



HALF YEAR FINANCIAL REPORT AS AT JUNE 30, 2018

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1. CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS AS AT JUNE 30, 2018

1.1 Statement of net profit or loss and other comprehensive income

<i>in K€</i>	Notes	H1 2018	H1 2017 restated*
Net revenues	4.1	315 477	306 173
Cost of goods sold		- 205 075	- 191 765
Gross margin		110 402	114 408
Gross margin as a percentage of revenue		35,0%	37,4%
Marketing		- 12 760	- 12 310
Logistics & Fulfillment		- 74 673	- 70 855
General & Administrative expenses		- 28 657	- 24 558
Amortization recognized in business combinations		- 567	- 753
Current operating profit		- 6 254	5 932
Cost of share based payments		- 1 742	- 2 467
Other operating income and expenses	4.2	2 657	- 2 776
Operating profit		- 5 339	689
Income from cash and cash equivalents		- 145	- 158
Cost of financial debt		- 85	- 91
Net finance costs		- 230	- 249
Other financial income and expenses		214	90
Profit before tax		- 5 354	530
Income taxes	4.3	- 1 129	- 740
Net income for the period		- 6 483	- 210
Attributable to owners of the Parent		- 6 943	- 354
Attributable to third parties		459	144
Earnings per share (in €)			
Basic earnings per share		- 0,20	0,01
Diluted earnings per share		- 0,20	0,01

*) See Note 2.7 "Change in presentation"

1.2 Net comprehensive income

<i>in K€</i>	Notes	H1 2018	H1 2017 restated*
Net income for the period		- 6 483	- 210
Income and expense recognized in equity		-	-
Total comprehensive net income for the period		- 6 483	- 210

1.3 EBITDA

<i>in K€</i>	Notes	H1 2018	H1 2017
Net income for the period		- 6 483	- 210
Amortisation of assets recognized through business combination		567	753
Deprec. & Am. of tangible and intangible assets		4 914	4 212
<i>o/w amort. in Logistics & Fulfillment</i>		1 145	959
<i>o/w amort. in G&A</i>		3 769	3 253
Cost of share-based payments	5.9	1 742	2 467
Non recurring items	4.2	- 2 657	2 776
Net finance costs		230	249
Other financial income and expenses		- 214	- 90
Income taxes	4.3	1 129	740
Adjusted EBITDA		- 773	10 897
<i>EBITDA in % of revenue</i>		-0,24%	3,56%

1.4 Consolidated balance sheet

<i>in K€</i>	Notes	June 30, 2018	December 31, 2017
Goodwill	5.1	123 685	123 685
Other intangible assets		51 558	49 789
Tangible assets		16 899	16 606
Financial assets		1 215	3 680
Deferred tax assets		3 314	3 226
Non current assets		196 671	196 991
Inventories	5.2	96 871	92 945
Accounts receivables and similar accounts	5.3	50 788	53 001
Income tax receivables		5 575	7 934
Other receivables	5.4	33 258	45 434
Cash and cash equivalent	5.5	22 017	50 878
Current assets		208 509	250 192
Total Assets		405 180	447 183
Share capital		1 385	1 384
Share premium reserves		173 291	173 281
Treasury shares		- 1 570	- 1 641
Other reserves		23 568	28 953
Net income		- 6 483	- 5 234
Total shareholders' equity		190 192	196 743
Non-controlling interests		-	-
Total equity	1.6	190 192	196 743
Long term financial liabilities	5.7	16 090	28 830
Employee benefits		52	52
Provisions (long-term)	5.6		5 368
Deferred tax liabilities		9 704	9 616
Total non current liabilities		25 863	43 866
Short term financial liabilities	5.7	15 184	1 144
Provisions (short-term)	5.6	1 025	1 299
Accounts payables		118 630	144 246
Income tax liability		462	657
Other current payables	5.4	53 824	59 228
Total current liabilities		189 125	206 574
Total Liabilities		214 988	250 440
Total Equity and Liabilities		405 180	447 183

1.5 Consolidated cash-flow statement

<i>in K€</i>	Notes	H1 2018	H1 2017
Net income for the period	1.1	- 6 483	- 210
Depreciation & Amortization		- 338	4 845
		134	
Gain / Loss on sale of assets		11	266
Fair value measurement of stock options	5.9 & 5.10	1 358	2 046
Cash flows from operations before finance costs and income tax		- 5 318	6 947
Income taxes for the period	1.1	1 129	740
Net finance costs	1.1	93	249
Change in working capital		- 15 669	- 62 751
Cash flow from operating activities before tax		- 19 765	- 54 815
Current income tax paid		1 035	- 1 218
Net cash from operating activities		- 18 730	- 56 033
Change in consolidation scope			- 8 331
Acquisition of intangible and tangible assets		- 7 571	- 5 786
Acquisition of stakes in associate companies		-	-
Net change in non current financial assets		- 34	- 53
Proceeds from sale of intangible and tangible assets		-	8
Other flows from investing activities		- 2 320	- 1 017
Net cash from investing activities		- 9 925	- 15 179
		71	
Proceeds from stock-options	1.6	11	801
New financial liabilities	5.7	21	15 000
Repayment of financial liabilities	5.7	- 568	- 503
Other flows from financing activities		254	-
Net cash from financing activities		- 211	15 049
		5	
Total cash flow for the period		- 28 861	- 56 163
Cash and cash equivalent at the beginning of the period	5.5	50 878	97 004
Cash and cash equivalent at the end of the period	5.5	22 017	40 841

The variation in working capital requirements on June 30, 2018 compared to December 31, 2017 is mainly due to the seasonality of the activity. Details of the composition of the closing cash position are provided in Note 5.5.

1.6 Statement of changes in consolidated equity

in K€	Share capital	Additional paid-in	Treasury shares	Other reserves Group			Consolidated retained earnings	Total Equity attributable to owners of the Company	Non-controlling interests	Total equity
				Translation reserves	Other reserves	Total				
At January 1, 2017	1 368	172 492	-	-	14 522	14 522	14 172	202 554	-	202 554
Total comprehensive net income for the period	-	-	-	-	-	-	-210	-210	-	-210
Currency translation adjustments	-	-	-	-	-	-	-	-	-	-
Proceeds from stock-options	6	795	-	-	-	-	-	801	-	801
Free shares and share options charges	-	-	-	-	2 046	2 046	-	2 046	-	2 046
Other changes	-	-	-1 197	-	-	-	-	-1 197	-	-1 197
At June 30, 2017	1 374	173 287	- 1 197	-	16 568	16 568	13 962	203 994	-	203 994
At January 1, 2018	1 384	173 281	- 1 641	1	17 088	17 089	6 630	196 743	-	196 743
Total comprehensive net income for the period	-	-	-	-	-	-	-6 483	-6 483	-	-6 483
Currency translation adjustments	-	-	-	11	-	11	-	11	-	11
Proceeds from stock-options	-	-	-	-	-	-	-	-	-	-
Changes in Treasury Shares	1	10	71	-	-	-	-	82	-	82
Free shares and share options charges	-	-	-	-	1 358	1 358	-	1 358	-	1 358
Other changes	-	-	-	-	-1 519	-1 519	-	-1 519	-	-1 519
At June 30, 2018	1 385	173 291	- 1 570	12	16 927	16 939	147	190 192	-	190 192

The variation over the period relates mainly to share based payments and stock option exercised. At June 30, 2018, the share capital of the company SRP Groupe S.A. consisted of 34,623,503 shares with a nominal value of €0.04 each compared to 34,604,953 shares as at December 31, 2017.

