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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

CONSOLIDATED BALANCE SHEET

CONSOLIDATED INCOME STATEMENT

STATEMENT OF OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED STATEMENT OF CASH FLOWS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS

(in thousands of euros)	Note	**12/31/2018**	**12/31/2017**
Non-current assets			
Intangible assets	4.3	34,349	41,131
Goodwill	4.2	1,094,355	1,095,763
Property, plant and equipment	4.1	1,588,105	1,475,383
Investments in joint ventures	9	48,334	37,747
Other financial assets	4.5.1	103,297	50,015
Deferred tax assets and liabilities	4.6	8,080	7,029
Other non-current assets	4.5.3	28,500	4,759
TOTAL NON-CURRENT ASSETS (I)		**2,905,020**	**2,711,827**
Current assets			
Inventory and work in progress	4.7	347,086	286,314
Trade and other receivables	4.5.4	582,059	515,715
Income tax receivables		42,200	39,862
Other current assets	4.5.2	19,494	33,177
Cash and cash equivalents	4.5.5	755,969	825,302
TOTAL CURRENT ASSETS (II)		**1,746,808**	**1,700,370**
TOTAL GROUP OF ASSETS FOR DISPOSAL (III)			
TOTAL ASSETS (I + II + III)		**4,651,828**	**4,412,197**

CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES

(in thousands of euros)	Note	**12/31/2018**	**12/31/2017**
Shareholders' equity, Group share			
Share capital		121,017	117,336
Share premium		1,350,696	1,195,964
Retained earnings		725,074	630,774
Total		**2,196,787**	**1,944,074**
Non-controlling interests		**137,230**	**134,356**
SHAREHOLDERS' EQUITY (I)	**4.8**	**2,334,017**	**2,078,430**
Non-current liabilities			
Borrowings and financial debt	4.10.1	1,107,997	1,234,252
Deposit/consignment		113,001	103,991
Provisions for pensions and other employee benefit obligations	4.12	45,573	45,757
Other provisions	4.11	73,666	82,932
Deferred tax assets and liabilities	4.6	72,391	70,938
Other non-current liabilities	4.10.3	2,364	3,461
TOTAL NON-CURRENT LIABILITIES (II)		**1,414,992**	**1,541,331**
Current liabilities			
Borrowings and bank overdrafts (portion due in less than one year)	4.10.1	341,602	277,678
Trade and other payables	4.10.4	526,849	457,873
Current tax liabilities		14,738	17,424
Other current liabilities	4.10.3	19,630	39,461
TOTAL CURRENT LIABILITIES (III)		**902,819**	**792,436**
TOTAL LIABILITIES RELATED TO A GROUP OF ASSETS FOR DISPOSAL (IV)			
Total liabilities (I + II + III + IV)		**4,651,828**	**4,412,197**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Note	Change	12/31/2018	12/31/2017
Sales of merchandise			3,400,080	2,693,851
Revenue from manufacturing of goods and services			1,353,644	1,238,801
NET REVENUE	**5.1**	**21%**	**4,753,724**	**3,932,652**
Other operating income			3,648	1,976
Purchases Consumed	5.2		(3,462,774)	(2,695,820)
External expenses	5.4		(447,044)	(446,477)
Payroll expenses	5.3		(205,310)	(193,492)
Taxes			(138,247)	(100,802)
Net depreciation and provisions	5.5		(111,621)	(126,420)
Other operating income and expenses	5.6		(1,470)	(3,606)
EBITDA		**1%**	**500,349**	**496,061**
EBIT		**6%**	**390,906**	**368,011**
Other operating income and expenses	5.7		(22,697)	2,185
OPERATING INCOME BEFORE PROFIT/LOSS FROM JOINT VENTURES		**-1%**	**368,209**	**370,196**
Share of net income from joint ventures			4,811	3,260
OPERATING INCOME AFTER PROFIT/LOSS FROM JOINT VENTURES		**0%**	**373,020**	**373,456**
Income from cash and cash equivalents			1,663	6,226
Gross interest expense and cost of debt			(22,317)	(20,557)
COST OF NET FINANCIAL DEBT	**5.8**	**44%**	**(20,654)**	**(14,331)**
Other financial income and expenses	5.9		(8,807)	3,150
INCOME BEFORE TAX		**-5%**	**343,559**	**362,275**
INCOME TAX	**5.10**		**(72,779)**	**(79,437)**
TOTAL NET INCOME		**-4%**	**270,780**	**282,838**
NET INCOME, GROUP SHARE		**-4%**	**254,070**	**265,583**
NET INCOME, MINORITY INTERESTS		**-3%**	**16,710**	**17,255**
Undiluted earnings per share *(in euros)*	5.11	-8%	2.65	2.87
Diluted earnings per share *(in euros)*	5.11	-7%	2.63	2.84

STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of euros)	**12/31/2018**	**12/31/2017**
TOTAL CONSOLIDATED NET INCOME (I)	**270,780**	**282,838**
Foreign exchange differences	(204)	(163,243)
Hedging instruments	(3,057)	736
Income tax on hedging instruments	956	(250)
Items recyclable in P&L from joint ventures		
Items that will subsequently be recycled in P&L (II)	*(2,306)*	*(162,757)*
Actuarial gains and losses	3,223	45
Income tax on actuarial gains and losses	(666)	(198)
Items not recyclable in P&L from joint ventures		
Items that will not subsequently be recycled in P&L (III)	*2,557*	*(153)*
COMPREHENSIVE INCOME FOR THE PERIOD (I + II + III)	**271,031**	**119,928**
SHARE ATTRIBUTABLE TO THE OWNERS OF THE GROUP'S PARENT COMPANY	**257,042**	**104,485**
SHARE ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**13,989**	**15,443**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Shares outstanding	of which treasury shares	Share capital	Share premium	Treasury shares	Consolidated reserves and earnings	Translation adjustments	Shareholders' equity attributable to the owners of the Group's parent company	Non-controlling interests (minority interests)	Total consolidated shareholders' equity
	(number of shares)					*(in thousands of euros)*				
Shareholders' equity as of December 31, 2016	**45,454,888**	**14,391**	**113,637**	**1,084,251**	**(1,088)**	**548,002**	**112,589**	**1,857,391**	**129,044**	**1,986,435**
Shareholders' equity as of December 31, 2017	**93,868,480**	**15,037**	**117,336**	**1,195,964**	**(879)**	**680,303**	**(48,647)**	**1,944,074**	**134,356**	**2,078,430**
Comprehensive income for the period						254,320	2,722	257,042	13,989	271,031
Change in interest						1,865		1,865	4,290	6,155
Share-based payments						5,331		5,331		5,331
Capital increase	2,945,264		3,681	154,732		369		158,782		158,782
Treasury shares		21,091			(798)	(236)		(1,034)		(1,034)
Dividend payment						(169,265)		(169,265)	(15,407)	(184,672)
Other changes						(7)		(7)	3	(4)
Shareholders' equity as of December 31, 2018	**96,813,744**	**36,128**	**121,017**	**1,350,696**	**(1,677)**	**772,684**	**(45,926)**	**2,196,787**	**137,230**	**2,334,017**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	**12/31/2018**	**12/31/2017**
TOTAL CONSOLIDATED NET INCOME FROM CONTINUING OPERATIONS	**270,780**	**282,838**
NET INCOME FROM DISCONTINUED OPERATIONS		
Adjustments:		
Elimination of income of joint ventures	(4,811)	(3,260)
Elimination of depreciation and provisions	116,551	123,105
Elimination of profit and loss from disposals and dilution	4,859	1,807
Elimination of dividend earnings	(401)	(271)
Other income and expenditure with no impact on cash and cash equivalents(1)	(1,439)	(7,154)
CASH FLOW AFTER COST OF NET FINANCIAL DEBT AND TAX	**385,539**	**397,065**
Elimination of tax expenses	72,779	79,437
Elimination of cost of net financial debt	20,654	14,331
CASH FLOW BEFORE COST OF NET FINANCIAL DEBT AND TAX	**478,972**	**490,833**
Impact of change in working capital*	(79,491)	(70,757)
Tax paid	(73,993)	(92,254)
CASH FLOWS RELATED TO OPERATING ACTIVITIES	**325,488**	**327,822**
Impact of changes to consolidation scope (cash acquired - cash disposed)	4,315	67,932
Acquisition of financial assets: Rubis Énergie division (2)	(76,530)	(495,179)
Acquisition of financial assets: Rubis Terminal division		(17,614)
Disposal of financial assets: Rubis Support and Services division		1,305
Acquisition of property, plant and equipment and intangible assets	(232,774)	(205,717)
Change in loans and advances granted	3,672	28,630
Disposal of property, plant and equipment and intangible assets	4,787	5,136
(Acquisition)/disposal of other financial assets	(81)	(26,351)
Dividends received	401	271
Other cash flow from investment operations		
CASH FLOWS RELATED TO INVESTING ACTIVITIES	**(296,210)**	**(641,587)**

(1) Including change in fair value of financial instruments, goodwill (impairment, negative goodwill), etc.

(2) See note 3.2 Impact of change in the scope of consolidation and note 11 Post-balance sheet events.

CONSOLIDATED STATEMENT OF CASH FLOWS

Continued *(in thousands of euros)*	Note	**12/31/2018**	**12/31/2017**
Capital increase	4.8	158,783	116,240
(Acquisition) / disposal of treasury shares		(798)	209
Borrowings issued	4.10.1	294,909	773,100
Borrowings repaid	4.10.1	(356,119)	(378,582)
Net interest paid		(20,954)	(13,113)
Dividends payable		(169,265)	(133,009)
Dividends payable to non-controlling interests		(15,176)	(15,098)
Disposal of financial assets: Rubis Énergie division(3)		5,662	
Acquisition of financial assets: Rubis Terminal division			(10,097)
Disposal of financial assets: Rubis Terminal division			1,997
Other cash flows from financing operations		(1)	(2)
CASH FLOWS RELATED TO FINANCING ACTIVITIES		**(102,959)**	**341,645**
Impact of exchange rate changes		4,348	(36,230)
Impact of change in accounting principles			
CHANGE IN CASH AND CASH EQUIVALENTS		**(69,333)**	**(8,350)**
Cash flow from continuing operations			
Opening cash and cash equivalents(4)	4.5.5	825,302	833,652
Change in cash and cash equivalents		(69,333)	(8,350)
Closing cash and cash equivalents(4)	4.5.5	755,969	825,302
Financial debt	4.10.4	(1,449,599)	(1,511,930)
Cash and cash equivalents net of financial debt		(693,630)	(686,628)

(3) Disposal of 5% of Easigas (South Africa).
(4) Cash and cash equivalents net of bank overdrafts.

(*) Breakdown of the impact of change in working capital:	
Impact of change in inventories and work in progress	*(59,375)*
Impact of change in trade and other receivables	*(75,086)*
Impact of change in trade and other payables	*54,970*
Impact of change in working capital	***(79,491)***

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

1 GENERAL INFORMATION

1.1 ANNUAL FINANCIAL INFORMATION

The financial statements for the year ended December 31, 2018 were finalized by the Board of Management on March 11, 2019 and approved by the Supervisory Board on March 12, 2019.

The 2018 consolidated financial statements have been prepared in accordance with the international accounting standards issued by the IASB (International Accounting Standards Board) and adopted by the European Union. These standards include IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards), as well as the interpretations of the IFRS Interpretations Committee.

1.2 OVERVIEW OF ACTIVITIES

The Rubis Group operates 3 businesses in the energy sector:

- **Rubis Terminal** (bulk liquid storage), which via its subsidiary, Rubis Terminal, and the companies owned by the subsidiary in France (including Corsica), the Netherlands, Belgium, and Turkey, specializes in the storage and trading of petroleum products, fertilizers, chemical products and agrifood products;
- **Rubis Énergie**, which specializes in the trading and distribution of liquefied petroleum gas (LPG) and petroleum products;
- **Rubis Support and Services** houses all infrastructure, transportation, supply and services activities, supporting the development of downstream distribution and marketing activities.

The Group is present in Europe, Africa and the Caribbean.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements are prepared based on historical costs with the exception of certain categories of assets and liabilities, in accordance with IFRS rules. The categories concerned are specified in the notes below.

To prepare its financial statements, the Group's Management must make estimates and assumptions that affect the book value of assets and liabilities, income and expenses, and the data disclosed in the Notes to the financial statements.

The Group's Management makes these estimates and assessments on an ongoing basis according to past experience as well as various factors that are deemed reasonable and that constitute the basis for these assessments.

The amounts that will appear in its future financial statements may differ from these estimates, in accordance with changes in these assumptions or different conditions.

The main significant estimates made by the Group's Management pertain in particular to the fair value of business combinations, goodwill impairment tests, property, plant and equipment and intangible assets, provisions and changes in employee benefit obligations.

The consolidated financial statements for the year ended December 31, 2018 include the financial statements for Rubis and its subsidiaries.

The subsidiaries operate in their local currencies, which are used to denominate the majority of their transactions. The exceptions are Rubis Terminal Petrol (formerly Delta Rubis Petrol), located in Turkey, and its holding company Rubis Tankmed BV (formerly Rubis Med Energy BV), located in the Netherlands, both of which operate in US dollars. Balance sheet items are translated into euros at the exchange rate applicable on the closing date, and income statement items are translated using the average exchange rate over the reporting period. Any resulting currency translation differences are recorded as foreign exchange differences and included in consolidated shareholders' equity.

All significant transactions conducted between consolidated companies as well as internal profits are eliminated.

Foreign exchange differences arising from the elimination of transactions and transfers of funds denominated in foreign currencies between consolidated companies, are subject to the following accounting treatment:

- foreign exchange differences arising from the elimination of internal transactions are recorded as "foreign exchange differences" in shareholders' equity and as "non-controlling interests" for the portion attributable to third parties, thereby offsetting their impact on consolidated income;
- foreign exchange differences on fund movements for reciprocal financing are classified under a separate heading in the consolidated cash flow table.

The consolidated financial statements are denominated in euros and the financial statements are presented in thousands of euros.

2.2 ACCOUNTING STANDARDS APPLIED

Standards, interpretations and amendments applicable as of January 1, 2018

The following standards, interpretations and amendments, published in the Official Journal of the European Union as of the closing date were applied for the first time in 2018:

Standard/Interpretation		Date of mandatory application
IFRS 9 "Financial Instruments"	New standard concerning the recognition and measurement of financial instruments	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	New standard concerning revenue recognition	January 1, 2018
Amendments to IFRS 15	Clarifications	January 1, 2018
Amendments to IFRS 2	Classification and measurement of share-based payment transactions	January 1, 2018
Amendments to IFRS 4	Interactions between IFRS 4 and IFRS 9	January 1, 2018
Annual improvements	Annual improvements to IFRS 2014-2016 cycle (standards concerned: IFRS 1 and IAS 28)	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	Foreign currency transactions and non-refundable advances paid or received	January 1, 2018

IFRS 15 “Revenue from Contracts with Customers” has had no impact on consolidated revenue published by the Group. EBITDA was modified by the first-time application of the standard, but not in a material amount (see note 4.3). The costs of obtaining contracts related to LPG distribution in France are now capitalized and amortized over the average useful life of the corresponding contracts. These costs correspond to the premiums paid to the prescribers as well as the assumption of certain installation and conversion costs borne by customers.

The breakdown of revenue in accordance with IFRS 15 is presented in note 5.1. 114-115 and IFRS 15. B87-89.

The Group applied IFRS 9 as of January 1, 2018, without restating the comparative years. This standard has 3 components: classification and measurement of financial instruments, impairment of financial assets, and hedging transactions other than macro-hedges. In accordance with the option offered by IFRS 9, the Group has chosen not to apply the hedge accounting component from January 1, 2018. The application of the provisions of IFRS 9 “Financial Instruments” did not have a material impact on the Group’s balance sheet, income statement or consolidated shareholders’ equity as of December 31, 2018.

The first-time application of the other standards, interpretations and amendments did not have a material impact on the Group’s financial statements.

