HALF-YEAR FINANCIAL REPORT

2017

MORE THAN 310 YEARS OF HISTORY

WENDEL

WEN2017_RFS_EN_V3_POUR_BAT_070917

HALF-YEAR FINANCIAL REPORT

1 Business overview

H1 2017 consolidated results

H1 2017 consolidated sales

In millions of euros	H1 2017	H1 2016	Change	Organic change
Bureau Veritas	2,360.1	2,221.4	+6.2%	+1.3%
Constantia Flexibles (1)	734.3	721.9	+1.7%	+0.9%
Cromology	382.6	375.9	+1.8%	+0.1%
Stahl	354.3	330.7	+7.1%	+2.6%
Oranje-Nassau Développement	337.1	139.7	+141.3%	-14.1%
Mecatherm	42.8	62.1	-31.1%	-31.1%
CSP Technologies	59.6	56.1	+6.2%	-4.4%
Nippon Oil Pump	24.0	21.5	+11.8%	+9.5%
Tsebo (2)	210.7	n.a.	n.a.	+7.3% (3)
CONSOLIDATED NET SALES	**4,168.4**	**3,789.5**	**+10.0%**	**+0.6%**

(1) Following the signature of an agreement to sell the "Labels" business and in accordance with IFRS 5, the contribution of this division to H1 2016 and H1 2017 earnings has been reclassified in "Net income from discontinued operations and operations held for sale".
(2) Company consolidated from February 2017.
(3) Organic growth over six months.

H1 2017 sales of equity-accounted companies

In millions of euros	H1 2017	H1 2016	Change	Organic change
Allied Universal (1)	2,393.3	n.a.	n.a.	+1.6% (2)
IHS	504.6	424.1	+19.0%	n.a.
Oranje-Nassau Développement				
exceet (3)	71.1	65.4	+8.7%	+8.1%
SGI Africa (4)	3.5	n.a.	n.a.	n.a.

(1) Allied Universal has been consolidated by the equity method since the merger between AlliedBarton and Universal Services of America in August 2016. In accordance with IFRS 5, AlliedBarton's activities in the first six months of 2016, until the merger with Universal Services of America, are presented in the income statement under "Net income from operations to be accounted for by the equity method".
(2) Pro forma sales growth over six months was 11.3% (1.6% organic growth), based on financial information reported by Allied Universal in USD.
(3) Following the sale of the IDMS division and in accordance with IFRS 5, the H1 2016 results of this division have been included in "Net income from discontinued operations and operations held for sale" in exceet's financial statements.
(4) Company accounted for by the equity method since August 2016.

H1 2017 consolidated results

In millions of euros	H1 2017	H1 2016
Consolidated subsidiaries	357.0	365.9
Financing, operating expenses and taxes	-120.0	-130.3
Net income from operations*	**237.1**	**235.6**
Net income from operations Group share*	*85.7*	*83.7*
Non-recurring net income	-24.4	-475.6
Impact of goodwill allocation	-86.8	-73.2
TOTAL NET INCOME	**125.8**	**-313.2**
Net income, Group share	*31.3*	*-425.1*

* *Net income before goodwill allocation entries and non-recurring items.*

H1 2017 net income from operations

In millions of euros	H1 2017	H1 2016	Change
Bureau Veritas	197.8	201.2	-1.7%
Stahl	42.6	44.6	-4.6%
Constantia Flexibles	35.4	35.4	+0.2%
Cromology	7.9	11.4	-30.6%
AlliedBarton	-	17.1	n.a.
Allied Universal (equity method)	5.7	-	n.a.
Saint-Gobain (equity method until May 31, 2017)	40.7	56.6	-28.1%
Saint-Gobain dividend	17.8	-	n.a.
IHS (equity method)	2.7	-13.5	n.a.
Oranje-Nassau Développement	6.4	13.2	n.a.
Tsebo	1.8	-	n.a.
Parcours	-	4.1	n.a.
Mecatherm	-0.4	4.7	-107.7%
CSP Technologies	2.4	3.1	-22.9%
Nippon Oil Pump	2.2	1.5	+51.0%
exceet (equity method)	0.4	-0.1	n.a.
SGI Africa (equity method)	0.0	-	n.a.
Total contribution from Group companies	**357.0**	**365.9**	**-2.4%**
of which Group share	*205.7*	*214.1*	*-3.9%*
Total operating expenses	**-35,8**	**-31.5**	**+13.8%**
Total financial expense*	**-84.1**	**-98.9**	**-14.9%**
NET INCOME FROM OPERATIONS	**237.1**	**235.6**	**+0.6%**
of which Group share	*85.7*	*83.7*	*+2.4%*

* *Borrowing costs declined by €33.4 million between H1 2016 and H1 2017, from €93.1 million to €59.7 million. In addition, a currency effect on cash and financial investments denominated in dollars had a €-28.0 million impact on H1 2017 (vs. €-0.8 million in H1 2016).*

The Supervisory Board met on September 6, 2017, under the chairmanship of François de Wendel, to review Wendel's consolidated financial statements, as finalized by the Executive Board on August 28, 2017. As always, the interim financial statements were subject to a limited review by the Statutory Auditors prior to publication.

In H1 2017, the Wendel Group's consolidated sales totaled €4,168.4 million, up 10.0% overall and up 0.6% organically.

The overall contribution of the Group's companies to net income from operations was €357.0 million, reflecting a 2.4% decrease compared with H1 2016. This slight decline resulted in part from changes in scope (exit of Parcours and equity method for Allied Universal) that were not offset by newly acquired companies (Tsebo, SGI Africa), as well as by the negative performance of Mecatherm. In addition, IHS delivered a positive contribution to recurring net income, thereby validating the capital expenditures it has made over the past few years.

Financial expense, operating expenses and taxes totaled €120.0 million, down 8.0% from H1 2016 (€130.3 million). This reduction was concentrated in the financial expense line item and resulted from liability management transactions initiated by Wendel that reduced the cost of Wendel's debt. Specifically, borrowing costs declined by €33.4 million between H1 2016 and H1 2017, from €93.1 million to €59.7 million. Nevertheless, the decline of the US dollar had a negative impact of €28.0 million on the Group's cash and financial investments in H1 2017 (€-0.8 million in H1 2016).

Non-recurring income was €-24.4 million vs. €-475.6 million in H1 2016. In H1 2016, the non-recurring loss in Wendel's consolidated statements derived principally from a loss on the sale of Saint-Gobain shares (€229.6 million), IHS's currency translation loss from the devaluation of the Nigerian naira (€-111.8 million), asset impairment and other non-recurring items (€-70.3 million) and an accounting loss of €56.6 million on the repurchase of bond debt in June 2016, which was not offset by the accounting gain of €78.3 million [(1)] on the sale of Parcours.

In comparison, the slight non-recurring loss recognized in H1 2017 resulted from the following items:

- an accounting gain of €84.1 million following the sale of Saint-Gobain shares at the end of May and the beginning of June 2017, which applied to all shares held by Wendel, in line with IAS 28;
- a dilution loss on IHS of €31.7 million resulting from a simplification of the company's shareholder structure in February 2017;
- a positive currency impact of €27.5 million on Stahl's financial debt;
- asset impairment and other non-recurrent items (€-104.3 million).

Consequently, Wendel's total net income was €125.8 million in H1 2017, compared with €-313.2 million in H1 2016. Net income, Group share was €31.3 million (vs. €-425.1 million in H1 2016).

(1) Adjusted for the discontinuation of depreciation as required by IFRS 5 "Non-current assets held for sale and discontinued operations". The capital gain on the investment totaled €129.3 million.

Results of Group companies

Bureau Veritas – H1 organic growth and 2017 outlook confirmed. Mid-term strategy on track with Growth Initiatives accelerating

(Full consolidation)

Bureau Veritas' revenue in H1 2017 reached €2,360.1 million, a 6.2% increase compared with H1 2016.

Organic growth was 1.3% in H1, with similar growth trends in Q2 compared with Q1 adjusted for calendar effect. Marine decline had a 1.2-point negative impact on Group organic growth in Q2.

In H1 2017, activities under the 5 Growth Initiatives accelerated their pace of organic growth at 7.1% (vs. Q1 up 4.6%). They contributed 2.0 pts to group organic growth. Key performers were Automotive (26.7%), SmartWorld (12.9%) and Opex (7.1%).

Solid commercial wins spurred by the five Growth Initiatives, softer rates of decline in Oil & Gas, as well as a firmer upstream Metals & Minerals market enabled Bureau Veritas to return to organic growth in H1 2017. All businesses, with the exception of Marine & Offshore, are on improving trends:

- the **Marine & Offshore** business posted an organic decline in organic growth in H1 2017 (down 7.5%), reflecting the slump in new orders experienced in past quarters, notably for categories such as bulk carriers and container ships;
- **Agri-Food and Commodities** revenue increased by 0.8% organically in H1 2017, with mixed performances across sub-segments. The Oil & Petrochemicals segment (39% of divisional revenue) reported 2.6% organic growth, reflecting particularly strong expansion in Europe and in China. The Metals & Minerals segment (26% of revenue) reported 2.5% organic growth. Agri-Food (19% of revenue) was stable in H1, reflecting a good Q2 performance (up 3.3%) relating to contract wins, after a slow start to the year owing to the end of a contract in inspection for Agri-Products in Latin America;
- organic growth in **Industry** was negative 1.1% in H1 2017, including a decrease of 0.4% in Q2. This reflects a marked decline of Oil & Gas Capex-related activities (down 12% in H1 2017 at Group Bureau Veritas level, including a decrease of 14% in Q2), partly compensated by accelerating growth in Oil & Gas Opex (i.e. In-service inspection for industrial assets) and favorable trends in other end-markets such as Power & Utilities and Transportation (including Automotive);
- **Building & Infrastructure** revenue increased by 4.0% organically with stronger organic growth in construction-related activities (59% of revenue) than for Building in-service activities (41%);
- **Certification** revenue increased by 6.1% organically, with a strong performance across all major service categories and regions. As expected, growth slowed down in Q2 vs. Q1 due to the reversal of the positive calendar effect;
- the **Consumer Products** business achieved solid organic growth of 5.2% in H1 2017 (o/w 6.1% in Q2), with growth spread across all regions and categories.

Acquisition growth was 3.3%, combining the contribution of acquisitions made in 2017, which are supporting three of the five Group Growth Initiatives, as well as acquisitions finalized in H2 2016.

Currency fluctuations had a positive impact of 1.6%, mainly driven by the appreciation of USD and pegged currencies as well as some emerging countries' currencies against the euro, in particular the Brazilian real that more than offset the impact of the GBP depreciation.

Adjusted operating profit was €359.4 million in H1 2017, and the adjusted operating margin was down 60 basis points to 15.2% compared to 15.8% in H1 2016. Adjusted for foreign exchange impact, margin declined by 50 bp year-on-year.

The organic decline was mostly attributable to the Marine & Offshore division (-30 bp) due to lower volume of activity notably for Certification of equipment and Offshore Services. In addition, price pressure and a change of mix in Industry cost another 20bp to Bureau Veritas' margin.

The impact of cyclical pressure was mitigated by the benefits of the Group's Operational Excellence program.

Attributable net profit for H1 2017 was €130.2 million, and earnings per share stood at €0.30.

H1 2017 operating cash flow stood at €149.9 million, vs. €161.2 million in H1 2016. The change in working capital was stable compared to last year despite the increase in revenue.

At June 30, 2017, adjusted net financial debt was €2,270.6 million, i.e. 2.51x last-12-month EBITDA as defined in the calculation of banking ratios, compared with 2.44x at June 30, 2016 and 2.2x at December 31, 2016.

2017 outlook confirmed

The global macroeconomic environment is likely to remain volatile in 2017, with persistent weakness in the oil & gas and shipping markets. Thanks to its diversified portfolio and the ramp-up of its growth initiatives, Bureau Veritas still anticipates slightly positive organic revenue growth, with acceleration in the second-half confirmed.

Bureau Veritas confirms its outlook of an adjusted operating margin of around 16%. Cash flow is expected to improve compared with 2016.

Constantia Flexibles – Refocus on flexible packaging business. Total revenue growth of 1.7%

(Full consolidation. In accordance with IFRS 5, Labels activities in H1 2016 and H1 2017 are presented in the income statement under "Net income from discontinued operations and operations held for sale". All the figures presented here exclude Labels figures)

On July 17, 2017, Constantia announced that it had signed an agreement to sell its Labels business to Multi-Color Corporation ("MCC"), for an enterprise value of approximately €1.15 billion ($1.3 billion). Subject to the customary regulatory approvals, the sale transaction is expected to be finalized in the fourth quarter of 2017. The majority of the transaction is payable in cash, while Constantia Flexibles will have a 16.6% equity holding in Multi-Color, thereby becoming its largest shareholder.

This value-creating transaction will give Constantia Flexibles additional resources to bolster its growth strategy in the flexible packaging market. Moreover, in becoming the largest shareholder of a company bringing together Constantia's and Multi-Color's labels businesses, Constantia Flexibles will retain an exposure to growth in this market.

All the figures presented here exclude Labels figures.

H1 2017 revenue totalled €734.3 million, up 1.7% compared with H1 2016 (€721.9 million), of which 0.9% was organic growth driven by volume increases in the Pharma division. Fluctuations in exchange rates had a positive impact of 1.6%, mainly deriving from the appreciation of the ZAR, USD and RUB. Portfolio effects were negative at -0.7% due to the divestment of the non-core folding carton activities in Mexico, which were not fully offset by the acquisitions of Oai Hung in Vietnam and San Prospero in Italy.

Food division revenues decreased by 2% to €586.1 million in H1 2017, mainly due to the divestment of the non-core folding carton business in Mexico. Organic growth in the division was flat as positive development in Europe and North America was offset by challenging conditions in emerging markets.

Growth in Europe was driven by film-based confectionary and snack products, while sales for pet-care food and confectionary grew in the US Sales in emerging markets were impacted by demonetization and the introduction of the GST reform in India, while the South African cement sacks business was negatively impacted by poor weather affecting the construction industry.

In H1 2017, **Pharma division** sales rose by 16.5% to €178.3 million, including the recent acquisitions of Oai Hung and San Prospero. Organic growth stood at 4%, driven by demand for blister lidding, sachet and coldform foils. The integration of Oai Hung has proceeded according to plan, with the company moving to a more favorable product mix of greater volumes for blisters in both domestic and export markets, as well as PVC films.

Constantia Flexibles' H1 2017 EBITDA was €90.5 million, an increase of 2.7% compared with H1 2016, due to targeted savings projects and productivity increases. As a result, the operating margin was 12.3% compared to 12.2% a year earlier. Margins as published for H1 2016 and 2017 include the operating income of the Food and Pharma divisions net of the holding expenses of those two divisions and Labels division.

As of July 1, 2017, Constantia Flexibles fully consolidated its acquisition of Alucap, Italy's leading producer of lids and seals for dairy products, located close to Trento (Italy's principal yogurt-producing region). Alucap specializes in producing aluminum lids and plastic films, and serves many local and international dairy producers.

Cromology – Total growth of 1.8%. Profitability affected by an increase in raw material prices

(Full consolidation)

During H1 2017, Cromology achieved sales of €382.6 million, up 2.3% compared to H1 2016 and up 0.3% organically, excluding Argentina. Acquisitions completed in 2016 (the Natec brand in France and the Jallut paint business in Switzerland) contributed 1.9% to the growth in sales. Currency fluctuations had a mildly negative impact of 0.2% on sales.

Including Argentina, total sales increased by 1.8%. Organic growth was only 0.1%, because an unfavorable calendar effect (nbr. of working days) reduced it by 0.5%.

Cromology's business benefited from a return to growth in France (1.1% in total growth and no organic growth) and from continued double-digit growth in the Rest of the World (up 25.2% including organic growth of 5.3%), excluding Argentina. In Argentina, H1 2017 sales (4% of total sales) declined by 9.8% owing to difficult economic conditions, and H1 2017 sales in southern Europe were affected by unfavorable market conditions in Italy (-0.4%).

Cromology's profitability reflected the extent of the greater-than-expected increase in raw material prices, principally titanium dioxide, since the beginning of 2017. Despite a continued tight grip on costs, Cromology's EBITDA declined by 14.9% to €30.7 million, representing a margin of 8.0%.

To improve the company's profitability, the management team launched a transformation plan in France and Italy in April 2017 to strengthen the company's sales performance.

Owing to strict control of working capital requirements, Cromology reduced net debt by €11.8 million, and as of end-June 2017 its ratio of net debt to EBITDA was 4.4. In July 2017, Cromology amended the terms and conditions of its bank loans with a covenant reset. In so doing it has increased its financial flexibility and taken the steps necessary to pursue its plans for growth and development. As part of the transaction, Cromology also increased drawdown capacity under its lines of credit by a total of €20 million. The cost of Cromology's debt will remain the same.

Stahl – Total sales growth of 7.1% driven by acquisitions and organic volume growth

(Full consolidation)

Stahl's first-half 2017 sales totaled €354.3 million, up 7.1% from first half 2016. This increase was driven by organic growth of 2.6% combined with a positive scope effect of 3.6% tied to the acquisitions of Viswaat Leather Chemicals Business in April 2016 and Eagle Performance Products in November 2016. Fluctuations in exchange rates had a slightly positive impact of 0.9% on sales. Organic sales growth at Stahl was mainly driven by solid to strong volume growth in all divisions. Stahl's EBITDA rose 9.8% in H1 2017 compared with H1 2016, to €87.4 million.

Stahl pursued its acquisition strategy, signing an agreement on March 22, 2017 to acquire the leather chemicals assets of BASF, one of the world's largest chemical products companies. The combination of the two businesses generated *pro forma* net sales(1) of ca. €850 million and *pro forma* EBITDA(1) of more than €200 million (on a 2016 basis). Stahl also expects to generate synergies at the EBITDA level, to be achieved over the 24 months following the closing of the transaction.

After the successful refinancing of its debt in November 2016, Stahl paid a dividend of €326 million to its shareholders, including €242.7 million to Wendel in January 2017. Following these transactions, Stahl's net debt stood at €453.5 million representing ca. 2.8 times LTM EBITDA as of June 30, 2017.

IHS – Sales up 15.4% and continued growth in colocation rate in an improving but still challenging economic environment in Nigeria

(Equity method)

IHS' H1 2017 sales totaled $545.9 million, up 15.4% from H1 2016, in spite of the c.40% Naira devaluation in June 2016. Sales increase was driven by the growth in tenancy ratio, contractual price reset in early 2017 and the acquisition of HTN towers (consolidated since June 2016). At the end of June 2017, total number of towers was 24,900 (2), up 5.2%. Point-of-Presence lease-up rate increased by 4.9% year-on-year.

(1) Excluding the pro-forma impact of Stahl's 2016 acquisitions (Eagle Performance Products and Viswaat Leather Chemicals).
(2) Tower count is more than 22,700 excluding managed services and WIP as of June 30, 2017.

With regards to profitability, IHS continued the successful development and rationalization of its installed base of towers. The company also kept carrying a tight operating costs control policy. EBIT for the first half of the year increased by 18.7% to $134.0 million (vs. $112.9 million in H1 2016), representing a margin of 24.5% in H1 2017 (vs. 23.9% in H1 2016).

In 2016, Nigeria experienced its first full-year of recession in 25 years, as the economy shrank 1.6%. Since the start of 2017 the Nigerian economic and monetary environment is however showing signs of improvement. IMF is forecasting a return to positive growth (+0.8% real annual GDP growth [1] in 2017), mainly driven by the restoration of oil production to normal levels. However, given the risks associated with the oil sector, this recovery remains fragile and the naira (Nigerian currency) remains volatile. To mitigate these risks the Nigerian government has launched in H1 2017 an Economic Recovery and Growth Plan (ERGP) for 2017–2020 that contains reforms aimed at diversifying the economy.

In Nigeria still, former Etisalat Nigeria operations are now continued under the "9mobile" brand, and the company is pursuing its business relationship with IHS. According to press reports, several investors are interested in taking over 9mobile.

On another note, on February 1, 2017, MTN Group ("MTN") finalized the exchange of its 51% stake in Nigeria Tower InterCo B.V, the operating holding company of INT Towers Limited, which manages more than 9,000 towers in Nigeria, for an additional direct stake in IHS Group. As a result of this transaction, MTN's economic interest in IHS Group increased from around 15% to around 29%. To preserve IHS' independence, MTN's voting rights, representation and access to information on IHS will remain limited.

Following this simplification of IHS' capital structure, Wendel holds 21.4% of the shares of IHS directly and remains IHS' largest shareholder in voting rights with unchanged governance rights.

Allied Universal – Total growth [2] of 11.3% in the first half of 2017

(Allied Universal has been consolidated by the equity method since August 1, 2016, when merger between AlliedBarton and Universal Services of America was finalized. In accordance with IFRS 5, AlliedBarton's activities in the first three months of 2016 are presented in the income statement under "Net income from operations to be accounted for by the equity method")

Allied Universal's first-half 2017 revenue totalled $2,589.6 million, up 11.3% from *pro forma* H1 2016, of which 1.6% was organic growth. This organic revenue growth reflects net new customer wins and the retention and increasing spend of existing clients. The organic growth does not reflect the negative impact of one fewer day in H1 2017 versus H1 2016 or the strong organic growth of businesses acquired since the beginning of 2016; factoring in these items, *pro forma* organic revenue growth would have been 3%.

External growth was 9.7%, reflecting the impact of acquisitions completed since the merger, including Apollo, FJC Security and Source Security & Investigations. Since the beginning of 2017, Allied Universal has continued to pursue its acquisition strategy, purchasing the security services division of Yale Enforcement Services, select contracts from Lankford Security, and Alert Protective Services, representing total annualized revenue of over $50 million.

