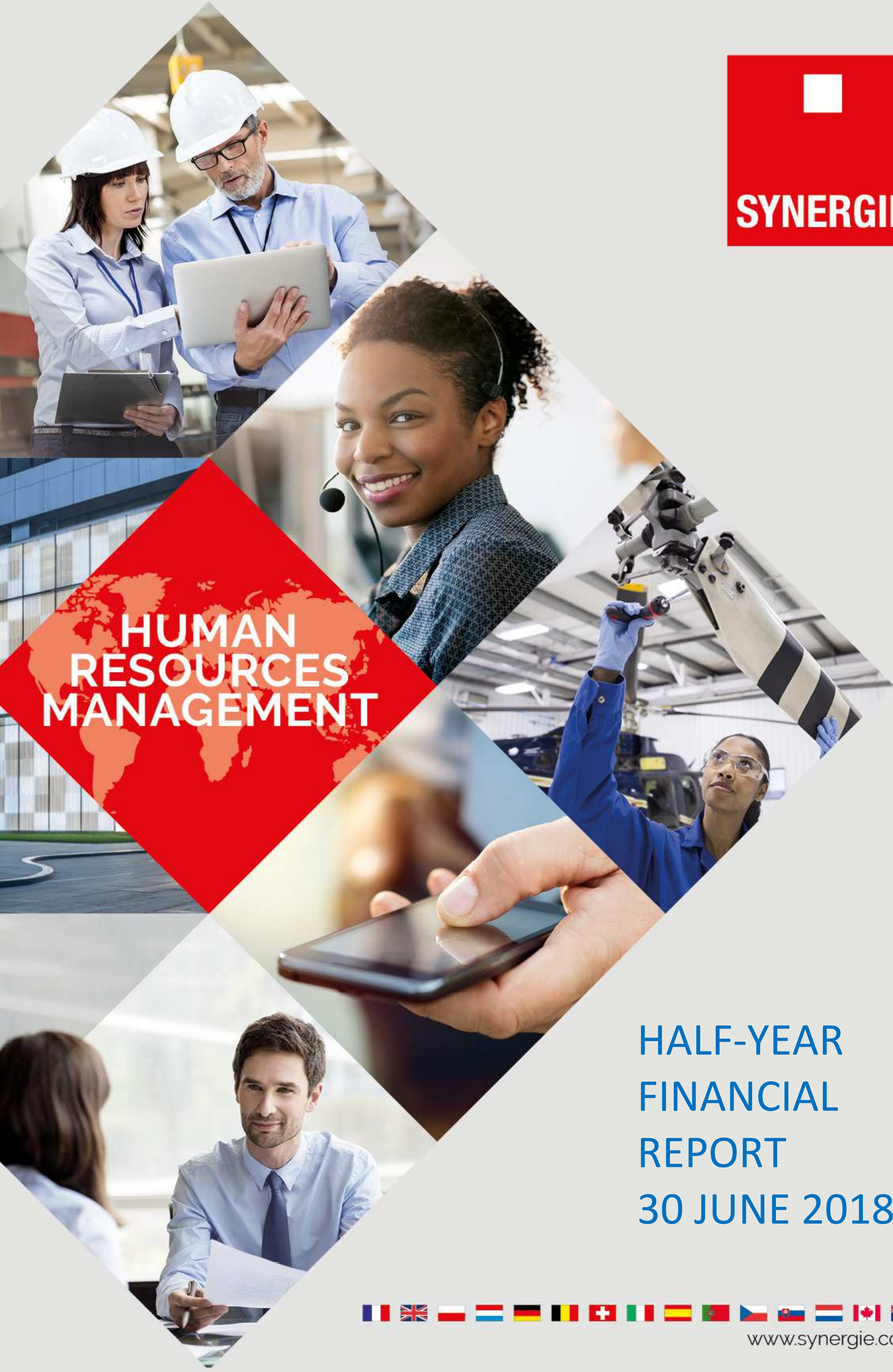
SYNERGIE



HALF-YEAR FINANCIAL REPORT 30 JUNE 2018

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SOMMAIRE

HALF-YEAR GROUP ACTIVITY REPORT AS AT 30 JUNE 2018

The Executive Board of SYNERGIE(*), which met on 12 September 2018 under the chairmanship of Daniel AUGEREAU, approved the 2018 consolidated half-year financial statements.

A limited review was performed of these interim financial statements. The report of this limited review is currently being issued.

1. Key figures for H1 2018

In € thousand	30 June 2018	30 June 2017
Turn over	**1,238,762**	**1,098,717**
Current operating profit (1)	57,693	59,163
Operating profit	**53,102**	**52,901**
Financial result	(564)	(843)
Profit before tax	52,538	52,058
Taxes on profit (2)	(15,956)	(16,284)
Net profit of consolidated companies	**36,582**	**35,774**

(1) *Before depreciations and impairments of intangibles assets*
(2) *Including CVAE of €7,815 thousand in 2018 and €7,357 thousand in 2017*

(*) Executive Board Chairman : Daniel Augereau
Members : Yvon Drouet - Sophie Sanchez - Olga Medina

2. Key events

SYNERGIE acquired a stake of 66% in French digital services company DCS EASYWARE.

This acquisition gives SYNERGIE a positioning on a growth market and rounds off our traditional activities, in line with our main counterparts, with diversification in facilities management, advisory and technical assistance.

DCS EASYWARE will thus complement the services offering of SYNERGIE Group and the resources needed to help clients with their digital transition.

The 70% stake in the UK subsidiary ACORN LEARNING SOLUTIONS was sold in January 2018.

3. 2018 half-year consolidated financial statements

The financial statements are presented in accordance with IFRS.

All documents comprising the half-year financial statements are presented in thousands of euros.

3.1. Turnover

SYNERGIE has confirmed its excellent start to 2018 with consolidated first-half turnover of €1,238.8 million, up 12.7% from 2017 (9.1% on a like-for-like basis).

Turnover breaks down as follows:

In € thousand	30 June 2018	30 June 2017	Change
France	588,978	556,585	5.8%
Belgium	137,601	124,177	10.8%
Others Northern and Eastern Europe	168,770	128,842	31.0%
Italy	203,954	163,300	24.9%
Spain, Portugal	110,436	100,582	9.8%
Canada, Australia	29,024	25,232	15.0%
TOTAL	**1,238,762**	**1,098,717**	12.7%

The trend by quarter is as follows:

In € thousand	30 June 2018	30 June 2017	Change
First Quarter turnover	589,574	516,138	14.2%
Second Quarter turnover	649,188	582,579	11.4%
TOTAL	**1,238,762**	**1,098,717**	12.7%

France

In France, activity continued to increase with a stable large account/SME-SMI mix.

This performance was underpinned by strong growth in industrial sectors in which the Group has been investing for several years (aeronautics, shipbuilding, renewable energies, etc.), the steady growth achieved in the automotive sector by both large players and their subcontractors, and the pick-up seen in construction.

Moreover, the recruitment of consultants and targeted training activities benefited all clients (tertiary sector, industry, etc.).

International

The Group saw continued very high growth outside of France, at €649.8 million (+19.9% over the period; +13.0% on a like-for-like basis). International activity now accounts for 52.5% of consolidated activity.

