HALF-YEAR FINANCIAL REPORT 2018

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This is a free translation into English of the Tikehau Capital 2018 half-year financial report issued in French and is solely provided for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

IMPORTANT INFORMATION

Defined terms

In this half-year financial report, the expression, the "Company", designates Tikehau Capital SCA. The expressions "Tikehau Capital" and the "Group" designate Tikehau Capital SCA, a partnership limited by shares (*société en commandite par actions*) whose registered office is located at 32, rue de Monceau, 75008 Paris, registered with the Paris Trade and Companies Register under number 477 599 104, its consolidated subsidiaries and branches in their entirety.

Accounting and financial information

This half-year financial report presents the consolidated financial statements of Tikehau Capital prepared under IFRS standards (International Financial Reporting Standards) as adopted by the European Union ("IFRS") for the half-years ended 30 June 2017 and 2018.

Some figures (including data expressed in thousands or millions) and percentages presented in this interim financial report have been rounded. If applicable, the totals presented in this interim financial report may differ slightly from what would have been obtained by adding the exact values (not rounded) of these figures.

Forward-looking information

This half-year financial report contains statements on the outlook and development areas of Tikehau Capital. These statements are sometimes identified by the use of the future or conditional tense and words with prospective connotations such as “consider”, “envisage”, “think”, “target”, “expect”, “intend”, “should”, “aim”, “estimate”, “believe”, “hope”, “could” or, where appropriate, the negative form of these terms, or any other variants or similar terms. This information does not constitute historical data and must not be interpreted as a guarantee that the facts and data mentioned will actually occur. This information is based on data, assumptions and estimates considered reasonable by the Company. They may change or be modified due to uncertainties related in particular to the economic, financial, competitive and regulatory environment. They are mentioned in various sections of this half-year financial report and contain data relating to Tikehau Capital’s intentions, estimates and targets concerning the market, strategy, growth, results, financial position and cash of Tikehau Capital. Forward-looking statements contained in this half-year financial report are presented only as at the publication date of this half-year financial report. Barring any applicable legal or regulatory obligation, the Company makes no commitment to publish updates of the forward-looking information contained in this half-year financial report to reflect any changes in targets or events, conditions or circumstances on which the forward-looking information contained in this half-year financial report is based. Tikehau Capital operates in a competitive and ever-changing environment, so it may not be able to anticipate all risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which a risk or combination of risks might lead to significantly different results from those in any forward-looking information, and it should be noted that such forward-looking statements do not constitute a guarantee of results.

The Group and the Group’s asset management companies

This half-year financial report is in no circumstances a validation and/or updating of the programs of operations of each of the Group’s asset management companies.

Risk Factors

Investors are urged to consider the risk factors described in Chapter III (Risk Factors) of the Registration Document registered by the AMF (French Financial Markets Authority) on 26 April 2018 under number R. 18-024 (the "2017 Registration Document"), available on the Company's website (www.tikehaucapital.com), before making any investment decision. Should all or some of those risks actually occur, they would be likely to have a negative effect on Tikehau Capital’s business, financial position, financial results or targets. In addition, other risks not yet identified or considered immaterial by the Company could have the same negative effect and investors may well lose all or part of their investment.

I. INTERIM BUSINESS REPORT

1. OVERVIEW OF ACTIVITIES, RESULTS AND FINANCIAL POSITION FOR THE 1ST HALF YEAR 2018

(a) Key figures for the first half of 2018

The net result (Group's share) for the first half of 2018 amounted to a loss of €81.4 million compared to a profit of €85.9 million for the first half of 2017.

The results for the first half of 2018 reflect the contribution of investment activities of -€72.4 million (compared to €99.0 million for the first half of 2017) and notably the negative change in fair value of -€71.8 million for the first half of 2018 (compared to €98.6 million for the first half of 2017). This effect is partly offset by other portfolio revenues which was up strongly at €35.8 million for the first half of 2018 (compared to €23.0 million for the first half of 2017) and the strong growth in results from asset management activities, up €9.2 million for the first half of 2018 (compared to €2.9 million for the first half of 2017).

Key figures for the first half of 2018

(in millions of euros)	Items from the consolidated income statement	
	First half year 2018	First half year 2017
Net revenues from Asset Management activities[1]	35.8	25.1
Operating expenses from asset management activities[2]	(26.6)	(22.2)
Asset management net operating profit	**9.2**	**2.9**
Operating expenses from asset management activities[3]	(36.0)	121.6
Operating expenses from investment activities[2]	(36.4)	(22.6)
Share of net results from equity affiliates	0.5	-
Revenue from investment activities	**(72.4)**	**99.0**
Financial result	(12.6)	(9.7)
Non-recurring expense for the free share plan[4]	(3.2)	-
Corporate income tax	(2.2)	(5.8)
Non-controlling interest	(0.6)	(0.6)
Net result - Group share	**(81.4)**	**85.9**

[1] Net revenues from asset management activities consist of management and arrangement fees, performance fees and carried interest.

[2] These operating expenses do not include the non-recurring free share allocation expense in respect of the "All Plan" and "One Off Plan" of 1 December 2017 subsequent to the Company's listing for an amount of €3,176 thousand in the first half year 2018. This restatement will be continued up to the definitive vesting date.

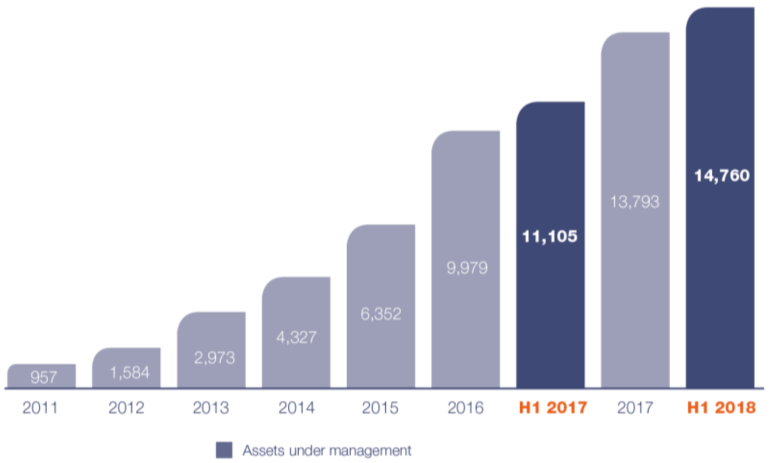
[3] These operating expenses do not include the non-recurring free share allocation expense in respect of the "All Plan" and "One Off Plan" of 1 December 2017 subsequent to the Company's listing for an amount of €3,176 thousand in the first half year 2018. This restatement will be continued up to the definitive vesting date.

[4] Non-recurring free share allocation expense in respect of the "All Plan" and "One Off Plan" of 1 December 2017 subsequent to the Company's listing for an amount of €3,176 thousand in the first half year 2018.

(in millions of euros)	Consolidated balance sheet items	
	30 June 2018	31 December 2017
Total shareholders’ equity	2,312.5	2,529.7
Shareholders’ equity – Group share	2,292.6	2,499.5
Gross cash[1]	539.2	975.4
Gross debt[2]	554.2	547.7

Non-accounting information

The following chart and table show the evolution of the Group's assets under management since 2011[3] :



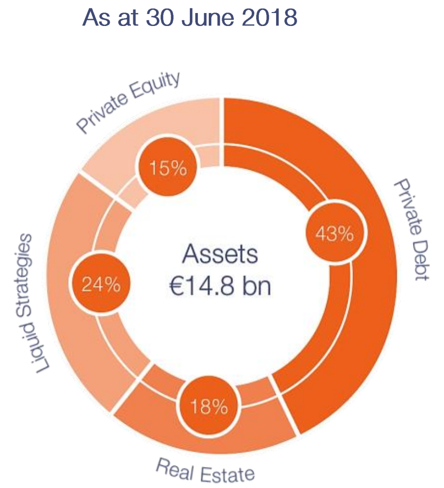
(in billions of euros)	2011	2012	2013	2014	2015	2016	30 June 2017	2017	30 June 2018
Assets under management (as at end of period)	1.0	1.6	3.0	4.3	6.4	10.0	11.1	13.8	14.8
Change over the period (6 months) or financial year (12 months)	–	0.6	1.4	1.4	2.0	3.6	1.1	3.8	1.0
Net inflows[4] over the period (6 months) or financial year (12 months)					2.0	2.3	1.3	3.9	1.5

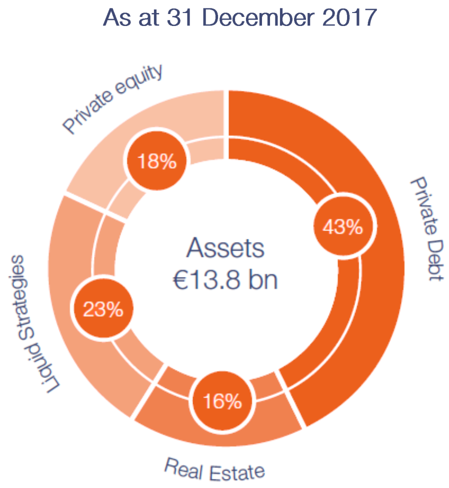
[1] Gross cash consists of cash and cash equivalents (consisting primarily of marketable securities).
[2] Gross debt consists of current and fixed borrowings and financial debt (including bank overdrafts).
[3] The concept of assets under management is an indicator of operational activity that is not reflected in the consolidated financial statements of Tikehau Capital. Depending on the different strategies, assets under management correspond mainly:

a) for liquid strategies : to the net asset value of the funds (the net asset value of each type of unit in the fund is multiplied by the number of units outstanding) or to subscribers’ commitment in the case of management mandates;
b) for private debt activities: (i) to the commitments of subscribers during the periods of fundraising and investment, (ii) to the net asset value of the funds or the fund assets for certain leveraged funds, once the investment period has ended, and (iii) to subscribers' commitments for CLO business;
c) for real estate activities: (i) to subscribers' commitments during the periods of fundraising and investment, (ii) to the available appraisal value of the assets held by the funds (or, failing that, to the historical cost of the assets) plus cash and the fund's other assets, if any;
d) for private equity activities: to the last available valuation of the assets including in particular investments in platforms (including goodwill) and available cash (i.e. net of uncalled commitments).

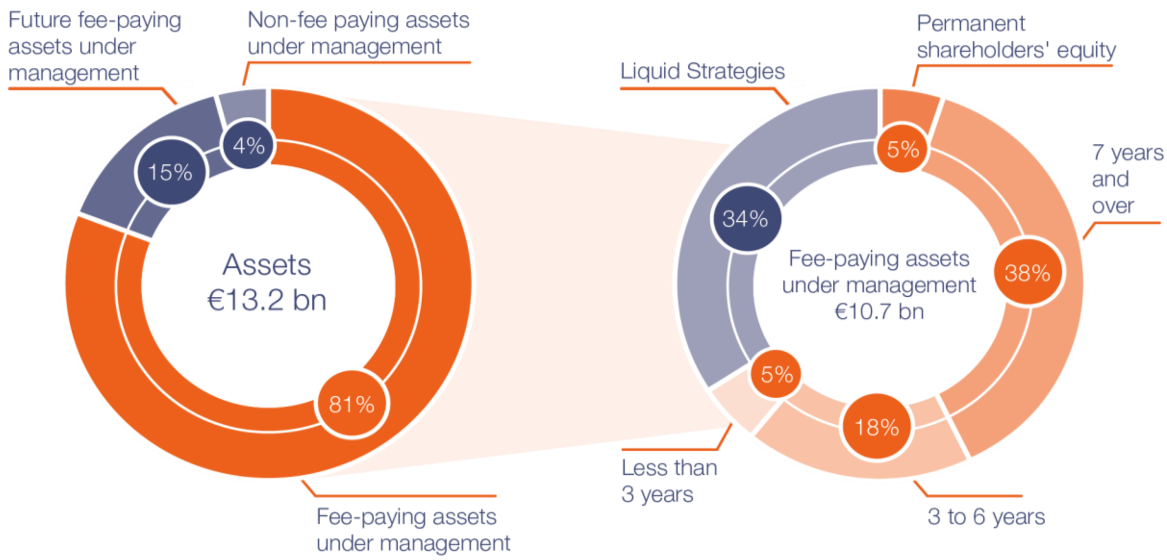
[4] Net inflows are the difference between the subscription and redemption amounts for the period.

The following charts show the breakdown of the Group's assets under management as at 30 June 2018 (€14.8billion) and at 31 December 2017 (€13.8billion) between the Group's various business lines:private debt, real estate, liquid strategies and private equity:





The following charts show the distribution of assets under management of the Group's asset management business line between the fee-paying assets under management, future fee-paying assets under management, and the non-fee-paying assets under management as at 30 June 2018 and in the €10.7billion generating management fees, the duration of this generation of revenue.



A detailed presentation of the main indicators that the Company monitors can be found in Section II.1 (Overview of activities, income and financial position) of the 2017 Registration Document, available on the Company's internet site: www.tikehaucapital.com.

In order to take into account specific features in the breakdown of assets under management of certain leveraged funds recently launched by Tikehau Capital, the definitions of the operating indicators not reflected in the consolidated financial statements of Tikehau Capital that the Company monitors (and intends to monitor) have been slightly modified and now read as follows:

- Assets under management – Depending on the different strategies, assets under management correspond chiefly:

a) for liquid strategies: to the net asset value of the funds (the net asset value of each type of unit in the fund is multiplied by the number of units outstanding) or to subscribers' commitment in the case of management mandates;

b) for private debt activities: (i)to the commitments of subscribers during the periods of fundraising and investment, (ii)to the net asset value of the funds or the fund assets of certain leveraged funds, once the investment period has ended, and (iii)to subscribers' commitments for CLO business;

c) for real estate activities: (i) to subscribers' commitments during the periods of fundraising and investment, (ii)to the available appraisal value of the assets held by the funds (or, failing that, to the historical cost of the assets) plus cash and the fund's other assets, if any;

d) for private equity activities: to the last available valuation of the assets including in particular investments in platforms (including goodwill) and available cash (i.e. net of uncalled commitments).

The change in assets under management from one year to another can be explained by (i) the net inflows effect (see below), (ii) the market effect, which is the sum of the positive and negative changes in the performance of the portfolio during the period, (iii) the distributions made during the period, and (iv) the scope effect, i.e. when management companies are acquired or sold during a financial year but also when the holding rate changes so much that the holding becomes majority or minority, their assets increase the total assets (acquisition, equity interest that becomes a majority holding) or decrease the total assets (disposal, equity interest that becomes a minority holding) of Tikehau Capital, from the date of acquisition, disposal, accretion or dilution.

• Fee-paying assets under management – Depending on the different business lines, fee-paying assets under management correspond mainly:

a) for liquid strategies : (i) to the net assets value of the funds, and (ii) for investment management mandates, to the net assets value of the funds minus the investments and cash available in certain funds managed by the Group's asset management companies;

b) for private debt activities: (i)during the periods of fundraising then investment, to net assets of the funds, the commitment called or the total commitment according to fund subscription terms, and (ii)once the investment period has ended, generally to the assets or the net assets value of the funds;

c) for real estate activities: generally to the assets' acquisition costs;

d) for private equity activities on behalf of investor clients of the Group's asset management companies: (i) during the fund-raising and the investment periods, the net assets of the funds, the commitment called or the total commitment according to fund subscription terms, and (ii) after the investment period is finalised, to the net assets of the funds.

• Future fee-paying assets under management – Depending on the various business lines, the future fee-paying assets under management, correspond to (i) either investor commitments which have not yet been called, (ii) or commitments or unit classes which do not yet generate management fees but will do so under certain conditions (e.g. after a given proportion of the commitments have been called or after a given unit holding period).

• Non-fee paying assets under management – Non-fee paying assets under management correspond to the proportion of assets under management that, by their nature, do not generate management fees and are not intended to do so. Depending on the different business lines, these are mainly:

a) for liquid strategies: investments and cash available in certain funds managed by the Group's asset management companies;

b) for private debt activities: unit classes, whether called or not, which, by their nature, do not generate management fees and are not intended to do so;

c) for real estate activities: the difference between (i) the last appraisal value available to value the assets of real estate funds and (ii) the acquisition cost of these same assets, as well as the acquisition costs of assets financed by debt in the case of certain leveraged funds;

d) for private equity activities on behalf of the investor clients of the Group's asset management companies: unit classes, whether called or not, which by their nature, do not generate management fees and are not intended to do so.

• Average fee-paying assets under management - This is the average between the amount of fee-paying assets under management as at 31 December of year N-1 and 31 December of year N.