« Other changes » relate to the revaluation of the option to purchase the remaining shares in Beauté Privée (see Note 3.2).

2. ACCOUNTING STANDARDS, CONSOLIDATION METHODS, VALUATION METHODS AND PRINCIPLES

2.1 The Group

The attached consolidated interim condensed financial statements show the operations of the company SRP Groupe S.A. (hereafter referred to as “the Company”) and its subsidiaries, together with the Group’s share in companies over which it exercises a significant influence or joint control (the whole hereafter referred to as “the Group”). The Group’s activity is dedicated to private sales of items on the Internet.

2.2 Main events during the reporting period

New shareholder Carrefour Group

On February 7, 2018, retail group Carrefour acquired 17% of the share capital in SRP Groupe from Conforama, a subsidiary of Steinhoff Group.

The partnership between the Group and its new shareholder is part of a strategy pursued by both groups to develop a first-rate multi-channel offer and covers all commercial, marketing, logistical and big data subjects. First measures have already been launched (e.g. the opening of withdrawal points in the Carrefour network of supermarkets) and are progressing as planned.

Financing contract – future logistics concept

The Group signed a contract for a bank loan facility of 12.0M€ in total during the first half year aimed at financing its planned future capital expenditure destined to increase the part of in-house handling in its logistics flows.

The drawdowns will be spread over 2018 and 2019 in line with the planned capital expenditure needs. The first drawdown is scheduled for the third quarter of the ongoing financial year.

The loan term is 7 years with a first repayment scheduled in 2020. The applicable interest rate to Euribor plus 60 basis point per year.

2.3 Accounting standards

Statement of compliance and IFRS used

The consolidated interim condensed financial statements were drawn up in compliance with the international financial reporting standard IAS 34, “Interim Financial Reporting.” They do not include all the information required by the IFRS standard for establishment of complete annual financial statements and must be read together with the Group’s financial statements for the financial year ended on December 31, 2017.

The consolidated interim condensed financial statements for the periods from January 1, 2018 to 30 June 2018 and related notes were approved by the Board of Directors on 26 July 2018.

The accounting principles adopted for drawing up the consolidated interim condensed financial statements for the period from January 1, 2018 to June 30, 2018 are identical to those used for presentation of the annual consolidated accounts for the financial year ended on December 31, 2017 except for new standards applicable from January 1, 2018 onwards.

New standards, amendments and interpretations applicable and whose application are mandatory or which may be applied in advance for financial years starting as from January 1, 2018

The new accounting standards from January 1, 2018 onwards are the following:

Normes	Incidence sur le Groupe
IFRS 9 : Financial Instruments, classification and measurement of financial assets	<p>This new standard on financial instruments published by the IASB on July 24, 2014 replaces most of the existing IFRS provisions, notably IAS 39 and thereby encompasses the three aspects of the accounting treatment for financial instruments:</p> <ul style="list-style-type: none"> ▪ classification and valuation; ▪ loss in value ; ▪ hedge accounting. <p>The application of these texts did not have a significant impact on presentation of the consolidated financial statements.</p>
IFRS 15 : Revenue from contracts with customers	<p>This new standard on revenue recognition published by the IASB on May 28, 2014 replaces most of the existing provisions in IAS 18 and IAS 11.</p> <p>The analysis of the different types of revenue from the standpoint of IFRS 15 and most notably the revenue from conditional sales and and travel revenue, did not call for a significant change in the way in which revenue is recognized by the Group.</p> <p>Particular attention was placed on the gross or net presentation of sales revenue as well as the date at which revenue is recognized depending on the general conditions of sales and the purchasing conditions agreed with suppliers.</p>

The group has decided not to apply in advance the standards published by the IASB, approved by the European Union that may be applied in advance as from January 1, 2018. This concerns the following standards:

Normes	Date d'application IASB	Incidence sur le Groupe
IFRS 16 : Leases	January 1, 2019	<p>On January 13, 2016, the IASB issued the new standard on leases. The new standard, not adopted by the European Union, is applicable from January 1, 2019 or in advance from January 1, 2018 with IFRS 15.</p> <p>This new standard will supplant for lessees the distinction previously made between "operating leases" and "finance leases". Lessees will have to recognize in their accounts all lease contracts of a duration of longer than one year in a manner that is similar to the one applied for finance lease contracts under IAS 17. They will therefore have to record asset and a debt in their accounts reflecting the rights and obligations embodied by the lease contract.</p> <p>The off-balance sheet commitments detailed and presented in note 8.2 as regards futur lease payment give a first indication of the impact expected from the application of this standard not taking into account uncertainties as of the closing date concerning the duration of contacts and the applicable discount rate.</p> <p>The precise impact of this standard is currently under study also for logistics contracts. In this context the amount of futur lease payments may change depending on the outcome of the project of increasing the in-house handling of part of currently outsourced logistics flows.</p>

Standards, amendments and interpretations published by the IASB but not yet approved by the European Union

The standards, amendments and interpretations adopted by the IASB or the IFRIC but not yet approved by the European Union nor applied in advance by the Group as at June 30, 2018 were the following

- Interpretation IFRIC 23: Uncertainty over Income Tax Treatments.
- Annual IFRS improvement cycle: 2015 – 2017

The impact of these standards is currently being evaluated but it is unlikely that it will be significant for the Group.

2.4 Use of estimates and assumptions

Preparation of the financial statements in accordance with IFRS standards requires Management to exercise judgements, make estimates and assumptions that may have an impact on application of accounting methods and on the amounts of assets and liabilities, income and expenditure.

These estimates take into account economic data and hypotheses that are likely to vary over time and may contain some uncertainties. They mainly concern the valuation methods and hypotheses used for the purpose of identifying intangible assets in relation to business combinations, monitoring the Goodwill value, valuation of intangible assets, stock valuation and estimates of provisions, assets and liabilities resulting from finance lease contracts.

In the context of preparation of the consolidated interim condensed financial statements, the significant assumptions made by Management in order to apply the Group's accounting methods and the main sources of uncertainty relative to estimates are identical to those described in the consolidated financial statements for the financial year closed on December 31, 2017.

2.5 Accounting principles and valuation methods

In the context of preparation of the consolidated interim condensed financial statements, the accounting principles and valuation methods are identical to those described in the consolidated financial statements for the financial year closed on December 31, 2017.

2.6 Seasonality

Performance in the 2nd half-year is better than in the 1st half-year since the seasonality of the activity and demand usually reach a peak in the fourth quarter of the year, before the Christmas period. During this period, the Group usually realizes its highest volume of sales and acquires its largest number of new members.

This seasonality has an impact on cash-flow and working capital requirements in the 1st half-year. During the first half-year, the Group pays its suppliers for major conditional sales volumes and reconstitute its stocks and marketing costs incurred during the fourth quarter of the previous year are settled during this period.