Southern Europe

The three countries that make up this zone all show strong growth (+19.1% globally), with a particularly strong leverage effect in Italy.

Benelux

Growth of 8.3% was recorded in this area, where Belgium shows particularly strong economic momentum.

Northern and Eastern Europe

In the UK, activity grew by 2% over the period on a like-for-like basis; the environment nevertheless remains tense at national level, with a high employment rate and weak growth; certain agreements with major clients were deferred, and aggressive price competition was also observed.

Turnover in Germany increased slightly (+1%), with the application of recent equal pay measures prompting clients to limit the use of temporary work and hire temporary employees seconded to them.

Turnover for the period at the Austrian subsidiary VÖLKER GmbH, which was integrated in November 2017, reached €42.5 million (+35% versus the first half of 2017).

Activity in the other countries in this zone (Switzerland and Eastern European countries) is less material and remained stable overall.

Canada, Australia

Outside of Europe, SYNERGIE's operations are grouped into two divisions:

- Australia, where activity shows very strong growth (+70% on a like-for-like basis), bolstered by large clients;
- Canada, which shows a slight decline in relation to 2017 (-2.8% on a like-for-like basis).

3.2. Current operating profit

Over the period, SYNERGIE posted current operating profit of €57.7 million, down slightly in relation to 2017.

The positive effect of the sharp increase in activity was nevertheless offset by the effect of legislative measures in several countries which led to an increase in the cost of temporary employees (a reduction in the CICE competitiveness and employment tax credit rate in France from 7% to 6%, a significant reduction in certain social security rebates and subsidies in Belgium, and an acceleration in the area of equal pay in Germany).

It is also worth bearing in mind the particularly high performances recorded during the first half of 2017 and their impact on the comparison base.

The Group forged ahead with its investment policy, opening around twenty agencies to meet demand from large accounts, extending its territorial coverage and strengthening certain areas of specialisation. There was strict management of structural costs and targeting of the recruitment of consultants and training, while digitisation and the development of IT tools had a positive impact on growth and profitability in the short term.

Accordingly, current operating profit (before amortisation and impairment of intangibles linked to acquisitions) came out at €57,693 thousand as at 30 June, breaking down as follows:

In € thousand	30 June 2018	30 June 2017
France	35,473	38,200
Belgium	7,576	8,802
Others Northern and Eastern Europe	3,161	3,007
Italy	9,601	7,251
Spain, Portugal	1,876	1,739
Canada, Australia	6	164
TOTAL	**57,693**	**59,163**

Depreciation and amortisation (€3,827 thousand) increased considerably in relation to 2017, reflecting continued investments, mainly in digitisation.

Provisions for retirement benefits in France increased by €549 thousand, primarily as a result of inflation.

The client loss ratio remained stable, with strict management of client credit in all regions, and as a result impairment of receivables coming out at 0.20% of turnover.

3.3. Operating profit

Depreciation and amortisation of intangible assets linked to acquisitions accounts for the difference between current operating profit and operating profit, which came out at €53,102 thousand (compared with €52,901 thousand in 2017).

Depreciation and amortisation reached €2,568 thousand compared with €1,325 thousand in 2017, an increase linked to the recognition of impairment on the brand and clients of the Austrian subsidiary acquired on 31 October 2017 (€915 thousand) and exceptional impairment of the brand in the UK (€428 thousand).

Given the specific economic environment in the UK, the sharp increase in the discount rate, and a less favourable commercial development outlook than at the previous period closure, goodwill impairment of €1,500 thousand was recognised.

Other non-recurring operating income and expenses were not material.

3.4. Financial result

The net cost of financial debt is limited to €389 thousand compared with €232 thousand in 2017, representing around 0.03% of turnover, with gross financial debt at approximately the same level than 2017.

The euro/pound sterling conversion rate at 30 June 2018 led to the recognition of an exchange loss of €146 thousand (compared with €601 thousand at 30 June 2017).

3.5. Net profit

Consolidated net profit for the period reached €36.582 thousand (compared with €35.774 thousand on 30 June 2017), resulting from the items set out above and the tax expense.

In France, the latter incorporates the CVAE (value added contribution for businesses) which amounted to €7.815 thousand for the first six months of the year (€7.357 thousand in 2017).

4. Financial structure

In € thousand		Amounts	
	30/06/2018	**31/12/217**	**30/06/2017**
Consolidated shareholders' equity	**450,862**	**435,712**	**390,769**
Net cash position	37,149	50,032	14,922
Financial debt	(64,444)	(38,127)	(18,180)
Cash position net or any debt (*)	**3,538**	**11,905**	(3,258)
Cash position inclusing CICE	**86,328**	**153,630**	**91,364**
Self-financing capacity	25,601	50,700	20,097
Change in working capital requirement	(18,767)	(11,169)	(19,558)
Cost of net debt/revenue	0.03%	0.02%	0.02%

(*) *After restatement of the 2014 CICE*

SYNERGIE's activity growth has enabled it to strengthen its financial structure, and the following are of note in particular:

- Consolidated shareholders' equity stands at €450.9 million (of which Group share of €439.9 million); net profit of €36.6 million and dividends (€19.2 million) explain the change in relation to the balance at the close of the previous period (€435.7 million);

- These show an impact of €1.6 million on the opening balance, following the application of IFRS 9 in relation to impaired receivables which are now valued on the basis of projected losses;

- The net cash position is a strong €37.1 million despite an increase in the working capital requirement of €17.8 million over the period, reflecting the sharp increase in activity, with a high contribution from southern Europe and key accounts ;

- The cash position net of all debt stands at €83.5 million, incorporating the CICE receivable for 2014 which will be available in the third quarter of 2018 and the CICE receivables for 2016 and 2017 which will become available very shortly, and the transfer of which will have a very significant positive impact on cash.

This solid financial situation means the Group has the necessary resources to pursue its development and to carry out new acquisitions, outside of France in particular.

At 30 June 2018, SYNERGIE SE owned 367,218 of its own shares, including 14,755 under the liquidity contract and 352,463 as part of the share buyback programme approved by the Shareholders' Meeting of 14 June 2018.

5. Main risks and uncertainties faced over the next six months

An assessment of the risks and uncertainties facing SYNERGIE is provided in the 2017 annual report, and has not changed.

The following is a reminder of the main risks identified.

5.1. Financial risks

Currency risk

Activity outside the Eurozone accounted for 7.9% of consolidated turnover as at 30 June 2018 (compared with 8.8% as at 30 June 2018)

Our expansion in the UK through successive acquisitions since December 2005, partly financed by current account contributions, and changes in the UK currency, have made the Group more sensitive to exchange rate fluctuations.

Brexit had an impact on the euro/sterling exchange rate and gave rise to the recognition of a financial expense to reflect the impact of a change in provision, which will be updated in the 2018 annual financial statements on the basis of the exchange rate on 31 December.

Financing for the acquisition of subsidiaries outside of the eurozone has mainly been obtained locally since 2008.

Interest rate risk

All loans with repayment in progress as at 30 June 2018 were taken out at fixed interest rates, the most significant of which were renegotiated at the start of 2017.

The average interest rate on the Group's loans is now 1.07% (versus 1.64% in the first half of 2017).

