FFP

2017 Registration Document

FY 2017

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Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram AFR

FFP

REGISTRATION DOCUMENT 2017

AND ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

In accordance with article 28 of Commission Regulation (EC) No. 809/2004 of 29 April 2004, the following information is included for reference in this Registration Document:

- the consolidated financial statements and the report of the Statutory Auditors, for 2016, contained in pages 108 to 154 and 155 of the Registration Document filed with the AMF on 31 March 2017 under number D. 17-0280;
- the consolidated financial statements and the report of the Statutory Auditors, for 2015, contained in pages 84 to 132 and 133 of the Registration Document filed with the AMF on 5 April 2016 under number D. 16-0277.

The original French-language version of this Registration Document was filed with the Autorité des marchés financiers (AMF) on 16 April 2018 in accordance with article 212–13 of the AMF General Regulation. The French-language original may be used as a basis for a financial transaction if it is supplemented by a prospectus authorised by the AMF. This document was prepared by the issuer, whose authorised signatories alone assume responsibility for its content. This document is a free translation of 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 opinions expressed therein, the original language version in French takes precedence over this translation.

Copies of this Registration Document may be obtained by submitting a request to FFP, 66, avenue Charles de Gaulle – 92200 Neuilly-sur-Seine, via our website (**www.groupe-ffp.fr**), or via the website of the Autorité des marchés financiers (**www.amf-france.org**).

PROFILE

FFP is a listed long-term investment company
that is majority-owned by Établissements Peugeot Frères.

It is one of the leading shareholders in Peugeot SA.
It also develops a diversification portfolio,
composed primarily of direct minority holdings,
investments in private equity funds,
co-investments and real estate investments.

€3.9 billion

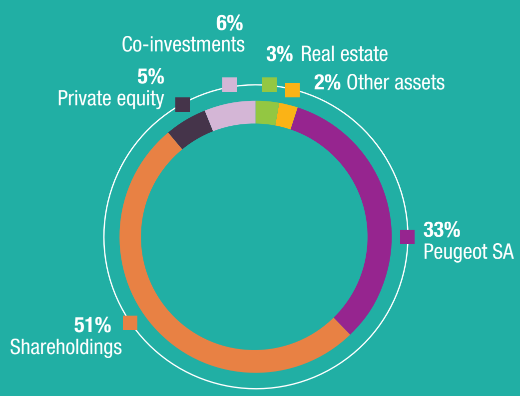
Net Asset Value

+17%

Net Asset Value growth in 2017

> €**536** million

Investment capacity*



* *Investment capacity = undrawn credit facilities + available cash.*

GROUP PRESENTATION

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2017 HIGHLIGHTS

An investment in a new shareholding: SPIE

Acquisition of a 5.5% stake (€201 million) in SPIE, a leading European independent provider of multi-technical services

Accompanying our shareholdings through further capital increases

Additional investments in Tikehau Capital and Total Eren

Supporting PSA Group's acquisition of the automotive activities of Opel/Vauxhall

PSA Groupe is Europe's second-largest carmaker, with five complementary brands

An active year for co-investments

Divestments of our stakes in Sanef, ONET and Ipsos

After supporting those companies for 12, 10 and 6 years respectively, with proceeds totalling €316 million

Commitments to nine new private equity funds, totalling €105 million

Extending the maturity of FFP's debt and diversifying its funding sources through €243 million of Euro PP bond issues

1.1 Chairman's message for 2017

Dear Shareholders,

2017 was a record year for FFP in terms of divestments, new investments and portfolio activity. The result was a 17.5% increase in Net Asset Value, taking it to a new record high.

Taking advantage of attractive market conditions, FFP seized divestment opportunities, and sold three significant shareholdings: Sanef, ONET and Ipsos for a total of €316 million, having supported those companies for 12, 10 and 7 years respectively. The resulting increase in our resources allowed us to acquire a 5.5% stake in SPIE, the independent European leader in multi-technical services, for €201 million. We also strengthened our partnership with JAB Holding, committing to invest an additional $150 million in JAB Consumer Fund Global Brand II ("JAB II"), the second co-investment vehicle in the consumer goods sector which will be partly deployed at the occasion of the recently announced merger of Keurig with Dr Pepper Snapple, one of the leading producers and distributors of non-alcoholic beverages in North America.

ROBERT PEUGEOT
Chairman and Chief Executive Officer

In addition, we expanded our co-investments with other funds, carrying out four transactions, including three in the USA, in addition to the JAB II deal. At the end of 2017, FFP's co-investments were valued at €240 million, and as such are for the first time reported separately in the Gross Asset Value.

These transactions illustrate the investment strategy – based on sector and geographical diversification – that FFP has been pursuing for several years.

PSA Group has been very active, with outstanding results. The strategic acquisition of Opel/Vauxhall has increased the group's market share to 17% in Europe. Safran's acquisition of Zodiac Aerospace also created a French group that is a world leader in aerospace. FFP tendered its shares to Safran's offer, and is now a shareholder in the combined group. We also subscribed to capital increases by the Tikehau Capital group and Total Eren (after which the Total group acquired an indirect stake of 23% in the company), in order to support and foster those two companies' growth.

We committed $14 million to new real-estate projects in Atlanta, Charleston and Savannah, and we expanded our portfolio of private equity funds with nine new commitments – totalling €105 million – to funds based in Europe and the USA.

Our debt remains reasonable, amounting to €464 million including €243 million of bonds issued in 2017 in the form of Euro Private Placements (Euro PP), allowing us to extend the maturity of our debt to 2025-2027. At 31 December 2017, we had €519 million of unused facilities. As a result, FFP continues to dispose of immediately available funding with which to seize new investment opportunities.

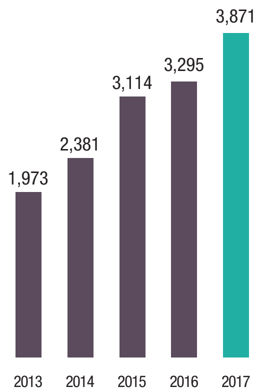
The complexity of the investment activity and the importance we place on monitoring our investments led us to strengthen our team further. Under the guidance of Bertrand Finet, our Chief Operating Officer who joined us in early 2017, we recruited five new members of the investment team and a senior legal counsel, to enable us to manage FFP's rapid growth as effectively as possible.

On the basis of our overall 2017 performance, the Board of Directors will propose an ordinary dividend of €2.00 per share at our AGM, an 11% increase relative to 2016.

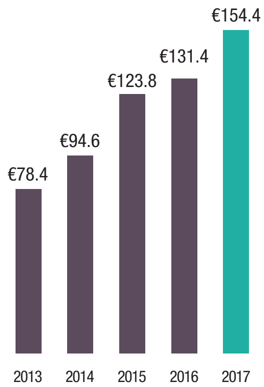
1.2 Key figures

Asset value(1) *(in millions euros)*

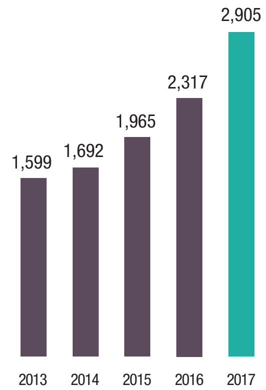
Net Asset Value



Net Asset Value per share



Gross Asset Value of Investments (excluding PSA)

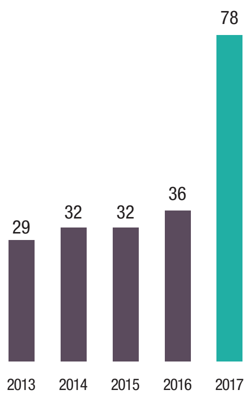


Consolidated financial statements

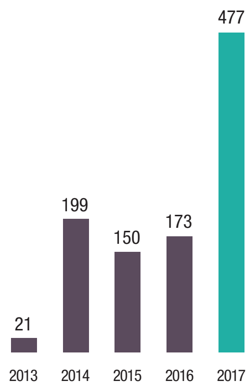
(in millions euros)	2013	2014	2015	2016	2017
Share in the profit or loss of associates	(1,095.8)	236.2	31.6	18.0	20.9
Net profit attributable to equity holders of the parent	(1,065.8)	307.8	159.2	149.8	221.8
Net profit per share	(€42.4)	€12.2	€6.4	€6.0	€8.8
Comprehensive income attributable to equity holders of the parent	(1,003.9)	413.5	743.9	181.8	513.3
Equity attributable to equity holders of the parent	1,825.3	2,235.7	2,928.3	3,070.1	3,508.9
Equity per share after appropriation of income	€72.6	€88.9	€115.2	€120.6	€139.8

Main financial flows *(in millions euros)*

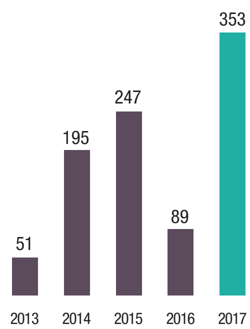
Dividends received (by FFP and its wholly owned subsidiaries)



Investments in equity securities and private equity funds



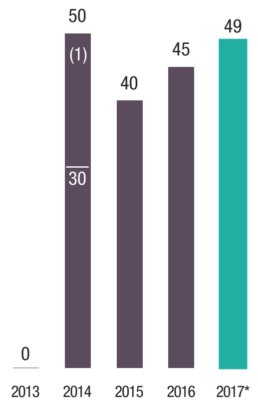
Disposals of securities and money returned by private equity funds



(1) Details of asset valuations at 31 December 2017 are provided in section 1.6 Net Asset Value.

Dividends

Dividend paid *(in millions euros)*



Net dividend per share

* *Proposed to the 17 May 2018 AGM.*

(1) *Special dividend.*

1.3 FFP's strategy

Long-standing shareholder of Peugeot SA

Long-term minority investor

FFP: long-term investor

FFP is an investor with industrial experience and clearly stated family values that takes long-term minority stakes in companies. Its strategy has two main components.

FFP has a long-standing 9.3% stake in Peugeot SA. FFP and its majority shareholder Établissements Peugeot Frères together own 12.2% of Peugeot SA and are among its main shareholders, with Dongfeng Motor and Bpifrance owning identical stakes.

FFP's other assets ("Investments") address the company's desire to diversify its investments and to seek long-term value creation. They fall into four categories:

i) FFP's core investment strategy consists of owning direct equity interests in both listed and unlisted companies. Those companies' shareholders include family members or managers who are involved in the business, they are based in Europe and they operate in markets with clear growth potential and in which they are among the leading players. FFP acts as a minority shareholder capable of supporting the development of its investees over the long term, in particular because it finances its transactions with its own balance sheet. Before making an investment, FFP carries out research to ensure that the investee's ownership structure, strategy and values fit with its own;

ii) FFP also has a portfolio of investments in private equity funds focusing on the USA, Europe and emerging markets, mainly in the leveraged buy out, expansion capital and technology growth capital segments. It makes commitments of around €10-25 million per fund;

iii) FFP makes co-investments, usually alongside these private equity funds;

iv) Finally, FFP owns real-estate assets – in which it invests on a case-by-case basis either directly, via real-estate funds or via co-investments – that offer the potential for strong returns.

FFP: an active minority shareholder

FFP sits on the Boards of Directors or Supervisory Boards of its investee companies. It plays an active role in the work done by their Boards and Committees. It aims to work effectively with the other shareholders and management bodies of its investee companies, paying particular attention to compliance with corporate governance rules, the selection of executives and strategic matters.

1.4 FFP's history

FFP was established in 1929. In 1966, following the reorganisation of the Peugeot group, FFP became its main shareholder alongside the Peugeot family's other companies.

In 1989, FFP was listed on the Nancy stock exchange and then the Paris stock exchange.

1810
A mechanical engineering business is set up in the Doubs region of France.

1929
Société Foncière, Financière et de Participations (FFP) is created.

1966
FFP is the largest shareholder of the Peugeot manufacturing group.

1989
FFP is listed on the Nancy stock exchange.

1996
FFP becomes a shareholder of **Compagnie Industrielle de Delle (CID)** and the largest shareholder of LISI.

1997
FFP invests in **Société du Louvre - Groupe du Louvre.**

2002
FFP buys shares of **Groupe Taittinger** and acquires a further 5% stake in **LISI.**

2004
FFP invests in **SEB SA, Linedata Services** and Spanish company **Fomento de Construcciones y Contratas SA (FCC).**

2005
Alongside the founding family members and CNP, FFP sells shares in **Société du Louvre - Groupe Taittinger.**

2006
FFP takes part in the consortium that acquires motorway network operator **Sanef,** transfers its Charenton building to **Immobilière Dassault,** acquires **Château Guiraud** and becomes a shareholder of **IDI** and **Zodiac Aerospace.**

2007
FFP buys a 23% stake in the **ONET group** to support the founding family, and increases its holdings in Zodiac Aerospace and IDI.

2008
FFP invests in **DKSH,** a Swiss company that is a leading provider of business services in Southeast Asia. With other partners, FFP sets up **IDI Emerging Markets** to strengthen its presence in private equity funds operating in emerging markets.

2009

FFP, as **Peugeot SA**'s leading shareholder, supports PSA's refinancing by buying 10% of newly issued convertible bonds into new or existing shares (OCEANEs).

2010

FFP sells its indirect stake in **FCC** and adjusts its positions in **Zodiac Aerospace**, **SEB** and the **PSA OCEANEs**.

2011

FFP takes part in the capital increase of **ORPEA**, a leading European dependency care provider, and helps Ipsos acquire Synovate by acquiring a stake in **Ipsos**' largest shareholder **LT Participations**. FFP exchanges its **PSA OCEANEs** for **Peugeot SA** shares. The Company simplifies its name and offically becomes "**FFP**".

2012

FFP supports a strategic transaction by Peugeot SA and takes part in its capital increase. FFP sells 35% of its stake in **DKSH** and most of its shares in **Linedata Services**.

2013

FFP sells a 0.8% stake in **DKSH** for €32 million, along with its remaining shares in Linedata. FFP joins forces with Louis Dreyfus Armateurs to build and operate four bulk carrier ships.

2014

FFP signs an agreement governing the acquisition of **Peugeot SA** shares by Dongfeng Motor and the French government, and takes part in the capital increase. FFP invests in **CIEL**, a Mauritius-based conglomerate, and **IHS**, Africa's leading operator of telecom towers. FFP sells part of its **Zodiac Aerospace** shares following derivatives transactions initiated in 2012.

2015

FFP acquires an additional 1.2% stake in **Zodiac Aerospace**, investing €77 million. FFP makes a commitment to invest €28 million in **EREN Renewable Energy** and carries out the first €14 million tranche of the investment. FFP prepares the sale of its stake in **ONET** for €45 million and monetises its **Peugeot SA** warrants for €197 million.

2016

FFP acquires a stake in asset manager Tikehau Capital via a €73 million investment. FFP invests €36 million in real-estate projects in the USA and Paris. In late 2016, FFP commits to investing $50 million in JAB CF Global Brand, a world leader in the tea and coffee market. Transactions to monetise Peugeot SA warrants were unwound in December 2016.

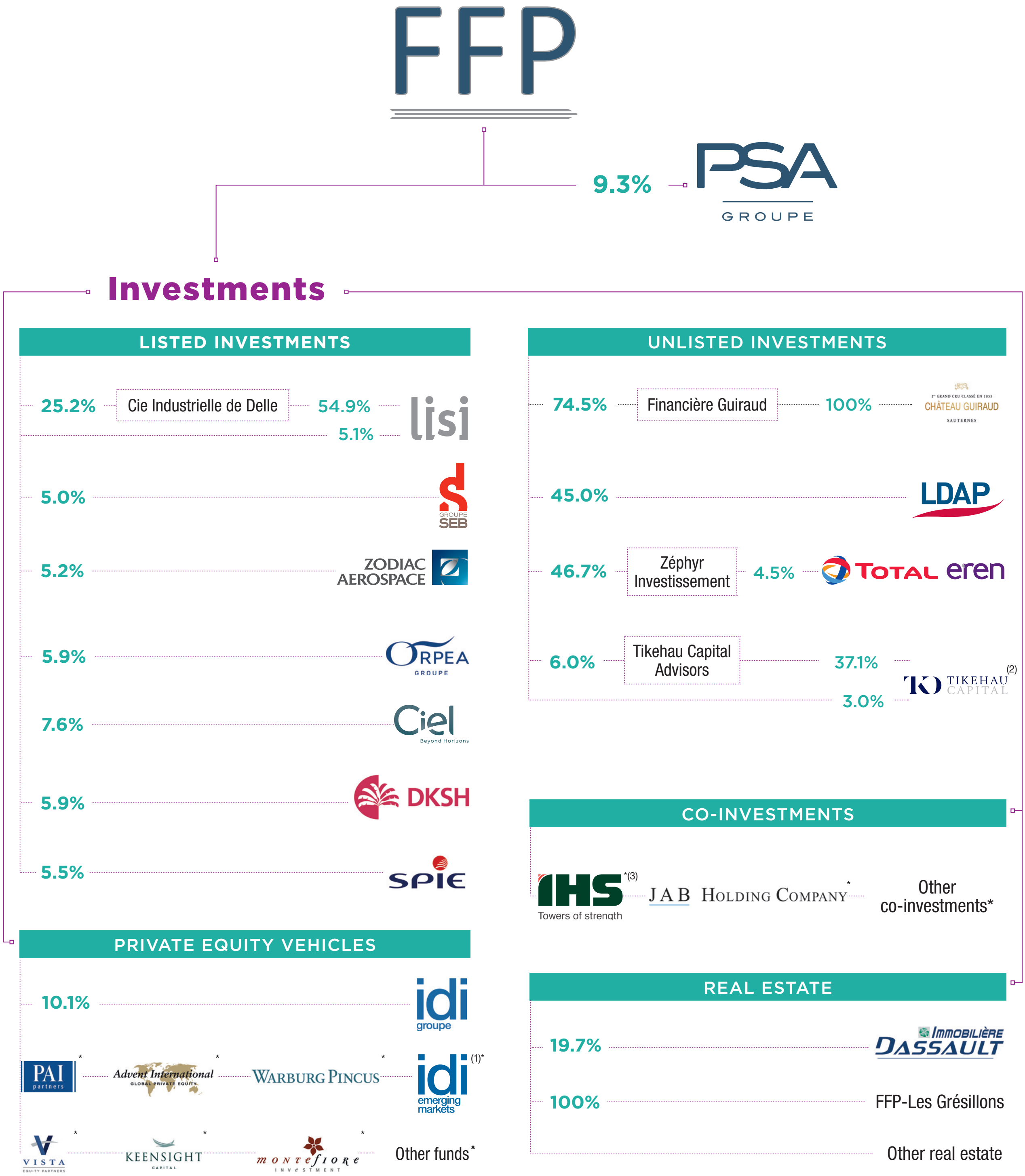
2017

FFP acquires a 5.5% stake in SPIE for €201 million and takes part in the capital increases of Tikehau Capital (investing €26 million) and Total Eren (investing €14 million). FFP sells its stakes in Sanef (for €238 million), ONET (€48 million) and Ipsos (€30 million) and carries out five co-investments (JAB CF Global Brand II, Lineage, AmaWaterways, CIPRÉS, Capsa). FFP supports the PSA Group in its acquisition of Opel/ Vauxhall.

2009 2010 2011 2012 2013 2014 2015 2016 2017

1.5 Shareholdings chart

At 31 December 2017



The percentages in this diagram reflect equity ownership.

* *Commitments to funds and co-investments made before 2012 concern FFP. Since then, they have been made by FFP INVEST and FFP investment UK Ltd, which are subsidiaries in which FFP owns 100% of the equity, directly or indirectly.*

(1) *IDI Emerging Markets consists of IDI Emerging Markets SA – a company with two subfunds in which FFP INVEST owns differing percentage equity stakes – and IDI Emerging Markets Partners–Fund III, its third investment vehicle.*

(2) *FFP invest's stake in Tikehau Capital is included in the listed investments category when calculating NAV.*

(3) *FFP INVEST has invested in IHS partly via ECP IHS, a vehicle managed by the pan-African fund ECP, and partly via ATT, which is majority-owned by Wendel.*

1.6 Net Asset Value

At 31 December *2017* *(in millions euros)*	*	% stake	Value	% of Gross Asset Value
PEUGEOT SA (A)		9.3%	1,430	33%
LISI	(1)	5.1%	110	3%
CID (LISI)	(2)	25.2%	303	7%
SEB SA	(1)	5.0%	389	9%
Zodiac Aerospace	(1)	5.2%	377	9%
ORPEA	(1)	5.9%	375	9%
CIEL group	(1)	7.6%	20	0%
DKSH	(1)	5.9%	278	6%
Tikehau Capital	(1)	3.0%	68	2%
SPIE	(1)	5.5%	184	4%
Unlisted shareholdings	(3)		111	3%
Shareholdings (i)			2,216	51%
Private equity funds	(4)		184	4%
IDI	(1)	10.1%	34	1%
Private equity vehicles (ii)			218	5%
Co-investments (iii)	(3) (4)		240	6%
Immobilière Dassault	(1)	19.7%	58	1%
FFP-Les Grésillons	(5)	100.0%	18	0%
Other real estate	(3)		56	1%
Real estate (iv)			132	3%
Other financial assets and liabilities	(1) (7)		82	2%
Cash			17	0%
Other assets (v)			99	2%
GROSS ASSET VALUE OF INVESTMENTS (I) + (II) + (III) + (IV) + (V) = (B)			2,905	67%
GROSS ASSET VALUE = (A) + (B)			4,335	100%
DEBT (C)			464	
NET ASSET VALUE = (A) + (B) - (C)			3,871	
NET ASSET VALUE PER SHARE			€154.4	

* *The letters refer to the valuation methods used, which are detailed on the www.groupe-ffp.fr website.*

* *Net Asset Value (NAV) is calculated as the market value of Peugeot SA securities (A) plus the Gross Asset Value of FFP's Investments (B), less financial liabilities (C). Peugeot SA shares are valued at the period-end market price. The Gross Asset Value of Investments corresponds, on a given date, to the market value of the other assets held by FFP. It does not include capital gains tax liabilities. It is based on:*

(1) *period-end market prices for listed assets;*

(2) *the Net Asset Value of unlisted intermediate holding companies, calculated in a transparent way on the basis of period-end market prices for their listed holdings, without taking into account any control premium or discount;*

(3) *for unlisted assets, a market value obtained either by discounting future cash flows or applying various multiple-based methods, including market multiples and transaction multiples or any methods specified in shareholder agreements; otherwise and where fair value cannot be measured in a reliable and appropriate manner, at historic cost, except where the Company's economic situation (operations, balance sheet, liquidity etc.) has deteriorated significantly (see Note 1.6 to the consolidated financial statements);*

(4) *the latest Net Asset Values determined or estimated by the private equity fund management companies, adjusted where appropriate for calls for funds or money returned between the date on which those values were determined and the date on which the gross asset value of Investments is published. Most of these private equity funds use the valuation rules established by the International Private Equity & Venture Capital Valuation Board;*

(5) *for unlisted real-estate assets, appraised values calculated once per year;*

(6) *period-end Net Asset Values for UCITS included in Portfolio Investment Securities or cash and cash equivalents.*

(7) *historic cost for FFP shares held in treasury.*

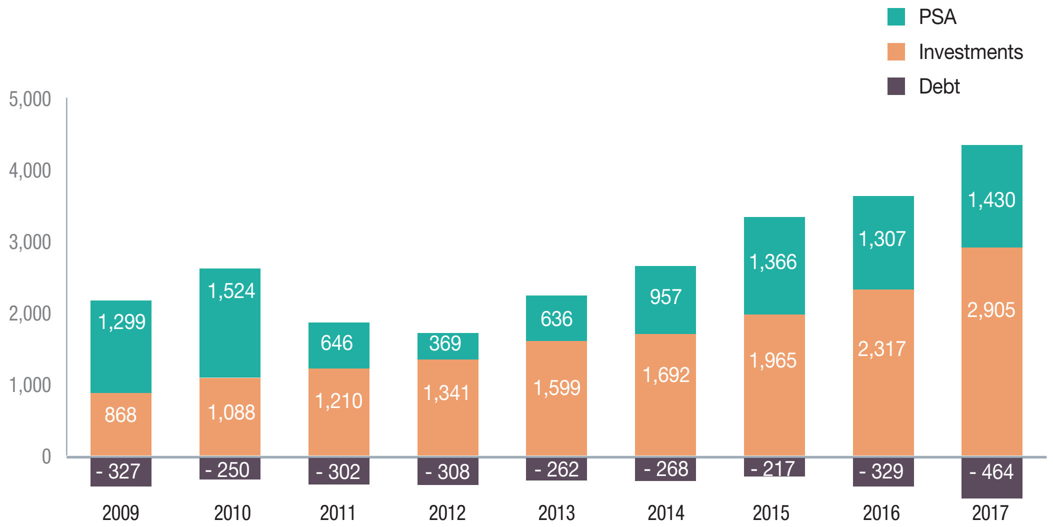
In the consolidated financial statements, shareholdings are measured at the values indicated above, except for consolidated companies, which are measured in accordance with consolidation rules (see Note 3 to the consolidated financial statements).

Debt is the sum of FFP's debt measured at nominal value, plus accrued interest and the time value of derivatives relating to assets.

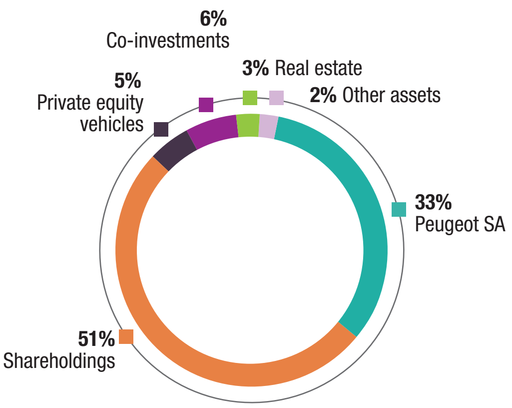
Following a change in presentation, the co-investments in FFP's portfolio have been removed from the private equity funds category and are presented separately at 31/12/2017 under "Co-investments".

Similarly, real-estate funds have been removed from the private equity funds category and are now shown under "Other real estate". No change in valuation methods has taken place.

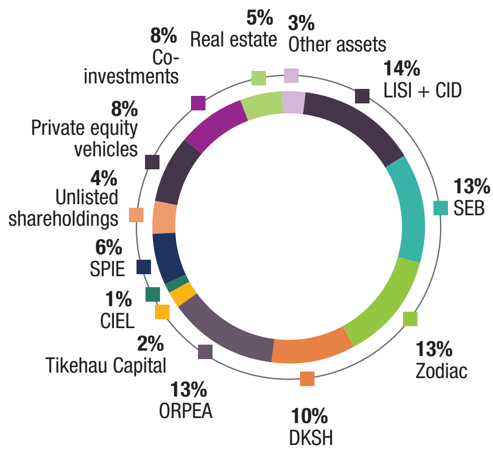
Change in NAV



Breakdown of assets

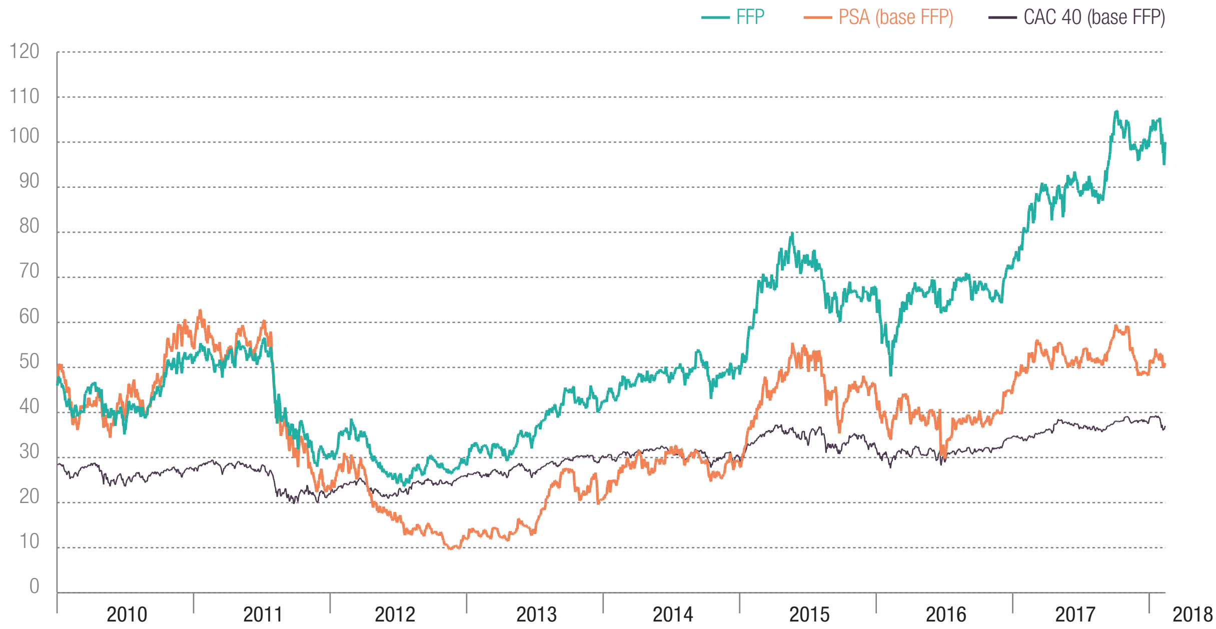


Breakdown of Investments



1.7 Share price

Peugeot share price and CAC 40 relative to the FFP share price (base: 01/01/2010)



(in euros)	2011	2012	2013	2014	2015	2016	2017
At 31 December	30.6	29.0	42.2	50.0	68.0	72.3	100.3
High	56.6	38.7	46.0	54.0	80.0	72.8	107.1
Low	30.0	23.6	29.3	42.4	48.4	48.0	71.7
Average daily volume	16,072	9,946	9,280	6,027	6,495	5,126	7,947
Number of shares	25,157,273	25,157,273	25,157,273	25,157,273	25,157,273	25,072,589	25,072,589
Market capitalisation	770,567,272	729,560,917	1,061,636,921	1,257,863,650	1,710,694,564	1,811,494,555	2,514,780,677

1.8 Portfolio presentation

PSA GROUPE

BUSINESS

The PSA Group is Europe's second largest car manufacturer. After the acquisition of General Motors' European business, its growth relies on five car brands – Peugeot, Citroën, DS, Opel and Vauxhall, each with its own worldwide reputation and distinct personality – as part of co-ordinated international strategies and a coherent product plan. Besides car manufacturing, the PSA Group has two other major business lines: financing for car brand sales networks and customers (Banque PSA Finance), and the design and production of components and modules for automotive production (FAURECIA, of which PSA is the majority shareholder). The Group retains a 25% interest in Gefco, a transport and logistics company.

In 2017, taking into account the Opel/Vauxhall acquisition, the Group's sales volume increased by 15.4% relative to 2016. In Europe, the Group's volume of vehicle sales increased by 23.2% relative to 2016. Sales of vehicles assembled outside Europe account for 35% of total sales. In China and Southeast Asia, the Group's vehicle sales volumes fell 37.4% in 2017. The Middle East & Africa region represents the Group's third largest market, and unit sales there rose 61.4% in 2017, driven in particular by the PSA Group's return to Iran.

The Group's revenue came in at €65.2 billion in 2017, up 12.9% at constant scope and exchange rates compared with 2016 and up 20.7% factoring in the Opel/Vauxhall impact. Revenue in the PCD (Peugeot Citroën DS) Automotive division rose 9.9% to €40.7 billion, due in particular to the success of recently launched models and an improved product mix. Revenue in the OV (Opel/Vauxhall) Automotive division totalled €7.2 billion in 2017. FAURECIA's revenue rose 7.9% to €20.2 billion.

The Group's recurring operating income totalled €3.9 billion in 2017, up 23.4% compared with 2016. Recurring operating income in the PCD Automotive division rose 33.3% year-on-year to €2.9 billion and equalled 7.3% of revenue, despite higher raw materials costs and negative exchange-rate effects. That strong performance resulted in particular from a favourable product mix and further cost-cutting. The OV Automotive division made a recurring operating loss of €179 million in 2017. FAURECIA's recurring operating income rose 20.6% to €1,170 million. Including OV, the Group's recurring operating margin was 6.1% as opposed to 6% in 2016.

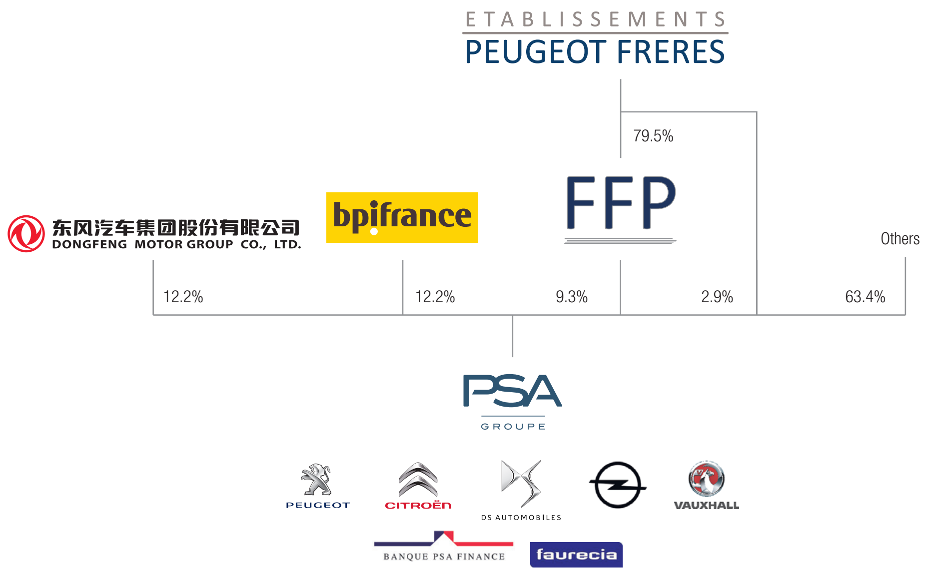
Free cash flow of manufacturing and sales companies amounted to €500 million, and operational free cash flow totalled €1.6 billion. The net financial position of industrial and commercial activities was positive at €6.2 billion at 31 December 2017, versus €6.8 billion at 31 December 2016. A dividend of €0.53 per share will be put to the vote in the next AGM.

Based on these good results, the PSA Group confirmed its targets for the "Push to Pass" plan, aiming to achieve recurring operating margin averaging over 4.5% in the Automotive division between 2016 and 2018 and 6% in 2021. The Group is also aiming to grow revenue by 10% between 2015 and 2018, and by a further 15% by 2021.

In 2018, the Group expects the auto market to be stable in Europe and to grow by 4% in Latin America, 10% in Russia and 2% in China.

www.groupe-psa.com

OWNERSHIP STRUCTURE *(31/12/2017)*



FFP'S INVESTMENT

PSA's automobile business was founded by the Peugeot family. FFP invested €115 million in the group's 2014 capital increase and received 67 million warrants. In 2015, FFP sold 8 million of those warrants and monetised the remainder through derivatives transactions that were unwound in late 2016, since when FFP has not owned any PSA warrants.

At 31 December 2017, FFP and its majority shareholder Établissements Peugeot Frères (EPF) were one of the Group's three main shareholders, with 12.2% of its share capital and 17.6% of its voting rights. FFP owns 9.3% of PSA's share capital and 13.2% of its voting rights.

The value of the shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

Robert Peugeot represents FFP on the Peugeot SA Supervisory Board; he is Chairman of the Strategy Committee and a member of the Finance and Audit Committee. Marie-Hélène Peugeot-Roncoroni is Vice-Chairman of FFP's Board of Directors and Vice-Chairman of Peugeot SA's Supervisory Board, and she represents EPF on the latter. Frédéric Banzet, senior partner of FFP, is a non-voting member of the Supervisory Board.

MAIN FIGURES

(in millions euros)		2016	2017
PCD (Peugeot Citroën DS)	Revenue	37,066	40,735
	Recurring operating income	2,225	2,965
	Margin	6.0%	7.3%
O/V (Opel/ Vauxhall)	Revenue		7,238
	Recurring operating income		(179)
	Margin		-2.5%
FAURECIA	Revenue	18,710	20,182
	Recurring operating income	970	1,170
	Margin	5.2%	5.8%
Other	Revenue	(1,746)	(2,945)
	Recurring operating income	40	35
PSA	**Revenue**	**54,030**	**65,210**
	Change	**-1.2%**	**20.7%**
	Recurring operating income	**3,235**	**3,991**
	Margin	**6.0%**	**6.1%**
	Net profit attributable to equity holders of the parent	1,730	1,929
	Net margin	3.2%	3.0%
	Net dividend (€)	0.48	0.53*
	Equity	14,618	16,720
	Net cash/(debt)	6,813	6,194

* *Proposed to the AGM.*

lisi

www.lisi-group.com

BUSINESS

LISI is an acronym for Link Solutions for Industry. The LISI group is one of the world leaders in fasteners and assembly components in the aerospace and automotive industries, and has operated in the healthcare sector since 2007.

In 2017, revenue at LISI Aerospace (60% of the group's sales) totalled €1,000 million, up 3.3% at constant scope and exchange rates. The division was affected in particular by a slowdown in the European fasteners segment.

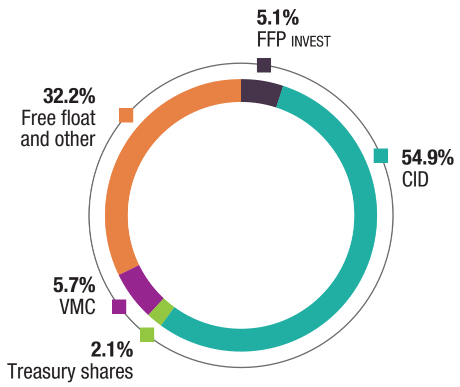
LISI Automotive (31% of the group's sales) saw faster sales growth in a European market that remained solid. The division's revenue amounted to €506 million, up 8.8% compared with 2016.

LISI Medical (9% of the group's sales) benefited from the full-year effect of integrating LISI Medical Remmele (incremental revenue of €22.8 million in 2017). The division's revenue totalled €137 million, down 2.3% at constant scope and exchange rates.

Although the aerospace business remained the main contributor to recurring operating income in 2017, accounting for 75% of the group total, margins in the automotive business improved for the sixth straight year (+0.9 points) and the medical division's contribution was boosted by Remmele.

Overall, LISI's revenue totalled €1,643 million, up 4.6% year-on-year or up 3.6% at constant scope and exchange rates. Recurring operating margin came in at 10.4%, in line with the group's normative target. The Company's financial position is solid, with net debt of €300 million at 31 December 2017.

OWNERSHIP STRUCTURE *(31/12/2017)*



FFP'S INVESTMENT

The Peugeot family has been a shareholder of Compagnie Industrielle de Delle (CID), LISI's main shareholder, since 1977. In 1996, FFP received a 25% interest in CID – the largest shareholder in LISI – as a contribution from another Peugeot family group company.

In 2002, FFP took a direct 5% holding in LISI.

At 31 December 2017, the FFP group (via wholly owned subsidiary FFP INVEST) directly and indirectly owned 19% of LISI.

FFP INVEST has signed an agreement(1) with CID's main shareholders regarding the liquidity of CID shares.

The Net Asset Value of the shareholding is based on the share price at 31 December 2017. LISI and CID are accounted for under the equity method.

Marie-Hélène Peugeot-Roncoroni is a director of LISI. Christian Peugeot is a director of CID and LISI. Thierry Peugeot and Xavier Peugeot are directors of CID. CID, represented by Thierry Peugeot, is a director of LISI.

MAIN FIGURES

(in millions euros)	2016	2017
Revenue	1,571	1,643
Change	7.7%	4.6%
Operating income	158	171
Margin	10.0%	10.4%
Net profit	107	108
Net margin	6.8%	6.6%
Net dividend *(€)*	0.45	0.48*
Equity	865	898
Net debt	218	300

* *Proposed to the AGM.*

(1) The main features of shareholder agreements formed by FFP and/or FFP INVEST are set out in section 3.1.

ZODIAC AEROSPACE

www.zodiacaerospace.com

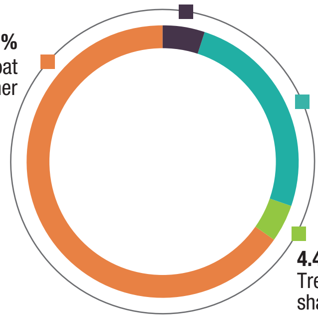
BUSINESS

Zodiac Aerospace was founded at the end of the 19th century, and originally specialised in inflatable products, particularly balloons and then boats. The aerospace equipment business became increasingly important through the 1970s, and in 2007 became Zodiac Aerospace's sole business. The group is now a world leader in a number of products, including evacuation and arresting systems, aircraft seats and cabin equipment.

Revenue in the 2016/2017 financial year fell 1.6% on a reported basis and by 2.0% at constant scope and exchange rates. There was no scope effect and exchange rates boosted revenue growth by 0.4 points. Recurring operating margin came in at 4.2%, down from 5.2% in the previous financial year. Recurring operating income was affected by additional costs incurred in the Aircraft Interiors business, to improve delivery performance for customers. That negative impact was partly offset by the contribution from the Aerosystems business.

In early 2017, Zodiac Aerospace and Safran entered exclusive talks with a view to a business combination. In May 2017, they announced the terms of a transaction intended to create a leading French player in the global aerospace industry.

OWNERSHIP STRUCTURE *(31/12/2017)*



* *Data at 31/08/2017*

FFP'S INVESTMENT

FFP acquired a 5.4% stake in Zodiac Aerospace in 2006 and 2007. In the first quarter of 2010, FFP acquired another 0.54% of the company's shares. The total amount invested was €152 million. In the third quarter of 2012, the FFP group (via its wholly owned FFP INVEST subsidiary) arranged hedging using derivative instruments, which expired on 14 March 2014 and resulted in a capital gain of €39 million. In September 2015, FFP INVEST acquired 3,352,000 additional shares in Zodiac Aerospace for €77 million, equal to 1.16% of the company's capital.

At 31 December 2017, FFP INVEST owned 5.2% of the group's capital.

The value of the shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

FFP INVEST, represented by Frédéric Banzet, is a member of the Zodiac Aerospace Supervisory Board.

MAIN FIGURES

(in millions euros)	2015/16	2016/17
Revenue	5,209	5,127
Change	6.0%	-1.6%
Recurring operating income	270	218
Margin	5.2%	4.2%
Net profit attributable to equity holders of the parent	108	73
Net margin	2.1%	1.4%
Net dividend (€)	0.32	0.32
Equity	3,218	3,186
Net debt	1,057	847

DKSH

www.dksh.com

BUSINESS

DKSH is the leading provider of market expansion services, particularly in Asia. It has been listed on the Swiss stock exchange since 2012, and helps companies and brands to expand their business in new or existing markets.

Although DKSH is a Swiss company with its head office in Zurich, it is deeply rooted in Asia-Pacific with a 150-year tradition of trading in the region.

With almost 800 sites in Asia-Pacific plus 30 in Europe and the Americas, spread over 37 countries, and a specialised workforce of more than 31,970 employees, DKSH is one of the 30 largest Swiss companies in terms of sales and headcount.

The company offers a combination of marketing, procurement, sales, distribution, logistics and after-sales services.

It offers customers its expertise and logistics on the ground through a comprehensive network of unmatched scale and depth.

Marketing activities are organised into four specialist divisions covering DKSH's areas of expertise: consumer goods, healthcare, performance materials and technology.

In 2017, revenue grew by 4.8% and by 3.7% at constant scope and exchange rates. EBIT totalled CHF 297 million, an increase of 1.4% or 1.3% at constant exchange rates.

The company generated CHF 139.5 million in free cash flow.

FFP'S INVESTMENT

FFP invested €85.4 million in DKSH in 2008 alongside the founding shareholders. Part of the investment went to buy out shareholders who were looking to exit and the rest to subscribe for a capital increase.

As planned in a shareholders' agreement signed at the time of the investment, DKSH floated on the stockmarket in 2012. At that time, FFP, along with the other shareholders, sold 35% of its stake for €91.6 million.

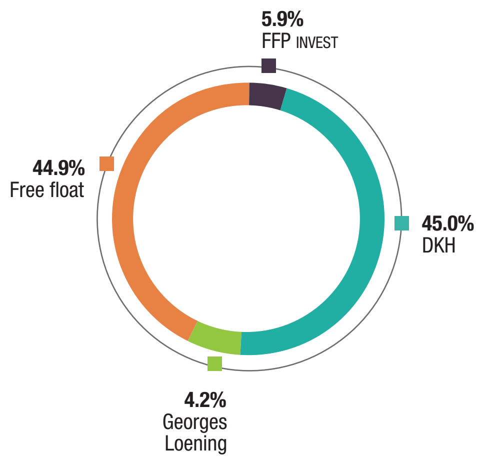
In April 2013, FFP sold a 0.8% stake in DKSH for €32 million as part of a block disposal alongside other long-term shareholders.

At 31 December 2017, the FFP group (via wholly owned subsidiary FFP INVEST), held 5.9% of DKSH.

The value of the shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

Robert Peugeot is a member of the DKSH Board of Directors.

OWNERSHIP STRUCTURE *(31/12/2017)*



MAIN FIGURES

(in millions of Swiss francs)	2016	2017
Revenue	10,505	11,006
Change	4.5%	4.8%
Operating income	293	297
Margin	2.8%	2.7%
Net profit attributable to equity holders of the parent	213	213
Net margin	2.0%	1.9%
Ordinary dividend *(in CHF)*	1.5	1.65*
Special dividend *(in CHF)*	3.0	0.0*
Equity	1,642	1,576
Net debt	(513)	(344)

* *Proposed to the AGM.*

GROUPE SEB

www.groupeseb.com

BUSINESS

Initially a regional business, SEB, following the success of the "super-cocotte" pressure cooker in France during the 1950s, it developed through a mix of organic growth and acquisitions to become a global leader in small domestic appliances. Having historically focused on two complementary markets – small electrical appliances and cookware – it now also has a presence in the professional coffee machine market following the acquisition of WMF (consolidated from 1 January 2017). This market position gives it a balanced set of products, brands, geographical presence and distribution channels. SEB has a number of brands – including Krups, Lagostina, Moulinex, Rowenta, Tefal, Calor, SEB, Supor and WMF – and a broad offering that includes cookware, linen and personal care, food and beverage preparation equipment, electric cookers, cleaning and home care. Today, the group sells its products in more than 150 countries, and China is its number one market. It has substantial exposure to emerging markets, which account for 41% of revenue.

In 2017, SEB saw strong sales growth, driven by all its product lines and the vast majority of its geographical markets. 2017 was also a year of transformation as SEB integrated WMF, and as it steps up projects initiated during 2017 the group should start generating synergies in 2018, in line with its 2020 targets.

In 2017, SEB's revenue totalled €6.5 billion, up 29.7% compared with 2016 and up 9.2% at constant scope and exchange rates. That growth follows SEB's strong historical growth rates of 8.0% in 2015 and 6.1% in 2016. Operating income rose to €580 million from €426 million in 2016. Operating cash flow amounted to €322 million. Net debt totalled €1,905 million.

FFP'S INVESTMENT

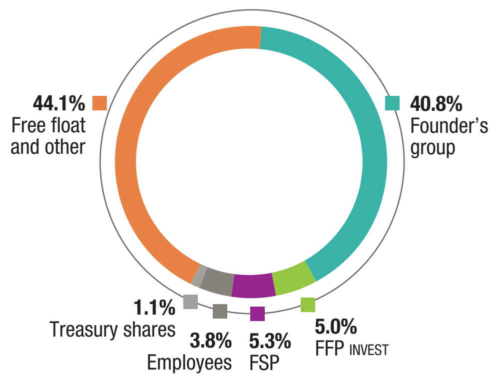
FFP acquired its first stake in SEB SA in the first half of 2004, investing €80 million for 5% of the equity.

At 31 December 2017, the FFP group (via wholly owned subsidiary FFP INVEST) held 5.0% of SEB.

The value of the shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

FFP INVEST, represented by Bertrand Finet, is a SEB SA director.

OWNERSHIP STRUCTURE *(31/12/2017)*



MAIN FIGURES

(in millions euros)	2016	2017
Revenue	5,000	6,485
Change	4.8%	29.7%
Operating income	426	580
Margin	8.5%	8.9%
Net profit attributable to equity holders of the parent	259	375
Net margin	5.2%	5.8%
Net dividend (€)	1.72	2.00*
Equity	1,836	1,964
Net debt	2,019	1,905

* *Proposed to the AGM.*

ORPEA GROUPE

www.orpea.com

BUSINESS

The ORPEA group is a European leader in dependency care (nursing homes), post-acute and psychiatric care clinics, and has complementary activities in serviced residences, day care, home-based services and day-time and night-time hospital services. Founded by Dr Jean-Claude Marian in 1989, the company was floated in 2002. It operates 818 facilities in 12 countries, corresponding to 86,650 beds (including 13,379 beds in facilities under development) and employs almost 55,000 people. 39% of ORPEA's network is in France, with the rest being in Europe (Germany, Spain, Austria, Belgium, Switzerland, Czech Republic, Italy, Poland and Portugal) and more recently outside Europe (Brazil and China). ORPEA's business is supported by the long-term population ageing trend, which is producing growing demand for care facilities.

In 2017, ORPEA continued its international business expansion by moving into Brazil (2,185 beds under construction) and Portugal (1,141 beds under construction). The proportion of the group's beds outside France has risen from 40% three years ago to 61% of the total network today, and 83% of ORPEA's beds under construction and refurbishment are located outside France.

Revenue totalled €3,138 million in 2017, an increase of 10.5%, including organic growth of 5.4%. EBITDAR amounted €846 million, equal to 27.0% of revenue. The company's real-estate assets were valued at €5.0 billion at 31/12/2017 (excluding assets held for sale). In 2018, the company is aiming to grow revenue by 8.3% to €3,400 million.

FFP'S INVESTMENT

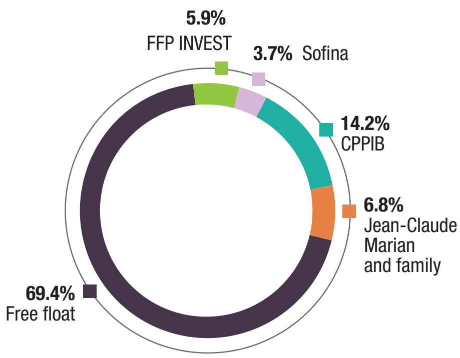
FFP invested in ORPEA in July 2011, buying some of its shares from the founder and others on the market. FFP increased its interest in ORPEA when the company carried out a €203 million capital increase in 2011.

At 31 December 2017, the FFP group (via its wholly owned FFP INVEST subsidiary) owned 5.9% of ORPEA's capital, representing a total investment of €115 million.

The value of the shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

FFP INVEST, represented by Thierry Mabille de Poncheville, is a member of ORPEA's Board of Directors.

OWNERSHIP STRUCTURE *(31/12/2017)**



* *ORPEA ownership structure at 31/12/2017 based on the list of registered shareholders on that date.*

MAIN FIGURES

(in millions euros)	2016	2017
Revenue	2,841	3,138
Change	18.8%	10.5%
Recurring operating income	348	394
Margin	12.3%	12.6%
Net profit attributable to equity holders of the parent	178	198
Net margin	6.3%	6.3%
Net dividend (€)	1.0	1.1*
Equity attributable to equity holders of the parent	2,113	2,697
Net debt**	3,680	4,413
Net debt on real estate**	3,096	3,772
Value of real estate**	4,089	4,970

* *Proposed to the AGM.*
** *Excluding the impact of assets held for sale.*

SPIE

www.spie.com

BUSINESS

SPIE is Europe's leading independent provider of multi-technical services, operating in the fields of electrical, mechanical and climate engineering, communication systems and energy-related specialist services. With more than 600 sites and around 47,000 employees around the world at 31 December 2017, the group helps its clients with the design, construction, operation and maintenance of energy-efficient and environmentally-friendly facilities. After the acquisition of SAG in late 2016, SPIE generates 38% of its revenue in France and 32% in Germany and Central Europe.

The group's consolidated revenue totalled €6,127 million in 2017, up 24.0% because of the consolidation of SAG since 1 April 2017 (+19.0%) and a strong contribution from other acquisitions (+7.1%). SPIE's operating income amounted to €388 million, up 13.5% relative to 2016. 102% of operating income was converted into operating cash flow, which totalled €395 million. Free cash flow amounted to €234 million. At end-2017, net debt was €1,532 million, an increase of more than €600 million because of the SAG acquisition.

FFP'S INVESTMENT

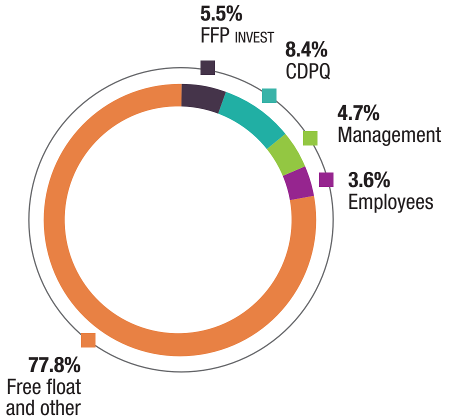
FFP first acquired shares in SPIE, via its FFP INVEST subsidiary, in September 2017. FFP increased its stake in the fourth quarter of 2017, making a total investment of €201 million.

At 31 December 2017, FFP INVEST owned 5.5% of the group's capital.

The value of the shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

FFP INVEST, represented by Bertrand Finet, is a non-voting member of SPIE's Supervisory Board.

OWNERSHIP STRUCTURE *(31/12/2017)*



MAIN FIGURES

(in millions euros)	2016	2017
Revenue	4,941	6,127
Change	-2.3%	24.0%
Operating income	342	388
Margin	6.9%	6.3%
Net profit	184	111
Net margin	3.7%	1.8%
Net dividend (€)	0.53	0.56*
Equity	1,417	1,442
Net debt	909	1,532

* *Proposed to the AGM.*

TIKEHAU CAPITAL

www.tikehaucapital.com

BUSINESS

Tikehau Capital was founded in 2004 by Antoine Flamarion and Matthieu Chabran, and is an asset management and investment group focusing on four asset classes: private debt, real estate, equity and liquid strategies. The group employs almost 200 people across eight offices (Paris, London, Brussels, Madrid, Milan, New York, Seoul and Singapore).

The group reorganised its business in 2017 in order to simplify its ownership structure and bring all its activities under the Tikehau Capital banner. That reorganisation led to the group's IPO in early 2017.

Tikehau Capital has seen rapid growth and had €13.8 billion of assets under management at 31 December 2017, up 38.2% compared with 31 December 2016, and attracted net new money of €3.9 billion in 2017. Net profit, group share, amounted to €314.4 million in 2017, driven by asset management (operating income of €16.0 million) and investing activities (operating income of €347.3 million). Tikehau Capital's equity amounted to €2.5 billion at the end of 2017, having been strengthened by the €702 million capital increase in July 2017. At end-2017, the group had €975 million of cash and €900 million of undrawn credit facilities, along with €548 million of debt.

Tikehau Capital Advisors (TCA) is the Tikehau group's parent company and owns 100% of the managing company of Tikehau Capital SCA, the group's listed investment vehicle.

FFP'S INVESTMENT

FFP INVEST invested €73 million in the Tikehau Capital group in 2016, and then a further €26 million in 2017, mainly through capital increases. Those investments were made in both Tikehau Capital Advisors and Tikehau Capital.

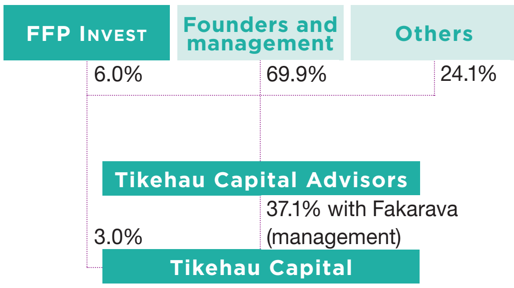
The FFP group (via wholly owned subsidiary FFP INVEST) is party to a Tikehau Capital Advisors shareholder agreement[1].

At 31 December 2017, the FFP group (via its wholly owned subsidiary FFP INVEST) owned 6.0% of Tikehau Capital Advisors' equity and 3.0% of Tikehau Capital's equity.

The value of the Tikehau Capital Advisors stake for the purposes of Net Asset Value and the consolidated financial statements is estimated using FFP's policies for valuing unlisted assets. The value of the Tikehau Capital shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

Robert Peugeot is a member of Tikehau Capital Advisors' Board of Directors.

OWNERSHIP STRUCTURE *(31/12/2017)*



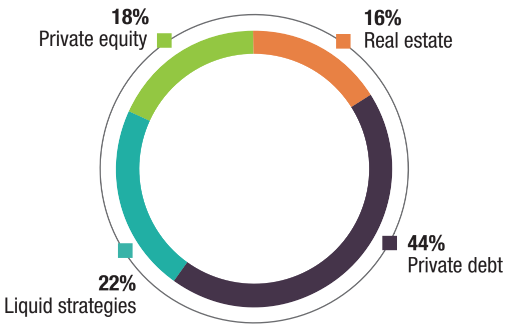
MAIN FIGURES

(in millions euros)	2016*	2017
Assets under management (€ bn)	10.0	13.8
Revenue	130.0	445.0
Operating income from asset management activities	3.5	16.0
Operating income from investing activities	119.2	347.3
Net profit attributable to equity holders of the parent	124.6	314.4
Dividend per share (€)	0.00	1.00**

* *2016 figures are pro forma data taking into account the reorganisation of the Tikehau Capital group, which was completed in 2017.*

** *Proposed to the AGM, including a special dividend of €0.50 per share.*

BREAKDOWN OF TIKEHAU CAPITAL'S ASSETS UNDER MANAGEMENT *(31/12/2017)*



(1) *The main features of shareholder agreements formed by FFP and/or FFP INVEST are set out in section 3.1.*

TOTAL eren

www.eren-groupe.com

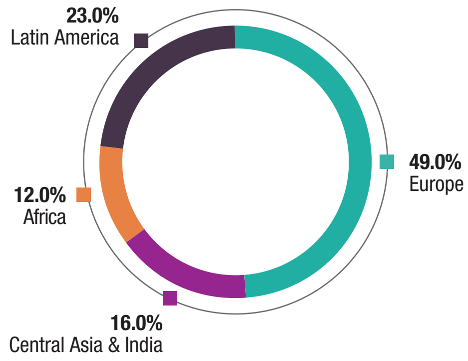
BUSINESS

Total Eren (formerly Eren Renewable Energy) was founded by Pâris Mouratoglou and David Corchia and is based in Paris. It is acknowledged to have unique expertise in the renewable energies sector. Working with exclusive local partners, the company is establishing positions in high-potential emerging-market countries, in geographical areas that have major wind or solar resources and are seeing growing energy demand.

Since 2012, Total Eren has put together a diverse portfolio of assets (wind, solar and hydro) around the world, representing a gross capacity of more than 910 MW in operation or under construction at 31 December 2017. Total Eren is also developing a number of projects with a total gross capacity of 1.5 GW in Asia-Pacific, Africa and Latin America, and intends to achieve overall net installed capacity of at least 3 GW by 2023.

The company carried out a capital increase of almost €100 million in 2017 – drawing the second tranche of the fundraising arranged in 2015 – and Total acquired a 23% indirect stake by subscribing a €237.5 million capital increase. The agreement between Total and EREN Renewable Energy – which involved the company being renamed Total Eren – also provides that Total may take control of the company after a 5-year period.

BREAKDOWN OF NET CAPACITY(2)



(In operation and under construction, MW, 31/12/2017)

FFP'S INVESTMENT

In October 2015, FFP, via its wholly owned FFP INVEST subsidiary, committed to invest €28 million as part of Total Eren's €195 million fundraising. The first €14 million tranche of FFP's commitment was drawn in 2015 and the second €14 million in May 2017.

FFP INVEST is party to a shareholder agreement(1). FFP INVEST's investment is taking place through a joint venture with Tikehau Capital, called Zéphyr Investissement, which owns 9.5% of Total Eren. Zéphyr Investissement is 47%-owned by FFP and 53%-owned by Tikehau Capital.

The value of Total Eren for the purpose of Net Asset Value was estimated using FFP's policies for valuing unlisted assets. Zéphyr Investissement is accounted for under the equity method in the consolidated financial statements.

FFP INVEST, represented by Marie Ahmadzadeh, is a non-voting director of Total Eren.

(1) The main features of shareholder agreements formed by FFP and/or FFP INVEST are set out in section 3.1.
(2) Net capacity corresponds to Total Eren's share of each project.

Ciel
Beyond Horizons

www.cielgroup.com

BUSINESS

The CIEL group is a family-owned conglomerate, listed in Mauritius and also operating in Asia and Africa. Since it began its operations in the sugar industry in 1912, the group has diversified into textiles, hospitality, healthcare and finance. It currently has 35,000 employees. The group has been listed on the Official Market of the Stock Exchange of Mauritius since January 2014.

NAV per share rose in 2017 and the investment portfolio was worth MUR16,517 million at 31 December 2017.

FFP'S INVESTMENT

In 2014, FFP subscribed to the CIEL group's reserved rights issue for €16 million, giving it a 7.6% stake in the company. The capital increase was intended to fund the group's development in the Indian Ocean and Africa.

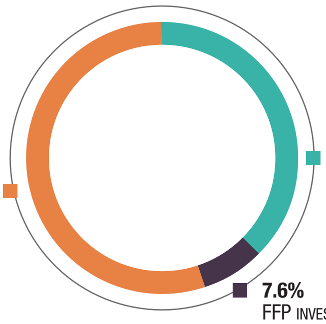
At 31 December 2017, the FFP group (via its wholly owned FFP INVEST subsidiary) held a 7.6% equity interest.

FFP INVEST is party to a shareholder agreement(1).

The value of the shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

Sébastien Coquard is a member of CIEL's Board of Directors.