H1 2017 adjusted EBITDA totaled $187.3 million, or 7.2% of sales[3]. The post-merger integration process is moving forward as expected, and nearly all planned actions to realize cost savings have been taken. The resulting synergies are reflected in Allied Universal's earnings, with over 90% of the anticipated ca. $100 million in savings already visible in the monthly June 2017 income statement. As a reminder, the total synergies are expected to have a full-year impact in the LTM income statement by mid-2018.

Lastly, in April 2017, Allied Universal successfully re-priced one tranche of its First Lien Term Loan facilities. With this re-pricing, Allied Universal reduced the annual interest expense on its outstanding credit facilities by ca. $11 million.

Saint-Gobain – Significant progress in results across the Board

(Equity method until May 31, 2017, unconsolidated since then)

Saint-Gobain's first-half 2017 reported sales increased 4.4% year-on-year to €20,409 million, including a positive 0.1% currency impact resulting mainly from the depreciation of the euro against the Brazilian real and US dollar, offset by the fall in pound sterling. The positive 0.8% group structure impact essentially reflects the consolidation of acquisitions made in Asia and emerging countries (Emix, Solcrom, Tumelero), in new niche technologies and services (H-Old, Isonat, France Pare-Brise), and to further strengthen Saint-Gobain's positions in Building Distribution (particularly in Nordic countries).

On a like-for-like basis, sales increased 3.5%, driven both by prices (up 1.8%), which continued to rise in a more inflationary cost environment, and by volumes (up 1.7%). Volumes increased across all Business Sectors and regions, with a slightly negative calendar impact over the first half (around +3% in Q1 and around -3.5% in Q2).

Saint-Gobain's operating income climbed 7.1% on a reported basis and 6.6% like-for-like. The operating margin widened to 7.2% vs. 7.0% in first-half 2016.

On June 27, 2017, Saint-Gobain experienced an important cyber-attack, which led to information system downtime and supply chain disruptions. IT systems were quickly restored and all operations had returned to normal by July 10. All efforts were made to ensure the continuity of the business and in particular to keep any impact on customers to a minimum. The cyber-attack is

(1) Source: IMF.
(2) Reflects pro forma growth as if the merger had been completed on January 1, 2016.
(3) Adjusted EBITDA as per credit agreement documentation, excluding pro forma adjustments for acquisitions and unrealized synergies.

not expected to have any impact on commercial relations going forward.

The cyber-attack is estimated to have had a negative impact of €220 million on first-half 2017 sales and of €65 million on first-half operating income. Over the full year, the negative impact is estimated at less than €250 million on sales and €80 million on operating income:

- **Innovative Materials** sales increased 4.1% like-for-like, driven by Flat Glass. There was another significant improvement in the Business Sector's operating margin, up to 12.3% from 11.2% in first-half 2016;
- **Construction Products (CP)** sales were up 3.7% like-for-like over the first half. The operating margin for the Business Sector was 9.3% compared to 9.4% in the same period of 2016, affected by the cyber-attack and by a timelag between pricing and cost increases;
- **Building Distribution** like-for-like sales rose 3.2%. Trading in France continued to recover, spurred by brisk momentum in new-builds and with positive pricing. Nordic countries were particularly hard hit by the cyber-attack, although Norway and Sweden still delivered good gains. Germany, which was also hard hit, contracted slightly, while France was affected albeit to a lesser extent. The UK continued to enjoy a steady pace of growth, driven by prices. Spain and the Netherlands posted further strong growth, while a tough macroeconomic environment continued to affect Brazil. The operating margin was 2.7%, compared to 2.8% in first-half 2016, squeezed by supply chain disruptions resulting from the cyber-attack.

The Group continued to pursue its strategic priorities during the first half, in line with its strategy confirmed at the investor day on May 17, 2017:

- €170 million in additional cost savings vs. first-half 2016;
- 18 acquisitions in the first half and six being finalized in July, including Glava, Kirson and TekBond;
- buyback of 3.5 million shares, in line with the Group's long-term objectives.

After a first half in line with expectations, the economic environment should remain supportive for Saint-Gobain in the second half of 2017:

- gradual improvement of construction markets in France;
- continued upbeat trends in other Western European countries, despite less visibility in the UK;
- positive market conditions in North American construction;
- further good organic growth in Asia and emerging countries, despite ongoing difficulties in Brazil.

Saint-Gobain confirms with confidence its 2017 objective of a like-for-like increase in operating income.

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation. In particular, it has invested in France (Mecatherm), Germany (exceet), Japan (Nippon Oil Pump) and the United States (CSP Technologies), as well as in Africa (Tsebo, Saham Group and SGI Africa).

Mecatherm – Slight improvement in order intake in H1, sales and EBITDA declined, as expected, despite an improvement in operating performance

(Full consolidation)

As expected and announced at the beginning of the year, Mecatherm's H1 2017 sales (€42.8 million) declined sharply (-31.1%), principally because new orders had slowed in H1 2016 and because a significant order from North Africa was canceled, with an impact of €9 million on H1 2017 sales. As a result of the decline in sales and despite better operating performance illustrated by higher margins on new contracts, EBITDA declined in H1 2017 to €2.7 million, vs. €7.4 million in the year-earlier period.

Order intakes, which had rebounded in H2 2016, slowed in H1 2017, but were still up by 3.2% in the first part of this year. Sales and marketing activity now has momentum, with a high number of possible new business deals under consideration. Customers' investment decisions are being postponed, however, and Mecatherm's legacy market – "standard" bread in mature countries – is slowing down. The Soft & Pastry segment, on which Mecatherm is developing more and more, is experiencing strong growth. Finally, Mecatherm is successfully developing its service business to meet growing demand from its long-standing customers for more versatile equipment and more diverse bread products. Services have grown 33.3% since the beginning of the year and reached a record high.

In this context of more difficult order intake, full-year 2017 sales will post a decline. Wendel is working in close collaboration with Mecatherm's management to prepare Mecatherm for the changes taking place in the industrial bread market. Wendel and Mecatherm also aim to boost order intakes in a sustainable manner and set them on a growth track.

CSP Technologies – Total growth of 3.1%, good contribution of newly integrated Maxwell Chase

(Full consolidation)

CSP Technologies posted sales of $64.5 million in H1 2017, representing total growth of 3.0% compared with H1 2016, mainly as a result of the full quarter impact of Maxwell Chase, acquired in mid-March 2016. Organic growth was down 4.4% (vs -5.1% in Q1), impacted mainly by the anticipated decrease in confectionary sales (a customer partially insourced its production in Q2 2016) and lower diabetes & cups sales. These reductions in organic sales were however partly offset by significant growth in OTC, new business and Maxwell Chase. Foreign exchange rate fluctuations had a negative impact of 0.9%.

CSP generated adjusted EBIT [1] of $13.5 million in H1 2017, or 20.9% representing a -140bps decrease compared to H1 2016. At constant exchange rate, EBIT margin increased +250bps to 24.8% driven mainly by a sales mix in H1 2017 that was partly offset by a slight increase in raw material.

Finally, on March 2, 2017, CSP announced that it had repriced and upsized its "Term Loan B" facility. As part of the transaction, the size of the existing Term Loan was increased by $12 million to a total of $178 million, and the interest rate was reduced by 75 basis points to Libor + 525bps.

Tsebo – Organic growth of 7.3%, driven by strong sales growth within Facilities Management, Cleaning, Catering and Protection; results further enhanced by positive FX impact and by three acquisitions

(Full consolidation since February 1, 2017)

Tsebo's first-half 2017 sales reached $269.3 million, up 25.0% from H1 2016. Tsebo benefited from strong organic growth (+7.3%) driven by ongoing developments within the facilities management, cleaning, catering and protection divisions, and favourable exchange rate fluctuations (+14.3%), in particular the South African Rand's appreciation against the U.S. Dollar. Growth was also supported by a positive scope change (+3.4%) with acquisitions completed in protection (Malandela in February 2016), leasing solutions (Sovereign Seeker in April 2016) and cleaning (Superclean in January 2017).

Tsebo's EBITDA was $18.6 million in H1 2017, an increase of 18.5% compared to the previous year. EBITDA margin decreased to 6.9% compared to 7.3% in the previous year, partly due to the integration of newly acquired businesses and progressive ramp up of new pan-African facility management contracts.

On June 30, 2017, Women Development Bank Investment Holdings (Pty) Limited (WDBIH) finalised the acquisition of an effective 25% stake in Tsebo's main South African subsidiary (TSG). Established in 1996, WDBIH is a South African women-founded, led and operated investment holding company. Combined with Tsebo Empowerment Trust's ownership in TSG, this transaction allows Tsebo to retain the highest achievable rating on the South African DTI's generic BEE scorecard, and to perpetuate its history of enduring partnerships with women investment groups.

Since the end of the quarter, Tsebo has continued its pan-African growth strategy by completing its first transaction as part of the Wendel Group. The acquisition of Rapid Facilities Management Pty Ltd in Nigeria, an established facilities management services provider with strong leadership, became unconditional on September 1, 2017. This acquisition further establishes Tsebo in the attractive Nigerian market, where Tsebo already has a number of clients.

Nippon Oil Pump – Strong profitable growth of 9.3% in all geographies & products

(Full consolidation)

During the first half of 2017, Nippon Oil Pump's sales totalled ¥2,924 million, up 9.3% from the same period last year, consisting of organic growth of 9.5% and a currency effect of -0.2%.

Sales of the "Vortex" filter-pumps for the coolant unit market increased by 39.8%, while sales of conventional products also performed with strength: sales of both trochoid pumps and hydraulic motors increased by 4.5% and 19.2% respectively.

Following last year's challenging environment, NOP's management executed aggressive cost reduction and price increase policies, which, combined with increased quantity, has resulted in a significantly improved level of profitability: EBITDA margin improved by almost 6 points from 15.8% in H1 2016 to 21.7% in H1 2017.

exceet – Operational Results and Business Alignment moving ahead

(Equity method – Following the sale of the IDMS division and in accordance with IFRS 5, the H1 2016 results of this division have been included in "Net income from discontinued operations and operations held for sale" in exceet's financial statements.)

In H1 2017, exceet's sales totaled €71.1 million, up 8.7%, of which 8.1% was organic. Q2 2017 sales of exceet group amounted to €35.7 million – marking their highest quarterly level since 2013. H1 EBITDA was €4.5 million (6.3% of net sales), up 28.4% compared to H1 2016.

(1) Before restatement of goodwill allocation.

As published on May 2 and July 5, 2017, the two potential buyers of the stakes of exceet's existing core shareholders refrained from further negotiations and therefore will not make a tender offer.

exceet's business performance in Q2 2017 overall confirmed the encouraging start to the year despite the currently still lagging level of activities in the PCB business. Management remains confident the company will deliver the growth and profitability prospects indicated in last year's annual report.

Saham Group – Good performance in insurance activities and customer relationship centers

(Not consolidated)

The Saham Group's consolidated H1 2017 revenue was MAD 6.485 billion, up 8.0% from H1 2016. Organic growth was 12.5% (constant structure and currencies).

Consolidated revenue from insurance activities (Saham Finances division) were up 8.6% in H1 2017, with organic growth of 12.0%. All insurance entities saw increases in gross premiums during the period, with 10.9% organic growth in Morocco (41% of gross premiums), a significant rebound in Angola (34.2% organic growth at Saham Angola Seguros) and 12.1% organic growth in the rest of Africa. Currency fluctuations had a negative impact of 3.6% on the division's consolidated H1 2017 revenue, mainly due to the devaluation of the Nigerian naira at the end of June 2016. The devaluation hit Continental Re particularly hard. Continental's total revenue declined by 13.8%, despite organic growth of 18.4%.

As announced in December 2016, Sanlam increased its stake in Saham Finances. Through this transaction, finalized on May 10, 2017, the South African group invested $329 million to increase its holding from 30.0% to 46.6%.

Customer relationship centers posted organic growth in aggregate revenue [(1)] of 14.7% compared with H1 2016, but overall growth of only 1.0% due to the devaluation of the Egyptian pound at the end of 2016, which affected the results of group subsidiary Ecco. The negative impact on aggregate revenue of the Offshoring division was 13.7%. In Morocco, sales to new economy and e-commerce customers offset the decline in volume deriving from historical telecom operators. Business is growing in Côte d'Ivoire and Senegal, where volume is up with e-commerce customers, as well as at Ecco (notably in Egypt), which posted organic growth of 42.7%.

Saham Group is also pursuing the growth and development of its Healthcare, Education and Real Estate businesses, with priority on Morocco.

SGI Africa – 2 shopping malls in operation and nine projects underway

(Equity method since August 1, 2017)

SGI Africa has already 2 shopping malls in operation, in Abidjan (Côte d'Ivoire): PlaYce Marcory (opened in December 2015) is 100% commercialized, and welcomed over 1.5 million visitors during H1; PlaYce Palmeraie (opened in June 2017) is over 95% commercialized, with traffic in line with expectations. There are also 6 other projects underway, in Côte d'Ivoire (1), Cameroon (3) and Senegal (2), at different stages of advancement. The next opening is expected in Douala (Cameroon) before the end of 2017.

Wendel has not yet invested beyond its initial equity contribution (€25 million), but is expected to do so in the coming months, to contribute its 40% share of the projetcs pipeline equity financing requirements.

(1) Sum of 100% of the revenue of Saham Group's Offshoring division.

Other significant events since the beginning of 2017

Rebalancing and portfolio turnover

Continued divestment of Saint-Gobain shares

On June 2, Wendel announced the successful sale of 20 million Saint-Gobain shares, or 3.6% of the share capital, for a total of around €1 billion. Wendel now holds 2.5% of Saint-Gobain's share capital and approximately 4.5% of its voting rights. The existing Corporate governance agreements will remain in effect [1]. This sale, as well as gradual share sales of 0.3% since May 19, 2017, at an average price of €50.113 per share, represented total proceeds of €1.085 billion for Wendel. This amount complements the resources already available to Wendel to implement its 2017-20 investment strategy.

The sale of Saint-Gobain shares also led to an accounting gain of €84.1 million in Wendel's 2017 financial statements. This capital gain was calculated on all of the Saint-Gobain shares Wendel held before the sale, in line with accounting rules currently in force.

Wendel has finalized the acquisition of 65%[2] of the share capital of Tsebo

Following the September 2016 announcement that Wendel had signed an agreement to acquire Tsebo, Wendel announced on February 1, 2017 that it had obtained all necessary authorizations and had completed the acquisition of 65% [2] of the share capital of Tsebo Solutions Group, the pan-African leader in corporate services, for a total enterprise value of ZAR 5.25 billion (ca. €362 million [3]).

Wendel has invested €159 million[4] in Tsebo *via* Oranje-Nassau Développement and holds a 65% [1] stake in the company, alongside Capital Group Private Markets (35% [1]). After the agreement to acquire Tsebo was signed, Wendel implemented hedging contracts that led to a net gain of €3.5 million.

The transaction was also financed by bank borrowings of ZAR 1.85 billion from Standard Chartered Bank, Investec Bank and Nedbank. Tsebo also has a ZAR 150 million revolving credit and a ZAR 325 million line of credit to finance future acquisitions. Wendel and Capital Group Private Markets will continue to support Tsebo's acquisition strategy through additional investments, if necessary.

Disposal of 2.8 million Bureau Veritas shares purchased in November 2016

In November 2016, Wendel purchased an additional 2.8 million Bureau Veritas shares that it did not intend to keep over the long term. The shares were purchased because Wendel believed their price had fallen too far, and was able to buy them at an average price of €17.05 per share. Wendel had indicated that these shares would be resold when the share price reflected the gradual increase expected from the strategic plan and growth initiatives. After a first quarter with organic growth of 1.9% and growth of 4.6% from strategic initiatives, Wendel felt this momentum was underway. The 2.8 million shares were sold in Q2 at an average price of €21.50. Wendel thus achieved a cash gain of €12.4 million. In accordance with IFRS 10, the accounting capital gain (€52 million) has been recognized in shareholders' equity in Wendel's consolidated financial statements. Following this transaction, Wendel now holds 40.6% of Bureau Veritas' share capital and 56.1% of theoretical voting rights.

Gross debt reduced, maturity extended and cost of debt reduced

- Wendel repaid all of the bonds maturing on August 9, 2017, bearing interest at 4.375% and with a par value of €507 million

This transaction has enabled Wendel to continue reducing the average cost of its bond debt to 2.74% on average, vs. 4.3% as of the beginning of 2016. The average maturity of Wendel's debt as of August 25, 2017 was 4.6 years.

In addition, during the summer of 2017, Wendel obtained agreement from its banks to increase the size of its syndicated credit to €750 million and to extend the maturity date by two years, subject to their approval. As of the date the financial statements were finalized, the legal documentation for this agreement had not yet been signed. This undrawn line of credit can ensure the payment, if necessary, of the nearest maturities, while giving Wendel sufficient flexibility to take advantage of investment opportunities.

During H1 2017, Wendel also canceled the undrawn, €500 million bank line of credit with margin calls that would otherwise have matured in March 2020.

(1) Pursuant to the governance agreements in effect with Saint-Gobain, Wendel has reduced its representation on the Board of Directors from three seats to one.
(2) Percentage ownership before co-investment by Tsebo's managers of approximately 2.5% of share capital.
(3) EUR/ZAR = 14.4955 as of January 31, 2017.
(4) After taking currency hedging into account.

2 Other information

Financial risk management procedures, information on **related parties** and **changes in the scope of consolidation** are detailed in the notes to the condensed consolidated firsthalf financial statements.

Operational risks are detailed in the 2016 registration document, on page 121.

NET ASSET VALUE

Wendel's Net Asset Value as of August 25, 2017

Net asset value was €7,824 million or €165.8 per share as of August 25, 2017 (see Appendix 1 below for details), representing a 12-month rise of 13.7% from €145.8 per share as of August 26, 2016. The discount to NAV was 21.7% as of August 25, 2017.

As of December 31, 2016, net asset value was €7,248 million, or €153.9 per share.

Compared with May 5, 2017, NAV was down by 4.0%, principally for the following reasons:

- decline in Bureau Veritas: the average 20-trading-day price declined from €20.6 to €19.7 and the number of shares declined during the second quarter;
- decline in the dollar: assets and liabilities denominated in currencies other than the euro are converted at the exchange rate in effect as of the NAV calculation date. The exchange rate used to convert assets and liabilities denominated in dollars as of August 25, 2017 was 1.181 USD/EUR vs. 1.096 USD/EUR as of May 5, 2017. This fluctuation was only partially offset by cross currency swaps (€800 million) implemented in 2016.

In millions of euros			08/25/2017
Listed equity investments	*Number of shares*	*Share price* (1)	**4,162**
Bureau Veritas	*177.2 million*	*€19.7*	3,497
Saint-Gobain	*14.2 million*	*€46.9*	664
Unlisted investments and Oranje-Nassau Développement (2)			4,535
Other assets and liabilities of Wendel and holding companies (3)			146
Cash and marketable securities (4)			1,863
Gross asset value			**10,706**
Wendel bond debt and accrued interest			-2,882
Net Asset Value			**7,824**
Of which net debt			*-1,019*
Number of shares			*47,195,153*
Net Asset Value per share			**€165.8**
Average of 20 most recent Wendel share prices			€129.8
Premium (discount) on NAV			**-21.7%**

(1) Average of 20 most recent closing prices calculated as of August 25, 2017.
(2) Unlisted equity investments (Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal) and Oranje-Nassau Développement (NOP, Saham, Mecatherm, exceet, CSP Technologies, SGI Africa, Tsebo and indirect investments and debt). IHS's valuation is calculated solely on the basis of EBITDA so as to take into account the fast-growing nature of IHS's business. The Sanlam/Saham transaction was finalized on May 10, 2017 and has been included in the NAV calculation since May 5, 2017. The sale of Constantia Flexibles' Labels division to MCC was taken into account in the August 25 NAV calculation.
(3) Includes 1,495,057 Wendel shares held in treasury as of August 25, 2017.
(4) Cash and marketable securities of Wendel and holding companies as of August 25, 2017, composed of €1,508 million in available cash and €354 million in liquid financial investments.

Assets and liabilities denominated in currencies other than the euro have been converted at exchange rates prevailing on the date of the NAV calculation.

If co-investment conditions are realized, there could be a dilutive effect on Wendel's percentage ownership. These items have been taken into account in the calculation of NAV. See page 259 of the 2016 registration document.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS H1 2017

1 Balance sheet – Statement of consolidated financial position

Assets

In millions of euros	Note	6/30/2017	12/31/2016
Goodwill, net	5 and 6	3,487.4	3,669.3
Intangible assets, net	5	2,035.9	2,238.8
Property, plant & equipment, net	5	1,402.7	1,635.9
Non-current financial assets	5 and 9	1,148.8	385.5
Pledged cash and cash equivalents	5 and 8	0.7	0.7
Equity-method investments	5 and 7	661.2	2,413.2
Deferred tax assets	5	210.5	200.9
TOTAL NON-CURRENT ASSETS		**8,947.2**	**10,544.2**
Assets of discontinued operations and operations held for sale	**13**	**1,035.7**	**2.0**
Inventories	5	499.1	508.5
Trade receivables	5	1,943.8	1,899.0
Other current assets	5	325.0	283.6
Current income tax assets	5	78.1	70.5
Other current financial assets	5 and 9	408.6	442.2
Cash and cash equivalents	5 and 8	2,582.1	2,561.3
TOTAL CURRENT ASSETS		**5,836.7**	**5,765.0**
TOTAL ASSETS		**15,819.6**	**16,311.2**

Liabilities

In millions of euros	Note	6/30/2017	12/31/2016
Share capital		188.7	188.4
Share premiums		46.9	36.3
Retained earnings & other reserves		1,844.8	2,399.8
Net income for the period – Group share		31.3	-366.8
		2,111.8	**2,257.7**
Non-controlling interests		1,025.3	1,039.4
TOTAL SHAREHOLDERS' EQUITY	**10**	**3,137.0**	**3,297.1**
Long-term provisions	5 and 11	458.3	465.3
Financial debt (non-current portion)	5 and 12	7,291.4	7,577.7
Other non-current financial liabilities	5 and 9	433.8	518.2
Deferred tax liabilities	5	624.0	677.9
TOTAL NON-CURRENT LIABILITIES		**8,807.5**	**9,239.1**
Liabilities of discontinued operations and operations held for sale	**13**	**324.1**	**0.0**
Short-term provisions	5 and 11	59.4	66.1
Financial debt (current portion)	5 and 12	1,177.9	1,367.2
Other current financial liabilities	5 and 9	378.9	403.1
Trade payables	5	895.4	850.2
Other current liabilities	5	942.0	984.2
Current income tax payable	5	97.5	104.1
TOTAL CURRENT LIABILITIES		**3,551.1**	**3,774.9**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**15,819.6**	**16,311.2**

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations," the assets and liabilities of Constantia Flexibles' Labels division and the assets and liabilities of part of Bureau Veritas' European Non-destructive Testing business were reclassified to "Assets and liabilities of discontinued operations and operations held for sale" in the first half of 2017 (see note 2 "Changes in scope of consolidation").