5.2. Economic risk

The victory of the UK referendum to leave the European Union ("Brexit") on 23 June 2016 could have a negative impact on the economy, the financial markets and the international foreign exchange markets. Legal uncertainties have already emerged concerning the flow of European personnel into the United Kingdom.

Nevertheless, the UK subsidiary contributed just 4.5% of SYNERGIE Group's consolidated turnover in 2018 (4.9% in full-year 2017).

The financial risks have already been studied, with the economic risks set out in Note 3.1 of the notes to the consolidated financial statements (impact of changes in discount rates and of growth and Ebit on future cash flows).

5.3. Legislative environment

The European Directive on Temporary Agency Work was definitively adopted in October 2008 by the European Parliament, with a deadline for transposition into national law by the Member States of 5 December 2011. The directive aims to provide effective minimum safeguards for temporary workers through compliance with the principle of equal treatment.

It also helps in promoting our activity more effectively in certain countries, which is broadly positive for SYNERGIE Group.

Ongoing negotiations between governments and social partners over the years have given rise to new positive developments for our business lines.

In France, new laws came into force in 2013, mainly in two areas:

– the CICE (Tax Credit for Competitiveness and Employment), which is based on a percentage of wages not exceeding 2.5 times the legal minimum, is earmarked for training, investment and other initiatives to promote employment and improve competitiveness. A percentage of 6% has been applied to the wages concerned since 1 January 2018, versus 7% in 2017.

– open-ended contracts for temporary workers, which should enhance the appeal of temporary work for managers and supervisors; these came fully into force in 2015 and have been ramped up on a monthly basis.

There have been reductions and in certain cases a discontinuation of social security contributions and subsidies in certain countries in which SYNERGIE operates, particularly in Belgium.

We are aware of no other legal developments that would have a significant impact on the first-half financial statements.

5.4. Client risk

SYNERGIE Group retains its independence vis-à-vis its clients, with only two clients contributing more than 1% to its turnover.

The general nature of its activity, the SME SMI / large accounts mix (58% / 42%) and the breakdown of turnover between sectors are also positive factors for the Group's development.

6. Main transactions between related parties

The acquisition of DCS EASYWARE in June is deemed an operation between related parties; figures are provided in Note 7 of the notes to the condensed consolidated half-year financial statements.

7. Anticipated developments during the year

The economic environment is expected to continue benefiting our activity across the entire Eurozone during the second half of 2018.

In France, growth in turnover from temporary employment is expected to continue, according to data from the professional temporary workers' trade union PRISM'EMPLOI.

SYNERGIE saw confirmation of its strength during the summer, having maintained strong growth, primarily in its international activities (+19.4% in July).

The second half of the year should bring an improvement in the Group's performances given the traditional seasonal nature of activity and cost control, with a turnover target of more than €2.6 billion in 2018 and a sharp improvement in profitability.

8. Events after the reporting period

No significant events likely to affect the financial statements for the first half of 2018 took place after the end of the reporting period.

9. Financial publications in 2018

The financial data as at 30 September 2018 will be published on 24 October 2018 (after market close).

CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
AS AT 30 JUNE 2018

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

Assets In € thousand	Notes N°	30/06/2018	30/12/2017
Goodwill	3.1	114,150	78,033
Other intangible assets	3.1	23,841	16,284
Property, plant and equipment	3.2	54,333	51,326
Non-current financial assets	3.3	108,997	117,495
Deferred tax assets	5.2	2,631	1,717
Non-current Assets		**303,951**	**264,855**
Trade receivables	3.4	574,105	525,410
Other receivables	3.5	96,709	81,810
Cash and cash equivalents	3.6	60,944	78,283
Current Assets		**731,757**	**685,502**
Total Assets		**1,035,709**	**950,358**

Liabilities In € thousand	Notes N°	30/06/2018	31/12/2017
Share capital		121,810	121,810
Reserves and carryforwards		282,539	224,093
Consolidated net profit		35,505	79,883
Non-controling interests		11,008	9,925
Sharehoders' equity	3.7	**450,862**	**435,712**
Provisions and payables for employee benefits	3.9	4,390	3,882
Non-current borrowings	3.8	27,161	30,451
Deferred tax liabilities	5.2	6,913	4,872
Non-current Liabilities		**38,464**	**39,204**
Provisions for current risks and charges	3.9	1,847	1,842
Current borrowings	3.8	37,289	7,676
Current bank debt	3.8	23,795	28,251
Trade payables	3.10	18,002	17,719
Tax and social security payables	3.11	434,484	401,813
Other payables	3.11	30,966	18,141
Current Liabilities		**546,383**	**475,442**
Total Liabilities		**1,035,709**	**950,358**

2. CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2018

In € thousand	Notes N°	30/06/2018	30/06/2017
REVENUE	**4.1**	1,238,762	1098,717
Other income		3,185	1,647
Purchases		(45)	(24)
Personnel costs	**4.3**	(1,114,065)	(978,858)
External expenses		(37,103)	(33,207)
Taxes and similar levies		(26,375)	(23,361)
Depreciation and amortisation		(3,827)	(3,308)
Provisions		(2,751)	(1 624)
Other expenses		(88)	(820)
CURRENT OPERATING PROFIT BEFORE AMORTISATION AND IMPAIRMENT OF INTANGIBLE ASSETS	**4.2**	**57,693**	**59,163**
Amortisation of intangible assets related to acquisitions		(2,568)	(1,325)
Impairment of intangible assets related to acquisitions		(1,500)	(5,000)
CURRENT OPERATING PROFIT		**53,625**	**52,838**
Other operating income and expenses		(523)	63
OPERATING PROFIT		**53,102**	**52,901**
Income from cash and cash equivalents		514	377
Cost of gross financial debt		(904)	(610)
COST OF NET FINANCIAL DEBT	**4.4**	**(389)**	**(232)**
Other financial income and expenses	**4.4**	(175)	(611)
Share of equity-accounted companies		-	-
NET PROFIT BEFORE TAX		**52,538**	**52,058**
Tax expense	**5**	(15,956)	(16,284)
CONSOLIDATED NET PROFIT		**36,582**	**35,774**
Group share		**35,505**	**35,288**
Non-controlling interests		**1,077**	**486**
Earnings per share (in €) (*)		**1,50**	**1,47**
Diluted earnings per share (in €) (*)		**1,50**	**1,47**

(*) divided by 24 362 000 shares

Statement of net profit and gains and losses recognized directly in shareholders' equity

In € thousand	30/06/2018	30/06/2017
Net profit	**36,582**	**35,774**
Gains and losses resulting from translation of the financial statements of foreign subsidiaries	(109)	(694)
Liquidity contract	41	65
Subtotal of recyclable gains and losses	**(68)**	**(630)**
Actuarial differences net of tax	(274)	158
Subtotal of non-recyclable gains and losses	(274)	158
Total gains and losses recognised directly in shareholders' equity	**(342)**	**(472)**
Net comprehensive income	**36,240**	**35,302**
Group share of total comprehensive income	35,164	34,832
Non-controlling interests' share of total comprehensive income	1,076	470