2.7 Changes in presentation

In line with a recommendation from the French stock market authority (AMF), the line « Amortization recognized in business combinations » is now presented as part of the "Current Operating Profit".

3. CONSOLIDATION SCOPE

3.1 Scope on June 30, 2018

The following entities were part of the consolidation scope as at June 30, 2018:

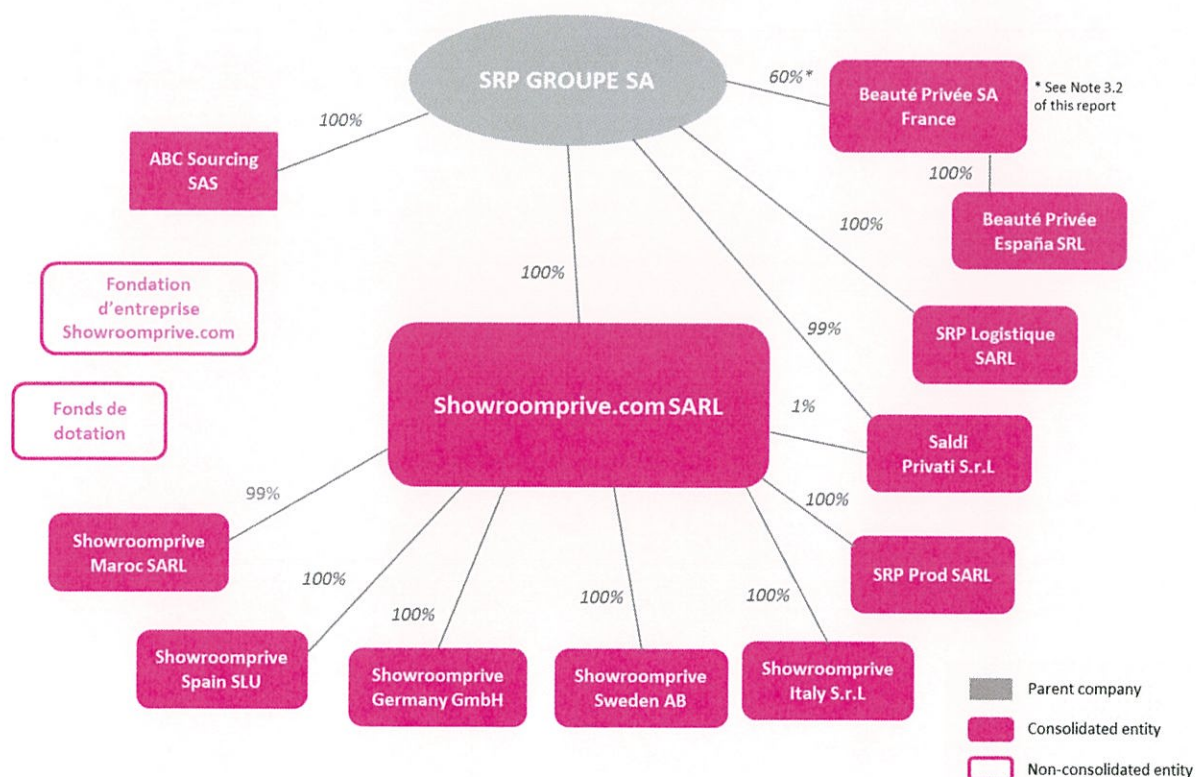
Legal entities		Conso. method	June 30, 2018		June 30, 2017	
			Share-holding	Controlling interest	Share-holding	Controlling interest
SRP Groupe	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
Showroom 30*	France	NC	-	-	100,00 %	100,00 %
Showroomprivé.com S.à r.l.	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
SRP Logistique S.à r.l.	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
Beauté Privée SA	France	Full	60,00 %	100,00 %	60,00 %	100,00 %
Beauté Privée ESPAÑA, S.L.U.	Spain	Full	60,00 %	100,00 %	60,00 %	100,00 %
SRP Spain	Spain	Full	100,00 %	100,00 %	100,00 %	100,00 %
SRP GmbH	Germany	Full	100,00 %	100,00 %	100,00 %	100,00 %
SRP Italy	Italy	Full	100,00 %	100,00 %	100,00 %	100,00 %
SRP Prod	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
Saldi Privati S.r.l.	Italy	Full	100,00 %	100,00 %	100,00 %	100,00 %
ABC Sourcing SAS	France	Full	100,00 %	100,00 %	100,00 %	100,00 %
SRP Sweden	Italy	Full	100,00 %	100,00 %	-	-
SRP Maroc	Morocco	Full	99,99 %	100,00 %	99,99 %	100,00 %

* merged with its parent company in November 2017

Full = Fully consolidated

NC = Not consolidated

The following is the Group's organizational chart on June 30, 2018:



The four subsidiaries SRP LOG, SRP Spain, SRP Germany and SRP Sweden provide support to the business activity of Showroomprivé.com. SRP PROD is a dormant company. SRP Italy is in the process of being liquidated following the acquisition of Saldi Privati in 2016 as the latter is responsible now for all the Group's activities in Italy.

3.2 Development of scope during the period

Beauté Privée

On March 15, 2017 the Group acquired a controlling stake in Beauté Privée SA (France), through the acquisition of 60% of the share capital of the company. The Group has an option to acquire the remaining stake of 40% in 2019.

The financial debt linked to the option was revalued in the consolidated financial statements as at June 30, 2018:

<i>Share</i>	<i>Item</i>	<i>in M €</i>
60%	Payment in cash	11.4
	Earn-out	2.0
40%	Purchase option / financial debt	13.7
Total consideration		27.1

The change in value of the debt (+1,5M€) was booked against consolidated equity in line with the accounting treatment adopted the previous financial year and applied since.

The goodwill resulting from this acquisition (16.4M€) as presented in the accounts as at June 30, 2018 is final. It is unchanged compared to the year-end close 2017.

Changes in scope

No changes in scope occurred during the first half of 2018.

4. NOTES TO THE PROFIT AND LOSS ACCOUNT

4.1 Information by customer geographic area

The geographies presented according to the customers' geographic origin cover the following areas:

France	International
France mainland and overseas regions (DOM-TOM)	Belgium, Spain, Italy, Portugal, Netherlands, Poland, UK, Morocco, Germany and Sweden

The Group deploys its offer in France and in 10 other countries through a multi-currency offer from its single platform based in France or through its two sales subsidiaries in Italy and Morocco.

Sales and EBITDA present themselves as follows:

in K€	H1 2018			H1 2017		
	Total consolidated	France	Internat.	Total consolidated	France	Internat.
Internet sales	307 019	253 416	53 603	297 551	243 476	54 075
<i>Growth</i>	3%			27%	18%	87%
Other	8 458	8 458		8 622	8 107	515
Total net revenue	315 477	261 874	53 603	306 173	251 583	54 590
EBITDA	- 773	3 674	- 4 447	10 897	17 107	- 6 210
<i>Growth</i>	3,0%	4,1%	-1,8%	27,4%	19,0%	88,8%
<i>EBITDA in % of net revenue</i>	-0,2%	1,4%	-8,3%	3,6%	6,8%	-11,4%

The EBITDA per geographic area is based on an allocation of operating expenses according to turnover related to the area's business activity.