Standards, interpretations and amendments applicable early by option

The Group has not opted for the early adoption of the following standards, interpretations and amendments, the application of which is not mandatory as of December 31, 2018:

Standard/Interpretation		Date of mandatory application subject to adoption by the EU
Amendments to IFRS 9	Prepayment features with negative compensation	January 1, 2019
IFRS 16 “Leases”	New standards concerning the recognition of leases	January 1, 2019
IFRIC 23 “Uncertainty over Income Tax Treatments”	Clarifications regarding the accounting for contingencies in respect of income taxes	January 1, 2019
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	January 1, 2019
Amendments to IAS 28	Long-term Interests in associates and joint ventures	January 1, 2019
Annual improvements (2015-2017 cycle)	Annual improvements to IFRS 2015-2017 cycle (standards concerned: IFRS 3, IFRS 11, IAS 12 and IAS 23)	January 1, 2019
Conceptual framework	Revised Conceptual Framework for Financial Reporting (replacing the 2010 framework)	January 1, 2020

The Group has not opted for the early adoption of IFRS 16, “Leases”, applicable to fiscal years beginning on or after January 1, 2019. The Group nevertheless continued its preparatory work throughout 2018. The transition option has been frozen. The Group will apply the modified retrospective method. This consists in recognizing the cumulative effect of the initial application as an adjustment to opening shareholders’ equity by considering that the asset represented by the right of use is equal to the amount of the lease obligations, adjusted by the amount of the rent paid, benefits received from the lessors and, where applicable, restoration costs.

The Group now has its first comprehensive lease library. All leases falling within the scope of IFRS 16 and in progress as of January 1, 2018 have been entered into the IT application selected to meet the new obligations. The library is updated regularly. Lastly, the Group has established the rate table that will be applied. Moreover, the Group is essentially a lessee.

3 SCOPE OF CONSOLIDATION

Accounting policies

Since January 1, 2014, the Group has applied the new standards regarding scope of consolidation (IFRS 10, 11, 12 and amended IAS 28).

Joint operations are accounted for according to the percentage interest held by the Group in the assets and liabilities of each joint operation.

The Group accounts for its joint-ventures by the equity method.

3.1 SCOPE OF CONSOLIDATION

The consolidated financial statements for the year ended December 31, 2018 include the Rubis financial statements and those of its subsidiaries listed in the table below.

Name	Head Office	Dec. 31, 2018 % control	Dec. 31, 2017 % control	Dec. 31, 2018 % interest	Dec. 31, 2017 % interest	Consolidation method
Rubis	46, rue Boissière 75116 Paris SIREN: 784 393 530	Parent	Parent	Parent	Parent	
Rubis Patrimoine	46 rue Boissière 75116 Paris SIREN: 319 504 106	100.00%	100.00%	100.00%	100.00%	FC
Coparef	46, rue Boissière 75116 Paris SIREN: 309 265 965	100.00%	100.00%	100.00%	100.00%	FC
Cimarosa	46 rue Boissière 75116 Paris SIREN: 844 648 691	100.00%		100.00%		FC
Rubis Terminal	33, av. de Wagram 75017 Paris SIREN: 775 686 405	99.44%	99.44%	99.44%	99.44%	FC
CPA	33, av. de Wagram 75116 Paris SIREN: 789 034 915	100.00%	100.00%	99.44%	99.44%	FC
Rubis Terminal Dunkerque	33, av. de Wagram 75116 Paris SIREN: 801 044 645	90.00%	90.00%	89.50%	89.50%	FC
Stockbrest	ZI Portuaire St Marc 29200 Brest SIREN: 394 942 940	100.00%	100.00%	99.44%	99.44%	FC
Société du Dépôt de Saint-Priest	16, rue des Pétroles 69800 Saint Priest SIREN: 399 087 220	100.00%	100.00%	99.44%	99.44%	FC
Société des Pipelines de Strasbourg	33, av. de Wagram 75116 Paris SIREN: 648 501 260	62.50%	62.50%	33.35%	33.35%	FC
Société Européenne de Stockage	28, rue de Rouen 67000 Strasbourg-Robertsau SIREN: 304 575 194	53.66%	53.66%	53.36%	53.36%	FC
Dépôt Pétrolier de La Corse	33, av. de Wagram 75116 Paris SIREN: 652 050 659	75.00%	75.00%	74.61%	74.61%	FC

Name	Head Office	Dec. 31, 2018 % control	Dec. 31, 2017 % control	Dec. 31, 2018 % interest	Dec. 31, 2017 % interest	Consolidation method
Wagram Terminal	33, av. de Wagram 75116 Paris SIREN: 509 398 749	78.30%	78.30%	77.86%	77.86%	FC
Zeller & Cie	8, rue Ellenhard 67000 Strasbourg SIREN: 702 006 297	50.00%		49.72%		JV (EM)
Rubis Terminal BV	Welplaatweg 26 3197 KS Botlek-Rotterdam The Netherlands	100.00%	100.00%	99.44%	99.44%	FC
ITC Rubis Terminal Antwerp	Blikken, Haven 1662 B-9130 Beveren (Doel) Belgium	50.00%	50.00%	49.72%	49.72%	JV (EM)
Rubis Tankmed BV	Prins Bernhardplein 200 1097 JB Amsterdam The Netherlands	100.00%	100.00%	99.44%	99.44%	FC
Rubis Terminal Petrol Ticaret ve Sanayi A.Ş.	Büyükdere Caddesi N°127 Astoria Kuleleri A Block Kat: 26-27 34394 Esentepe Istanbul Turkey	100.00%	100.00%	99.44%	99.44%	FC
Rubis Énergie	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 552 048 811	100.00%	100.00%	100.00%	100.00%	FC
Vitogaz France	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 323 069 112	100.00%	100.00%	100.00%	100.00%	FC
Sicogaz	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 672 026 523	100.00%	100.00%	100.00%	100.00%	FC
Sigalnor	Route du Hoc 76700 Gonfreville-l'Orcher SIREN: 353 646 250	65.00%	35.00%	65.00%	35.00%	FC
Starogaz	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 418 358 388	100.00%	100.00%	100.00%	100.00%	FC
Norgal	Route de la Chimie 76700 Gonfreville-l'Orcher SIREN: 777 344 623	20.94%	20.94%	20.94%	20.94%	JO
Frangaz	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 491 422 127	100.00%	100.00%	100.00%	100.00%	FC
ViTO Corse	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 518 094 784	100.00%	100.00%	100.00%	100.00%	FC
Rubis Restauration et Services	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 793 835 430	100.00%	100.00%	100.00%	100.00%	FC
Vitogaz Switzerland	A Bugeon CH – 2087 Cornaux Switzerland	100.00%	100.00%	100.00%	100.00%	FC

Name	Head Office	Dec. 31, 2018 % control	Dec. 31, 2017 % control	Dec. 31, 2018 % interest	Dec. 31, 2017 % interest	Consolidation method
Propagaz	Bremblens (VD) Switzerland	100.00%	100.00%	100.00%	100.00%	FC
Rubis Energia Portugal	Lagoas Park Edificio 11, Piso 1 2740 - 270 Porto Salvo Oeiras Portugal	100.00%	100.00%	100.00%	100.00%	FC
Rubis II Distribuição Portugal S.A.	Lagoas Park Edificio 11, Piso 1 2740 - 270 Porto Salvo Oeiras Portugal	100.00%	100.00%	100.00%	100.00%	FC
Sodigas Seixal	Lagoas Park Edificio 11, Piso 1 2740 - 270 Porto Salvo Oeiras Portugal	100.00%	100.00%	100.00%	100.00%	FC
Vitogas España	Avda. Baix Llobregat 1-3, 2A Poligono Industrial Màs Blau II 08820 El Prat de Llobregat Barcelona Spain	100.00%	100.00%	100.00%	100.00%	FC
Fuel Supplies Channel Islands Ltd (FSCI)	PO Box 85 Bulwer Avenue, St Sampson Guernsey GY1 3EB Channel Islands	100.00%	100.00%	100.00%	100.00%	FC
La Collette Terminal Ltd	La Collette Saint Helier Jersey JE1 0FS Channel Islands	100.00%	100.00%	100.00%	100.00%	FC
St Sampson Terminal Ltd	Bulwer Avenue, St Sampson Guernsey GY1 3EB Channel Islands	100.00%	100.00%	100.00%	100.00%	FC
Vitogaz Maroc	Immeuble n° 7 Ghandi Mall Boulevard Ghandi 20380 Casablanca Morocco	100.00%	100.00%	100.00%	100.00%	FC
Lasfargaz	Immeuble n° 7 Ghandi Mall Boulevard Ghandi 20380 Casablanca Morocco	82.89%	82.89%	82.89%	82.89%	FC
Kelsey Gas Ltd	1st Floor Standard Chartered Tower, 19 Cybercity Ebene Republic of Mauritius	100.00%	100.00%	100.00%	100.00%	FC
Vitogaz Madagascar	122, rue Rainandriamampandry Faravohitra - BP 3984 Antananarivo 101 Madagascar	100.00%	100.00%	100.00%	100.00%	FC
Eccleston Co Ltd	1st Floor Standard Chartered Tower, 19 Cybercity Ebene Republic of Mauritius	100.00%	100.00%	100.00%	100.00%	FC
Vitogaz Comores	Voidjou BP 2562 Moroni Union of the Comoros Islands	100.00%	100.00%	100.00%	100.00%	FC
Gazel	122, rue Rainandriamampandry Faravohitra - BP 3984 Antananarivo 101 Madagascar	49.00%	49.00%	49.00%	49.00%	FC
Rubis Antilles Guyane	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 542 095 591	100.00%	100.00%	100.00%	100.00%	FC

Name	Head Office	Dec. 31, 2018 % control	Dec. 31, 2017 % control	Dec. 31, 2018 % interest	Dec. 31, 2017 % interest	Consolidation method
Société Industrielle de Gaz et de Lubrifiants	Voie principale ZI de Jarry 97122 Baie – Mahaut (Guadeloupe) SIREN: 344 959 937	100.00%	100.00%	100.00%	100.00%	FC
Stocabu	L'avenir du Morne Caruel Route des Abymes 97139 Abymes (Guadeloupe) SIREN: 388 112 054	50.00%	50.00%	50.00%	50.00%	JO
Société Anonyme de la Raffinerie des Antilles (SARA)	California 97232 Lamentin (Martinique) SIREN: 692 014 962	71.00%	71.00%	71.00%	71.00%	FC
Société Antillaise des Pétroles Rubis	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 303 159 875	100.00%	100.00%	100.00%	100.00%	FC
Rubis Guyane Française	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 351 571 526	100.00%	100.00%	100.00%	100.00%	FC
Rubis Caraïbes Françaises	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 428 742 498	100.00%	100.00%	100.00%	100.00%	FC
Société Réunionnaise de Produits Pétroliers (SRPP)	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 310 837 190	100.00%	100.00%	100.00%	100.00%	FC
Société d'importation et de distribution de Gaz liquéfiés dans l'océan Indien (Sigloi)	Tour Franklin 100 Terrasse Boieldieu 92800 Puteaux SIREN: 310 879 598	100.00%		100.00%		FC
Rubis Energy Bermuda Ltd	2, Ferry Road Saint Georges's GE 01 Bermuda	100.00%	100.00%	100.00%	100.00%	FC
Sinders Ltd	2, Ferry Road Saint Georges's GE 01 Bermuda	100.00%	100.00%	100.00%	100.00%	FC
Bermuda Gas & Utility Ltd	2, Ferry Road Saint Georges's GE 01 Bermuda	100.00%	100.00%	100.00%	100.00%	FC
Rubis Eastern Caribbean SRL	One Rubis Plaza Welches St James BB 23027 Barbados	100.00%	100.00%	100.00%	100.00%	FC
Rubis Caribbean Holdings Inc.	One Rubis Plaza Welches St James BB 23027 Barbados	100.00%	100.00%	100.00%	100.00%	FC
Rubis West Indies Ltd	10 Finsbury Square London EC2A 1AF United Kingdom	100.00%	100.00%	100.00%	100.00%	FC
Rubis Guyana Inc.	Ramsburg, Providence East Bank Demerara, Guyana	100.00%	100.00%	100.00%	100.00%	FC
Rubis Bahamas Ltd	H&J Corporate Services Ocean center, Montague Foreshore, East Bay Street PO Box SS 19084 Nassau The Bahamas	100.00%	100.00%	100.00%	100.00%	FC

Name	Head Office	Dec. 31, 2018 % control	Dec. 31, 2017 % control	Dec. 31, 2018 % interest	Dec. 31, 2017 % interest	Consolidation method
Rubis Cayman Islands Ltd	H&J Corporate Services Cayman Ltd PO Box 866, 5th floor Anderson Square, George Town, Grand Cayman KY1 - 1103 Cayman Islands	100.00%	100.00%	100.00%	100.00%	FC
Rubis Turks & Caicos Ltd	Caribbean Management Services Ltd c/o Misick & Stanbrook PO Box 127, Richmond House Annex, Leeward Highway, Providentiales, Turks and Caicos Islands	100.00%	100.00%	100.00%	100.00%	FC
Rubis Energy Jamaica Ltd	236 Windward Road Rockfort, Kingston 2 in the Parish of Kingston Jamaica	100.00%	100.00%	100.00%	100.00%	FC
Easigas (Pty) Ltd	Gate 5, Hibiscus Road Alrode 1451 Gauteng South Africa	55.00%	60.00%	55.00%	60.00%	FC
Easigas Botswana (Pty) Ltd	Acumen Park, Plot 50370, Fairground Office Park, PO Box 1157, Gaborone Botswana	55.00%	60.00%	55.00%	60.00%	FC
Easigas Swaziland (Pty) Ltd	PO Box 24 Mbabane H100 Swaziland 7441	55.00%	60.00%	55.00%	60.00%	FC
Easigas Lesotho (Pty) Ltd	2nd Floor, Metropolitan Life Building Kingsway PO Box 1176 Maseru Lesotho	55.00%	60.00%	55.00%	60.00%	FC
European Railroad Established Services (Eres)	Schaliënstraat 5 2000 Antwerpen Belgium	100.00%	100.00%	100.00%	100.00%	FC
Maritec NV	Schaliënstraat 5 2000 Antwerpen Belgium	100.00%	100.00%	100.00%	100.00%	FC
Ringardas Nigeria Ltd	49 Mamman Nasir Street Asokoro Abuja Nigeria	100.00%	100.00%	100.00%	100.00%	FC
European Railroad Established Services SA (Eres Senegal)	Zone des Hydrocarbures Port Autonome de Dakar Mole 8 BP 844 - Dakar Senegal	100.00%	100.00%	100.00%	100.00%	FC
European Railroad Established Services Togo SA (Eres Togo)	Zone Industrielle du Port Autonome de Lomé Route C4 – BP 9124 Lomé Togo	100.00%	100.00%	100.00%	100.00%	FC
European Railroad Established Services Cameroun SA (Eres Cameroon)	Quartier Akwa Immeuble Ancien Amacam BP 3791 Douala Republic of Cameroon	100.00%		100.00%		FC
REC Bitumen SRL	One Rubis Plaza Welches St James BB 23027 Barbados	100.00%	100.00%	100.00%	100.00%	FC
Pickett Shipping Corp.	Via España n° 122 Torre Delta Piso 14 Apartado 0823-05658 Panama Republic of Panama	100.00%	100.00%	100.00%	100.00%	FC

Name	Head Office	Dec. 31, 2018 % control	Dec. 31, 2017 % control	Dec. 31, 2018 % interest	Dec. 31, 2017 % interest	Consolidation method
Blue Round Shipping Corp.	Via España n° 122 Torre Delta Piso 14 Apartado 0823-05658 Panama Republic of Panama	100.00%	100.00%	100.00%	100.00%	FC
Saunscape International Inc.	Via España n° 122 Torre Delta Piso 14 Apartado 0823-05658 Panama Republic of Panama	100.00%	100.00%	100.00%	100.00%	FC
Maroni Shipping SA	Via España n° 122 Torre Delta Piso 14 Apartado 0823-05658 Panama Republic of Panama	100.00%	100.00%	100.00%	100.00%	FC
Biskra Shipping SA	Via España n° 122 Torre Delta Piso 14 Apartado 0823-05658 Panama Republic of Panama	100.00%	100.00%	100.00%	100.00%	FC
Woodbar CO Ltd	c/o Interface International Ltd 9th Floor Standard Chartered Tower, 19 Cybercity Ebene Republic of Mauritius	85.00%	85.00%	85.00%	85.00%	FC
Rubis Énergie Djibouti	Avenue Georges Pompidou BP 153 Djibouti Republic of Djibouti	85.00%	85.00%	85.00%	85.00%	FC
Distributeurs Nationaux SA (Dinasa)	2 rue Jean Gilles Route de l'Aéroport Delmas Port au Prince Haiti	100.00%	100.00%	100.00%	100.00%	FC
Caribbean Diversified Investments Ltd (liquidated)	H&J Corporate Services (Cayman) Limited Willow House 2nd Floor Cricket Square Grand Cayman KY1 - 1103 Cayman Islands		100.00%		100.00%	
Chevron Haïti Inc.	c/o Coverdale Trust Services Ltd 30 De Castro Street PO Box 4519 Road Town Tortola British Virgin Islands VG 1110	100.00%	100.00%	100.00%	100.00%	FC
Société de Distribution de Gaz (Sodigaz)	2 rue Jean Gilles Route de l'Aéroport Delmas Port au Prince Haiti	100.00%	100.00%	100.00%	100.00%	FC
Terminal Gazier de Varreux	Route de Varreux Port au Prince Haiti	50.00%		50.00%		JO
RBF Marketing Ltd	236 Windward Road Rockfort, Kingston 2 in the Parish of Kingston Jamaica	100.00%	100.00%	100.00%	100.00%	FC
Galana Distribution Pétrolière Company Ltd	c/o Interface International Ltd 1st Floor, Standard Chartered Tower, 19, Cibercity, Ebene, Republic of Mauritius	100.00%	100.00%	100.00%	100.00%	FC