OWNERSHIP STRUCTURE *(31/12/2017)*

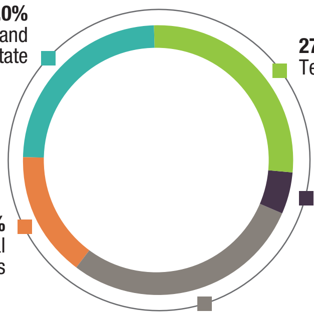


MAIN FIGURES

(in millions of MUR)	30/06/2017*	31/12/2017*
Revenue	20,258	11,448
Operating income	2,860	1,517
Margin	14.1%	13.3%
Net profit	479	284
Net margin	2.4%	2.5%
Dividend *(MUR per share)*	0.20	-
Equity	23,664	24,253
Net debt	14,901	14,555

* *Period ended 30/06. Figures at 30/06/2017 are therefore for a full year, and those at 31/12/2017 are for the first half of the 2017/2018 financial year.*

BREAKDOWN OF INVESTMENTS *(31/12/2017)*



(1) *The main features of shareholder agreements formed by FFP and/or FFP INVEST are set out in section 3.1.*

1er GRAND CRU CLASSÉ EN 1855
CHÂTEAU GUIRAUD
SAUTERNES

www.chateauguiraud.com

BUSINESS

Château Guiraud is a maker of Sauternes wine that is designated as "premier cru" according to the 1855 classification. The 128-hectare estate contains 103 hectares of vineyards. Production levels vary depending on the vintage, but average 150,000 bottles of Sauternes per year including 100,000 bottles of premier cru wine, plus 200,000 of dry white wine. FFP and its partners seek to achieve the very best quality and are developing Château Guiraud's commercial presence, particularly outside France, to support its wines' reputation for excellence among leading international connoisseurs. This policy is already producing excellent media coverage and some of the best tasting ratings. In 2012, for example, Château Guiraud's 2009 vintage was ranked fifth in US magazine Wine Spectator's 100 best wines of the year. In 2014, its 2011 vintage ranked 12th in the same magazine's top 100 wines.

Château Guiraud has joined forces with Nicolas Lascombes to develop a restaurant within the château's chapel, which opened in early 2018.

Revenue from wine sales rose sharply in 2017 to €4.4 million as opposed to €3.9 million in 2016.

FFP'S INVESTMENT

FFP invested in Château Guiraud alongside partners specialising in the wine sector. Together, they set up Financière Guiraud SAS, which in July 2006 acquired 100% of the shares in SCA Château Guiraud.

The FFP group (via wholly owned subsidiary FFP INVEST) owns 74.5% of Financière Guiraud SAS(1).

The value of Financière Guiraud SAS for the purposes of Net Asset Value is estimated using FFP's policies for valuing unlisted assets. Financière Guiraud SAS is fully consolidated in FFP's financial statements.

FFP INVEST, represented by Robert Peugeot, is a member of Financière Guiraud's Supervisory Board.

(1) The main features of shareholder agreements formed by FFP and/or FFP INVEST are set out in section 3.1.

LDAP

www.lda.fr

BUSINESS

FFP formed a partnership with the family-owned Louis Dreyfus Armateurs (LDA) group to found LDAP. LDA is a French maritime group that has been operating for more than 160 years in carrying dry bulk by sea and in providing maritime industrial services. LDAP, a company in which the FFP group holds a 45% stake (via its wholly owned FFP INVEST subsidiary), has purchased 5 new Handysize freighters. They are of B-Delta 40 design, an innovative, fuel-efficient model. Most of the vessels were delivered in the second half of 2015. This fleet is managed by LDA, which is in charge of its fit-out and commercial operation.

FFP'S INVESTMENT

At 31 December 2017, the FFP group (via its wholly owned FFP INVEST subsidiary) held a 45% equity interest.

FFP has invested a total of $24 million. FFP INVEST is party to a shareholder agreement(1).

The value of LDAP for the purpose of Net Asset Value was estimated using FFP's policies for valuing unlisted assets. LDAP is accounted for under the equity method in the consolidated financial statements.

FFP INVEST, represented by Bertrand Finet and Sophie Vernier-Reiffers, is a member of LDAP's Executive Committee.

(1) The main features of shareholder agreements formed by FFP and/or FFP INVEST are set out in section 3.1.

Private equity funds

At 31 December 2017, FFP had invested €184 million[(1)] in private equity funds, representing 6.3% of the Gross Asset Value of Investments and 4.2% of FFP's Gross Asset Value.

Since 2002, FFP has invested in private equity funds. This asset class allows FFP to invest in a large number of companies and business sectors, taking a long-term approach. It also gives FFP exposure to sectors and geographical zones that would be hard for it to access directly.

FFP's portfolio consists mostly of buyout (LBO), expansion capital and technology growth capital funds, which invest in Europe, the USA and emerging-market countries (India, China, Africa and the Middle East, along with markets in which IDI Emerging Markets invests).

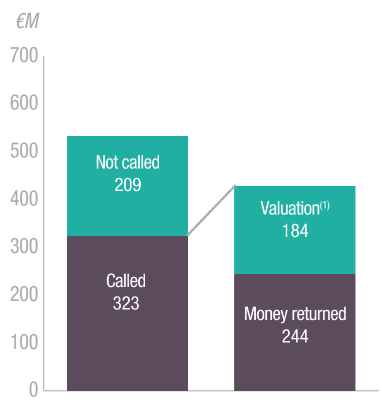
The main private equity strategy is to support LBO and expansion capital teams in Europe, North America and emerging markets. FFP also invests in adjacent asset classes such as technology growth capital funds and impact investing/venture philanthropy/sustainable development funds. FFP seeks to make co-investments with certain funds.

2017 was another very busy year for FFP's private equity activities. FFP committed over €105 million to several new funds, including €78 million to buyout (LBO) and expansion capital funds and around €27 million to technology growth capital and impact investing funds.

In the USA, FFP committed $10 million to the Veritas Capital VI fund, $15 million to the Valor Equity IV fund and $15 million to the Levine Leichtman VI fund. In Europe, FFP made commitments to three LBO funds: €10m to pan-European fund Chequers Capital XVII, €15 million to Spanish fund Portobello IV and €20 million to pan-European fund PAI VII. FFP also made commitments to two technology growth capital funds: €12 million to pan-European fund Summit Partners Europe II and $15 million to Insight Partners X. Finally, FFP made a €2 million commitment to French venture philanthropy fund Alpha Diamant II.

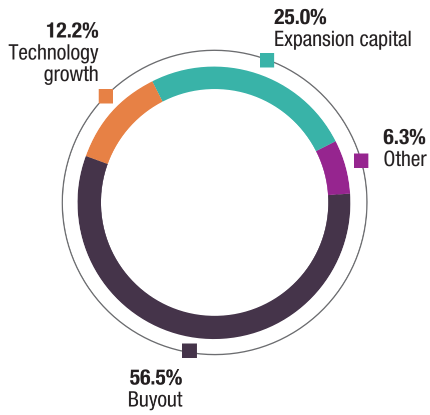
In 2017, calls for funds amounted to €70 million. Funds carried out a number of disposals, leading to distributions of around €34 million in 2017.

RETURNS[(2)]



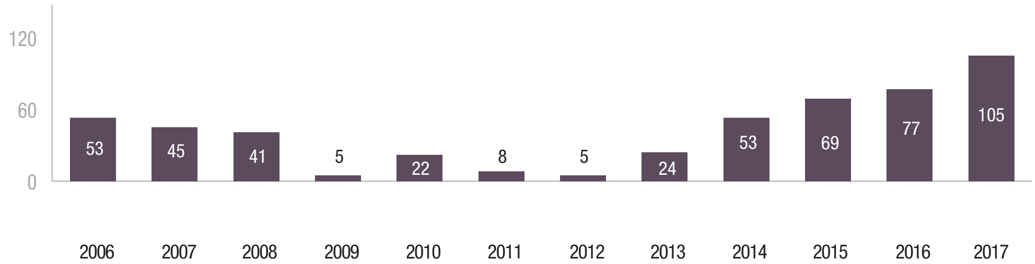
EXPOSURE[(3)(4)] BY TYPE OF FUND

(in millions euros)



NEW COMMITMENTS BY VINTAGE YEAR

(in millions euros)



(1) Excluding co-investments and real-estate funds.

(2) When FFP makes a commitment to a private equity fund, it undertakes to invest the committed amount. The fund makes gradual capital calls as investment opportunities arise. The company that manages the fund provides valuations of assets in which it has invested. Stakes in investee companies are later sold and the disposal proceeds are distributed among the fund's investors. For each fund, therefore, FFP has an initial commitment, broken down into a called amount and an uncalled amount (which together equal the initial commitment), a periodic valuation of its investment and a returned capital amount if the fund has already started making disposals.

(3) When calculating Net Asset Value, FFP values funds at their reported Net Asset Value. For the large majority of funds, that value is calculated using rules established by the International Private Equity & Venture Capital Valuation Board. In FFP's consolidated financial statements, the total amount of commitments (called and uncalled capital) is recorded in the balance sheet.

(4) Exposure is the sum of the value enhancement and uncalled commitments

www.idi.fr

BUSINESS

IDI is an investment company that has been listed since 1991. IDI invests on its own account and on behalf of third parties, with activities including buyouts and expansion capital in France, mainly via the parent company (proprietary investments); venture capital, funds of funds in Europe, and debt funds via Idinvest Partners (third-party funds); as well as in funds of funds and expansion capital in emerging countries via IDI Emerging Markets (third-party funds).

At the end of 2017, IDI and the Idinvest Partners management teams announced that they were in exclusive talks about Idinvest Partners being acquired by Eurazeo: the proposed transaction would result in Eurazeo owning 70% of the management company alongside the management teams. Idinvest Partners was founded in 1997 and has been independent since 2010, and manages almost €7 billion of assets for third parties. Under an agreement formed on 5 February 2018, IDI will sell its entire 51% stake to Eurazeo on the basis of an enterprise value of €310 million.

FFP'S INVESTMENT

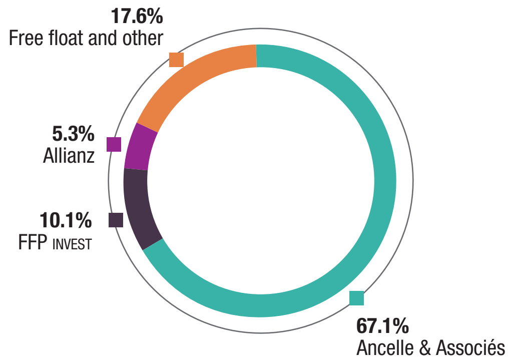
In 2006, following the merger between IDI, Euridi and Marco Polo Investissements, FFP owned 5.0% of IDI. In 2007, FFP increased its stake by investing €15.5 million as part of a capital increase.

At 31 December 2017, the FFP group (via its wholly owned FFP INVEST subsidiary) held a 10.1% equity interest.

The value of the shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

FFP INVEST, represented by Sébastien Coquard, is a member of IDI's Supervisory Board.

OWNERSHIP STRUCTURE *(31/12/2017)*



MAIN FIGURES

Key figures (30/06/2017)	
Net Asset Value per share	€46.77
First-half net profit	€46.7 million

Co-investments

The value of co-investments for the purposes of Net Asset Value and the consolidated financial statements is estimated using FFP's policies for valuing unlisted assets.

IHS Towers of strength

www.ihstowers.com

BUSINESS

IHS was set up in 2001 and operates in all parts of the value chain in the telecoms tower sector, with activities including construction, rental and maintenance. From its initial base in Nigeria, IHS has expanded through acquisitions and now also operates in Cameroon, Ivory Coast, Zambia, Rwanda and soon Kuwait when it completes the acquisition of 1,600 towers from Zain. IHS managed more than 23,000 towers at end-2017. It is the leading telecom tower operator in the Europe, Middle East and Africa region, and it directly employs around 1,800 people.

FFP'S INVESTMENT

In 2014, FFP invested $20 million in IHS Holding alongside the Emerging Capital Partners (ECP) fund, after an initial $5 million investment in 2013. FFP has also invested $52.5 million alongside Wendel, IHS' main shareholder, which holds 29% of its voting rights.

JAB Holding Company

www.jabholco.fr

BUSINESS

JAB Holding Company ("JAB") is a private conglomerate focused on the consumer goods sectors, including home and personal care, cosmetics, food and beverage. JAB is led by its three founding partners, Peter Harf, Bart Becht and Olivier Goudet, each having an in-depth operational expertise and knowledge of the sectors in which they operate. JAB's strategy is to carefully select leaders in the consumer good industry, using long term strategic vision and capital to empower highly talented management teams to maximise growth and long-term value creation.

FFP'S INVESTMENT

Since 2012, with the support of the JAB Consumer Funds and other partners, JAB has made several acquisitions in the coffee and tea sectors, pursuing a market consolidation strategy. In December 2016, FFP made a $50 million commitment to JAB CF Global Brand I, giving FFP exposure to a diversified asset portfolio in the global coffee sector (Jacobs Douwe Egberts, Keurig Green Mountain, Peet's Coffee & Tea, Caribou) as well as bakery and restaurant chains in the USA (Panera, Krispy Kreme and Einstein Noah).

In December 2017, FFP committed to invest an additional $150 million in JAB CF Global Brand II, JAB's second co-investment vehicle, to continue supporting the growth strategy in the consumer goods sector. The first drawing on that commitment is expected take place in 2018 for the closing of the merger between Keurig Green Mountain and Dr Pepper Snapple, announced on 29 January 2018.

Roompot	Netherlands-based Roompot develops, owns and operates holiday residences and campsites. It is the leading player in the Dutch market, where it owns properties mainly along the coast, and also operates to a lesser extent in Belgium and France. Its complexes attract almost 525,000 reservations per year, equivalent to 10.7 million nights of accommodation. In 2017, Roompot's revenue totalled €318 million. In November 2016, FFP invested €11 million when the company was acquired by PAI Partners.
AmaWaterways	AmaWaterways is a family-controlled company that has been organising luxury river cruises, mainly in Europe and for English-speaking holidaymakers, for 16 years. AmaWaterways operates 19 vessels that sail on the Danube, Rhine, Moselle, Main, Rhône, Seine and Garonne rivers, along with waterways in Belgium and the Netherlands, the Douro, the Mekong in Southeast Asia and the Chobe in Africa. In May 2017, FFP invested $25 million as part of a consortium led by Certares, a US investment company operating in the travel and hotel sectors.
Lineage	Lineage Logistics is a market leader and North America's most dynamic player in temperature-controlled supply chain, offering integrated refrigerated storage and distribution solutions to the world's largest operators in farming, food processing and food distributors. Lineage operates one of only two large nationwide networks in the USA, with 105 refrigerated warehouses across 20 states, generating over €1 billion in annual revenues. FFP invested $25 million in March 2017 as part of the company's seventh fundraising round alongside BayGrove, a San Francisco based investment platform created in 2008 to consolidate this industry, with Lineage as sole investment.
CAPSA HEALTHCARE	Capsa Healthcare is a leader in the USA on several niche medical equipment markets. The company designs, manufactures and distributes mobile workstations, storage and dispensing tools and pill counters as well as automated solutions. These products are sold to 3,000 customers globally including hospitals, clinics, nursing homes and pharmacies. The group is the result of a series of acquisitions carried out since 2008 by the management led by Andrew Sherill, with the financial support of an American family. In September 2017, FFP invested $18m in the company's buy-out led by Levine Leichtman Capital Partners.
CIPRÉS Assurances	CIPRÉS Assurances, founded in 2000, is the leading French wholesale broker in life, disability and health insurance products for self-employed workers, managers and employees of small and medium-sized businesses. CIPRÉS designs, manages and distributes its insurance products through a network of 4,200 independent local brokers across France. The insurance risk is underwritten by insurance partners who benefit from CIPRÉS's innovation capabilities in niche markets that they do not address directly. CIPRÉS collected more than €207m of premiums in 2016, with net revenues of €65m. In July 2017, FFP invested €15 million when Apax Partners took control of the company.

www.immobiliere-dassault.com

BUSINESS

Immobilière Dassault is a SIIC (French listed real-estate investment company) that has a portfolio of high-quality properties in the centre and inner suburbs of Paris.

In the last few years, Immobilière Dassault has continued its policy of refocusing on prime office and retail properties. In 2017, it acquired a building used for retail, office and residential purposes at 16 rue de la Paix (2nd arrondissement of Paris) for €36 million excluding taxes and transfer duties), and began projects to renovate buildings including 127 Champs Elysées (8th arrondissement of Paris) and 16 rue de la Paix.

At constant scope, rental income rose 1.7% year-on-year to €16.1 million in 2017, and the occupancy rate is 98% (93% including 16 rue de la Paix).

The increase in the value of the company's portfolio (excluding transfer duties) positively impacted operating profit by €14.3 million in 2017. Net profit totalled €28.5 million. Management will propose an ordinary dividend of €1.24 per share to shareholders in the AGM.

FFP'S INVESTMENT

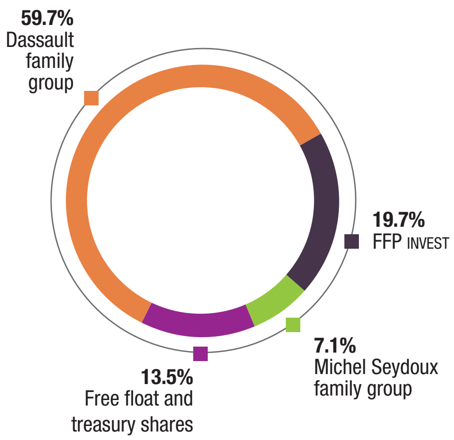
In the first half of 2006, FFP and the Dassault family decided to transfer part of their real-estate assets to Immobilière Dassault.

FFP INVEST owns 19.7% of Immobilière Dassault.

The value of the shareholding, for the purposes of Net Asset Value and the consolidated financial statements, is based on the share price at 31 December 2017.

Jean-Philippe Peugeot is a member of Immobilière Dassault's Supervisory Board.

OWNERSHIP STRUCTURE *(31/12/2017)*



MAIN FIGURES

(in millions euros)	2016	2017
Appraisal value of the real-estate portfolio	439	496
Net Asset Value per share (€)	53	54
Net profit	38	29
Dividend per share (€)	2.2	1.2*

* *Proposed to the AGM.*

1.9 Employee-related, environmental and social information

FFP intends to contribute, as a minority investor and responsible long-term shareholder, to its investees' value creation by combining economic development, social progress and efforts to minimise environmental impacts.

FFP strongly believes that taking into account environmental, social and governance (ESG) issues creates opportunities, and enhances the effectiveness and performance of its direct and indirect shareholdings.

Governance

In 2017, the company set up an operational ESG steering committee. This Committee brings together various representatives of functional and operational departments, i.e. Executive Management, the Legal Department, the Investment Department and the Financial Department. Its aim is to co-ordinate FFP's approach, make ESG criteria an integral part of FFP's activities and business lines, and disseminate and share best practice within the group.

Also in 2017, members of the Management Committee attended a half-day presentation of regulatory developments regarding non-financial reporting and a review of the responsible practices of FFP's direct and indirect investees.

ESG charter

In 2016, FFP adopted a Responsible Investor Charter. This charter sets out the values of the company and is the reference framework for the day-to-day work and actions of all staff and managers, in accordance with regulations in force. The charter is available on the FFP website.

As a minority shareholder, the company is not involved in the operational management of its listed or unlisted investees. However, FFP is represented in investees' governance bodies by having members on their Boards of Directors or Supervisory Boards. In this context, the company seeks to fulfil its responsibilities by ensuring that ESG issues are factored into investees' risk management and development, through constant dialogue with their management teams.

Investing responsibly

FFP assesses ESG risks and opportunities throughout the lifecycle of its direct and indirect investments.

DIRECT INVESTMENTS

- At the time of acquisition:

  When FFP is looking into acquiring a stake, it carries out due diligence on environmental and workforce-related issues on a case-by-case basis, depending on the company's risk profile.
- Working with companies over the long term:

  In 2017, FFP again sent CSR (corporate social responsibility) questionnaires to its direct and indirect investees. A brief presentation of the main CSR issues and highlights is set out below.

INDIRECT INVESTMENTS

In 2017, FFP made commitments to nine new private equity funds.

Six partner funds are already taking into account ESG criteria in the following way:

- four funds are signatories to the United Nations PRI (Principles for Responsible Investment). Accordingly, they have defined a certain number of ESG criteria and require their investees to carry out specific reporting, with the assistance of specialist consultants. Three asset managers publish an ESG annual report for their investors, setting out their in-house achievements during the year but also those of the companies they support;
- one fund specialises in the venture philanthropy sector. The capital gains generated by this fund finance the AlphaOmega foundation, which provides funding and skills to charities specialising in the education of disadvantaged young people in France, but also to develop a monitoring organisation focusing on disadvantaged young people in France;
- two funds that are not PRI signatories have adopted an in-house ESG charter;
- five funds have appointed a representative in charge of ESG matters;
- three funds (out of nine) have not yet factored in these ESG criteria because of the sectors in which they invest (e-commerce, software, digital etc.) and their investees' stage of maturity (start-ups or young SMEs).

FFP has also made supported three asset management companies focusing on sustainability, impact investing and venture philanthropy: Impact Partenaires, Alter Equity and Amboise Partners.

THE ALPHA DIAMANT II FUND'S ESG COMMITMENTS

In 2017, FFP committed €2 million to the €30 million Alpha Diamant II fund, managed by Amboise Partners (formerly Apax Partners). The capital gains achieved by this fund are used to finance the government-approved AlphaOmega foundation, which is pioneering venture philanthropy in France.

AlphaOmega was set up in 2010 by Maurice Tchenio, and its role is to help disadvantaged children and young people in France to achieve long-term independence through education and integration into the workforce. It works with charities doing effective work in these areas over the long term, based on venture philanthropy principles, giving them funding and skills-based support in order to increase their social impact and boost their development. At the same time, AlphaOmega is developing expertise in dealing with issues related to disadvantaged children and young people, in order to put forward proposals to the public authorities.

AlphaOmega currently supports five charities that in turn help more than 160,000 children and young people, mainly through 15,000 teachers and front-line workers:

- **Association Coup de Pouce:** preventing early academic failure;
- **Les Écoles de la 2e Chance (E2C):** integrating young people who have left the education system without any qualifications;
- **Entreprendre pour Apprendre (EPA):** introducing young people to entrepreneurship;
- **Association de la Fondation Étudiante pour la Ville (AFEV):** providing one-to-one support to young people experiencing difficulties;
- **Énergie Jeunes:** developing the academic resilience of secondary-school students from disadvantaged backgrounds.

In 2017, the AlphaOmega foundation made a decisive step forward by launching a €20 million Social Impact Bond, which should double its annual budget from €2 million to €4 million on average.

The foundation's aims for 2018 are to set up an AlphaOmega Think Tank, tasked with producing reports and devising proposals in the educational field, and to support our charities, focusing on measuring their impact in order to show how effective their actions are.

THE MONTEFIORE INVESTMENT FUND'S ESG COMMITMENTS

In 2016, FFP committed €10 million to the €441 million Montefiore IV fund managed by Montefiore Investment.

Since it was set up in 2005, Montefiore Investment has based its strategy on the conviction that taking into account ESG issues supports and accelerates the profitable growth of its investees, by enabling them to improve their cost control, make the most of their people and set themselves apart from their rivals.

A FORMAL APPROACH THAT IS STEADILY BEING STRENGTHENED

Montefiore Investment started formalising its ESG approach in 2013, with a dedicated team. The team aims to factor ESG criteria into each stage of the investment cycle:

- at the pre-investment stage, each new opportunity is analysed from the risk point of view, but also to define an improvement plan tailored to the company and its sector;
- ESG issues are then integrated into monthly business monitoring involving managers;
- at the exit stage, the progress made by the company is measured and highlighted.

A Montefiore ESG Charter setting out these principles was signed in 2013 by all members of the asset management team, who have also received specific training about the ESG approach and its implementation in practice. A formal analysis of all the I and II funds' investees has been carried out.

Montefiore Investment has also signed the United Nations Principles for Responsible Investment (UN PRI), and the AFIC Charter for Equity Investors.

Montefiore Investment reached another milestone in 2015 when it defined a set of practical indicators: 12 environmental indicators, 36 social indicators and 8 governance indicators. All investees provide these indicators annually, which form the basis for ESG reporting to investors. Another aim is to monitor companies' progress plans more effectively. An ESG officer was recruited for that purpose in 2016.

CONCRETE RESULTS

The concrete results achieved in the last few years include:

- a comprehensive energy audit conducted by European Camping Group, which has led to a sharp drop in energy consumption, including a 22% year-on-year reduction in gas consumption on a comparable basis in 2017;
- Voyageurs de Monde's ambitious policy of offsetting greenhouse gas emissions resulting from its business: since 2017, 100% of Voyageurs du Monde and Terres d'Aventure emissions have been offset;
- the adoption of a Citizen's Charter by Interflora, signed by all employees;
- major efforts by Evariste regarding safety at work, workforce integration and employee satisfaction;
- the pro-active approach taken by DSO regarding professional ethics and social responsibility, including an Ethics Charter signed by all employees and the company's commitment to integrating people into the workforce and combating over-indebtedness.

Holistic value creation

As a responsible investor and shareholder, FFP seeks to create value for society. It naturally aims to create economic and financial value (profits, shareholder value, innovation), but also workforce-related and social value (skills, wellbeing, local development) and environmental value (reducing carbon footprints, investing in renewable energies). FFP realises its social commitments by:

- investing over the long term;
- assisting the development of investee companies and creating indirect jobs;
- supporting the development of SMEs via its private equity business;
- contributing to the economic development of emerging-market countries through its investments in funds of funds;
- supporting social entrepreneurs by investing in two impact investing funds.

Ecosystem

FFP regularly engages in dialogue with its key stakeholders throughout the year: investees, staff, asset management companies, shareholders and co-investors, analysts, banks and supervisory authorities. The quality of these relationships means that FFP can conduct constructive discussions based on trust and transparency.

CSR at FFP

FFP operates in a competitive environment that is constantly changing. The commitment of its staff and their respect for the company's values help drive the company's overall performance.

SOCIAL RESPONSIBILITY

A small team

At 31 December 2017, the Company's headcount amounted to 22 (13 men and 9 women), including the Chairman and Chief Executive Officer and the Chief Operating Officer. All employees conduct their activities at the registered office and within the FFP Investment UK Ltd subsidiary.

In 2017, six new employees joined and two existing employees left the Company. The age range was between 31 and 67 years at 31 December 2017. With the exception of the Chairman and Chief Executive Officer, all employees hold a permanent employment contract. FFP had no temporary staff and one part-time employee at 31 December 2017. The Company has to abide by French legislation on the 35-hour work week. That said, the majority of its employees have manager status.

Training and professional development

Employees received 21 hours of training in 2017, mainly in the areas of finance, accounting and languages.

Organisation of working hours

The company did not experience any absenteeism problems among its staff in 2017.

There were no work accidents in 2017.

Remuneration and benefits

FFP's payroll amounted to €3,819,122 in 2017 (versus €2,660,898 in 2016) and social security costs totalled €2,185,904 (versus €1,644,126 in 2016).

Employees and corporate officers benefit from an incentive agreement. A sum of €129,400 was paid under this agreement in 2017. Every employee has the option to have some or all of his/her incentive bonus paid into a corporate savings plan and/or PERCO collective retirement savings plan managed by an external financial partner. The regulations of this PERCO plan were supplemented by an agreement entered into in 2015 pursuant to the "Macron act" no. 2015-990 on the forfait social (corporate social contribution).

FFP and Établissements Peugeot Frères, which together form an economic and social unit, held an election for an employee representative on 4 February 2016. The elected official was designated as a union representative, enabling FFP to enter into collective agreements. In 2017, amendments to the corporate savings plan and PERCO plan were signed and an amendment to the collective agreement introducing supplementary healthcare cover was also signed.

The other matters covered by decree no. 2002-221 of 20 February 2002 implementing article L. 225-201-1 of the French Commercial Code – i.e. health and safety, training, employment and the integration of disabled workers, social benefits and outsourcing – do not require any comments owing to the specific nature of the Company's activities and its limited headcount.

In accordance with article L. 225-102-1 of the French Commercial Code, the company adheres in its recruitment activities to the principles of combating discrimination and promoting diversity and, more broadly, with the International Labour Organization's Core Conventions.

Furthermore, because of FFP's activities as an industrial and financial holding company, the provisions of article L. 225-102-1 of the French Commercial Code on environmental and social reporting are not applied because they are not relevant to the company's internal operational arrangements. However, environmental and social issues are addressed by FFP as part of its investment policy by gradually taking into account environmental, social and governance (ESG) factors.

INVESTING RESPONSIBLY: CSR AT LISTED INVESTEES

In this section, please note the following:

As listed companies, Peugeot SA, SEB SA, LISI, ORPEA, SPIE, Immobilière Dassault and Tikehau Capital publish exhaustive information about their CSR/ESG approaches in their registration documents. Those policies are reviewed by independent third-party organisations in accordance with Grenelle II regulations.

The CIEL group, listed on the Stock Exchange of Mauritius and Swiss group DKSH, listed on SIX Swiss Exchange, are not subject to French CSR reporting regulations.

The information below is presented for information only and illustrates the main features of the responsible approaches taken by FFP's listed investees. The information comes from the CSR questionnaire that FFP sends to all its investees. As a responsible investor, FFP wants to boost the holistic value creation of all its investees and ensure that it continues over the long term.

Peugeot SA

CSR APPROACH

The PSA Group has had a CSR approach for many years. The group takes into account social, workforce-related and environmental changes within its ecosystem, and adjusts its strategy and adopts action plans as appropriate. The group's CSR commitment has become an integral part of its strategy.

In 2017, PSA revised its CSR materiality matrix. Seven macro risks were identified, which the group is committed to tackling as part of a global roadmap for achieving Sustainable Development Objectives: climate change; scarce resources; people's health and wellbeing; unequal economic development between regions; human rights and breaches of ethical rules; development of the group's people; and customer expectations and market risks. In relation to these macro risks, the group and its stakeholders have ranked 23 issues to be addressed by 2035.

In 2017, the group was ranked number one in the automotive sector by DJSI and Vigeo. It is a member of leading ESG indexes such as FTSE4Good and STOXX.

BUSINESS ETHICS

Compliance with the Sapin II act

The "compliance and internal control" organisation has been strengthened with the appointment of new compliance officers and the introduction of a new alert system. Employees at Opel – which the group acquired in 2017 – have been integrated into the system.

The group has bolstered its anti-corruption efforts, with publishing and globally implementing an anti-corruption code that forms part of its internal rules, preparing a risk map, and introducing a policy of due diligence with respect to its partners (including suppliers, customers, entities with which it co-operates, intermediaries and advisors).

Duty of vigilance

In accordance with regulations regarding the duty of vigilance, the group has introduced reasonable vigilance measures enabling it to identify and prevent risks across its value chain, distinguishing between two types of activities:

- those of the company and the companies it controls directly or indirectly;
- those of subcontractors or suppliers with which it has an established commercial relationship.

The vigilance plan includes the following measures:

- risk mapping;
- appropriate actions to mitigate risks and prevent serious breaches, including policies defined by departments regarding CSR issues and training for purchasing staff (supplier selection/training/sanction criteria);
- a system for receiving alerts and indications about the existence or realisation of risks;
- a system for monitoring measures adopted and assessing their effectiveness.

PROACTIVE APPROACH TO THE SUPPLY CHAIN

The purchasing department has identified a major risk of human rights violations among raw materials suppliers, particularly companies supplying cobalt for batteries. All battery suppliers have been alerted and asked about the following matters:

- the adoption of systems to manage this risk throughout their supply chain;
- entities in their supply chain that are involved in supplying cobalt;
- audit methods used to check their supply chain;
- alternative solutions proposed in the event that sourcing does not comply with the group's CSR requirements.

2017 HIGHLIGHTS

Environment: fighting climate change

The PSA Group is committed to reducing its emissions by 55% between 2012 and 2035. On its brands' websites, the group provides customers with a tool to calculate their real fuel consumption. That tool is the result of 18 months of testing on 60 vehicles, some 430 on-road trials and more than 40,000 km of driving, carried out in collaboration with the France Nature Environnement (FNE) and Transport & Environnement (T&E) NGOs, under the supervision of Bureau Veritas. This method of measuring fuel consumption in real-world conditions was rewarded with the ECOBEST prize in 2017.

In 2017, to support its aim of offering electric or hybrid versions of 80% of its models by 2023, the PSA Group set up a department focusing on electric vehicles and on 4 December 2017 announced an electric engine joint venture with Nidec Leroy-Somer. Under this agreement, work to design and produce the main components of the electric powertrain will take place in France.

Environment: air quality

In 2017, the PSA Group, again in collaboration with the Transport & Environnement (T&E) and France Nature Environnement (FNE) NGOs and Bureau Veritas, developed a protocol for measuring vehicles' NOx and particle number (PN) emissions that reflects customers' real usage of low-mileage vehicles. The first results – which, like the real fuel consumption figures, are being audited by Bureau Veritas – will be presented in the 2018 Geneva Motor Show.

Workforce-related: new global company agreement

The group entered into a number of collective agreements in 2017, with the aim of preparing for the future:

- at the global level, on 7 March 2017 the PSA Group, the IndustriALL Global Union and the IndustriAll European Trade Union signed a new global framework agreement regarding the group's social responsibility. The agreement reflects the PSA Group's desire to work with staff representatives around the world when preparing for the future, and to involve all employees in its global human resources policy. The aim is to create a common base regarding respect for fundamental human rights and workforce-related practices that are based on the expression of personal and collective talent;
- in France, the group celebrated the first anniversary of its New Momentum for Growth plan with staff representative bodies;
- in Germany, it signed the Social Framework Agreement for a Sustainable Future. Opel's "PACE!" turnaround plan was presented 100 days after the company was acquired from General Motors. A month later, a company agreement for Germany, allowing the PACE! plan to be implemented, was signed by Opel representatives, the General Works Council, the Works Council Bochum and the IG Metall union. The agreement includes measures that protect the company in the best interests of its employees.

QUANTITATIVE AND QUALITATIVE INDICATORS

Governance	2016	2017
Proportion of directors who are independent	50%	50%
Proportion of directors who are female	46%	46%
Number of Board meetings	9	8
Changes regarding the CSR Committee/Head of CSR		▪ Appointment of Karine Hillaireau, Head of Sustainability for the PSA Group and Managing Director of the PSA Foundation. ▪ An expansion of the CSR organisation was initiated to ensure the proper integration of Opel/Vauxhall into 2018 reporting.
Adoption of new frameworks		▪ Adoption of the Sustainability Accounting Standards Board (SASB) framework.

Workforce-related/social	2016	2017
Total workforce Male/female breakdown:	90,338 18.6% women	86,608 18.9% women.
Total number of training hours	1,569,000	1,647,000
Lost-time accident frequency rate	The accident frequency rate (including temp staff) was 1.16.	The accident frequency rate (including temp staff) was 1. That represents 143 lost-time accidents in 2017.
Accident severity rate	0.13	0.13
Incentive policy, including share ownership	An exceptional incentive payment was made to employees in France and bonuses were paid in other countries. €34 million was paid out across all employees. The CLPI (Collective Local Performance Incentive) is in force in European countries other than France, along with Turkey, Algeria and Japan.	The incentive agreement, resulting from concertation with staff representative bodies in France, was renegotiated and additional incentive payments were made in 2017. The CLPI (Collective Local Performance Incentive) was extended to new countries, i.e. Argentina, Chile, Mexico, China, Russia and Ukraine. "Accelerate" employee share *ownership plan*: the PSA Group carried out a new share ownership transaction reserved for employees. Employees in 15 countries had the opportunity to buy Peugeot SA shares at a reduced price. The €25 million plan was fully subscribed by 11,200 group employees.
Expenditure on corporate philanthropy/charitable donations	€10.3 million The PSA Group Foundation's expenditure amounted to €1.5 million in 2016.	In 2017, the PSA Group Foundation spent €2.3 million on general interest initiatives: 58% to promote integration, 33% to promote education and culture and 9% to support disabled people.

Environment	2016	2017
Water consumption	8,222,483 m^3 i.e. 3.81 m^3 per vehicle produced.	7,901,351 m^3 i.e. 3.43 m^3 per vehicle produced.
Energy consumption	4,401,974 kWh i.e. 2.06 MWh or 276 kg of CO_2 equivalent per vehicle produced.	4,456,338 kWh i.e. 1.96 MWh or 259 kg of CO_2 equivalent per vehicle produced.
Greenhouse gas emissions Scope 1 and 2	610,658 tonnes of CO_2 equivalent	609,285 tonnes of CO_2 equivalent.
% of waste recovered/recycled	The amount of waste per car produced continued to fall to 47kg in 2017, with hazardous waste falling even more sharply (-9.8%). Waste recovery rate: 79%	The waste recovery rate was 81%. The amount of waste per car produced (excluding smelting waste) was 49 kg. The amount of hazardous waste produced continued to fall (by 0.3 kg/car).
Eco-design approach/developments in 2017	44.6% of all cars sold covered by LCAs.	45.5% of all cars sold covered by LCAs.

More details on the PSA Group's commitments can be found in its Registration Document.

GROUPE SEB

SEB SA

CSR APPROACH

For many years, SEB has been using an approach that is ethical, economically profitable, socially fair and environmentally responsible. The group has a three-year roadmap to address 20 priority issues identified in its materiality matrix.

BUSINESS ETHICS

Compliance with the Sapin II act - Duty of vigilance

The SEB group's ethical code clearly states management's requirements regarding efforts to combat corruption. The various aspects of the ethical code are included in the internal audit manual and are checked during site audits (38 entities were covered by audit work in 2017 out of a possible 79).

The whistleblowing procedure was reviewed in 2017 in order to comply with new regulations. It sets out in much greater detail the steps that must be followed, the people to contact, the information to provide, the way in which the alert is treated, the confidentiality rules and the protection measures for whistleblowers. The new procedure has been applicable since the start of 2018 and can be accessed by employees on the Group intranet. In 2017, no alerts were sent to the dedicated whistleblowing email address.

In 2017, several countries organised ethics awareness-raising/training sessions, including Colombia, where 100% of employees took part, and Egypt. To give fresh impetus to communication efforts regarding the ethics code, the Group has devised a dedicated e-learning programme. It consists of six modules covering the 18 topics of the ethics code. The programme will form part of the mandatory training that all of the Group's new employees with internet access must undertake. Employees without internet access must attend classroom-based training regarding the ethics code.

2017 HIGHLIGHTS

CSR approach: top prize in the ESSEC 2017 awards

In early 2017, the Group's CSR approach was recognised with the Responsible Consumer Industries CSR prize awarded by ESSEC Business School in partnership with France's Ministry of the Economy, Industry and the Digital Sector. The SEB Group was nominated in all six of the seven award categories it entered, including sustainable consumption methods, reducing the carbon footprint and social responsibility. The Group also won the "end-of-life product" award because of its commitment to ensuring that its products can be repaired for 10 years.

Environment: focus on recycled materials

The SEB Group is using increasing amounts of recycled materials in its products. Since 2014, it has been stepping up its work on integrating recycled plastics into its products, driven by its Purchasing, Quality, Standards Environment and Research departments: collaboration with recyclers to improve the quality of the plastics concerned, checks on their regulatory compliance, injection and prototype testing, trial runs and so forth. In particular, it has set up a circular economy for small household appliances in France with Veolia and Eco-systèmes. This co-operation resulted in the 2015 launch of a steam generator whose shell is made from polypropylene produced from recycled electrical and electronic appliances, which represents a first for the group. Compared with virgin plastic, the recycled plastic used to make this product reduces its climate-change impact by almost 70%. The group is also engaging in further discussions with other recyclers in order to achieve greater expertise. Internally, it is focusing training and awareness-raising efforts on the teams concerned (design department, laboratories, quality, marketing, etc.). At the end of 2017, for products made in-house, the SEB group had already exceeded its 2020 target of including 20% recycled materials in its new products, achieving a figure of 37%.

LONG-STANDING COMMITMENT TO RESPECTING HUMAN RIGHTS

Respect for human rights is an integral part of the Group's governance. In 2007, the Group decided to assess the human rights practices used by staff in its subsidiaries consisting of more than 10 people. These self-assessments were performed around every two years and covered almost 99% of staff. They led to remedial action plans where necessary. In 2015, the SEB group reached a new milestone by applying the same ethics, social and environmental audit system applied by its suppliers (WCA - Workplace Condition Assessment) to its manufacturing sites in risky areas. This audit system, shared with the Group's suppliers, allows the Group to establish external comparisons and generate audits that customers can inspect. In 2017, eight sites were audited in Russia, China, Colombia and Vietnam. Five of those sites achieved an overall compliance score of over 80%, and no instance of "zero-tolerance" non-compliance was found. The three sites that achieved a score of below 80% have implemented a remedial action plan. Four sites qualified for Intertek's Achievement Award (AA), with a compliance score of over 90% and no major instances of non-compliance: Vostok in Russia, Yuhuan and Wuhuan in China and Rionegro in Colombia.

QUANTITATIVE AND QUALITATIVE INDICATORS 2017

Governance	2016	2017
Proportion of directors who are independent	33%	33%
Proportion of directors who are female	33%	43%
Number of Board meetings	9	7
Changes regarding the CSR Committee/Head of CSR		NA

Workforce-related/social	2016	2017
Total workforce Male/female breakdown	25,985 Men: 60.1% Women: 39.9%	30,943 employees in 2017 Men: 58.1% Women: 41.9%
Total number of joiners Total number of leavers	12,367 12,157	12,966 13,022
Total number of training hours (group)	401,810	489,628
Lost-time accident frequency rate Accident severity rate	1.8 0.10	1.5 0.07
Number of ethical, workforce-related and environmental audits carried out among suppliers worldwide	153	177 initial supplier audits in Asia, South America and Europe. One supplier was removed from the list following these audits. Suppliers obtaining a score below 50 undertook remedial action. 58 monitoring audits were carried out in 2017.

Workforce-related	2016	2017
Incentive policy, including share ownership		The Group has been giving employees an interest in its financial results for more than 50 years. In France, 50% of all incentive payments made by the Group is split equally between all employees in France. At the end of 2017, the number of employees who directly own shares (shares managed directly by the Group's shareholder department) was 885, in addition to 1,297 former employees.
Expenditure on corporate philanthropy/charitable donations	€2,476,636	€2.67 million.

Environment	2016	2017
Water consumption (m^3)	3,338,000	3,531,500 m^3 The increase in consumption was due to higher production levels at some sites.
Energy consumption (kWh)	Natural gas = 224,900 Electricity = 355,600	233,500 kWh 366,600 kWh The increase in consumption was due to higher production levels at some sites.
Greenhouse gas emissions	207,155 tonnes of CO_2 equivalent.	210,456 tonnes of CO_2 equivalent Greenhouse gas emissions rose 1.64% in 2017 because of higher energy consumption. As regards volatile organic compounds (VOCs), the SEB group carries out periodic checks on its emissions. It has spent several million euros on reducing these emissions at its most affected sites. That money has been spent on treating emissions but also on a full overhaul of processes, resulting in a sharp reduction in VOC emissions.
Waste management	68.8% of non-hazardous waste recycled.	72.5% of non-hazardous waste sent for recycling.
Eco-design approach/developments in 2017	New products contain 37% recycled materials.	The group adopted an eco-design approach in 2013. Three new product environmental profiles were distributed in 2017, concerning vacuum cleaners, pressure cookers and hair straighteners. That increases the number of environmental profiles to eight. New products contain 37% recycled materials.

More details on SEB SA's commitments can be found in its Registration Document.

ORPEA GROUPE

ORPEA

CSR APPROACH

Ethics and respect for the person are central to ORPEA's business plan. As well as the technical aspects of its care services, ORPEA staff have an ongoing focus on ethics, quality of care and supporting residents and patients at its clinics and nursing homes (long-term care facilities).

BUSINESS ETHICS

Compliance with the Sapin II act and the duty of vigilance act

The Audit, Risks, Internal Control and Compliance department has been strengthened to address the company's new issues in terms of risk management. The department has two strategic sections: a permanent control section (with Risk Management and Internal Control/Compliance) and a periodic control section (with Internal Audit).

The ORPEA group has adopted an approach aimed at ensuring and encouraging ethical behaviour that meets strict integrity rules. That commitment has resulted in the implementation of a risk-management strategy and an anti-corruption compliance programme. In practical terms, the group has taken the following measures:

- **mapping non-compliance risks** in France and other business units such as Germany. The map was produced by the Internal Control department with the help of an external consultancy;
- **preparing a Code of Conduct** that defines and illustrates the various types of behaviour to be encouraged or prohibited. The Code of Conduct is due to be presented to staff representative bodies and to the French labour inspectorate in the first quarter

of 2018. It will then be incorporated into the company's internal rules, before being disseminated to all staff members in France and the various business units;

- **setting up a system of disciplinary measures** for those failing to comply with the Code of Conduct. These provisions are set out in the company's internal rules, which are currently being revised by the Human Resources department;
- **developing a whistleblowing process:** the Audit, Risks and Internal Control department has identified a service provider to set up a whistleblowing system in France and in each business unit. The solution proposed by the service provider is currently being assessed with a view to deployment in the first quarter of 2018;
- **adopting a third-party verification procedure:** the ORPEA group has introduced reputation surveys relating to third parties as part of its development in France and abroad, along with an accreditation policy for significant suppliers. The group is also working to introduce procedures relating to due diligence compliance. The assessment approach will consist of mapping all third parties and then, for each category identified, applying assessment procedures that are suited to their specific features and risks. Assessments will be performed before any relationship formally begins, and they will be updated periodically.

2017 HIGHLIGHTS

Workforce-related: prevention of psychosocial risks

ORPEA has introduced a new training module for all managers on the theme of "Understanding and managing a facility while developing a strategy for anticipating psychosocial risks". The aim is to use the training to give managers tools and knowledge that enable them more effectively to anticipate possible difficulties in terms of team management and to understand how a facility works.

Workforce-related/social: Innovating to improve patient wellbeing

- Therapy through virtual reality

This technique originated from cognitive behavioural therapy and consists of immersing the patient in a virtual environment that relates to his/her disorder. Controlled, gradual exposure to virtual reality is supervised by a psychiatrist, who helps patients to discover their automatic thoughts and to control their emotional responses. Virtual reality is also used by teams from ADHAP Services (the home care division of the ORPEA group) in order to raise awareness about the effects of ageing and the loss of independence. The "virtual age" headset is an ageing simulator: users experience the difficulties and risks that 87-year-olds encounter every day because of their physical and cognitive limitations. The aim is to show how to make adjustments in the home and how to help a vulnerable elderly person improve their day-to-day lives.

- Austria: "Fit & Mobile 77 +" programme

Based on a pilot study carried out with the Paracelsus private medical university in Salzburg, this programme has been set up in 15 SeneCura long-term care facilities in Austria to improve residents' muscular strength, stamina, co-ordination and balance. This fitness programme gradually builds up stamina and residents are assisted by specialist instructors. It has been found to have positive effects on residents' mobility, nutritional status, physical function, day-to-day activities and independence. It improves their sense of wellbeing and has helped to create connections and promote interaction with the village's inhabitants, since those aged over 77 can take part in the programme free of charge.

- Belgium: drama therapy for both residents and carers

After six months of therapeutic workshops supervised by a professional director, 12 residents with Alzheimer's diseases and six staff members performed a play lasting one and a half hours. When supporting these residents, the team took into account factors including self-image and identity, other people's point of view, verbal and non-verbal communication and the loss of spatio-temporal bearings.

QUANTITATIVE AND QUALITATIVE INDICATORS

Governance	2016	2017
Proportion of directors who are independent	66%	73%
Proportion of directors who are female	36%	40%
Number of Board meetings	8	9

Workforce-related/social	2016	2017
Number of projects carried out by the psychological unit	26 projects in 23 facilities.	32 projects in 31 facilities.
Number of employees supported by the psychological unit	246	270
Incentive policy, including share ownership	Bonus share plan for 32 executives loyal to the group. Vesting of shares dependent on meeting both presence and performance conditions.	New bonus share plan for corporate officers based on performance criteria.

More details on the ORPEA group's commitments can be found in its Registration Document.

SPIE

CSR APPROACH

SPIE has been committed to “Corporate Social Responsibility (CSR)” actions, particularly in the fields of diversity, skills development, health and safety, green economy and responsible purchasing for some ten years now. SPIE’s CSR policy is organized around 4 key areas: social, economy, society and environment. Each of these key areas is broken down into three themes. The objective is to enable all stakeholders, including employees and clients, to have a clear and overall vision of SPIE’s CSR commitments:

- Environment: the group strives to reduce its carbon footprint as well as those of its clients and partners thanks to its internal actions and involvement in green economy projects;
- Workforce-related: the group cares for its employees by striving to provide a safe work place, offering training and career progression opportunities, and fostering constructive industrial relations;
- Economy: SPIE seeks economic performance through strong business ethics, mutual trust and long-term relationships with all of its stakeholders;
- Social: the group encourages its people to devote some of their time to promoting sustainability.

2017 HIGHLIGHTS

Environment: carbon audit for direct emissions

Carbon audit covering the energy consumption of SPIE’s vehicle fleet and sites and a plan of action in response to the audit:

- efforts to optimise the vehicle fleet and its fuel consumption;
- discussions regarding buildings;
- promotion of eco-friendly behaviour among employees;
- waste collection and recycling.

Social: evaluation by independent third-party EcoVadis

In 2017, any supplier signing a framework contract with a Group entity and whose revenue with SPIE exceeds a certain level in a given country must undergo a prior evaluation by EcoVadis. Suppliers with a score of less than 37% – which account for around 3% of SPIE’s purchasing at the date of this report – must put in place a progress plan that is overseen by a Commodity Manager and formalised in the EcoVadis system, and undergo another evaluation at the end of the plan. The aim is to monitor improvements using this platform.

QUANTITATIVE AND QUALITATIVE INDICATORS

Governance	2017
Proportion of directors who are independent	62% (excluding the director representing employees and the director representing employee-shareholders).
Proportion of directors who are female	55% (excluding the director representing employees).
Number of Board meetings	9
Changes regarding the CSR Committee/Head of CSR	Change in the group head of HR who co-ordinates the CSR committee.

Update of the code of ethics, particularly in order to comply with the Sapin II act	Strengthening procedures relating to anti-corruption risks
Description of the policy/vigilance plan implemented to comply with the French duty of vigilance act	Supplier risk map

Workforce-related/social	2017
Total workforce Male/female breakdown: Employees on permanent and fixed-term contracts and temporary staff	46,650 Men: 87% Women: 13% 82% on permanent contracts, 18% other including 44% temporary staff.
Total number of joiners Total number of leavers	8.61% 12.56% turnover excluding internal transfers.
Total number of training hours	600,479
Lost-time accident frequency rate Accident severity rate	6.18 (per million hours worked) 0.22
Incentive policy, including share ownership / developments in 2017	2 employee share ownership plans in 2011 and 2015 1 bonus share plan in 2016.

Environment	2017
Energy consumption	Electricity: 54 million kWh Gas: 81 million kWh.
Greenhouse gas emissions	155,000 tonnes of CO_2 equivalent
Waste collection	Partnership with environmental organisation Récylum, which specialises in managing and collecting WEEE (waste electrical and electronic equipment). 178 tonnes of WEEE collected.

More details on SPIE's commitments can be found in its Registration Document.

lisi

LISI

BUSINESS ETHICS

Compliance with the Sapin II act and the duty of vigilance act

LISI has developed a programme and plan of action to meet its obligations relating to the duty of vigilance and the Sapin II act. The group has prepared an anti-corruption code of conduct and is setting up a whistleblowing system to make it easier for staff to disclose information. Work to assess the level of corruption risk will eventually be integrated into the existing risk map. An Ethics/Compliance Committee has been set up to oversee the process.

2017 HIGHLIGHTS

Environment, health and safety: certification underway

ISO 14001 and OHSAS 18001 certification for the group's entire operational scope. An audit took place in November 2017, resulting in a positive response by the certification body. The certification committee will meet in March 2018 and is very likely to deliver the official certificates relating to these two standards.

CSR framework

Start of a pilot ISO 26000-compliant CSR procedure at the Saint-Ouen-l'Aumône site. The procedure will be analysed to determine how it could be rolled out across the group's other entities.

QUANTITATIVE AND QUALITATIVE INDICATORS

Governance	2016	2017
Proportion of directors who are independent	23.08%	28.6%
Proportion of directors who are female	31%	36%
Number of Board meetings		5

Workforce-related/social	2016	2017
Total workforce Male/female breakdown:	11,587 Men: 79% Women: 21%	11,958 (including the integration of Termax) Men: 73% Women: 27% (without the integration of Termax).
Total number of joiners Total number of leavers	1,394 1,211	1,675 1,718
Total number of training hours (group)	273,500	244,419
Lost-time accident frequency rate Accident severity rate	8.74 0.26	7.43 0.24
% of employees based in France	55%	54%
Incentive policy, including share ownership		€14 million.

Environment	2016	2017
Water consumption (m^3)	913,882	866,303
Energy consumption (MWh) Electricity/heating	471,582	492,065
Greenhouse gas emissions in tonnes of CO_2		512,252
Waste management	95.2% of waste sorted	95.5% of waste sorted 63.1% of waste recyclable 56.1 kg of waste per €1,000 of value added, 3% less than in 2016.

More details on LISI's commitments can be found in its Registration Document.

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Tikehau Cwal

ESG APPROACH

Tikehau Capital is a signatory to the United Nations' Principles for Responsible Investment (UN PRI), through which it has undertaken to analyse ESG criteria throughout the lifecycle of its investments.

To speed up its efforts, Tikehau Capital recruited a manager focusing on CSR and ESG matters in 2017.

2017 HIGHLIGHTS

Continuing to factor ESG into investment processes

The collection of ESG data has been formalised through a questionnaire for private debt activities (for funds with more than €100 million of assets under management) and private equity activities (for holdings where the amounts invested exceed €10 million). The ESG questionnaire includes 16 questions aimed at assessing governance, along with investees' workforce-related and environmental policies.

From 1 January 2018, the private debt and private equity teams must include an ESG clause in all of their investment-related contracts. This clause requires companies to commit to continuous improvement and to provide ESG information on an annual basis.

Several working parties have been set up to review and improve the ESG scoring schedules for each business, including the development of a new tool for real-estate activities and liquid credit strategies.

Limiting the group's environmental footprint

To limit its environmental footprint, the Tikehau Capital group adopts sorting, collection and recycling of its waste – paper, cardboard, plastic, metal, coffee capsules, etc. – where the local infrastructure permits. In 2017, the Paris office avoided more than 2,700 kg of CO_2 and preserved 86 trees. The group has also carried out a carbon audit covering scopes 1 and 2. The environmental footprint of liquid funds at 31 December 2017 will be made public in February 2018, which means that scope 3 will be partially covered.

QUALITATIVE AND QUANTITATIVE INDICATORS

Governance	2016	2017
Proportion of directors who are independent		63.6% on the Supervisory Board Tikehau Capital's Supervisory Board was formed after the company became an SCA (limited partnership with shares) as part of the reorganisation of the Tikehau Capital group that was initiated in 2016.
Percentage of Supervisory Board members who are female		45.5%
Number of Board meetings		4

Workforce-related/social	31/12/2016*	31/12/2017*
Total workforce (permanent contracts for the group) Male/female breakdown:	138 57.2% male 42.8% female	196 63.8% male 36.2% female
Total number of joiners Total number of leavers	36 16	84 31
Total number of training hours	760	1,575
Lost-time accident frequency rate Accident severity rate	None	One accident, resulting in 5 days of lost time.
Incentive policy, including share ownership	Second bonus share plan at the Tikehau IM level: 636 shares granted	First bonus share plan at the Tikehau Capital level: 716,760 shares granted.
Expenditure on corporate philanthropy/charitable donations	Around €210,000	Around €210,000

* *Unaudited – consolidated scope (including 13 permanent employees at the Credit.fr subsidiary at 31/12/2017) + Tikehau Capital Advisors staff.*

More details on Tikehau's commitments can be found in its Registration Document.

Immobilière Dassault

Immobilière Dassault uses experts to carry out mandatory analysis work and seek HQE (high environmental quality) certification, with the aim of enhancing the environmental performance of its real-estate portfolio. After obtaining its first HQE tertiary building certification for the programme and design phases of its building at 230 boulevard Saint-Germain in 2014, Immobilière Dassault obtained HQE tertiary building certification for the construction phase in 2015.

QUANTITATIVE INDICATORS

Governance	2016	2017
Proportion of directors who are independent	40%	50%
Proportion of directors who are female	40%	40%
Number of Board meetings	5	6

Workforce-related/social	2016	2017
Total workforce Male/female breakdown:	6 33% male 67% female	6 33% male 67% female
Total number of joiners Total number of leavers	N/A N/A	1 1
Total number of training hours	100	126

More details on Immobilière Dassault's commitments can be found in its Registration Document.

CIEL

CSR APPROACH

CIEL has set up a group-wide sustainability policy that has five aspects: commercial ethics; fair working practices and respect for human rights; environmental responsibility; responsible design, planning and purchasing; and stakeholder satisfaction and commitment. The group published its first integrated report in 2017.

2017 HIGHLIGHTS

Group level

CIEL's commitment to responsible investment

In line with its sustainability strategy, CIEL Limited has adopted a responsible investment policy. That policy consists partly of adopting the Exclusion List of the EDFI (European Development Finance Institution) and the Performance Standards of the SFI (Sustainable Forestry Initiative), which are defined as CIEL's minimum requirements with respect to the group's main subsidiaries. The policy concerns mergers and acquisitions, along with all new projects, and requires prior assessment of environmental and workforce-related risks relating to new investments and acquisitions.

Social integration the focus for the 10th Ferney Trail

3,500 runners took part in the most recent CIEL Ferney Trail run, which focused on promoting social integration in 2017. CIEL Ferney Trail joined forces with Inclusion Mauritius, an NGO that brings together 12 charities working for children suffering from mental disabilities. Around 30 young people took part for the first time in a sporting event that was not exclusively reserved for them. Each of them ran the 4km course accompanied by a CIEL employee.

Textiles business: CIEL joins the Sustainable Apparel Coalition (SAC)

CIEL Textile has joined the Sustainable Apparel Coalition (SAC), an organisation that brings together participants in the apparel industry including retailers, manufacturers, suppliers, academic institutions and NGOs. Its aim is to identify and measure their impact at the industry level. The SAC has developed the Higg Index, a measurement tool that allows the textile industry to gain a better understanding of social and environmental impacts across its value chain. By using the Higg Index, CIEL Textile intends to improve its responsible practices and to meet the expectations of its customers and consumers in terms of social and environmental transparency and performance.

Agro & Property business: the pink pigeon restored to its natural habitat in the Vallée de Ferney

The pink pigeon is a rare bird that is endemic to Mauritius, and in 2017 some of these birds were released into the Vallée de Ferney nature reserve by the Minister of Agro-Industry and Food Safety, in the presence of around 50 guests. This initiative has increased the number of endemic birds, of several species, in the Vallée de Ferney to 150, helping to preserve Mauritius' biodiversity.

The project, implemented by the Mauritian Wildlife Foundation, is partly supported by a public-private partnership between the Mauritius government and the CIEL group, working with the National Parks and Conservation Services.

Hotels & Resorts business: Sun Resorts' commitment to sustainable tourism acknowledged

Earthcheck is one of the leading certification organisations regarding environmental performance in the hotel sector. It has awarded Silver certification to the four Sun Resorts hotels in Mauritius. This acknowledges the hotels' willingness to adopt responsible practices as part of a continuous improvement approach.

Finance business: giving priority to business ethics

The CIEL group's two banking entities are aware of how important ethics are in the financial sector, and have increased their commitment to governance and business ethics. Both entities have worked on their "Corporate Culture & Values": one entity has adopted a formal business project called Vision 2020, jointly devised with employees, and the second entity has implemented an ethical whistleblowing procedure.

Healthcare business: encouraging interaction within medical teams

Two of the group's hospitals on Mauritius have adopted an initiative that gives care staff the opportunity to meet and talk to each other on the last Friday afternoon of every month, to celebrate formal events (religious or national holidays) or less formal ones (birthdays). The hospitals have a separate budget for organising these events, which are intended to promote team-building.

QUANTITATIVE AND QUALITATIVE INDICATORS

Governance	2017
Publication/update of a group code of ethics	Each entity develops its own code. CIEL has updated its code of ethics and made it available to its subsidiaries via the website.

Workforce-related	2016	2017
Total workforce Male/female breakdown:	30,000 employees	Around 35,000 employees.
Grant to the CIEL Nouveau Regard foundation		MUR7.5 million, coming from all group companies.
Number of people benefiting directly and indirectly from the CIEL Nouveau Regard foundation		Directly: 1,500 Indirectly: 5,050

DKSH

GOVERNANCE

DKSH has set up a project team made up of representatives from its main functional departments, i.e. supply chain, legal and compliance, HR, finance and communications. The group has published a code of ethics, which is available on its website. It provides regular anti-corruption training as part of its standard procedures. In 2017, DKSH France received Gold accreditation from EcoVadis, which gives companies an overall score based on four social responsibility themes, i.e. environment, workforce-related, business ethics and responsible purchasing.

BEST PRACTICE

Workforce-related: formal HSE policy

DKSH adopted a formal HSE (health, safety and environment) policy at the group level in 2017. The initiative shows its desire to adopt a structured approach. DKSH is currently preparing standardised reporting relating to indicators concerning health and safety at work.

Workforce-related: focus on training

DKSH is a provider of services, and so its people are key assets. In order to foster loyalty among its talented staff members and help them develop, the group has set up an internal training centre called the DKSH Fantree Academy. In 2017, DKSH offered 30 new training modules focusing on essential skills, which attracted three times as many participants as in 2016. 9,000 employees took a training course in 2017 as opposed to 5,500 in 2016. Training is provided by 250 certified training staff.

