CONSOLIDATED INCOME STATEMENT

(in millions of euros)	**First half 2018**	**First half 2017**
Net sales	**3,282**	**3,206**
Metal price effect[1]	(1,081)	(870)
Sales at constant metal prices[1]	**2,201**	**2,336**
Cost of sales	(2,912)	(2,756)
Cost of sales at constant metal prices[1]	(1,832)	(1,886)
Gross profit	**370**	**450**
Administrative and selling expenses	(236)	(260)
R&D costs	(52)	(50)
Operating margin[1]	**82**	**140**
Core exposure effect[2]	9	40
Restructuring costs	(20)	(20)
Other operating income and expenses[3]	21	0
Share in net income of associates	0	2
Operating income	**91**	**162**
Cost of debt (net)	(22)	(33)
Other financial income and expenses	(9)	(3)
Income before taxes	**59**	**126**
Income taxes	(23)	(34)
Net income from continuing operations	**36**	**92**
Net income from discontinued operations	-	-
Net income	**36**	**92**
- attributable to owners of the parent	40	91
- attributable to non-controlling interests	(3)	1
Attributable net income per share (in euros)		
- basic earnings per share	0.92	2.21
- diluted earnings per share	0.90	1.97

(1) Performance indicators used to assess the Group's operating performance.

(2) Effect relating to the revaluation of Core exposure at its weighted average cost.

(3) "Other operating income and expenses" included a 44 million euro net disposal gain and -18 million euros in net asset impairment losses in first half 2018.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in millions of euros)	June 30, 2018	December 31, 2017 (restated)[1]
Goodwill	244	236
Intangible assets	123	127
Property, plant and equipment	1,153	1,129
Investments in associates	40	40
Deferred tax assets	145	135
Other non-current assets	77	100
NON-CURRENT ASSETS	**1,782**	**1,767**
Inventories and work in progress	1,195	1,107
Contract assets	136	134
Trade receivables	1,151	1,033
Current derivative assets	49	59
Other current assets	190	177
Cash and cash equivalents	483	805
Assets and groups of assets held for sale	0	0
CURRENT ASSETS	**3,204**	**3,315**
TOTAL ASSETS	**4,986**	**5,082**

Equity and liabilities

(in millions of euros)	June 30, 2018	December 31, 2017 (restated)[1]
Capital stock, additional paid-in capital, retained earnings and other reserves	1,353	1,367
Other components of equity	23	52
Equity attributable to owners of the parent	**1,376**	**1,419**
Non-controlling interests	42	48
TOTAL EQUITY	**1,418**	**1,468**
Pensions and other long-term employee benefit obligations	371	387
Non-current provisions	94	94
Non-current convertible bonds	-	267
Other non-current debt	455	451
Non-current derivative liabilities	0	3
Deferred tax liabilities	105	102
NON-CURRENT LIABILITIES	**1,025**	**1,304**
Current provisions	65	79
Current debt	562	420
Contract liabilities	143	165
Trade payables	1,417	1,280
Current derivative liabilities	31	36
Other current liabilities	326	331
Liabilities related to groups of assets held for sale	0	0
CURRENT LIABILITIES	**2,543**	**2,310**
TOTAL EQUITY AND LIABILITIES	**4,986**	**5,082**

(1) Restatements of consolidated data at December 31, 2017 are related to IFRS 15 application.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	**First half 2018**	**First half 2017**
Net income	36	92
Depreciation, amortization and impairment of assets (*including goodwill)*	89	72
Cost of debt (gross)	24	35
Core exposure effect[(1)]	(9)	(40)
Current and deferred income tax charge (benefit)	23	34
Net (gains) losses on asset disposals	(44)	-
Other restatements[(2)]	(52)	(12)
Cash flows from operations before gross cost of debt and tax[(3)]	**67**	**182**
Decrease (increase) in working capital[(4)]	(112)	(215)
Income taxes paid	(24)	(28)
Impairment of current assets and accrued contract costs	(1)	(4)
Net change in current assets and liabilities	**(137)**	**(247)**
Net cash generated from (used in) operating activities	**(70)**	**(65)**
Proceeds from disposals of property, plant and equipment and intangible assets	47	4
Capital expenditure	(82)	(70)
Decrease (increase) in loans granted and short-term financial assets	(6)	(7)
Purchase of shares in consolidated companies, net of cash acquired	(12)	(6)
Proceeds from sale of shares in consolidated companies, net of cash transferred	-	-
Net cash generated from (used in) investing activities	**(53)**	**(79)**
Net change in cash and cash equivalents after investing activities	**(123)**	**(144)**
Proceeds from (repayments of) borrowings[(5)]	(99)	(86)
• of which repayment of the 2012-2018 ordinary bonds	(250)	-
• of which proceeds from 2017-2024 ordinary bond issue	-	199
• of which repayment of the 2007-2017 ordinary bonds	-	(350)
Cash capital increases (reductions)[(6)]	(23)	(10)
Interest paid	(39)	(52)
Transactions with owners not resulting in a change of control	-	-
Dividends paid	(32)	(22)
Net cash generated from (used in) financing activities	**(193)**	**(170)**
Net effect of currency translation differences	(2)	(10)
Net increase (decrease) in cash and cash equivalents	**(318)**	**(324)**
Cash and cash equivalents at beginning of period	**794**	**1,016**
Cash and cash equivalents at period-end	**475**	**692**
Of which cash and cash equivalents recorded under assets	*483*	*700*
Of which short-term bank loans and overdrafts recorded under liabilities	*(8)*	*(8)*