Name	Head Office	Dec. 31, 2018 % control	Dec. 31, 2017 % control	Dec. 31, 2018 % interest	Dec. 31, 2017 % interest	Consolidation method
Galana Distribution Pétrolière SA	Immeuble Pradon Trade Centre, Antanimena, 101 Antananarivo Madagascar	90.00%	90.00%	90.00%	90.00%	FC
Galana Madagascar Holding (liquidated)	c/o Commonwealth Trust Ltd, Drake Chambers, PO Box 3321, Road Town, Tortola British Virgin Islands		100.00%		100.00%	
Galana Raffinerie Terminal Company Ltd	c/o Interface International Ltd 1st Floor, Standard Chartered Tower, 19, Cibercity, Ebene, Republic of Mauritius	100.00%	100.00%	100.00%	100.00%	FC
Galana Raffinerie et Terminal SA	Immeuble Pradon Trade Centre, Antanimena, 101 Antananarivo Madagascar	90.00%	90.00%	90.00%	90.00%	FC
Progal (liquidated)	c/o Commonwealth Trust Ltd, Drake Chambers, PO Box 3321, Road Town, Tortola British Virgin Islands		100.00%		100.00%	
Plateforme Terminal Pétrolier SA	Immeuble Pradon Trade Centre, Antanimena, 101 Antananarivo Madagascar	80.00%	80.00%	80.00%	80.00%	FC
Sodigas Açores	Lagoas Park, Edificio 11, Piso 1 2740 - 270 Porto Salvo Oeiras Portugal	100.00%	100.00%	100.00%	100.00%	FC
Sodigas Braga	Rua Rio Mau, N06 4 700-760 Panoias Portugal	100.00%		100.00%		FC
Rubis Middle East Supply DMCC	Unit No: AG-34-L, AG Tower, Plot No.: JLT-PH1-L1A Jumeirah Lake Tower, Dubai, United Arab Emirates	100.00%	100.00%	100.00%	100.00%	FC
Courtney Middle East (sold)	1703 Jumeirah Bay Tower Plot X3 – PO Box 127301 – Jumeirah Lakes Towers, Dubai, United Arab Emirates					
RAME (Rubis Asphalt Middle East) DMCC	Unit No: AG-34-L, AG Tower, Plot No.: JLT-PH1-L1A Jumeirah Lake Tower, Dubai, United Arab Emirates	100.00%		100.00%		FC
Recstar Middle East DMCC	Unit No: AG-26-L, AG Tower, Plot No.: JLT-PH1-I1A, Jumeirah Lake Tower, Dubai, United Arab Emirates	100.00%		100.00%		FC
Atlantic Rainbow Shipping Company SA	c/o Rosas Y Rosas Via España n° 122 Torre Delta Piso 14 Apartado 0823-05658 Panama Republic of Panama	100.00%		100.00%		FC
Maritec Tanker Management Private Ltd	604, Vakratunda Corporate Park, Goregaon (East) Mumbai – 400 063 India	100.00%		100.00%		FC

FC: full consolidation
JO: joint operation
JV: joint venture (equity method)
EM: equity method

Rubis Antilles Guyane holds a minority stake in 5 EIGs located in the French Antilles; these companies' accounts, which are not significant, are not consolidated.

Similarly, Rubis Energia Portugal currently holds insignificant and unconsolidated investments. At the same time, the recently acquired activities in the Azores and Madeira were not consolidated in 2018 due to the lateness of the takeover date. They will be consolidated as of January 1, 2019.

3.2 CHANGES IN THE SCOPE OF CONSOLIDATION

The changes in the scope of consolidation concerned business combinations as defined by IFRS 3 and the acquisition of groups of assets.

Only acquisitions and dispositions that affect the consolidation method are described below. For information, on July 1, 2018, the Group sold 5% of the Easigas South Africa shares to the current non-controlling interest, the Reatile Gaz group, with no material impact on the annual consolidated financial statements.

3.2.1 ACQUISITION OF AN ADDITIONAL INTEREST IN SIGALNOR

During the first half, the Group acquired 30% of Sigalnor from Antargaz-Finagaz, bringing its interest to 65% and giving it control of the entity. The remainder of the capital is held by CGP Primagaz.

This subsidiary, previously consolidated as a joint venture, has been fully consolidated since January 1, 2018. The change in the method of consolidation and the determination of the fair value of the assets acquired and liabilities assumed, generated negative goodwill of €1.6 million recognized in "Other operating income and expenses". The consolidation of this entity did not have a material impact on the consolidated financial statements.

This entity provides its shareholders with services related to their LPG filling and distribution business, including storage, filling and loading services. It operates 3 sites in France.

3.2.2 BITUMEN ACTIVITY IN IRAN

The Group acquired an operator specializing in the production, storage and export of bitumen from facilities based in Iran at the end of December 2017.

Given the late date of the takeover, this acquisition was not consolidated in the 2017 financial statements. The price of €18.9 million excluding fees was included in "Other financial assets" as of December 31, 2017.

The sanctions announced by the US Administration forced the Group to organize the sale of this activity in the second half of the year under review. The consolidated financial statements for the 6 months to June 30, 2018 included provisions reflecting the best estimate of potential losses, taking into account the factors known at the time.

The disposal transactions were carried out in the second half of 2018 in accordance with the preferred scenario when the half-yearly accounts were closed. In conclusion, in 2018, the announcements of the US Administration resulted in a net tax loss of €15.3 million, in line with the provision recorded as of June 30, 2018 (see note 5.7 "Other operating income and expenses").

3.2.3 ACQUISITION OF AN LPG ACTIVITY IN RÉUNION

In March 2018, the Group acquired Sigloi, a company based in Réunion. SIGLOI operates chiefly in LPG distribution (8,300 tons). It also distributes bitumen (2,000 tons). Its contribution to the financial statements is not material.

3.2.4 ACQUISITION OF TERMINAL GAZIER DE VARREUX

In the second half of 2018, the Group acquired 50% of a gas terminal located in Haiti. The entity is consolidated using the proportionate consolidation method, the terminal being an asset used jointly by both partners. The price paid and the net assets acquired are not material.

4 NOTES TO THE BALANCE SHEET

4.1 PROPERTY, PLANT AND EQUIPMENT

Accounting policies

The gross amount of property, plant and equipment corresponds to its acquisition cost.

Maintenance and repair costs are recorded as expenses as soon as they are incurred, except for those, posted as fixed assets, incurred to extend the useful life of the property.

Fixed assets financed through finance leases are presented as assets at the discounted value of future payments or at the market value, if lower. The corresponding liability is recorded as borrowings. These fixed assets are depreciated according to the method and useful lives described below.

Depreciation is calculated according to the straight-line method for the estimated useful life of the various categories of fixed assets, as follows:

	Duration
Buildings	10 to 40 years
Technical facilities	10 to 20 years
Equipment and tools	5 to 30 years
Transportation equipment	4 to 5 years
Facilities and fixtures	10 years
Office equipment and furniture	5 to 10 years

Borrowing costs are included in fixed asset costs when significant.

Property acquired under finance leases is capitalized when, according to the terms of the lease, substantially all the risks and benefits inherent in owning the property are transferred to the Group. The criteria used to assess these contracts are primarily based on:

- the ratio between the term of the asset lease and the assets' lifetime;
- total future payments versus the fair value of the financed asset;
- whether ownership is transferred at the end of the lease;
- whether there is a preferential purchase option;
- the specific nature of the leased asset.

Assets held under finance leases are depreciated over their useful lives or over the term of the corresponding lease, if shorter.

Tangible fixed assets are given an impairment test whenever events or changes in circumstances indicate that their book values may not be recoverable.

Gross value *(in thousands of euros)*	**12/31/2017**	**Change in scope**	**Acquisitions**	**Decreases**	**Reclassifications**	**Translation adjustments**	**12/31/2018**
Other property, plant and equipment	261,541	7,970	20,636	(5,553)	6,032	(7,141)	283,485
Prepayments and down payments on property, plant and equipment	883		1,498	(53)	(324)	(5)	1,999
Assets in progress	122,300	(201)	108,512	(197)	(75,591)	676	155,499
Machinery and equipment and tools	2,066,049	8,974	85,438	(68,622)	44,430	25,689	2,161,958
Land and buildings	798,341	4,729	14,627	(3,591)	26,054	(527)	839,633
TOTAL	**3,249,114**	**21,472**	**230,711**	**(78,016)**	**601**	**18,692**	**3,442,574**

Depreciation *(in thousands of euros)*	**12/31/2017**	**Change in scope**	**Increases**	**Decreases**	**Reclassifications**	**Translation adjustments**	**12/31/2018**
Other property, plant and equipment	(134,478)	(6,400)	(14,975)	4,637	(219)	2,159	(149,276)
Facilities and equipment	(1,289,068)	(5,868)	(89,805)	63,716	(34)	(13,627)	(1,334,686)
Land and buildings	(350,185)	(1,234)	(20,201)	2,497	(685)	(699)	(370,507)
TOTAL	**(1,773,731)**	**(13,502)**	**(124,981)**	**70,850**	**(938)**	**(12,167)**	**(1,854,469)**
NET VALUE	**1,475,383**	**7,970**	**105,730**	**(7,166)**	**(337)**	**6,525**	**1,588,105**

The main changes in scope are as follows:

- the adjustment of the fair value of the assets acquired and liabilities assumed in Haiti (takeover in May 2017) in the gross negative amount of €0.4 million and €0.4 million in depreciation;
- the acquisition of an additional interest in Sigalnor in the gross amount of €8.5 million and €7.4 million in depreciation;
- the acquisition of Sigloi in Réunion in the gross amount of €7.9 million and €5.3 million in depreciation;
- the acquisition of Terminal Gazier de Varreux for €4.9 million.

4.2 GOODWILL

Accounting policies

Business combinations prior to January 1, 2010

Business combinations carried out prior to January 1, 2010 have been recognized according to IFRS 3 unrevised, applicable from that date. These combinations have not been restated, as revised IFRS 3 must be applied prospectively.

On first consolidation of a wholly controlled company, the assets, liabilities and contingent liabilities have been valued at their fair value in accordance with IFRS requirements. Valuation discrepancies generated at that time have been recorded in the relevant asset and liability accounts, including the non-controlling interests' share, rather than solely for the proportion of shares acquired. The difference between the acquisition cost and the acquirer's share of the fair value of the identifiable net assets in the acquired company is recognized in goodwill if positive and charged to income under "Other operating income and expenses" if negative (badwill).

Business combinations subsequent to January 1, 2010

IFRS 3 revised and IAS 27 amended modified the accounting policies applicable to business combinations carried out after January 1, 2010.

The main changes with an impact on the Group's consolidated financial statements are:

- recognition of direct acquisition costs in expenses;
- revaluation at fair value through profit and loss of interests held prior to the controlling interest, in the case of an acquisition via successive securities purchases;
- the possibility of valuing non-controlling interests either at fair value or as a proportional share of identifiable net assets, on a case by case basis;
- recognition at fair value of earn-out payments on the takeover date, with any potential adjustments being recognized in profit and loss if they take place beyond the assignment deadline;
- adjustments of the price recorded on acquisitions made by the Group are recognized in cash flows from investing activities on the same basis as the initial price.

In accordance with the acquisition method, on the date of takeover, the Group recognizes the identifiable assets acquired and liabilities assumed at fair value. It then has a maximum of 12 months with effect from the acquisition date to finalize recognition of the business combination in question. Beyond this deadline, adjustments of fair value of assets acquired and liabilities assumed are recognized directly in the income statement.

Goodwill is determined as the difference between (i) the transferred counterpart (mainly the acquisition price and any earn-out payment excluding acquisition expenses) and the total non-controlling interests, and (ii) the fair value of assets acquired and liabilities assumed. When positive, this difference is recognized as an asset in the consolidated balance sheet or, when negative (badwill), under "Other operating income and expenses".

After the adoption of the revised IFRS 3, an option exists for the measurement of non-controlling interests as of the acquisition date: either at the fraction they represent of the net assets acquired (the partial goodwill method) or at fair value (the full goodwill method). The option is available on a case-by-case basis for each business combination.

For the purposes of allocating the goodwill generated following the various business combinations and of implementing IFRS 8 “Operating segments”, Rubis has retained the following CGUs:

- bulk liquid storage business (Europe);
- petroleum products distribution business (Europe);
- petroleum products distribution business (Africa);
- petroleum products distribution business (Caribbean);
- the support and services activity.

This allocation was calculated based on the General Management’s organization of Group and operations the internal reporting system, enabling not only business oversight, but also monitoring of the return on capital employed, *i.e.* the level at which goodwill is monitored for internal management purposes.

Impairment of fixed assets

Goodwill and intangible assets with an indefinite useful life are subject to an impairment test at least once per year, or more frequently if there are indications of a loss in value, in accordance with the requirements of IAS 36 “Impairment of assets”. Annual tests are performed during the fourth quarter.

The impairment test consists of comparing the asset’s net book value against its recoverable value, which is its fair value minus disposal costs or its value in use, whichever is higher.

The value in use is obtained by adding the discounted values of anticipated cash flows generated from the use of the asset (or group of assets) and from its final disposal. For this purpose, fixed assets are grouped into Cash-Generating Units (CGUs). A CGU is a uniform set of assets (or group of assets) whose continued use generates cash inflows that are largely independent of cash inflows generated by other groups of assets.

The fair value minus disposal costs corresponds to the amount that could be obtained from the disposal of the asset (or group of assets) under normal market conditions, minus the costs directly incurred to dispose of it.

When the recoverable value is lower than the net book value of the asset (or group of assets), an impairment, corresponding to the difference, is recorded in the income statement and is charged primarily against goodwill.

Impairments recorded in relation to goodwill are irreversible.

(in thousands of euros)	**12/31/2017 (reported)**	**Transfer***	**Adjustments in the allocation period**	**12/31/2017 (corrected)**	**Changes in consolidation**	**Translation adjustments**	**12/31/2018**
Bulk liquid Storage business (Europe)	57,446			57,446			57,446
Petroleum products Distribution business (Europe)	235,818			235,818	261	2,231	238,310
Petroleum products Distribution business (Africa)	322,147	(14,868)	1,797	309,076	2,085	(29,930)	281,231
Petroleum products Distribution business (Caribbean)	402,193		10,974	413,167		(9,547)	403,620
Support and services activity	78,159	14,868	(2,009)	91,018	3,029	19,700	113,747
GOODWILL	**1,095,763**		**10,762**	**1,106,525**	**5,375**	**(17,546)**	**1,094,355**

** During the allocation period, a portion of the Galana goodwill was reallocated to the Support and Services CGU (as of 12/31/2017, the entire goodwill of the Galana Group was presented under “Petroleum products distribution business (Africa)”).*

The main changes in scope recorded during the year are as follows:

- the acquisition of Sigloi in Réunion for €2.1 million;
- the acquisition of Terminal Gazier de Varreux for €3 million.

Adjustments during the allocation period correspond chiefly to the finalization of the fair value of the assets acquired and liabilities assumed in Haiti (takeover in May 2017).

Impairment tests as of December 31, 2018

As of December 31, 2018, Rubis had systematically tested all goodwill determined definitively on the date the tests were performed using the discounted future cash flow method.

Recoverable amounts are based on the value in use calculation. Value in use calculations are based on cash flow forecasts using the financial budgets approved by Management at year-end, covering a period of 3 years. The primary assumptions used in the calculation relate to trading volumes and market prices. Cash flows beyond the 3 year period are extrapolated at a growth rate of 2%.

The discount rate used, based on the concept of Weighted Average Cost of Capital (WACC), reflects current market assessments of the time value of money, and the specific risks inherent in each CGU.