• Weighted average fee rate – This is the average fee rate weighted by the weight of each of the Group's four business lines applied to fee-paying assets under management, that is, the ratio, for each of the four lines of business, between:

a) total fees generated by business line, based on the Group's consolidated financial statements; and

b) average fee-paying assets under management.

For the purposes of the definitions of the five operational indicators above, the term "management fees" covers the following concepts:

a) management fees (and assimilated fees);

b) other fees including waiver fees, agency commissions and assimilated commissions; and

c) arrangement fees.

• Net inflows – these are the difference between the amounts of subscriptions and redemptions for the period. A positive flow means that the total amount of inflows (subscriptions) is higher than the outflows recorded (redemptions). Conversely, a negative flow means that the amount of redemptions is greater than the inflow of subscriptions.

The definitions of the operating indicators reflected in the consolidated financial statements of Tikehau Capital have not been modified.

(b) Activities during the first half year 2018

As at 30 June 2018, Tikehau Capital's assets under management amounted to €14.8billion (compared to €13.8billion as at 31 December 2017), representing a net growth of 7.0% over the first half year.

This growth is mainly the result of net inflows of €1.5billion less market effects for -€0.1billion and distributions for -€0.5billion.

All four of the Group's business lines recorded positive net inflows over the financial year, with net inflows of €0.7billion for private debt, €0.1billion for real estate, €0.5billion for liquid strategies and €0.2billion for private equity.

As at 30 June 2018, the Group’s assets under management were divided between the asset management (€13.2 billion) business and the investments made from the Group’s balance sheet (€1.6 billion) and were broken down as follows:

	Assets under management as at30 June 2018 (inbillions of euros)	Percentage of Group assets under management	
		30 June 2018	31 December 2017
Private Debt	6.4	43.4%	43.3%
Real Estate	2.6	17.6%	16.3%
Liquid Strategies	3.6	24.4%	22,5%
Private Equity	0.6	4.0%	0,5%
Total Asset management	**13.2**	**89.3%**	**82.6%**
Total Investments made from the Group's balance sheet	**1.6**	**10.7%**	**17.4%**
TOTAL	**14.8**	**100.0%**	**100.0%**

Asset management activities

As at 30 June 2018, Tikehau Capital’s asset management activity represented assets of €13.2 billion and comprised:

- 81% of fee-paying assets under management (i.e. €10.7billion at 30 June 2018 compared to €9.2billion at 31 December 2017);
- 15% of future fee-paying assets under management (i.e. €1.9billion at 30 June 2018 compared to €1.7 billion at 31 December 2017); and
- 4% of non-fee paying assets under management (i.e. €0.6 billion at 30 June 2018 compared to €0.5billion at 31 December 2017).

Over the first half year 2018, the Group invested a total of €1.5 billion in the context of its asset management business (see below).

Private debt: €6.4 billion in assets under management as at 30 June 2018

The growth of €0.4 billion in assets under management during the first half year 2018 (i.e. 7.1% growth over the first half year) is the result of a net inflow of €0.8 billion and a positive market effect of €0.1 billion partially offset by distributions for €0.5 billion. During the first half year 2018, asset growth was promoted by the inflows generated on the Tikehau Direct Lending IV (TDL IV) and Tikehau Senior Loan III (TSL III) funds as well as the launch of the preparatory (warehousing) phase of the 4th CLO.

Real estate: €2.6 billion in assets under management as at 30 June 2018

The growth of €0.3billion in assets under management during the first half year 2018 (i.e. 15.5% growth over the first half year) is the result of a net inflow of €0.3billion driven by the fundraising phase for Tikehau Real Estate Opportunity 2018 (TREO).

Liquid strategies: €3.6 billion in assets under management as at 30 June 2018

The growth of €0.5billion in assets under management during the first half year 2018 (i.e. 16.0% growth over the first half year) is the result of a net inflow of €0.5 billion, particularly on the flexible bond fund, Tikehau Taux Variables (TTV), whose outstanding amounted to €2.1 billion at 30 June 2018, (i.e. growth of around 14.4% over the first half year).

Private Equity: €0.6 billion in assets under management as at 30 June 2018

At the date of this half-year financial report, the Group's private equity activities are carried out essentially from the Group's balance sheet. However, and as announced in its 2017 Registration Document, the Group has initiated the development of an asset management activity on behalf of its investor clients, notably through the deployment of new strategies, and as at 30June 2018, managed €0.6 billion within this framework.

The growth of €0.5billion in assets under management during the first half year 2018 is the result of a net inflow of €0.5billion mainly due to commitments received on the Tikehau Growth Equity II (TGE II) and Total/Tikehau Capital funds.

Investment activities

As at 30 June 2018, private equity investments made from the Group's balance sheet amounted to €1.6 billion in assets.

Over the first half year 2018, the Company continued the rotation of its investment portfolio held on the balance sheet in the three strategic areas of its allocation, namely (i)investments in funds managed by the Group and co-investments alongside these (1st area), (ii)investments in the Group's platforms (2nd area) and (iii)opportunistic investments (3rd area).

During the first half year 2018, for its non-current investment portfolio, the Company carried out investment transactions in its three areas of allocation from its balance sheet for a total of €472.6 million and divestments for an amount of €23.5 million.

In addition, for its current portfolio, Tikehau Capital made investments for a total of €1.1 million.

During the first half year 2018, the Group invested a total of €190.1million from its balance sheet (including €1.1million for its current portfolio) in its asset management strategies. The Group has notably invested in the Tikehau Sequoia fund alongside Ardian for €30 million. It invested an additional €30 million in the TDL IV fund and €17 million in the CLO IV where fundraising is on-going.

The Group has also invested in the following main operations:

- **Tikehau Growth Equity II (TGE II)** – In March 2018, the Company committed to subscribe an amount of €200 million in TGE II, a new private equity fund launched by Tikehau Investment Management dedicated to minority investment, of which €31 million called as at 30 June 2018. As at 30 June 2018, TGE II had invested an amount of €30million in Filiassur.
- **Total/Tikehau Capital** - On 29 March 2018, the Company announced that Total SA was participating alongside Tikehau Capital in the creation of an investment fund dedicated to energy. The purpose *of this private* equity fund is to support intermediary energy players in financing their development, the transformation of their business models and their international expansion. The team dedicated to the management of this private equity fund is made up of investment professionals from Tikehau Capital and the energy sector seconded by Total. This team will benefit from the contributions of the two partners. The fund targets major institutional investors.

Lastly, the main investments made by the Company over the first half year 2018 in the context of opportunistic investments were as follows:

- **Tikehau Brennus** – On 24 January 2018, Tikehau Capital arranged a €115 million financing for the Conforama group, through the Tikehau Brennus fund managed by its subsidiary Tikehau Investment Management, over a three-year period in which the Company participated in the amount of €67 million. This financing will allow the Conforama group to further the implementation of its multi-channel growth plans in France and in each of the countries in which it operates. The Conforama group is a major European player in home equipment, through stores and on the Internet. It operates 315 stores, including 224 in France and has 14,000 employees. Internationally, it has 91 stores in 7 countries: Spain, Switzerland, Portugal, Luxembourg, Italy, Croatia and Serbia.
- **DWS** – In March 2018, the Company took part in the IPO of DWS for €182 million. Subsequent acquisitions were carried out for €2.8 million, resulting in a total stake of 2.9% as at 30 June 2018. Further to this transaction, a partnership between the two groups is to cover (i) a pooling of co-investment opportunities and deal-flow among alternative strategies and (ii) joint initiatives in terms of products' distribution. This partnership should allow Tikehau Capital to develop its presence in Germany with a leading partner. For DWS, the partnership Is part of the objective of continuing the development of alternative management.
- **Eurazeo** – During the first half-year 2018, the Company increased its investment in Eurazeo for a total sum of €63.6 million (excluding fees), thus increasing its stake to 8.9% as at 30 June 2018 .

Other highlights of the first half of 2018

Opening of an office in New York - During the first half year 2018, Tikehau Capital continued to expand its international footprint by opening an office in New York on 28 February 2018. The opening of a New York office is part of the Group's internationalisation strategy announced at the time of its listing. It is intended to enable the Group to develop in North America, a natural growth zone because of the size of the local market, by getting closer to its prospective client base and by being in a position to seize the best investment opportunities.

2. COMMENTS ON THE 2018 CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

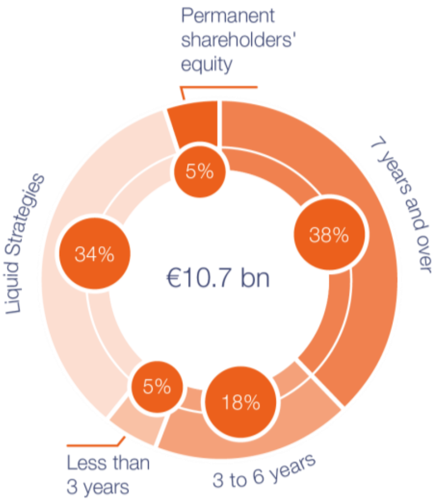
(a) Comments on the 2018 condensed half-year consolidated financial results

(i) Revenue from asset management activities

As at the first half year 2018, the net operating profit from asset management activities amounted to €9.2 million, up strongly compared to the first half year 2017 (€2.9million).

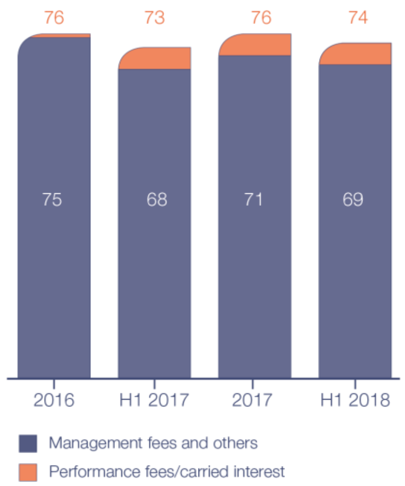
Revenue from asset management activities for the first half year 2018 amounted to €35.8million, up 42.6% compared to the first half year 2017 (€25.1million). This revenue originates mainly from management, arrangement and other fees received by the Group's asset management companies for an amount of €32.9million, representing growth of 41.2% compared to the first half year 2017 (€23.3million). These net revenues are supplemented by performance fees and carried interests for an amount of €2.9 million (compared to €1.8 million at 30 June 2017).

This significant growth in net revenues reflects both the growth of the Group's assets under management and the growth of fee-paying assets under management. As at 30 June 2018, fee-paying assets under management amounted to €10.7billion and within these assets generating revenues, over 92% of assets in closed-end funds generate revenues over a period in excess of three years:



Average fee-paying assets under management rose from €5.2billion in 2016, to €7.6billion in 2017 then €9.2 billion as at 30 June 2018 (over a sliding 12 month period).

Based on this average amount and management and arrangement fees collected as part of asset management activities, the weighted average fee rate is 69 basis points for the first half-year 2018 (over a sliding 12 month period), 71 basis points for the 2017 financial year and 75 basis points for 2016.



The weighted average fee rate is an indicator that allows the Group to monitor the evolution of its net revenues in relation to its assets under management.

At 30 June 2018, the weighted average fee rates for each of the Group's four business lines are as follows:

	Weighted average fee rate at30 June 2018 (sliding 12 month period)
Private debt	74 basis points
Real Estate	82 basis points
Liquid Strategies	51 basis points
Private Equity	immaterial
Asset management activities	**69 basis points**

This growth in assets under management and revenues from asset management activities has occurred in the context of controlled costs (excluding non-recurring free share expenses) which amounted to €26.6million at 30 June 2018 (compared to €22.2million at 30 June 2017), i.e. growth of 19.8%, to be read in the light of the 42.6% growth in current revenues over the first half year 2018.

On this basis, the operating margin for asset management activities was 25.7% for the first half year 2018, in line with the Group's objective of sustainably guaranteeing an operating margin of over 25%. The operating margins for the Group's asset management activities for the first half-year 2018 and first half year 2017 were as follows:

(in millions of euros)	First half year 2018	First half year 2017
Revenues from asset management activities	35.8	25.1
Operating expenses and others	(26.6)	(22.2)
Operating margin	**25.7%**	**11.6%**

(ii) Revenue from investment activities

For the first half year 2018, the net operating profit/loss from investment activities was a loss of -€72.4 million, compared to a profit of €99.0 million for the first half year 2017.

For the first half year 2018, revenues from the Company's investment portfolio amounted to -€36.0million compared to €121.6million for the first half year 2017.

Revenues from the portfolio for the first half year 2018 corresponds to a change in fair value for -€71.8million, down sharply compared to the first half year 2017 (positive change of €98.6million) and other portfolio revenues (namely dividends, interest and commissions) for an amount of €35.8million for the first half year 2018 (compared to €23.0million for the first half year 2017).

The change in fair value can be broken down into a change in the fair value of the non-current portfolio of -€70.7 million (compared to a positive change for the first half year 2017 of €95.1 million) and a change in fair value of the current portfolio for -€1.1 million (compared to a positive change in fair value for the first half year 2017 of €3.5 million). The change in fair value for the non-current portfolio is mainly due to the revaluation over the first half year 2018 of the Eurazeo and DWS securities for -€94.1 million.

The growth in other portfolio revenues is mainly due to the performance of the investments held in funds managed by the Group.

Operating expenses for investment activities amounted to €36.4 million for the first half year 2018 (compared to €22.6 million for the first half year 2017.

(iii) Net operating profit from asset management and investment activities (after share of net results from equity affiliates)

Net operating profit/loss from asset management and investment activities after share of net results from equity affiliates for the first half year 2018 was a loss of €65.9million (compared to a profit of €101.9million for the first half year 2017).

For the first half year 2018, equity method shareholdings showed a contribution of €0.5million compared to no contribution for the first half year 2017.

Operating expenses for the first half year 2018 amounted to €66.1million compared to €44.8million in respect of the first half year 2017. This increase in operating expenses is mainly due to the increase in Management remuneration for €16.5 million due to the increase in the Company's consolidated shareholders' equity during the 2017 financial year, as the Manager is entitled to remuneration before tax equal to 2% of the Company's total consolidated capital, calculated on the last day of the preceding financial year.

(iv) Net result

For the first half year 2018, net result on cash equivalents amounted to -€0.1million compared to €0.1million for the first half year 2017.

Financial expenses for the first half year 2018 were €12.5million, up compared to the first half year 2017 (€9.7million), notably due to the change in fair value of interest rate derivative instruments.

For the first half year 2018, current and deferred tax correspond to an expense of €2.2million (compared to an expense of €5.8million for the first half year 2017). This is due to the deficit in the Group's net result for the first half year 2018.

On this basis, the net result, Group share for the first half-year 2018 amounts to a loss of €81.4million compared to a profit of €85.9million for the first half year 2017.

(v) Net revenues – segment information

Net revenues from asset management activities

For the first half year 2018, net revenues from the asset management activities amounted to €35.8 million, up by 42.6% over the period (compared to €25.1 million in respect of the first half year 2017) in line with the increase in assets under management.

The Company’s net revenues are presented in accordance with its four business lines, namely: private debt, real estate, liquid strategies and private equity.

(in millions of €)	Asset management activities				Revenues from asset management activities as at 30 June 2018
	Private debt	Real Estate	Liquid strategies	Private equity	
Net revenues	16.7	8.5	9.1	1.5	35.8
Management, arrangement and other fees	16.7	5.7	9.0	1.5	32.9
Performance fees/carried interests	-	2.8	0.1	-	2.9

(in millions of €)	Asset management activities				Revenues from asset management activities as at 30 June 2017
	Private debt	Real Estate	Liquid strategies	Private equity	
Net revenues	13.3	4.6	7.2	-	25.1
Management, arrangement and other fees	13.3	4.6	5.4	-	23.3
Performance fees/carried interests	-	-	1.8	-	1.8

Private debt activities

For the first half year 2018, the Group's net revenue attributable to private debt activities totalled €16.7million (compared to €13.3million for the first half year 2017). This revenue corresponds to assets managed for an amount of €6.4 billion as at 30 June 2018, against €5.0 billion as at 30 June 2017.

Real estate activities

For the first half year 2018, the Group's net revenue attributable to real estate activities totalled €8.5million (compared to €4.6million for the first half year 2017). This revenue corresponds to assets managed for an amount of €2.6 billion as at 30 June 2018, against €1.9 billion as at 30 June 2017).

The net revenues from this activity correspond to management fees of €5.7 million and performance fees of €2.8 million which are due to the sale of the Escoffier warehouses by Tikehau Logistics Properties I (TLP I).