The notes to the financial statements are an integral part of the consolidated statements.

2 Consolidated income statement

In millions of euros	Note	1st half 2017	1st half 2016
Net sales	5 and 14	4,168.4	3,789.5
Other income from operations		7.8	4.2
Operating expenses		-3,822.4	-3,407.8
Gains/losses on divestments		-0.5	-3.3
Asset impairment	6	-17.8	-0.1
Other income and expense	5	-9.8	-24.5
OPERATING INCOME	**5 and 15**	**325.7**	**358.0**
Income from cash and cash equivalents		-23.5	1.7
Finance costs, gross		-189.3	-199.0
Finance costs, net	*5 and 16*	*-212.8*	*-197.3*
Other financial income and expense	5 and 17	15.3	-112.1
Tax expense	5 and 18	-111.8	-109.9
Net income (loss) from equity-method investments	5 and 19	88.1	-306.0
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**104.5**	**-367.3**
Net income from discontinued operations and operations held for sale	13	21.4	100.3
Net income of operations to be recognized using the equity method	13	-	-46.2
NET INCOME		**125.8**	**-313.2**
Net income – non-controlling interests		94.6	111.9
NET INCOME – GROUP SHARE		**31.3**	**-425.1**

In euros	Note	1st half 2017	1st half 2016
Basic earnings per share	20	0.69	-9.27
Diluted earnings per share	20	0.55	-9.46
Basic earnings per share from continuing operations	20	0.38	-10.31
Diluted earnings per share from continuing operations	20	0.25	-10.51
Basic earnings per share from discontinued operations	20	0.31	1.05
Diluted earnings per share from discontinued operations	20	0.30	1.05

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations":

- The contribution of Constantia Flexibles' Labels division has been reclassified on a single line of the income statement under "Net income from discontinued operations and operations held for sale" for the first half of 2016 and the first half of 2017;
- The contribution of part of the Bureau Veritas' European Non-destructive Testing business has been reclassified on a single line of the income statement under "Net income from discontinued operations and operations held for sale" for the first half of 2017.

The notes to the financial statements are an integral part of the consolidated statements.

3 Statement of comprehensive income

In millions of euros	1st half 2017 Gross amounts	1st half 2017 Tax effect	1st half 2017 Net amounts	1st half 2016 Gross amounts	1st half 2016 Tax effect	1st half 2016 Net amounts
Items recyclable into net income						
Currency translation reserves (1)	-238.5	-	-238.5	-45.6	-	-45.6
Gains and losses on qualified hedges (2)	69.9	-0.5	69.4	-4.9	1.2	-3.7
Gains and losses on assets available for sale (3)	-38.3	-	-38.3	-5.6	-	-5.6
Earnings previously recognized in shareholders' equity taken to the income statement	-5.2	1.4	-3.9	1.7	-0.4	1.3
Items non-recyclable into net income						
Actuarial gains and losses	6.6	-1.2	5.4	-42.6	16.1	-26.5
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY (A)	**-205.6**	**-0.3**	**-205.9**	**-97.0**	**16.9**	**-80.2**
Net income for the period (B)			125.8			-313.2
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)			**-80.1**			**-393.4**
Attributable to:						
■ shareholders of Wendel			-84.8			-492.4
■ non-controlling interests			4.7			99.1

(1) *This item notably includes negative contributions from Bureau Veritas, CSP Technologies and Saint-Gobain in the amounts of €141.0 million, €16.0 million, and €26.9 million respectively.*
(2) *Of which +€64.1 million related to the change in the fair value of cross currency swaps recorded by Wendel (see note 4-5.1 "Managing currency risk – Wendel").*
(3) *The main impact relates to changes in the fair value of Saint-Gobain shares in the negative amount of €47.1 million and Saham shares in the positive amount of €8.7 million (see note 9-3 "Details of financial assets and liabilities").*

The notes to the financial statements are an integral part of the consolidated statements.

4 Statement of changes in shareholders' equity

In millions of euros	Number of shares outstanding	Share capital	Share premiums	Treasury shares	Retained earnings & other reserves	Currency translation adjus-tments	Group share	Non-controlling interests	Total share-holders' equity
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2015	**46,029,229**	**192.0**	**31.7**	**-203.3**	**2,950.3**	**11.2**	**2,982.0**	**972.5**	**3,954.5**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-64.8	49.4	-15.4	23.9	8.4
Net income for the period (B)					-366.8	-	-366.8	225.7	-141.1
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B) [(1)]		**-**	**-**	**-**	**-431.5**	**49.4**	**-382.2**	**249.6**	**-132.6**
Dividends paid [(2)]					-98.7		-98.7	-251.7	-350.4
Movements in treasury shares	-443,662	-3.8	-	-46.0	-	-	-49.9	-	-49.9
Capital increase									
▪ exercise of stock options	37,200	0.1	2.8				3.0	-	3.0
▪ company savings plan	23,486	0.1	1.7				1.8	-	1.8
Share-based payments					20.7		20.7	16.1	36.7
Changes in scope of consolidation					-71.2	-12.5	-83.6	-49.8	-133.4
Other					-120.1	-15.2	-135.3	102.8	-32.5
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2016	**45,646,253**	**188.4**	**36.3**	**-249.3**	**2,249.5**	**32.9**	**2,257.7**	**1,039.4**	**3,297.1**
Income and expenses recognized directly in shareholders' equity (A)					29.2	-145.4	-116.1	-89.8	-205.9
Net income for the period (B)					31.3		31.3	94.6	125.8
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B) [(1)]					**60.5**	**-145.4**	**-84.8**	**4.7**	**-80.1**
Dividends paid [(2)]					-107.3		-107.3	-150.2	-257.5
Movements in treasury shares	-121,075			-23.4			-23.4		-23.4
Capital increase									
▪ exercise of stock options	87,275	0.3	10.7				11.0		11.0
Share-based payments					8.1		8.1	6.1	14.2
Changes in scope of consolidation [(3)]					33.7	21.4	55.2	152.6	207.8
Other [(4)]					-4.7	-0.0	-4.7	-27.4	-32.1
SHAREHOLDERS' EQUITY AS OF JUNE 30, 2017	**45,612,453**	**188.7**	**46.9**	**-272.7**	**2,239.9**	**-91.1**	**2,111.8**	**1,025.3**	**3,137.0**

(1) See "Statement of comprehensive income."
(2) In H1 2017, Wendel paid a dividend of €2.35 per share, for a total of €107.3 million. In 2016, Wendel paid a dividend of €2.15 per share, for a total of €98.7 million.
(3) Changes in scope of consolidation include €52.2 million in proceeds from the sale of Bureau Veritas shares (Group share) and €129.7 million (mainly non-controlling interests) related to the acquisition of Tsebo. The changes in scope of consolidation are broken down in note 2 "Changes in scope of consolidation."
(4) Other changes include the impact of puts held by non-controlling interests.

The notes to the financial statements are an integral part of the consolidated statements.

5 Consolidated cash flow statement

In millions of euros	Note	1st half 2017	1st half 2016
Cash flows from operating activities			
Net income		125.8	-313.2
Share of net income/loss from equity-method investments		-88.1	306.0
Net income from discontinued operations and operations held for sale		-21.4	-80.3
Depreciation, amortization, provisions and other non-cash items		267.2	252.7
Expenses on investments and divestments		8.1	48.4
Cash flow from companies held for sale		29.6	50.5
Gains/losses on divestments		0.5	1.1
Financial income and expense		197.5	312.8
Taxes (current & deferred)		111.8	114.7
Cash flow from consolidated companies before tax		631.0	692.7
Change in working capital requirement related to operating activities		-239.8	-232.9
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX	**5**	**391.2**	**459.8**
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets	21	-133.9	-129.3
Disposal of property, plant & equipment and intangible assets		3.4	10.5
Acquisition of equity investments	22	-282.4	-174.2
Disposal of equity investments	23	1,145.1	1,401.0
Impact of changes in scope of consolidation and of operations held for sale	24	19.3	-21.8
Changes in other financial assets and liabilities and other	25	24.6	-5.5
Dividends received from equity-method investments and unconsolidated companies	26	19.4	45.8
Change in working capital requirements related to investment activities		-3.2	-35.2
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX	**5**	**792.3**	**1,091.3**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		11.0	1.6
Contribution of non-controlling shareholders		1.0	0.8
Share buybacks:			
▪ Wendel		-23.4	-29.5
▪ Subsidiaries		-16.7	-20.3
Dividends paid by Wendel		-107.3	-98.7
Dividends paid to non-controlling shareholders of subsidiaries		-150.2	-147.8
New borrowings	27	272.2	695.2
Repayment of borrowings	27	-726.7	-1,133.9
Net finance costs		-174.6	-220.5
Other financial income/expense		-82.4	-8.3
Change in working capital requirements related to financing activities		-19.2	-52.5
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX	**5**	**-1,016.4**	**-1,014.0**
Cash flows related to taxes			
Current tax expense		-135.9	-132.6
Change in tax assets and liabilities (excl. deferred taxes)		-11.9	-1.0
NET CASH FLOWS RELATED TO TAXES	**5**	**-147.8**	**-133.6**
Effect of currency fluctuations		1.5	-5.4
Net change in cash and cash equivalents		20.8	398.1
Cash and cash equivalents at beginning of period		2,562.0	1,223.2
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5 and 8**	**2,582.8**	**1,621.3**

In accordance with IFRS 5, the cash flows of Constantia Flexibles' Labels division were kept in each of the cash flow categories until June 30, 2017, when the division was reclassified to "Discontinued operations and operations held for sale."

Cash as of June 30, 2017 was reclassified to "Impact of changes in scope of consolidation and of operations held for sale" in the amount of €23.9 million.

The contribution of Constantia Flexibles' Labels division to the main cash-flow categories in the first half of 2017 was as follows:

In millions of euros	**1st half 2017**
Net cash flows from operating activities, excluding tax	35.3
Net cash flows from investing activities, excluding tax	-15.8
Net cash flows from financing activities, excluding tax	-13.2
Net cash flows related to taxes	-5.9

The notes to the financial statements are an integral part of the consolidated statements.

6 General principles

Wendel is a European company with an Executive Board and a Supervisory Board, governed by European and French legislative and regulatory provisions that are or will be in force. The Company is registered in the Paris trade and Company Register (*Registre du commerce et des sociétés*) under number 572 174 035. Its head office is located at 89 rue Taitbout, Paris, France.

Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

As of June 30, 2017, the Wendel Group primarily comprised:

- fully consolidated operating companies: Bureau Veritas (40.6% net of treasury shares), Cromology (87.4%) [(1)] which in turn is composed of the holding companies Materis and Cromology, Stahl (75.3%), Constantia Flexibles (60.5%) and the companies grouped under Oranje-Nassau Développement: Mecatherm (98.6%), CSP Technologies (98.3%), Nippon Oil Pump (99.0%) and Tsebo (64.7%) (see note 2 "Changes in scope of consolidation");
- operating companies consolidated by the equity method: IHS (21.4%), Allied Universal (33.2%), Saint-Gobain (6.5%) until the date of the sale of a block of 3.9% of the share capital (see note 2 "Changes in scope of consolidation"), exceet (28.4% net of treasury shares) and SGI Africa (40.0%), the latter two companies being grouped under Oranje-Nassau Développement; and
- Wendel and its fully consolidated holding companies.

The Wendel Group condensed consolidated financial statements cover the 6-month period from January 1 to June 30, 2017 and are expressed in millions of euros. They include:

- the balance sheet (statement of financial position);
- the income statement and the statement of comprehensive income;
- the statement of changes in shareholders' equity;
- the cash flow statement; and
- the notes to the financial statements.

Each accounting item in these financial statements includes the contribution of all of the Group's fully consolidated companies. However, each of Wendel's subsidiary companies is managed independently under the responsibility of its own executive management. It is therefore important to analyze subsidiaries' individual performance using relevant aggregate accounting data for their respective business activities.

Aggregate accounting data for each fully consolidated subsidiary are presented in note 5 "Segment information," which shows the contribution of each subsidiary to the income statement, balance sheet, and cash flow statement. Aggregate accounting data for equity-method investments are set out in note 7 "Equity-method investments." An analysis of the Group's overall performance by business activity is provided in note 5 "Segment information," which details recurring net income by business activity and non-recurring net income. There is no financial recourse between the different operating subsidiaries or from the operating subsidiaries to Wendel or its holding companies (see note 4-2.2 "Liquidity risk of operating subsidiaries"). The debt positions of the fully-consolidated subsidiaries, and of Wendel and its holding companies, are presented individually in note 4-2 "Managing Liquidity Risk."

These condensed consolidated financial statements were adopted by Wendel's Executive Board on August 28, 2017.

(1) *This is the percentage held from a legal point of view. For consolidation purposes, Cromology has been consolidated with a holding of 90.1%. This percentage includes the shares held by Cromology managers and Materis former managers that might be repurchased in the context of the liquidity to be offered to them in 2017 (see note 28-6 "Shareholder agreements and co-investment mechanisms").*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: DETAILED CONTENTS

7 Notes

NOTE 1 Accounting principles

This set of condensed consolidated financial statements for the first half of 2017 has been prepared in accordance with IAS 34 “Interim financial reporting." These financial statements should be read in conjunction with the financial statements for the 2016 fiscal year included in the registration document filed with the AMF on April 12, 2017 under number D.17-0376.

With the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 1, 2017, the accounting principles used are the same as those used in preparing the annual consolidated financial statements for the year ended December 31, 2016, corresponding to the IFRS reference as adopted by the European Union, which is available on the EU Commission website:

“https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en”

No new standards, interpretations or amendments with mandatory application for fiscal years beginning on or after January 1, 2017 had been adopted by the European Union as of June 30, 2017.

Wendel Group companies, in particular Bureau Veritas and Mecatherm, have reviewed the impact of IFRS 15 “Revenue from contracts with customers” on the accounting principles for their various types of contracts. Regarding Bureau Veritas, revenue from short-term contracts, currently recognized after the end of the work, must be deferred up until the issuance of the report, for contracts which do not give an enforceable right to payment for the services rendered as of the closing date. For the other contracts, in particular, in Marine & Offshore, and Construction and Industry operations, the percentage-of-completion method, currently being used, should be maintained in most cases. Mecatherm, which currently recognizes revenue utilizing the percentage-of-completion method for a portion of its long-term contract operations, and upon completion for after-sales service operations, has analyzed the consequences of IFRS 15 on its practices and its organization; no significant impact is expected on the Group’s financial statements.

NOTE 2 Changes in scope of consolidation

The scope of consolidation of the Wendel Group is presented under "General principles."

Note 2-1 Acquisition of 65% of Tsebo (corporate services in Africa)

The acquisition of approximately 65% of the capital of Tsebo for €162 million via Oranje-Nassau Développement was finalized early February 2017. The remaining 35% is owned by Capital Group Private Markets.

Tsebo is the pan-African leader in corporate services. The company, which employs around 35,000 people in 23 countries, provides facilities management, catering, cleaning and security services in addition to remote camp services to clients across Africa. In 2017 (year ended March 31), Tsebo achieved net sales over 12 months of $501 million and EBITDA of $36 million.

Wendel exercises exclusive control over this group, which has accordingly been fully consolidated since the date of its acquisition.

The acquisition structure was financed as follows:

■ Wendel's investment (exchange rate at the time of acquisition)	€162 million
■ Capital Group contributions	€87 million
■ Bank borrowings	€133 million
	€382 million

These amounts were employed as follows:

■ Acquisition of shares	€270 million
■ Fees and other acquisition-costs	€11 million
■ Refinancing of Tsebo Group's debt	€101 million
	€382 million

The provisional goodwill recognized on this acquisition amounted to €228 million (including non-controlling interests recognized at fair value on first consolidation):

■ Provisional residual goodwill	€228 million
■ Customer relationships (amortized over 15 years)	€107 million
■ Tsebo brands (indefinite useful life)	€21 million
■ Other brands (amortized over 5-10 years)	€29 million
■ Deferred taxes	€-44 million
■ Financial debt and other balance-sheet items not revalued on acquisition	€-71 million
Share acquisition price	**€270 million**

As permitted by IFRS, the acquisition price will only be definitively allocated during the 12 months following the acquisition date.

Note 2-2 Investment in Saint-Gobain (production, transformation and distribution of building materials)

In the first half of 2017, Wendel sold 21.7 million Saint-Gobain shares, corresponding to 3.9% of the company's share capital, for a total of €1,085 million. The sale was partially staggered, with the final installment being the placement of a block of 20 million shares (of which 1 million purchased by Saint-Gobain). Wendel now owns 14,153,490 Saint-Gobain shares, representing almost 2.5% of the capital and 4.5% of the voting rights.

Existing governance arrangements remain in place, but the number of Wendel representatives on the Saint-Gobain Board of Directors has been reduced from 3 to 1; the Group therefore considers that it ceased to have significant influence on this company from the date of sale of the block of securities. In accordance with IAS 28 "Investments in Associates and Joint Ventures," this transaction is therefore reflected as follows:

- the recognition of the disposal of all Saint-Gobain shares consolidated by the equity method (including those kept) on the date of the sale of the block; a capital gain of €84 million was recognized in this respect under "Net income (loss) from equity-method investments" (Saint-Gobain was consolidated by the equity method until the date of sale of the block of shares); and
- the recognition in the consolidated balance sheet of residual securities at the market price; these securities are now classified as "Financial assets available for sale" (this classification does not imply that the Group intends to sell these securities in the short term, see note 1-10.6 2. "Financial assets available for sale" in the 2016 consolidated financial statements).

In addition, changes in the percentage interest between January 1 and the date of disposal generated a dilution loss of €5.0 million; these changes are related to Saint-Gobain's capital increases and changes in its treasury shares.

The dividend paid by Saint-Gobain (€17.8 million) is presented in the income statement under "Other financial income and expense." It was received after the date of deconsolidation.

Note 2-3 Interest in Bureau Veritas (certification and verification)

In November 2016, Wendel purchased 2.8 million additional Bureau Veritas shares that were not intended to be held over the long term. The share price had declined in a manner deemed excessive by Wendel's management, making it possible to acquire these securities at an average price of €17.05 per share. The shares were subsequently sold in May 2017 at an average price of €21.50. Wendel accordingly made a gain of €12.4 million.

Following this transaction, Wendel holds 177,173,360 Bureau Veritas shares, as previously, representing 40.6% of the share capital and 56.1% of theoretical voting rights.

Taking into account the weighted average cost based on all Bureau Veritas shares in the Group's consolidated financial statements, the capital gain is €52 million; this amount is recorded in equity insofar as the Group still has exclusive control over Bureau Veritas (IFRS 10 "Consolidated financial statements").

Note 2-4 Principal changes in scope of consolidation of subsidiaries and associates

Note 2-4.1 Changes in scope of consolidation of the Bureau Veritas Group (certification and verification)

During the first half of 2017, Bureau Veritas carried out the following acquisitions:

- Shanghai Project Management, a Chinese company specializing in construction project supervision;
- Siemic, Inc., an American electrical and electronic equipment testing and certification company based in California and Asia;
- Schutter Groep B.V, a Dutch company operating in the food commodities sector. It offers inspections, laboratory tests, risk management services, supply chain quality audits and certification in the fields of edible oils and fats, cereals, livestock feed and biofuels;
- California Code Check, Inc., an American third-party consulting firm specialized in reviewing plans, verifying compliance of building permits and carrying out inspections for municipalities. Its customer base comprises approximately 30 cities and counties in California.

The total purchase price was €85.4 million, and the total goodwill recognized on these companies was €51.0 million (of which €19.6 million for Shanghai Project Management in China and €17.3 million for Siemic in the United States). 2016 annual net sales for the companies acquired in the first half of 2017 totaled approximately €79 million.

Note 2-4.2 Changes in scope of consolidation of the Constantia Flexibles Group (flexible packaging)

In the first half of 2017, Constantia Flexibles completed the acquisition of TR Alucap, an Italian company specializing in lids for dairy products. TR Alucap generated net sales of approximately €18 million in 2016.

In addition, on July 17, 2017, Constantia Flexibles announced the post-closing signing of an agreement for the sale of its Labels business to Multi-Color, for an enterprise value of approximately €1.15 billion ($1.3 billion). Subject to the standard regulatory approvals, the sale is expected to be finalized in the final quarter of 2017. Most of the transaction will be paid in cash, and Constantia

Flexibles will be left holding 16.6% of the share capital of Multi-Color, thereby becoming its largest shareholder.

Constantia Flexibles' Labels division generated net sales of €605 million in 2016, out of the Constantia Flexibles Group's total sales of €2.1 billion in the same year.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations":

- The contribution of Constantia Flexibles' Labels division in the first half of 2017 and for the first half of 2016 has been reclassified on a single line of the income statement under "Net income from discontinued operations and operations held for sale," see note 13-2 "Information relative to Constantia Flexibles' Labels division";
- The assets and liabilities of the same division have been reclassified as "Assets and liabilities of discontinued operations and operations held for sale" as of June 30, 2017, see note 13-2 "Information relative to Constantia Flexibles' Labels division."