The following discount rates are used:

CGU	2018 rate	2017 rate
Bulk liquid Storage business (Europe)	between 4.5 and 9.7%	between 5.0 and 8.6%
Petroleum products Distribution business (Europe)	between 4.5 and 8.6%	between 4.0 and 7.3%
Petroleum products Distribution business (Africa)	between 6.4 and 16.8%	between 5.3 and 12.4%
Petroleum products Distribution business (Caribbean)	between 5.5 and 17.9%	between 5.3 and 12.9%
Support and Services activity	between 5.5 and 17.9%	between 5.3 and 12.9%

These tests revealed no impairment as of December 31, 2018.

Sensitivity of impairment tests

Impairment tests are based on assumptions used to determine the discount and perpetual growth rates, as well as sensitivity testing allowing for a +/-2% variation in the perpetual growth rate and a +/-1% variation in the discount rate.

A 1% increase in the discount rate, or a 2% decrease in the growth rate, would not generate recoverable amounts for capital employed below net book value for the 5 CGUs mentioned above.

Similarly, a 5% decrease in discounted future cash flows would not change the results of the tests for the Group's 5 CGUs.

4.3 INTANGIBLE ASSETS

Accounting policies

Intangible assets are accounted for at their acquisition cost.

Intangible assets with a finite useful life are amortized according to the straight-line method for the periods corresponding to their expected useful lives and are subject to an impairment test whenever events or changes in circumstances indicate that their book values may not be recoverable.

Intangible assets mainly include concessions, patents and similar rights, and in particular Rubis Terminal's port lease rights in the amount of €2,319 thousand. Rubis Terminal uses land for its operations under concession from the Independent Ports of Rouen and Dunkirk measuring a surface area of 203,146 m2. These rights were valued according to existing agreements. This intangible asset with an indefinite useful life is subject to impairment testing in the same way as goodwill, as described in note 4.2.

Gross value *(in thousands of euros)*	**12/31/2017**	**Changes in consolidation**	**Acquisitions**	**Decreases**	**Reclassifications**	**Translation adjustments**	**12/31/2018**
Port lease rights (Rubis Terminal)	2,319						2,319
Other concessions, patents and similar rights	20,862	38	2,396	(201)	(819)	(187)	22,090
Lease	1,654		80			(20)	1,714
Other intangible assets	41,231	(8,585)	3,150		472	(363)	35,906
TOTAL	**66,066**	**(8,547)**	**5,626**	**(201)**	**(347)**	**(569)**	**62,028**

Depreciation *(in thousands of euros)*	**12/31/2017**	**Changes in consolidation**	**Increases**	**Decreases**	**Reclassifications**	**Translation adjustments**	**12/31/2018**
Other concessions, patents and similar rights	(7,014)	(38)	(1,083)	199		136	(7,800)
Other intangible assets	(17,921)		(2,009)			51	(19,879)
TOTAL	**(24,935)**	**(38)**	**(3,092)**	**199**		**187**	**(27,679)**
NET VALUE	**41,131**	**(8,585)**	**2,534**	**(2)**	**(347)**	**(382)**	**34,349**

Changes in the scope of consolidation correspond chiefly to the adjustment of the fair value of assets acquired and liabilities assumed in Haiti (takeover in May 2017).

IFRS 15 – Costs of obtaining contracts

Following the first application of IFRS 15, the costs of obtaining contracts related to LPG distribution in France are now capitalized as other property, plant and equipment and depreciated over the average useful life of the corresponding contracts (10 years).

Costs of obtaining contracts *(in millions of euros)*	**12/31/2017**	**Increases**	**Decreases**	**12/31/2018**
Gross value		2.2		2.2
Depreciation		(0.2)		(0.2)
NET VALUE		**2**		**2**

4.4 INTERESTS IN ASSOCIATES

Information about non-controlling interests, interests in joint operations and interests in joint ventures is given in notes 7 to 9.

4.5 FINANCIAL ASSETS

Accounting policies

Financial assets are recognized and measured in accordance with IFRS 9 “Financial Instruments”, which replaces IAS 39 “Financial Instruments: Recognition and Measurement”.

Classification and measurement

Financial assets are recognized in the Group balance sheet when the Group is a party to the instrument’s contractual provisions.

The classification proposed by IFRS 9 determines how assets are accounted for and the method used to measure them. Financial assets are classified based on 2 cumulative criteria: the management model applied to the asset and the characteristics of its contractual cash flows.

Based on the combined analysis of the 2 criteria, IFRS 9 distinguishes between 3 categories of financial assets, which are specific to each category:

- Financial assets at amortized cost as of the closing date;
- Financial assets at fair value through other comprehensive income;
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost mainly include bonds and negotiable debt securities, loans and receivables.

Financial assets at fair value through other comprehensive income mainly include equity securities, previously classified as available-for-sale securities.

Financial assets at fair value through profit or loss include cash, Sicav and other funds.

The Group used the fair value hierarchy in IFRS 7 to determine the classification level of the financial assets:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: use of data other than the quoted prices listed in level 1, which are directly observable for the assets or liabilities in question, either directly or indirectly;
- Level 3: use of data relating to the asset or liability which are not based on observable market data.

Impairment of financial assets

IFRS 9 introduces an impairment model based on expected losses. This model does not have a material impact on the estimate of the risk of impairment of financial assets.

Measurement and recognition of derivative instruments

The Group uses derivative financial instruments to manage its exposure to fluctuations in interest rates, foreign exchange rates and raw material prices. The Group's hedging policy includes the use of swaps. It may also use caps, floors, and options. The derivative instruments used by the Group are valued at their fair value. Unless otherwise specified below, changes in the fair value of derivatives are always recorded in the income statement.

Derivative instruments may be designated as hedging instruments in a fair value or future cash flow hedging relationship:

- a fair value hedge protects the Group against the risk of changes in the value of any asset or liability, resulting from foreign exchange rate fluctuations;
- a future cash flow hedge protects the Group against changes in the value of future cash flows relating to existing or future assets or liabilities.

The Group only applies cash flow hedges.

Hedge accounting is applicable if:

- the hedging relationship is clearly defined and documented at the date it is set up;
- the hedging relationship's effectiveness is demonstrated from the outset and throughout its duration.

As a consequence of the use of hedge accounting of cash flows, the effective portion of the change in fair value of the hedging instrument is recorded directly in other comprehensive income. The change in value of the ineffective portion is recorded in the income statement under "Other financial income and expenses". The amounts recorded in other comprehensive income are recycled in the income statement during the periods when the hedged cash flows impact profit and loss.

Breakdown of financial assets by class (IFRS 7) and by category (IFRS 9)		**Value on balance sheet**		**Fair value**	
(in thousands of euros)	Note	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017**
AT AMORTIZED COST		**696,632**	**612,885**	**696,632**	**612,885**
Bonds and negotiable debt securities	4.5.1	300	148	300	148
Other receivables from investments (long term)	4.5.1	12,784	13,606	12,784	13,606
Other receivables from investments (short term)	4.5.2				
Loans, deposits and guarantees (long term)	4.5.1	11,509	7,756	11,509	7,756
Loans, deposits and guarantees (short term)	4.5.2	782	3,438	782	3,438
Trade and other receivables	4.5.4	582,059	515,715	582,059	515,715
Prepaid expenses	4.5.2	18,498	27,601	18,498	27,601
Other non-current assets	4.5.3	28,500	4,759	28,500	4,759
Income tax receivables		42,200	39,862	42,200	39,862
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		**78,918**	**30,643**	**78,918**	**30,643**
Equity interests	4.5.1	78,704	28,505	78,704	28,505
Derivative instruments	4.5.2	214	2,138	214	2,138
FAIR VALUE THROUGH PROFIT OR LOSS		**755,969**	**825,302**	**755,969**	**825,302**
Cash and cash equivalents	4.5.5	755,969	825,302	755,969	825,302
TOTAL FINANCIAL ASSETS		**1,531,519**	**1,468,830**	**1,531,519**	**1,468,830**

IAS 39/IFRS 9 transition table *(in thousands of euros)*	**Financial assets held to maturity**	**Loans and receivables**	**Financial assets available for sale**	**Financial assets at fair value**	**Cash and cash equivalents**
AT AMORTIZED COST					
Bonds and negotiable debt securities	300				
Other receivables from investments (long term)		12,784			
Other receivables from investments (short term)					
Loans, deposits and guarantees (long term)		11,509			
Loans, deposits and guarantees (short term)		782			
Trade and other receivables		582,059			
Prepaid expenses		18,498			
Other non-current assets		28,500			
Income tax receivables		42,200			
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Equity interests			78,704		
Derivative instruments				214	
FAIR VALUE THROUGH PROFIT OR LOSS					
Cash and cash equivalents					755,969
TOTAL	**300**	**696,332**	**78,704**	**214**	**755,969**

On initial recognition, investments in non-consolidated companies are recorded at fair value (generally their acquisition cost plus transaction costs). Changes in the fair value of these assets are recognized in other comprehensive income. Equity investments already in the portfolio as of December 31, 2017 were previously classified as available-for-sale. As of December 31, 2018, equity investments in non-consolidated companies correspond chiefly to the acquisition of new businesses that were temporarily not consolidated as of the balance sheet date due to the fact that the takeover that was too late in view of the Group's consolidation procedures.

Fair value of financial instruments by level (IFRS 7)

Equity interests and other available-for-sale financial assets are considered to be level 3 (non-observable data), as the shares are not listed.

The fair value of derivative instruments is determined using valuation models based on observable data (level 2).

Cash and cash equivalents are detailed in note 4.5.5. They are classified as level 1, with the exception of term deposits in the amount of €132 million, which are considered as level 2.

4.5.1 NON-CURRENT FINANCIAL ASSETS

Other financial assets notably include equity interests, other long-term receivables from investments, long-term securities, long-term loans, long-term deposits and guarantees and long-term marketable securities that are not considered cash or cash equivalents.

Gross value *(in thousands of euros)*	**12/31/2018**	**12/31/2017**
Equity interests	78,729	28,530
Other receivables from investments	12,784	13,606
Long-term securities	1,689	1,491
Loans, deposits and guarantees	11,540	7,786
TOTAL OTHER FINANCIAL ASSETS	**104,742**	**51,413**
Impairment	(1,445)	(1,398)
NET VALUE	**103,297**	**50,015**

Investments in non-controlled entities correspond mainly to:

- shares of the EIG held by Rubis Antilles Guyane;
- non-controlling interests held by Rubis Energia Portugal in 2 entities in Portugal;
- the acquisition of 24.99% of the share capital of KenolKobil Plc in the context of the takeover bid proposed by Rubis Énergie SAS in October 2018 (see note 11 “Post-balance sheet events”). This activity will be fully consolidated in 2019;
- securities of companies acquired as part of the acquisition of Repsol’s distribution activities in the Azores and Madeira; since the repurchase of the shares took place at the end of December 2018, the new activity could not be consolidated in fiscal 2018. It will be consolidated using the full consolidation method as of January 1, 2019.

Other receivables from investments mainly include advances made to EIGs or joint ventures.

Loans, deposits and guarantees paid correspond essentially to advances made to certain distributors working for the Group and guarantees given to suppliers of petroleum products.

4.5.2 Other current financial assets

Current financial assets include the portion due in less than one year of receivables related to investments, loans and deposits and guarantees paid, advances and deposits paid to acquire new businesses, prepaid expenses, marketable securities that cannot be considered as cash or cash equivalents, and hedging instruments at fair value.

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Other receivables from investments		
Loans, deposits and guarantees	798	3,438
GROSS CURRENT FINANCIAL ASSETS	**798**	**3,438**
Impairment	(16)	
NET CURRENT FINANCIAL ASSETS	**782**	**3,438**
Fair value of financial instruments	214	2,138
Other receivables – advances and deposits		
Prepaid expenses	18,498	27,601
CURRENT ASSETS	**18,712**	**29,739**
TOTAL OTHER CURRENT ASSETS	**19,494**	**33,177**

Loans, deposits and guarantees include advances and deposits paid for the acquisition of new operations.

4.5.3 OTHER NON-CURRENT ASSETS

(in thousands of euros)	1 to 5 years	More than 5 years
Uncalled share capital	86	
Other receivables (long-term portion)		24,938
Prepaid expenses (long-term portion)	3,476	
TOTAL	**3,562**	**24,938**

Other receivables outstanding for more than 1 year mainly include receivables relating to the sale of the bitumen business in Iran (see note 3.2.2).

4.5.4 TRADE AND OTHER RECEIVABLES (CURRENT OPERATING ASSETS)

Accounting policies

Trade receivables, generally due within a period of one year, are recognized and accounted for at the initial invoice amount less an allowance for impairment recorded as the amount deemed to be unrecoverable. Doubtful receivables are estimated when there is no longer any probability of recovering the entire receivable. Impaired receivables are recorded as losses when they are identified as such. The group uses the simplified approach allowed under IFRS 9 to calculate provisions for expected losses on trade receivables. Due to the Group's low rate of past losses, the application of the impairment model for financial assets based on expected losses did not have a material impact for it.

Trade and other receivables include the short-term portion of trade receivables and related accounts, employee receivables, government receivables, and other operating receivables.

Gross value *(in thousands of euros)*	12/31/2018	12/31/2017
Trade and other receivables	448,452	412,942
Employee receivables	804	492
Government receivables	72,094	43,568
Other operating receivables	99,048	94,166
Deferred revenue		
TOTAL	**620,398**	**551,168**

Other operating receivables include €60 million (€64 million in 2017) of current accounts for joint ventures.

(in thousands of euros)	12/31/2017	Changes in consolidation	Allowances	Reversals	Reclassifications	12/31/2018
Trade and other receivables	31,488	180	9,874	(4,230)	(439)	36,873
Other operating receivables	3,965		59	(2,558)		1,466
TOTAL	**35,453**	**180**	**9,933**	**(6,788)**	**(439)**	**38,339**

Changes in the scope of consolidation result primarily from the consolidation of an LPG activity in Réunion.

Reconciliation of change in working capital with the statement of cash flows

Net carrying amount as of 12/31/2018	582,059
Net carrying amount as of 12/31/2017	515,715
Change in trade and other receivables on the balance sheet	**(66,344)**
Impact of change in the scope of consolidation	13,417
Impact of foreign exchange differences	40
Impact of reclassifications	1,900
Impact of change in receivables on disposal of assets (in investment)	(533)
Impact of changes in other current assets and other receivables due for more than one year	(23,566)
Change in trade and other receivables on the statement of cash flows	**(75,086)**

4.5.5 CASH AND CASH EQUIVALENTS

Accounting policies

Cash and cash equivalents include current bank accounts and UCITS units which can be mobilized or sold in the very short term (less than 3 months) and which present no significant risk of change in value, according to the criteria stipulated in IAS 7. These assets are recognized at fair value through profit or loss.

(in thousands of euros)	**12/31/2018**	**12/31/2017**
OEIC	21,935	22,497
Equities		
Other funds	122,444	124,963
Interest receivable	898	592
Cash	610,692	677,250
TOTAL	**755,969**	**825,302**

Rubis holds 94% of the marketable securities.

Equity risk

The Group is not exposed to equity risk, as it does not hold a large equity portfolio.

4.5.6 CREDIT RISK

Customer concentration risk

Revenue generated with the Group's largest customer, the top 5 customers and the top 10 customers over the past 2 fiscal years.

	2018	**2017**
Top customer	10%	9%
Top 5 customers	17%	17%
Top 10 customers	22%	21%

The Group's maximal credit risk exposure from trade receivables at the closing date is as follows for each geographic zone:

Net amount *(in thousands of euros)*	**2018**	**2017**
Europe	103,075	98,374
Caribbean	195,370	170,881
Africa	113,134	112,199
TOTAL	**411,579**	**381,454**

Over both fiscal years, the ratio of trade receivables to sales was less than 10%.

The age of the current assets at the closing date breaks down as follows:

(in thousands of euros)	Book value	Impairment	Net book value	Assets not yet due	Assets due unimpaired: Less than 6 months	From 6 months to 1 year	More than 1 year
Trade and other receivables	620,398	38,339	582,059	421,077	123,150	19,060	18,772
Income tax receivables	42,200		42,200	31,790	5,641	2,999	1,770
Other current assets	19,510	16	19,494	18,980	237	197	80
Total	**682,108**	**38,355**	**643,753**	**471,847**	**129,028**	**22,256**	**20,622**

4.6 DEFERRED TAX ASSETS AND LIABILITIES

Accounting policies

Deferred tax assets and liabilities are recognized for all temporary differences between the book value and the tax basis, using the liability method.

Deferred tax assets are recognized for all deductible temporary differences, carry forwards of unused tax losses and unused tax credits, subject to the probability of taxable profit becoming available in the foreseeable future, on which these temporary deductible differences and carry forwards of unused tax losses, and unused tax credits can be used.