Liquid Strategies

For the first half year 2018, the Group's net revenue attributable to liquid strategies totalled €9.1 million (compared to €7.2 million for the first half year 2017). This revenue corresponds to assets managed for an amount of €3.6 billion as at 30 June 2018, against €2.6 billion as at 30 June 2017.

The net revenues from this activity correspond to management fees of €9.0 million and performance fees of €0.1 million at 30 June 2018. The increase in fees over the period reflects the increase in the assets under management in this business line, as well as the good performance of the funds for the first half year 2018.

Private Equity

The asset management activity in private equity generated fees for a total of €1.5 million for the first half year 2018. This revenue corresponds to assets under management of €0.6 billion at 30 June 2018.

Net revenue from investment activities

For the first half year 2018, the Group's net revenue attributable to private equity activities totalled -€36.0million (compared to €121.6million for the first half year 2017). This represents €35.8 million of revenue from investment in the balance sheet (compared to €23.0million for the first half year 2017), arising from dividends, bond coupons and interest on receivables related to these investments and €71.8million of negative changes in fair value and capital gains or losses (compared to €98.6 million for the first half year 2017), principally arising from the investment portfolio (mainly the revaluation of the listed Eurazeo and DWS securities). These revenues correspond to a portfolio invested for an amount of €1.9 billion as at 30 June 2018.

(b) Liquidity and Capital Resources

As at 30 June 2018, the Company's cash holdings amounted to €539.2 million in cash and cash equivalents and cash management financial assets (compared with €975.4 million as at 31 December 2017). The Company also had a current investment portfolio (consisting of bonds, marketable securities and UCITS) of €108.8 million, compared to €109.1 million as at 31 December 2017.

As at 30 June 2018, the Company's financial debt of €554.2 million (compared to €547.7 million as at 31 December 2017), mainly corresponds to borrowings by the Company from credit institutions for €255.1 million and the bond issue carried out by the Company in November 2017 for €300 million.

Further information concerning the Company's indebtedness as at 30 June 2018 is included in Note 5.14 to the condensed half-year consolidated financial statements in Section II of this half-year financial report.

(c) Changes in shareholders' equity

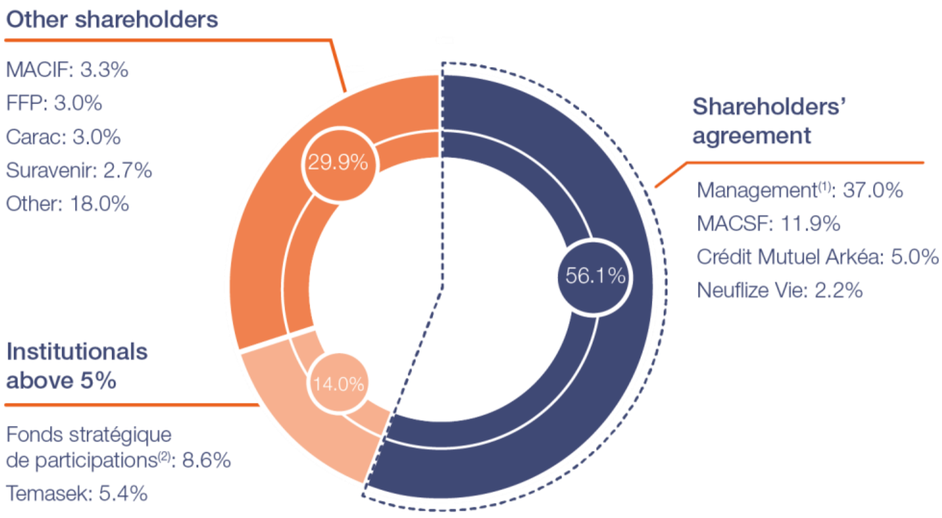
The Company's consolidated shareholders' equity, Group share, amounted to €2.3 billion as at 30 June 2018, compared to €2.5 billion as at 31 December 2017.

As at 30 June 2018 and as at 31 December 2017, the Company's consolidated shareholders' equity could be broken down as follows:

Under IFRS standards (in millions of €)	30 June 2018	31 December 2017	31 December 2016
Share capital	1,237.8	1233.6	650.1
Issuance, merger and in-kind premiums	844.0	840.6	379.0
Reserves	292.2	110.9	28.2
Net result for the year (Group share)	(81.4)	314.4	72.4
Consolidated shareholders' equity (Group's share)	**2,292.6**	**2499.5**	**1,129.7**

(d) Shareholders of the Company as at 29 June 2018

The following chart shows the share ownership of the Company as at 29 June 2018 based on the number of shares issued:



Data as of 29 June 2018.

(1) Including Tikehau Capital Advisors (29.8%), Fakarava Capital (7.2%) and employees.

(2) FSP's shareholders include CNP Assurances, SOGECAP, Groupama, Natixis Assurance and Suravenir.

3. SIGNIFICANT EVENTS SINCE 30 JUNE 2018 AND OUTLOOK FOR 2018

(a) Significant events since 30 June 2018

(i) Significant events occurring between 30 June 2018 and the date of the closing of the half-year financial statements

Buyback of Amundi's interest in Tikehau Capital Europe

At the end of July 2018, the Company bought back for around €22 million the 24.9% interest held by the Amundi Group in Tikehau Capital Europe, a British subsidiary of the Group that manages securitisation vehicles for CLOs (Collateralized Loan Obligations), a specialised product consisting of debt securities backed by a portfolio of leveraged loans. After this operation, the Company held 100% of the capital and voting rights in Tikehau Capital Europe.

IREIT Global Group

In July 2018, the Group acquired an additional 4.5% interest in the share capital of IREIT Global Group, an asset management company under Singaporean law whose securities have been listed on the Singapore Stock Exchange (SGX) which invests in real estate assets located in Europe, and primarily in Germany. After this operation, the Group owned 84.5% of the share capital of IREIT Global Group

Disposal of the interest in Naturex

In March 2018, Givaudan announced its intention to launch a tender offer for all Naturex shares not yet held by Givaudan at a unit price of €135 per share. Following the disposal of its interest as part of this tender offer opened on 28 June 2018, the Company generated a capital gain of around €14.4 million, i.e. a multiple of 2.4 x the amount invested.

(i) Significant events since the date of the closing of the half-year financial statements

Proposed acquisition of Sofidy

On 20 September 2018, the Company announced that it had entered into exclusive negotiations to acquire Sofidy, a major player in real estate management in France. This proposed acquisition would allow Tikehau Capital to become one of the leading independent French players in real estate asset management, and to increase its assets under management by over 30%, enabling it to achieve its target of €20 billion in assets under management by the end of 2018 initially announced for 2020.

This acquisition project is fully aligned with Tikehau Capital's strategy to broaden its fund offering in order to balance its business mix. It enables the Group to reach out to new investor categories and extend its know-how in the field of real estate investment solutions thanks to the strong complementarities between the two groups.

Established in 1987 by Christian Flamarion, Sofidy is a leading asset manager in the real estate management sector in France and Europe, involved in the creation and development of investment and savings products particularly focused on retail and office real estate. A leading independent player in the SCPI (real estate investment trust) market with €4.8 billion under management, Sofidy manages a portfolio of over 4,100 real estate assets on behalf of over 45,000 individual investors and a large number of institutional investors.

This planned tie-up flows from the operational complementarity between the two groups, supported by common values of independence and excellence, which will allow their different know-how and expertise to be given free rein.

This complementarity is demonstrated firstly in the client base profile: institutional investors on the one hand and private investors on the other. The complementarity is also clear in terms of product range: on the one hand Real Estate Collective Investment Schemes (OPCI) for professional investors; and Real Estate Investment Companies (SCPI), real estate UCITS and OPCI for private investors, on the other.

By consolidating €4.8 billion in additional real estate assets under management, the proposed acquisition of Sofidy will enable Tikehau Capital to almost triple its assets under management in this sector (which amounted to €2.6 billion at the end of June 2018).

In addition to the strong operational complementarities, this acquisition will immediately generate growth and profitability for Tikehau Capital. With net revenue corresponding on average to around 100 basis points of assets under management, and an operating margin of around 40% of net revenues in 2017, the acquisition of Sofidy will have an immediate positive impact on the average fee rate and operating margin of Tikehau Capital's asset management activities.

Following this proposed transaction, Tikehau Capital should hold over 90% of Sofidy's capital. The valuation for 100% of the shares in Sofidy amounts to €220 million, corresponding to an estimated enterprise value of c. €120 million (or below 7x EBITDA), plus c. €100 million in available cash and financial assets. The transaction will mostly consist in a sale in cash and - for a marginal portion - in a contribution in kind in consideration for new Tikehau Capital shares. Tikehau Capital will finance the operation from its own resources and will communicate at a later date on the definitive terms of the operation.

The transaction is subject to an information-consultation with the unique staff representative body of Sofidy.

The signature of an exclusive agreement has been authorised by the Supervisory Board of the Company as regulated agreement. For the purpose of this transaction, the Supervisory Board designated an ad hoc committee composed of independent members. Its assignment is to supervise the works of an independent expert (Finexsi) and to submit a fairness opinion on the terms of the acquisition. Antoine Flamarion will abstain from taking any measure related to this transaction for the account of Tikehau Capital.

Once signed, the completion of the transaction will be subject to approval from the French Financial Markets Authority (*Autorité des marchés financiers*) as well as the competent competition authorities. Its completion is planned for Q4 2018.

After the definitive completion of the Sofidy acquisition, Tikehau Capital intends to launch a tender offer for the acquisition of the securities in Selectirente. The offer price is under discussion and will be subject to a fairness opinion from an independent expert. The terms and conditions of the tender offer will be communicated to the market once they have been set.

(b) Outlook 2018

The second half year of the 2018 financial year should be marked by an acceleration in growth of assets under management, thus confirming the momentum begun during the first half year. Several successes have already been recorded during July 2018, with, for example, achievement of over one billion euros in commitments by the private debt fund, TDL IV, and the launch by Tikehau Capital Europe of its fourth CLO, for €412 million. The Group also recently signed a dedicated mandate in private debt with an institutional investor for the sum of €400 million.

During the second half-year, Tikehau Capital will continue to implement its action plan to create value for its shareholders and investors, via the following development focuses:

• **Stronger international presence**, by increasing still further the proportion of international clients in the assets under management of the asset management activity, supported by its platform and local teams. The Group will benefit from the ramp-up of recently opened foreign offices, notably Madrid and New York.

• **Pursuing strategic initiatives** - In partnership with Groupama AM and the European Investment Fund (EIF), the Group is finalising the launch of a fund to finance the economy. This new fund will be dedicated to financing senior debt of mainly French SMEs. It will be supported by international development, investment, organic and/or external growth operations.

• **Broadening the range of funds to balance the business mix,**

  - For private equity activities: this translates into an acceleration in the fundraising started during the first half-year in the new funds and the continuation of activity structuring with the arrival of Emmanuel Laillier as Head of Private equity in September;
  - For real estate activities: in addition to the acceleration in fundraising started during the first half-year, the entry into exclusive negotiations announced today for the acquisition of Sofidy (see above) is a structuring external growth operation that should enable Tikehau Capital to rapidly and efficiently accelerate its presence in this market.

On the basis of the transactions carried out or that are to materialise, Tikehau Capital's objective, excluding the acquisition of Sofidy, is to reach €16.5 billion in assets under management by the end of 2018, i.e. an increase of 20% in assets under management for the full financial year. Taking into account the acquisition of Sofidy, the objective will be increased to over €21 billion, leading the Group to exceed its target of €20 billion in assets under management in 2018, two years ahead of schedule.

4. OTHER INFORMATION

(a) Related-party transactions

During the first half year 2018, there were no related-party transactions with a material impact on the financial statements for the first half year, and there were no amendments affecting the related-party transactions described in the Company's 2017 Registration Document, which could have a material impact on the financial statements for the first half year 2018.

(b) Key risks

The main risk factors, which the Company believes could have a material adverse effect on its business, financial position, revenues or outlook, are described in Chapter III of the Company's 2017 Registration Document. The Company's 2017 Registration Document is available on the Company's website (www.tikehaucapital.com). The Company believes, to the best of its knowledge, that there has been no significant change in these risks as at the date of this half-year financial report.

II. 2018 CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

1. 2018 CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated balance sheet

Assets (in thousands of €)	Notes	30 June 2018	31 December 2017
NON-CURRENT ASSETS			
Tangible and intangible assets	5.7	334,430	333,458
Non-current investment portfolio	5.8	1,832,327	1,456,045
Investments in equity affiliates	5.9	6,681	6,595
Deferred tax asset	5.15	11,643	11,323
Other non-current assets		1,583	195
Total non-current assets		**2,186,665**	**1,807,617**
CURRENT ASSETS			
Trade receivables and related accounts	5.10	17,968	15,894
Other receivables and financial assets	5.10	51,322	227,261
Current investment portfolio	5.11	108,819	109,121
Cash management and financial assets	5.12	16,852	66,852
Cash and cash equivalents	5.12	522,378	908,577
Total current assets		**717,339**	**1,327,705**
TOTAL ASSETS		**2,904,004**	**3,135,322**

Liabilities (in thousands of €)	Notes	30 June 2018	31 December 2017
Share capital	5.13	1,237,755	1,233,597
Premiums		844,033	840,567
Reserves		292,169	110,921
Net result for the period		(81,374)	314,383
Shareholders' equity - Group share		2,292,584	2,499,468
Non-controlling interests	5.18	19,940	30,200
Shareholders' equity	3.	**2,312,524**	**2,529,668**
NON-CURRENT LIABILITIES			
Non-current provisions		597	318
Non-current borrowings and financial debt	5.14	546,630	545,962
Deferred tax liabilities	5.15	2,408	1,627
Non-current financial derivatives	5.16	3,440	992
Total non-current liabilities		**553,076**	**548,899**
CURRENT LIABILITIES			
Current borrowings and financial debt	5.14	7,561	1,770
Trade payables and related accounts		13,012	15,015
Tax and social security payables		12,798	13,572
Other current liabilities		5,034	26,398
Total current liabilities		**38,405**	**56,755**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,904,004**	**3,135,322**

2. Consolidated income statement

(in thousands of €)	Notes	H1 2018 (6 months)	H1 2017 (6 months)
Net revenues from Asset Management activities	5.19	**35,766**	**25,148**
Change in fair value of the non-current investment portfolio		(70,725)	95,083
Change in fair value of the current portfolio		(1,093)	3,499
Change in fair value	5.20	**(71,818)**	**98,582**
Other non-current portfolio revenues		35,708	22,729
Other current portfolio revenues		100	290
Other portfolio revenues	5.21	**35,808**	**23,019**
Revenues from the investment activities		**(36,010)**	**121,601**
Purchases and external expenses		(43,473)	(26,287)
Personnel expenses		(19,845)	(12,727)
Other net operating expenses		(2,830)	(5,818)
Operating expenses	5.22	**(66,148)**	**(44,832)**
Net operating profit from investment and asset management activities before share of net results from equity affiliates		(66,392)	101,917
Share of net results from equity affiliates		539	0
Net operating profit from investment and asset management activities after share of net results from equity affiliates		(65,853)	101,917
Net income on cash equivalents	5.23	(114)	58
Financial expenses	5.24	(12,508)	(9,722)
Financial result		**(12,622)**	**(9,664)**
Result before tax		**(78,475)**	**92,253**
Corporate income tax	5.15	(2,249)	(5,765)
Net result		(80,725)	86,488
Non-controlling interests	5.18	649	564
Net result - Group share		(81,374)	85,923
Earnings per share (in €)			
Weighted average number of outstanding ordinary shares	5.13	103,138,591	68,220,778
Earnings per share (in €)		(€0.79)	€1.26
Weighted average number of shares after dilution	5.13	105,499,935	68,220,778
Diluted earnings per share (in €)		(€0.77)	€1.26

Consolidated statement of comprehensive income

(in thousands of €)	Notes	H1 2018 (6 months)	H1 2017 (6 months)
Net result		(80,725)	86,488
Currency translation adjustment		1,443	(376)
Related taxes			
Consolidated comprehensive income		(79,281)	86,112
Of which non-controlling interests		649	564
Of which Group share		(79,931)	85,548

3. Change in shareholders' equity

(in thousands of €)	Share capital	Premiums	Group reserves
Situation as at 31 December 2016	**650,098**	**379,004**	**29,019**
Appropriation of net result			72,444
Capital increase of 6 January 2017	85,760	64,320	
Capital increase reserved for FSP	28,571	21,429	
Public exchange offer on Salvepar	86,230	64,672	11,386
ORNANE conversion - Decision of 17 May 2017	97	88	
Other changes in reserves[1]		(1,978)	(735)
Net result for the period			
Situation as at 30 June 2017	**850,757**	**527,535**	**112,114**
Capital increase of 26 July 2017	382,840	319,034	
Share-based payment(IFRS 2)			825
Other changes in reserves		(6,001)	430
Net result for the period			
Situation as at 31 December 2017	**1,233,597**	**840,567**	**113,369**
Appropriation of net result			177,277
Capital increase of 8 January 2018	4,158	3,466	3,285
Share-based payment (IFRS 2)			3,382
Other changes in reserves			(4,372)
Net result for the period			
Situation as at 30 June 2018	**1,237,755**	**844,033**	**292,940**

[1] Costs related to the capital increases carried out during the financial year were charged to the issue premium for an amount of €8.0 million.

