

A French partnership limited by shares (*société en commandite par actions*) with a share capital of €1,233,596,976

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INTERIM FINANCIAL REPORT 2017

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Important information

Forward-looking information

This interim financial report contains information on the objectives and development goals of the Company (as defined below). These statements are at times identified by the use of the future or conditional tense and words with prospective connotations such as "estimate", "consider", "envisage", "aim", "expect", "intend", "should", "hope", "could" or any other variants or similar terms. The reader's attention is drawn to the fact that these objectives and development goals are not historical data and should not be construed as a guarantee that such facts and data will actually occur, that the assumptions will be confirmed, or that the objectives will be achieved. These are objectives, and not forecasts or estimates, which by their nature may not be achieved and the information contained in this interim financial report may be proven to be incorrect, without the Company being bound by any obligation to update it, subject to applicable regulations, particularly as regards the provisions of the General Regulation of the *Autorité des marchés financiers* (the "AMF").

Pro forma financial information

This interim financial report presents consolidated financial information relating to Tikehau Capital SCA ("Tikehau Capital" or the "Company") for the period from 1 January to 30 June 2017 comprising comparative financial information for the period from 1 January to 30 June 2016. This comparative information does not take into account the reorganisation operations undergone by the [Group (as defined herein)] in the second half of financial year 2016 and the first half of financial year 2017. Accordingly, the financial information presented in this report for the period from 1 January to 30 June 2017 should be read in conjunction with unaudited *pro forma* financial information published by the Company for the period from 1 January to 30 June 2016. This unaudited *pro forma* financial information has been prepared and presented in accordance with Annex II of EU Regulation 809/2004 (as amended) on prospectuses and the recommendation of the AMF No. 2013-08 relating to *pro forma* financial information.

Pro forma financial information published by the Company for the period from 1 January to 30 June 2016 is included in Chapter V of the Company's registration document filed with the AMF on 24 January 2017 under number I.17-002 (the "Registration Document") and is the subject of a report by the Company's Statutory Auditors in Section V.2 of the Registration Document. The Registration Document is available on the Company's website (www.tikehaucapital.com).

Risk Factors

Investors are urged to consider the risk factors described in Chapter III of the Company's 2016 Registration Document registered by the AMF on 27 April 2017 under number R.17-029 (the "2016 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, it is likely that such risks would have a negative effect on the Company'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.

Roundups

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.

I. INTERIM BUSINESS REPORT

1. Overview and Key Figures

The net income (Group's share) for the first half of 2017 amounted to a profit of €5.9 million compared to a loss of €5.8 million on a *pro forma* basis for the first half of 2016.

Income for the first half of 2017 reflects both the growth in current income from asset management activities and the very strong performance of the Company's investment activities. These items are reflected both in the current income from asset management activities, which amounted to €25.1 million for the first half of 2017 (compared with €18.1 million for the first half of 2016 on a *pro forma* basis) and in the current income from the portfolio, which amounted to €121.6 million for the first half of 2017 (compared to €35.6 million for the first half of 2016 on a *pro forma* basis).

Key figures for the first half of 2017

Under IFRS standards (in millions of €)	Items from the income statement	
	First half 2017	First half 2016 (<i>pro forma</i>) (4)
Income from the management companies (1)	25.1	18.1
Operating and other expenses	(22.2)	(18.9)
Revenue from asset management activities	2.9	(0.8)
Income from the investment portfolio (2)	121.6	35.6
Operating and other expenses	(22.6)	(25.1)
Revenue from investment activities	99.0	10.5
Revenue from investment and asset management activities (3)	101.9	9.7
Net income (Group's share)	85.9	(5.8)

(1) Income from the management companies consists of management, arrangement and structuring fees, performance fees and income from carried interest received by the management companies (Tikehau Investment Management and Tikehau Capital Europe); income is before share of net income from companies accounted for under the equity method.

(2) Income from the investment portfolio consists of the positive or negative change in fair value, supplemented by portfolio revenue such as dividends, interests, commissions, etc.

(3) After share of net income from companies accounted for under the equity method.

(4) After reclassifying as current portfolio income coupons received by Tikehau Capital Europe for an amount of €2.0 million initially recognised as current income from the management companies in the *pro forma* financial information as at 30 June 2016.

Under IFRS standards (in millions of €)	Balance sheet items	
	30 June 2017	31 December 2016
Total shareholders' equity (Group's share)	1,574.5	1,129.7
Cash ⁽¹⁾	120.2	129.8
Gross debt ⁽²⁾	343.7	119.2

⁽¹⁾ Gross cash consists of cash and cash equivalents (consisting primarily of marketable securities)

⁽²⁾ Gross debt consists of current and non-current borrowings and financial debt (including bank overdrafts)

Non-accounting information

(in millions of €)	30 June 2017	31 Dec. 2016
Unaudited data		
Assets under management ⁽¹⁾	11,105	9,979
Net change over the period	1,125 ⁽²⁾	3,627 ⁽³⁾

⁽¹⁾ 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 chiefly:

- 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);
- 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, once the investment period has ended, and (iii) to subscribers' commitments for CLO business;
- For real estate activities: to the latest 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;
- 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).

⁽²⁾ Over the period from 1 January to 30 June 2017.

⁽³⁾ Over the period from 1 January to 31 December 2016.

2. Business activities and highlights of the first half of 2017

For the Company and its subsidiaries (together, the "Group" or the "Tikehau Capital Group"), the first half of 2017 was marked by the completion of the reorganisation operations which were initiated by Tikehau Capital during financial year 2016 and which resulted in the listing of the Company's shares on the regulated market of Euronext Paris on 7 March 2017.

a. Change in assets under management in the first half of 2017

As at 30 June 2017, Tikehau Capital's assets under management amounted to €1.1 billion, representing growth of 11.3% during the first half-year. The €1.1 billion increase in assets under management in the first half is the result of a net inflow of €1.3 billion against market and distribution effects of €0.2 billion. However, it must be remembered that the assets under management published by the Company as at 31 December 2016 were prepared on a *pro forma* basis (including events, such as capital increases, which occurred at the beginning of the first half of 2017 - see Section I.2(c) below).

As at 30 June 2017, the assets under management of Tikehau Capital were split as follows:

- Private Debt: €5.0 billion, or 45% of the Group's assets under management, up 2.6% from the previous period
- Real Estate: €1.9 billion, or 17% of the Group's assets under management, up 6.8% from the previous period
- Liquid Strategies: €2.6 billion, or 23% of the Group's assets under management, up 34.7% from the previous period
- Private Equity: €1.6 billion, or 15% of the Group's assets under management, up 15.2% from the previous period

Assets under management as at 30 June 2017 do not take into account the fundraising undertaken in the first half-year which has been completed after 30 June 2017 or which will materialise during financial year 2017 (See Section I.4 below).

In its asset management activities, Tikehau Capital reached several symbolic thresholds in the first half of 2017, reflecting the positive commercial momentum of the Group resulting from its recent IPO.

- Private Debt – Tikehau Senior Loan II (TSL II), the Group's leading leveraged loans fund, achieved a final closing at €615 million at the end of April.
- Liquid Strategies – Liquid strategies drove the growth in the Group's assets over the first half. In particular, Tikehau Taux Variables (TTV), Tikehau Capital's main fixed income fund reached the threshold of €1 billion in assets under management in February. The assets of TTV reached €1.35 billion as at 30 June 2017, representing an increase of approximately 53% over the first half-year.
- Real Estate – In early June, Tikehau Capital announced that through Area12, a fund managed by its subsidiary Tikehau Investment Management, it had acquired: a Turin shopping centre owned by the San Sisto consortium and controlled by Nordiconad, the majority shareholder, CMB and Unieco. Nordiconad, which owns the shopping centre's hypermarket, will work with Tikehau Capital to further develop the shopping centre. This transaction, for the sum of €65 million, was carried out by Tikehau Investment Management and several major Italian and international institutional investors participated. The Area12 shopping centre opened in October 2011 and is part of a 30,000 m² complex located inside the Juventus Stadium. This investment in the Area12 shopping centre is the second real estate operation carried out by Tikehau Capital in Italy following the acquisition in 2016 of the I Petali shopping centre located in the Mapei Stadium in Emilia Romagna.

In addition, in June 2017, Tikehau Capital finalised the acquisition of a 96% shareholding of Credit.fr, the French specialist in crowdfunding for small and medium-sized companies (See Section I.2(f) below).

Tikehau Capital's teams also continued to deploy existing strategies through the launch of new private debt and real estate funds, which will contribute to the sustained growth of the Group's assets under management (See Section I.4 below).

Finally, in order to support its international development, the Group continued to increase its geographic footprint during the first half of 2017 by opening a branch in Madrid, Spain, and a representative office in Seoul, Korea.

b. Investment activities

In the first half of 2017, Tikehau Capital continued the active rotation of its portfolio of investments held on the balance sheet. The total amount of investments came to €555.7 million (excluding flows in connection with the takeover bid for Salvepar's shares and ORNANE¹), while the amount of divestments came to €98.2 million. These amounts take into account the investments and divestments made by Salvepar prior to its entry into the scope of consolidation of Tikehau Capital for the respective amounts of €21.1 million (mainly Eurazeo) and €12.6 million (mainly Heurtey Petrochem).

Investments

In the first half of 2017, Tikehau Capital made investments for a total amount of €555.7 million. The Group's investments relate mainly to the following transactions:

- Oodrive – In March, Tikehau Capital announced its role as the lead manager in a deal securing funding of up to €65 million for the Oodrive group, one of the leading European companies in sensitive data management, with a view to supporting it in accelerating its growth. The total amount invested by Tikehau Capital in Oodrive is €25 million, of which €16 million is on the Company's balance sheet. The Group may potentially be called on to invest an additional amount in Oodrive. Created in 2000, the French group Oodrive has quickly established itself as leader in the market for the management of sensitive data with its cloud solutions which allow for the electronic sharing, protection and signing of documents. The growing need for enterprise collaboration solutions in increasingly mobile, confidential and secure environments has generated a strong surge in demand for Oodrive solutions. In addition, the evolution of French and European regulatory frameworks on the protection of personal and corporate data reinforces the need for professionals to equip themselves with solutions enabling them to meet these new requirements. Oodrive wishes to seize these opportunities and this new fundraising will enable the group to strengthen its product offering and become the key trusted partner of its customers in France and abroad, as well as to seize acquisition opportunities.
- Claranet – In May 2017, the Company entered into an agreement to take a minority stake in Claranet alongside the current shareholders. Founded in 1996, Claranet is a leading independent company specialising in hosting and outsourcing services for critical applications. Claranet has developed in several European countries over the last ten years in an organic way and through an ambitious acquisition strategy. With over 1,300 employees, the group is based in London and serves more than 6,000 clients in the UK, France, Germany, Spain, Portugal, Italy, the Netherlands and Brazil. Attracted by the growth profile of Claranet, its pan-European scope, its track record on integration of acquisitions and the quality of its management team, Tikehau Capital has entered into an agreement aimed at supporting the group's further development. Tikehau Capital has invested £75 million in ordinary and preference shares alongside the current shareholders.
- Eurazeo – In May 2017, Tikehau Capital announced that it had acquired a 7.6% stake in the listed investment company Eurazeo, at a total cost price of €329.8 million (excluding fees).

