganization	(2.0)	(4.2)
Rationalization and associated costs	(2.5)	(1.2)
Integration and acquisition costs	(13.4)	(7.4)
Equity based compensation	(6.9)	(3.1)
Amortization of intangible assets (PPA from acquisitions)	(8.2)	(6.9)
Other items	(1.1)	(5.2)
Total	**(34.2)**	**(28.1)**

Staff reorganization expenses of € 2 million decreased by € 2.2 million compared to last year and correspond mainly to the restructuring costs induced by the recent acquisitions.

The € 2.5 million of **rationalization and associated costs** resulted mainly from costs linked to the acceleration of the TEAM² program, including administrative back office transformation. Those costs have increased by € 1.3 million compared to the first half of 2017.

Integration and acquisition costs reached € 13.4 million, an increase of € 6.0 million compared to the prior period, and corresponded mainly to Equens post-acquisition integration, the post integration programs of companies acquired in 2017 and SIX transaction costs.

The six-month 2018 **Amortization of intangible assets (PPA from acquisitions)** of € 8.2 million corresponds to:

- € 5.0 million of Equens and Paysquare customer relationships;
- € 1.1 million of Cataps (KB Smartpay) customer relationships;
- € 1.1 million of MRL Posnet customer relationships and technologies;
- € 0.6 million of WOPA (former Digital River World Payments) customer relationships and technologies;
- € 0.5 million of Worldline Baltics (former First Data Baltics) customer relationships.

Equity-based compensation

(In € million)	6 months ended 30 June 2018	6 months ended 30 June 2017
Free share plans Worldline	6.7	1.9
Stock option plans	0.2	1.1
Free share plans Atos	0.0	0.1
Total	**6.9**	**3.1**

Grant Date	H1 2018 Expense (in € million)	Number of options initially granted	Vesting Date	Number of options vested
25 May 2016	0.1	196,000	25 May 2018	179,000
16 August 2016	0.1	45,000	25 May 2018	45,000
Total	**0.2**	**241,000**		**224,000**

Note 6 Net Financial Result

Net financial income amounted to € 2.2 million for the period (compared to a cost of € 4.3 million in the same period in 2017) and was made up of:

- A net cost of financial debt of € 0.6 million (€ 0.4 million in the first semester 2017); and
- A non-operational financial income of € 2.8 million.

Net cost of financial debt of € 0.6 million is made up of:

- € 1.2 million of cost of gross debt of the Group's subsidiaries representing an average interest rate of 0.78%; and
- € 0.6 million of remuneration of gross cash of the Group's subsidiaries representing an average interest rate of 0.27%.

The other financial income was mainly composed of

- Pension financial costs for € 0.9 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 16 «Pensions and similar benefits»);
- Foreign exchange gain for € 0.6 million.

The new effect in other financial income is the recognition of the variation of fair value of the Visa preferred shares for € 3.3 million (adjusted to reflect IFRS 9 accounting changes disclosed in "Basis of preparation and significant accounting policies").

Note 7 Income tax expenses

The tax charge for the six-month period ended June 30, 2018 was € 24.2 million with a profit before tax of € 97.5 million. The annualized Effective Tax Rate (ETR) of 24.9% adjusted for tax discrete items leads to an ETR of 24.8%.

Note 8 Earnings per Share

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 June 2018 amounted to 1,915,813 shares. As of end of June 2018, potential dilutive instruments comprised stock subscription (equivalent to 1,005,014 options).

(In € million and shares)	**6 months ended 30 June 2018**	**6 months ended 30 June 2017**
Net income - Attributable to owners of the parent [a]	**57.2**	**50.8**
Impact of dilutive instruments	-	-
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**57.2**	**50.8**
Average number of shares outstanding [c]	132,712,980	132,406,976
Impact of dilutive instruments [d]	1,005,014	642,203
Diluted average number of shares [e]=[c]+[d]	133,717,994	133,049,179
Earnings per share in EUR [a]/[c]	**0.43**	**0.38**
Diluted earnings per share in EUR [b]/[e]	0.43	0.38