Note 2-4.3 Changes in scope of consolidation of Stahl Group (high-performance coatings and leather-finishing products)

In March 2017, the Stahl Group announced the signing of an agreement to acquire the leather chemicals business of BASF SE, one of the world's largest chemical companies. BASF's leather chemical business generated net sales of approximately €200 million in 2016.

In exchange for the sale of its assets to Stahl, BASF will receive approximately 16% of Stahl's capital, as well as a cash payment of around €150 million. The Wendel Group will remain Stahl's main shareholder, with an interest of roughly 63%.

The transaction is expected to be completed in the final quarter of 2017, subject to the necessary regulatory approvals. There is no impact on the consolidated financial statements for the first half of 2017.

Note 2-4.4 Changes in scope of consolidation of the IHS Group (mobile telephone infrastructure in Africa)

In February 2017, the IHS group simplified its shareholder structure through the exchange of 51% of MTN's interest in Nigeria Tower InterCo B.V, the parent company of INT Towers Limited managing more than 9,000 towers in Nigeria, for an additional direct stake in IHS Holding Limited ("IHS") Group. The result of this transaction increases MTN's stake in IHS from 15% to around 29%.

As a result of this transaction, Wendel directly owns 21.4% of the share capital of IHS and, together with its co-investors, 28.8% of the voting rights. Wendel remains IHS's largest shareholder in voting rights and its governance rights are unchanged. Its significant influence is therefore maintained. Its investment in IHS continues to be accounted for by the equity method.

The change in the consolidated percentage interest generated a dilution effect of €-31.7 million.

NOTE 3 Related parties

Wendel's related parties are:

- Allied Universal, exceet, IHS and SGI Africa, which are accounted for by the equity method;
- the members of Wendel's Executive Board and Supervisory Board; and
- Wendel-Participations, which is the Group's control structure.

Since Wendel no longer has significant influence over the Saint-Gobain Group, that company is no longer considered to be a related party (see note 2 "Changes in scope of consolidation").

In June 2017, the Group paid a dividend of €2.35 per share, *i.e.* €40.7 million to Wendel-Participations.

In accordance with the policy of encouraging Wendel managers to participate in Group investments (see note 4 "Participation of managers in Group investments" to the 2016 consolidated financial statements), the management team (including the Executive Board) co-invested 0.5% of the investment in Tsebo in the first half of 2017. In addition, the debt recognized in respect of the co-investment by the Wendel management team in Stahl was settled in June and July 2017.

There were no other significant changes during the period in transactions with related parties as detailed in note 3 "Related parties" to the 2016 consolidated financial statements.

NOTE 4 Managing financial risks

The management of financial risks (equity, liquidity, interest-rate, credit, currency and raw materials risks) is presented in note 5 to the 2016 consolidated financial statements. The principal financial risks as of June 30, 2017 are described in the following notes:

Note 4-1 Equity market risk

Equity market risk relates chiefly to:

- consolidated and equity-method shares, whose "recoverable values" used for impairment tests are based on market parameters, including, and depending on the case, the discount rate used in calculating "value in use" or the market price used in calculating "fair value" (see the impairment tests in note 6 "Goodwill" and in note 7 "Equity-method investments"). In addition, minority buy-out commitments (minority puts) and liquidity commitments of co-investments recognized as financial liabilities are recorded at fair value, based on the value of the investment to which these commitments are related (see note 9 "Financial assets and liabilities");
- Saint-Gobain shares recognized in available-for-sale financial assets are valued at the market price on the reporting date. Changes in fair value are recorded within shareholders' equity unless there is a decline in value that is considered to be significant or lasting, in which case an impairment charge is recognized in the income statement. This charge can be reversed through the income statement only in the event of divestment. At the end of June 2017, their value was €662.1 million, and a loss of €47.1 million was recognized in equity between the date of their accounting reclassification (see note 2 "Changes in scope of consolidation") and the balance sheet date;
- the Saham shares are recorded as financial assets available for sale; they are recognized at their fair value. Their value is vulnerable to changes in this company's business and in the benchmark companies used to determine its valuation, in particular the multiples of peer-group companies. The accounting treatment for changes in fair value is identical to that described above for Saint-Gobain shares. As of end-June 2017, the net carrying amount of these securities was revalued through equity at €129.5 million, compared with €120.8 million as of end-2016 (see note 9 "Financial assets and liabilities");
- financial investments indexed to the equity markets, the total value of which was €83.8 million as of end-June 2017. A large proportion of these investments is classified under current financial assets, and any change in their fair value is recognized on the income statement. A +/-5% variation in the equity markets would have an impact of about +/-€4.2 million on the value of these investments, which would be recognized largely in the income statement;
- the optional component (sale of a call option) of bonds exchangeable for Saint-Gobain shares (see note 12 "Financial debt"). As of June 30, 2017, this component was valued at fair value as liabilities in the amount of €52.0 million after taking into account a value adjustment that resulted in the recognition of an expense of €3.6 million in H1 2017. A +/-5% variation in the share price would have an impact of -/+€10.4 million in profit or loss;
- the covenants under Wendel's syndicated credit facility. These covenants are based on ratios of financial debt to the value of assets, and are described in note 5-2.4 to the 2016 consolidated financial statements, "Financing agreements and covenants of Wendel and its holding companies." As of end-June 2017, this facility was not drawn and Wendel was in compliance with these covenants;
- the degree of financial leverage of Wendel and its holding companies (*i.e.* net debt/assets), a key indicator of the cost of bond and bank financing, which Wendel may seek to access. This indicator is also monitored by Standard & Poor's, which has been mandated by Wendel to rate its financial structure and bond issues.

					Impact on net income			
In millions of euros	Net book value (Group share)	Market value (closing share price)	Impact on market value of a 5% decline in share prices	Balance sheet note	Change of +/-5% in share prices	Change of +/-0.5% of the discount rate applied to the value of future cash flows	Change of +/-0.5% of the perpetual growth rate used to calculate discounted future cash flows	Reduction of 1% in the normative margin used to discount cash flows in post-business plan periods
Equity-method investments								
IHS	382.1	na	na	7	na	na (2)	na (2)	na (2)
Allied Universal	216.7	na	na		na	na (2)	na (2)	na (2)
Oranje-Nassau Développement:								
■ exceet	21.1	15.4	-0.8	7	na (1)	+0/-0 (3)	-0/+0 (3)	0 (3)
■ SGI Africa	25.8	na	na		na	na (2)	na (2)	na (2)
Consolidated investments								
Bureau Veritas	811.4	3,432.7	-171.6	6	0	na (5)	na (5)	na (5)
Constantia Flexibles	519.3	na	na	6	na	na (5)	na (5)	na (5)
Materis (Cromology)	-364.8	na	na					
Shareholder loan (4)	476.9							
	112.1			6	na	na (5)	na (5)	na (5)
Stahl	-30.8	na	na	6	na	na (5)	na (5)	na (5)
Oranje-Nassau Développement:								
■ Mecatherm	68.8	na	na	6	na	+9.0/-7.8	+7.2/-6.2	-11.8
■ CSP Technologies	184.7	na	na	6	na	na (5)	na (5)	na (5)
■ Nippon Oil Pump	28.3	na	na	6	na	na (5)	na (5)	na (5)
■ Tsebo	129.5	na	na	6	na	na (5)	na (5)	na (5)
Financial assets and liabilities								
Stake in Saint-Gobain (6)	662.1	662.1	-33.1		+/-33.1	na	na	na
Investment in Saham (6)	129.5	na	na	9	na	na	na	na
Short-term financial investments indexed to the equity markets	83.8	83.8	-4.2		+/-4.2	na	na	na
Optional component of bonds exchangeable for Saint-Gobain shares	-52.0	-52.0	+10.4	9	-/+10.4	na	na	na

(1) Impairment tests are based on value in use (discounted future cash flows). See note 7 "Equity-method investments."
(2) No testing was performed on IHS, Allied Universal and SGI Africa as there is no indication that their values are impaired.
(3) The impacts on exceet are not significant enough to warrant an adjustment of the accumulated impairment.
(4) Eliminated on consolidation.
(5) No indication of impairment was identified. Impairment testing will be performed at year-end in accordance with the Group's accounting policies.
(6) See the description of equity market risks relating to Saham and Saint-Gobain above.

Note 4-2 Managing liquidity risk

Note 4-2.1 Liquidity risk of Wendel and its holding companies

Wendel needs cash to make investments, service debt and pay operating expenses and dividends. These needs are covered by asset rotation, bank and bond financing, and by dividends received from subsidiaries and associates.

1. Cash and short-term financial investments as of June 30, 2017

As of June 30, 2017, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

In millions of euros	Denominated in €	Denominated in $	Total
Money-market mutual funds	1,264	171	1,435
Bank accounts and bank certificates of deposit	476	176	652
Diversified, equity and bond funds [(1)]	59	18	78
Funds managed by financial institutions [(1)]	276	-	276
TOTAL	**2,076**	**365**	**2,441**

(1) Classified under "Other current financial assets."

The amount of short-term financial investments and cash invested in dollars is part of the Group's strategy of investing in North America.

2. Debt position as of June 30, 2017

As of June 30, 2017, gross debt (excluding operating subsidiaries) consisted of bonds (including bonds exchangeable for Saint-Gobain shares) in a total amount of €3,377 million. Maturities are spread between August 2017 and February 2027, and the average maturity is 4 years.

As of June 30, 2017, Wendel also had an undrawn syndicated loan of €650 million maturing in November 2019. Wendel was in compliance with all financial covenants as of that date (see note 5-2.4.2 to the 2016 consolidated financial statements, "Wendel's syndicated loan – documentation and covenants"). During the summer of 2017 (subsequent to the reporting date), Wendel's banks granted an increase in the size of this loan to €750 million and an extension of its maturity to 5 years, with options to extend the maturity up to an additional 2 years subject to the agreement of the banks; as of the date of closing the accounts, this agreement remains subject to the signing of the legal documentation. This undrawn line of credit notably enables Wendel to secure the repayment, if necessary, of the closest maturities and to have enough flexibility to take advantage of investment opportunities.

The €500 million bank line of credit with collateral calls was voluntarily canceled in H1 2017 because it had become unnecessary after the sale of Saint-Gobain shares (see note 2 "Changes in scope of consolidation").

Moreover, in the context of currency risk management (see note 4-5 "Managing currency risk"), €800 million in bond debt was converted into dollar-denominated debt through the use of derivatives (cross-currency swaps).

On September 29, 2016, Standard & Poor's confirmed Wendel's long-term investment grade rating of BBB-, with a stable outlook. The short-term rating is A-3.

3. Wendel's liquidity outlook

The next significant financial maturities are the repayment of bonds maturing in August 2017 and April 2018 in the amounts of for €507 million and €350 million respectively. Wendel's liquidity risk over the 12 months following the reporting date is low given its high level of cash and short-term financial investments, and its available undrawn syndicated credit line.

Note 4-2.2 Liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for managing the cash, debt, and liquidity risk of that entity.

Debt of operating subsidiaries is without recourse to Wendel. As such, the liquidity risk of these subsidiaries affects Wendel only when Wendel chooses to accept it. Wendel has no legal obligation to support operating subsidiaries experiencing cash flow difficulties. Similarly, subsidiaries are not bound by any mutual support undertakings. As a result, Wendel's liquidity would only be affected if Wendel decided to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the constraints to which Wendel is subject, including return on investment, Wendel's own liquidity, additional investment in other subsidiaries, and new investments. In this context, Wendel extended a €15 million liquidity line to Mecatherm (€13 million of which had been drawn as of end-June 2017) and provided a guarantee of €11 million to Mecatherm's lenders in return for the easing of financial covenants and banking documentation relating to the Mecatherm debt. Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel's liquidity via the amount of dividends they pay to Wendel. Similarly, changes in the economic and financial position of subsidiaries has an impact on their value, however, this value is taken into account in calculating Wendel's financial leverage (see note 4-1 "Equity market risk").

Note 4-2.3 Financial debt of operating subsidiaries – documentation and covenants

1. Bureau Veritas' financial debt

This debt is without recourse to Wendel.

As of June 30, 2017, Bureau Veritas' gross financial debt was €2,545.8 million, and its cash balance was €284.8 million. Bureau Veritas also has a confirmed and undrawn line of credit of a total amount of €450 million.

The financial covenants applicable as of June 30, 2017 were met:

- the ratio of adjusted net financial debt to consolidated EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization and Provisions) adjusted for the last 12 months of any acquired entity must be less than 3.25. As of June 30, 2017, this ratio was 2.51;
- the ratio of adjusted consolidated EBITDA of the last 12 months of any acquired entity to net finance costs must be greater than 5.5. As of June 30, 2017, this ratio was 9.61.

2. Constantia Flexibles' financial debt

This debt is without recourse to Wendel.

As of June 30, 2017, the notional amount of the gross financial debt of Constantia Flexibles (excluding the Labels division reclassified in operations held for sale) was €1,332.5 million (including accrued interest and excluding issuance costs). Its cash balance was €91.0 million (including deposits pledged as collateral). Bank debt is only subject to a financial covenant when more than 35% of the revolving line of credit is drawn. In such cases, the ratio of net debt to LTM EBITDA must be less than 6.7. This covenant was met as of June 30, 2017.

The documentation related to Constantia Flexibles' debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

3. Cromology's financial debt

This debt is without recourse to Wendel.

As of June 30, 2017, Cromology's bank debt was €292.3 million (including accrued interest and excluding deferred issuance costs and the shareholder loan). Its cash balance was €34.3 million.

In the summer of 2017, Cromology completed an amendment of its banking conditions, resetting its covenants and increasing its financial leeway to give it the financial means necessary to pursue its growth plans.

As of that date, its debt was subject to the following covenants:

- adjusted LTM EBITDA divided by net cash interest expense must be greater than 2.49 (this minimum rises to 2.70 in 2018). This ratio is calculated on a rolling 12-month basis, and is tested quarterly; and
- consolidated net debt (excluding shareholder loan) divided by adjusted LTM EBITDA must be less than 5.25 (this maximum ratio falls to 3.75 in 2020). The test is performed quarterly.

These covenants were met as of June 30, 2017.

The documentation related to this debt contains the standard restrictions for this type of credit facility. Certain transactions, such as asset divestments, granting collateral, acquisitions, additional debt, and payment of dividends are prohibited, restricted, or require the prior approval of the lenders.

4. Stahl's financial debt

This debt is without recourse to Wendel.

As of June 30, 2017, the notional amount of Stahl's gross bank debt was €527.0 million (including accrued interest, and excluding issuance costs). Its cash balance was €73.5 million.

The ratio of consolidated net debt to LTM EBITDA must be less than or equal to 5. This covenant was met as of June 30, 2017.

The documentation related to Stahl's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

5. Mecatherm's financial debt

As of June 30, 2017, the notional amount of Mecatherm's debt was €41.7 million (including accrued interest and a €13 million liquidity line granted by Wendel, and excluding issuance costs). Its cash balance was €2.7 million.

Given the volatile economic environment of and operating difficulties encountered in recent years, Mecatherm and its bank lenders have agreed to suspend financial covenant testing until operating income is above a certain threshold defined by contract. As part of this agreement, Wendel agreed to provide a €15 million liquidity line (€13 million of which had been drawn as of end-June 2017) to enable Mecatherm to finance its general corporate needs, and to grant a €11 million first-demand guarantee to the banks to cover the servicing of Mecatherm's bank debt. The recourse of Mecatherm's bank lenders to the Wendel Group is limited to this guarantee.

6. CSP Technologies' financial debt

This debt is without recourse to Wendel.

As of June 30, 2017, the notional amount of CSP Technologies' bank debt was $182.1 million, or €159.6 million (including accrued interest and excluding issuance costs). Its cash balance was $3.6 million, or €3.1 million. As of that date, the covenants were as follows:

- the ratio of LTM EBITDA to net interest expense must be greater than or equal to 2.25 (this minimum ratio rises to 2.5 from March 2019). This ratio is calculated on a rolling 12-month basis, and is tested quarterly; and
- the ratio of consolidated net debt (gross debt less cash capped at $10.5 million) to LTM EBITDA must be less than or equal to 6.00 (this maximum ratio falls to 4.00 at the end of 2020). It is tested quarterly.

These covenants were met as of June 30, 2017.

The documentation related to CSP Technologies' debt contains standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

7. Nippon Oil Pump's financial debt

This debt is without recourse to Wendel.

As of end-June 2017, the notional amount of Nippon Oil Pump's gross bank debt was JPY 3.8 billion (€29.9 million). Its cash balance was JPY 1 billion (€7.8 million).

The financial covenants specify a minimum level of shareholders' equity and stipulate that net income cannot be negative for 2 consecutive years. These covenants were met as of December 31, 2016, when the annual test was performed.

8. Tsebo's financial debt

This debt is without recourse to Wendel.

As of June 30, 2017, Tsebo's gross bank debt was €131.3 million (including accrued interest and excluding issuance costs). It is denominated in rands. Its cash balance was €55.2 million. The financial covenants apply to the South African scope. They are tested twice annually, at end-March and end-September. The covenants are as follows:

- the ratio of LTM EBITDA to the amount of interest paid must be greater than or equal to 2.00 as of end-March 2017 (this minimum ratio rises to 3.00 in 2022);
- the ratio of consolidated net debt to LTM EBITDA must be less than or equal to 4.25 as of end-March 2017 (this maximum ratio falls to 2.25 in 2022); and
- the ratio of operating cash flow to interest expense must be greater than 1.25.

These covenants were met at end-March 2017.

The documentation related to Tsebo's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

Note 4-3 Managing interest-rate risk

As of June 30, 2017, the exposure of the Wendel Group (Wendel, its holding companies and fully consolidated operating subsidiaries) was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	5.4		3.1
Cash and short-term financial investments (1)	-0.3		-2.6
Impact of derivatives	0.3	0.8	-1.2
INTEREST-RATE EXPOSURE	**5.4**	**0.8**	**-0.7**
	98%	*15%*	*-13%*

(1) Excluding less than €0.1 billion in short-term financial investments not sensitive to interest rates.

The notional amount of derivative instruments was weighted by the portion of the 12 months following June 30, 2017 during which they will hedge interest rate risk.

A variation of +100 basis points in the interest rates to which the Group's consolidated interest rates are indexed would have an impact of around +€8 million on financial income/expense before tax in the 12 months following June 30, 2017 (assumptions: net debt as of June 30, 2017, interest rates raised from that date and taking into account the maturities of derivative instruments hedging the interest rate risk). This positive impact on a rate increase is the effect of a very significant Group cash position (directly exposed to rate increases) and a number of financing measures incorporating floor rates that make them insensitive to part of a rate increase.

Note 4-4 Managing credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk, and the receivables for which a risk of non-payment exists are subject to write-down. As of the closing date, owing to the Group's geographical and sector diversification, there was no significant concentration of credit risk in trade receivables.

The cash and financial investments of Wendel and its holding companies are placed essentially with top-ranking financial institutions. However, given the high amount of cash and short-term financial investments as of June 30, 2017 (see note 4-2 "Managing liquidity risk"), significant amounts could be placed with the same financial institution. Derivative contracts are entered into with top-ranking financial institutions.

Note 4-5 Managing currency risk

Note 4-5.1 Wendel

As of June 30, 2017, Wendel held €365 million in short-term financial investments and cash denominated in US dollars. The amount denominated in US dollars is related to the Group's strategy, which notably involves investing in North America. These financial assets are recognized at fair value. A 5% decline in the value of the US dollar against the euro would have a negative impact of around €18 million in the income statement.

Certain investments operate in several countries, and as a result, derive a share of their earnings in currencies other than the euro, notably the US dollar. The subsidiaries with the greatest exposure to the US dollar are Bureau Veritas, Stahl, IHS, CSP Technologies, Constantia Flexibles and Allied Universal. Owing to the exposure of part of those assets to the US dollar, Wendel has decided to convert part of its bond debt into that currency through the use of derivatives. As such, €800 million in euro-dollar cross-currency swaps were established in 2016. This will limit the impact of changes in the euro-dollar exchange rate on the Group's net asset value. These instruments, carried at fair value, have been qualified as net investment hedges for accounting purposes. As a result, changes in fair value related to change in the euro-dollar exchange rate are recognized in equity (positive impact of €64 million in H1 2017). A 5% increase in the value of the US dollar against the euro would have a negative impact of €39 million in equity in respect of cross-currency swaps.

Note 4-5.2 Bureau Veritas

Bureau Veritas operates internationally and is consequently exposed to the risk of fluctuations in several foreign currencies, even though natural hedges may exist due to the fact that many of the entities where services are supplied locally have corresponding costs and revenues.

For Bureau Veritas' activities exposed to global markets, part of revenue is denominated in US dollars or influenced by the level of that currency. This revenue is therefore indirectly exposed to fluctuations in the US currency.

In H1 2017, over 70% of Bureau Veritas' net sales were the result of the consolidation of the financial statements of entities with functional currencies other than the euro, including 19.0% in US dollars or currencies correlated to the US dollar (including the Hong Kong dollar), 10.7% in Chinese yuan, 4.1% in Brazilian reals, 3.8% in Australian dollars, 3.7% in sterling and 3.6% in Canadian dollars. No other currency individually accounted for more than 3% of Bureau Veritas' net sales. Accordingly, a 1% variation in the euro against the US dollar and the currencies correlated to it would have had an impact of around 0.2% on Bureau Veritas' consolidated net sales in H1 2017 (*i.e.* approximately €5 million), and an impact of 0.2% on its operating income (*i.e.* less than €1 million) during the same period.

In addition, the share of US dollar-denominated consolidated net sales in countries with a functional currency other than that currency or its correlated currencies was 9% in H1 2017.