¹ *Obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes*: bonds with the option of redemption in cash and/or new and/or existing shares (the “ORNANE”)

- The Group has also invested €37.7 million of its balance sheet in its asset management strategies.

Divestments

In the first half of 2017, Tikehau Capital made divestments in a total amount of €98.2 million. These transactions included mainly:

- Ecotel Chomette Favor – In April 2017, the Group sold its stake in Ecotel Chomette Favor (E.CF) to Naxicap Partners. The Company (through its subsidiary Salvepar) made a gross capital gain of €18.2 million (including the coupons received during the investment period) on the disposal of this investment, i.e. a multiple of 2.8 times the amount invested. Salvepar invested €10 million in E.CF in June 2011, alongside the majority shareholder Weinberg Capital Partners. E.CF is the European leader in the distribution of small equipment items and non-food supplies for professionals in the hotel, restaurant and food industry.
- Groupe Flo – In April 2017, Tikehau Capital announced its withdrawal from Groupe Flo as part of its restructuring operations. Financière Flo was bought by Groupe Bertrand for the nominal price of one euro on 16 June 2017. Prior to the sale, 66% of Financière Flo was controlled by GB Inno BM (a joint-venture owned by Compagnie Nationale à Portefeuille and Ackermans van Haaren) and 34% by Tikehau Capital. Tikehau Capital's investment amounted to €7.9 million as at 31 December 2016. As part of these restructuring operations, Tikehau Capital maintains an exposure to Groupe Flo of approximately €1.8 million. The impact of this transaction thus represents a cost of €6.1 million before tax for the financial year 2017.
- Asten Santé – In May 2017, the Company and the other shareholders of Asten Santé announced that exclusive negotiations were underway with Groupe La Poste for the sale of a majority stake in Asten Santé, which is one of the French leaders in homecare services. In April 2014 and April 2016 respectively, Tikehau Capital had invested a total of approximately €28.5m for a 21% capital stake in Asten Santé. Given the sale of its interest and the simultaneous unwinding of the various agreements between the Group and the other shareholders, this sale, which was concluded on 6 June 2017, will enable the Company to realise a capital gain of around €16 million, i.e., a gross multiple of 1.6x the amount invested. Asten Santé, an innovative healthcare group, is a leading player in home healthcare, particularly active in the development of new segments, especially in the field of telehealth with H2AD. Founded in 2013 by [companies?] that for over 50 years pioneered the management of chronic disease and the private equity firm Gemmes Venture, Asten Santé is present in nine regions through a network of six entities: Air à Domicile (Grand Est), Aliséo (Brittany, Centre Val de Loire and Pays de la Loire), ADIR Assistance (Normandy), DDS Assistance (Burgundy and Franche-Comté), SADIR Assistance (Occitania and Nouvelle-Aquitaine) and S2A Santé (Ile de France), the Asten Santé Group has revenue of €100 million, employs 750 people and works with 62,000 patients.
- Tikehau Capital made disinvestments from its non-fixed portfolio for a total amount of €25.6 million.

Exit commitment

In addition, in mid-June 2017, SES-imagotag announced its planned merger with the Chinese BOE Technology Group. Against this backdrop, SES-imagotag's main shareholders, including the Company, which has a 14% interest in SES-imagotag, entered into exclusive negotiations with the purchaser on 16 June 2017, with a view to disposing of their aggregate interest or 55% in the company at a price of €30 per share. Subject to the fulfilment of the sale terms, this disposal will enable the Company to generate income (on a consolidated basis in accordance with IFRS) of around €5 million for the 2017 financial year. The gross multiple realised on this investment by the Company is estimated at 2.7x.

c. Capital increases made in cash

During the first half of 2017, the Company completed three capital increases for a total amount of €31 million, two of which were made in cash.

Strengthening of the Company's shareholders' equity and shareholders with a view to its listing

On 6 January 2017, the Company completed a capital increase for an amount of €150,080,763 (including share premium), resulting in the creation of 7,146,703 new shares. This recapitalisation was carried out at a price of €21 per share with preferential subscription rights and subscribed for in full by a cash contribution. The purpose of this capital increase was to allow the Company to strengthen its capital base and shareholder base prior to the admission of its shares to trading on the Euronext Paris regulated market.

Capital increase reserved for the Fonds Stratégique de Participations

The Company and its major shareholders have concluded an agreement for an investment in the Company by the Fonds Stratégique de Participations for an amount of €50 million (including share premium), which was conducted simultaneously with the settlement of the takeover bid initiated on Salvepar.

This investment has been made through a reserved capital increase at the same price per share as the Company's capital increase completed on 6 January 2017 (i.e., €21 per share); this share price also serves as the basis to determine the exchange ratio in the stock-for-stock takeover bid for the shares of Salvepar. This reserved capital increase was approved by the Company shareholders at the General Shareholders' Meeting of 28 February 2017 called to decide on the issue of new Company shares to remunerate the Salvepar shares contributed to the stock-for-stock takeover bid for Salvepar shares.

The Fonds Stratégique de Participations is an investment company with variable capital registered with the AMF, designed to promote long-term equity investments by taking interests deemed "strategic" in French companies. The Board of Directors of the Fonds Stratégique de Participations has eight members and consists of seven insurance company shareholders (BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Sogécap, Groupama, Natixis Assurances and Suravenir), as well as Groupe Edmond de Rothschild. To date and since its investment in the Company, the Fonds Stratégique de Participations has five compartments, four of which have the purpose of investing in shares of Arkema, SEB, Zodiac Aerospace and Eutelsat Communications.

d. Tikehau Capital IPO

As part of the Group's reorganisation and the consolidation of its business lines, on 9 January 2017 the Company filed the proposal for a stock-for stock takeover bid on a primary basis, and a cash takeover bid on an subsidiary basis, on the ordinary shares and ORNANE of its subsidiary Salvepar not yet held by the Company.

Once this takeover bid was finalised, the Company held a total of 7,393,248 Salvepar shares, representing 99.14% of the share capital and 99.19% of that company's voting rights, and 2,430,040 ORNANE representing 99.84% of the Salvepar ORNANE in circulation.

As a result of the takeover bid, a mandatory delisting procedure for the shares and the ORNANE of Salvepar was implemented on 6 March 2017. This procedure enabled the Company to hold 100% of the capital and voting rights of Salvepar.

In connection with the settlement of this takeover bid, the Company's shares and ORNANE (including the new shares and ORNANE issued in exchange for those tendered in the takeover bid) were listed on the regulated market of Euronext Paris on 7 March 2017. The settlement of this takeover bid resulted in a capital increase of approximately €151 million (including €64.7 million in share premium).

e. Early redemption of Tikehau Capital ORNANE

As part of the proposed takeover bid the Company issued ORNANE with maturity on 1 January 2022. The nominal value of these ORNANE at issue was €75.3 million.

On 21 June 2017, Tikehau Capital repurchased 659,024 ORNANE representing 53.9% of the ORNANE outstanding at that date in an off-market transaction (the "Redemption"). The Redemption was made at the price of €8.25 per ORNANE (coupon included). This price represents a 10.7% premium over the par value of the ORNANE and includes the interest that would have been paid by the Company for the first half-year 2017 if the Redemption had not taken place.

In order to ensure fair treatment for all the ORNANE holders, Tikehau Capital implemented a repurchase procedure for the holders of ORNANE between 22 June and 28 June 2017 at the Redemption price.

On 28 June 2017, Tikehau Capital announced the completion of the redemption of 1,220,868 ORNANE, representing approximately 99.9% of the ORNANE initially issued, in off-market transactions and the repurchase procedure effected between 22 June and 28 June 2017 inclusive. The settlement of the repurchase procedure took place on 30 June 2017. The redeemed ORNANE were subsequently cancelled in accordance with their terms and conditions. The aforementioned redemptions represented a total amount of €83,324,241.

On the basis of these results, the Company decided to exercise its right to request the early redemption of the ORNANE in circulation, in accordance with their terms and conditions of issue. This early redemption took place on 22 September 2017 at par (i.e., €1.63 per ORNANE) plus accrued interest.

f. Other highlights of the first half of 2017

Capital increase of subsidiary Tikehau Capital Europe

On 10 March 2017, Tikehau Capital Europe undertook a capital increase for an amount of approximately €2 million, subscribed for by the Company and Amundi. Following this transaction authorised by the

Financial Conduct Authority in the United Kingdom, the Company held 75.1% of the shares of Tikehau Capital Europe, and Amundi increased its holding to 24.9% of the capital of Tikehau Capital Europe. This capital increase enabled Tikehau Capital Europe to finance the preparatory phase of its third CLO transaction (CLO III) (See Section I.4 above).