4.2 Other operating income and expenses

For the first half of 2018, other operating income and expenditure amounted to 0.9 M€ and essentially includes the following significant non-recurring elements:

▪ Saldi Privati transaction	+5.4 M€
▪ Shares and stock options allocated to employees	-1.7 M€
▪ Conseil en fusions-acquisitions	-0.9 M€
▪ Litigation fees	-0.9 M€
▪ Restructuring and transformation measures	-0.5 M€

With regard to the “Saldi Privati transactions” the Group concluded on June 29, 2018 with the former owner (Eprice) an agreement to recover part of the original acquisition price as well as the early termination of the logistics contract agreed with Eprice at the time of acquisition of Saldi Privati in 2016. As part of this agreement the Group obtained a repayment 2.5 M€ by Eprice on the acquisition price for non-compliance with performance criteria and agreed to end from June 30, 2018 and ahead of its term the logistics contract against an indemnity payment of 2.0M€. The termination of the logistics contract consequently triggered the unwinding of the remaining balance of the provision for unfavorable contracts (+4.9M€) recognized as part of the purchase price allocation in 2017.

For the same period in 2017, other operating income and expenditure included:

▪ Shares and stock options allocated to employees	-2.5M€
▪ Restructuring measures	-1.1M€
▪ Integration Saldi Privati	-0.6M€
▪ Fees linked to litigations	-0.5M€

4.3 Income Tax

The income tax is recognized in each interim period based on the best estimate of the annual income tax expected for the full year.

For the French tax group and Italy, the Group decided by caution, not to recognize deferred tax assets resulting from tax losses in the first half of the year before a return to profit is confirmed. The income tax charge on taxable income as at June 30, 2018 for an amount of 0.6 M€ therefore essentially relates to the estimated taxable income of Beauté Privée (a French subsidiary that is not part of the tax group).

In addition, the tax charge related to the CVAE in France for the first half year amounts to 0.5 M€.

5. NOTES TO THE BALANCE SHEET

5.1 Goodwill

No change in the goodwill was stated during the first half of 2018

At the closing date the group did not identify any indicator of a loss of value that would call into question the long-term outlook and valuation of its business activities and justify an impairment test for goodwill and other assets and liabilities.

As a reminder, given its internet sales activity and its organization, the Group has chosen to value its activities in a single cash-generating unit which is SRP Groupe.

5.2 Inventories

<i>in K€</i>	June 30, 2018			December 31, 2017		
	Gross book value	Allowance	Net book value	Gross book value	Allowance	Net book value
Packaging and supplies inventory	466	-	466	536	-	536
Goods inventory	100 609	- 4 204	96 405	95 342	- 2 933	92 409
Total Inventories	101 075	- 4 204	96 871	95 878	- 2 933	92 945

5.3 Accounts receivables and similar accounts

<i>en K€</i>	June 30, 2018			December 31, 2017		
	Gross book value	Provisions for doubtful accounts	Net book value	Gross book value	Provisions for doubtful accounts	Net book value
Accrued income	6 139	-	6 139	3 524	-	3 524
Accounts receivable	13 750	- 307	13 443	10 426	- 413	10 013
Advances and prepayments	31 206	-	31 206	39 464	-	39 464
Total receivables and related accounts	51 095	- 307	50 788	53 414	- 413	53 001

All customer receivables are due within less than one year.

5.4 Other receivables and payables

<i>in K€</i>	June 30, 2018	December 31, 2017
Deferred expenses	3 259	21 180
Tax and social security receivables	24 198	20 525
Other miscellaneous receivables	5 802	3 729
Other current receivables	33 258	45 434
Deferred revenue	21 200	32 446
Tax and social security liabilities	28 797	22 715
Other miscellaneous payables	3 827	4 069
Other current liabilities	53 824	59 230

5.5 Cash and cash equivalents

<i>in K€</i>	June 30, 2018	December 31, 2017
Short-term investments	4 974	392
Cash at bank	17 043	50 486
Bank overdrafts		
Net cash	22 017	50 878

In the first half of 2018, the decrease in cash, amounting to €28.9M, is mainly due to structurally negative cash flow from operating activities in the first half of the financial year due to the cyclical activity of the Group and the drop in profitability during the reporting period.

5.6 Provisions

<i>in K€</i>	Dec 31, 2017	Provisions	Reversals of provisions (used)	Reversals of provisions (unused)	Other changes	June 30, 2018
Provision for onerous contracts linked to the Saldi Privati acquisition	5 368		- 2 630	- 2 738		-
Provision for litigation (< 1 year)	950	78	- 738			290
Total Provision for risks	6 318	78	- 3 368	- 2 738	-	290
Miscellaneous	349	386				735
Total Provisions for charges	349	386	-	-	-	735

The provision recognized as part of the purchase price allocation of the acquisition of Saldi Privati in the year-end accounts 2017 to cover a long-term logistics contract was partially released in line with the life of the contract during the first six months and the balance unwound entirely following the agreement with the seller dated June 29, 2018. The agreement includes a lump-sum indemnity payment to the seller of 2.0M€ covered by this provision.

The company Showroomprivé.com is still subject to a tax audit covering the financial years 2013 and 2014. At the closing date the situation remained unchanged. As a consequence, no provision was made in the consolidated accounts of the Group as at June 30, 2018.

5.7 Financial liabilities

<i>in K€</i>	December 31, 2017	Loans raised	Loans repaid	Other	June 30, 2018
Bank borrowings	16 622		- 97	- 435	16 090
	12 208			- 12 208	-
Mid- and long-term financial liabilities	28 830	-	- 97	- 435	16 090
Bank borrowings due in less than 1 year	1 112		- 471	435	1 076
Other borrowings due in less than 1 year	5	22		13 727	13 754
Bank overdrafts	27	327			354
	-				-
Short-term financial liabilities	1 144	349	- 471	14 162	15 184
<i>o/w finance lease</i>	<i>2 374</i>		- 518		<i>1 856</i>
Total Loans and financial debts	29 974	349	- 568	13 727	31 274

The main change in financial liabilities during the reporting period is linked to an increase in the debt towards the minority shareholders of 1.5M€ (from 12.2 M€ to 13.7 M€) which represents the best estimate as at the closing date of the future payment for the acquisition the remaining shares (40%) in Beauté Privée (see Note 3.2). This debt was reclassified at the closing date to "Other borrowings due in less than 1 year".