3. STATEMENT OF CASH FLOWS

In € thousand	Notes N°	30/06/2018	30/06/2017	31/12/2017
Consolidated net profit		36,582	35,774	81,511
Derecognition of expenses and income without an impact on cash or not related to business activity		(601)	92	254
Depreciation, amortisation and provisions	4.2	6,449	8,285	15,964
Cost of financial debt		389	232	562
Deferred tax position		1,127	(79)	(461)
Other expenses and income not generating short-term flows (1)		(18,345)	(24,207)	(47,022)
Cash flow before cost of net debt and tax		**25,601**	**20,097**	**50,808**
Change in working capital requirement	6	(18,767)	(19,558)	(11,880)
NET CASH FLOW FROM OPERATING ACTIVITIES		**6,834**	**539**	**38,928**
Purchases of fixed assets		(8,369)	(7,165)	(22,954)
Sales of fixed assets		474	70	207
Sales of non-current financial assets (2)		28,011	0	0
Impact of changes in scope (and price supplements) (*)		(46,093)	0	(4,555)
CASH FLOW FROM INVESTMENT ACTIVITIES		**(25,977)**	**(7,095)**	**(27,302)**
Dividends paid out to shareholders of the Parent Company	3.7	(19,200)	(14,403)	(14,403)
Dividends paid out to minority shareholders of the consolidated companies		(1,404)	(450)	(450)
Purchase of treasury shares		(289)	(20)	(170)
Loan issues	3.8	30,000	4,090	22,491
Loan repayments	3.8	(2,581)	(855)	(1,849)
Cost of net financial debt	4.4	(389)	(232)	(562)
NET CASH FLOW FROM FINANCING ACTIVITIES		**6,136**	**(11,870)**	**5,057**
CHANGE IN NET CASH POSITION		**(13,007)**	**(18,426)**	**16,683**
Opening cash position	3.8	50,031	33,348	33,348
Closing cash position	3.8	37,024	14,922	50,031
(*) including:				
Disbursing price on acquisition		(48,600)	0	(10,769)
Acquired cash		2,507	0	6,214
Impact of changes in scope		**(46,093)**	0	(4,555)

(1) CICE 2018 receivable not attributable in 2019 for €19.072 thousand
(2) Receivable claim CICE 2015 for €28.011 thousand

4. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € thousand	Capital	Capital reserves	Treasury securities	Consoli-dated reserves	Gains and losses recognised directly in shareholders' equity	Total Group share	Non-controlling interests	Total
Position at 01/01/2017	**121,810**	**12,181**	**(3,483)**	**233,634**	**2,593**	**366,735**	**3,668**	**370,403**
Appropriation of earnings n-1		-	-	0	-	**-**	-	-
Dividends		**-**	-	(14,403)	-	**(14,403)**	(450)	(14,853)
Transactions on treasury shares		**-**	(170)	**-**	91	**(79)**	-	(79)
Overall net profit for the year		**-**	-	79,883	-	**79,883**	1,628	81,511
Currency translation adjustment		**-**	**-**	**-**	(1,374)	**(1,374)**	(30)	(1,404)
Change in scope		**-**	-	(5,104)	128	**(4 976)**	5,109	133
Position at 30/12/2017	**121,810**	**12,181**	**(3,653)**	**294,010**	**1,437**	**425,786**	**9,925**	**435,711**
Position at 01/01/2018	**121,810**	**12,181**	**(3,653)**	**294,010**	**1,437**	**425,786**	**9,925**	**435,711**
Adjustments IFRS 9 (*)		-		(1,566)		(1,566)		(1,566)
Appropriation of earnings n-1		-	-	-	-	**-**	-	-
Dividends		-	-	(19,200)	-	**(19,200)**	(1,404)	(20,605)
Transactions on treasury shares		-	(330)	-	41	**(289)**	-	(289)
Overall net profit for the year		-	-	35,505	-	**35,505**	1,077	36,582
Currency translation adjustment		-	-	-	(109)	**(109)**	(1)	(109)
Change in scope		-	-	-	(274)	**(274)**	1,410	1,136
Position at 30/06/2018	**121,810**	**12,181**	**(3,983)**	**308,749**	**1,096**	**439,853**	**11,007**	**450,861**

(*) The IFRS 9 adjustment of expected losses on trade receivables has been included in opening shareholders' equity of €.1.566 thousand.

5. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED INCOME STATEMENT

ACCOUNTING PRINCIPLES AND METHODS

NOTE 1

1.1 Overview

The consolidated half-year financial statements at 30 June 2018 were approved by resolution of the Executive Board on 12 September 2018.

These are the condensed half-year financial statements which do not include all of the notes required for the annual financial statements but rather a selection of explanatory notes. They should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2017, as shown in the annual report.

They have been approved in accordance with IAS 34 and with the rules and principles established under the IFRS as adopted by the European Union.

In France, the CICE (Tax Credit for Competitiveness and Employment), which is based on a percentage of wages not exceeding 2.5 times the legal minimum wage, is earmarked for training, investment and other initiatives to promote employment and improve competitiveness. It applies to wages paid since 1 January 2013.

1.2 Accounting principles and methods applicable to the financial statements

The accounting principles and methods used are those which are set out in the notes to the 2017 consolidated annual financial statements, with the exception of new standards and interpretations the application of which became mandatory from 1 January 2018.

The 2018 CICE was recorded, after discounting, as a deduction from personnel costs.

New IFRS and IFRIC interpretations applicable from 1 January 2018

- IFRS 15 “Revenue recognition”

  In a regulation dated 22 September 2016, the European Union adopted the new standard concerning revenue recognition, IFRS 15, which was published by the IASB in May 2014. Given SYNERGIE Group's activity, the type of income it receives and the way it conducts its invoicing, the impact of this standard on the Group is insignificant. In fact, turnover is recognised on a continuous basis insofar as the clients benefit immediately from the services of the temporary employees.

- IFRS 9 “Financial instruments”

  In a regulation dated 22 November 2016, the European Union adopted the new standard in financial instruments, IFRS 9. In relation to SYNERGIE Group's financing structure, the impact of this standard on the Group, its financial statements and stated profit is immaterial.

The Group adopted the simplified approach under this standard which involves recognising impairment on the basis of expected credit losses. The impact of this at the start of the period is set out on page **15.**

New IFRS and IFRIC interpretations that were published but were not yet applicable on 31 December 2017

- IFRS 16 Leases

On 13 January 2016, the IASB published its new standard on leases, IFRS 16. This standard, which has not yet been adopted by the European Union, will be applicable to financial years starting on or after 1 January 2019. It requires that lessees recognise all leases on the balance sheet, with only a few exceptions. Given the large number of leases taken out by the Group, this standard is likely to have a significant impact on the structure of the consolidated statement of financial position, and to a lesser degree on the structure of the consolidated statement of comprehensive income. For this reason, a legal watch was established from 2016, to assess the rules applicable under this standard. An action plan on the application of this standard as defined within the Group. Contracts that are likely to be adjusted were listed, and areas of difficulty around legal aspects of the contracts were identified (notably for foreign subsidiaries). An initial estimate of the impact of this standard on the main financial statement aggregates based on the information available at 31 December 2017 sets out the estimated main impacts on the consolidated financial statements.