Acquisition of Credit.fr

On 29 June 2017, Tikehau Capital finalised the acquisition of 96% of Credit.fr, the French specialist in crowdfunding for small and medium-sized companies, for an amount of €3.8 million plus a contingent additional payment. Launched in March 2015, Credit.fr has rapidly made its mark as a leading player in the alternative financing market for small and mid-sized companies (SMEs). This acquisition enables Tikehau Capital, a leading player in the corporate private debt market in France, to consolidate and expand its lending platform and extend its corporate financing solutions to include smaller businesses and SMEs. Through Credit.fr, Tikehau Capital will enable its wide network of investors and partners to broaden their investment policy, currently focused on medium-sized and larger companies, to include smaller businesses rigorously selected by the Credit.fr teams.

g. Sources of financing and availability

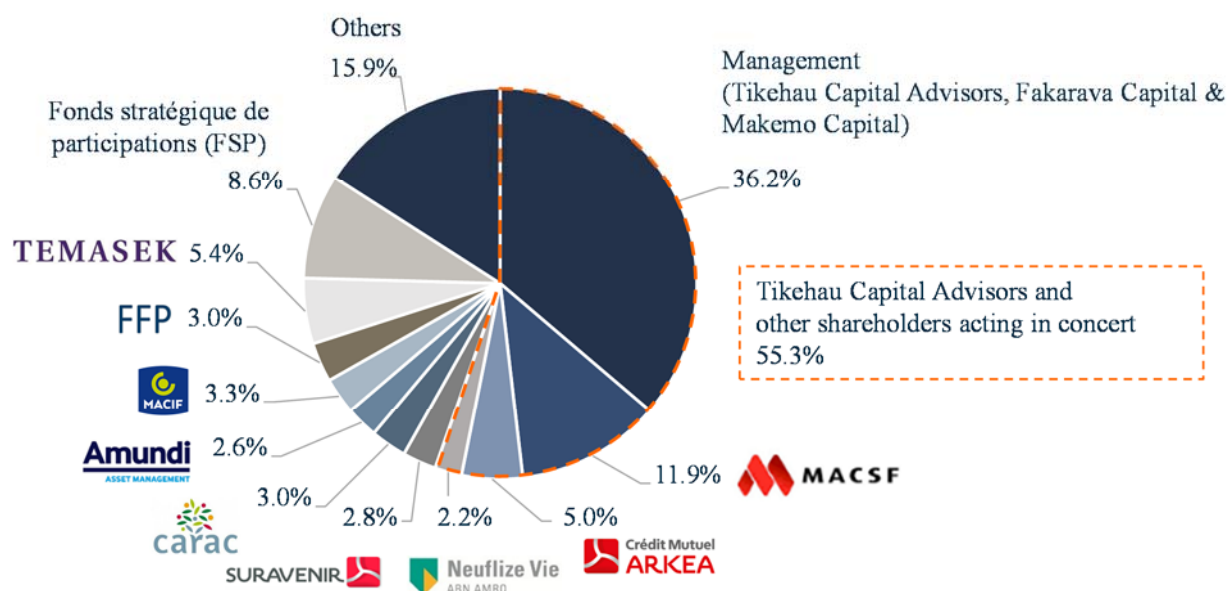
As at 30 June 2017, Tikehau Capital's cash holdings amounted to €20.2 million in cash and cash equivalents (compared with €29.8 million as at 31 December 2016).

Tikehau Capital also had a current investment portfolio (consisting of bonds, marketable securities and UCITS) of €23.7 million, compared to €40.5 million as at 31 December 2016.

As at 30 June 2017, the Company's financial debt of €43.7 million (compared with €19.2 million as at 31 December 2016) mainly corresponds to borrowings by the Company from credit institutions, as the Company has redeemed and cancelled most of its ORNANE issued as part of its initial public offering (see Section I.2(e) above). Further information concerning the Company's indebtedness as at 30 June 2017 is included in Note 5.12 "Borrowings and Financial Debt" in the condensed half-year consolidated financial statements in Section II of this report.

h. Breakdown of shareholders as at 31 August 2017

As at 31 August 2017, following the capital increase carried out by the Company on 26 July 2017, the Company's share capital consisted of 102,799,748 ordinary shares and the share capital of the Company was distributed as follows:



3. Analysis of the consolidated results for the first half of 2017

This Section examines the consolidated results of the Group for the first half of 2017. In order to take account of the reorganisation operations and the changes in the scope of consolidation during the second half of 2016 and the first half of 2017, the data for the first half of 2017 are compared with the pro forma financial information published by the Company in connection with its IPO. Pro forma financial information published by the Company for the period from 1 January to 30 June 2016 is included in Chapter V of the Company's Registration Document and is the subject of a report by the Company's Statutory Auditors in Section V.2 of the Registration Document. The Registration Document is available on the Company's website (www.tikehaucapital.com).

Income from asset management activities

In the first half of 2017, income from asset management activities amounted to €25.1 million, i.e. an increase of 38.7% compared to the first half of 2016 (€18.1 million on a pro forma basis).

This significant growth in income reflects both the growth of the Group's assets under management and the growth of assets under management generating management fees. Indeed, some funds generate management fees only following the investment of the sums committed by investor clients. As a result, the Group is gradually increasing its management fees as the amounts committed by its investor clients are invested. This growth in current income from asset management activities has occurred in the context of controlled costs, with income from asset management activities amounting to €2.9 million, compared to a loss of €0.8 million in the first half of 2016 (on a pro forma basis).

Income from investment activities

For the first half of 2017, the income from the Company's investment portfolio amounted to €21.6 million, up compared to the first half of 2016 (€35.6 million on an adjusted pro forma basis).

Income from the portfolio for the first half of 2017 corresponds to a positive change in fair value for €8.6 million, up sharply from the first half of 2016 (€19.1 million on an adjusted pro forma basis) and other income from portfolios (non-current and current portfolios, namely: dividends, interest, commissions, etc.) for a total amount of €23.0 million, up from the first half of 2016 (€16.5 million on a pro forma basis).

The change in fair value recognised as at 30 June 2017 can be broken down into a change in the fair value of the non-current investment portfolio of €5.1 million (compared with €17.9 million in the first half of 2016 on a pro forma basis) and of the current investment portfolio for €3.5 million (compared with €1.2 million in the first half 2016 on a pro forma basis).

Capital gains on disposals (corresponding to the difference between selling prices and historical cost prices) amounted to €23.2 million in the first half of 2017, compared with €1.5 million in the first half of 2016 on an adjusted pro forma basis.

The positive change in fair value is mainly due to the revaluation of level 1 and 2 listed securities for €7.0 million (mainly Eurazeo, Assystem and SES-imagotag, which is under exclusive negotiation regarding exit) and the revaluation of Salvepar shares as at the date of its inclusion in the scope of consolidation of Tikehau Capital, for the proportion of securities held as at 31 December 2016, i.e. €2.4 million (mainly due to Salvepar's revaluation at the share of equity under IFRS against a valuation at the stock market price in the accounts as at 31 December 2016).

Income from investment and asset management activities (after share of net income of companies accounted for under the equity method)

Income from asset management and investment activities (after share of net income from companies accounted for under the equity method) for the first half of 2017 amounted to a profit of €101.9 million compared with a profit of €9.7 million in the first half of 2016 on a pro forma basis.

Within this result, income from asset management activities was €2.9 million compared to a loss of €0.8 million in the first half of 2016 (on a pro forma basis), reflecting the increasing profitability of asset management activities in a context of controlled costs. Income from investment activities amounted to €9.0 million, up sharply from the first half of 2016 (€10.5 million on a pro forma basis).

Operating expenses amounted to €44.8 million for the first half of 2017, compared with €26.6 million for the first half of 2016 on a pro forma basis. This increase in operating expenses was mainly due to (i) an increase in the basis for the calculation of the management fee to €5.8 million, (ii) changes in the workforce of Tikehau Capital management companies for €3.0 million, (iii) a negative foreign exchange impact of €4.9 million, and (iv) charges related to the Group's financing or reorganisation operations. In addition, in the first half of 2017, the Company did not use derivatives, whereas in the first half of 2016, the Company had recorded a loss of €17.7 million in relation to its derivative instruments portfolio.

Net income

Financial income for the first half of 2017 amounted to €9.7 million, i.e. an increase in expenses compared to the first half of 2016 (€8.8 million on a pro forma basis), primarily due to the effect of the financial expense related to the Company's ORNANE redemption (see Section I.2(e) above) and despite the positive impact of interest rate hedging instruments used by the Company.

Lastly, corporate income tax for the first half of 2017 amounted to €5.8 million, compared with €6.4 million in the first half of 2016 on a pro forma basis.

On this basis, net income (Group's share) for the first half of 2017 amounted to €5.9 million compared with a loss of €5.8 million for the first half of 2016 (on a pro forma basis).

Net income – information by business line

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

(in thousands of €)	Asset management activities			Private equity	TOTAL as at 30 June 2017
	Private debt	Real estate	Liquid strategies		
Net income	13,274	4,643	7,231	121,601	146,749
of which recurring income	12,501	4,643	5,430	121,601	144,175
Management and arrangement fees	12,501	4,643	5,430	553	23,127
Investment income in the balance sheet	-	-	-	22,466	22,466
Change in fair value, realised and unrealised, in the balance sheet	-	-	-	98,582	98,582
of which non-recurring income	774	-	1,801	-	2,574
Performance fees & carried interest	-	-	1,801	-	1,801
Others	774	-	-	-	774

(in thousands of €)	Asset management activities			Private equity	TOTAL as at 30 June 2016
	Private debt	Real estate	Liquid strategies		
Net income	9,265	2,628	6,202	35,558	53,653
of which recurring income	9,265	2,628	6,059	35,489	53,441
Management, arrangement or structuring fees	9,265	2,628	6,059	55	18,007
Investment income in the balance sheet	-	-	-	16,237	16,327
Change in fair value, realised and unrealised, in the balance sheet	-	-	-	8,600	8,600
of which non-recurring income	-	-	143	68	211
Performance fees & carried interest	-	-	143	-	143
Others	-	-	-	68	68

Private debt activities

In the first half of 2017, the Group's net income attributable to private debt activities totalled €3.3 million (compared with €9.3 million as at 30 June 2016 on a pro forma basis). This income corresponds to assets managed for an amount of €5.0 billion as at 30 June 2017, vs. €3.5 billion as at 30 June 2016.

As at 30 June 2017, the Group's investment portfolio in private debt strategies represented a total amount of €60.1 million (compared with €109.2 million at 30 June 2016 on a pro forma basis).

Real estate activities

In the first half of 2017, the Group's net income from real estate activities amounted to €4.6 million (compared with €2.6 million in the first half of 2016 on a pro forma basis). This income corresponds to assets under management of €1.9 billion as at 30 June 2017 (compared with €0.8 billion at 30 June 2016).

The Group's investment portfolio in real estate strategies represented a total amount of €55.2 million as at 30 June 2017 (compared with €103.9 million as at 30 June 2016 on a pro forma basis).

Liquid strategies

In the first half of 2017, the Group's net income attributable to liquid strategies amounted to €7.2 million (compared with €6.2 million in the first half of 2016 on a pro forma basis). This income corresponds to assets managed for an amount of €2.6 billion as at 30 June 2017, against €2.0 billion as at 30 June 2016 on a pro forma basis.

During the first half of 2017, liquid strategies generated fees for €7.2 million (vs. €6.2 million as at 30 June 2016 on a pro forma basis). These fees can be broken down into management fees of €5.4 million and performance fees of €1.8 million in the first half of 2017. The increase in fees over the period reflects the increase in the assets under management in this business line, as well as the strong performance of the funds over the period.

The Group's investment portfolio in liquid strategies represented a total amount of €64.3 million as at 30 June 2017 (vs. €59.2 million as at 30 June 2016 on a pro forma basis).