5.8 Definition of classes of financial assets and liabilities by accounting category

<i>in K€</i>					
June 30, 2018					
Categories of financial assets and liabilities	Financial assets/ Liabilities measured at fair value through profit or loss	Financial assets/ Liabilities measured at amortized cost	Financial assets/ Liabilities measured at fair value	Total carrying amount	Fair value of the category
<i>in k€</i>					
Financial assets		1 215		1 215	1 215
Operating receivables and other current receivables		84 046		84 046	84 046
Derivative instruments				0	0
Other non current assets				0	0
Cash and Cash equivalents	22 017			22 017	22 017
TOTAL ASSETS	22 017	85 261	0	107 278	107 278
Long term financial liabilities		16 090		16 090	16 090
Other non-current liabilities			52	52	52
Short term financial liabilities		1 457	13 727	15 184	15 184
Operating liabilities and other current liabilities		172 454		172 454	172 454
Derivative instruments				0	0
TOTAL LIABILITIES	0	190 001	13 779	203 780	203 780

<i>in K€</i>					
December 31, 2017					
Categories of financial assets and liabilities	Financial assets/ Liabilities measured at fair value through profit or loss	Financial assets/ Liabilities measured at amortized cost	Financial assets/ Liabilities measured at fair value through equity	Total carrying amount	Fair value of the category
<i>in k€</i>					
Financial assets		3 680		3 680	3 680
Operating receivables and other current receivables		98 435		98 435	98 435
Derivative instruments				0	0
Other non current assets				0	0
Cash and Cash equivalents	50 878			50 878	50 878
TOTAL ASSETS	50 878	102 115	0	152 993	152 993
Long term financial liabilities		16 622	12 208	28 830	28 830
Other non-current liabilities			52	52	52
Short term financial liabilities		1 144		1 144	1 144
Operating liabilities and other current liabilities		203 474		203 474	203 474
Derivative instruments				0	0
TOTAL LIABILITIES	0	221 240	12 260	233 500	233 500

5.9 Stock option schemes

On August 5, 2010, the General Meeting of Shareholders authorised the Board of Directors to grant to a certain number of associates of the Group, on one or more occasions and over a period of 38 months, options entitling them to subscribe for shares

On October 27, 2014, the General Meeting of Shareholders authorised the Board of Directors to grant to a given number of employees of the Group, on one or more occasions, and over a period of 38 months, options entitling them to subscribe for new shares.

The main features of these schemes and the basis of calculation are summarised in the table below:

	Plan n°1	Plan n°2	Plan n°3	Plan n°4	Plan n°5	Plan n°6	Plan n°7	Plan n°8	Plan n°9
Date of the General Meeting	05/08/10	05/08/10	05/09/10	05/08/10	05/08/10	05/08/10	05/08/10	05/08/10	27/10/14
Date of the executive board	05/08/10	05/08/10	31/01/11	30/11/11	15/10/12	15/01/13	15/04/13	04/10/13	27/10/14
Total number of options authorized	544 320				1 260 000				84 500
Total number of options attributed over the previous periods	544 320	315 000	293 750	38 750	342 500	50 000	167 500	50 000	70 000
Total number of options attributed over the current year	-	-	-	-	-	-	-	-	-
Total number of options exercised over the previous periods	- 544 320	- 315 000	- 156 898	-	- 160 812	- 43 570	- 74 506	- 40 355	- 36 258
Total number of options exercised over the current year	-	-	- 2 600	-	-	-	-	-	-
Total number of options cancelled	-	-	- 100 000	- 38 750	- 126 406	- 6 430	- 48 438	- 2 343	- 15 624
Total number of remaining options at 30th June 2018	-	-	34 252	-	55 282	-	44 557	7 302	18 118
Weighted average vesting period (in year)	-	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0
Share price at the granting date / considered equal to the exercise price	4,00	4,00	4,00	4,60	5,20	5,20	5,20	5,60	7,20
Exercise price (€)	4,00	4,00	4,00	4,60	5,20	5,20	5,20	5,60	7,20
Expected volatility	32%	32%	32%	32%	35%	35%	35%	35%	35%
Weighted average fair value at grant date	-	0,29	0,32	0,37	0,42	0,38	0,37	0,77	1,24

It is specified that Scheme Nos. 1 and 2 are intended for senior executives.

In the case of Scheme No. 1, the rights were immediately acquired on the date of incorporation of SRP Groupe and completion of contributions.

Depending on the calculation parameters used in determining the fair value based on the Black & Scholes model and on the basis of an updated assumption of the turnover rate of beneficiary employees, the expense recognised in "Other operating expenditure" amounts to:

- €12k for the first half of 2017.
- €1k for the first half of 2018.

As of June 30, 2018 all of these plans have been completely amortized.

5.10 Free Share Schemes

On September 25, 2015, May 30, 2016 and June 26, 2017, the General Meeting of Shareholders authorized the Board of Directors to grant bonus shares to a given number of employees of the Group, on one or more occasions, and over a period of 38 months.

These plans were implemented at the same time as the IPO.

The main features of these plans and the calculation bases are summarized in the following table:

	Date of the General Meeting	Date of the executive board	Total number of free shares authorized	Total number of free shares attributed over the previous periods	Total number of free shares attributed over the current year	Total number of free shares exercised over the current year	Total number of free shares cancelled	Total number of remaining free shares at 30th June 2018	Weighted average vesting period (in years)	Share price at the granting date	Weighted average fair value at grant date
Plan n°6	30/05/16	14/02/17	57 990	57 990	-	-	- 20 630	37 360	2,0	22,69	17,02
Plan n°7	30/05/16	14/02/17	46 653	46 653	-	-	- 39 593	7 060	2,0	22,69	17,02
Plan n°8	30/05/16	26/06/17	17 675	17 675	-	-	- 8 800	8 875	2,0	23,50	17,63
Plan n°9	30/05/16	26/06/17	95 450	95 450	-	-	- 26 000	69 450	2,0	23,50	17,63
Plan n°10	26/06/17	04/12/17	330 000	330 000	-	-	- 20 000	310 000	2,0	10,00	7,40
Plan n°11	26/06/17	04/12/17	243 800	243 800	-	-	- 37 000	206 800	2,0	10,00	7,40
Plan n°12	26/06/17	04/12/17	6 000	6 000	-	-	-	6 000	2,0	10,00	7,50
Plan n°13	26/06/17	14/06/18	10 000	10 000	-	-	-	10 000	3,0	6,44	4,08
Plan n°14	26/06/17	14/06/18	14 000	14 000	-	-	-	14 000	4,0	6,44	4,45

Depending on the parameters used in determining the fair value, and on the basis of an updated assumption of the turnover rate of beneficiary employees, the expense recognized as "Cost of share based payments" amounts to 1.4 M€ for the first six months of 2018 (not including flat-rate social security charges).

The total amount to be amortized between 2018 and 2021 in respect of this plan is 2.9 M€.

5.11 Earnings per share

Basic earnings per share

<i>in K€</i>	H1 2018	H1 2017
Net income for the period - part attributable to Group	- 6 943	- 354
Average number of ordinary shares	34 605 609	34 266 526
Basic earnings per share (in €)	- 0,201	- 0,010

Diluted earnings per share

Given the net of loss for the first half of 2018 diluted earnings per share correspond to basic earnings per share.

6. GROUP EXPOSURE TO FINANCIAL RISKS

6.1 Market risk

Foreign exchange risk

The Group is not highly exposed to foreign-exchange risk with respect to its operational activities. The vast majority of transactions undertaken by its customers via the internet is invoiced or paid in Euros. By the same token, most purchases made from suppliers are invoiced and paid in Euros.

If the Euro appreciates (or depreciates) against another currency, the value in Euros of items of assets and liabilities, income and expenditure initially recognized in this other currency will decrease (or increase). Hence, fluctuations in the value of the Euro may have an impact on the Euro value of items of assets and liabilities, income and expenditure not denominated in Euros, even if the value of these items has not changed in the original currency.