- Increase in the balance sheet : €25 million
- Increase in current profit: €1 million
- Reduction in financial income : €0,5 million

In 2018, priority is on carrying out the necessary modifications to the information system for application of the standard from 1 January 2019.

Disclosure of interests in other entities pursuant to IFRS 10, 11 and 12

All entities within the scope of consolidation are controlled by SYNERGIE SE, with a percentage of voting rights of no less than 66% held by the parent company.

In the absence of any agreement, contract or local legal measure limiting the exercise of control, all of these companies are regarded as controlled within the meaning of IFRS 10 and have been fully consolidated.

The Group is not party to any joint arrangement likely to be accounted for under IFRS 11. SYNERGIE is not a stakeholder in any structured entity and does not meet the criteria for investment companies under the regulatory provisions.

SYNERGIE sold its 70% stake in the UK company ACORN LEARNING SOLUTIONS.

Barring DCS EASYWARE (34%), there is no significant percentage of non-controlling interests (equity interests that do not confer control) in any subsidiary.

1.3 Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts reported in these financial statements.

This mainly concerns the valuation of the recoverable value of intangible assets and the calculation of provisions for risks and charges. Actual results may differ from these assumptions and estimates.

NOTE 2

CHANGES IN THE SCOPE OF CONSOLIDATION

Controlling stake acquired in DCS EASYWARE

SYNERGIE acquired a 66% stake in the French digital services firm DCS EASYWARE in early June 2018, on which date the company was consolidated.

Full goodwill was applied to this acquisition, giving rise to the recognition of a goodwill amount of €45.4 million on 30 June 2018.

The impact of this acquisition on the consolidated income statement at 30 June 2018 was €3.5 million on turnover and €0.2 million on net profit.

A cash outflow of €48.6 million was recognised over the period

Sale of shares in ACORN LEARNING SOLUTIONS

In January 2018, the UK subsidiary ACORN (SYNERGIE) UK sold its 70% stake in ACORN LEARNING SOLUTIONS to an external entity for €0.7 million.

This gave rise to a capital gain of €208 thousand in the consolidated accounts.

Sale of 5% of shares in SYNACO GLOBAL RECRUITMENT

The UK company ACORN GLOBAL RECRUITMENT sold 5% of its shares in SYNACO GLOBAL RECRUITMENT pty, an Australian company of which it had owned an interest of 95%.

As a reminder, the Austrian company VÖLKER GmbH was not included in the consolidation scope at 30 June 2017 as it was consolidated from November 2017.

There were no other changes in the consolidation scope over the period.

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017
PARENT COMPANY								
SYNERGIE S.E.	PARIS 75016	329 925 010						
FRENCH SUBSIDIARIES								
AILE MÉDICALE	PARIS 75016	303 411 458	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE CONSULTANTS	PARIS 75016	335 276 390	100.00	100.00	100.00	100.00	FULL	FULL
DIALOGUE & COMPÉTENCES	PARIS 75016	309 044 543	100.00	100.00	100.00	100.00	FULL	FULL
INTERSEARCH France	PARIS 75016	343 592 051	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INSERTION	PARIS 75016	534 041 355	100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE PROPERTY	PARIS 75016	493 689 509	100.00	100.00	100.00	100.00	FULL	FULL
JOINT SUBSIDIARIES								
I.S.G.S.Y.	PARIS 75016	382 988 076	100.00	100.00	100.00	100.00	FULL	FULL
FOREIGN SUBSIDIARIES								
SYNERGIE ITALIA SPA	TURIN Italy		85.00	85.00	85.00	85.00	FULL	FULL
SYNERGIE BELGIUM	ANVERS Belgium		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE s.r.o	PRAGUE Czech Republic		98.85	98.85	98.85	98.85	FULL	FULL
SYNERGIE TEMPORARY HELP	PRAGUE Czech Republic		98.00	98.00	98.00	98.00	FULL	FULL
SYNERGIE TEMPORARY HELP SLOVAKIA	BRATISLAVA Slovakia		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INTERNATIONAL EMPLOYMENT SOLUTIONS (SIES)	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SIES SUBSIDIARIES								
DCS EASYWARE	Lyon FRANCE	797 080 397	66.00		66.00		FULL	FULL
SYNERGIE TT	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE E.T.T.	PORTO Portugal		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE Travail Temporaire	ESCH/ALZETTE Luxembourg		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE PARTNERS	ESCH/ALZETTE Luxembourg		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HUNT INTERNATIONAL	MONTRÉAL Canada		100.00	100.00	100.00	100.00	FULL	FULL
ACORN (SYNERGIE) UK	NEWPORT United Kingdom		94.67	94.67	94.67	94.67	FULL	FULL
SYNERGIE PERSONAL DEUTSCHLAND	KARLSRUHE Germany		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE (SUISSE)	LAUSANNE Switzerland		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HUMAN RESOURCES	SCHIJNDEL Netherlands		100.00	100.00	100.00	100.00	FULL	FULL

CONSOLIDATED COMPANIES	REGISTERED OFFICE	SIREN No (1)	% CONTROL HELD BY SYNERGIE		% INTEREST HELD BY SYNERGIE		CONSOLIDATION METHOD (2)	
			30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017
SYNERGIE PRAGUE SUBSIDIARY								
SYNERGIE SLOVAKIA	BRATISLAVA Slovakia		78.00	78.00	77.10	77.10	FULL	FULL
SYNERGIE ITALIA SPA SUBSIDIARY								
SYNERGIE HR SOLUTIONS	TURIN Italy		100.00	100.00	85.00	85.00	FULL	FULL
SYNERGIE TT SUBSIDIARY								
SYNERGIE HUMAN RESOURCE SOLUTIONS	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE HRS SUBSIDIARY								
SYNERGIE OUTSOURCING SL	BARCELONE Spain		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE OUTSOURCING	PORTO Portugal		100.00	100.00	100.00	100.00	FULL	FULL
ACORN (SYNERGIE) UK SUBSIDIARIES								
ACORN RECRUITMENT	NEWPORT United Kingdom		100.00	100.00	94.67	94.67	FULL	FULL
ACORN LEARNING SOLUTIONS	NEWPORT United Kingdom			70.00		66.27		FULL
ACORN RAIL	NEWPORT United Kingdom		100.00	100.00	94.67	94.67	FULL	FULL
ACORN GLOBAL RECRUITMENT	NEWPORT United Kingdom		75.00	75.00	71.00	71.00	FULL	FULL
CONCEPT STAFFING	NEWPORT United Kingdom		100.00	100.00	94.67	94.67	FULL	FULL
S H R BV SUBSIDIARIES								
SYNERGIE LOGISTIEK	SCHIJNDEL Netherlands		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE INTERNATIONAL RECRUITMENT BV	SCHIJNDEL Netherlands		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE BELGIUM SUBSIDIARY								
SYNERGIE SERVICES	ANVERS Belgium		100.00	100.00	100.00	100.00	FULL	FULL
ACORN GLOBAL RECRUITMENT SUBSIDIARY								
SYNACO GLOBAL RECRUITMENT pty	ADELAÏDE Australia		90.00	95.00	63.90	67.45	FULL	FULL
SYNACO GLOBAL RECRUITMENT pty SUBSIDIARY								
B2B ENGINEERING	ADELAÏDE Australia		100.00	100.00	63.90	67.45	FULL	FULL
SYNERGIE PERSONAL DEUTSCHLAND SUBSIDIARY								
CAVALLO SUISSE INVEST AG	ERMATINGEN Switzerland		100.00	100.00	100.00	100.00	FULL	FULL
SYNERGIE SUISSE SUBSIDIARY								
SYNERGIE INDUSTRIE & SERVICES	MILVIGNES Switzerland		100.00	100.00	100.00	100.00	FULL	FULL
VÖLKER BETEILIGUNGS SUBSIDIARY								
VÖLKER	St. PÖLTEN Autriche		80.00	80.00	80.00	80.00	FULL	FULL

(1) SIREN no. : ID number for French national companies register.
(2) Consolidation method: full consolidation, abbreviated to FULL, or equity method, abbreviated to EM.