Environment: reducing CO_2 emissions in Vietnam

- DKSH Vietnam uses an innovative method to eliminate waste in its healthcare activities. The process considerably reduces CO_2 emissions and has been acknowledged with an award from INSEE Ecocyle, a leading waste management firm in Vietnam.
- DKSH Vietnam has installed an LED smart lighting system. The initiative has enabled it to reduce energy consumption by almost 90%, saving around 300 tonnes of CO_2 per year.

Social: putting the emphasis on play with the “Right to Play” foundation

As a leading player in the development of Asian markets, DKSH also supports the development of local communities through its “Right to Play” foundation, which seeks to harness the energy of play to develop children’s skills. In 2017, the foundation organised three “Play Days”. Activities took place in several locations, each of which welcomed around 100 children on average. The educational activities sought to encourage children to work together, to manage their emotions and to set targets. Each year, the DKSH group makes grants totalling around €400,000 to charitable organisations.

INVESTING RESPONSIBLY: CSR AT UNLISTED INVESTEES

In this section, please note the following:

FFP-Les Grésillons, Financière Guiraud SAS and SCA Château Guiraud are controlled by FFP via its wholly-owned subsidiary FFP INVEST. Owing to the non-material nature of this collection of companies within FFP's portfolio, the provisions of article L. 225-102-1 of the French Commercial Code on employee-related, environmental and social information were not applied because they are not relevant.

Total Eren and Louis Dreyfus Armateurs are also part of FFP's portfolio.

The information below is presented for information only and illustrates the main features of the CSR approaches taken by FFP's non-listed investees. The information comes from the CSR questionnaire that FFP sends to all its investees. As a responsible investor, FFP wants to boost the holistic value creation of all its investees and ensure that it continues over the long term.

Château Guiraud

Château Guiraud was the first of Sauternes' "grands crus classés" to receive AB organic certification in 2011. That followed a three-year process of converting to organic methods, and 100 hectares now have AB certification.

The benefits of organic methods for Château Guiraud include more environmentally friendly practices, increasing biodiversity over the years, a terroir that is reasserting its unique identity, and staff who are handling much less toxic products. For customers, the main benefit is that they are drinking wine that contains no pesticide residues. Organic methods also improve quality, with wines that express the full potential of the terroir. The organic approach is only part of Château Guiraud's environmental protection policy, which seeks to achieve ongoing reductions in inputs and to replace phytosanitary products with plants.

2017 HIGHLIGHTS

Workforce-related

Château Guiraud replaced some agricultural equipment to make working conditions less arduous, buying a easier-to-use high-clearance tractor with a vibration-reducing cabin. Existing tractors were also equipped with vibration-reducing cabins that also feature air-conditioning and heating.

In terms of winegrowing work, Château Guiraud is gradually replacing its secateurs with more ergonomic and lighter models.

Development of the wine tourism business

In 2017, Château Guiraud recruited a communication officer in charge of social media and website redevelopment.

The opening of a restaurant in the château's chapel in 2018 will allow visitors to continue their Château Guiraud experience by enjoying cuisine and a location that fit harmoniously with the Château Guiraud spirit.

Total Eren

STRATEGY AND GOVERNANCE

Total Eren develops, builds and operates photovoltaic and wind power facilities all over the world. It demonstrates the skills and agility needed to develop projects, along with the long-term vision required to be an independent producer of electricity from renewable sources. The preservation of natural resources is central to Total Eren's business plan, and it is developing its business mainly in countries where renewable energies are a competitive way of addressing growing energy needs.

2017 HIGHLIGHTS

Workforce-related: staff health and safety

Total Eren has taken out a EuropAssistance insurance policy covering employee travel. In some countries, Total Eren has formed partnerships with specialist companies and adopted specific safety arrangements (secure vehicles, accompaniment).

Social: respecting human rights

Total Eren's business relies on selecting local partners and developers that are committed to arranging for specialist companies (ADIT, Risks & Co) to carry out environmental impact assessments in almost all cases.

Total Eren also entrusts the construction, operation and maintenance of its wind and photovoltaic solar farms to internationally recognised companies, i.e. Vestas, Senvion and Siemens-Gamesa in wind power and TSK and Biosar in photovoltaic solar power. These companies are required to put in place all systems that ensure compliance with regulations and commitments formally adopted by the international community.

In some projects, Total Eren implements specific workforce-related and environmental accompanying measures, including reforestation and contributions to public amenities and infrastructure. Finally, most of its projects receive funding from multilateral institutions (IFC, FMO, Proparco etc.), which oversee the arrangements used for developments underway, and in those cases a specialist E&S (environmental and social) advisor is appointed by the banks.

INDICATORS AND KEY FIGURES

	2016	2017
Total workforce Male/female breakdown:	61 47/14	85 60/25
Joiners	11	24
Total amount invested in renewable energies	€32 million - approximate amount of equity investments, loans and advances granted by Eren Re and expenses incurred by Eren Re (net of revenue).	€140 million (gross amount invested).
Number of projects (wind, solar, hydroelectric) in operation	28	32
Number of projects under development	The group has several dozen projects under development, including around 10 at a very advanced stage.	The group has several dozen projects under development, including around 10 at a very advanced stage.
Main countries	France, Italy, Greece, Israel, India, Uganda, Brazil, Argentina.	France, Italy, Greece, Israel, India, Uganda, Burkina Faso, Brazil, Argentina, Egypt.

Louis Dreyfus Armateurs

Protecting the environment is a major objective of Louis Dreyfus Armateurs (LDA). Environmental risks at sea (pollution by hydrocarbons, toxic materials, waste and air pollution) and regulatory prevention measures applicable to vessels are set out in the MARPOL convention. LDA complies strictly with this international convention for the prevention of pollution from ships, and has developed emergency procedures for each of these risks. The company is also a signatory to the Charte Bleue, a charter that requires French shipowners to make protecting the environment and the seas a central part of their business and to ensure the safety and wellbeing of crew.

2017 HIGHLIGHTS

Business ethics

The group is currently finalising a code of conduct, which should be complete in the first half of 2018. The aim is to adapt the provisions of the Sapin II act to LDA's industrial environment and to practices in the shipping industry. Final discussions are underway with ADIT (Agence pour la Diffusion de l'Information Technologique) and AFA (Agence Française Anti-corruption).

Internal audits

All vessels have undergone an external audit – i.e. an International Safety Management audit by the country where the vessel is registered or by the country of the port during a call – or an internal audit by the QHSE (quality, health, safety and environment) department. In addition, the following head-office departments have been audited, and each of them is audited at least once every two years:

- New Ships;
- Crew Department;
- Technical Department (ship maintenance);
- IT Department;
- HR Department;
- General Resources;
- QHSE (audited by Bureau Veritas and France's Department of Maritime Affairs).

Accident rates in 2017

Accident frequency rate: 3.84 (3.28 in 2016).

Accident severity rate: 1.44 (0.47 in 2016).

The significant increase in the accident frequency rate in 2017 was due to adverse developments on a roll-on roll-off ship. That ship was subject to an enhanced audit and regular checks in order to reduce the accident frequency rate. Accidents on this ship were concentrated in early 2017 and started to decrease in the second quarter.

CORPORATE GOVERNANCE

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This chapter forms an integral part of the report on corporate governance referred to in article L. 225-37 of the French Commercial Code as amended by government order no. 2017-1162 of 12 July 2017 and reviewed by the Board of Directors at its meeting on 23 March 2018.

2.1 Composition of the Board of Directors at 31 December 2017

The Board of Directors has ten members, all of whom are French nationals. The members of the Board possess a mix of proven skills and expertise, particularly in industrial, financial and banking matters, which they apply consistently to make a highly informed contribution during discussions and the decision-making process.

Surname	First name	Position at FFP	Independent
Peugeot	Robert	Chairman and Chief Executive Officer	
Peugeot	Jean-Philippe	Vice-Chairman	
Peugeot-Roncoroni*	Marie-Hélène	Vice-Chairman	
Chodron de Courcel*	Georges	Director	◆
Gendry	Luce	Director	◆
Netter*	Dominique	Director	◆
Peugeot	Christian	Director	
Peugeot	Xavier	Director	
Soulard**	Patrick	Director	◆
Walbaum*	Marie-Françoise	Director	◆

* *Their reappointment will be proposed at the Annual General Meeting on 17 May 2018.*

** *His reappointment will not be proposed at the Annual General Meeting on 17 May 2018. The seat vacated by Patrick Soulard will be filled through the appointment of Anne Lange, subject to a shareholder vote at the Annual General Meeting on 17 May 2018.*

The AFEP-MEDEF Corporate Governance Code is the code to which the Company referred in the preparation of the Registration Document and which it actually applies. This code, which was revised in November 2016, is available in English at the following address: *http://www.afep.com/publications/code-afep-medef/.*

Pursuant to article L. 225-37-4 of the French Commercial Code, the provisions of the aforementioned Code that were not observed and the reasons why such was the case are indicated in the Registration Document, where appropriate.

Directors' independence

The criteria used to determine whether a director qualifies as independent are those laid down in the AFEP-MEDEF Corporate Governance Code.

Pursuant to the Company's Internal Rules, the Governance, Appointments and Remuneration Committee considers the independence of its directors every year. Each director's status is then reviewed by the Board of Directors.

At its meeting on 9 March 2017, the Board of Directors took the view that in the 2017 financial year the following members qualify as independent: Georges Chodron de Courcel, Patrick Soulard, Luce Gendry, Dominique Netter and Marie-Françoise Walbaum.

At its meeting on 6 July 2017, the Board of Directors duly noted that Georges Chodron de Courcel had served as a director for 12 years as of 2 June 2017. As such, he no longer qualified as an independent director under the criteria laid down by the AFEP-MEDEF Corporate Governance Code. Nonetheless, the Board decided that given the value of his contribution to the work of the Board, Georges Chodron de Courcel should continue to be considered as independent and to perform his duties as Chairman of the Governance, Appointments and Remuneration Committee until his corporate office ends, that is at the close of the Annual General Meeting of the shareholders on 17 May 2018.

Accordingly, the proportion of independent directors within the Company's Board of Directors came to 50% at 31 December 2017, a level compliant with the requirements of the AFEP-MEDEF Corporate Governance Code, which specifies a ratio of 30% for controlled companies.

Criteria for independence	Mr. Georges Chodron de Courcel[1]	Mr. Patrick Soulard[2]	Mrs. Dominique Netter	Mrs. Marie-Françoise Walbaum	Mrs. Marie-Françoise Walbaum
Not to be an employee or executive officer of the company, or an employee or director of its parent or of a company that the latter consolidates, and not to have been in such a position for the previous five years	✓	✓	✓	✓	✓
Not to be an executive officer of a company in which the company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the company (currently in office or having held such office for less than five years) is a director	✓	✓	✓	✓	✓
Not to be a customer, supplier, investment banker or commercial banker: ■ that is material to the company or its group; ■ or for a significant part of whose business the company or its group accounts	Though a former Chief Operating Officer of BNP Paribas SA, a company that has granted FFP three credit lines amounting to €197 million, the Board of Directors believes that he qualifies as an independent director based on: ■ his retirement from BNP Paribas in September 2014; ■ FFP's longstanding banking relationship with BNP Paribas SA; ■ the fact that these credit lines were obtained on an arm's length basis; ■ the existence of other credit lines provided by other banks: FFP has credit lines totalling €979.5 million available to it, which were granted on comparable terms and conditions; ■ the fact that it is normal for a holding company to have credit lines proportional to its activities.	✓	✓	✓	✓
Not to be related by close family ties to an executive officer	✓	✓	✓	✓	✓
Not to have been an auditor of the company within the previous five years	✓	✓	✓	✓	✓
Not to have been a director of the company for more than 12 years	The Board believes that he qualifies as independent, even though he has held office for over 12 years given the independence of mind and free thinking that he displays at Board meetings. His extensive knowledge of the Company's activities and the experience he has gained by serving on the Board have increased his freedom of expression and independent judgement. He is not influenced by any interest in the Company, which represents another token of his independence.	The Board believes that he qualifies as independent, even though he has held office for over 12 years given the independence of mind and free thinking that he displays at Board meetings. His extensive knowledge of the Company's activities and the experience he has gained by serving on the Board have increased his freedom of expression and independent judgement. He is not influenced by any interest in the Company, which represents another token of his independence.	✓	✓	✓

(1) *The reappointment of Georges Chodron de Courcel as a non-independent director will be proposed at the Annual General Meeting of the shareholders on 17 May 2018.*

(2) *The reappointment of Patrick Soulard will not be proposed at the Annual General Meeting of the shareholders on 17 May 2018.*

Application of the principle of the balanced representation of men and women on the Board of Directors

Women accounted for 40% of the members of the Board of Directors at 31 December 2017. This percentage was in line with the law of 27 January 2011 on the balanced representation of men and women on Boards of Directors and Supervisory Boards and on gender balance.

Implementation of the AFEP-MEDEF Code's "comply or explain" rule

Provision of the AFEP-MEDEF Code not observed	Full explanation
Independent directors Article 8.5: "*The criteria to be reviewed by the committee and the Board in order for a director to qualify as independent (...) are the following: (…) not to have been a director of the company for more than 12 years*"	The Board of Directors decided to set aside the requirement that directors who have served for more than 12 years should not be regarded as independent in respect of the 2017 financial year. The Board believes that Patrick Soulard and Georges Chodron de Courcel should be regarded as independent, even though they have held office for over 12 years given the independence of mind and free thinking they have displayed at Board meetings. Their extensive knowledge of the Company's activities and the experience they have gained by serving on the Board have increased their freedom of expression and independent judgement. They are not influenced by any interest in the Company, which represents another token of their independence. That said, the proposal submitted to a vote by shareholders at the Annual General Meeting on 17 May 2018 will be: ▪ to reappoint Georges Chodron de Courcel, but as a non-independent director, and ▪ not to reappoint Patrick Soulard.

Appointments held by corporate officers at 31 December 2017

Robert Peugeot

Born 25 April 1950 – French national

Chairman and Chief Executive Officer

Chairman of the Investments and Shareholdings Committee

Number of FFP shares held for his personal account at 31 December 2017: 10 shares
Date of first appointment to the Board of Directors: 28 June 1979
Year in which current appointment expires: 2021
Business address: 66 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Management expertise:
After graduating from Ecole Centrale de Paris and INSEAD, Robert Peugeot held various executive positions within the PSA Group. From 1998 to 2007, as a member of the Group's Executive Committee, he was in charge of Innovation & Quality. He is FFP's permanent representative on the Supervisory Board of Peugeot SA, chairs the Strategy Committee and is a member of the Finance and Audit Committee. He has led FFP's development since late 2002.

CURRENT APPOINTMENTS

FFP INVEST		G	Permanent representative of FFP, Chairman
FFP Investment UK Ltd		G	Director
Financière Guiraud		G	Permanent representative of FFP INVEST, Chairman
Établissements Peugeot Frères		G	Director
FAURECIA	◆		Director
Peugeot SA	◆		Permanent representative of FFP on the Supervisory Board
DKSH	◆		Director
Hermès International SCA	◆		Member of the Supervisory Board
Sofina	◆		Director
Tikehau Capital Advisors			Member of the Board of Directors
Sicav Armene		G	Permanent representative of Maillot I on the Board of Directors
SC Rodom			Manager
SARL CHP Gestion			Manager

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:
Peugeot SA, IDI Emerging Markets, Sanef, Zodiac Aerospace, Imerys, Holding Reinier.

◆ *Listed company.*
G *Company belonging to the same group as FFP.*

Jean-Philippe Peugeot

Born 7 May 1953 – French national

Director and Vice-Chairman

Member of the Governance, Appointments and Remuneration Committee

Member of the Investments and Shareholdings Committee

Number of FFP shares held for his personal account at 31 December 2017: 1,000 shares

Date of first appointment to the Board of Directors: 28 June 1979

Year in which current appointment expires: 2019

Business address: 66 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Management expertise:

Jean-Philippe Peugeot is a graduate of ISG Business School. He has spent his entire career with Automobiles Peugeot. He managed a commercial subsidiary of Automobiles Peugeot for eight years and Peugeot Parc Alliance for four years.

CURRENT APPOINTMENTS

Immobilière Dassault	◆	Member of the Supervisory Board
Établissements Peugeot Frères	G	Chairman and Chief Executive Officer
PSP Group	G	Chairman and Chief Executive Officer
Maillot I	G	Manager
Peugeot Frères Industrie	G	Chairman
Sicav Armene	G	Chairman and Chief Executive Officer

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Peugeot SA, Oldscool, Innoveox, LDAP.

◆ *Listed company.*

G *Company belonging to the same group as FFP.*

Marie-Hélène Peugeot-Roncoroni

Born 17 November 1960 – French national

Director and Vice-Chairman

Member of the Governance, Appointments and Remuneration Committee

Member of the Investments and Shareholdings Committee

Number of FFP shares held for her personal account at 31 December 2017: 10 shares

Date of first appointment to the Board of Directors: 19 December 2002

Year in which current appointment expires: 2018

Business address: 66 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Management expertise:

Marie-Hélène Peugeot-Roncoroni is a graduate of IEP Paris (Institute of Political Studies). She began her career in an international audit firm before taking on responsibilities in the PSA Group's finance, and industrial and human relations divisions. She is the permanent representative of Établissements Peugeot Frères on the Supervisory Board of Peugeot SA, Vice-Chairman and a member of the Asia Business Development Committee and of the Governance, Appointments and Remuneration Committee.

CURRENT APPOINTMENTS

Établissements Peugeot Frères	G	Director and Chief Operating Officer
Peugeot SA	◆	Permanent representative of Établissements Peugeot Frères on the Supervisory Board and Vice-Chairman
LISI	◆	Director
Sapar		Director and Chief Operating Officer
PSA Peugeot Citroën Foundation		Director and Vice-Chairman of the Board
Assurances Mutuelles de France		Director
Institut Diderot		Director
ESSO SAF	◆	Director
Sicav Armene	G	Director

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Member of the Supervisory Board of ONET, member of the Supervisory Board of Peugeot SA, permanent representative of Sapar on the Board of Directors of Immeubles de Franche-Comté.

◆ *Listed company.*

G *Company belonging to the same group as FFP.*

Georges Chodron de Courcel

Born 20 May 1950 – French national

Director

Chairman of the Governance, Appointments and Remuneration Committee

Member of the Investments and Shareholdings Committee

Number of FFP shares held for his personal account at 31 December 2017: 20 shares
Date of first appointment to the Board of Directors: 2 June 2005
Year in which current appointment expires: 2018
Business address: 32 rue de Monceau, 75008 Paris

Management expertise:
Georges Chodron de Courcel is a graduate of the École Centrale de Paris engineering science school and holds a degree in economic science. In 1972, he joined BNP where he held various positions in the finance department. Following the merger with Paribas, he was head of BNP Paribas Corporate and Investment Banking, then Chief Operating Officer of BNP Paribas from June 2003 until June 2014.

CURRENT APPOINTMENTS

GCC Associés SAS		Chairman
Lagardère SCA	◆	Member of the Supervisory Board
Nexans	◆	Director
SCOR Holding (Switzerland) AG		Director
SCOR Global Life Rückversicherung Schweiz AG		Director
SCOR Switzerland AG		Director
SGLRI (Scor Global Life Reinsurance Ireland)		Director

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

CNP (Belgium), BNP Paribas, BNP Paribas (Suisse) SA, BNP Paribas Fortis Bank, Alstom, Verner Investissements SAS, Exane (non-voting board advisor), Bouygues, Groupe Bruxelles Lambert (Belgium), Erbé SA (Belgium).

◆ *Listed company.*

Luce Gendry

Born 8 July 1949 – French national

Director

Member of the Investments and Shareholdings Committee

Chairman of the Finance and Audit Committee

Number of FFP shares held for her personal account at 31 December 2017: 10 shares
Date of first appointment to the Board of Directors: 9 June 2010
Year in which current appointment expires: 2021
Business address: c/o Rothschild – 23 bis avenue Messine, 75008 Paris

Management expertise:
A HEC graduate, Luce Gendry was Chief Financial Officer of the Générale Occidentale group, then of Bolloré, before joining Rothschild bank in 1993. As managing partner of the bank until 2011, she specialised in M&A consulting and participated in numerous financial transactions in and outside France.

CURRENT APPOINTMENTS

IDI	◆	Chairman
Cavamont Holdings Ltd		Chairman
Sucres et Denrées		Member of the Supervisory Board
Nexity	◆	Director

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Managing partner of Rothschild et Cie, managing partner of Rothschild et Cie Banque, director of INEA, SFR Group (formerly Numéricable).

◆ *Listed company.*

Dominique Netter

Born 31 March 1951 – French national

Director

Member of the Investments and Shareholdings Committee

Number of FFP shares held for her personal account at 31 December 2017: 200 shares
Date of first appointment to the Board of Directors: 1 January 2016
Year in which current appointment expires: 2018
Personal address: 18 rue de l'Assomption, 75016 Paris

Management expertise:
Dominique Netter has spent most of her career with Edmond de Rothschild France.
After acting as Chief Executive Officer, then Chairman of the Management Board of Rothschild Asset Management Board between 2001 and 2007, she became Chief Investment Officer of the private bank until October 2015. Previously, she had held executive responsibilities at HSBC CCF Securities (from 1995 to 2001) and Détroyat Associés (from 1991 to 1995).

CURRENT APPOINTMENTS

Fitch Ratings Inc.		Director
Fitch Ratings Limited		Director
Fitch Ratings CIS Limited		Director
Fitch Ratings Italia SpA		Member of the Supervisory Board
Primwest		Member of the Supervisory Board

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Member of Edmond de Rothschild Asset Management's Supervisory Board, Director of SGR Edmond de Rothschild Italia, Director of EDRIS Portfolio Management.

Christian Peugeot

Born on 9 July 1953 – French national

Director

Member of the Finance and Audit Committee

Number of FFP shares held for his personal account at 31 December 2017: 1,010 shares
Date of first appointment to the Board of Directors: 28 June 1979
Year in which current appointment expires: 2021
Business address: 2 rue de Presbourg, 75008 Paris

Management expertise:
Christian Peugeot is a graduate of the HEC business school. He has spent his entire career with the PSA Group where he has held various sales and marketing responsibilities, was Director of Public Affairs and, most recently, External Relations Officer. Since 1 January 2016, he has been Chairman of the CCFA (French automobile manufacturers association).

CURRENT APPOINTMENTS

LISI	◆	Director
Compagnie Industrielle de Delle (CID)		Director
Établissements Peugeot Frères	G	Director and Vice-Chairman
PSP Group	G	Director
CCFA (French automobile manufacturers association)		Chairman
Unifab (Union des Fabricants)		Chairman
SARL BP Gestion		Manager
Société Immobilière La Roche		Manager

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Chief Operating Officer of Établissements Peugeot Frères, Vice-Chairman of Football Club Sochaux Montbéliard SA, Manager of SARL RP Investissements, permanent representative of FFP INVEST on the Board of Directors of SEB SA.

◆ *Listed company.*
G *Company belonging to the same group as FFP.*

Xavier Peugeot

Born 8 May 1964 – French national

Director

Member of the Investments and Shareholdings Committee

Number of FFP shares held for his personal account at 31 December 2017: 10 shares
Date of first appointment to the Board of Directors: 27 June 2001
Year in which current appointment expires: 2021
Business address: 7 rue Henri Sainte-Claire Deville, 92500 Rueil-Malmaison

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Management expertise:
Xavier Peugeot is a graduate of Paris Dauphine University. After spending four years with the BDDP advertising agency, he joined the PSA Group where he has held various positions in France and abroad (United Kingdom), including as Head of Peugeot in the Netherlands, Peugeot's Head of Marketing and Communication and Peugeot's Head of Strategy and Products. He is currently Head of Strategy and Products for the Citroën brand. He also chairs the "L'Aventure Peugeot Citroën DS" automobile heritage non-profit.

CURRENT APPOINTMENTS

Compagnie Industrielle de Delle (CID)		Director
Établissements Peugeot Frères	G	Director
PSP Group	G	Director
Sapar		Chief Executive Officer and Director
L'Aventure Peugeot Citroën DS (non-profit organisation)		Chairman
Immeubles de Franche-Comté		Permanent representative of Sapar on the Board of Directors

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Chief Operating Officer of Établissements Peugeot Frères, FC Sochaux Montbéliard SA.

G *Company belonging to the same group as FFP.*

Patrick Soulard

Born 11 September 1951 – French national

Director

Member of the Finance and Audit Committee

Member of the Governance, Appointments and Remuneration Committee

Number of FFP shares held for his personal account at 31 December 2017: 10 shares
Date of first appointment to the Board of Directors: 23 April 1991
Year in which current appointment expires: 2018
Business address: c/o Unicredit 117 avenue des Champs-Élysées, 75008 Paris

Management expertise:
Patrick Soulard is a graduate of IEP Paris (Institute of Political Studies) and the ENA school of administration and began his career in the French civil service, holding various positions with the Ministry of Finance from 1977 until 1986. He then joined BNP where he took on various roles. In 1996, he was named Chief Operating Officer of Société Générale Corporate and Investment Banking until May 2009. In September 2010, he moved to Bryan Garnier & Co. as Managing Director of the investment bank, before being named in June 2011 Chief Executive Officer of Unicredit for France and an Executive Committee member of Unicredit CIB. Company director.

CURRENT APPOINTMENTS

Unicredit France		Chief Executive Officer
Havas	◆	Director
Kepler Cheuvreux SA	◆	Member of the Supervisory Board

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Director of Sicav Amundi Convertible Euroland.

◆ *Listed company.*

Marie-Françoise Walbaum

Born 18 March 1950 – French national

Director

Member of the Governance, Appointments and Remuneration Committee

Member of the Finance and Audit Committee

Number of FFP shares held for her personal account at 31 December 2017: 20 shares
Date of first appointment to the Board of Directors: 15 May 2013
Year in which current appointment expires: 2018
Personal address: 10 rue d'Auteuil, 75016 Paris

Management expertise:
Marie-Françoise Walbaum, who graduated from the University of Paris X in economic science and sociology, is retired. She spent her entire career with BNP Paribas in various executive positions requiring financial (management of principal investments, private equity funds and internal holding companies) commercial and management skills.

CURRENT APPOINTMENTS

Esso SAF	◆	Director and Chairman of the Accounts Committee
Thales	◆	Director
Imerys	◆	Director
Isatis Capital		Member of the Supervisory Board

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Director of Vigeo, Non-voting board advisor to Isatis.

◆ *Listed company.*

Alain Chagnon

Born 6 July 1955 – French national

Chief Operating Officer, since 1 October 2003

Advisor to the Chairman (employee) since 9 March 2017

Number of FFP shares held for his personal account at 31 December 2017: 1,844 shares
Business address: 66 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Management expertise:
Alain Chagnon is a graduate of the ESSEC business school. He held management and financial positions with the PSA Group from 1977 until 1990, before moving into the steel sector. He has worked at FFP since 2002 and has been a part-time Advisor to the Chairman since March 2017.

CURRENT APPOINTMENTS

None

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Gran Via 2008, Member of the Supervisory Board of ONET, Permanent representative of FFP INVEST, Vice-Chairman and Member of the Supervisory Board of IDI, Director of Holding Reinier, Chief Executive Officer of FFP INVEST, Permanent representative of FFP INVEST, member of the Executive Committee of LDAP.

Bertrand Finet

Born 6 September 1965 – French national

Chief Operating Officer since 2 January 2017

Number of FFP shares held for his personal account at 31 December 2017: 0 shares

Business address: 66 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Management expertise:

Bertrand Finet graduated from Essec business school in 1988 and started his career in 1991 at 3i Group where he was Head of Shareholdings. He held this position for two years in London, before moving to the group's French subsidiary.

He was appointed Managing Director at CVC Capital Partners France in 1996, before moving to Candover France to head up its Paris office in 2006.

Bertrand Finet was appointed to the Executive Committee of Fonds Stratégique d'Investissement (FSI) in 2009. He became executive director of Bpifrance, where he oversaw equity investments in SMEs, in 2013, and then executive director of Bpifrance's Mid & Large Cap division in April 2015. He was appointed as FFP's Chief Operating Officer in January 2017.

CURRENT APPOINTMENTS

FFP INVEST	G	Chief Executive Officer
SEB SA	◆	Permanent representative of FFP INVEST on the Board of Directors
SPIE SA	◆	Permanent representative of FFP INVEST, Non-voting board advisor
FFP Investment UK Ltd	G	Director
LDAP		Permanent representative of FFP INVEST on the Executive Committee

APPOINTMENTS HELD IN THE PAST FIVE FINANCIAL YEARS BUT NOW ENDED:

Farinia, Assystem, Bpifrance Participations SA, Mersen, Sequana, Constellium, Vallourec, Technicolor, Consolidation et Développement Gestion, CDC Entreprises Capital Investissement, Bpifrance Investissement.

◆ *Listed company.*
G *Company belonging to the same group as FFP.*

2.2 Operating procedures of the Board of Directors

The Board of Directors sets the Company's strategic direction and oversees its implementation. Subject to the powers expressly reserved for General Meetings and without exceeding the corporate objects, it deals with any matters affecting the smooth running of the Company.

The rules on the operation of the Board of Directors are laid down in law, the Articles of Association, FFP's Internal Rules and the Stock Market Code of Ethics (hereinafter the "Internal Rules"). These Internal Rules state how the Board of Directors should be organised so that it conducts its tasks as effectively as possible. They aim to present all the duties incumbent upon each director and the role of the Board of Directors. They lay down the internal procedures for the Board of Directors, state the role of the Chairman of the Board of Directors and specify that the Chairman of the Board of Directors will also hold the duties of Chief Executive Officer. The Internal Rules lay down formal terms of reference for the specialised committees that act under authority of the Board of Directors. The Internal Rules are included in the Registration Document.

Throughout the year, the Board of Directors implements the checks and controls that it deems appropriate and may ask for any documents that it considers useful for the fulfilment of its duties.

The Board of Directors meets as often as required by the Company's interests, when convened by the Chairman or, failing this, by one of the duly appointed Vice-Chairmen.

A schedule of meetings of the Board of Directors is drawn up at the end of the previous year. Ten to fifteen days prior to the meeting of the Board of Directors, a notice of meeting, accompanied by the agenda and draft minutes of the previous meeting, is sent to each director for their observations prior to the meeting of the Board of Directors. The Board of Directors may thus engage directly in a debate concerning the agenda.

Where appropriate, in the week preceding the Board of Directors' meeting, the members are sent papers containing the preparatory documents for the agenda points.

Lastly, at each Board of Directors' meeting, the members are informed of the Company's financial position in a presentation covering the following points entitled "Activities of the Company since the latest meeting":

- investments/divestments;
- main shareholdings;
- management of portfolio investment securities;
- changes in Net Asset Value;
- the debt and treasury position.

The Chief Operating Officer generally makes this presentation. The guiding principle at all times is that all directors should be able to have their say in discussions.

Decisions are made based on a majority vote of members present or represented. In the event of a split vote, the Chairman of the meeting holds a casting vote.

In 2017, the Board of Directors met ten times.

Date of meeting	Attendance rate
21 February 2017	100%
28 February 2017	80%
9 March 2017	100%
3 April 2017	90%
11 May 2017	100%
22 June 2017	90%
6 July 2017	90%
29 August 2017	90%
11 September 2017	90%
21 November 2017	100%
AVERAGE ATTENDANCE RATE	**93%**

2.3 Composition and operating procedures of the Board committees

The Board of Directors has three committees. They are standing committees. The role and operating rules of each of these committees are laid down in the Internal Rules, the principles of which are included hereinafter.

The **Governance, Appointments and Remuneration Committee** has five directors, three of whom are independent based on the AFEP-MEDEF criteria.

It has the following members:

- Georges Chodron de Courcel, Chairman of the committee; Jean-Philippe Peugeot;
- Marie-Hélène Peugeot-Roncoroni;
- Patrick Soulard;
- Marie-Françoise Walbaum.

In accordance with the AFEP-MEDEF Corporate Governance Code, a majority of the members of this Committee are independent.

The Governance, Appointments and Remuneration Committee presents its recommendations in the following four areas:

Concerning the Board of Directors:

- reappointment or appointment of directors;
- creation and composition of the Board committees;
- potential changes to the structure, size and composition of the Board of Directors;
- review of the criteria used by the Board to qualify a director as independent; examination every year on a case-by-case basis of the status of each director or director candidate based on the independence criteria adopted.

Concerning the Chairman and Chief Executive Officer and the Chief Operating Officer:

- reappointment of the Chairman and Chief Executive Officer and the Chief Operating Officer;
- succession plan for executive directors applicable in particular in the event of the unexpected vacation of their office;
- individual remuneration of the Chairman and Chief Executive Officer and the Chief Operating Officer;
- remuneration of the Vice-Chairman or Vice-Chairmen;
- amount and scale for dividing up the attendance fees allotted to the directors and to the committee members;
- general policy for the award of stock (subscription or purchase) options, bonus shares and the general policy on incentives.

Concerning the Company's representatives on the Board of Directors or Supervisory Board of third-party companies:

- designation of the Company's representatives on the Board of Directors or Supervisory Board of third-party companies.

Concerning governance:

- possible modes of Executive Management;
- monitoring changes in the corporate governance rules, especially those affecting the Code to which the Company refers;
- assessment of the operating procedures of the Board and its committees;
- updates to its Internal Rules.

A committee member will not take part in voting when, where appropriate, the committee is considering his/her remuneration or independence. He/she should not be present when such matters are discussed.

The committee meets at least once every year, when convened by its Chairman.

A schedule of committee meetings is drawn up at the end of the previous year. Ten to fifteen days prior to the committee meeting, a notice of meeting, accompanied by the agenda and draft minutes of the previous meeting, is sent to each member for their observations on the draft version. Where appropriate, in the week preceding the committee meeting, the members are sent papers containing the preparatory documents for the agenda points.

The committee met four times during 2017. The average attendance rate at this committee was 95%.

In 2017, the committee considered the following matters:

- the composition of the Board of Directors;
- the status review of the independent directors;
- the status of succession planning;
- assessment of the operating procedures of the Board and its committees;
- the allocation of attendance fees;
- the remuneration of the Chairman and Chief Executive Officer and of the Chief Operating Officers;
- the remuneration policy for management with the introduction of an incentive plan;
- the review of the Chairman's report on the preparation and organisation of the work of the Board of Directors and on internal control procedures.

The Governance, Appointments and Remuneration Committee reports to the Board on its work.

The **Investments and Shareholdings Committee** has seven directors, three of whom are independent based on the AFEP-MEDEF criteria.

It has the following members:

- Robert Peugeot, Chairman of the committee;
- Georges Chodron de Courcel;
- Luce Gendry, Dominique Netter;
- Jean-Philippe Peugeot, Xavier Peugeot;
- Marie-Hélène Peugeot-Roncoroni.

The committee formulates an opinion on potential investments and disposals presented to it by FFP's Executive Management, before formal approval is given by the Board of Directors. To this end, it reviews all aspects of the transactions and makes sure that they are consistent with FFP's strategy, meet its investment criteria and are compatible with its financial position. Treasury investments and portfolio investment securities are not covered by this procedure.

In addition, on behalf of the Board of Directors, the committee monitors the activities of companies in which FFP, FFP INVEST and FFP Investment UK Ltd have a shareholding. To this end, the committee keeps track of the activities and results of shareholdings, analyses their strategy and recommends the position to be adopted on decisions proposed to the corporate bodies of the portfolio holdings when FFP, FFP INVEST or FFP Investment UK Ltd are represented directly or indirectly on the Board of Directors or Supervisory Board of said shareholdings.

It meets when convened by its Chairman as many times as necessary and at least twice a year.

A schedule of committee meetings and a provisional work programme are drawn up at the end of the previous year. Ten to fifteen days prior to the committee meeting, a notice of meeting, including the agenda and draft minutes of the previous meeting, is sent to each member for their observations on the draft version. Where appropriate, in the week preceding the committee meeting, the members are sent papers containing the preparatory documents for the agenda points.

The Investments and Shareholdings Committee reports on its work to the Board.

The Investments and Shareholdings Committee met six times in 2017. The average attendance rate at this committee was 71%.

In 2017, the committee considered the following matters:

- the investment plans, some of which went ahead during the year, and private equity commitments;
- a review of the results of shareholdings.

The **Financial and Audit Committee** has four directors, three of whom are independent based on the AFEP-MEDEF criteria.

It has the following members:

- Luce Gendry, Chairman of the committee;
- Christian Peugeot, Patrick Soulard;
- Marie-Françoise Walbaum.

The Financial and Audit Committee is responsible for making preparations for decisions to be made by the Board of Directors on accounting and financial matters. Without prejudice to the authority of the Board of Directors and Executive Management, the committee has particular responsibility for monitoring:

- The process of preparing financial information.

  It examines the parent-company financial statements of FFP and of its subsidiaries FFP INVEST and FFP Investment UK Ltd, and also FFP's consolidated financial statements, prior to meetings of the Board of Directors responsible for approving the annual or interim financial statements. It studies any plan to introduce accounting guidelines or change accounting methods and keeps track of accounting standards. It makes sure that accounting and financial information is produced in line with the statutory requirements, the recommendations of the regulatory authorities and the Company's internal procedures.
- The effectiveness of internal control and risk management systems.

  It ensures that there is a process for identifying and analysing risks potentially impacting financial and accounting information. It oversees its introduction and makes sure that remedial measures are implemented to rectify any shortcomings identified. It examines the insurance policy adopted.
- The statutory audit of the annual financial statements and the consolidated financial statements by the Statutory Auditors.

  It examines the conclusions drawn by the Statutory Auditors based on their procedures and ensures that their recommendations are implemented. The Committee, which has access to all the information it requires, may meet with FFP's, FFP INVEST's and FFP Investment UK Ltd's Statutory Auditors, separately from the Executive Management. It examines the main points of the investor relations policy.
- The independence of the Statutory Auditors.

  It conducts the selection procedure for the Statutory Auditors, in preparation for decisions to be made by the Board of Directors, and makes sure they are independent. It issues a recommendation concerning the Statutory Auditors proposed for appointment at the Annual General Meeting. It examines the fees charged by them.

The committee meets at least twice a year prior to the approval of the annual and interim results, where necessary with the assistance of any modern communication system.

A schedule of committee meetings is drawn up at the end of the previous year. Ten to fifteen days prior to the committee meeting, a notice of meeting, including the agenda and draft minutes of the previous meeting, is sent to each member for their observations on the draft version. Where appropriate, in the week preceding the committee meeting, the members are sent papers containing the preparatory documents for the agenda points.

The committee met four times during 2017. The average attendance rate at this committee was 100%.

In 2017, the committee considered the following matters:

- financial statements: review of the parent company and consolidated financial statements for the year ended 31 December 2016 and of the management report on business trends and results in 2016, review of the dividend policy, review of the first-half 2017 consolidated financial statements and interim financial report, review of draft press releases on financial statements;
- financing and hedging policy: review of the status of the bank lines, review of plans for "Euro PP" private placement bond issues, and review of the hedging policy for interest-rate and currency exposure;
- risk management and internal control: review of the internal control and risk management section of the report by the Chairman of the Board of Directors, review of the mapping of the Company's risk factors;
- reappointment of the Statutory Auditors.

The Finance and Audit Committee reports to the Board of Directors on its work.

2.4 Evaluation of the effectiveness of the Board of Directors

In accordance with its Internal Rules, the Board conducts an annual evaluation of its organisation and its operating procedures.

The Board evaluation was conducted by an external firm, which presented a summary of the results of the evaluation at the meeting of the Board on 6 July 2017. It found that all the directors were satisfied with the number of meetings, the quality of the Board's papers and the points dealt with during meetings, and compliance with governance principles.

The following points for improvement were also raised:

- recruit an independent director with experience in new technologies/disruption;
- hold a strategy seminar every 18 to 24 months with the Company's management team;
- present a portfolio review annually to the Investments and Shareholdings Committee and then to the Board of Directors;
- arrange for an annual executive session not attended by the Company's Chairman and Chief Executive Officer;
- improve the risk mapping; and
- raise the level above which the Board has to approve investments presented by the Company's management team.

All these points for improvement were taken into consideration. To this end, the proposal at the Annual General Meeting of 17 May 2018 is for shareholders to appoint Anne Lange as an independent director. She possesses expertise in innovation and digital technology, which she gained over 20 years in both the private and public sector.

2.5 Excerpts from the Articles of Association related to corporate governance

Administration (Article 9 of the Articles of Association)

The Company is administered by a Board of Directors with between 3 and 12 members, subject to the exception provided for in the event of a merger.

Throughout his/her term in office, each director must hold at least ten qualifying shares.

Directors are appointed for a term in office of four years.

The number of individuals and permanent representatives of legal entities aged over 75 May not account for more than one-third of the directors in office, with this proportion being assessed and taking effect at each annual Ordinary General Meeting.

Should this upper limit be breached and unless a sufficient number of directors aged over 75 resign voluntarily, as many as necessary of the oldest directors are deemed to have resigned at the close of the aforementioned annual Ordinary General Meeting to satisfy the one-third limit.

Even so, if the oldest director has held the position of Chairman or Chief Executive Officer, he/she will remain in office and the next oldest directors after him/her will be deemed to have resigned.

No directors aged over 75 at the date of the General Meeting may be reappointed for another term. Likewise, legal entities reappointed as directors for a further term in office, may not be represented by a person aged over 75 on the date of their reappointment.

Chairman and Chief Executive Officers (Article 11 of the Articles of Association)

The Board of Directors elects an individual from among its members as Chairman and determines his/her remuneration.

The Chairman is appointed for a period that may not exceed the term of his/her appointment as a director. The Chairman may be reappointed.

Irrespective of the term for which he/she is appointed, the duties of Chairman come to an end automatically no later than at the close of the first Ordinary General Meeting held after the date on which he/she reaches the age of 75.

The Chairman represents the Board of Directors. He/she organises and leads its work and reports on it to the General Meeting. He/she is responsible for the smooth running of the Company's internal decision-making bodies and in particular makes sure that directors are able to perform their duties.

When also holding the duties of Chief Executive Officer, his/her powers will be those laid down in the following "Executive Management" article.

A director may be appointed as Vice-Chairman of the Board of Directors with the role of convening and chairing Board meetings should the Chairman be unable to attend, resign or die.

Executive Management (Article 12 of the Articles of Association)

Responsibility for the Company's Executive Management falls to either the Chairman of the Board of Directors or another individual appointed by the Board of Directors as Chief Executive Officer.

The Board of Directors will choose between the two modes of Executive Management referred to in the preceding sub-section. Shareholders and third parties will be informed of the choice as provided for in a decree to be published.

When the Chairman of the Board of Directors has responsibility for the Company's Executive Management, the provisions of this article concerning the Chief Executive Officer apply to him/her.

The Chief Executive Officer holds the broadest of powers to act on the Company's behalf in all circumstances. He/she exercises these powers subject to the powers expressly reserved by law for General Meetings and the powers specially reserved for the Board of Directors, and must not exceed the corporate objects.

He/she represents the Company in its dealings with third parties.

The Chief Executive Officer binds the Company even by dint of acts that do not fall within the corporate objects, unless the Company can prove that the third party knew that the act exceeded the corporate objects or could not fail to have known that such were the case in the circumstances. Mere publication of the Articles of Association does not suffice as proof thereof.

The Board of Directors may restrict the powers of the Chief Executive Officer, but any such limitation is not binding on third parties.

The Chief Executive Officer may partially delegate his/her authority to as many representatives as he/she deems fit.

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more Chief Operating Officers, up to a maximum of five.

The Chief Operating Officers must be individuals and may be selected from among the directors or from outside the Board.

Should the Chief Executive Officer die, resign or be dismissed, the Chief Operating Officers retain their duties and their powers until a new Chief Executive Officer is appointed, unless the Board decides otherwise.

In conjunction with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the Chief Operating Officers. Any restrictions on these powers are not binding on third parties, with each Chief Operating Officer possessing the same powers as the Chief Executive Officer vis-à-vis them.

Where a Chief Operating Officer is also a director, the term of his/her duties may not exceed the length of his/her appointment as a director.

The age limit is 70 years of age for the position of Chief Executive Officer and Chief Operating Officer, with the relevant individual's duties coming to an end at the close of the first Annual Ordinary General Meeting following the date of his/her relevant birthday.

2.6 FFP's Internal Rules and Stock Market Code of Ethics

Introduction

The Board of Directors drew up the terms of these Internal Rules, which present the rules of conduct applicable to all directors and individuals attending meetings of the Board.

The aim of these Internal Rules, which were adopted by the Board on 12 September 2013, is to establish and stipulate, alongside the provisions of law, the regulations and the Articles of Association, how the Board and its committees should be organised and operate, in the interests of the Company and its shareholders. They also lay down the rights and duties of each Board member.

The Company's Board of Directors refers to the corporate governance principles established in the AFEP-MEDEF Code, as amended in its latest version dated November 2016.

The Board of Directors

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board of Directors is a collective decision-making body that represents all the shareholders.

Pursuant to Article 10 of the Articles of Association, the Board of Directors sets the Company's strategic direction and oversees its implementation.

On the recommendation of the Chairman, the Board of Directors sets the Company's strategic direction. The Chairman must ensure the relevance, reliability and clarity of the information provided to shareholders and to the financial markets, in line with the applicable accounting standards.

Specifically for investments in and divestments of shareholdings, the Board of Directors makes a decision concerning the plan presented by the Chairman and reviewed by the Investments and Shareholdings Committee.

On a case-by-case basis, the Board of Directors may set price limits that may not be breached in its decision or attach any other specific conditions that must be abided by.

Subject to the powers expressly granted to General Meetings and without exceeding the scope of the corporate objects, the Board considers any matters influencing the smooth running of the Company and settles any issues affecting it.

The Board conducts the controls and checks that it deems appropriate. Each director receives all the information needed to discharge his/her duties and may ask for any documents that he/she considers useful.

The Board may decide to set up committees responsible for studying issues that it or its Chairman submits for their consideration. It determines the composition and terms of reference for committees, which operate under its authority. The committees may not make decisions in place of the Board, except where the Board specifically gives authority to do so.

COMPOSITION OF THE BOARD

The Board of Directors elects a Chairman from among its members and, if it deems appropriate, one or more Vice-Chairmen. The Vice-Chairman is responsible for replacing the Chairman if he/she is unable to attend.

The Board also appoints a person to act as Secretary, who may or may not be a Board member. The Secretary makes sure that the Board follows its own operating rules. The Secretary prepares the minutes from meetings of the Board and its committees and circulates them. He/she is authorised to provide certified copies or excerpts from said minutes.

At least one-third of the Board members must qualify as independent directors. The Board has adopted the AFEP-MEDEF Code's definition of an independent member. This states that a member is to be considered as independent where he/she has no relationship of any type whatsoever with the company, its group or its managers liable to compromise his/her independent judgement.

To this end, in qualifying a member as independent the Board may be guided by the criteria below, which state that the individual must not:

- be an employee or executive officer of the company, or an employee or director of its parent or of a company that the latter consolidates, and must not have been in such a position for the previous five years;
- be an executive officer of a company in which the company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office for less than five years) is a director;
- be a customer, supplier, investment banker or commercial banker:
  - that is material to the company or its group,
  - or for a significant part of whose business the company or its group accounts;
- be related by close family ties to an executive director;
- have been an auditor of the company within the previous five years;
- have been a director of the company for more than 12 years.

Every year, the independence of each of the directors is discussed by the Governance, Appointments and Remuneration Committee and reviewed on a case-by-case basis by the Board of Directors according to the criteria outlined above.

Whenever a new director is appointed or an existing director reappointed, his/her independence is also discussed.

OPERATING PROCEDURES

Notice of Board meetings

The Board of Directors meets as often as required by the Company's interests, when convened by the Chairman or, failing this, by one of the duly appointed Vice-Chairmen.

Except in special circumstances, notices of meeting will be sent out in writing at least eight days prior to each meeting. Notice of Board meetings may be given in any form, in writing or orally.

That said, when circumstances require and when the timing of transactions is not aligned with that of its meetings, especially when investments and disposals are involved, the Chairman may exceptionally solicit the Board's position by convening a meeting with 24 hours' notice.

The schedule of Board meetings for the following year is set no later than by 31 December, except for meetings called at short notice.

As far as possible, the requisite papers for informing directors about the agenda and about all the matters submitted for the Board's consideration should be enclosed with the notice of meeting or sent to them a reasonable time in advance of the meeting.

Any person who is not a member of the Board of Directors may be invited to attend all or part of its meetings, if the Chairman of the Board of Directors so decides. He/she may not take part in the deliberations and is subject to the same confidentiality undertakings as directors.

Information for Board members

When considering decisions, directors must ensure that they have the information they deem essential for the smooth running of the Board and its committees. If it is not available, or if they believe it is not available, they must request it. Such requests should be made to the Chairman and Chief Executive Officer, who must ensure that directors are able to perform their duties.

At each meeting, the Chairman gives an update on the transactions entered into since the previous meeting and on the main plans in progress and likely to go ahead before the next Board meeting. Every year the Board conducts a review of the key points in the management report and of the deliberations presented to the General Meeting of the shareholders. Furthermore, the Board of Directors is informed by Executive Management at least once every six months of the Company's financial position, cash position and commitments.

Between meetings, the directors are sent any useful information concerning the Company, if its importance or urgent nature so requires.

The Board of Directors may entrust one or more of its members, or third parties, with special duties or assignments, such as to conduct a study of one or more given matters.

Board proceedings

For the Board of Directors to transact business validly, at least half the total number of its members must be present.

Directors may be represented by another director pursuant to a written power of attorney.

Decisions are made based on a majority vote of members present or represented. In the event of a split vote, the Chairman of the meeting holds a casting vote.

Participation in Board meetings via video- or teleconferencing systems

Directors may participate in a Board meeting using a video- or teleconferencing system permitting their identification and allowing them to take part effectively. In this case, they will be deemed present for the purpose of determining the quorum and a majority of votes.

Nonetheless, these systems for attending Board meetings may not be used for the purpose of determining the quorum and a majority of votes when the Board of Directors is called upon to approve the Company's parent-company financial statements and the consolidated financial statements and also to consider the management report, including the Group's management report.

Minutes

The Board's deliberations must be clear. The minutes of meetings must provide a summary of discussions and state the decisions made. They are especially important because they provide, if needed, a record of how the Board discharged its duties. Without being unnecessarily detailed, they must succinctly state the questions raised and reservations expressed.

The minutes of Board meetings are prepared after every meeting and sent to all Board members, who are invited to make observations. Any observations are then discussed at the following Board meeting. The definitive minutes of the previous meeting are then approved by the Board.

Evaluation of the Board's effectiveness

The Board of Directors must ensure that it conducts an assessment from time to time of its and its committees' composition, organisation and procedures. The Board will devote an annual agenda point to this review, and a formal evaluation led by the Chairman of the Board of Directors is conducted every three years.

Remuneration

The Board of Directors allocates the attendance fees allotted by the Annual General Meeting on the recommendation of the Governance, Appointments and Remuneration Committee. This allocation takes into account the duties performed by the directors for the Board and its committees, as well as their actual attendance.

Role of the Chairman and Chief Executive Officer

The Board of Directors elects a Chairman from among its members, who must be an individual. The Chairman is appointed for a term that may not exceed that of his/her appointment as a director.

The Board of Directors chooses which mode of Executive Management is to be adopted. At its meeting on 11 March 2002, it opted for the combined form, that is the Chairman of the Board also serves as the Company's Chief Executive Officer.

The Chairman runs the Board of Directors' meetings, organising and directing its work. He/she is responsible for the smooth running of the Company's internal bodies, including its committees.

As Chief Executive Officer, he/she implements the strategic direction set by the Board of Directors and oversees day-to-day management of the Company. For investments in and divestments of shareholdings, the Chairman and Chief Executive Officer is responsible for implementing in the interests of the Company the decisions made by the Board of Directors as effectively as possible, and he/she reports to it subsequently. He/she may be assisted by a Chief Operating Officer.

The Chairman and Chief Executive Officer represents the Company vis-à-vis third parties.

Board committees

RULES COMMON TO ALL THE COMMITTEES

The Board of Directors may decide to set up new committees. It then lays down their terms of reference, and they operate under its authority. These committees play a role in studying and preparing certain Board discussions and submit their opinions, proposals and recommendations to the Board.

The Board has three committees:

- a Governance, Appointments and Remuneration Committee;
- an Investments and Shareholdings Committee;
- a Financial and Audit Committee.

The committee members are chosen from among the Board members. They are selected by the Board on the recommendation of the Governance, Appointments and Remuneration Committee. The length of their appointment is aligned with their term of office as a director, it being understood that the Board of Directors may at any time make changes to the composition of the committees and thus terminate a committee member's appointment. A committee member may be reappointed at the same time as his/her term in office as a director is renewed.

Each of the committees elects its own Chairman and determines the internal rules applicable to the conduct of its work. The Board Secretary handles the secretarial duties for the Board committees, except for the Governance, Appointments and Remuneration Committee, for which the Chairman appoints another secretary.

The committees meet whenever they are convened by their Chairman, which is whenever he/she or the Board deem this to be appropriate.

The agenda for the meetings is set by the committee's Chairman, in conjunction with the Chairman of the Board, when the latter convenes the meeting. The agenda is sent to committee members prior to the meeting together with information pertinent to discussions.

Each committee member may be represented by another member of the same committee pursuant to a written power of attorney. Each committee is deemed to deliberate validly when at least half its members are present or represented. A simple majority vote is required to pass resolutions. The Chairman of each committee has a casting vote in the event of a split vote. In an emergency, each of the committees may validly deliberate by consulting its members individually.

Each committee reports on how it has discharged its duties at the following meeting of the Board of Directors. Unless special arrangements are made, the minutes of each meeting are drawn up by the secretary of the meeting appointed by the committee Chairman, acting under his/her authority. They are sent to all the committee members. The committee Chairman decides on how he/she reports to the Board on its work.

GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

Composition

The committee must have at least three members, who are directors of the Company.

It is chaired by an independent director and consists of a majority of independent directors.

The Chairman of the Board takes part in the committee's work, except with regard to issues concerning him/her.

Role

The role of the Governance, Appointments and Remuneration Committee is to:

Concerning the Board of Directors:

- submit proposals to the Board of Directors concerning the appointment or reappointment of directors;
- submit proposals to the Board of Directors concerning the composition of committees or the Board;
- conduct from time to time an assessment of the structure, size and composition of the Board of Directors and make recommendations to it concerning any possible alterations;
- review from time to time the criteria used by the Board to qualify a director as independent; examine every year on a case-by-case basis the status of each director or director candidate based on the independence criteria adopted.

Concerning the Chairman and Chief Executive Officer and the Chief Operating Officer:

- examine, as and when required, including upon the expiry of the relevant terms in office, whether to reappoint the Chairman and Chief Executive Officer and the Chief Operating Officer;
- examine the succession plan for executive directors applicable in particular in the event of the unexpected vacation of their office;
- examine the individual remuneration of the Chairman and Chief Executive Officer and the Chief Operating Officer and make the corresponding recommendations to the Board;
- propose the remuneration of the Vice-Chairman/Vice-Chairmen;
- examine and propose to the Board of Directors the amount and scale for dividing up the attendance fees allotted to the directors and to the committee members;
- examine Executive Management's proposals concerning the general policy for the award of stock options and the general policy on incentives.

Concerning the Company's representatives on the Board of Directors or Supervisory Board of third-party companies:

- appoint the Company's representatives on the Board of Directors or Supervisory Board of third-party companies.

Concerning governance:

- inform the Board about the possible modes of Executive Management;
- examine changes in the corporate governance rules, especially those affecting the Code to which the Company refers and inform the Board thereof; monitor application of the corporate governance rules laid down by the Board of Directors and ensure shareholders are kept abreast of this issue;
- make preparations for the assessment of the Board and its committees;
- prepare for Board decisions concerning updates to its Internal Rules.

The committee Chairman makes the Board aware of his/her recommendations.

Organisation of tasks

The committee meets at least once every year, when convened by its Chairman. The committee meets in advance of the approval of the agenda for the Annual General Meeting, to review the draft resolutions to be submitted to it and falling within its authority.

A committee member may not take part in voting when, where appropriate, the committee is considering his/her reappointment or remuneration.

INVESTMENTS AND SHAREHOLDINGS COMMITTEE

Composition

The committee must have at least three members, who are directors of the Company.

Role

The committee formulates an opinion on potential investments and disposals presented to it by FFP's Executive Management, before formal approval is given by the Board of Directors. To this end, it reviews all aspects of the transactions and makes sure that they are consistent with FFP's strategy, meet its investment criteria and are compatible with its financial position. Treasury investments and portfolio investment securities are not covered by this procedure.

In addition, on behalf of the Board of Directors, the committee monitors the activities of companies in which FFP, FFP INVEST and FFP Investment UK Ltd have a shareholding. To this end, the committee keeps track of the activities and results of shareholdings, analyses their strategy and recommends the position to be adopted on decisions proposed to the corporate bodies of the portfolio holdings when FFP, FFP INVEST or FFP Investment UK Ltd are represented directly or indirectly on the Board of Directors or Supervisory Board of said shareholdings.

Organisation of tasks

The committee meets when convened by its Chairman as many times as necessary and at least twice a year.

FINANCIAL AND AUDIT COMMITTEE

Composition

The committee must have at least three members, who are non-executive directors of the Company.

It is chaired by an independent director, and at least two-thirds of its members must be independent.

The members must have financial or accounting skills and knowledge.

Role

The Financial and Audit Committee is responsible for preparing for decisions on financial and accounting matters to be made by the Board of Directors.

Without prejudice to the authority of the Board of Directors and Executive Management, the committee has particular responsibility for monitoring:

- the process of preparing financial information.

  It examines the parent-company financial statements of FFP and of its subsidiaries FFP INVEST and FFP Investment UK Ltd, and also FFP's consolidated financial statements, prior to meetings of the Board of Directors responsible for approving the annual or interim financial statements. It studies any plan to introduce accounting guidelines or change accounting methods and keeps track of accounting standards. It makes sure that accounting and financial information is produced in line with the statutory requirements, the recommendations of the regulatory authorities and the Company's internal procedures;
- the effectiveness of internal control and risk management systems.

  It ensures that there is a process for identifying and analysing risks potentially impacting financial and accounting information. It oversees its introduction and makes sure that remedial measures are implemented to rectify any shortcomings identified. It examines the policy adopted on insurance arrangements;
- the statutory audit of the annual financial statements and the consolidated financial statements by the Statutory Auditors.

  It examines the conclusions drawn by the Statutory Auditors based on their procedures and ensures that their recommendations are implemented. The Committee, which has access to all the information it requires, may meet with FFP's, FFP INVEST's and FFP Investment UK Ltd's Statutory Auditors, separately from the Executive Management. It examines the main points of the investor relations policy;
- the independence of the Statutory Auditors.

  It conducts the selection procedure for the Statutory Auditors, in preparation for decisions to be made by the Board of Directors, and makes sure they are independent. It issues a recommendation concerning the Statutory Auditors proposed for appointment at the Annual General Meeting. It examines the fees charged by them.

Organisation of tasks

The committee meets at least twice a year prior to the approval of the annual and interim results, where necessary with the assistance of any modern communication system.

To this end, a schedule of committee meetings is drawn up by the Board of Directors, without prejudice to the stipulations of these Internal Rules as to how meetings of the committees may be convened.

Directors' Charter

KNOWLEDGE OF AND COMPLIANCE WITH THE REGULATIONS

Before accepting the duties of a member of the Board of Directors, candidates must make sure that they are aware of the general and specific obligations incumbent on directors. In particular, they must familiarise themselves with the provisions of law and the regulations in force concerning their duties, the Company's Articles of Association, the recommendations of the AFEP-MEDEF Corporate Governance Code and these Internal Rules. They must ensure that they abide by these rules, especially those concerning:

- the definition of the powers of the Board of Directors;
- the total number of appointments that may be held simultaneously;
- incompatibilities and incapacity;
- agreements entered into between a director and the Company;
- the prevention of insider dealing and the obligations to disclose transactions in the Company's shares.

FFP's Articles of Association and this charter must be given to them before their duties commence. Accepting the appointment as a director automatically requires compliance with this charter.

OWNERSHIP OF A MINIMUM NUMBER OF SHARES

Each director must hold in his/her own name at least ten qualifying shares throughout his/her term in office.

The shares in the Company held by a director for personal purposes and for his/her spouse (where not legally separated), unemancipated child or through any other third parties, must be held in registered form: either directly with the Company itself or its agent (Caceis) or through an intermediary, the contact details of which must be provided to the Board Secretary.

DUTY TO ACT IN THE INTERESTS OF THE COMPANY AND DUTY OF LOYALTY

The Director represents all the Company's shareholders and must act in the corporate interests of the Company in all circumstances.

The Director must inform the Board of Directors of any existing or potential conflicts of interest with FFP. He/she must refrain from taking part in the corresponding voting.

To this end, each director must provide a solemn declaration concerning the actual or potential existence of a conflict of interest:

a) upon taking office;
b) every year in response to a request made by the Company upon preparation of the Registration Document;
c) at any time should the Chairman so request;
d) within ten business days following the occurrence of any event making the previous declaration partially or wholly inaccurate.

The Director is bound by a duty of loyalty. To this end, he/she must not make a personal commitment to a business competing with the Company or its Group, without informing the Board of Directors and having gained its approval.

DUTY OF CARE AND TO ATTEND MEETINGS

Every director must stay informed and devote the requisite time to conducting his/her duties.

Every director must endeavour to take part in all meetings of the Board and committees on which he/she serves and to attend all General Meetings of the shareholders.

For transparency's sake, the Registration Document indicates the directors' attendance record at meetings of the Board of Directors and its committees.

DIRECTORS' TRAINING

Directors must possess highly extensive knowledge of the Company's specific characteristics, its business activities and its business lines.

Upon his/her appointment and throughout his/her term in office, every director may receive the training deemed necessary for the conduct of his/her duties.