Private equity

In the first half of 2017, the Group's net income attributable to private equity activities amounted to €21.6 million (against €35.6 million in the first half of 2016 on a pro forma basis). This income comes from a portfolio invested in the amount of €1.4 billion as at 30 June 2017 (excluding the assets under management of Duke Street LLP).

Because of the specific features of the business carried out to date, mainly based on resources on the Group's balance sheet and not from third-party funds, the fees generated by this activity are insignificant (€0.6 million in the first half of 2017 and €0.1 million in the first half of 2016 on a pro forma basis).

Therefore, income from this activity in the first half of 2017 came largely from investments made in this strategy for an amount of €21.0 million (against a total of €35.5 million in the first half of 2016 on a pro forma basis). This represents €22.5 million of income from investment on the balance sheet (compared with €16.3 million in the first half of 2016 on a pro forma basis) arising from dividends, bond coupons and interest on receivables related to these investments, and €98.6 million of positive changes in fair value and capital gains or losses (compared with €19.1 million in the first half of 2016 on a pro forma basis), principally from the investment portfolio (mainly Eurazeo) and from the revaluation of Salvepar shares as at the date of its integration in the scope of consolidation, for the proportion of securities held as at 31 December 2016, i.e. €32.4 million (chiefly Salvepar's revaluation at the proportion of equity under IFRS).

4. Main events since 30 June 2017 and outlook for 2017

Capital increase

On 23 July 2017, the Company carried out a capital increase for an amount of €701,874,074 (share premium of €19,033,670 included), after full exercise of the extension option decided on by the Management, which resulted in the creation of 31,903,367 new shares. This capital increase was carried out at a price of €22 per share with preferential subscription rights and subscribed to in full by cash contribution.

The purpose of this capital increase was to finance the Company's next phase of development as announced at the time of the IPO and to accelerate its growth with the objective of reaching €20 billion in assets under management by 2020.

This capital increase also made it possible to diversify the Company's shareholder base and increase its visibility in the capital markets.

Except as described in this report, no significant events have occurred since July 1 2017.

Future outlook

On the basis of the fundraising carried out since the beginning of the second half of 2017 and the transactions that are to materialise before the end of the 2017 financial year, the Group's objective is to reach €13 billion in assets under management by the end of the financial year, i.e. an increase of 30% in assets under management for the full financial year (assuming stability in the assets under management in its liquid strategies).

In particular, in its debt securitisation business, Tikehau Capital Europe initiated the warehousing phase for its third CLO (Collateralized Loan Obligations) in the first half of 2017. The transaction was launched on 19 September 2017 for a final amount of €435 million. This third CLO enables Tikehau Capital to exceed €1 billion in assets under management in its CLO business.

In the short and medium term, the Group intends to focus on the following areas for improvement:

- Seeking operational performance
 - Promote the Tikehau Capital brand in all strategies
 - Continue to improve the profitability of asset management activities
 - Optimize the allocation of capital
- Organic Growth
 - Continue the drive for fundraising
 - Expand customer base, product offerings and geographic footprint
 - Carry the Group's expertise and track record in private equity over into dedicated funds managed on behalf of clients
- External growth
 - Carry out selective acquisitions or recruit external teams in France and abroad

Finally, as announced by the Company in its 2016 Registration Document, a merger of Salvepar into the Company is envisaged before the end of 2017, in order to fully integrate Salvepar's investment portfolio into the larger portfolio of Tikehau Capital.

5. Other information

a. Related-party transactions

On 27 March 2017, the Company signed a service agreement with Mr. Jean Charest, a member of the Company's Supervisory Board, under which Mr. Jean Charest undertakes to perform advisory and assistance duties to the Group to support its international growth (notably in North America) and

its development strategy, in addition to setting up an international advisory board. The expense for these services for the first half of 2017 amounted to €60,000 excluding taxes. By a resolution on 1 June 2017, the Supervisory Board authorised that Jean Charest should replace Chardi Inc., a company he controls, in the performance of the services provided for in the agreement he has entered into in a personal capacity with the Company. As a result, the service agreement entered into with Jean Charest was terminated on 30 June 2017 and the new agreement with Chardi Inc. was signed and became effective on 1 July 2017.

On 29 March 2017, the Company entered into a service agreement with Parc Monceau, controlled by Christian de Labriffe, Chairman of the Supervisory Board of the Company, in respect of which Parc Monceau undertakes to provide advice in the areas of Group strategy and partnership opportunities or financial transactions of which it may have knowledge, and to seek and bring to the knowledge of the Group opportunities for partnership and investment. The expense for these services for the first half of 2017 amounted to €233,000 excluding taxes.

Further information on these agreements can be found in Section VIII.4(c) (Description of agreements entered into after the end of 2016) in the Company's 2016 Registration Document. The Company's 2016 Registration Document is available on the Company's website (www.tikehaucapital.com).

During the first half of 2017, there was no other related-party transaction with a material impact on the financial statements for the period under review.

b. Key risks

The main risk factors which the Company believes could have a material adverse effect on its business, financial position, income or outlook, are described in Chapter III of the Company's 2016 Registration Document. The Company's 2016 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 interim financial report.

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II. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Balance Sheet

ASSETS (in thousands of €)		30 June 2017	31 December 2016
	Notes		
NON-CURRENT ASSETS			
Tangible and intangible fixed assets	5.7	309,776	311,234
Non-current investment portfolio	5.8	1,386,603	762,578
Investments in associates		302	267
Deferred tax assets	5.13	24,077	27,569
TOTAL NON-CURRENT ASSETS		1,720,759	1,101,647
CURRENT ASSETS			
Trade receivables and related accounts		11,272	8,885
Other receivables		19,347	5,689
Current investment portfolio	5.9	123,678	40,454
Cash and cash equivalents	5.10	120,189	129,845
TOTAL CURRENT ASSETS		274,486	184,873
TOTAL ASSETS		1,995,245	1,286,520
LIABILITIES (in thousands of €)			
	Notes		
Share capital	5.11	850,757	650,098
Share premiums		527,535	379,004
Grp reserves		110,253	28,181
Net income for the period		85,923	72,444
Equity attributable to equity holders of the parent		1,574,468	1,129,726
Non-controlling interests	5.16	19,031	2,627
SHAREHOLDERS' EQUITY	3.	1,593,499	1,132,353
NON-CURRENT LIABILITIES			
Non-current provisions		218	421
Non-current borrowings and financial debt	5.12	342,967	116,857
Deferred tax liabilities	5.13	8,588	811
Non-current financial derivatives	5.14	1,363	4,015
TOTAL NON-CURRENT LIABILITIES		353,136	122,103
CURRENT LIABILITIES			
Current borrowings and financial debt	5.12	684	2,354
Trade payables and related accounts		31,210	14,707
Tax and social security liabilities		11,867	9,565
Other current liabilities		4,849	5,437
TOTAL CURRENT LIABILITIES		48,610	32,063
TOTAL LIABILITIES		1,995,245	1,286,520

2. Consolidated Income Statement

(in thousands of €)		H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
	Notes			
Management companies revenues		25,148	2,381	0
Change in fair value of the non-current investment portfolio		95,083	41,495	25,375
Change in fair value of the current investment portfolio		3,499	794	-95
Change in fair value	5.17	98,582	42,289	25,280
Other non-current portfolio revenues		22,729	31,455	19,667
Other current portfolio revenues		290	155	77
Other portfolio revenues	5.18	23,019	31,611	19,743
Income from the investment portfolio		121,601	73,899	45,024
Derivative portfolio revenue			-62,194	-17,655
Purchases and external charges		-26,285	-20,037	-5,411
Staff costs		-12,727	0	0
Other net operating expenses		-5,821	-4,056	-1,476
Operating expenses	5.19	-44,832	-24,092	-6,887
Revenue from investment and asset management activities before share of net income from equity affiliates		101,917	-10,006	20,482
Share of net income from equity affiliates 1			67,422	2,002
Revenue from investment and asset management activities after share of net income from equity affiliates		101,917	57,416	22,483
Net income on cash equivalents	5.20	58	577	106
Financial expenses	5.21	-9,722	-7,874	-7,539
Financial income		-9,664	-7,297	-7,434
Income before tax		92,253	50,119	15,050
Corporate income tax	5.13	-5,765	22,377	117
Investment in associates			0	0
Net income		86,488	72,496	15,167
Non-controlling interests		564	53	
Net income (Group's share)		85,923	72,444	15,167
Earnings per share (in €)				
Weighted average number of outstanding ordinary shares		68,220,778	31,428,941	21,809,671
Earnings per share (in €)		1.26 €	2.30 €	0.70 €
Diluted earnings per share (in €)		1.26 €	2.30 €	0.70 €

Consolidated statement of comprehensive income

(in thousands of €)	H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
Net income	86,488	72,496	15,167
Translation differences	-376	-872	6
Related taxes			
Consolidated comprehensive income	86,112	71,625	15,173
Of which non-controlling equity interests	564	53	0
Of which attributable to equity holders of the parent	85,548	71,572	15,173

3. Consolidated statement of changes in shareholders' equity

(in thousands of €)	Share capital	Premiums share	Group reserves	Treasury shares	Translation differences	Income for the financial period	Equity attributable to equity holders of the parent	Non-controlling equity interests	Consolidated shareholders' equity
Situation as at 01.01.2016	260,278	84,023	22,156		34	9,589	376,079	0	376,079
Allocation of income			9,589			-9,589			0
Other changes in reserves			-2,858		6		-2,852		-2,852
Net income for the period						15,167	15,167		15,167
Situation as at 30.06.2016	260,278	84,023	28,886	0	40	15,167	388,394	0	388,394
Allocation of income			72,444			-72,444			
Capital increase - Decision of 17 June 2016	237,634	178,226					415,860		415,860
Capital increase - Decision of 22 December 2016	152,186	116,755					268,941		268,941
Other changes in reserves			132		-878		-745	2,574	1,829
Net income for the period						57,277	57,277	53	57,329
Situation as at 31.12.2016	650,098	379,004	29,019	0	-838	72,444	1,129,726	2,627	1,132,353
Allocation of income			72,444			-72,444			
Capital increase - Decision of 6 January 2017	85,760	64,320					150,081		150,081
Capital increase reserved for FSP	28,571	21,429					50,000		50,000
Public exchange offer on Salvepar	86,230	64,672	11,386				162,288		162,288
ORNANE conversion - Decision of 17 May 2017	97	88					185		185
Other changes in reserves ¹		-1,978	-735	-647	-376		-3,735	15,839	12,104
Net income for the period						85,923	85,923	564	86,488
Situation as at 30.06.2017	850,757	527,535	112,114	-647	-1,214	85,923	1,574,468	19,031	1,593,499