STATEMENT OF FINANCIAL POSITION

NOTE 3

3.1 Intangible assets

An impairment test is conducted at least once a year on unamortised intangible assets and goodwill and whenever there is an indication of an impairment loss. The value-in-use is calculated by discounting the future cash flows that will be generated by the assets being tested, based on a discount rate of between 6.64% and 10.01% depending on the country.

These cash flows are determined on the basis of economic assumptions and forecast operating conditions which give rise to re-estimated budgets proposed by the Operational Division of the subsidiary concerned for use by the Group Management.

Impairment tests were conducted on 30 June 2018 which led to the recognition of impairment on intangible assets in the UK in the amount of €1,928 thousand, of which €1,500 thousand related to goodwill and €428 thousand related to the brand.

A sensitivity analysis was performed to establish the consequences of changing the above parameters on goodwill impairment, testing:

- a 1% reduction in the growth rate;
- a 0.5% increase in the discount rate.

A 0.5% increase in the discount rate, together with a decrease in the perpetual growth rate of 1%, would result in additional impairment of €5,079 thousand, breaking down as follows:

In € thousand	
France	-
Southern Europe	-
Northern and Eastern Europe	5,079
Canada / Australia	-
TOTAL	**5,079**

- a decrease in the EBIT rate.

Additional impairment of €1,832 thousand would be created if the EBIT rate declined by 5%, breaking down as follows:

In € thousand	
France	-
Southern Europe	-
Northern and Eastern Europe	1,832
Canada / Australia	-
TOTAL	**1,832**

3.1.1 Goodwill

The changes in goodwill recorded in the balance sheet are as follows:

In € thousand	31/12/2017	Increase	Decrease	30/06/2018
Goodwill on securities	72,779	45,449	9,286	108,942
Business	5,254	45	91	5,208
Net goodwill	**78,033**	**45,494**	**9,377**	**114,150**

The increase in goodwill relates to DCS EASYWARE.

The work on the measurement of the assets and liabilities acquired and evaluation of the goodwill calculation as required under amended IFRS 3 is underway and will be finalised within 12 months of the acquisition date.

The decrease relates to the brand and clients of VÖLKER GmbH and the goodwill impairment in the UK.

3.1.2 Other intangibles assets

Changes in the gross values break down as follows:

In € thousand	31/12/2017	Scope entries	Increase	Decrease (*)	30/06/2018
Software and licences	9,226	91	393	289	9,421
Client base	36,296	-	8,963	47	45,211
Brands	4,523	-	1,440	36	5,928
Rights to leases	568	-	-	104	464
TOTAL	**50,614**		**10,796**	**476**	**61,024**

(*) of which translation gains of €63 thousand

Changes in amortisation break down as follows:

In € thousand	31/12/2017	Scope entries	Increase	Decrease (*)	30/06/2018
Software and licences	6,646	86	440	273	6,899
Client base	20,796	-	1,880	39	22,636
Brands	1,204	-	321	0	1,524
Rights to leases	-	-	-	-	-
TOTAL	**28,646**		**2,640**	**312**	**31,060**

(*) of which translation gains of €9 thousand

Changes in impairment break down as follows:

In € thousand	31/12/2017	Scope entries	Increase	Decrease (*)	30/06/2018
Software and licences	-	-	-	-	-
Client base	4,477	-	14	-	4,490
Brands	1,207	-	426	-	1,633
Rights to leases	-	-	-	-	-
TOTAL	**5,684**		**440**	**-**	**6,123**

(*) of which translation gains of €12 thousand

The net values break down as follows:

In € thousand	30/06/2018	31/12/2017
Software and licences	2,522	2,580
Client base	18,084	11,023
Brands	2,771	2,113
Rights to leases	464	568
TOTAL	**23,841**	**16,284**

The client bases of the companies acquired are amortised on a straight-line basis over their estimated useful life, while brands tend to be amortised when the useful life has been defined.

The "Brands" item represents the brands acquired and operated by SYNERGIE Group.

3.2 Property, plant and equipment

The changes include translation gains or losses and break down as follows:

Gross values

In € thousand	31/12/2017	Scope entries	Increase	Decrease	30/06/2018
Land, buildings and technical facilities	34,482	2,375	270	20	37,107
Fixtures, furniture, office equipment & computer equipment	47,523	1,251	5,195	2,293	51,676
TOTAL	**82,005**	**3,626**	**5,465**	**2,313**	**88,783**
of which fixed assets under finance leases	13,781	-	15	366	13,430

Depreciation and amortisation

In € thousand	31/12/2017	Scope entries	Increase	Decrease	30/06/2018
Land, buildings and technical facilities	2,047	1,157	240	-	3,444
Fixtures, furniture, office equipment & computer equipment	28,632	737	3,062	1,425	31,006
TOTAL	**30,679**	**1,894**	**3,302**	**1,425**	**34,450**
of which fixed assets under finance leases	6,446	-	1,433	309	7,570

Net values

In € thousand	30/06/2018	31/12/2017
Land, buildings and technical facilities	33,663	32,435
Fixtures, furniture, office equipment & computer equipment	20,670	18,891
TOTAL	**54,333**	**51,326**
of which fixed assets under finance leases	5,860	7,335

3.3 Non-current financial assets

The changes in non-current financial assets break down as follows:

In € thousand	31/12/2017	Variation in scope	Increase	Decrease	30/06/2018
Other equity investments	-	2,379	-	-	2,379
Other fixed investments	94	-	-	4	90
Loans	14	170	-	-	184
Other financial assets	117,387	75	21,592	32,710	**106,344**
TOTAL	**117,495**	**2,624**	**21,592**	**32,714**	**108,997**

At 30 June 2018, other financial assets mainly comprised the discounted balances of the 2016 and 2017 CICE (Tax Credit for Competitiveness and Employment), i.e. €81,853 thousand, and the discounted 2018 CICE in progress which is not applicable to 2018 corporate income tax (€21,448 thousand).

They also include security deposits on commercial rents.

3.4 Trade receivables

Trade receivables and related accounts break down as follows:

In € thousand	30/06/2018	31/12/2017
Clients	580,027	534,695
Unbilled revenue	13,956	6,208
Impairment	(19,878)	(15,493)
TOTAL	**574,105**	**525,410**

The present value of trade receivables is equal to their net value.