A 10% variation in the exchange-rate parity of currencies other than the functional currencies of the subsidiaries would not have a significant impact on the Group's net income on a full-year basis.

Interest rate risk

➤ Short-term investments

The Group is exposed to an interest rate risk with regard to its short-term investments.

The impact of a fall in interest rate by 1 point applied to short-term rates would have no significant impact on the Group's net income on a full-year basis.

➤ Bank loans

The Group also raised a bank loan for 15,0M€ in 2017 in order to fund its investment in Saldi Privati. This bank loan carries a variable interest rate.

The impact of a fall in interest rate by 1 point applied to short-term rates would have a negative impact of 0,15M€ on the Group's income before tax on a full-year basis.

6.2 Liquidity risk

In order to manage the liquidity risk which may result from repayment of financial liabilities, whether at their contractual maturity or in advance, the Group implements a prudent financial policy based, in particular, on the investment of its surplus free cash flow in risk-free financial investments.

The group is not subject to any bank guarantee.

6.3 Credit risk

The financial assets which may, by their nature, expose the Group to a credit or counterparty risk essentially concern:

- Customer receivables: this risk is monitored on a daily basis through the collection and recovery processes. Furthermore, the high number of individual customers minimizes the credit concentration risk relative to customer receivables.
- Financial investments: the Group's policy is to spread its investments over monetary instruments with short-term maturity, in general for a period of less than 1 month, in compliance with the rules governing diversification and the quality of counterparties.

The book value of financial assets recognized in the financial statements, which is stated after deduction of impairment losses, represents the Group's maximum exposure to credit risk.

The Group does not hold any significant financial assets that are overdue and not amortized.

7. RELATED PARTIES

7.1 Related parties having control over the Group

On June 30, 2018, the SRP Group had not granted any loan or borrowing in favor of members of the Group's Management.

During the first half of 2018, no significant transaction had been carried out with shareholders and members of management bodies.

The remuneration of senior executives is detailed in the table below:

<i>in K€</i>	H1 2018	H1 2017
Fixed salaries	336	501
Variable salaries	-	214
Cost of share-based payments	-	-
Total	336	715

Subsidiaries within the Group's consolidation scope carry out transactions between themselves, which are eliminated for the purpose of the consolidated financial statements

7.2 Other related parties

As part of its normal business, the Group carries out transactions with entities partly owned by some executives of the Group. These transactions, conducted at market prices, essentially relate to the renting of premises in Sables d'Olonne and the warehouse in Saint-Witz:

<i>in K€</i>	H1 2018	H1 2017
Accounts receivable / payable	-928	0
Purchase of goods and services	1 178	1 318

8. OFF-BALANCE SHEET COMMITMENTS

8.1 Commitments received

No commitments were received by the Group by the end of the reporting.

8.2 Commitments given

The amount of commitments given is limited to the future payments on lease contracts amounting to 8.9 M€ on June 30, 2018, of which 6.4 M€ with a duration of more than one year compared to total of 10.7 M€ as at December 31, 2017.

9. OTHER INFORMATION

9.1 Employees

The Group had 1,154 employee on its payroll as at 30 June 2018 (1,157 as at 31 December 2017).

9.2 Post-balance sheet events

No events to report.

B/ HALF YEAR BUSINESS REPORT

The consolidated interim condensed financial statements are established pursuant to the IFRS norms.

1. KEY FIGURES FOR H1 2018

(€ million)	H1 2017	H1 2018	%Growth
Net revenues	306.2	315.5	+3.0%
Total Internet revenues	297.6	307.0	+3.2%
EBITDA	10.9	-0.8	n.a.
EBITDA as a % of revenues	3.6%	-0.2%	n.a.
Net income	-0.2	-6.5	n.a.

2. FIRST HALF HIGHLIGHTS

Following a first quarter 2018 marked by a decline in activity, Showroomprivé reported a return to growth during second quarter mainly driven by the first effects of the strategic “Performance 2018 - 2020” plan. These tangible results confirm the structural guidelines decided by the Group’s management.

1. Operational efficiency improvement

- Reinforcement of commercial approach:
 - Reinforcement of teams in several product categories with the recruitment of several senior profiles (Consumer Products, Sports, Children)
 - Reinforcement of commercial relationship with strategic brands through a global approach, not limited to the sale of overstocks but also incorporating both media and marketing solutions
 - Increase and seniorisation of commercial prospecting efforts
 - Rationalisation of the offering with a reduction in the number of sales, down -16% in the second quarter, and an increase of the turnover per sales of nearly 30%
 - Optimisation of commercial planning through better coordination of commercial, marketing and operational teams, whose successful French Days - with over 40% growth compared to the same period the previous year- are the best example
- A more detailed business monitoring:
 - Reinforced validation process for all sales opportunities
 - Closer inventory monitoring, stocks now reaching 97M€ (versus €115M as of June 30th, 2017), with greater control over the volumetry of firm purchases, down by more than 30% over the half-year period
 - Deployment of the “100% Salesforce” program to boost commercial efficiency
- Rising investments in IT:
 - All anticipated hires throughout the first half-year period were undertaken in order to accelerate the implementation of our roadmap and to gain in terms of efficiency and scalability

2. Revisited marketing approach

- Adjustment of the marketing approach with the establishment of a new strategy centered on member engagement, loyalty and brand preference
- Reinforcement of our CRM and traffic acquisition capacities with the recruitment of two senior profiles
- Traffic and total buyers up 4% and 7 % respectively over the half-year period
- Thorough review of all acquisition tools, not only in terms of technical, but also strategic and human factors
- New media approach with a diversification of communication channels traditionally used by the Group

3. Internalization of our logistics tools and development of the Group's *dropshipment* offering

- Tangible progress during the first half with:
 - The pre-selection of 2 sites for the opening of the Group's new warehouse
 - The choice of supplier for the mechanisation technology
 - The securing of funding
- Opening confirmed by the end of 2019 with the aim of delivering better, faster, and at lower cost.
- Acceleration of delivery times, particularly as regards conditional flows, with the development of the Group's *dropshipment* offering, which accounts for 6.5% of revenues over the first 6 months of the year.

4. Development of new sources of revenues and margins for the Group with the deployment of the data and media offering via the launch of SRP Media

- Several media and data campaigns already carried out in 2018 with strong brands
- Substantial appetite from the Group's brand partners for reaching the *Digital Woman*
- Digital native, decision-maker and a brand lover, the *Digital Woman* is the client that brands want to reach according to the innovation consulting agency NellyRodi, world-renowned leader in foresight applied to industries and services

5. Dynamisation of operational relations initiated with Carrefour

Both Groups are working on a daily basis on the deployment of each of the 4 identified synergy lines, namely offering, logistics, marketing and data.