This training is arranged and offered by the Company, which bears the associated cost.

DUTY OF DISCRETION AND PROFESSIONAL SECRECY

Generally speaking, all the files considered at meetings of the Board of Directors and the information gathered during or outside Board meetings are confidential without any exceptions, irrespective of whether the information gathered has been presented as confidential by the Chairman.

Aside from the duty of discretion provided for by the provisions of law and the regulations in force, every member of the Board of Directors must consider themselves bound by professional secrecy.

Accordingly,

- a director may not use, in whole or in part, the information to which he/she is made privy during his/her term in office or disclose it to a third party for any reason whatsoever;
- Board members undertake not to engage in individual discussions outside the internal deliberations of the Board of Directors concerning the matters raised at its meetings and about the opinions expressed by each Board member;
- all members must take every appropriate measure to ensure that this confidentiality is maintained, especially by taking measures to secure the files and documents provided.

This information loses its confidential and personal nature once it has been made public by the Company in any manner whatsoever.

These confidentiality requirements also apply to any person invited to attend meetings of the Board and its committees.

STOCK MARKET CODE OF ETHICS

Principles

Every member of the Board of Directors is, in the normal course of his/her duties, regularly privy to inside information, which has the following characteristics:

- it is precise;
- it is not publicly available;
- it affects the Company or any company in its Group, its business activities or financial position;
- if made public, it would be likely to have a significant effect on the price of the Company's shares (i.e. it is price-sensitive).

Accordingly, every member of the Board of Directors may appear on the lists of insiders drawn up by the Company and made available to the AMF.

Inside information must be used by the Director solely for the conduct of his/her duties as a director. It must not be disclosed in any circumstances to a third party outside the scope of his/her duties as a director for purposes other, or for activities other than those for which it was held.

Every director must refrain from entering personally or through a third party into transactions in the Company's shares for as long as they possess, by virtue of his/her duties or presence at a meeting of the Board or a committee, information that has not yet been made public and that may influence the share price.

It is each director's personal responsibility to assess whether information to which he/she is privy constitutes inside information and, accordingly, to decide whether he/she may or should refrain from using or disclosing the information or trading or commissioning any transaction in the Company's shares.

Prohibited periods

During the period prior to publication of any inside information to which they are privy, the members of the Board of Directors, given their status as insiders, must refrain, pursuant to the law, from entering into any transactions in the Company's shares.

In addition, they are not permitted, in accordance with the AMF's recommendations, to enter into any transaction in the Company's shares during the 30-day period prior to the date of the press releases containing the full-year and the interim results.

The schedule of these announcements will be provided to directors at the beginning of every year.

Insider dealing

Directors are informed about the provisions in force concerning the possession of inside information and insider dealing in article L. 465-1 et seq. of the French Monetary and Financial Code and article 8 et seq. of Regulation (EU) no. 596/2014 of 16 April 2014 on market abuse.

Duty to declare transactions in the Company's shares

In accordance with the applicable regulations, the directors and connected persons, as defined by decree, must make a declaration to the AMF of acquisitions, disposals, subscriptions for or exchanges of shares in the Company, as well as transactions in related financial instruments, where the aggregate amount of these transactions exceeds €20,000 in the current year.

Directors and connected persons declare their transactions to the AMF electronically within three trading days of the execution of the trade.

Persons making a declaration to the AMF send a copy of their declaration to the Secretary of the Board of Directors.

The declarations are then made available online on the AMF's website, and an annual summary is provided in the Company's Registration Document.

Prohibited transactions

The directors are prohibited from entering into any short or deferred settlement transactions in any financial instruments related to shares issued by the Company.

Alterations to the Internal Rules

The Rules may be amended at any time by the Board by means of a simple majority vote by members present or represented.

2.7 Corporate officers' remuneration and benefits of any kind

The information in this document takes into account the recommendations laid down in the AFEP-MEDEF Code, AMF recommendation no. 2012-02 combining all the recommendations published since 2009 by the AMF applicable to companies stating that they refer to the AFEP-MEDEF Code, and the AMF's 2017 report on corporate governance, directors' remuneration, internal control and risk management.

TOTAL REMUNERATION PAID DURING 2017 TO CORPORATE OFFICERS BY THE COMPANY AND, WHERE APPROPRIATE, BY CONTROLLED AND CONTROLLING COMPANIES

(€)	FFP	Controlled companies	Controlling company[1]
Robert Peugeot Chairman and Chief Executive Officer	692,715	None	38,000
Jean-Philippe Peugeot Vice-Chairman and Director	81,226	None	508,153[2]
Marie-Hélène Peugeot-Roncoroni Vice-Chairman and Director	84,140	None	111,190[3]
Georges Chodron de Courcel Director	69,226	None	None
Luce Gendry Director	66,312	None	None
Dominique Netter Director	53,726	None	None
Christian Peugeot Director	53,726	None	68,000
Xavier Peugeot Director	53,726	None	30,000
Patrick Soulard Director	69,140	None	None
Marie-Françoise Walbaum Director	69,140	None	None
Alain Chagnon Chief Operating Officer *(until 9 March 2017)*	235,699	None	None
Bertrand Finet Chief Operating Officer *(since 2 January 2017)*	552,986	None	None

(1) This refers to Établissements Peugeot Frères (EPF).
(2) This refers, in addition to attendance fees, to the remuneration paid to Jean-Philippe Peugeot, in his capacity as Chairman and Chief Executive Officer of EPF.
(3) This refers, in addition to attendance fees, to the remuneration paid to Marie-Hélène Peugeot-Roncoroni, in her capacity as Chief Operating Officer of EPF.

PRINCIPLES UNDERPINNING THE REMUNERATION OF MEMBERS OF FFP'S BOARD OF DIRECTORS

In connection with the overall allocation of attendance fees authorised by FFP's Annual General Meeting, directors' remuneration is determined by the Board of Directors on the recommendation of the Governance, Appointments and Remuneration Committee.

For the record, an allocation of €660,000 was authorised by shareholders at the Annual General Meeting on 9 June 2011[1].

At the Board of Directors' meeting on 6 July 2017, a decision was made to alter the allocation of attendance fees with a larger variable portion, in accordance with the recommendations of the AFEP-MEDEF's Corporate Governance Code.

Directors' annual remuneration consists of a fixed sum of €15,000 plus a variable allotment of €4,000 for each Board meeting attended.

A specific allocation of €15,000 is paid to the two Vice-Chairmen.

Each committee member receives €2,000 p.a. in fixed remuneration, plus a variable allocation of €3,500 per committee meeting attended, subject to a cap of €10,500 p.a.

The Chairman of each committee receives a fixed allocation of €5,000.

The Chief Operating Officer does not receive attendance fees.

(1) A proposal will be submitted at the Annual General Meeting on 17 May 2018 to set the total allocation of attendance fees at €850,000.

Table 3 – Attendance fees paid to each director

	Attendance fees paid in 2016 (€)		Attendance fees paid in 2017 (€)	
Board members	**FFP**	**Controlling company**[(1)]	**FFP**	**Controlling company**[(1)]
Robert Peugeot	58,500	40,000	59,640	38,000
Jean-Philippe Peugeot	83,000	36,000	81,226	36,000
Marie-Hélène Peugeot-Roncoroni	83,000	36,000	84,140	36,000
Georges Chodron de Courcel	67,500	None	69,225	None
Luce Gendry	67,500	None	66,311	None
Dominique Netter	55,500	None	53,726	None
Christian Peugeot	52,000	66,000	53,726	68,000
Xavier Peugeot	55,500	30,000	53,726	30,000
Patrick Soulard	64,500	None	69,140	None
Marie-Françoise Walbaum	64,500	None	69,140	None
TOTAL	**651,500**	**208,000**	**660,000**	**208,000**

(1) *This refers to Établissements Peugeot Frères (EPF).*

PRINCIPLES UNDERPINNING THE REMUNERATION OF EXECUTIVE DIRECTORS

The remuneration policy for FFP's executive directors is laid down by the Board of Directors on the recommendation of the Governance, Appointments and Remuneration Committee.

Table 1 – Remuneration and options awarded to each executive director

	FY 2016 (€)	FY 2017 (€)
Robert Peugeot *Chairman and Chief Executive Officer*		
Remuneration due in respect of the financial year (details in Table 2)	642,635	692,715
Value of long-term incentive plans granted during the financial year	Not applicable	Not applicable
Value of options granted during the financial year	Not applicable	Not applicable
Value of performance shares allotted during the financial year (details in Table 6)	278,988 (4,164 shares)	461,130 (5,508 shares)
TOTAL	**921,623**	**1,153,845**
Alain Chagnon *Chief Operating Officer (until 9 March 2017)*		
Remuneration due in respect of the financial year (details in Table 2)	464,152	105,699
Value of long-term incentive plans granted during the financial year	Not applicable	Not applicable
Value of options granted during the financial year	Not applicable	Not applicable
Value of performance shares allotted during the financial year (details in Table 6)	144,050 (2,150 shares)	216,165 (2,582 shares)
TOTAL	**608,202**	**321,864**
Bertrand Finet *Chief Operating Officer (since 2 January 2017)*		
Remuneration due in respect of the financial year (details in Table 2)	Not applicable	702,986
Value of long-term incentive plans granted during the financial year	Not applicable	Not applicable
Value of options granted during the financial year	Not applicable	Not applicable
Value of performance shares allotted during the financial year (details in Table 6)	Not applicable	396,247 (4,733 shares)
TOTAL		**1,099,233**

Table 2 – Summary of each executive director's remuneration

Remuneration		FY 2016 Amounts due (€)	FY 2016 Amounts paid (€)	FY 2017 Amounts due (€)	FY 2017 Amounts paid (€)
Robert Peugeot *Chairman and Chief Executive Officer*	Fixed salary	581,339	581,149	630,279	630,279
	Bonus	None	None	None	None
	Exceptional payments	None	None	None	None
	Attendance fees	58,500	58,500	59,640	59,640
	Benefits in kind (vehicle)	2,796	2,796	2,796	2,796
TOTAL		**642,635**	**642,635**	**692,715**	**692,715**
Alain Chagnon *Chief Operating Officer* (until 9 March 2017)	Fixed salary	301,356	301,356	75,000	75,000
	Bonus	160,000	160,000	30,000	160,000
	Exceptional payments	None	None	None	None
	Attendance fees	None	None	None	None
	Benefits in kind (vehicle)	2,796	2,796	699	699
TOTAL		**464,152**	**464,152**	**105,699**	**235,699**
Bertrand Finet *Chief Operating Officer* (since 2 January 2017)	Fixed salary	Not applicable	Not applicable	550,190	550,190
	Bonus	Not applicable	Not applicable	150,000	None
	Exceptional payments	Not applicable	Not applicable	None	None
	Attendance fees	Not applicable	Not applicable	None	None
	Benefits in kind (vehicle)	Not applicable	Not applicable	2,796	2,796
TOTAL				**702,986**	**552,986**

Table 4 – Stock options granted during the year to each executive director

Not applicable.

Table 5 – Stock options exercised during the year by each executive director

Not applicable.

Table 6 – Performance shares allotted during the year to each executive director

	No. and date of plan	Number of shares allotted during FY	Value of shares based on the method adopted in the consolidated financial statements	Vesting date	Availability date	Performance conditions
Robert Peugeot *Chairman and Chief Executive Officer*	Plan no. 2 of 9/03/2017	5,508	€461,130	9/03/2020	9/03/2020	■ Absolute performance criteria: definitive vesting of one-third of the shares allotted if the rise in FFP's total NAV (including PSA) averages 5% p.a. over the period from 31 December 2016 to 31 December 2019. ■ Relative performance criteria (straight-line vesting): • definitive vesting of a maximum of one-third of the shares allotted if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by up to 75bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 225bp over 3 years); • definitive vesting of a maximum of one-third of the shares allotted if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by more than 75bp p.a. up to a cap of 150bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 450bp over 3 years).
Alain Chagnon *Chief Operating Officer*	Plan no. 2 of 9/03/2017	2,582	€216,165	9/03/2020	9 March 2020	Performance conditions identical to those shown above
Bertrand Finet *Chief Operating Officer*	Plan no. 2 of 9/03/2017	4,733	€396,247	9/03/2020	9 March 2020	Performance conditions identical to those shown above

Table 7 – Performance shares vesting during the year for each executive director

Not applicable.

Table 8 – History of stock option awards

Not applicable.

Table 9 – History of performance share allotments

Disclosures concerning performance shares

	Plan no. 1	Plan no. 2
Date of the Annual General Meeting	3/05/2016	3/05/2016
Date of Board of Directors' meeting/ allotment date	7/07/2016	9/03/2017
Total number of shares allotted, o/w:	17,277	29,063
Corporate officers:	6,314	12,823
Robert Peugeot	4,164	5,508
Alain Chagnon	2,150	2,582
Bertrand Finet	Not applicable	4,733
Share vesting date	7/07/2019	9/03/2020
End date of lock-up period	Not applicable	Not applicable
Performance conditions	■ Absolute performance criteria: definitive vesting of one-third of the shares allotted if the rise in FFP's total NAV (including PSA) averages 5% p.a. over the period from 31 December 2015 to 31 December 2018. ■ Relative performance criteria (straight-line vesting): • definitive vesting of a maximum of one-third of the shares allotted if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by up to 75bp p.a. over the period from 31 December 2015 to 31 December 2018 (i.e. by 225bp over 3 years); • definitive vesting of a maximum of one-third of the shares allotted if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by more than 75bp p.a. up to a cap of 150bp p.a. over the period from 31 December 2015 to 31 December 2018 (i.e. by 450bp over 3 years).	■ Absolute performance criteria: definitive vesting of one-third of the shares allotted if the rise in FFP's total NAV (including PSA) averages 5% p.a. over the period from 31 December 2016 to 31 December 2019. ■ Relative performance criteria (straight-line vesting): • definitive vesting of a maximum of one-third of the shares allotted if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by up to 75bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 225bp over 3 years); • definitive vesting of a maximum of one-third of the shares allotted if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by more than 75bp p.a. up to a cap of 150bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 450bp over 3 years).
Number of shares vested at 31 December 2017	None	None
Total number of shares cancelled or void	None	None
Performance shares outstanding at the end of the year	17,277	29,063

Table 10 – Summary of each executive director's long-term incentive plan

Not applicable.

Table 11

	Employment agreement		Supplementary pension plan		Indemnities or benefits due or that may fall due on cessation of or change in duties		Non-compete indemnity	
Executive directors	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Robert Peugeot *Chairman and Chief Executive Officer* Date of first appointment: 28 June 1979 Year in which current appointment expires: 2021		◆	◆			◆		◆
Alain Chagnon *Chief Operating Officer* From 1 October 2003 to 9 March 2017	Suspended*		◆			◆		◆
Bertrand Finet *Chief Operating Officer* Since 2 January 2017		◆	◆		◆			◆

* *Alain Chagnon's corporate office was terminated on 9 March 2017, when he became Advisor to the Chairman. As of this date, his employment agreement, which was suspended upon his appointment as a corporate officer, entered force again.*

Corporate officers qualify for the benefit of the defined-contribution supplementary pension plan in force in the Company. Contributions to the plan, which are paid to an insurer, are based on remuneration up to eight times the French Social Security cap (€313,824 in 2017). The contributions made by the Company stood at €38,853 in 2017 for each of the corporate officers.

MISCELLANEOUS UNDERTAKINGS

Certain undertakings were given by the Company to corporate officers pursuant to article L. 225-42-1 of the French Commercial Code concerning:

- the terms and conditions under which the Alain Chagnon's employment agreement, suspended upon his appointment as a corporate officer, would resume upon cessation of his office[(1)].

  These undertakings were subject to the procedure for related party agreements and approved at the Annual General Meeting on 15 June 2007. They are as follows:

  - the remuneration due under the employment agreement upon its resumption will be equal to the last fixed remuneration determined by the Board of Directors plus the average of the three most recent bonus payments,
  - the length of his corporate office will be considered as part of his length of service at the Group, which is used to calculate the length of service under his/her employment agreement, plus all the years that he has spent in the PSA Group as an employee,
  - lastly, a decision was made to arrange unemployment insurance under normal conditions providing protection for 18 months, equivalent to the protection he/she would have received had he/she been an employee;
- the terms under which Bertrand Finet will receive, should his corporate office be terminated by the Board other than for serious misconduct, a termination benefit amounting to:
  - 1 year's fixed and variable remuneration should his corporate office be terminated after its first year,
  - 2 years' fixed and variable remuneration should his corporate office be terminated after the second year,

  subject to fulfilment of the performance conditions determined by the Board.

This undertaking was approved in accordance with the procedure for related party agreements at the Annual General Meeting on 9 March 2017.

Pursuant to the provisions of article L. 225-42-1 of the French Commercial Code, this decision by the Board of Directors was announced in a press release published on the Company's website. The undertaking was also submitted for shareholders' approval at the Annual General Meeting of 11 May 2017 (Fourteenth resolution).

Members of the Board of Directors of the Company and/or of any of its subsidiaries do not hold a service contract providing for the grant of benefits at the end of such contract other than those stated in this section.

(1) *Alain Chagnon's corporate office was terminated on 9 March 2017, when he became Advisor to the Chairman. As of this date, his employment agreement, which was suspended upon his appointment as a corporate officer, entered force again.*

SHAREHOLDER APPROVAL OF THE FIXED SALARY, BONUSES AND EXCEPTIONAL PAYMENTS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID OR AWARDED IN RESPECT OF THE FINANCIAL YEAR TO 31 DECEMBER 2017 TO EACH CORPORATE OFFICER

As specified in the provisions of article L. 225-100 of the French Commercial Code, the following components of remuneration paid or awarded in respect of the previous financial year to each of the Company's executive directors are subject to shareholders' say on pay:

- the fixed salary;
- the annual bonus, and if applicable, the long-term incentive bonus, together with the performance targets on which such bonuses are based;
- exceptional payments;
- stock options, performance shares and any other form of long-term remuneration;
- signing-on bonus or termination benefit;
- supplementary pension plan;
- benefits of any kind.

At the Annual General Meeting of 17 May 2018, shareholders will be given an advisory say on pay on the remuneration paid or awarded in respect of FY 2017 to each of the Company's executive directors, namely:

- Robert Peugeot, Chairman and Chief Executive Officer;
- Alain Chagnon, Chief Operating Officer; and
- Bertrand Finet, Chief Operating Officer.

SHAREHOLDER APPROVAL OF THE FIXED SALARY, BONUSES AND EXCEPTIONAL PAYMENTS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID OR AWARDED IN RESPECT OF THE FINANCIAL YEAR TO 31 DECEMBER 2017 TO ROBERT PEUGEOT, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Remuneration	Amounts or accounting value subject to the vote	Presentation
Fixed salary	€630,279	Gross fixed salary set by the Board of Directors on 9 March 2017.
Annual bonus	n/a	Robert Peugeot does not receive any annual bonus.
Deferred bonuses	n/a	Robert Peugeot does not receive any deferred bonuses.
Long-term incentive plans	n/a	Robert Peugeot does not benefit from any long-term incentive plans.
Exceptional payments	n/a	Robert Peugeot does not receive any exceptional payments.
Performance shares	€461,130	Robert Peugeot holds performance shares subject to the following conditions: ▪ authorisation: Ordinary and Extraordinary General Meeting of 3 May 2016 (Tenth resolution); ▪ allotment decision: Board of Directors' meeting on 9 March 2017; ▪ vesting period: from 9 March 2017 to 9 March 2020; ▪ lock-up period: no lock-up period, with shares available for sale from 9 July 2020. Even so, only 25% of the shares vested may be sold, as he is obliged to hold the remainder for his entire term in office; ▪ number of shares: 5,508 or 0.022% of FFP's share capital at 31 December 2017; ▪ performance conditions: • absolute performance criteria: definitive vesting of one-third of the shares allotted (1,836 shares) if the rise in FFP's total NAV (including PSA) averages 5% p.a. over the period from 31 December 2016 to 31 December 2019, • relative performance criteria (straight-line vesting): • definitive vesting of a maximum of one-third of the shares allotted (1,836 shares) if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by up to 75bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 225bp over 3 years), • definitive vesting of a maximum of one-third of the shares allotted (1,836 shares) if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by more than 75bp p.a. up to a cap of 150bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 450bp over 3 years).
Attendance fees	€59,640	As stated in the Internal Rules on directors' remuneration, Robert Peugeot received €59,640 pursuant to his appointment as a director of FFP.
Value of benefits in kind of any type	€2,796	Company car.
Termination benefit	n/a	Robert Peugeot is not eligible for any termination benefit.
Non-compete indemnity	n/a	Robert Peugeot is not eligible for any non-compete indemnity.
Supplementary pension plan	No payment	Like the Chief Operating Officer, Robert Peugeot is a member of the defined-contribution supplementary pension plan in force in the Company. Contributions to the plan, which are paid to an insurer, are based on remuneration up to eight times the French Social Security cap (€313,824 in 2017). The contributions made by the Company stood at €17,268 in 2017.

SHAREHOLDER APPROVAL OF THE FIXED SALARY, BONUSES AND EXCEPTIONAL PAYMENTS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID OR AWARDED IN RESPECT OF THE FINANCIAL YEAR TO 31 DECEMBER 2017 TO ALAIN CHAGNON, CHIEF OPERATING OFFICER

Remuneration	Amounts or accounting value subject to the vote	Presentation
Fixed salary	€75,000	Gross fixed salary set by the Board of Directors on 9 March 2017 (calculated on a pro rata basis on the date his corporate office ends).
Annual bonus	€30,000	Set at a maximum of €160,000 (calculated on a pro rata basis on the date his corporate office ends). The bonus is determined using precise qualitative (capped at €96,000) and quantifiable criteria (capped at €64,000), the choice and weighting of which are approved each year at the beginning of the year by the Board of Directors on the recommendation of the Governance, Appointments and Remuneration Committee. For 2017, the bonus is based on: ▪ qualitative criteria linked to facilitation of Bertrand Finet's integration within FFP, both internally and vis-à-vis external partners, and a smooth handover of responsibilities; and ▪ quantifiable criteria, which break down into two sub-criteria: • 50% linked to the performance of FFP's NAV excluding PSA compared with that of the Eurostoxx 600 index on a dividends reinvested basis. If performance is positive and exceeds that of the Eurostoxx 600 index, this portion is triggered progressively, with the maximum allocation for a performance of over 6%, and • 50% linked to the absolute performance of FFP's NAV excluding PSA. If performance is positive, this portion is triggered progressively, with the maximum allocation for a performance of over 8%. The bonuses paid to Alain Chagnon in respect of 2017 accounted for 40% of his fixed salary.
Deferred bonuses	n/a	Alain Chagnon does not receive any deferred bonuses.
Long-term incentive plans	n/a	Alain Chagnon does not benefit from any long-term incentive plans.
Exceptional payments	n/a	Alain Chagnon did not receive any exceptional payments in respect of 2017.

Remuneration	Amounts or accounting value subject to the vote	Presentation
Performance shares	€216,165	Alain Chagnon holds performance shares subject to the following conditions: ▪ authorisation: Ordinary and Extraordinary General Meeting of 3 May 2016 (Tenth resolution); ▪ allotment decision: Board of Directors' meeting on 9 March 2017; ▪ vesting period: from 9 March 2017 to 9 March 2020; ▪ lock-up period: no lock-up period, with shares available for sale from 9 July 2020. Even so, only 25% of the shares vested may be sold, as he is obliged to hold the remainder for his entire term in office; ▪ number of shares: 2,582 or 0.010% of FFP's share capital at 31 December 2017; ▪ performance conditions: • absolute performance criteria: definitive vesting of one-third of the shares allotted (861 shares) if the rise in FFP's total NAV (including PSA) averages 5% p.a. over the period from 31 December 2016 to 31 December 2019, • relative performance criteria (straight-line vesting): • definitive vesting of a maximum of one-third of the shares allotted (861 shares) if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by up to 75bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 225bp over 3 years), • definitive vesting of a maximum of one-third of the shares allotted (860 shares) if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by more than 75bp p.a. up to a cap of 150bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 450bp over 3 years).
Attendance fees	No payment	Alain Chagnon does not receive any attendance fees.
Value of benefits of any kind	€699	Company car.
Termination benefit	n/a	Alain Chagnon is not eligible for any termination benefit.
Non-compete indemnity	n/a	Alain Chagnon is not eligible for any non-compete indemnity.
Supplementary pension plan	No payment	Like the Chairman and Chief Executive Officer, Alain Chagnon is a member of the defined-contribution supplementary pension plan in force in the Company. Contributions to the plan, which are paid to an insurer, are based on remuneration up to eight times the French Social Security cap (€313,824 in 2017). The contributions made by the Company stood at €4,317 in 2017.

SHAREHOLDER APPROVAL OF THE FIXED SALARY, BONUSES AND EXCEPTIONAL PAYMENTS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID OR AWARDED IN RESPECT OF THE FINANCIAL YEAR TO 31 DECEMBER 2017 TO BERTRAND FINET, CHIEF OPERATING OFFICER

Remuneration	Amounts or accounting value subject to the vote	Presentation
Fixed salary	€550,190	Gross fixed salary set by the Board of Directors on 9 March 2017.
Annual bonus	€150,000	Set at a maximum of €150,000. The bonus is determined using precise qualitative (capped at €90,000) and quantifiable criteria (capped at €60,000), the choice and weighting of which are approved each year at the beginning of the year by the Board of Directors on the recommendation of the Governance, Appointments and Remuneration Committee. For 2017, the bonus is based on: ▪ qualitative criteria linked to Bertrand Finet's integration within the Company, strategic insights, the increase in the deal flow and how FFP is perceived in the markets; and ▪ quantifiable criteria, which break down into two sub-criteria: • 50% linked to the performance of FFP's NAV excluding PSA compared with that of the Eurostoxx 600 index on a dividends reinvested basis. If performance is positive and exceeds that of the Eurostoxx 600 index, this portion is triggered progressively, with the maximum allocation for a performance of over 6%, and • 50% linked to the absolute performance of FFP's NAV excluding PSA. If performance is positive, this portion is triggered progressively, with the maximum allocation for a performance of over 8%. The bonuses paid to Bertrand Finet in respect of 2017 accounts for 27% of his fixed salary.
Deferred bonuses	n/a	Bertrand Finet does not receive any deferred bonuses.
Long-term incentive plans	n/a	Bertrand Finet does not benefit from any long-term incentive plans.
Exceptional payments	n/a	Bertrand Finet did not receive any exceptional payments in respect of 2017.
Performance shares	€396,247	Bertrand Finet holds performance shares subject to the following conditions: ▪ authorisation: Ordinary and Extraordinary General Meeting of 3 May 2016 (Tenth resolution); ▪ allotment decision: Board of Directors' meeting on 9 March 2017; ▪ vesting period: from 9 March 2017 to 9 March 2020; ▪ lock-up period: no lock-up period, with shares available for sale from 9 July 2020. Even so, only 25% of the shares vested may be sold, as he is obliged to hold the remainder for his entire term in office; ▪ number of shares: 4,733 or 0.019% of FFP's share capital at 31 December 2017; ▪ performance conditions: • absolute performance criteria: definitive vesting of one-third of the shares allotted (1,578 shares) if the rise in FFP's total NAV (including PSA) averages 5% p.a. over the period from 31 December 2016 to 31 December 2019, • relative performance criteria (straight-line vesting): ◦ definitive vesting of a maximum of one-third of the shares allotted (1,578 shares) if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by up to 75bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 225bp over 3 years), ◦ definitive vesting of a maximum of one-third of the shares allotted (1,577 shares) if the increase in FFP's NAV excluding PSA exceeds that in the Eurostoxx 600 index (dividends reinvested) by more than 75bp p.a. up to a cap of 150bp p.a. over the period from 31 December 2016 to 31 December 2019 (i.e. by 450bp over 3 years).
Attendance fees	No payment	Bertrand Finet does not receive attendance fees.

Remuneration	Amounts or accounting value subject to the vote	Presentation
Value of benefits of any kind	€2,796	Company car.
Termination benefit		The terms under which Bertrand Finet will receive, should his corporate office be terminated by the Board other than for serious misconduct, a termination benefit amounting to: ▪ 6 months' fixed salary and bonus should his corporate office be terminated in its first year; ▪ 1 year's fixed salary and bonus should his corporate office be terminated after its first year; ▪ 2 years' fixed salary and bonus should his corporate office be terminated after the second year; subject to fulfilment of the performance conditions determined by the Board.
Non-compete indemnity	n/a	Bertrand Finet is not eligible for any non-compete indemnity.
Supplementary pension plan	No payment	Like the Chairman and Chief Executive Officer, Bertrand Finet is a member of the defined-contribution supplementary pension plan in force in the Company. Contributions to the plan, which are paid to an insurer, are based on remuneration up to eight times the French Social Security cap (€313,824 in 2017). The contributions made by the Company stood at €17,268 in 2017.

APPROVAL BY THE SHAREHOLDERS OF THE PRINCIPLES AND CRITERIA APPLIED IN THE DETERMINATION, ALLOCATION AND AWARD OF FIXED SALARY, BONUSES AND EXCEPTIONAL PAYMENTS MAKING UP THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND DUE IN RESPECT OF FY 2018 TO THE EXECUTIVE DIRECTORS

Pursuant to article L. 225-37-2 of the French Commercial Code, the Board of Directors presents the principles and criteria applied in the determination, allocation and award of fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind to executive directors.

Shareholders will be asked at the Annual General Meeting of 17 May 2018 to approve the remuneration policy for executive directors in respect of 2018, which was approved by the Board of Directors on 23 March 2018 on the recommendation of the Governance, Appointments and Remuneration Committee.

To this end, two separate resolutions will be submitted for shareholders' approval covering:

- Robert Peugeot, Chairman and Chief Executive Officer (Fourteenth resolution); and
- Bertrand Finet, Chief Operating Officer (Fifteenth resolution).

Resolutions of this kind will be submitted at least on an annual basis for shareholders' approval at the Annual General Meeting, as provided for in law.

If the Annual General Meeting on 17 May 2018 does not approve these resolutions, remuneration will be determined in accordance with the remuneration allotted in respect of the previous year or, where no remuneration was allotted in respect of the previous year, in accordance with the Company's customary practice.

Robert Peugeot

Robert Peugeot's remuneration consists solely of a fixed component, and he does not receive any bonus or exceptional payments. On the recommendation of the Governance, Appointments and Remuneration Committee, the Board of Directors approved this gross remuneration of €640,000 at its meeting on 23 March 2018.

He will also receive attendance fees in respect of his duties as Chairman of FFP's Board of Directors and director of Établissements Peugeot Frères, the company that controls FFP. The bulk of these attendance fees are variable and are linked to attendance at Board meetings.

On the recommendation of the Governance, Appointments and Remuneration Committee, the Board of Directors proposed at its meeting on 23 March 2018 that Robert Peugeot should also be allotted 8,500 bonus shares. The definitive decision to allot these shares, and the corresponding allotment conditions, including performance conditions, will be laid down by the Board of Directors at its meeting on 17 May 2018, provided that the shareholders give their prior approval at the Annual General Meeting of 17 May 2018 (Eighteenth resolution) to the Board of Directors to carry out this bonus allotment of shares.

Lastly, the Chairman and Chief Executive Officer has a company car.

Bertrand Finet

Bertrand Finet's remuneration consists of a fixed salary and a bonus linked to attainment of objectives set by the Board of Directors on the recommendation of the Governance, Appointments and Remuneration Committee. At its meeting of 23 March 2018, the Board of Directors set his fixed salary at €600,000 gross and his bonus at a maximum of €150,000 gross payable in 2019 subject to the achievement of the following qualitative and quantifiable criteria:

- qualitative criteria (60% of the bonus):
  - integration of new recruits/employee development;
  - promotion of FFP to shareholders;
  - raising of FFP's profile among its external stakeholders, and
  - continued development of the deal flow;
- quantifiable criteria (40% of the bonus), breaking down into two sub-criteria:
  - 50% linked to the performance of FFP's NAV excluding PSA compared with that of the Eurostoxx 600 index on a dividends reinvested basis. If performance is positive and exceeds that of the Eurostoxx 600 index, this portion is triggered progressively, with the maximum allocation for a performance of over 6%; and
  - 50% linked to the absolute performance of FFP's NAV excluding PSA. If performance is positive, this portion is triggered progressively, with the maximum allocation for a performance of over 8%.

On the recommendation of the Governance, Appointments and Remuneration Committee, the Board of Directors proposed at its meeting on 23 March 2018 that Bertrand Finet should also be allotted 6,500 bonus shares The definitive decision to allot these shares, and the corresponding allotment conditions, including performance conditions, will be laid down by the Board of Directors at its meeting on 17 May 2018, provided that the shareholders give their prior approval at the Annual General Meeting of 17 May 2018 (Eighteenth resolution) to the Board of Directors to carry out this bonus allotment of shares.

A termination benefit will be awarded to Bertrand Finet, should his corporate office be terminated by the Board for a reason other than serious misconduct. This benefit will amount to:

- 1 year's fixed salary and bonus should his corporate office be terminated after the first year, provided that he has fulfilled at least 60% of the qualitative and quantifiable performance criteria to be set by the Board for 2018; and
- 2 years' fixed salary and bonus should his corporate office be terminated after the second year, provided that he has fulfilled the qualitative and quantifiable performance criteria to be set subsequently by the Board covering the previous two years.

This termination benefit was approved in principle in accordance with the procedure covering related party agreements at the Annual General Meeting on 9 March 2017.

Pursuant to the provisions of article L. 225-42-1 of the French Commercial Code, this decision by the Board of Directors was announced in a press release published on the Company's website.

The undertaking was also approved at the Annual General Meeting of 11 May 2017 (Fourteenth resolution).

Lastly, Bertrand Finet has a company car.

2.8 Summary statement of trading in FFP shares by corporate officers and connected persons in FY 2017

Jean-Philippe Peugeot, a Director of the Company, sold 6,616 FFP shares on the market on 16 March 2017.

2.9 Corporate governance declarations

Of the members of the Board of Directors, Marie-Hélène Peugeot-Roncoroni, Robert Peugeot, Jean-Philippe Peugeot, Christian Peugeot and Xavier Peugeot belong to the Peugeot family group. The members of the Peugeot family group are descendants of Robert Peugeot (1873-1945), their great grandfather.

Declarations concerning the Board of Directors and Executive Management

As far as the Company is aware, over the past five years:

- no member of the Board of Directors or Executive Management has been convicted of fraud;
- no member of the Board of Directors or Executive Management has been involved in an insolvency, receivership or liquidation as a member of the Board of Directors, Management Board or Supervisory Board or as the Chief Executive Officer;
- no member of the Board of Directors or Executive Management has been implicated in and/or received an official public sanction from the statutory or regulatory authorities (including designated professional organisations);
- no member of the Board of Directors or Executive Management has been disqualified by a court from acting as a member of the Board of Directors, Management Board or Supervisory Board of an issuer or from participating in the management or conduct of the business of any issuer.

Declarations concerning conflicts of interest

As far as the Company is aware, based on the declarations signed by the corporate officers, there are no existing or potential conflicts of interest between the duties of the officers to the Company and their private interests. As far as the Company is aware, there are no arrangements in place or agreements with principal shareholders, customers, suppliers or other parties, pursuant to which a member of the Board of Directors has been appointed. As far as the Company is aware, no restrictions have been agreed to by a member of the Board of Directors concerning the sale, within a specific period of time, of some or all of the shares that he/she possesses. The Internal Rules expressly address a situation in which a conflict of interest has arisen: "*The director will inform the Board of Directors of any existing or potential conflicts of interest with FFP. He/she will refrain from participating in the corresponding vote. (...) The director is bound by a duty of loyalty. To this end, he/she must not make a personal commitment to a business competing with the Company or its Group, without informing the Board of Directors and having gained its approval.*"

2.10 Related-party transactions

No transactions were entered into with related undertakings.

2.11 Statutory Auditors’ report on the report on corporate governance

The observations required under article L. 225-235 of the French Commercial Code are included in the Statutory Auditors’ report on the parent-company financial statements (chapter 5.2).

INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

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3.1 FFP and its shareholders

Information about the share capital

At 23 March 2018, the share capital stood at €25,072,589, consisting of 25,072,589 shares each with a par value of €1. It is important to note that:

- on 19 November 2009, 248,927 shares[(1)] were cancelled, representing 0.98% of FFP's share capital, pursuant to shareholder authorisation received under the Eighth resolution at the Ordinary and Extraordinary General Meeting of 16 June 2009;
- on 8 March 2011, 1,800 shares[(2)] were cancelled, representing 0.01% of FFP's share capital, pursuant to shareholder authorisation received under the Sixth resolution at the Ordinary and Extraordinary General Meeting of 10 June 2010;
- on 2 February 2016, 84,684 shares[(3)] were cancelled, representing 0.34% of FFP's share capital, pursuant to shareholder authorisation received under the Tenth resolution at the Ordinary and Extraordinary General Meeting of 20 May 2014;
- on 24 May 2017, 100,000 shares[(4)] were repurchased, representing 0.40% of FFP's share capital, pursuant to shareholder authorisation received under the Seventeenth resolution at the Ordinary General Meeting of 11 May 2017;
- on 30 May 2017, 226,483 shares[(4)] were repurchased, representing 0.90% of FFP's share capital, pursuant to shareholder authorisation received under the Seventeenth resolution at the Ordinary General Meeting of 11 May 2017.

FFP's ownership structure

CHANGES DURING THE YEAR

FFP is kept informed of the identity of its principal shareholders by virtue of a combination of the requirements of law and the Articles of Association obliging all shareholders to identify themselves when crossing above or below the 5%, 10%, 15%, 20%, 25%, 30%, 1/3, 50%, 2/3, 90% or 95% thresholds (statutory requirements) or the 2% threshold (requirement of the Articles of Association) of the share capital or voting rights.

Moneta Asset Management, acting on behalf of funds that it manages, crossed above the notification thresholds of:

- 2.0% of the Company's share capital on 23 January 2017; and
- 3.0% of the Company's share capital on 27 October 2017.

At 29 March 2018, these funds held 793,907 shares and the same number of voting rights accounting for 3.17% of the Company's share capital and 1.76% of its voting rights.

Sycomore Asset Management, acting on behalf of the collective investment undertakings and accounts that it manages, crossed above the notification threshold of 2.0% of the Company's share capital on 24 May 2017. These funds and managed accounts held 536,404 shares and the same number of voting rights accounting for 2.14% of the Company's share capital and 1.19% of its voting rights.

CURRENT BREAKDOWN OF THE SHARE CAPITAL

Number of shareholders

At 31 December 2017, FFP had 160 direct or managed registered shareholders, who hold 79.93% of the share capital and 88.20% of voting rights. Bearer shareholders accounted for 20.07% of the share capital and 11.80% of voting rights.

Employee share ownership

At 31 December 2017, only one FFP employee held its shares. The relevant individual is Alain Chagnon, Advisor to the Chairman since 9 March 2017, who holds 1,844 FFP shares.

It is also worth noting that FFP's Board of Directors allotted:

- bonus shares to certain FFP employees on 7 July 2016. These shares will vest definitively on 7 July 2019 subject to the satisfaction of performance criteria;
- bonus shares to all of FFP's employees on 9 March 2017. These shares will vest definitively on 9 March 2020 subject to the satisfaction of performance criteria.

CHANGES IN THE OWNERSHIP STRUCTURE (SHAREHOLDERS OWNING OVER 5% OF THE SHARE CAPITAL OR VOTING RIGHTS)

At 31 December 2017, Établissements Peugeot Frères controlled FFP. As far as the Company is aware, no shareholder other than Établissements Peugeot Frères held directly or indirectly a percentage of the Company's share capital or voting rights of 5% or more.

(1) For the record, these shares were acquired on the basis of article L. 225-209 of the French Commercial Code and corresponded to 246,727 shares repurchased for cancellation, and 2,200 shares repurchased to hedge a stock option plan that expired on 17 September 2009.

(2) For the record, these shares were acquired on the basis of article L. 225-209 of the French Commercial Code and corresponded to 2,400 shares repurchased to hedge a stock option plan that expired on 19 December 2010.

(3) For the record, these shares were acquired on the basis of article L. 225-209 of the French Commercial Code and corresponded to 84,684 shares repurchased for cancellation.

(4) These shares were acquired on the basis of article L. 225-209 of the French Commercial Code for the purpose of hedging bonus share allotment plans.

Analysis of the share capital and voting rights at 31 December 2017

Main shareholders identified	Number of shares	% of share capital	% of exercisable voting rights	% of theoretical voting rights
Établissements Peugeot Frères	**19,932,454**	**79.50%**	**88.40%**	**87.76%**
Treasury shares*	329,283	1.31%	0.73%	0.72%
Free float	4,810,852	19.19%	10.87%	11.52%
TOTAL	**25,072,589**	**100%**	**100%**	**100%**

* *Pursuant to the liquidity agreement and implementation of the share buyback programme.*

Analysis of the share capital and voting rights at 31 December 2016

Main shareholders identified	Number of shares	% of share capital	% of exercisable voting rights	% of theoretical voting rights
Établissements Peugeot Frères	**19,932,454**	**79.50%**	**87.73%**	**87.73%**
Treasury shares*	699	0%	0%	0%
Free float	5,139,436	20.50%	12.27%	12.27%
TOTAL	**25,072,589**	**100%**	**100%**	**100%**

* *Pursuant to the liquidity agreement and implementation of the share buyback programme.*

Analysis of the share capital and voting rights at 31 December 2015

Main shareholders identified	Number of shares	% of share capital	% of exercisable voting rights	% of theoretical voting rights
Établissements Peugeot Frères	**19,932,454**	**79.23%**	**87.57%**	**87.40%**
Treasury shares*	85,684	0.34%	0.19%	0.19%
Free float	5,139,135	20.43%	12.24%	12.41%
TOTAL	**25,157,273**	**100%**	**100%**	**100%**

* *Pursuant to the liquidity agreement and implementation of the share buyback programme.*

Breakdown of theoretical voting rights at 31 December 2017

Pursuant to article 223-11 of the AMF's General Regulation, voting rights are presented on a theoretical basis taking into account all the shares carrying a voting right, including those on which the voting rights may not be exercised (shares held in treasury). These theoretical voting rights are used to calculate notification thresholds for shareholdings. At 31 December 2017, the total gross number of voting rights was 45,423,809, and the total net number of voting rights was 45,094,526.

Control of FFP

The Company refers to the AFEP-MEDEF Corporate Governance Code. Pursuant to these recommendations, FFP implemented a set of measures to ensure the control of the Company is exercised fairly, including:

- five independent directors on its Board of Directors, which has a total of ten members;
- three specialised committees on which independent directors serve.

Lastly, as far as the Company is aware:

- none of the Company's principal shareholders has different voting rights; and
- there is no agreement that, if implemented, could result in a change in control of the Company at a future date.

Excerpts from the Articles of Association concerning the share capital and ownership structure

INFORMATION ABOUT OWNERSHIP OF THE SHARE CAPITAL (ARTICLE 7 OF THE ARTICLES OF ASSOCIATION)

Aside from the statutory requirement to disclose holdings in the Company's shares, any individual or legal entity that, acting alone or in concert, with other individuals or legal entities, comes into possession or ceases to hold directly or indirectly a number of shares representing at least 2% of the Company's share capital or voting rights, must notify the Company of the change in ownership within 15 days by registered letter with return receipt requested. Thresholds are deemed to be crossed when transactions are entered into on- or off-market, irrespective of how the securities are delivered.

This notification must state:

- the total number of shares and voting rights held, directly or indirectly, by the declaring shareholder, acting alone or in concert;
- where appropriate, securities conferring rights to the Company's share capital, directly or indirectly, by the declaring shareholder, acting alone or in concert;
- the date on which the threshold was crossed; and
- where appropriate, persons with whom the declaring shareholder acts in concert.

This declaration must be made every time that a 1% ownership threshold or any multiple of this percentage is crossed upwards or downwards.

At the request of one or more shareholders together holding at least 1% of the Company's share capital or voting rights, any shares in excess of the portion that should have been declared by the Company under the aforementioned statutory notification threshold requirements, may be stripped of their voting rights at any general meetings to be held for a period of two years from the date on which the omitted notification is rectified.

RIGHTS ATTACHED TO SHARES

Form of the shares (Article 7 of the Articles of Association)

Fully-paid up shares may be held in registered or bearer form, at the shareholder's discretion. Shares are recorded in an account as provided for in law and the regulations. The Company is entitled to request the identity of the holders of securities granting immediate or future voting rights at its general meetings, as well as the quantities held, as provided for in the legislation in force.

Rights attached to each share (Article 8 of the Articles of Association)

Aside from the voting right granted to it by law, each share entitles its holder to a share of profits and any liquidation surplus in proportion to the percentage of share capital that it represents.

All shares rank *pari passu* from a tax perspective. Accordingly, they entitle their holders to the same net amount, based on their par value and the date from which they rank for dividend, for any appropriation or return of capital during the Company's life or upon its liquidation.

General Meetings of shareholders (Article 13 of the Articles of Association)

1. Fully-paid up shares registered in the name of the same holder for at least four years carry double voting rights at general meetings. In the event of a capital increase through the capitalisation of reserves, earnings or share premiums, double voting rights will also attach from the issuance of the registered bonus shares to be allotted to a shareholder in respect of existing shares already carrying this right or, if said existing shares do not carry double voting rights upon issue, from the date on which they will acquire this right.
2. Meetings are held at either the registered office or at any other venue specified in the notice of meeting. Shareholders may, as provided for in law, send their proxy and postal voting forms to the Company for any general meeting, either in paper form or, if the Board of Directors so decides and states in the notice of meeting, electronically. Legal entities may be represented at general meetings by their legal representatives or any other specially designated person.
3. General meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman of the Board, where designated, or by a director specially designated by the Board for such purpose. Failing this, the General Meeting elects its own Chairman.

Shareholders' agreements

SHAREHOLDERS' AGREEMENTS CONCERNING FFP SHARES LODGED WITH THE AUTORITÉ DES MARCHÉS FINANCIERS

None.

DUTREIL AGREEMENTS (ARTICLE 885 I OF THE FRENCH GENERAL TAX CODE) CONCERNING FFP SHARES

None.

SHAREHOLDERS' AGREEMENTS ENTERED INTO BY FFP[1] WITH ITS SHAREHOLDINGS

Shareholding	Date of shareholders' agreement	AMF notification (where appropriate)	Duration	Main features of the shareholders' agreements
IDI Emerging Markets	7/07/2008 as amended by supplemental agreements no. 1 on 08/09/2009, no. 2 on 19/07/2010 and no. 3	n/a	10 years	Agreement governing relations between IDI Emerging Markets' shareholders, including their equity investment and terms of co-investments. Supplemental agreement no. 1 aims to reflect the changes arising from a reduction in capital and the appointment of a new Supervisory Board member. Supplemental agreement no. 2 aims to reflect the changes arising from the creation of sub-funds in the company and the issue of new classes of shares. Supplemental agreement no. 3 aims to restrict the scope of the shareholder agreement's application to solely the two existing sub-funds (I and II).
CID	26/07/2011	n/a	30/06/2021	Shareholders' agreement making arrangements to ensure the liquidity of CID shares.
LDAP	12/09/2013	n/a	Duration of the investment	Shareholders' agreement making arrangements to ensure the liquidity of LDAP shares.
CIEL	10/03/2014	n/a	FFP INVEST to hold at least 5% of the company's voting rights and the majority shareholders party to the agreement of the majority of the company's voting rights	Shareholders' agreement making arrangements to ensure the liquidity of CIEL shares and governance rules applicable within the company.
Peugeot SA	28/04/2014	n/a	10 years	Shareholders' agreement providing for a standstill commitment by parties (*FFP/EPF, Bpifrance and Dongfeng*) not to increase their respective interest in the company and establishing governance rules for the company.
Zéphyr Investissement	05/10/2015	n/a	10 years	Shareholders' agreement making arrangements to ensure the liquidity of Zéphyr shares and establishing governance rules applicable within the company.
Tikehau Capital Advisors	15/06/2016	n/a	Duration of the investment	Shareholders' agreement making arrangements to ensure the liquidity of shares and establishing governance rules applicable within the company.

OTHER

Since 24 April 2014, the Dutreil agreements governed by articles 885 I bis and 787 B of the French General Tax Code have no longer been in force, either because they have expired or because they have been terminated.

(1) Agreements to which FFP INVEST, its wholly-owned subsidiary, is party.

Dividends paid in the last three financial years

DIVIDEND POLICY

For many years, FFP's dividend policy has been to pay out a steadily increasing dividend, wherever possible. At the forthcoming Annual General Meeting, the Board has decided to propose a dividend of €2 per share.

APPROPRIATION OF INCOME

The Board of Directors proposes appropriating income as follows:

Profit for the financial year	€31,581,020.92
Retained earnings	€2,684,123.23
Reserves available for distribution	€1,099,222,553.44
Total amount available for distribution	€1,133,487,697.59
Appropriation	
■ to shares as a dividend	€50,145,178.00
■ to Other reserves	€1,083,342,519.59

DIVIDEND PAYMENTS IN THE LAST THREE FINANCIAL YEARS

	2016	2015	2014
Number of shares	25,072,589	25,072,589	25,157,273
Par value of shares	€1.00	€1.00	€1.00
Dividend per share	€1.80	€1.60	€2

Transactions in the Company's shares

DETAILS OF THE 2017 SHARE BUYBACK PROGRAMME

Legal framework

At the Ordinary General Meeting of 11 May 2017 (Seventeenth resolution), shareholders authorised the Board of Directors to implement a share buyback programme (the "Buyback Programme") in accordance with the provisions of article L. 225-209 of the French Commercial Code. This Buyback Programme was set up by the Board of Directors on 11 May 2017.

The main characteristics of this Buyback Programme are presented in the 2016 Registration Document. This programme superseded that authorised at the Ordinary and Extraordinary General Meeting of 3 May 2016 (Eighth resolution).

This Buyback Programme was adopted for a period of 18 months with effect from the date of the General Meeting, that is until 10 November 2018. Pursuant to this authorisation, the maximum purchase price was set at €130 per share.

The Board of Directors was authorised to buy a number of shares representing no more than 10% of the number of shares making up FFP's share capital.

Characteristics of the Buyback Programme

Pursuant to the regulations in force and market practices permitted by the Autorité des marchés financiers, the objectives of this Buyback Programme were to enable, where appropriate:

- an investment services provider to maintain a liquid market for the Company's shares under a liquidity agreement that complies with the AMAFI Code of Ethics recognised by the AMF;
- the allotment or sale of shares to employees and/or corporate officers (on the terms and conditions and as provided for in law), including under a stock option plan, a bonus share allotment plan or a corporate savings plan;
- the allotment of shares upon the exercise of rights attached to negotiable securities carrying entitlement through redemption, conversion, exchange, presentation of a warrant or any other means to the allotment of the Company's shares;
- the potential cancellation of the shares acquired;
- more generally, the execution of any transaction permitted or authorised subsequently by the regulations in force, especially where it relates to a market practice permitted subsequently by the AMF.

Share buybacks by FFP in the 2017 financial year

- Shares bought back for cancellation: none.
- Shares bought back for the purpose of maintaining the share's liquidity.

  In 2017, acting on behalf of FFP under a liquidity agreement and to maintain the liquidity of the share, Oddo Corporate Finance:
  - purchased 65,956 shares at an average price of €89.66 per share;
  - sold 63,855 shares at an average price of €90.04 per share;

    pursuant to the Eighth resolution of the Ordinary General Meeting of 3 May 2016, then the Seventeenth resolution of the Ordinary General Meeting of 11 May 2017 (which supersedes the previous authorisation).

Cancellation of shares by the Company during 2017

Not applicable.

Any reallocations

The shares purchased by the Company pursuant to the authorisation granted by the Seventeenth resolution adopted by the Ordinary General Meeting of 11 May 2017 or any prior authorisation have not been set for purposes other than the original objectives set when they were repurchased.

Total amount of trading costs

The total amount of trading costs came to €40,000 in respect of purchases with a view to maintaining the share's liquidity.

Number of shares held in treasury at year-end 2017

Percentage of capital held in treasury directly or indirectly	1.31%
Number of shares cancelled in the past 24 months	84,684
Number of shares held in the portfolio	
o/w liquidity agreement	2,800
▪ o/w coverage of stock options plans	326,483
▪ o/w shares held for cancellation	-
THAT IS:	**329,283 shares**
Value of the shares stated at acquisition cost	€29,444,445.57

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Factors that may have an impact in the event of a public tender offer

There are no shareholders' agreements or lock-up undertakings as such. Article 13 of the Articles of Association states that fully-paid up shares registered in the name of the same holder for at least four years will carry double voting rights.

3.2 Information about the company

Company name

FFP

Registered office

66 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Corporate form and incorporation

Société anonyme (joint-stock corporation) registered under French law. FFP is governed by French law, including the French Commercial Code, and is registered on the Nanterre Trade and Companies Register under no. 562 075 390.

Date of incorporation: 30 July 1929. Scheduled end of life: 18 July 2028.

Corporate objects (Article 3 of the Articles of Association)

The Company's object is to participate, directly or indirectly, including by subscribing for or acquiring shares or any other corporate rights, establishing interests, forming new companies, contributing assets, conducting mergers, combining activities or by any other means in any and all industrial, commercial or financial activities, in France or abroad, related to:

- the manufacture, sale or repair of all forms of motor vehicles; engines designed to power them and their spare parts and accessories;
- the manufacture and sale of all steel products, tools and hand, mechanical or electrical tool systems;
- the manufacture and sale of all manufacturing, mechanical and electrical engineering equipment, devices, machines and components of any and all types, and for all applications;

- the provision of all types of service activities;
- the acquisition by any means, construction, installation and development, operation, rental and sale of any and all real property, land, manufacturing facilities, plants, offices and other goods and property rights; and
- more generally, to conduct any and all commercial, industrial, financial or real estate transactions related directly or indirectly to any of the above purposes, wholly or partially, to similar or adjacent objects that would contribute to the growth and development of the Company's business.

Financial year (Article 14 of the Articles of Association)

From 1 January to 31 December.

Appropriation of income (Article 14 of the Articles of Association)

Distributable profit as defined by law is appropriated at the discretion of shareholders at the Annual General Meeting. Except in certain exceptional circumstances laid down in law, the Annual General Meeting makes the final decision as to its appropriation.

The option of allowing each shareholder to elect either for payment of all or part of the dividend or interim dividend in cash or in shares may be exercised as provided for in the regulations in force.

ACTIVITY AND PROFIT FOR THE PERIOD

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4.1 Investments and divestments[1] during the year

Shareholdings

DISPOSAL OF SANEF SHARES

In April 2017, FFP sold to Abertis its 5.1% stake in Holding d'Infrastructures de Transport (HIT), which owns 100% of motorway operator Sanef, for €238 million.

FFP had been a shareholder in HIT since Sanef was privatised by the French government in 2006.

DISPOSAL OF THE SECOND TRANCHE OF ONET SA SHARES

In 2007, FFP and the Reinier family joined forces to give fresh momentum to ONET SA. FFP invested €72 million in Holding Reinier, enabling the Reinier family to strengthen its control over ONET SA, which was delisted.

As part of agreements signed by FFP and the Reinier family in 2007, FFP was granted partial liquidity for its investment. That resulted in the Reinier family acquiring half of FFP's stake for €45 million on 21 January 2016.

In May 2017, Holding Reinier, which owns almost 100% of ONET SA, carried out a capital reduction. That transaction followed the EMZ fund acquiring a stake in Holding Reinier. As part of the capital reduction, FFP received €48 million on 29 May 2017, and it no longer owns any shares in Holding Reinier.

DISPOSAL OF IPSOS SHARES

In 2011, FFP bought a 10.1% stake in LT Participations, the Ipsos group's largest shareholder, and took up seats on the Boards Of Directors of both LT Participations and Ipsos. FFP helped finance Ipsos' acquisition of Synovate, which made Ipsos the world's third-largest market research group.

In 2016, Didier Truchot allowed 144 executives to buy shares in his DT & Partners holding company, in order to safeguard that company's role as Ipsos' main shareholder. Following that transaction, LT Participations and Ipsos merged. FFP became a direct shareholder of Ipsos, with a stake of only 2.1%, and accordingly sold its Ipsos shares in the market for €30 million in the first half of 2017.

ADDITIONAL INVESTMENT IN TOTAL EREN

FFP took part in a capital increase totalling almost €100 million (second tranche of the 2015 fundraising round), to enable it to pursue existing renewable energy projects. FFP invested €14 million in this capital increase and it now has a seat on the Board as a non-voting director. Total has also acquired an indirect 23% stake in the company, which has been renamed Total Eren.

ADDITIONAL INVESTMENT IN TIKEHAU CAPITAL

In July 2017, FFP took part in Tikehau Capital's €702 million capital increase at a price of €22 per share, and also that of its controlling holding company Tikehau Capital Advisors. Overall, therefore, FFP invested €25.7 million in 2017 and now owns 3% of Tikehau Capital and 6% of Tikehau Capital Advisors.

INVESTMENT IN SPIE

SPIE is a leading independent European provider of multi-technical services, and has achieved steady growth in the last few years due to the quality of its business model, staff and management.

On 5 September 2017, FFP formed an agreement with Clayax Acquisition Luxembourg 5 SCA (Clayax), owned by Clayton, Dublier & Rice and Ardian, under which FFP bought 8 million shares in SPIE from Clayax for €189 million.

FFP then made an additional investment of around €11 million in December 2017, after which it owned 8.5 million SPIE shares, giving it 5.5% of the capital.

FFP has a seat on SPIE's Board as non-voting director.

INVESTMENT ALONGSIDE ELV

FFP has joined forces with several families in Europe to support the development of several real-estate projects in the USA, which are being devised and managed by a US team of professionals within ELV Associates, which was founded in 1991. The projects mainly involve residential developments, but also office and retail developments. In 2017, FFP carried out new investments in these projects, making a total commitment of $13.5 million.

(1) The investments and divestments set out in this section were carried out directly by FFP or via its wholly owned subsidiary FFP INVEST.

Co-investments

CO-INVESTMENT IN LINEAGE LOGISTICS

FFP invested $25 million in Lineage Logistics, a market leader and USA's most dynamic player in temperature-controlled supply chain, offering integrated refrigerated storage and distribution solutions to the world's largest operators in farming, food processing and food distributors. Lineage operates one of only two large nationwide networks in the USA, with 105 refrigerated warehouses across 20 states, generating over €1 billion in annual revenues.

FFP made its investment alongside BayGrove, a San Francisco based investment platform created in 2008 to consolidate this industry, with Lineage as sole investment.

CO-INVESTMENT IN AMAWATERWAYS

As part of a consortium led by Certares LP, FFP invested $25 million in AmaWaterways, a family-controlled company that has been organising river cruises, mainly in Europe for English-speaking holidaymakers, for 15 years. Certares is a US investment company focusing on the travel and hotel sectors. AmaWaterways has 19 vessels that sail on the Danube, Rhine, Moselle, Main, Rhône, Seine and Garonne rivers, along with waterways in Belgium and the Netherlands, the Douro, the Mekong in Southeast Asia and the Chobe in Africa.

CO-INVESTMENT IN CIPRÉS

In July 2017, FFP invested €15 million alongside the buyout of CIPRÉS Assurances led by Apax Partners. Founded in 2000, CIPRÉS is the leading French wholesale broker in life, disability and health insurance for self-employed workers, managers and employees of small and medium-sized businesses.

CO-INVESTMENT IN CAPSA

In September 2017, FFP invested $18 million alongside Levine Leichtman Capital Partners in the buy-out of Capsa, a leading US manufacturer and distributor of specialised medical equipment, serving over 3,000 healthcare customers such as hospitals, clinics, nursing homes and pharmacies.

INVESTMENT ALONGSIDE JAB HOLDING

JAB Holding Company ("JAB") is a private conglomerate focused on consumer goods sectors, including home and personal care, cosmetics, food and beverage. JAB is led by its three senior partners: Peter Harf, Bart Becht and Olivier Goudet, each having an in-depth operational expertise and knowledge of the sectors in which they operate. JAB's strategy is to carefully select leaders in the consumer good industry, using long term strategic vision and capital to empower highly talented management teams to maximise growth and long-term value creation.

In particular, since 2012, the group has built up a conglomerate that is today a global leader in the coffee and tea sector, focusing on four segments:

- mass-market coffee, combining coffee producer Douwe Egberts Master Blenders with the coffee assets of Mondelez within Jacob Douwe Egberts ("JDE") with a portfolio brands including Senseo, Gevalia, L'Or and Jacobs;
- Keuring Green Mountain, the North American leader in single serve-coffee market, selling both machines and capsules with a portfolio of over 70 owned, licenced and partners brands such as Green Mountain, Peet's, Starbucks;
- premium packaged coffee and coffee shops in the USA (Peet's Coffee and Tea and Caribou Coffee);
- bakery and fast food chains in the USA including Panera, Krispy Kreme, Einstein Noah and Coffee & Bagels.

In early 2018, Keurig Green Mountain announced the takeover of Dr Pepper Snapple, intending to merge the companies to form North America's third-largest producer and distributor of non-alcoholic beverages. The cash-and-share offer valuing the combined group at $26 billion. The new group, renamed Keurig Dr Pepper ("KDP"), will remain listed in New York. JAB, together with its co-investment partners, will own 87% of its shares.

After investing $50 million in late 2016 in JAB CF Global Brand I, JAB's first co-investment vehicle, FFP committed to invest another $150 million in JAB CF Global Brand II, the second co-investment vehicle to continue supporting JAB's growth strategy in the consumer goods sector. Although the commitment was made in late 2017, the first capital call will not take place until 2018, when the Dr Pepper merger is finalised.

PRIVATE EQUITY COMMITMENTS

2017 was another very busy year for FFP's private equity activities. FFP committed over €105 million to several new funds, including €78 million to buyout (LBO) and expansion capital funds and around €27 million to technology growth capital and impact investing funds.