Note 4-5.3 Constantia Flexibles

In H1 2017, 34% of Constantia Flexibles' net sales (excluding the Labels division) were generated in currencies other than the euro, including 10% in US dollars. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of around +/-1.7% on Constantia Flexibles' H1 2017 income from ordinary activities before depreciation and amortization (excluding goodwill allocation and non-recurring expenses), or less than +/-€2 million.

In addition, Constantia Flexibles has financial debt of €218 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, a +/-5% fluctuation in the US dollar's value against the euro would result in the recognition of a currency impact of about -/+€11 million in net finance income/expenses.

Note 4-5.4 Cromology

Cromology has subsidiaries in Morocco and Argentina. Risks of inflation and changes in exchange rates are currently focused on Argentina, where the Group generated sales of €15 million in H1 2017 (4% of consolidated net sales), down 10% compared with 2016. The shift to a floating exchange rate for the Argentine peso in December 2015 was accompanied by a steep local devaluation (partially offset by inflation locally) and economic difficulties that affected revenue. However, the impact on Cromology's 2017 operating income is not expected to be significant given Argentina's limited contribution to Cromology's operating income. In addition, cash available locally is not material.

Note 4-5.5 CSP Technologies

The CSP Technologies Group is mainly based in the United States, with the US dollar as its functional currency. Around 77% of its sales are generated in that currency. A +/-5% variation in the value of the US dollar against the euro would have had an impact of less than +/-€1 million on the fist-half 2017 income from ordinary activities in Wendel's financial statements presented in euros.

An intra-group loan between the US and European companies in the CSP Technologies Group could generate an accounting loss/gain of -/+€2 million if the US dollar were to appreciate/depreciate by 5%.

The CSP Technologies Group's debt is denominated entirely in US dollars. Moreover, as its functional currency is the dollar, there is no impact on the income statement related to change in this debt resulting from fluctuations in the euro-dollar exchange rate.

Note 4-5.6 Stahl

In H1 2017, 59% of Stahl's net sales were generated in currencies other than the euro, including 33% in US dollars, 8% in Chinese yuan, 7% in Indian rupees and 5% in Brazilian reals. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of around +/-5% on Stahl's H1 2017 income from ordinary activities before impairment and amortization (excluding goodwill allocation and non-recurring expenses), or +/-€4 million.

In addition, Stahl has financial debt of €527 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, a +/-5% fluctuation in the US dollar's value against the euro would result in the recognition of a currency impact of about -/+€26 million in net finance income/expenses.

Note 4-5.7 Tsebo

Tsebo operates chiefly in South Africa, but its financial statements are presented in dollars. In H1 2017, over 97% of Tsebo's net sales were the result of the consolidation of the financial statements of entities with a functional currency other than the dollar, of which 79% in South African rand. A +/-5% fluctuation in the value of the dollar against the South African rand would have an impact of less than €1 million in income from ordinary activities before impairment and amortization for H1 2017 (excluding goodwill allocation and non-recurring expenses) in Wendel's financial statements in euros.

Tsebo's bank debt is denominated in South African rand in the amount of €131.3 million. It is carried by a company whose functional currency is the South African rand. As such, changes in exchange rates have no effect on the net income.

Note 4-6 Managing raw materials risk

The main Group investments most exposed to the risk of changes in commodity prices are Cromology, Stahl and Constantia Flexibles.

Cromology's raw material purchases represented approximately €67 million in H1 2017. Over this period, the 7% average increase in the price of all raw materials (driven by the high increase in the price of titanium dioxide) used by Cromology increased expenses by approximately €5 million. Cromology believes that it will be able to offset the effect of such increases – or even generate an increase in margin – in the medium term by increasing its selling prices. In the short term, however, competitive constraints cause increases in selling prices to lag behind those of the purchase price of raw materials, meaning that such increases can only be partially offset. Cromology continually works to optimize its purchases by approving new suppliers, and by developing new formulations for its products.

Stahl purchased around €165 million of commodities in H1 2017. A 10% increase in the price of the commodities used by Stahl would have led to a theoretical increase in the cost of these raw materials of around €17 million on a half-year basis. Stahl nevertheless considers that, circumstances permitting, a short-term increase in the sales price of its products would offset the overall effect of such raw material price increases.

Constantia Flexibles purchased approximately €399 million of commodities in H1 2017 (excluding the Labels division). A 10% increase in the price of the commodities used by Constantia Flexibles would have led to a theoretical increase in the cost of these commodities of around €40 million on a full-year basis. Constantia Flexibles has a policy of protecting itself against fluctuations in aluminum prices through hedging contracts. Moreover, the company believes that an increase in the sales price of its products would offset the overall effect of such increases in the short term.

NOTE 5 Segment information

The analysis of the income statement by operating segment is split between "net income from operating segments," non-recurring items and effects related to goodwill.

Net income from operating segment

Net income from operating segments is the Group's "recurring" income. It consists of net income from investments and from holding companies and excludes non-recurring items and the impact of goodwill, as defined below:

- "net income from investments" is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Constantia Flexibles, Cromology, Stahl as well as CSP Technologies, Mecatherm, Nippon Oil Pump and Tsebo, grouped under Oranje-Nassau Développement) and Wendel's share in the net income of investments accounted for under the equity method (Allied Universal, IHS, Saint-Gobain until the date of deconsolidation (see note 2 "Changes in scope of consolidation"), as well as exceet and SGI Africa grouped under Oranje-Nassau Développement) before non-recurring items and the impact of goodwill allocation;
- the net income of holding companies incorporates the general and administrative expenses of Wendel and its holding companies, the cost of the net borrowings put in place to finance Wendel and its holding companies, and the tax expense and income connected with these items. The amounts shown are those recognized by Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries); and
- the dividend received from Saint-Gobain after the date of deconsolidation.

Non-recurring income

"Non-recurring income" includes, for the entire scope of consolidation, the net after-tax amounts not linked to the operating or ordinary activities of subsidiaries and associates or to the recurring operations of Wendel and its holding companies:

- capital gains and losses from the divestment of assets;
- restructuring costs considered exceptional;
- exceptional legal disputes, notably those that are not linked to operating activities;
- interest income and expenses on shareholder loans, as these are linked to the structure of the financial instruments used to invest in the subsidiaries and associates. These items do not usually give rise to a settlement in cash prior to divestment. The tax impact related to these items is considered recurring inasmuch as it has a structural impact on the tax to be paid;
- changes in "fair value";
- impairment losses on assets, and in particular on the value of goodwill;
- currency impact on financial liabilities;
- financial restructuring expenses and the income and expenses related to extinguishing debt; and
- any other significant item unconnected with the recurring operations of the Group.

Impact of goodwill allocation

The impact of goodwill on the income statement derives from the revaluation of assets and liabilities carried out at the time of the acquisition (or from changes in allocation within 12 months of the transaction). The affected items are primarily:

- inventories and work-in-progress;
- property, plant & equipment;
- intangible assets, including brands and contracts; and
- the related deferred taxes.

These accounting items modify net income from investments by disconnecting the income statement from the cash flows deriving from the business activity of those companies (because the accounting entries relate to the companies' acquisition prices and not their business activities).

Note 5-1 Income statement by business sector for fist-half 2017

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	Oranje-Nassau Développement	Equity-method investments			Wendel & holding companies	Group total
						Saint-Gobain	IHS	Allied Universal		
Net income from operations										
Net sales	**2,360.1**	**734.3**	**382.6**	**354.3**	**337.1**				**-**	**4,168.4**
EBITDA [1]	**N/A**	**90.5**	**30.7**	**87.4**	**N/A**					
Adjusted operating income [1]	**359.4**	**52.1**	**17.4**	**79.5**	**31.5**			**-0.1**		
Other recurring operating items	-	-1.0	-0.9	-4.2	11.1			-		
Operating income	**359.4**	**51.1**	**16.5**	**75.3**	**29.6**			**-0.1**	**-32.3**	**499.5**
Finance costs, net	-46.6	-35.5	-9.5	-12.2	-14.0			-	-84.1	-202.1
Other financial income and expense	-14.0	-0.9	-0.3	-4.8	-1.4			0.0	17.8 [2]	-3.5
Tax expense	-101.5	-10.2	1.2	-15.8	-8.7			0.6	-3.5	-137.9
Share in net income of equity-method investments	0.5	-0.1	-	-	0.8	40.7	2.7	5.3	-	50.0
Net income from discontinued operations and operations held for sale	0.0	31.1	-	-	-	-	-	-	-	31.1
RECURRING NET INCOME FROM OPERATIONS	**197.8**	**35.4**	**7.9**	**42.6**	**6.4**	**40.7**	**2.7**	**5.7**	**-102.1**	**237.1**
Recurring net income from operations – non-controlling interests	120.8	17.2	0.6	10.9	1.8	-	0.0	0.0	-	151.4
RECURRING NET INCOME FROM OPERATIONS – GROUP SHARE	**77.0**	**18.2**	**7.3**	**31.6**	**4.6**	**40.7**	**2.7**	**5.7**	**-102.1**	**85.7**
Non-recurring income										
Operating income	-73.2	-37.0	-6.9	-13.8	-42.9	-	-	-	-0.1	-173.8
Net financial expense	-	-1.7	-37.2	36.0	-0.8	-	-	-	11.8	8.1
Tax expense	21.5	6.0	2.0	-5.5	2.1	-	-	-	-	26.1
Share in net income of equity-method investments	-	-	-	-	-3.9	-4.7	-10.3 [4]	-27.1	84.1 [5]	38.1
Net income from discontinued operations and operations held for sale	-5.7	-4.0	-	-	-	-	-	-	-	-9.7
NON-RECURRING NET INCOME	**-57.4**	**-36.7**	**-42.0**	**16.7**	**-45.5**	**-4.7**	**-10.3**	**-27.1**	**95.8**	**-111.2**
of which:										
■ Non-recurring items	-27.9	-14.1	-41.7	22.6	-15.9	-4.7	-4.2	-7.4	95.8	2.5
■ Impact of goodwill allocation	-29.5	-22.6	-0.3	-5.9	-8.7	-	-	-19.7	-	-86.8
■ Asset impairment	-	-	-	-	-20.9 [3]	-	-6.0	-	-	-26.9
Non-recurring net income – non-controlling interests	-33.9	-14.5	-4.1	4.4	-8.8	-	0.1	-0.1	0.1	-56.8
NON-RECURRING NET INCOME – GROUP SHARE	**-23.6**	**-22.2**	**-37.8**	**12.3**	**-36.7**	**-4.7**	**-10.4**	**-27.0**	**95.7**	**-54.4**
CONSOLIDATED NET INCOME	**140.4**	**-1.3**	**-34.1**	**59.3**	**-39.0**	**36.0**	**-7.6**	**-21.4**	**-6.3**	**125.8**
Consolidated net income – non-controlling interests	86.9	2.7	-3.5	15.3	-6.9	-	0.1	-0.1	0.1	94.6
CONSOLIDATED NET INCOME – GROUP SHARE	**53.5**	**-4.0**	**-30.6**	**44.0**	**-32.1**	**36.0**	**-7.7**	**-21.3**	**-6.5**	**31.3**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) The amount of €17.8 million corresponds to dividends received from Saint-Gobain after the date of deconsolidation (see note 2 "Changes in scope of consolidation")
(3) This item notably includes €17.8 million in impairment on Mecatherm (see note 6-1.1 "Impairment test on Mecatherm").
(4) This item includes a €31.7 million dilution loss on IHS (see note 2 "Changes in scope of consolidation").
(5) This negative amount of €84.1 million is related to the disposal of Saint-Gobain shares (see note 2 "Changes in scope of consolidation").

The detail of Oranje-Nassau Développement's contribution to the H1 2017 income statement by business sector is as follows:

In millions of euros	Tsebo	Mecatherm	CSP Technologies	Nippon Oil Pump	exceet	SGI Africa	Oranje-Nassau Développement
Net income from operations							
Net sales	**210.7**	**42.8**	**59.6**	**24.0**	**-**	**-**	**337.1**
EBITDA (1)	**14.7**	**2.7**	**N/A**	**5.2**	**-**	**-**	**N/A**
Adjusted operating income (1)	**12.9**	**1.8**	**12.5**	**4.4**	**-**	**-**	**31.5**
Other recurring operating items	12.5	-0.3	-0.7	-0.6	-	-	11.1
Operating income	**12.5**	**1.5**	**11.8**	**3.8**	**-**	**-**	**29.6**
Finance costs, net	-6.8	-0.5	-6.6	-0.2	-	-	-14.0
Other financial income and expense	-1.2	-0.2	-0.0	0.0	-	-	-1.4
Tax expense	-3.3	-1.1	-2.8	-1.4	-	-	-8.7
Share in net income of equity-method investments	0.5	-	-	-	0.4	0.0	0.8
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-	-
RECURRING NET INCOME FROM OPERATIONS	**1.8**	**-0.4**	**2.4**	**2.2**	**0.4**	**0.0**	**6.4**
Recurring net income from operations – non-controlling interests	1.8	-0.0	0.0	0.0	-	-	1.8
RECURRING NET INCOME FROM OPERATIONS – GROUP SHARE	**0.0**	**-0.4**	**2.3**	**2.2**	**0.4**	**0.0**	**4.6**
Non-recurring income							
Operating income	-14.1	-20.9	-6.5	-1.4	-	-	-42.9
Net financial expense	-3.0	-	2.2	-	-	-	-0.8
Tax expense	-1.8	1.1	2.4	0.5	-	-	2.1
Share in net income of equity-method investments	-	-	-	-	-3.9	-	-3.9
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-	-
NON-RECURRING NET INCOME	**-19.0**	**-19.8**	**-1.9**	**-0.9**	**-3.9**	**-**	**-45.5**
of which:							
▪ Non-recurring items	-16.0	-1.6	1.7	-0.1	0.1	-	-15.9
▪ Impact of goodwill allocation	-3.0	-0.4	-3.6	-0.8	-0.9	-	-8.7
▪ Asset impairment	-	-17.8	-	-	-3.1	-	-20.9
Non-recurring net income – non-controlling interests	-8.7	-0.0	-0.0	-0.0	-	-	-8.8
NON-RECURRING NET INCOME – GROUP SHARE	**-10.3**	**-19.8**	**-1.9**	**-0.9**	**-3.9**	**-**	**-36.7**
CONSOLIDATED NET INCOME	**-17.2**	**-20.2**	**0.5**	**1.3**	**-3.6**	**0.0**	**-39.0**
Consolidated net income – non-controlling interests	-6.9	-0.0	0.0	0.0	-	-	-6.9
CONSOLIDATED NET INCOME – GROUP SHARE	**-10.3**	**-20.1**	**0.5**	**1.3**	**-3.6**	**0.0**	**-32.1**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 5-2 Income statement by business sector for H1 2016

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	Oranje-Nassau Développement	Allied-Barton	Equity-method investments: Saint-Gobain	Equity-method investments: IHS	Wendel & holding companies	Group total
Net income from operations										
Net sales	**2,221.4**	**721.9**	**375.9**	**330.7**	**139.7**	**0.0**			**-**	**3,789.5**
EBITDA (1)	**N/A**	**88.0**	**36.0**	**79.5**	**N/A**	**0.0**			**-**	**N/A**
Adjusted operating income (1)	**350.5**	**52.6**	**19.3**	**70.2**	**21.5**	**-**			**-**	
Other recurring operating items	-	-1.3	-0.9	-3.2	-1.1	-1.1				
Operating income	**350.5**	**51.3**	**18.5**	**67.0**	**20.4**	**-1.1**			**-28.7**	**477.8**
Finance costs, net	-42.3	-36.5	-8.9	-4.2	-7.6	-0.0			-98.9	-198.4
Other financial income and expense	-1.1	-1.3	-0.4	0.0	-0.2	-0.0				-3.1
Tax expense	-106.3	-7.4	2.2	-18.2	-3.4	-0.0			-2.8	-135.8
Share in net income of equity-method investments	0.4	-	-	-	-0.1	-	56.6	-13.5	-	43.4
Net income from discontinued operations and operations held for sale	-	29.3	-	-	4.2	-	-	-	-	33.5
Net income of operations to be recognized using the equity method	-	-	-	-	-	18.2	-	-	-	18.2
RECURRING NET INCOME FROM OPERATIONS	**201.2**	**35.4**	**11.4**	**44.6**	**13.2**	**17.1**	**56.6**	**-13.5**	**-130.3**	**235.6**
Recurring net income from operations – non-controlling interests	122.6	16.7	1.0	10.6	0.1	0.9	-	-0.1	-	151.8
RECURRING NET INCOME FROM OPERATIONS – GROUP SHARE	**78.6**	**18.7**	**10.3**	**34.0**	**13.0**	**16.3**	**56.6**	**-13.4**	**-130.3**	**83.7**
Non-recurring income										
Operating income	-46.9	-21.8	-7.1	-12.0	-9.3	-0.0	-	-	-22.8 (3)	-119.9
Net financial expense	-	-0.1	-32.9	3.5	-0.0	0.0	-	-	-78.3	-107.9
Tax expense	12.7	5.9	1.7	2.0	3.6	-	-	-	-	25.9
Share in net income of equity-method investments	-	-	-	-	-3.8	-	-4.3	-111.8	-229.6 (4)	-349.5
Net income from discontinued operations and operations held for sale	-	-10.6	-	-	-0.6	-	-	-	78.1 (5)	66.9
Net income of operations to be recognized using the equity method	-	-	-	-	-	-64.4	-	-	-	-64.4
NON-RECURRING NET INCOME	**-34.3**	**-26.6**	**-38.2**	**-6.5**	**-10.1**	**-64.4**	**-4.3**	**-111.8**	**-252.6**	**-548.8**
of which:										
■ Non-recurring items	-11.4	-4.2	-37.8	-0.3	-1.5	-50.7 (2)	-0.5	-111.8 (6)	-252.6	-470.8
■ Impact of goodwill allocation	-22.9	-22.4	-0.4	-6.1	-6.2	-13.7	-1.4	-	-	-73.2
■ Asset impairment	-	-	-	-	-2.4	-	-2.4	-	-	-4.8
Non-recurring net income – non-controlling interests	-20.4	-10.5	-3.8	-1.3	-0.1	-3.2	-	-0.6	-0.1	-40.0
NON-RECURRING NET INCOME – GROUP SHARE	**-13.9**	**-16.1**	**-34.4**	**-5.1**	**-10.0**	**-61.2**	**-4.3**	**-111.2**	**-252.5**	**-508.8**
CONSOLIDATED NET INCOME	**166.9**	**8.8**	**-26.9**	**38.1**	**3.0**	**-47.3**	**52.3**	**-125.3**	**-383.0**	**-313.2**
Consolidated net income – non-controlling interests	102.2	6.2	-2.8	9.2	0.0	-2.4	-	-0.6	-0.1	111.9
CONSOLIDATED NET INCOME – GROUP SHARE	**64.7**	**2.6**	**-24.1**	**28.9**	**3.0**	**-44.9**	**52.3**	**-124.6**	**-382.9**	**-425.1**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) This item included an expense of €44.8 million related to the merger between AlliedBarton and Universal Services of America, offset in second-half by a gain of the same amount following the merger.
(3) This item included an expense of €21.1 million related to co-investor managers' liquidity rights.
(4) This negative €229.6 million resulted from the sale of Saint-Gobain shares.
(5) The item included the disposal gain of €78.3 million on Parcours excluding the discontinuation of amortization as of June 30, 2016.
(6) This item consisted chiefly of a currency loss, which was offset by a change of the same amount in currency translation reserves.

The detail of Oranje-Nassau Développement's contribution to the H1 2016 income statement by business sector is as follows:

In millions of euros	Parcours [2]	Mecatherm	CSP Technologies	Nippon Oil Pump	exceet	Oranje-Nassau Développement
Net income from operations						
Net sales	**-**	**62.1**	**56.1**	**21.5**	**-**	**139.7**
EBITDA [1]	**N/A**	**7.4**	**N/A**	**3.4**	**-**	**N/A**
Adjusted operating income [1]	**N/A**	**6.5**	**12.5**	**2.5**	**-**	**21.5**
Other recurring operating items	-0.1	-0.3	-0.7	-0.1	-	-1.1
Operating income	**-0.1**	**6.2**	**11.9**	**2.4**	**-**	**20.4**
Finance costs, net	-	-0.9	-6.6	-0.2	-	-7.6
Other financial income and expense	-	-0.2	-	-0.1	-	-0.2
Tax expense	-	-0.5	-2.2	-0.7	-	-3.4
Share in net income of equity-method investments	-	-	-	-	-0.1	-0.1
Net income from discontinued operations and operations held for sale	4.2	-	-	-	-	4.2
RECURRING NET INCOME FROM OPERATIONS	**4.1**	**4.7**	**3.1**	**1.5**	**-0.1**	**13.2**
Recurring net income from operations – non-controlling interests	-	-	-	-	-	-
RECURRING NET INCOME FROM OPERATIONS – GROUP SHARE	**4.1**	**4.6**	**3.0**	**1.4**	**-0.1**	**13.0**
Non-recurring income						
Operating income	-	-0.9	-7.1	-1.3	-	-9.3
Net financial expense	-	-	-	-	-	-0.0
Tax expense	-	0.3	2.8	0.5	-	3.6
Share in net income of equity-method investments	-	-	-	-	-3.8	-3.8
Net income from discontinued operations and operations held for sale	-0.6	-	-	-	-	-0.6
NON-RECURRING NET INCOME	**-0.6**	**-0.6**	**-4.3**	**-0.8**	**-3.8**	**-10.1**
of which:						
■ Non-recurring items	-0.2	-0.1	-1.0	-	-0.1	-1.5
■ Impact of goodwill allocation	-0.4	-0.4	-3.3	-0.8	-1.2	-6.2
■ Asset impairment	-	-	-	-	-2.4	-2.4
Non-recurring net income – non-controlling interests	-	-	-0.1	-	-	-0.1
NON-RECURRING NET INCOME – GROUP SHARE	**-0.6**	**-0.6**	**-4.3**	**-0.8**	**-3.8**	**-10.0**
CONSOLIDATED NET INCOME	**3.4**	**4.1**	**-1.3**	**0.6**	**-3.9**	**3.0**
Consolidated net income – non-controlling interests	-	-	-	-	-	-
CONSOLIDATED NET INCOME – GROUP SHARE	**3.4**	**4.1**	**-1.2**	**0.6**	**-3.9**	**3.0**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) Parcours' net income in the economic presentation of income excluded the discontinuation of depreciation, pursuant to IFRS 5, the offsetting entry of this adjustment being recognized in income from the sale of this investment.