Note 9 Goodwill

(In € million)	**As at December 31, 2017**	**Disposals Deprecia-tions**	**Impact of business combi-nation**	**Exchange rate fluctuations**	**As at June 30, 2018**
Gross value	934.4		(0.3)	(5.1)	**928.9**
Impairment loss	(0.6)				**(0.6)**
Carrying amount	**933.8**	**-**	**(0.3)**	**(5.1)**	**928.3**

Goodwill mainly corresponds to:

- € 437.5 million related to the acquisitions of Equens/Paysquare and Cataps. The impact of business combination includes € 31.9 million related to Cataps acquisition;
- € 243.3 million related to Banksys acquisition;
- € 57.7 million related to the acquisition of Venture Infotek;
- € 43.8 million related to the acquisition of MRL Posnet;
- € 41.8 million related to the acquisition of Worldline Baltics (former First Data Baltics); and
- € 32.4 million related to the acquisition of WOPA (former DRWP).

During the semester, the Group has not recorded any impairment for any CGUs as there was not any triggering event as of June 30, 2018.

Note 10 Intangible assets

(In € million)	Software & Licenses	Customer Relation-ships/ Patent	Other assets	Total
Gross value				
As at January 1st, 2018	**377.5**	**192.8**	**24.1**	**594.3**
Additions	1.5		0.4	1.9
R&D capitalized	19.7			19.7
Disposals	(0.3)			(0.3)
Exchange differences	(0.1)	(1.4)	(0.2)	(1.8)
Other	2.6		(0.5)	2.1
As at June 30, 2018	**400.9**	**191.4**	**23.7**	**615.9**
Accumulated depreciation				
As at January 1st, 2018	**(175.1)**	**(45.7)**	**(21.0)**	**(241.7)**
Depreciation charge for the year	(23.9)	(8.2)	0.1	(32.0)
Disposals/reversals	0.1			0.1
Exchange differences	0.1		(0.1)	(0.0)
Other	0.2		(0.0)	0.2
As at June 30, 2018	**(198.6)**	**(53.9)**	**(21.0)**	**(273.5)**
Net value				
As at January 1st, 2018	**202.4**	**147.1**	**3.1**	**352.6**
As at June 30, 2018	**202.3**	**137.5**	**2.7**	**342.4**

Development capitalized costs are related to the modernization of proprietary technological platforms for € 19.7 million. At June 30, 2018, the net book value of those capitalized cost amounted to € 174.7 million.

Note 11 Non current financial Assets

(In € million)		As at June 30, 2018	As at December 31, 2017
Pension prepayments	Note 16	1.1	2.0
Fair value of non-consolidated investments		24.2	21.3
Investments in associates		3.8	3.8
Other (*)		8.3	8.3
Total		**37.4**	**35.4**

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

The variation is mainly due to the variation of fair value of the Visa share (adjusted to reflect IFRS 9 accounting changes disclosed in "Basis of preparation and significant accounting policies").

Note 12 Trade accounts and notes receivable

(In € million)	As at June 30, 2018	As at December 31, 2017 (*)
Contract assets	146.5	115.3
Trade receivables	197.2	205.9
Provision for doubtful debt	(6.2)	(5.7)
Net asset value	**337.5**	**315.6**
Contract liabilities	(122.6)	(106.5)
Net accounts receivable	**214.9**	**209.0**
Number of days sales outstanding (DSO)	**41**	**41**

(*) December 31, 2017 adjusted to reflect IFRS 15 accounting changes disclosed in "Basis of preparation and significant accounting policies"

Note 13 Other current assets

(In € million)		As at June 30, 2018	As at December 31, 2017
Inventories		16.1	19.7
State - VAT receivables		50.0	27.4
Prepaid expenses	Note 17	60.1	60.9
Other receivables & current assets		16.2	26.5
Advance payments		1.7	1.9
Total		**144.1**	**136.3**

Note 14 Cash and cash equivalents

(In € million)	As at June 30, 2018	As at December 31, 2017
Cash and cash equivalents	454.7	350.2
Current accounts with Atos entities - Assets	0.4	5.6
Money market funds	0.0	0.1
Total cash and cash equivalents	**455.1**	**355.8**
Overdrafts	(8.2)	(17.0)
Current accounts with Atos entities - Liabilities	(17.1)	(4.7)
Total overdrafts and equivalents	**(25.3)**	**(21.6)**
Total net cash and cash equivalents	**429.8**	**334.2**

Note 15 Shareholder equity

In March and in June 2018, 339,861 new shares were created following the exercise of the stock-options plan from the September 2014, September 2015 and May 2016 plans.