In the USA, FFP committed $10 million to the Veritas Capital Fund VI (LBO), $15 million to the Valor Equity IV fund (LBO), $15 million to the Levine Leichtman VI fund (structured equity) and $15 million to the Insight Partners X fund (growth). In Europe, FFP made commitments to three LBO funds: €10m to pan-European fund Chequers Capital XVII, €20 million to pan-European fund PAI VII and €15 million to Spanish fund Portobello IV.

FFP also made a €12 million commitment to the European technology growth capital fund Summit Partners Europe II and a €2 million commitment to French venture philanthropy fund Alpha Diamant II.

In 2017, calls for funds amounted to €70 million. Funds carried out a number of disposals, leading to distributions of around €34 million in 2017.

Other information

SHARE BUYBACK

FFP bought back 326,483 of its own shares for a total amount of €29.2 million, equating to an average price of €89.35 per share.

The transaction was carried out as part of the company's share buyback programme approved by shareholders in the 3 May 2016 General Meeting. Some of the shares will be used in bonus share plans, and the unused shares will be cancelled. No shares had yet been cancelled by 31 December 2017.

BOND ISSUE

FFP carried out its first bond issue in June 2017: a Euro Private Placement consisting of €155 million of 8-year bonds (maturing in July 2025) paying an annual coupon of 2.5%.

The issue's settlement date was Monday 3 July. The bonds were placed with leading European investors and they are listed on Euronext Access (ISIN code FR0013265485).

FFP then raised €87.5 million in its second private placement of bonds with various maturities:

- a tap issue of the 2.5% July 2025 tranche;
- a new 8-year tranche (maturing January 2026) with a coupon of 2.6%;
- a new 10-year tranche (maturing December 2027) with a coupon of 3%.

The settlement date for the various tranches was 6 December, and the bonds are listed on Euronext Access (ISIN codes FR0013265485, FR0013301033 and FR0013301041).

The proceeds from these issues will be used to finance the company's development. Alongside its traditional bank financing, these issues extended the average maturity of FFP's debt, while diversifying its lender base to include institutional investors.

4.2 Results and financial position

Consolidated results

FFP's consolidated net profit attributable to equity holders of the parent was €221.8 million in 2017, as opposed to €149.8 million in 2016. That profit breaks down as follows:

- income from available-for-sale securities totalled €230.1 million as opposed to €171.7 million in 2016. It included:
  - €77.1 million of dividends from non-consolidated companies versus €36.3 million in the year-earlier period,
  - disposal gains amounting to €135.8 million on HIT shares, €7.8 million on Ipsos shares and €3.2 million on Holding Reinier shares,
  - €6.2 million of net capital gains on money returned by private equity funds;
- general administration expenses amounting to €20.5 million versus €17.6 million in 2016, and a cost of debt of €13.1 million as opposed to €10.4 million in 2016;
- FFP's share in the net earnings of associates was €20.9 million, compared with €18.0 million in 2016.

Consolidated comprehensive income attributable to equity holders of the parent amounted to €513.3 million as opposed to €181.8 million in 2016. Comprehensive income for 2017 comprises the profit for the period, the €323.4 million increase in the value of non-consolidated financial assets, a €3.3 million change in the fair value of derivatives and a €6 million negative impact from changes in the equity of companies consolidated under the equity method. It also includes a negative impact of €13.6 million from exchange differences on cash advances made to subsidiaries, along with a €15.6 million negative impact from other remeasurements taken directly to equity (most of which arose from translation differences relating to the equity of subsidiaries whose functional currency is not the euro).

BALANCE SHEET AND CASH FLOWS

The main changes affecting the consolidated balance sheet were as follows:

- investments in associates increased by €26 million, mainly as a result of investments in Redford USA II Holdings and Redford EU II Holdings, which are holding companies for AmaWaterways;

- investments in non-consolidated companies rose by €374 million, due in particular to the investment in SPIE in 2017, along with remeasurements of other investments;
- the value of Portfolio Investment Securities rose €260 million due to new co-investments and private equity commitments signed during the year;
- equity rose €439.8 million, corresponding to comprehensive income less dividend payments made in 2017 and own shares purchased during the year.

The consolidated cash position rose by €11 million to €17.4 million at 31 December 2017. The main cash flows in 2017 were as follows:

- net cash flow from operating activities: €64.2 million;
- investment in SPIE for €200.7 million, participation in the Tikehau group's capital increase for €25.7 million; real-estate investments in the USA for €13.9 million; co-investments for €123 million and calls by private equity funds for €58 million;
- purchases of own shares for €29 million;
- disposal of the second tranche of Holding Reinier shares for €48 million; disposal of the HIT shares for €238 million; disposal of the Ipsos shares for €30 million and €30 million of money returned by private equity funds;
- €45.1 million of dividend payments;
- private placements of bonds (Euro PP) totalling €242.5 million;
- €110.4 million of FFP credit facilities repaid.

Parent-company results

Net profit amounted to €31.6 million in 2017 versus €207.8 million in 2016. It was made up mainly of the following items:

INCOME STATEMENT

Equity securities

Profit from equity securities amounted to €44.1 million as opposed to €209.5 million in 2016, and consisted mainly of €40.5 million of dividends received from Peugeot SA.

In 2016, profit from equity securities consisted mainly of the capital gain on Peugeot SA shares sold after the two counterparty banks exercised their calls.

Current-account advances granted to the FFP INVEST subsidiary generated interest income of €3.7 million.

Portfolio Investment Securities

Portfolio Investment Securities generated a profit of €4.7 million in 2017 as opposed to €17.9 million in 2016.

That profit consisted mainly of €4.8 million of capital gains on money returned by private equity funds.

Other income statement items

Net financing items produced an expense of €12.8 million, versus €10.1 million in 2016. That expense was primarily made up of interest and fees relating to debt.

There was a net general administration expense of €4.6 million versus €7.4 million in 2016.

BALANCE SHEET

Long-term investments amounted to €1,744.2 million at 31 December 2017, compared with €1,658.1 million a year earlier. The main change in 2017 concerned further current-account advances to FFP INVEST totalling €86.2 million.

Current assets rose sharply to €50.8 million, up €42.7 million on the previous year. That was mainly due to a €2.4 million increase in the cash position to €12.6 million and the buyback of 326,483 FFP own shares for €29.2 million. Those shares will be used to cover bonus share plans.

Equity totalled €1,319.5 million after taking into account €31.6 million of profit for the year and €45.1 million of dividend payments. At the end of the previous year, equity amounted to €1,333.1 million.

Total debt was €474.7 million as opposed to €333.6 million at end-2016. The increase was because of the two Euro PP issues amounting to €245 million, partly offset by a reduction in drawings on credit facilities from €329 million to €219 million.

4.3 Risk factors – Risk management and insurance

FFP has reviewed its risks. Since FFP is a holding company, the main risks concern its assets.

Risks from owning a 9.3% stake in Peugeot SA

IDENTIFICATION OF RISKS

After changes in Peugeot SA's ownership structure in the spring of 2014, the risks for FFP have changed. FFP and its parent company Établissements Peugeot Frères are no longer the largest shareholder in Peugeot SA, but one of three major shareholders alongside Dongfeng Motor Group Company Limited and Bpifrance. As a result, FFP no longer consolidates Peugeot SA's results, which therefore no longer affect FFP's results except to the extent of any impairment to the value of the shares.

However, FFP's stake in Peugeot SA is its largest exposure in terms of NAV, and accounted for 33% of FFP's gross assets at 31 December 2017. A fall in the Peugeot SA share price therefore has a material impact on FFP's valuation. Similarly, if Peugeot SA reduced or scrapped its dividend for several years, that would limit FFP's ability to continue its development.

RISK MANAGEMENT

As with its other shareholdings, FFP plays an active role as a shareholder of Peugeot SA Two FFP directors are members of Peugeot SA's Supervisory Board. A member of FFP's Executive Management is also a non-voting member of the Supervisory Board.

Risk of fluctuating share prices

IDENTIFICATION OF RISKS

Peugeot SA and some other shareholdings are stockmarket-listed. Their valuation fluctuates as markets move. A material and prolonged decline in stockmarket values could affect FFP in several ways:

- it would push down the value of its shares, which could reduce FFP's ability to make distributions to shareholders;
- it would reduce the value of its assets, which could affect its banking covenant ratios.

RISK MANAGEMENT

Impairment of equity securities in the parent-company financial statements depends on value in use, which is partly based on the holding period. FFP is a long-term investor, and assesses changes in the value of its assets over a long period.

For a decline in stock market-listed valuations to cause FFP to breach the second banking covenant presented in Note 28.2 to the 2017 consolidated financial statements, the value of all of FFP's listed and unlisted assets would have to fall by almost 63%, which seems unlikely to happen. As a result, the risk appears limited, especially since the value of FFP's assets is spread across a diverse range of investments.

Risks associated with FFP's financial investments

RISKS RELATING TO PURCHASES OF SHAREHOLDINGS

Identification of risks

The main risks relating to a transaction involving an investment in a company, listed or unlisted, concern:

- a partial or total loss of value;
- a lack of liquidity for FFP as shareholder;
- reputational risk for FFP.

Risk management

FFP manages its portfolio in a prudent manner. In general, FFP does not invest in start-ups or companies in a turnaround situation. The Investments and Shareholdings Committee guides the decisions made by the Board of Directors.

In all cases, FFP makes the usual investment checks regarding aspects including the investee's strategic position, competitive environment, financial position, valuation, governance rules and exit conditions. In addition, and because of our strategy of being a long-term minority shareholder, FFP looks carefully at the history, motivation and shared commitment of the other main shareholders, and thereby checks that the various shareholders share the same business philosophy.

FFP supports its investee companies by having at least one person sitting on their Board in most cases.

FFP invests in listed companies, in which case the liquidity of its investments is assured, and also in unlisted companies. As regards unlisted companies, FFP ensures that shareholder agreements ensure eventual liquidity. However, those arrangements do not guarantee liquidity for FFP, particularly if an IPO is not possible or if no private, trade or financial buyer can be found.

RISKS RELATING TO PRIVATE EQUITY TRANSACTIONS

Identification of risks

As regards private equity, FFP's risks relate to a fall in the value of private equity funds' investments. LBO funds invest using leverage, which increases the scope for both creating and losing value.

A decline in business levels or margins can cause investee companies to breach covenants, often leading to changes in their financing structure and in some cases a partial or total loss of equity investments in them.

There is an immediate liquidity risk, because private equity funds are not listed and do not provide periodic liquidity. In emerging-market countries, the legal environment is generally less secure. By investing in those countries, FFP is exposed to political and currency risks.

Risk management

Given these risks, and before making any private equity investment, FFP's Executive Management carries out checks relating mainly to the competitive environment in which the fund will operate, the reputation of the fund's management and its historical returns. Executive Management also meets fund management teams on a regular basis, including in emerging-market countries, to assess the quality of their investments.

It may arise that some of the investee companies of private equity funds in which FFP has invested are unable to comply with their covenants. Discussions then take place with banks. Fund management teams take into account such events in valuing their shareholdings. Fund valuations reported to FFP therefore include a reduction in the value of companies in that situation, which may give rise to provisions in FFP's financial statements.

FFP's commitments to private equity funds are illiquid on a short-term view, although a secondary market has developed to allow investors to exchange fund units before maturity. However, illiquidity is limited on a long-term view to the extent that funds seek to sell their investments after a few years, and then distribute to unit holders their corresponding share of the proceeds. In addition, the life of a fund is limited to around 10 years.

In emerging-market countries, investments are mainly intended to finance the growth of companies that are smaller and riskier, but which have greater potential than European companies that have undergone LBOs. Private equity funds in those countries use little or no leverage, which limits the financing problems experienced by some companies that have undergone LBOs in Europe. FFP seeks to work with well known management teams consisting of investment professionals. Emerging markets continue to represent a limited proportion of FFP's assets (4.1% of gross asset value at 31 December 2017).

RISKS RELATED TO REAL-ESTATE ASSETS

Identification of risks

The building in Gennevilliers that is the sole asset of FFP-Les Grésillons is being let to logistics firm Gefco. If the lessee vacates the building, FFP could suffer a loss of rent.

FFP also has a stake in Immobilière Dassault, which is a listed real-estate investment company that is also exposed to real-estate risks. However, FFP is a shareholder in this listed company, and so the risk is managed in a similar way to that of other shareholdings (see above).

In 2016, FFP invested in the OPCI Lapillus Ii real-estate fund, which has purchased the Tour Marchand in the La Défense business district of Paris. The tower has floorspace of almost 16,000 m^2 and is let to a single tenant. The fund is managed by the real-estate team of LBO France and is governed by a Board of Directors on which FFP is represented. If the tenant vacates the building, FFP could suffer a loss of rent.

FFP has joined forces with several families in Europe to support the development of several real-estate projects in the USA, which are being devised and managed by a US team of professionals within ELV Associates, which was founded in 1991. The projects mainly involve residential developments, but also office and retail developments.

Risk management

As regards the Les Grésillons building, a new lease was negotiated and signed in January 2014, with retroactive effect from 1 July 2013. In return for a reduction in rent, FFP-Les Grésillons granted a 12-year lease, including a fixed 6-year period, protecting FFP from a change in tenant until 2019. FFP maintains regular contact with its tenant, and the building is appraised every year.

As regards the real-estate investments in La Défense and the USA, FFP has been careful to invest in partnership with professional teams specialising in the real-estate sector and with a significant track record in terms of performance.

RISKS RELATING TO OTHER ACTIVITIES

Identification of risks

Weather risks are inherent in the operations of Château Guiraud[1], which makes Sauternes wine designated as "premier cru classé" according to the 1855 classification, and influence production volumes.

Risk management

Available wine inventories are sufficient to cover customer demand if production should be insufficient.

Other financial risks

Other financial risks, including equity, exchange-rate, interest-rate and liquidity risks, are presented in Notes 28.1-28.5 to the 2017 consolidated financial statements. FFP is not currently exposed to liquidity risk. It would only be exposed to that risk in the event of a breach of covenants identified in Note 28.2 to the 2017 consolidated financial statements, which could occur in the situations described above.

INDUSTRIAL AND ENVIRONMENTAL RISKS

Identification of risks

FFP does not have any direct industrial or commercial operations other than its investing activity. Its activities include being an industrial and commercial holding company. It is therefore exposed to risks that arise in any equity investment activity, but its business does not involve any particular risks of an industrial or human nature.

Risk management

When examining investment projects, FFP pays particular attention to the investee's business and the related risks, and if necessary uses external experts and advisors. In its preliminary research, depending on the investee's business type, FFP may carry out specific environmental audits, to ensure that there are no major risks and to ensure that the investee takes active steps to protect the environment. That was particularly the case for its investments in SCA Château Guiraud and ONET.

LEGAL RISKS

Identification of risks

To the Company's knowledge, no litigation concerning FFP is underway or pending. There are no other government, legal or arbitration proceedings – including pending or potential proceedings of which the Company is aware – that may have or have had in the past 12 months a material effect on the financial position or profitability of the company and/or its fully consolidated subsidiaries. The Company believes that it has little exposure to commercial risks, liability proceedings or proceedings to make good any deficiency in assets given the nature of its business and investments (purchases of minority stakes).

Insurance and risk coverage

FFP is covered by several insurance policies with respect to the following risks:

- property damage and business interruption;
- public liability;
- directors and officers liability;
- fraud/malicious attacks on IT systems.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IMPLEMENTED BY THE COMPANY

Internal control procedures

This report was prepared with reference to:

- the revised version of the Autorité des marchés financiers' reference framework and its application guide dated January 2007; and
- the report of the working group on Audit Committees published by the AMF on 22 July 2010.

All the recommendations are applied, and the internal control framework has been adapted to the Company and its operating procedures to reflect the limited size of its staff.

According to the reference framework:

- internal control is a system that the company is responsible for defining and implementing to ensure:
  - compliance with laws and regulations,
  - implementation of the instructions and direction set by Executive Management,
  - proper functioning of the Company's internal processes, especially those relating to the protection of its assets,
  - reliability of financial information;

  and generally speaking, contributes to control over its activities, the efficiency of its operations and efficient use of its resources. One of the objectives of internal control is to prevent and control risks resulting from business risks and risks of error or fraud, particularly in accounting and financial matters;
- the internal control system must have:
  - an organisation structure providing a clear definition of responsibilities, suitable resources and competencies and supported by appropriate information systems, procedures or operating methods, tools and practices;
  - internal flows of relevant and reliable information that enable everyone to exercise their responsibilities;
  - a risk management system identifying and analysing the main risks identified with regard to the company's objectives and ensuring that procedures are in place to manage these risks;

(1) *Sole asset of SCA Château Guiraud, wholly-owned by Financière Guiraud SAS.*

- control activities proportionate to the implications of each individual process and designed to reduce the risks that could affect the Company's ability to achieve its objectives;
- ongoing monitoring of the internal control system together with a regular review of its effectiveness. Nevertheless, the internal control system cannot provide an absolute guarantee that the Company's objectives will be achieved.

General internal control environment

A handbook of procedures and administrative and accounting guides drafted by the Company is provided to employees. This handbook presents the management and accounting tasks, together with the risks and controls performed.

The handbook also includes risk mapping that is intended to present:

- the nature of risks, their probability of occurrence and severity;
- the controls implemented to address them;
- an assessment of the relevance of the controls.

Main participants in the internal control system

The Board of Directors

The Board of Directors, with the assistance of the Financial and Audit Committee, is responsible for ensuring the effectiveness of the internal control system, as defined and implemented by Executive Management. If need be, the Board of Directors may make use of its general powers to take the measures and conduct the checks it deems appropriate.

Executive Management

Executive Management is responsible for defining, implementing and monitoring a suitable and effective internal control system. Should a failure occur, it undertakes to implement the requisite remedial measures.

The Company's Chairman also serves as Chief Executive Officer. In this role, he/she is assisted by the Chief Operating Officer. The Chief Operating Officer oversees implementation on a day-to-day basis of the general policy defined in advance with the Chairman. The powers of the Chairman and Chief Executive Officer and of the Chief Operating Officer are not restricted by either the Articles of Association or by the decision of the Board of Directors concerning their appointment. Even so, the Board of Directors may cap their rights to authorise the grant, on the Company's behalf, of sureties, endorsements or guarantees, as stated below.

The Board of Directors reserves the right to cap the size of investments that may be made by Executive Management in certain asset classes without its formal approval.

Executive Committee

The Executive Committee implements the decisions concerning FFP's strategy in line with the long-term direction set by the Board of Directors. The Chairman and Chief Executive Officer, the Chief Operating Officer, the Chief Investment Officer, the Chief Financial Officer and the Chief Legal Officer and the Deputy Chief Legal Officer hold a bi-monthly meeting.

Description of FFP's internal control procedures

Compliance with laws and regulations

The Company's Legal division monitors current events to inform Executive Management and employees of any new regulations applicable so that the Company:

- is aware of the various rules and legislation applicable to it;
- is informed in due time of any changes to it;
- can factor these rules into its internal procedures;
- can inform and train employees about the new rules and legislation affecting them.

The Finance division monitors changes in the tax and accounting rules and ensures that they are taken into account in the financial statements of the Company and the FFP group.

Implementation of the instructions and direction set by Executive Management

Executive Management sets the Company's objectives and long-term direction and ensures that these are communicated to all employees.

Proper functioning of the Company's internal processes, especially those relating to the protection of its assets

A. INVESTMENT DECISIONS

Investments in new shareholdings are proposed by Executive Management and given the go-ahead by the Board of Directors, after seeking the opinion of the Investments and Shareholdings Committee. The constraints laid down in the stock market regulations in force are abided by when transactions in listed securities are entered into. Additions to or reductions in the size of existing shareholdings are reviewed by the Investments and Shareholdings Committee and then proposed to the Board of Directors. Investments in or divestments of portfolio investment securities are given the go-ahead by Executive Management, it being specified that investment outlays for all investment transactions must not exceed the maximum allocation allotted by the Board of Directors.

B. MONITORING OF INVESTMENTS IN SHAREHOLDINGS AND PORTFOLIO INVESTMENT SECURITIES

Executive Management is responsible for monitoring investments in shareholdings and Portfolio Investment Securities. The Chief Investment Officer is closely involved in this process.

The monitoring of shareholdings includes regular meetings with the management teams of investees, regular briefings with the investment analysts covering the listed companies, and, more broadly, the various organisations that can help FFP gain the best possible insight into the activities of the investee, its economic and competitive environment and its outlook, and also how its valuation prospects are seen by the markets over the medium and long term.

Summary briefings are provided on a regular basis to report on FFP's analysis of investees' results and on strategic developments affecting the investment in the portfolio of FFP, FFP INVEST and FFP Investment UK Ltd. FFP, FFP INVEST and FFP Investment UK Ltd are systematically represented on the Boards of the companies in which they hold shareholdings. The directors hold regular discussions with Executive Management and report on Board activities and events to the Investments and Shareholdings Committee.

The Portfolio Investment Securities principally consist of holdings in private equity funds. FFP holds regular meetings with the teams managing these funds. They send a quarterly report on how the economic environment affects the companies in which the fund has invested and on the business and financial health of the portfolio companies. The Chief Operating Officer, the Chief Investment Officer and the Chief Financial Officer hold very regular discussions concerning the monitoring of cash flows linked to calls for capital and redemptions by the private equity funds.

A summary of this monitoring is presented to the Investments and Shareholdings Committee, which tracks the development and performance of the portfolio of shareholdings and holdings in private-equity funds.

C. DEBT MANAGEMENT

Executive Management is responsible for debt management, with the assistance of the Finance division. The aim is to endow the Company with the long-term financing required for its programme of financial investments at the lowest possible cost. Its debt position is established each time a drawdown is made and at least once per month. A status report on debt and related hedges is presented by Executive Management at each Board of Directors' meeting. For further information, see Note 28.2 to the 2017 consolidated financial statements on the management of liquidity risk.

D. TREASURY MONITORING

The Finance division has responsibility for managing treasury investments in keeping with the policy formulated by Executive Management. It is integrated with day-to-day cash management. It aims to invest available cash funds on a short-term basis until their use is required for the aforementioned investments.

For these short-term investments, the priority is the safety of the funds. Only standard cash UCITS are selected.

Treasury reporting is produced on a monthly basis and sent to Executive Management.

E. PREPARATION OF REPORTING

A status report is prepared every month that includes:

- changes in the value of listed shareholdings and private equity funds;
- the debt and cash position, credit lines drawn down and repayments due, the cost of debt and hedging;
- cash inflow and outflow tracking, including movements related to private equity investments;
- an overview of general administration expenses, dividends received and due.

Reliability of financial information

The procedures implemented aim to separate the preparation and control, accounting records and payment functions.

A. PROCEDURES FOR THE PREPARATION OF THE PARENT-COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The parent-company financial statements are prepared on an annual basis. They are prepared in accordance with ANC (French accounting standards setter) Regulation no. 2014-03. These rules aim to provide a true and fair view of the Company, in line with the conservatism principle. Historical cost is the basic method used to measure items recorded in the accounts. For more details, please refer to Note 1 – Accounting Policies and Methods to the parent-company financial statements. The parent-company financial statements are audited by the Statutory Auditors, who are responsible for preparing a report. They are also presented to the Financial and Audit Committee.

The consolidated financial statements are prepared for an interim period and for the full year in accordance with the regulations in force for publicly traded companies. Pursuant to Regulation no. 1606/2002 of 19 July 2002, the Company's financial statements have been prepared in line with IFRSs since 1 January 2005. The annual and interim financial statements are audited by the Statutory Auditors, which are responsible for preparing a report. They are also presented to the Financial and Audit Committee.

The Company fully consolidates or accounts for its subsidiaries and investments under the equity method.

The main stages in the preparation and audit of the parent-company and consolidated financial statements are:

- prior identification of points that are new, sensitive and liable to have a material effect on the financial statements or to raise accounting issues, as well as new requirements, especially in terms of the IFRSs;
- a meeting with the Statutory Auditors prior to the annual and interim year-end dates to examine the key points of the reporting period;

- identification of the points likely to have a material impact on the financial statements. The information is communicated to Executive Management and possibly to the Board of Directors.

The main risks incurred are those arising from the valuation of shares and those arising from non-application of an accounting rule or material error. The main measures taken to mitigate these risks are as follows:

- non-listed securities are valued by the Finance division and the Investments division, and details of the valuation are then presented to the Statutory Auditors;
- the meeting with the Statutory Auditors ahead of the close represents a key factor affecting the quality of the process of preparing the financial statements because it allows a consensus to be reached and any challenging issues to be dealt with prior to the close;
- the checks on the main stages by the Chief Financial Officer provide an additional level of control;
- the rereading of the financial statements and reports by another person in the Finance division provides a consistency check, with special attention paid to changes with respect to the previous year;
- the final audit by the Statutory Auditors followed by a review by the Financial and Audit Committee.

B. PROCEDURE OF CATALOGUING AND MONITORING OFF-BALANCE SHEET COMMITMENTS

All the Company's contracts are subject to approval by the Company's Legal division. A list of off-balance sheet commitments is drawn up.

In accordance with the provisions of law, the grant of sureties, endorsements and guarantees must be approved in advance by the Board of Directors. At its meeting on 21 November 2017, the Board of Directors renewed the authorisation given to the Chairman and Chief Executive Officer, which may be delegated, including to the Chief Operating Officer, to provide on the Company's behalf sureties, endorsements and guarantees in a maximum aggregate amount of €1,000,000, for a further period of 12 months from 1 January 2018 until 31 December 2018. This authorisation thus will be renewable at the end of 2018.

C. PROCEDURE FOR CONTROLLING EXPENDITURE – BANKING POWERS

General administration expenses of less than €10,000 May be incurred by the Chief Investment Officer or the Chief Financial Officer. Where they exceed this level, they may be incurred only with the approval of Executive Management or the Chief Legal Officer. Accordingly, general administration expenses are entered in the accounts and settled by the Finance division only after the expenditure has been approved by the authorised persons.

The Chairman and Chief Executive Officer, and the Chief Operating Officer are authorised to sign payments of an unrestricted amount. The Chief Legal Officer and two designated members of the Finance division are authorised to sign solely for payments of up to €10,000. Above this amount, a signature by both the Chief Legal Officer and by one of the two designated members of the Finance division is required.

Regular tightening-up of the internal control system

A. CODE OF ETHICS

The Company has prepared a stock market code of conduct that was approved by the Board of Directors on 19 November 2008. This code of conduct was updated in 2016 to accommodate the changes introduced by Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse. This document aims to make each of its employees aware of the applicable rules, including where inside information is held concerning the shares of a listed company. All the employees have adhered to the code.

In addition, on 12 September 2013, the Company overhauled FFP's Internal Rules, which incorporate a Stock Market Code of Ethics applicable to directors.

B. LIST OF INSIDERS

The Company updates on a regular basis the list of persons with access to inside information, which, if made public, would have a significant influence on the price of financial instruments. These persons, whether they be employees, directors or third parties in a business relationship with the Group, have been informed of the prohibition on using or disclosing this inside information to buy or sell such financial instruments.

C. HANDBOOK OF PROCEDURES AND ACCOUNTING ORGANISATION

The handbook of administrative and accounting procedures and risk map are updated on a regular basis to factor in the introduction of new procedures and the occurrence of new risks.

D. IT CODE OF CONDUCT

The Company provides a copy of an IT Code of conduct and advice on using computers to its existing staff and to all new employees. Its goal is to protect the organisation's interests, while also upholding users' rights. The rules are intended to help ensure that every user has an effective and secure workstation at their disposal at all times that can satisfy the availability, confidentiality and data integrity imperatives, the Company's corporate image and all the applicable statutory and regulatory guidelines.

4.4 Post-balance sheet events

In January 2018, in accordance with its December 2017 announcement, FFP tendered all of its Zodiac Aerospace shares to the public exchange offer initiated by Safran. Since the upper limit of the subsidiary offer was reached, the number of Zodiac Aerospace shares tendered by FFP to the exchange offer was reduced. As a result, FFP received 2,832,492 Safran shares, which are non-transferable for three years, along with €141 million. FFP then bought 375,237 Safran shares in the market for €31 million.

FFP intends to take part in Safran's governance via a joint venture whose purpose will be to represent FFP and Fonds Stratégique de Participations (FSP), acting in concert with respect to Safran, on the new group's Board of Directors. A proposal will be made in Safran's next AGM on 25 May 2018 to appoint this company, named F&P and represented by its Chairman Robert Peugeot, to Safran's Board.

4.5 Trends and outlook

In 2017, PSA Group achieved record earnings from its historical Peugeot Citroën DS business, where profits rose for the fourth consecutive year. The group completed the acquisition of Opel/Vauxhall and the European operations of GM Financial in the second half of 2017, and the PACE plan presented by Opel's management has a target of achieving operating margin of 2% and positive operating cash flow in 2020. PSA Group has raised its targets for the "Push to Pass" plan, aiming to achieve recurring operating margin averaging over 4.5% in the Automotive division between 2016 and 2018 and 6% in 2021. The group is also aiming to grow revenue by 10% between 2015 and 2018, and by a further 15% by 2021. These targets will be updated in early 2019.

FFP's Investments, supported by high-quality teams and proven business models, are continuing to benefit from positive trends in their respective markets, including rising consumption and a growing middle class in emerging-market countries, population ageing, growth in air traffic, outsourcing of business services, energy efficiency and sustainable development.

FFP has strengthened its teams and has substantial financial resources, including over €500 million of unused credit facilities, with which to pursue its strategy as a long-term minority investor. Accordingly, FFP intends to play an active role with respect to its existing investees, while continuing to look for new investment opportunities with a selective, disciplined approach, and with a carefully controlled level of debt.

4.6 Other business information

Property, plant and equipment

The Company's FFP INVEST subsidiary owns 100% of FFP-Les Grésillons, which in turn owns a warehouse and office building in Gennevilliers. That building is let, and its net value on the consolidated balance sheet was €17.6 million at 31 December 2017, versus €17.5 million at 31 December 2016.

FFP, via its wholly-owned FFP INVEST subsidiary, owns 74.5% of Financière Guiraud SAS, which owns 100% of SCA Château Guiraud, a maker of Sauternes wine that is designated as "premier cru classé" according to the 1855 classification. The 128-hectare estate contains 100 hectares of vineyards. Its business is described on page 20 of the Registration Document.

Dependence on patents, licences and industrial, commercial and financial contracts

The Company has no dependence on patents, licences and industrial, commercial and financial contracts, except where indicated in Notes 28.2 and 28.3 to the 2017 consolidated financial statements.

Information on supplier payment terms (article L. 441-6-1(1) of the French Commercial Code)

At the end of 2017, trade payables amounted to €571,518.74, versus €204,262.66 at end-2016, and no payables had been due for more than 30 days.

Main investments and divestments in 2015, 2016 and 2017

2015		Investments	Divestments
	New investments	**EREN:** €28 million investment commitment, including €14 million disbursed as part of a €195 million capital increase	
	Reductions/ additions	**Zodiac Aerospace:** purchase of a 1.16% stake in the market for €77 million **LDAP:** additional €3.0 million investment to finance the purchase of a new vessel	**ONET:** Disposal of half of FFP's stake for €45 million **PSA:** Monetisation of Peugeot SA warrants for €197 million
	Co-investments	**IHS:** €14.7 million invested alongside Wendel in 2015	
	Private equity	**Quilvest** Club Fund: $10 million* **Idinvest** Digital II: €5 million* **Synergy** PE: $4.5 million* **White Stone** VI: €10 million* **Tikehau** Direct Lending: €15 million* **Warburg** Pincus XII: $17.4 million* **Gilde Buy** Out V: €10 million* **AEA Investors** Small Business Fund III: $12 million*	
2016		Investments	Divestments
	New investments	**Tikehau Capital:** acquisition of a 6% stake in group holding company Tikehau Capital Advisors and a 4% stake in Tikehau Capital, its long-standing investment vehicle, for a total of €73 million **ELV:** $32.6 million commitment to various real-estate projects in the USA via ELV Associates **Lapillus II:** €10 million investment in the real-estate fund that owns Tour Marchand in the La Défense district	
	Reductions/ additions	**LDAP:** additional investment as part of the €10.5 million capital increase, to the extent of FFP's entitlement, i.e. €4.7 million	
	Co-investments	**Roompot:** €11 million co-investment alongside PAI Partners in the Netherlands' leading holiday park operator **JAB CF Global Brand:** $50 million* commitment to the JAB Holding co-investment vehicle **IHS:** an additional $2.5 million invested in 2016 alongside Wendel	
	Private equity	**Advent VIII international:** $15 million* **Keensight IV:** €10 million* **Vista Foundation:** $15 million* **ECP Africa IV:** $10 million* **ClearVue Partners II:** $5 million* **Montefiore IV:** €10 million* **DBAG VII:** €10 million* **JVP Opportunity VII:** $5 million*	

2017		**Investments**	Divestments
	New investments	**SPIE:** Acquisition of a 5.5% stake from Clayax and in the market for a total of €201 million **ELV:** $13.5 million of commitments to various real-estate projects in the USA via ELV Associates	**Sanef:** Disposal of FFP's entire stake in the HIT holding company for €238 million **Ipsos:** disposal of all of FFP's shares in the market for €30 million **ONET:** disposal of the second tranche of ONET shares for €48 million
	Reductions/ additions	**Total Eren:** additional investment as part of the near-€100 million capital increase, to the extent of FFP's entitlement, i.e. €14 million **Tikehau:** investment of €26 million as part of Tikehau Capital's €702 million capital increase and that of its controlling holding company	
	Co-investments	**AmaWaterways:** $25 million investment via a consortium led by Certares LP in a company that organises river cruises in Europe. **Lineage Logistics:** $25 million investment via Bay Grove in the leading US player in refrigerated storage and distribution **CIPRÉS:** €15 million investment alongside the Apax France IX fund in a French insurance broker **Capsa:** $18 million investment alongside Levine Leichtman VI in a US distributor of medical equipment **JAB CF Global Brand II:** $150 million* commitment to JAB Holding's second co-investment vehicle	
	Private equity	**Chequers XVII:** €10 million* **Portobello IV:** €15 million* **Levine Leichtman VI:** $15 million* **Valor Equity IV:** $15 million* **Veritas VI:** $10 million* **Alpha Diamant II:** €2 million* **Summit Partner Europe II:** €12 million* **Insight Partners X:** $15 million* **PAI VII:** €20 million*	

* *Commitments, not completed investments.*

FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated income statement

(in thousands euros)	Notes	31/12/2017	31/12/2016
Income from available-for-sale securities and other long-term investments	3	230,137	171,682
Income from investment properties	4	1,165	3,137
Income from other activities	5	3,715	3,171
Income from ordinary activities		**235,017**	**177,990**
General administrative expenses	6	(20,510)	(17,643)
Cash management income	7	-	1,142
Impairment of available-for-sale securities	8	(4,446)	(1,186)
Cost of debt	9	(13,063)	(10,385)
Pre-tax profit from consolidated companies		**196,998**	**149,918**
Share in the net profit or loss of associates	10	20,860	18,002
Consolidated pre-tax profit		**217,858**	**167,920**
Income tax (including deferred tax)	11	3,751	(18,270)
CONSOLIDATED NET PROFIT		**221,609**	**149,650**
Of which attributable to equity holders of the parent		221,774	149,786
Of which attributable to non-controlling interests		(165)	(136)
Net profit attributable to equity holders of the parent per share *(in euros)*	12	**8.85**	**5.95**
Diluted net profit attributable to equity holders of the parent per share *(in euros)*	12	**8.96**	**5.97**
Number of shares outstanding		25,072,589	25,072,589
Par value per share *(in euros)*		1.00	1.00

Other comprehensive income

(in thousands euros)	Notes	31/12/2017	31/12/2016
Consolidated net profit		**221,609**	**149,650**
Impact of equity-accounted companies on comprehensive income	13	(5,963)	(2,588)
Net effect of remeasuring available-for-sale financial assets at fair value[(1)]	13	323,365	25,887
Net effect of remeasuring derivative instruments at fair value	13	3,334	(2,087)
Exchange differences	13	(13,603)	1,725
Net effect of other remeasurements taken directly to equity	13	(15,621)	9,091
Total other comprehensive income		**291,512**	**32,028**
CONSOLIDATED COMPREHENSIVE INCOME		**513,121**	**181,678**
Of which attributable to equity holders of the parent		513,286	181,814
Of which attributable to non-controlling interests		(165)	(136)
(1) Of which impact of remeasuring equity securities taken to income.		82,541	-

Details on gross amounts and tax are provided in Note 13.

5.1

Consolidated balance sheet

ASSETS

(in thousands euros)	Notes	31/12/2017	31/12/2016
Non-current assets			
Intangible assets			
Concessions, patents and similar items	14	**42**	**12**
Property, plant and equipment			
Investment properties	15	17,600	17,500
Land	15	13,347	13,347
Buildings	15	457	497
Vineyards	15	1,330	1,190
Other assets	15	2,149	1,200
		34,883	**33,734**
Non-current financial assets			
Investments in associates (accounted for under the equity method)	16	248,140	222,067
Available-for-sale securities (investments in non-consolidated companies)	16	3,341,413	2,967,371
Available-for-sale securities (Portfolio Investment Securities)	16	745,210	485,239
Other non-current financial assets	16	12,071	3,626
		4,346,834	**3,678,303**
Deferred tax assets	17	**4,515**	**3,311**
TOTAL NON-CURRENT ASSETS		**4,386,274**	**3,715,360**
Current assets			
Inventories	18	9,527	10,355
Current tax assets	17	4,063	2,021
Other receivables	19	6,726	1,502
Cash and cash equivalents	20	17,414	6,374
TOTAL CURRENT ASSETS		**37,730**	**20,252**
GRAND TOTAL		**4,424,004**	**3,735,612**

Consolidated balance sheet

EQUITY AND LIABILITIES

(in thousands euros)	Notes	31/12/2017	31/12/2016
Equity			
Share capital	21	25,073	25,073
Share premium	21	158,410	158,410
Reserves	21	3,103,617	2,736,783
PROFIT FOR THE YEAR *(attributable to equity holders of the parent)*	21	**221,774**	**149,786**
Total capital and reserves *(attributable to equity holders of the parent)*		**3,508,874**	**3,070,052**
Minority interests	21	107	(903)
TOTAL EQUITY		**3,508,981**	**3,069,149**
Non-current liabilities			
Non-current financial liabilities	22	816,803	586,861
Deferred tax liabilities	17	83,123	68,459
Provisions	23	522	550
Other non-current liabilities	25	237	603
TOTAL NON-CURRENT LIABILITIES		**900,685**	**656,473**
Current liabilities			
Current financial liabilities	22	6,769	4,713
Current tax liabilities	18	5	-
Other liabilities	25	7,564	5,277
TOTAL CURRENT LIABILITIES		**14,338**	**9,990**
GRAND TOTAL		**4,424,004**	**3,735,612**

Consolidated statement of cash flows

(in thousands euros)		31/12/2017	31/12/2016
Consolidated net profit		**221,609**	**149,650**
Net additions to depreciation, amortisation and provisions		4,724	1,311
Gains or losses on disposals of non-current assets		(153,084)	(135,356)
Unrealised gains and losses resulting from changes in fair value		144	(1,849)
Share of profit or loss of equity-accounted entities, net of dividends received		(16,418)	(14,231)
Net cost of debt		13,063	10,385
Current and deferred tax expense		(3,751)	18,270
CASH FLOW BEFORE COST OF NET DEBT AND TAX	**(A)**	**66,287**	**28,180**
Current tax expense	(B)	(137)	(3,218)
Change in the operational working capital requirement	(C)	(1,898)	(6,724)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(D)=(A+B+C)**	**64,252**	**18,238**
Purchases of property, plant and equipment and intangible assets		(1,640)	(366)
Income from disposals of property, plant and equipment and intangible assets		-	-
Purchases and sales of treasury shares		(29,333)	22
Purchases of long-term investments (available-for-sale securities)		(438,732)	(169,231)
Income from disposals of long-term investments (available-for-sale securities)		345,572	84,452
Change in other non-current assets		(8,280)	(2,886)
NET CASH FLOW FROM INVESTING ACTIVITIES	**(E)**	**(132,413)**	**(88,009)**
Dividends paid during the period		(45,129)	(40,115)
Proceeds from new borrowings		243,321	112,171
Debt repayments		(110,438)	(1,243)
Change in other non-current financial liabilities		4,510	(602)
Net interest paid		(13,063)	(10,385)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(F)**	**79,201**	**59,826**
Impact of measuring investments in money-market UCITS at fair value	(G)	-	(1)
CHANGE IN CASH AND CASH EQUIVALENTS	**(D+E+F+G)**	**11,040**	**(9,946)**
Cash and cash equivalents at beginning of period		6,374	16,320
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**17,414**	**6,374**

Statement of changes in consolidated equity

(in thousands euros)	Par value of shares	Share premium	Treasury shares	Consolidated reserves and retained earnings	Exchange differences	Asset valuation reserve	Total
Equity at 01/01/2016 *(attributable to equity holders of the parent)*	**25,157**	**158,410**	**(4,285)**	**1,374,572**	**-**	**1,374,477**	**2,928,331**
2016 comprehensive income				155,689	1,725	24,400	181,814
Dividends paid with respect to 2015				(40,115)			(40,115)
Treasury shares and other	(84)		4,236	(4,130)			22
Equity at 31/12/2016 *(attributable to equity holders of the parent)*	**25,073**	**158,410**	**(49)**	**1,486,016**	**1,725**	**1,398,877**	**3,070,052**
2017 comprehensive income				200,190	(13,603)	326,699	513,286
Dividends paid with respect to 2016				(45,129)			(45,129)
Treasury shares and other			(29,396)	61			(29,335)
Equity at 31/12/2017 *(attributable to equity holders of the parent)*	25,073	158,410	(29,445)	1,641,138	(11,878)	1,725,576	3,508,874

Dividends paid in 2016 with respect to 2015 amounted to €40,115 thousand, or €1.60 per share.

Dividends paid in 2017 with respect to 2016 amounted to €45,129 thousand, or €1.80 per share.

5.1

Notes to the consolidated financial statements

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NOTE 1 ACCOUNTING POLICIES

The main accounting policies applied in the presentation of the consolidated financial statements are set out below. These policies were applied consistently to all the financial years shown.

FFP's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Those standards can be consulted at http://ec.europa.eu/internal_ market/accounting/ias/index_en.htm.

International Financial Reporting Standards include IFRSs and IASs (International Accounting Standards) and the related interpretations as prepared by the SIC (Standing Interpretations Committee) and the International Financial Reporting Interpretations Committee (IFRIC).

All standards, interpretations and amendments published by the IASB, as adopted by the European Union at 31 December 2017, were applied.

No new standards were applied early.

New IFRSs that will be applicable in future periods are as follows:

	Applicable to accounting periods starting on or after
▪ IFRS 9 – Financial Instruments	01/01/2018
▪ IFRS 15 – Revenue from Contracts with Customers	01/01/2018
▸ Clarifications to IFRS 15	01/01/2018
▪ IFRS 16 – Leases	01/01/2019

The main consequence of applying IFRS 9 - Financial Instruments from 01/01/2018 will be the distinction drawn between two categories of FFP's investments on the balance sheet:

- securities recognised at fair value through equity for investments in non-consolidated companies;
- securities recognised at fair value through profit and loss for Portfolio Investment Securities and other investment securities.

Changes in the fair value of investments in non-consolidated companies will continue to be taken to equity. However, in the event of a disposal, the residual capital gain or loss will also be taken to equity.

Changes in the fair value of Portfolio Investment Securities and other investment securities will now be taken to profit or loss, not equity.

Applying IFRS 9 to the 2017 financial statements would reduce consolidated net income by €99 million (from €222 million to €123 million) based on the following adjustments, which are presented net of deferred tax:

- capital gains resulting from disposals of securities in non-consolidated companies amounting to €146 million would be presented under comprehensive income;
- on the other hand, unrealised gains on Portfolio Investment Securities and other investment securities amounting to €47 million would be recognised under profit and loss.

As a balancing entry, other comprehensive income would increase by €99 million.

As regards the other standards applicable from 01/01/2018 and 01/01/2019, the potential impacts of these new standards on the Group's consolidated financial statements are currently being analysed, but are unlikely to be material.

The 2017 consolidated financial statements and the related notes were approved by FFP's Board of Directors on 23 March 2018.

1.1 SCOPE OF CONSOLIDATION

A. Parent company

FFP

Société anonyme (public limited company)

66, avenue Charles de Gaulle

92200 Neuilly-sur-Seine

Business activity: investment management

Listing market: Euronext Paris (compartment A)

B. Subsidiaries

Subsidiaries are entities over which FFP has sole control. Subsidiaries are fully consolidated from the date on which control is transferred to FFP.

They are recognised at acquisition cost, which corresponds to the fair value of assets acquired and liabilities assumed, plus costs directly attributable to the acquisition. The surplus of the acquisition cost over the fair value of the acquired company's identifiable net assets is recognised as goodwill under intangible assets.

Intra-group transactions and balances on transactions between group companies are eliminated. The accounting policies of subsidiaries have been aligned with those of FFP.

C. Associates

Associates are all entities over which the Group does not have control, but over which it has significant influence, which is generally the case if the group holds 20-50% of its voting rights. Investments in associates are accounted for under the equity method, on the basis of the associates' consolidated financial statements, and initially recognised at cost.

The ownership percentage used for consolidation purposes is calculated by dividing the number of shares held in the associate by the associate's total number of shares in issue minus treasury shares that are destined to be cancelled.

1.2 FOREIGN-CURRENCY TRANSACTIONS

FFP's financial statements are presented in euros.

Transactions denominated in foreign currencies are translated into euros on the exchange rate in force on the transaction date. Foreign-currency items on the balance sheet consist mostly of available-for-sale securities and debts related to the purchase of those assets. They are remeasured at the period-end exchange rate at each balance sheet date. Exchange differences relating to assets are taken to reserves. Exchange differences on borrowings and renewable notes are taken to income.

The financial statements of group companies whose operational currency is not the euro are translated at the period-end exchange rate for balance-sheet items, and at the average rate of the period for income-statement items. The difference between the opening and closing balance sheet, and the difference resulting from the application of those exchange rates, are taken to "exchange differences" under consolidated reserves.

1.3 USE OF ESTIMATES

Preparing financial statements in accordance with IFRSs requires management to make estimates and assumptions in order to determine the amounts of certain assets, liabilities, income and expense items, as well as certain information disclosed in the notes to the financial statements.

The main financial statement items that depend on estimates or judgment are securities in companies accounted for under the equity method and unlisted available-for-sale securities.

1.4 INTANGIBLE ASSETS

Intangible assets consist of purchased software. Software is recognised at purchase cost and amortised over its estimated useful life of 1 year. No goodwill is currently recognised on fully consolidated subsidiaries.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of an investment property and assets mainly relating to the winemaking business.

A. Investment property

This is an office and warehouse building that is let to a tenant. It is measured at fair value, and differences in value between one balance sheet date and the next are taken to income for the period.

Fair value is determined annually by an independent appraiser, based on market conditions, the quality of the building, its location, floorspace, use and rental status.

B. Other property, plant and equipment

Other property, plant and equipment mainly consist of the vines, buildings and equipment used in the winemaking business.

The vines were measured at their fair value at the time FFP bought shares in SCA Château Guiraud in 2006. Measurement criteria are monitored periodically.

The remaining property, plant and equipment, including planting costs that are regarded as land development costs, are recognised at cost (purchase price plus directly related costs).

Depreciation is calculated on a straight-line basis over the useful lives of assets. The main useful lives used are as follows:

- vineyards: 25 years
- buildings: 10-50 years
- plant and equipment: 4-10 years
- computer equipment: 3-4 years
- office furniture: 10 years
- fixtures and fittings: 10 years

1.6 FINANCIAL ASSETS AND LIABILITIES

The Group classifies its financial assets (excluding investments in associates) in the following categories:

- available-for-sale securities, divided between investments in non-consolidated companies and Portfolio Investment Securities;
- loans and receivables;
- assets measured at fair value through profit and loss, mainly warrants, cash and cash equivalents.

The classification depends on the reasons for which the financial assets were acquired. The classification of financial assets is determined at initial recognition.

A. Non-current financial assets

a. Investments in associates

This item comprises investments in associates accounted for under the equity method.

MEASUREMENT

The Group's share in the net profit of associates after the acquisition is recognised under consolidated profit, and the Group's share of changes in equity (with no impact on profit) after the acquisition is recognised directly in equity. The carrying amount of the investment is adjusted to reflect cumulative changes after the acquisition.

IMPAIRMENT

At each balance sheet date, FFP examines whether there is an objective indication of non-temporary and substantial impairment in each of its investments in associates, such as a material change that has a negative effect on the technological, market, economic or legal environment in which each company operates. If such an indication is found, an impairment test is performed. Where the recoverable amount is lower than the carrying amount, the investment in the associate is impaired. The recoverable amount of the investment is the higher of its fair value less costs to sell and value in use. Value in use may be calculated in several ways: peer-group comparison, discounted estimated future cash flows where FFP has reliable medium-term cash flow projections, and the Company's net worth.

b. Available-for-sale securities

B1. INVESTMENTS IN NON-CONSOLIDATED COMPANIES

This item includes securities in companies over which FFP has neither sole control, joint control nor significant influence. The securities are held for an indeterminate period.

They are recognised at purchase cost including material related costs.

MEASUREMENT

At each balance sheet date, securities are measured at fair value. Changes in fair value are taken to equity, net of deferred tax.

The fair value of listed companies is based on the period-end market share price.

The fair value of unlisted companies is determined as follows:

- assets acquired recently, generally in the last year, are measured at cost, except where the Company's economic variables (e.g. operations, balance sheet and liquidity) have deteriorated materially;
- other companies are valued on the basis of:
  - discounted cash flows where possible,
  - various multiples, particularly market multiples, transaction multiples or, where applicable, multiples stated in shareholder agreements signed by FFP,
  - with reference to Net Asset Value,
  - otherwise and where fair value cannot be measured in a reliable and appropriate manner, at historic cost, except where the Company's economic variables have deteriorated materially.

IMPAIRMENT

At each balance sheet date, FFP examines whether there is an objective indication of non-temporary or substantial impairment of financial assets. The following objective indications of impairment are used:

- material changes, with a negative effect on the technological, market, economic or legal environment in which the Company operates;
- a material or prolonged decline in the fair value of the shares below their purchase cost. FFP takes the view that a decline is material if the price or valuation has fallen by 30% relative to purchase cost; the decline is prolonged if the price or valuation has been below purchase cost for more than one year.

Securities in companies that are similar to private equity funds are written down using the same criteria as those used for private equity funds (see section B2).

Where a decline in the value of a security is established, the cumulative fair value adjustments recognised in equity are taken to income.

If fair value subsequently increases, the unrealised gain is recognised in equity until the final disposal of the securities.

B2. PORTFOLIO INVESTMENT SECURITIES

This portfolio consists mainly of units in private equity funds and diversified UCITS, which represent investments over varying timeframes, with the aim of generating a satisfactory return from them.

These securities fall into the "available-for-sale securities" category.

Subscription commitments are also reported in this line, with a balancing entry in the "non-current financial liabilities" line for their nominal value (see section 1.6 C. below).

MEASUREMENT

At each balance sheet date, fair value is measured on the basis of the closing market price for listed securities, the last reported Net Asset Value for asset management companies, or any other information that is representative of a transaction value (see above "Measurement of unlisted securities"). Changes in fair value are taken to equity, net of deferred tax.

IMPAIRMENT

Impairment may be recorded where fair value declines in a material or prolonged manner below the securities' purchase cost:

- for listed securities, the same criteria are used as for equity securities;
- for private equity funds more than 90% invested, impairment is recognised if Net Asset Value remains below the purchase price in a material (at least 30%) or prolonged (more than 1 year) manner.

Impairment is treated in the same way as with equity securities.

B3. ACCOUNTING TREATMENT OF INCOME LINKED TO AVAILABLE-FOR-SALE SECURITIES

Where available-for-sale securities are sold, cumulative fair value adjustments recognised in equity are taken to income under "income from available-for-sale securities".

Dividends received from these securities are recognised in the income statement under "income from available-for-sale securities" following the dividend payment decisions taken in the companies' AGMs.

B. Current financial assets

a. Other receivables

These are initially recorded at fair value then measured at amortised cost less impairment provisions. An impairment provision is created where there is an objective indication that it will be difficult to recover all amounts due under the initial terms of the transaction. Any loss of value is taken to income.

b. Cash and cash equivalents

Cash and cash equivalents include demand deposits held with banks, units in money-market funds and negotiable debt instruments that are readily convertible into known amounts of cash and are subject to a non-material risk of changes in value in the event of an increase in interest rates. All these components are measured at fair value.

Interest income is recognised on a pro rata temporis basis using the effective interest-rate method.

C. Non-current financial liabilities

Non-current financial liabilities mainly include long-term borrowings and firm commitments to subscribe to private equity funds.

Borrowings are initially recognised at fair value, net of transaction costs. They are subsequently recognised at amortised cost. They are not discounted.

Commitments to subscribe to private equity funds are recorded under assets and liabilities at their nominal value without discounting, since discounting has no material impact.

D. Derivative instruments – Hedging instruments

FFP has hedged the risk of interest-rate movements on part of its borrowings with interest-rate swaps.

The effective portion of the change in fair value of these swaps, which meet the criteria for cash flow hedging, is taken directly to equity. The gain or loss resulting from the ineffective portion is taken immediately to income for the year.

Changes in the fair value of financial instruments that do not qualify as hedges are taken to income.

To measure the fair value of hedging instruments, CVA-DVA impacts are deemed to be non-material and so are not recognised.

1.7 INVENTORIES

Inventories relate to the winemaking business of SCA Château Guiraud. They are carried at the lower of production cost and net realisable value. Production cost mainly includes harvesting costs, growing costs, depreciation and the cost of ageing and keeping the wine until it is bottled. It does not include borrowing costs.

Inventories were measured at estimated market value when Château Guiraud was acquired.

1.8 DEFERRED TAX

Deferred tax is recognised using the liability method, and is based on the timing differences between the tax base of assets and liabilities and their carrying amounts.

Deferred tax is calculated using tax rates enacted at the end of the financial year and which are expected to be applied when the relevant tax asset is realised or the tax liability is settled.

Deferred tax assets are recognised only insofar as the Company is likely to make a taxable profit in future.

Deferred tax assets and liabilities are not discounted.

For companies accounted for under the equity method and companies subject to the tax regime covering parent companies and subsidiaries, a tax liability on dividend distributions is recognised to the extent of the timing differences, although differences are limited to 5% of expenses as required by the parent/subsidiary dividend tax regime.

1.9 PROVISIONS

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised when the Group has a present obligation towards a third party and it is probable that an outflow of resources will be required to settle the obligation, and no inflow of resources of an equivalent amount is expected. The amount of a provision is the best estimate of the outflow required to settle the obligation.

1.10 EMPLOYEE BENEFIT OBLIGATIONS

A. FFP

FFP's obligations in respect of employee benefits are as follows:

- a supplementary defined-contribution pension plan, under which the Company is under no obligation other than to pay contributions; there is also an old defined-benefit supplementary pension plan, the only beneficiaries of which are retired former employees;
- post-employment benefits, paid to employees still with the Company upon their retirement;
- bonuses related to long-service awards.

Defined-benefit pension obligations and post-employment benefits are measured using the projected unit credit method.

The calculations mainly take into account:

- an assumed retirement age, which is generally 62 years but increased for people who, at the age of 62, do not have enough years of contributions to qualify for a full state pension;
- a discount rate;
- an inflation rate;
- assumptions regarding wage increases and staff turnover.

B. Société Château Guiraud

Château Guiraud employees are entitled to post-employment benefits representing one-off payments made at the time of retirement.

Defined-benefit pension obligations and post-employment benefits are measured using the projected unit credit method.

The calculations mainly take into account:

- an assumed retirement age, which is generally 62 years but increased for people who, at the age of 62, do not have enough years of contributions to qualify for a full state pension;
- a discount rate;
- an inflation rate;
- assumptions regarding wage increases and staff turnover.

The full amount of obligations, without distinguishing actuarial gains and losses, is recognised under "Non-current liabilities" after deduction of the value of financial assets transferred to external funds. If those financial assets exceed the obligations, a receivable is recognised under "Other non-current assets".

1.11 BONUS SHARE PLANS

Bonus shares are granted to certain senior managers and employees of the Group.

In accordance with IFRS 2 "Share-Based Payment", the fair value of the bonus shares granted to beneficiaries on the grant date is expensed with a balancing entry under consolidated equity. This expense is spread over the vesting period.

1.12 TREASURY SHARES

Treasury shares are either intended to be cancelled or purchased under a liquidity agreement. They are recognised at cost as a deduction from equity.

The proceeds from selling treasury shares are taken directly to equity, and disposal gains and losses do not affect profit for the year.

1.13 REVENUE RECOGNITION

Income from the investment property mainly comprises rent, which is invoiced quarterly in advance and recognised in the corresponding quarter.

Dividends from available-for-sale securities are recognised following the dividend payment decisions taken in the companies' Agms.

As regards the winemaking business, revenue is recognised when the wine is delivered. This principle also applies to "en primeur" sales: part of the wine made from grapes harvested in year N is offered to the market in year N+1. Pre-orders are not recognised as revenue and deposit payments are recognised as liabilities on the balance sheet under "Other liabilities". Pre-ordered wine is delivered in year N+3, and the revenue is recognised at that point.

NOTE 2 SCOPE OF CONSOLIDATION

2.1 SCOPE OF CONSOLIDATION AT 31/12/2017

The scope of consolidation consists of:

Fully consolidated companies	% control	% interest
The parent company FFP:		
■ FFP INVEST	100.00%	100.00%
■ FFP Investment UK	100.00%	100.00%
■ FFP US-1	100.00%	100.00%
■ FFP US-CC	100.00%	100.00%
■ FFP US-2	100.00%	100.00%
■ FFP US SRL Inc.	100.00%	100.00%
■ FFP-Les Grésillons (private partnership)	100.00%	100.00%
■ Financière Guiraud (SAS)	74.49%	74.49%
■ Château Guiraud (private farming partnership)	100.00%	74.49%
Companies accounted for under the equity method:		
■ Zéphyr Investissement		46.67%
■ LDAP		45.00%
■ Redford USA II Holdings		29.94%
■ Certares Redford EU II Holdings		29.94%
■ OPCI Lapillus		23.26%
■ Compagnie Industrielle de Delle (CID)		25.25%
■ LISI		5.09%

2.2 CHANGES IN SCOPE AND OWNERSHIP PERCENTAGES

FFP US-2

FFP US-2 was set up in early 2017 and is wholly owned by FFP INVEST. The company's purpose is to hold a $25 million co-investment in Lineage Logistics, a leading US player in temperature-controlled logistics that offers integrated refrigerated storage and distribution solutions to the world's largest operators in food processing, farming and distribution.

FFP US SRL Inc.

FFP US SRL Inc. is wholly owned by FFP INVEST and holds an investment, in partnership with other investors, consisting of building land in the USA.

Redford USA II Holdings and Redford EU II Holdings

Via its FFP INVEST subsidiary and as part of a consortium led by Certares LP, FFP has invested $25 million in AmaWaterways, a company that organises river cruises, mainly in Europe for English-speaking holidaymakers.

Financière Guiraud

Following Financière Guiraud's capital increase, in which FFP INVEST purchased €3.7 million of shares, the ownership percentage has risen from 71.62% to 74.49%.

NOTE 3 INCOME FROM AVAILABLE-FOR-SALE SECURITIES AND OTHER LONG-TERM INVESTMENTS

(in thousands euros)	31/12/2017	31/12/2016
Income		
Dividends	77,053	36,326
Disposal gains	153,844	139,714
Total	**230,897**	**176,040**
Expenses		
Disposal losses	(760)	(4,358)
Total	**(760)**	**(4,358)**
GROSS INCOME STATEMENT IMPACT	**230,137**	**171,682**
Remeasurement at fair value	-	-
INCOME STATEMENT IMPACT	**230,137**	**171,682**

Disposal gains and losses mainly correspond to the capital gains on HIT shares (€135,836 thousand), on Ipsos (€7,848 thousand) and on Holding Reinier (€3,177 thousand). Money returned by private equity funds resulted in €6,982 thousand of capital gains.

NOTE 4 INCOME FROM INVESTMENT PROPERTIES

(in thousands euros)	31/12/2017	31/12/2016
Income		
Rent and other revenue	1,321	1,317
Expenses invoiced to tenants	149	163
Total	**1,470**	**1,480**
Expenses		
Rental and building management expenses	(161)	(193)
Total	**(161)**	**(193)**
GROSS INCOME STATEMENT IMPACT	**1,309**	**1,287**
Remeasurement at fair value	(144)	1,850
INCOME STATEMENT IMPACT	**1,165**	**3,137**

NOTE 5 INCOME FROM OTHER ACTIVITIES

(in thousands euros)	31/12/2017	31/12/2016
Income		
Sales of merchandise	4,313	3,675
Other revenue	239	292
Change in inventories	(837)	(796)
INCOME STATEMENT IMPACT	**3,715**	**3,171**

NOTE 6 GENERAL ADMINISTRATIVE EXPENSES

(in thousands euros)	31/12/2017	31/12/2016
Administrative expenses		
Staff	(11,223)	(8,153)
External expenses	(11,204)	(6,045)
Other expenses	2,272	(3,100)
GROSS INCOME STATEMENT IMPACT	**(20,155)**	**(17,298)**
Depreciation and amortisation of non-current assets (excluding investment properties)	(355)	(345)
INCOME STATEMENT IMPACT	**(20,510)**	**(17,643)**

Other external expenses include €2,980 thousand of tax relief receivable from the French government relating to dividend tax for the 2015 and 2016 financial years.