(1) The change in non-controlling interests is related to the entry of a minority stake in Tikehau Capital Europe: See Note 5.3.b, Changes in the scope of consolidation

4. Consolidated statement of cash flows

(in thousands of €)		H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
	Notes			
Revenue from asset management companies		23,196		
Non-current investment portfolio		-454,559	-86,397	-10,129
Acquisitions		-554,628	-207,535	-52,298
Disposals		79,181	87,988	21,850
Income		20,887	33,149	20,319
Dividends		8,134	13,092	12,262
Interest		1,629	2,695	2,706
Other current income		11,124	17,362	5,351
Current investment portfolio		50,478	-2	-153
Acquisitions		-49,400	-300	-300
Disposals		99,581		
Income		297	298	147
Dividends				
Interest		297	298	147
Derivatives portfolio			-62,194	-15,193
Net income on cash equivalents		-1,964	-1,265	106
Operating expenses		-34,269	-28,479	-18,095
Tax	5.13	-20,423	4,511	4,540
Net cash flows from operating activities		-437,541	-173,827	-38,926
Capital increase	3.	215,313	418,476	
Dividends paid		-276		
Borrowings		212,780	-124,105	75,325
Bank overdrafts		84	-6,314	-714
Current accounts		-15	27	63
Net cash flows from financing activities		427,886	288,083	74,674
Theoretical change in cash-flow		-9,655	114,257	35,748
Cash and cash equivalents at the beginning of the period		129,845	15,588	15,588
Cash and cash equivalents at the end of the period		120,189	129,845	51,337
Change in cash and cash equivalents		-9,655	114,257	35,748

5. Notes to the financial statements prepared in accordance with IFRS

5.1. Entity information

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

Tikehau Capital is an investment company.

Its corporate purpose includes all forms of investment, with no specific restrictions or constraints in terms of the target asset classes, or their sector-based or geographical 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 interests, 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 interests, 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."

Changes in the scope of consolidation of the consolidated group (the "Group") are detailed in Note 5.3.

5.2. Basis of preparation

a. Accounting standards and compliance statement

The condensed interim consolidated financial statements of Tikehau Capital as at 30 June 2017 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 year ended 31 December 2016.

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 2017 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 year ended 31 December 2016 and described in the notes to the consolidated financial statements for the year ended 31 December 2016, with the exception of the standards and interpretations described below.

The Group has not anticipated standards and interpretations that are not mandatory in 2017.

The Group could be affected by the following standards:

- IFRS 15 "Revenue from Contracts with Customers" applicable from 1 January 2018. An analysis will be initiated in the second half to identify the impacts of the implementation of this standard;

- IFRS 9 "Financial Instruments" applicable from 1 January 2018. At this stage of the analysis, no challenge to the principles already applied has been identified;
- IFRS 16 "Leases" applicable from 1 January 2019, not yet adopted by the European Union.

The Group is not affected by the new standards or amendments to standards published and applicable from 1 January 2017.

b. Estimation bases

The preparation of the condensed consolidated financial statements requires that assumptions and estimates be taken into consideration that affect the reported amounts of assets and liabilities on the balance sheet and the reported amounts of revenues and expenses for the year. Management 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.

c. Change in presentation

Given the nature of their business activities, the income from equity affiliates was reclassified in 2016 within the income from investment and asset management activities in order to improve the clarity of the performances of these activities.

The retrospective application of this change leads to present an income from investment activities and asset management activities after share of net income from equity affiliates of €2,483,000 and income before tax of €15,050,000, as at 30 June 2016. This presentation change has no impact on the Company's net income.

d. Special features in drawing up interim financial statements

Income on ordinary activities, operating income, and all operating metrics are characterised by a certain seasonality (particularly the dividend payment period), the extent of which may vary. Accordingly, interim results as at 30 June 2017 and as at 30 June 2016 are not necessarily indicative of those that can be expected for the entire 2017 or 2016 financial years.

Meanwhile, the tax costs for the period (both payable and deferred) are determined on the basis of the Company's tax situation as at 30 June 2017 and as at 30 June 2016. 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. Basis 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 IFRS10 are as follows:

- The entity is a company holding, among other things, minority stakes in listed and unlisted companies. The entity benefits chiefly from the 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 is diversified by sector and geographically. The entity thus expects to generate from its investment a capital gain, and/or financial income, such as dividends, coupons, interest, etc.; and
- 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 companies. Among other activities, it invests its shareholders' money in a broadly diversified portfolio of investments.
- Tikehau Capital aims to build a portfolio that is diversified in terms of sectors and geographic areas and thus expects to generate from its investment a capital gain, and/or financial income, such as dividends, coupons, interest, etc.
- Tikehau Capital measures and assesses the performance of its investments on the basis of the portfolio's fair value.

The subsidiaries in which Tikehau Capital holds controlling interests, 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 are within the scope of consolidation.

The entities in which Tikehau Capital exercises significant influence are recognised under the equity method as equity affiliates 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 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; and
- whether it has the capacity to influence the revenues received from this entity and the risks incurred by it.

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

Changes in the scope of consolidation

The main changes in the scope of consolidation during the first half of 2017 are as follows:

– Salvepar

As at 31 December 2016, Tikehau Capital held 58.8% of Salvepar. The latter was not consolidated as at 31 December 2016, meeting the exemption from IFRS 10 as an investment company. The Salvepar shares of Tikehau Capital were measured at fair value.

In January 2017, Tikehau Capital announced a stock-for-stock and cash takeover bid on the ordinary shares of its subsidiary Salvepar ("Exchange Offer"). As a result of this transaction, the settlement date for which was 28 February 2017, Tikehau Capital held 99.1% of Salvepar (compared with 58.8% as at 31 December 2016). The mandatory delisting of the shares not tendered took place on 6 March 2017 (see Note 5.3.c § "Significant events during the period"). Since that date, Tikehau Capital holds 100% of the shares of Salvepar, which is fully consolidated since, as of 7 March 2017, Salvepar no longer meets the IFRS 10 exemption criteria.

The impact of the revaluation at the fair value of Salvepar's assets (corresponding to the substitution of the value of the Salvepar shares held by Tikehau Capital as at 31 December 2016 with the fair value of the assets and liabilities of Salvepar as at 7 March 2017) was recognised as a change in fair value in the income statement for the shareholding already held at the time of the exchange offer, i.e. €32.4 million.

The change in value incurred by the increased holding between 58.8% and 100% is booked as a change of scope (consolidated reserves), as an acquisition of minority interests for €1.4 million (see note 3).

The contribution of Salvepar before the elimination of reciprocal transactions as at 30 June 2017 to the main aggregates of the balance sheet and the income statement is as follows:

(in thousands of €)	30 June 2017	(in thousands of €)	7 March to 30 June 2017
Tangible and intangible fixed assets	124	Change in fair value of the non-current investment portfolio	35,081
Non-current investment portfolio	485,460	Change in fair value of the current investment portfolio	935
Non-current related receivables	40,915	Change in fair value	36,016
NON-CURRENT ASSETS	526,499	Other non-current portfolio income	4,587
Other receivables	6,014	Other current portfolio income	211
Current investment portfolio	80,126	Other portfolio income	4,798
Cash and cash equivalents	11,704	Income from the portfolio	40,814
CURRENT ASSETS	97,843	Income from management companies	48
TOTAL ASSETS	624,342	Purchases and external charges	-833
SHAREHOLDERS' EQUITY	465,442	Operating expenses	218
Non-current borrowings and financial debt	150,437	Operating income	40,246
Deferred tax liabilities	6,567	Net income on cash equivalents	84
NON-CURRENT LIABILITIES	157,004	Financial expenses	-519
Current borrowings and financial debt	1	Change in fair value ORNANE	-57
Tax and social security payables	120	Corporate income tax	-2,167
Other liabilities	1,775	NET INCOME	37,588
CURRENT LIABILITIES	1,896	Net income (Group's share)	37,588
TOTAL LIABILITIES	624,342		

– **Tikehau Capital Europe**

On 10 March 2017, Tikehau Capital Europe, subsidiary of Tikehau Capital, undertook a capital increase for an amount of approximately €22 million, subscribed to by the Company and Amundi. Following this transaction, which was authorised by the Financial Conduct Authority ("FCA"), Tikehau Capital holds 75.1% of the shares of Tikehau Capital Europe (compared with 97% as at 31 December 2016).

– **Credit.fr**

On 29 June 2017, Tikehau Capital finalised the acquisition of the French specialist in crowdfunding for small and medium-sized companies, Credit.fr.

This acquisition enables Tikehau Capital to consolidate and expand its lending platform dedicated to the real economy and to extend its range of business financing to small and medium-sized companies. Tikehau Capital's investment amounted to €13.8 million for a 92% equity interest. Given the proximity between the acquisition date and the half-year close, the company was not consolidated as at 30 June 2017 but will be fully consolidated as at 31 December 2017.

The securities acquired have been classified as non-consolidated securities.

A price supplement is foreseen and may be for a maximum amount of approximately €2.1 million payable at the end of 2018.

The main balance sheet aggregates as at 31 December 2016 were as follows:

(in thousands of €)	31 December 2016
Intangible fixed assets	379
Tangible fixed assets	12
NON-CURRENT ASSETS	391
Other receivables	250
Cash and cash equivalents	412
CURRENT ASSETS	662
TOTAL ASSETS	1,053
SHAREHOLDERS' EQUITY	-417
Provision	20
Non-current borrowings and financial debt	1,043
NON-CURRENT LIABILITIES	1,063
Tax and social security payables	129
Other liabilities	278
CURRENT LIABILITIES	408
TOTAL LIABILITIES	1,053

b. Significant events during the period

– Capital increases of Tikehau Capital (other than the Exchange Offer)

On 22 December 2016, Tikehau Capital opened a subscription period for a capital increase that closed on 6 January 2017. It was subscribed mainly by existing shareholders in the amount of approximately €150 million at a price of €21 per share.

In addition, on 6 January 2017, Tikehau Capital also obtained from FSP (Fonds Stratégique de Participations) a pledge to subscribe to a reserved capital increase in the minimum amount of €50 million, also at a price of €21 per share. This reserved capital increase was conducted on 3 March 2017.

– Success of the Exchange Offer on Salvepar

On 9 January 2017, the Company announced a stock-for-stock takeover bid and a cash takeover bid for the ordinary shares and the ORNANE issued by Salvepar. The results of the offer were communicated on 27 February 2017, and are detailed below:

- (i) Firstly, 2,728,822 ordinary shares representing 36.6% of Salvepar's share capital and 1,225,326 ORNANE were tendered to the simplified public exchange offer; and
- (ii) Secondly, 277,543 ordinary shares representing 3.7% of Salvepar's share capital and 165,277 ORNANE were tendered to the simplified public purchase offer.