At the end of June 2018, the total of shares reached at 133,238,824 with a nominal value of € 0.68. Common stock was increased from € 90,371,294.84 to € 90,602,400.32.

Note 16 Pensions and similar benefits

Discount and long term inflation rates for the Eurozone and the United Kingdom have slightly increased since December 31, 2017.

	30 June 2018	31 December 2017
Euro zone (long duration plans)	2.05%	1.95%
Euro zone (other plans)	1.60%	1.50%
United Kingdom	2.80%	2.70%

The fair value of plan assets for the major UK scheme has been remeasured as at June 30, 2018.

The net total amount recognized in the balance sheet in respect of pension plans per June 30, 2018 is a liability of € 111.1 million (compared to a liability of € 110.4 million per December 31, 2017).

(In € million)	As at June 30, 2018	As at December 31, 2017
Prepaid pension asset	1.1	2.0
Accrued liability – pension plans	(112.2)	(112.4)
Total Pension plan	**(111.1)**	**(110.4)**
Accrued liability – other long term benefits	(3.4)	(3.5)
Total accrued liability	**(115.5)**	**(115.9)**

The net impact of defined benefits plans on Group profit and loss can be summarized as follows:

(In € million)	6 months ended 30 June 2018	6 months ended 30 June 2017
Operating margin	(4.4)	2.9
Financial result	(0.9)	(1.0)
Total (expense)/profit	**(5.4)**	**1.8**

The first half of 2017 was impacted by a change in the plan rules was introduced in the Railways Pension Scheme in the UK to freeze the pensionable pay on an ongoing basis. It conducted to a one-off impact of € 7 million.

Note 17 Trade accounts and notes payable

(In € million)	As at June 30, 2018	As at December 31, 2017 (*)
Trade payables and notes payable	277.2	264.1
Trade payables and notes payable	**277.2**	**264.1**
Advance payments	(2.1)	(1.9)
Prepaid expenses	(60.1)	(60.9)
Net accounts payable	**215.0**	**201.3**
Number of days payable outstanding (DPO)	**94**	**85**

(*) December 31, 2017 adjusted to reflect IFRS 15 accounting changes disclosed in "Basis of preparation and significant accounting policies"

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

Note 18 Other current liabilities

(In € million)	As at June 30, 2018	As at December 31, 2017 (*)
Contract liabilities	122.6	106.5
Employee-related liabilities	88.8	80.7
Social security and other employee welfare liabilities	44.4	45.3
VAT payable	73.9	46.7
Other operating liabilities	36.5	58.3
Total	**366.1**	**337.5**

(*) December 31, 2017 adjusted to reflect IFRS 15 accounting changes disclosed in "Basis of preparation and significant accounting policies"

Other current liabilities are mainly expected to be settled within one year.

Note 19 Related parties

The main transactions between the related entities are made up 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)	6 months ended 30 June 2018	6 months ended 30 June 2017
Revenue	21.6	21.2
Operating income / expenses	(48.3)	(49.5)
Other operating expenses	0.0	(0.2)
Net cost of financial debt	(0.4)	(0.4)

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

(In € million)	As at June 30, 2018	As at December 31, 2017
Trade accounts and notes receivables	13.4	13.2
Other current assets	18.2	15.6
Current accounts & cash agreement - Assets	0.4	5.6
Trade accounts and notes payables	31.5	59.6
Other current liabilities	8.3	2.9
Current accounts & cash agreement with Atos entities - Liabilities	17.2	4.8

Note 20 Subsequent events

There is no subsequent event post H1 2018 closing.