Own shares	Translation differences	Net result for the period	Shareholders' equity - Group share	Non-controlling interests	Consolidated Shareholders' equity
0	**(838)**	**72,444**	**1,129,726**	**2,627**	**1,132,353**
		(72,444)	0		0
			150,081		150,081
			50,000		50,000
			162,288		162,288
			185		185
(647)	(376)		(3,735)	15,839	12,104
		85,923	85,923	564	86,488
(647)	**(1,214)**	**85,923**	**1,574,468**	**19,031**	**1,593,499**
			701,874		701,874
			825	11	836
(379)	(209)		(6,159)	10,109	3,950
		228,460	228,460	1,050	229,509
(1,025)	**(1,422)**	**314,383**	**2,499,468**	**30,200**	**2,529,668**
		(314,383)	(137,106)		(137,106)
			10,909	(10,909)	0
			3,382	40	3,422
233	1,443		(2,696)	(40)	(2,735)
		(81,374)	(81,374)	649	(80,082)
(792)	21	(81,374)	2,292,584	19,940	2,312,524

4. Cash flow statement

(in thousands of €)	Notes	H1 2018 (6 months)	H1 2017 (6 months)	2017 (12 months)
Revenues from asset management activities		**34,012**	23,196	**53,741**
Non-current investment portfolio		**(414,717)**	**(454,559)**	**(141,649)**
Acquisitions	5.8	(472,595)	(554,628)	(694,730)
Disposals		23,477	79,181	362,037
Income		32,963	20,887	61,461
• Dividends		12,759	8,134	25,947
• Interests		5,318	1,629	13,356
• Others		14,886	11,124	22,158
Impact of changes in scope		1,437	0	129,583
Current investment portfolio		**(692)**	**50,478**	**(19,924)**
Acquisitions	5.11	(1,118)	(49,400)	(38,243)
Disposals		163	99,581	17,802
Income		263	297	518
• Dividends		0	0	0
• Interests		263	297	518
• Others		-		
Other investments in companies in the scope of consolidation		**0**	**0**	**(50,667)**
Debts, portfolio receivables and financial assets		**190,923**	**0**	**(195,297)**
Derivatives portfolio		**0**	**0**	**0**
Net income/expenses on cash equivalents		**642**	**(1,964)**	**(1,786)**
Operating expenses and change in working capital requirements		**(100,625)**	**(34,269)**	**(82,674)**
Tax	5.15	**(5,053)**	**(20,423)**	**(30,606)**
Net cash flows from operating activities		**(295,508)**	**(437,541)**	**(468,861)**
Capital increase		**0**	**215,313**	**909,023**
Dividends paid		**(137,139)**	**(276)**	**(878)**
Borrowings	5.14	**(3,229)**	**212,780**	**328,764**
Bank overdrafts		**(42)**	**84**	**35**
Other financial flows of which Current accounts & Impact of Changes		(281)	(15)	(2,498)
Cash management and financial assets		50,000	0	13,148
Net cash flows from financing activities		**(90,690)**	**427,886**	**1,247,593**
Theoretical change in cash-flow		**(386,198)**	**(9,655)**	**778,732**
Cash and cash equivalents at the beginning of the period		908,577	129,845	129,845
Cash-flow at year-end		522,378	120,189	908,577
Change in cash-flow		(386,198)	(9,655)	778,732

5. Notes to the financial statements prepared under IFRS

5.1. Entity presenting the financial statements

Tikehau Capital is a partnership limited by shares (*société en commandite par actions)* which has its registered office at 32, rue de Monceau, 75008 Paris (France).

Tikehau Capital is an asset management and investment group. It meets the definition of an “investment entity” under IFRS 10.

Its corporate purpose includes all forms of investment, with no specific restrictions or constraints in terms of the target asset classes, or their sector or geographic allocation. Accordingly, under the terms of its Articles of Association, Tikehau Capital’s corporate purpose, in France and abroad is:

- “the direct or indirect acquisition of stakes, the arrangement and structuring of investment transactions in all sectors and involving all asset classes, the real estate sector, and small and mid-cap companies;
- the management, administration and disposal or liquidation of these stakes, under the best possible conditions;
- all of the above, directly or indirectly, on its behalf or on behalf of a third party, alone or with a third party, through the creation of new companies, contribution, partnership, subscription, purchase of securities or rights, merger, alliance, special partnership (*société en participation*), leasing or leasing out or the management of assets or other rights in France and abroad;
- and, generally speaking any financial, commercial, industrial, security or property transactions that may relate directly or indirectly to the above corporate purpose, or to any similar or related purposes, so as to favour its expansion and development.”

The changes in scope in the consolidated group (the “Group”) are detailed in note 5.3.

5.2. Basis of preparation

a) Accounting standards and Declaration of compliance

The condensed interim consolidated financial statements of Tikehau Capital as at 30 June 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting". Being condensed financial statements, they do not include all the information required by IFRS and should therefore be read in conjunction with Tikehau Capital's annual consolidated financial statements prepared in accordance with IFRS as adopted by the European Union for the financial year ended 31 December 2017.

The accounting principles used for the preparation of consolidated financial statements are in accordance with IFRS standards and interpretations as adopted by the European Union as at 30 June 2018 and are available on the following website:

http://ec.europa.eu/finance/company-reporting/standardsinterpretations/index_en.htm.

The standards and interpretations are identical to those used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2017 and described in the notes to the consolidated financial statements for the financial year ended 31 December 2017, with the exception of:

- the standards, amendments and interpretations applicable from 1 January 2018;
- the special features applicable to the preparation of interim financial statements (Note 5.2.f).

New standards and interpretations applicable from 1 January 2018

- IFRS 9 “Financial Instruments”, for accounting periods beginning on or after 1 January 2018. No significant adjustment elements have been identified in relation to the application of this standard as at 1 January 2018.
- IFRS 15 “Revenue from Contracts with Customers” for accounting periods beginning on or after 1 January 2018. This standard notably replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts". The application of this standard has had no significant impact on the Group's net result or shareholders’ equity.

Standards published by the IASB and adopted by the European Union as at 30 June 2018

The Group has applied no standard and/or interpretation that could concern it and for which application is not mandatory as at 1 January 2018.

IFRS 16 “Leases” will replace IAS 17 on 1 January 2019. It eliminates the distinction between financial leases and operating leases and requires that all leases be recognised on the balance sheet, with the lease liability recognised in liabilities, representing the commitments for the duration of the contract, and in assets the right to use the asset, to be amortised. To date, the Company does not expect any material effect from the application of this standard; an analysis will be conducted during the second half of 2018.

b) Basis for measurement

The consolidated financial statements include the financial statements of Tikehau Capital and its subsidiaries for each of the financial years presented. The financial statements of subsidiaries have been prepared over the same reference period as those of the parent company, on the basis of homogeneous accounting methods. The consolidated financial statements are expressed in euros rounded off to the closest thousand euros. Rounding gaps may result in minor differences regarding certain totals in the tables presented in the financial statements.

Portfolio assets and financial derivatives are measured at fair value in accordance with IFRS 13. The methods used to measure fair value are discussed in note 5.5 on the determination of fair value. The other balance sheet items (in particular tangible and intangible assets, and loans and receivables) have been drawn up on the basis of historical cost.

c) Accounting and reporting currency, conversion of financial statements

The reporting currency of the consolidated financial statements is the euro, accounts of consolidated entities using a different operating currency are converted into euros:

• at the closing rate for balance sheet items;

• at the average rate of the period for income statement items.

Conversion differences resulting from the use of these exchange rates are recognised under shareholders' equity in "Currency translation adjustment".

d) Transactions in currencies other than the accounting currency

Transactions by consolidated companies in currencies other than their accounting currency are converted into their functional currency at the prevailing exchange rate on the date of the transactions.

Receivables and debts denominated in currencies other than the accounting currency of the Company concerned are converted at the prevailing exchange rate of these currencies on the closing date. Unrealised losses and gains resulting from this conversion are recognised on the income statement.

e) Use of estimates and judgements

The preparation of the consolidated financial statements requires that assumptions and estimates that affect the reported amounts of assets and liabilities on the balance sheet and the reported amounts of revenues and expenses for the year be taken into consideration. The Managers review their estimates and assessments on an ongoing basis, based on their previous experience, as well as on various other factors that they consider reasonable, which form the basis for their assessment of the book value of the assets and liabilities. Actual results may differ materially from these estimates depending on different assumptions or conditions.

Judgements made by management in preparing the consolidated financial statements mainly concern the estimated fair value of investments in unlisted portfolios and the estimated amounts of active deferred tax assets recognised in tax loss carry forwards.

f) Special features applicable to the preparation of interim financial statements

Revenues from investment activities, investments net operating profit and asset management net operating profit, all operational indicators are characterised by a certain degree of seasonality (the dividend payment period in particular), the extent of which may vary. Accordingly, interim results as at 30 June 2018 and as at 30 June 2017 are not necessarily indicative of those that can be expected for the entire 2018 or 2017 financial years.

Meanwhile, the tax expenses for the period (both payable and deferred) are determined on the basis of the tax situation of Group companies as at 30 June 2018 and 30 June 2017. This principle has been used, given the nature of the Company's business, which makes it hard to estimate a standard cost, due to the difficulty in anticipating changes in fair value.

5.3. Scope of consolidation

a) Consolidation method

Tikehau Capital's consolidated financial statements have been prepared using the IFRS 10 exemption for investment entities.

The criteria used to classify a company as an investment entity under IFRS 10 are as follows:

• the entity is a company holding, inter alia, minority stakes in listed and non-listed companies. The entity benefits chiefly from funds from its shareholders to invest in a portfolio of equity interests and investments with significant sector diversification;

• the entity aims to build up a solid and balanced portfolio that includes sector and geographic diversification. The entity thus expects to generate from its investments (i) a capital gain, (ii) financial income, such as dividends, coupons, interest, etc., or both at the same time.

• the entity mainly measures and assesses the performance of its investments on the basis of the portfolio's fair value;

Given its activities, Tikehau Capital meets the definition of an "investment entity" under IFRS 10:

• Tikehau Capital is a company that invests directly or indirectly through other investment management companies. Among other activities, it invests its shareholders' funds in a broadly diversified portfolio of equity interests and investments;

- Tikehau Capital aims to build a portfolio that is diversified and thus aims to generate from its investment (i) a capital gain, (ii) financial income, such as dividends, coupons, interest, etc., or both at the same time.
- Tikehau Capital measures and assesses the performance of its investments on the basis of their fair value.

The subsidiaries in which Tikehau Capital exercises exclusive control, either directly or indirectly and either de jure or de facto, are fully consolidated, with the exception of interests held by investment entities under the IFRS 10 exemption. Subsidiaries that perform services related to these investment activities and that are not themselves investment management companies fall therefore within the consolidation perimeter.

The entities in which Tikehau Capital exercises significant influence are recognised under the equity method with the exception of investments for which Tikehau Capital has opted for the IAS 28 exemption and that are estimated on the basis of the fair value through profit or loss option.

Furthermore, for structured entities or ad hoc entities as defined by IFRS 10, the Tikehau Group assesses the notion of control with regard to the following aspects, among others:

- whether it is able to control the entity's activity;
- whether it is paid variable revenues by this entity or is exposed to its risks;
- whether it collects variable revenues or is exposed to risks from this entity.

This concerns, in particular, investments in investment funds classified under the current or non-current investment portfolio.

b) Scope of consolidation

Parent company

Company	Form	Address	Consolidation method
Tikehau Capital	SCA	32, rue de Monceau, 75008 PARIS, France	Parent company

Fully consolidated subsidiaries or entities accounted for under the equity method

Fully-consolidated entities	Form	Address	% of interest	
			30 June 2018	31 Dec. 2017
Tikehau Green Properties Fund [1]	SAS	32, rue de Monceau, 75008 PARIS, France	100.0%	100.0%
Tikehau Capital UK	Ltd	30 St. Mary Axe EC3A 8BF LONDON	100.0%	100.0%
Tikehau Capital Europe	Ltd	30 St. Mary Axe EC3A 8BF LONDON	75.1%	75.1%
Tikehau Investment Management[2]	SAS	32, rue de Monceau, 75008 PARIS, France	100.0%	96.7%
Tikehau Investment Management APAC (wholly-owned subsidiary of TIM)[3]	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 Singapore 018960	100.0%	96.7%
Tikehau Investment Management Asia (wholly-owned subsidiary of TIM)[4]	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 Singapore 018960	100.0%	96.7%
IREIT Global Group (80%-owned subsidiary of TIM APAC)	Pte. Ltd	8 Marina View #15-07A – Asia Square Tower 1 Singapore 018960	80.0%	77.3%
Credit.fr	SAS	140, rue Victor-Hugo, 92300 LEVAL-LOIS-PERRET, France	95.9%	95.9%
Tikehau Capital North America[5]	LLC	412W 15th St - 10011 New York, USA	100.0%	100.0%

[1] TGPF
[2] Tikehau IM or TIM
[3] TIM APAC
[4] TIM ASIA
[5] Tikehau Capital North America was fully consolidated for the first time from 1 January 2018, following the launch of its business

Entities consolidated using the equity method	Form	Address	% of interest	
			30 June 2018	31 Dec. 2017
Letus Private Office	SAS	11, avenue d'léna, 75116 PARIS, France	20.0%	20.0%
Duke Street LLP (through TC UK)	Ltd	Nations House, 103 Wigmore Street W1U 1QS LONDON, UK	35.0%	35.0%

Subsidiaries of Tikehau Capital meeting the conditions of the IFRS 10 exemption and affiliates estimated at fair value

These entities are recognised in the non-current investment portfolio and are estimated at fair value through profit or loss. They are identified below:

Investment entities at fair value	Form	Address	% of interest		Level of control
			30 June 2018	31 Dec. 2017	
Tikehau Venture	SAS	32, rue de Monceau, 75008 PARIS, France	100.0%	100.0%	Control
Tikehau Capital Belgium	SAS	Avenue Louise, 480 – B-1050 Brussels, Belgium	100.0%	100.0%	Control
Tikehau Asia[1]	SAS	32, rue de Monceau, 75008 PARIS, France	N/A	100.0%	Control
Heeuricap	SAS	32, rue de Monceau, 75008 PARIS, France	90.0%	90.0%	Control
Cimes & Cie	SAS	32, rue de Monceau, 75008 PARIS, France	72.2%	72.2%	Control
Tikehau Secondary	SAS	32, rue de Monceau, 75008 PARIS, France	67.1%	67.1%	Control
Zephyr Investissement	SAS	32, rue de Monceau, 75008 PARIS, France	53.3%	53.3%	Control
AR Industries	SAS	65 A Bld du Cdt Charcot 92200 Neuilly-sur-Seine, France	49.0%	49.0%	Significant influence
Tikehau Real Estate Investment Company	SAS	32, rue de Monceau, 75008 PARIS, France	30.0%	30.0%	Significant influence
Verona	SAS	3, boulevard Sébastopol, 75001 Paris, France	24.6%	24.6%	Significant influence
HDL Development	SAS	Rue Victor Pagès, 26701 PIERRELATTE, France	23.1%	23.1%	Significant influence
City Star Ream Dvpt[2]	Ltd Pte	Suntec Tower Four SINGAPORE	n.a.	23.1%	Significant influence
Navec	SL	Carretera Madrid, 5, 30319 Cartagena, Murcia, Spain	21.7%	21.7%	Significant influence
AFICA	SA	19, rue de Bazancourt, 51110 Isles-sur-Suippe, France	20.0%	20.0%	Significant influence

[1] Entity merged into Tikehau Capital on 23 January 2018

[2] Entity liquidated on 25 June 2018

Non-consolidated subsidiaries

Non-consolidated entities	Form	Address	% of interest	
			30 June 2018	31 Dec. 2017
Takume	SAS	32, rue de Monceau, 75008 PARIS, France	100.0%	100.0%
Ring	SAS	11 bis rue Portalis 75008 Paris, France	25.0%	-
TK Solutions	SAS	32, rue de Monceau, 75008 PARIS, France	100.0%	100.0%
Tikehau Capital North America[1]	LLC	412W 15th St - 10011 New York, USA	n.a.	100.0%

The companies Takume, Ring and TK Solutions were not consolidated, as they are not significant.