Settlement of this exchange offer took place on 28 February 2017 and resulted in:

- (i) the creation of 7,185,807 Tikehau Capital shares, i.e. a capital increase of approximately €151 million (including premium) on the basis of an exchange ratio of 2.6333; and
- (ii) the issuance of 1,225,326 Tikehau Capital ORNANE with a par value of €1.63, i.e. a convertible bond borrowing of approximately €76 million.

Subsequently to the public exchange offer, Tikehau Capital held 99.1% of Salvepar's ordinary shares and 99.8% of its ORNANE.

The mandatory delisting of Salvepar's shares and ORNANE which were not tendered to the offer took place on 6 March 2017.

– Tikehau Capital IPO

On 7 March 2017, the Company was listed on the regulated market of Euronext Paris. The introductory price was set at €21 per share for a stock market capitalisation of around €1.5 billion. This listing falls under the reorganisation of the Group, which began at the end of 2016.

– Conversion and early redemption of Tikehau Capital ORNANE

On 17 May 2017, 3,000 Tikehau Capital ORNANE were converted resulting in the creation of 8,097 Tikehau Capital shares, i.e. a capital increase of approximately €185,000 (including premium).

As part of the proposed takeover bid, on 2 March 2017 the Company issued ORNANE (*Obligations à option de remboursement en numéraire et/ou en actions nouvelles et/ou existantes*: bonds with the option of redemption in cash and/or new and/or existing shares (the "ORNANE ")) with maturity on 1 January 2022. The nominal value of these ORNANE at issue was €75.3 million.

On 21 June 2017, Tikehau Capital repurchased 659,024 ORNANE representing 53.9% of the ORNANE outstanding at that date in an off-market transaction (the "Redemption"). The Redemption was made at the price of €68.25 per ORNANE (coupon included). This price represents a 10.7% premium over the par value of the ORNANE and includes the interest that would have been paid by the Company for the first half of 2017 if the Redemption had not taken place.

In order to ensure fair treatment for all the ORNANE holders, Tikehau Capital implemented a repurchase procedure for the holders of ORNANE between 22 June and 28 June 2017 at the Redemption price.

In a press release dated 28 June 2017, Tikehau Capital announced the completion of the redemption of 1,220,868 ORNANE, representing approximately 99.9% of the ORNANE initially issued, in off-market transactions and the repurchase procedure effected between 22 June and 28 June 2017 inclusive. The settlement of the repurchase procedure took place on 30 June 2017. The redeemed ORNANE were subsequently cancelled in accordance with their terms and conditions. The aforementioned redemptions represented a total amount of €83,324,241.

On the basis of these results, the Company has decided to exercise its right to request the early redemption of the remaining ORNANE in circulation in accordance with their terms and conditions of issue. This early redemption is envisaged for 22 September 2017 at par (i.e. €61.63 per ORNANE Bond) plus accrued interest.

5.4. Significant accounting policies

a. Investment portfolio

The equity shares held by the investment companies are estimated at fair value through profit or loss. Positive and negative changes in fair value are recognised in the year's income statement under "Changes in fair value". The methods for determining fair value are presented in paragraph 5.5.

Investments in equity and quasi-equity shares (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 as the current investment portfolio.

Loans and receivables related to these investments are recognised initially at their purchase 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.

Depreciations 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. Business combinations

Business combinations are assessed and recorded in accordance with IFRS 3 (revised): the counterparty transferred (acquisition cost) is measured at the fair value of assets given, shareholders' equity issued and liabilities incurred on the exchange date. The identifiable assets and liabilities of the company

acquired are measured at their fair value on the acquisition date. The goodwill thereby represents the difference between the acquisition cost and the total valuation of identified assets and liabilities at the acquisition date.

The goodwill relative to the acquisition of foreign companies is denominated in the operational currency of the activity acquired.

In case of acquisition of control of an entity in which the Group already owns an equity interest, the transaction is analysed as a double operation: on the one hand as a disposal of all of the previously owned equity interest with recognition of the consolidated gain or loss on disposal, and on the other hand, as an acquisition of all the securities with recognition of goodwill on the entire stake (previous share and new acquisition).

The costs directly attributable to the acquisition such as legal, due diligence and other professional fees are recognised in expenses when they are incurred.

Goodwill is not amortised. It is subject to an impairment test once a year or more frequently if there is evidence of impairment.

The Cash Generating Units (CGUs) identified correspond, firstly, to the asset management activities and, secondly, to investment activities. The tests will be carried out with the Cash Generating Units (CGU) or CGU groups, which constitute homogeneous groups together generating cash flows which are largely independent of the cash flows generated by the other CGUs.

c. Cash equivalents and other current financial assets

Tikehau Capital's cash surplus, if any, may be invested in units of euro money market funds and in 3-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 the closing date are included in the income for the period under "Net income on cash equivalents".

d. 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 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 under the financial income, based on the effective interest rate method.

e. 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 rates are recorded over 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 shares concerned are divested. The tax rates are determined based on the nature of the asset concerned (a long-term regime for financial interests, FPCI, SCR, and SIIC funds).

A deferred tax asset is recognised for tax losses that can be carried over, 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.

f. Recognition of revenue: Current income from the management companies

The current income from the management companies consists of (1) fees received by the Group's management companies plus performance fees and income associated with carried interest, less (2) fees paid out in trailer fees paid to distributors provided for under contract, generally based on a percentage of the management fees and fees of custodians and valuation agents, where these are paid by the Group.

g. Segment information

Tikehau Capital operates either by investing its capital directly in equity interests or by investing in third party management platforms (Tikehau IM and Tikehau Capital Europe). The level of segment information is thus established between asset management activities and investment activities.

Until 21 December 2016, these asset management platforms were consolidated using the equity method. They are now fully integrated. Accordingly, the presentation of segment information by activity is not comparable to 30 June 2016. In addition, in its asset management activity, the Company follows assets under management and revenue net of trailer fees by business line. This second level information is presented in the business report (non-accounting data).

5.5. Determination of 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 ("listed companies"). Shares in listed companies are measured on the basis of the last quoted price on balance sheet date.

Securities classified as Level 2

These are companies whose shares are not listed on an active market ("non-listed companies"), but whose measurement is linked 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 relies on significant unobservable data.

Securities classified as Level 3

These are companies whose shares are not listed on an active market ("unlisted companies"), and whose measurement is linked in significant degree to unobservable data.

Tikehau Capital takes into consideration 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 comparable 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 sector 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, unless there are indicators of impairment, are recorded at nominal value plus accrued interest.

Fund units are valued on the basis of the last available net asset value at the balance sheet date.

A retention piece invested by Tikehau Capital Europe is valued using the mark-to-model method, given the low liquidity of the shares and the obligation to hold notes to maturity.

5.6. Segment information

The main aggregates of the segment income statement are as follows:

(in thousands of €)	H1 2017 (6 months)	Investment activities	Asset management activities
Income from the portfolio	121,601	121,601	
Income from management companies	25,148		25,148
Operating expenses	-44,832	-22,589	-22,243
Revenue from investment and asset management activities before share of net income from equity method companies	101,917	99,012	2,904

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

(in thousands of €)	H1 2017 (6 months)	Investment activities	Asset management activities
TOTAL NON-CURRENT ASSETS	1,720,759	1,421,667	299,092
TOTAL CURRENT ASSETS	274,486	216,347	58,139

(in thousands of €)	H1 2017 (6 months)	Investment activities	Asset management activities
TOTAL NON-CURRENT LIABILITIES	353,136	346,420	6,716
TOTAL CURRENT LIABILITIES	48,610	23,534	25,076

5.7. Intangible and tangible fixed assets

(in thousands of €)	31 déc. 2016	Charges in scope	Increase	Decrease	30 June 2017
Goodwill	297,067			-279	296,788
Brands	10,710	11	48		10,769
Other intangible fixed assets	74	93	795		962
Total intangible fixed assets	307,851	104	843	-279	308,519

(in thousands of €)	31 déc. 2016	Charges in scope	Increase	Decrease	30 June 2017
Total tangible fixed assets	3,383	0	73	-2,199	1,257

Goodwill amounted to €296.8 million as at 30 June 2017, against €297.1 million as at 31 December 2016. This change is due solely to variations in foreign exchange rates.

As at 30 June 2017, in the absence of indicators of impairment of goodwill and the brand and given the effective dates of acquisition of control which generated the goodwill and the date of acquisition of the brand (i.e. 21 December 2016), no impairment test 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 2016	762,578	277,606	11,635	472,771	566
Acquisition of securities	527,622	312,426		201,405	13,791
Disposals and repayments	-50,506	-535		-49,971	
Changes in receivables	-23,386			-23,399	13
Changes in fair value	62,833	45,621	11,361	5,850	
Change of scope	107,463	-136,361	62,866	180,958	
Fair value as at 30 June 2017	1,386,603	498,757	85,862	787,614	14,370

The impact of the change in the scope of consolidation for €107.5 million arises from the substitution of the previously listed shares of Salvepar held by Tikehau Capital at the fair value of the investments in the Salvepar portfolio (see Note §5.3.b. "Changes in the scope of consolidation"). This corresponds to the positive difference between (i) the fair value of the investment portfolio of Salvepar at the date of entry into the scope of consolidation, i.e. €18.3 million and (ii) the valuation of this entity in the consolidated financial statements of Tikehau Capital as at 31 December 2016, i.e. €10.9 million.

The change in Level 1 securities includes the acquisition of Eurazeo listed securities for an amount of €329.8 million (excluding fees), including €308.1 million in acquisition flows and €21.7 million in flows from change in the scope of consolidation.

The acquisition of non-consolidated securities for €13.8 million corresponds to Credit.fr (see Note §5.3.b. "Changes in the scope of consolidation").

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

(in thousands of €)	30 June 2017	31 December 2016
Historical value of the non-current investment portfolio	1,220,601	775,744
Value of related receivables	55,509	21,895

Outstanding commitments in the non-current investment portfolio are as follows:

(in thousands of €)	30 June 2017	31 December 2016
Commitments on non-current investment portfolio	19,233	18,100

5.9. 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 2016	40,454	40,454	0	0
Net Acquisitions/Disposals	-14,435	-12,115		-2,320
Changes in fair value	-2,133	-2,021		-112
Change of scope	99,307	46,791	50,000	2,516
Others	486	486		
Fair value as at 30 June 2017	123,678	73,594	50,000	84

The impact of the €9.3 million change in the scope of consolidation relates to the consolidation of Salvepar (see Note §5.3.b. "Changes in the scope of consolidation").