(1) Effect relating to the revaluation of Core exposure at its weighted average cost, which has no cash impact.

(2) Other restatements for the six months ended June 30, 2018 primarily included (i) a negative 39 million euros to cancel the net change in operating provisions (including provisions for pensions and restructuring costs), (ii) a negative 24 million to cancel the effect of changes in fair value of metal and foreign exchange derivatives, and (iii) a positive 7 million euros to cancel the expense relating to share-based payments. Other restatements for the six months ended June 30, 2017 primarily included (i) a negative 36 million euros to cancel the net change in operating provisions (including provisions for pensions and restructuring costs), and (ii) a positive 24 million euros to cancel the effect of changes in fair value of metal and foreign exchange derivatives.

(3) The Group also uses the "operating cash flow" concept, which is mainly calculated after adding back cash outflows relating to restructurings (28 million euros and 34 million euros for the first six months of 2018 and 2017 respectively), and deducting gross cost of debt and current income tax paid during the period.

(4) During the first half of 2018 the Group sold tax receivables which had a net cash impact of 20 million euros (9 million euros in first half 2017). As the sales concerned transferred substantially all the risks and rewards of ownership they meet the derecognition criteria in IAS 39 and have therefore been derecognized.

(5) The first half 2018 figure for this item includes a 6 million impact from the partial redemption of the Group's 2019 OCEANE bonds.

(6) During first half 2018, the Group bought back 784,413 of its own shares, representing a cash outflow of 24 million euros (versus 224,489 shares generating a cash outflow of 11 million euros in the first half of 2017).

(7)

INFORMATION BY REPORTABLE SEGMENT

First half 2018 (in millions of euros)	**Building & Territories**	**High Voltage & Projects**	**Telecom & Data**	**Industry & Solutions**	**Other Activities**	**Group total**
Net sales at current metal prices	1,374	379	283	705	541	**3,282**
Net sales at constant metal prices	846	348	249	589	169	**2,201**
Operating margin	28	16	16	28	(7)	**82**
Depreciation and amortization	(24)	(20)	(5)	(17)	(5)	**(71)**
Net impairment of non-current assets (including goodwill)	0	(18)	0	0	0	**(18)**

First half 2017 *(in millions of euros)*	**Building & Territories**	**High Voltage & Projects**	**Telecom & Data**	**Industry & Solutions**	**Other Activities**	**Group total**
Net sales at current metal prices	1,326	479	298	691	412	**3,206**
Net sales at constant metal prices	883	446	270	587	149	**2,336**
Net sales at constant metal prices and first half 2018 exchange rates	832	431	254	575	144	**2,236**
Operating margin	33	43	31	33	(1)	**140**
Depreciation and amortization	(26)	(19)	(5)	(17)	(4)	**(71)**
Net impairment of non-current assets (including goodwill)	0	(1)	0	0	0	**(1)**

INFORMATION BY MAJOR GEOGRAPHIC AREA

First half 2018 *(in millions of euros)*	**France**	**Germany**	**Norway**	**Others**[2]	**Group total**
Net sales at current metal prices[1]	553	427	354	1,947	**3,282**
Net sales at constant metal prices[1]	337	381	323	1,160	**2,201**

(1) *Based on the location of the Group's subsidiaries.*

(2) *Countries that do not individually account for more than 10% of the Groups net sales at constant metal prices.*

First half 2017 *(in millions of euros)*	**France**	**Germany**	**Norway**	**Others**[2]	**Group total**
Net sales at current metal prices[1]	532	421	436	1,817	**3,206**
Net sales at constant metal prices[1]	352	377	408	1,199	**2,336**
Net sales at constant metal prices[1] and 2018 exchange rates	352	377	390	1,117	**2,236**

(1) *Based on the location of the Group's subsidiaries.*

(2) *Countries that do not individually account for more than 10% of the Groups net sales at constant metal prices.*

INFORMATION BY MAJOR CUSTOMER

The Group does not have any customers that individually accounted for over 10% of its sales in first half 2018 or first half 2017.