Note 5-3 Balance sheet by business sector as of June 30, 2017

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromo-logy	Stahl	Oranje-Nassau Développement	IHS	Allied Universal	Wendel & holding companies	Group total
Goodwill, net	2,296.0	453.7	211.5	60.4	465.7	-	-	-	3,487.4
Intangible assets, net	861.3	520.0	211.7	94.5	348.4	-	-	0.0	2,035.9
Property, plant & equipment, net	484.9	578.6	83.0	136.5	105.9	-	-	13.8	1,402.7
Non-current financial assets	105.4	103.8	6.5	2.8	6.1	-	-	924.2	1,148.8
Pledged cash and cash equivalents	-	-	-	-	0.2	-	-	0.5	0.7
Equity-method investments	5.0	1.0	1.7	-	51.8	384.1	217.7	-	661.2
Deferred tax assets	152.6	10.1	29.3	14.1	3.0	-	-	1.3	210.5
Total non-current assets	**3,905.2**	**1,667.3**	**543.6**	**308.4**	**981.1**	**384.1**	**217.7**	**939.8**	**8,947.2**
Assets of discontinued operations and operations held for sale	**6.5**	**1,027.3**	**-**	**1.9**	**-**	**-**	**-**	**-**	**1,035.7**
Inventories and work-in-progress	19.8	226.5	109.2	94.0	49.7	-	-	-	499.1
Trade receivables	1,374.0	146.7	174.6	138.2	108.3	-	-	1.9	1,943.8
Other current assets	182.4	39.2	57.9	18.0	15.7	-	4.6	7.2	325.0
Current income tax assets	60.9	4.0	-	10.8	2.3	-	-	0.2	78.1
Other current financial assets	42.8	6.5	0.1	0.5	0.1	-	-	358.5	408.6
Cash and cash equivalents	284.9	25.2	42.3	73.5	68.6	-	0.3	2,087.3	2,582.1
Total current assets	**1,964.8**	**448.1**	**384.1**	**335.0**	**244.7**	**-**	**4.9**	**2,455.1**	**5,836.7**
TOTAL ASSETS									**15,819.6**
Shareholders' equity – Group share									2,111.8
Non-controlling interests									1,025.3
Total shareholders' equity									**3,137.0**
Provisions	299.3	59.0	40.0	23.0	11.7	-	-	25.4	458.3
Financial debt	2,430.5	1,217.0	305.1	485.0	311.9	-	-0.0	2,541.8	7,291.4
Other current financial liabilities	80.4	69.9	0.3	4.6	13.8	-	-	264.7	433.8
Deferred tax liabilities	226.5	159.7	116.8	25.5	94.6	-	-	0.9	624.0
Total non-current liabilities	**3,036.7**	**1,505.6**	**462.2**	**538.0**	**432.2**	**-**	**-0.0**	**2,832.8**	**8,807.5**
Liabilities of discontinued operations and operations held for sale	**5.5**	**318.6**	**-**	**-**	**-**	**-**	**-**	**-**	**324.1**
Provisions	-	51.0	2.7	0.1	5.5	-	-	0.2	59.4
Financial debt	115.3	70.5	18.1	30.8	25.2	-	-	918.0	1,177.9
Other current financial liabilities	147.1	11.9	0.2	1.7	5.5	-	-	212.5	378.9
Trade payables	348.3	245.7	144.3	74.1	76.1	-	0.1	6.8	895.4
Other current liabilities	654.2	62.7	102.4	42.8	62.7	-	3.9	13.3	942.0 (1)
Current income tax payable	69.3	18.2	-	4.5	4.9	-	0.2	0.5	97.5
Total current liabilities	**1,334.2**	**460.1**	**267.7**	**153.8**	**179.9**	**-**	**4.2**	**1,151.3**	**3,551.1**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY									**15,819.6**

(1) As of June 30, 2017, this amount included deferred revenue of €148.7 million.

As of June 30, 2017, the detail of Oranje-Nassau Développement's contribution to the balance sheet by business sector is as follows:

In millions of euros	Tsebo	Mecatherm	CSP Technologies	Nippon Oil Pump	exceet	SGI Africa	Oranje-Nassau Développement
Goodwill, net	221.8	160.1	66.3	17.6	-	-	465.7
Intangible assets, net	149.2	110.9	65.1	23.2	-	-	348.4
Property, plant & equipment, net	14.3	73.3	6.3	12.0	-	-	105.9
Non-current financial assets	3.3	0.3	0.7	1.8	-	-	6.1
Pledged cash and cash equivalents	-	0.2	-	-	-	-	0.2
Equity-method investments	4.9	-	-	-	21.1	25.8	51.8
Deferred tax assets	3.0	-	-	0.1	-	-	3.0
Total non-current assets	**396.4**	**344.9**	**138.3**	**54.7**	**21.1**	**25.8**	**981.1**
Assets of discontinued operations and operations held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventories and work-in-progress	7.2	25.0	9.8	7.8	-	-	49.7
Trade receivables	59.1	16.8	16.7	15.8	-	-	108.3
Other current assets	9.5	1.9	4.1	0.2	-	-	15.7
Current income tax assets	2.0	-	0.3	-	-	-	2.3
Other current financial assets	-	0.1	-	-	-	-	0.1
Cash and cash equivalents	55.2	2.9	2.7	7.8	-	-	68.6
Total current assets	**133.0**	**46.6**	**33.7**	**31.5**	**-**	**-**	**244.7**
Provisions	-	0.2	4.1	7.4	-	-	11.7
Financial debt	119.9	147.6	18.0	26.4	-	-	311.9
Other current financial liabilities	4.0	6.5	1.1	2.3	-	-	13.8
Deferred tax liabilities	42.2	27.9	16.2	8.4	-	-	94.6
Total non-current liabilities	**166.2**	**182.2**	**39.4**	**44.4**	**-**	**-**	**432.2**
Liabilities of discontinued operations and operations held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provisions	-	-	5.5	-	-	-	5.5
Financial debt	8.4	3.5	10.0	3.4	-	-	25.2
Other current financial liabilities	5.5	-	-	-	-	-	5.5
Trade payables	59.8	4.5	6.9	4.9	-	-	76.1
Other current liabilities	23.2	12.0	24.4	3.2	-	-	62.7
Current income tax payable	2.4	0.9	-	1.6	-	-	4.9
Total current liabilities	**99.2**	**20.8**	**46.8**	**13.1**	**-**	**-**	**179.9**

Note 5-4 Balance sheet by business sector as of December 31, 2016

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromo-logy	Stahl	Oranje-Nassau Dévelop-pement	Saint-Gobain	IHS	Allied Universal	Wendel & holding companies	Group total
Goodwill, net	2,349.5	770.4	211.6	62.1	275.6	-	-	-	-	3,669.3
Intangible assets, net	884.3	827.0	210.9	100.2	216.3	-	-	-	0.1	2,238.8
Property, plant & equipment, net	518.6	785.7	86.4	138.1	92.8	-	-	-	14.3	1,635.9
Non-current financial assets	70.5	43.9	5.9	0.6	2.8	-	-	-	261.8	385.5
Pledged cash and cash equivalents	-	-	-	-	0.2	-	-	-	0.5	0.7
Equity-method investments	5.0	1.2	1.7	-	50.4	1,662.3	434.2	258.4	-	2,413.2
Deferred tax assets	142.9	13.6	28.7	14.4	-	-	-	-	1.4	200.9
Total non-current assets	**3,970.9**	**2,441.8**	**545.2**	**315.4**	**638.1**	**1,662.3**	**434.2**	**258.4**	**278.0**	**10,544.2**
Assets of discontinued operations and operations held for sale	**0.0**	**0.0**	**-**	**2.0**	**-**	**-**	**-**	**-**	**-**	**2.0**
Inventories and work-in-progress	20.6	275.8	91.0	77.3	43.8	-	-	-	-	508.5
Trade receivables	1,325.5	242.4	136.6	125.1	67.5	-	-	-	1.9	1,899.0
Other current assets	150.0	48.7	50.3	17.0	5.7	-	-	-	11.9	283.6
Current income tax assets	48.9	9.6	-	11.6	0.3	-	-	-	0.0	70.5
Other current financial assets	54.7	5.1	0.3	0.6	0.2	-	-	-	381.3	442.2
Cash and cash equivalents	1,094.1	123.2	47.0	313.9	11.2	-	-	0.5	971.4	2,561.3
Total current assets	**2,693.9**	**704.8**	**325.1**	**545.5**	**128.7**	**-**	**-**	**0.5**	**1,366.4**	**5,765.0**
TOTAL ASSETS										**16,311.2**
Shareholders' equity – Group share										2,257.7
Non-controlling interests										1,039.4
Total shareholders' equity										**3,297.1**
Provisions	299.9	64.8	40.5	23.0	12.0	-	-	-	25.1	465.3
Financial debt	2,492.9	1,154.5	302.5	546.1	196.6	-	-	-0.0	2,885.1	7,577.7
Other current financial liabilities	82.9	149.8	0.4	5.0	8.4	-	-	-	271.7	518.2
Deferred tax liabilities	221.9	262.4	120.8	15.5	56.4	-	-	-	1.0	677.9
Total non-current liabilities	**3,097.7**	**1,631.5**	**464.2**	**589.6**	**273.4**	**-**	**-**	**-0.0**	**3,182.8**	**9,239.1**
Liabilities of discontinued operations and operations held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provisions	-	56.7	2.3	0.1	6.9	-	-	-	0.2	66.1
Financial debt	589.5	159.1	6.4	13.4	30.4	-	-	-	568.4	1,367.2
Other current financial liabilities	114.3	28.4	0.5	1.7	-	-	-	-	258.3	403.1
Trade payables	347.7	306.5	103.6	62.4	17.8	-	-	0.1	12.1	850.2
Other current liabilities	693.6	77.3	95.3	51.9	51.6	-	-	0.0	14.6	984.2 (1)
Current income tax payable	66.4	26.7	-	8.6	2.0	-	-	0.0	0.3	104.1
Total current liabilities	**1,811.4**	**654.7**	**208.0**	**138.0**	**108.8**	**-**	**-**	**0.1**	**853.8**	**3,774.9**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY										**16,311.2**

(1) As of December 31, 2016 this amount included deferred revenue of €134.4 million.

As of December 31, 2016, the detail of Oranje-Nassau Développement's contribution to the balance sheet by business sector was as follows:

In millions of euros	Mecatherm	CSP Technologies	Nippon Oil Pump	exceet	SGI Africa	Oranje-Nassau Développement
Goodwill, net	84.1	173.4	18.2	-	-	275.6
Intangible assets, net	66.0	124.8	25.4	-	-	216.3
Property, plant & equipment, net	6.6	73.3	13.0	-	-	92.8
Non-current financial assets	0.7	0.3	1.8	-	-	2.8
Pledged cash and cash equivalents	-	0.2	-	-	-	0.2
Equity-method investments	-	-	-	24.7	25.7	50.4
Deferred tax assets	-	-	-	-	-	-
Total non-current assets	**157.4**	**372.0**	**58.3**	**24.7**	**25.7**	**638.1**
Assets of discontinued operations and operations held for sale	**-**	**-**	**-**	**-**	**-**	**-**
Inventories and work-in-progress	10.0	25.8	8.0	-	-	43.8
Trade receivables	34.2	17.2	16.1	-	-	67.5
Other current assets	2.2	3.2	0.3	-	-	5.7
Current income tax assets	0.3	-	-	-	-	0.3
Other current financial assets	-	0.2	-	-	-	0.2
Cash and cash equivalents	2.0	3.3	6.0	-	-	11.2
Total current assets	**48.8**	**49.6**	**30.4**	**-**	**-**	**128.7**
Provisions	4.1	0.2	7.7	-	-	12.0
Financial debt	17.9	149.7	29.0	-	-	196.6
Other current financial liabilities	1.0	5.4	2.0	-	-	8.4
Deferred tax liabilities	16.4	30.6	9.4	-	-	56.4
Total non-current liabilities	**39.4**	**185.9**	**48.1**	**-**	**-**	**273.4**
Liabilities of discontinued operations and operations held for sale	**-**	**-**	**-**	**-**	**-**	**-**
Provisions	6.9	-	-	-	-	6.9
Financial debt	15.0	11.9	3.5	-	-	30.4
Other current financial liabilities	-	-	-	-	-	-
Trade payables	7.3	5.8	4.7	-	-	17.8
Other current liabilities	36.5	13.1	2.0	-	-	51.6
Current income tax payable	-	0.1	2.0	-	-	2.0
Total current liabilities	**65.7**	**30.9**	**12.2**	**-**	**-**	**108.8**

Note 5-5 Cash flow statement by business sector for H1 2017

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromo-logy	Stahl	Oranje-Nassau Dévelop-pement	Allied Universal	Wendel & holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	252.5	96.6	8.4	43.0	20.8	-0.9	-29.2	-	391.2
Net cash flows from investing activities, excluding tax	-138.2	-114.5	-11.3	-13.0	55.8	-	1,110.9	-97.4	792.3
Net cash flows from financing activities, excluding tax	-825.0	-63.6	3.5	-255.2	-11.3	0.0	37.8	97.4	-1,016.4
Net cash flows related to taxes	-100.9	-15.3	-5.4	-14.3	-9.2	0.7	-3.4	-	-147.8

The detail of Oranje-Nassau Développement's contribution to the H1 2017 income statement by business sector is as follows:

In millions of euros	Tsebo	Mecatherm	CSP Technologies	Nippon Oil Pump	Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	-1.3	1.3	14.3	6.4	20.8
Net cash flows from investing activities, excluding tax	65.9	-0.4	-9.2	-0.5	55.8
Net cash flows from financing activities, excluding tax	-4.7	0.1	-4.8	-1.9	-11.3
Net cash flows related to taxes	-7.1	-0.3	0.1	-1.9	-9.2

Note 5-6 Cash flow statement by business sector for H1 2016

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromo-logy	Stahl	Oranje-Nassau Dévelop-pement	Allied-Barton	Wendel & holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	264.8	116.1	-4.6	40.9	5.2	71.5	-34.1	-	459.8
Net cash flows from investing activities, excluding tax	-184.4	-76.5	-10.1	-11.2	-45.3	-61.6	1,632.1	-151.7	1,091.3
Net cash flows from financing activities, excluding tax	-283.2	-675.6	14.8	-62.9	35.5	-44.4	-150.0	151.7	-1,014.0
Net cash flows related to taxes	-102.4	-13.6	-1.3	-7.6	1.2	-2.8	-7.1	-	-133.6

The detail of Oranje-Nassau Développement's contribution to the H1 2016 cash flow statement by business sector was as follows:

In millions of euros	Mecatherm	CSP Technologies	Nippon Oil Pump	Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	-9.3	11.2	3.3	5.2
Net cash flows from investing activities, excluding tax	-0.4	-43.7	-1.1	-45.3
Net cash flows from financing activities, excluding tax	4.7	32.6	-1.7	35.5
Net cash flows related to taxes	1.0	0.1	0.1	1.2

8 Notes on the balance sheet

NOTE 6 Goodwill

In millions of euros	6/30/2017 Gross amount	Impairment	Net amount
Bureau Veritas	2,444.9	148.9	2,296.0
Constantia Flexibles	453.7	-	453.7
Cromology	409.7	198.2	211.5
Stahl	60.4	-	60.4
Oranje-Nassau Développement	501.8	36.1	465.7
TOTAL	**3,870.5**	**383.1**	**3,487.4**

In millions of euros	12/31/2016 Gross amount	Impairment	Net amount
Bureau Veritas	2,500.0	150.5	2,349.5
Constantia Flexibles	770.4	-	770.4
Cromology	410.0	198.4	211.6
Stahl	62.1	-	62.1
Oranje-Nassau Développement	293.9	18.3	275.6
TOTAL	**4,036.4**	**367.1**	**3,669.3**

The principal changes during the period were as follows:

In millions of euros	1st half 2017
Net amount at beginning of the period	**3,669.3**
Changes in scope of consolidation (1)	282.3
Reclassification of Constantia Flexibles' Labels division to "Discontinued operations and operations held for sale"	-317.7
Impact of changes in currency translation adjustments and other	-128.7
Impairment for the year	-17.8
NET AMOUNT AT END OF PERIOD	**3,487.4**

(1) In H1 2017, this item includes the first-time consolidation of Tsebo in the amount of €228.1 million and the €51.0 million of acquisitions made by Bureau Veritas (see note 2 "Changes in scope of consolidation").

Note 6-1 Goodwill impairment tests

In accordance with accounting standards, goodwill for each CGU (Cash Generating Unit) is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year on December 31 (see the accounting principles section, note 1-10.1 "Goodwill" of the 2016 consolidated financial statements). The principal indicators of a loss in value are adherence to the budget and business plan and for Bureau Veritas, which is listed, market price compared with the carrying value.

As of June 30, 2017, the significant decline in Mecatherm's net sales in H1 2017 was seen as an indication of impairment; testing was accordingly performed on the CGU. No indication of impairment was identified on the other CGUs. Testing will therefore be performed at the year-end.

Note 6-1.1 Impairment test on Mecatherm

The business plan used for testing purposes was prepared by Wendel and covered a 5-year period. A discount rate of 9% was used, and a long-term growth rate of 2% was applied to post-business plan cash flows, as at prior reporting dates. The value in use of Mecatherm calculated as of June 30, 2017 was less than the net carrying amount. An impairment charge of €17.8 million was therefore recorded. Sensitivity analysis shows that a variation of +0.5% in the discount rate or -0.5% in the long-term growth rate would require the recognition of additional impairment of €7.8 million or €6.2 million respectively.

In addition, a 1% reduction in the normative margin used to calculate post-business plan cash flows would result in additional impairment of €11.8 million.

NOTE 7 Equity-method investments

In millions of euros	6/30/2017	12/31/2016
Saint-Gobain (1)	-	1,662.3
IHS	384.1	434.2
exceet	21.1	24.7
Allied Universal	217.7	258.4
SGI Africa	25.8	25.7
Investments of Constantia Flexibles	1.0	1.2
Investments of Bureau Veritas	5.0	5.0
Investments of Tsebo	4.9	-
Investments of Cromology	1.7	1.7
TOTAL	**661.2**	**2,413.2**

(1) Saint-Gobain has ceased to be consolidated by the equity method since the sale of the block of shares (see note 2 "Changes in scope of consolidation").

The change in equity-method investments broke down as follows:

In millions of euros	1st half 2017
Amount at beginning of the period	**2,413.2**
Share in net income for the period	
Saint-Gobain	41.0
IHS	24.1
exceet	-3.6
Allied Universal	-21.8
SGI Africa	0.0
Other	0.9
Dividends for the year	0.2
Impact of changes in currency translation adjustments	-73.2
Divestments (1)	-1,672.2
Impact of dilution on Saint-Gobain	-5.0
Impact of dilution on IHS	-31.7
Changes in scope of consolidation	4.5
Other	-15.3
AMOUNT AS OF JUNE 30, 2017	**661.2**

(1) This reflects the accounting reclassification of Saint-Gobain shares (see note 2 "Changes in scope of consolidation").

Note 7-1 Additional information on IHS

In millions of euros	6/30/2017	12/31/2016
Carrying values at 100%		
Total non-current assets	3,170.4	3,470.3
Total current assets	976.2	813.0
Goodwill adjustment (Wendel)	61.2	66.3
Total assets	**4,207.8**	**4,349.5**
Non-controlling interests	-	73.0
Total non-current liabilities	1,869.5	2,163.2
Total current liabilities	541.5	408.4
Total liabilities and shareholders' equity	**2,411.0**	**2,571.6**
including cash and cash equivalents	*471.5*	*451.6*
including financial debt	*1,856.4*	*1,808.6*

In millions of euros	1st half 2017	1st half 2016
Net sales	504.6	424.1
EBIT	123.9	101.2
Financial result, excluding foreign exchange	-9.2	-64.5
Currency impact on financial liabilities (1)	12.0	-704.3
Net income – Group share	62.7	-417.3
Other	42.1	11.9

(1) In H1 2016, owing to the devaluation of the naira, the IHS Group recognized a currency translation carrying charge related to liabilities denominated in dollars carried by Nigerian companies whose functional currency is the naira. The use of dollar-denominated liabilities in Nigeria is justified because certain aspects of the contracts are indexed to the dollar.

Concerning access to the dollar for Nigerian operations, it should be noted that IHS, a strategic infrastructure manager for the Nigerian economy, had to organize its currency management carefully but did not experience any particular problems.