The acquisition value of the current portfolio is as follows:

(in thousands of €)	30 June 2017	31 December 2016
Historical value of the current portfolio	82,036	46,859

5.10. Cash and cash equivalents

(in thousands of €)	30 June 2017	31 December 2016
Cash equivalents	652	486
Cash	119,537	129,359
Cash and cash equivalents	120,189	129,845

Cash equivalents are mainly represented by marketable securities.

5.11. Number of shares and share capital

Number of shares	30 June 2017	31 December 2016
Existing shares at the beginning of the period	54,174,822	21,689,838
Shares issued during the period	16,721,559	32,484,984
Existing shares at the close of the period	70,896,381	54,174,822
<i>of which treasury shares</i>	26,258	0

Share capital (in €)	30 June 2017	31 December 2016
Par value at end of period	12	12
Subscribed capital	850,756,572	650,097,864

5.12. Borrowings and financial debt

In May 2017, Tikehau Capital entered into an external financing arrangement with UniCredit Bank for an amount of €300 million, of which €22.2 million were drawn as at 30 June 2017.

At the same time, its subsidiary Tikehau Investment Management Asia Pacific (TIM APAC) entered into its first external financing arrangement with Standard Chartered for S\$8.0 million (approximately €5.1 million).

ORNANE issued by Tikehau Capital in February 2017 in connection with the exchange offer with Salvepar for a total nominal amount of €75.5 million were converted for €0.2 million in May 2017 and then almost all redeemed in June 2017 (see Note 5.3.c § "Significant events during the period").

(in thousands of €)	30 June 2017	31 December 2016
Convertible bonds	90	0
Debt principal	349,469	121,354
Bank loans	1	0
Staggered issue costs on borrowings	-5,909	-2,143
Borrowings and debt from credit institutions	343,561	119,211
Total	343,650	119,211
<i>of which current liabilities</i>	684	2,354
<i>of which non-current liabilities</i>	342,967	116,857

Financial borrowings and debt can be broken down into the following maturities:

(in thousands of €)	Maturing in less than one year	Maturing in one to five years	Maturing in more than five years	Total
Situation as at 30 June 2017				
Variable-rate bank borrowings	1,000	346,257	0	347,257
Staggered issue costs on borrowings	-2,530	-3,380	0	-5,909
Fixed-rate convertible bond borrowing	0	90	0	90
Accrued interest	2,212	0	0	2,212
Bank loans	1			1
Total	684	342,967	0	343,650
<i>of which current liabilities</i>	684			684
<i>of which non-current liabilities</i>		342,967	0	342,967

(in thousands of €)	Maturing in less than one year	Maturing in one to five years	Maturing in more than five years	Total
Situation as at 31 December 2016				
Variable-rate bank borrowings	1,000	119,000	0	120,000
Staggered issue costs on borrowings	-405	-2,143	0	-2,549
Fixed-rate convertible bond borrowing				
Accrued interest	1,760	0	0	1,760
Total	2,354	116,857	0	119,211
<i>of which current liabilities</i>	2,354			2,354
<i>of which non-current liabilities</i>		116,857	0	116,857

Information on bank covenants

BRED Banque Populaire bank loan contracted on 29 April 2016 – €20 million:

For the duration of this contract, Tikehau Capital undertakes to respect a half-yearly loan to value ratio of less than or equal to 71% (for the test dates of 30.06.2017 to 30.06.2020) and 55% (for the test dates of 31.12.2020 to 31.12.2021), corresponding to the ratio between the outstanding principal amount of the loan and the sum of (i) the value of A and E shares of Tikehau Retail Properties III and (ii) the balance of the operating account pledged to the benefit of the BRED Banque Populaire in which all the distributions and dividends made by Tikehau Retail Properties III to the benefit of Tikehau Capital are paid.

Syndicated loan contracted on 29 July 2016 – €200 million:

For the duration of this contract, Tikehau Capital undertakes to respect the financial ratios calculated on a quarterly basis:

- Senior Loan to Value Ratio, less than or equal to 35%, corresponding to the ratio between the amount of senior financial debt and the sum of (i) its consolidated shareholders' equity (Group's share) and (ii) its total financial debt
- Total Loan to Value Ratio, less than or equal to 50%, corresponding to the ratio between the amount of senior financial debt and the sum of (i) its consolidated shareholders' equity (Group's share) and (ii) its total financial debt
- Limit ratio (calculated on a half-yearly basis) less than or equal to 20%, corresponding to the ratio between the amount of bilateral loans and the sum of (i) its consolidated shareholders' equity (Group's share) and (ii) its total financial debt

UniCredit Bank bank loan contracted on 4 May 2017 – €300 million:

For the duration of this contract, Tikehau Capital undertakes to respect a financial Loan to Value Ratio calculated quarterly of less than or equal to 50%.

Standard Chartered bank loan contracted on 27 April 2017 – S\$8 million:

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

- Interest coverage ratio greater than or equal to 3, calculated on a semi-annual basis, corresponding to the ratio between (i) distributions received from its subsidiary, IREIT Global Group, and (ii) the interest expenses of TIM APAC. The first date for testing the ratio is set on 30 June 2018;
- Assets under management managed by Tikehau IM exceeding 3 billion euros, tested quarterly.

5.13. Taxes

Tax breaks down as follows:

(in thousands of €)	H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
<i>Income /(Expense)</i>			
Deferred tax	-2,301	24,066	117
Current tax	-3,464	-1,689	
Total	-5,765	22,377	117
Net income of consolidated companies	86,488	72,496	15,167
Income before tax	92,253	50,119	15,050
Application of the normal theoretical tax rate of 33 ^{1/3}	-30,751	-16,706	-5,017

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

(in thousands of €)	H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
Theoretical tax	-30,751	-16,706	-5,017
Tax savings at reduced rate	19,871	13,076	8,034
Non-activated tax losses	-9,036		-7,375
Parent-subsidiary regime	1,047	2,950	3,883
Share profit from associates		22,519	667
Difference in rate	451	702	
Permanent differences ¹	10,794		
Tax credit	2,472		
Others	-612	-163	-76
Actual tax	-5,765	22,377	117

Changes in taxes on the balance sheet are as follows:

(in thousands of €)	Liabilities (+) or Assets (-) tax	Of which deferred tax	Of which current tax
Situation as at 31.12.2016	-25,366	-26,758	1,391
Current tax	3,464		3,464
Deferred tax	2,311	2,311	
Joined the scope	22,008	8,958	13,051
Tax Disbursement / Receipts	-20,423		-20,423
Situation as at 30.06.2017	-18,007	-15,489	-2,517

Deferred taxes linked to tax losses that may be carried over are detailed below:

(in thousands of €)	30 June 2017	31 December 2016
Stock tax loss carried forward at local normal rate	120,526	95,988
Activated deferred tax	31,996	31,996
Tax loss carried forward at local reduced rate	7,407	8,524
Activated deferred tax	128	128

¹ The permanent differences correspond to the revaluation at the time of the changeover to full consolidation of the Salvepar shares held as at 31 December 2016 (recognised as a change in fair value for an amount of €32.4 million) for which no tax has been recorded.

5.14. Fixed financial derivatives

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

5.15. Free-share-based payment (IFRS 2)

IFRS 2 standard share-based payments 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; and
- to cash-settled share-based payment transactions.

No plan has been implemented for Tikehau Capital. Share-based payment plans concern only shares of Tikehau Investment Management. No new plans have been implemented over the period at Tikehau Investment Management.

These plans include a vesting period of up 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).

5.16. Non-controlling interests

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

(in thousands of €)	H1 2017 (6 months)	% of interest	H1 2016 (6 months)	% of interest
Tikehau Capital Europe	17,752	24.90%	1,179	3.00%
Tikehau IM	1,142	3.33%	1,120	3.40%
Other companies	137		328	
Total	19,031		2,627	

5.17. Change in fair value

(in thousands of €)	H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
Non-current investment portfolio	95,083	41,495	25,375
Current investment portfolio	3,499	794	-95
Total	98,582	42,289	25,280

The change in the fair value of the non-current portfolio includes the revaluation of Salvepar shares as a result of its integration in the scope of consolidation (for the proportion of securities held as at 31 December 2016), i.e. €32.4 million.

5.18. Other portfolio income

(in thousands of €)	H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
Dividends	18,659	26,979	17,325
Interest	3,470	3,381	2,054
Others	599	1,095	288
Non-current portfolio income	22,729	31,455	19,667
Income from bonds	290	155	77
Current portfolio income	290	155	77
Total	23,019	31,611	19,743

5.19. Operating expenses

(in thousands of €)	H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
Purchases and external charges	-8,195	-1,326	-634
Remuneration paid to the Manager or the Chairman	-13,466	-16,856	-4,358
Taxes and levies	-1,221	-4,192	-851
Salaries	-12,727		
Other fees	-4,623	-1,855	-418
Other net operating expenses	-4,600	137	-624
Total	-44,832	-24,092	-6,887
<i>of which operating costs from asset management activities</i>	-22,243		
<i>of which operating costs from investment activities</i>	-22,589	-7,236	-2,528

The procedures for determining the remuneration of the General Partner of Tikehau Capital (from 7 November 2016) and the Chairman (up until 7 November 2016) are detailed in Note 5.22.a).

Apart from the remuneration of the managers, operating expenses increased mainly due to changes in the scope of consolidation (Tikehau IM fully consolidated as of 21 December 2016).

5.20. Net income from cash and cash equivalents

(in thousands of €)	H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
Change in fair value	0	387	-6
Net gains/losses on transferable securities	0	7	7
Net gains/losses related to foreign exchange	-46	-177	88
Other income from transferable securities	105	361	17
Total	58	577	106

5.21. Financial expenses

(in thousands of €)	H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
Expenses related to borrowings from credit institutions	-3,202	-3,484	-1,464
Expenses related to convertible bonds	-8,083	-1,100	-1,100
Expenses related to interest rate derivatives	-1,095	-1,980	-873
Change in fair value of interest rate derivatives	2,573	-894	-4,056
Miscellaneous	85	-415	-45
Total	-9,722	-7,874	-7,539

The amount of expenses related to convertible bonds corresponds to the redemption price of the Tikehau Capital ORNANE on 30 June 2017 (settlement date). This price reflects a premium of 10.7% over the par value of Tikehau Capital's ORNANE and includes the interest that would have been paid by the Company for the first half of 2017 if redemption had not taken place.

Interest risk exposure is detailed in Note 5.23.a).