NOTE 7 CASH MANAGEMENT INCOME

(in thousands euros)	31/12/2017	31/12/2016
Income		
Cash investments		
■ Disposal gains	-	6
■ Other income	-	1,137
GROSS INCOME STATEMENT IMPACT	**-**	**1,143**
Remeasurement at fair value	-	(1)
INCOME STATEMENT IMPACT	**-**	**1,142**

NOTE 8 IMPAIRMENT OF AVAILABLE-FOR-SALE SECURITIES

(in thousands euros)	31/12/2017	31/12/2016
Portfolio Investment Securities	(4,446)	(1,186)
INCOME STATEMENT IMPACT	**(4,446)**	**(1,186)**

NOTE 9 COST OF DEBT

(in thousands euros)	31/12/2017	31/12/2016
Interest on FFP borrowings	(12,840)	(10,175)
Other	(223)	(210)
INCOME STATEMENT IMPACT	**(13,063)**	**(10,385)**

Cost of debt includes the impact of interest-rate hedges.

NOTE 10 SHARE IN THE PROFIT OR LOSS OF ASSOCIATES

(in thousands euros)	31/12/2017	31/12/2016
Share in the profit or loss of associates		
Redford EU II Holdings	(18)	-
Redford USA II Holdings	(128)	-
Compagnie Industrielle de Delle (CID)	15,121	14,730
LISI	5,496	5,447
LDAP	(135)	(2,606)
OPCI Lapillus	604	375
Zéphyr Investissement	(80)	56
INCOME STATEMENT IMPACT	**20,860**	**18,002**

NOTE 11 INCOME TAX

11.1 INCOME TAX EXPENSE

(in thousands euros)	31/12/2017	31/12/2016
Current tax expense	(137)	(3,218)
Deferred tax	3,888	(15,052)
INCOME STATEMENT IMPACT	**3,751**	**(18,270)**

FFP and FFP INVEST have elected to adopt the tax consolidation regime since 1 January 2012.

11.2 RECONCILIATION BETWEEN THE STATUTORY TAX RATE IN FRANCE AND THE EFFECTIVE TAX RATE IN THE CONSOLIDATED FINANCIAL STATEMENTS

(in percentage)	31/12/2017	31/12/2016
Statutory tax rate in France	25.8	(28.9)
Effect of companies accounted for under the equity method	(2.4)	3.1
Income taxable at reduced rates	(23.8)	17.4
Other permanent differences	(1.3)	(2.5)
EFFECTIVE TAX RATE IN THE CONSOLIDATED FINANCIAL STATEMENTS	**(1.7)**	**(10.9)**

The current tax expense corresponds to income tax payable to the French tax authorities in respect of the financial year.

The basic rate of corporate income tax is 34.43% in France given the additional contribution.

France's 2018 finance act reduced the tax rate in France to 25.825% from 2022, including the additional contribution.

Capital gains on the securities of mostly property-related companies are taxed at 19%.

Deferred tax assets and liabilities have been calculated accordingly.

Permanent differences arise mainly from unrealised capital gains in the securities portfolio.

NOTE 12 EARNINGS PER SHARE

Earnings per share are shown at the bottom of the consolidated income statement.

They were calculated on the basis of all shares making up the share capital, i.e. 25,072,589 shares.

There are no financial instruments giving eventual access to the capital.

NOTE 13 DETAILS OF OTHER COMPREHENSIVE INCOME

	31/12/2017			31/12/2016		
(in thousands euros)	Before tax	Tax	After tax	Before tax	Tax	After tax
Impact of equity-accounted companies on comprehensive income	(5,963)	-	(5,963)	(2,588)	-	(2,588)
Remeasurements of available-for-sale securities at fair value	340,731	(17,366)	323,365	18,801	7,086	25,887
Remeasurements of derivative instruments at fair value	4,949	(1,615)	3,334	(2,269)	182	(2,087)
Exchange differences	(13,603)	-	(13,603)	1,725	-	1,725
Other remeasurements taken directly to equity	(17,152)	1,531	(15,621)	2,302	6,789	9,091
TOTAL	**308,962**	**(17,450)**	**291,512**	**17,971**	**14,057**	**32,028**

NOTE 14 INTANGIBLE ASSETS

(in thousands euros)	Carrying amount at 01/01/2017	Additions	Disposals	Net amortisation	Carrying amount at 31/12/2017
Intangible assets	12	40	-	(10)	42
TOTAL	**12**	**40**	**-**	**(10)**	**42**

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

15.1 CHANGES IN 2017, DEPRECIATION AND IMPACT OF FAIR VALUE MEASUREMENT

(in thousands euros)	Land	Buildings	Investment properties	Vineyards	Others	Total
Gross						
At beginning of period	**13,347**	**1,577**	**17,500**	**2,698**	**3,865**	**38,987**
Purchases/additions	-	-	244	201	1,195	1,640
Disposals	-	-	-	-	(6)	(6)
Fair value remeasurement	-	-	(144)	-	-	(144)
At end of period	**13,347**	**1,577**	**17,600**	**2,899**	**5,054**	**40,477**
Depreciation						
At beginning of period	**-**	**1,080**	**-**	**1,508**	**2,665**	**5,253**
Purchases/additions	-	40	-	61	244	345
Disposals	-	-	-	-	(4)	(4)
At end of period	**-**	**1,120**	**-**	**1,569**	**2,905**	**5,594**
Net amount at beginning of period	**13,347**	**497**	**17,500**	**1,190**	**1,200**	**33,734**
NET AMOUNT AT END OF PERIOD	**13,347**	**457**	**17,600**	**1,330**	**2,149**	**34,883**

The investment property was externally appraised in December 2017.

15.2 CHANGES IN 2016, DEPRECIATION AND IMPACT OF FAIR VALUE MEASUREMENT

(in thousands euros)	Land	Buildings	Investment properties	Vineyards	Others	Total
Gross						
At beginning of period	**13,341**	**1,505**	**15,613**	**2,575**	**3,743**	**36,777**
Purchases/additions	6	72	37	123	104	342
Disposals	-	-	-	-	18	18
Fair value remeasurement	-	-	1,850	-	-	1,850
At end of period	**13,347**	**1,577**	**17,500**	**2,698**	**3,865**	**38,987**
Depreciation						
At beginning of period	**-**	**1,042**	**-**	**1,448**	**2,425**	**4,915**
Purchases/additions	-	38	-	60	240	338
Disposals	-	-	-	-	-	-
At end of period	**-**	**1,080**	**-**	**1,508**	**2,665**	**5,253**
Net amount at beginning of period	**13,341**	**463**	**15,613**	**1,127**	**1,318**	**31,862**
NET AMOUNT AT END OF PERIOD	**13,347**	**497**	**17,500**	**1,190**	**1,200**	**33,734**

The investment property was externally appraised in December 2016.

NOTE 16 NON-CURRENT FINANCIAL ASSETS

16.1 POSITION AT 31/12/2017

Securities *(in thousands euros)*	% control	Cost	Prior impairment on remaining securities	Cost net of prior impairment
I - Securities in associates (accounted for under the equity method)				
Redford USA II Holdings	29.94	2,432	-	2,432
Redford EU II Holdings	29.94	17,662	-	17,662
Compagnie Industrielle de Delle	25.25	7,101	-	7,101
LDAP	45.00	19,403	-	19,403
LISI	5.09	14,889	-	14,889
OPCI Lapillus	23.26	10,000	-	10,000
Zéphyr Investissement	46.67	28,191	-	28,191
Subscription commitments		-	-	-
TOTAL		**99,678**	**-**	**99,678**
II - Available-for-sale assets - Investments in non-consolidated companies				
Peugeot SA	9.32	899,753	-	899,753
Zodiac Aerospace	5.17	186,301	(51,235)	135,066
SPIE	5.52	200,680	-	200,680
DKSH	5.87	49,387	-	49,387
SEB SA	5.03	80,088	(25,976)	54,112
ORPEA	5.90	114,854	-	114,854
Tikehau Capital	3.02	66,214	-	66,214
Ipsos		-	-	-
Immobilière Dassault	19.74	26,949	(4,142)	22,807
IDI	10.06	25,714	(15,838)	9,876
CIEL	7.55	16,355	-	16,355
Other securities		109,584	-	109,584
TOTAL		**1,775,879**	**(97,191)**	**1,678,688**
III - Available-for-sale assets - Portfolio Investment Securities				
Private equity funds				
Leverage buyout funds		61,845	(9,635)	52,210
Expansion funds		42,723	(2,811)	39,912
Technology growth funds		13,575	-	13,575
Real-estate funds		-	-	-
Other funds		17,684	(50)	17,634
Subscription commitments		203,303	-	203,303
Total private equity funds		**339,130**	**(12,496)**	**326,634**
Co-investments				
Co-investments		133,814	-	133,814
Subscription commitments		128,681	-	128,681
Total co-investments		**262,495**	**-**	**262,495**
Other investments				
Equities		37,301	(4,125)	33,176
Total other investments		**37,301**	**(4,125)**	**33,176**
TOTAL(1)		**638,926**	**(16,621)**	**622,305**
IV - Other non-current assets				
Miscellaneous		12,071	-	12,071
TOTAL		**12,071**	**-**	**12,071**
GRAND TOTAL		**2,526,554**	**(113,812)**	**2,412,742**

(1) *The remeasurement of Portfolio Investment Securities at fair value, with changes taken to equity, totalled €127,351 thousand, consisting of an unrealised gain of €130,404 thousand and an unrealised loss of €3,053 thousand.*
(2) *Net of dividends receivable.*

Measurement at 31 December					
Per unit[2] *(in euros)*	Overall	Impairment taken to income	Impact of equity-accounted companies or fair value remeasurement taken to equity	Amount on the balance sheet 31/12/2017	Amount on the balance sheet 31/12/2016
	2,846	-	414	2,846	-
	16,105	-	(1,557)	16,105	-
	125,870	-	118,769	125,870	120,839
	16,701	-	(2,702)	16,701	18,900
	45,305	-	30,416	45,305	43,790
	11,294	-	1,294	11,294	10,291
	30,019	-	1,828	30,019	14,247
	-	-	-	-	14,000
	248,140	-	148,462	248,140	222,067
16.96	1,429,699	-	529,946	1,429,699	1,306,587
24.93	376,841	-	241,775	376,841	327,141
21.71	184,493	-	(16,187)	184,493	-
72.85	278,291	-	228,904	278,291	248,820
154.45	389,449	-	335,337	389,449	324,646
98.30	374,656	-	259,802	374,656	292,559
21.95	68,202	-	1,988	68,202	-
	-	-	-	-	27,587
46.00	58,262	-	35,455	58,262	52,473
46.90	34,056	-	24,180	34,056	18,880
0.17	19,985	-	3,630	19,985	19,082
	127,479	-	17,895	127,479	349,596
	3,341,413	-	1,662,725	3,341,413	2,967,371
	79,580	-	27,370	79,580	45,195
	51,862	(1,016)	12,966	51,862	49,698
	14,811	-	1,236	14,811	9,806
	6,683	-	6,683	6,683	8,524
	20,162	-	2,528	20,162	12,115
	203,303	-	-	203,303	168,949
	376,401	**(1,016)**	**50,783**	**376,401**	**294,287**
	192,370	-	58,556	192,370	107,988
	128,681	-	-	128,681	50,570
	321,051	**-**	**58,556**	**321,051**	**158,558**
	47,758	(3,430)	18,012	47,758	32,394
	47,758	**(3,430)**	**18,012**	**47,758**	**32,394**
-	745,210	(4,446)	127,351	745,210	485,239
	12,071	-	-	12,071	3,626
	12,071	-	-	12,071	3,626
	4,346,834	**(4,446)**	**1,938,538**	**4,346,834**	**3,678,303**

5.1

The presentation of Net Asset Value having changed, private equity funds are now broken down by type, and co-investments are reported separately from private equity funds. The reclassification of the cost price of investments at the start of the period is presented in the table below.

16.2 RECLASSIFICATION OF PRIVATE EQUITY FUNDS

(in thousands euros)	French LBO funds	Emerging-market funds	Other funds	Subscription commitments	A 31 December 2016 Cost
Private equity funds					
Leverage buyout funds	17,793	-	15,675	-	33,468
Expansion funds	-	42,160	77	-	42,237
Technology growth funds	-	-	9,298	-	9,298
Real-estate funds	-	587	3,128	-	3,715
Other funds	-	-	10,926	-	10,926
Subscription commitments	-	-	-	168,949	168,949
Total private equity funds	**17,793**	**42,747**	**39,104**	**168,949**	**268,593**
Co-investments	-	-	-	-	80,583
Subscription commitments	-	-	-	50,570	50,570
Total co-investments	**-**	**-**	**-**	**50,570**	**131,153**
TOTAL	**17,793**	**42,747**	**39,104**	**219,519**	**399,746**

16.3 CHANGES DURING 2017

Securities *(in thousands euros)*	1 January 2017 Number	 Cost	Additions Number	 Cost	Disposals Number	 Cost	31 December 2017 Number	 Cost
I - Securities in associates (accounted for under the equity method)								
Redford USA II Holdings		-	5,179	2,432		-	5,179	2,432
Redford EU II Holdings		-	18,807	17,662		-	18,807	17,662
Compagnie Industrielle de Delle	40,265	7,101		-		-	40,265	7,101
LDAP	19,767,645	19,403		-		-	19,767,645	19,403
LISI	2,750,000	14,889		-		-	2,750,000	14,889
OPCI Lapillus	100,000	10,000		-		-	100,000	10,000
Zephyr Investissement	14,190,917	14,191	14,000,000	14,000		-	28,190,917	28,191
Subscription commitments		14,000		-		(14,000)		-
TOTAL		**79,584**		**34,094**		**(14,000)**		**99,678**
II - Available-for-sale assets - Investments in non-consolidated companies								
Peugeot SA	84,323,161	899,753		-		-	84,323,161	899,753
Zodiac	14,996,135	183,899	119,829	2,402		-	15,115,964	186,301
SPIE		-	8,500,000	200,680		-	8,500,000	200,680
DKSH	3,820,000	49,387		-		-	3,820,000	49,387
SEB	2,521,522	80,088		-		-	2,521,522	80,088
ORPEA	3,811,353	114,854		-		-	3,811,353	114,854
Tikehau Capital		-	3,107,147	66,214		-	3,107,147	66,214
Immobilière Dassault	1,234,957	25,764	31,598	1,185		-	1,266,555	26,949
Ipsos	924,337	22,101			924,337	(22,101)	-	-
IDI	726,146	25,714		-		-	726,146	25,714
CIEL	114,887,172	16,355		-		-	114,887,172	16,355
Other securities(1)		268,459		38,908		(197,783)		109,584
TOTAL		**1,686,374**		**309,389**		**(219,884)**		**1,775,879**
III - Available-for-sale assets - Portfolio Investment Securities(1)								
Private equity funds								
Leverage buyout funds		33,468		43,779		(15,402)		61,845
Expansion funds		42,237		7,197		(6,711)		42,723
Technology growth funds		9,298		5,024		(747)		13,575
Real-estate funds		3,716		235		(3,951)		-
Other funds		10,926		8,333		(1,575)		17,684
Subscription commitments		168,949		113,184		(78,830)		203,303
Private equity funds(1)		**268,594**		**177,752**		**(107,216)**		**339,130**
Co-investments								
Co-investments		80,583		72,669		(19,438)		133,814
Subscription commitments		50,570		125,579		(47,468)		128,681
Total co-investments(1)		**131,153**		**198,248**		**(66,906)**		**262,495**
Other investments								
Equities		42,451		1,316		(6,466)		37,301
Other		8		-		(8)		-
Total other investments		**42,459**		**1,316**		**(6,474)**		**37,301**
TOTAL		**442,206**		**377,316**		**(180,596)**		**638,926**
IV - Other non-current assets								
Miscellaneous		3,626		10,142		(1,697)		12,071
TOTAL		**3,626**		**10,142**		**(1,697)**		**12,071**
GRAND TOTAL		**2,211,790**		**730,941**		**(416,177)**		**2,526,554**

(1) Disposals include exchange differences on foreign-currency investments.

16.4 CHANGES DURING 2016

Securities *(in thousands euros)*	1 January 2016 Number	1 January 2016 Cost	Additions Number	Additions Cost	Disposals Number	Disposals Cost	31 December 2016 Number	31 December 2016 Cost
I - Securities in associates (accounted for under the equity method)								
Holding Reinier	3,395,158	72,079		-	(3,395,158)	(72,079)		-
Compagnie Industrielle de Delle	40,265	7,101		-		-	40,265	7,101
LDAP	15,035,301	14,788	4,732,344	4,615		-	19,767,645	19,403
LISI	2,750,000	14,889		-		-	2,750,000	14,889
OPCI Lapillus		-	100,000	10,000		-	100,000	10,000
Zephyr Investissement	14,000,000	14,000	190,917	191		-	14,190,917	14,191
Subscription commitments		14,000		-		-		14,000
TOTAL		**136,857**		**14,806**		**(72,079)**		**79,584**
II - Available-for-sale assets - Investments in non-consolidated companies								
Peugeot SA	84,323,161	784,696	20,736,221	314,254	(20,736,221)	(199,197)	84,323,161	899,753
Zodiac	14,996,135	183,899		-		-	14,996,135	183,899
DKSH	3,820,000	49,387		-		-	3,820,000	49,387
SEB	2,521,522	80,088		-		-	2,521,522	80,088
ORPEA	3,811,353	114,854		-		-	3,811,353	114,854
Ipsos		-	924,337	22,101		-	924,337	22,101
Immobilière Dassault	1,210,209	24,917	24,748	847		-	1,234,957	25,764
IDI	726,146	25,714		-		-	726,146	25,714
CIEL	114,887,172	16,355		-		-	114,887,172	16,355
Other securities		144,992		147,068		(23,601)		268,459
TOTAL		**1,424,902**		**484,270**		**(222,798)**		**1,686,374**
III - Available-for-sale assets - Portfolio Investment Securities								
Private equity funds								
French LBO funds		30,284		325		(12,816)		17,793
Co-investments		66,465		14,118		-		80,583
Emerging-market funds		31,704		15,828		(4,785)		42,747
Other funds		20,916		31,007		(12,819)		39,104
Subscription commitments		131,850		143,250		(55,581)		219,519
Total private equity funds		281,219		204,528		(86,001)		399,746
Other investments								
Equities		42,436		15		-		42,451
Other		8		-		-		8
Total other investments		**42,444**		**15**		**-**		**42,459**
TOTAL		**323,663**		**204,543**		**(86,001)**		**442,205**
IV - Other non-current assets								
Peugeot SA (warrants)	59,246,340	87,210		-	(59,246,340)	(87,210)		-
Miscellaneous		2,024		3,397		(1,795)		3,626
TOTAL		**89,234**		**3,397**		**(89,005)**		**3,626**
GRAND TOTAL		**1,974,656**		**707,016**		**(469,883)**		**2,211,789**

16.5 UNREALISED LOSSES NOT INCLUDED IN THE INCOME STATEMENT AT THE BALANCE SHEET DATE

(in thousands euros)	31/12/2017	31/12/2016
Available-for-sale assets - Investments in non-consolidated companies		
Listed equities	(16,187)	-
Unlisted equities	(1,631)	(531)
Available-for-sale assets - Portfolio Investment Securities		
Unlisted equities	-	-
Listed equities	-	(3,543)
Private equity funds	(3,053)	(2,304)
TOTAL	**(20,871)**	**(6,378)**

Private equity funds that are not subject to impairment charged to income are those that have carried out less than 90% of their planned investments. The performance of a fund is assessed globally, across all investments it makes. While a fund is in the investment phase, taking into account a permanent loss of value would amount to taking the view that it will make no returns on its future investments.

16.6 CONDENSED FINANCIAL INFORMATION RELATING TO ASSOCIATES

(in thousands euros)	31/12/2017	31/12/2016
Redford EU II Holdings		
Total assets	53,870	-
Total current and non-current liabilities	(79)	-
Revenue	-	-
Net profit attributable to equity holders of the parent	(60)	-
Redford USA II Holdings		
Total assets	17,107	-
Total current and non-current liabilities	(15)	-
Revenue	-	-
Net profit attributable to equity holders of the parent	(399)	-
Compagnie Industrielle de Delle (CID)		
Total assets	1,841,160	1,683,681
Total current and non-current liabilities	929,725	807,375
Revenue	1,643,350	1,571,097
Net profit attributable to equity holders of the parent	59,897	58,346
LISI		
Share price at 31 December (in euros)	40.10	30.65
Total assets	1,827,319	1,672,525
Total current and non-current liabilities	929,654	807,304
Revenue	1,643,356	1,571,104
Net profit attributable to equity holders of the parent	107,965	107,008
OCPI Lapillus		
Total assets	54,883	51,002
Total current and non-current liabilities	6,316	6,739
Revenue	2,433	1,509
Net profit attributable to equity holders of the parent	2,598	1,612
LDAP		
Total assets	109,813	130,490
Total current and non-current liabilities	72,699	88,489
Revenue	15,479	12,154
Net profit attributable to equity holders of the parent	(299)	(5,792)
Zephyr Investissement		
Total assets	64,361	30,538
Total current and non-current liabilities	31	6
Revenue	-	-
Net profit attributable to equity holders of the parent	(172)	121

16.7 CHANGES

A. Investments in associates

(in thousands euros)	31/12/2017	31/12/2016
Carrying amount at 1 January	222,067	285,619
Movements in cost price	20,094	(30,194)
Share in the profit or loss of associates	20,860	18,002
Other changes taken to equity	(14,881)	(6,360)
Releases of impairment	-	-
Transfers to available-for-sale securities	-	(45,000)
CARRYING AMOUNT AT 31 DECEMBER	**248,140**	**222,067**

B. Available-for-sale assets: investments in non-consolidated companies

(in thousands euros)	31/12/2017	31/12/2016
Carrying amount at 1 January	2,967,371	2,685,762
Reversal of fair value measurement at 1 January	(1,280,997)	(1,260,860)
Cost price at 1 January	1,686,374	1,424,902
Transfers of investments in associates	-	45,000
Movements in cost price	89,505	216,472
Final cost price	1,775,879	1,686,374
Fair value measurement at the balance sheet date: cumulative impairment	(97,191)	(97,191)
Fair value measurement at the balance sheet date: unrealised gains or losses	1,662,725	1,378,188
CARRYING AMOUNT AT 31 DECEMBER	**3,341,413**	**2,967,371**

C. Available-for-sale assets: Portfolio Investment Securities

(in thousands euros)	31/12/2017	31/12/2016
Carrying amount at 1 January	485,239	363,219
Reversal of fair value measurement at 1 January	(43,030)	(39,556)
Cost price at 1 January	442,209	323,663
Movements in cost price	196,717	118,546
Final cost price	638,926	442,209
Fair value measurement at the balance sheet date: cumulative impairment	(21,067)	(28,124)
Fair value measurement at the balance sheet date: unrealised gains or losses	127,351	71,154
CARRYING AMOUNT AT 31 DECEMBER	**745,210**	**485,239**

D. Available-for-sale assets: other non-current financial assets

(in thousands euros)	31/12/2017	31/12/2016
Carrying amount at 1 January	3,626	205,831
Reversal of fair value measurement at 1 January	-	(116,597)
Cost price at 1 January	3,626	89,234
Movements in cost price	8,445	(85,608)
Final cost price	12,071	3,626
Fair value measurement at the balance sheet date: cumulative impairment	-	-
Fair value measurement at the balance sheet date: unrealised gains or losses	-	-
CARRYING AMOUNT AT 31 DECEMBER	**12,071**	**3,626**

NOTE 17 TAX RECEIVABLE AND PAYABLE

17.1 CHANGES DURING 2017

(in thousands euros)	Start of period	Goodwill	Profit/loss	Equity	Payments	End of period
Current tax liabilities	-	-	(74)	-	69	(5)
Current tax assets	2,021	-	(63)	-	2,105	4,063
SUB-TOTAL	**2,021**	**-**	**(137)**	**-**	**2,174**	**4,058**
Deferred tax assets	3,311	-	2,678	(1,474)	-	4,515
Deferred tax liabilities	(68,459)	-	1,210	(15,874)	-	(83,123)
SUB-TOTAL	**(65,148)**	**-**	**3,888**	**(17,348)**	**-**	**(78,608)**
TOTAL	**(63,127)**	**-**	**3,751**	**(17,348)**	**2,174**	**(74,550)**

17.2 CHANGES DURING 2016

(in thousands euros)	Start of period	Goodwill	Profit/loss	Equity	Payments	End of period
Current tax liabilities	(5,274)	-	(13)	-	5,287	-
Current tax assets	-	-	(3,205)	-	5,226	2,021
SUB-TOTAL	**(5,274)**	**-**	**(3,218)**	**-**	**10,513**	**2,021**
Deferred tax assets	20,891	-	(17,726)	146	-	3,311
Deferred tax liabilities	(85,011)	-	2,674	13,878	-	(68,459)
SUB-TOTAL	**(64,120)**	**-**	**(15,052)**	**14,024**	**-**	**(65,148)**
TOTAL	**(69,394)**	**-**	**(18,270)**	**14,024**	**10,513**	**(63,127)**

NOTE 18 INVENTORIES

(in thousands euros)	31/12/2017 Gross	31/12/2017 Provision	31/12/2017 Net	31/12/2016 Gross	31/12/2016 Provision	31/12/2016 Net
Wine	9,821	497	9,324	10,705	565	10,140
Other	203	-	203	215	-	215
TOTAL	**10,024**	**497**	**9,527**	**10,920**	**565**	**10,355**

NOTE 19 OTHER RECEIVABLES

(in thousands euros)	31/12/2017 Gross	31/12/2017 Provision	31/12/2017 Net	31/12/2016 Gross	31/12/2016 Provision	31/12/2016 Net
Trade receivables	799	20	779	295	-	295
Government tax receivables (excluding income tax)	5,087	-	5,087	549	-	549
Other receivables	860	-	860	658	-	658
TOTAL	**6,746**	**20**	**6,726**	**1,502**	**-**	**1,502**

NOTE 20 CASH AND CASH EQUIVALENTS

20.1 CASH AND CASH EQUIVALENTS

(in thousands euros)	31/12/2017	31/12/2016
Money-market UCITS	-	2,297
Cash	17,414	4,077
TOTAL CASH AND CASH EQUIVALENTS	**17,414**	**6,374**

The “Money-market UCITS” item consists of units in regular money-market SICAV funds expressed in euros.

20.2 CHANGE IN CASH AND CASH EQUIVALENTS

(in thousands euros)	31/12/2017	31/12/2016
Cash and cash equivalents at end of period	17,414	6,374
Cash and cash equivalents at beginning of period	6,374	16,320
CHANGE IN CASH AND CASH EQUIVALENTS	**11,040**	**(9,946)**

20.3 ANALYSIS OF THE CHANGE IN CASH AND CASH EQUIVALENTS

(in thousands euros)	31/12/2017	31/12/2016
Carrying amount at 1 January	6,374	16,320
Reversal of fair value measurement at 1 January	-	(1)
Cost price at 1 January	6,374	16,319
Movements in cost price	11,040	(9,945)
Final cost price	17,414	6,374
Fair value measurement at 31 December	-	-
CARRYING AMOUNT AT 31 DECEMBER	**17,414**	**6,374**

NOTE 21 EQUITY

21.1 EQUITY MANAGEMENT POLICY

The equity management policy relates to equity as defined under IFRS.

It is intended to secure the Group's long-term capital resources, in order to foster its development and allow it to implement an appropriate distribution policy.

Equity breaks down into portions attributable to non-controlling interests and to equity holders of the parent.

The portion attributable to non-controlling interests consists of the portion attributable to non-group shareholders of Financière Guiraud (SAS), which holds the investment in SCA Château Guiraud.

Equity attributable to equity holders of the parent comprises FFP's share capital plus reserves and retained earnings resulting from the Group's business activities.

The distribution policy implemented by FFP has for many years, and as far as possible, aimed to ensure a consistent and rising dividend.

21.2 COMPOSITION OF THE SHARE CAPITAL

FFP's share capital consists of 25,072,589 shares with par value of €1 each. The shares are fully paid-up.

21.3 EQUITY

(in thousands euros)	31/12/2017	31/12/2016
FFP share capital	25,073	25,073
FFP share premiums	158,410	158,410
FFP statutory reserve	2,541	2,541
Treasury shares	(29,445)	(49)
Exchange differences	(11,878)	1,725
Other reserves	3,142,399	2,732,566
Consolidated earnings	221,774	149,786
Minority interests	107	(903)
TOTAL	**3,508,981**	**3,069,149**

21.4 REMEASUREMENTS TAKEN DIRECTLY TO EQUITY AND RELATED DEFERRED TAX

(in thousands euros)	31/12/2017	31/12/2016
Remeasurements recognised directly in equity at beginning of period	1,398,877	1,374,477
Decrease in remeasurements following disposals	(82,541)	-
Fair value remeasurements at end of period (net of tax)	3,955	-
Available-for-sale assets	401,951	25,887
Interest-rate hedges	3,334	(2,087)
Other	-	600
REMEASUREMENTS RECOGNISED DIRECTLY IN EQUITY AT END OF PERIOD (A)	**1,725,576**	**1,398,877**
Deferred tax (B)	58,570	39,589
Total gross remeasurements at end of period (A+B)	1,784,146	1,438,466

21.5 BREAKDOWN OF REMEASUREMENTS BY TYPE

(in thousands euros)	31/12/2017	31/12/2016
Available-for-sale assets		
Equity securities	1,613,945	1,337,613
Portfolio Investment Securities	116,029	68,996
Interest-rate hedges	(4,398)	(7,732)
TOTAL	**1,725,576**	**1,398,877**

21.6 TREASURY SHARES

At 31 December 2017, the Company held 329,283 of its own shares.

- 46,340 shares have been allocated to bonus share plans for 2016 and 2017 (Note 21.7);
- 280,143 shares are intended to cover future plans;
- 2,800 shares have been acquired under a liquidity agreement.

The shares held are recognised at cost and recognised as a reduction in equity.

21.7 BONUS SHARE PLAN

A. Plan details

On 7 July 2016 and 9 March 2017, in accordance with the authorisation given by the Shareholders' General Meeting on 3 May 2016, FFP's Board of Directors decided to set up a bonus share plan subject to performance conditions for certain employees and corporate officers of FFP and companies related to it. The bonus performance shares will vest after a three-year period, and there will be no subsequent lock-up period. The grants are subject to beneficiaries being continually employed within the Group or related companies during the vesting period.

Vesting is subject to performance conditions in terms of the increase in FFP's NAV:

- between 31 December 2015 and 31 December 2018 for the 2016 plan;
- between 31 December 2016 and 31 December 2019 for the 2017 plan.

B. 2016 bonus share plan

The maximum number of FFP shares that may be granted under the plan is 17,277.

The personnel expense associated with this plan, measured in accordance with IFRS 2, was €473 thousand for 2017.

C. 2017 bonus share plan

The maximum number of FFP shares that may be granted under the plan is 29,063.

The personnel expense associated with this plan, measured in accordance with IFRS 2, was €730 thousand for 2017.

NOTE 22 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

22.1 POSITION

(in thousands euros)	31/12/2017	31/12/2016
Bonds(1)	242,500	-
Bank borrowings		
FFP	218,000	328,000
Château Guiraud	7,704	7,165
Subscription commitments and shares not paid-up	342,656	240,739
Derivative instruments(2)	5,929	10,878
Other	14	79
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**816,803**	**586,861**
Bank borrowings		
Château Guiraud	3,448	3,569
Accrued interest on borrowings	3,321	1,144
TOTAL CURRENT FINANCIAL LIABILITIES	**6,769**	**4,713**
TOTAL FINANCIAL LIABILITIES	**823,572**	**591,574**

(1) In 2017, FFP carried out two private placements of bonds (Euro PP). The first placement took place in June, consisting of €155,000 thousand of bonds maturing in July 2025 with an annual coupon of 2.50%. The second took place at the end of the year, consisting of €87,500 thousand of bonds breaking down as follows:
- *a tap issue (bonds of the same type as the first tranche) in an amount of €57,500 thousand;*
- *a new tranche consisting of €10,000 thousand of 8-year bonds maturing in January 2026 with a coupon of 2.60%;*
- *a new tranche consisting of €20,000 thousand of 10-year bonds maturing in December 2027 with a coupon of 3.00%.*

(2) FFP has hedged its credit facilities against interest-rate risk by taking out fixed-for-floating interest-rate swaps in an amount of €280,000 thousand. The fair value of these instruments at 31 December 2017 was €5,929 thousand.

Subscription commitments and shares not paid-up comprised US-dollar commitments of €235,972 thousand in 2017 and €143,956 thousand in 2016.

All other commitments are stated in euros.

22.2 MATURITY SCHEDULE AT 31/12/2017

Maturity *(in thousands euros)*	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Bonds	-	-	242,500	242,500
Bank borrowings				
FFP borrowings	-	218,000	-	218,000
Château Guiraud borrowings	3,448	1,634	6,070	11,152
Derivative instruments	-	3,989	1,940	5,929
Subscription commitments and shares not paid-up(1)	-	342,656	-	342,656
Accrued interest on borrowings and other	3,321	14	-	3,335
TOTAL(2)	**6,769**	**566,293**	**250,510**	**823,572**

(1) Since calls are made by funds depending on their respective investments, and generally within 5 years from the subscription of units, their timing cannot be determined accurately, and so they have been included in the “between 1 and 5 years” category. These calls correspond to commitments at their nominal value, without any discounting effect.

(2) The portion due in less than 1 year breaks down as follows: €5,905 thousand in less than 3 months and €864 thousand in between 3 and 12 months.

Credit facilities previously due to expire in 2019 and 2020, in an amount of €250 million, have been extended by a further year. They are now due to expire in 2020 and 2021.

Credit facilities previously due to expire in 2018, in an amount of €50 million, have been renewed early and are now due to expire in 2021.

22.3 MATURITY SCHEDULE AT 31/12/2016

Maturity *(in thousands euros)*	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Bank borrowings				
FFP borrowings	-	328,000	-	328,000
Château Guiraud borrowings	3,569	1,512	5,653	10,734
Derivative instruments	-	7,234	3,644	10,878
Subscription commitments and shares not paid-up[1]	-	240,739	-	240,739
Accrued interest on borrowings and other	1,144	79	-	1,223
TOTAL[2]	**4,713**	**577,564**	**9,297**	**591,574**

(1) Since calls are made by funds depending on their respective investments, and generally within 5 years from the subscription of units, their timing cannot be determined accurately, and so they have been included in the "between 1 and 5 years" category. These calls correspond to commitments at their nominal value, without any discounting effect.

(2) The portion due in less than 1 year breaks down as follows: €4,168 thousand in less than 3 months and €545 thousand in between 3 and 12 months.

Credit facilities due to expire between 2017 and 2019, in an amount of €180 million, were renewed early in a total amount of €200 million. They are now due to expire in 2020 and 2021.

A new €100 million credit facility has been taken out, due to expire on 22 July 2019.

22.4 SUBSCRIPTION COMMITMENTS AND SHARES NOT PAID-UP

(in thousands euros)	31/12/2017	31/12/2016
Investments in associates		
Unlisted company	-	14,000
Available-for-sale securities		
Equity securities		
Unlisted securities	4,919	5,512
Portfolio Investment Securities		
Leverage buyout funds	142,043	105,235
Expansion funds	23,517	34,242
Technology growth funds	34,624	15,683
Real-estate funds	4,542	4,843
Other funds	4,329	10,654
Co-investments	128,681	50,570
TOTAL	**342,655**	**240,739**

22.5 BORROWINGS AT 31/12/2017

(in thousands euros)	Outstanding amount at 31/12/2017 Non-current	Current	Maturity	Interest rate
Bonds				
FFP	212,500		2,025	2.50%
	10,000		2,026	2.60%
	20,000		2,027	3.00%
Bank borrowings				
FFP	64,000	-	2,019	Floating rate
	84,000	-	2,020	Floating rate
	70,000	-	2,021	Floating rate
Château Guiraud				
Borrowings	1,004	244	2018 to 2032	Fixed rate
	6,700	156	2018 to 2028	Floating rate
Warrants and cash facilities	-	3,048	2,018	Floating rate
Subscription commitments and shares not paid-up	342,656	-	-	-
Derivative instruments	5,929	-	-	-
Other	14	3,321	-	-
TOTAL FINANCIAL LIABILITIES	**816,803**	**6,769**		

22.6 BORROWINGS AT 31/12/2016

(in thousands euros)	Outstanding amount at 31/12/2016 Non-current	Current	Maturity	Interest rate
Bank borrowings				
FFP	10,000	-	2,018	Floating rate
	208,000	-	2,019	Floating rate
	110,000	-	2,020	Floating rate
Château Guiraud				
Borrowings	465	272	2016 to 2025	Fixed rate
	6,700	284	2,028	Floating rate
Warrants and cash facilities	-	3,013	2,016	Floating rate
Subscription commitments and shares not paid-up	240,739	-	-	-
Derivative instruments	10,878	-	-	-
Other	79	1,144	-	-
TOTAL FINANCIAL LIABILITIES	**586,861**	**4,713**		

NOTE 23 PROVISIONS

23.1 CHANGES DURING 2017

(in thousands euros)	01/01/2017	Provisions for business combinations	Additions	Releases		31/12/2017
				Amounts used	Amounts unused	
Employee benefits	550	-	207	260	-	497
Other provisions for personnel expenses	-	-	25	-	-	25
TOTAL	**550**	**-**	**232**	**260**	**-**	**522**

23.2 CHANGES DURING 2016

(in thousands euros)	01/01/2016	Provisions for business combinations	Additions	Releases		31/12/2016
				Amounts used	Amounts unused	
Employee benefits	398	-	152	-	-	550
TOTAL	**398**	**-**	**152**	**-**	**-**	**550**

NOTE 24 PENSION OBLIGATIONS AND SIMILAR

24.1 FFP'S OBLIGATIONS

FFP employees are entitled to supplementary pension benefits payable to retirees, or post-employment benefits representing one-off payments made at the time of retirement. The employees concerned are as follows:

- supplementary pensions: 3 people, currently retired;
- post-employment benefits: 18 people.

The latest external assessment of pension obligations was carried out at 31 December 2017.

The assumptions used were as follows:

- discount rate: 1.20% (1.40% in 2016);
- inflation rate: 1.60%;
- rate of salary increase: inflation + individual increases.

As regards supplementary pension benefits, the total value of the Company's obligations was €232 thousand at 31 December 2017. Those obligations were covered by €7 thousand of external funds, and the difference of €225 thousand is recognised under provisions on the liabilities side of the balance sheet.

Obligations relating to post-employment benefits amounted to €484 thousand at 31 December 2017. They were covered by €441 thousand of external funds and the €43 thousand difference is recognised under provisions on the liabilities side of the balance sheet.

24.2 SCA CHÂTEAU GUIRAUD'S OBLIGATIONS

SCA Château Guiraud employees are entitled to post-employment benefits representing one-off payments made at the time of retirement.

At 31 December 2017, 36 people were entitled to such benefits, as opposed to 32 people at 31 December 2016.

Obligations were assessed at 31 December 2017.

Château Guiraud's total obligations came to €222 thousand at 31 December 2017, up from €214 thousand at 31 December 2016, and that figure is recognised as provisions on the liabilities side of the consolidated balance sheet.

No external payments have ever taken place to cover these obligations.

NOTE 25 OTHER CURRENT AND NON-CURRENT LIABILITIES

(in thousands euros)	31/12/2017	31/12/2016
Customer advances due in more than 1 year	237	603
TOTAL OTHER NON-CURRENT LIABILITIES	**237**	**603**
Customer advances	1,024	541
Tax and social security liabilities (excluding income tax)	3,296	2,782
Other liabilities	3,244	1,954
TOTAL OTHER CURRENT LIABILITIES	**7,564**	**5,277**
TOTAL OTHER LIABILITIES	**7,801**	**5,880**

NOTE 26 CHANGE IN WORKING CAPITAL REQUIREMENT

(in thousands euros)	31/12/2017	31/12/2016
(Increase)/decrease in inventories	896	1,151
(Increase)/decrease in receivables	(5,224)	(227)
Change in tax	(2,037)	(7,295)
Increase/(decrease) in debt	4,467	(352)
TOTAL CHANGE IN WORKING CAPITAL REQUIREMENT	**(1,898)**	**(6,723)**

NOTE 27 FINANCIAL INSTRUMENTS

27.1 FINANCIAL INSTRUMENTS REPORTED IN THE 2017 BALANCE SHEET

	31/12/2017		Breakdown by type of instrument				
(in thousands euros)	Carrying amount	Fair value	Fair value through profit and loss	Available-for-sale assets	Loans, receivables and payables at cost	Debt at amortised cost	Derivative instruments
Investments in non-consolidated companies	3,341,413	3,341,413	-	3,341,413	-	-	-
Portfolio Investment Securities	745,210	745,210	-	745,210	-	-	-
Other non-current financial assets	12,071	12,071	-	-	12,071	-	-
Other receivables	6,726	6,726	-	-	6,726	-	-
Cash and cash equivalents	17,414	17,414	17,414	-	-	-	-
ASSETS	**4,122,834**	**4,122,834**	**17,414**	**4,086,623**	**18,797**	**-**	**-**
Non-current financial liabilities	816,803	816,803	-	-	342,670	468,204	5,929
Other non-current liabilities	237	237	-	-	237	-	-
Current financial liabilities	6,769	6,769	-	-	-	6,769	-
Other current liabilities	7,564	7,564	-	-	7,564	-	-
LIABILITIES	**831,373**	**831,373**	**-**	**-**	**350,471**	**474,973**	**5,929**

27.2 FINANCIAL INSTRUMENTS REPORTED IN THE 2016 BALANCE SHEET

	31/12/2016		Breakdown by type of instrument				
(in thousands euros)	Carrying amount	Fair value	Fair value through profit and loss	Available-for-sale assets	Loans, receivables and payables at cost	Debt at amortised cost	Derivative instruments
Investments in non-consolidated companies	2,967,371	2,967,371	-	2,967,371	-	-	-
Portfolio Investment Securities	485,239	485,239	-	485,239	-	-	-
Other non-current financial assets	3,626	3,626	-	-	3,626	-	-
Other receivables	1,502	1,502	-	-	1,502	-	-
Cash and cash equivalents	6,374	6,374	6,374	-	-	-	-
ASSETS	**3,464,112**	**3,464,112**	**6,374**	**3,452,610**	**5,128**	**-**	**-**
Non-current financial liabilities	586,861	586,861	-	-	240,818	335,165	10,878
Other non-current liabilities	603	603	-	-	603	-	-
Current financial liabilities	4,713	4,713	-	-	-	4,713	-
Other current liabilities	5,277	5,277	-	-	5,277	-	-
LIABILITIES	**597,454**	**597,454**	**-**	**-**	**246,698**	**339,878**	**10,878**

27.3 INCOME STATEMENT IMPACT OF FINANCIAL INSTRUMENTS IN 2017

(in thousands euros)	2017	Breakdown by type of instrument				
	Income statement impact	Fair value through profit and loss	Available-for-sale assets	Loans and receivables	Debt at amortised cost	Derivative instruments
Dividends (excluding investments in consolidated companies)	77,053	-	77,053	-	-	-
Other revenue	-	-	-	-	-	-
Expense (cost of debt)	(13,063)	-	-	-	(13,063)	-
Impairment of available-for-sale securities	(4,446)	-	(4,446)	-	-	-
Remeasurement	-	-	-	-	-	-
Disposal gains or losses	153,084	-	153,084	-	-	-
NET GAINS (LOSSES)	**212,628**	**-**	**225,691**	**-**	**(13,063)**	**-**

27.4 INCOME STATEMENT IMPACT OF FINANCIAL INSTRUMENTS IN 2016

(in thousands euros)	2016	Breakdown by type of instrument				
	Income statement impact	Fair value through profit and loss	Available-for-sale assets	Loans and receivables	Debt at amortised cost	Derivative instruments
Dividends (excluding investments in consolidated companies)	36,326	-	36,326	-	-	-
Other revenue	-	-	-	-	-	-
Expense (cost of debt)	(10,385)	-	-	-	(10,385)	-
Impairment of available-for-sale securities	(1,186)	-	(1,186)	-	-	-
Remeasurement	-	-	-	-	-	-
Disposal gains or losses	135,356	-	135,356	-	-	-
NET GAINS (LOSSES)	**160,111**	**-**	**170,496**	**-**	**(10,385)**	**-**

27.5 INFORMATION ON THE FAIR VALUE OF FINANCIAL INSTRUMENTS IN 2017

Breakdown by level

Assets *(in thousands euros)*	Instruments recognised at fair value Fair value through profit and loss	Available-for-sale assets	Derivative instruments
Level 1 fair value: quoted prices in active markets			
Investments in non-consolidated companies	-	3,213,934	-
Portfolio Investment Securities	-	47,758	-
Other non-current financial assets	-	-	-
Other receivables	-	-	-
Cash and cash equivalents	17,414	-	-
Level 2 fair value: based on data observable in the market	-	-	-
Investments in non-consolidated companies	-	-	-
Portfolio Investment Securities	-	-	-
Other non-current financial assets	-	-	-
Other receivables	-	-	-
Cash and cash equivalents	-	-	-
Level 3 fair value: based on data not observable in the market	-	-	-
Investments in non-consolidated companies	-	127,479	-
Portfolio Investment Securities	-	697,452	-
Other non-current financial assets	-	-	-
Other receivables	-	-	-
Cash and cash equivalents	-	-	-
TOTAL FINANCIAL ASSETS RECOGNISED AT FAIR VALUE	**17,414**	**4,086,623**	**-**

List of investments:

- level 1: Peugeot SA, Zodiac Aerospace, DKSH, SEB, ORPEA, FFP INVEST, Tikehau Capital, IDI, Immobilière Dassault, CIEL, other equities and money-market UCITS;
- level 2: none;
- level 3: IDI Emerging Markets, Tikehau Capital Advisors, real-estate funds, private equity funds, other equities.

Liabilities *(in thousands euros)*	Instruments recognised at fair value Fair value through profit and loss	Derivative instruments
Level 1 fair value: quoted prices in active markets	-	-
Level 2 fair value: based on data observable in the market	-	-
Non-current financial liabilities	-	5,929
Level 3 fair value: based on data not observable in the market	-	-
TOTAL FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE	**-**	**5,929**

Reconciliation of level-3 movements	
Value at 1 January 2017	803,841
Purchases (+)	416,224
Disposals/Repayments (-)	(495,305)
Gains (losses) for the period recognised in profit and loss	131,322
Gains (losses) for the period recognised in equity	(31,151)
Transfer between level 3 and other levels	-
VALUE AT 31 DECEMBER 2017	**824,931**

27.6 INFORMATION ON THE FAIR VALUE OF FINANCIAL INSTRUMENTS IN 2016

Breakdown by level

	Instruments recognised at fair value		
Assets *(in thousands euros)*	**Fair value through profit and loss**	**Available-for-sale assets**	**Derivative instruments**
Level 1 fair value: quoted prices in active markets			
Investments in non-consolidated companies	-	2,617,775	-
Portfolio Investment Securities	-	30,994	-
Other non-current financial assets	-	-	-
Other receivables	-	-	-
Cash and cash equivalents	6,374	-	-
Level 2 fair value: based on data observable in the market	-	-	-
Investments in non-consolidated companies	-	-	-
Portfolio Investment Securities	-	-	-
Other non-current financial assets	-	-	-
Other receivables	-	-	-
Cash and cash equivalents	-	-	-
Level 3 fair value: based on data not observable in the market	-	-	-
Investments in non-consolidated companies	-	349,596	-
Portfolio Investment Securities	-	454,245	-
Other non-current financial assets	-	-	-
Other receivables	-	-	-
Cash and cash equivalents	-	-	-
TOTAL FINANCIAL ASSETS RECOGNISED AT FAIR VALUE	**6,374**	**3,452,610**	**-**

List of investments:

- level 1: Peugeot SA, Zodiac Aerospace, DKSH, SEB, ORPEA, IDI, Immobilière Dassault, Ipsos, CIEL, other equities and money-market UCITS;
- level 2: none;
- level 3: HIT, Holding Reinier, IDI Emerging Markets, Tikehau Capital Advisors, Tikehau Capital Partners, real-estate funds, private equity funds, other equities.

Liabilities *(in thousands euros)*	**Instruments recognised at fair value** Fair value through profit and loss	Derivative instruments
Level 1 fair value: quoted prices in active markets	-	-
Level 2 fair value: based on data observable in the market		
Non-current financial liabilities	-	10,878
Level 3 fair value: based on data not observable in the market	-	-
TOTAL FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE	**-**	**10,878**

Reconciliation of level-3 movements	
Value at 1 January 2016	480,401
Purchases (+)	361,169
Disposals/Repayments (-)	(100,975)
Gains (losses) for the period recognised in profit and loss	18,287
Gains (losses) for the period recognised in equity	44,959
Transfer between level 3 and other levels	-
VALUE AT 31 DECEMBER 2016	**803,841**

NOTE 28 MARKET RISK MANAGEMENT

Risks are managed by Executive Management, under the supervision of the Board of Directors, particularly with regard to new investments (Investments and Shareholdings Committee). Committees systematically report on meetings taking place between two Board meetings in the next Board meeting.

Executive Management is also responsible for managing interest-rate and exchange-rate risk. In each meeting of the Board of Directors, Executive Management presents the status of interest-rate and exchange-rate hedges.

28.1 EQUITY RISK MANAGEMENT

FFP's assets include a 9.32% stake in the PSA Peugeot Citroën group, along with minority but material stakes in other companies, both listed and unlisted.

FFP always has a presence in the governing or supervisory bodies of its investee companies, and ensures that those companies are developing and are focused on creating value for shareholders.

In managing those assets, FFP also carries out regular monitoring of each investment's performance. Files are presented to the Investments and Shareholdings Committee and, as necessary, to the Board of Directors.

The prices of listed assets are monitored on a daily basis. The valuations of all assets in the portfolio are updated every month and published twice per year.

As regards the Compagnie Industrielle de Delle (CID) and LISI groups and the Zéphyr Investissement, LDAP, Redford EU II and USA II Holdings and Lapillus companies, which are accounted for under the equity method in FFP's consolidated financial statements (under "investments in associates"), FFP is exposed to changes in the earnings of each of these entities. The same applies to companies in which FFP owns a majority stake and which are fully consolidated.

As regards private equity investments, although FFP has no formal powers, it holds regular meetings with those responsible for the companies and gives its opinion on decisions that they are planning to take.

Securities classified as available-for-sale are measured at fair value (based on their share prices in the case of listed securities) and may be affected by stockmarket or economic movements.

Information by asset type and geographical zone

Non-current, non-consolidated financial assets break down as follows (including subscription commitments):

(in thousands euros)	31/12/2017	31/12/2016
Listed securities		
Equities - Europe	3,174,949	2,631,558
Unlisted securities		
Equities - Europe	159,002	328,341
Private equity - Europe	263,767	156,112
Private equity - Africa	238,221	132,555
Private equity - Americas	146,844	101,861
Private equity - Asia	115,340	100,410
Other non-current financial assets	571	5,399
CARRYING AMOUNT AT 31 DECEMBER	**4,098,694**	**3,456,236**

Price sensitivity

	31/12/2017			31/12/2016		
(in thousands euros)	Carrying amount	Low	High	Carrying amount	Low	High
Available-for-sale securities						
Investments in non-consolidated companies						
Listed securities	3,213,934	2,571,147	3,856,721	2,617,775	2,094,220	3,141,330
Unlisted securities	127,479	108,848	146,070	349,596	297,725	401,468
Portfolio Investment Securities	745,210	662,565	827,855	485,239	432,095	538,383
Other non-current financial assets	12,071	12,071	12,071	3,626	3,626	3,626
TOTAL	**4,098,694**	**3,354,631**	**4,842,717**	**3,456,236**	**2,827,666**	**4,084,807**

For listed securities and Portfolio Investment Securities, sensitivity was calculated on the basis of a 20% change in share prices or reported fund NAV.

The sensitivity of unlisted equity securities was assessed for each individual investment based on specific valuation criteria:

- for companies valued on the basis of discounted cash flows, sensitivity was calculated on the basis of a 15% change;
- for companies valued by comparing multiples, sensitivity was calculated on the basis of a 20% change in peer-group multiples.

28.2 LIQUIDITY RISK MANAGEMENT

FFP has negotiated credit facilities with leading financial institutions to help it finance its investments.

FFP manages liquidity risk by paying constant attention to the duration of its financing arrangements, the permanence of its available credit facilities and the diversification of its resources.

At 31 December 2017, the credit facilities and borrowings granted to the FFP group amounted to €737 million, including €519 million of undrawn facilities. Undrawn facilities are due to expire as follows:

(in millions euros)		31/12/2017	N+1	N+2	N+3	N+4	N+5 and beyond
Bank borrowings	Nominal	519	-	103	236	180	-
TOTAL		**519**	**-**	**103**	**236**	**180**	**-**

The table below shows undiscounted cash flows relating to financial liabilities and derivative instruments. Those flows include principal repayments as well as future contractual interest payments. Foreign currency cash flows and variable cash flows are determined on the basis of period-end market data.

(in thousands euros)		31/12/2017	N+1	N+2	N+3	N+4	N+5 and beyond	Total
Bonds	Nominal	242,500	-	-	-	-	242,500	242,500
	Interest	2,710	6,172	6,172	6,172	6,172	6,172	30,860
Bank borrowings	Nominal	229,152		64,000	84,000	70,000	-	218,000
	Interest	611	2,433	2,297	1,430	345	907	7,412
	Total	474,973	8,605	72,469	91,602	76,517	249,579	498,772
Subscription commitments and shares not paid-up(1)	Nominal	342,656	-	-	-	-	342,656	342,656
Derivative instruments		5,929	3,045	3,222	2,738	3,079	9,238	21,322
Other		14	-	-	-	-	14	14
TOTAL		**823,572**	**11,650**	**75,691**	**94,340**	**79,596**	**601,487**	**862,764**

(1) Since calls are made by funds depending on their respective investments, and generally within 5 years from the subscription of units, their timing cannot be determined accurately. As a result, the corresponding cash flows have been included in the "N+5 and beyond" category in the table above.

None of FFP's credit facilities are due to expire in 2017.

Borrowings may fall due early in the event of a failure to make a repayment or non-compliance with contractual obligations.

The main types of covenants related to debt borne directly by FFP are as follows:

1. net debt (parent-company financial statements)/equity (parent-company financial statements) <1;
2. consolidated net debt/value of securities(1) <0.5.

These ratios are calculated exactly twice per year, and they are monitored regularly throughout the year.

At 31 December 2017, the ratios with the highest values (depending on the definitions used by the banks) were:

1. net debt (parent-company financial statements) / equity (parent-company financial statements) = 0.35;
2. consolidated net debt / value of securities = 0.19.

For the calculation at 31 December 2017, the equity figures used are before the appropriation of 2017 income.

FFP complied with all covenants at the end of 2017.

FFP is a long-term shareholder. Given its debt/asset value ratio, the Company does not foresee any particular difficulties in renewing its existing credit facilities before or on expiry.

In its ordinary cash management operations, FFP focuses on security when selecting investments.

It only invests in regular money-market UCITS and certificates of deposit issued by top-tier banks. These products do not carry any significant risk of impairment.

(1) Value of securities is equal to the FFP group's Gross Asset Value as determined in the Net Asset Value calculation.

28.3 CREDIT RISK MANAGEMENT

The interest-rate risk to which the FFP group is exposed arises from medium- and long-term floating-rate borrowings. To convert part of the its floating-rate debt to fixed-rate, FFP has set up interest-rate hedging in the form of swaps.

At 31 December 2017, €280,000 thousand of FFP's bank debt was covered by swaps fixing rates at between 0.309% and 1.595%.

The situations before and after hedging are as follows:

31 DECEMBER 2017

(in thousands euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings				
Fixed rate	244	434	243,070	243,748
Floating rate	3,204	219,200	5,500	227,904
TOTAL BORROWINGS BEFORE HEDGING	**3,448**	**219,634**	**248,570**	**471,652**
Derivative financial instruments		**180,000**	**100,000**	**280,000**
Borrowings				
Fixed rate	244	180,434	343,070	523,748
Floating rate	3,204	39,200	(94,500)	(52,096)
TOTAL BORROWINGS AFTER HEDGING	**3,448**	**219,634**	**248,570**	**471,652**

To measure the fair value of hedging instruments, CVA-DVA impacts are deemed to be non-material and so are not recognised.

Floating-rate debt is mainly linked to 3-month Euribor.

At 31 December 2017, 3-month Euribor was -0.329%, as opposed to -0.319% at 31 December 2016.

At 22 February 2018, 3-month Euribor was -0.328%.

On the basis of floating-rate borrowings after hedging at 31 December 2017, a 1-point increase in interest rates would not cause an increase in the annual interest expense.

The effective portion of the change in fair value of interest-rate hedges is taken to equity. There is no significant ineffective portion, and so there is no impact on profit or loss in respect of hedging.

31 DECEMBER 2016

(in thousands euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowings				
Fixed rate	272	312	153	737
Floating rate	3,297	329,200	5,500	337,997
TOTAL BORROWINGS BEFORE HEDGING	**3,569**	**329,512**	**5,653**	**338,734**
Derivative financial instruments	**-**	**180,000**	**100,000**	**280,000**
Borrowings				
Fixed rate	272	180,312	100,153	280,737
Floating rate	3,297	149,200	(94,500)	57,997
TOTAL BORROWINGS AFTER HEDGING	**3,569**	**329,512**	**5,653**	**338,734**

Cash is invested in regular money-market UCITS (see Note 20.1) and generates variable-rate returns.

28.4 EXCHANGE-RATE RISK MANAGEMENT

FFP's investee companies operate in various countries and thus generate some of their earnings in currencies other than the euro.

The FFP group also has equity securities denominated in CHF and MUR, and units in private equity funds denominated in USD.

The FFP group has a company accounted for under the equity method whose functional currency is the US dollar.

The breakdown of available-for-sale assets by geographical zone is provided above in Note 28.1.

The FFP group does not hedge its foreign-currency assets.

(in thousands euros)	USD	CHF	GBP	MUR
Carrying amounts at 31 December 2017				
Shares in companies accounted for under the equity method	35,652	-	-	-
Available-for-sale securities	536,611	288,267	-	19,985
Other long-term assets	-	-	-	-
Cash and cash equivalents	7,214	10	50	-
Non-current financial liabilities				
Subscription commitments and shares not paid-up	(223,686)	-	-	-
Current debt	-	-	-	-
NET POSITION BEFORE HEDGING	**355,791**	**288,277**	**50**	**19,985**
Derivative financial instruments	**-**	**-**	**-**	**-**
NET POSITION AFTER HEDGING	**355,791**	**288,277**	**50**	**19,985**

Given positions at 31 December 2017 and after hedging:

- if the USD rose 10% against the euro, FFP's reserves would rise by €35,579 thousand, with no material impact on profit or loss;
- if the CHF rose 10% against the euro, FFP's reserves would rise by €28,828 thousand, with no material impact on profit or loss;
- if the GBP rose 10% against the euro, FFP's reserves would rise by €5 thousand, with no material impact on profit or loss;
- if the MUR rose 10% against the euro, FFP's reserves would rise by €1,999 thousand, with no material impact on profit or loss.

(in thousands euros)	USD	CHF	GBP	MUR
Carrying amounts at 31 December 2016				
Shares in companies accounted for under the equity method	18,900	-	-	-
Available-for-sale securities	331,678	258,031	-	19,082
Other long-term assets	-	-	-	-
Cash and cash equivalents	2,454	8	59	-
Non-current financial liabilities				
Subscription commitments and shares not paid-up	(143,956)	-	-	-
Current debt	-	-	-	-
NET POSITION BEFORE HEDGING	**209,076**	**258,039**	**59**	**19,082**
Derivative financial instruments	**-**	**-**	**-**	**-**
NET POSITION AFTER HEDGING	**209,076**	**258,039**	**59**	**19,082**

Given positions at 31 December 2016 and after hedging:

- if the USD rose 10% against the euro, FFP's reserves would rise by €20,908 thousand, with no material impact on profit or loss;
- if the CHF rose 10% against the euro, FFP's reserves would rise by €25,804 thousand, with no material impact on profit or loss;
- if the GBP rose 10% against the euro, FFP's reserves would rise by €6 thousand, with no material impact on profit or loss;
- if the MUR rose 10% against the euro, FFP's reserves would rise by €1,908 thousand, with no material impact on profit or loss.

28.5 CREDIT RISK MANAGEMENT

The amount of receivables on the balance sheet is small and represents a very limited risk.

Short-term cash investments only comprise units in regular money-market UCITS and negotiable debt instruments issued by top-tier financial institutions. Investment products are selected with the aim of minimising the risk of impairment and counterparty risk.

NOTE 29 SEGMENT REPORTING

FFP is one of the three largest shareholders in Peugeot SA and is a long-term shareholder in other companies. Its business activities also involve financial investments and cash management, as well as real-estate and winemaking activities, which remain marginal in terms of their contribution to revenue, profits and risks. The information presented below is based on figures in each of FFP's business areas, with "Other segments" covering the real-estate and winemaking businesses. The "Reconciliation" column shows the unallocated amounts in each segment that allow segment figures to be reconciled with the financial statements.