Note 7-2 Additional information on Allied Universal

In millions of euros	6/30/2017	12/31/2016
Carrying values at 100%		
Total non-current assets	3,148.6	3,428.3
Total current assets	810.9	836.5
Goodwill adjustment (Wendel)	-461.4	
Impact of the revaluation of acquired assets and liabilities and other (Wendel)	604.3	3.3
Total assets	**4,102.3**	**4,268.0**
Non-controlling interests	0.9	0.5
Total non-current liabilities	2,993.3	3,227.3
Total current liabilities	452.3	399.5
Total liabilities and shareholders' equity	**3,446.5**	**3,627.3**
including cash and cash equivalents	*7.1*	*10.2*
including financial debt	*2,639.9*	*2,762.7*

In millions of euros	1st half 2017
Net sales	2,393.3
Operating income	131.9
Net income – Group share	-87.4
Impact of the revaluation of acquired assets and liabilities (Wendel)	7.2
Other	14.5

Note 7-3 Additional information on exceet

In millions of euros	6/30/2017	12/31/2016
Carrying values at 100%		
Total non-current assets	57.4	70.4
Total current assets	79.6	81.4
Impact of the revaluation of acquired assets and liabilities (Wendel)	0.4	2.5
Total assets	**137.4**	**154.3**
Total non-current liabilities	22.3	44.0
Total current liabilities	41.0	23.7
Total liabilities and shareholders' equity	**63.3**	**67.6**
including cash and cash equivalents	*23.8*	*30.9*
including financial debt	*30.6*	*36.3*

In millions of euros	1st half 2017	1st half 2016 (1)
Net sales	71.1	65.4
EBITDA	4.5	3.5
Recurring net income – Group share	-4.4	-1.4
Net income from discontinued operations and operations held for sale – Group share	-	-9.1
Net income – Group share	-10.3	-10.5
Impact of the revaluation of acquired assets and liabilities (Wendel)	-2.2	-3.2

(1) In accordance with IFRS 5, the contribution of the activities of the IDMS division was presented by exceet in "Net income from discontinued operations and operations held for sale" in H1 2016.

The two potential buyers, each of which expressed interest in acquiring blocks of securities held by major shareholders of exceet and planned to file a public offer for the entire capital, put an end to discussions aimed at achieving this outcome.

Note 7-4 Additional information on SGI Africa

In millions of euros	6/30/2017	12/31/2016
Carrying values at 100%		
Total non-current assets	60.2	54.4
Total current assets	27.7	16.9
Impact of the revaluation of acquired assets and liabilities (Wendel)	8.7	8.7
Total assets	**96.6**	**80.0**
Total non-current liabilities	19.2	
Total current liabilities	13.0	15.7
Total liabilities and shareholders' equity	**32.2**	**15.7**
including cash and cash equivalents	*24.6*	*18.2*
including financial debt	*28.0*	*15.7*

In millions of euros	1st half 2017
Net sales	3.5
Operating income	0.2
Net income – Group share	-0.2
Other	0.2

Note 7-5 Impairment tests on equity-method investments

An impairment test was performed on the stake in exceet, as its carrying amount was higher than its market value.

Pursuant to IAS 36, recoverable value was determined as the higher of (i) fair value, *i.e.* the share price at the balance sheet date (€2.70 per share, or €15.4 million for the 5.7 million shares held); and (ii) value in use, *i.e.* the discounted value of future cash flows.

Wendel performed this discounted cash flow valuation. The business plan used covers an 8-year period, and in accordance with IAS 36, no strategic acquisitions have been included in its assumptions. As in 2016, the long-term growth rate applied to post-business plan cash flows was 2% and the discount rate was 10%. Based on these assumptions, the value in use was €5.17 per share, *i.e.* €29.5 million for all shares held. It is higher than the net carrying amount as of June 30, 2017 (€3.69 per share, €21.1 million for all the shares held). Therefore no additional provision is recognized.

Sensitivity analysis shows that:

- in the event of a 0.5% increase in the discount rate; or
- in the event of a 0.5% reduction in the long-term growth rate; or
- in the event of a 1 percentage point reduction in the normative margin used for cash flows after the 8-year business plan;

the value in use would still be slightly higher than the net carrying amount, meaning that no additional impairment would need to be recognized.

NOTE 8 Cash and cash equivalents

In millions of euros	6/30/2017 Net amount	12/31/2016 Net amount
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current assets	0.5	0.5
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	2,086.3	970.8
Cash and cash equivalents of Wendel and its holding companies [(1)]	**2,086.8**	**971.3**
Pledged cash and cash equivalents of subsidiaries and other holding companies, classified as non-current assets	0.2	0.2
Unpledged cash and cash equivalents of subsidiaries and other holding companies, classified as current assets		
Bureau Veritas	284.9	1,094.1
Constantia Flexibles	25.2	123.2
Cromology	34.3	39.1
Stahl	73.5	313.9
Oranje-Nassau Développement	68.6	11.2
Other holding companies	9.2	8.9
Cash and cash equivalents of subsidiaries and other holding companies	**496.0**	**1,590.6**
TOTAL	**2,582.8**	**2,562.0**
of which non-current assets	*0.7*	*0.7*
of which current assets	*2,582.1*	*2,561.3*

(1) In addition to this cash, Wendel had €354.1 million in short-term financial investments as of June 30, 2017 and €348.2 million as of December 31, 2016 (see note 4-2.1 "Liquidity risk of Wendel and its holding companies").

NOTE 9 Financial assets and liabilities (excluding financial debt and operating receivables and payables)

Note 9-1 Financial assets

In millions of euros	Method of recognition of variations	Level	6/30/2017	12/31/2016
Pledged cash and cash equivalents of Wendel and its holding companies	Income statement (1)	1	0.5	0.5
Unpledged cash and cash equivalents of Wendel and its holding companies	Income statement (1)	1	2,086.3	970.8
Wendel's short-term financial investments	Income statement (1)	1	354.1	348.2
Cash and short-term financial investments of Wendel and its holding companies			**2,440.9**	**1,319.5**
Pledged cash and cash equivalents of subsidiaries	Income statement (1)	1	0.2	0.2
Cash and cash equivalents of subsidiaries	Income statement (1)	1	495.8	1,590.5
Assets available for sale – A	Shareholders' equity (2)	3	849.1	151.9
Financial assets at fair value through profit or loss	Income statement (1)	1	3.4	26.2
Loans – B	Amortized cost	N/A	52.4	99.2
Deposits and guarantees	Amortized cost	N/A	110.2	77.1
Derivatives – C	Income statement (1)/Sh. equity (2)	See C	44.8	17.4
Other			143.4	107.6
TOTAL			**4,140.1**	**3,389.6**
of which non-current financial assets, including pledged cash and cash equivalents			*1,149.4*	*386.2*
of which current financial assets, including cash and cash equivalents			*2,990.7*	*3,003.4*

(1) Change in fair value through profit or loss.
(2) Change in fair value through shareholders' equity.

Note 9-2 Financial liabilities

In millions of euros	Method of recognition of variations	Level	6/30/2017	12/31/2016
Derivatives – C	Income statement (1)/Sh. equity (2)	See C	79.2	*94.9*
Minority puts, earn-outs and other financial liabilities of subsidiaries – D	Income statement (1)/Sh. equity (2)	3	309.0	360.6
Minority puts, earn-outs and other financial liabilities of Wendel and its holding companies – E	Income statement (1)/Sh. equity (2)	3	424.5	465.9
TOTAL			**812.7**	**921.3**
of which non-current financial liabilities			*433.8*	*518.2*
of which current financial liabilities			*378.9*	*403.1*

(1) Change in fair value through profit or loss.
(2) Change in fair value through shareholders' equity.

Note 9-3 Details of financial assets and liabilities

A – As of June 30, 2017, this item mainly includes the stakes in **Saint-Gobain** and **Saham Group**.

Following the loss of significant influence on Saint-Gobain (see note 2 "Changes in scope of consolidation"), the remaining shares held by the Group were recognized as assets available for sale in a total amount of €662.1 million as of June 30, 2017.

Based in Morocco, the Saham Group is majority-owned by its founder and has two business lines: insurance and customer relationship centers. It is also expanding in the fields of real estate, health and education. This investment represents 13.3% of the Saham Group's share capital. It is measured at fair value in the amount of €129.5 million (vs. €120.8 million as of December 31, 2016).

The change in fair value recognized during the year is recorded in consolidated reserves under "Gains and losses on assets held for sale" in the negative amount of €47.1 million for Saint-Gobain and the positive amount of €8.7 million for Saham, in accordance with accounting principles.

B – **Loans**: the loan granted to Kerneos (leader of aluminate technology) on its disposal by Materis in 2014 was repaid in H1 2017 (as of December 31, 2016, the notional amount was €46.9 million after capitalization of interest).

This item includes Sterigenics debt (world leader in sterilization services), acquired in 2015, the notional amount of which is now $37 million ($10 million sold during the period). This debt, maturing in 2023, carries an annual coupon of 6.5%.

Lastly, the amount includes debt held by Oberthur (world leader in security solutions for mobility) with a notional amount of €15 million as of June 30, 2017.

C – **Derivatives**:

In millions of euros	Level	6/30/2017 Assets	6/30/2017 Liabilities	12/31/2016 Assets	12/31/2016 Liabilities
Interest rate swaps – hedging of cash flows (1)	2	-	9.7	-	8.1
Interest rate swaps – not qualifying for hedge accounting (1)	2	2.6	8.0	2.3	9.3
Cross currency swaps – hedging of cash flows (1)	2	30.5	-	-	15.6
Optional component of bonds exchangeable for Saint-Gobain shares (2)	2	-	52.0	-	48.4
Other derivatives – not qualifying for hedge accounting	2	11.7	9.5	15.1	13.4
TOTAL		**44.8**	**79.2**	**17.4**	**94.9**
of which non-current portion		*34.3*	*70.4*	*2.4*	*81.7*
of which current portion		*10.6*	*8.9*	*15.0*	*13.2*

(1) See description of swaps in note 9-4 below.
(2) See note 12 "Financial debt."

D – **Minority puts, earn-outs and other financial liabilities of subsidiaries**: As of June 30, 2017, this amount corresponds notably to the other financial liabilities of Bureau Veritas and Constantia Flexibles. It is largely comprised of minority put options or earn-out rights.

E – **Minority puts, earn-outs and other financial liabilities of Wendel and its holding companies**: as of June 30, 2017, this amount corresponds notably to the minority put options granted to Clariant on its stake in Stahl and to the H. Turnauer Foundation on 50% of its stake in Constantia Flexibles. It also includes liabilities related to certain liquidities granted as part of co-investments (see note 28-6 "Off-balance-sheet commitments – Shareholder agreements and co-investment mechanisms").

Note 9-4 Interest rate swaps and foreign exchange hedges

The value of interest rate swaps is calculated by the counterparties on the basis of the yield curve at the balance sheet date and the present value of cash flows expected from the contracts.

Notional amount	Characteristics (1)	Qualified as	Start (1)	Maturity (1)	6/30/2017	12/31/2016
	sign convention: (+) assets, (-) liabilities					
Hedging of debt carried by Wendel						
$885m/€800m	Pay 2.23% in US dollars against 0.24% in euros (2)		03/2016	11/2022	30.5	-15.6
	Other				0.1	0.2
					30.6	**-15.4**
Hedging of subsidiaries' debt						
€180m	Caps and tunnels on Euribor with maturities between 10/2017 and 10/2019				-0.1	-0.2
€80m	Pay 0.19% on Euribor (0% floor)	hedge	pre-closing	10/2017	-0.1	-0.1
€20m	Pay 0.20% on Euribor (0% floor)	hedge	pre-closing	10/2017	-0.0	-0.0
$300m	2.25% cap on Libor		pre-closing	12/2019	0.5	-
€200m	Pay 0.75% against Euribor	hedge	pre-closing	04/2022	-6.0	-8.4
€400m	2.00% cap against Euribor		pre-closing	04/2020	1.9	1.7
ZAR1,850m	Pay 7.72% on Jibar		pre-closing	3/31/2021	-1.6	
	Other (3)				-9.8	-8.3
					-15.2	**-15.2**
TOTAL					**15.4**	**-30.7**

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.
(2) Wendel has established cross-currency swaps to convert €800 million of its bond debt into US dollars (average exchange rate of 1.1058), see note 4-5 "Managing currency risk."
(3) This amount includes the Bureau Veritas currency hedges that convert debt denominated in sterling into euros.

NOTE 10 Shareholders' equity

	Par value	Total number of shares	Treasury shares	Number of shares outstanding
As of 12/31/2016	€4	47,092,379	1,446,126	45,646,253
As of 6/30/2017	€4	47,179,654	1,567,201	45,612,453

The increase of 87,275 in the number of shares comprising the share capital stems from the exercise of stock options during the first half of 2017.

The number of shares held under the liquidity contract was 59,750 as of June 30, 2017, vs. 100,000 as of December 31, 2016, a reduction of 40,250 during H1 2017.

As of June 30, 2017, Wendel held 1,507,451 of its shares in treasury outside of the context of the liquidity contract (1,346,126 as of December 31, 2016). These treasury shares are primarily allocated to cover stock option exercises and grants of bonus and performance shares, with the remainder being retained for potential acquisitions.

The net increase of 161,325 shares was due to:

- the purchase of 295,728 shares during the first half; and
- the sale of 134,403 shares to meet the exercise of stock options.

In total, shares held in treasury represented 3.32% of the share capital as of June 30, 2017.

NOTE 11 Provisions

In millions of euros	6/30/2017	12/31/2016
Provisions for risks and contingencies	216.5	223.5
Employee benefits	301.2	308.0
TOTAL	**517.7**	**531.5**
of which non-current	*458.3*	*465.3*
of which current	*59.4*	*66.1*

The detail of provisions for risks and contingencies is as follows:

In millions of euros	6/30/2017	12/31/2016
Bureau Veritas	122.1	121.6
Constantia Flexibles	51.0	57.1
Stahl	1.0	1.0
Cromology	10.7	10.8
Oranje-Nassau Développement	7.7	9.2
Wendel and its holding companies	24.1	23.7
TOTAL	**216.5**	**223.5**
of which non-current	*157.1*	*157.4*
of which current	*59.4*	*66.1*

The principal disputes, claims and risks identified for the operating subsidiaries and for Wendel and its holding companies are described in note 15-1 to the 2016 consolidated financial statements, "Provisions for risks and contingencies."

However, it should be noted that proceedings were initiated against Bureau Veritas by "Fédération CINOV" ("Federation of intellectual services, consulting, engineering and digital trade unions") in relation to the technical controller accreditation granted to Bureau Veritas. Bureau Veritas Group does not expect these proceedings to have a material impact on its financial position or profitability; accordingly, no provision has been made to cover this risk in the consolidated financial statements.

Provisions for retirement commitments and other long-term benefits are as follows:

In millions of euros	6/30/2017	12/31/2016
Bureau Veritas	177.2	178.3
Constantia Flexibles	59.0	64.4
Stahl	22.1	22.1
Cromology	32.0	32.0
Oranje-Nassau Développement	9.5	9.7
Wendel and its holding companies	1.4	1.5
TOTAL	**301.2**	**308.0**

NOTE 12 Financial debt

In millions of euros	Currency	Coupon rate	Effective interest rate (1)	Maturity	Repayment	Total lines	6/30/2017	12/31/2016
Wendel and its holding companies								
2017 bonds	EUR	4.375%	5.186%	08/2017	at maturity		507.4	507.4
2018 bonds	EUR	6.750%	5.727%	04/2018	at maturity		349.8	349.8
2019 bonds	EUR	5.875%	5.397%	09/2019	at maturity		212.0	212.0
2019 Saint-Gobain exchangeable bonds (2)	EUR	0.000%	1.342%	07/2019	at maturity		500.0	500.0
2020 bonds	EUR	1.875%	2.055%	04/2020	at maturity		300.0	300.0
2021 bonds	EUR	3.750%	3.833%	01/2021	at maturity		207.4	207.4
2023 bonds	EUR	1.000%	1.103%	04/2023	at maturity		300.0	300.0
2024 bonds	EUR	2.750%	2.686%	10/2024	at maturity		500.0	500.0
2027 bonds	EUR	2.500%	2.576%	02/2027	at maturity		500.0	500.0
Syndicated loan	EUR	Euribor+margin		11/2019	revolving credit	€650 million	-	-
Amortized cost of bonds and of the syndicated loan and deferred issuance costs							-14.2	-18.8
Other borrowings and accrued interest							60.8	61.2
Loans from non-controlling shareholders							36.6	34.5
							3,459.8	**3,453.5**

In millions of euros	Currency	Coupon rate	Effective interest rate (1)	Maturity	Repayment	Total lines	6/30/2017	12/31/2016
Bureau Veritas								
2017 bonds	EUR	3.750%		05/2017	at maturity		-	500.0
2021 bonds	EUR	3.125%		01/2021	at maturity		500.0	500.0
2023 bonds	EUR	1.250%		09/2023	at maturity		500.0	500.0
2026 bonds	EUR	2.000%		09/2026	at maturity		200.0	200.0
Borrowings and debt from lending institutions maturing in less than 1 year – fixed rate							-	24.5
Borrowings and debt from lending institutions maturing in less than 1 year – floating rate							115.3	65.0
Borrowings and debt from lending institutions maturing in 1 to 5 years – fixed rate							673.0	702.9
Borrowings and debt from lending institutions maturing in 1 to 5 years – floating rate							391.7	324.4
Borrowings and debt from lending institutions maturing in more than 5 years – fixed rate							87.9	91.0
Borrowings and debt from lending institutions maturing in more than 5 years – floating rate							77.9	174.6
							2,545.8	**3,082.4**
Constantia Flexibles								
2017 bonds	EUR	Fixed		05/2017	at maturity		-	129.1
Bank borrowings	EUR	Euribor+margin		04/2022	at maturity		942.3	886.3
Bank borrowings	USD	Libor+margin		2017 to 2022	amortizing		217.4	236.6
Bank borrowings	EUR	Euribor+margin		06/2023	amortizing		17.1	20.0
Bank borrowings	EUR	Euribor+margin		04/2022	revolving credit	€83 million	30.0	-
Bank borrowings (EUR, RUB, INR, CNY)		Euribor+margin and fixed		2017 to 2022	amortizing		54.3	29.9
Deferred issuance costs							-44.9	-48.7
Other borrowings and accrued interest							71.3	60.4
							1,287.6	**1,313.6**
Cromology								
Bank borrowings	EUR	Euribor+margin		08/2021	at maturity		267.0	267.0
Bank borrowings	EUR	Euribor+margin		08/2020	revolving credit	€77 million	14.0	-
Deferred issuance costs							-4.7	-5.2
Materis shareholder loans							35.6	33.5
Other borrowings and accrued interest							11.3	13.6
							323.2	**308.9**
Stahl								
Bank borrowings refinanced in the second half of 2016								
Bank borrowings	USD	Libor+margin		12/2021	amortizing		263.4	284.3
Bank borrowings	USD	Libor+margin		06/2022	at maturity		263.4	284.3
Bank borrowings	EUR	Euribor+margin		12/2021	revolving credit	€20 million	-	-
Deferred issuance costs							-11.2	-10.1
Other borrowings and accrued interest							0.1	1.0
							515.8	**559.5**

In millions of euros	Currency	Coupon rate	Effective interest rate [1]	Maturity	Repayment	Total lines	6/30/2017	12/31/2016
Mecatherm								
Bank debt (senior)	EUR	Euribor+margin		2017 to 2018	amortizing		23.0	27.7
Bank borrowings	EUR	Euribor+margin		09/2018	revolving credit	€5 million	5.0	5.0
Deferred issuance costs							-0.3	-0.5
Other borrowings and accrued interest							0.3	0.6
							28.0	**32.8**
CSP Technologies								
Bank borrowings	USD	Libor+margin		01/2022	amortizing		155.0	157.3
Bank borrowings	USD	Libor+margin		01/2020	revolving credit	$25 million	3.1	11.4
Deferred issuance costs							-8.5	-9.0
Other borrowings and accrued interest							1.5	1.9
							151.1	**161.6**
Nippon Oil Pump								
Bank borrowings	JPY	Tibor+margin		2017 to 2019	amortizing		5.5	7.3
Bank borrowings	JPY	Tibor+margin		02/2019	at maturity		23.5	24.3
Deferred issuance costs							-0.1	-0.2
Other borrowings and accrued interest							0.9	1.2
							29.8	**32.6**
Tsebo								
Bank borrowings	ZAR	Jibar+margin		09/2022	amortizing		62.1	-
Bank borrowings	ZAR	Jibar+margin		12/2022	at maturity		63.4	-
Bank borrowings	USD	Libor+margin		12/2022	at maturity	$16.6 million	-	-
Deferred issuance costs							-3.0	-
Other borrowings and accrued interest							5.7	-
							128.3	**-**
TOTAL							**8,469.3**	**8,944.9**
of which non-current portion							*7,291.4*	*7,577.7*
of which current portion							*1,177.9*	*1,367.1*

(1) The effective interest rate is calculated inclusive of issue premiums/discounts and bank issuance fees. For bonds that were issued in several stages, the effective interest rate corresponds to the weighted average of the par value issued.

(2) The holders of bonds exchangeable for Saint-Gobain shares have the right to exchange them for 9,622,933 Saint-Gobain shares, covering the total €500 million in bonds issued. Wendel would then have the option of delivering the securities or their counter-value in cash. This option for bondholders would be used primarily in the event of the Saint-Gobain share price being higher than the price of €51.96 per share.
The optional component of the exchangeable bond is recognized as a financial liability at fair value; see note 9-2 "Financial liabilities."

Note 12-1 Financial debt maturity schedule

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Wendel and holding companies:				
■ notional amount	-857.2	-1,219.4	-1,275.2	-3,351.8
■ interest [(1)]	-127.3	-240.1	-112.8	-480.1
Investments:				
■ notional amount	-279.0	-3,503.0	-1,263.9	-5,045.9
■ interest [(1)]	-188.2	-560.5	-27.5	-776.2
TOTAL	**-1,451.7**	**-5,522.9**	**-2,679.4**	**-9,654.0**

(1) Interest is calculated on the basis of the yield curve prevailing on June 30, 2017.