5.22. Related parties

a. Scope of related parties

The related parties of Tikehau Capital include:

- Tikehau Capital General Partner, in its capacity as Manager-General Partner, 100% owned by Tikehau Capital Advisors; and
- 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 managers

The manager is entitled to remuneration, determined in the Articles of Association, 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 précipitaire*) 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 income 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 Appointments and Pay 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 Appointments and Pay 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 annual General Shareholders' Meeting of the Company held on 21 December 2016, an amount of €300,000 was allocated to the members of the Supervisory Board in respect of attendance fees for each financial year.

No attendance fees were paid during the first half of 2017.

(iv) Services provided by Tikehau Capital Advisors to Salvepar

Tikehau Capital Advisors has made administrative support (through human and material resources) available to Salvepar, allowing the company to pursue its corporate purpose in the best possible conditions.

These services were terminated on 7 March 2017 following the results of the exchange offer initiated by Tikehau Capital on the shares and ORNANE of Salvepar.

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

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

(in thousands of €)	H1 2017 (6 months)	2016 (12 months)	H1 2016 (6 months)
Remuneration TCGP from 7 November 2016			
Remuneration on consolidated shareholders' Equity (i)	11,297	1,113	
Remuneration on net income (ii)			
Remuneration TCGP (excl. tax)	11,297	1,113	0
Remuneration Tikehau Capital Advisors until 7 November 2016			
Remuneration on revalued net asset value and capital increase		15,743	4,358
Remuneration on net income			
Remuneration related to administrative support available		680	340
Remuneration charged to Tikehau Capital by TCA (excl. tax)	0	16,423	4,698
Remuneration charged to Salvepar by TCA (excl. tax)	650	2,996	1,498
Remuneration charged to Tikehau Investment Management by TCA (excl. tax)	0	2,049	1,250
Total	11,947	22,581	7,446

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

The following table presents the list of 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 2017 (in millions of €)	Investing company	Amount called ¹		Commitment		% holding ²
		Tikehau	Fund	Tikehau	Fund	
TDL3	TPC UK	33.3	501.2	40.5	610.0	7%
TSL II	TPC UK	10.0	246.1	25.0	615.8	4%
TSO	TPC UK	4.1	8.4	30.0	61.4	49%
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%
TSS II	TC	15.0	85.3	15.0	85.3	18%
TIRF I (I-Petali)	TC, TCP UK & SY	9.2	35.0	9.2	35.0	26%
TIRF II (Area 12)	TC & TREIC	14.0	41.8	14.0	41.8	34%
TLP I (Escoffier)	TC & TREIC	22.7	56.3	22.7	56.3	40%
TRE I (Elis)	TC	9.0	99.9	9.0	99.9	9%
TRE II (Optimo)	TC & TREIC	67.5	180.5	67.5	180.5	37%
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	49.7	28%
TRP III (Babou)	TC	33.3	175.0	33.3	175.0	19%
CLO I	TCP 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	TCP UK / TCE	13.3	13.3	37.5	150.0	25%
Others		6.3	92.1	8.8	157.4	
Total		366.0	2,630.5	441.5	3,367.8	

¹ Amount invested at the historical cost excluding revaluation

² Percentage holdings calculated on amounts committed

Investments in the funds as at 31 December 2016 (in millions of €)	Investing company	Amount called ¹		Commitment		% holding ²
		Tikehau	Fund	Tikehau	Fund	
TDL3	TPC UK	19.1	287.7	40.5	610.0	7%
TSL II	TPC UK	7.0	119.0	25.0	522.2	5%
TSO	TPC UK	4.1	8.4	30.0	61.4	49%
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%
TSS II	TC	15.0	85.3	15.0	85.3	18%
TIRF (I-Petali)	TC, TCP UK & SY	9.2	35.0	9.2	35.0	26%
TLP I (Escoffier)	TC	8.7	56.3	8.7	56.3	15%
TRE I (Elis)	TC	9.0	99.9	9.0	99.9	9%
TRE II (Optimo)	TC	45.6	180.5	45.6	180.5	25%
TREIC	TC & SY	17.8	59.3	75.0	250.0	30%
TRP I (Mr. Bricolage)	TC & SY	30.0	135.0	30.0	135.0	22%
TRP II (Bercy 2)	TC	14.0	49.7	14.0	49.7	28%
TRP III (Babou)	TC	33.3	175.0	33.3	175.0	19%
CLO I	TCP UK / TCE	34.5	354.7	34.5	354.7	10%
CLO II	TCP TCE	19.4	414.2	19.4	414.2	5%
Others		6.0	76.5	8.8	140.9	
Total		310.0	2,278.6	436.0	3,315.9	

¹ Amount invested at the historical cost excluding revaluation

² Percentage holdings calculated on amounts committed

(vi) Outperformance fees

In some funds, outperformance 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.

Outperformance fees break down as follows since April 2014: 20% of the sur-performance fees are paid to a company that is a shareholder of Tikehau Capital Advisors and is held by partners of the Tikehau Group; the other 80% are paid one third each to Tikehau Capital, Tikehau IM and Tikehau Capital Advisors.

These outperformance fees are paid by the funds directly to the beneficiaries and are recognised on the income statement when they are actually paid. As at 30 June 2017, 72% of assets under management in Private Debt – Direct Lending & CLO – and Real-Estate funds give rise to performance fees.

(in millions of €)	30 June 2017	31 December 2016
Assets eligible for performance fees	3,387	3,204
Direct lending and CLO	2,034	1,896
Real estate	1,353	1,308
Assets Under Management	4,687	4,387
Direct lending and CLO	2,807	2,627
Real estate	1,880	1,760

Tikehau Capital and its fully consolidated subsidiaries were not paid performance fees in respect of the first half of 2017.

5.23. Market risks

a. Exposure to interest rate risk

As at 30 June 2017, Tikehau Capital was exposed to an interest rate risk on its bank loans for €343.6 million, compared with €19.2 million as at 31 December 2016 (see Note §5.12. "Borrowings and financial debt").

Tikehau Capital's exposure to interest rate risk on financial assets as at 30 June 2017 has remained stable compared to 31 December 2016.

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 €)	Nominal debt	Notional	Average fixed rate	Average maturity
As at 31 December 2016	119.2	170.6	0.96%	8.2 yrs.
As at 30 June 2017	343.6	186.7	0.91%	8.4 yrs.

b. Exposure to currency risk

Tikehau Capital's exposure to currency risk relates to its investments in foreign currencies.

As at 30 June 2017, 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 2017.

The table below shows the impact on earnings of a change +/- 10% in these currencies against the euro and on the basis of the consolidated financial statements as at 30 June 2017 and 31 December 2016:

(in millions of €)	Depreciation of 10% the currency	Appreciation of 10% the currency
As at 30 June 2017		
GBP	-2.6	3.2
USD	-8.1	9.9
SGD	-2.0	2.4
CAD	-0.8	1.0
AUD	-0.3	-0.3
PLN	-0.1	0.1
As at 31 December 2016		
USD	-2.3	2.8
SGD	-0.8	1.0
GBP	-0.7	0.8
PLN	-0.1	0.1

The change in exposure to currency risk between 31 December 2016 and 30 June 2017 is mainly due to the inclusion of Salvepar's investments in the scope of consolidation.

c. Exposure to equity market risks

Due to the nature of its business, Tikehau Capital is exposed directly to equity market risks for the fair value of its listed shares, representing €72.4 million as at 30 June 2017 against approximately €82.9 million at 31 December 2016 (including the listed securities in the non-current investment

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

d. Exposure to counterparty risk

To manage its counterparty risk related to cash and marketable securities, Tikehau Capital only works with top tier banks and resorts 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 2017, Tikehau Capital had no counterparty default.

e. Exposure to liquidity risk

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

5.24. Contingent liabilities

Description (in thousands of €)	Amount as at 30 June 2017		Amount as at 31 December 2016	
	Number of shares	Value of collateral provided	Number of shares	Value of collateral provided
Commitment of payment to current account		194		208
Capital subscription commitment in the companies		99,187		44,948
Uncalled commitment by the funds		116,372		94,055
Pledge of shares as first-demand guarantee		48,600		48,600
Pledge of shares as loan guarantee and authorised overdrafts	10,149,630	594,578	4,651,218	269,691
Pledge of bank accounts as loan guarantee and authorised overdrafts		35,054		3,385
Guarantee for disposals of shares in property investment companies carried out by a subsidiary		2,000		2,000
Total commitments made	10,149,630	895,984	4,651,218	414,286

Description (in thousands of €)	Amount as at 30 June 2017	Amount as at 31 December 2016
Syndicated loan not drawn at close	177,836	100,000
Commitment to subscribe to a capital increase realised on 6 January 2017	0	150,000
Commitment by Amundi to hold 24.9% of TCE ordinary shares*	0	9,518
Total commitments received	177,836	259,518

* Commitment may be increased up to an amount of €15 million

5.25. Subsequent events since the end of June 2017

Tikehau Capital capital increases

On 26 July 2017, Tikehau Capital issued a capital increase with preferential subscription rights for a total amount of €701.9 million (premium included), which resulted in the creation of 31,903,367 new shares.

III. STATUTORY AUDITORS' REPORT ON THE INTERIM FINANCIAL INFORMATION

MAZARS

61, rue Henri Regnault
92400 Courbevoie
S.A. with board of directors and
supervisory board with capital of
€8,320,000

Auditor
Member of the
Compagnie Régionale de
Versailles

ERNST & YOUNG et Autres

1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. with variable capital

Auditor
Member of the
Compagnie Régionale de
Versailles

Tikehau Capital
For the period from January 1 to June, 30, 2017

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

To the Shareholders,

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-yearly consolidated financial statements of Tikehau Capital, for the period from January 1 to June 30, 2017,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly 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-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

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

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

Courbevoie and Paris-La Défense, 29 September 2017

The Auditors

French original signed by

MAZARS

ERNST & YOUNG et Autres

Simon Beillevaire

David Koestner

IV. DECLARATION OF THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

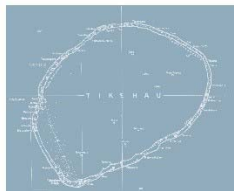
We certify to the best of our knowledge that the condensed consolidated financial statements for the half-year ended are prepared in accordance with the applicable accounting standards and give a true and fair view of the Company's assets and liabilities, financial position and results and that the interim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

Paris, 29 September 2017

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

Its Chairman, AF&Co,
Which is represented in turn by
Antoine Flamarion, its Chairman

Its Managing Director, MCH,
Which is represented in turn by
Mathieu Chabran, its Chairman



TIKEHAU
CAPITAL

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