Deferred tax assets and liabilities are measured at the expected tax rate for the period when the asset is realized or the liability is settled, based on tax rates and laws enacted by the closing date. This measurement is updated at each balance sheet date.

Deferred tax assets and liabilities are not discounted.

Deferred tax is recorded as the difference between the book value and the tax basis of assets and liabilities. Deferred tax assets and liabilities break down as follows:

(in thousands of euros)	12/31/2018	12/31/2017
Depreciation of fixed assets*	(90,363)	(90,076)
Loss carry forwards	2,671	3,200
Temporary differences	6,245	7,229
Provisions for risks	1,512	2,205
Provisions for environmental costs	6,065	5,252
Financial instruments	1,421	382
Pension commitments	8,283	8,367
Other*	(144)	(468)
Net deferred taxes	**(64,311)**	**(63,909)**
Deferred tax assets	8,080	7,029
Deferred tax liabilities	(72,391)	(70,938)
Net deferred taxes	**(64,311)**	**(63,909)**

Deferred taxes representing tax loss carry forwards mainly concern the tax loss carry forwards of the Frangaz and Sigalnor entities. The deferred tax recorded on tax loss carry forwards of Frangaz concern the loss carry forwards generated before its inclusion in Rubis' tax scope. These losses are deducted from the net profits generated by Frangaz. The business forecasts updated at year-end justify the probability of deferred tax assets being applied in the medium term. Deferred taxes relating to financial instruments basically comprise the deferred tax pertaining to the fair value of hedging instruments for Rubis Terminal and Rubis Énergie.

Deferred taxes on fixed assets mainly comprise:

- the cancellation of excess tax depreciation over normal depreciation;
- the standardization of depreciation rates for machinery;
- the difference between the consolidated value and the tax value of certain assets.

With respect to French entities, deferred taxes that will probably be applied between 2019 and 2022 were measured inclusive of the gradual reductions in tax rate provided by the Finance Act of 2018. The rate differential did not have a significant impact on earnings in 2018.

Deferred tax assets and liabilities are offset by entity or by tax consolidation group. Only the deferred tax asset or liability balance by entity or by tax consolidation group appears on the balance sheet. There is only one tax consolidation scope within the Group, that of the parent company, Rubis, which comprises the following entities: Rubis Terminal, Vitogaz France, Rubis Energie, Coparef, Rubis Patrimoine, ViTO Corse, Frangaz, Starogaz, Sicogaz, Rubis Antilles Guyane, SIGL, Rubis Caraïbes Françaises, Rubis Guyane Française, Société Antillaise des Pétroles Rubis, Rubis Restauration et Services, and Société Réunionnaise de Produits Pétroliers (SRPP).

4.7 INVENTORIES

Accounting policies

Inventories are valued at cost or net realizable value, whichever is lower.

Inventory purchase cost is determined according to weighted average cost for Rubis Énergie and according to the First-In First-Out (FIFO) method for Rubis Terminal.

Borrowing costs are not included in inventory cost.

The net realizable value is the estimated sale price in the normal course of business minus estimated costs necessary to complete the sale.

Impairment is recognized when the probable realizable value is lower than the net book value.

Gross value *(in thousands of euros)*	**12/31/2018**	**12/31/2017**
Inventories of raw materials and supplies	107,249	80,452
Inventories of finished and semi-finished products	87,574	80,019
Inventories of merchandise	172,375	137,859
TOTAL	**367,198**	**298,330**

(in thousands of euros)	**12/31/2017**	**Changes in consolidation**	**Allowances**	**Reversals**	**12/31/2018**
Inventories of raw materials and supplies	10,233		13,302	(9,306)	14,229
Inventories of finished and semi-finished products	1,209		3,791	(1,209)	3,791
Inventories of merchandise	573	18	1,704	(203)	2,092
TOTAL	**12,016**	**18**	**18,797**	**(10,718)**	**20,112**

Changes in the scope of consolidation result from the acquisition of Galana activities in Madagascar.

Reconciliation of change in working capital with the statement of cash flows

Net carrying amount as of 12/31/2018	347,086
Net carrying amount as of 12/31/2017	286,314
Change in inventories and work in progress on the balance sheet	**(60,772)**
Impact of change in the scope of consolidation	250
Impact of reclassifications	207
Impact of foreign exchange differences	940
Change in inventories and work in progress in the statement of cash flows	**(59,375)**

4.8 SHAREHOLDERS' EQUITY

As of December 31, 2018, the share capital consisted of 96,813,744 shares (of which 2,740 preferred shares), fully paid up, with a par value of €1.25 each, i.e. a total amount of €121,017 thousand.

The various transactions impacting the share capital in the period are set out in the table below:

	Number of shares	**Share capital** *(in thousands of euros)*	**Share premium** *(in thousands of euros)*
AS OF JANUARY 1, 2018	**93,868,480**	**117,336**	**1,195,964**
Payment of the dividend in shares	1,609,665	2,012	84,153
Bonus shares	17,622	22	(22)
Company savings plan	117,977	147	5,420
Equity line	1,200,000	1,500	65,907
Capital increase expenses			(357)
Legal reserve allocation			(369)
DECEMBER 31, 2018	**96,813,744**	**121,017**	**1,350,696**

As of December 31, 2018, Rubis held 36,128 treasury shares.

Reconciliation of the capital increase with the statement of cash flows

Increase in the share capital	3,681
Increase in issue premiums	154,732
Reintegration of the allocation to the legal reserve	370
Change in receivables related to called but unpaid capital	
Capital increase in the statement of cash flows	**158,783**

4.9 FREE SHARES

Accounting policies

IFRS 2 provides for payroll expenses to be recognized for services remunerated by benefits granted to employees in the form of share-based payments. These services are carried at fair value of the instruments awarded.

All the plans granted by the Group are in the form of instruments settled in shares; the payroll expense is offset in shareholders' equity.

Free share awards

Free share plans are granted to some members of the Rubis Group personnel.

These free share awards are valued at fair value on the grant date, using a binomial model. The valuation is based, in particular, on the share price on the grant date, taking into account the absence of dividend during the vesting period.

This fair value on the grant date is recognized as payroll expenses, on a straight-line basis over the vesting period, offset against shareholders' equity.

Preferred share awards

Preferred share plans are also granted to some members of the Rubis Group personnel.

These preferred share awards are valued at fair value on the grant date, using a binomial model. The valuation is based, in particular, on the share price on the grant date, taking into account the vesting period, the absence of dividends and conditions relating to the Average Annual Overall Rate of Return (AAORR) of the Rubis share.

This fair value on the grant date is recognized as payroll expenses, on a straight-line basis over the vesting period, offset against shareholders' equity.

Company savings plans (PEE)

The Group has set up several company savings plans for its employees. These plans provide employees with the possibility of subscribing to a reserved capital increase at a discounted share price.

The plans comply with the conditions of application of share purchase plans (French National Accounting Council statement dated December 21, 2004).

The fair value of each share is then estimated as corresponding to the variance between the share price on the plan grant date and the subscription price. The share price is nonetheless adjusted to take into account the unavailability of the share for 5 years, based on the variance between the risk-free rate on the grant date and the interest rate of an ordinary 5-year consumer loan.

In the absence of vesting period, the payroll expense is recognized directly against shareholders' equity.

The expense corresponding to the Company contribution granted to employees is also recognized in the income statement under payroll expenses.

A €5,331 thousand expense for free shares and company savings plans was recognized under "Payroll expenses" in 2018.

The terms of the free share plans outstanding as of December 31, 2018 are set out in the tables below:

FREE SHARES Date of the Board of Management meeting	Outstanding as of 12/31/2017	Rights issued	Rights exercised	Rights canceled	Outstanding as of 12/31/2018
August 18, 2014	8,748				8,748
April 17, 2015	17,622		(17,622)		
TOTAL	**26,370**		**(17,622)**		**8,748**

The vesting period for beneficiaries' free shares is a minimum of 3 years from the date on which they are granted by the Board of Management. The conditions for granting free shares are set by the Board of Management.

PREFERRED SHARES Date of the Board of Management meeting	Outstanding as of 12/31/2016	Rights issued	Rights exercised	Rights canceled	Outstanding as of 12/31/2016	*Of which preferred shares acquired but not yet converted into ordinary shares*
September 2, 2015	2,884				2,884	*2,740*
July 11, 2016	3,864				3,864	
March 13, 2017	1,932				1,932	
July 19, 2017	374				374	
March 2, 2018		345			345	
March 5, 2018		1,157			1,157	
October 19, 2018		140			140	
TOTAL	**9,054**	**1,642**			**10,696**	***2,740***

Preferred shares will be converted into ordinary shares at the end of a retention or vesting period based on the extent to which the performance conditions have been achieved.

Valuation of stock option plans and free shares

The risk-free interest rate used to calculate the value of these plans is the interest rate on Euro zone Government bonds with the same maturity as the options (source: Iboxx).

With respect to the early exercise of the options, the model assumes rational expectations on the part of options holders, who may exercise their options at any time throughout the exercise period. The implied volatility used in the calculation is estimated on the basis of past volatility levels.

The annual dividend rates used in the valuations are as follows:

Date of the Board of Management meeting	Bonus shares
August 18, 2014	4.1%
April 17, 2015	4.1%
September 2, 2015	3.9%
July 11, 2016	3.7%
March 13, 2017	3.4%
July 19, 2017	3.3%
March 2, 2018	3.4%
March 5, 2018	3.4%
October 19, 2018	3.0%

Company savings plans - Valuation of company savings plans

The lock-up rate was estimated at 0.58% for the 2018 plan (0.76% for the 2017 plan).

The risk-free interest rate used to calculate the value of the company savings plans is the interest rate on Euro zone Government bonds with the same maturity as the instruments valued (source: Iboxx). The discount related to the lock-up was estimated based on the risk-free interest rate and the average borrowing rate over 5 years, i.e. respectively 0.27% and 0.58%.

4.10 FINANCIAL LIABILITIES

Accounting policies

Financial liabilities are recognized and measured in accordance with IAS 9 "Financial instruments".

Financial liabilities are recognized in the Group balance sheet when the Group is a party to the instrument's contractual provisions.

IAS 9 distinguishes between 2 categories of financial liabilities, each subject to a specific accounting treatment:

- financial liabilities valued at amortized cost: these mainly include trade payables and borrowings applying the effective interest rate method, if applicable;
- financial liabilities valued at fair value through profit and loss, which only represent a very limited number of scenarios for the Group and do not have a significant impact on the financial statements.

Measurement and recognition of derivative instruments

The accounting policies used to measure and recognize derivative instruments are set out in note 4.5.

Breakdown of financial liabilities by class (IFRS 7) and by category (IFRS 9)		**Value on balance sheet**		**Fair value**	
(in thousands of euros)	Note	**12/31/2018**	**12/31/2017**	**12/31/2018**	**12/31/2017**
AT AMORTIZED COST		**2,036,072**	**2,085,202**	**2,036,072**	**2,085,202**
Borrowings and financial debt	4.10.1	1,364,072	1,466,241	1,364,072	1,466,241
Deposit/consignment	4.10.1	113,001	103,991	113,001	103,991
Other non-current liabilities	4.10.3	2,364	3,461	2,364	3,461
Trade and other payables	4.10.4	526,849	457,873	526,849	457,873
Current tax liabilities		14,738	17,424	14,738	17,424
Other current liabilities	4.10.3	15,048	36,212	15,048	36,212
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		**4,582**	**3,249**	**4,582**	**3,249**
Derivative instruments	4.5.2	4,582	3,249	4,582	3,249
FAIR VALUE THROUGH PROFIT OR LOSS		**85,527**	**45,689**	**85,527**	**45,689**
Short-term bank borrowings	4.10.1	85,527	45,689	85,527	45,689
TOTAL FINANCIAL LIABILITIES		**2,126,181**	**2,134,140**	**2,126,181**	**2,134,140**

The fair value of derivative instruments is determined using valuation models based on observable data (level 2).

4.10.1 FINANCIAL DEBT

Financial debt is presented in the following table, which differentiates between non-current and current liabilities:

Current *(in thousands of euros)*	**12/31/2018**	**12/31/2017**
Credit institution loans	252,873	228,750
Interest accrued not yet due on loans and bank overdrafts	2,857	3,281
Bank overdrafts	85,188	45,310
Other loans and similar liabilities	684	337
TOTAL BORROWINGS AND SHORT-TERM BANK BORROWINGS (PORTION DUE IN LESS THAN ONE YEAR)	**341,602**	**277,678**

Non-current *(in thousands of euros)*	**12/31/2018**	**12/31/2017**
Credit institution loans	1,089,824	1,217,188
Customer deposits on tanks	18,992	19,263
Customer deposits on cylinders	94,009	84,728
Other loans and similar liabilities	18,173	17,064
TOTAL BORROWINGS AND FINANCIAL DEBT	**1,220,998**	**1,338,243**
TOTAL	**1,562,600**	**1,615,921**

Non-current borrowings and financial debt *(in thousands of euros)*	**1 to 5 years**	**More than 5 years**
Credit institution loans	1,041,048	48,776
Other loans and similar liabilities	7,846	10,327
TOTAL	**1,048,894**	**59,103**

12/31/2018 *(in thousands of euros)*	**Mortgages**	**Pledged securities**	**Pledged property, plant and equipment**	**Other guarantees**	**Unsecured**	**Total**
Credit institution loans		45,625	3,394	57,322	1,236,356	1,342,697
Bank overdrafts			6,255	47,362	31,571	85,188
Other loans and similar liabilities					18,857	18,857
TOTAL		**45,625**	**9,649**	**104,684**	**1,286,784**	**1,446,742**

The change in borrowings and other current and non-current financial liabilities between December 31, 2017 and December 31, 2018 breaks down as follows:

(in thousands of euros)	**12/31/2017**	**Changes in consolidation**	**Issue**	**Repayment**	**Translation differences**	**12/31/2018**
Current and non-current borrowings and financial debt	1,511,930	700	292,363	(357,645)	2,251	1,449,599

Changes in the scope of consolidation result primarily from the consolidation of an LPG activity in Réunion (see note 3.2.3).

Issues made during the period are mainly explained by the financing of capital expenditure and changes in the structure of the 3 divisions.

(in thousands of euros)	**Fixed rate**	**Variable rate**
Credit institution loans	205,976	883,848
Credit institution loans (short-term portion)	26,048	226,825
TOTAL	**232,024**	**1,110,673**

Financial covenants

The Group's consolidated net debt totaled €694 million as of December 31, 2018.

Credit agreements include the commitment by the Group and by each of its operating segments to meet the following financial ratios during the term of the loans:

- net debt to shareholders' equity ratio of less than 1;
- net debt to Ebitda ratio of less than 3.5.

As of December 31, 2018, the Group's ratios show that Rubis can comfortably meet its commitments; likewise, the Group's overall position and its outlook remove any likelihood that events might result in an acceleration of maturities. Failure to comply with these ratios would result in the early repayment of the loans.

4.10.2 Derivative financial instruments

Hedges/entity	Item hedged	Nominal amount hedged	Term	Type of instrument	Market value as of 12/31/2017
RATE					*(in thousands of euros)*
Rubis Terminal	Loan	€30 million	Mar.-20	*swap*	(176)
	Loan	€25 million	Sep.-20	*swap*	(323)
	Loan	€25 million	Sep.-26	*CAP*	130
Rubis Énergie	Loan	€5 million	Dec.-19	*swap*	(32)
	Loan	€4 million	Dec.-19	*swap*	(15)
	Loan	€50 million	Nov.-19	*swap*	(221)
	Loan	€30 million	Jan.-22	*swap*	(246)
	Loan	€50 million	Dec.-19	*swap*	(115)
	Loan	€20 million	Jul.-20	*swap*	(56)
	Loan	€60 million	May-22	*swap*	(438)
	Loan	€28 million	Jan.-20	*swap*	(98)
	Loan	€75 million	Feb.-22	*swap*	(476)
	Loan	€100 million	Feb.-23	*swap*	(333)
	Loan	€75 million	Mar.-24	*swap*	(767)
	Loan	€45 million	May-22	*swap*	(118)
	Loan	€45 million	May-22	*swap*	(114)
	Loan	€50 million	Apr.-24	*swap*	(152)
	Loan	€80 million	Jul.-22	*swap*	(92)
	Loan	€30 million	Mar.-20	*swap*	(176)
PROPANE					
Rubis Énergie	Purchase of propane and fuel	32,115 t	Dec.-19 to Oct.-21	*swap*	(768)
TOTAL FINANCIAL INSTRUMENTS		**€797 million**			**(4,410)**

The fair value of derivative financial instruments carried by the Group includes a "counterparty risk" component for derivative assets and an "own credit risk" component for derivative instrument liabilities. Credit risk is assessed using conventional mathematical models for market participants. Adjustments recorded in respect of counterparty risk and own credit risk as of December 31, 2018 were not material.