3.5 Other receivables

Other receivables break down as follows:

In € thousand	30/06/2018	31/12/2017
Employee-related liabilities	4,778	920
Social security and other benefits	35,319	33,640
Corporate income tax	40,071	34,281
Other taxes	5,366	3,587
Sundry debtors	6,075	4,579
Prepaid expenses	6,169	4,801
Total other receivables - Gross value	**97,779**	**81,810**
Provision for impairment	(1,070)	(1,028)
Total others receivables - Net value	**96,709**	**80,781**

The “Corporate income tax” item mainly comprises the balance of the CICE receivable for 2014 (€30,833 thousand), which is expected to be paid during the second half of 2018.

3.6 Cash and cash equivalents

In € thousand	30/06/2018	31/12/2017
Investments in securities	-	-
Term deposits	5,981	11,846
Available cash	54,963	66,437
Cash recorded as assets (1)	**60,944**	**78,283**

(1) Net cash is presented in note 3.8.3.

Pursuant to IAS 7, deposits and term accounts (€6.0 million) were classified as cash and cash equivalents due to their liquidity (option of sale at any time) and the lack of a risk of loss.

They are measured at fair value at the period-end.

3.7 Shareholders' equity

3.7.1 Share capital

At 30 June 2018 the share capital amounted to €121,810,000, comprising 24,362,000 shares with a par value of five euros each.

The shares have double voting rights attached if they have been registered for at least two years.

3.7.2 Appropriation of earnings in 2017

The Combined Shareholders' Meeting of 14 June 2018 (third resolution) approved a dividend payment of €19,940 thousand, but since treasury shares held on the payment date were not eligible for a dividend, there was an effective payment of €19,200 thousand.

3.8 Financial liabilities

3.8.1 Non-current borrowings

In € thousand	Amounts		1yr << 5 yrs		> 5 yrs	
	30/06/2018	**31/12/2017**	**30/06/2018**	**31/12/2017**	**30/06/2018**	**31/12/2017**
Loans and borrowings						
Lending institutions	23,824	26,084	18,942	20,297	4,882	5,787
Finance Leases	3,331	4,366	2,443	3,391	887	975
Other loans and borrowings	-	-	-	-	-	-
TOTAL	**27,155**	**30,450**	**21,386**	**23,688**	**5,769**	**6,762**

3.8.2 Current loans and borrowings

In € thousand	Amounts	
	30/06/2018	**31/12/2017**
Loans and borrowings		
Lending institutions	4,927	4,852
Finance Leases	2,339	2,806
Other loans and borrowings	30,023	18
TOTAL	**37,289**	**7,676**

3.8.3 Current bank debt and net cash

In € thousand	Amounts		
	30/06/2018	**31/12/2017**	**30/06/2017**
Current bank debt			
Bank debt	23,721	28,207	17,746
Accrued interest	74	44	43
Total	**23,795**	**28,251**	**17,788**
Cash and cash equivalents	60,944	78,283	32,710
Net cash position	**37,149**	**50,032**	**14,921**

Net cash after taking account of all debt stands at €86,328 thousand, including the 2014 CICE which is due for payment at 30 June 2018 and the 2016 and 2017 CICE that will become available in the very short term.

3.8.4 Off balance sheet financial commitments

The Group pledged no significant financial commitments.

3.9 Provisions

3.9.1 Provisions and payables for employee benefits

The pension commitments of permanent personnel in relation to their defined benefit schemes are valued according to the projected unit credit method, pursuant to IAS 19; the following assumptions were used as at 31 December 2017:

- Salary increase rate: 2%
- Personnel turnover rate: calculated by age tranche
- Social security contribution rate: 45%
- Mortality table: TU-TD2011-2013
- Discount rate (based on iBoxx indices): 1.40%
- Estimate based on average departure age of 65 years
- Departure at the employee's initiative
- Retroactive application.

In € thousand	**30/06/2018**	**31/12/2017**	**Change**
Retirement severance payment	3,754	3,204	549
Severance payments in Germany	423	449	(26)
Severance payments *(trattamento di fine rapporto)* in Italy	198	217	(19)
Total provisions for employee benefits	**4,375**	**3,870**	**505**
Employee profit-sharing +1yr	14	12	3
TOTAL	**4,390**	**3,882**	508

3.9.2 Provisions for current risks and charges

There is no significant provision for risks and charges.

3.10 Trade payables and related accounts

Trade payables and related accounts break down as follows:

In € thousand	30/06/2018	31/12/2017
Suppliers	10,055	9,352
Invoices to be received	7,947	8,367
TOTAL	**18,002**	**17,719**

3.11 Other current liabilities

Other liabilities, accruals and deferred income break down as follows:

In € thousand	30/06/2018	31/12/2017
Taxes and employee benefits payables	434,484	401,813
Liabilities on fixed asset and related	10,870	10,849
Other debts, account payable and credit notes to be issued	19,886	7,291
Deferred revenue	210	0
TOTAL	**465,450**	**419,954**

INCOME STATEMENT AND SEGMENT INFORMATION

NOTE 4

4.1 Turnover

Turnover exclusively comprises billing for human resources management services. At 30 June 2018, it included billing for business activities other than temporary employment (placement of permanent employees, outsourcing, training, etc.) of €11,179 thousand, or 0.9% of consolidated turnover, with turnover from digital services at €3,493 thousand. For the time being, however, these activities are still being developed by the Group and therefore are not yet material and do not represent a distinct business segment.

4.2 Segment information

Income statement items

In € thousand	Turnover		Current operating profit	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
France	588,978	556,585	35,473	38,200
Belgium	137,601	124,177	7,576	8,802
Others Northern and Eastern Europe	168,770	128,842	3,161	3,007
Italy	203,954	163,300	9,601	7,251
Spain, Portugal	110,436	100,582	1,876	1,739
Canada, Australia	29,024	25,232	6	164
TOTAL	**1,238,762**	**1,098,717**	**57,693**	**59,163**

Current operating profit is shown before amortisation and impairment of intangible assets.

In € thousand	Depreciations		Impairments	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
France	2,073	1,698	1,002	432
Belgium	821	867	106	144
Others Northern and Eastern Europe	1,780	1,332	565	306
Italy	153	142	495	626
Spain, Portugal	373	386	407	284
Canada, Australia	159	210	(1)	14
TOTAL	**5,359**	**4,633**	**2,575**	**1,806**

France is broken down in four regions:

Region 1: South East
Region 2: South West (*)
Region 3: North West (*)
Region 4: Greater Paris region, Centre, East

Giving for France:

In € thousand	Turnover		Current operating profit	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
South East	120,258	115,169	4,643	4,574
South West	100,774	102,004	4,103	3,850
North West	259,549	240,555	15,901	13,645
Greater Paris region, Centre, East	108,068	101,250	3,419	2,960
Unrestricted	330	(2,394)	7,406	13,171
TOTAL	**588,978**	556,585	**35,473**	38,200

In € thousand	Depreciations		Impairment	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
South East	106	103	1	0
South West	70	71	1	1
North West	158	139	20	32
Greater Paris region, Centre, East	(59)	24	-	-
Unrestricted	1,798	1,360	410	400
TOTAL	**2,073**	**1.698**	**432**	**432**

4.3 Personnel costs

In € thousand	30/06/2018	30/06/2017
Wages and salaries	874,906	776,535
Social security contributions	239,159	202,323
TOTAL	**1,114,065**	**978,858**

The average headcount of employees was 68,650 in the first half of 2018, 65,494 of which were temporary employees and 3,156 were permanent employees.