Investments in funds managed by Group companies or third parties

Tikehau Capital and its subsidiaries may invest in funds managed by Tikehau IM or Tikehau Capital Europe or companies outside of the Group. Whether or not these funds should be consolidated is assessed on the basis of a number of criteria, and in particular, the IFRS 10 criteria applicable to ad hoc entities (see above).

Regarding fund units held by Group companies, the control percentage of the funds in which the Company has invested is also assessed to determine whether a fund must be consolidated.

The analysis conducted by the Tikehau Group on the funds managed by Tikehau IM and those managed by Tikehau Capital Europe (CLO) confirms the absence of control with respect to the criteria of IFRS 10 or classification as an investment company leading to the non-consolidation of these funds (see note 5.24 "Investments in closed-end funds managed by Tikehau Investment Management (TIM) or Tikehau Capital Europe (TCE)").

c) Significant events during the period

Main investments of the period

The main investments made by the Company during first-half 2018 total €469 million and primarily relate to:

- **Tikehau Growth Equity II** – Tikehau Capital IM launched a fund dedicated to minority investment in which the Company committed €200 million, of which €31 million was called as at 30 June 2018. As at 30 June 2018, Tikehau Growth Equity II had invested €30 million in Filiassur.
- **Total Fund/Tikehau Capital** – On 29 March 2018, the Company announced that Total SA is participating alongside Tikehau Capital in the creation of an investment fund dedicated to energy. The purpose of this private equity fund is to support medium-sized energy players in the financing of their development, the transformation of their business models and their international expansion. The team dedicated to the management of this private equity fund is made up of investment professionals from Tikehau Capital and the energy sector seconded by Total. This team will act under the authority of an Investment Committee bringing together the two partners. The fund is aimed at major institutional investors.
- **DWS** – In March 2018, the Company took part in the IPO of DWS for €182 million. Prior acquisitions were carried out for €2.8 million, resulting in a total stake of 2.9% as at 30 June 2018. Further to this transaction, a partnership between the two groups is to cover (i) a pooling of co-investment opportunities and deal-flow among alternative strategies and (ii) joint initiatives in terms of products' distribution. This partnership should allow Tikehau Capital to develop its presence in Germany with a leading partner. For DWS, the partnership is part of the objective of continuing the development of alternative management.
- **Tikehau Brennus** – On 24 January 2018, Tikehau Capital arranged a €115 million financing for the Conforama group, over a three-year period through the Tikehau Brennus fund managed by its subsidiary Tikehau Investment Management, in which the Company has participated in the amount of €67 million. This financing will allow the Conforama group to further the implementation of its multi-channel growth plans in France and in each of the countries in which it operates. The Conforama group is a major European player in home equipment, through stores and on the Internet.
- **Eurazeo** – During the first half-year 2018, the Company increased its investment in Eurazeo for a total sum of €63.6 million, thus increasing its stake to 8.9% (including fees) as at 30 June 2018.

1 Tikehau Capital North America was fully consolidated for the first time from 1 January 2018, following the launch of its business

Other highlights of the first half of 2018

• **Opening of an office in New York** - During the first half-year 2018, Tikehau Capital continued to expand its international footprint by opening an office in New York on 28 February 2018. The opening of a New York office is part of the Group's internationalisation strategy announced at the time of its listing. It is intended to enable the Group to develop in North America, a natural growth zone because of the size of the local market, by getting closer to its prospective client base and by being in a position to seize the best investment opportunities.

• **Change in accounting currency of subsidiary Tikehau Capital UK Ltd** - As at 1 January 2018, the accounting currency of subsidiary Tikehau Capital UK Ltd was changed from the pound sterling to the euro. The accounting currency reflects the underlying transactions, events and conditions relevant to the entity. This change in accounting currency is due to the new financing policy introduced on 1 January 2018 being in euros.

5.4. Main accounting methods

a) Investment portfolio

The equity securities held by investment management companies are estimated at fair value through profit or loss. Positive and negative changes in fair value are recognised in the net result for the period under "Changes in fair value". The methods for determining fair value are presented in paragraph 5.5.

Investments in equity and quasi-equity securities (e.g., convertible bonds, OCEANE bonds, etc.) are classified in the non-current investment portfolio.

Moreover, and depending on available cash, the timing of investments and market conditions, the Group may make more tactical investments by building a portfolio of shorter term holdings consisting of equities and bonds or fund units. The securities selected for this portfolio are characterised by being liquid and showing attractive prospects for return and/or performance. These investments are recorded in the current investment portfolio.

Loans and receivables linked to these investments are initially recognised at their acquisition price, including directly attributable transaction costs and accrued interest. They are recognised later at their amortised cost with depreciation of the premium/discount and transaction costs, based on the actual interest rate method.

Impairments are recognised on loans and receivables when there is an objective indication of loss of value, due to an event occurring after the loan was set up.

b) Cash equivalents and other current financial assets

Tikehau Capital's cash surplus, if any, may be invested in units in euro money market funds and three-month term deposits that meet the definition of cash equivalents according to IAS 7 (easily convertible into a known amount of cash and subject to insignificant risk of change in value). Money-market funds are recognised by applying the fair value option through profit or loss under IAS 39.

Term deposits are recognised using the amortised cost method with changes recorded in income on the line "Net income on cash equivalents".

Other cash equivalents and other current financial investments are recognised at fair value through profit or loss.

The results at year-end are included in the net result for the period under "Net income on cash equivalents".

c) Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognised when the Group has an obligation with regard to a third party and it is probable or certain that this obligation will give rise to a disbursement of resources to this third party without being matched by at least an equivalent payment from this third party.

When the execution date of this obligation is more than one year, the amount of the provision is discounted, the effects of which are recognised in the financial result, based on the effective interest rate method.

d) Deferred taxes

Taxes include outstanding tax liabilities of the various consolidated companies and deferred taxes resulting from timing differences.

Timing differences between the consolidated values of asset and liability items and those resulting from the implementation of tax regulations, give rise to the recognition of deferred taxes. The tax rate used in calculating deferred taxes is the one that is known on the closing date; the impacts of changes in tax rate are recognised during the period during which the decision on this change is made.

Deferred taxes on the investment portfolio are calculated at the applicable rate when the securities concerned are divested. The tax rates are determined based on the nature of the asset concerned (a long-term regime for financial interests, and FPCI, SCR, and SIIC funds).

A deferred tax asset is recognised for tax losses that can be carried forward, under the likely assumption that the entity concerned will have future taxable earnings from which these tax losses may be subtracted.

Deferred tax assets and liabilities are not discounted.

e) Segment information

Tikehau Capital operates either by investing its capital directly in equity investments or by investing in management platforms for third parties (Tikehau IM and Tikehau Capital Europe).

Segment information levels are determined from the elements of the consolidated contributory situations of each entity belonging to the sector segment considered. The asset management sector corresponds to the net consolidated contributions of the Tikehau Investment Management entities and its subsidiaries TIM Asia and TIM APAC, Tikehau Capital Europe, IREIT Global Group and Credit.fr.

The group therefore identified two cash generating units (CGUs), which are the investment business sector and the asset management business sector.

In addition, regarding its asset management business, the Company monitors assets under management and revenues net of retrocessions by business line. This second-level information is presented in the activity report for assets under management ("AUM").

f) Recognition of revenue: Revenues from asset management activities

Gross revenues from asset management activities are made up of:

- management fees which correspond to management fees collected or to be collected by the funds, whether relating to the management of assets under management or to arranging or structuring portfolio transactions. Management fees are generally recorded at the time when the service is provided and are calculated on the basis of the contractual documentation by applying a percentage to the AUM called but can also sometimes apply for some of the AUM committed but not yet called. Arrangement fees and structuring fees are usually recorded when the investment is made. The level of management fees depends both on the type of client and type of products;
- performance fees or carried interests can be collected when performance thresholds are exceeded during the lifetime of the fund (open-ended funds managed under liquid strategies) or on the liquidation of the fund (closed funds managed under private debt, real estate or private equity activities). This revenue is paid by the funds directly to the beneficiaries and is recognised in the income statement when this variable consideration can be accurately estimated and when it is highly likely that a reversal in the amount recorded has not been made. Such revenue is recognised in gross revenues from asset management activities, but may also be received in part by the management company and/or by Tikehau Capital in accordance with the terms and conditions of the fund regulations.

The net revenues of the asset management companies are formed by its growth revenues subtracted by the fees paid out.

These fees correspond to (i) retrocessions owed to distributors provided for under contract, generally based on a percentage of the management fees, and (ii) the fees of custodians and valuation agents, owed by the asset management companies.

5.5. Determining fair value

The principles adopted for fair value measurement for portfolio assets are in accordance with IFRS 13 "Measurement of fair value" and may be summarised as follows:

Securities classified as Level 1

These are companies whose shares are listed on an active market. Shares in listed companies are measured on the basis of the last quoted price as at closing.

Securities classified as Level 2

These are companies whose shares are not listed on an active market, but whose measurement pertains to directly or indirectly observable data. An adjustment made to a Level 2 piece of data that is significant to the fair value, can result in a fair value classified in Level 3 if it uses significant unobservable data.

Securities classified as Level 3

These are companies whose shares are not listed on an active market, and whose measurement pertains to a large extent to unobservable data.

Tikehau Capital takes into consideration, inter alia, the following assessment methods:

- the transaction value: transactions over the last 12 months or the last months of activity if the Company has not completed a full financial year of 12 months since the shareholding was acquired, unless Tikehau Capital is aware of a valuation considered more relevant;
- the discounted cash flow method (DCF): this method determines the present value of cash flows a company will generate in the future. Cash-flow projections prepared in connection with the management of the company in question include a critical analysis of the business plan of these companies. The discount rate used is the weighted average cost of capital, which

represents the cost of debt of the Company and the notional cost of estimated equity, weighted by the proportion of each of these two components in the financing of the Company. This rate is set next to that used by analysts for listed companies in the same sector;

- the stock market comparables method: valuation multiples of the company under assessment are compared with those of a sample of companies in the same industry or similar. The average of the sample then establishes a valuation benchmark applicable to the assessed company;
- the industry transaction method: valuation multiples of the company under assessment are compared with those of a sample of companies sold in the same industry or similar. The average of the sample then establishes a valuation benchmark applicable to the assessed company.

Bonds, except for impairment indicators, are recognised at their nominal value, plus accrued interest.

Fund units are valued on the basis of the last net asset value available at the financial statements closing date.

The share invested in subordinated notes by Tikehau Capital Europe in the CLO funds it manages is valued using the marked to model method, given the low liquidity of the units and the obligation to hold notes until maturity.

5.6. Segment information

Tikehau Capital operates either by investing its capital directly in equity investments or by investing in management platforms for third parties. This activity is presented in the investment activities sector.

The asset management sector corresponds to the net consolidated contributions of the Tikehau Investment Management entities and its subsidiaries TIM Asia and TIM APAC, Tikehau Capital Europe, IREIT Global Group and Credit.fr.

The data below is presented within the bounds of each business sector after elimination at their level of operations carried out with the other business sector. The personnel expenses relating to the Private Equity teams, which managed Tikehau Capital's investment portfolio, are presented in the investment activities sector.

The main aggregates of the segment profit and loss account are as follows:

(in thousands of €)	H1 2018 (6 months)	Investment activities	Asset management activities
Net revenues from Asset Management activities	35,766	0	35,766
Revenues from the investment activities	(36,010)	(36,010)	0
Operating expenses[1]	(62,971)	(36,421)	(26,550)
Net operating profit from investment and asset management activities before share of net results from equity affiliates and before non-recurring free share allocation expense	**(63,215)**	**(72,431)**	**9,216**
Non-recurring free share allocation expense	(3,176)	(776)	(2,400)
Net operating profit from investment and asset management activities before share of net results from equity affiliates	**(66,392)**	**(73,208)**	**6,816**
Share of net results from equity affiliates	539	539	0
Financial result	(12,622)	(12,327)	(296)
Corporate income tax	(2,249)	(169)	(2,080)
NET RESULT	(80,725)	(85,165)	4,440

[1] Excluding the non-recurring free share allocation expense in respect of the "All Plan" and "One Off Plan" of 1 December 2017 subsequent to the Company's listing for an amount of €3,176 thousand in the first half year 2018.

(in thousands of €)	H1 2017 (6 months)	Investment activities	Asset management activities
Net revenues from Asset Management activities	25,148	0	25,148
Revenues from the investment activities	121,601	121,601	0
Operating expenses	(44,832)	(22,589)	(22,243)
Net operating profit from investment and asset management activities before share of net results from equity affiliates and before non-recurring free share allocation expense	101,917	99,012	2,904
Non-recurring free share allocation expense	-	-	-
Net operating profit from investment and asset management activities before share of net results from equity affiliates	101,917	99,012	2,904
Financial result	(9,664)	(9,582)	(81)
Corporate income tax	(5,765)	(1,966)	(3,799)
NET RESULT	86,488	87,464	(976)

Net revenues from asset management activities break down as follows:

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Net management and arrangement fees	32,046	22,573
Performance fees or carried interest	2,873	1,801
Other revenues	848	774
Net revenues from Asset Management activities	35,766	25,148

The main aggregates of the segment balance sheet are as follows:

(in thousands of €)	30 June 2018	Investment activities	Asset management activities
Total non-current assets	2,186,665	2,127,196	59,469
Total current assets	717,339	646,389	70,951

(in thousands of €)	30 June 2018	Investment activities	Asset management activities
Total non-current liabilities	553,076	545,787	7,288
Total current liabilities	38,405	17,048	21,357

(in thousands of €)	31 December 2017	Investment activities	Asset management activities
Total non-current assets	1,807,617	1,735,487	72,130
Total current assets	1,327,705	1,255,829	71,875

(in thousands of €)	31 December 2017	Investment activities	Asset management activities
Total non-current liabilities	548,899	542,265	6,634
Total current liabilities	56,755	31,213	25,542

The operating cash flow by business sector is as follows:

(in thousands of €)	H1 2018 (6 months)	Investment activities	Asset management activities
Operating cash flow	(291,098)	(297,360)	6,262

(in thousands of €)	2017 (12 months)	Investment activities	Asset management activities
Operating cash flow	(436,469)	(448,567)	12,098

5.7. Tangible and intangible assets

(in thousands of €)	31 Dec. 2017	Joined the scope	Increase	Decrease	30 June 2018
Goodwill	317,906	0	75	0	317,981
Brands	12,040	0	0	0	12,040
Other intangible fixed assets	1,598	0	0	(24)	1,573
Total intangible fixed assets	**331,543**	**0**	**75**	**(24)**	**331,594**
Total tangible fixed assets	**1,915**	**0**	**921**	**0**	**2,836**
Total tangible and intangible fixed assets	**333,458**	**0**	**996**	**(24)**	**334,430**

Goodwill amounted to €318.0 million as at 30 June 2018, compared with €317.9 million as at 31 December 2017. This change is due solely to variations in foreign exchange rates.

As at 30 June 2018, in the absence of impairment indicators on the goodwill and the brand, no impairment testing was carried out.

5.8. Non-current investment portfolio

Changes in the non-current investment portfolio are as follows:

(in thousands of €)	Portfolio	Level 1	Level 2	Level 3	Non consolidated

Fair value as at 31 December 2017	**1,456,045**	**539,589**	**60,300**	**855,701**	**455**
Acquisition of securities	469,066	250,014		219,010	42
Disposals and repayments	(26,681)	(5,516)	0	(21,165)	0
Changes in receivables	4,425	(73)		4,495	2
Changes in fair value	(71,744)	(86,415)	(9,100)	23,770	0
Change in scope	1,217	0	0	1,217	
Fair value as at 30 June 2018	**1,832,327**	**697,599**	**51,200**	**1,083,029**	**500**

The impact of the change in scope of €1.2 million relates to the merger with Tikehau Capital of a subsidiary previously accounted for in the non-current investment portfolio (investment entity at fair value). This corresponds to the positive difference between (i) the fair value of the investment portfolio of the subsidiary as at the date of the merger, and (ii) the fair value of this investment entity in the consolidated financial statements of Tikehau Capital as at 31 December 2017.