Interest rate risk

Characteristics of loans contracted	Rate	Total amount of lines *(in thousands of euros)*	Less than 1 year	Between 1 and 5 years	More than 5 years	Existence or not of hedging
Euros	Fixed rate	189,728	16,865	163,087	9,776	
	Variable rate	1,101,185	219,192	842,993	39,000	YES
Pula	Fixed rate					
	Variable rate	413	413			
Swiss francs	Fixed rate	6,523	920	5,603		
	Variable rate	5,830	5,830			
Rands	Fixed rate	2,431	608	1,823		
	Variable rate					
US dollars	Fixed rate	29,178	5,487	23,691		
	Variable rate	3,245	1,390	1,855		
Jamaican dollars	Fixed rate	4,164	2,168	1,996		
	Variable rate					
TOTAL		**1,342,697**	**252,873**	**1,041,048**	**48,776**	

Interest rate risk for the Group is limited to the loans obtained.

None of the Group's loans to date is likely to be repaid due to the enforcement of covenants.

As of December 31, 2018, the Group had interest rate hedging agreements (swaps) in the amount of €797 million on a total of €1,110.7 million in variable rate debt, representing 72% of that amount (see "Off-balance sheet items" in the table below).

(in thousands of euros)	Overnight to 1 year(4)	1 to 5 years	Beyond
Borrowings and financial debt excluding consignments(1)	341,602	1,048,894	59,103
Financial assets(2)	755,969		
Net position before management	(414,367)	1,048,894	59,103
Off-balance sheet items(3)	(109,000)	(538,000)	(150,000)
Net Position after management	**(523,367)**	**510,894**	**(90,897)**

(1) Loans from credit institutions, bank overdrafts, accrued interest not yet due and other borrowings and debt
(2) Cash and cash equivalents
(3) Derivative financial instruments
(4) Including variable rate assets and liabilities

Interest rate sensitivity

€439.9 million of the Group's net debt has a variable interest rate, comprising confirmed variable rate loans (€1,110.7 million) plus short-term bank borrowings (€85.2 million), minus cash on hand (€756 million).

In light of the hedging put in place, a 1% variation in short-term interest rates would not have a significant impact on the cost of net financial debt for 2018 (impact of less than €100 thousand before tax).

Foreign exchange risk

Rubis purchases petroleum products in US dollars; its only potential exposure is therefore to this currency.

With regard to storage business, CPA (trading business) remains marginally exposed (virtually no position) to foreign exchange risk as its purchases in US dollars are financed by daily exchanges of euros for US dollars, corresponding to the sales made. A positive US dollar position may occasionally occur when inventory is low, and in that case corresponds to the value of the base stock to be replenished.

Rubis Terminal Petrol (formerly Delta Rubis Petrol), its Turkey-based subsidiary, has selected the US dollar as its functional currency, as its main transactions are denominated in US dollars.

As of December 31, 2018 the Rubis Énergie and Rubis Support and Services divisions showed a net positive position of USD 97 million consisting of debts, receivables and, more marginally, cash and cash equivalents.

A €0.01 fall in the euro against the US dollar would not entail a material foreign exchange risk (less than €1 million before tax).

(in millions of US dollars)	**12/31/2018**
Assets	89
Liabilities	(186)
NET POSITION BEFORE MANAGEMENT	**(97)**
Off-balance sheet position	
Net position after management	**(97)**

Risk of fluctuations in petroleum product prices

The following 2 factors must be considered when analyzing the risk related to fluctuations in petroleum product prices:

- petroleum product price fluctuation risk is mitigated by the short product storage times;
- sales rates are revised on a regular basis, based on market conditions.

4.10.3 OTHER LIABILITIES

Current *(in thousands of euros)*	**12/31/2018**	**12/31/2017**
Prepaid income and other accruals	15,048	36,212
Fair value of financial instruments	4,582	3,249
TOTAL	**19,630**	**39,461**

Non-current *(in thousands of euros)*	**12/31/2018**	**12/31/2017**
Debt on the acquisition of fixed assets (long-term portion)		11
Other liabilities (long-term portion)	887	1,665
Prepaid income (long-term portion)	1,477	1,785
TOTAL	**2,364**	**3,461**

4.10.4 TRADE AND OTHER PAYABLES (CURRENT OPERATING LIABILITIES)

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Trade payables	347,865	296,601
Debt on the acquisition of fixed assets (long-term portion)	10,106	8,231
Liabilities related to payroll	37,277	36,774
Taxes payable	90,078	74,426
Expenses payable	134	152
Current accounts (to non-controlling interests)	3,595	90
Miscellaneous operating liabilities	37,794	41,599
TOTAL	**526,849**	**457,873**

Reconciliation of change in working capital with the statement of cash flows

Net carrying amount as of 12/31/2018	526,849
Net carrying amount as of 12/31/2017	457,873
Change in trade and other payables on the balance sheet	**68,976**
Impact of change in the scope of consolidation	(12,732)
Impact of foreign exchange differences	6,347
Impact of reclassifications	(735)
Impact of change in payables on acquisition of assets (in investment)	(1,875)
Impact of the change in dividends payable and accrued interest on liabilities or debts (in financing)	(83)
Impact of change in other liabilities (long-term portion)	(4,928)
Change in trade and other payables on the statement of cash flows	**54,970**

4.10.5 LIQUIDITY RISK

Risk related to supplier and subcontractor dependence

Group purchases made with the largest supplier, the top 5 suppliers and the top 10 suppliers over the past 2 fiscal years:

	2018	**2017**
Top supplier	11%	8%
Top 5 suppliers	36%	32%
Top 10 suppliers	49%	47%

Liquidity risk

In the year ended December 31, 2018, the Group used confirmed credit facilities totaling €1,004.5 million. Given the Group’s net debt to shareholders’ equity ratio (30%) as of December 31, 2018 and its cash flow, the ability to draw down these lines is not likely to be put at risk due to a breach of covenants.

(in millions of euros)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Repayment schedule	253	1,041	49

At the same time, the Group has €756 million in immediately available cash on the assets side of its balance sheet.

The remaining contractual maturities of the Group's financial liabilities break down as follows (including interest payments):

Financial liabilities *(in thousands of euros)*	**Book value**	**Contractual cash flows**	**Less than 1 month**	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Borrowings and financial debt	1,107,997	1,127,571				1,068,288	59,283	1,127,571
Deposit/consignment	113,001	113,001	25	128	922	73,872	38,054	113,001
Other non-current liabilities	2,364	2,365				2,365		2,365
Borrowings and bank overdrafts	341,602	357,551	125,374	11,957	220,220			357,551
Trade and other payables	526,849	526,849	347,112	118,113	44,347	16,583	694	526,849
Other current liabilities	19,630	19,630	1,349	1,266	16,781	223	11	19,630
TOTAL	**2,111,443**	**2,146,967**	**473,860**	**131,464**	**282,270**	**1,161,331**	**98,042**	**2,146,967**

The difference between contractual cash flows and the book values of financial liabilities mainly corresponds to future interest.

4.11 OTHER PROVISIONS (EXCLUDING EMPLOYEE BENEFITS)

Accounting policies

Provisions are recognized when the Group has a current (legal or implicit) obligation to a third party resulting from a past event, when it is likely that an outflow of resources representing economic benefits will be necessary to settle the obligation, and when the amount of the obligation can be reliably estimated.

Dismantling and clean-up

Provisions are made for future site rehabilitation expenditures (dismantling and clean-up), arising from a current legal or implicit obligation, based on a reasonable estimate of their fair value during the fiscal year in which the obligation arises. The counterpart of this provision is included in the net book value of the underlying asset and is depreciated according to the asset's useful life. Subsequent adjustments to the provision following, in particular, a revision of the outflow of resources or the discount rate are symmetrically deducted from or added to the cost of the underlying asset. The impact of accretion (the passage of time) on the provision for site rehabilitation is measured by applying a risk-free interest rate to the provision. Accretion is recorded under "Other financial income and expenses."

Litigation and claims

Provisions for litigation and claims are recognized when the Group has an obligation relating to legal action, tax audits, vexatious litigation or other claims resulting from past events that are still pending, when it is likely that an outflow of resources representing economic benefits will be necessary to settle the obligation, and when the amount of the obligation can be reliably estimated. The Group takes advice from its counsel and lawyers in order to asses the likelihood of the occurrence of risks and to estimate provisions for litigation and claims by including the probabilities of the various scenarios envisaged taking place.

Restructuring

In the case of restructuring, an obligation is established once the reorganization and a detailed plan for its execution have been announced, or started.

If the impact of time value is significant, provisions are discounted to present value.

Non-current *(in thousands of euros)*	**12/31/2018**	**12/31/2017**
Provisions for contingencies and expenses	37,497	46,828
Provisions for clean-up and asset renovation	36,169	36,104
TOTAL	**73,666**	**82,932**

Provisions for contingencies and expenses include:

- a provision relating to the Rubis Group's obligation to bring some of the assets obtained from its acquisitions under its own banner, recorded as of December 31, 2018 in the amount of €8 million;
- provisions relating to risks or disputes that could potentially lead to action being taken against the Rubis Group.

Provisions for the replacement of fixed assets are compliant with IAS 16. The Group has estimated its clean-up and dismantling costs largely based on the findings of outside consultants. In compliance with IAS 16, the present value of these expenses was incorporated into the cost of the corresponding facilities.

(in thousands of euros)	**12/31/2017**	**Changes in consolidation**	**Allowances**	**Reversals(1)**	**Reclassifications**	**Translation adjustments**	**12/31/2018**
Provisions for contingencies and expenses	46,828	(1,733)	7,128	(16,367)	1,514	128	37,497
Provisions for clean-up and asset renovation	36,104	5,608	1,312	(5,322)		(1,533)	36,169
TOTAL	**82,932**	**3,875**	**8,440**	**(21,689)**	**1,514**	**(1,405)**	**73,666**

(1) Of which €14 million reversed and unused.

The main changes in scope are as follows:

- the adjustment of the fair value of the assets acquired and liabilities assumed in Haiti (takeover in May 2017) in the amount of €5.6 million;
- the fair value of the liabilities assumed on the full consolidation of Sigalnor in the negative amount of €1.7 million.

Change in provisions for contingencies and expenses mainly reflects:

- expenses incurred in customizing the assets;
- the Group's obligations in terms of collecting energy savings certificates;
- the Group's cleanup and remediation obligations;
- refinery shutdown and maintenance obligations;
- payments in legal disputes between the Group and third parties;
- the Group's assessment of the risks for which it could be held liable.

4.12 EMPLOYEE BENEFITS

Accounting policies

The Group's employees are entitled to:

- defined-contribution pension plans applicable under general law in the relevant countries;
- supplementary pension benefits and retirement allowances (French, Swiss, Turkish and Bermudan companies and entities located in Barbados, Guyana and the Bahamas and certain Malagasy entities recently acquired);
- a closed supplementary pension plan (FSCI pension funds, Channel Islands);
- post-employment health plans (Bermudan and South African companies).

The Group's only obligations under defined-contribution plans are premium payments; the expense corresponding to premium payments is recorded in the results for the year.

Under defined-benefit plans, pension commitments and related obligations are valued according to the actuarial projected unit credit method based on final salary. The calculations include actuarial assumptions, mainly pertaining to mortality, personnel turnover rates, final salary forecasts and the discount rate. These assumptions take into account the economic conditions of each country or each Group entity. The rate is determined in relation to high-quality corporate bonds in the region in question.

These measurements are performed twice a year.

Actuarial gains and losses on defined-benefit post-employment benefit plans resulting from changing actuarial assumptions or experience-related adjustments (differences between previous actuarial assumptions and actual recorded staffing events) are recognized in full under other comprehensive income for the period in which they are incurred. The same applies to any adjustments resulting from the limiting of hedging assets in the case of over-financed plans. These items are never subsequently recycled into profit and loss.

In accordance with the IFRIC 14 interpretation, net assets resulting from over-financing of the FSCI's defined-benefit pension plans are not recognized in the Group's accounts, as the Group does not have an unconditional right to receive this surplus.

The employees of Vitogaz France, Rubis Énergie, Frangaz, ViTO Corse, Rubis Antilles Guyane, SARA, SRPP, Rubis Energy Bermuda, Vitogaz Switzerland and Rubis Terminal Petrol are also entitled to seniority bonuses related to the awarding of long-service medals, which fall into the category of long-term benefits, as defined in IAS 19. The amount of the bonuses likely to be awarded has been valued via the method used to value post-employment defined-benefit plans, except for actuarial gains and losses recognized in the income statement for the period during which they are incurred.

Employees of SARA are entitled to progressive pre-retirement plans, early retirement, and retirement leave. The total amount of the commitments corresponding to pre-retirement allowances and early retirement has been assessed using the method described above.

The employee benefits granted by the Group are broken down by type in the table below.

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Provision for pensions	33,754	33,893
Provision for health and mutual insurance coverage	9,371	9,562
Provision for long-service awards	2,448	2,302
TOTAL	**45,573**	**45,757**

The change in provisions for employee benefits breaks down as follows:

(in thousands of euros)	**2018**	**2017**
Provisions as of January 1	**45,757**	**47,702**
Newly consolidated/de-consolidated companies	329	943
Interest expense for the period	999	1,844
Service cost for the period	5,301	5,359
Expected return on fund assets for the period	(8)	(1,760)
Benefits paid for the period	(4,855)	(7,055)
Actuarial losses/(gains) and limitation of assets	(2,445)	139
Translation differences	495	(1,415)
Provisions as of December 31	**45,573**	**45,757**

Post-employment benefits

Post-employment benefits as of December 31, 2017 and 2018 were assessed by an independent actuary, using the following assumptions:

Assumptions (within a range depending on the entity)	**2018**	**2017**
Discount rate	0 to 16.30%	0 to 15.90%
Rate of inflation	0 to 12%	0 to 8.90%
Rate of wage increases	0 to 13.5%	0 to 15%
Age at voluntary retirement	60 to 66 years old	60 to 66 years old

Actuarial differences are offset against shareholders' equity.

The discount rates used were determined by reference to the yields on high-quality corporate bonds (minimum rating of AA) with terms equivalent to those of the commitments on the date of assessment.

The calculation of the sensitivity of the provision for commitments to a change of one-quarter of a percentage point in the discount rate shows that the total obligation and the components of earnings would not be significantly affected, in view of the total sum recognized in the Group's accounts under employee benefits.

Sensitivity assumptions *(in thousands of euros)*	**Provision for commitments**
Measurement of the provision as of 12/31/2018	45,573
Measurement of the provision - assuming discount rate cut by 0.25%	47,224
Measurement of the provision - assuming discount rate raised by 0.25%	44,406

Detail of commitments

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Actuarial liabilities for commitments not covered by assets	37,721	38,148
Actuarial liabilities for commitments covered by assets	28,120	31,011
Market value of hedging assets	(28,120)	(31,011)
Deficit	37,721	**38,148**
Limitation of assets (overfunded plans)	5,404	5,308
Provision recognized as of December 31	**43,125**	**43,456**

Change in actuarial liabilities

(in thousands of euros)	**2018**	**2017**
Actuarial liabilities as of January 1	**69,159**	**78,790**
Service cost for the period	5,290	4,997
Interest expense for the period	1,631	1,827
Benefits paid for the period	(7,601)	(13,566)
Actuarial losses/(gains) and limitation of assets	(3,386)	355
Newly consolidated companies and change in percentage of interest*	288	779
Translation adjustments	460	(4,023)
Actuarial liabilities as of December 31	**65,841**	**69,159**

** Mainly comprising the actuarial debt of Sigloi (newly consolidated) and Sigalnor (additional interest)*

CHANGE IN HEDGING ASSET

(in thousands of euros)	**2018**	**2017**
Hedging assets as of January 1	**31,011**	**37,739**
Newly consolidated		
Translation differences	365	(2,652)
Expected return on fund assets	(360)	2,650
Benefits paid	(2,896)	(6,725)
Hedging assets as of December 31	**28,120**	**31,011**
Limitation of assets	(5,404)	(5,308)
Assets recognized as of December 31	**22,716**	**25,703**

Hedging assets are detailed below:

Breakdown of hedging assets	**12/31/2018**
Equity	21%
Bonds	32%
Assets backed by insurance policies	47%
Total	**100%**

Geographic breakdown of employee benefits

(in thousands of euros)	**Europe**	**Caribbean**	**Africa**
Actuarial assumptions	0 to 12.30%	0.85% to 4%	9.09% to 15.9%
Provision for pensions and health insurance coverage	8,074	32,909	2,142
Provision for long-service awards	780	1,357	311

5 NOTES TO THE INCOME STATEMENT

Accounting policies

The Group uses gross operating profit (Ebitda) as a performance indicator. Gross operating profit corresponds to net revenue minus:

- purchases consumed;
- external expenses;
- payroll expenses;
- taxes.