- In terms of logistics, 600 *click-and-collect* points have already been deployed and are showing excellent results both in terms of traffic and purchases generation and customer satisfaction, with an objective set at 2,800 point throughout France at the end of this year.
- In terms of marketing, a number of cross-marketing campaigns have already been deployed, successfully, with both Groups' customers. Said campaigns have shown the responsiveness and great complementarity of the Groups' customer bases.
- The successfully-led initiatives around data and media have showcased the enthusiasm of Showroomprivé's customers for Carrefour Group's own brands, and the quality of media solutions offered by Showroomprivé. In parallel, both Groups are reflecting on joint operations around data, of which the vision, organization and technical architecture are currently under design.
- Sourcing and synergies among portfolios constitute an axis of optimization on which both Groups are working jointly.

6. Tempered financial performances in first half with a decreasing EBITDA, mainly impacted by the exhaustion of residual stocks built up in 2017 and the downturn in activity over the first quarter:

- EBITDA margin down -0.2 % in first half 2018 at -0.8 million euros.
- The downturn in activity observed in the first quarter, which can be partly attributed to increased selectivity, put pressure on the Group's margin.
- The gross margin was also impacted by the exhaustion of residual stocks built up in 2017 at unfavourable commercial conditions.
- Finally, the growth investments made in 2017 and those projected within the framework of the "Performance 2018-2020" plan yielded an increase in central costs during first half.

INITIATIVES FOR THE SECOND HALF

The second half of the year is to be characterized by the further deployment of the “Performance 2018-2020” plan.

1. Priority focus on the strategic “Performance 2018 - 2020” plan

Build on and amplify positive signals in the short-term:

- Attention maintained on the Group’s main pillars, members and brands
- Increase in operational efficiency
- Deployment of the Group’s new marketing approach

In the medium-term:

- Successfully carry out the opening project of a new mechanised warehouse operated by the Group
- Deploy new sources of revenue and margins through the development of SRP Media
- Develop strategic and commercial synergies with Carrefour

2. Anticipate and prepare an ambitious marketing and commercial plan for the end of the year and more particularly Black Friday and Christmas season

3. Maintain strict discipline and improve the Group’s margin in the medium term

4. Press ahead with the same operational excellence and quality of service

3. DETAILED COMMENTARY PER INDICATOR TYPE

3.1 Revenues

(€ millions)	H1 2017	H1 2018	%Growth
Internet revenue			
France	243.5	253.4	+4.1%
International	54.1	53.6	-0.9%
Total Internet Revenues	297.6	307.0	+3.2%
Other revenues	8.6	8.5	-1.9%
Net revenues	306.2	315.5	+3.0%

(€ millions)	Q2 2017	Q2 2018	%Growth
Net revenues	152.4	164.7	+8.1%

Following a challenging first quarter and a 2% decline in activity, the second quarter is showing signs of a sharp rebound reaching almost 165 million euros with growth registered at more than 8%, driven both by France and International.

Over first half, the Group’s revenues registered in total a 3% growth (+0.2% organic), at over 315 million euros. Internet sales in France increased by more than 4% to reach 253 million euros, this due to significant contribution of the return to growth materialized during the second quarter.

Following a strong growth in 2017 (+34% organic), and despite a positive performance during the second quarter having helped to offset the difficult conditions of the year’s first few months, international Internet sales were slightly lower over the half-year period (-0.9%).

3.2 Key performance indicators

<i>(In millions)</i>	H1 2017	H1 2018	%Growth
Buyers over the half-year period (in millions)	2.3	2.3	+0.1%
Number of Orders (in millions)	7.1	7.0	-1.8%
Revenue per Buyer	128.0	126.7	-1.0%
<i>Average Number of Orders per Buyer</i>	3.1	3,1	-1.9%
<i>Average Basket Size</i>	40.6	41.0	+0.9%
Share of Revenues from Mobile	62%	67%	+5pts
	31/12/2017	31/12/2018	%Growth
Cumulative Buyers (in millions)	7.9	8.5	6.6%
	Q2 2017	Q2 2018	%Growth
Buyers over the quarter (in millions)	1.5	1.5	+5.2%
Number of Orders (in millions)	3.5	3.6	+5.4%
Revenue per Buyer	97.3	97.8	+0.5%
<i>Average Number of Orders per Buyer</i>	2.4	2.4	+0.2%
<i>Average Basket Size</i>	40.9	41.0	0.3%
Share of Revenues from Mobile	62%	68%	+6pts

All KPIs exclude Beauteprivée

The Group's performance indicators were impacted by the decline in activity over the first quarter, followed by an upturn in trend over the second quarter thanks to the "Performance 2018-2020" plan, the first effects of which enabled an improvement on all of the indicators.

Over the first half, the number of total buyers continued to rise (up 6.6%), with the recruitment of over 500,000 new buyers over the period.

The number of buyers reached 2.3 million, up slightly (+0.1%) from the same period a year earlier.

The average revenue per buyer is slightly down from the same period in 2017 at 127€ (-1.0%). This is attributable to a slight drop in the number of orders per buyer (-1.9%) partly offset by the rise in the average basket size (0.9%) compared to H1 2017, totalling 41.0€.

Indicators are climbing over the second quarter with, in particular, buyers and orders rising by more than 5% and revenues per buyer up 0.5%.

The mobile has continued to sustain the activity with a contribution that has kept growing to 67% of net revenues, up 5 points from last year.

3.3 EBITDA

<i>(€ million)</i>	H1 2017	H1 2018	%Growth
France	17.1	3.7	-78.5%
<i>EBITDA France as % of revenues</i>	6.8%	1.4%	
International	-6.2	-4.4	n.a.
<i>EBITDA International as % of revenues</i>	-11.4%	-8.3%	
Total EBITDA	10.9	-0.8	n.a.
<i>Total EBITDA as % of revenues</i>	3.6%	-0.2%	

The Group's EBITDA over the first half is down -0.8 million euros.

The EBITDA was mainly affected by:

- the decline in activity during the first quarter,

- the decline of the gross margin due to the exhaustion of residual firm purchases made in 2017 under unfavourable commercial conditions,
- the effect of growth investments made in 2017 (reinforcement of international teams and establishment of the SRP Media team),
- the projected and realized reinforcements during first half within the framework of the “Performance 2018-2020” plan, with recruitments namely in IT and within the commercial teams

Profitability in France reached 1,4% in H1 2018.

International activities incurred €4,4 million in losses, a close to €2 million gain compared with the same period last year, a gain to which Saldi Privati made a large contribution by cutting its losses in half during the first six months of the year.

3.4 Cost structure

<i>(€ million)</i>	H1 2017	H1 2018	%Growth
Net revenues	306.2	315.5	+3.0%
Cost of goods sold	-191.8	-205.1	+6.9%
Gross margin	114.4	110.4	-3.5%
<i>Gross margin as % of revenues</i>	<i>37.4%</i>	<i>35.0%</i>	
Marketing	-12.3	-12.8	+3.6%
<i>as % of revenues</i>	<i>4.0%</i>	<i>4.0%</i>	
Logistics & fulfilment	-70.9	-74.7	+5.4%
<i>As % of revenues</i>	<i>23.1%</i>	<i>23.7%</i>	
General & administrative expenses	-24.6	-28.7	+16.7%
<i>As % of revenues</i>	<i>8.0%</i>	<i>9.1%</i>	
Total Opex	-107.7	-116.1	+7.8%
As % of revenues	35.2%	36.8%	
Current operating income¹	6.7	-5.7	n.a.