NOTE 13 Discontinued operations and operations held for sale

Note 13-1 Net income from assets intended to be discontinued, sold or recognized using the equity method

In millions of euros	1st half 2017	1st half 2016
Gain on divestments		
Parcours	-	38.9
Other	-	-0.2
	-	**38.7**
Net income for the period from discontinued operations or operations to be recognized using the equity method		
Constantia Flexibles: Labels division [(1)]	27.0	18.7
Bureau Veritas: Non-destructive Testing business	-5.7	
AlliedBarton	-	-46.2
Parcours	-	42.9
	21.4	**15.4**
TOTAL	**21.4**	**54.1**

(1) See note 2 "Changes in scope of consolidation."

Note 13-2 Information relative to Constantia Flexibles' Labels division

The nature of the assets and liabilities of Constantia Flexibles' Labels division, reclassified as "Assets and liabilities of discontinued operations and operations held for sale" (see note 2 "Changes in scope of consolidation") is as follows:

In millions of euros	6/30/2017
Goodwill	317.7
Intangible assets	273.1
Property, plant and equipment	183.9
Inventories	79.1
Trade receivables	126.3
Other assets	23.4
Cash and cash equivalents	23.9
TOTAL ASSETS OF OPERATIONS HELD FOR SALE	**1,027.3**
Financial debt	27.0
Trade payables	114.6
Taxes	99.8
Other liabilities	77.2
TOTAL LIABILITIES OF OPERATIONS HELD FOR SALE	**318.6**

The main income statement aggregates of this division are presented below:

In millions of euros	1st half 2017	1st half 2016
Net sales	314.2	302.4
EBITDA	58.9	55.2
Operating income	29.6	26.9
NET INCOME	**27.0**	**18.7**

9 Notes on the income statement

NOTE 14 Net sales

In millions of euros	1st half 2017	1st half 2016
Bureau Veritas	2,360.1	2,221.4
Constantia Flexibles	734.3	721.9
Cromology	382.6	375.9
Stahl	354.3	330.7
Oranje-Nassau Développement		
■ Tsebo	210.7	-
■ CSP Technologies	59.6	56.1
■ Mecatherm	42.8	62.1
■ Nippon Oil Pump	24.0	21.5
CONSOLIDATED NET SALES	**4,168.4**	**3,789.5**

NOTE 15 Operating income

In millions of euros	1st half 2017	1st half 2016
Bureau Veritas	286.2	303.5
AlliedBarton	-	-1.1
Constantia Flexibles	14.1	29.5
Cromology	9.7	11.4
Stahl	61.6	55.0
Oranje-Nassau Développement (1)	-18.9	11.1
Wendel and its holding companies	-26.9	-51.5
OPERATING INCOME	**325.7**	**358.0**

(1) This item includes €17.8 million in impairment on Mecatherm (see note 6 "Goodwill").

NOTE 16 Finance costs, net

In millions of euros	1st half 2017	1st half 2016
Income from cash and cash equivalents (1)	-23.5	1.7
Finance costs, gross		
Interest expense	-170.9	-189.1
Interest expense on loans from non-controlling shareholders	-4.3	-4.5
Deferral of debt issuance costs and premiums/discounts (calculated according to the effective interest method)	-14.2	-5.4
	-189.3	**-199.0**
TOTAL	**-212.8**	**-197.3**

(1) *This item includes a currency loss of €28.0 million related to dollar-denominated cash held by Wendel, see note 4-2.1 "Liquidity risk of Wendel and its holding companies".*

NOTE 17 Other financial income and expense

In millions of euros	1st half 2017	1st half 2016
Gains/losses on disposal of assets available for sale	1.6	-0.0
Dividends received from unconsolidated companies (1)	19.3	0.6
Net income on interest rate, currency and equity derivatives	-23.6	-9.3
Interest on other financial assets	1.5	3.8
Net currency exchange gains/losses	19.2	-0.8
Impact of discounting	-5.3	-5.7
Gain on buyback of debt	-	-56.6
Other	2.7	-44.1
TOTAL	**15.3**	**-112.1**

(1) *Including €17.8 million in dividends received from Saint-Gobain, see note 2 "Changes in scope of consolidation".*

NOTE 18 Tax expense

In millions of euros	1st half 2017	1st half 2016
Current income tax payable	-126.8	-134.0
Deferred taxes	15.0	24.1
TOTAL	**-111.8**	**-109.9**

The portion of CVAE (value added) tax was recognized as an income tax, in accordance with IAS 12 and the instruction of the CNC (French National Accounting Council) of January 14, 2010.

NOTE 19 Net income (loss) from equity-method investments

This item was negatively impacted by the dilution loss on the stake in IHS, which was more than offset by the disposal gain on the sale of Saint-Gobain shares:

In millions of euros	1st half 2017	1st half 2016
Net income including impact of goodwill allocation		
Saint-Gobain	41.0	52.3
IHS	24.1	-125.3
exceet	-3.6	-3.9
Allied Universal	-21.8	-
SGI Africa	-0.0	-
Other companies	0.9	0.4
Sale of Saint-Gobain shares (1)	84.1	-229.6
Impact of dilution on the Saint-Gobain investment (1)	-5.0	-
Impact of dilution on the IHS investment (1)	-31.7	-
TOTAL	**88.1**	**-306.0**

(1) See note 2 "Changes in scope of consolidation" related to Saint-Gobain and IHS.

NOTE 20 Earnings per share

In euros and millions of euros	1st half 2017	1st half 2016
Net income – Group share	31.3	-425.1
Impact of dilutive instruments on subsidiaries	-5.8	-8.8
Diluted net income	**25.5**	**-433.9**
Average number of shares, net of treasury shares	45,656,285	45,866,417
Potential dilution due to Wendel stock options (1)	557,705	-
Diluted number of shares	**46,213,990**	**45,866,417**
Basic earnings per share *(in euros)*	0.69	-9.27
Diluted earnings per share *(in euros)*	0.55	-9.46
Basic earnings per share from continuing operations *(in euros)*	0.38	-10.31
Diluted earnings per share from continuing operations *(in euros)*	0.25	-10.51
Basic earnings per share from discontinued operations *(in euros)*	0.31	1.05
Diluted earnings per share from discontinued operations *(in euros)*	0.30	1.05

(1) In accordance with the treasury stock method: it is assumed that the cash received from the exercise of dilutive instruments will be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution is thus the net impact.

10 Notes on changes in cash position

NOTE 21 Acquisition of property, plant & equipment and intangible assets

In millions of euros	1st half 2017	1st half 2016
By Bureau Veritas	60.2	66.7
By Constantia Flexibles	43.4	35.9
By Cromology	8.0	8.8
By Stahl	11.0	9.8
By AlliedBarton	-	1.5
By Oranje-Nassau Développement	10.9	6.2
By Wendel and its holding companies	0.3	0.4
TOTAL	**133.9**	**129.3**

NOTE 22 Acquisition of equity investments

In millions of euros	1st half 2017	1st half 2016
Tsebo (1)	162.3	-
By Bureau Veritas (1)	85.4	131.8
By Stahl	-0.5	1.6
By Constantia Flexibles (1)	19.8	0.9
By Oranje-Nassau Développement	1.5	39.6
By Cromology	1.2	-
Other securities	12.7	0.3
TOTAL	**282.4**	**174.2**

(1) See note 2 "Changes in scope of consolidation."

NOTE 23 Disposal of equity investments

In millions of euros	1st half 2017	1st half 2016
Sale of Saint-Gobain shares (1)	1,085.4	1,155.0
Disposal of Parcours	-	240.7
Sale of Bureau Veritas shares (1)	59.7	-
Other	-	5.4
TOTAL	**1,145.1**	**1,401.0**

(1) See note 2 "Changes in scope of consolidation."

NOTE 24 Impact of changes in scope of consolidation and of operations held for sale

As of June 30, 2017, this item corresponds to the first-time consolidation of Tsebo in the amount of €32.0 million, that of Bureau Veritas and Constantia Flexibles subsidiaries in the amounts of €10.2 million and €1.0 million respectively, and the reclassification as "Assets and liabilities of operations held for sale" of Constantia Flexibles' Labels division in the negative amount of €23.9 million.

As of June 30, 2016, this item corresponded to the consolidation of Bureau Veritas' and Constantia Flexibles' subsidiaries in the amounts of €9.6 million and €7.1 million respectively, and the reclassification as "Assets and liabilities of operations to be recognized using the equity method" of the cash and cash equivalents of the AlliedBarton Group in the amount of €38.8 million.

NOTE 25 Changes in other financial assets and liabilities and other

As of June 30, 2017, this item notably includes the €47.0 million repayment of the loan granted to Kerneos (leader in aluminate technology) on its disposal by Materis in 2014. It also includes the debt held by Oberthur (world leader in security solutions for mobility), which was taken out in in the amount of €15 million.

NOTE 26 Dividends received from equity-method investments and unconsolidated companies

The €97.4 million dividend received from Bureau Veritas was eliminated upon consolidation.

A dividend of €17.8 million was received from Saint-Gobain.

NOTE 27 Net change in borrowings and other financial liabilities

Details of financial debt are shown in note 12 “Financial debt.”

In millions of euros	1st half 2017	1st half 2016
New borrowings by:		
Wendel – Bond issues	-	500.0
Wendel – Other borrowings	4.5	-
Stahl	-	25.0
Bureau Veritas	77.7	45.8
Constantia Flexibles (1)	167.3	43.8
Cromology	15.1	32.8
Oranje-Nassau Développement	7.5	16.4
AlliedBarton	-	31.4
	272.2	**695.2**
Borrowings repaid by:		
Wendel – 2016 bonds	-	643.6
Wendel – Repurchase of bonds	-	400.0
Stahl	-	19.3
Bureau Veritas	574.2	13.8
Constantia Flexibles	140.3	11.4
Cromology	2.7	0.2
Oranje-Nassau Développement	9.5	9.3
AlliedBarton	-	36.2
	726.7	**1,133.9**
TOTAL	**-454.5**	**-438.7**

(1) In H1 2017, these amounts represent the repayment and refinancing of bond debt.

11 Other notes

NOTE 28 Off-balance-sheet commitments

As of June 30, 2017, there were no commitments liable to have a significant impact on the Group's financial position other than the leases mentioned below (see note 34-8 to the 2016 consolidated financial statements on leasing).

Note 28-1 Collateral and other security given in connection with financing

In millions of euros	6/30/2017	12/31/2016
Pledge by Constantia Flexibles Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Constantia Flexibles Group.	1,326.3	1,323.5
Pledge by Cromology Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Cromology Group.	291.1	279.1
Pledge by CSP Technologies Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the CSP Technologies Group.	158.7	169.6
Joint and several guarantee and/or pledge by Mecatherm Group entities of shares of the companies and of certain trade receivables as collateral for the repayment of the debt owed by the Mecatherm Group. Note that the amount of the first-demand guarantee granted by Wendel in favor of its banks has been reduced from €15 million to €11 million.	28.3	33.1
Pledge by Nippon Oil Pump Group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Nippon Oil Pump Group.	29.0	31.6
Pledge by Stahl Group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl Group.	527.0	569.6
Pledge by Tsebo Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by Tsebo Group.	129.5	-
TOTAL	**2,489.9**	**2,406.5**

Note 28-2 Guarantees given as part of asset sales

In connection with the sale of the Parcours Group and Clariant's receiving an equity stake in Stahl in return for the transfer of its Leather Finishing division, the Group has provided the usual guarantees within certain limits and over variable periods depending on the type of guarantee involved.

With respect to the Parcours liability guarantee, the Group has received a claim related to taxes. As of June 30, 2017, after taking deductions into account, the amount of this claim was approximately €3 million. It is recorded in provisions for risks and contingencies.

Note 28-3 Guarantees received in connection with asset acquisitions

In connection with the acquisitions of AlliedBarton (merged into Allied Universal), Constantia Flexibles, CSP Technologies, Mecatherm, IHS, Saham, SGI Africa and Tsebo, and in addition to Clariant's receiving an equity stake in Stahl, the Group benefited from the usual guarantees within certain limits and over variable periods depending on the type of guarantee involved.

Note 28-4 Off-balance-sheet commitments given and received related to operating activities

In millions of euros	6/30/2017	12/31/2016
Market counter-guarantees and other commitments given		
by Bureau Veritas [1]	396.8	421.2
by Constantia Flexibles	7.9	7.9
by Cromology	10.8	10.5
by Oranje-Nassau Développement:		
■ Mecatherm	9.3	8.5
■ CSP Technologies	0.4	0.4
■ Tsebo	3.0	-
TOTAL COMMITMENTS GIVEN	**428.2**	**448.5**
Other commitments received	-	-
TOTAL COMMITMENTS RECEIVED	**-**	**-**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent-company guarantees.

Note 28-5 Acquisition and subscription commitments

In connection with the investment in SGI Africa, the Group has agreed to gradually invest up to €120 million over the next few years (including an investment of €25 million in July 2016).

In the six months to June 30, 2017, the Group undertook to invest approximately €13 million in certain private equity funds.

Lastly, as part of building a portfolio of debt held by various unlisted companies, as of June 30, 2017, the Group had agreed to acquire senior credit lines issued by Chryso (French leader in admixtures for building materials) as part of acquisition financing. This amount was paid in full in July 2017.

Note 28-6 Shareholder agreements and co-investment mechanisms

As of June 30, 2017, the Wendel Group was party to a number of agreements governing its relationships with its co-investors, whether co-investors in its subsidiaries or unlisted holding companies (Allied Universal, Constantia Flexibles, Cromology, IHS, Saham, SGI Africa, Stahl and Tsebo) or managers (or former managers) of subsidiaries, relating to mechanisms aimed at involving them in their company's performance (Allied Universal, Constantia Flexibles, Cromology, CSP Technologies, Mecatherm, Nippon Oil Pump, Stahl and Tsebo).

These agreements contain various clauses related to:

- corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, pre-emptive rights and rights of first refusal, ban on selling to certain individuals);
- anti-dilution rules in the event of transactions involving the share capital;
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO; and
- non-competition and priority commitments involving acquisition opportunities.

The Constantia Flexibles, Stahl, Saham and Allied Universal shareholder agreements also contain the following terms:

- for Constantia Flexibles, the H. Turnauer Foundation, of the founding family of Constantia Flexibles, has the option to request, between 2020 and 2023, that an IPO or a share buyback process by refinancing of the group be launched, aiming at ensuring the priority liquidity of its stake. Failing such an event, the H. Turnauer Foundation can exercise a put option granted to it by Wendel to sell half of its initial investment at market value, payable in two tranches in cash or in Wendel shares, at the Wendel Group's option. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;
- for Stahl:
  - Stahl's minority financial investors (former second-lien and former mezzanine lenders) have a put option to sell shares at a discount, in tranches of one-third of their stake, between 2016 and 2018. The first two tranches were not exercised. The commitment bearing on the third still exercisable was recognized in financial liabilities in accordance with accounting policies applicable to minority put options,
  - Clariant, a minority shareholder in Stahl since the acquisition of Clariant Leather Services, benefits from a liquidity guarantee granted by the Wendel Group to Clariant in an amount determined by a predefined margin multiple. This commitment was recognized in financial liabilities in

accordance with accounting principles applicable to minority puts;

- for Saham, the majority shareholder of Saham has the option to buy back the Wendel Group's entire investment in Saham until 2018 (at a price guaranteeing a minimum IRR of 15% for the Wendel Group); and
- for Allied Universal, Wendel has made certain commitments related to the provision of security services to various departments and agencies of the US government as well as to companies contracted by the government. Where a situation leads to the imposition of further restrictions by the U.S. Department of Defense (Defense Security Service, or "DSS") Wendel might be required to propose or make some of the following commitments:
  - Allied Universal issuing shares to American shareholders (subject to certain conditions and within certain limits) in the event of share transfers that result in an increase in the percentage of foreign ownership of Allied Universal,
  - amending some of Wendel's veto rights on certain strategic decisions, and/or
  - replacing one of the directors appointed by Wendel by an adviser with no voting rights.

The agreements with the management teams (managers or former managers) of subsidiaries (Allied Universal, Constantia Flexibles, Cromology, CSP Technologies, Mecatherm, Nippon Oil Pump, Stahl and Tsebo) also contain stipulations relative to:

- the right to liquidate their co-investment in successive tranches, in the absence of a sale or IPO beyond a certain period of time (between the 3rd and 13th anniversaries of the completion of the co-investment, depending on the relevant agreement); and
- the handling of executive departures (commitment to sell shares to the Wendel Group in the event of the departure of an executive from a subsidiary and/or commitment to buy shares in certain specific cases).

Co-investment terms for senior managers in the subsidiary companies are described in greater detail in note 4-2 to the 2016 consolidated financial statements relating to the participation of subsidiary managers in the performance of their companies.

As part of the liquidity commitments under these agreements, in the absence of a liquidity event (divestment or IPO) before certain predetermined dates, the Wendel Group can be required to buy back or guarantee the buy back of the shares held by subsidiary managers (or former managers) in Allied Universal, Constantia Flexibles, Cromology, CSP Technologies, Mecatherm, Nippon Oil Pump, Stahl and Tsebo. The value applied to these liquidity commitments is the market value determined by the parties or an independent appraiser, or a value calculated on the basis of an earnings multiple.

Liquidity mechanisms will also be provided to Wendel managers with exposure, in connection with co-investment mechanisms, to Allied Universal, Constantia Flexibles, CSP Technologies, IHS, Mecatherm, Nippon Oil Pump, Saham and Tsebo (see note 4-1 in the 2016 consolidated financial statements relating to the participation of Wendel managers in Group investments).

As of June 30, 2017, based on the investment values used to calculate Net Asset Value or, where appropriate, based on pricing formulas or valuations in the agreements:

- the value of *pari passu* investments made under the same risk and return conditions as Wendel by all joint shareholders (including the H. Turnauer Foundation and Clariant) and co-investing managers of Wendel and subsidiaries enjoying liquidity rights was €360 million (including €314 million related to minority put options on Constantia Flexibles and Stahl); and
- the value of the portion of non-pari passu investments of co-investing managers of subsidiaries and managers of Wendel was €185 million. This amount corresponds to the estimate of the value for managers of certain Wendel subsidiaries for which Wendel has made liquidity commitments (Stahl), as well as the estimated value of non-pari passu investments made by Wendel managers.

In accordance with accounting principles relating to minority puts and to co-investment mechanisms, a portion of these amounts is recognized within financial liabilities (€460 million). The accounting principles applicable to co-investments are described in note 1-10.18 "Accounting treatment of mechanisms for the participation of management teams in the Group's investments" of the 2016 consolidated financial statements.

Co-investment and liquidity commitment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

Note 28-7 Other agreements concluded by the Wendel Group in connection with acquisitions, divestments or restructuring of investment financing

Subordinated (mezzanine and second-lien) lenders to Stahl who forfeited their claims as creditors during the 2010 restructuring received an earn-out right exercisable only upon the total or partial divestment of Wendel's stake in Stahl. This right is exercisable if Wendel's overall return is more than 2.5 times its 2010 re-investment, and is equivalent to the allocation of 1 to 2 bonus shares per share held by these ex-subordinated lenders. In accordance with accounting standards, this commitment is not recognized on the balance sheet, as the exercise of this right depends on the Wendel Group's decision to divest.

CSP Technologies vendors benefit from an earn-out right capped subject to the achievement by the CSP Technologies Group of predetermined performance criteria in the three years following the group's acquisition by Wendel. No provision has been constituted for such purpose.

As part of the syndication with Maxburg Capital Partners of a minority investment in Constantia Flexibles, Wendel enjoys an earn-out right on the portion transferred in this manner subject to the achievement by Maxburg Capital Partners of minimum profitability thresholds over the duration of its investment in Constantia Flexibles in the event of divestment. This right was recognized within financial assets whose change in value is recognized on the income statement.

As part of the initial investment in Tsebo Group's South African entities by an investor meeting the criteria set by local B-BBEE regulations ("Broad-Based Black Economic Empowerment" business incentive program to support the economic development of black people in South Africa), Wendel guaranteed the repayment obligations relating to acquisition financing contracted by this investor, thereby helping maintain Tsebo's "B-BBEE level 1" rating. Wendel's guarantee represents an amount of approximately ZAR 536 million, which may be increased to ZAR 639 million in the event of the extension of the financing term.

NOTE 29 Subsequent events

On July 17, 2017, Constantia Flexibles announced the signing of an agreement for the sale of its Labels division to Multi-Color (see note 2-4.2 "Changes in scope of consolidation of the Constantia Flexibles Group (flexible packaging)).

12 Statutory auditors' review report on the 2017 half-year financial information

(Period from January 1, 2017 to June 30, 2017)

This is a free translation into English of the statutory auditors' review report on the half-year financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-year management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,
WENDEL
89, rue Taitbout
75009 Paris

In compliance with the assignment entrusted to us by your General Meeting of Shareholders and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of WENDEL, for the six months ended June 30, 2017;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Executive Board. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris-La-Défense, September 6, 2017

The Statutory Auditors
French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Françoise Garnier	Jacques Pierre

WEN2017_RFS_EN_V3_POUR_BAT_070917

CERTIFICATION BY THE CHAIRMAN OF THE EXECUTIVE BOARD

Certification by the person responsible for the half-year financial report

I hereby certify, that to the best of my knowledge, the condensed consolidated financial statements for the first half of the year have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the accompanying interim management report presents a true and fair picture of the important events that occurred during the first half of the year, their impact on the financial statements and the principal transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Paris, September 6, 2017

Frédéric Lemoine

Chairman of the Executive Board

Photo credits : Ellen Coopers Paris, Photothèques Wendel, Stahl, IHS, Getty Images.

The English language version of this text is a free translation from the original, which was prepared in French.
All possible care has been taken to ensure that the translation is an accurate representation of the original.
However in all matters of interpretation of information, views or opinion,
the original French language version of the document takes precedence over the translation.

Designed & published by LABRADOR +33 (0)1 53 06 30 80

Societas Europaea with an Executive Board and a Supervisory Board with capital of 188,324,116 euros
89, rue Taitbout – 75312 Paris Cedex 09
Tel.: +33 (0)1 42 85 30 00 – Fax: +33 (0)1 42 80 68 67

September 2017