29.1 2017 SEGMENT REPORTING

(in thousands euros)	PSA Peugeot Citroën group	Investments	Net cash / (debt)	Other segments	Reconciliation	Total
Dividends	40,475	36,578	-	-	-	77,053
Net disposal gains	-	153,084	-	-	-	153,084
Unrealised gains and losses	-	-	-	(144)	-	(144)
Business revenue	-		-	5,024	-	5,024
Revenue	**40,475**	**189,662**	**-**	**4,880**	**-**	**235,017**
General administrative expenses	-	(4,779)	-	(4,421)	(11,310)	(20,510)
Cash management income	-	-	-	-	-	-
Impairment of available-for-sale securities	-	(4,446)	-	-	-	(4,446)
Cost of debt	-	-	(12,840)	(223)	-	(13,063)
Pre-tax profit from consolidated companies	**40,475**	**180,437**	**(12,840)**	**236**	**(11,310)**	**196,998**
Share in profit of associates	-	20,860	-	-	-	20,860
Consolidated pre-tax profit	**40,475**	**201,297**	**(12,840)**	**236**	**(11,310)**	**217,858**
Income tax	-	-	-	-	3,751	3,751
CONSOLIDATED NET PROFIT	**40,475**	**201,297**	**(12,840)**	**236**	**(7,559)**	**221,609**
Segment assets						
Intangible assets and property, plant and equipment	-	-	-	34,146	779	34,925
Non-current financial assets	1,429,699	2,916,564	-	23	548	4,346,834
Of which investments in companies accounted for under the equity method	-	248,140	-	-	-	248,140
Deferred tax assets	-	509	1,531	56	2,419	4,515
Current assets	-	-	16,768	11,487	9,475	37,730
TOTAL ASSETS	**1,429,699**	**2,917,073**	**18,299**	**45,712**	**13,221**	**4,424,004**
Segment equity and liabilities						
Non-current financial liabilities	47,000	342,656	419,429	7,718	-	816,803
Current financial liabilities	7	-	3,260	3,502	-	6,769
Equity including non-controlling interests	-	-	-	-	3,508,981	3,508,981
Other liabilities	31,249	46,172	-	8,369	5,661	91,451
TOTAL EQUITY AND LIABILITIES	**78,256**	**388,828**	**422,689**	**19,589**	**3,514,642**	**4,424,004**
NET INVESTMENT	**-**	**95,205**	**-**	**1,572**	**102**	**96,879**

29.2 2016 SEGMENT REPORTING

(in thousands euros)	PSA Peugeot Citroën group	Investments	Net cash / (debt)	Other segments	Reconciliation	Total
Dividends	-	36,326	-	-	-	36,326
Net disposal gains	115,882	19,474	-	-	-	135,356
Unrealised gains and losses	-	-	-	1,850	-	1,850
Business revenue	-		-	4,458	-	4,458
Revenue	**115,882**	**55,800**	**-**	**6,308**	**-**	**177,990**
General administrative expenses	-	(95)	-	(4,037)	(13,511)	(17,643)
Cash management income	-	-	1,142	-	-	1,142
Impairment of available-for-sale securities	-	(1,186)	-	-	-	(1,186)
Cost of debt	-	-	(10,175)	(210)	-	(10,385)
Pre-tax profit from consolidated companies	**115,882**	**54,519**	**(9,033)**	**2,061**	**(13,511)**	**149,918**
Share in profit of associates	-	18,002	-	-	-	18,002
Consolidated pre-tax profit	**115,882**	**72,521**	**(9,033)**	**2,061**	**(13,511)**	**167,920**
Income tax	-	-	-	-	(18,270)	(18,270)
CONSOLIDATED NET PROFIT	**115,882**	**72,521**	**(9,033)**	**2,061**	**(31,781)**	**149,650**
Segment assets						
Intangible assets and property, plant and equipment	-	-	-	32,894	852	33,746
Non-current financial assets	1,306,587	2,371,060	-	30	626	3,678,303
Of which investments in companies accounted for under the equity method	-	222,067	-	-	-	222,067
Deferred tax assets	-	-	3,146	60	105	3,311
Current assets	-	-	6,289	10,977	2,986	20,252
TOTAL ASSETS	**1,306,587**	**2,371,060**	**9,435**	**43,961**	**4,569**	**3,735,612**
Segment equity and liabilities						
Non-current financial liabilities	47,000	240,739	291,878	7,263	(19)	586,861
Current financial liabilities	7	-	1,081	3,625	-	4,713
Equity including non-controlling interests	-	-	-	-	3,069,149	3,069,149
Other liabilities	30,725	31,861	-	8,048	4,255	74,889
TOTAL EQUITY AND LIABILITIES	**77,732**	**272,600**	**292,959**	**18,936**	**3,073,385**	**3,735,612**
NET INVESTMENT	**-**	**139,508**	**-**	**318**	**32**	**139,858**

NOTE 30 RELATED-PARTY TRANSACTIONS

30.1 ASSOCIATES

At 31 December 2017, the balance of the current-account advance granted by FFP to Redford USA II Holdings was €2,275 thousand, and the balance of that granted to OPCI Lapillus II was €1,444 thousand. Those advances bear interest at annual rates of 8% and 1% respectively.

30.2 RELATED PARTIES THAT HAVE SIGNIFICANT INFLUENCE OVER THE GROUP

No transactions are carried out with any directors or officers or any shareholder owning more than 5% of FFP's capital.

NOTE 31 EXECUTIVE COMPENSATION

(in thousands euros)	31/12/2017	31/12/2016
Attendance fees paid to members of the Board of Directors	660	652
Compensation paid to directors and officers	1,442	1,048
TOTAL	**2,102**	**1,700**

NOTE 32 OFF-BALANCE SHEET COMMITMENTS

(in thousands euros)	31/12/2017	31/12/2016
Reciprocal commitments		
Undrawn credit facilities	519,000	409,000
Pre-orders of wine on an “en primeur” basis	1,261	1,555
Commitments given	-	-
Collateral given for borrowings	50,319	56,148

Other commitments

At 31 December 2017:

- borrowings amounting to €7,000 thousand were secured by a first mortgage on real estate owned by Château Guiraud;
- borrowings amounting to €2,500 thousand were secured by wine inventories.

Securities pledged as collateral for borrowings from financial institutions:

- 5,683,192 Peugeot SA shares pledged to BNP Paribas as security for a €47,000 thousand loan taken out by FFP.

NOTE 33 STATUTORY AUDITORS' FEES

	Mazars		SEC3	
	2017	2016	2017	2016
Audit				
Independent audit, certification, review of parent company and consolidated financial statements				
Issuer	60	50	60	53
Fully consolidated subsidiaries	24	19	33	19
Ancillary work and services directly linked to the Statutory Auditor's assignment				
Issuer	-	-	-	-
Fully consolidated subsidiaries	-	-	-	-
SUB-TOTAL	**84**	**69**	**93**	**72**
	100%	*100%*	*100%*	*100%*
Other services provided by the networks to fully consolidated subsidiaries				
Legal, tax and employment-related	-	-	-	-
Other (to be specified if they equal more than 10% of audit fees)	-	-	-	-
SUB-TOTAL	**-**	**-**	**-**	**-**
TOTAL	**84**	**69**	**93**	**72**

NOTE 34 POST-BALANCE SHEET EVENTS

FFP tendered all of its Zodiac Aerospace shares to the subsidiary public exchange offer initiated by Safran. Since the upper limit of the subsidiary offer was reached, the number of Zodiac Aerospace shares tendered by FFP to the exchange offer was reduced. As a result, FFP received 2,832,492 Safran shares in exchange for 9,441,640 Zodiac Aerospace shares, and €141,432 thousand from the sale of 5,674,324 Zodiac Aerospace shares.

FFP also bought 375,237 Safran shares in the market for €31,357 thousand.

Statutory Auditors' report on the consolidated financial statements

Financial year ended 31 December 2017

To the Shareholders,

Opinion

In accordance with our appointment as Statutory Auditors by your Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of FFP for the year ended 31 December 2017.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities, and the results of the group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

AUDIT

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the "Responsibilities of the Statutory Auditors in relation to auditing the consolidated financial statements" section of this report.

INDEPENDENCE

We conducted our audit in accordance with the independence rules applicable to us between 1 January 2017 and the date on which we issued our report, and in particular we did not provide any services forbidden by article 5, paragraph 1 of Regulation (EU) No 537/2014 or by the code of conduct of the Statutory Auditors' profession in France.

Justification of our assessments – Key points of the audit

As required by articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key points of the audit, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year's consolidated financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the consolidated financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the consolidated financial statements taken in isolation.

- Measurement of financial instruments classified as level 3 in the fair value hierarchy

Notes 16 and 27 to the consolidated financial statements

RISK IDENTIFIED AND MAIN JUDGMENTS

As part of its investment activity, the FFP Group holds a large amount of financial instruments measured at fair value on its balance sheet. Most of those financial instruments are classified as available-for-sale securities.

Fair value is determined in different ways depending on the type and complexity of the instruments: on the basis of prices quoted in an active market (instruments classified as "level 1" in the notes), on the basis of data that are observable in the market (instruments classified as "level 2" in the notes) and on the basis of data that are not observable in the market (instruments classified as "level 3" in the notes). In addition, where there is objective evidence that these financial instruments have fallen in value, impairment is recorded in the consolidated financial statements.

The techniques used by management to value these instruments therefore rely significantly on judgment in terms of the choice of methods and parameters used. Financial assets amount to €4,104 million (including €118 million of impairment), of which €825 million consist of level-3 assets on the Group's consolidated balance sheet at 31 December 2017.

We took the view that the financial instruments classified as level-3 assets in the fair value hierarchy were a key point of the audit because they represented material exposures and because judgment was required to determine their fair value.

OUR AUDIT APPROACH

We familiarised ourselves with the internal control arrangements governing the valuation and recognition of financial instruments, including financial instruments classified as level-3 in the fair-value hierarchy.

For these financial assets, we back-tested previous valuations estimated by the group with respect to valuations obtained on the basis of Net Asset Values, to obtain assurance about the reliability of the Group's process. In addition, we checked data used for the valuation at 31 December 2017 for a sample of financial assets, by obtaining:

- for Portfolio Investment Securities, either the latest Net Asset Values reported by the asset management companies and changes between the date of the most recent NAV calculation and the accounts closing date, or valuation schedules prepared by the Group;
- for investments in non-consolidated companies, either the share price on the accounts closing date or valuation schedules prepared by the Group.

We also assessed the process adopted by the Group to identify possible evidence of a fall in value, and we carried out a critical examination of the ways in which impairment tests are performed in accordance with the Group's accounting policies.

Finally, we examined the information relating to the valuation of financial instruments as published in the notes.

Verification of information relating to the group provided in the management report

We also carried out specific verification, as required by law, of information relating to the Group provided in the management report, in accordance with professional standards applicable in France.

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

Information resulting from other statutory and regulatory obligations

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as Statutory Auditors of FFP by shareholders in the Shareholders' General Meeting of 9 June 2011 (Mazars) and of 7 June 2000 (SEC3).

At 31 December 2017, Mazars was in its seventh consecutive year as an auditor of FFP, and SEC3 in its eighteenth year.

Responsibilities of management and persons involved in corporate governance in relation to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with IFRSs as endorsed by the European Union, and for setting up the internal controls it deems necessary for preparing consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the company or discontinue its operations.

The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors in relation to auditing the consolidated financial statements

AUDIT OBJECTIVE AND PROCEDURE

Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by article L. 823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit. In addition:

- they identify and assess the risks that the consolidated financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;
- auditors familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the consolidated financial statements;
- they assess whether management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the company's ability to continue as a going concern. That assessment is based on information collected until the date of the Auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the consolidated financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so that they give a true and fair view;
- regarding financial information relating to persons or entities included in the scope of consolidation, they collect the information that they regard as sufficient and appropriate to express an opinion on the consolidated financial statements. The auditors are responsible for managing, supervising and conducting the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

Reporting to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's consolidated financial statements, and which are therefore the key points of the audit. It is our role to describe those points in the present report.

We also provide the Audit Committee with the declaration provided for by article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

Paris La Défense, 11 April 2018

The Statutory Auditors

SEC3	MAZARS
Philippe Spandonis	Virginie Chauvin

PARENT-COMPANY FINANCIAL STATEMENTS

5.2

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Income statement

(in thousands euros)	2017	2016
Revenue	3,870	2,960
Other recurring management revenue	10	2
Releases of provisions and expense transfers	260	-
Operating revenue	**4,140**	**2,962**
Other purchases and external expenses	(7,320)	(4,916)
Taxes other than income tax	(579)	(2,807)
Wages and salaries	(3,819)	(2,661)
Social security costs	(3,498)	(1,644)
Depreciation, amortisation and provisions	(329)	(243)
Other expenses	(660)	(652)
Operating expenses	**(16,205)**	**(12,923)**
OPERATING INCOME/(LOSS)	**(12,065)**	**(9,961)**
Income from shareholdings	44,180	3,029
Income from other marketable securities and receivables on non-current assets	490	362
Releases of provisions and expense transfers	8,004	5,075
Positive exchange differences	-	50
Net proceeds from disposals of Portfolio Investment Securities and other long-term investments	4,830	17,845
Net proceeds from disposals of marketable securities	-	6
Financial income	**57,503**	**26,367**
Depreciation, amortisation and provisions	(275)	(942)
Interest and similar expenses	(8,710)	(7,673)
Negative exchange differences	(198)	(1)
Net expenses on disposals of Portfolio Investment Securities	(7,808)	(4,381)
Other financial expense	(5)	-
Financial expense	**(16,997)**	**(12,997)**
NET FINANCIAL INCOME/(EXPENSE)	**40,506**	**13,370**
RECURRING PRE-TAX PROFIT/(LOSS)	**28,441**	**3,409**
Non-recurring income from capital transactions	-	319,444
Other non-recurring income	2,980	6
Non-recurring income	**2,980**	**319,450**
Non-recurring expenses on capital transactions	-	(112,948)
Other non-recurring expenses	-	(1)
Non-recurring expense	**-**	**(112,949)**
NET NON-RECURRING INCOME/(EXPENSE)	**2,980**	**206,501**
Income tax	**159**	**(2,095)**
NET PROFIT FOR THE PERIOD	**31,581**	**207,815**

Balance sheet at 31 December 2017

ASSETS

(in thousands euros)	Notes	31/12/2017 Gross	31/12/2017 Depreciation, amortisation and provisions	31/12/2017 Net	31/12/2016 Net
Non-current assets					
Intangible assets					
Concessions, patents, software and similar items	8	76	(76)	-	-
Property, plant and equipment					
Other non-current assets	9	1,104	(339)	765	844
Long-term investments					
Equity securities	10	1,337,899	-	1,337,899	1,337,899
Receivables connected with shareholdings	10	355,562	-	355,562	269,345
Total shareholdings		**1,693,461**	**-**	**1,693,461**	**1,607,244**
Portfolio Investment Securities	11	52,684	(2,735)	49,948	50,187
Other long-term investments	11	814	-	814	675
Total long-term investments		**1,746,959**	**(2,735)**	**1,744,224**	**1,658,107**
TOTAL NON-CURRENT ASSETS		**1,748,139**	**(3,150)**	**1,744,989**	**1,658,951**
Current assets					
Receivables	12	8,767	-	8,767	3,281
Marketable securities	12/13	29,170	-	29,170	-
Cash investments	12	-	-	-	2,297
Cash	12	12,605	-	12,605	2,412
Total cash and cash equivalents		**12,605**	**-**	**12,605**	**4,708**
Prepaid expenses	12	222	-	222	34
TOTAL CURRENT ASSETS		**50,765**	**-**	**50,765**	**8,024**
TOTAL ASSETS		**1,798,904**	**(3,150)**	**1,795,754**	**1,666,975**

Balance sheet at 31 December 2017

EQUITY AND LIABILITIES

(in thousands euros)	Notes	31/12/2017	31/12/2016
Equity			
Share capital	14	25,073	25,073
Share premiums	14	158,410	158,410
Statutory reserve	14	2,541	2,541
Other reserves	14	1,099,223	939,220
Retained earnings	14	2,684	-
Profit for the period	14	**31,581**	**207,815**
TOTAL EQUITY		**1,319,512**	**1,333,058**
Contingency and loss provisions			
Provisions for pensions	15	275	336
Other provisions for charges	15	1,312	-
TOTAL PROVISIONS		**1,587**	**336**
Liabilities			
Bonds	16	245,210	-
Amounts owed to financial institutions	16	218,558	329,088
Tax and employment-related liabilities	16	2,722	2,303
Liabilities related to non-current assets and related accounts	16	5,752	1,708
Miscellaneous liabilities	16	2,413	482
TOTAL LIABILITIES		**474,655**	**333,581**
TOTAL EQUITY AND LIABILITIES		**1,795,754**	**1,666,975**

Cash flow statement

(in thousands euros)	2017	2016
NET PROFIT FOR THE PERIOD	**31,581**	**207,815**
Net change in depreciation, amortisation and provisions	(6,348)	(3,897)
Net gains/(losses) on disposals of non-current assets	2,974	(219,967)
FUNDS FROM OPERATIONS	**28,207**	**(16,049)**
Change in the working capital requirement	(1,078)	(7,330)
NET CASH FLOW FROM OPERATING ACTIVITIES	**27,129**	**(23,379)**
Purchases of property, plant and equipment	(54)	(32)
Purchases of equity securities	-	(133,304)
Purchases of other investments	(2,015)	(2,473)
Disposals of equity securities	-	133,304
Disposals of other investments	10,990	29,934
NET CASH FLOW FROM INVESTING ACTIVITIES	**8,921**	**27,429**
Dividends paid to shareholders	(45,128)	(40,115)
Net change in borrowings and other financial liabilities	132,500	112,000
Purchases of treasury shares	(29,170)	-
Net change in other financial assets	(86,356)	(86,293)
Net change in other financial liabilities	-	(573)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(28,154)**	**(14,981)**
CHANGE IN CASH AND CASH EQUIVALENTS	**7,896**	**(10,931)**
Cash and cash equivalents at beginning of period	4,709	15,640
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**12,605**	**4,709**
Breakdown of cash and cash equivalents at end of period		
Cash investments	-	2,297
Cash	12,605	2,412
TOTAL	**12,605**	**4,709**

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The following disclosures constitute the notes to the balance sheet at 31 December 2017 before appropriation of net profit for the year, which shows total assets of €1,795,754 thousand, and to the income statement for the year then ended, which shows a net profit of €31,581 thousand.

Figures are presented in thousands of euros, which may give rise to rounding differences in totals and cross-referencing differences between balance-sheet and income-statement items and figures in the notes.

The financial year lasts for 12 months, from 1 January to 31 December 2017.

Notes 1 to 23 below are an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 23 March 2018.

KEY EVENTS IN THE PERIOD

In 2017, FFP carried out two private placements of bonds (Euro PP). The first placement took place in June, consisting of €155,000 thousand of bonds maturing in July 2025 with an annual coupon of 2.50%. The second took place at the end of the year, consisting of €87,500 thousand of bonds breaking down as follows:

- a tap issue (bonds of the same type as the first tranche) in an amount of €57,500 thousand;
- a new tranche consisting of €10,000 thousand of 8-year bonds maturing in January 2026 with a coupon of 2.60%;
- a new tranche consisting of €20,000 thousand of 10-year bonds maturing in December 2027 with a coupon of 3.00%.

After those two bond issues, and given financing granted to subsidiaries for their investments, debt rose from €329,088 thousand at 31 December 2016 to €463,768 thousand at 31 December 2017. That debt figure includes €171,000 thousand of drawings on credit facilities.

As part of the company's share buyback programme approved by shareholders in the 3 May 2016 General Meeting, FFP bought back 326,483 of its own shares for €29,170 thousand in 2017.

The net profit for the year of €31,581 thousand mainly comprised:

- €40,475 thousand of dividends from Peugeot SA;
- €4,733 thousand of net capital gains, after the reversal of impairment provisions, resulting from money returned by private equity funds;
- €12,840 thousand of interest expenses.

NOTE 1 ACCOUNTING POLICIES AND METHODS

General accounting principles intended to provide a true and fair view of the business were applied in accordance with the principle of prudence and the following basic assumptions:

- going concern;
- consistency of accounting policies from one period to the next;
- accrual basis;

  and in accordance with general rules for preparing and presenting full-year financial statements (ANC regulation 2014-03).

The basic method used for the valuation of items recorded in the accounts is the historical cost method.

The main accounting policies used are set out below.

A. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

The rules for recognising intangible assets and property, plant and equipment, and the amortisation and depreciation of those assets, are consistent with the French General Accounting Plan.

They are recorded as assets at cost (purchase price plus incidental expenses). They have not undergone any remeasurement.

Depreciation and amortisation are calculated on a straight-line basis.

The main useful lives are as follows:

- Intangible assets:
  - software: 1 year
- Property, plant and equipment:
  - IT hardware: 3 years
  - fixtures and fittings: 10 years
  - office furniture: 10 years

B. LONG-TERM INVESTMENTS

This item comprises equity securities, Portfolio Investment Securities, other long-term investments and receivables related to shareholdings.

1. Equity securities

These include the securities of companies in which FFP's stake may be less than 10%, but which the Company believes should be held over the long term for reasons of control, strategy or financial management (long-term investment).

Their gross value is their purchase price excluding expenses, which are recognised in expenses for the year in accordance with the option available under the French General Accounting Plan (article 213–8).

Measurement

Equity securities are measured at the lower or purchase price or current value.

LISTED EQUITY SECURITIES

The current value of securities held in listed companies is determined, after taking into account the economic and financial situation of the companies, on the basis of a multi-criteria analysis. The criteria adopted are as follows:

- changes in equity;
- changes in the dividend distribution policy;
- developments in the Company's economic situation (change in revenue, profits, financial position, etc.);
- future prospects;
- any material and prolonged decline in the share price.

If several of the aforementioned criteria are unfavourable, current value is generally determined on the basis of the average share price over a 1-year period.

The resulting value is also compared with valuations carried out by external financial analysts, or with Net Asset Value (NAV), particularly for companies that are primarily focused on real estate. Any significant difference with respect to the average share price is analysed and a view is taken on it.

An impairment provision is booked if the current value thus determined is lower than purchase cost.

UNLISTED EQUITY SECURITIES

The current value of securities in unlisted companies is determined as follows:

- assets that have been acquired recently, generally in the last year, are measured at their purchase price, except where the Company's economic and financial variables (operations, balance sheet, liquidity, etc.) have deteriorated materially;
- for other unlisted companies, FFP's interest is measured using the most appropriate method to give a true and fair view of the Company, depending on the type of investment:
  - either the discounted future cash flow method,
  - a method based on Net Asset Value, particularly for companies with a significant real-estate portfolio,
  - a method that refers to comparable recent transactions, provided that they were not forced and did not take place in abnormal market conditions; the method may also refer to the multiple on which FFP first invested in the company or the exit multiple that may be set out in the shareholder agreements signed by FFP,
  - otherwise and where the current value cannot be measured in a reliable and appropriate manner, the historic cost method is used, except where the Company's economic variables have deteriorated materially, in which case this is taken into account in the asset's valuation.

An impairment provision is booked if the current value thus determined is lower than purchase cost.

2. Portfolio Investment Securities

These are securities, listed or otherwise, that represent investments over varying timeframes, with the aim of generating a satisfactory return from them.

Their gross value is their purchase price excluding expenses, which are recognised in expenses for the year in accordance with the option available under the French General Accounting Plan (article 213–8).

Measurement

Portfolio Investment Securities are measured at the lower of purchase price or current value.

Current value is determined as follows:

- securities of listed companies are valued at their closing price on the last stockmarket trading day of the year;
- securities in unlisted companies are valued using the same methods as unlisted equity securities (see above);
- investments in private equity funds and companies are valued at FFP's share of Net Asset Value as reported regularly by management companies, which generally follow the recommendations made by IPEV (International Private Equity and Venture Capital Valuation Board) when valuing their investments.

An impairment provision is booked if the current value as defined above is lower than gross value.

3. Treasury shares

Through a financial service provider and in accordance with the provisions of Autorité des marchés financiers' regulations or accepted market practices, the Company implements a share buyback programme, which aims to ensure liquidity and consistent price quotes for its shares.

A total payment of €400 thousand has been made to the financial service provider for the management of the programme. That deposit and movements in treasury shares are recognised in long-term investments.

Impairment is recognised at the accounts closing date if current value falls below the cost price of the shares.

4. Other long-term investments

Other long-term investments are recognised at their nominal value. At the balance sheet date, accrued interest is recognised in accrued income.

An impairment provision is booked to cover any probable losses.

5. Receivables connected with shareholdings

Receivables connected with shareholdings on the balance sheet mainly comprise advances granted to subsidiaries and any accrued dividends.

C. RECEIVABLES

Receivables are recognised at nominal value. Impairment is recognised if current value falls below the carrying amount.

D. MARKETABLE SECURITIES

1. Treasury shares

Treasury shares intended to cover bonus share plans are recognised as transferable securities at their purchase price or net carrying amount on the date the decision is taken to award them.

Where it is likely that the award of bonus shares to beneficiaries is probable, a provision for personnel expenses is recognised under liabilities on the balance sheet. That provision is measured on the basis of the likely number of shares to be awarded to beneficiaries, and is charged on a straight-line basis over the vesting period of the award.

2. Other marketable securities

This item principally comprises units in money-market UCITS and negotiable debt securities with a maturity of less than three months.

These securities are recognised as an asset on the balance sheet at their purchase cost excluding related costs, excluding front-end fees and excluding any prepaid interest. Impairment is recognised if the current value is lower than the purchase cost. Unrealised gains on UCITS units are not recognised.

E. RETIREMENT BENEFIT OBLIGATIONS

Company employees are entitled to post-employment benefits and the Company grants supplementary pension benefits to certain beneficiaries under certain conditions.

The Company's obligations are measured by independent actuaries. They are recognised according to the CNC recommendation of 1 April 2003.

1. Post-employment benefits

Post-employment benefits are outsourced to an insurance company.

No payment was made with respect to 2017. Since the asset value of the funds was lower than the related liability, a contingency provision of €43 thousand was recognised under liabilities at 31 December 2017.

2. Supplementary pension plan

Since 30 June 2002, the defined-benefit pension plan has been replaced with a defined-contribution plan. The new plan relies on contributions by the Company and employee, based on the employee's remuneration. The Company's obligations with respect to rights acquired by employees before 30 June 2002 have been entirely outsourced to a life insurance company.

The obligations arising from the former defined-benefit plan and relating to the company's former employees were partly outsourced to an insurance company in 2004. The residual amount not covered stood at €225 thousand at 31 December 2017, and is recognised under contingency provisions.

F. BORROWINGS AND DEBT

FFP has negotiated credit facilities with credit institutions. Those facilities have a duration of three to five years, and drawings are dependent on the Company's investments. Drawings are made for periods of between one month and one year and may be renewed depending on projected cash requirements.

In 2017, FFP issued fixed-rate bonds with maturities of 8 and 10 years. Debt issuance costs are fully expensed in the year in which the issue takes place.

Borrowings and debt are recognised at nominal value, including accrued interest at the balance sheet date.

G. FINANCIAL INSTRUMENTS

Gains and losses on the instruments used in hedging transactions are recognised in the same manner as income and expenses relating to the items hedged.

H. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are translated into euros on the exchange rate in force on the transaction date.

At the balance sheet date, foreign-currency receivables and cash are translated using the exchange rate on the final day of the accounting period. The difference compared with the carrying amount is taken to income for cash and to the asset or liabilities side of the balance sheet under "exchange differences" for debt and receivables.

In accordance with the French General Accounting Plan, an overall foreign exchange position is calculated by netting assets and liabilities arising from exchange differences on the translation of debt and receivables denominated in freely convertible foreign currencies and with maturities of less than one year. If there is any residual unrealised translation loss, a provision for translation losses is recognised under liabilities on the balance sheet.

I. INCOME TAX

On 1 January 2012, FFP opted for the tax consolidation regime for French subsidiaries in which it owns over 95%, in accordance with article 223A of the French General Tax Code.

The tax effect recognised in respect of each financial year, through FFP's income statement, comprises:

- the net tax expense or tax benefit resulting from netting the taxable profits and losses of the companies in the tax group;
- total income corresponding to the sum of the tax due by profitable subsidiaries.

J. CHANGES IN MEASUREMENT METHOD

There were no changes in measurement method during the year.

NOTE 2 SUMMARY OF MANAGEMENT ANALYSIS RESULTS BY BUSINESS SEGMENT

(in thousands euros)	Notes	2017	2016
Equity securities	3	44,147	209,530
Portfolio Investment Securities and other long-term investments	4	4,733	17,924
Profit or loss from financing and debt operations	5	(12,840)	(10,119)
General administrative expenses	6	(4,618)	(7,425)
GROSS PRE-TAX PROFIT		**31,422**	**209,910**
Income tax	7	159	(2,095)
NET PROFIT		**31,581**	**207,815**

NOTE 3 PROFIT OR LOSS FROM EQUITY SECURITIES

(in thousands euros)	2017	2016
Dividends		
▪ Peugeot SA	40,475	-
▪ Zodiac Aerospace	1	1
	40,476	**1**
Interest on current-account advances	3,704	3,028
Disposal gains	-	229,159
Total income	**44,180**	**232,188**
Fees	(33)	-
Disposal losses	-	(22,658)
Total expenses	**(33)**	**(22,658)**
GROSS PROFIT	**44,147**	**209,530**
Additions to provisions (-)	-	-
Releases from provisions (+)	-	-
PROFIT	**44,147**	**209,530**

NOTE 4 PROFIT OR LOSS ON PORTFOLIO INVESTMENT SECURITIES AND OTHER LONG-TERM INVESTMENTS

(in thousands euros)	2017	2016
Dividends	490	362
Disposal gains	4,830	17,845
Total income	**5,320**	**18,207**
Disposal losses	(7,804)	(4,381)
Fees	(336)	(34)
Securities transaction fees	(175)	-
Total expenses	**(8,315)**	**(4,416)**
GROSS PROFIT	**(2,995)**	**13,791**
Additions to provisions (-)	(275)	(942)
Releases from provisions (+)	8,004	5,075
PROFIT	**4,733**	**17,924**

NOTE 5 PROFIT OR LOSS FROM FINANCING AND DEBT OPERATIONS

(in thousands euros)	2017	2016
Marketable securities		
▪ Disposal gains	-	6
Other financial income	-	50
Total income	**-**	**56**
Borrowings		
▪ Interest expense	(8,709)	(7,673)
▪ Commissions	(3,841)	(2,502)
▪ Fees	(89)	-
Marketable securities		
Disposal losses	(4)	-
Foreign exchange losses	(198)	-
TOTAL EXPENSES	**(12,840)**	**(10,175)**
GROSS PROFIT	**(12,840)**	**(10,119)**
Additions to provisions (-)	-	-
Releases from provisions (+)	-	-
PROFIT	**(12,840)**	**(10,119)**

NOTE 6 GENERAL ADMINISTRATION INCOME/EXPENSE

(in thousands euros)	2017	2016
Services	3,870	2,960
Other revenue	2,980	-
TOTAL INCOME	**6,850**	**2,960**
Personnel	(7,864)	(5,094)
Other external expenses	(2,843)	(2,385)
Taxes other than income tax	28	(2,134)
Directors' fees	(660)	(652)
Depreciation and amortisation	(130)	(127)
Net provisions for capital expenditure	-	6
TOTAL EXPENSES	**(11,468)**	**(10,385)**
INCOME/(EXPENSE)	**(4,618)**	**(7,425)**

NOTE 7 INCOME TAX

(in thousands euros)	2017	2016
Subsidiaries' tax	278	1,724
Tax due with respect to the financial year	-	(3,864)
Tax with respect to previous years	(119)	44
INCOME/(EXPENSE)	**159**	**(2,095)**

NOTE 8 INTANGIBLE ASSETS

Intangible assets consist of accounting software licences with a gross value of €76 thousand, fully amortised at 31 December 2017.

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

9.1 POSITION AT 31 DECEMBER 2017

(in thousands euros)	Cost	Depreciation	Net carrying amount	Previous period
General installations, fixtures and fittings	452	(118)	333	358
Office and computer equipment	105	(75)	30	39
Furniture	547	(145)	402	445
Other	-	-	-	2
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,104**	**(339)**	**765**	**844**

9.2 CHANGES DURING THE PERIOD

(in thousands euros)	Gross value at beginning of period	Increases	Decreases	Gross value at end of period
General installations, fixtures and fittings	432	19	-	452
Office and computer equipment	82	22	-	105
Furniture	536	12	-	547
Other	2	-	(2)	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,052**	**54**	**(2)**	**1,104**

9.3 DEPRECIATION

(in thousands euros)	Amount at beginning of period	Additions	Releases	Amount at end of period
General installations, fixtures and fittings	74	44	-	118
Office and computer equipment	43	32	-	75
Furniture	91	54	-	145
TOTAL DEPRECIATION	**208**	**130**	**-**	**339**

NOTE 10 SHAREHOLDINGS AND RECEIVABLES CONNECTED WITH SHAREHOLDINGS

10.1 POSITION AT 31 DECEMBER 2017

(in thousands euros)	Number	% control	Cost Per unit	Cost Overall	Closing value of securities written down	Unrealised impairment provisioned	Net carrying amount	Previous period
Listed securities								
Peugeot SA	84,323,161	9.32	5.00	421,365	-	-	421,365	421,365
Zodiac Aerospace	2,500		15.80	39	-	-	39	39
Unlisted securities								
FFP INVEST	54,101,074	100.00	16.94	916,494	-	-	916,494	916,494
FFP Investment UK	1		0.95	-	-	-	-	-
TOTAL EQUITY SECURITIES				**1,337,899**	**-**	**-**	**1,337,899**	**1,337,899**
FFP INVEST				355,562	-	-	355,562	269,345
TOTAL RECEIVABLES CONNECTED WITH SHAREHOLDINGS				**355,562**	**-**	**-**	**355,562**	**269,345**
TOTAL SHAREHOLDINGS				**1,693,461**	**-**	**-**	**1,693,461**	**1,607,244**

10.2 CHANGES DURING THE PERIOD

(in thousands euros)	At beginning of period Number	At beginning of period Gross value	Additions Number	Additions Gross value	Disposals Number	Disposals Gross value	At end of period Number	At end of period Gross value
Listed securities								
Peugeot SA	84,323,161	421,365		-		-	84,323,161	421,365
Zodiac Aerospace	2,500	39		-		-	2,500	39
Unlisted securities								
FFP INVEST	54,101,074	916,494		-		-	54,101,074	916,494
FFP Investment UK	1	-		-		-	1	-
TOTAL EQUITY SECURITIES		1,337,899		-		-		1,337,899
FFP INVEST		269,345		86,217		-		355,562
TOTAL RECEIVABLES CONNECTED WITH SHAREHOLDINGS		269,345		86,217		-		355,562
TOTAL SHAREHOLDINGS		**1,607,244**		**86,217**		**-**		**1,693,461**

NOTE 11 PORTFOLIO INVESTMENT SECURITIES AND OTHER LONG-TERM INVESTMENTS

11.1 POSITION AT 31 DECEMBER 2017

(in thousands euros)	Cost	Closing value	Unrealised impairment provisioned	Net carrying amount	Previous period
Leverage buyout funds	15,022	27,686	-	15,022	12,460
Expansion funds	18,057	25,265	(2,689)	15,367	17,449
Real-estate funds	-	3,833	-	-	588
Other funds	69	23	(46)	23	30
Total private equity funds	**33,148**	**56,807**	**(2,735)**	**30,412**	**30,526**
Co-investments	-	-	-	-	154
Total co-investments	**-**	**-**	**-**	**-**	**154**
Other	19,536	34,357	-	19,536	19,507
Total other investments	**19,536**	**34,357**	**-**	**19,536**	**19,507**
TOTAL PORTFOLIO INVESTMENT SECURITIES	**52,684**	**91,164**	**(2,735)**	**49,948**	**50,187**
Security deposit	540	540	-	540	627
Liquidity agreement (Note 13)	274	281	-	274	49
TOTAL OTHER LONG-TERM INVESTMENTS	**814**	**821**	**-**	**814**	**675**
TOTAL	**53,498**	**91,985**	**(2,735)**	**50,763**	**50,863**

11.2 CHANGES DURING THE PERIOD

(in thousands euros)	Gross value at beginning of period	Increases	Decreases	Gross value at end of period
Leverage buyout funds	12,460	4,872	(2,310)	15,022
Expansion funds	20,081	1,523	(3,547)	18,057
Real-estate funds	588	45	(633)	-
Other funds	80	-	(11)	69
Total private equity funds	**33,209**	**6,440**	**(6,501)**	**33,148**
Co-investments	7,899	-	(7,899)	-
Total co-investments	**7,899**	**-**	**(7,899)**	**-**
Other	19,543	-	(8)	19,536
Total other investments	**19,543**	**-**	**(8)**	**19,536**
TOTAL PORTFOLIO INVESTMENT SECURITIES	**60,651**	**6,440**	**(14,407)**	**52,684**
Security deposit	627	77	(164)	540
Liquidity agreement (Note 13)	49	5,913	(5,688)	274
TOTAL OTHER LONG-TERM INVESTMENTS	**675**	**5,991**	**(5,852)**	**814**
TOTAL	**61,326**	**12,431**	**(20,259)**	**53,498**

The presentation of Net Asset Value having changed, private equity funds are now broken down by type, and co-investments are reported separately from private equity funds. The reclassification of gross values at the start of the period is summarised in the table below.

(in thousands euros)	Leverage buyout funds	Expansion funds	Real-estate funds	Other funds	Total
LBO funds	12,155	-	-	-	12,155
Emerging-market funds	-	20,003	588	-	20,591
Other funds	305	77	-	80	462
TOTAL PRIVATE EQUITY FUNDS	**12,460**	**20,080**	**588**	**80**	**33,208**

11.3 ESTIMATED VALUES OF PORTFOLIO INVESTMENT SECURITIES AND OTHER LONG-TERM INVESTMENTS

	Amounts at beginning of period			Amounts at end of period		
	Carrying amount		Estimated value	Carrying amount		Estimated value
Composition of the portfolio *(in thousands euros)*	Gross	Net		Gross	Net	
Leverage buyout funds	12,460	12,460	23,037	15,022	15,022	27,686
Expansion funds	20,081	17,449	29,793	18,057	15,367	25,265
Real-estate funds	588	588	4,235	-	-	3,833
Other funds	80	30	30	69	23	23
Total private equity funds	**33,209**	**30,526**	**57,095**	**33,148**	**30,412**	**56,807**
Co-investments	7,899	154	154	-	-	-
Total co-investments	**7,899**	**154**	**154**	**-**	**-**	**-**
Other	19,543	19,507	19,683	19,536	19,536	34,357
Total other investments	**19,543**	**19,507**	**19,683**	**19,536**	**19,536**	**34,357**
TOTAL PORTFOLIO INVESTMENT SECURITIES	**60,651**	**50,187**	**76,932**	**52,684**	**49,948**	**91,164**
Security deposit	627	627	627	540	540	540
Liquidity agreement (Note 13)	49	49	51	274	274	281
TOTAL OTHER LONG-TERM INVESTMENTS	**675**	**675**	**677**	**814**	**814**	**821**
TOTAL	**61,326**	**50,863**	**77,609**	**53,498**	**50,763**	**91,985**

NOTE 12 CURRENT ASSETS

	Period			
(in thousands euros)	Gross	Impairment provisions	Net	Previous period
Receivables				
Government - Income tax	3,983	-	3,983	1,774
Government - Other	4,476	-	4,476	484
Short-term income tax receivables from subsidiaries	-	-	-	724
Other receivables	308	-	308	299
	8,767	**-**	**8,767**	**3,281**
Marketable securities				
Treasury shares	29,170	-	29,170	-
Cash				
Cash investments(1)	-	-	-	2,297
Banks	12,605	-	12,605	2,412
	12,605	**-**	**12,605**	**4,708**
Prepaid expenses	222	-	222	34
TOTAL	**50,765**	**-**	**50,765**	**8,024**

(1) *Cash investments consist of units in regular money-market UCITS and negotiable debt instruments with a maturity of less than three months.*

NOTE 13 TREASURY SHARES

At the accounts closing date, the Company held 329,283 treasury shares with a gross value of €29,444 thousand, which broke down between the following two categories according to their intended use:

(in thousands euros)	Number of shares	Gross value	Impairment	Net value
"Other investment securities" (Note 11)				
Securities allocated to the liquidity agreement	2,800	274	-	274
"Marketable securities" (Note 12)				
Shares intended to cover future plans	280,143	25,046	-	25,046
Shares reserved to cover bonus share plans	46,340	4,124	-	4,124
	326,483	**29,170**	**-**	**29,170**
TOTAL AT END OF PERIOD	**329,283**	**29,444**	**-**	**29,444**

13.1 BONUS SHARE PLANS

1. 2016 bonus share plan

A bonus share plan was adopted on 7 July 2016 (see Note 19 to the 2016 parent-company financial statements), subject to performance conditions and involving 17,277 shares.

2. 2017 bonus share plans

On 9 March 2017, in accordance with the authorisation given by the Shareholders' General Meeting on 3 May 2016, FFP's Board of Directors decided to set up a bonus share plan subject to performance conditions for certain employees and corporate officers of FFP and companies related to it. The bonus performance shares will vest on 9 March 2020, and there will be no subsequent lock-up period.

The grants are subject to beneficiaries being continually employed within the Company or related companies during the vesting period. Vesting is subject to performance conditions in terms of the increase in FFP's NAV between 31 December 2016 and 31 December 2019.

The maximum number of FFP shares that may be granted under the plan is 29,063.

At the accounts closing date, a provision for personnel expenses amounting to €1,312 thousand was set aside for the 2016 and 2017 bonus share plans.

NOTE 14 EQUITY

14.1 COMPOSITION OF THE SHARE CAPITAL

(number of shares)	2017	2016
Share capital at beginning of period	25,072,589	25,157,273
Capital reduction through the cancellation of shares	-	(84,684)
Share capital at end of period	25,072,589	25,072,589

At 31 December 2017, FFP's share capital comprised 25,072,589 fully paid-up shares each with a par value of €1 each.

14.2 CHANGES IN EQUITY

(in thousands euros)	Balance at 31/12/2016	Appropriation of income decided in the 11/05/2017 AGM	Capital reduction	Other changes during the period	Balance at 31/12/2017
Share capital	25,073	-	-	-	25,073
Share premiums	158,410	-	-	-	158,410
Statutory reserve	2,541	-	-	-	2,541
Other reserves	939,220	160,003		-	1,099,223
Retained earnings	-	2,684	-	-	2,684
PROFIT FOR THE PERIOD	**207,815**	**(207,815)**	**-**	**31,581**	**31,581**
TOTAL	**1,333,058**	**(45,128)**	**-**	**31,581**	**1,319,512**

NOTE 15 PROVISIONS

Type of provisions *(in thousands euros)*	Amount at beginning of period	Additions during the period	Amounts used during the period	Unused provisions released during the period	Amount at end of period
Assets					
Impairment provisions					
Long-term investments					
Private equity funds and co-investments					
Expansion funds	2,632	275	-	(218)	2,689
Other funds	50	-	-	(4)	46
Co-investments	7,745	-	(7,745)	-	-
	10,427	**275**	**(7,745)**	**(223)**	**2,735**
Other investments					
Other	37	-	(8)	(29)	-
	37	**-**	**(8)**	**(29)**	**-**
TOTAL PORTFOLIO INVESTMENT SECURITIES	**10,464**	**275**	**(7,752)**	**(252)**	**2,735**
TOTAL ASSETS	**10,464**	**275**	**(7,752)**	**(252)**	**2,735**
Liabilities					
Contingency and loss provisions					
For retirement benefit obligations	330	199	-	(260)	269
For long-service benefit obligations	6	-	-	-	6
For personnel expenses (bonus share plans - Note 13)	-	1,312	-	-	1,312
	336	**1,511**	**-**	**(260)**	**1,587**
TOTAL LIABILITIES	**336**	**1,511**	**-**	**(260)**	**1,587**
GRAND TOTAL	**10,800**	**1,787**	**(7,752)**	**(512)**	**4,323**
Movements classified under:					
operations		1,511	-	(260)	
financing		275	(7,752)	(252)	

5.2

NOTE 16 LIABILITIES

(in thousands euros)	2017	2016
Bonds		
Euro PP issues (principal and accrued interest)	245,210	-
	245,210	**-**
Borrowings and debt owed to credit institutions		
Credit facilities (principal and accrued interest)(1)(2)	171,551	282,080
Other borrowings (principal and accrued interest)	47,007	47,007
	218,558	**329,088**
Tax and employment-related liabilities		
Personnel	1,452	1,244
Social security and other welfare agencies	642	507
Government - VAT	320	237
Government - Other	308	316
	2,722	**2,303**
Liabilities related to non-current assets and related accounts		
Payments to be made in relation to securities and private equity funds	5,752	1,708
	5,752	**1,708**
Other liabilities		
Short-term income tax receivables from subsidiaries	1,431	-
Other creditors	982	482
	2,413	**482**
TOTAL	**474,655**	**333,581**

(1) After applying the terms of swap contracts.
(2) Authorised credit facilities of €690,000 thousand, with drawings of €171,000 thousand.

MATURITY SCHEDULE OF BORROWINGS AND DEBTS

(in thousands euros)	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Bonds	2,710	-	242,500	245,210
Borrowings and debt owed to credit institutions	558	218,000		218,558
Tax and employment-related liabilities	2,722	-	-	2,722
Liabilities related to non-current assets and related accounts(1)	-	5,752	-	5,752
Other liabilities	2,413	-	-	2,413
TOTAL	**8,403**	**223,752**	**242,500**	**474,655**

(1) Since calls are made by funds depending on their respective investments, and generally within five years from the subscription to those funds, their timing cannot be determined accurately, and so they have been included in the "between 1 and 5 years" category.

NOTE 17 INFORMATION CONCERNING RELATED COMPANIES AND SHAREHOLDINGS

	2017		2016	
(in thousands euros)	Related companies[1]	Equity interest	Related companies[1]	Equity interest
Balance sheet items				
Assets (net value)				
Shareholdings	916,494	421,365	916,494	421,405
Receivables connected with shareholdings	355,562	-	269,345	-
Receivables	-	-	724	-
Liabilities				
Other liabilities	1,431	-	-	-
Income statement items				
Services	3,870	-	2,960	-
Income from equity interests	3,704	40,476	3,028	1
Net non-recurring income/(expense)	-	-	-	206,500

(1) Companies in the FFP group's scope of consolidation, including those accounted for under the equity method.

NOTE 18 FINANCIAL COMMITMENTS

(in thousands euros)	2017	2016
Commitments received		
Undrawn credit facilities	519,000	409,000
Commitments given		
Commitments to make future subscriptions to securities in the Portfolio Investment Securities category	3,334	6,249
Reciprocal commitments		
Interest-rate risk management transactions		
■ Interest-rate swaps	280,000	280,000
Exchange-rate hedging transactions		
■ Forward purchases of foreign currency	-	4,423
TOTAL	**280,000**	**284,423**

OTHER COMMITMENTS

Securities pledged as collateral for borrowings from financial institutions:

- 5,683,192 Peugeot SA shares pledged to BNP Paribas as security for a €47,000 thousand loan taken out by FFP.

FFP has provided €42,319 thousand of security for financing obtained by LDAP.

NOTE 19 EXECUTIVE COMPENSATION

(in thousands euros)	2017	2016
Attendance fees paid to members of the Board of Directors	660	652
Compensation paid to directors and officers	1,442	1,048
TOTAL	**2,102**	**1,700**

NOTE 20 DEFERRED TAX POSITION

Unrecognised deferred taxes arising from timing differences between the recognition of income and expenses for financial reporting and tax purposes represented a net asset of €1,453 thousand at 31 December 2017.

NOTE 21 AVERAGE NUMBER OF EMPLOYEES

(number)	2017	2016
Managers	17	15
Employees, technicians and supervisors	1	1
TOTAL	**18**	**16**

NOTE 22 POST-BALANCE SHEET EVENTS

FFP, jointly with its FFP INVEST subsidiary, tendered all of its Zodiac Aerospace shares to the subsidiary public exchange offer initiated by Safran. Since the upper limit of the subsidiary offer was reached, the number of Zodiac Aerospace shares tendered to the exchange offer was reduced. As a result, FFP and FFP INVEST received 2,832,492 Safran shares in exchange for 9,441,640 Zodiac Aerospace shares, and €141,432 thousand from the sale of 5,674,324 Zodiac Aerospace shares.

FFP INVEST also bought 375,237 Safran shares in the market for €31,489 thousand.

NOTE 23 LITIGATION

To the Company's knowledge, no litigation concerning FFP is underway.

Financial results for the last five years

(in euros)	2017	2016	2015	2014	2013
I - Year-end financial position					
a - Share capital	25,072,589	25,072,589	25,157,273	25,157,273	25,157,273
b - Number of shares in issue	25,072,589	25,072,589	25,157,273	25,157,273	25,157,273
II - Comprehensive income from operations					
a -1. Revenue excluding VAT	3,870,000	2,960,000	2,940,000	1,600,000	1,600,000
2. Other revenue from ordinary activities[1]	44,679,848	3,398,965	1,584,311	1,812,526	3,670,324
b - Profit before tax, depreciation, amortisation and provisions[2]	23,763,047	206,013,538	36,874,720	12,439,030	(18,502,323)
c - Income tax	159,101	(2,095,364)	(4,608,833)	333,991	2,966,490
d - Profit after tax, depreciation, amortisation and provisions	31,581,021	207,814,783	30,623,347	23,600,536	(10,110,571)
e - Profit distributed		45,127,825	40,114,658	50,144,328	-
III - Per share data					
a - Profit after tax but before depreciation, amortisation and provisions[2]	0.95	8.13	1.28	0.51	(0.62)
b - Profit after tax, depreciation, amortisation and provisions	1.26	8.29	1.22	0.94	(0.40)
c - Net dividend distributed	2.00	1.80	1.60	2.00	-
IV - Personnel					
a - Number of employees[3]	18	16	17	14	14
b - Payroll expenses	3,819,122	2,660,898	3,078,507	2,172,396	2,056,928
c - Total payments in respect of benefits (social security, other social benefits, etc.)	2,185,904	1,644,126	1,721,449	1,080,632	1,147,552

(1) Revenue from long-term investments and current assets; net gains on disposals of marketable securities.
(2) Provisions represent net additions to provisions during the year, taking into account releases of provisions set aside in previous years.
(3) Average number of employees.

Subsidiaries and shareholdings at 31 December 2017

Companies *(in thousands euros)*	Share capital	Reserves and retained earnings before appropriation of income	% interest	Carrying amount of securities held: Gross value	Carrying amount of securities held: Net value	Loans and advances granted by the company and still outstanding	Amount of sureties and guarantees given by the company	Revenue excluding VAT in the last year	Net profit/ (loss) in the last full financial year	Dividends received by the company during the year
Interests of 50% or more										
FFP INVEST 66, avenue Charles de Gaulle 92200 Neuilly-sur-Seine	541,011	567,985	100.00	916,494	916,494	355,562	-	-	138,437	-
Interests of between 10% and 50%										
Peugeot SA[1] 7 Rue Henri Sainte Claire Deville 92500 Rueil Malmaison	859,925	16,358,600	9.32	421,365	421,365	-	-	226,500	1,611,200	40,475
Interests of less than 10%										
French companies (aggregate)				39	39					

(1) Financial statements for the period ended 31/12/2016.

Statutory Auditors’ report on the parent-company financial statements

Financial year ended 31 December 2017

To the Shareholders,

Opinion

In accordance with our appointment as Statutory Auditors by your Shareholders’ General Meeting, we have audited the accompanying parent-company financial statements of FFP for the year ended 31 December 2017.

In our opinion, the parent-company financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2017 and of the results of its operations for the year in accordance with French accounting principles.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

Basis of our opinion

AUDIT

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the “Responsibilities of the Statutory Auditors in relation to auditing the parent-company financial statements” section of this report.

INDEPENDENCE

We conducted our audit in accordance with the independence rules applicable to us between 1 January 2017 and the date on which we issued our report, and in particular we did not provide any services forbidden by article 5, paragraph 1 of Regulation (EU) No. 537/2014 or by the code of conduct of the Statutory Auditors’ profession in France.

Justification of our assessments – Key points of the audit

As required by articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key points of the audit, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year’s parent-company financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the parent-company financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the parent-company financial statements taken in isolation.

- Measurement of unlisted equity securities.

Notes 10 and 11 to the parent-company financial statements

RISK IDENTIFIED AND MAIN JUDGMENTS

As part of its investment activity, FFP holds a large amount of securities on its balance sheet. These assets are recognised at their historical value. They are recorded under the “Equity securities” and “Portfolio Investment Securities” items.

The French Commercial Code provides that the current value of these assets must be checked on a regular basis and at least once per year.

The techniques used by management to measure the current value of these securities, as described in Note 1.B above, rely significantly on judgment in terms of the choice of methods and parameters used.

Those securities (including receivables related to them) had a value of €1,743 million (net of impairment), of which €1,322 million related to unlisted securities at 31 December 2017 among which unlisted equity securities represented €916 million.

We took the view that the unlisted equity securities were a key point of the audit because they represented material exposures and because judgment was required to determine their current value.

OUR AUDIT APPROACH

We familiarised ourselves with the internal control arrangements governing the valuation and recognition of the equity securities, particularly the unlisted equity securities.

For these securities, we reviewed previous valuations to obtain assurance about the reliability of the Company's process.

We also assessed the process adopted by the Company to identify possible evidence of a fall in value, and we carried out a critical examination of the ways in which impairment tests are performed in accordance with the Group's accounting policies.

Finally, we examined the information relating to the valuation of the equity securities as published in the notes.

Verification of the management report and other documents addressed to the shareholders

We also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

INFORMATION PROVIDED IN THE MANAGEMENT REPORT AND IN OTHER DOCUMENTS ADDRESSED TO THE SHAREHOLDERS CONCERNING THE FINANCIAL POSITION AND PARENT-COMPANY FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to shareholders with respect to the parent-company financial position and financial statements.

INFORMATION ON CORPORATE GOVERNANCE

We confirm that the section of the Board of Directors' management report devoted to corporate governance contains the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 225–37-3 of the French Commercial Code (Code de commerce) relating to the remuneration and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from companies controlling your company or controlled by it. Based on this work, we confirm that this information is accurate and fairly presented.

OTHER DISCLOSURES

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or the holders of the voting rights has been properly disclosed in the Management report.

Information resulting from other statutory and regulatory obligations

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as Statutory Auditors of FFP by shareholders in the Shareholders' General Meeting of 9 June 2011 (Mazars) and of 7 June 2000 (SEC3).

At 31 December 2017, Mazars was in its seventh consecutive year as an auditor of FFP, and SEC3 in its eighteenth year.

Responsibilities of management and persons involved in corporate governance in relation to the parent-company financial statements

Management is responsible for preparing parent-company financial statements that present a true and fair view, in accordance generally accepted accounting principles in France, and for setting up the internal controls it deems necessary for preparing parent-company financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the parent-company financial statements, management is responsible for assessing the company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the company or discontinue its operations.

The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.

The parent-company financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditor(s) in relation to auditing the parent-company financial statements

AUDIT OBJECTIVE AND PROCEDURE

Our responsibility is to prepare a report on the parent-company financial statements. Our objective is to obtain reasonable assurance about whether the parent-company financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by article L. 823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit. In addition:

- they identify and assess the risks that the parent-company financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;
- auditors familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by management, along with information about those estimates provided in the parent-company financial statements;
- they assess whether management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the company's ability to continue as a going concern. That assessment is based on information collected until the date of the Auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the company's status as a going concern. If the auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the parent-company financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;
- they assess the overall presentation of the parent-company financial statements and assess whether the parent-company financial statements reflect the underlying operations and events so that they give a true and fair view.

REPORTING TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's parent-company financial statements, and which are therefore the key points of the audit. It is our role to describe those points in the present report.

We also provide the Audit Committee with the declaration provided for by article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

Paris La Défense, 11 April 2018

The Statutory Auditors

SEC3	MAZARS
Philippe Spandonis	Virginie Chauvin

ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 17 MAY 2018

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6.1 Statutory Auditors' special reports

Statutory Auditors' special report on related party agreements and commitments

General Meeting called to approve the financial statements for the year ended 31 December 2017

To FFP's General Meeting of the Shareholders,

In our capacity as FFP's Statutory Auditors, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to you, based on the information provided to us, on the principal characteristics, key arrangements and reasons for the Company to have entered into the related party agreements and commitments that have been disclosed to us or that we identified during our assignment, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Pursuant to article R. 225-31 of the French Commercial Code, it is your responsibility to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is our responsibility to make the disclosures to you required in article R. 225-31 of the French Commercial Code relating to related party agreements and commitments already approved by the General Meeting.

We have performed the procedures we deemed necessary to comply with the professional guidelines issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

RELATED PARTY AGREEMENTS AND COMMITMENTS SUBMITTED FOR SHAREHOLDER APPROVAL AT THE GENERAL MEETING

Related party agreements and commitments authorised and entered into during the year now ended

We hereby inform you that we were not notified of any related party agreements or commitments authorised and entered into during the year now ended that would need to be submitted for approval at the General Meeting pursuant to article L. 225-38 of the French Commercial Code.

RELATED PARTY AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

A- RELATED PARTY AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS YEARS THAT REMAINED IN FORCE DURING THE YEAR NOW ENDED

Pursuant to article R. 225-30 of the French Commercial Code, we were informed that the following related party agreements and commitments approved by the General Meeting in previous years remained in force during the year now ended.

AGREEMENTS AND COMMITMENTS ENTERED INTO WITH A CORPORATE OFFICER AND/OR WITH COMPANIES WITH EXECUTIVES IN COMMON

- **Memorandum of Understanding entered into by FFP with Établissements Peugeot Frères and Peugeot SA concerning the acquisition of a shareholding by Dong Feng Motors and the French Government in Peugeot SA's capital**

  On 17 February 2014, the Board of Directors authorised the signature of a Memorandum of Understanding (MoU) concerning the acquisition of a shareholding by Dong Feng Motors and the French Government in Peugeot SA's capital, which was signed on 18 February 2014.

  The key points of the MoU are as follows:

  - strict equality in terms of the size of the shareholding and voting rights between Dong Feng Motors, the French Government and FFP/EPF upon completion of the transaction, with FFP's and EPF's double voting rights being restored after a 2-year period,
  - FFP's/EPF's representation on PSA's Supervisory Board is to be identical to that held respectively by Dong Feng Motors and the French Government, that is 2 seats each out of a total of 14. Six seats would be kept specifically for independent members, including the Chairman, and two for employees. FFP/EPF would also have the option of appointing a non-voting board advisor. In this instance, Dong Feng Motors and the French Government would also have the right to appoint one advisor each. An FFP/EPF representative would chair the Strategy Committee;

- **Collective lock-up commitments for Peugeot SA shares entered into jointly by the Company with Établissements Peugeot Frères and Maillot I, as well as with Thierry Peugeot**

  On 18 November 2010, the Board of Directors authorised the Company to enter into several collective lock-up commitments concerning shares in Peugeot SA.

  These lock-up commitments:

  - are subject to the provisions of articles 787 B and 885 I bis of the French General Tax Code,
  - were entered into jointly by the Company with Établissements Peugeot Frères, Maillot I and Thierry Peugeot in his capacity as Chairman of Peugeot SA's Supervisory Board,
  - cover between 59,207,038 and 70,909,498 Peugeot SA shares, including between 40,090,278 and 51,792,738 shares held by the Company.

All these commitments were terminated by the signatories with effect from 24 April 2014 in accordance with the terms of the supplemental agreements dated 19 December 2012 containing the termination clauses. The collective lock-up commitments that expired have now been replaced by an individual obligation to hold Peugeot SA shares.

- **Collective lock-up commitments for Peugeot SA shares entered into jointly by the Company with Établissements Peugeot Frères, Maillot 1, Sapar, Thierry Peugeot, Jean Philippe Peugeot, Robert Peugeot and Marie Hélène Roncoroni**

  On 15 May 2012, the Board of Directors authorised the Company to enter into new collective lock-up commitments concerning shares in Peugeot SA.

  These lock-up commitments:

  - are subject to the provisions of articles 787 B or 885 I bis of the French General Tax Code,
  - were entered jointly by the Company with Établissements Peugeot Frères represented by Jean-Philippe Peugeot, Maillot 1 represented by Jean-Philippe Peugeot, Sapar represented by Philippe Poinso, Thierry Peugeot, Jean Philippe Peugeot, Robert Peugeot, Marie Hélène Roncoroni, as well as Thierry Peugeot in his capacity as Chairman of the Supervisory Board of Peugeot SA,
  - cover between 75,200,875 and 85,846,345 Peugeot SA shares, including between 52,940,846 and 63,586,316 of the Peugeot SA shares held by the Company,
  - were entered into for a period of two years from the date of their registration. At the end of this period, they will expire, unless expressly renewed in a supplemental agreement to be signed and registered in advance.

  These commitments, which were entered into on 12 June 2012 and 19 December 2012, were not renewed upon expiry of the 2-year period, that is on 12 June 2014 and 19 December 2014. The collective lock-up commitments that expired have now been replaced by an individual obligation to hold Peugeot SA shares.

Agreements with and commitments to executive directors:

- **Agreement on the commitments given to Alain Chagnon, Chief Operating Officer**

  On 6 December 2006, the Board of Directors authorised an agreement to be entered into containing the commitments given to Alain Chagnon, the Company's Chief Operating Officer, with effect from 1 January 2007.

  These commitments are as follows:

  - conditions under which his employment agreement, which was suspended upon his appointment as a corporate officer, would resume upon the cessation of his office: it was agreed that the remuneration due under the employment agreement upon its resumption will be equal to the last fixed remuneration determined by the Board of Directors plus the average of the three most recent bonus payments;
  - length of service: it was agreed that the length of his corporate office will be considered as part of his length of service at the Group, which is used to calculate the length of service under his employment agreement, plus all the years that Alain Chagnon has spent in the PSA Group as an employee;
  - unemployment insurance: it was agreed that unemployment insurance would be arranged with GSC under normal conditions providing protection for 18 months, with the Company undertaking to extend this protection, where appropriate, if, owing to a minimum membership requirement covering the first 18 months of this insurance policy, this level of protection could not be provided.

  Alain Chagnon's corporate office was terminated on 9 March 2017. As of this date, his employment agreement, which was suspended upon his appointment as a corporate officer, entered force again.

B- RELATED PARTY AGREEMENTS AND COMMITMENTS APPROVED DURING THE YEAR NOW ENDED

We were also informed that the following related party agreements and commitments, previously approved by the General Meeting of 11 May 2017 as per the Statutory Auditors' special report on related party agreements and commitments dated 28 March 2017, remained in force during the year now ended.