¹ Excluding Amortisation of intangible assets recognised upon business reorganisation

Gross margin reached €110.4 million (-3.5%), representing 35.0% of net revenues, down 0.7 point compared to the one recorded in H2 2017, and 2.4 points compared to the one recorded in H1 2017.

- The exhaustion of residual firm purchases made in 2017 in significant volumes and under less favourable commercial conditions has had a negative impact on the gross margin in the first half of the year.

Operating costs are up from 35.2% to 36.8% of revenues mainly due to:

- Marketing expenses, which are up 3.6% over first half at 12.8 million euros and remain stable compared to the previous year at 4.0% of revenues.
- Logistics and fulfilment expenses are up by 5.4% and reflect the Group's growth in first half. They represent 23.7% of revenues compared to 23.1% the previous year. Excluding the impact of Saldi Privati, whose logistics contract will be terminated at the end of the year due to unfavourable financial conditions, logistics expenses remain stable at 23.2% of revenues.
- Finally, general & administrative expenses increased by 4.1 million euros, although by only 1.8 million euros in the first semester 2018, the difference corresponding to the effects of growth investments made in 2017 (reinforcement of international teams and establishment of an SRP media team) and to the increase in D&A (+0.7 million euros). The 1.8 million euros increase in 2018 stems from the recruitments made within the framework of the “Performance 2018-2020” plan and from the full year effect of 2017 hires.

3.5 Other financial information

(€ million)	H1 2017	H1 2018	%Growth
Current operating income¹	6.7	-5.7	n.a.
Amortization of intangible assets recognized upon business reorganization	-0.8	-0.6	-25%
Other operating income and expenses	-5.2	0.9	n.a.
Operating profit	0.7	-5.3	n.a.
Cost of financial debt	-0.2	-0.1	-63%
Other financial income and expenses	0.1	0.1	-13%
Profit before tax	0.5	-5.4	n.a.
Income taxes	-0.7	-1.1	53%
Net income	-0.2	-6.5	n.a.

¹ Excluding Amortisation of intangible assets recognised upon business reorganisation

Other operating income and expenses (€0.9 million) can be broken down as follows:

- €5.4 million in income related to the global agreement entered into with ePrice as part of the Saldi Privati acquisition. This agreement covers:
 - recovery of a portion of the acquisition price for not satisfying the performance criteria (€2.5 million)
 - early release as at 30 June 2018 of a logistics contract entered into with ePrice at the time of the Saldi Privati acquisition, generating the takeover of an onerous contract provision for €4.9 million and payment of a €2 million release indemnity
- €2.6 million in non-recurrent charges corresponding mostly to internal reorganization costs and to advisory fees
- €1.7 million in costs linked to the free share allocation mainly at the time of the Group's initial public offering at the end of 2015.

The Group's tax charge increased by 53% to €1.1 million.

As a result, net income, Group share was €-6.5 million.

3.6 Cash flow items

(€ million)	H1 2016	H1 2017	H1 2018
Cash flows from operating activities	-13.5	-56.0	-18.7
Cash flows from investment activities	-3.6	-15.2	-9.9
Cash flows from financing activities	0.3	15.0	-0.2
Net change in cash flow	-16.8	-56.2	-28.8

The net change in cash flow for H1 2018 was -€28.8 million due to:

- Cash flow linked to operating activities, structurally negative in the first half of each financial year (and totally or partially offset in the second half) given the cyclical nature of the Group's business;
- A drop in profitability posted in the second half (-€12 million vs. H1 2017);
- Payment of a €2 million earn-out for Beauteprimee acquisition;
- Professional and advisory fees of €1 million

Restated to include these last two items, it was -€25,8 million, close to the variation during the same period the prior year, which was -€14 million, as restated for the non-recurring increase in firm purchases achieved that year (€42 million). The residual difference can be explained by the decrease in profitability posted during the half year.

Cash flows from operating activities amounted to -€18.7 million, a level near that of the preceding year flows, restated for the €42 million in additional firm purchases achieved that year.

Cash flows from investing activities amounted to -€9.9 million. Excluding the €2 million impact of the payment of Beauteprivee earn-out, these totaled -€7.9 million.

With no substantial financing activity during the half year, cash flows from financing activities were almost nil (-€0.2 million).

4. MAJOR DEVELOPMENTS SINCE JUNE 30, 2018

Nothing to declare.

5. MAIN RISKS AND UNCERTAINTIES FOR THE SECOND SEMESTER 2018

Risks and uncertainties for the second semester 2018 are of the same nature than those described in paragraph 4 of the 2017 registered document.

6. MAIN RELATED PARTIES TRANSACTIONS

The first half year has seen one new material transaction, which is considered transaction between related parties.

Shareholders agreement

As part of the circa 17% interest in SRP Groupe by the Carrefour company, the founders of SRP Groupe concluded a Shareholders agreement with Carrefour whereby they will act in concert towards Company in the framework of a second circle of concert.

The shareholders agreement, which entered into force on February 7, 2018, is concluded in the presence of the Company SRP Groupe.

Insofar as are parties to this agreement Mrs David Dayan, Thierry Petit, Michael Dayan and Eric Dayan, directors, his signature was submitted, to the prior approval of the Board of Directors acting under the conditions of article L. 225 - 38 of the French Commercial Code, during its meeting held on January 10, 2018.

7. GROUPE TARGETS FOR 2018 AND ONWARDS

On the strength of the first positive results observed in the second quarter issuing from actively pursued overhauls over the last months within the company, the Group intends to pursue the deployment of its "Performance 2018-2020" plan, aimed at improving its operational efficiency in the short term and at developing new opportunities for growth and profitability in the medium term. Throughout this transitional period, the Group intends to confirm its return to growth and gradually improve its margins.

C/ ATTESTATION OF THE PARTY RESPONSIBLE FOR THE CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS

I certify that to the best of my knowledge the consolidated interim condensed financial statements for the first half-year of 2018 were drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets liabilities, financial position and results of the company and the consolidated group of entities and that the half year financial report included herein gives a fair and true view of the significant events that occurred during the first six months of the year, of their effect on the consolidated interim condensed financial statements and of the main related-party transactions as well as a description of the main risks and uncertainties in the remaining six months of the year

La Plaine Saint Denis, on July 30, 2018

Thierry Petit
Chief Executive Officer



D/ STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

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

SRP Groupe S.A.

Registered office: ZAC Montjoie - 1 rue des Blés - 93212 La Plaine Saint-Denis Cedex

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2018

To the Shareholders,

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

- the review of the accompanying condensed half-yearly consolidated financial statements of SRP Groupe S.A., for the period from January 1 to June 30, 2018,
- the verification of the information presented in the half-yearly management report.

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

I. Conclusion on the financial statements

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

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

Without qualifying our conclusion, we draw your attention to the matter set out in Note 2.7 "Changes in presentation" to the condensed half-yearly consolidated financial statements concerning the amortization of intangible assets recognized in business combinations.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, on July 30, 2018

Paris, on July 30, 2018

KPMG Audit IS

Jérôme Benaïnous

Jean-Pierre Valensi
Partner

Jérôme Benaïnous
Partner