The Group uses current operating income (Ebit) as its main performance indicator. Current operating income corresponds to gross operating profit after:

- other operating income;
- net depreciation and provisions;
- other operating income and expenses.

To better present the operating performance in the business lines, the equity associates' net income is shown on a specific line in operating income.

5.1 SALES REVENUE

Accounting policies

Revenue from the Group's activities is recognized:

- for income arising from storage activities, (Rubis Terminal) spread over the term of the service contract;
- for income arising from trading and distribution activities (Rubis Énergie), upon delivery. For the bitumen activity, sales revenue is mainly recognized at the bulk tank outlet;
- for income earned by the support and services activities (Rubis Support and Services), recognition is upon delivery and according to the term of the service contract. Transport services associated with the supply of bitumen are mainly invoiced at the bulk tank outlet. As regards SARA, revenue from the sale of petroleum products is recognized at the bulk tank outlet when the product leaves the refinery or the other depots. Revenue from electricity sales is recognized at the end of the month on the basis of meter readings. In the case of administered margins, revenue is restated by recognizing accrued income, if applicable, or deferred income, in order to take into account the substance of the operations.

Operations carried out on behalf of third parties are excluded from revenue and purchases in line with industry practices.

Revenue is detailed in the table below by business segment and geographic zone of the consolidated companies.

12/31/2017 *(in thousands of euros)*	Rubis Terminal	Rubis Énergie	Rubis Support and Services	Parent company	Total
Region					
Europe	355,047	653,426		37	1,008,510
Caribbean		1,779,964	1,046,588		2,826,552
Africa		903,005	15,657		918,662
TOTAL	**355,047**	**3,336,395**	**1,062,245**	**37**	**4,753,724**
Products and services					
Petroleum products, LPG and bitumen		3,336,395			3,336,395
Refining			624,161		624,161
Trading, supply, transport and services	209,212		438,084		647,296
Storage	145,835				145,835
Other				37	37
TOTAL	**355,047**	**3,336,395**	**1,062,245**	**37**	**4,753,724**

12/31/2017 *(in thousands of euros)*	Rubis Terminal	Rubis Énergie	Rubis Support and Services	Parent company	Total
Region					
Europe	328,922	555,467		55	884,444
Caribbean		1,471,586	886,018		2,357,604
Africa		681,550	9,054		690,604
TOTAL	**328,922**	**2,708,603**	**895,072**	**55**	**3,932,652**
Products and services					
Petroleum products, LPG and bitumen		2,708,603			2,708,603
Refining			524,499		524,499
Trading, supply, transport and services	155,552		370,573		526,125
Storage	173,370				173,370
Other				55	55
TOTAL	**328,922**	**2,708,603**	**895,072**	**55**	**3,932,652**

	12/31/2018		**12/31/2017**	
(in thousands of euros)	**Amount**	**%**	**Amount**	**%**
Sales of merchandise	**3,400,080**	**100%**	**2,693,851**	**100%**
Rubis Terminal	208,532	6.1%	154,899	5.8%
Rubis Énergie Europe	309,862	9.1%	235,368	8.7%
Rubis Énergie Caribbean	1,747,651	51.4%	1,441,981	53.5%
Rubis Énergie Africa	725,354	21.3%	523,297	19.4%
Rubis Support and Services Caribbean	408,681	12.0%	338,306	12.6%
Parent company				
Revenue from manufacturing of goods and services	**1,353,644**	**100%**	**1,238,801**	**100%**
Rubis Terminal	146,515	10.8%	174,023	14.0%
Rubis Énergie Europe	343,564	25.4%	320,099	25.8%
Rubis Énergie Caribbean	32,313	2.4%	29,605	2.4%
Rubis Énergie Africa	177,651	13.1%	158,253	12.8%
Rubis Support and Services Caribbean	637,908	47.1%	547,712	44.2%
Rubis Support and Services Africa	15,656	1.2%	9,054	0.7%
Parent company	37	0.0%	55	0.0%
TOTAL	**4,753,724**		**3,932,652**	

5.2 PURCHASES CONSUMED

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Purchase of raw materials supplies and other materials	323,577	295,295
Change in inventories of raw materials, supplies and other materials	(25,864)	(4,575)
Goods-in-process inventory	(11,035)	(16,697)
Other purchases	21,165	19,073
Merchandise purchases	3,179,811	2,399,331
Change in merchandise inventories	(32,921)	991
Provisions net of reversals of impairment for raw materials and merchandise	8,041	2,402
TOTAL	**3,462,774**	**2,695,820**

5.3 PERSONNEL COSTS

The Group's personnel costs break down as follows:

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Salaries and wages	143,511	131,025
Management compensation	2,314	3,281
Social security contributions	59,485	59,186
TOTAL	**205,310**	**193,492**

The Group's average headcount breaks down as follows:

Average headcount of fully consolidated companies by category	**12/31/2018**
Executives	577
Employees and workers	2,176
Supervisors and technicians	755
TOTAL	**3,508**

Average headcount of fully consolidated companies	**12/31/2017**	**New hires***	**Departures**	**12/31/2018**
TOTAL	**3,411**	**787**	**(690)**	**3,508**

** Of which 23 in respect of the consolidation of SIGLOI (Réunion)*

Share of average headcount of proportionately consolidated companies	**12/31/2018**
TOTAL	**13**

5.4 EXTERNAL EXPENSES

Accounting policies

Operating leases: leases that do not have the characteristics of a finance lease are operating leases, for which only the rental payments are recorded in the income statement.

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Leases and rental expenses	27,410	24,433
Compensation of intermediaries and professional fees	23,067	23,651
Other external services	396,567	398,393
TOTAL	**447,044**	**446,477**

5.5 NET DEPRECIATION AND PROVISIONS

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Intangible assets	2,745	2,489
Property, plant and equipment	125,049	123,325
Current assets	(3,116)	(1,203)
Operating contingencies and expenses	(13,057)	1,809
TOTAL	**111,621**	**126,420**

5.6 OTHER OPERATING INCOME AND EXPENSES

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Operating subsidies	57	76
Other miscellaneous income	11,845	4,692
Other operating income	**11,902**	**4,768**
Other miscellaneous expenses	13,372	8,374
Other operating expenses	**13,372**	**8,374**
TOTAL	**(1,470)**	**(3,606)**

5.7 OTHER OPERATING INCOME AND EXPENSES

Accounting policies

The Group sets aside operating income and expenses which are unusual, infrequent or, generally speaking, non-recurring, and which could impair the readability of the Group's operational performance.

Other operating income and expenses include the impact of the following on profit and loss:

- acquisitions and disposals of companies (negative goodwill, strategic acquisition costs, capital gains or losses, etc.);
- capital gains or losses or scrapped property, plant and equipment or intangible assets;
- other unusual and non-recurrent income and expenses;
- significant provisions and impairment of tangible or intangible assets.

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Income from disposal of tangible and intangible assets	(2,651)	(1,353)
Strategic acquisition expenses	(1,071)	(4,037)
Other expenses, income and provisions	24	
Impact of business combinations and disposals	(18,999)	7,575
TOTAL	**(22,697)**	**2,185**

The impacts of business combinations and disposals mainly correspond to:

- the gain of €1.6 million recognized on the takeover of Sigalnor (see note 3.2.1);
- the costs related to the disposal of activities in Iran in the amount of €19.6 million; this corresponds to the capital loss on the sale of the assets and the impairment of receivables held by a partner affected by the termination of the Group's projects in Iran (see note 3.2.2).

5.8 COST OF NET FINANCIAL DEBT

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Income from cash and cash equivalents	2,522	4,125
Net proceeds from disposal of marketable securities	(860)	2,101
Interest on borrowings and other financial debt	(22,316)	(20,557)
TOTAL	**(20,654)**	**(14,331)**

5.9 OTHER FINANCIAL INCOME AND EXPENSES

Accounting policies

Transactions denominated in foreign currencies are converted by the subsidiary into its operating currency at the rate applicable on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect at the closing date of each accounting period. The corresponding foreign exchange differences are recorded in the income statement under “Other financial income and expenses”.

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Foreign exchange losses	(24,098)	(14,223)
Foreign exchange gains	15,017	18,389
Other financial income and expenses	274	(1,016)
TOTAL	**(8,807)**	**3,150**

5.10 INCOME TAX

5.10.1 INCOME TAX ON FRENCH TAX GROUP COMPANIES

Current income tax expense

Current income tax expense corresponds to the amount of income tax payable to the tax authorities for the fiscal period, in accordance with applicable regulations and tax rates in effect in France.

The base tax rate in France is 33.33%.

The Social Security Finance Act No. 99-1140 of December 29, 1999 established an additional tax of 3.3% of the base tax payable; the legal tax rate for French companies was thus increased by 1.1%. As a result, income from the French tax consolidation group is taxed at a rate of 34.43%.

Deferred tax assets and liabilities

Deferred income tax expense is determined using the method described in note 4.6.

The 2018 Finance Act contains a gradual reduction in the rate of income tax to 25.83% in 2022 for all companies.

This reduction will be made in successive steps depending on revenue. The Group will take full advantage of this measure starting in 2022.

IFRS require that deferred taxes be measured using the tax rate in effect at the time of their probable use. This measurement will be updated at each balance sheet date. The impact on the 2018 result is not material.

5.10.2 Reconciliation between theoretical income tax applicable in France and actual income tax expense

12/31/2018 *(in thousands of euros)*	**Income**	**Tax**	**Rate**
INCOME AT THE NORMAL RATE	**338,748**	**(116,631)**	**34.43%**
Geographic impact		54,812	-16.2%
Distribution tax (share of cost and expenses, withholding tax)		(7,547)	2.2%
Special 3% tax on dividends			0.0%
Repayment of special 3% tax on dividends		34	0.0%
Additional contribution in France			0.0%
Permanent differences		(1,930)	0.6%
Tax adjustments and risks		(475)	0.1%
Impact of operations taxed at a reduced rate		(666)	0.2%
Effect of changes in rate		465	-0.1%
Other		(840)	0.2%
INCOME BEFORE TAX AND SHARE OF NET INCOME FROM JOINT VENTURES	**338,748**	**(72,779)**	**21.5%**
Share of net income from joint ventures	4,811		
INCOME BEFORE TAX	**343,559**	**(72,779)**	**21.2%**

5.11 Earnings per share

Accounting policies

Basic earnings per share is calculated by dividing net income, Group share by the weighted average number of shares outstanding during the fiscal year.

The weighted average number of shares outstanding is calculated based on any changes in share capital during the period, multiplied by a weighting factor depending on the time, and adjusted, where applicable, to take into account the Group's treasury share holdings.

Diluted net earnings per share is calculated by dividing net income, Group share by the weighted average number of ordinary shares outstanding, increased by the maximal amount of impact from the conversion of all dilutive instruments.

In both cases, the shares included in the calculation of the weighted average number of shares outstanding during the fiscal year are those that provide unlimited entitlement to earnings.

The table below presents the income and shares used to calculate basic earnings and diluted earnings per share.

Earnings per share *(in thousands of euros)*	**12/31/2018**	**12/31/2017**
Consolidated net income, Group share	254,070	265,583
Impact of stock options on income		
Consolidated net income after recognition of the impact of stock options on income	254,070	265,583
Number of shares at the beginning of the period	93,867,110	45,454,888
Two-for-one split of the par value of the share		45,454,888
Company savings plan	71,433	111,155
Equity line	997,397	
Preferential subscription rights	12,456	308,087
Dividend in shares	789,397	1,151,516
Preferred shares		443
Bonus shares	1,046,261	942,636
Average number of stock options		116,288
Average number of shares (including stock options)	96,784,054	93,539,902
DILUTED EARNINGS PER SHARE *(in euros)*	**2.63**	**2.84**
UNDILUTED EARNINGS PER SHARE *(in euros)*	**2.65**	**2.87**

5.12 DIVIDENDS

5.12.1 DIVIDENDS DECLARED

Rubis has always pursued an active dividend payment policy for its shareholders, as illustrated by the dividend payout ratio over the past 5 years, which has represented an average of 60% of net income, Group share.

Date of distribution	**Fiscal year concerned**	**Number of shares concerned**	**Net dividend distributed** *(in euros)*	**Total net amount paid out** *(in euros)*
OGM 06/12/2008	2007	9,931,546	2.45	24,332,287
O&EGM 06/10/2009	2008	10,295,269	2.65	27,282,463
OGM 06/10/2010	2009	11,042,591	2.85	31,471,384
O&EGM 06/09/2011	2010	14,534,985	3.05	44,331,704
O&EGM 06/07/2012	2011	30,431,861	1.67	50,821,208
O&EGM 06/07/2013	2012	33,326,488	1.84	61,320,738
O&EGM 06/05/2014	2013	37,516,780	1.95	73,157,721
O&EGM 06/05/2015	2014	38,889,996	2.05	79,724,492
O&EGM 06/09/2016	2015	43,324,068	2.42	104,844,245
O&EGM 06/08/2017	2016	45,605,599	2.68	122,223,005
OGM 06/07/2018	2017	95,050,942*	1.50	142,574,358

** of which 2,740 preferred shares eligible for only 50% of the net dividend paid out (i.e. €0.75 in respect of 2017)*

Note that 2-way share splits were performed in both 2011 and 2017.

5.12.2 DIVIDEND PER BY-LAWS

General Partners' dividends are governed by Article 56 of the by-laws. For each fiscal period, the General Partners receive a dividend, which is calculated according to the overall stock market performance of Rubis stock. This dividend is capped at a percentage of net income, Group share for the year.

In respect of 2018, the dividend amount is nil (€26,690 thousand allocated for 2017).

6 SUMMARY SEGMENT INFORMATION

Accounting policies

In accordance with IFRS 8, operating segments are those examined by the Group's main operational decision-makers (the Managers). This segment analysis is based on internal organizational systems and the Group's management structure.

Apart from the Rubis holding company, the Group is managed in 3 main divisions:

- Rubis Terminal, comprising the bulk liquid products storage businesses;
- Rubis Énergie, comprising petroleum products distribution businesses;
- Rubis Support and Services, which houses all infrastructure, transportation, supply and services activities, supporting the development of downstream distribution and marketing activities.

Furthermore, the Group has defined 3 geographic segments:

- Europe;
- Africa;
- the Caribbean.

6.1 INFORMATION BY BUSINESS SEGMENT

6.1.1 ELEMENTS IN THE INCOME STATEMENT PER BUSINESS SEGMENT

The following table presents, for each business segment, information on income from ordinary business activities and the results for 2018 and 2017. Each column in the table below contains figures specific to each segment as an independent entity; the "Intra-group" column groups together transactions and accounts between the different segments, which have been eliminated.