The change in Level 1 securities notably includes the acquisition of DWS listed securities for an amount of €184.8 million and the improved position within Eurazeo for €63.6 million (excluding fees). Disposals totalling -€5.5 million relate to Serge Ferrari Group.

The presentation of the acquisitions of securities in the non-current portfolio in the cash flow statement differs from the balance sheet presentation. The table below presents the reconciliation between the two aggregates:

Acquisition of securities – change in balance sheet	**469,066**
Capital gains realised on investments acquired and sold over the year	321
Current account contributions from shareholders	3,207
Acquisition of investment portfolio – statement of cash flows	**472,595**

The acquisition value of the non-current portfolio is as follows:

(in thousands of €)	30 June 2018	31 December 2017
Historical value of the non-current portfolio	**1,844,948**	1,403,129
Value of related receivables	**16,762**	15,609

Outstanding commitments in the non-current investment portfolio are as follows (see Note 5.27):

(in thousands of €)	30 June 2018	31 December 2017
Commitments in non-current investment portfolio	609,440	237,665

5.9. Investments in equity affiliates

(in thousands of €)	30 June 2018	31 December 2017
Letus Private Office	247	247
Duke Street	6,434	6,349
Investments in equity affiliates	**6,681**	**6,595**

5.10. Client receivables, other receivables and financial assets

(in thousands of €)	30 June 2018	31 December 2017
Client receivables and related accounts	**17,968**	**15,894**
Financial assets	2,673	206,252
Other receivables	48,648	21,008
Total other receivables and financial assets	**51,322**	**227,261**

The financial assets are made up of revenues from investment activities recorded as earnings but not yet collected as at 30 June 2018. Client receivables and other receivables are not subject to any provision for non-recovery.

5.11. Current investment portfolio

Changes in the current investment portfolio are as follows:

(in thousands of €)	Portfolio	Level 1	Level 2	Level 3
Fair value as at 31 December 2017	**109,121**	**109,121**	**0**	**0**
Acquisition of securities	955	955	0	0
Disposals and repayments	(113)	(113)	0	0
Changes in fair value	(1,144)	(1,144)	0	0
Fair value as at 30 June 2018	**108,819**	**108,819**	**0**	**0**

The acquisition value of the current portfolio is as follows:

(in thousands of €)	30 June 2018	31 December 2017
Historical value of the current portfolio	120,014	119,010

The presentation of the acquisitions of securities in the current portfolio in the cash flow statement differs from the balance sheet presentation. The table below presents the reconciliation between the two aggregates:

Acquisition of securities – change in balance sheet	**955**
Change in accrued interest	163
Acquisition of investment portfolio – statement of cash flows	**1,118**

5.12. Cash and cash equivalents, cash management financial assets

(in thousands of €)	30 June 2018	31 December 2017
Cash equivalents	80,644	81,840
Cash	441,734	826,737
Cash and cash equivalents	**522,378**	**908,577**
Cash management and financial assets	16,852	66,852

Cash and cash equivalents, cash management and financial assets	539,231	975,429

Cash equivalents are predominantly made up of marketable securities and cash management and financial assets are comprised of term deposits of more than three months.

5.13. Number of shares, share capital and dividends

Number of shares	30 June 2018	31 December 2017
Existing shares at the beginning of the period	102,799,748	54,174,822
Shares issued during the period	346,500	48,624,926
Existing shares at the close of the period	**103,146,248**	**102,799,748**

The number of shares after dilution is as follows:

Number of equity warrants awarded	1,416,444	1,416,560
Number of free shares vesting	1,180,971	700,873
Weighted average number of shares after dilution[1]	105,499,935	87,124,865
Shares after dilution at the close of the period	105,743,663	104,917,181
Of which treasury shares	29,401	46,564

Share capital (in €)	30 June 2018	31 December 2017
Par value at end of period	12	12
Share capital	1,237,754,976	1,233,596,976

The dividends per share paid on the following financial years came to:

(in €)	31 December 2017	31 December 2016	31 December 2015
Dividend per share Tikehau Capital	1.00	-	0.70

5.14. Borrowings and financial debt

(in thousands of €)	30 June 2018	31 December 2017
Bonds	**300,000**	**300,000**
Debt principal (including accrued interest)	262,810	256,862
Bank loans	0	1
Amortisation of issue costs on borrowings	(8,619)	(9,131)
Borrowings and debt from credit institutions	**254,191**	**247,732**

[1] The calculation of the weighted number of shares after dilution takes into account the effective dates for the different operations that impact the number of shares.

Total	554,191	547,732
of which non-current liabilities	546,630	545,962
of which current liabilities	7,561	1,770

Changes in borrowings and financial debt are as follows:

(in thousands of €)	Total	Bonds	Borrow-ings	Accrued interest	Issue costs on borrow-ings	Others
Debt as at 31 December 2017	547,732	300,000	255,118	1,744	(9,131)	1
Scope effect	0					0
New loans subscribed	0					0
Loans reimbursed	0					0
Others	6,459		40	5,908	512	(1)
Borrowings at 30 June 2018	554,191	300,000	255,158	7,652	(8,619)	0

The changes in cash flow associated with borrowings and financial debt exclusively include the financial interest paid during the first half of 2018 (€3.2 million at 30 June 2018, against €11.4 million at 30 June 2017).

Borrowings and financial debt can be broken down into the following maturities:

(in thousands of €)	Due within one year	Due in one to five years	Due in more than five years	Total
Situation as at 30 June 2018				
Variable-rate bank borrowings	541	254,617	0	255,158
Amortisation of issue costs on borrowings	(631)	(7,987)	0	(8,619)
Fixed-rate bond borrowing	0	0	300,000	300,000
Accrued interest	7,652	0	0	7,652
Bank loans	0			0
Total	7,561	246,630	300,000	554,191
of which current liabilities	7,561			7,561
of which non-current liabilities		246,630	300,000	546,630

(in thousands of €)	Due within one year	Due in one to five years	Due in more than five years	Total
Situation as at 31 December 2017				
Variable-rate bank borrowings	307	254,811	0	255,118
Amortisation of issue costs on borrowings	(282)	(8,849)	0	(9,131)
Fixed-rate bond borrowing	0	0	300,000	300,000

Accrued interest	1,744	0	0	1,744
Bank loans	1			1
Total	**1,770**	**245,962**	**300,000**	**547,732**
of which current liabilities	1,770			1,770
of which non-current liabilities		245,962	300,000	545,962

Information on bank covenants

Syndicated loan taken out on 23 November 2017 €1 billion:

For the duration of the contract, Tikehau Capital undertakes to respect the financial ratios:

- Loan To Value ratio, tested semi-annually, less than or equal to 47.5% corresponding to the ratio between (i) the amount of the consolidated financial debt less the amount of the consolidated cash and cash equivalents[1] and (ii) the consolidated assets[2] less the amount of consolidated cash and cash equivalents;
- minimum liquidity ratio, tested semi-annually, at any time greater than or equal to €150 million, corresponding to the sum of consolidated cash and cash equivalents;
- limiting the Company's secured debt to 12.5% of total consolidated assets;
- limiting unsecured debt at the level of the Company's subsidiaries to 12.5% of total consolidated assets.

Standard Chartered bank loan taken out on 27 April 2017 – 8 million Singapore dollars:

For the duration of the contract, TIM APAC undertakes to respect two financial ratios:

- financial expense coverage ratio greater than or equal to three, calculated semi-annually, corresponding to the ratio between (i) distributions received from its subsidiary IREIT Global Group, and (ii) the financial expenses of TIM APAC relating to the Standard Chartered bank loan. The first date for testing the ratio is set at 30 June 2018;
- assets under management managed by Tikehau IM, greater than 3 billion, tested on a quarterly basis.

5.15. Tax

Tax breaks down as follows:

(in thousands of €) **Revenue (+) / Expense (-)**	H1 2018 (6 months)	H1 2017 (6 months)
Deferred tax	(461)	(2,301)
Current tax	(1,789)	(3,464)
Total	**(2,249)**	**(5,765)**
Net result of consolidated companies	(80,725)	86,488
Result before tax	(78,475)	92,253
Application of the normal theoretical tax rate of $33^{1/3}$	26,158	(30,751)

The reconciliation between the theoretical tax situation and the actual tax breaks down as follows:

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Theoretical tax	26,158	**(30,751)**
Deferred tax savings at reduced rate	3,232	19,871
Current tax savings at reduced rate	(14,814)	1,047

[1] Consolidated cash and cash equivalents correspond to the sum of (i) cash and cash equivalents and (ii) the current investment portfolio.

[2] Consolidated assets are the sum of (i) total non-current assets (excluding deferred tax assets and other non-current assets) and (ii) consolidated cash and cash equivalents.

Non-activated tax losses	(19,220)	(9,036)
Result from equity method companies	180	0
Difference in rate	1,234	451
Effect of reduced rates on deficit		
Change in scope Salvepar		10,794
Tax credit	117	2,471
Others	863	(612)
Actual tax	**(2,249)**	**(5,765)**

Changes in taxes on the balance sheet are as follows:

(in thousands of €)	Tax Assets (+) or Liabilities (-)	Of which deferred tax	Of which current tax
Situation as at 31 December 2017	14,874	9,696	5,178
Current tax	(1,789)		(1,789)
Deferred tax	(461)	(461)	
Change in scope	(1)		(1)
Joined the scope	0		
Tax Disbursement / Receipts	5,053		5,053
Situation as at 30 June 2018	17,677	9,235	8,441

Deferred taxes related to tax losses that may be carried over are detailed below.

(in thousands of €)	30 June 2018	31 December 2017
Stock tax loss carried forward at local normal rate	144,240	82,986
Activated deferred tax	26,126	26,126
Stock tax loss carried forward at local reduced rate	0	4,935
Activated deferred tax	0	128

The activation of tax losses is based on Tikehau Capital's ability to achieve the objectives set out in the Management's medium-term tax plan.

Changes in deferred taxes are broken down as follows:

Tax Assets (+) or Liabilities (-) (in thousands of €)	31 Dec. 2017	Increase	Decrease and Reversal	Effect change in tax rate	Change in Fair Value	Reclassification	Others	30 June 2018
Tax losses that may be carried over	26,254		(128)					26,126
Evaluation of financial instruments	388				785			1,173
Other deferred tax assets	43	4	(1)					46

Compensation deferred taxes	(15,361)					(340)		(15,701)
Total deferred tax assets	11,323	4	(129)		785	(340)		11,643
Fair value of the portfolio	(16,130)		613				(657)	(16,174)
Other deferred tax liabilities	(859)	(1,117)	40					(1,935)
Compensation deferred taxes	15,361					340		15,701
Total deferred tax liabilities	(1,627)	(504)	40			340	(657)	(2,408)
Total net deferred tax	9,696	(500)	(89)		785		(657)	9,235

5.16. Non-current financial derivatives

Non-current financial derivatives are made up exclusively of interest-rate swaps implemented within the management of the interest-rate risk on bank debt.

5.17. Share-based payment (IFRS 2)

IFRS 2 "Share-based payment" requires valuation of share based payment transactions and similar in the Company's income statement and balance sheet. This standard applies to transactions carried out with employees, and more precisely:

- to equity-settled share-based payment transactions;
- to cash-settled share-based payment transactions.

Tikehau Capital SCA plans

Share-based payment plans concern only shares of Tikehau Capital.

These plans include a vesting period ranging from two to three years, depending on the plan. The advantage granted to employees is measured as the value of the share acquired as indicated in the plan.

The impact is recorded in payroll expenses and offset by an increase in "Consolidated reserves (Group's share)".

Characteristics of the 2017 General Free Share Plan ("All Plan") implemented at Tikehau Capital SCA

Number of shares being acquired: 23,408 shares

Allocation date: 1 December 2017

Unit value of the share on the allocation date: €19.73 corresponding to the share price on 31 December 2017 (€21.92) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date: 1 December 2019, i.e. a vesting period of three years conditional on the continued status of employee within the Group and without performance conditions.

From the Definitive vesting date, the Shares acquired will be freely transferable.

Characteristics of the 2017 Individual Free Share Plan ("One Off Plan") implemented at Tikehau Capital SCA

Number of shares being acquired: 662,205 shares

Allocation date: 1 December 2017

Unit value of the share on the allocation date: €19.73 corresponding to the share price on 31 December 2017 (€21.92) to which a 10% discount was applied to take into account the absence of dividend rights over the vesting period.

Acquisition date:

- for 50% of shares acquired, 1 December 2019, i.e. a vesting period of two years conditional on the continued status of employee within the Group and without performance conditions;
- for the remaining shares, 1 December 2020, i.e. a vesting period of three years conditional on the continued status of employee within the Group and without performance conditions.

From the Definitive vesting date, the Shares acquired will be freely transferable.

Characteristics of the 2018 Free Share Plan ("2018 FSA Plan") implemented at Tikehau Capital SCA

Number of shares being acquired: 54,629 shares

Allocation date: 30 March 2018

Unit value of the share on the allocation date: €23.74 corresponding to the share price on 29 March 2018 (€25.80) to which an 8% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date: 30 March 2020, i.e. a vesting period of two years, conditional on the continued status of employee within the Group and without performance conditions.

From the Definitive vesting date, the Shares acquired will be freely transferable.

Characteristics of the 2018 Performance Share Plan ("Performance Share Plan 2018") implemented at Tikehau Capital SCA

Number of shares being acquired: 72,185 shares

Allocation date: 30 March 2018

Unit value of the share on the allocation date: €23.74 corresponding to the share price on 29 March 2018 (€25.80) to which an 8% discount was applied to take into account the absence of dividend rights over the vesting period.

Definitive vesting date:

- for 50% of shares acquired, 30 March 2020, i.e. a vesting period of two years, conditional on the continued status of employee within the Group and without performance conditions;
- for 25% of shares acquired, 30 March 2020, i.e. a vesting period of two years, conditional on the continued status of employee within the Group. The number of shares definitively acquired is based on the performance of a number of the Group's published assets under management as at 31 December 2019;
- for 25% of shares acquired, 30 March 2020, i.e. a vesting period of two years, conditional on the continued status of employee within the Group. The number of shares definitively acquired is based on the performance of a level of published revenues from the Group's asset management business as at 31 December 2019.

Characteristics of the free share plan of the 2016 TIM Replacement Plans

This plan is the 2016 TIM Replacement Plan. This plan concerns the allocation of Tikehau Capital shares in accordance with the same valuation and vesting conditions as those set out in the original 2016 TIM Plan.

For the benefit of employees not subject to AIFM regulations

Number of shares being acquired: 136,442 shares

Valuation on the allocation date (in €): €1,722,351

Allocation date: 16 March 2018

Vesting date: 16 June 2019, i.e. a vesting period of one year and three months, conditional on the continued status of employee within the Group and without performance conditions.

The shares are accompanied by an obligation to retain them for a minimum period of one year which will begin as of the definitive vesting of the shares.

For the benefit of employees subject to AIFM regulations

Number of shares being acquired: 216,842 shares

Valuation on the allocation date (in €): €1,137,741

Allocation date: 16 March 2018

Vesting date: 30 June 2019, i.e. a vesting period of one year and three months, conditional on the continued status of employee within the Group and based on the performance of a benchmark index representative of the performance of various Tikehau Investment Management business lines.

The shares are accompanied by an obligation to retain them for a minimum period of one year which will begin as of the definitive vesting of the shares.