4.4 Financial result

In € thousand	30 juin 2018	30 juin 2017
Income from transferable securities	-	-
Income from receivables	514	377
Financial income	**514**	**377**
Interests on finance leases	(106)	(119)
Bank and miscellaneous charges	(597)	(386)
Interest on loans	(201)	(101)
Interests on employee profit sharing	0	(3)
Cost of gross financial debt	**(904)**	**(609)**
Cost of net financial debt	**(389)**	**(232)**
Translation gains or losses	(146)	(601)
Other income and expenses	(29)	(10)
Other income and expenses	**(175)**	**(611)**
TOTAL	**(564)**	**(843)**

“Other financial income and expenses” were mainly impacted by changes in exchange rates, particularly in the pound sterling.

TAXES

NOTE 5

5.1 Tax expense

The tax expense of €15,956 thousand recognised in the income statement breaks down as follows:

In € thousand	30/06/2018	30/06/2017
Income tax	8,158	8,479
Deferred tax	(673)	(79)
Total Income tax	**7,485**	**8,400**
CVAE (France)	7,815	7,357
IRAP (Italy)	655	527
TAX ON PROFIT	**15,956**	**16,284**

5.2 Change in the deferred tax position

In € thousand	30/06/2018	31/12/2017
Deferred tax assets created for:		
Tax loss carry forwards	33	11
Temporary differences	2,598	1,706
Total deferred tax	**2,631**	**1,717**
Deferred tax liability	6,913	4,872
TOTAL	**(4,282)**	**(3,155)**

For the sake of prudence, some tax losses that could be carried forward at the standard rate have not been retained. The corresponding tax saving would have been €1,739 thousand, of which €242 thousand applicable to the first half of 2017.

Deferred tax liabilities totalling €6,913 thousand mainly relate to brands and client bases net of amortisation since acquisition (€5,162 thousand) and accelerated depreciation (€739 thousand).

5.3 Tax proof

The gap between the amount of income tax calculated at the tax rate applicable in France and the effective tax amount is explained as follows:

In € thousand	30/06/2018	30/06/2017
Profit before tax expense	**52,538**	**52,058**
Profit before tax after CVAE and IRAP	**44,068**	**44,173**
Tax rate in force (in France)	34.43%	34.43%
Theoretical tax	**15,173**	**15,209**
CICE	(7,776)	(8,880)
Non-activated tax losses	115	145
Goodwill impairment	516	1,819
Exceptional contribution distributed revenues	-	432
Consolidation entries without tax and miscellaneous	(543)	(297)
Total Income tax (Notes 5.1)	**7,485**	**8,428**

NOTE
6

STATEMENT OF CASH FLOWS

The change in operating working capital requirements breaks down as follows:

In € thousand	Change	
	30/06/2018	**31/12/2017**
Clients	(40,911)	(56,496)
Other receivables (*)	(14,759)	(12,163)
Increase in working capital	**(55,670)**	**(68,659)**
Suppliers	(623)	50
Tax and social security payables	24,580	41,119
Other payables	12,946	7,932
Increase in current liabilities	**36,903**	**49,101**
Change in WCR	**(18,767)**	**(19,558)**

(*) the CICE receivable for 2014 which is due in 2018, excluding operating costs, was not reflected in the change in working capital requirement.

OTHER INFORMATION

NOTE 7

RELATED PARTIES

A 66% stake was acquired in DCS EASYWARE from A D E at the start of June 2018 for €48.6 million. The impact is shown under changes in scope.

NOTE 8

CONTINGENT COMMITMENTS AND LIABILITIES

8.1 Commitments received and contingent assets

Banks guaranteed SYNERGIE and some of its temporary employment subsidiaries in respect of its clients for €82,354 thousand in France and €26,688 thousand for the foreign subsidiaries at 30 June 2018.

As from 1 July 2018, guarantees concerning France stand at €91,683 thousand.

8.2 Commitments given and contingent liabilities

The retirement and other benefits granted to the personnel are all covered by provisions (Note 3.9.1).

There are no other commitments that are likely to significantly affect the assessment of the consolidated financial statements.

NOTE 9

EVENTS AFTER 30 JUNE 2017

No event likely to call into question the half-year financial statements as at 30 June 2018 took place after the reporting date.

DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL STATEMENTS

I certify that, to my knowledge, the condensed consolidated financial statements presented in the half-year financial report were prepared in accordance with the applicable accounting standards and provide a fair view of the assets, financial position and results of SYNERGIE and of all companies included in the consolidation scope.

The half-year activity report therefore provides a fair picture of the main business developments during the first six months of the financial year and of their impact on the half-year financial statements, of the main risks and uncertainties faced over the next six months of the year, and of the main transactions between related parties.

Paris, 12 September 2018

Daniel AUGEREAU

Chairman of the Management Board

CROWE - JMAC
19 RUE DE VIGNON
75008 PARIS

APLITEC AUDIT & CONSEIL
4-14 RUE FERRUS
75014 PARIS

SYNERGIE

STATUTORY AUDITORS' REPORT
ON THE HALF-YEAR FINANCIAL INFORMATION
AS AT 30 JUNE 2018

SYNERGIE

A European Company (SE) with share capital of €121,810,000
Registered office: 11, avenue du Colonel Bonnet
75016 PARIS

PARIS TRADE AND COMPANIES REGISTER (RCS) NO. 329 925 010

STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

PERIOD FROM 1 JANUARY TO 30 JUNE 2018

To the Shareholders,

Under the terms of the assignment entrusted to us by your Shareholders' Meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we have carried out:

- a limited review of the condensed consolidated half-year financial statements of Synergie for the period from 1 January to 30 June 2018, which are attached to this report;
- verifications of the information provided in the half-year activity report.

These condensed consolidated half-year financial statements have been drawn up under the responsibility of your Executive Board. Our role is to express our conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We carried out our limited review in accordance with the professional standards applicable in France. A limited review essentially consists in making inquiries of the members of the management responsible for financial and accounting matters, and applying analytical review procedures. A limited review is substantially less broad in scope than an audit conducted in accordance with professional standards applicable in France, and consequently does not enable us to obtain more than a moderate assurance, less than would be obtained in the case of an audit, that the financial statements do not contain significant anomalies.

Based on our limited review, no significant anomaly has come to our attention that would cause us to doubt that the accompanying condensed consolidated half-year financial statements are prepared in all material respects in accordance with IAS 34, the IFRS standard as adopted by the European Union applicable to interim financial statements.

2. Specific verification

We also verified the information given in the half-year activity report commenting on the condensed consolidated half-year financial statements submitted to our limited review.

We have no observations to make as to their sincerity and consistency with the condensed consolidated half-year financial statements.

Signed in Paris on 14 September 2018

The Statutory Auditors

CROWE – JMAC	**APLITEC AUDIT & CONSEIL**
Registered member of the Compagnie de Paris	*Registered member of the Compagnie de Paris*
Abdoullah LALA	Marie-Françoise BARITAUX-IDIR Laurent GUEZ