- **Agreement on the undertakings given to Bertrand Finet, Chief Operating Officer**

  At its meeting on 9 March 2017, the Board of Directors authorised in principle the termination benefit for Bertrand Finet, the Company's Chief Operating Officer, should his term in office be ended, under the following terms and conditions:
  - this termination benefit will be payable should Bertrand Finet's term in office be terminated by the Company's Board of Directors, unless this termination is triggered by serious misconduct by Bertrand Finet;
  - this termination benefit will not be payable if he resigns or retires;
  - the amount of this termination benefit will be equal to:
    - 6 months' fixed salary and bonus should his corporate office be terminated in its first year, provided that he has fulfilled at least 50% of the qualitative performance criteria set by the Board for the first year,
    - 1 year's fixed salary and bonus should his corporate office be terminated after the first year, provided that he has fulfilled at least 60% of the qualitative and quantifiable performance criteria to be set subsequently by the Board for 2018,
    - 2 years' fixed salary and bonus should his corporate office be terminated after the second year, provided that he has fulfilled the qualitative and quantifiable performance criteria to be set subsequently by the Board covering the previous two years.

Signed in Courbevoie and Paris, 11 April 2018

The Statutory Auditors

MAZARS	SEC3
Virginie Chauvin	Philippe Spandonis

Statutory Auditors' report on authorisation of the bonus allotment of new or existing shares

Ordinary and Extraordinary General Meeting of 17 May 2018

To the Shareholders,

In our capacity as the Company's Statutory Auditors and in accordance with the duty provided for in article L. 225-197-1 of the French Commercial Code, we hereby report to you on the proposal to authorise the bonus allotment of new or existing shares to salaried employees and/or certain corporate officers of the Company and affiliated companies, which have been submitted for your approval.

The Board of Directors is proposing, on the basis of its report that you should authorise it for a period of 38 months to allot new bonus shares.

It is the Board of Directors' responsibility to prepare a report on the proposed allotment. Our role is to report, if necessary, on any matters relating to the information regarding the proposed allotment.

We have performed the procedures we deemed necessary to comply with the professional guidelines issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted mainly in verifying that the proposed arrangements and figures cited in the Board of Directors' report comply with the framework laid down in law.

We have no matters to report as to the information provided in the Board of Directors' report on the proposed bonus share allotment.

Signed in Paris and Courbevoie, 11 April 2018

The Statutory Auditors

SEC3	Mazars
Philippe Spandonis	Virginie Chauvin

Statutory Auditors' report on the capital increase reserved for members of a corporate savings plan

Ordinary and Extraordinary General Meeting of 17 May 2018

To the Shareholders,

In our capacity as the Company's Statutory Auditors and in accordance with the duty provided for in articles L. 225-135 et seq. of the French Commercial Code, we hereby report to you on the proposal to delegate powers to the Board of Directors to decide to carry out a capital increase through the issue of ordinary shares without pre-emption rights for shareholders reserved for members of the Group's Corporate Savings Plan(s) in an amount not exceeding €500,000, which is submitted for your approval.

This capital increase is submitted for your approval in accordance with the provisions of articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labour Code.

The Board of Directors proposes, on the basis of its report, that it be authorised for a period of 26 months, to decide to carry out an increase in capital and that pre-emption rights be disapplied. If applicable, it will determine the final terms and conditions of this issue.

It is the Board of Directors' responsibility to prepare a report in accordance with articles R. 225-113 and R. 225-114 of the French Commercial Code. Our role is to issue our opinion on the fairness of the quantitative information taken from the financial statements, on the proposed disapplication of pre-emption rights and on certain other disclosures related to the share issue provided in the report.

We have performed the procedures we deemed necessary to comply with the professional guidelines issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to the issue and the methods for determining the issue price of the shares.

Subject to a subsequent review of the terms and conditions of the capital increase decided upon, we have no matters to report as to the methods for determining the issue price of the ordinary shares to be issued provided in the Board of Directors' report.

Since the final terms and conditions of the capital increase have not yet been determined, we do not express an opinion on these terms and conditions and, consequently, on the proposed disapplication of pre-emption rights submitted for your approval.

In accordance with article R. 225-116 of the French Commercial Code, we will prepare an additional report, where appropriate, upon use of this authorisation by the Board of Directors.

Signed in Courbevoie and Paris, 11 April 2018

The Statutory Auditors

SEC3 Philippe Spandonis	MAZARS Virginie Chauvin

Statutory Auditors' report on the reduction in capital

General Meeting of 17 May 2018

To the Shareholders,

In our capacity as the Company's Statutory Auditors and in accordance with the duty provided for in article L. 225-209 of the French Commercial Code in the event of a reduction in capital through the cancellation of repurchased shares, we hereby report to you on our assessment of the causes and the terms and conditions of the proposed reduction in capital.

The Board of Directors requests full powers, for a period of 26 months with effect from the date of this General Meeting, to cancel the shares purchased pursuant to an authorisation allowing the Company to buy back its own shares in accordance with the provisions of the aforementioned article, in an amount not exceeding 10% of its total share capital per 24-month period.

We have performed the procedures we deemed necessary to comply with the professional guidelines issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying that the causes and the terms and conditions of the proposed reduction in capital, which should not compromise the equal treatment of shareholders, are fair.

We have no matters to report as to the causes and the terms and conditions of the proposed reduction in capital.

Signed in Courbevoie and Paris, 11 April 2018

The Statutory Auditors

Mazars
Virginie Chauvin

SEC3
Philippe Spandonis

Statutory Auditors' report on the issue of shares and miscellaneous negotiable securities with or without pre-emption rights

General Meeting of 17 May 2018

To the Shareholders,

In our capacity as the Company's Statutory Auditors and in accordance with the duty provided for in articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby report to you on the proposals to authorise the Board of Directors to carry out various issues of ordinary shares and negotiable securities with or without pre-emption rights, which has been submitted for your approval.

The Board of Directors proposes, on the basis of its report, that:

1) it be authorised for a period of 26 months from the date of this General Meeting to decide whether to proceed with the following issues and to determine the final terms and conditions and proposes, where necessary, to disapply shareholders' pre-emption right:
   - an issue of ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued, with pre-emption rights for shareholders (Twentieth resolution);
   - an issue of ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued, without pre-emption rights for shareholders in connection with a public offering (Twenty-first resolution);
   - an issue of ordinary shares and/or negotiable securities conferring rights to the Company's share capital or carrying entitlement to debt securities, without pre-emption rights through offers referred to in II of article L. 411-2 of the French Monetary and Financial Code (Twenty-second resolution);
   - an issue of shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to a portion of the capital to be issued, in the event of a public exchange offer being launched by FFP (Twenty-sixth resolution);
2) it be authorised pursuant to the Twenty-third resolution, in connection with the authorisations stated in the Twenty-first and Twenty-second resolutions, to set the issue price up the statutory limit of 10% of the share capital p.a.

The aggregate nominal amount of capital increases through an issue of shares and/or negotiable securities effected pursuant to the Twentieth and Twenty-first resolutions may not exceed €10 million.

The aggregate nominal amount of capital increases through an issue of shares and/or negotiable securities effected pursuant to the Twenty-second resolution may not exceed €10 million and, p.a., 20% of the share capital at the date of this General Meeting.

The aggregate nominal amount of the debt securities giving access to equity securities that may be effected pursuant to the Twentieth, Twenty-first and Twenty-second resolutions may not exceed €15 million.

For the purposes of the authorisations stated in the Twentieth to Twenty-second resolutions and subject to the upper limits provided for in these resolutions, should the Twenty-fourth resolution be adopted, these caps will be adjusted to reflect the additional number of shares to be issued, in connection with the overallotment options, if subscriptions exceed the number of shares offered for sale, as provided for in article L. 225-135-1 and R. 225-118 of the French Commercial Code.

It is the Board of Directors' responsibility to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial Code. Our role is to issue an opinion on the fairness of the quantitative information taken from the financial statements, on the proposed disapplication of pre-emption rights and on the other disclosures related to the share issues provided in the report.

We have performed the procedures we deemed necessary to comply with the professional guidelines issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to these issues and the methods for determining the issue price of the equity securities to be issued.

Subject to a subsequent review of the terms and conditions of the issues decided upon, we have no matters to report as to the methods for determining the issue price of the equity securities to be issued provided in the Board of Directors' report in respect of the Twenty-first, Twenty-second and Twenty-third resolutions.

Furthermore, since the report does not specify the arrangements for determining the issue price of equity securities to be issued pursuant to the Twentieth to Twenty-sixth resolutions, we cannot issue an opinion on the choice of items used to determine the issue price.

Since the final terms and conditions of the capital increases have not yet been determined, we do not express an opinion on these terms and conditions and, consequently, on the proposed disapplication of pre-emption rights, submitted for your approval under the Twenty-first and Twenty-second resolutions.

In accordance with article R. 225-116 of the French Commercial Code, we will prepare an additional report, where appropriate, upon use of these authorisations by the Board of Directors in the event of the issue of negotiable securities conferring rights to the share capital or carrying entitlement to the allotment of debt securities and in the event of an issue without pre-emption rights.

Signed in Courbevoie and Paris, 11 April 2018

The Statutory Auditors

Mazars	SEC3
Virginie Chauvin	Philippe Spandonis

Independent Verifier's report on the employee-related, environmental and social information contained in the management report

For the year ended 31 December 2017

To the Shareholders,

In our capacity as an Independent Verifier, a member of the Mazars network, and FFP's Statutory Auditor accredited by COFRAC Inspection under number no. 3-1058 (made available on the www.cofrac.fr website), we hereby report to you on the consolidated employee-related, environmental and social information for the year ended 31 December 2017, included in the management report (hereinafter referred to as the "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code.

COMPANY'S RESPONSIBILITY

The Board of Directors is responsible for preparing a management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code prepared in accordance with the procedures used by the Company (hereinafter the "Guidelines"), summarised in the management report.

INDEPENDENCE AND QUALITY CONTROL

The standards of independence by which we must abide are laid down in the regulations, the French professional code of conduct and the provisions of article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control that includes documented policies and procedures to ensure compliance and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

Based on our work, our role is to:

- state whether the requisite CSR Information is present in the management report or, where omitted, whether an appropriate explanation is provided in accordance with the third sub-paragraph of article R. 225-105 of the French Commercial Code (statement of disclosure of CSR Information);
- express a moderate assurance opinion on the fact that, taken as a whole, the CSR Information is presented fairly, in all material aspects, in accordance with the Guidelines (Conclusions about the fair presentation of the CSR Information).

It is not our role, however, to issue an opinion on compliance with the other statutory requirements applicable, where appropriate.

Our work was conducted by a team of two people in March 2018 over a period of one week.

We performed the work described below in accordance with the order dated 13 May 2013 determining how the Independent Verifier performs the engagement, with the professional guidelines issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement and with ISAE 3000[1] concerning our conclusions on the fair presentation of the CSR Information.

Statement of disclosure of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding the employee-related and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We cross-checked the CSR Information presented in the management report against the list in article R. 225-105-1 of the French Commercial Code.

Where certain information was missing, we confirmed that explanations were provided in accordance with the provisions of article R. 225-105, sub-paragraph 3 of the French Commercial Code.

Based on the work performed, we certify that the requisite CSR Information has been disclosed in the management report.

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

II Conclusions about the fair presentation of the CSR Information

Nature and scope of our work

We met with the manager responsible for preparing the CSR Information, with the divisions in charge of compiling information and, where appropriate, with the persons in charge of internal control and risk management procedures to:

- assess the appropriateness of the Guidelines in terms of their relevance, completeness, impartiality, clarity and reliability with consideration given where appropriate to industry best practices;
- check that the Company had set up a collection, compilation, processing and control process to ensure the completeness and consistency of the CSR Information and familiarise ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and scope of our tests and controls based on the nature and importance of the CSR Information with respect to the specific characteristics of the Company, the employee-related and environmental priorities of its activities, its sustainability guidelines and industry best practices.

For the CSR Information we regarded as the most important[(1)], at the Legal division we:

- reviewed the documentary sources and conducted interviews to confirm the qualitative information (organisation, strategies, actions), performed analytical procedures on the quantitative information, verified the calculations using sampling techniques and the data consolidation, and checked their consistency and that they are in agreement with the other disclosures in the management report;
- conducted an interview to ensure procedures are applied correctly and implemented detailed testing using sampling techniques to verify the calculations performed and reconcile data with the supporting documents. The selected sample covers 100% of the headcount.

We assessed the consistency of the CSR Information with our knowledge of the Company.

Lastly, we assessed the relevance of the explanations provided, where appropriate, in the total or partial absence of certain information.

We believe that the sampling techniques and sample sizes that we used based on our professional judgment have allowed us to express a moderate assurance opinion; a higher level of assurance would have required a more extensive review. Because of the use of sampling techniques and because of other limitations inherent in the operation of any information system and internal control system, the risk of a failure to detect significant anomalies in the CSR Information cannot be totally eliminated.

Opinion

Based on this work, we did not identify any significant anomalies liable to call into question the fair presentation of the CSR Information, taken as a whole, in accordance with the Guidelines.

Signed in Paris La Défense, 11 April 2018

Independent Verifier

Mazars SAS

Edwige Rey
CSR & Sustainability Partner

(1) Total workforce, workforce by type of contracts, men/women, review of collective agreements, number of hours of training.

6.2 Summary of the delegations of powers currently in force granted by shareholders at the General Meeting to the Board of Directors to carry out capital increases

The following table summarises the various authorisations currently in force that were approved by shareholders at the Combined Ordinary and Extraordinary General Meeting of 3 May 2016:

Resolution/Purpose		Period of Validity/ Expiry date	Maximum amount	Actual use
Tenth	Authorisation to be granted to the Board of Directors to allot at no cost existing shares or shares to be issued to employees and/or certain corporate officers of the Company or affiliated companies	38 months 03/07/2019	No more than 3% of the Company's share capital	Used partially by the Board on 07/07/2016 and by the Board on 09/03/2017
Eleventh	Delegation of powers to the Board of Directors to increase the share capital by capitalising reserves or premiums	26 months 03/07/2018	€10,000,000	None
Twelfth	Delegation of powers to the Board of Directors to issue ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued by the Company, with pre-emption rights for shareholders	26 months 03/07/2018	Issue of shares or of negotiable securities conferring rights to the share capital: €10,000,000 Issues of negotiable debt securities: €15,000,000	None
Thirteenth	Delegation of powers to the Board of Directors to issue ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued by the Company, without pre-emption rights for shareholders in connection with a public offering with priority rights	26 months 03/07/2018	Issue of shares or of negotiable securities conferring rights to the share capital: €10,000,000 Issues of negotiable debt securities: €15,000,000	None
Fourteenth	Delegation of powers to the Board of Directors to issue ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued by the Company, without pre-emption rights for shareholders in connection with a private placement	26 months 03/07/2018	Issue of shares or of negotiable securities conferring rights to the share capital: €10,000,000 (subject to a limit of 20% of the share capital p.a.) Issues of negotiable debt securities: €15,000,000	None
Fifteenth	Delegation of powers to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without pre-emption rights in connection with overallotment options	26 months 03/07/2018		None
Sixteenth	Authorisation to be granted to the Board of Directors in the event of the issue of ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued without pre-emption rights for shareholders, to set the issue price in line with the arrangements laid down by the General Meeting, subject to the upper limit of 10% of the share capital	26 months 03/07/2018	No more than 10% of the Company's share capital in any 12-month period. Counts against the upper limit set by the Twentieth resolution	None
Seventeenth	Delegation of powers to the Board of Directors to issue shares and/or equity securities conferring rights to other equity securities of the Company or carrying entitlement to the allotment of debt securities as consideration for contributions in kind of equity securities or negotiable securities conferring rights to the share capital	26 months 3 July 2018	No more than 10% of the Company's share capital. Counts against the upper limits set by the Twentieth resolution	None

Resolution/Purpose		Period of Validity/ Expiry date	Maximum amount	Actual use
Eighteenth	Delegation of powers to the Board of Directors to issue shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities as consideration for securities tendered to any public exchange offer initiated by the Company	26 months 03/07/2018	€10,000,000	None
Nineteenth	Delegation of powers to the Board of Directors to carry out a capital increase reserved for members of the Group's corporate savings plans	26 months 03/07/2018	€500,000	None
Teventieth	Upper limit set for delegations of powers	26 months 03/07/2018	Issue of shares or of negotiable securities conferring rights to the share capital: €10,000,000 Issues of negotiable debt securities: €15,000,000	None

6.3 Resolutions to be proposed at the Ordinary and Extraordinary General Meeting of 17 May 2018

Decisions to be made in ordinary session

FIRST RESOLUTION

(Review and approval of the parent company statements for 2017)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, apprised of the annual financial statements, the management report by the Board of Directors on the year now ended and the Statutory Auditors' general report, approves the parent company statements for the 2017 financial year, as presented, plus the transactions reflected in the financial statements or summarised in these reports showing earnings of €31,581,020.92.

The General Meeting notes that no expenditure or charge falling within the scope of article 39-4 of the French General Tax Code was presented in respect of the financial year.

SECOND RESOLUTION

(Appropriation of income for the 2017 financial year)

The General Meeting notes that distributable earnings, consisting of net earnings for the financial year of €31,581,020.92, plus retained earnings from the previous year of €2,684,123.23 and the €1,099,222,553.44 in reserves available for distribution, amount to €1,133,487,697.59.

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, on the recommendation of the Board of Directors, resolves to appropriate distributable earnings as follows:

- €50,145,178.00 to shares as a dividend;
- €1,083,342,519.59 to other reserves.

This amount takes into account the number of shares making up the share capital at 23 March 2018 and will be adjusted based on the number of shares in issue at the dividend payment date. Accordingly, the General Meeting sets the dividend for the financial year at €2 per share. The General Meeting resolves that the dividend will be paid on 24 May 2018. The portion of distributable earnings attributable to shares held in treasury will be allocated to the "retained earnings" account.

When paid to individual shareholders resident in France for tax purposes, this dividend will be liable to the single flat-rate levy at an aggregate rate of 30% including (i) the flat-rate income tax rate of 12.8%, and (ii) the CSG-CRDS social security charges at a rate of 17.2%. Individual shareholders resident in France for tax purposes may elect for the dividend to be taxed at their marginal rate of income tax, however. Should they choose to do so, the dividend is eligible for the 40% rebate for individuals resident in France for tax purposes as provided for in sub-paragraph 2 of article 158(3) of the French General Tax Code. The option to apply the marginal income tax rate must be exercised annually and expressly. It cannot be revoked and is made globally. Accordingly, it applies to all the income, net gains, profits and receivables falling within the scope of the single flat-rate levy in respect of a given year.

In accordance with article 243 bis of the French General Tax Code, the following dividends were paid in respect of the previous three financial years:

DIVIDEND PAYMENTS IN THE LAST THREE FINANCIAL YEARS

	2016	2015	2014
Number of shares	25,072,589	25,072,589	25,157,273
Par value of shares	€1.00	€1.00	€1.00
Dividend per share	€1.80	€1.60	€2.00

THIRD RESOLUTION

(Review and approval of the consolidated financial statements for the year ended 31 December 2017)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, apprised of the consolidated financial statements, the Board of Directors' management report on the year now ended, and the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the 2017 financial year, as presented, plus the transactions reflected in the financial statements or summarised in the reports.

FOURTH RESOLUTION

(Review and approval of the agreements covered by article L. 225-38 of the French Commercial Code)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, apprised of the special report of the Statutory Auditors on agreements covered by article L. 225-38 et seq. of the French Commercial Code, acknowledges the conclusions of the report and approves the agreements reported.

FIFTH RESOLUTION

(Reappointment of Marie-Hélène Peugeot-Roncoroni as a director)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements, apprised of the Board of Directors' report, resolves to reappoint Marie-Hélène Peugeot-Roncoroni for a term in office as a director of four years, that is until the close of the 2022 Ordinary General Meeting called to approve the 2021 financial statements.

SIXTH RESOLUTION

(Reappointment of Georges Chodron de Courcel as a director)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements, apprised of the Board of Directors' report, resolves to reappoint Georges Chodron de Courcel for a term in office as a director of four years, that is until the close of the 2022 Ordinary General Meeting called to approve the 2021 financial statements.

SEVENTH RESOLUTION

(Reappointment of Dominique Netter as a director)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements, apprised of the Board of Directors' report, resolves to reappoint Dominique Netter for a term in office as a director of four years, that is until the close of the 2022 Ordinary General Meeting called to approve the 2021 financial statements.

EIGHTH RESOLUTION

(Reappointment of Marie-Françoise Walbaum as a director)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements, apprised of the Board of Directors' report, resolves to reappoint Marie-Françoise Walbaum for a term in office as a director of four years, that is until the close of the 2022 Ordinary General Meeting called to approve the 2021 financial statements.

NINTH RESOLUTION

(Appointment of Anne Lange as a director)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements, apprised of the Board of Directors' report, resolves to appoint Anne Lange for a term in office as a director of four years, that is until the close of the 2022 Ordinary General Meeting called to approve the 2021 financial statements.

TENTH RESOLUTION

(Annual allocation of attendance fees)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements, apprised of the Board of Directors' report, resolves to set at €850,000 the amount of attendance fees to be allocated to members of the Board of Directors for the current financial year and each subsequent financial year, until the General Meeting decides otherwise.

ELEVENTH RESOLUTION

(Approval of the fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind paid or awarded in respect of FY 2017 to Robert Peugeot, Chairman and Chief Executive Officer

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, apprised of the Board of Directors' management report, approves the fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind paid or awarded in respect of FY 2017 to Robert Peugeot for his duties as Chairman and Chief Executive Officer, as presented in the Registration Document in the "*Shareholder approval of the fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind paid or awarded in respect of the financial year to 31 December 2017 to Robert Peugeot, Chairman and Chief Executive Officer*" section.

TWELFTH RESOLUTION

(Approval of the fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind paid or awarded in respect of FY 2017 to Alain Chagnon, Chief Operating Officer)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, apprised of the Board of Directors' management report, approves the fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind paid or awarded in respect of FY 2017 to Alain Chagnon for his duties as Chief Operating Officer, as presented in the Registration Document in the "*Shareholder approval of the fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind paid or awarded in respect of the financial year to 31 December 2017 to Alain Chagnon, Chief Operating Officer*" section.

THIRTEENTH RESOLUTION

(Approval of the fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind paid or awarded in respect of FY 2017 to Bertrand Finet, Chief Operating Officer)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, apprised of the Board of Directors' management report, approves the fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind paid or awarded in respect of FY 2017 to Bertrand Finet for his duties as Chief Operating Officer, as presented in the Registration Document in the "*Shareholder approval of the fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind paid or awarded in respect of the financial year to 31 December 2017 to Bertrand Finet, Chief Operating Officer*" section.

FOURTEENTH RESOLUTION

(Approval of the principles and criteria applied in the determination, allocation and award of fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind due in respect of FY 2018 to Robert Peugeot, Chairman and Chief Executive Officer)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, apprised of the Board of Directors' management report, approves the principles and criteria applied in the determination, allocation and award of fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind due in respect of FY 2018 to Robert Peugeot for his duties as Chairman and Chief Executive Officer, as presented in the Registration Document in the "*Shareholder approval of the principles and criteria applied in the determination, allocation and award of fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind due in respect of FY 2018 to the executive directors*" section.

FIFTEENTH RESOLUTION

(Approval of the principles and criteria applied in the determination, allocation and award of fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind due in respect of FY 2018 to Bertrand Finet, Chief Operating Officer)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, apprised of the Board of Directors' management report, approves the principles and criteria applied in the determination, allocation and award of fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind due in respect of FY 2018 to Bertrand Finet for his duties as Chief Operating Officer, as presented in the Registration Document in the "*Shareholder approval of the principles and criteria applied in the determination, allocation and award of fixed salary, bonuses and exceptional payments making up the total remuneration and benefits of any kind due in respect of FY 2018 to the executive directors*" section.

SIXTEENTH RESOLUTION

(Authorisation to be granted to the Board of Directors for a period of 18 months to have the Company repurchase its own shares at a maximum price of €130 per share, or a maximum outlay of €325,943,670)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for ordinary general meetings, apprised of the Board of Directors' report, authorises the Board of Directors, in accordance with the provisions of articles L. 225-209 et seq. of the French Commercial Code and European Regulation (EU) No. 596/2014 of 16 April 2014, to have the Company purchase its own shares.

This authorisation is given, where necessary, for:

- for an investment services provider to maintain a liquid market for the Company's shares under a liquidity agreement that complies with the AMAFI Code of Ethics recognised by the Autorité des marchés financiers;
- the allotment or sale of shares to employees and/or corporate officers (on the terms and conditions and as provided for in law), including under a stock option plan, a bonus share allotment plan or a corporate savings plan;
- the allotment of the Company's shares through the remittance of shares upon the exercise of rights attached to negotiable securities carrying entitlement through redemption, conversion, exchange, presentation of a warrant or any other means to the allotment of the Company's shares;
- the potential cancellation of the shares acquired, subject to adoption of the Seventeenth resolution to be considered in extraordinary session as it appears on the agenda for this General Meeting;
- more generally, the execution of any transaction permitted or authorised subsequently by the regulations in force, especially where it relates to a market practice permitted subsequently by the Autorité des marchés financiers.

The aforementioned acquisitions, sales and transfers may be effected by any lawful means and the regulations in force, including through transactions agreed privately.

These transactions may take place at any time, including during a public offer or pre-offer for the Company's shares, in accordance with article 231-40 of the General Regulation of the Autorité des marchés financiers or during the period of a pre-offer, public exchange or tender offer or a combined tender and exchange offer initiated by the Company on the terms and conditions laid down in law and the regulations in force and in accordance with the provisions of article 231-41 of the General Regulation of the Autorité des marchés financiers.

The General Meeting sets the maximum number of shares that may be acquired pursuant to this resolution at 10% of the Company's share capital at the date of this General Meeting, which corresponds to 2,507,259 shares each with a par value of €1, it being stated that pursuant to this authorisation, the number of shares held in treasury will be taken into consideration such that the Company remains at all times below the limit on the number of shares held in treasury, which stands at no more than 10% of the share capital.

The General Meeting resolves that the total amount spent on these acquisitions may not exceed €325,943,670 and resolves that the maximum purchase price may not exceed €130 per share, it being stated that the Company may not buy shares at a price exceeding the higher of: i) the last share price resulting from execution of a trade to which the Company was not party, and ii) the highest independent bid price on the trading platform on which the purchase was made.

In the event of a capital increase through the capitalisation of premiums, reserves, earnings or other items leading to an allotment of bonus shares during the period of validity of this authorisation and in the event of the subdivision or consolidation of shares, the General Meeting delegates to the Board of Directors the power to adjust, where appropriate, the aforementioned maximum unit price, to reflect the impact of these transactions on the share's value.

The General Meeting grants full powers to the Board of Directors, which may be delegated as provided for in law, to:

- decide to implement this authorisation;
- lay down the terms and conditions and the arrangements for protecting the rights of holders of negotiable securities conferring rights to the share capital, stock options or rights to the allotment of performance shares, in accordance with the provisions of law, the regulations and contractual agreements;
- place any stock market orders, enter into any agreements, including for administration of the share registers, in accordance with the regulations in force;
- make any declarations and complete any other formalities and, generally speaking, take whatever action is necessary.

The Board of Directors will inform the shareholders attending the annual Ordinary General Meeting of all the transactions completed pursuant to this resolution.

This authorisation is granted for a period of 18 months with effect from the date of this General Meeting.

Decisions to be made in extraordinary session

SEVENTEENTH RESOLUTION

(Authorisation to be granted to the Board of Directors for a period of 26 months to cancel shares held by the Company following the repurchase of its own shares)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, authorises the Board of Directors, in accordance with the provisions of article L. 225-209 of the French Commercial Code to cancel, at its sole discretion, on one or more occasions, some or all of the Company's shares that the Company holds or may come to hold pursuant to the aforementioned article L. 225-209 and to reduce the share capital by the aggregate nominal amount of the duly cancelled shares, subject to an upper limit of 10% of the share capital at the date of this General Meeting per 24-month period.

The General Meeting gives full powers to the Board of Directors to carry out the capital reduction(s), to write off the difference between the repurchase price of the cancelled shares and their par value against any and all reserves and share premiums, to make the corresponding amendments to the Articles of Association, to reassign the fractional amount of the statutory reserve that became available as a result of the capital reduction and to make all the declarations to the Autorité des marchés financiers and, generally, to take whatever action is necessary.

This authorisation is granted for a period of 26 months from today's date.

EIGHTEENTH RESOLUTION

(Authorisation to be granted to the Board of Directors for a period of 38 months to make a bonus allotment of new shares, with the disapplication of shareholders' pre-emption rights, or of existing shares to employees and/or executive directors of the Company and related entities, subject to performance conditions, up to a limit of 3% of the share capital)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, in accordance with articles L. 225-197-1 et seq. of the French Commercial Code:

- authorises the Board of Directors to make, on one or more occasions, bonus allotments of the Company's new or existing ordinary shares to some or all employees or executive directors of the Company or of French or international companies or economic interest groupings affiliated with it as provided under article L. 225-197-2 of the French Commercial Code;

- resolves that, without prejudice to the adjustments provided for hereinafter, the total number of shares to be allotted at no cost may not exceed 3% of the Company's share capital, with this cap being assessed on the day on which the shares are allotted;
- resolves that the allotment of shares to allottees will be definitive, i) either at the end of a vesting period of at least one year, with allottees being obliged to hold said shares for a minimum period of one year from their definitive allotment, or ii) at the end of a minimum vesting period of two years, without any minimum lock-up period applying in this case. The Board of Directors will have the option of choosing between these two options and using them alternatively or concurrently, and it may, in the former case, extend the vesting and/or lock-up period, and, in the latter case, extend the vesting period and/or set a lock-up period.

  Even so, allotment of the shares will become definitive upon the death or invalidity of the allottee where such invalidity meets the classification criteria stated in the second or third categories provided for in article L. 341-4 of the French Social Security Code;
- resolves that the definitive allotment of the shares to the allottees will be contingent upon the satisfaction of performance conditions to be set by the Board of Directors;
- sets the period of validity of this authorisation at 38 months with effect from the date of this authorisation;
- duly notes that if new shares are to be allotted, this authorisation automatically entails the disapplication by shareholders of their pre-emption rights for the benefit of the shares to be allotted at no charge.

  In accordance with the law and regulations in force and with the provisions of this resolution, the General Meeting grants full powers to the Board of Directors to implement it, which includes:
- laying down the performance conditions and criteria for the allotment of the shares and drawing up the list(s) of potential allottees;
- laying down, subject to the minimum period stated hereinabove, the lock-up period for the shares, bearing in mind that it will be incumbent on the Board of Directors in respect of any shares allotted to executive directors as provided for in article L. 225-197-1, II sub-para. 4 of the French Commercial Code, either to resolve that said shares may not be transferred by the allottees until their duties cease, or to specify the number of such shares that they will be required to hold in registered form until their duties cease;
- resolving, where appropriate, in the event of any transactions affecting the share capital taking place during the vesting period of the shares allotted, to adjust the number of shares allotted for the purpose of protecting the rights of the allottees and, in such case, to determine the arrangements for such adjustment;
- carrying out, where new shares are to be allotted, the capital increases through the capitalisation of the Company's reserves or issue premiums required at the time of the definitive allotment of the shares to their allottees, setting the date from which the new shares carry dividend rights and amending the Articles of Association accordingly;
- completing all the formalities and, generally, taking whatever action is required.

This authorisation replaces and supersedes the authorisation previously granted under the Tenth resolution of the General Meeting on 3 May 2016.

NINETEENTH RESOLUTION

(Delegation of powers to the Board of Directors for a period of 26 months to increase the share capital by an amount of up to €10,000,000 through the capitalisation of reserves or premiums)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report, in accordance with the provisions of articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code:

1. delegates its powers to the Board of Directors to capitalise, on one or more occasions, in the proportions or at the times it deems appropriate, some or all of the earnings, reserves or share premiums, capitalisation of which is permitted by law and the Articles of Association and in the form of the allotment of bonus ordinary shares or an increase in the par value of existing shares or through a combination of these two methods;
2. sets the period of validity of this delegation of powers at 26 months with effect from the date of this General Meeting;
3. sets at €10,000,000 the maximum nominal amount of the capital increases that may be effected in accordance with this delegation of powers, it being stated that, where appropriate, the nominal value of shares to be issued to protect the rights of holders of negotiable securities conferring rights to the share capital, stock options or performance share allotment rights will be added to this upper limit;
4. gives full powers to the Board of Directors, which may be delegated to the Chief Executive Officer, or, with the latter's consent, to a Chief Operating Officer, to implement this authorisation as provided for in law and specifically to decide that the rights forming odd lots may not be negotiable, that the corresponding shares will be sold as provided for in the applicable regulations, and that the sale proceeds will be allotted to the holders of the rights.

TWENTIETH RESOLUTION

(Delegation of powers to the Board of Directors for a period of 26 months for the purpose of issuing ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued by the Company, with pre-emption rights for shareholders)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of the French Commercial Code and specifically articles L. 225-129, L. 225-129-2 and L. 228-92:

1/ delegates its powers to the Board of Directors to issue, on one or more occasions, in the proportions and at the times it deems fit, in and/or outside France, in euros, or in any other currency or unit of account established by reference to several currencies, ordinary shares, equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities and/or any other negotiable securities, including standalone warrants, conferring rights to the Company's equity securities to be issued, in the forms and under the conditions that the Board of Directors will consider acceptable, it being stipulated that the issue of preference shares and negotiable securities conferring rights immediately or in the future to preference shares is excluded from this authorisation;

2/ sets the period of validity of this delegation of powers at 26 months with effect from the date of this General Meeting;

3/ resolves that if the Board of Directors uses this delegation of powers:

- the maximum nominal amount (including issue premium) of capital increases to be carried out pursuant to the issue of shares or negotiable securities referred to hereinabove in 1) is set at €10,000,000 it being stipulated that:
  - in the event of a capital increase through the capitalisation of premiums, reserves, earnings or other items in the form of a bonus share allotment during the period of validity of this delegation of powers, the aforementioned nominal amount will be adjusted through application of a multiplier equal to the ratio of the number of shares making up the share capital after the transaction to the number prior to the increase,
  - the nominal amount of the shares to be issued to protect the rights of holders of negotiable securities conferring rights to the share capital, stock options or rights to a bonus share allotment will be added to the aforementioned upper limit,
- in addition, the aggregate maximum nominal amount of issues of negotiable debt securities conferring rights to equity securities to be issued may not exceed €15,000,000 or the equivalent value on this day of this amount in any other currency or unit of account established with reference to several currencies;

4/ resolves that if use is made of this delegation of powers:

- shareholders will have a pre-emption right and may subscribe by way of right for shares in proportion to the number of shares they hold at that time, with the Board having the option of introducing a pre-emption right to shares not taken up by other shareholders and to provide for an extension clause to satisfy subscription orders for excess shares that could not be met,
- if subscriptions by way of right and, where appropriate, for shares not taken up by other shareholders do not cover the full amount of the issue, the Board of Directors may make an offering to the public of some or all of the unsubscribed shares and/or negotiable securities;

5/ gives full powers to the Board of Directors, which may be delegated to the Chief Executive Officer, or, with the latter's consent, to a Chief Operating Officer, to implement this authorisation as provided for in law, to write off expenses arising from capital increases against the amount of related share premiums and to charge to this amount the sums necessary to increase the statutory reserve to one-tenth of the new share capital after each increase;

6/ acknowledges that in the event of the use of this delegation of powers, the decision to issue negotiable securities conferring rights to the Company's share capital will automatically entail the disapplication by shareholders of their pre-emption right to equity securities to which these negotiable securities entitle their holders;

7/ resolves that the Board of Directors may suspend the exercise of the rights attached to the securities issued, for a maximum period of three months, and will take any appropriate measures in respect of the adjustments to be made in accordance with the provisions of law and regulations in force and, where appropriate, contractual stipulations to protect the holders of the rights attached to the negotiable securities conferring rights to the Company's share capital.

TWENTY-FIRST RESOLUTION

(Delegation of powers to the Board of Directors for a period of 26 months for the purpose of issuing ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued by the Company, at a price set according to the provisions of law and the regulations in force on the day of the issue, without pre-emption rights, in connection with an offering to the public, with priority rights)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of the French Commercial Code and specifically articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136 et seq. and L. 228-92:

1/ delegates its powers to the Board of Directors to issue, on one or more occasions, in the proportions and at the times it deems fit, in and/or outside France, in euros, or in any other currency or unit of account established by reference to several currencies, by means of an offering to the public, ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities and/or other negotiable securities, including standalone warrants, conferring rights to the Company's equity securities to be issued, in the forms and under the conditions that the Board of Directors will consider acceptable, it being stipulated that the issue of preference shares and negotiable securities conferring rights immediately or in the future to preference shares is excluded from this authorisation;

2/ sets the period of validity of this authorisation at 26 months with effect from the date of this General Meeting;

3/ resolves that if the Board of Directors uses this delegation of powers:

- the maximum nominal amount (including issue premiums) of capital increases that may be carried out pursuant to the issue of shares or negotiable securities referred to in 1) hereinabove is set at €10,000,000 it being stipulated that:
  - in the event of a capital increase through the capitalisation of premiums, reserves, earnings or other items in the form of a bonus share allotment during the period of validity of this delegation of powers, the aforementioned nominal amount will be adjusted through application of a multiplier equal to the ratio of the number of shares making up the share capital after the transaction to the number prior to the increase,
  - the nominal amount of the shares to be issued to protect the rights of holders of negotiable securities conferring rights to the share capital, stock options or rights to a bonus share allotment will be added to the aforementioned upper limit,
- in addition, the maximum nominal amount of issues of negotiable debt securities conferring rights to equity securities to be issued may not exceed €15,000,000 or the equivalent value on this day of this amount in any other currency or unit of account established with reference to several currencies;

4/ resolves to disapply shareholders' pre-emption right to shares and other negotiable securities that may be issued by the Company in accordance with this resolution. If so decided by the Board of Directors, shareholders may have a priority subscription right for all or part of an issue, as determined by the Board of Directors in accordance with the provisions of articles L. 225-135 and R. 225-131 of the French Commercial Code;

5/ resolves that the amount of the consideration remitted and/or to be remitted subsequently to the Company for each of the shares issued or to be issued in connection with this authorisation, taking into account, in the event of the issue of standalone equity warrants, the issue price of said warrants, will be at least equal to the weighted average over three stock market sessions preceding its determination, less a discount, where appropriate, not exceeding 5%;

6/ resolves that the Board of Directors may suspend the exercise of the rights attached to the securities issued, for a maximum period of three months, and will take any appropriate measures in respect of the adjustments to be made in accordance with the provisions of law and regulations in force and, where appropriate, contractual stipulations to protect the holders of the rights attached to the negotiable securities conferring rights to the Company's share capital;

7/ gives full powers to the Board of Directors, which may be delegated to the Chief Executive Officer, or, with the latter's consent, to a Chief Operating Officer, to implement this authorisation as provided for in law, to write off expenses arising from capital increases against the amount of related share premiums and to charge to this amount the amounts necessary to increase the statutory reserve to one-tenth of the new share capital after each increase;

8/ acknowledges that in the event of the use of this delegation of powers, the decision to issue negotiable securities conferring rights to the Company's share capital will automatically entail the disapplication by shareholders of their pre-emption right to equity securities to which these negotiable securities entitle their holders.

TWENTY-SECOND RESOLUTION

(Delegation of powers to the Board of Directors for a period of 26 months for the purpose of issuing ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued by the Company, at a price set according to the provisions of law and the regulations in force on the day of the issue, without pre-emption rights, in connection with a private placement)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of the French Commercial Code and specifically articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136 et seq. and L. 228-92:

1/ delegates its powers to the Board of Directors to issue, on one or more occasions, in the proportions and at the times it deems fit, in and/or outside France, in euros, or in any other currency or unit of account established by reference to several currencies, by means of an offering referred to in II of article L. 411-2 of the

French Monetary and Financial Code, ordinary shares, equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities and/or other negotiable securities, including standalone warrants, conferring rights to the Company's equity securities to be issued, in the forms and under the conditions that the Board of Directors considers acceptable, it being stipulated that the issue of preference shares and negotiable securities conferring rights immediately or in the future to preference shares is excluded from this authorisation;

2/ sets the period of validity of this authorisation at 26 months with effect from the date of this General Meeting;

3/ resolves that if the Board of Directors uses this delegation of powers:

- the maximum nominal amount (including issue premiums) of capital increases that may be carried out pursuant to the issue of shares or negotiable securities referred to in 1) hereinabove is set at €10,000,000 it being stipulated that:
  - in the event of a capital increase through the capitalisation of premiums, reserves, earnings or other items in the form of a bonus share allotment during the period of validity of this delegation of powers, the aforementioned nominal amount will be adjusted through application of a multiplier equal to the ratio of the number of shares making up the share capital after the transaction to the number prior to the increase,
  - the nominal amount of the shares to be issued to protect the rights of holders of negotiable securities conferring rights to the share capital, stock options or rights to a bonus share allotment will be added to the aforementioned upper limit,
  - the issue will be limited to 20% p.a. of the share capital at the date of this General Meeting,
- in addition, the maximum nominal amount of issues of the Company's negotiable debt securities conferring rights to equity securities to be issued by the Company may not exceed €15,000,000 or the equivalent value on this day of this amount in any other currency or unit of account established with reference to several currencies;

4/ resolves to disapply shareholders' pre-emption right to shares and other negotiable securities that may be issued by the Company in accordance with this resolution;

5/ resolves that the amount of the consideration remitted and/or to be remitted subsequently to the Company for each of the shares issued or to be issued in connection with this authorisation, taking into account, in the event of the issue of standalone equity warrants, the issue price of said warrants, will be at least equal to the weighted average over three stock market sessions preceding its determination, less a discount, where appropriate, not exceeding 5%;

6/ resolves that the Board of Directors may suspend the exercise of the rights attached to the securities issued, for a maximum period of three months, and will take any appropriate measures in respect of the adjustments to be made in accordance with the provisions of law and regulations in force and, where appropriate, contractual stipulations to protect the holders of the rights attached to the negotiable securities conferring rights to the Company's share capital;

7/ gives full powers to the Board of Directors, which may be delegated to the Chief Executive Officer, or, with the latter's consent, to a Chief Operating Officer, to implement this authorisation as provided for in law, to write off expenses arising from capital increases against the amount of related share premiums and to charge to this amount the amounts necessary to increase the statutory reserve to one-tenth of the new share capital after each increase;

8/ acknowledges that in the event of the use of this delegation of powers, the decision to issue negotiable securities conferring rights to the Company's share capital referred to in 1) hereinabove will automatically entail disapplication by shareholders in favour of holders of the securities issued of their pre-emption right to equity securities to which the negotiable securities entitle their holders.

TWENTY-THIRD RESOLUTION

(Authorisation to be granted to the Board of Directors for a period of 26 months in the event of the issue of ordinary shares and/or equity securities conferring rights to other equity securities or carrying entitlement to the allotment of debt securities, and/or negotiable securities conferring rights to equity securities to be issued without pre-emption rights for shareholders, to set the issue price in line with the arrangements laid down by the General Meeting, subject to the upper limit of 10% of the share capital)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of article L. 225-136 of the French Commercial Code, authorises the Board of Directors, in the event of use of the Twenty-first and Twenty-second resolutions, to depart from the pricing terms and conditions provided for in said resolutions and to set the price in line with the following arrangements:

- the issue price of the ordinary shares will be at least equal to FFP's weighted average share price in the final two sessions on the regulated market of Euronext Paris preceding its determination, possibly after adjustment, where necessary, to reflect the difference in cum-rights date, less a discount, where appropriate, not exceeding 5%;
- the issue price of the equity securities conferring rights, by any means, immediately or in the future, to the Company's capital will be such that the sum received immediately by the

Company, plus, where appropriate, that, which may be received subsequently by it, either for each share in the Company as a result of the issue of these negotiable securities, at least equal to the weighted average price of the share in the final two sessions on the regulated market of Euronext Paris preceding (i) the determination of the issue price of said negotiable securities conferring rights to the share capital, or (ii) the issue of shares resulting from the exercise of rights to the allotment of shares attached to said negotiable securities conferring rights to the share capital where the allotment is exercisable at the Company's discretion after adjustment, where appropriate, of this amount to reflect the difference in cum-rights date, less a discount, where appropriate, not exceeding 5%;

- the maximum nominal amount of the capital increase resulting from implementation of this resolution may not exceed 10% of the share capital per 12-month period and the upper limit set by the Twenty-eighth resolution, against which it counts.

This authorisation is granted for a period of 26 months with effect from the date of this General Meeting.

TWENTY-FOURTH RESOLUTION

(Delegation of powers to the Board of Directors, for a period of 26 months, for the purpose of increasing the number of shares to be issued in the event of a capital increase with or without pre-emption rights for shareholders in connection with overallotment options should subscriptions exceed the proposed number of shares)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, delegates authority to the Board of Directors, in connection with issues decided pursuant to the delegations of authority granted to the Board of Directors pursuant to the preceding Twentieth, Twenty-first and Twenty-second resolutions, to increase the number of securities to be issued provided for in the initial issue, in accordance with the provisions of articles L. 225-135-1 and R. 225-118 of the French Commercial Code, subject to the upper limits provided for in said resolutions and for the period of validity of said resolutions.

TWENTY-FIFTH RESOLUTION

(Delegation of powers to the Board of Directors for a period of 26 months for the purpose of issuing shares and/or equity securities conferring rights to other equity securities of the Company or carrying entitlement to the allotment of debt securities as consideration for contributions in kind of equity securities or negotiable securities conferring rights to the share capital not exceeding 10% of the share capital)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, in accordance with article L. 225-147 sub-para. 6 of the French Commercial Code:

1/ delegates the requisite powers to the Board of Directors to issue, subject to an upper limit of 10% of the Company's existing share capital, shares in the Company and/or equity securities conferring rights to the share capital in consideration for contributions in kind made to the Company and consisting of equity securities or negotiable securities conferring rights to the share capital where the provisions of article L. 225-148 of the French Commercial Code do not apply;

2/ resolves that issues of shares made pursuant to this delegation of authority will count against the upper limits referred to in the Twenty-eighth resolution hereinbelow;

3/ acknowledges that the Company's shareholders will not have a pre-emption right on shares to be issued pursuant to this delegation of authority, with the latter intended solely as consideration for contributions in kind, and acknowledges that this authorisation automatically entails the disapplication by shareholders of their pre-emption right to the Company's shares to which the negotiable securities to be issued pursuant to this authorisation may carry entitlement;

4/ gives powers to the Board of Directors to implement this authorisation, approve the value of the contributions, write off expenses arising from capital increases against the amount of premiums arising from these increases and amend the Articles of Association accordingly.

This delegation of powers is granted for a period of 26 months with effect from the date of this General Meeting.

TWENTY-SIXTH RESOLUTION

(Delegation of powers to the Board of Directors for a period of 26 months to issue shares, and/or equity securities conferring rights to other equity securities or to the allotment of debt securities, and/or negotiable securities conferring rights to a fraction of the Company's share capital to be issued or, provided that the first security is a share, to the allotment of debt securities in consideration for securities tendered to any public exchange offer initiated by the Company)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, in accordance with articles L. 225-148, L. 225-129 and L. 228-92 of the French Commercial Code:

1/ delegates to the Board of Directors its authority to decide to issue, on one or more occasions, shares, equity securities conferring rights to other equity securities or to the allotment of debt securities, in consideration for securities tendered to any public exchange offer initiated in or outside France by the Company in shares of another company admitted to trading in one of the regulated markets stated in said article L. 225-148;

2/ resolves that the total nominal amount (excluding issue premiums) of increases in capital that may be effected through the issuance of shares or negotiable securities conferring rights to the Company's share capital or, subject to the former securities being shares, carrying entitlement to the allotment of debt securities, may not exceed €10,000,000, it being stipulated that:

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- in the event of a capital increase through the capitalisation of premiums, reserves, earnings or other items in the form of a bonus share allotment during the period of validity of this delegation of powers, the aforementioned total nominal amount (excluding issue premiums) will be adjusted through application of a multiplier equal to the ratio of the number of shares making up the share capital after the transaction to the number prior to the increase,
- the nominal amount of the shares to be issued to protect the rights of holders of negotiable securities conferring rights to the share capital, stock options or rights to a bonus share allotment will be added to the aforementioned upper limit;

3/ resolves that the aggregate maximum nominal amount of issues of debt securities, to the allotment of which equity securities carry entitlement, may not exceed €15,000,000 or the equivalent value on this day of this amount in any other currency or unit of account established with reference to several currencies;

4/ resolves that issues of shares and/or equity securities conferring rights to a fraction of the Company's share capital or carrying entitlement to the allotment of debt securities pursuant to this delegation of powers will count against the upper limits provided for in the Twenty-eighth resolution hereinbelow;

5/ duly notes that the Company's shareholders will not have a pre-emption right to the shares and/or negotiable securities to be issued pursuant to this delegation of powers, since the shares are solely intended to be issued in consideration for securities tendered to a public exchange offer initiated by the Company;

6/ acknowledges that the cost of the shares and negotiable securities to be issued pursuant to this delegation of powers will be defined based on the legislation applicable to public exchange offers;

7/ gives powers to the Board of Directors, which may be delegated as permitted in law, to implement this authorisation and to write off expenses arising from capital increases against the amount of premiums arising from these increases.

This delegation of powers is granted for a period of 26 months with effect from the date of this General Meeting.

TWENTY-SEVENTH RESOLUTION

(Delegation of powers to the Board of Directors, for a period of 26 months, for the purpose of issuing shares and/or equity securities conferring rights to equity securities of the Company to be issued without pre-emption rights for shareholders, to members of the Group's corporate savings plan in an amount not exceeding €500,000, at a price set in accordance with the provisions of the French Labour Code)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report and the Statutory Auditors' special report, in accordance with articles L. 225-129-2, L. 225-138, L. 225-138-1, L. 228-91 and L. 228-92 of the French Commercial Code and article L. 3332-18 et seq. of the French Labour Code and also to satisfy the provisions of article L. 225-129-6 of the French Commercial Code:

1/ delegates its powers to the Board of Directors for the purpose of (i) increasing the share capital, on one or more occasions, through the issue of shares and/or equity securities conferring rights to equity securities to be issued by the Company reserved for members of the Group's corporate savings plans and (ii) to carry out, where appropriate, allotments of performance shares or equity securities conferring rights to equity securities to be issued in full or partial replacement of the discount stated in 3. hereinbelow on the terms and conditions and subject to the restrictions provided for in article L. 3332-21 of the French Labour Code, it being stipulated that the Board of Directors may replace all or part of this increase in capital with the sale, on the same terms and conditions of securities already held by the Company;

2/ resolves that the number of shares that may be issued as a result of all the shares to be issued pursuant to this delegation of powers, including those resulting from shares or equity securities conferring rights to equity securities that may be allotted at no cost in full or partial replacement of the discount under the terms and conditions laid down in article L. 3332-18 et seq. of the French Labour Code, must not exceed 500,000 shares. The number of additional shares to be issued to protect the rights of holders of equity securities conferring rights to the Company's share capital in accordance with the law will be added to this number, where appropriate;

3/ resolves that (i) the issue price of the new shares may not be higher than the average opening listed price of the shares in the 20 sessions preceding the day of the Board of Directors' or Chief Executive Officer's decision setting the start date of the subscription period, or more than 20% or 30% below this average, depending on whether the duly subscribed securities are assets subject to a lock-up period of less than 10 years or 10 years or more; it being stipulated that the Board of Directors or the Chief Executive Officer may, as appropriate, reduce or dispense with the discount that may be adopted to reflect factors such as the legal and tax regimes applicable outside France or decide to replace this discount fully or partially with the bonus allotment of shares and/or equity securities conferring rights to the share capital and that (ii) the issue price of the equity securities conferring rights to the share capital will be determined on the terms and conditions laid down in article L. 3332-21 of the French Labour Code;

4/ resolves to disapply for the benefit of members of the Group's corporate savings plans shareholders' pre-emption right to shares or equity securities conferring rights to equity securities to be issued by the Company that may be issued pursuant to this delegation of powers and to disapply any right to the shares and equity securities conferring rights to equity securities to be issued that may be allotted at no cost on the basis of this resolution;

5/ delegates full powers to the Board of Directors, which may be delegated as provided for in law, to:

- decide whether the shares must be subscribed directly by employee members of the Group's savings plans or if they have to be subscribed via an FCPE corporate mutual fund or an employee owned SICAV (Sicavas),

- determine the companies, the employees of which may qualify for the subscription offer,
- determine whether employees should be granted extra time to pay up their shares,
- lay down the arrangements for membership of the Group's corporate savings plans, draft or amend their regulations,
- set the opening and closing dates of the subscription period and the issue price of the shares,
- allot, within the restrictions laid down in article L. 3332-18 et seq. of the French Labour Code, bonus shares or equity securities conferring rights to equity securities to be issued and determine the nature and amount of reserves, earnings or premiums to be capitalised,
- determine the number of new shares to be issued and the scale-down rules applicable in the event of over-subscription,
- write off expenses arising from capital increases and issues of other securities conferring rights to equity securities to be issued against the premiums related to these increases in capital and deduct from the premiums the amounts necessary to lift the statutory reserve to the required level after each capital increase.

This delegation of powers is granted for a period of 26 months with effect from the date of this General Meeting.

TWENTY-EIGHTH RESOLUTION

(Setting of the overall limits on delegations of authority at a nominal amount of €10,000,000 for increases in the share capital through the issue of shares, equity securities conferring rights to other equity securities or negotiable securities conferring rights to equity securities to be issued and €15,000,000 for issues of equity securities conferring rights to the share capital or carrying entitlement to the allotment of debt securities)

The General Meeting, deliberating in accordance with the quorum and majority voting requirements for extraordinary general meetings, apprised of the Board of Directors' report, resolves to set as follows the overall limits on amounts of issues that may be decided pursuant to delegations of authority to the Board of Directors under the previous resolutions:

- the maximum nominal amount (excluding issue premiums) of increases in the share capital through the issue of shares, equity securities conferring rights to other equity securities or negotiable securities conferring rights to equity securities to be issued may not exceed €10,000,000, plus the nominal amount of capital increases to be carried out, to protect the rights of holders of these securities in accordance with the law. In the event of a capital increase through the capitalisation of premiums, reserves, earnings or other items in the form of a bonus share allotment during the period of validity of these delegations of authority, the aforementioned maximum nominal amount (excluding issue premiums) will be adjusted through application of a multiplier equal to the ratio of the number of shares making up the share capital after the transaction to the amount prior to the increase;
- the aggregate maximum nominal amount of issues of negotiable debt securities conferring rights to the share capital or to equity securities may not exceed €15,000,000 or the equivalent value on this day of this amount in any other currency or unit of account established with reference to several currencies.

TWENTY-NINTH RESOLUTION

(Powers to carry out formalities)

The General Meeting grants full powers to the bearer of an original, copy or excerpt of the minutes of this Meeting to carry out the statutory and administrative formalities and to complete all filing and publicity formalities required by the legislation in force.

ADDITIONAL INFORMATION

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7.1 Shareholder information

Corporate documents

The Company's corporate documents, including its Articles of Association, financial statements and the reports submitted to its general meetings by the Board of Directors or the Statutory Auditors, are available for inspection at its registered office by contacting:

Thierry Mabille de Poncheville

Chief Legal Officer

Tel.: +33 (0)1 84 13 87 44

Fax: +33 (0)1 47 38 13 42

E-mail: thierry.deponcheville@groupe-ffp.fr

Financial information

Investors and shareholders requiring information about the Company may contact:

Sébastien Coquard

Chief Investment Officer

Tel.: +33 (0)1 84 13 87 25

Fax: +33 (0)1 47 38 13 42

E-mail: sebastien.coquard@groupe-ffp.fr

In addition, all the latest financial news and all the information documents published by FFP are available on the Company's website (www.groupe-ffp.fr).

7.2 Person responsible for the Registration Document

Statement by the person responsible for the Registration Document

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Robert Peugeot, Chairman and Chief Executive Officer

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT INCLUDING AN ANNUAL FINANCIAL REPORT CONTAINING THE DISCLOSURES REQUIRED BY ARTICLE 222-3 OF THE AMF'S GENERAL REGULATION AND IDENTIFIED IN THE CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, i) the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and of all the companies in the consolidation taken as a whole, and ii) the management report includes a fair review of the development, performance and financial position of the Company and all the companies in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

I have obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of this document and examined the information about the financial position and the historical accounts contained therein.

Robert Peugeot

Chairman and Chief Executive Officer

7.3 Person responsible for the audit of the financial statements

Principal Statutory Auditors

MAZARS

61 rue Henri-Regnault, 92075 Paris-La Défense Cedex

Represented by Virginie Chauvin (replacing Jean Latorzeff)

Date of first appointment: Ordinary General Meeting of 9 June 2011 called to approve the financial statements for the year ended 31 December 2010.

Date of most recent reappointment: Ordinary General Meeting of 11 May 2017 called to approve the financial statements for the year ended 31 December 2016.

End date of appointment: Ordinary General Meeting called in 2023 to approve the financial statements for the year ended 31 December 2022.

SEC3

8-10 rue Léon-Frot, 75011 Paris

Represented by Philippe Spandonis (replacing Yves Chaumet)

Date of first appointment: 7 June 2000.

Date of most recent reappointment: Ordinary General Meeting of 11 May 2017 called to approve the financial statements for the year ended 31 December 2016.

End date of appointment: Ordinary General Meeting called in 2023 to approve the financial statements for the year ended 31 December 2022.

7.4 Cross-reference table for the Registration Document

The following cross-reference table shows where the main information required under Regulation (EC) No. 809/2004 can be found.

Sections	Headings of Annex 1 of Regulation (EC) No. 809/2004	Pages
1.	**PERSONS RESPONSIBLE**	
1.1.	Person responsible for the Registration Document	220
1.2.	Statement by the persons responsible	220
2.	**STATUTORY AUDITORS**	
2.1.	Name and address of the Statutory Auditors	221
2.2.	Statutory Auditors, having resigned, been removed or not been reappointed	N/A
3.	**SELECTED FINANCIAL INFORMATION**	
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5.1.2.	*Place of registration and registration number*	97
5.1.3.	*Date of incorporation and length of life*	97
5.1.4.	*Registered office, legal form, applicable legislation, country of incorporation, address and telephone number of its registered office*	97 - 194
5.1.5.	*Important events in the development of the Company's business*	4 - 8 - 14 and s. - 100 - 110 - 111
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5.2.1.	*Principal investments in each financial year for the period covered by the historical financial information, up to the date of the Registration Document*	100 - 111
5.2.2.	*Main investments in progress*	N/A
5.2.3.	*Principal future investments on which its management bodies have already made firm commitments*	110 - 163 - 189
6.	**BUSINESS OVERVIEW**	
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6.1.2.	*Significant new products and/or services launched*	N/A
6.2.	Principal markets	7 - 14 to 30
6.3.	Exceptional events that have influenced information given in accordance with items 6.1 and 6.2	100
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6.5.	Basis for any statements made by FFP concerning its competitive position	N/A
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8.	**PROPERTY, PLANT AND EQUIPMENT**	
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8.2.	Environmental issues that may affect the issuer's use of its property, plant and equipment	31 to 51 - 204 - 205

N/A: not applicable.

Sections	Headings of Annex 1 of Regulation (EC) No. 809/2004	Pages
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9.2.3.	*Governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations*	N/A
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10.5.	Information regarding the anticipated sources of funds needed to fulfil commitments	163 - 189
11.	**RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES**	**N/A**
12.	**TREND INFORMATION**	
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12.2.	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	110
13.	**PROFIT FORECASTS OR ESTIMATES**	**N/A**
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19.	**RELATED PARTY TRANSACTIONS**	**N/A**

N/A: not applicable.

Sections	Headings of Annex 1 of Regulation (EC) No. 809/2004	Pages
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20.6.	Interim financial information	N/A
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21.1.2.	*Existence of shares not representing capital*	N/A
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23.1.	Name, business address, qualifications and material interest in the issuer of persons who have acted as experts and whose statements or reports have been included in the Registration Document	N/A
23.2.	Confirmation that this information from a third party has been accurately reproduced	N/A
24.	**DOCUMENTS ON DISPLAY**	**220**
25.	**INFORMATION ON HOLDINGS**	**14 and s.**

N/A: not applicable.

7.5 Cross-reference table for the annual financial report

The following cross-reference table shows where the information required in the annual financial report can be found.

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▪ restrictions in the Articles of Association on the use of voting rights and share transfers or clauses of agreements brought to the Company's attention in accordance with article L. 233-11 of the French Commercial Code (article L. 225-100-3-2° of the French Commercial Code)	N/A
▪ direct or indirect holdings in the Company's share capital (article L. 225-100-3-3° of the French Commercial Code)	92 to 94
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▪ control mechanisms provided for in any employee share ownership plan, when control rights are not exercised by employees (article L. 225-100-3-5° of the French Commercial Code)	N/A
▪ arrangements between shareholders, of which the Company is aware and which may lead to restrictions on share transfers and the exercise of voting rights (article L. 225-100-3-6° of the French Commercial Code)	93
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▪ the number of shares bought or sold during the financial year, the average purchase and sale price, the amount of trading expenses, the number of shares registered in the Company's name at the close of the financial year and their value stated at purchase cost, plus their nominal value for each the purposes, the number of shares used, any reallocations affecting them and the fraction of the share capital that they represent (article L. 225-211, sub-paragraph 2, of the French Commercial Code)	96 - 97
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▪ information about supplier payment terms (article L. 441-6-1, sub-paragraph 1, of the French Commercial Code)	110

N/A: not applicable.

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■ employee-related and environmental implications of the Company's business (article L. 225-102-1 of the French Commercial Code)	31 and s. - 204 - 205
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N/A: not applicable.

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