The table below presents a summary of the Tikehau Capital SCA plans:

	2017 General Free Share Plan ("All Plan")	2017 Individual Free Share Plan ("One Off Plan")	2018 General Free Share Plan ("2018 FSA Plan")	2018 General Performance Share Plan ("2018 Performance Share Plan")	2016 TIM Replacement Plan - TIM employees subject to AIFM regulation	2016 TIM Replacement Plan TIM employees not subject to AIFM regulation
Allocation date	01/12/2017	01/12/2017	30/03/2018	30/03/2018	16/03/2018	16/03/2018
Maximum number of shares to be allocated	26,334	690,426	54,629	72,185	216,842	136,442
Number of shares being allocated	23,408	662,205	54,629	72,185	216,842	136,442
Valuation on the allocation date	592,681	15,634,127	1,461,986	1,983,356	1,137,741	1,722,351
Number of shares acquired per period						
period ending 30/06/2019	-	-	-	-	216,842	136,442
period ending 30/11/2019	23,408	331,103	-	-	-	-
period ending 30/03/2020	-	-	54,629	72,185	-	-
period ending 30/11/2020	-	331,103	-	-	-	-

5.18. Non-controlling interests

The non-controlling interests can be broken down as follows:

- on the income statement:

(in thousands of €)	H1 2018 (6 months)	% of interest	H1 2017 (6 months)	% of interest
Tikehau Capital Europe	625	24.9%	1	24.9%
Tikehau IM	0	0.0%	0	3.3%
Other companies	24	-	563	-
Total	**649**	-	**564**	-

- in shareholders' equity:

(in thousands of €)	30 June 2018	% of interest	31 December 2017	% of interest
Tikehau Capital Europe	19,123	24.9%	18,460	24.9%
Tikehau IM	0	0.0%	11,204	3.3%
Other companies	817	-	536	-
Total	**19,940**	-	**30,200**	-

5.19. Revenues from asset management activities

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Gross revenues from Asset Management activities	50,844	32,650
Fees paid-out	(15,077)	(7,503)
TOTAL	**35,766**	**25,148**

5.20. Change in fair value

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Non-current investment portfolio	(70,725)	95,083
Current investment portfolio	(1,093)	3,499
TOTAL	**(71,818)**	**98,582**

5.21. Other portfolio revenues

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Dividends	27,127	18,659
Interests	8,561	3,470
Others	20	599
Non-current portfolio revenues	**35,708**	**22,729**
Revenues from bonds	100	290
Current portfolio revenues	**100**	**290**
TOTAL	**35,808**	**23,019**

5.22. Operating expenses

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Purchases and external expenses	(7,956)	(8,198)
Other fees	(5,565)	(4,625)
Remuneration of the Manager	(29,951)	(13,466)
Purchases and external expenses	**(43,473)**	**(26,289)**
Personnel expenses	**(19,845)**	**(12,727)**
Taxes other than revenue taxes	(1,560)	(1,221)
Other net operating expenses	(1,270)	(4,595)
Other net operating expenses	**(2,830)**	**(5,816)**
Total	**(66,148)**	**(44,832)**

The methods for determining the remuneration of the Manager-General Partner of Tikehau Capital are detailed in Note 5.25 (a) "Scope of related parties".

5.23. Net revenues on cash equivalents

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Change in fair value	(83)	0
Net gains/losses on transferable securities	(4)	0
Net gains/losses related to foreign exchange	(150)	(46)
Other revenues from marketable securities	123	105
Total	(114)	58

5.24. Financial expenses

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Expenses related to borrowings from credit institutions	(4,049)	(2,352)
Expenses related to bonds	(4,525)	(8,933)
Expenses related to interest rate derivatives	(1,228)	(1,095)
Change in fair value of interest rate derivatives	(2,449)	2,573
Currency translation adjustment of receivables and bank accounts in currency	0	147
Miscellaneous	(258)	(62)
Total	(12,508)	(9,722)

In 2017, costs related to borrowings from credit institutions included the amortisation of issuance costs of loans repaid during the financial year for the sum of €5.6 million.

In 2017, expenses related to bonds included the redemption price of the Tikehau Capital ORNANE bonds on 30 June 2017 (settlement-delivery date) for €8.1 million.

Interest rate risk exposure on bank loans is detailed in Note 5.25 (a) "Exposure to risks arising from bank debts".

5.25. Related parties

a) Scope of related parties

The related parties of Tikehau Capital are:

- Tikehau Capital General Partner, in its capacity as Manager-General Partner, wholly-owned by Tikehau Capital Advisors;
- Tikehau Capital Advisors and its representatives (the company AF&Co, controlled by Mr Antoine Flamarion, in his capacity as Chairman of Tikehau Capital Advisors, and the company MCH, controlled by Mathieu Chabran in his capacity as Chief Executive Officer of Tikehau Capital Advisors).

The transactions completed and outstanding amounts at the end of the period between the Group's fully consolidated companies are fully eliminated under consolidation.

(i) Remuneration of the Manager

The Manager is responsible for the general business conduct of the Company, the convening of General Meetings of Shareholders and setting their agenda, as well as the preparation of the accounts. Therefore, the Manager is entitled to a remuneration, determined in the Articles of Association, which is equal to (excluding tax) 2% of the total consolidated shareholders' equity of the Company, determined on the last day of the preceding financial year. This remuneration shall be paid annually when the financial statements of the preceding year are approved. The Manager has the opportunity, during the year, of receiving a payment on account for the remuneration referred to above. The payment of this advance can only be made on the basis of an accounting period certified by the Statutory Auditors of the Company. This advance is deducted from the total amount of remuneration paid to the Manager on approval of the financial statements for the previous financial year.

(ii) Preferred dividend (*dividende préciputaire*) to the general partner

Tikehau Capital General Partner, as sole general partner of the Company, is entitled, by way of preferred dividend and should there be distributable income for a financial year, to an amount determined in the Articles of Association and equal to 12.5% of the net result of the Company as reflected in the Company's statutory financial statements at the close of each financial year.

If there is more than one general partner, they shall share this amount between themselves as they see fit. In the event of a financial year whose duration is less than a calendar year, this remuneration shall be calculated on a pro rata basis for the time elapsed.

(iii) Attendance fees and other remuneration received by members of the Supervisory Board

In line with the conversion of the Company into a *société en commandite par actions* (partnership limited by shares), a Supervisory Board was created. According to the Company's Articles of Association, members of the Supervisory Board may receive attendance fees and remuneration, the total annual amount of which is voted on by the General Shareholders' Meeting and whose distribution is decided by the Supervisory Board on the recommendation of the Appointment and Remuneration Committee. The Supervisory Board's Internal Rules provide that the distribution of attendance fees takes into account in particular the effective participation of each member in the Meetings as well as the duties performed on the Board and its Committees, and is the subject of prior discussion by the Appointment and Remuneration Committee. The share of each member of the Supervisory Board is calculated in proportion to the duration of his or her term of office during the financial year.

At the Combined General Shareholders' Meeting of the Company held on 25 May 2018, a budget of €400,000 was allocated to the members of the Supervisory Board in respect of attendance fees for each financial year. Attendance fees were paid during the first half of 2018 in respect of the financial year 2017 in the amount of €271,000.

No attendance fees were paid during financial year 2017.

(iv) Summary of the remuneration received by the Chairman and the Manager of Tikehau Capital

The amounts invoiced by the related parties over the year can be broken down as follows:

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Remuneration on consolidated shareholders' equity	25,296	11,297
Share of non-deductible VAT	4,655	2,169
Remuneration of TCGP	**29,951**	**13,466**
Remuneration charged to Salvepar by TCA[1]	-	**650**
TOTAL	**29,951**	**14,116**

The annual remuneration paid as preferred dividends (*dividende préciputaire)* at the Combined General Shareholders' Meeting of 25 May 2018 is as follows:

(in thousands of €)	H1 2018 (6 months)	H1 2017 (6 months)
Remuneration on net result	33,987	-
TOTAL	**33,987**	-

(v) Investments in closed funds managed by Tikehau Investment Management (Tikehau IM) or Tikehau Capital Europe (TCE)

The following table presents the list of closed funds in which Tikehau Capital or one of its subsidiaries have invested and that are managed by Tikehau IM or TCE:

Investments in the funds as at 30 June 2018 (in millions of €)	Investing company	Amount called[2]		Commitment		% holding[3]
		Tikehau	Fund	Tikehau	Fund	

[1] The remuneration invoiced by TCA to Salvepar in 2017 has no impact on the consolidated result due to Salvepar's entry into the scope of consolidation after the billing period.

[2] Amount invested at the historical cost excluding revaluation

[3] Percentage holdings calculated on amounts committed

Tikehau Brennus	TC	62.5	115.0	62.5	115.0	54%
Tikehau Credit.fr	TC & TPA	2.2	4.9	11.0	24.4	45%
TDL III	TC UK	38.6	580.5	40.6	610.0	7%
TDL IV	TC UK & TPA	9.2	117.7	50.9	654.0	8%
TDL IV L	TC UK & TPA	22.0	55.7	51.1	129.6	39%
TSL II	TC UK	25.0	615.2	25.0	615.1	4%
TSS II	TC	15.0	85.3	15.0	85.3	18%
Sofiprotéol	TC UK & TPA	3.0	106.6	5.8	205.0	3%
TPC	TC & TIM	25.2	130.2	25.9	133.9	19%
Other Private Debt funds		3.8	78.9	3.8	79.2	
Total Private Debt funds		206.5	1,889.9	291.6	2,651.4	
Fair Value Private Debt funds at Tikehau Capital		208.7				

TIRF I (I-Petali)	TC& TC UK	9.3	35.1	9.3	35.1	26%
TIRF II (Area 12)	TC & TREIC	7.0	41.8	7.0	41.8	17%
TLP I (Escoffier)	TC & TREIC	12.8	56.3	12.8	56.3	23%
TRE I (Elis)	TC	9.0	99.9	9.0	99.9	9%
TRE II (Optimo)	TC & TREIC	35.0	180.5	35.0	180.5	19%
TRE III (Optimo 2)	TREIC & TPA	16.2	237.8	16.2	237.8	7%
TRE III feeder (Optimo 2)	TC UK	16.5	59.5	17.5	59.5	29%
TRP I (Mr. Bricolage)	TC	23.1	135.0	23.1	135.0	17%
TRP II (Bercy 2)	TC	14.0	49.7	14.0	49.9	28%
TRP III (Babou)	TC	33.3	175.0	33.3	175.0	19%
TREO	TC & TPA	0.0	0.0	150.0	292.0	51%
Total Real Estate funds		176.2	1,070.4	327.3	1,362.6	
Fair Value Real Estate funds at Tikehau Capital[1]		199.8				

TSO	TC UK & TPA	5.5	15.9	31.1	89.7	35%
TIKEHAU SEQUOIA	TC	30.3	52.2	30.3	52.2	58%
TKS I	TC UK & TPA	6.9	40.2	7.1	50.0	14%
TGE II	TC & TPA	31.1	31.3	200.4	202.0	1.0
Total Private Equity funds		73.8	139.6	268.9	393.9	
Fair Value Private Equity funds at Tikehau Capital		72.6				

CLO I	TC UK & TCE	36.8	354.7	36.8	354.7	10%
CLO II	TCE	19.4	414.2	19.4	414.2	5%
CLO III	TC UK & TCE	23.3	435.0	23.3	435.0	5%
CLO IV	TC UK & TCE	17.4	69.3	45.0	200.0	
Total CLO		96.9	1,273.2	124.6	1,403.9	
Fair Value CLO at Tikehau Capital		92.1				

Total		553.4	4,373.1	1,012.4	5,811.8	
Fair Value at Tikehau Capital		573.2				

Investments in the funds at 31 December 2017 (in millions of €)	Investing company	Amount called[2]		Commitment		% holding[3]
		Tikehau	Fund	Tikehau	Fund	
TDL III	TC UK	37.4	572.1	40.6	610.0	7%
TDL IV	TC UK & TPA	1.6	3.1	51.5	470.1	11%
TDL IV L	TC UK & TPA	0.0	0.0	50.4	50.7	99%

[1] Excl. IREIT Global.
[2] Amount invested at the historical cost excluding revaluation
[3] Percentage holdings calculated on amounts committed

TSL II	TC UK	18.5	455.2	25.0	615.8	4%
TSS II	TC	15.0	85.3	15.0	85.3	18%
Tikeflo Invest 3	TC	12.1	12.2	12.1	12.2	99%
TPC	TC & TIM	25.2	130.2	25.9	133.9	19%
Other Private Debt funds		7.1	131.7	10.2	234.1	
Total Private Debt funds		**116.9**	**1,389.7**	**230.8**	**2,212.1**	
Fair Value Private Debt funds at Tikehau Capital		**116.0**				

TIRF I (I-Petali)	TC& TC UK	9.3	35.1	9.3	35.1	26%
TIRF II (Area 12)	TC & TREIC	7.0	41.8	7.0	41.8	17%
TLP I (Escoffier)	TC & TREIC	12.8	56.3	12.8	56.3	23%
TRE I (Elis)	TC	9.0	99.9	9.0	99.9	9%
TRE II (Optimo)	TC & TREIC	35.0	180.5	35.0	180.5	19%
TRE III (Optimo 2)	TC & TREIC & TPA	17.7	237.8	17.7	237.8	7%
TRE III feeder (Optimo 2)	TC UK	17.5	59.5	17.5	59.5	29%
TRP I (Mr. Bricolage)	TC & SY	23.1	135.0	23.1	135.0	17%
TRP II (Bercy 2)	TC	14.0	49.7	14.0	49.9	28%
TRP III (Babou)	TC	33.3	175.0	33.3	175.0	19%
Total Real Estate funds		**178.7**	**1,070.5**	**178.7**	**1,070.7**	
Fair Value Real Estate funds at Tikehau Capital[1]		**195.2**				

TSO	TC UK & TPA	4.3	10.8	31.5	77.8	0.4
Total Private Equity funds		**4.3**	**10.8**	**31.5**	**77.8**	
Fair Value Private Equity funds at Tikehau Capital		**4.1**				

CLO I	TC UK & TCE	34.5	354.7	34.5	354.7	10%
CLO II	TCE	19.4	414.2	19.4	414.2	5%
CLO III	TC UK & TCE	23.3	435.0	23.3	435.0	5%
Total CLO		**77.2**	**1,203.9**	**77.2**	**1,203.9**	
Fair Value CLO at Tikehau Capital		**77.6**				

Total		377.2	3,674.9	518.3	4,564.5	
Fair Value at Tikehau Capital		392.9				

[1] Excl. IREIT Global.

Collateralised Loan Obligation ("CLO") activities

Through its subsidiary Tikehau Capital Europe, Tikehau Capital entered the securitisation market in 2015 through the launch of securitisation vehicles dedicated to CLOs.

A company managing CLOs such as Tikehau Capital Europe has two types of revenues:

- it receives management fees like any asset management company;
- it has an obligation to invest up to 5% in the securitisation vehicle under applicable law (the principle of the retention piece). This investment can be made horizontally either in the highest risk tranche (subordinated tranche or equity), or vertically, by a retention of 5% of each of the tranches issued by the vehicle. The asset management company collects the coupons related to this tranche, if the other tranches have received the coupons they are owed.

The risks depend on the seniority of the tranche subscribed and their positioning in the coupon payment waterfall, the equity tranche being the last tranche served:

- the tranches are entitled to a defined return; the risk is borne by equity whose payment comes last (profit or loss depending on the situation);
- upon liquidation of the fund, the residual profit attributable to the investment will accrue to the holders of ordinary shares.

At 30 June 2018, Tikehau Capital's CLO vehicles are:

i) TIKEHAU CLO I

Category of bonds issued	Rating (Moody's/Fitch)	Amount (in thousands of €)	Coupon	Final maturity post-refinancing
A-1R.	Aaa/AAA	161,000	Euribor 6 months +0.60%	11 years
A-2	Aaa/AAA	40,000	1.88% during the period of fixed rate then Euribor 6 months +1.40%	11 years
B	Aa2/AA+	39,000	Euribor 6 months +1.07%	11 years
C	A2/A	28,000	Euribor 6 months +1.45%	11 years
D	Baa2/BBB	16,000	Euribor 6 months +2.35%	11 years
E	Ba2/BB	21,200	Euribor 6 months +4.60%	11 years
F	B2/B-	7,800	Euribor 6 months +5.90%	11 years
Subordinated	Unrated	41,700	n.a.	11 years
TOTAL		354,700		

ii) TIKEHAU CLO II

Category of bonds issued	Rating (Moody's/Fitch)	Amount (in thousands of €)	Coupon	Final maturity
A	Aaa/AAA	244,000	Euribor 6 months +1.06%	13 years
B	Aa2/AA	46,000	Euribor 6 months +1.70%	13 years
C	A2/A	23,000	Euribor 6 months +2.57%	13 years
D	Baa2/BBB	18,000	Euribor 6 months +3.60%	13 years
E	Ba2/BB	28,000	Euribor 6 months +6.25%	13 years
F	B2/B-	10,500	Euribor 6 months +7.50%	13 years
Subordinated	Unrated	44,700	N/A	13 years
TOTAL		414,200		

iii) TIKEHAU CLO III

Category of bonds issued	Rating (Moody's/Fitch)	Amount (in thousands of €)	Coupon	Final maturity
A	Aaa/AAA	244,700	Euribor 6 months +0.87%	13 years
B	Aa2/AA	57,700	Euribor 6 months +1.40%	13 years
C	A2/A	28,600	Euribor 6 months +1.85%	13 years
D	Baa2/BBB	19,700	Euribor 6 months +2.70%	13 years
E	Ba2/BB	26,250	Euribor 6 months +4.85%	13 years
F	B2/B-	12,600	Euribor 6 months +6.55%	13 years
Subordinated	Unrated	45,600	N/A	13 years
TOTAL		435,150		

iv) TIKEHAU CLO IV

The launch of the preparatory ("warehouse") phase of the fourth CLO project was completed during the first half of 2018.

v) Performance fees

In some funds, performance fees may be paid in the event that a performance threshold is exceeded upon the liquidation of the funds, mainly real-estate and private debt funds.