12/31/2018 *(in thousands of euros)*	**Rubis Terminal**	**Rubis Énergie**	**Rubis Support and Services**	**Parent company**	**Intra-group eliminations**	**Total**
Sales revenue	**355,047**	**3,336,395**	**1,062,245**	**37**		4,753,724
Intersegment sales revenue	78	201		5,050	(5,329)	
Sales revenue	355,125	3,336 596	1,062,245	5,087	**(5,329)**	**4,753,724**
EBITDA	**78,124**	**332,781**	**106,468**	**(17,024)**		**500,349**
Ebit	**46,170**	**274,923**	**87,563**	**(17,750)**		**390,906**
Share of net income from joint ventures	4,811					4,811
Operating income after profit/loss from joint ventures	**49,982**	**257,776**	**83,042**	**(17,780)**		**373,020**
Cost of net financial debt	(3,473)	(18,188)	43	512	452	(20,654)
Income tax expense	(13,513)	(56,940)	(14,059)	11,733		(72,779)
Net income	**33,394**	**176,869**	**65,809**	**(5,292)**		**270,780**

12/31/2017 *(in thousands of euros)*	**Rubis Terminal**	**Rubis Énergie**	**Rubis Support and Services**	**Parent company**	**Intra-group eliminations**	**Total**
Sales revenue	**328,922**	**2,708,603**	**895,072**	**55**		**3,932,652**
Intersegment sales revenue	73	165		4,898	(5,136)	
Sales revenue	328,995	2,708,768	895,072	4,953	(5,136)	3,932,652
EBITDA	**102,421**	**313,519**	**98,684**	**(18,563)**		**496,061**
Ebit	**69,389**	**253,711**	**63,741**	**(18,830)**		**368,011**
Share of net income from joint ventures	3,260					3,260
Operating income after profit/loss from joint ventures	**78,249**	**249,977**	**64,060**	**(18,830)**		**373,456**
Cost of net financial debt	(3,266)	(13,977)	179	2,201	532	(14,331)
Income tax expense	(20,024)	(50,218)	(11,986)	2,791		(79,437)
Net income	**55,239**	**187,650**	**53,254**	**(13,305)**		**282,838**

6.1.2 BALANCE SHEET ITEMS BY BUSINESS SEGMENT

12/31/2018 *(in thousands of euros)*	Rubis Terminal	Rubis Énergie	Rubis Support and Services	Parent company	Eliminations	Total
Fixed assets	672,047	1,832,368	239,413	26,378	(304)	2,769,902
Equity interests	24	409,994		987,535	(1,318,849)	78,704
Investments in joint ventures	48,334					48,334
Deferred tax assets	202	2,356	5,522			8,080
Segment assets	162,015	984,696	420,274	749,786	(569,963)	1,746,808
Total assets	**882,622**	**3,229,414**	**665,209**	**1,763,699**	**(1,889,116)**	**4,651,828**
Consolidated shareholders' equity	424,818	1,179,927	347,207	1,715,809	(1,333,744)	2,334,017
Financial debt	272,799	1,120,245	55,248	1,615	(308)	1,449,599
Deferred tax liabilities	21,571	15,320	800	34,700		72,391
Segment liabilities	163,434	913,922	261,954	11,575	(555,064)	795,821
Total liabilities	**882,622**	**3,229,414**	**665,209**	**1,763,699**	**(1,889,116)**	**4,651,828**
Borrowings and financial debt	272,799	1,120,245	55,248	1,615	(308)	1,449,599
Cash and cash equivalents	43,593	335,292	32,296	344,788		755,969
Net financial debt	**229,206**	**784,953**	**22,952**	**(343,173)**	**(308)**	**693,630**
Capital expenditure	**54,500**	**116,388**	**59,153**	**2,733**		**232,774**

12/31/2017 *(in thousands of euros)*	Rubis Terminal	Rubis Énergie	Rubis Support and Services	Parent company	Eliminations	Total
Fixed assets	640,842	1,819,989	154,030	23,991	(305)	2,638,547
Equity interests	6,191	282,956		987,535	(1,248,178)	28,504
Investments in joint ventures	37,747					37,747
Deferred tax assets	103	2,155	4,771			7,029
Segment assets	159,274	805,501	399,334	598,660	(262,399)	1,700,370
Total assets	**844,157**	**2,910,601**	**558,135**	**1,610,186**	**(1,510,882)**	**4,412,197**
Consolidated shareholders' equity	411,134	1,058,727	305,556	1,563,067	(1,260,054)	2,078,430
Financial debt	299,126	1,181,882	29,599	1,631	(308)	1,511,930
Deferred tax liabilities	21,681	14,224	692	34,341		70,938
Segment liabilities	112,216	655,768	222,288	11,147	(250,520)	750,899
Total liabilities	**844,157**	**2,910,601**	**558,135**	**1,610,186**	**(1,510,882)**	**4,412,197**
Borrowings and financial debt	299,126	1,181,882	29,599	1,631	(308)	1,511,930
Cash and cash equivalents	41,302	308,983	93,723	381,294		825,302
Net financial debt	**257,824**	**872,899**	**(64,124)**	**(379,663)**	**(308)**	**686,628**
Capital expenditure	**48,442**	**114,140**	**20,475**	**22,660**		**205,717**

6.2 BREAKDOWN BY REGION (AFTER ELIMINATION OF INTERSEGMENT TRANSACTIONS)

12/31/2018 *(in thousands of euros)*	**Europe**	**Caribbean**	**Africa**	**Total**
Sales revenue	1,008,510	2,826,552	918,662	4,753,724
EBITDA	153,480	208,632	138,237	500,349
Ebit	95,316	174,052	121,538	390,906
Operating income after profit/loss from joint ventures	83,599	167,583	121,838	373,020
Capital expenditure	100,518	102,183	30,073	232,774

12/31/2017 *(in thousands of euros)*	**Europe**	**Caribbean**	**Africa**	**Total**
Sales revenue	884,444	2,357,604	690,604	3,932,652
EBITDA	169,723	206,551	119,787	496,061
Ebit	111,780	151,693	104,538	368,011
Operating income after profit/loss from joint ventures	116,560	151,995	104,901	373,456
Capital expenditure	121,185	60,306	24,226	205,717

12/31/2018 *(in thousands of euros)*	**Europe**	**Caribbean**	**Africa**	**Total**
Fixed assets	1,419,558	927,038	423,305	2,769,901
Equity interests	75,764	2,939	2	78,705
Investments in joint ventures	48,334			48,334
Deferred tax assets	710	7,038	332	8,080
Segment assets	694,518	751,244	301,046	1,746,808
Total assets	2,238,884	1,688,259	724,685	4,651,828

12/31/2017 *(in thousands of euros)*	**Europe**	**Caribbean**	**Africa**	**Total**
Fixed assets	1,338,770	875,957	423,819	2,638,546
Equity interests	25,566	2,939		28,505
Investments in joint ventures	37,747			37,747
Deferred tax assets	1,127	5,567	335	7,029
Segment assets	732,157	702,757	265,456	1,700,370
Total assets	**2,135,367**	**1,587,220**	**689,610**	**4,412,197**

7 NON-CONTROLLING INTERESTS

The primary non-controlling interests are calculated for the following entities or sub-groups:

SARA

Since June 1, 2015, the Group has consolidated the 71%-owned SARA using the full consolidation method; the 29% non-controlling interests are held by Sol Petroleum Antilles SAS.

Easigas entities

The Group has consolidated the Easigas entities using the full consolidation method, with a Group ownership rate of 60% until June 30, 2018 and then 55% for the second half (see note 3).

Entities of the Rubis Terminal division

Certain entities of the Rubis Terminal division are less than 100% owned (see the consolidation scope in note 3.1)

Galana group

Some entities of the Galana group in Madagascar are 80% and 90% owned.

7.1 CONDENSED FINANCIAL INFORMATION – SUBSIDIARY WITH NON-CONTROLLING INTERESTS: SARA

The amounts presented below are before the elimination of intercompany transactions and accounts:

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Fixed assets	134,256	126,667
Net financial debt (cash and cash equivalents – liabilities)	(14,125)	50,340
Current liabilities (including loans due in less than 1 year and short-term bank borrowings)	157,959	112,806

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Net revenue	**884,551**	**741,150**
Net income	**19,938**	**18,388**
Group share	13,489	12,226
Share attributable to non-controlling interests	6,449	6,162
Other comprehensive income	**692**	**541**
Group share	491	384
Share attributable to non-controlling interests	201	157
Comprehensive income for the period	**20,630**	**18,929**
Group share	13,980	12,610
Share attributable to non-controlling interests	6,650	6,319
Dividends paid to non-controlling interests	6,428	6,061
Cash flows related to operations	(13,336)	40,575
Cash flows related to investing activities	(28,459)	(18,243)
Cash flows related to financing activities	2,979	(40,397)
Change in cash and cash equivalents	**(38,816)**	**(18,065)**

7.2 CONDENSED FINANCIAL INFORMATION – SUBSIDIARY WITH NON-CONTROLLING INTERESTS: EASIGAS SA AND ITS SUBSIDIARIES

The amounts presented below are before the elimination of intercompany transactions and accounts:

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Fixed assets	57,114	58,948
Net financial debt (cash and cash equivalents – liabilities)	1,931	192
Current liabilities (including loans due in less than 1 year and short-term bank borrowings)	13,768	12,875

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Net revenue	**133,681**	**125,253**
Net income	**11,800**	**10,815**
Group share	6,568	6,226
Share attributable to non-controlling interests	5,232	4,589
Other comprehensive income		**78**
Group share		47
Share attributable to non-controlling interests		31
Comprehensive income for the period	**11,800**	**10,893**
Group share	6,568	6,273
Share attributable to non-controlling interests	5,232	4,620
Dividends paid to non-controlling interests	3,909	4,444
Cash flows related to operations	15,008	15,512
Cash flows related to investing activities	(6,909)	(7,549)
Cash flows related to financing activities	(7,708)	(7,952)
Impact of exchange rate changes	(110)	(1,125)
Change in cash and cash equivalents	**281**	**(1,114)**

8 INTERESTS IN JOINT OPERATIONS

Group interests in joint operations refer only to Rubis Énergie. These entities are not material as of December 31, 2018.

9 INVESTMENTS IN JOINT VENTURES

Accounting policies

These investments, which are consolidated by the equity method, involve joint ventures and companies in which the Group has significant influence. They are initially recognized at acquisition cost, including any goodwill generated. Their net book value is then increased or decreased to recognize the Group share of the entity's profits or losses after the date of acquisition. Whenever losses are greater than the value of the Group's net investment in the equity method, these losses are not recognized unless the Group has entered into a commitment to recapitalize the entity or provide it with funding.

If there is an indication that an investment may be impaired, its recoverable value is tested as described in note 4.2. Impairment losses shown by these impairment tests are recognized as a deduction from the net book value of the corresponding investments.

The Group qualifies 2 partnerships (Rubis Terminal Antwerp and Zeller & Cie) as joint ventures within the meaning of IFRS. Zeller & Cie's contribution is not material for the Group.

Condensed Financial Information – ITC Rubis Terminal Antwerp Joint Venture

The figures below were prepared in accordance with IFRS at 100%.

Company statement of financial position *(in thousands of euros)*	**12/31/2018**	**12/31/2017**
Current assets	4,093	5,351
Non-current assets	228,590	222,134
TOTAL ASSETS	**232,683**	**227,485**
Current liabilities	132,123	137,690
Non-current liabilities	17,120	14,301
TOTAL LIABILITIES	**149,243**	**151,991**

Current liabilities mainly include current account financing by the 2 joint venturers.

The assets and liabilities of the joint venture specifically include the following:

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Cash and cash equivalents	665	1,077
Current financial liabilities (excl. trade payables and provisions)	6,200	2,500
Non-current financial liabilities (excl. trade payables and provisions)	16,100	14,300

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Net revenue	31,502	25,586
Net income	7,950	6,520
Other comprehensive income		
COMPREHENSIVE INCOME FOR THE PERIOD	7,950	6,520

Net income for the period given above includes the following items:

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Depreciation expense	(6,501)	(5,734)
Interest income and expense	(763)	(652)
Income tax	(3,790)	(1,338)

(in thousands of euros)	**12/31/2018**	**12/31/2017**
Net assets in the joint venture	83,440	75,494
Rubis percentage held in the joint venture	50%	50%
Goodwill		
Other adjustments		
NET CARRYING AMOUNT OF THE GROUP'S INTEREST IN THE JOINT VENTURE	**41,720**	**37,747**

The Group received no dividends in respect of the period from the ITC Rubis Terminal Antwerp joint venture.

10 OTHER INFORMATION

10.1 FINANCIAL COMMITMENTS

Commitments given and received

(in thousands of euros)	12/31/2018	12/31/2017
Liabilities secured	**159,958**	**122,668**
Commitments given	**407,741**	**289,310**
Guarantees and securities	246,740	289,310
Other commitments given	25,292	
Forward purchases of currencies	135,709	
Commitments received	**529,911**	**526,696**
Confirmed credit facilities	498,850	489,900
Guarantees and securities	31,061	36,796
Other		

The guarantees and securities given mainly concern:

- bank guarantees granted on loans obtained by the Group's subsidiaries;
- guarantees required by suppliers of petroleum products;
- guarantees given to customs authorities;
- environmental guarantees.

Guarantees and securities received largely concern guarantees obtained from customers located in the Caribbean zone and, to a lesser degree, customers of Vitogaz France.

As of December 31, 2018, the Group had interest rate hedging agreements (swaps) in the amount of €797 million on a total of €1,110.7 million in variable rate debt, representing 72% of that amount.

As part of its acquisition and disposal transactions concerning subsidiaries, the Group gives or receives guarantees on liabilities, with no specific duration or amount.

Pledged assets as of December 31, 2018

On financial assets *(in thousands of euros)*	Start date of pledge	Maturity date of pledge	Liabilities secured	Amount of assets pledged (a)	Asset item total in gross value (b)	% a/b
Name of shareholder registered (directly registered shares)						
Rubis Terminal(1)	04/01/2015	03/31/2021	45,625	45,072		
Total Rubis Terminal			**45,625**	**45,072**	**257,065**	**18%**
Total secured debt			**45,625**			

Subsidiaries whose assets are pledged	Number of shares pledged	% of share capital pledged	Beneficiary	Condition for exercise of pledge
(1) Rubis Terminal BV	328,000	100%	ABN AMRO	Repayment of the loan in full

The pledges of property, plant and equipment mentioned in note 4.10.1 correspond essentially to property held under finance leases, and are not included above.

The pledged assets represent less than 1% of Rubis' consolidated balance sheet as of December 31, 2018.

10.2 CONTRACTUAL AND TRADE COMMITMENTS

Contractual commitments as of 12/31/2018*(in thousands of euros)*	Total	Payments due by period Less than 1 year	From 1 to 5 years	More than 5 years
Credit institution loans	1,342,697	252,873	1,041,048	48,776
Finance lease commitments	4,457	1,470	2,897	90
Operating leases	283,536	33,919	79,148	170,469
Other long-term commitments	680	155	365	160
TOTAL	**1,631,370**	**288,417**	**1,123,458**	**219,495**

The review of operating leases was subject to particular attention as part of the preparatory work for the implementation of IFRS 16 on leases. The operating lease commitments appearing in this table are not representative of a lease obligation within the meaning of IFRS 16, mainly because of the effects of discounting, exclusions provided for by the standard and the variable nature of certain material rents.

Commercial commitments made or received by the Group are not significant.

10.3 TRANSACTIONS WITH RELATED PARTIES

Senior Managers' compensation

Management compensation is governed by Article 54 of the by-laws. It totaled €2,614 thousand for the fiscal year, including compensation due to the Management of the parent company (€2,304 thousand, for which the corresponding social security contributions are entirely borne by the Managers) and compensation due to management functions in the subsidiaries (i.e. €310 thousand gross).

The 10th resolution approved at the Annual Shareholders' and General Partners' Meetings on June 5, 2015 introduced variable compensation, the terms and conditions of which are described in chapter 6, section 6.5.1.2 of the 2018 Registration Document. Variable compensation recorded during 2018 was €11 thousand (adjustment for 2017).

Attendance fees paid to members of the parent company's Supervisory Board totaled €142 thousand in fiscal year 2018.

10.4 FEES PAID TO STATUTORY AUDITORS

Fees paid to the Statutory Auditors and members of their networks in respect of 2018 and 2017 break down as follows:

	MAZARS				MONNOT et ASSOCIES			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
(in thousands of euros)	2018	2017	2018	2017	2018	2017	2018	2017
Certification of financial statements								
Audit, certification and examination of the separate and consolidated financial statements:								
- Issuer	350	340	34%	27%	170	165	56%	51%
- Fully consolidated subsidiaries	606	818	59%	64%	133	160	44%	49%
Sub-total	**956**	**1 158**	**92%**	**91%**	**303**	**325**	**100%**	**100%**
Services other than the certification of financial statements								
- Issuer	60	41	6%	3%				
- Fully consolidated subsidiaries	18	77	2%	6%				
Sub-total	**78**	**118**	**8%**	**9%**				
TOTAL	**1,034**	**1,276**	**100%**	**100%**	**303**	**325**	**100%**	**100%**

Services other than certification of the financial statements correspond mainly to the issue of attestations (financial covenants, CSR, etc.)

11 POST-BALANCE SHEET EVENTS

ACQUISITION OF KENOLKOBIL PLC

In October 2018, the Group acquired 24.99% of KenolKobil Plc, Kenya's largest oil group, and announced its intention of launching a takeover bid on the remaining capital. The securities acquired in 2018 are included in "Other financial assets" as of December 31, 2018.

On January 10, 2019, following the approval received from the Financial Markets Authority of Kenya, the Group announced its offer to buy all KenolKobil Plc shares at a price of 23 Kenyan shillings per share.

The Board of Directors of KenolKobil Plc, after reviewing the report of an independent consultant, examined the Offer and recommended that its shareholders accept it.

The offer was successfully closed on February 18, 2019. Following the transaction, the Group holds 97.6% of issued capital, and is in a position to launch a compulsory buyout procedure for the remaining shares.

On the basis of the offer price of 23 Kenyan shillings per share on the entire capital, the total amount disbursed will be €312 million, financed entirely by drawdowns on existing lines of credit.