Performance fees since April 2014 break down as follows: 15% to 20% of the performance fees are paid to a company that is a shareholder of Tikehau Capital Advisors and is held by partners of the Group; the remainder is distributed one third each to Tikehau Capital, Tikehau IM and Tikehau Capital Advisors.

These performance fees are paid by the funds directly to the beneficiaries and are recognised on the income statement when they are actually paid.

At 30 June 2018, 82% of private debt assets under management – direct lending and real estate funds - give rise to performance fees.

(in millions of €)	30 June 2018	31 December 2017
Assets eligible for performance fees	**4,607**	**3,961**
Direct lending	2,015	1,716
Real Estate	2,592	2,245
Assets Under Management	**5,611**	**5,090**
Direct lending	3,019	2,845
Real Estate	2,592	2,245

Tikehau Capital and its fully-consolidated subsidiaries recognised total performance fees of €2.9 million in respect of the first half of financial year 2018.

5.26. Market risks

The market risk exposure for Tikehau Capital is divided into two sub-sections:

- exposure of bank liabilities and to foreign currency liabilities;
- exposure of the investment portfolio and to currency assets.

a) Exposure to risks arising from bank debts

At 30 June 2018, Tikehau Capital was exposed to interest rate risk on its bank loans and related hedges for respective amounts of €255.2 million and €328.1 million (see Note 5.14 "Borrowings and financial debt").

Debts in foreign currencies are revalued at each closing at the closing conversion rate:

(in millions of €)	Amount in currency	30 June 2018	31 December 2017
Bank debt in currency			
SGD	8.0	5.0	5.0

For the purpose of managing risks on its floating-rate exposure, Tikehau Capital has taken out interest-rate swaps with the following features:

(in millions of €)	Notional	Average fixed rate	Average maturity
As at 31 December 2017	177.7	0.62%	6.1 years
As at 30 June 2018	328.1	0.57%	5.9 years

b) Exposure to investment portfolio risks

The risk exposure of the investment portfolio can be summarised as follows:

(in millions of €)	Currency risk	Listed equity markets	Unlisted equity markets	30 June 2018	31 December 2017
Tikehau funds	x	x Liquid Strategies	x	677.6	502.4
External funds & co-investments	x	n.a.	x	110.7	79.8
Equities	x	x Investment levels 1 & 2	x Investment level 3	1,030.2	865.0
Bonds	n.a.	n.a	n.a.	122.5	118.0
TOTAL				**1,941.1**	**1,565.2**

(i) Exposure to investment risks in the Tikehau funds

Liquid strategies: a change in the net asset value of the funds (€104.4 million as at 30 June 2018) of +/-10% would impact Tikehau Capital's exposure by €10.4 million.

Private debt and CLOs: stress case scenarios on interest rates are carried out quarterly. The hypothesis used is a shock on the interest rate curve without risk (+/-100 basis points).

A change in interest rates of 100 basis points could impact Tikehau Capital's exposure by €5.0 million.

Real estate activities: stress case scenarios are carried out quarterly. The hypothesis used is a shock on the value of unlisted real estate assets by country: -15% in France and -12% in Italy (historical stress based on the MSCI commercial real estate index, from October 2007 to March 2009).

The impact on Tikehau Capital's exposure would be -€28.5 million.

(ii) Exposure of investments in equities

Investments in shares or equity investments are classified according to the different levels (see note 5.5 (Determination of fair value)):

(in millions of €)	30 June 2018	31 December 2017
Level 1[1]	692.9	526.7
Level 2	51.2	60.3
Level 3	286.1	278.0
TOTAL	**1,030.2**	**865.0**

The portfolio of listed shares of Tikehau Capital is subject to continuous monitoring and daily assessment for the management of this risk.

Tikehau Capital may be affected by adverse changes in the market price of its listed securities. A decline in the share price over a given period, especially at the end of the financial year, would be reflected in the financial statements as a fall in the net value of the portfolio and its shareholders' equity and could in particular affect the ability of the Group to pay dividends. Thus, a 10% decline in the fair value of listed equities as at 30 June 2018 would have resulted in an additional charge of €69 million in the consolidated earnings before tax for first-half 2018. A fall in the share price is also likely to impact the earnings realised at the time of any sales into the market that might be made by Tikehau Capital.

Furthermore, fluctuations in the equity markets may have an impact on the stock market comparables used as part of the multi-criteria valuation approach for non-listed equity securities. These fluctuations are likely to have a negative effect on the consolidated shareholders' equity and on the Group's result, without being able to establish an accurate correlation between the occurrence of these fluctuations and the valuation of said securities. As a result, sensitivity to this risk cannot be quantified. Depending on the extent of its funding and the magnitude of any price declines, Tikehau Capital could be required to make temporary payments to support its funding.

[1] IREIT Global is classified as Level 1 Equity for analysis purposes, although it is a Real Estate Fund managed by IREIT Global Group (80% owned indirectly by Tikehau Capital).

The Company performed a sensitivity test on the non-listed assets of its investment portfolio as at 30 June 2018 (fair value net of the corresponding debt, if any, and excluding (i) non-listed bonds that are subject to a sensitivity test on interest rates and (ii) assets whose value is fixed because they are subject to a sales contract). The sensitivity test on non-listed shares was performed on the basis of the revenues or EBITDA multiples used to value the corresponding assets as at 30 June 2018 or, when a method other than valuation by multiples was used, by retaining an implicit multiple. Investment holdings or real estate assets are excluded from the analysis. The sensitivity test thus covers 87% in value of investments in non-listed shares of its portfolio as at 30 June 2018. The sensitivity to a change of +/-10% in the multiples of revenues or EBITDA of non-listed companies amounts to €36.6 million.

(iii) Exposure of investments in bonds

Investments in bonds are classified according to the different levels (see note 5.5 Determination of fair value):

(in millions of €)	30 June 2018	31 December 2017
Level 1	9.1	18.2
Level 2	0.0	0.0
Level 3	113.4	99.8
TOTAL	**122.5**	**118.0**

The bonds in which Tikehau Capital has invested are issued at a fixed rate. The instantaneous variation of plus (or minus) 100 bp in rates would have resulted in a change in the value of the portfolio of minus (or plus) €5.9 million, given the average duration recorded on this portfolio (4.9 years).

To date, no default has occurred in the Group's bond investments.

(iv) Exposure of investments in external funds and co-investments.

Most assets underlying the invested funds are in noncyclical sectors. This reduces the likelihood of variations in returns. The risk of variations in returns is default risk and forecast-related risk.

(in millions of €)	30 June 2018	31 December 2017
Fair value	110.7	79.8
Number of funds	53	49
Average line of investment	2.0	1.6
Share of investments >€3m (in %)	72%	48%

The table below details the unobservable inputs used for the main Level 3 external investment funds:

Investment fund	Valuation method	Non-observable data	Rank	Fair value in millions of €
FAIRSTONE	• Comparable listed companies	• Multiple Adjusted Net Asset Value	• 2.5x	14.4
VOYAGE CARE	• Comparable listed companies (50%) • Comparable transactions (50%)	• Multiple EBITDA • Multiple EBITDA	• 10.1x • 12.3x	8.9
STARWOOD ERE	• Discounted cash flow (60%) • Previous transactions (40%)	• Discount rate (WACC) • Multiple Production and Reserve	• [8.0% - 20.0%] • $3.913 & [$0.82 - $0.96]	8.5
P2 BRASIL – HIDROVIAS	• Discounted cash flow	• Discount rate (WACC)	• [8.6% - 11.0%]	7.6
RING CAPITAL[1]	n.a.	n.a.	n.a.	7.0
JEFFERSON[1]	n.a.	n.a.	n.a.	6.5
P2 BRASIL – LAP	• Discounted cash flow	• Discount rate (WACC)	• [8.8% - 9.8%]	4.9
CRESCENT LILY	• Comparable listed companies • Discounted cash flow	• Multiple EBITDA and Net revenues • Discount rate (WACC)	• [15.6x - 126.3x] and [19.9x - 113.7x] • [12.1% - 13.1%]	4.8
JCF FLOWERS – CEP	• Comparable listed companies	• Multiple EBITDA	• 10.0x	4.2
MARKER TUNIN	Recent acquisition price	n.a.	n.a.	3.8
AROSA[1]	n.a.	n.a.	n.a.	3.3
JC FLOWERS IV	• Comparable listed companies • Recent acquisition price	• Multiple EBITDA, NAV and Net revenues	• [7.5x - 12.1x]; [0.85x - 2.5x] and 18.0x	3.0
PATRIA FUND II	• Discounted cash flow	• Discount rate (WACC)	• [8.5% - 15.3%]	3.0
Total investment funds > €3 m				79.9

c) Exposure to currency risk

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies. As at 30 June 2018, Tikehau Capital was exposed to currency risk on the pound sterling, the US dollar, the Singapore dollar and the Canadian dollar, as well as the Australian dollar and the Polish zloty to a lesser extent. There was no currency hedging in place as at 30 June 2018.

The table below shows the impact on earnings of a change +/- 10% in the euro against these currencies and on the basis of the consolidated financial statements as at 30 June 2018 and 31 December 2017:

(in millions of €)	Appreciation of 10% in the euro against the currency	Depreciation of 10% in the euro against the currency
As at 30 June 2018		
GBP	-10.0	12.2
USD	-7.2	8.8
SGD	-2.5	3.0

[1] Recent investments dated less than one year ago for which no valuation information has been provided by the funds at this stage (investments valued at acquisition price in the funds).

CAD	-1.3	1.6
AUD	-0.1	0.1
PLN	-0.1	0.1
As at 31 December 2017		
GBP	-9.7	12.1
USD	-6.1	7.5
SGD	-2.4	2.9
CAD	-0.8	0.2
AUD	-0.2	1.0
PLN	-0.1	0.1

Exposure to currency risk remained stable between 31 December 2017 and 30 June 2018.

d) Exposure to counterparty risk

To manage its counterparty risk related to cash and marketable securities, Tikehau Capital only works with banks selected in view of their credit rating and has recourse to investments whose horizon is suited to its projected needs. Cash investments are reviewed on a weekly basis particularly in terms of credit risk. The selection of investment vehicles and counterparties and the volatility of the instruments are also subject to regular review. It is based on prudential rules ensuring the diversification of custodians and account keepers as well as the variety of vehicles and risk/return profiles. During the first half of 2018, Tikehau Capital had no counterparty default.

e) Exposure to liquidity risk

Tikehau Capital manages its liquidity risk by maintaining a store of available cash and liquid investments (the current portfolio) that is sufficient for covering its current debts.

5.27. Contingent liabilities and contingent assets

(in thousands of €)	Amount at 30 June 2018	Amount at 31 December 2017
Description	Value of the collateral provided	Value of the collateral provided
Commitment of payment to current account	129	142
Capital subscription commitment in the companies	38,616	68,712
Uncalled commitment by external funds	106,342	99,369
Uncalled commitment by Tikehau funds	503,098	138,296
Pledge of shares as loan guarantee and authorised overdrafts	141,052	83,643
Pledge of bank accounts as loan guarantee and authorised overdrafts	8,948	67,337
TOTAL COMMITMENTS MADE	**798,186**	**457,499**

Description (in thousands of €)	Amount at 30 June 2018	Amount at 31 December 2017
Syndicated loan not drawn at close	750,000	750,000
Lombard loan not drawn at close	150,000	150,000
TOTAL COMMITMENTS RECEIVED	**900,000**	**900,000**

5.28. Subsequent events after closing

Buyback of Amundi's investment in Tikehau Capital Europe

At the end of July 2018, the Company bought back, for around €22 million, the 24.9% interest held by the Amundi Group in Tikehau Capital Europe, a British subsidiary of the Group that manages securitisation vehicles for CLOs (Collateralized Loan Obligations), a specialised product consisting of debt securities backed by a portfolio of leveraged loans. Following this transaction, the Company held 100% of the share capital and voting rights in Tikehau Capital Europe.

IREIT Global Group

In July 2018, the Group acquired an additional 4.5% interest in the share capital of IREIT Global Group, an asset management company under Singaporean law whose securities are listed on the Singapore Stock Exchange (SGX) and which invests in real estate assets located in Europe, and primarily in Germany. Following this transaction, the Group owned 84.5% of the share capital of IREIT Global Group

Sale of the interest in Naturex

In March 2018, Givaudan announced its intention to launch a tender offer for all Naturex shares not held by Givaudan at a unit price of €135 per share. Following the sale of its interest as part of this tender offer opened on 28 June 2018, the Company generated a capital gain of around €14.4 million, i.e. 2.4x the amount invested.

Proposed acquisition of Sofidy

On 20 September 2018, the Company announced that it had entered into exclusive negotiations to acquire Sofidy, a major player in real estate management in France. This proposed acquisition would allow Tikehau Capital to become one of the leading independent French players in real estate asset management, and to increase its assets under management by over 30%, enabling it to achieve its target of €20 billion in assets under management by the end of 2018 initially announced for 2020.

This acquisition project is fully aligned with Tikehau Capital's strategy to broaden its fund offering in order to balance its business mix. It enables the Group to reach out to new investor categories and extend its know-how in the field of real estate investment solutions thanks to the strong complementarities between the two groups.

Established in 1987 by Christian Flamarion, Sofidy is a leading asset manager in the real estate management sector in France and Europe, involved in the creation and development of investment and savings products particularly focused on retail and office real estate. A leading independent player in the SCPI (real estate investment trust) market with €4.8 billion under management, Sofidy manages a portfolio of over 4,100 real estate assets on behalf of over 45,000 individual investors and a large number of institutional investors.

This planned tie-up flows from the operational complementarity between the two groups, supported by common values of independence and excellence, which will allow their different know-how and expertise to be given free rein.

This complementarity is demonstrated firstly in the client base profile: institutional investors on the one hand and private investors on the other. The complementarity is also clear in terms of product range: on the one hand Real Estate Collective Investment Schemes (OPCI) for professional investors; and Real Estate Investment Companies (SCPI), real estate UCITS and OPCI for private investors, on the other.

By consolidating €4.8 billion in additional real estate assets under management, the proposed acquisition of Sofidy will enable Tikehau Capital to almost triple its assets under management in this sector (which amounted to €2.6 billion at the end of June 2018).

2. STATUTORY AUDITORS' REPORT ON THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS 2018

MAZARS
61, rue Henri-Regnault
92400 Courbevoie France
S.A. (limited company) with Board of Directors
and Supervisory Board
With share capital of €8,320,000

Auditor
Member of the Compagnie
régionale of Versailles

ERNST & YOUNG et Autres
1-2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
Simplified Joint Stock Company with variable
share capital

Auditor
Member of the Compagnie
régionale of Versailles

Tikehau Capital

For the period from 01 January 2018 to 30 June 2018

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

To the shareholders of Tikehau Capital,

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

- the review of the accompanying condensed half-year consolidated financial statements of Tikehau Capital, for the period from 1 January to 30 June 2018;
- the verification of the information presented in the half-year management report.

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

1. Conclusion on the financial statements

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

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

2. Specific verification

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

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

Courbevoie and Paris-La Défense, 24 September 2018

The Auditors

MAZARS	ERNST & YOUNG et Autres
Simon Beillevaire	David Koestner

III. DECLARATION BY THE PERSON RESPONSIBLE FOR THE 2018 HALF-YEAR FINANCIAL REPORT

Tikehau Capital General Partner,
Manager of the Company
32, rue de Monceau, 75008 Paris, France
Tel.: +33 1 40 06 26 26
Fax: +33 1 40 06 09 37

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

"We certify that, to the best of our knowledge, the condensed consolidated financial statements for the period ended are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all consolidated companies and that the interim business report provides a true and fair view of the significant events occurring in the first six months of the year, their impact on the financial statements, the main related-party transactions and a description of the main risks and uncertainties for the remaining six months of the financial year."

Paris, 24 September 2018

Tikehau Capital General Partner, Manager of the Company,
represented by:

Its Chairman, AF&Co, itself represented by its Chairman, Mr Antoine Flamarion	Its CEO, MCH, itself represented by its Chairman, Mr Mathieu Chabran